

India-Africa Trade Relations: An Analysis with Specific Reference to African LDCs

Summary of Abstract

Key words: India-Africa Trade, LDCs, TII, RCA, Gravity Model, SMART Simulation

The present thesis aims to analysis India-Africa Trade Relations with specific reference to Africa LDCs. It comprises four objectives and eight chapters. Introduction, theoretical and empirical literature review, and details about data sources and methodology are placed in Chapter I, II and III respectively. Analysing UN Comtrade data, Chapter-IV depicts a rising trend of trade between India and African LDCs. Using TII and RCA index, Chapter V shows that India possesses a high bilateral revealed comparative advantage in a wide variety of products including, machinery, manufacturing, cotton, silk etc. Chapter-VI portrays a picture of India-Africa Trade Relations through a Panel Gravity Model Analysis. The estimation result shows that GDP of partner country, population, trade openness, quality of port infrastructure, common language and common colony are the positive determinants, whereas distance between countries, tariff imposed by the partner countries, bilateral exchange rate, bilateral trade cost and landlockedness of partner countries are the negative determinants of India's bilateral export to Africa. Chapter VII analyses the impact of African LDCs' tariff reduction up to 50% on their respective imports from India using a single market partial equilibrium analysis through WITS/SMART model at HS 6-digit level. The results reveal positive effects on consumer surplus and trade, and negative effects on tariff revenues for African LDCs, and it shows positive trade creation effects for India and for its export revenue. Chapter VIII provides major findings and conclusions of the study with some policy recommendations.