WTO and India’s Agricultural Trade Potential

Raghav Bansal\textsuperscript{a}, Nitesh Khandelwal\textsuperscript{b}, Surmya Maheshwari\textsuperscript{c}, Dr. Hari Prapan Sharma\textsuperscript{d}

\textsuperscript{a}Student of BA Economics (H) IIIrd Year, Institute of Business Management, GLA University, Mathura, India. 
\textsuperscript{b}Student of BA Economics (H) IIIrd Year, Institute of Business Management, GLA University, Mathura, India. 
\textsuperscript{c}Student of BA Economics (H) IIIrd Year, Institute of Business Management, GLA University, Mathura, India. 
\textsuperscript{d}Assistant Professor, Institute of Business Management, GLA University, Mathura, India. 
\textsuperscript{E-mail: hari.sharma@gla.ac.in}

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**Abstract:** India is an agrarian economy, which contributes about 15 percent of GDP and provides livelihood to more than 50 percent of the total population of the country. WTO has shown a momentous part in the expansion of the export market for developing and developed economy. Several measures are taken by WTO in order to reduce trade restrictions and trade barriers. In this study, we have been analyzed India’s agriculture trade, composition, direction and potential. The study is dependent on secondary data which is gathered from International Trade Centre, Department of Agriculture and Co-operation. Two-digits HS code products range from 01-24 were taken for the study. Few specific two and four-digit HS code products were taken to analyze the Revealed Comparative Advantage (RCA). Data were taken for the period 2001-2018. The export potential of India in international market was identified using reckoning of Balassa’s index of RCA. Study reveals that there has been a positive agricultural trade balance since 1990-91. In some agriculture commodities like coffee, oilseeds, tea and wheat India has a comparative advantage in export and India have both developed and developing countries such as UAE, USA, Saudi Arabia, Vietnam and Iran are exporting partner. In the last, study suggest that the government of India should focus more on producing agriculture products which has a country comparative advantage in trade like tea, oilseeds, coffee and wheat. Study suggests that EXIM bank should provide adequate credit to encourage agricultural export. The farming should be export-oriented to meet international standards.

**Keywords:** Revealed Comparative Advantage, HS Code, Agriculture Trade, Composition, Direction, Potential.

1. Introduction

India is an agrarian economy, which contributes about 15 percent in GDP. This number is not massive because the growth rate of other sectors has been remaining better in last two decades however its significance in the economy cannot be denied because. It provides livelihood to more than 50 percent of the total population of the country. Nearly 70 percent of the total population of the country depends on rural income as the majority poor population is found in rural areas. Agriculture is indisputably the largest livelihood provider in India. Agriculture has witnessed many revolutions over the time since independence; the revolutions are the Green revolution, a yellow revolution, a blue revolution, and a white revolution. David Ricardo, an English Economist of the 19th century, gave a concept with the name of it being Comparative Advantage Theory. He considered that the output of the world would increase more than the output they would generate individually once the principle of comparative advantage is implemented by countries for the determination of the goods and services they should get specialized in producing. He recommended that the countries should get specialized by allocating their limited resources to produce the goods and services for which they have a Comparative Cost Advantage.

WTO played a momentous role in the expansion of the export market for developing and developed economy. WTO study states that the developing countries would be protected from getting exploited in the international trade market. The study has given the ideology of WTO in promoting ideal trade. The idea of this study is to show how the trade potential of the country can increase for the agricultural commodities through
RCA. The study further reveals that it examines the requirement of growth of major agricultural commodities for exports.

The growth of the economy or the different sectors of the country depends on how the India agriculture performs (Tripathi and Prasad, 2009). Thus, for decreasing poverty through economic development, a living and growing agricultural sector is important (Ingco and Nash, 2004). The contribution of agrarian sector in Indian economy is constantly decreasing, but still contributes about 15 percent of GDP (2018-2019). A decline of agriculture GDP is the outcome of economic advancement (Byerlee et al., 2009). For becoming self-sufficient in the production of food grains, green revolution had played a very crucial role for India. The food grains have increased from 50.82 Million Tonnes (1950-51) to 277.49 Million Tonnes (2017-18) (Department of agriculture, GOI). Due to rise in domestic demand because of increase in population growth, India’s agriculture export declined however, India still has a large potential in exports. There were more fluctuations in the agricultural trade in India than the trade in other sectors (Panchamukhi, 1986).

World Trade Organization played a vital part in the expansion of the export market for developing and developed economy. Several measures are taken by WTO in order to reduce trade restrictions and trade barriers. After all contraction in trade restrictions, competition has increased. In this study, India’s agriculture trade, composition, direction and potential has been analyzed in post WTO period. There are also some suggestions on policy measures for agricultural trade development.

2. Research Methodology

The study is dependent on secondary data which is taken from International Trade Centre, Department of Agriculture and Co-operation; and Economic Survey. Two-digits HS code products range from 01-24 were taken for the study. Few specific two and four-digit HS code products were taken to analyze the Revealed Comparative Advantage (RCA). Data were taken for the period 2001-2018.

3. Analytical Analysis

The export potential of India in international market was identified using the calculations of Balassa’s index. In 1965, Balassa resulted an index which is used to assess a country’s Comparative Advantage called the Balassa’s Index. The index does not target to identify or determine the primary sources of comparative advantage but tries to classify whether a country has a “Revealed” Comparative Advantage (Utkulu & Seymen, 2004). Comparative Advantage of a country is “Revealed” if RCA > than unity. India is believed to have a Comparative Disadvantage if RCA value is less than unity. There is a possibility of agricultural trade among India and rest of the world if RCA > unity.

\[ R_{ih} = \frac{X_{ih}}{X_{it}} \cdot \frac{X_{wh}}{X_{wt}} \]

4. Balassa’s Revealed Comparative Advantage Index (RCA)

- \( R_{ih} \) - Balassa’s index of RCA
- \( X_{ih} \) - India export of commodity h
- \( X_{it} \) - Total export of India
- \( X_{wh} \) - World export of commodity h
- \( X_{wt} \) - Total world export

5. RCA Index

The concept of specialization includes heavy focus on one area activity and less focus on another area. RCA does not measure international competitiveness; it measures international specialization of a country in a particular sector. The potential of the country is not measured in absolute but it is measured in relative terms.

The country’s export potential has been measured through RCA. It shows the trade potential of the country by which the country extends the export product. RCA can give very helpful information regarding the prospects of potential trade with new partners. There are very less chances of having bilateral trade between the countries having alike RCA profiles until and unless there is an involvement in intra industry trade. The attention through
RCA measures can be given to other non-traditional goods that might be effectively exported. For commodity \( h \) the RCA index is calculated by share of commodity \( h \) of India export in respect to total share of commodity \( h \) in world export.

### Table 1. India’s Top Importer Countries

| HS Code | Products                          | Top Countries                          |
|---------|-----------------------------------|----------------------------------------|
| 01      | Live Animals                      | Nepal- $31,024 United Arab Emirates- $23,986 Bangladesh- $5638 |
| 02      | Meat                              | Vietnam- $3,723,988 Malaysia- $1,785,416 Indonesia- $365,123 |
| 03      | Fish etc.                         | USA- $2,003,438 Vietnam- $1,173,820 China- $565,842 |
| 04      | Dairy products etc.               | USA- $93,036 UAE- $43,154 Egypt- $44,770 |
| 05      | Products of animal origin         | Vietnam- $59,516 Myanmar- $29,609 China- $8,970 |
| 06      | Live trees                        | USA-$19,822 Netherlands-$11,532 United Kingdom-$6,905 |
| 07      | Edible vegetable etc.             | United Arab Emirates-$145,107 Sri Lanka-$100,086 Malaysia-$93,969 |
| 08      | Edible fruits; and nuts           | United Arab Emirates-$281,443 Netherlands-$207,358 Saudi Arab-$142,001 |
| 09      | Coffee and spices etc             | Vietnam-$334,093 USA-$315,439 Italy-$168,830 |
| 10      | Cereals                           | Iran- $1,200,515 Saudi Arab- $1,011,820 United Arab Emirates-$1,200,515 |
| 11      | Products of milling industry      | USA- $60,594 UAE- $33,657 Malaysia- $30,387 |
| 12      | Oil seeds, miscellaneous grains etc.| USA- $239,939 Indonesia- $215,678 Vietnam- $139,828 |
| 13      | Lac; gums; resins                 | USA- $499,036 China- $83,238 Germany- $48,389 |
| 14      | Vegetables plaiting materials     | Japan- $8,809 China- $7,670 Sri Lanka- $7,119 |
| 15      | Animal, vegetables oils           | China- $409,119 Netherlands- $141,488 USA- $116,137 |
| 16      | Preparation of meat. And other aquatic invertebrates | USA- $321,851 Canada- $30,456 Belgium- $10,287 |
| 17      | Sugar and sugar confectionery     | Sudan- $216,054 Myanmar- $130,646 Sri Lanka- $98,298 |
| 18      | Cocoa and cocoa preparations      | USA- $46,490 Turkey- $18,721 Indonesia- $17,679 |
| 19      | Preparations of cereals, flour etc.| USA- $88,791 Nepal- $50,334 Bangladesh- $40,581 |
| 20      | Preparation of vegetables, fruits etc. | USA- $111,082 Netherlands- $58,487 UK- $47,856 |
| 21      | Miscellaneous edible preparations | USA- $150,357 UAE- $48,793 Russia Federation- $47,063 |
| 22      | Beverages, spirits and vinegar    | UAE- $85,399 Singapore- $32,378 Nigeria- $20,690 |
| 23      | Residues, waste of food industries| Vietnam- $157,186 Bangladesh- $209,953 Korea- $154,516 |
| 24      | Tobacco and manufactured tobacco substitutes | Belgium- $150,709 UAE- $138,260 Afghanistan- $92,316 |

**Source:** Calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland.

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| Item                                                                 | Exporting Country | Importing Country | Value       |
|---------------------------------------------------------------------|-------------------|-------------------|-------------|
| Live animal                                                        | U.S.A. – $3,418    | U.K-$2,639        | France – $2,597 |
| Fish etc.                                                           | Vietnam – $23,915  | U.S.A. – $18,801  | Bangladesh – $15,838 |
| Meat                                                                | Belgium – $1,188   | New Zealand – $1,167 |             |
| Dairy products etc.                                                | France – $10,347   | Italy – $3,349    | Germany – $2,938 |
| Products of animal origin                                          | U.S.A. – $30,851   | Belgium – $6,273  | Tunisia – $2,411 |
| Live trees                                                         | Netherlands – $6,912| Thailand – $6,048  | Italy – $3,260 |
| Edible vegetable etc.                                              | Myanmar – $293,201 | Canada – $112,761 | Mozambique – $104,143 |
| Edible fruits; and nuts                                            | USA – $887,627     | Cote d Ivoire – $329,225 | Benin – $276,494 |
| Coffee and spices etc                                               | VietNam – $233,848 | Sri Lanka – $93,709 | Madagascar – $80,310 |
| Cereals                                                            | Argentina – $24,529 | Australia – $13,079 | Russian Federation – $10,575 |
| Products of milling industry                                       | China – $19,255    | Australia – $17,412 | Sri Lanka – $11,274 |
| Oil seeds, miscellaneous grains etc.                                | Sudan – $103,863   | Turkey – $51,475  | Ethiopia – $31,853 |
| Lac; gums; resins                                                  | Afghanistan – $103,489 | Indonesia – $17,953 | USA – $17,776 |
| Vegetables plaing materials                                        | China – $30,622    | Nepal – $6,057    | Indonesia – $3,931 |
| Animal, vegetables oils                                            | Indonesia – $3,775,301 | Ukraine – $1,850,978 | Argentina- $1,604,839 |
| Preparation of meat. And other aquatic invertebrates               | Sri Lanka – $1,349  | China - $643      | Spain - $613 |
| Sugar and sugar confectionery                                      | Brazil – $566,048  | Netherlands – $23,057 | Germany – $21,963 |
| Cocoa and cocoa preparations                                       | Indonesia – $69,245 | Cote d Ivoire – $21,191 | Singapore – $20,987 |
| Preparations of cereals, flour etc.                                | Thailand – $14,568  | Singapore – $10,901 | Malaysia – $10,542 |
| Preparation of vegetables, fruits etc                              | China – $25,282    | Thailand – $10,954 | U.S.A – $10,768 |
| Miscellaneous edible preparations                                 | U.S.A – $94,138    | China – $16,764   | Vietnam – $10,897 |
| Beverages, spirits and vinegar                                     | U.S.A – $255,410   | U.K – $197,103    | Singapore– $70,464 |
| Residues, waste of food industries                                 | Sri Lanka – $87,637| Thailand – $65,800 | Vietnam – $63,551 |
| Tobacco and manufactured tobacco substitutes                       | Serbia – $9,979     | Zimbabwe – $6,544 | Germany – $4,837 |

**Source:** Calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland.

### 6. India’s Agriculture Trade Performance

The modern revolutions and technological reforms in Indian agriculture were led by green revolution, leading increase in agriculture production, particularly in the food grains. This had a beneficial for India’s exports. Initially, India was a net importer of food grains, after that India has shift to being a net exporter of agriculture commodities due to new economic policy (NEP). Figure 1 demonstrate the agriculture trade balance grow positively after introducing NEP in 1990-91 and growing after that.
During the phase of LPG (Liberalization, Privatization and Globalization), the export of agriculture commodities was of Rs. 6,012.76 Crores and contributed 18.49 percent of total national exports, while imports was of Rs. 1,205.86 Crores, i.e. 2.79 percent of total national imports. Thus, there was agriculture trade surplus of Rs. 4,806.9 Crores. In 1996-97, agriculture export increased by more than four times, reaching Rs. 24,161.29, and import increased by approximately six times to Rs. 6,612.6 Crores with respect to 1990-91 and the trade surplus was raised by four times to Rs. 17,548.69 Crores. In 2000-01 there was surplus in agriculture trade of Rs. 16,571.14 Crores. During the period of six years i.e. from 2000-01 to 2006-07, the agriculture export increased by more than Rs. 25,000 Crores and reached Rs. 57,767.87 Crores and import increased by more than Rs. 10,000 Crores to reach Rs. 23,000.28 Crores. The Indian Government, in 2010 removed the restriction on export of wheat and after that the agriculture exports increased drastically. During 2000 to 2017, the agriculture export was highest in 2013-14 which estimated around Rs. 262,778.54 Crores. Agriculture export of Rs. 226,651.94 Crores and import of Rs. 164,726.83 Crores and trade balance stood at Rs. 61,925.11 Crores in 2016-17.

Table 2. Track Record of Indian Agricultural Exports, 2001-2018.

| Commodities               | Share % | 2001 | 2005 | 2010 | 2013 | 2018 |
|---------------------------|---------|------|------|------|------|------|
| 1. Meat                   |         | 4.4  | 6    | 9.2  | 11.2 | 9.6  |
| 2. Fish, etc.             |         | 19.8 | 15.2 | 11.3 | 11.8 | 16.4 |
| 3. Dairy products etc.    |         | 1.2  | 2.5  | 1.2  | 1.7  | 1.2  |
| 4. Edible vegetables, etc.|         | 3.8  | 5.6  | 5    | 3.3  | 3.1  |
| 5. Edible fruits: and nuts|         | 8.7  | 9    | 5.7  | 3.9  | 4.1  |
| 6. Coffee and spices etc. |         | 13.2 | 9.3  | 10.4 | 6.8  | 8.1  |
| 7. Cereals                |         | 14.4 | 19.9 | 15.2 | 27.1 | 20.1 |
| 8. Oilseeds               |         | 5.1  | 4.2  | 5.7  | 4.4  | 4.1  |
| 9. Lac, resins            |         | 3.8  | 4.2  | 3.4  | 7.2  | 2.8  |
| 10. Animal, vegetable oils|         | 3.1  | 3.3  | 3.7  | 2.3  | 2.8  |
| 11. Sugar                 |         | 5.7  | 0.8  | 5.4  | 2.8  | 3.1  |
| 12. Residues              |         | 7.2  | 8.4  | 10.8 | 8.7  | 4.4  |
| 13. Miscellaneous commodities |   | 9.8  | 11.5 | 13   | 9    | 20.2 |

Source: The calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland.

There are 24 HS Code agricultural commodities (01-24).12 out of 24 were taken separately and remain others were taken combined as miscellaneous commodities.

7. Role of WTO in Trade Expansion

There is an international institution- World Trade Organization (WTO), who watches over the global trade rules among nations. Out of world's trading nations, majority have signed the agreement of the WTO. Giving protection and help the exporters, importers and manufacturers to manage their businesses is the main function of WTO. A platform is provided by WTO which allows member nations to settle trade disputes among other nations.
member nation. When the trade issues among the nations are solved, then there can be smooth trade between the countries which can even increase the trade amongst them.

WTO states the ideology of ideal trade as follows:

- Non-Discriminatory - It means that WTO restricts a member of it to informally trade freely with one country and imposing heavy trade restrictions on some other country, all being WTO’s members.
- Free from barriers (Protectionism) - They believe that the trade should be free as much as possible with less protectionism.
- Predictable - In order to foster the economy with which the investment decisions can take place, the business can prosper and jobs can be created well, trade should be predictable.
- Promoting fair competition - There needs to be fair trade between the nations.
- Favorable for developing countries through special regulations.

Roles of WTO

- To place and to impose regulations on international trade - If the members of WTO are violates the rules of WTO, then they can be punished.
- To settle trade issues - WTO works as a middle man to solve the disputes where if a country imposes higher tariffs on another country, the grievous country should not do the same thing with that or other country.
- To provide an environment for negotiating trade liberalization - WTO provides a platform and may organize a forum for the countries who wishes to have a trade deal which is quicker and easier than the countries doing it by themselves.
- To observe further trade liberalization - WTO ensures that if a free trade agreement is signed, then the trade actually happening is free.
- To give benefits of global trade to developing countries.

When the countries would see that the WTO is performing its functions and roles properly to prevent the developing and undeveloped countries to get exploited by the developed countries in trade, they will be tend to smoothly trade and thus would trade more. Thus it will lead to expansion of trade.

8. World Trade Organization - Agreement on Agriculture

The WTO Agreement on Agriculture was negotiated during the Uruguay Round in 1993, which was formally ratified in 1994. The Agreement on Agriculture was implemented with effect from 1.1.1995. The provisions of the Agreement stated that in 6 years and 10 years, the reduction commitments of the developed and developing countries respectively would be completed by 2000 and 2004 respectively, whereas least developed countries were not required to make any reductions.

Salient Features

The Agreement contains provisions in 3 different broad fields of agriculture and trade policy: market access, domestic support and export subsidies. Market Access - it includes the provisions of tariffication of all non-tariff barrier, access opportunities and tariff reduction. Tariffication is when all non-tariff barriers like minimum import prices, quotas, discretionary licensing etc. are eliminated and changed into an equivalent tariff. All the tariffs either ordinary or those which results from tariffication are to be reduced by an average 36 percent with least rate of reduction of 15 percent for each item under tariff over a 6 year period for developed countries. Developing countries were supposed to trim down tariffs in 10 years by 24 percent. Developing countries, who were maintaining Quantitative Restrictions (a GATT measure) owing to the problems of balance of payment, were permitted to put forward ceiling bindings in place of tariffication. For domestic support provisions, question to reduction commitments, the total support provided in 1986-88, measured by the Total Aggregate Measure of Support, should be decreased by 20 percent and 13.3 percent in developed and developing countries respectively. Reduction commitments were meant for total levels of support and not for individual merchandise. Export Subsidies is regarding the members’ commitment to reduce Export subsidies. The export subsidy expenditure is required to reduce by 36 percent and volume by 21 percent over 6 years in equal installments by the developed countries whereas for developing countries, it was necessary to decrease their export subsidy expenses by 24 percent and volume by 14 percent in 10 years.

No direct subsidies for agricultural commodities are provided to the exporters of India. They get subsidies in the following forms:

a) There is no income tax implemented on Agriculture, so they get exemption in the income tax on profit
viex export.

b) Subsidies on charge of freight on export delivery of certain goods such as floricultural products, vegetables and fruits.

9. Findings

Balassa’s Revealed Comparative Advantage Index (RCA)

In 1965, Balassa gave the concept of Balassa’s index of Revealed Comparative Advantage (RCA). The Balassa’s Index reveals that the nation is potential of exporting certain agricultural products in which the RCA of the country is more than or equivalent to 1. It means that the country can focus on the export of these goods instead of exporting the goods which have RCA value less than 1. The factors that contribute to movements in RCA are economic: structural change, improved world demand and trade specialization.

Table 3. The Value of RCA for Agricultural Products (Broad category-wise) when RCA<1

India has comparative disadvantage in the products as shown in table 3.

| 2 Digit HS Code | Commodity Name                        | RCA Value<1 |
|-----------------|---------------------------------------|-------------|
| 01              | Live animals                          | 0.082       |
| 22              | Beverages                             | 0.159       |
| 06              | Live trees                            | 0.216       |
| 18              | Cocoa                                 | 0.233       |
| 04              | Dairy produces                        | 0.319       |
| 19              | Preparations of cereals               | 0.403       |
| 16              | Preparation of meat, and other aquatic invertebrates | 0.481 |
| 20              | Fruits                                | 0.544       |
| 21              | Miscellaneous edible preparations     | 0.585       |
| 05              | Products of animal origin             | 0.701       |
| 15              | Animal fats and oils, etc.            | 0.712       |
| 08              | Edible fruits and nuts                | 0.740       |
| 11              | Products of the milling industry      | 0.930       |
| 12              | Oil seeds, miscellaneous grains, etc.  | 0.962       |
| 07              | Edible vegetables etc.                | 0.983       |

Source: The calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland.

Indian government should make policies such that these goods should not be encouraged for exports as exporting these would be a disadvantage for the country because it will consume more resources and would cost more. Instead, the country should import these goods and focus on the goods in which RCA is greater than 1 as shown in table 4.

Table 4: The Value of RCA for Agricultural Products (Broad category-Wise) when RCA>1

In following products India has comparative advantage.

| 2 Digit HS Code | Commodity Name                        | RCA Value>1 |
|-----------------|---------------------------------------|-------------|
| 23              | Residues                              | 1.258       |
| 24              | Tobacco                               | 1.290       |
| 17              | Sugars                                | 1.651       |
| 02              | Meat                                  | 1.737       |
| 14              | Vegetable plaiting materials          | 2.759       |
| 03              | Fish and other aquatic invertebrates  | 3.035       |
| 09              | Coffee and spices etc.                | 3.749       |
| 10              | Cereals                               | 4.129       |
| 13              | Lac; gums; resins                     | 7.775       |

Source: The calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland.

India should export more of the goods as shown in table 4 as the value of RCA is more than 1. The resources that are available in the country are suitable for the production of the above goods and it will be suitable to export these goods. The government should encourage the producers to produce more of these goods as well as encourage exporters to export these goods. India should produce the commodities like HS10 (Cereals), HS13 (Lac; gums and resins) and so on which have a greater RCA value. The advantage of this will be that India would
produce it cheaply as compared to other countries and in good quantity which will result in the inflow of foreign
currency which would give little relief in current account deficit.

**Table 5.** The value of RCA for Agricultural Products (Sub-Category-Wise)
The underlying table shows the revealed comparative advantage and disadvantage in the 4 digit HS code.

| 4 Digit HS Code | RCA Value | 4 Digit HS Code | RCA Value |
|-----------------|-----------|-----------------|-----------|
| 1003            | 0.012     | 208             | 0         |
| 1008            | 2.407     | 210             | 0.006     |
| 1007            | 1.716     | 201             | 0.122     |
| 1005            | 0.449     | 202             | 8.111     |
| 1004            | 0.004     | 205             | 0         |
| 1006            | 16.868    | 204             | 0.862     |
| 1002            | 0         | 203             | 0.862     |
| 1001            | 0.067     | 209             | 0         |
| 308             | 0.185     | 906             | 0.51      |
| 306             | 9.198     | 907             | 0.763     |
| 304             | 0.642     | 901             | 1.014     |
| 305             | 0.864     | 910             | 8.695     |
| 302             | 0.127     | 903             | 0.001     |
| 303             | 1.676     | 908             | 6.658     |
| 301             | 0.044     | 904             | 12.478    |
| 307             | 3.258     | 909             | 30.807    |
| 206             | 1.609     | 902             | 5.845     |
| 207             | 0.018     | 905             | 0.736     |

**Source:** The calculations are based on the database of International Trade Centre (ITC), Geneva, Switzerland. Detailed description about 4 digit HS Code commodity can be taken directly from ITC.

India should export some commodities in which RCA is greater than 1 which are HS1006 (Rice), HS0910 (Ginger, saffron, turmeric and others), HS0909 (Seeds of anis, badian, fennel and others), HS0902 (Tea), and few others. India should export more of the products of HS0909 because it has the greatest RCA value which is 30.807 more than any of the agricultural goods. The demand of Indian rice in international market is higher comparing to other nations, thus the RCA value of rice is 16.86 which allows India to export it more. There are few other goods in table 5 which has comparative disadvantage in exporting of those goods as the RCA value of it is less than 1. These goods are HS0903 (Mate), HS0905 (Vanilla), HS0907 (Cloves, whole fruits and others) and so on. The government should not encourage the exporters to export these goods.

10. Conclusion

This study shows that, country has comparative advantage in exporting some goods such as rice, tea, coffee, some spices, tobacco, sugar, meat and others, while comparative disadvantage in exporting other goods such as some spices, barley, fish, maize, wheat, edible fruits and nuts and so on. From table 1, we can see that India exports to both developing and developed countries with highest exports of agricultural goods to USA. Vietnam is India’s largest importer of edible meat offal.

Fish and other aquatic invertebrates and spices, tea, Coffee and mate have shown significant growth in 2018 comparing to 2013 as shown in table 2 with their share in agricultural exports being 16.4 and 8.1 respectively. We have seen in the study that what measures WTO takes in order to ease out the facilities of trade expansion which are helpful for the developing and underdeveloped nations to remain unexploited by the strong nations. In the study, we can see that in 2013-14, the export of India is highest and fluctuating thereafter. We can also see that the agriculture import has been drastically increasing since 2013. This has led the agriculture trade balance decrease drastically.

11. Suggested Policies

Our study has recommended that government should increase the exports of agriculture products by providing the exporters subsidies through development banks and EXIM banks so that the exported agricultural products become cheaper for the exporter and is encouraged to export it more. Government should regulate the Foreign Trade Policies (FTP) so that the exporters are incentivized to export the agricultural products. Farmers of
the country should be well trained, monetized and unexploited so that they produce better quality products. The government should promote private players in this sector.

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