

press release

India offers exporters USD38 bn opportunity for Bi-lateral trade growth

India, 13 October 2020: Businesses could increase exports to India by more than USD21 billion annually, the *Standard Chartered Trade Opportunity Report* has revealed. The study, which included 10 of India's key trading partners, also found that Indian exporters could boost exports to these 10 markets by an estimated USD17 billion, bringing the total bilateral trade opportunity to USD38 billion.

As economies and businesses look to recover from the impact of COVID-19, the study highlights the markets and sectors with new opportunities to grow trade.

Businesses in the US, Malaysia, Indonesia, Singapore and the UK have the greatest opportunity to increase their exports to India. The US – India's largest trading partner and the market with the largest opportunity to boost trade – could increase exports by USD5.7 billion annually, with the financial services sector offering the most significant potential for growth.

The ASEAN region has a combined opportunity of USD10.7 billion for exporters across Indonesia, Malaysia, Singapore, Thailand and Vietnam. The electrical machinery sector stands out, with a combined annual opportunity to grow trade between India and the ASEAN markets by USD3.2 billion.

In South Korea, the spotlight is on the USD288 million opportunity to increase automotive exports. Meanwhile, the UK, France and Germany could increase exports to India by a combined USD3.2 billion, with a USD413 million total export opportunity in the organic chemicals sector across the three markets.

Gaurav Bhatnagar, MD & Head, Trade, India & South Asia, Standard Chartered Bank, said:

“Businesses in India and across the world have faced unprecedented challenges over the last few months. Looking ahead, they need to look for new growth avenues and build more resilience. The Standard Chartered Trade Opportunity Report puts the spotlight on an almost USD 38 billion bi-lateral trade opportunity with some of India's key trading partners. This includes a USD21.1 billion unexplored potential that India offers to exporters in 10 diverse markets and a USD 16.8 bn opportunity for local exporters to grow trade with some of our key trading partners.”

Export opportunity into India for 10 key trading partners

Market	Total goods and services export opportunity to India (USD billion)	Percentage of actual total exports to India
US	5.7	13%
Malaysia	3.5	51%
Indonesia	3.2	46%
Singapore	2.2	11%
UK	1.7	12%
South Korea	1.5	8%
Thailand	1.2	14%
Germany	0.8	4%
France	0.7	7%
Vietnam	0.6	10%

Export opportunity from India into 10 key trading partners

Market	Total goods and services export opportunity from India (USD billion)	Percentage of actual total exports from India
Thailand	2.6	48%
Germany	2.6	16%
Korea	2.0	22%
Indonesia	1.8	26%
The UK	1.8	10%
France	1.7	17%
Malaysia	1.7	25%
Singapore	1.4	9%
US	0.8	1%
Vietnam	0.5	11%

The research contrasts actual export values with potential export values – calculated by an economic model – to uncover medium-term opportunities, looking to a post-COVID-19 world as economies begin to reopen. The scope covers high-potential exports, defined as goods or services where businesses have added value within the borders of their home market.

To download *The Standard Chartered Trade Opportunity Report* and find out more about the potential export opportunities between India and 10 key trading partners, visit: <https://www.sc.com/tradeopportunityreport>

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NOTES TO EDITORS:

About the study

The Standard Chartered Trade Opportunity Report reveals the size of the export opportunities between India and 10 of its most economically diverse trading partners: Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam, France, Germany, the UK and the US. Export opportunities are calculated by subtracting potential exports from actual exports. Potential exports are calculated using a gravity trade model, which takes into account GDP, geographic distance and other relevant variables. Actual export figures are drawn from the IMF's Direction of Trade Statistics (for goods) and the OECD's Trade in Value Added database (for services). Both are time-averaged for 2016-2018. The study excludes commodity or commodity-like sectors, focusing on 'high potential' exports only (i.e. sectors where there is a meaningful opportunity to add value). These high-potential sectors play a critical role in export performance, collectively representing 82 per cent of total trade on these routes.

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