

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2764**  
TO BE ANSWERED ON DECEMBER 28, 2018  
IMPACT OF GLOBALISATION

2764. SHRI PRAHLAD SINGH PATEL:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the impact of globalisation on the domestic industry, agriculture and employment in the country; and
- (b) the basis of Government findings and conclusions in this regard?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PON RADHAKRISHNAN)

(a) & (b) Indian economy is an open economy, as reflected in the growth in volume of trade in goods and services; trade to GDP ratio; and rising capital inflows and outflows, etc. As per the data from World Economic Outlook database of International Monetary Fund, the growth in volume of trade in goods and services of India was 5.4 per cent in 1980s, 9.2 per cent in 1990s and 10.5 per cent during 2000-2017. India's agricultural products exports have increased from US\$ 2.8 billion in 1980 to US\$ 39.5 billion in 2017, and the manufactures product exports has increased from US\$ 5 billion in 1980 to US\$ 208 billion in 2017 (World Trade Organization data). The increasing openness offers opportunities for exports of agricultural and industrial products, and consequently more employment in the labour intensive sectors. However, the growth of a sector depends on various factors, *inter-alia*, including global growth, trade openness, competitiveness of the economy, exchange rate, growth in trading partner countries, structural, fiscal and monetary factors, etc, hence it is difficult to pinpoint the impact of any one particular factor on specific sector's performance.

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