



ROLE OF INDIA IN GLOBAL BUSINESS

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ABSTRACT :-

This Research paper is all about role of India in global business. India has always been a force to reckon with in terms of global trade and expansion. We will try to cover all the aspects of the prominent role which India is playing. We would be trying to present all the facts along with our own study about the same. We believe that India can become a world beater in international business and thus we have chosen this important topic for our research paper. We would be trying to present a comparison between India and China in terms of international business. World's largest democracy can definitely be the world's largest powerhouse in business and global expansion.

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INTRODUCTION :-

Global Business Plays a significant role in fast growing economies. India is known to be one of the fastest-growing economies in the world, next only to China. It holds the place of the 10th largest economy in the world. It is predicted that the top three countries that are likely to dominate the 21st-century economy are; the United States, China, and India. Forty percent of the world's GDP (gross domestic product) comes from these countries. India, which is already using the World Bank's PPP (Purchasing power parity) exchange rate, has the 3rd largest GDP in the world. India is a force to reckon with and is having a huge impact on the world economy. India has given the right path to the world business.

India, the world's largest democracy, has yet to realize its full potential as a leading global economy. The rapid economic growth that India has witnessed since the mid-1990s was ushered in through much-needed reforms. After being criticized by economists for low growth, India has finally earned a place among the world's leading emerging markets. Further reform could lead India to further

success among the BRICS – Brazil, Russia, India, China, and South Africa –and beyond.

OBJECTIVE :-

To double India's share of world trade; to make India a hub for global value chains under the Make in India flagship; to boost foreign investment inflows by modernising regulations; and to attract more savings from Indians living abroad. Overall economic development of the country.

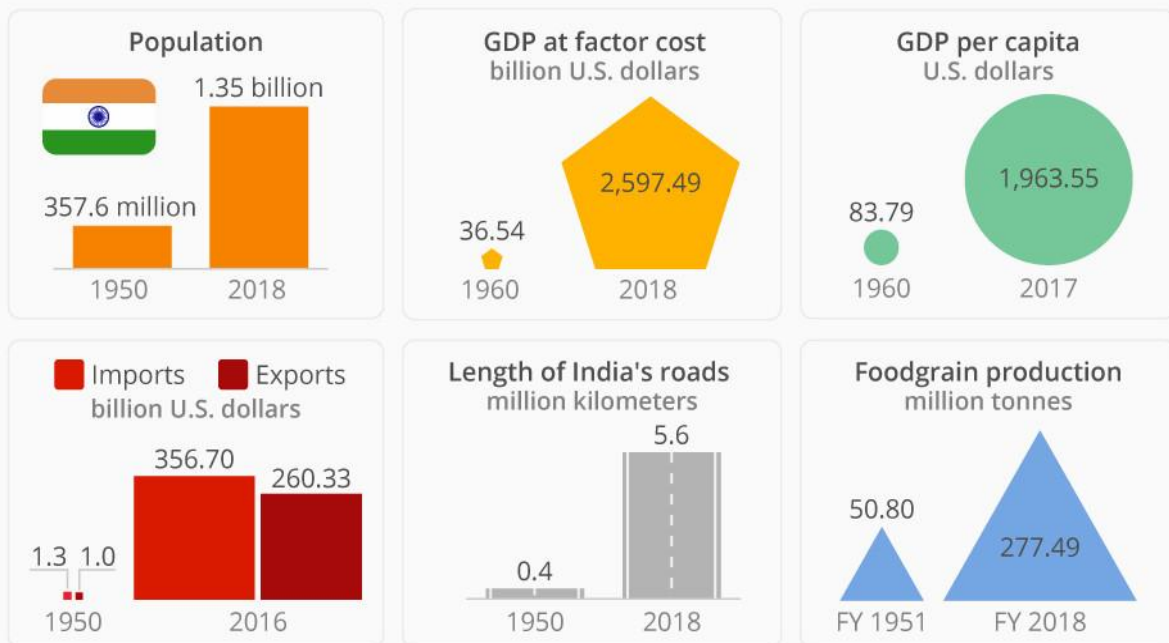
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Increase in GDP, Disposable Income of the people, Standard of living, business expansion with respect to the world giants. India and the global business should help to reduce disparities among rich and poor nations of world by expanding their operations. Business should produce goods and services which are globally competitive and have huge demand in foreign markets.



How India has evolved since independence



Sources: worldometers, tradingeconomics, economic times, world bank, Ministry of Road transport and highways (India)



SCOPE :-

India is the largest democracy in the world. It is also the most populated nation, second to only China. Having said that, India's contribution to the world in education, discovery, and knowledge is enormous. But what about foreign trade? Let's understand India's contribution to the world in terms of World Business. Eventually it is concluded with this that international business has vast scope in every area of survival and profit.

In outright condition, India's export and contribution to world business have expanded from 606 crores in 1950-51 to 293367 crore in 2003-2004. Its imports have expanded from 608 crores in 1950-51 to 359108 crore in 2003-2004. Composition wise, textiles and garments, gems and jewellery, account for major economic activities for the country.

In many items like tea, pearls, precious and semi-precious stones, medicinal and pharmaceutical products, rice, spices, iron-ore and concentrates, leather and leather manufactures, textile yarns, fabrics garments, and tobacco India's share is much higher and ranges between 3% to 13%.

India is the biggest exporter of basmati rice, tea, and ayurvedic items. Although India needs to import items like crude oil and oil based goods, capital goods (e.g. hardware) electronic merchandise, pearl, valuable and semi-valuable stones, gold and silver and chemicals constitute the majority of items of India's imports.

India's Foreign Trade in Goods

India is currently the tenth biggest economy on the planet and the quickest developing economy next just to China. Be that as it may,



India's contribution to the global business isn't that noteworthy. India's share in world exchange 2003 was only 0.8% when contrasted with other developing nations like China (5.9%), Hong-Kong (3.0%), Thailand (1.1%), Singapore (1.9%). India likewise falls behind in the sector of foreign investment in world business as well.

Indian export and import showcase there is a major economic achievement need for the nation. India represents only 0.8% of world exports. Owing to the faster growth attained at the external front, share of foreign trade in the country's Gross Domestic Product (GDP) has significantly expanded from 14.6% in 1990-1991 to 24.1% in 2003-2004.

There is enormous development in India's foreign trade. The export of services has ascended from 68 crores in 1960-61 to 35758 crores amid 2004-2005.

Import has likewise raised from 43 crores in 1960-61 to 28,486 crore in 2004-2005 (comprising of travel, transportation, and insurance). The astounding factor is the change in the synthesis of service exports. Software and different administrations (commercial activities, STEM and business services) have risen as the fundamental classes of India's export of services in world business.

India's Trading Partners

India has eleven trade partners, which are, USA, UK, Belgium Germany, Japan, Switzerland, Hong-Kong, UAE, China, Singapore, and Malaysia. the USA holds the first position with 11.6% of an offer in India's total trade.

India's Foreign Investment

It is apparent that there has been an excellent increment in foreign investment flow into and

from India. While the internal foreign investment has developed in excess of 750 times from just Rs. 201 crores in 1990-91 to Rs.1,51,406 crores in 2003-04, India's Investments in foreign nations have expanded considerably more exponentially – around 4,927 times – from Rs. 19 crores in 1990-91 to Rs. 8,3,616 crores in 2003-04.

Comparison By Economies (India and China):-

China and India are the two emerging economies of the world. As of 2019, China and India is 2nd and 5th largest country of the world, respectively in nominal basis. On PPP basis, China is at 1st and India is at 3rd place. Both countries together share 19.46% and 27.18% of total global wealth in nominal and PPP terms, respectively. Among Asian countries, China and India together contribute more than half of Asia's GDP.

In 1987, GDP (Nominal) of both countries was almost equal. But in 2019, China's GDP is 4.78 times greater than India. On PPP basis, GDP of China is 2.38x of India. China crossed \$1 trillion mark in 1998 while India crossed 9 year later in 2007 at exchange rate basis.

Both countries has been neck-to-neck in GDP per capita terms. As per both method, India was richer than China in 1990. Now in 2019, China is almost 4.61 times richer than India in nominal method and 2.30 times richer in PPP method. Per capita rank of China and India is 72th and 145th, respectively, in nominal. Per capita rank of China and India is 75th and 126th, respectively, in PPP.

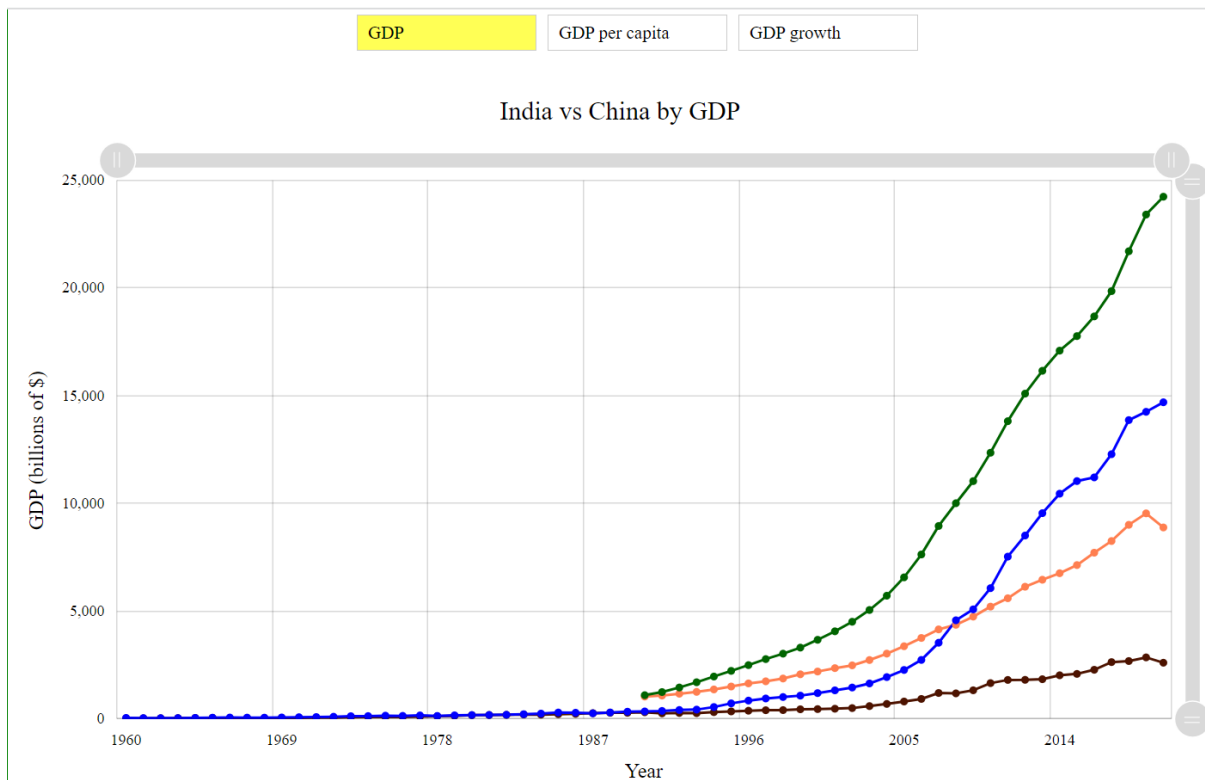
China attains maximum GDP growth rate of 19.30% in year 1970 and minimum -27.27% in 1961. India reached an all time high of 9.63% in 1988 and a record low of -5.24% in 1979. During period 1961 to 2018, China grew by more than 10% in 22 years while India never.



GDP growth rate was negative in five and four years for China and India, respectively.

Agriculture (15.4%), Industry (23%) and Services (61.5%). Sector wise GDP composition of China in 2017 are : Agriculture (8.3%), Industry (39.5%) and Services (52.2%).

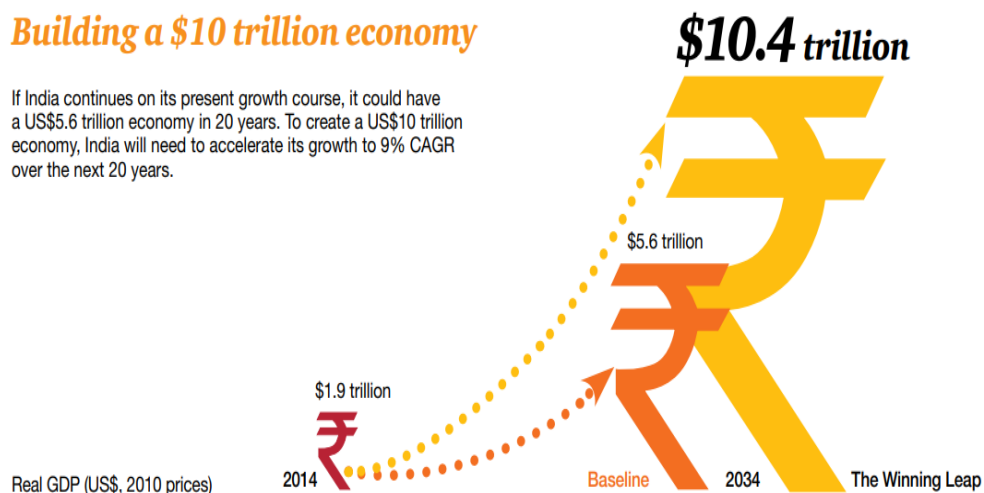
According to CIA Facebook sector wise GDP composition of India in 2017 are as follows :



The national ambition

Building a \$10 trillion economy

If India continues on its present growth course, it could have a US\$5.6 trillion economy in 20 years. To create a US\$10 trillion economy, India will need to accelerate its growth to 9% CAGR over the next 20 years.



Creating new capabilities

Five key themes for the corporate sector

To lead the Winning Leap, companies will have to address five key themes requiring new capabilities



CONCLUSION :-

This research paper has helped us a lot in understanding the role of India in global business. We have developed an understanding about India's growth, contribution and most importantly the scope of improvement in terms of expanding the global business. India has shown significant changes post globalization but still lot of work has to be done for taking giant strides towards enhancing the global reach. India has done fabulous work in IT sector and also we are providing skill full manpower and professionals to the world. Motive behind

writing this research paper was getting the overall knowledge about India's position in current scenario as well as the future and it has been a fruitful task. We have gathered lots of insights and data which would be beneficial to all of us. We have presented all the information whether it be introduction of the topic or comparing two countries. This research paper has helped us in becoming more aware.



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