



INDIA'S PARTICIPATION IN THE GLOBAL ECONOMY: OPPORTUNITIES AND CHALLENGES

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Movements of people, capital and products and their potential impact on innovation

1. Migration

- Brain drain or brain gain?

2. Foreign direct investment

- Could it contribute more to innovation and its diffusion?

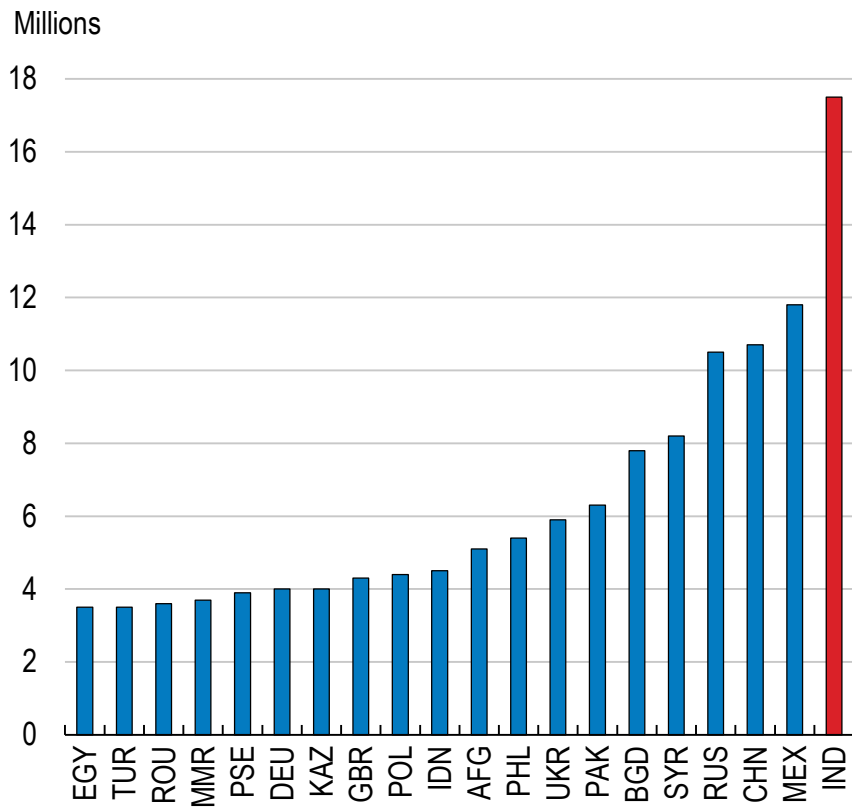
3. Trade

- Are trade patterns conducive to innovation?

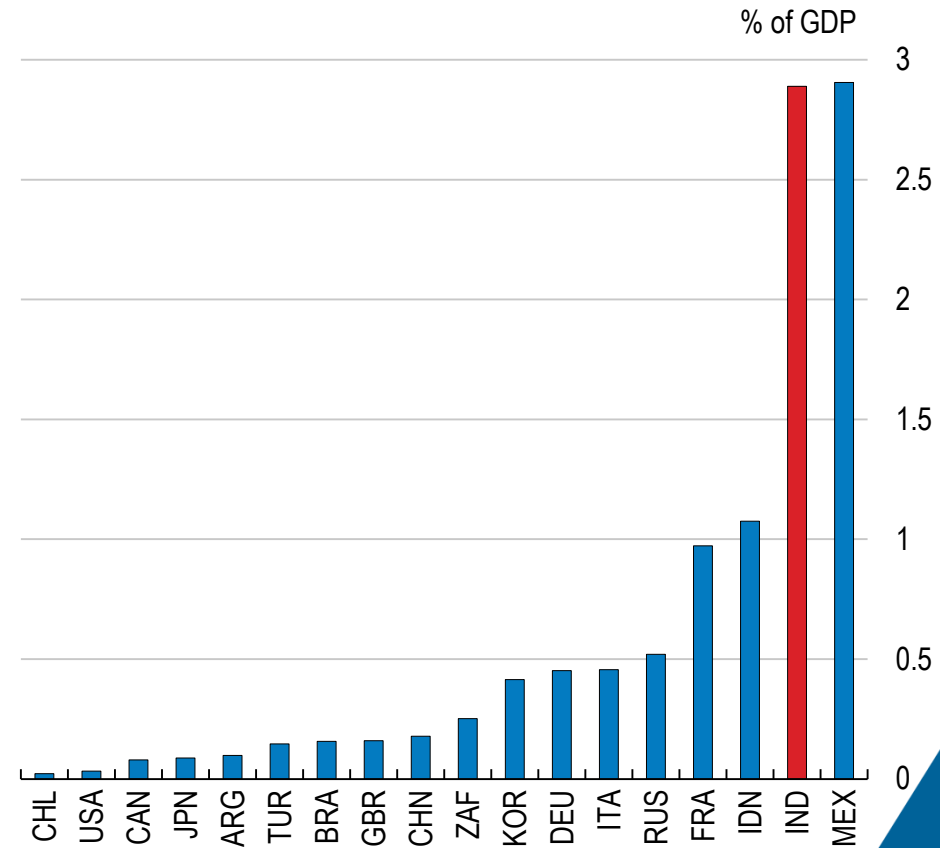


India has the largest diaspora, promoting income and investment in India

Top 20 countries of origin for population living abroad (stock), 2019



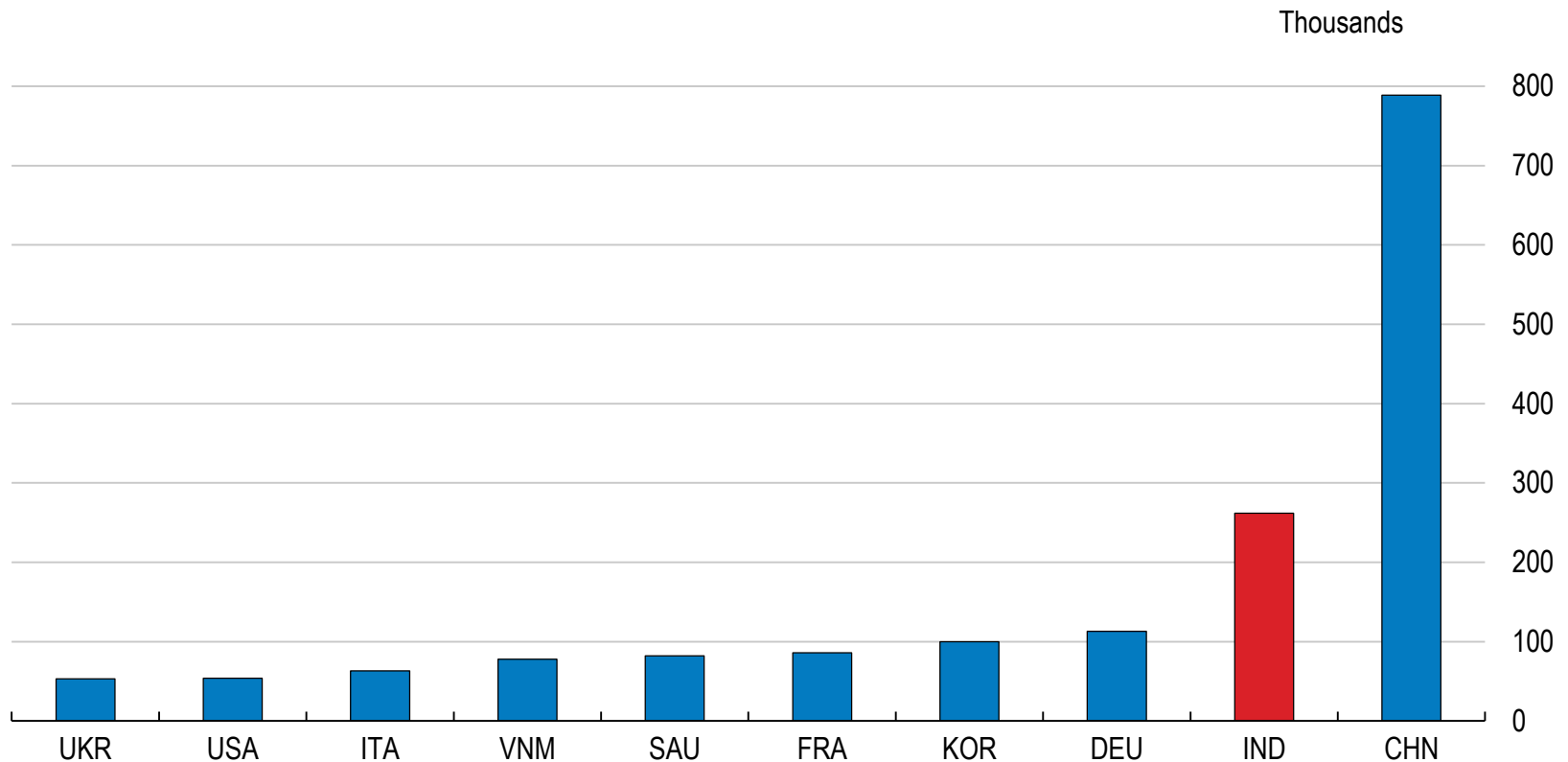
Remittances from abroad 2018





Many Indians are studying abroad

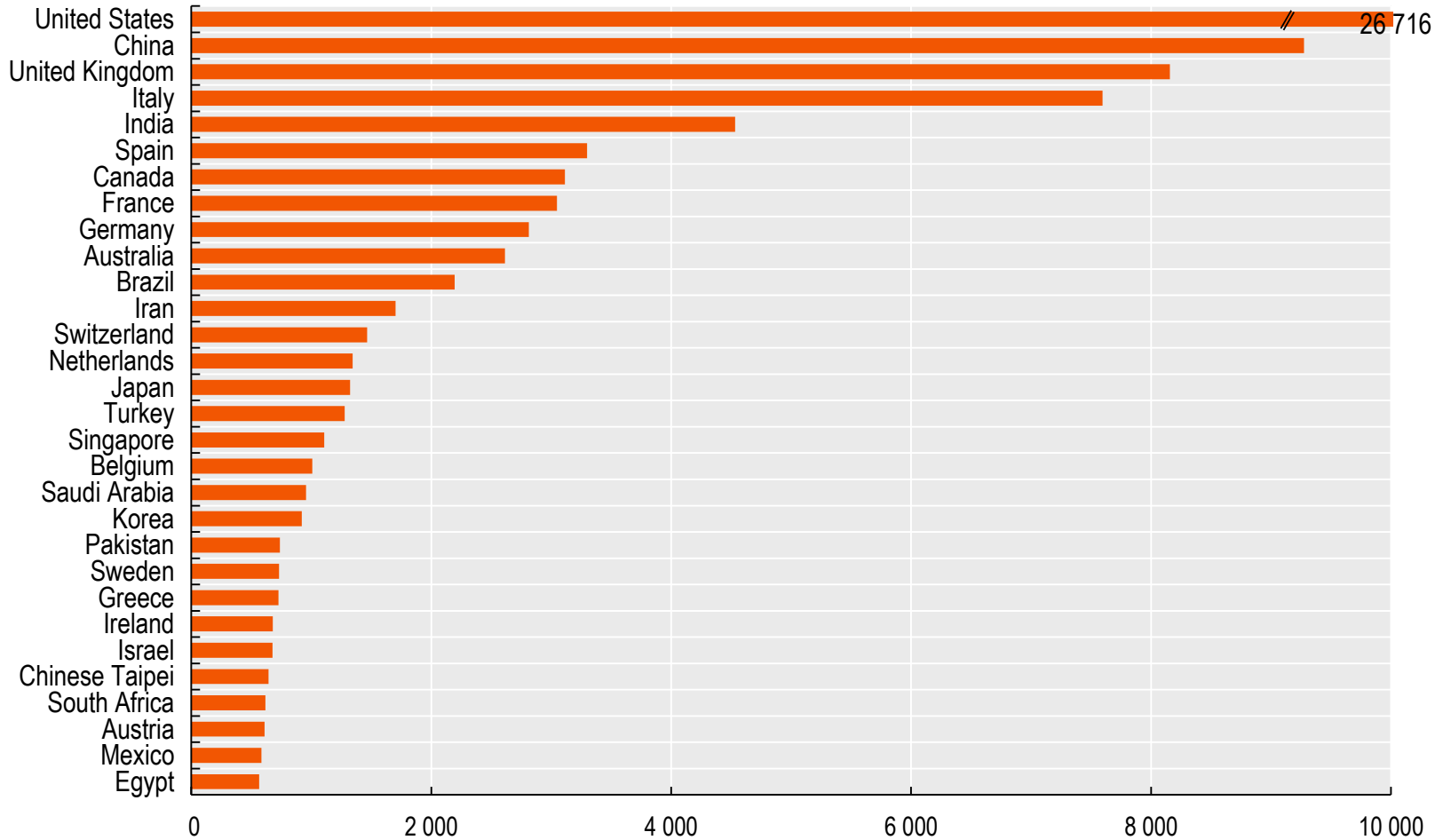
International students enrolled in OECD countries by origin, 2016





The research and innovation system can respond swiftly

Top 30 contributors to COVID-19 research publications,
1 January to 30 November, 2020

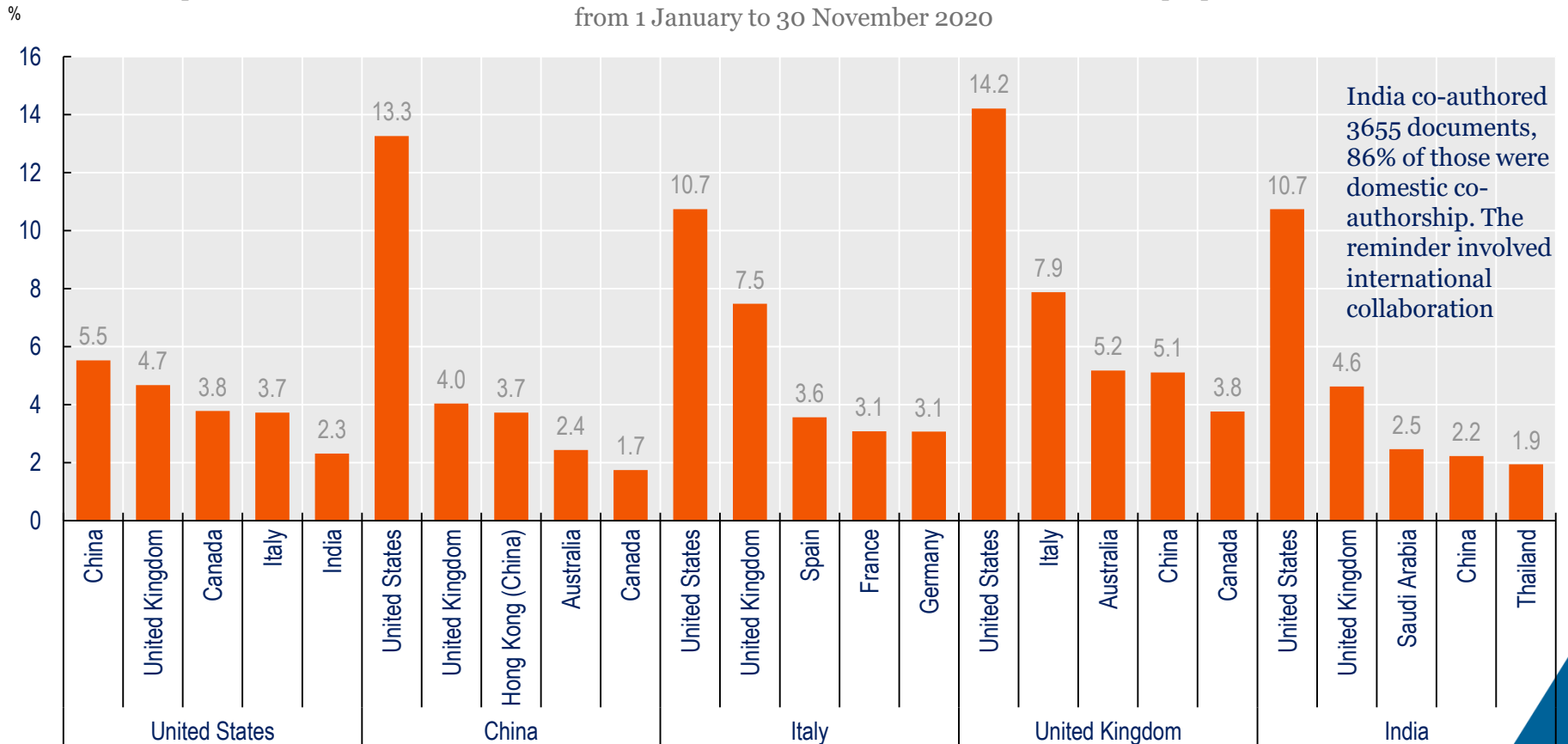




International scientific co-operation has been large

Share of international scientific collaboration on COVID-19 medical research by partner economy

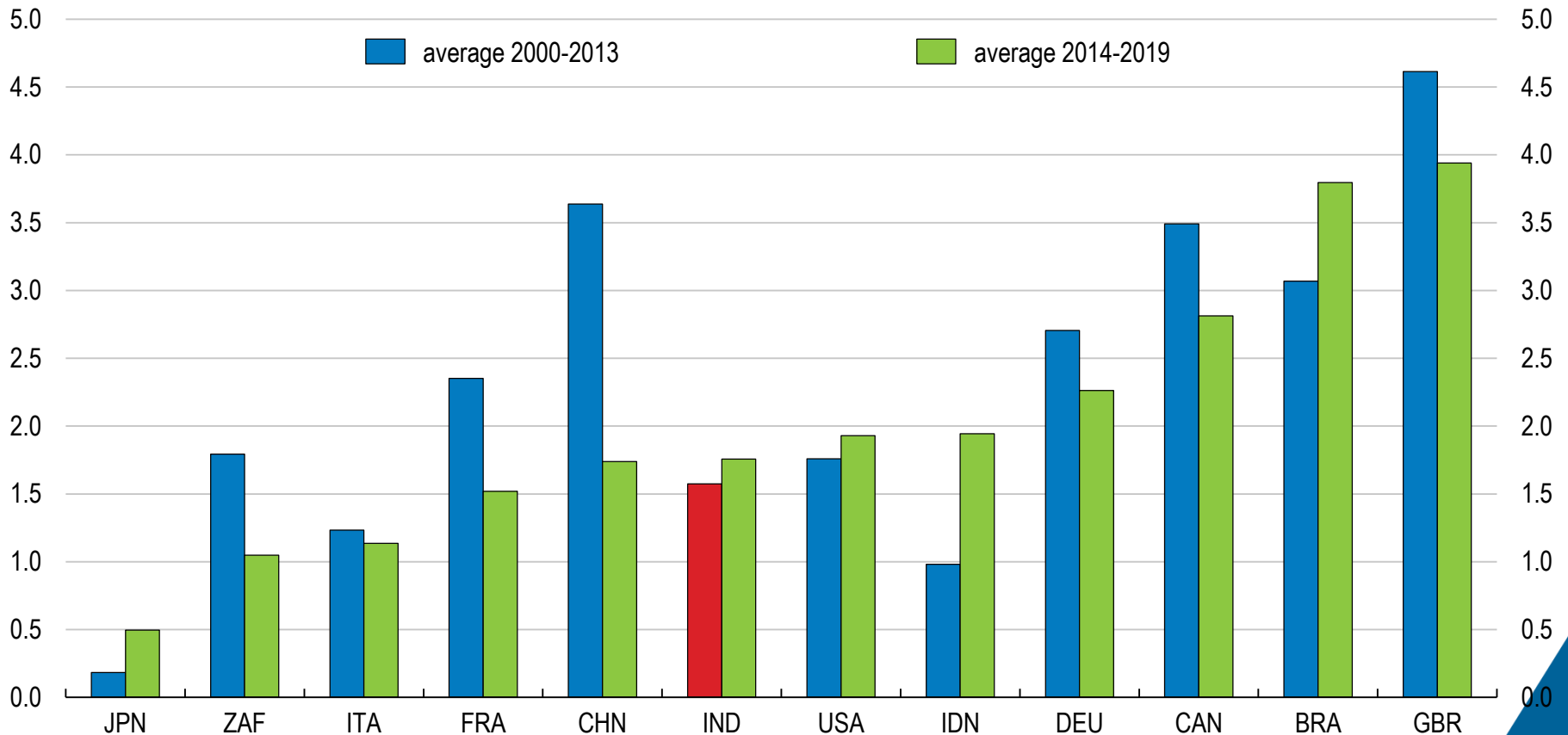
Top five economies, in terms of total number of documents (fractional counts), and their top 5 partner economies, from 1 January to 30 November 2020





Inward foreign direct investment has increased

Foreign direct investment, net inflows
% of GDP

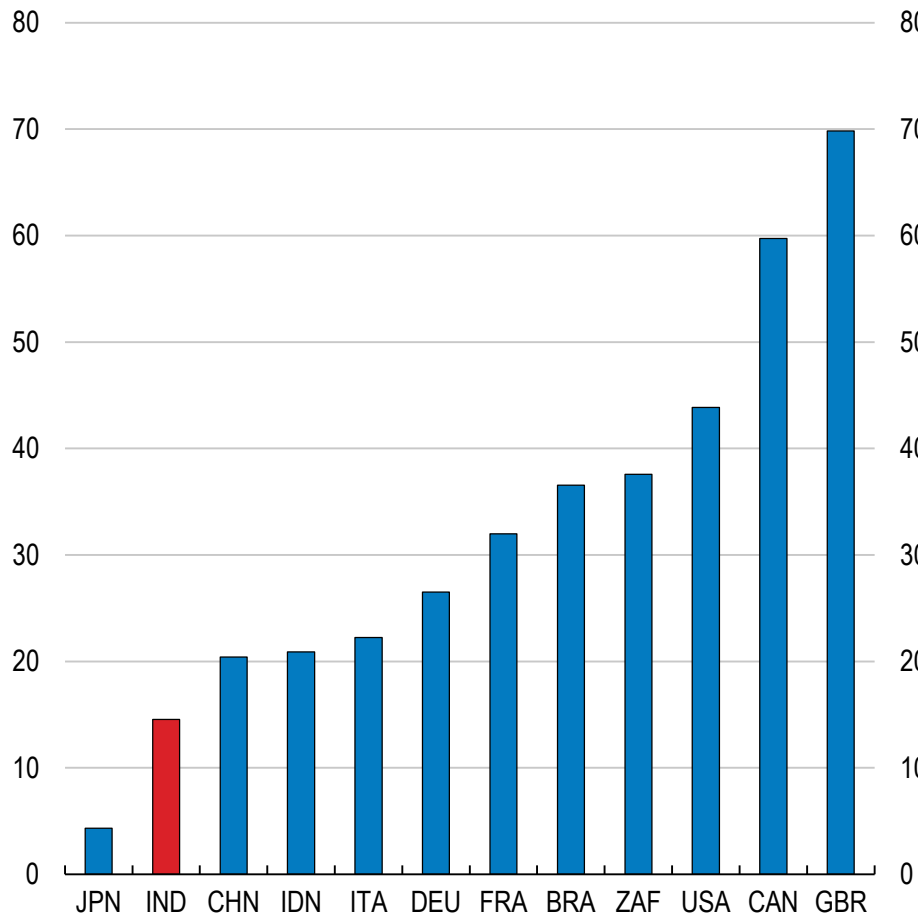


Source: World Bank, World Development Indicators database.

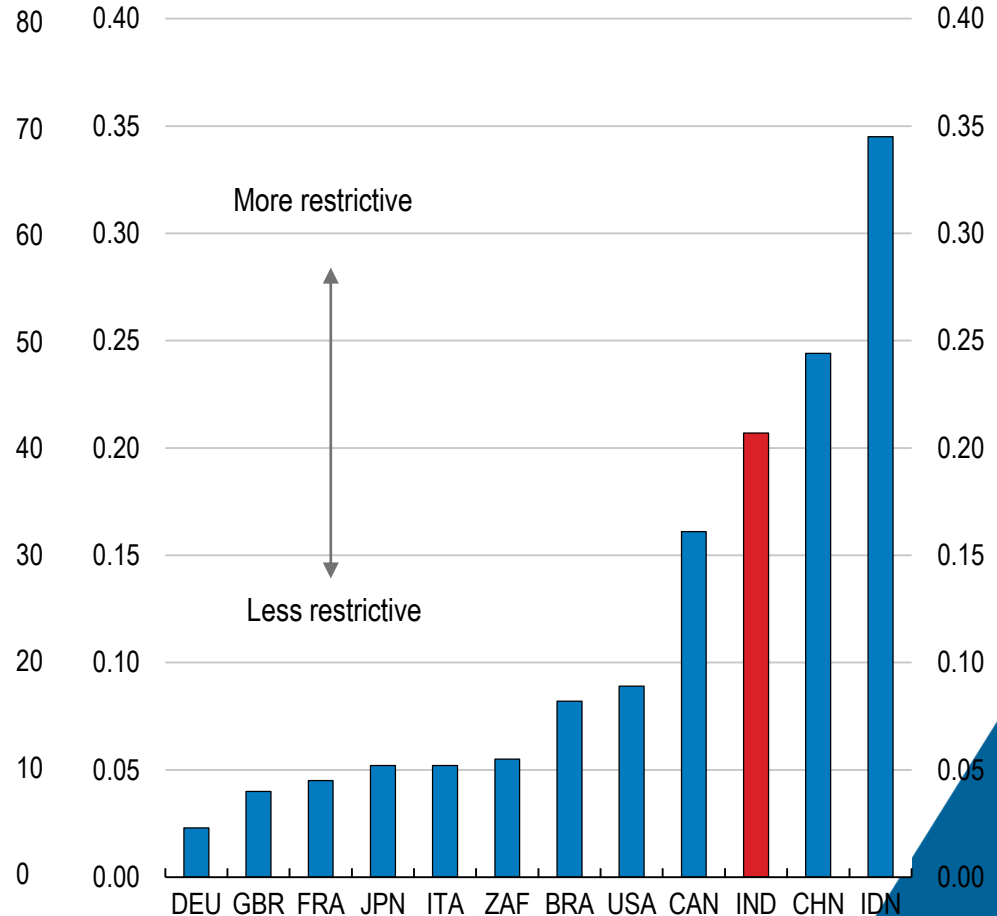


Inward foreign direct investment could increase further

Stock of inward foreign direct investments
% of GDP, 2019



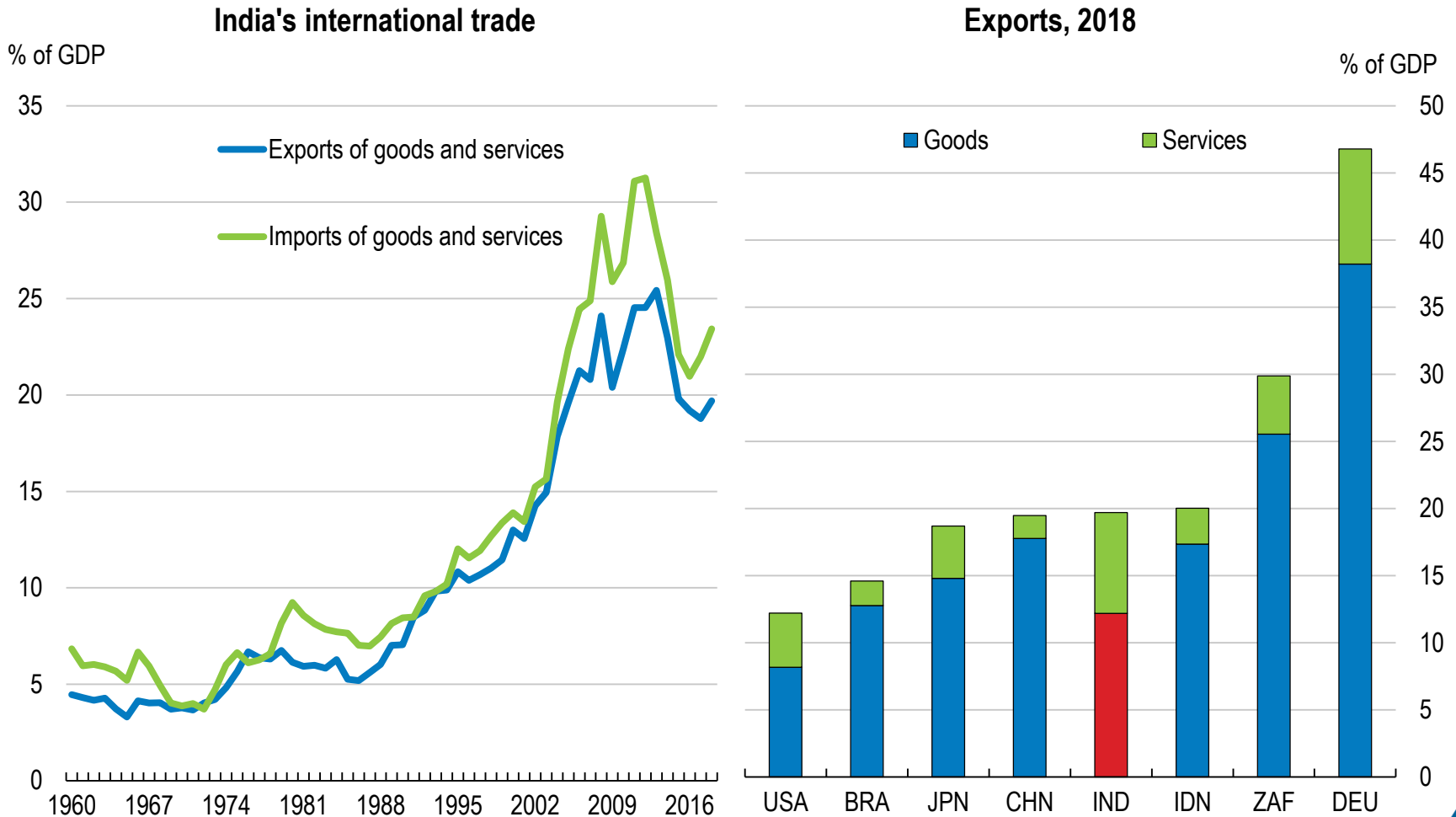
FDI regulatory restrictiveness index
Index from 0 (less restrictive) to 1 (more restrictive), 2019



Source: OECD.



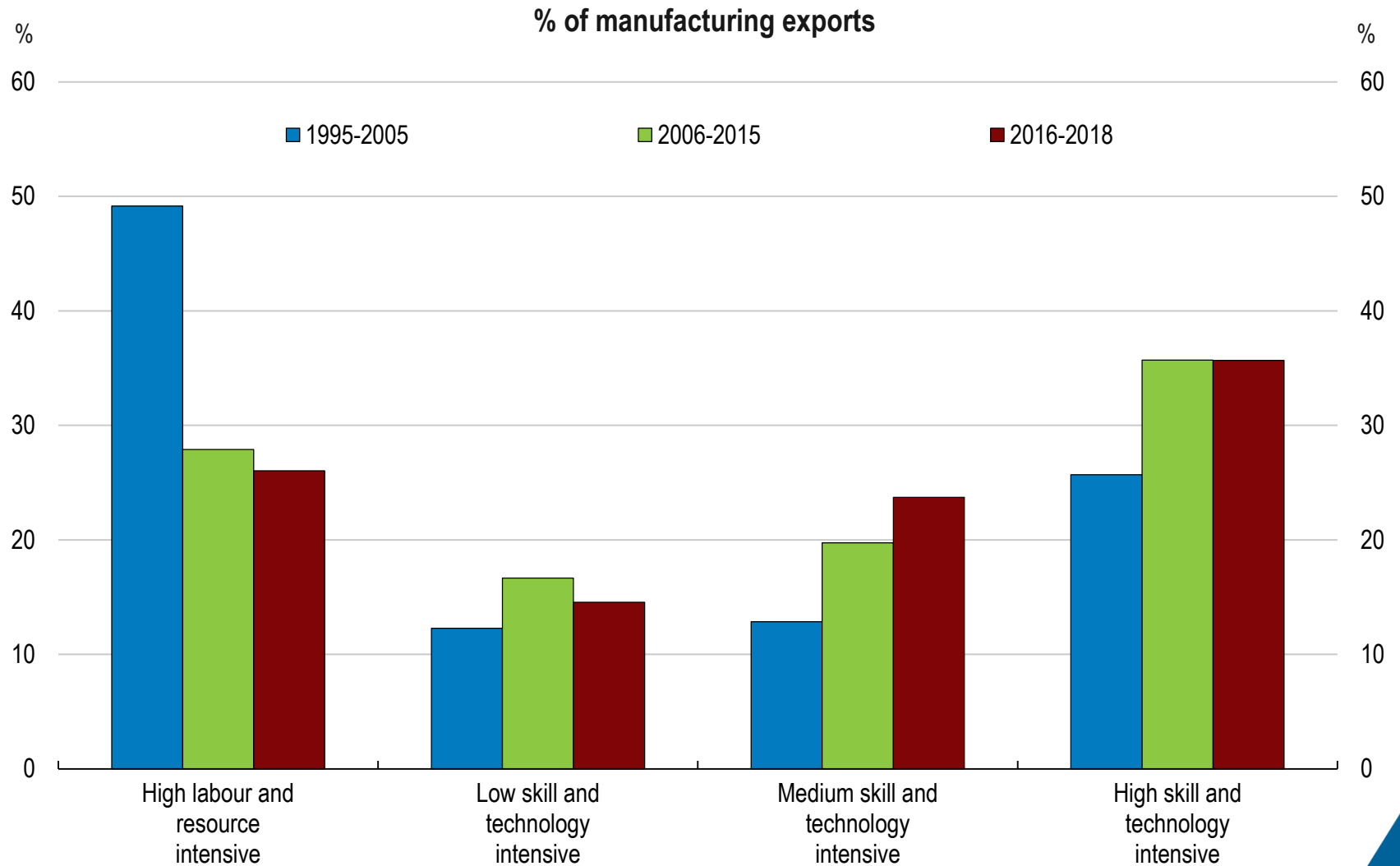
Trade openness has increased, with a tilt towards services



Source: World Bank, World Development Indicators database.



India specialises in manufacturing exports with high-skills and technology intensity



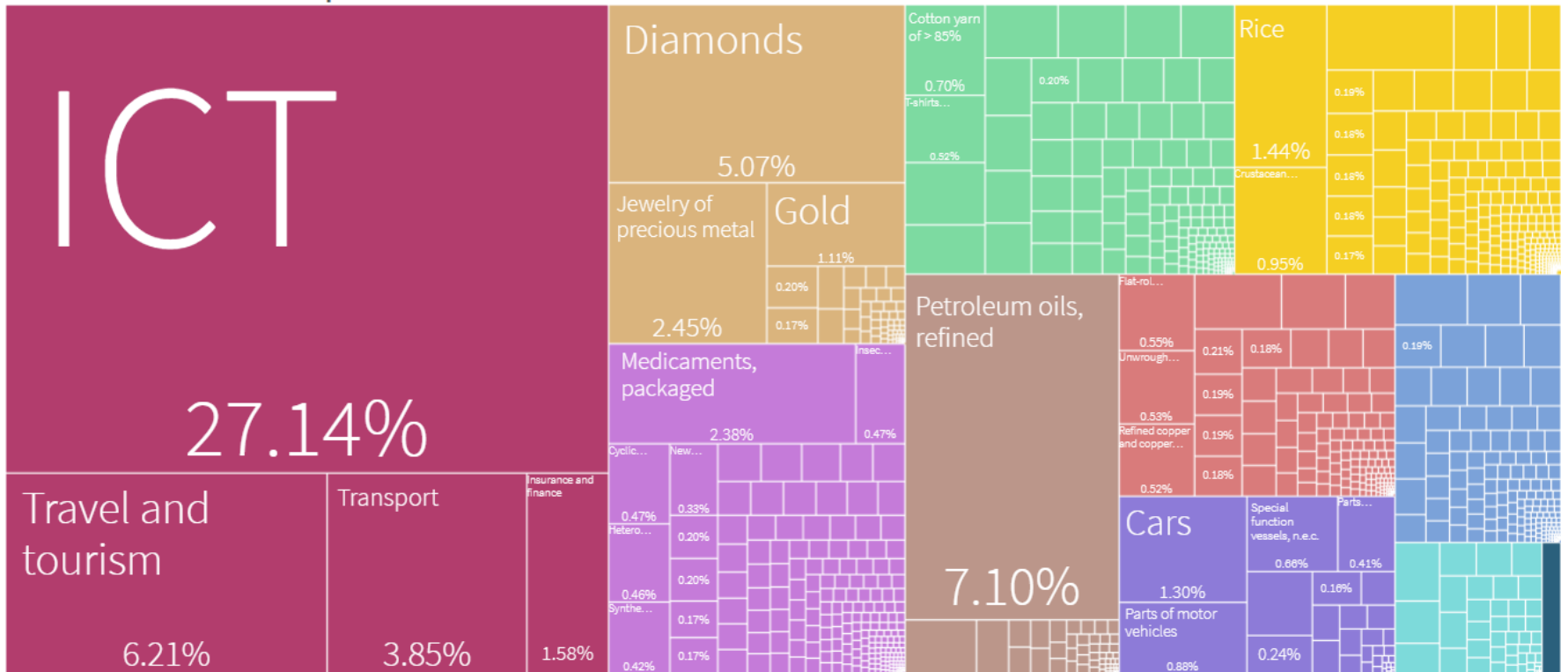


What does India export?

Exports of goods and services, 2017

What did India export in 2017?

Shown: \$478B | Total: \$478B



PRODUCT SECTORS



SEARCH IN VISUALIZATION

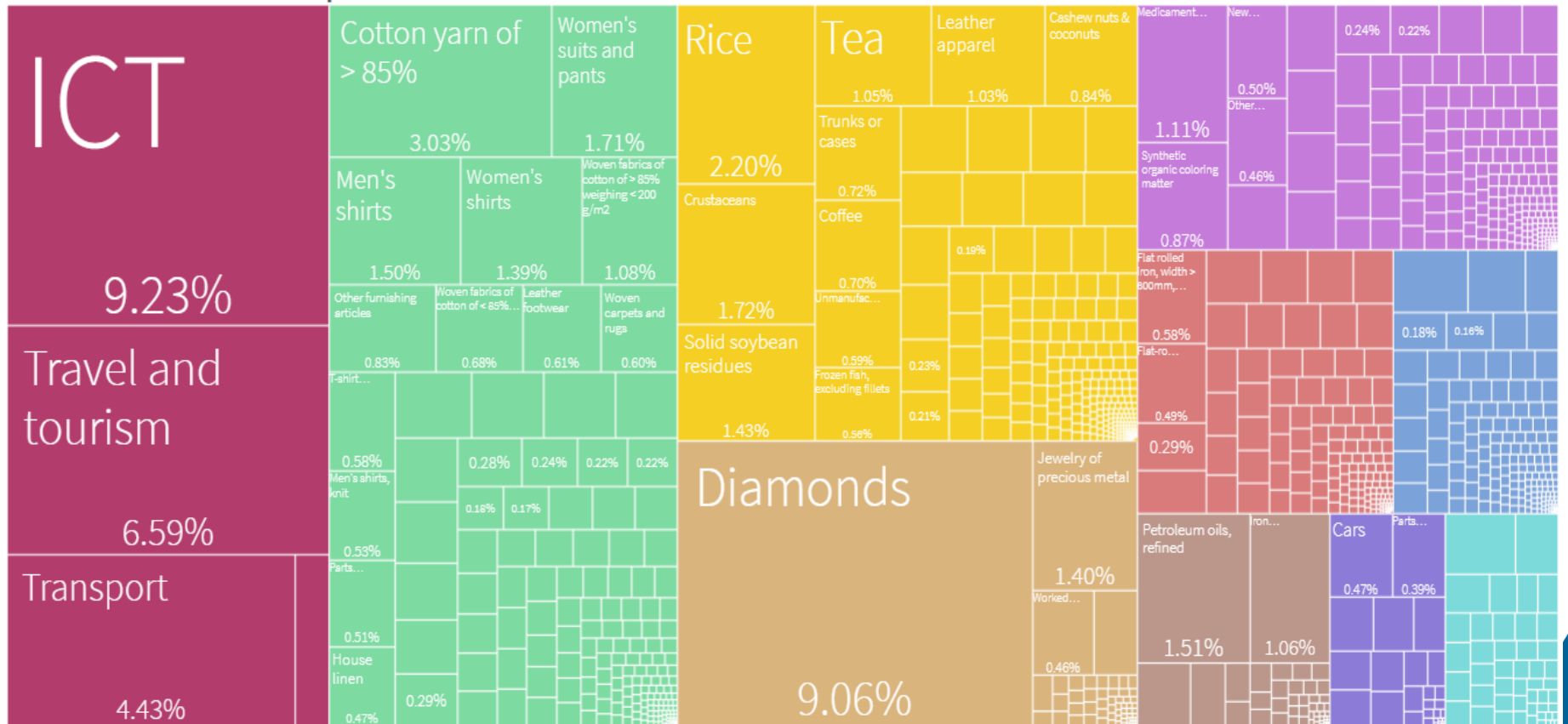


... compared with 1997

Exports of goods and services, 1997

What did India export in 1997?

Shown: \$43.9B | Total: \$43.9B i

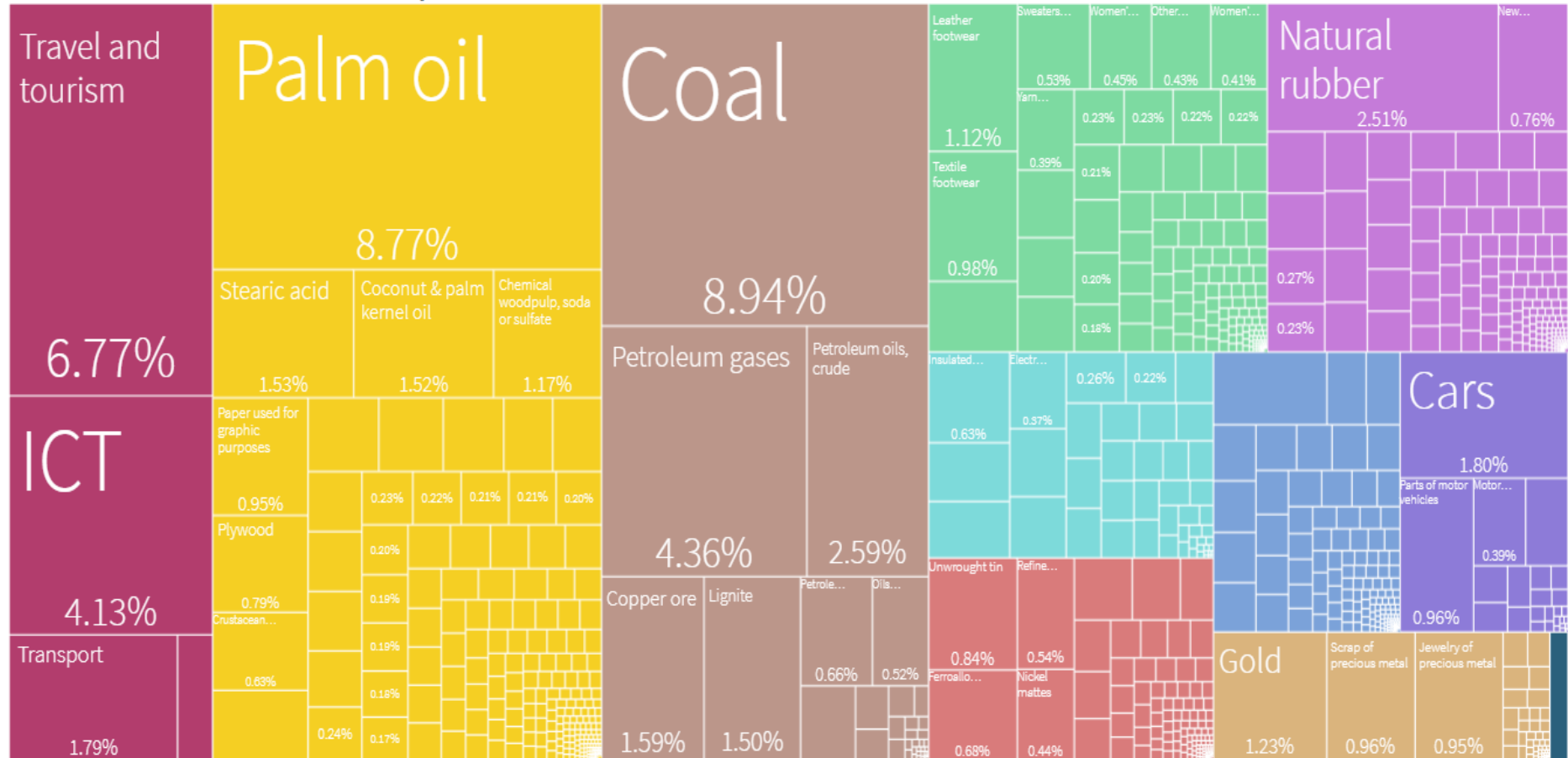




Indonesia

What did Indonesia export in 2017?

Shown: \$194B | Total: \$194B i



PRODUCT SECTORS



SEARCH IN VISUALIZATION

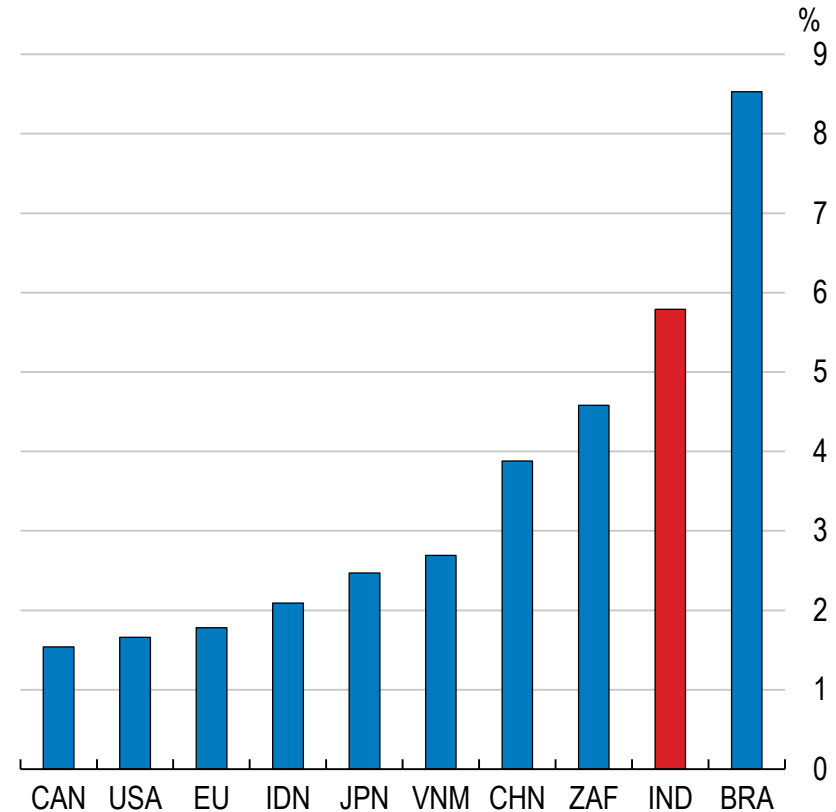


Import tariffs have been cut but remain high

Effectively applied tariffs



Effectively applied tariffs, 2017



Note: Data show weighted averages of effectively applied tariffs, whereby the tariffs are weighted by the import value of each product.
Source: UNCTAD Trade Analysis Information System (TRAINS) data extracted from the World Bank, World Integrated Trade Solutions.



To conclude

1. Migration

- Make it more a brain gain

2. Foreign direct investment

- Continue to open up by reducing further restrictions to FDI and domestic bottlenecks

3. Trade

- Avoid increasing trade barriers to get the most of India's potential



For more information



Joumard I., M. Dek and C. Arriola (2020), “Challenges and opportunities of India’s enhanced participation in the global economy”, OECD Economics Department Working Paper No. 1597.

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