

# ARGENTINA

## Country profile and trade aspects

S. No	Contents	Page No.
1.	I Overview	3
2.	II Economic History	5
3.	III The Modern Economy: Macroeconomic Indicators	6
4.	IV Trade Policy	6
5.	V Trade Analysis	8
	1. Argentina's Imports and Exports	8
	2. Export Trade Intensity Index	11
	3. Trade Complementarity Index	14
	4. RCA and RCII	18
	5. Export Concentration	22
	6. Intra-Industry Trade	23
	7. Export Similarity	26
6.	VI Resources	28
7.	VII Appendix	29
	A. Data on Country Profile	29
	B. Commodities requiring product-specific export-promotion policies	30
	C. Commodities requiring market-specific export-promotion policies	31
	D. Trade Indicators	37

<b>S. No</b>	<b>Index</b>	<b>Page No.</b>
1.	Table 1.1: Argentina's Imports of Merchandise in billion US dollars	5
2.	Table 1.2: Shares of countries in Argentina's Imports of Merchandise	9
3.	Table 1.3: Argentina's Exports of Merchandise in billion US dollars	9
4.	Table 1.4: Shares of countries in Argentina's Exports of Merchandise	10
5.	Table 1.5: Shares of top 10 Commodities in Argentina's Imports of Merchandise	10
6.	Table 1.6: Shares of top 10 Commodities in Argentina's Exports of Merchandise	11
7.	Table 2.1: Export Intensity Indices of Countries w.r.t. Argentina	11
8.	Table 2.2: ITC-HS Chapter-wise Export Intensity Indices for India w.r.t Argentina in 2020	12
9.	Table 3.1: Trade Complementarity Index (including Relative) between India and Argentina	14
10.	Table 3.2: Trade Complementarity Index (including Relative) between selected countries and Argentina	14
11.	Table 3.3: Composition of India's Exports and Argentina's Imports in 2020 (ITC-HS chapter-wise)	15
12.	Table 3.4: Top Twenty Chapters with highest absolute difference in shares (in Indian exports and Argentina's imports)	17
13.	Table 4.1: RCA of Indian exports in 2020 – ITC-HS chapter-wise	18
14.	Table 4.2: RCII of Argentina's imports in 2020 – ITC-HS chapter-wise	19
15.	Table 4.3: RCA of Indian exports to Argentina in 2020 – ITC-HS chapter-wise	20
16.	Table 4.4: RCII of Argentina's imports from India in 2020 – ITC-HS chapter-wise	21
17.	Table 5.1: Hirschman-Herfindahl Index for India to the World and for India to Argentina	21
18.	Table 6.1: Grubel-Lloyd Index for India and Argentina in 2020 – Agricultural and Related Products (Chapters 01-24)	23
19.	Table 6.2: Grubel-Lloyd Index for India and Argentina in 2020 – Mineral Products (Chapters 25-27)	24
20.	Table 6.3: Grubel-Lloyd Index for India and Argentina in 2020 – Products of Chemical or Allied Industries (Chapters 28-40)	24
21.	Table 6.4: Grubel-Lloyd Index for India and Argentina in 2020 – Leather, Wood and Paper (Chapters 41-49)	24
22.	Table 6.5: Grubel-Lloyd Index for India and Argentina in 2020 – Textiles, Textile Articles, Footwear and Headgear (Chapters 50-65)	25
23.	Table 6.6: Grubel-Lloyd Index for India and Argentina in 2020 – Assorted Group of Items (Chapters 66- 71)	25
24.	Table 6.7: Grubel-Lloyd Index for India and Argentina in 2020 – Base Metals and Articles of Base Metals (Chapters 72-83)	26
25.	Table 6.8: Grubel-Lloyd Index for India and Argentina in 2020 – High-End Manufactured Products, Furniture, Sports Goods and Works of Art (Chapters 84-99)	26
26.	Table 7.1: Export Similarity Index – India and a few countries	27
27.	Table 7.2: Export Similarity Index – Argentina and a few countries	27
28.	Table A: Country Profile — Argentina	29
29.	Table B: Commodities requiring product specific export-promotion policies	30
30.	Table C: Commodities requiring market specific export-promotion policies	31

## I Overview

**Argentina** (Spanish pronunciation: [arxen'tina], officially the **Argentine Republic** (Spanish: *República Argentina*), is a country in the southern half of South America. Argentina covers an area of 2,780,400 km, making it the second-largest country in South America after Brazil, the fourth-largest country in the Americas, and the eighth-largest country in the world. It shares the bulk of the Southern Cone with Chile to the west, and is also bordered by Bolivia and Paraguay to the north, Brazil to the northeast, Uruguay and the South Atlantic Ocean to the east, and the Drake Passage to the south. Argentina is a federal state sub divided into twenty-three provinces, and one autonomous city, which is the federal capital and largest city of the nation, Buenos Aires. The provinces and the capital have their own constitutions, but exist under a federal system. Argentina claims sovereignty over a part of Antarctica, the Falkland Islands and South Georgia and the South Sandwich Islands.

The earliest recorded human presence in modern-day Argentina dates back to the Palaeolithic period. The Inca Empire expanded to the northwest of the country in Pre-Columbian times. The country has its roots in Spanish colonization of the region during the 16th century. Argentina rose as the successor state of the Viceroyalty of the Río de la Plata, a Spanish overseas viceroyalty founded in 1776. The declaration and fight for independence (1810–1818) was followed by an extended civil war that lasted until 1861, culminating in the country's reorganization as a federation. The country thereafter enjoyed relative peace and stability, with several waves of European immigration, mainly Italians and Spaniards, radically reshaping its cultural and demographic outlook; over 60% of the population has full or partial Italian ancestry, and Argentine culture has significant connections to Italian culture.

The almost-unparalleled increase in prosperity led to Argentina becoming the seventh-wealthiest nation in the world by the early 20th century. In 1896, Argentina's GDP per capita surpassed that of the United States and was consistently in the top ten before at least 1920. Currently, it is ranked 89th in the world. Following the Great Depression in the 1930s, Argentina descended into political instability and economic decline that pushed it back into underdevelopment, although it remained among the fifteen richest countries for several decades. Argentina is a regional power, and retains its historic status as a middle power in international affairs. A Major non-NATO ally, Argentina is a developing country that ranks 46th in the Human Development Index, the second-highest in Latin America after Chile. It maintains the second-largest economy in South America, and is a member of G-15 and G20. Argentina is also a founding member of the United Nations, World Bank, World Trade Organization, Mercosur, Community of Latin American and Caribbean States and the Organization of Ibero-American States. Since January 2022 Argentina is an OECD candidate country.

### a) Etymology

The description of the region by the word *Argentina* has been found on a Venetian map in 1536. In English, the name "Argentina" comes from the Spanish language; however, the naming itself is not Spanish, but Italian. *Argentina* (masculine *argentino*) means in Italian "(made) of silver, silver coloured", derived from the Latin "argentum" for silver. In Italian, the adjective or the proper noun is often used in an autonomous way as a substantive and replaces it and it is said *l'Argentina*. The name *Argentina* was probably first given by the Venetian and Genoese navigators, such as Giovanni Caboto. In Spanish and Portuguese, the words for "silver" are respectively *plata* and *prata* and "(made) of silver" is *plateado* and *prateado*. *Argentina* was first associated with the silver mountains legend, widespread among the first European explorers of the La Plata Basin.

The first written use of the name in Spanish can be traced to *La Argentina*, a 1602 poem by Martín del Barco Centenera describing the region. Although "Argentina" was already in common usage by the 18th century, the country was formally named "Viceroyalty of the Río de la Plata" by the Spanish Empire, and "United Provinces of the Río de la Plata" after independence. The 1826 constitution included the first use of the name "Argentine Republic" in legal documents. The name "Argentine Confederation" was also commonly used and was formalized in the Argentine Constitution of 1853. In 1860 a presidential decree settled the country's name as "Argentine Republic", and that year's constitutional amendment ruled all the names since 1810 as legally valid. In English,

the country was traditionally called "the Argentine", mimicking the typical Spanish usage *la Argentina* and perhaps resulting from a mistaken shortening of the fuller name 'Argentine Republic'. 'The Argentine' fell out of fashion during the mid-to-late 20th century, and now the country is simply referred to as "Argentina".

### **b) Biodiversity**

The national animal of Argentina is the Rufous hornero, a small songbird native to South America. Argentina is one of the most biodiverse countries in the world hosting one of the greatest ecosystem varieties in the world: 15 continental zones, 2 marine zones, and the Antarctic region are all represented in its territory. This huge ecosystem variety has led to a biological diversity that is among the world's largest. The original pampa had virtually no trees; some imported species like the American sycamore or eucalyptus are present along roads or in towns and country estates (*estancias*). The only tree-like plant native to the pampa is the evergreen Ombú.

The surface soils of the pampa are a deep black color, primarily mollisols, known commonly as *humus*. This makes the region one of the most agriculturally productive on Earth; however, this is also responsible for decimating much of the original ecosystem, to make way for commercial agriculture. The western pampas receive less rainfall, this *dry pampa* is a plain of short grasses or steppe. The National Parks of Argentina make up a network of 35 national parks in Argentina. The parks cover a very varied set of terrains and biotopes, from Baritú National Park on the northern border with Bolivia to Tierra del Fuego National Park in the far south of the continent. The Administración de Parques Nacionales (National Parks Administration) is the agency that preserves and manages these national parks along with Natural monuments and National Reserves within the country.

### **c) Climate**

In general, Argentina has four main climate types: warm, moderate, arid, and cold, all determined by the expanse across latitude, range in altitude, and relief features. Although the most populated areas are generally temperate, Argentina has an exceptional amount of climate diversity, ranging from sub-tropical in the north to polar in the far south. Consequently, there is a wide variety of biomes in the country, including subtropical rain forests, semi-arid and arid regions, temperate plains in the Pampas, and cold sub Antarctic in the south. The average annual precipitation ranges from 150 millimetres (6 in) in the driest parts of Patagonia to over 2,000 millimetres (79 in) in the westernmost parts of Patagonia and the north eastern parts of the country. Mean annual temperatures range from 5 °C (41 °F) in the far south to 25 °C (77 °F) in the north. Major wind currents include the cool Pampero Winds blowing on the flat plains of Patagonia and the Pampas; following the cold front, warm currents blow from the north in middle and late winter, creating mild conditions.

The Sudestada usually moderates cold temperatures but brings very heavy rains, rough seas and coastal flooding. It is most common in late autumn and winter along the central coast and in the Río de la Plata estuary. The Zonda, a hot dry wind, affects Cuyo and the central Pampas. Squeezed of all moisture during the 6,000 m (19,685 ft) descent from the Andes, Zonda winds can blow for hours with gusts up to 120 km/h (75 mph), fuelling wildfires and causing damage; between June and November, when the Zonda blows, snowstorms and blizzard (*viento blanco*) conditions usually affect higher elevations. Climate change in Argentina is predicted to have significant effects on the living conditions in Argentina. The climate of Argentina is changing with regards to precipitation patterns and temperatures. The highest increases in the precipitation (from the period 1960–2010) have occurred in the eastern parts of the country. The increase in precipitation has led to more variability in precipitation from year to year in the northern parts of the country, with a higher risk of prolonged droughts, disfavoring agriculture in these regions.

### **d) Government:**

Argentina is a federal constitutional republic and representative democracy. The government is regulated by a system of checks and balances defined by the Constitution of Argentina, the country's supreme legal document. The seat of government is the city of Buenos Aires, as designated by Congress. Suffrage is universal, equal, secret

and mandatory. The federal government is composed of three branches: The Legislative branch consists of the bicameral Congress, made up of the Senate and the Chamber of Deputies. The Congress makes federal law, declares war, approves treaties and has the power of the purse and of impeachment, by which it can remove sitting members of the government. The Chamber of Deputies represents the people and has 257 voting members elected to a four-year term. Seats are apportioned among the provinces by population every tenth year. The Chamber of Senators represents the provinces, has 72 members elected at-large to six-year terms, with each province having three seats; one third of Senate seats are up for election every other year. At least one-third of the candidates presented by the parties must be women.

In the Executive branch, the President is the commander-in-chief of the military, can veto legislative bills before they become law subject to Congressional override and appoints the members of the Cabinet and other officers, who administer and enforce federal laws and policies. The President is elected directly by the vote of the people, serves a four-year term and may be elected to office no more than twice in a row. The Judicial branch includes the Supreme Court and lower federal courts interpret laws and overturn those they find unconstitutional. The Judicial is independent of the Executive and the Legislative. The Supreme Court has seven members appointed by the President subject to Senate approval who serve for life. The lower courts judges are proposed by the Council of Magistracy (a secretariat composed of representatives of judges, lawyers, researchers, the Executive and the Legislative), and appointed by the president on Senate approval.

#### **e) Foreign relations:**

Foreign policy is handled by the Ministry of Foreign Affairs, International Trade and Worship, which answers to the President. The country is one of the G-15 and G-20 major economies of the world, and a founding member of the UN, WBG, WTO and OAS. In 2012 Argentina was elected again to a two-year non-permanent position on the United Nations Security Council and is participating in major peacekeeping operations in Haiti, Cyprus, Western Sahara and the Middle East. Argentina is described as a middle power. A prominent Latin American and Southern Cone regional power, Argentina co-founded OEI and CELAC. It is also a founding member of the Mercosur block, having Brazil, Paraguay, Uruguay and Venezuela as partners. Since 2002 the country has emphasized its key role in Latin American integration, and the block—which has some supranational legislative functions—is its first international priority.

Argentina claims 965,597 km<sup>2</sup> in Antarctica, where it has the world's oldest continuous state presence, since 1904. This overlaps claims by Chile and the United Kingdom, though all such claims fall under the provisions of the 1961 Antarctic Treaty, of which Argentina is a founding signatory and permanent consulting member, with the Antarctic Treaty Secretariat being based in Buenos Aires. Argentina disputes sovereignty over the Falkland Islands (Spanish: *Islas Malvinas*), and South Georgia and the South Sandwich Islands,<sup>[194]</sup> which are administered by the United Kingdom as Overseas Territories. Argentina is a party to the Rome Statute of the International Criminal Court. Argentina is a Major non-NATO ally since 1998 and an OECD candidate country since January 2022.

## **II Economic History:**

The **economic history of Argentina** is one of the most studied, owing to the "Argentine paradox", its unique condition as a country that had achieved advanced development in the early 20th century but experienced a reversal, which inspired an enormous wealth of literature and diverse analysis on the causes of this decline. Since independence from Spain in 1816, the country has defaulted on its debt nine times and inflation has often been in the double digits, even as high as 5000%, resulting in several large currency devaluations. Argentina possesses definite comparative advantages in agriculture, as the country is endowed with a vast amount of highly fertile land. Between 1860 and 1930, exploitation of the rich land of the pampas strongly pushed economic growth. During the first three decades of the 20th century, Argentina outgrew Canada and Australia in population, total income, and per capita income. By 1913, Argentina was the world's 10th wealthiest state per capita. Beginning in the 1930s, however, the Argentine economy deteriorated notably. The single most important factor in this decline has been political instability since 1930, when a military junta took power, ending seven decades of civilian constitutional government.

In macroeconomic terms, Argentina was one of the most stable and conservative countries until the Great Depression, after which it turned into one of the most unstable. Despite this, up until 1962 the Argentine per capita GDP was higher than that of Austria, Italy and Japan of its former colonial master, Spain. Successive governments from the 1930s to the 1970s pursued a strategy of import substitution to achieve industrial self-sufficiency, but the government's encouragement of industrial growth diverted investment from agricultural production, which fell dramatically. The era of import substitution ended in 1976, but at the same time growing government spending, large wage increases and inefficient production created a chronic inflation that rose through the 1980s. The measures enacted during the last dictatorship also contributed to the huge foreign debt by the late 1980s, which became equivalent to three-fourths of the GNP. In the early 1990s the government reined in inflation by making the peso equal in value to the U.S. dollar, and privatized numerous state-run companies, using part of the proceeds to reduce the national debt. However, a sustained recession at the turn of the 21st century culminated in a default, and the government again devalued the peso. By 2005 the economy had recovered, but the country again defaulted in 2014 and 2020.

### **III The Modern Economy: Macroeconomic Indicators:**

In 2020, Argentina's economy contracted for the third year in a row, shrinking by 9.9%, as a consequence of the coronavirus disease (COVID-19) pandemic, which hurt private consumption, investment and exports. The average annual inflation rate fell to 42.0% (down from 53.5% in 2019) and the balance of payments current account showed a surplus of 0.9% of GDP (compared with a deficit of 0.8% in 2019). The foreign-currency public debt was restructured in 2020, significantly easing the interest burden and improving the outlook with respect to maturities over the next few years. As a result, the central government's gross debt closed out the year at 102.8% of GDP. In the first half of 2021, the Argentine economy began to make a recovery as the restrictions on circulation introduced in late 2020 began to be phased out. The monthly estimator of economic activity (EMAE) published by the National Institute of Statistics and Censuses (INDEC) showed an increase of 9.7% year-on-year in the first six months of 2021. This was, however, 3.9% below the level recorded for the same period of 2019, before the outbreak of the pandemic. Inflation in the first seven months of the year accelerated to 45.7% year-on-year against the backdrop of rising international commodity prices, the unfreezing of a set of regulated prices and the economic recovery.

During this same period, the trade surplus in goods narrowed, since the 51% upswing in imports outweighed the increase in exports (31%). The high level of foreign exchange earnings from exports and the allocation of special drawing rights (SDRs) by the International Monetary Fund (IMF) pushed up the level of international reserves (a key variable in the external crisis that has afflicted the country since early 2018) to nearly US\$ 46.2 billion as of the end of August. Thanks to the recovery in economic activity, together with assistance policies focused on the sectors that have been hurt the most by the pandemic, the central government's primary fiscal deficit slipped to 0.7% of GDP for the year to July, compared with 3.8% in the same period of the previous year. For the remainder of 2021, progress with the vaccination drive, the easing of the remaining restrictions on movement and stronger international trade are expected to have a positive impact on private consumption, investment and exports. Given this outlook, and taking into account the positive statistical carry over from the year before, GDP is expected to grow by 7.5%. This projection is contingent upon an improvement in the epidemiological situation —based on a sustained vaccination rate and the possibility of curbing new outbreaks of the virus— and the absence of tensions in the external sector of the economy. The ongoing negotiation by the country's economic authorities and IMF of an Extended Fund Facility Arrangement will also be a decisive determinant of macroeconomic performance.

### **IV Trade Policy:**

In Argentina, there are certain products with automatic licence procedures (*formulario informativo*), which officially allow Argentine Customs authorities to identify possible problems when they are imported. This licencing scheme

encompasses about 600 products of different kinds. Argentine Customs, which is affiliated with the [Ministry of Economy and Public Finance](#), has a three-tiered classification system related to goods inspection (Comprehensive Import Monitoring System - SIMI):

- Green: customs clearance takes place without physical inspection
- Orange: only documentation is inspected
- Red: both goods and documents are inspected.

A form declaring quantities and composition of goods must also be provided to the Ministry of Industry ten days before clearing Customs. All documents presented to Argentinean authorities must be in Spanish or be accompanied with a translation from a certified translator. As a member of Mercosur, Argentina applies the common external tariff (CET), which is between around 0 and 20% for most products. Some automotive goods face a tariff up to 35%. Information technology and capital goods are temporarily exempt from the CET. In addition to import tariffs, there are other fees, including:

- VAT of 10.5% or 21% on CIF. If imported goods are for resale, the rate is 5.5% or 10% VAT on CIF. Increased rate of 27% for utilities services.
- 3% statistics charge
- Anticipated profit tax for retail goods: the rate depends on the activity and the jurisdiction
- And a 3% to 5% gross income tax (PwC)

### **Customs procedures for export in Argentina**

It is prohibited to export cultural artefacts and specimens of flora and fauna which are threatened with extinction. It may also be temporarily prohibited to export certain products when the national market struggles (meat, dairy produce, wheat, corn, etc). Duties on exports of services are taxed at a 5% rate, without limit. Export duties can go up to 33% for exports of soybeans, 15% for exports of other products, and 5% for industrial products and services. Movement of goods within Mercosur is free except restrictions. To leave Mercosur, customs clearance is necessary. The customs clearance office checks the export declaration, may control the goods and authorizes the collection of the goods. The customs declaration must contain information on the origin of the goods, the customs tariff and customs valuation of the goods.

### **Argentina's balance of payments**

In 2020, the balance-of-payments current account showed a surplus of 0.9% of GDP, compared with a deficit of 0.8% of GDP in 2019, thanks to reductions in the services deficit (from 1.1% to 0.6% of GDP) and in the deficit in current transfers and income (from 3.8% to 2.3% of GDP). The improvement in the services account was attributable to the fact that imports fell more sharply (41%) than exports (36%). The changes in flows in services were closely linked to the restrictions on cross-border mobility imposed in response to the pandemic, given that travel is the largest component of this sub account. The reduction in the deficit on the current transfers and income account was largely due to the suspension of interest payments on domestic public-sector debt as part of the process of restructuring public foreign currency debt in 2020. The surplus on the goods account narrowed slightly in 2020, edging down from 4.0% to 3.8% of GDP, as the decline in exports (16%) outpaced the decrease in imports (14%). The downturn in exports of goods reflected reductions in both volumes (13%) and prices (3%), and the value of all categories of export items therefore was lower in 2020. The value of imports of goods also fell in terms of both volumes (11%) and prices (3%). The value of all categories of imports, classified by economic use, also decreased, but there was a 4% increase in the volume of imports of intermediate goods, mainly because of the upswing in inputs for the agro-industrial sector. The financial account (excluding reserve assets) registered a US\$ 11.4 billion deficit (2.9% of GDP) in 2020.

This result was primarily a consequence of demand for foreign currency for hoarding from the non-financial private sector (US\$ 9.3 billion, equivalent to 2.4% of GDP). That demand for was partially offset by inflows of foreign direct investment (FDI) equivalent to 1.5% of GDP, even though, in absolute terms, FDI was down by 44.0% from the year before. The associated borrowing requirements, net of the current account surplus, the capital account surplus, and errors and omissions, accounted for the US\$ 7.7 billion decrease in reserve assets in 2020(2%ofGDP).In the first seven months of 2021, a surplus of US\$ 8.3 billion was posted on the trade balance for goods, which was 15% less than in the corresponding period in 2020. The decline in the trade surplus was due to the fact that imports out-performed exports in year-on-year growth (51% versus 31%, respectively). All exports, classified by item, and all imports, classified by economic use, expanded in the first seven months of the year in value terms.

## V Trade Analysis

While presenting the overview of Argentina's international trade data, this section will particularly focus on Argentina's merchandise trade & the bilateral trade between Argentina and India in details.

### I. Argentina's Imports and Exports

Tables 1.1 to 1.4 show the list of Argentina's top 20 source countries and destination countries for merchandise trade. From tables 1.1 and 1.2, it is manifest that China Brazil and USA are the top 3 countries accounting for 25% in Argentina's imports of merchandise in 2021. India accounts for 1.10% in Argentina's goods' imports in 2021.moreover India ranks 8<sup>th</sup> among the top 20 source countries for Argentina's imports in 2021.

Table 1.1: Argentina's Imports of Merchandise in billion US dollars

Partner Country	2017	2018	2019	2020	2021
World	66.90	65.44	49.13	42.36	63.18
China	12.31	12.07	9.26	8.66	13.53
Brazil	17.87	15.57	10.09	8.65	12.39
USA	7.63	7.70	6.27	4.41	5.92
Paraguay	1.09	2.18	1.65	2.22	2.91
Germany	3.23	3.35	2.77	1.99	2.53
Thailand	1.26	1.33	1.18	1.00	1.55
Mexico	2.08	1.88	1.13	0.95	1.40
<b>India</b>	<b>0.82</b>	<b>0.89</b>	<b>0.81</b>	<b>0.80</b>	<b>1.39</b>
Italy	1.67	1.56	1.13	1.01	1.31
Viet Nam	0.62	0.64	0.66	0.75	1.18
Japan	1.06	1.08	0.90	0.72	1.14
Spain	1.45	1.43	0.98	0.71	1.08
Bolivia (Plurinational State of)	1.25	1.44	1.37	1.03	1.05
France	1.34	1.11	0.89	0.78	1.00
Netherlands	0.49	0.53	0.45	0.32	0.73
Chile	0.86	0.71	0.54	0.54	0.70
Areas, nes	0.56	0.60	0.60	0.50	0.69
Russian Federation	0.34	0.52	0.24	0.17	0.65
Rep. of Korea	0.84	0.64	0.50	0.37	0.65
Italy	1.67	1.56	1.13	1.01	1.31
Others	75.34	74.10	55.73	48.13	73.24
<b>Total Import Values (Billion USD)</b>	<b>133.80</b>	<b>130.88</b>	<b>98.25</b>	<b>84.71</b>	<b>126.37</b>

Source: UN Comtrade database



Table 1.2: Shares (%) of countries in Argentina's Imports of Merchandise

Partner Country	2017	2018	2019	2020	2021
China	9.20	9.22	9.42	10.22	10.70
Brazil	13.36	11.90	10.27	10.21	9.81
USA	5.71	5.88	6.39	5.21	4.69
Paraguay	0.81	1.66	1.68	2.62	2.31
Germany	2.41	2.56	2.82	2.35	2.00
Thailand	0.94	1.01	1.21	1.18	1.23
Mexico	1.56	1.43	1.15	1.12	1.11
<b>India</b>	<b>0.62</b>	<b>0.68</b>	<b>0.82</b>	<b>0.95</b>	<b>1.10</b>
Italy	1.25	1.19	1.15	1.19	1.04
Viet Nam	0.46	0.49	0.67	0.89	0.94
Japan	0.79	0.83	0.91	0.85	0.90
Spain	1.09	1.09	0.99	0.83	0.86
Bolivia (Plurinational State of)	0.93	1.10	1.39	1.22	0.83
France	1.01	0.85	0.90	0.92	0.79
Netherlands	0.37	0.41	0.45	0.38	0.58
Chile	0.64	0.54	0.55	0.64	0.55
Areas, nes	0.42	0.46	0.61	0.59	0.54
Russian Federation	0.25	0.40	0.24	0.20	0.51
Rep. of Korea	0.63	0.49	0.51	0.43	0.51
Italy	1.25	1.19	1.15	1.19	1.04
Others	56.31	56.62	56.72	56.82	57.96
<b>Total Import (Share %)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Computed from UN Comtrade database

Table 1.3: Argentina's Exports of Merchandise in billion US dollars

Partner Country	2017	2018	2019	2020	2021
World	58.38	61.56	65.11	54.88	77.93
Brazil	9.31	11.29	10.39	7.94	11.77
China	4.32	4.21	6.82	5.24	6.16
USA	4.52	4.28	4.11	3.31	5.00
<b>India</b>	<b>2.08</b>	<b>1.60</b>	<b>2.16</b>	<b>2.51</b>	<b>4.29</b>
Chile	2.62	3.04	3.07	2.89	4.20
Viet Nam	2.27	2.10	2.81	2.85	3.22
Netherlands	1.39	1.70	1.81	1.59	2.98
Peru	1.07	1.17	1.59	1.38	2.01
Indonesia	1.07	1.28	1.62	1.32	1.86
Spain	1.50	1.59	1.43	1.10	1.85
Rep. of Korea	0.51	0.29	0.84	0.69	1.72
Egypt	1.26	0.99	0.99	1.17	1.54
Algeria	1.47	1.72	1.52	1.10	1.47
Malaysia	0.87	0.96	0.88	0.95	1.43
Uruguay	1.20	1.23	1.14	1.05	1.33
Paraguay	1.14	1.25	1.02	0.88	1.29
Iran	0.45	0.45	0.70	0.37	1.20
Colombia	0.56	0.65	0.90	0.59	1.13
Areas, nes	0.91	1.15	0.95	0.88	1.09
Italy	1.04	1.08	1.00	0.82	0.97
Others	77.20	81.09	84.50	71.15	99.36
<b>Total Export Values (Billion USD)</b>	<b>116.77</b>	<b>123.12</b>	<b>130.23</b>	<b>109.77</b>	<b>155.87</b>

Source: UN Comtrade database

Table 1.4: Shares (%) of countries in Argentina's Exports of Merchandise

Partner Country	2017	2018	2019	2020	2021
Brazil	7.97	9.17	7.97	7.23	7.55
China	3.70	3.42	5.24	4.78	3.95
USA	3.87	3.47	3.16	3.02	3.20
<b>India</b>	<b>1.78</b>	<b>1.30</b>	<b>1.66</b>	<b>2.28</b>	<b>2.75</b>
Chile	2.24	2.47	2.36	2.63	2.70
Viet Nam	1.95	1.71	2.15	2.60	2.07
Netherlands	1.19	1.38	1.39	1.45	1.91
Peru	0.92	0.95	1.22	1.26	1.29
Indonesia	0.92	1.04	1.25	1.20	1.20
Spain	1.29	1.29	1.10	1.00	1.19
Rep. of Korea	0.43	0.24	0.65	0.63	1.10
Egypt	1.08	0.80	0.76	1.07	0.99
Algeria	1.26	1.40	1.17	1.00	0.94
Malaysia	0.74	0.78	0.68	0.86	0.91
Uruguay	1.03	1.00	0.87	0.96	0.86
Paraguay	0.98	1.02	0.78	0.80	0.83
Iran	0.38	0.36	0.53	0.34	0.77
Colombia	0.48	0.53	0.69	0.53	0.72
Areas, nes	0.78	0.93	0.73	0.80	0.70
Italy	0.89	0.88	0.77	0.74	0.62
Others	66.12	65.86	64.89	64.82	63.74
<b>Total Exports (Share %)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Computed from UN Comtrade database

From tables 1.3 and 1.4, it is seen that Brazil, China and USA are the top 3 export destinations of Argentina, accounting for about 15% of her exports, As regards, India, the export share is 2.75% in 2021.

Using the ITC HS commodity codes, tables 1.5 and 1.6 highlight the top 10 commodities, at the double digit aggregation, that comprises Argentina's imports and exports respectively.

Table 1.5: Shares (%) of top 10 Commodities in Argentina's Imports of Merchandise

ITC-HS Chapter	Commodity Name	Import (Share %)				
		2017	2018	2019	2020	2021
HS-84	Nuclear reactors, boilers, machinery, etc.	14.85	14.49	15.43	15.05	15.09
HS-85	Electrical, electronic equipment	12.90	12.00	13.10	11.26	10.51
HS-87	Vehicles other than railway, tramway	19.72	16.80	11.46	10.89	10.17
HS-27	Mineral fuels, oils, distillation products, etc.	8.16	9.59	8.53	6.06	9.18
HS-29	Organic chemicals	3.48	3.73	4.82	6.00	5.28
HS-30	Pharmaceutical products	3.56	3.62	4.25	5.06	5.21
HS-39	Plastics and articles thereof	3.56	3.64	4.31	4.98	4.81
HS-12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	1.18	3.97	3.41	4.88	4.31
HS-31	Fertilizers	1.09	1.70	2.14	2.64	3.62
HS-72	Iron and steel	1.89	1.70	1.42	1.53	2.91
	Others	29.60	28.77	31.12	31.64	28.90
	<b>Total Import (Share %)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Computed from UN Comtrade database

Table 1.6: Shares (%) of top 10 Commodities in Argentina's Exports of Merchandise

ITC-HS Chapter	Commodity Name	Export (share %)				
		2017	2018	2019	2020	2021
HS-10	Cereals	11.93	12.25	14.30	16.34	16.42
HS-99	Commodities not elsewhere specified	1.54	4.51	5.52	5.14	14.00
HS-23	Residues, wastes of food industry, animal fodder	16.82	15.99	14.46	15.29	11.78
HS-15	Animal, vegetable fats and oils, cleavage products, etc.	8.31	6.42	6.76	8.52	9.35
HS-87	Vehicles other than railway, tramway	9.89	11.99	9.79	6.92	7.89
HS-27	Mineral fuels, oils, distillation products, etc.	2.79	4.77	4.63	4.03	4.85
HS-12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	5.39	2.89	6.26	6.24	4.78
HS-02	Meat and edible meat offal	3.14	4.11	5.82	6.02	4.30
HS-38	Miscellaneous chemical products	3.24	2.74	2.24	2.01	3.14
HS-03	Fish, crustaceans, molluscs, aquatic invertebrates nes	3.34	3.43	2.81	3.10	2.46
	Others	33.60	30.91	27.42	26.39	21.04
	<b>Total Export (Share %)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Computed from UN Comtrade database

The top 5 imported products constitute 'Nuclear reactors, boilers, machinery, etc.' (HS-84), 'Electrical, electronic equipment' (HS-85), 'Vehicles other than railway, tramway' (HS-87), 'Mineral fuels, oils, distillation products, etc.' (HS-27) and 'Organic chemicals' (HS-29) (from table 1.5). On the other hand, the dominant export basket constitutes categories such as 'Cereals'(HS-10), 'Commodities not elsewhere specified'(HS-99), 'Residues, wastes of food industry, animal fodder'(HS-23), 'Animal, vegetable fats and oils, cleavage products, etc.' (HS-15) and 'Vehicles other than railway, tramway' (HS-87) (from table 1.6).

The following commodities dominate both the export and import baskets in Argentina's international trade.

HS-87 Vehicles other than railway, tramway

HS-27 Mineral fuels, oils, distillation products, etc.

HS-12 Oil seed, oleagic fruits, grain, seed, fruit, etc., nes

## 2. Export Trade Intensity Index

Export Trade Intensity Index (ETII) of a country (here, India) with respect to an importing country (here, Argentina) is the share of the exporting country's merchandise going to that particular importing country divided by the share of world exports going to that importing country. In other words, it is the importance of that importing country as a destination for the exporting country's merchandise outflow, as compared to the importance that importing country enjoys as a destination of world exports. But algebraically, it is equal to the exporting country's share in the importer's market as compared to the importing country's market share in the world market<sup>2</sup>.

Table 2.1, which states the ETII of BRICS countries and USA with respect to Argentina, shows that the ETII value is extremely high with respect to Brazil, China and India followed by USA, implying stronger trade ties among Argentina, Brazil, China and India. Moreover Brazil has a significantly higher ETII value.

Table 2.1: Export Intensity Indices (ETIIs) of BRICS Countries and USA w.r.t. Argentina

Countries	2016	2017	2018	2019	2020
Brazil	22.34	20.75	19.47	19.04	17.81
USA	1.84	1.62	1.86	2.06	1.80
China	1.06	1.03	1.05	1.12	1.11
India	0.60	0.57	0.61	0.83	1.13
South Africa	0.68	0.52	0.63	0.68	0.66
Russia	0.18	0.15	0.27	0.31	0.11

Source: Computed from UN Comtrade database

Elaborating on the ETII, table 2.2 shows the disaggregated value of this index for India with respect to Argentina. The index is calculated for each of the 2-digit ITC HS commodity codes and a higher value, greater than 1, represents that the Indian exports, of those specific chapters, to Argentina are relatively performing better than the world averages.

Table 2.2: ITC-HS Chapter-wise Export Intensity Indices for India w.r.t Argentina in 2020

ITCHS Chapter	Trade Intensity Index (TII)	ITCHS Chapter	Trade Intensity Index (TII)	ITCHS Chapter	Trade Intensity Index (TII)	ITCHS Chapter	Trade Intensity Index (TII)
43	52.70	69	2.33	91	1.20	71	0.24
30	9.46	34	2.28	10	1.17	51	0.21
59	8.42	22	2.25	13	1.10	26	0.19
87	7.50	75	2.18	28	1.02	78	0.15
36	6.19	21	2.16	58	0.93	17	0.14
19	5.13	37	2.12	81	0.92	93	0.13
85	5.10	32	2.11	88	0.91	31	0.10
83	4.98	45	2.07	72	0.81	99	0.03
27	4.85	73	1.97	42	0.75	23	0.02
41	4.51	55	1.92	74	0.73	67	0.00
80	4.24	97	1.91	92	0.68	1	0.00
95	4.11	14	1.84	68	0.67	2	0.00
66	4.07	40	1.81	11	0.60	3	0.00
33	4.00	12	1.68	52	0.57	4	0.00
20	3.62	84	1.61	60	0.57	5	0.00
82	3.61	48	1.59	65	0.53	6	0.00
49	3.41	57	1.57	54	0.53	7	0.00
86	3.14	38	1.46	25	0.52	8	0.00
46	3.02	64	1.38	94	0.50	9	0.00
53	2.78	63	1.35	79	0.47		
39	2.77	16	1.31	47	0.46		
29	2.56	62	1.31	24	0.42		
56	2.52	44	1.30	18	0.42		
90	2.46	76	1.28	35	0.39		
61	2.38	96	1.21	15	0.36		
70	2.33	91	1.20	50	0.36		

Source: Computed from UN Comtrade database

In Table 2.2, the chapters are arranged in order of magnitude from largest to smallest values of ETII. From the above table, it is clear that there are several chapters which have an index value greater than 1 which are as under:

- Furskins and artificial fur, manufactures thereof (HS-43)
- Pharmaceutical products (HS-30)
- Impregnated, coated or laminated textile fabric (HS-59)
- Vehicles other than railway, tramway (HS-87)
- Explosives, pyrotechnics, matches, pyrophorics, etc. (HS-36)
- Cereal, flour, starch, milk preparations and products (HS-19)
- Electrical, electronic equipment (HS-85)
- Miscellaneous articles of base metal (HS-83)
- Mineral fuels, oils, distillation products, etc. (HS-27)

Raw hides and skins (other than furskins) and leather (HS-41)  
Tin and articles thereof (HS-80)  
Toys, games, sports requisites (HS-95)  
Umbrellas, walking-sticks, seat-sticks, whips, etc. (HS-66)  
Essential oils, perfumes, cosmetics, toiletries (HS-33)  
Vegetable, fruit, nut, etc. food preparations (HS-20)  
Tools, implements, cutlery, etc. of base metal (HS-82)  
Printed books, newspapers, pictures etc. (HS-49)  
Railway, tramway locomotives, rolling stock, equipment (HS-86)  
Manufactures of plaiting material, basketwork, etc. (HS-46)  
Vegetable textile fibres nes, paper yarn, woven fabric (HS-53)  
Plastics and articles thereof (HS-39)  
Organic chemicals (HS-29)  
Wadding, felt, nonwovens, yarns, twine, cordage, etc. (HS-56)  
Optical, photo, technical, medical, etc. apparatus (HS-90)  
Articles of apparel, accessories, knit or crochet (HS-61)  
Glass and glassware (HS-70)  
Ceramic products (HS-69)  
Soaps, lubricants, waxes, candles, modelling pastes (HS-34)  
Beverages, spirits and vinegar (HS-22)  
Nickel and articles thereof (HS-75)  
Miscellaneous edible preparations (HS-21)  
Photographic or cinematographic goods (HS-37)  
Tanning, dyeing extracts, tannins, derive, pigments etc. (HS-32)  
Cork and articles of cork (HS-45)  
Articles of iron or steel (HS-73)  
Manmade staple fibres (HS-55)  
Works of art, collectors pieces and antiques (HS-97)  
Vegetable plaiting materials, vegetable products nes (HS-14)  
Rubber and articles thereof (HS-40)  
Oil seed, oleagic fruits, grain, seed, fruit, etc., nes (HS-12)  
Nuclear reactors, boilers, machinery, etc. (HS-84)  
Paper & paperboard, articles of pulp, paper and board (HS-48)  
Carpets and other textile floor coverings (HS-57)  
Miscellaneous chemical products (HS-38)  
Footwear, gaiters and the like, parts thereof (HS-64)  
Other made textile articles, sets, worn clothing etc. (HS-63)  
Meat, fish and seafood food preparations nes (HS-16)  
Articles of apparel, accessories, not knit or crochet (HS-62)  
Wood and articles of wood, wood charcoal (HS-44)  
Aluminium and articles thereof (HS-76)  
Miscellaneous manufactured articles (HS-96)  
Clocks and watches and parts thereof (HS-91)  
Clocks and watches and parts thereof (HS-91)  
Cereals (HS-10)  
Lac, gums, resins, vegetable saps and extracts nes (HS-13)  
Inorganic chemicals, precious metal compound, isotopes (HS-28)

### 3. Trade Complementarity Index

The ITC-HS chapters identified in the previous section is only a shortlist, for it narrates half the story. Trade takes place when there is a complementarity of demand and supply, in the present case, between the demand of Argentina and the supply of India. The Trade Complementarity Index (TCI) is a measure of this match, and the value of the index between Indian exports and Argentina imports in 2020 stood at 0.36, which is less than the chain/average index between Indian exports and world imports at 0.42. Hence, the Relative Trade Complementarity Index is 0.87, meaning that India's exports have less complementarity with Argentina imports than with world imports.<sup>3</sup>

TCI is computed by taking the shares of each commodity (here, at the ITC-HS 6-digit level) in the export basket of India, and then the corresponding shares of these commodities in the import basket of Argentina, calculating the absolute value of the difference between the two for each 6-digit level commodity, summing the differences up, dividing the sum by 2, and subtracting what we get from 1. So, the differences in the shares are the major determinants.

*Table 3.1: Trade Complementarity Index (including Relative) between India and Argentina*

	2016	2017	2018	2019	2020
<b>TCI Between India and Argentina<sup>4</sup></b>	0.32	0.29	0.30	0.35	0.34
<b>TCI Between India<sup>5</sup> and World</b>	0.38	0.40	0.41	0.39	0.42
<b>RTCPI<sup>6</sup></b>	0.83	0.72	0.72	0.90	0.82

Source: Computed from UN Comtrade database

3 See RTCI in Appendix D.

4 Trade Complementarity Index between India and Argentina.

5 Trade Complementarity Index between India and World.

6 Relative Trade Complementarity Index between India and Argentina.

*Table 3.2: Trade Complementarity Index (including Relative) between selected countries (largest exporters to Argentina) and Argentina in 2020.*

Countries	TCI	TCIW	RTCPI
China	0.41	0.54	0.76
Brazil	0.27	0.34	0.80
USA	0.49	0.69	0.71
Paraguay	0.10	0.11	0.91
Germany	0.53	0.62	0.85

Source: Computed from UN Comtrade database

From table 3.2, we see that Paraguay good trade complementarity with Argentina (RTCPI nearing/exceeding 1). For India, the differences at the individual ITC-HS 2-digit level are examined to find out at which products the complementarities lie and there is a greater match between demand (imports) and supply (exports).

The ITC-HS 2-digit code-wise composition of Indian exports and Argentina imports is given in table 3.3 below.

*Table 3.3: Composition of India's Exports and Argentina's Imports in 2019 (ITC-HS chapter-wise)*

ITC-HS Chapter	India		Argentina	
	Exports(Bn \$)	Share of Chapters (%)	Imports(Bn \$)	Share of Chapters (%)
HS-01	0.01	0.00	0.02	0.05
HS-02	3.11	1.13	0.13	0.26
HS-03	5.15	1.87	0.06	0.12
HS-04	0.32	0.12	0.03	0.05
HS-05	0.10	0.04	0.03	0.06
HS-06	0.07	0.03	0.01	0.01
HS-07	1.22	0.44	0.02	0.04
HS-08	1.31	0.48	0.29	0.59
HS-09	3.66	1.33	0.10	0.20
HS-10	8.67	3.15	0.03	0.06
HS-11	0.38	0.14	0.03	0.06
HS-12	1.82	0.66	1.68	3.41
HS-13	0.72	0.26	0.06	0.11
HS-14	0.04	0.02	0.01	0.01
HS-15	1.41	0.51	0.07	0.15
HS-16	0.60	0.22	0.10	0.20
HS-17	2.76	1.00	0.04	0.08
HS-18	0.14	0.05	0.15	0.30
HS-19	0.57	0.21	0.04	0.08
HS-20	0.68	0.25	0.10	0.20
HS-21	0.86	0.31	0.17	0.35
HS-22	0.33	0.12	0.08	0.17
HS-23	1.47	0.54	0.07	0.14
HS-24	0.85	0.31	0.05	0.11
HS-25	1.84	0.67	0.13	0.27
HS-26	4.21	1.53	0.46	0.94
HS-27	27.63	10.03	4.19	8.53
HS-28	1.61	0.59	0.73	1.48
HS-29	17.43	6.33	2.37	4.82
HS-30	18.43	6.69	2.09	4.25
HS-31	0.12	0.04	1.05	2.14
HS-32	2.92	1.06	0.38	0.77
HS-33	1.84	0.67	0.43	0.87
HS-34	0.67	0.24	0.33	0.68
HS-35	0.23	0.08	0.17	0.34
HS-36	0.12	0.04	0.02	0.04
HS-37	0.01	0.00	0.04	0.09
HS-38	4.89	1.77	1.33	2.71
HS-39	6.60	2.40	2.12	4.31
HS-40	2.98	1.08	0.85	1.74
HS-41	0.37	0.14	0.01	0.03
HS-42	1.86	0.67	0.11	0.22
HS-43	0.01	0.00	0.00	0.00
HS-44	0.42	0.15	0.08	0.16
HS-45	0.00	0.00	0.03	0.07
HS-46	0.04	0.02	0.00	0.00
HS-47	0.01	0.00	0.17	0.35

HS-48	1.75	0.64	0.70	1.43
HS-49	0.25	0.09	0.12	0.24
HS-50	0.08	0.03	0.00	0.00
HS-51	0.10	0.04	0.00	0.00
HS-52	5.81	2.11	0.07	0.14
HS-53	0.48	0.17	0.01	0.01
HS-54	1.63	0.59	0.15	0.31
HS-55	1.28	0.46	0.18	0.37
HS-56	0.45	0.16	0.11	0.21
HS-57	1.69	0.61	0.02	0.04
HS-58	0.32	0.12	0.02	0.04
HS-59	0.33	0.12	0.07	0.15
HS-60	0.44	0.16	0.11	0.22
HS-61	6.12	2.22	0.17	0.36
HS-62	6.10	2.22	0.19	0.38
HS-63	4.77	1.73	0.07	0.15
HS-64	1.92	0.70	0.41	0.84
HS-65	0.06	0.02	0.02	0.04
HS-66	0.00	0.00	0.01	0.01
HS-67	0.31	0.11	0.01	0.01
HS-68	1.70	0.62	0.10	0.21
HS-69	2.00	0.73	0.13	0.27
HS-70	0.76	0.28	0.19	0.39
HS-71	24.46	8.88	0.14	0.29
HS-72	10.63	3.86	0.70	1.42
HS-73	6.25	2.27	0.93	1.89
HS-74	1.05	0.38	0.22	0.44
HS-75	0.05	0.02	0.04	0.07
HS-76	5.29	1.92	0.32	0.64
HS-78	0.34	0.12	0.00	0.00
HS-79	0.70	0.26	0.08	0.17
HS-80	0.01	0.00	0.01	0.02
HS-81	0.04	0.02	0.02	0.03
HS-82	0.78	0.28	0.25	0.51
HS-83	0.61	0.22	0.23	0.47
HS-84	17.97	6.52	7.58	15.43
HS-85	13.46	4.89	6.43	13.10
HS-86	0.11	0.04	0.10	0.20
HS-87	13.00	4.72	5.63	11.46
HS-88	1.22	0.44	0.10	0.20
HS-89	4.39	1.59	0.16	0.33
HS-90	3.10	1.13	1.39	2.82
HS-91	0.07	0.03	0.03	0.07
HS-92	0.02	0.01	0.01	0.03
HS-93	0.22	0.08	0.01	0.02
HS-94	1.81	0.66	0.42	0.86
HS-95	0.38	0.14	0.27	0.54
HS-96	0.51	0.19	0.15	0.31
HS-97	0.05	0.02	0.01	0.01
HS-99	0.10	0.04	0.58	1.19
<b>Total</b>	<b>275.49</b>	<b>100</b>	<b>49.13</b>	<b>100</b>

Source: UN Comtrade database



Complementarity in respect of a particular commodity group (here, ITC-HS two-digit level code) implies that India's exports of the commodity (to the world) is substantial, and so is Argentina's imports of the commodity (from the world). As it is required to identify the sectors (ITC-HS 2-digit chapters) which have contributed most to the low level of complementarity, the absolute difference in shares – between the share in Indian exports and the share in Argentina's imports – for each 2-digit code may be computed. Table 3.4 below shows the twenty 2-digit codes which have seen the highest differences. This will be of interest to framers of policy for aligning India's exports to Argentina's imports to enhance trade complementarity between the two countries.

*Table 3.4: Top Twenty Chapters with highest absolute difference in shares in %  
(in Indian exports and Argentina's imports in 2020)*

<b>ITC-HS Chapter</b>	<b>Commodity Description</b>	<b>Absolute Value of Difference in Shares (%)</b>	<b>Higher Share in</b>
HS-84	Nuclear reactors, boilers, machinery, etc.	8.90	Argentina Imports
HS-71	Pearls, precious stones, metals, coins, etc.	8.59	Indian Exports
HS-85	Electrical, electronic equipment	8.21	Argentina Imports
HS-87	Vehicles other than railway, tramway	6.75	Argentina Imports
HS-10	Cereals	3.09	Indian Exports
HS-12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	2.75	Argentina Imports
HS-72	Iron and steel	2.44	Indian Exports
HS-30	Pharmaceutical products	2.44	Indian Exports
HS-31	Fertilizers	2.10	Argentina Imports
HS-52	Cotton	1.97	Indian Exports
HS-39	Plastics and articles thereof	1.91	Argentina Imports
HS-61	Articles of apparel, accessories, knit or crochet	1.87	Indian Exports
HS-62	Articles of apparel, accessories, not knit or crochet	1.84	Indian Exports
HS-03	Fish, crustaceans, molluscs, aquatic invertebrates nes	1.75	Indian Exports
HS-90	Optical, photo, technical, medical, etc. apparatus	1.70	Argentina Imports
HS-63	Other made textile articles, sets, worn clothing etc.	1.58	Indian Exports
HS-27	Mineral fuels, oils, distillation products, etc.	1.50	Indian Exports
HS-29	Organic chemicals	1.50	Indian Exports
HS-76	Aluminium and articles thereof	1.27	Indian Exports
HS-89	Ships, boats and other floating structures	1.27	Indian Exports

Source: Computed from UN Comtrade database

From table 3.4, it is found that Nuclear reactors, boilers, machinery, etc.(HS-84), Electrical, Electronic Equipment(HS-85), Vehicles other than railway, tramway(HS-87), Oil seed, oleagic fruits, grain, seed, fruit, etc., nes. (HS-12), Fertilizers (HS-31), Plastics and articles thereof (HS-39) and Optical, photo, technical, medical, etc. apparatus (HS-90) are the ITC-HS chapters where India may need to enhance export production to match import demand for Argentina.

## 4. RCA and RCII

The earlier approach was one way of looking at things. Another way involves the use of information regarding sectors which have a relative importance, in terms of value, in India's exports (relative to the importance in world exports), and which enjoy a similar relative importance in Argentina's imports. The first is known as Revealed Comparative Advantage (RCA) and the second Revealed Comparative Import Inclination (RCII). RCA index for a commodity (or commodity group) exported from India is higher than 1 if its importance is more in India's exports than in world exports, and vice versa. Similarly, RCII index for Argentina's imports for a commodity (or commodity group) imported to Argentina is higher than 1 if its importance is more in Argentina's imports than in world imports, and vice versa.

Hence, those sectors – we analyse at the ITC-HS two-digit code level – which have both RCA for India and RCII for Argentina higher than 1 are the sectors which India's exports and Argentina's imports to an extent more than overall world trends warrant. Hence these are the sectors which are expected to see substantial Indian exports to Argentina. Tables 4.1 and 4.2 shows values of RCA for Indian exports and of RCII for Argentina's imports for 2020. Those chapters for which the values are above 1 are in red

Table 4.1: RCA of Indian exports in 2020 – ITC-HS chapter-wise

ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries
52	8.70	68	2.04	33	0.75	81	0.19
53	8.05	36	1.82	39	0.72	80	0.16
57	7.44	41	1.61	48	0.69	22	0.16
13	5.42	42	1.53	20	0.68	75	0.15
10	4.83	30	1.47	70	0.67	31	0.15
17	4.36	73	1.40	96	0.65	97	0.14
50	4.34	38	1.36	21	0.64	43	0.14
78	3.87	27	1.36	34	0.63	91	0.11
79	3.14	24	1.28	87	0.62	45	0.09
25	3.11	26	1.25	83	0.57	66	0.06
55	2.86	23	1.22	84	0.52	37	0.05
29	2.86	11	1.18	49	0.47	99	0.02
63	2.75	12	1.17	74	0.46	47	0.02
54	2.69	46	1.12	94	0.45		
89	2.45	40	1.10	65	0.43		
14	2.39	64	1.03	35	0.42		
71	2.34	56	0.97	19	0.42		
32	2.31	15	0.96	85	0.32		
72	2.23	60	0.95	90	0.31		
61	2.17	59	0.93	88	0.31		
76	2.17	28	0.92	92	0.22		
69	2.16	93	0.81	18	0.21		
62	2.14	82	0.79	44	0.21		
58	2.12	16	0.76	86	0.20		
67	2.06	51	0.76	95	0.20		

Source: Computed from UN Comtrade database

Table 4.2: RCII of Argentina's imports in 2020 – ITC-HS chapter-wise

ITC-HS Chapter	RCII	ITC-HS Chapter	RCII	ITC-HS Chapter	RCII	ITC-HS Chapter	RCII
45	<b>8.30</b>	30	<b>1.19</b>	65	0.66	75	0.27
12	<b>7.28</b>	84	<b>1.18</b>	11	0.65	44	0.24
31	<b>7.27</b>	18	<b>1.15</b>	85	0.65	62	0.23
55	<b>2.66</b>	33	<b>1.11</b>	74	0.64	61	0.22
13	<b>2.44</b>	69	<b>1.01</b>	27	0.61	19	0.20
29	<b>2.34</b>	36	0.99	24	0.61	88	0.20
35	<b>2.21</b>	68	0.98	95	0.60	78	0.14
38	<b>2.15</b>	70	0.97	49	0.57	43	0.13
34	<b>2.08</b>	21	0.93	66	0.57	10	0.11
32	<b>1.94</b>	73	0.92	94	0.53	50	0.07
28	<b>1.91</b>	37	0.89	63	0.53	51	0.07
79	<b>1.89</b>	92	0.88	26	0.53	71	0.06
54	<b>1.85</b>	16	0.87	57	0.42	97	0.01
48	<b>1.85</b>	64	0.87	86	0.40		
60	<b>1.82</b>	14	0.82	42	0.40		
80	<b>1.80</b>	72	0.81	81	0.38		
40	<b>1.65</b>	58	0.77	46	0.36		
87	<b>1.47</b>	90	0.77	93	0.35		
39	<b>1.43</b>	25	0.75	17	0.33		
56	<b>1.41</b>	20	0.75	23	0.32		
96	<b>1.39</b>	76	0.73	41	0.31		
83	<b>1.37</b>	99	0.71	15	0.30		
47	<b>1.33</b>	52	0.68	91	0.30		
59	<b>1.27</b>	89	0.68	22	0.27		
82	<b>1.24</b>	53	0.67	67	0.27		

Source: Computed from UN Comtrade database

Policymakers' focus should be to zero in on commodity groups for which RCA of Indian exports >1 and RCII of Argentina imports >1 as these commodity groups have good potential for bilateral trade between India and Argentina with India having a relatively superlative standing in production/supply of these commodities, which then have a larger than average import demand in Argentina. These commodities should be the intersection set of ITC-HS chapters with RCA >1 in Table 4.1 and RCII >1 in Table 4.2. These commodities with their associated commodity descriptions are:

- Lac, gums, resins, vegetable saps and extracts nes (HS-13)
- Zinc and articles thereof (HS-79)
- Manmade staple fibres (HS-55)
- Organic chemicals (HS-29)
- Manmade filaments (HS-54)
- Tanning, dyeing extracts, tannins, derivs, pigments etc. (HS-32)
- Ceramic products (HS-69)
- Pharmaceutical products (HS-30)
- Miscellaneous chemical products (HS-38)
- Oil seed, oleagic fruits, grain, seed, fruit, etc., nes (HS-12)

Table 4.3: RCA of Indian exports to Argentina in 2020 – ITC-HS chapter-wise

ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries	ITC-HS Chapter	RCA Between Countries
38	<b>6.68</b>	30	0.51	75	0.08	19	0.00
55	<b>6.66</b>	93	0.48	61	0.08	22	0.00
54	<b>5.77</b>	64	0.46	48	0.08	24	0.00
34	<b>4.48</b>	58	0.45	36	0.08	37	0.00
27	<b>2.82</b>	28	0.41	97	0.08	41	0.00
32	<b>2.62</b>	85	0.37	65	0.07	43	0.00
29	<b>1.98</b>	99	0.37	20	0.07	47	0.00
40	<b>1.85</b>	42	0.35	25	0.06	51	0.00
70	<b>1.51</b>	73	0.32	59	0.05	67	0.00
45	<b>1.44</b>	15	0.31	21	0.04	78	0.00
87	<b>1.28</b>	81	0.31	50	0.03	79	0.00
96	<b>1.26</b>	12	0.29	80	0.02	88	0.00
90	<b>1.18</b>	62	0.26	60	0.02	89	0.00
95	<b>1.11</b>	35	0.23	92	0.02		
72	<b>1.00</b>	23	0.20	26	0.01		
83	0.96	94	0.18	10	0.01		
13	0.90	46	0.16	86	0.01		
82	0.85	76	0.16	17	0.01		
39	0.79	69	0.15	66	0.00		
49	0.79	91	0.15	71	0.00		
33	0.71	63	0.13	14	0.00		
57	0.59	56	0.13	31	0.00		
52	0.56	74	0.12	11	0.00		
53	0.55	68	0.10	16	0.00		
84	0.54	44	0.10	18	0.00		

Source: Computed from UN Comtrade database

It can be established that if, for a particular commodity, RCA for India and RCII for Argentina are both  $> 1$ , it can be expected that RCII for that commodity in Argentina's imports from India will be  $> 1$ . If this is not the case, the reasons thereof need to be investigated, and appropriate policy measures taken. Actually it implies that the importers of Argentina are not importing the particular commodity in sufficient amount (in value terms) while importing from India. It is not necessarily that they are averse to buying from India in general, they may very well purchase other commodities from India, but – for some

reason – not this particular product. Policies designed to make these products from India attractive to Argentina’s importers need to be adopted.

*Table 4.4: RCII of Argentina’s imports from India in 2020 – ITC-HS chapter-wise*

ITC-HS Chapter	RCII	ITC-HS Chapter	RCII	ITC-HS Chapter	RCII
54	<b>6.59</b>	52	0.67	74	0.11
55	<b>6.00</b>	56	0.66	91	0.11
34	<b>5.07</b>	12	0.65	76	0.10
29	<b>3.42</b>	83	0.61	20	0.10
27	<b>2.67</b>	85	0.52	61	0.08
32	<b>2.28</b>	58	0.50	68	0.08
86	<b>2.09</b>	64	0.47	48	0.08
95	<b>1.94</b>	72	0.47	66	0.08
40	<b>1.57</b>	73	0.42	31	0.05
96	<b>1.51</b>	53	0.40	59	0.05
38	<b>1.47</b>	23	0.38	25	0.05
87	<b>1.39</b>	15	0.34	21	0.04
49	<b>1.28</b>	43	0.28	46	0.04
70	<b>1.27</b>	57	0.28	44	0.04
90	<b>1.26</b>	35	0.27	10	0.02
93	<b>1.20</b>	65	0.27	26	0.02
45	<b>1.10</b>	36	0.24	17	0.01
82	0.97	42	0.24	99	0.00
13	0.95	62	0.21	71	0.00
28	0.87	14	0.15	79	0.00
92	0.87	81	0.15	60	0.00
33	0.87	94	0.15		
84	0.84	69	0.14		
30	0.78	63	0.13		
39	0.73	75	0.13		

Source: Computed from UN Comtrade database

Delving deeper in tables 4.3 and 4.4, we find that Twenty Seven ITC-HS chapters have both RCA of Indian exports to Argentina in 2020 and RCII of Argentina's imports from India in 2020 greater than 1. These chapters are:

- Manmade filaments (HS-54)
- Manmade staple fibres (HS-55)
- Soaps, lubricants, waxes, candles, modelling pastes (HS-34)
- Organic chemicals (HS-29)
- Mineral fuels, oils, distillation products, etc. (HS-27)
- Tanning, dyeing extracts, tannins, derivs, pigments etc. (HS-32)
- Toys, games, sports requisites (HS-95)
- Rubber and articles thereof (HS-40)
- Miscellaneous manufactured articles (HS-96)
- Miscellaneous chemical products (HS-38)
- Vehicles other than railway, tramway (HS-87)
- Glass and glassware (HS-70)
- Optical, photo, technical, medical, etc. apparatus (HS-90)
- Cork and articles of cork (HS-45)

This was a sector-wise analysis, and the policies to be adopted need to address the sector at large. There may be, in a particular chapter, 6-digit commodities which may satisfy the conditions satisfied by the chapter as a whole, and there may many which do not. There may even be occasions wherein no 6-digit commodity of a particular chapter individually satisfies the conditions but the chapter as a whole does. This may be because RCA and RCII of some commodities in India's exports to Argentina < 1 (which brings down the RCA and RCII of the chapter as a whole), but their RCAs in case of India's exports (to the whole world) or their RCII in case of Argentina's imports (from the whole world) may also be < 1. In case of other commodities of the same chapter, both may be > 1. On the other hand, a chapter as a whole may not satisfy the conditions, but some 6-digit commodities included in it may. So, ITC-HS 6-digit code-wise analysis is more relevant, because the greater granularity permits better focusing of policy measures. The list of chapters may not be consistent with the list of ITC-HS six-digit commodities, because of the reasons mentioned above. The analytical framework elaborated above, with chapters as the basis, was mainly for the purpose of elucidation of the methodology adopted, but also for giving a sector-wise status. But for policy formulation, the analysis with the highest possible granularity is the best option. Hence, it will be most expeditious to consider the ITC-HS six-digit commodities which emerge, as the candidates for the policies mentioned above, when the methodology set out above is employed at the 6-digit level. This list is given in Appendix B

So much for product-specific policies. Market (i.e. destination) specific policies need to be taken, too. If India has a market share in the world, for commodity P (say s), which is greater than India's overall market share (for all commodities) in the world (say t), there is no reason to expect that India's market share for P in Argentina, say g < s. g can be < s only when, for some reason, Argentina imports P, but not sufficiently from India. In such cases, market or destination-specific promotional policies will be needed. The same will be true when Argentina's share in India's export of P falls below Argentina's share in total world imports of P. When both coincide, there is an even stronger case for adoption of the market-specific promotional policies. Appendix C shows the list of such commodities in case of India's exports to Argentina. For commodities appearing in both the lists – in Appendix B and Appendix C, both product-oriented and market-oriented promotional policies are required to be adopted

## 5. Export Concentration

The standard measure of concentration of exports over a range of commodities is the Hirschman-Herfindahl Index (HHI), which is the sum of the squares of the shares of the commodities (in terms of value) in the export basket.<sup>7</sup> The index has been calculated over all ITC-HS six-digit commodities, the highest level of granularity allowed by comparable international data. The index is more meaningful the more granular the data.

In case of Argentina's exports to World, table 5.1 shows that the value of the index, between 2016 and 2020, averages around 0.29. It may be noted that the index for India's exports to the world at 0.13 (average).

*Table 5.1: Hirschman-Herfindahl Index for India to the World and for Argentina to the World*

Year	Argentina-World HHI	India-World HHI
2016	0.22	0.13
2017	0.23	0.13
2018	0.22	0.15
2019	0.31	0.14
2020	0.27	0.12

Source: Computed from UN Comtrade database

## 6. Intra-Industry Trade

Intra-industry trade is of importance as it can increase and expand markets. The standard indicator is the Index of Intra-industry Trade (IIT). The index can be calculated within individual sectors as well. Intra-industry trade is generally high in case of the manufacturing sector. An increase in IIT may signify a maturing of this sector, and hence, a regular monitoring of this index may be useful.

Intra-industry trade is a common world-wide phenomenon – export and import of the commodities produced by the same industry or sector. The degree to which this occurs is generally measured by the Grubel-Lloyd Index, which is the difference between the exports of the particular sector to a partner country and imports of the products of the same sector from the same partner, divided by the sum of these two, and whole thing obtained subtracted from 1.<sup>8</sup>

In the present case, the Grubel-Lloyd Index values (computed on exports from India to Argentina and imports from Argentina to India) in Table 6.1 show that, in 2020, in case of agricultural products and processed farm products, intra-industry trade between India and Argentina is very low, no commodity satisfies the IIT's condition. That is, the value from ITC HS-01 to HS-24 is only one HS Code more than 0.7, which is Vegetable, fruit, nut, etc. food preparations (HS-20).

*Table 6.1: Grubel-Lloyd Index for India and Argentina in 2020 – Agricultural and Related Products (Chapters 01-24)*

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-01	Live animals	
HS-02	Meat and edible meat offal	
HS-03	Fish, crustaceans, molluscs, aquatic invertebrates nes	
HS-04	Dairy products, eggs, honey, edible animal product nes	
HS-05	Products of animal origin, nes	
HS-06	Live trees, plants, bulbs, roots, cut flowers etc.	
HS-07	Edible vegetables and certain roots and tubers	
HS-08	Edible fruit, nuts, peel of citrus fruit, melons	
HS-09	Coffee, tea, mate and spices	
HS-10	Cereals	0.03
HS-11	Milling products, malt, starches, inulin, wheat gluten	
HS-12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	0.00
HS-13	Lac, gums, resins, vegetable saps and extracts nes	0.00
HS-14	Vegetable plaiting materials, vegetable products nes	0.00
HS-15	Animal, vegetable fats and oils, cleavage products, etc.	0.00
HS-16	Meat, fish and seafood food preparations nes	
HS-17	Sugars and sugar confectionery	0.00
HS-18	Cocoa and cocoa preparations	
HS-19	Cereal, flour, starch, milk preparations and products	
<b>HS-20</b>	<b>Vegetable, fruit, nut, etc. food preparations</b>	<b>0.89</b>
HS-21	Miscellaneous edible preparations	0.00
HS-22	Beverages, spirits and vinegar	0.00
HS-23	Residues, wastes of food industry, animal fodder	0.25
HS-24	Tobacco and manufactured tobacco substitutes	

Source: Computed from UN Comtrade database

For ores and minerals as is shown in table 6.2, which shows low index values too, IIT values range from 0.00 to 0.41

*Table 6.2: Grubel-Lloyd Index for India and Argentina in 2020 – Mineral Products (Chapters 25-27)*

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-25	Salt, sulphur, earth, stone, plaster, lime and cement	0.41
HS-26	Ores, slag and ash	0.00
HS-27	Mineral fuels, oils, distillation products, etc.	0.04

Source: Computed from UN Comtrade database

In chemicals and chemical-based industries shown in Table 6.3 below. There is no HS Code more than 0.7 in Table 6.3.

*Table 6.3: Grubel-Lloyd Index for India and Argentina in 2020 – Products of Chemical or Allied Industries (Chapters 28-40)*

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-28	Inorganic chemicals, precious metal compound, isotopes	0.57
HS-29	Organic chemicals	0.31
HS-30	Pharmaceutical products	0.03
HS-31	Fertilizers	0.00
HS-32	Tanning, dyeing extracts, tannins, derivs,pigments etc.	0.23
HS-33	Essential oils, perfumes, cosmetics, toileteries	0.05
HS-34	Soaps, lubricants, waxes, candles, modelling pastes	0.14
HS-35	Albuminoids, modified starches, glues, enzymes	0.19
HS-36	Explosives, pyrotechnics, matches, pyrophorics, etc.	0.00
HS-37	Photographic or cinematographic goods	
HS-38	Miscellaneous chemical products	0.25
HS-39	Plastics and articles thereof	0.11
HS-40	Rubber and articles thereof	0.19

Source: Computed from UN Comtrade database

Table 6.4 shows below, the intra-industry trade is low except for Chapter-44(Wood and articles of wood, wood charcoal) with value 0.70 IIT value.

*Table 6.4: Grubel-Lloyd Index for India and Argenti.na in 2020 – Leather, Wood and Paper (Chapters 41-49)*

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-41	Raw hides and skins (other than furskins) and leather	0.00
HS-42	Articles of leather, animal gut, harness, travel goods	0.00
HS-43	Furskins and artificial fur, manufactures thereof	
HS-44	Wood and articles of wood, wood charcoal	<b>0.70</b>
HS-45	Cork and articles of cork	0.00
HS-46	Manufactures of plaiting material, basketwork, etc..	0.00
HS-47	Pulp of wood, fibrous cellulosic material, waste etc.	0.00
HS-48	Paper & paperboard, articles of pulp, paper and board	0.10
HS-49	Printed books, newspapers, pictures etc.	0.00

Source: Computed from UN Comtrade database



The group comprising textiles and clothing, shown in Table 6.5, the intra industry trade is very low. IIT values range from 0.00 to 0.09

*Table 6.5: Grubel-Lloyd Index for India and Argentina in 2020 – Textiles, Textile Articles, Footwear and Headgear (Chapters 50-65)*

<b>ITC-HS Chapter</b>	<b>Commodity Name</b>	<b>Grubel Lloyd Index</b>
HS-50	Silk	0.00
HS-51	Wool, animal hair, horsehair yarn and fabric thereof	0.00
HS-52	Cotton	0.03
HS-53	Vegetable textile fibres nes, paper yarn, woven fabric	0.00
HS-54	Manmade filaments	0.00
HS-55	Manmade staple fibres	0.00
HS-56	Wadding, felt, nonwovens, yarns, twine, cordage, etc.	0.00
HS-57	Carpets and other textile floor coverings	0.09
HS-58	Special woven or tufted fabric, lace, tapestry etc.	0.00
HS-59	Impregnated, coated or laminated textile fabric	0.00
HS-60	Knitted or crocheted fabric	0.00
HS-61	Articles of apparel, accessories, knit or crochet	0.00
HS-62	Articles of apparel, accessories, not knit or crochet	0.00
HS-63	Other made textile articles, sets, worn clothing etc.	0.00
HS-64	Footwear, gaiters and the like, parts thereof	0.00
HS-65	Headgear and parts thereof	0.00

*Source:* Computed from UN Comtrade database

The group comprising Assorted Group of Items, shown in Table 6.6, shows low index values too, IIT value is 0.00. This indicates that there is no transaction between India and Argentina in 2020 – Assorted Group of Items (Chapters 66-71).

*Table 6.6: Grubel-Lloyd Index for India and Argentina in 2020 – Assorted Group of Items (Chapters 66-71)*

<b>ITC-HS Chapter</b>	<b>Commodity Name</b>	<b>Grubel Lloyd Index</b>
HS-66	Umbrellas, walking-sticks, seat-sticks, whips, etc.	0.00
HS-67	Bird skin, feathers, artificial flowers, human hair	
HS-68	Stone, plaster, cement, asbestos, mica, etc. articles	0.00
HS-69	Ceramic products	0.00
HS-70	Glass and glassware	0.00
HS-71	Pearls, precious stones, metals, coins, etc.	0.00

*Source:* Computed from UN Comtrade database

The group comprising Base Metals and Articles of Base Metals, shown in Table 6.7, shows below, the intra-industry trade is low except for Chapter-73 (Iron and steel) which has a high degree of the IIT, with value 0.82.

Table 6.7: Grubel-Lloyd Index for India and Argentina in 2020 – Base Metals and Articles of Base Metals (Chapters 72-83)

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-72	Iron and steel	0.01
HS-73	Articles of iron or steel	0.82
HS-74	Copper and articles thereof	0.02
HS-75	Nickel and articles thereof	0.00
HS-76	Aluminium and articles thereof	0.00
HS-78	Lead and articles thereof	
HS-79	Zinc and articles thereof	
HS-80	Tin and articles thereof	0.00
HS-81	Other base metals, cermets, articles thereof	0.13
HS-82	Tools, implements, cutlery, etc. of base metal	0.04
HS-83	Miscellaneous articles of base metal	0.00

Source: Computed from UN Comtrade database

The last group, half of which are high-end manufactures, show varying values of the Grubel-Lloyd Index. The intra industry trade is very low. IIT values range from 0.00 to 0.60.

Table 6.8: Grubel-Lloyd Index for India and Argentina in 2020 – High-End Manufactured Products, Furniture, Sports Goods and Works of Art (Chapters 84-99)

ITC-HS Chapter	Commodity Name	Grubel Lloyd Index
HS-84	Nuclear reactors, boilers, machinery, etc.	0.36
HS-85	Electrical, electronic equipment	0.02
HS-86	Railway, tramway locomotives, rolling stock, equipment	0.00
HS-87	Vehicles other than railway, tramway	0.02
HS-88	Aircraft, spacecraft, and parts thereof	
HS-89	Ships, boats and other floating structures	
HS-90	Optical, photo, technical, medical, etc. apparatus	0.60
HS-91	Clocks and watches and parts thereof	0.00
HS-92	Musical instruments, parts and accessories	0.06
HS-93	Arms and ammunition, parts and accessories thereof	0.49
HS-94	Furniture, lighting, signs, prefabricated buildings	0.00
HS-95	Toys, games, sports requisites	0.00
HS-96	Miscellaneous manufactured articles	0.01
HS-97	Works of art, collectors pieces and antiques	0.00
HS-99	Commodities not elsewhere specified	0.00

Source: Computed from UN Comtrade database

## 7. Export Similarity

The similarity in the export baskets of two countries, i.e. similarities in the shares of different commodities in the total exports of two countries, is measured by the Export Similarity Index. It is calculated by taking the percentage shares of each commodity (here ITC-HS six digit level commodities have been taken) in both the countries, taking the minimum of the two, and then summing up these minima over all the commodities. The index values vary from 0 to 100, with higher values implying greater export similarity between the countries and thus greater export competition between the two countries.

Table 7.1 shows the values of this index for India and several other countries.

*Table 7.1: Export Similarity Index – India and a few countries*

	2016	2017	2018	2019	2020
India-Russia	17.83	25.31	25.28	25.46	24.22
India-Singapore	24.01	28.04	30.80	30.94	26.61
India-South Korea	27.21	28.10	30.32	31.80	29.10
India-Thailand	31.04	0.00	30.30	30.48	29.15
India-China	27.52	26.97	28.06	30.16	28.80
India-USA	32.00	31.74	31.91	32.89	32.53
India-UK	31.94	31.44	31.00	32.89	32.27
India-Germany	29.61	29.88	30.61	32.11	33.10
India-Japan	23.54	23.87	23.62	24.43	24.01
India-New Zealand	14.66	13.88	13.38	17.11	17.32
India-Vietnam	0.00	0.00	21.79	22.31	22.17
India-Hong Kong	17.60	16.44	15.91	17.69	15.71
India- UAE	23.56	0.00	24.65	27.23	25.63

Source: Computed from UN Comtrade database

*Table 7.2 below shows that Argentina's Export Similarity Index values with other countries such as Singapore, South Korea, Japan, China, USA, UK and Germany*

	2016	2017	2018	2019	2020	Average
Argentina-Singapore	9.85	7.47	7.35	11.90	11.31	9.58
Argentina-South Korea	10.76	7.47	7.49	8.04	7.28	8.21
Argentina-Japan	13.46	7.44	6.65	14.71	14.37	11.32
Argentina-China	8.54	7.22	6.86	7.22	7.12	7.39
Argentina-USA	19.01	17.48	17.38	26.52	23.39	20.76
Argentina-UK	17.13	12.43	13.72	16.37	14.74	14.88
Argentina-Germany	17.86	11.82	10.55	16.01	14.55	14.16

Source: Computed from UN Comtrade database

From the above table, the average ESI values are computed between Argentina and the seven countries, are given as under:

<b>Argentina-USA</b>	<b>20.76</b>
Argentina-UK	14.88
Argentina-Germany	14.16
Argentina-Japan	11.32
Argentina-Singapore	9.58
Argentina-South Korea	8.21
Argentina-China	7.39

ESI between Argentina and USA is the highest among the seven countries, implying that these two countries are the closest competitors in the world market for exports in the group of seven countries.

## VI Resources

- Oracle Business Intelligence Application, DGCIS
- UN Comtrade Database
- Encyclopædia Britannica, <https://www.britannica.com/place/Argentina>
- 2022 ARTICLE IV CONSULTATION for Argentina -PRESS RELEASE; STAFF REPORT (IMF Country Report No. 2022/092)
- World Trade Organization (WTO) Trade Policy Reviews: Argentina
- Human Development Report 2020

## VII Appendix

### A. Data on Country Profile

**Table A: Country Profile — Argentina**

	1990	2000	2010	2020
<b>World view</b>				
Population, total (millions)	32.62	36.87	40.79	45.38
Population growth (annual %)	1.5	1.1	0.8	1
Surface area (sq. km) (thousands)	2,780.40	2,780.40	2,780.40	2,780.40
Population density (people per sq. km of land area)	11.9	13.5	14.9	16.6
Poverty headcount ratio at national poverty lines (% of population)	..	..	..	42
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	1.3	6.8	1.4	1.6
GNI, Atlas method (current US\$) (billions)	103.92	275.54	378.24	412.02
GNI per capita, Atlas method (current US\$)	3,190	7,470	9,270	9,080
GNI, PPP (current international \$) (billions)	224.17	416.54	711.69	917.82
GNI per capita, PPP (current international \$)	6,870	11,300	17,450	20,230
<b>People</b>				
Income share held by lowest 20%	4.8	3.2	4.6	4.8
Life expectancy at birth, total (years)	72	74	75	77
Fertility rate, total (births per woman)	3	2.5	2.3	2.2
Adolescent fertility rate (births per 1,000 women ages 15-19)	73	66	63	62
Contraceptive prevalence, any method (% of married women ages 15-49)	..	..	72	..
Births attended by skilled health staff (% of total)	97	99	95	94
Mortality rate, under-5 (per 1,000 live births)	29	20	15	9
Prevalence of underweight, weight for age (% of children under 5)	..	..	..	2
Immunization, measles (% of children ages 12-23 months)	93	91	95	77
Primary completion rate, total (% of relevant age group)	..	97	104	99
School enrollment, primary (% gross)	106.9	115.7	117	109.5
School enrollment, secondary (% gross)	71	96	100	108
School enrollment, primary and secondary (gross), gender parity index (GPI)	1	1	1	1
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.3	0.4	0.4
<b>Environment</b>				
Forest area (sq. km) (thousands)	352	333.8	302.1	285.7
Terrestrial and marine protected areas (% of total territorial area)	..	..	..	9.4
Annual freshwater withdrawals, total (% of internal resources)	9.7	10.9	12.9	12.9
Urban population growth (annual %)	1.9	1.3	0.9	1.1
Energy use (kg of oil equivalent per capita)	1,412	1,670	1,929	..
CO2 emissions (metric tons per capita)	3.08	3.59	4.1	3.74
Electric power consumption (kWh per capita)	1,304	2,089	2,878	..
<b>Economy</b>				
GDP (current US\$) (billions)	141.35	284.2	423.63	389.59
GDP growth (annual %)	-2.5	-0.8	10.1	-9.9
Inflation, GDP deflator (annual %)	2,078.30	1	20.9	39.9
Agriculture, forestry, and fishing, value added (% of GDP)	8	5	7	6
Industry (including construction), value added (% of GDP)	36	26	25	23
Exports of goods and services (% of GDP)	10	11	19	17

Imports of goods and services (% of GDP)	5	12	16	14
Gross capital formation (% of GDP)	14	18	18	14
Revenue, excluding grants (% of GDP)	10.4	14.2	21.2	17.3
Net lending (+) / net borrowing (-) (% of GDP)	-0.1	-2.8	..	-8.6
<b>States and markets</b>				
Time required to start a business (days)	..	66	25	12
Domestic credit provided by financial sector (% of GDP)	32.4	34.5	25.3	38.9
Tax revenue (% of GDP)	4.8	9.6	12.9	10.8
Military expenditure (% of GDP)	1.5	1.1	0.8	0.8
Mobile cellular subscriptions (per 100 people)	0	17.6	139.6	121.2
Individuals using the Internet (% of population)	0	7	45	85.5
High-technology exports (% of manufactured exports)	..	..	8	7
Statistical Capacity Score (Overall Average) (scale 0 - 100)	..	..	87	79
<b>Global links</b>				
Merchandise trade (% of GDP)	12	18	30	25
Net barter terms of trade index (2000 = 100)	64	100	146	152
External debt stocks, total (DOD, current US\$) (millions)	62,478	1,50,063	1,26,642	2,53,760
Total debt service (% of exports of goods, services and primary income)	37.1	64.3	18.6	41.1
Net migration (thousands)	-105	-125	30	24
Personal remittances, received (current US\$) (millions)	23	86	644	631
Foreign direct investment, net inflows (BoP, current US\$) (millions)	1,836	10,418	11,333	4,019
Net official development assistance received (current US\$) (millions)	171.6	74.6	130.3	101.3

Source: World Development Indicators database

Figures in blue refer to periods other than those specified.

Country: Argentina

Data from database: World Development Indicators

Last Updated: 07/20/2022

## B. Commodities requiring product-specific export-promotion policies

Commodity Code 6	Commodity Code 6 Description
300490	OTHER MEDCNE PUT UP FOR RETAIL SALE
320619	OTHR CLRNG MATR CNTNG <80% TITNIUM DIOXLDE
321519	OTHER PRINTING INK
330129	OTHER ESSENTIAL OILS OTHER THAN THOSE OF CITRUS FRUIT
820719	OTHER, INCLUDING PARTS
841391	PARTS OF PUMPS
841490	PRTS OF AIR/VACUM PUMPS,CMPRSSRS AND FANS
848110	PRESSURE-REDUCING VALVES
848190	PARTS OF THE ITEMS UNDR HDG 8481
848220	TAPERED ROLLED BEARINGS,INCLUDING CONE AND TAPERED ROLLER ASSEMBLIES
848310	TRNSMSN SHFT(INCL CAM AND CRNK SHFT) AND CRNK
848340	GEARS AND GEARNG,EXCL TOOTHD WHEELS,TRNSMSN ELMNTS PRSNTD SEPRTRY;BALL SCRWS;GEAR BOXSAND SPEED CHNGRS,INCL TORQUE CNVRTRS
870899	OTR PRTSANDACCSSRS OF VHCLS OF HDG 8701-8705

Source: Computed from UN Comtrade database

### C. Commodities requiring market-specific export-promotion policies

COMMODITY CODE 6	COMMODITY CODE 6 DESCRIPTION
120750	MUSTARD SEEDS W/N BROKEN
121190	OTHER : SEEDS :
130190	OTHER : NATURAL GUMS :
130219	OTHER : EXTRACTS :
151319	COCONUT (COPRA) REFINED OIL AND FRACTIONS
252620	NATRL STEATITE CRUSHED/POWDERED
281119	OTHER INORGANIC ACIDS
281700	ZINC OXIDE AND ZINC PEROXIDE
281820	ALUMINIUM OXIDE OTHER THAN ARTIFICIAL CORUNDUM
282732	CHLORIDES OF ALUMINIUM
282739	OTHER CHLORIDE; NES
282741	CHLORIDE OXIDS AND CHLRIDE HYDROXDS OF COPPR
282749	OTHER CHLORIDE OXIDES AND CHLORID HYDROXIDES
282990	OTHER PERCHLORITES,BROMATES,PERBROMATES IODATES AND PERIODATES
283210	SODIUM SULPHITE
283321	MAGNESIUM SULPHATE
283329	OTHER SULPHATES
283410	NITRITES
283529	OTHER PHOSPHATES
283650	CALCIUM CARBONATE
283660	BARIUM CARBONATE
284170	MOLYBDATES
290319	OTHER CHLOROMETHANE AND CHLOROETHANE
290410	DRVTVS CNTNG ONLY SULPHO GROUPS, THEIR SALTS AND ETHYL ESTERS
290619	OTHR CYCLNIC,CYCLENIC/CYCLOTRPNC ALCHLS
290621	BENZYL ALCOHOL
290719	OTHER MONOPHENOLS
290721	RESORCINOL AND ITS SALTS
290819	OTHER
290944	OTHER MONOALKYLEETHERS OF ETHYLENE GLYCOL OR OF DIETHYLENE GLYCOL
290949	OTHR ETHR-ALCHLS AND THR HALGNTD SLPHNTD NITRATED OR NITROSATED DERIVATIVES
291100	ACTLSANDHEMIACTLS W/N WTH OTHR OXYGN ENCTN ANDTHR HALGNTD SLPHNTD NITRTD/INTRSTD DRVTVS
291219	OTHR ACYCLIC ALDHYDS WTHOUT OXYGEN FNCTN
291229	OTHR CYCLC ALDHYDS WTHOUT OTHR OXYGN FNCTN
291249	OTHR ALDHYD-ETHR,ALDHYD-PHNLAND OTHR ALDHYD
291260	PARA FORMALDEHYDE
291419	OTHR ACYLC KETONES WTHOUT OTHR OXYGN FNCTN
291429	OTHER CYCLANIC CYCLENIC/CYCLOTRPNC KETONES WITHOUT OTHER OXYGEN FUNCTION
291439	OTHR ARMTC KETONES WTHOUT OTHR OXYGEN FUNCTION
291450	KETONE-PHNLS AND KETONS WTHOTHR OXYGN FNCTN
291531	ETHYL ACETATE
291539	OTHER ESTERS OF ACETIC ACID
291540	MONO-DI/TRCHLRACTC ACD,THR SLTS AND ESTRS
291550	PROPIONIC ACID ITS SALTS AND ESTERS
291570	PALMTC ACID,STEARIC ACID THR SLTS AND ESTRS

291619	OTHR UNSATRTRD ACYCLC,MONOCRBOXYLC ACDS, THR ANHYDRDS, HALIDES ETC THR HALGNTD SLPHNTD NITRTD/NITRSTD D
291631	BENZOIC ACID ITS SALTS AND ESTERS
291639	OTHR ARMTC MONOCRBOXYLC ACDS,THR ANHYDRDS HALIDES,PEROXIDES,PEROXYACIDS AND THR DRVTVS
291739	OTHR ARMTC PLYCRBOXYLC ACIDS THR ANHYDRDS HALIDES PEROXIDES PEROXYACDS AND THR DRVTVS
291811	LACTIC ACID ITS SALTS AND ESTERS
291813	SALTS AND ESTERS OF TARTARIC ACID
291815	SALTS AND ESTERS OF CITRIC ACID
291816	GLUCONIC ACID ITS SALTS AND ESTERS
291819	OTHR CRBOXYLIC ACIDS WTH ALCHL FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALIDES PEROXIDES PEROXYACIDS AND THR
291822	0-ACETYLSALICYLIC ACID ITS SALTS AND ESTRS
291830	CRBXYLC ACIDS WTH ALDHYD/KETONE FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALDS PEROXIDES PEROXYACIDS AND THR DR
291899	OTHER
292111	MTHYLAMINE DI-OR TRIMTHYL AMINE AND THR SLTS
292119	OTHER: 2-CHLORO N,N-DI-ISOPROPYL ETHYLAMINE AND ETHANAMINE, 2-CHLORO-N, N-DIMETHYL:
292129	OTHR ACYLC PLYAMINS THR DRVTVS SLTS THREOF
292130	CYCLANIC CYCLNIC/CYCLOTRPNC MONO-OR POLYAMINS AND THR DRVTVS; SLTS THEREOF
292142	ANILINE DERIVATIVES AND THEIR SALTS
292143	TOLUIDINES AND THEIR DRVTVS SLTS THEREOF
292151	O-M-P-PHENYLENEDIAMINE DIAMINOTOLUENE AND THEIR DRVTVS SALTS THEREOF
292211	MONOETHANOLAMINE AND ITS SALTS
292219	OTHER OXYGEN-FUNCTION AMINO-ALCOHOLS
292229	OTHR AMINO-NAPTHLS AND OTHR AMINO-PHNLS THR ETHRS AND ESTRS OTHR THN THOSE CNTNG MORE THN ONE KND OF EXYGN FNCTN SLTS THER
292310	CHOLINE AND ITS SALTS
292320	LECITHINS AND OTHER PHOSPHOAMINOLIPIDS
292390	OTHER QUATERNARY AMMONIUM SALTS AND HYDROXDELECITHINS AND OTHR PHOSPHOAMINOLIPIDS
292419	OTHER ACYCLIC AMIDES AND THR DRVTVS,SALTS
292421	UREINES AND THEIR DERIVATIVES SALTS THEREOF
292429	OTHR CYCLC AMIDES(INCL CYCLC CRBAMATES) AND THEIR DERIVATIVES AND SALTS THEREOF
292690	OTHR NITRILE-FUNCTION COMPOUNDS
292800	ORGNC DRVTVS OF HYDRAZINE/OF HYDROXYLAMINE
293030	THIURAM MONO-,DI-OR TETRASULPHIDES
293090	OTHER ORGANO-SULPHUR COMPOUNDS
293220	LACTONES:
293311	PHENAZONE (ANTIPYRIN) AND ITS DERIVATIVES
293319	OTHR HTRCYCLC CMPNDS CNTNG AN UNFUSED PYRZL RING (W/N HYDRGNTD) IN THE STRUCTURE
293332	PIPERIDINE AND ITS SALTS
293339	OTHER : DERIVATIVES OF PYRIDINE :
293369	OTHR CMPNDS CNTNG AN UNFUSED TRIAZINE RING(W/N HYDROGENATED) IN THE STRUCTURE
293420	CMPNDS CNTNG A BENZOTHIAZONE RING-SYSTEM (W/N HYDRGNTD) NT FRTHR FUSED
293590	SULPHONAMIDES -OTHERS
293623	VITAMIN B2 AND ITS DERIVATIVES
293790	OTHER HORMONS, NTRL OR RPRDCD BY SYNTHESIS USED AS HORMONS



293890	OTHR GLYCOSIDES NATRL/RPRDCD BY SYNTHESIS ANDTHR SLTS ETHRS ESTRS AND OTHR DRVTVS
293930	CAFFEINE AND ITS SALTS
293942	PSEUDO EPHEDRINE (INN) AND ITS SALTS
293979	OTHERS, OF VEGETAL ORIGIN -OTHERS
294110	PENICILLINS AND THR DRVTVS WTH A PENICILLANIC ACID STRUCTURE SLTS THEREOF
294140	CHLORAMPHENICOL AND ITS DRVTVS SLTS THEREOF
294150	ERTHROMYCIN AND ITS DRVTVS SLTS THEREOF
300490	OTHER MEDCNE PUT UP FOR RETAIL SALE
300660	CHMCL CONTRACEPTIVE PRPNS BASED ON HORMONES/SPERMISIDES
320210	SYNTHETIC ORGANIC TANNING SUBSTANCES
320411	DISPERSE DYES AND PREPARATIONS BASED THEREON
320500	COLR LAKES
320619	OTHR CLRNG MATR CNTNG <80% TITNIUM DIOXLDE
320620	PIGMNTS AND PRPTNS BASD ON CHROM COMPND
321290	OTHR PIGMNTS DYS AND CLRNG MATR
321511	PRINTING INK,BLACK
321519	OTHER PRINTING INK
330119	ESSENTIAL OILS OF OTHR CITRUS FRUITS
330124	ESSNTL OIL OF PEPPERMINT(MENTHA PIPERITA)
330125	ESSENTIAL OILS OF OTHER MINTS
330129	OTHER ESSENTIAL OILS OTHER THAN THOSE OF CITRUS FRUIT
330290	OTHER: MIXTURES OF AROMATIC CHEMICALS AND ESSENTIAL OILS AS PERFUME BASE:
340111	SOAP AND ORGNC SURFACE ACTV PRDCTS ETC FOR TIOLET USE (INCL MEDICATED PRDCTS)
340211	ANIONIC W/N FOR RTL SALE
340219	OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL
340490	OTHER ARTFCL WAXES AND PRPD WAXES
380210	ACTIVATED CARBON
380290	OTHER(ACTVTD NATRL MNRL PRDCTS ETC)
380590	OTHER (CRUDE DIPENTINE ETC)
380869	INSECTICIDES, RODENTICIDES, FUNGICIDES, HERBICIDES, ANTI-SPROUTING PRODUCTS AND PLANT-GROWTH REGULATORS, DISINFECTANTS AND SIMILAR PRODUCTS, PUT UP IN FORMS OR PACKINGS FOR RETAIL SALE OR AS PREPARATIONS OR ARTICLES (FOR EXAMP. SULPHUR-TREATED BANDS, WICKS AND CANDLES, AND FLY-PAPERS-OTHERS
380891	INSECTICIDES
380892	FUNGICIDES:
381190	OTHER PREPARED ADDITIVES ANTI-CORRSIVE PRPNS AND OTHR PRPD ADDITVS
381231	MIXTURES OF OLIGOMERS OF 2, 2, 4-TRIMETHYL-1, 2-DIHYDROQUINO
381511	SUPPRTD CATALYSTS WTH NICKEL/NICKEL CMPNDS
390140	ETHYLENE-ALPHA-OLEFIN COPOLYMERS, HAVING A SPECIFIC GRAVITY
390210	POLYPROPYLENE
390761	POLY(ETHYLENE TEREPHTHALATE): HAVING A VISCOSITY NUMBER OF 7
390940	PHENOLIC RESINS
391400	ION EXCHANGERS BASED ON POLYMERS OF HEADING 3901 TO 3913, IN PRIMARY FORMS
392049	OTHR PLTES SHTS OF POLYMR OF VINYL CHLORID
392061	PLTES SHTS ETC OF PLYCRBNTS
400231	ISOBUTENE-ISOPRENE(BUTYL) RUBBER (IIR)
400821	PLTS SHTS STRPS OF NON-CELLULAR RUBR
400921	TUBES,PIPES AND HOSES OF VULCNSD RUBR REINFORCED/OTHRWSE CMBND ONLY WTH METAL MATERIALS WITHOUT FITTINGS

400931	TUBES, PIPES AND HOSES OF VULCNSD RUBR REINFORCED/OTHRWSE CMBND ONLY WTH TEXTILE MATERIALS WTHOUT FITTINGS
401140	NEW PNMTC TYRES OF A KIND USED ON MTRCYCLS
401190	OF A KIND USED ON BICYCLES: OTHERS
401290	OTHER SOLID/CUSHION TYRES, TYRE TREADS AND TYRE FLAPS OF RUBBER
401310	INNER TUBES OF MTR CARS (INCL STATION WAGONS AND RACING CARS) BUSES /LORIES
401320	INNER TUBES OF RUBBER USED ON BICYCLES
401390	OTHER INNER TUBES OF RUBBER
490510	GLOBES
520420	COTTON SWNG THREAD PUT UP FOR RETAIL SALE
520821	BLECHD PLAIN WEAVE WEIGNG <=100 G/M2
520822	COTN FABRICS CONTNG >=85% BY WT OF COTTON BLEACHD PLAIN WEAVE WEIGNG > 100 G/M2
520842	COTN FABRICS CONTNG >=85% BY WT OF COTN PLAIN WEAVE, WEIGHING MORE THAN 100 GM PER SQM OF YARN OF DIFFERENT COLOURS
520932	DYED 3/4 THREAD TWILL INCLDNG CROSS TWILL COTTON FABRICS WEIGHING>200 GM PER SQM
520942	DENIM
530720	MULTIPLE FOLDED OR CABLED YARN OF JUTE
530919	OTHR FLAX WOVN FABRCS CONTNG FLAX>=85%
530929	OTHR WOVN FABRCS CONTNG<85%BY WT OF FLAX
540252	OTHR YARN OF POLYESTERS,SINGLE, WITH A TWIST EXCEEDING 50 TURNS/PER METRE
540720	WOVEN FABRICS OBTAINED FROM STRIP/THE LIKE
550932	MULTIPLE(FOLDED)/CABLED YRN CNTNG>=85% OF ACRYLIC/MODACRYLIC STAPLE FIBRES
550951	OTHR YARN OF POLYSTR STPL FIBRS MIXED MAINLY/SOLELY WITH ARTIFICIAL STAPLE FIBRS
590700	TXTL FBRCS OTHRWSE IMPRGNTD,COATED/CVRD; PAINTED CANVAS BEING THEATRICAL SCENERY STUDIO BACK-CLOTHS OR THE LIKE
600590	WARP KNIT FBRCS OF OTHER FIBRES
640610	UPPERS AND PRTS THEREOF OTHR THN STIFFENERS
681599	OTHER ARTCLS OF STONES/OTHR MINRLS
690220	REFRCTORY BRCKS BLOCKS ETC CONTNG BY WT> 50% OF ALUMINA,SILICA/OF MIXTURE OF THESE
690290	OTHR REFRACTROY BRICKS,BLOCKS,TILES ETC
690722	OF A WATER ABSORPTION COEFFICIENT BY WEIGHT EXCEEDING 0.5% B
700510	NON-WIRED GLASS HAVNG AN ABSQRBENT REFLECTING/NON-REFLECTING LAYER
701990	OTHER GLASS FIBRES AND ARTICLES THEREOF
720211	FERO-MANGANESE,CARBON CONTNG>2% BY WEIGHT
720230	FERRO-SILICO-MANGANESE
720712	OTHER, OF RECTANGULAR (OTHER THAN SQUARE) CROSS-SECTION :
721491	BARS AND RODS OF RECTANGULAR (OTHER THAN SQUARE) CROSS-SECTION OF IRON/NON ALOY STL
721499	BARS AND RODS OF IRON/NON ALOY STL OTHR THN RECTANGULAR (EXCL SQR)CRS SCTN
730840	PROPS AND SMLR EQUIPMENT FOR SCAFFOLDING, SHUTTERING OR PIT-PROPPING
731029	OTHR TNKS,CASKS AND SMLR CNTNRS OF CPCTY<50L
731210	STRANDED WIRE,ROPES AND CABLES
731811	COACH SCREWS,THREADED
731990	OTHER ARTICLES OF 7319
820310	FILES,RASPS AND SMRL TOOLS
820411	HND-OPRTED SPANERS AND WRENCHS NON-ADJUSTBLE
820520	HAMMERS AND SLEDGE HAMMERS

820570	VICES,CLAMPS AND THE LIKE
820719	OTHER, INCLUDING PARTS
821220	SAFETY RAZOR BLADES INCLD RAZOR BLADE/BLANKS IN STRIPS
821599	OTHR ARTICLES NOT IN SETS
830241	OTHR MOUNTINGS FITTINGS AND SMLR ARTCLS SUITABLE FOR BUILDINGS
830520	STAPLES IN STRIPS
831110	COAT ELCTRD OF BS MTL FR ELCTRC ARC WLDNG
840420	CONDENSERS FOR STEAM/OTHR VPR POWR UNITS
840690	PARTS OF TURBINES
840999	PARTS OF OTHER ENGINES(DSL/SMI DSL) OTHER THAN PARTS FOR AIRCRAFT ENGINES
841311	PUMPS FOR DSPNSNG FUEL/LUBRICANTS,OF THE TYPE USD IN FILLNG STATIONS/IN GARAGES
841370	OTHER CENTRIFUGAL PUMPS:
841391	PARTS OF PUMPS
841490	PRTS OF AIR/VACUM PUMPS,CMPRSSRS AND FANS
841989	OTHR MACHINERY,PLANT AND EQUIPMNT OF HDG8419
842119	OTHR CENTRIFUGES,INCL CENTRIFUGAL DRYERS
842320	SCLS FR CNTNUOS WEIGHNG OF GOODS ON CNVEYR
842389	OTHER WEIGHING MACHINERY
842519	OTHER PULLEY TACKLE AND HOIST
842549	OTHER JACKS AND HOISTS,FOR RAISING VEHICLES
842820	PNEUMATIC ELEVATORS AND CONVEYORS
842959	OTHER MCHNCL SHOVL,EXCVTRS AND SHOVL LOADRS
843290	PRTS OF AGRCLTRL AND HORTCULTRL MACHINERY
843710	MACHINES FOR CLEANING,SORTING OR GRADING SEED,GRAIN OR DRIED LEGUMINOUS VEGETABLES
843790	PARTS OF MACHNS FR CLNG,SRTNG GRADNG ETC
844831	CARD CLOTHING
844832	PRTS AND ACCSSRS OF MCHNS FR PRPRNG TXTL FBRS,EXCL CARD CLOTHING
844839	OTHR PARTS AND ACCESSORIES OF HDG 8445
845590	OTHER PARTS
846599	OTHER MACHINE-TOOLS OF HDG 8465
847340	PRTS AND ACCSSRS OF MCHNS OF HDG NO.8472
847410	SRTNG,SCREENING,SEPARATINGANDWASHING MCHNS
847490	PARTS OF MACHNS OF HDG 8474
847920	MCHNRY FR THE EXTRACTIONS/PRPRTN OF ANML/ FIXED VEGETABLE FATS/OILS
848079	OTHR MOULDS FOR RUBBER/PLASTICS
848110	PRESSURE-REDUCING VALVES
848190	PARTS OF THE ITEMS UNDR HDG 8481
848220	TAPERED ROLLED BEARINGS,INCLUDING CONE AND TAPERED ROLLER ASSEMBLIES
848280	OTHER, INCLUDING COMBINED BALL OR ROLLER BEARINGS
848310	TRNSMSN SHFT(INCL CAM AND CRNK SHFT) AND CRNK
848330	BEARING HOUSUNGS,NOT INCORPORATING BALL OR ROLLER BEARINGS;PLAIN SHAFT BEARINGS
848340	GEARS AND GEARNG,EXCL TOOTHD WHEELS,TRNSMSN ELMNTS PRSNTD SEPRPLY;BALL SCRWS;GEAR BOXSAND SPEED CHNGRS,INCL TORQUE CNVRTRS
848410	GSKTS AND SMLR JOINTS OF MTL SHTNG CMBND WTHOTHR MTRL/OF TWO/MORE LAYRS OF MTL
850720	OTHER LEAD-ACID ACCUMULATORS
850730	NICKEL-CADMIUM ACCUMULATORS
851120	IGNTION MGNTOS;MGNTO-DYNAMOS MAGNETIC FLYWHEELS

851140	STRTR MTRS AND DUAL PURPOSE STRTR GNRTRS
852352	SMART CARDS
853510	FUSES OF VOLTAGE EXCEEDING 1000 VOLTS
853540	LIGHTNING ARRESTERS,VOLTAGE LIMITERS AND SURGE SUPPRESSORS
853590	OTHR ELCTRCL APPRTS FR SWTCHNG/PROTCTNG ELCTRCL CIRCUITS ETC.FOR A VOLTAGE EXCEEDING 1000 VOLTS
853720	BORDS ETC FOR A VOLTAGE>1000 VLTS
853810	BORDS,PANELS,CONSOLES ETC.FR THE GOODS OF HDG NO.8537 NT EQPPD WTH THR APPRTS
870321	VHCL WTH SPRK-IGNTN INTRNL CMBSTN RCPRCTNGPISTON ENGNE OF CYLNDR CPCTY<=1000CC
870899	OTR PRTSANDACSSRS OF VHCLS OF HDG 8701-8705
871491	FRAMES,FORKS AND PRTS THEREOF
871492	WHEEL,RIMS AND SPOKES
871496	PEDALS AND CRANK-GEAR AND PRTS THEREOF
871499	OTHR PRTSANDACSSRS OF BICYCLESAND OTHR CYCLES
900110	OPTCL FIBRS,OPTICAL FIBRE BUNDLES AND CABLES
901580	OTHER INSTRUMENTS AND APPLIANCES:
960200	WRKD VGTBL/MNRL CRVNG MTRL AND ARTCLS OF THESE MTRLS;CRVD ARTCLS OF WAX,OF STEARN, OF NTRL GUMS ETC;N.E.S;WRKD UNHRDND
960860	REFILLS FOR BALL POINT PENS,COMPRISING THEBALL POINT AND INK RESERVOIR
960891	PEN NIBS AND NIB POINTS
960910	PNCL AND CRYNS WTH LEADS ENCLSD IN RGD SHTH

Source: Computed from UN Comtrade database

## D. Trade Indicators

1. Revealed Comparative Advantage Index (RCA): RCA for a commodity exported from a country means the importance of this commodity in the export trade of the country in comparison with the importance of the commodity in world exports. Mathematically,

$$\mathbf{RCA_{ij} = (x_{ij}/X_{it}) / (x_{wj}/X_{wt})}$$

where  $x_{ij}$  = country i's exports of commodity j

$X_{it}$  = country i's total exports

$x_{wj}$  = world exports of commodity j

$X_{wt}$  = total world exports.

When  $RCA_{ij} > 1$ , i.e. when j's weight in i's exports ( $x_{ij}/X_{it}$ ) is more than j's weight in world exports ( $x_{wj}/X_{wt}$ ), country i is said to have a revealed comparative advantage in commodity j.

There is a revealed comparative disadvantage if  $RCA_{ij} < 1$ . When  $RCA_{ij} = 1$ , there is neither comparative advantage or disadvantage.

By studying the RCA for a commodity exported from a country over time, it can be seen whether the country in question is gaining in comparative advantage regarding a particular commodity. If RCA is falling, the reasons require investigation. ( $x_{ij}/X_{it}$ ) may have risen less or fallen more than proportionately than ( $x_{wj}/X_{wt}$ ).

2. One way of checking the reasons for a fall in RCA for a particular commodity is seeing which markets are responsible for this fall. This can be seen from another, slightly different, indicator called Export Specialization Index (ESI).

$$\mathbf{ESI = (x_{ij}/X_{it}) / (m_{kj}/M_{kt})}$$

Where,  $m_{kj}$  = import of commodity j to market k

$M_{kt}$  = world imports of commodity k.

$(m_{kj}/M_{kt})$  gives the weight of j in market k. So, if  $RCA_{ij}$  is seen to fall, then it can be found out for which markets ESI has fallen. Special attention may then be given to those markets regarding the commodity in question.

3. Like RCA, the revealed comparative import intensity (RCII) can also be measured.

$$\mathbf{RCII = (m_{ij}/M_{it}) / (m_{wj}/M_{wt})}$$

Where  $m_{ij}$  = country i's imports of commodity j

$M_{it}$  = country i's total imports

$m_{wj}$  = world imports of commodity j

$M_{wt}$  = total world imports.

This gives an idea whether the proportion of imports of any commodity is more than expected, in terms of the share of that commodity in world imports.

4. Bilateral trade between countries is an important area of trade policy in that bilateral trade agreements are signed to increase trade. However, some points require to be examined before entering into these agreements. Firstly, it is necessary to see whether there is trade complementarity between the two countries. That is, whether the exports of one country match with the imports of the other, and vice versa. Naturally, when trade complementarity is high between two countries, it is beneficial to enter into a trade agreement. If a partner country does not import what India generally exports, there is little point in entering into a trade agreement with that country. The Trade Complementarity Index (TCI) is given as follows:

$$\mathbf{TCI = 1 - \sum ( | m_{ik} - x_{ij} | / 2)}$$

Where  $m_{ik}$  = share of commodity i in the imports of market k

$x_{ij}$  = share of commodity i in the exports of country j.

It is evident that TCI can have values between 0 and 1. When these shares, are  $m_{ik}$  and  $x_{ij}$  are close to each other, (i.e. when trade complementarity increases) TCI is close to 1. As their difference increases, TCI falls.

TCIW = TCI between a country and the World.

RTCI (Relative Trade Complementarity Index) between country k and country j = (TCI between country k and country j) / (TCI between country k and the world)

RTCI gives a measure of the complementarity between two countries as compared to the complementarity between the first country and the world.

5. But another fact may be checked while proceeding to enter into a trade agreement. The trade between the two countries may already be quite high. This can be measured by the Export Intensity Index (EII).

$$EII = (x_{ij}/X_{it})/(x_{wj}/X_{wt})$$

Where  $x_{ij}$  = country i's exports to country j

$X_{it}$  = country i's exports to the world

$x_{wj}$  = world exports to country j

$X_{wt}$  = total world exports.

This essentially measures the relative importance of country j in country I's export trade, in comparison with country j's importance as world export destination.  $EII < 1$  or  $> 1$  implies less than or more than expected bilateral trade, respectively. If EII is already high, there is little scope of further increasing bilateral trade between i and j. But if it is low, and if TCI is high, bilateral trade can very well be increased through trade agreements.

6. A related indicator is the Export Similarity Index (XSI), which helps us identify a country's competitors.

$$XSI = \sum [\min (X_{ij}, X_{ik}) * 100]$$

Where  $X_{ij}$  = share of commodity i in exports of country j

$X_{ik}$  = share of commodity i in exports of country k

XSI can vary between 0 and 100. It will be seen that when  $X_{ij} = X_{ik}$  for all i's,  $XSI = 100$ ,

Which means complete export similarity between countries j and k. As  $X_{ij}$  and  $X_{ik}$  start to differ, XSI falls. Countries exporting the same commodities are competitors in the world market, and export strategies, taking in to account such competition, have to be designed accordingly.

7. It is necessary to know whether the exports of a country are concentrated in a few products. A high concentration, while enabling a country to reap the benefits of specialization and economies of scale, also exposes a country to the risks arising from the vicissitudes of global trade. The Hirschman Index (HI), used by UNCTAD, is a handy measure for monitoring export concentration.

$$HI = \sqrt{[\sum S_q(x_i/X_t)]}$$

Where  $x_i$  is the country's exports of commodity i

$X_t$  is the country's total exports.

HI ranges from  $(1/n)$  to 1. The higher the value of HI, the higher the concentration of exports.

8. Intraindustry trade is of importance as it can increase and expand markets. The standard indicator is the Index of Intraindustry Trade (IIT).

$$IIT_{jk} = 1 - [\sum |X_{ijk} - M_{ijk}| / (X_{ijk} + M_{ijk})]$$

Where  $X_{ijk}$  = exports of products of industry i from country j to country k

$M_{ijk}$  = imports of products of industry i from country k to country j.

IIT can take values from 1 (extremely high intra-industry trade, exports equalling imports) to 0 (no interindustry trade at all).

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