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Abstract

Over the past few decades, structure of international trade has changed with the effort of General Agreement on Tariffs and Trade (GATT) and its successor, the World Trade Organization (WTO). Owing to the passive advancement of Doha round in the WTO, a wave of regionalism has prevailed in both developed and developing countries to offer solution to their developmental issues (Ahmed, 2011).

After adopting the new economic reforms in 1991, India has opened its economy gradually. An emerging economy like India with a huge labour force and wide range of economic opportunities attract foreign investors. However, India has limited resources of oil and gas, which is essential for any economy. On the other hand, Gulf cooperation Council (GCC) countries namely United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Oman and Bahrain have a large base of oil & gas and are oil based economies. In 2014, GCC countries possessed over 30 percent of world crude oil reserves and 21 percent of global natural gas reserves. However, GCC countries have very limited human resources. So, in the backdrop of above discussion, broadly present research work can divide into two categories. First, to examine merchandise trade potentials between India and GCC countries. Secondly, to identify the problems faced by Indian labours at domestic level and after migrating to GCC countries.

Among the GCC countries, UAE and Saudi Arabia are playing a dominant role in India's total trade. UAE is contributing more than half of India's total trade with this region in the year 2015-16. Saudi Arab secures second position with 28 per cent share and remaining four countries contribution is only 20 per cent. At present UAE is India's leading exporting country while Saudi Arabia is leading importing country among GCC region. India's trade balance with all GCC countries (except UAE) is unfavourable in most of the occasion, especially after 2005-06. So, in the backdrop of above discussion, an important question emerges, that is, despite having small population size, how UAE became exporting hub for India? Results suggested that role of Re-export in Indo-UAE trade is main reason behind this puzzle.

Results of Trade Intensity Index explain that India's exports were more intense with all six GCC countries compared with its trading pattern with rest of the world, while India's imports were more intense with all six GCC countries compared with its trading pattern with rest of the world especially after 2005. India-GCC Global Relative Comparative Advantage (GRCA) and Bilateral Relative Comparative Advantage (BRCA) examination displays noteworthy

trade possibilities among them. There are several potential sectors of export interest to both countries on the basis of global revealed comparative advantage. Another inference can be made that both the countries benefit from having a different trade structure. India has comparative advantage in primary goods and GCC countries have very high comparative advantage in mineral fuels. So, this difference in trade structure results in heightened trade potential between them.

Results of augmented panel gravity model of trade depict that determinants of bilateral exports between India and GCC countries are GDP of both sides, distance between them, Population of country j , import openness of country j , tariff imposed by country j on i and two binary variables namely common colony and Diaspora. Results of export potential for year 2015 show that India has maximum export potential with Kuwait followed by Qatar, Bahrain, Oman, UAE and Saudi Arabia. Further, results suggest that determinants for bilateral imports are GDP of country j , distance between them, Population of both country, import openness of country i , tariff imposed by country i on j and two binary variables namely common colony and Diaspora. India has highest import potential with Bahrain followed by Oman, UAE, Kuwait, Saudi Arabia and Qatar. Results of tariff simulation show that any tariff reduction scenarios (50 per cent tariff reduction and 100 per cent tariff reduction) will improve India's export potential as well as import potential with all six GCC countries. Hence, present study suggested that any reduction will improve India's export potential as well as import potential with all GCC countries. So, in this context this study that proposes India-GCC free trade agreement (FTA) will be a win-win situation for both sides.

Service trade is playing a very significant role in the economy of India as well as all GCC countries. International labour migration is also a very crucial link between Indo-gulf relations that falls under GATS mode-4 (Movement of Natural Person). But with high rate of international migration to GCC countries from, several labour issues have also arisen. It urges the need to address the Non-Tariff Barrier (man-made barrier) in context of Indian labor migration to GCC countries. So, to highlight the issues and problems faced by Indian labour that migrated to GCC countries, a field survey has been conducted in eastern part of Uttar Pradesh which includes six districts namely Varanasi, Mau, Azamgarh, Allahabad, Bhadohi and Jaunpur during July-August 2016.

Results of field survey conclude that root cause of all the problems faced by unskilled or semi-skilled Indian migrants to GCC countries was their lack of awareness and knowledge of the rules. So, present study suggested that Indian government (Ministry of external affairs) should organize "awareness camps" for these aspiring migrant workers before leaving India so that they can make a wise decision as to migrate or not and even if they decide to migrate they should be well aware of the circumstances in their destination countries and their rules and policies for immigrants. This will make them well-equipped of all the knowledge of their own rights and in times of crisis they would know who to approach and the concerned office that can help them during their stay in foreign countries.