GLOBAL FINANCIAL CRISIS –2008: IMPLICATIONS ON INDIA’S MERCHANDIZE TRADE

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ABSTRACT
The main objective of this study is to examine the changes that have taken place in the composition of India’s merchandize trade and its direction after the global financial crisis of 2008. It makes a comparative study between the pre financial crisis period 2000-01 to 2007-08 and the post financial crisis period 2008-09 to 2012-13 in India’s trade. Analysis on commodity wise performance illustrates that there is no any decline in exports, however imports have significantly grown from pre financial crisis period to post financial crisis period. Further the results expose that there is more deficit in India’s balance of trade with almost all regions like total OECD countries, OPEC, Eastern Europe and especially with Total Developing Countries in the post financial crisis period compared to pre-financial crisis period. It is fortunate to observe that India’s trade with SAARC and Africa has recorded surplus even after global financial crisis. On the whole this study concludes that there is no significant impact of global financial crisis on India’s merchandize trade at aggregate level, but some changes have been identified in the goods imported and in the direction of trade. Based on the results, this study suggests that the corrective measures viz., diversification of exports, import restrictions (precious metals), diversification in the direction of trade etc. to mitigate the implications due to any unexpected global challenges.

KEY WORDS: Merchandize trade, Direction of trade, Global financial crisis, Pre financial crisis period, Post financial crisis period, Concentration coefficient