

India and Merchandise Export

A dialogue.

What is the rank of India in population?

Second!

Even primary school students would say that in a jiffy.

What is the rank of India in the global merchandise export?

Even the scholars in economics would bungle.

India's was already at an insignificant **18th** rank in 2019 (pre covid).

In 2020, the UAE and Vietnam pushed India further down to **21st** rank (WTO).

Vietnam was holding 40th rank in merchandise export in the year 2010. India's rank was 19th then.

That a small country like Vietnam (population < 10 cr) could pip India (population 137 cr) in 10 years should prompt us into doing and undoing certain things on the regulatory side.

Why does India hold such a poor rank in merchandise export?

India's manufacturing sector small. In fact, its output is smaller than our agricultural sectors' output.

For India to become a significant player on the merchandise export front, we need to accelerate the growth in our manufacturing sector.

How to accelerate our manufacturing sector?

Focus first on expanding chemicals production. It is the mother of manufacturing sector.

Remember, chemicals are used in 96% of the manufactured goods. The long list includes medicines, agrochemicals, textiles, cars, construction materials, computers, aircraft and many others. Chemical industry supports a host of other industries, leading to higher production and export.

The top three global leaders in merchandise export- **China, USA and Germany**- are also global leaders in chemicals production.