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# AGRICULTURAL OUTLOOK FORUM 2002

Growth of Middle-Class Consumers in Developing Countries

“The Economic Future and Market Barriers of India”

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CropLife America

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# INDIA'S ECONOMIC PROFILE

	<u>1999</u>	<u>2000</u>	<u>2001</u>
GDP (\$ U.S. Billion)	451.6	469.2	489.1
GDP per Capita	460	470	480
Real GDP Growth (% Change)	7.2	5.2	5.0
Good & Services Exports (% of GDP)	10.4	11.2	11.0

Population 1.03 Billion

## Age Structure

0 – 14 years 33%

15 – 64 years 62%

65 and Over 5%

Population Growth 1.55%

Estimated Middle-Class 20% or 200 million

Source: Govt. of India, CMIE, Indianinfoonline



# INDIA'S INTERNATIONAL TRADE PROFILE

EXPORTS                      \$42.3 Billion                      16% ann. change

Rank in the World                      31

IMPORTS                      \$50.5 Billion                      12% ann. change

Rank in the World                      26

Source: WTO Report for the year 2000



# INDIA'S TOP FIVE TRADING PARTNERS

Exports			Imports		
1	United States	22.7%	1	United States	9.1%
2	Hong Kong	5.8%	2	Belgium	8.0%
3	Japan	5.4%	3	Singapore	7.1%
4	United Kingdom	5.3%	4	United Kingdom	7.1%
5	Germany	4.6%	5	Japan	6.3%

## Major Export Items

Textiles, gems, agricultural products, chemicals, software and leather

## Major Import Items

Crude oil, machinery, gems, fertilizers and chemicals

Source: CMIE-India

# INDIA'S TRADE RELATIONSHIP WITH THE U.S.

Total Trade:			
Exports (to India)		\$3.7 Billion	
Imports (into the U.S.)		\$10.7 Billion	
AGRICULTURAL	1998	1999	2000
	In Millions \$		
Exports (to India)	212	148	215
Imports (into the U.S.)	932	1068	1133

Source: USDA and USTR



# Commodities showing export growth

	1998	1999	2000
	In \$ Million		
almonds & nuts	52.2	40.2	70.9
cotton	9.8	6.9	29.4
consumer oriented food	2.2	2.1	3.5
planting seeds	2.3	2.9	3.5
snack foods	0.1	0.8	1.2

# Commodities showing import growth

	1998	1999	2000
	In \$ Million		
fish & fish industries	182.1	199.1	283.6
rice	39.7	41.1	42.5
planting seeds	12.5	27.2	42.9
dairy products	13.7	15.8	21.7
processed fruits & vegetables	23.1	38.3	44.0

Source: USDA and USTR





# U.S. / INDIA AGRICULTURAL TRADE ISSUES

## 1. High tariffs on horticultural products

Distilled Spirits	210%	Citrus	46%
Raisins	115%	Pistachios	44%
Sparkling Wines	100%	Cherries	40%
Apples	56%	Pears	40%
Frozen French Fries	55%		

2. Phytosanitary restrictions against soybeans
3. Restricted market access for wheat & corn
4. Export subsidies on wheat
5. Surcharge and special or additional duties

How to remove market access barriers against U.S. agricultural products to benefit the estimated 200 million middle-class market in India?

1. Bilateral dialogue
2. Multilateral Dialogue (WTO) & remedies
3. Focus on NRI-owned businesses