

IMPACT OF COVID-19 PANDEMIC ON THE TRADE BETWEEN INDIA AND ARGENTINA

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Abstract:

The spread of coronavirus has damaged the global economy very severely. Covid-19 pandemic has pushed the world into the most acute trade contraction. Trade of goods and services in India suffered a lot due to Covid-19 pandemic. It has adversely affected India's international trade. This exceptional crisis has resulted a contraction in the trade volume of commodities. The pandemic shocked India and Argentina into the utmost severe trade shrinkage since the global financial crisis. Covid-19 pandemic has caused a sharp drop in international trade. India unified with the global economy in an unparalleled reduction in trade in 2020-21, pulled down by the Covid-19 pandemic. It has badly affected India's trade foundations. The entire world is facing the biggest crisis and both India and Argentina have been affected by the devastating Coronavirus disease. The commodity exports from Argentina had fallen by 2.4 percent in 2019. In view of the bilateral trade between India and Argentina, this study examines the impact of Covid-19 pandemic on the exports, imports and terms of trade between India and Argentina. To analyse the trade pattern from 2001 to 2020, data is obtained from UNCOMTRADE database and for the terms of trade analysis, data is derived from UNCTAD. Net Barter Terms of Trade (NBTOT), Gross Barter Terms of Trade (GBTOT) and Income Terms of Trade (ITOT) are used to analyse the terms of trade of India and Argentina during the Covid -19 pandemic. This study highlights a severe change in India's trade pattern with Argentina and also there are fluctuations in terms of trade due to the outbreak of Covid-19 at the world level. India's exports and

imports to Argentina declined resulting a sharp deterioration in terms of trade after the spread of Covid-19 pandemic. Policymakers should try to find out a comprehensive economic strategy to combat with this unparalleled scenario in the post covid-19 pandemic world. Systematic opening of the economies and regulating to “New Normal” is the need of the time.

Keywords: *India and Argentina trade, Covid-19 pandemic, Trade Pattern, Terms of Trade*

INTRODUCTION

The onset of the novel Corona virus outbreak in Wuhan, China has sent the world winding at its feet. The eruption of Covid-19 brought social and economic life to a halt. The International Monetary Fund (IMF) pointed out that the world economy is likely to contract by 3% due to lockdown which was declared by many countries. The main driver of the current crisis was the reduction in export volumes. World Trade Organisation (WTO) also estimated that the world trade was expected to deteriorate due to Coronavirus pandemic. Merchandise exports of India decreased by 34.6% to US\$21.41billion with a few days’ lockdown in March 2020. Further the lockdown resulted a major fall in exports from India. The merchandise exports of India reached an all-time high of US \$ 330 billion in 2018 - 2019 which fell down to US \$ 314 billion in 2019 -2020. Similar trend was noted in the case of imports by India. The imports reached a height of US \$ 514 billion in 2018 -19 and then decreased to a higher rate of -9.3 % than exports in 2019 -20 due to global slowdown brought upon by the covid-19 crisis and the subsequent disruptions in supply chain and demand. There is a huge impact of covid-19 on India’s trade. The estimated fall in India’s exports was 13.7% to 20.8% in 2021 over 2020 under covid-19 scenario. The recent monthly trade data for India discloses that the overall exports in January 2020 compared to January 2019 was down by 1.9%.

Brief Profile of India and Argentina

A brief profile of macroeconomic variables is studied for India and Argentina. It will highlight the basic indicators of these economies. Table 1 shows that India is stronger than Argentina in terms of total global trade as the total world trade of India was US\$

978.13 billion while that of Argentina was US \$116.32 billion in the year 2020. The merchandise trade data shows that US and China are the common exporting partner of both India and Argentina. But both countries are facing trade deficit in the world market. In Argentina 61.1% of the total GDP is contributed by the service sector and exports of Argentina are diversified. India is an agricultural economy and the share of agriculture in gross domestic product is marked at 15.5% while in Argentina the share of agriculture in GDP is 10.8%. Share of industry in GDP is 23% in India while in Argentina the share of industry in GDP is 28.1%.

Table 1: India and Argentina: A Comparison of Macro Economic Variables

India -- Argentina: Comparison Sheet				
Serial No.		Unit	India (2021)	Argentina (2021)
1	Capital		New Delhi	Buenos Aires
2	Area	sq. Km	3,287,263	2780400
3	Population		1,339,330,514 (July, 2021 est.)	45,864,941 (July 2021 est.)
4	GDP (Real Growth Rate)	Percent	4.86(2019est.)	-2.03% (2019 est.)
5	Agriculture in GDP	Percent	15.5(2016est.)	10.8% (2017 est.)
6	Industry in GDP	Percent	23(2016est.)	28.1% (2017 est.)
7	Services in GDP	Percent	61.5(2016est.)	61.1% (2017 est.)
8	Total	Percent	100	100

Merchandise Trade Data				
9	Total Export to the World (Data is in current year dollars)	\$ Billion	484.95(2020est.)	64.18 (2020est.)
10	Total Import from the World (Data is in current year dollars)	\$ Billion	493.18(2020est.)	52.14(2020est.)
11	Total Global Trade	\$ Billion	978.13	116.32
12	Trade Balance	\$ Billion	-8.23	12.04
13	Top Exporting Countries	Percent	United States (15.6), United Arab Emirates (10.2), Hong Kong (4.9)	United States (75) and China (11)
14	Top Importing Countries	Percent	China (15), United States (7), United Arab Emirates (6), Saudi Arabia (5)	United States (14), China (18)
15	External Debt	\$ Billion	555.388(2019est.)	278.524 billion (2019 est.)

Source: CIA World Fact book

Argentina is the second major country in Latin America with an area of 2780,400 square kilometres. Its capital is Buenos Aires and the currency is Argentine Peso. It is a prominent nation whose economy is the third largest in Latin America. It has a population of 45,864,941 in July 2021. Its economy vigorously depends on agrarian exports and different businesses. It has countless natural resources like oil, lead, iron metal, zinc and uranium. India and Argentina relations are cordial and involve political, economic and technological support. The exports of India to Argentina include organic chemicals, vehicles, auto parts, machinery and garments. The major items of imports from Argentina are soybean oil, copper, sunflower oil, leather, animal fats, ores, slag and ash, rawhides excluding furskins, wool and inorganic chemicals etc.

Argentina has vast export based agricultural sector and its industrial base is developed. It is the main agricultural producer of the world for the products like wheat, honey, maize, sorghum, sunflower seeds, wheat and squash. Services is the largest sector in its economy which contributes around 61.1% of GDP. The main sectors by production in terms of value are food and beverage processing, automotive and auto parts, refining products, chemicals, pharmaceuticals, steel, aluminium, electronic and household appliances.

Objectives of the Study

The present research work is conducted with the following Objectives:

1. To study the impact of Covid-19 pandemic on the pattern and composition of trade between India and Argentina.
2. To analyse the impact of Covid-19 pandemic on the Terms of Trade of India and Argentina.

DATA AND METHODOLOGY

Secondary data from different sources is used to analyse the impact of Covid-19 on the trade between India and Argentina from 2001 to 2020. The study is based on export data as per the Harmonized System (HS) of classification and data is obtained from various sources such as UNCOMTRADE database, UNCTAD and ITC Trade

data. Net Barter TOT, Income TOT and Gross Barter TOT are used to find the terms of trade between India and Argentina.

Net Barter Terms of Trade (NBTOT)

This is the most common and simple method of calculating trade terms of a country. It was given by Taussig (1927). The proportion between export and import prices is called the Net Barter terms of trade. It is an important pointer of the buying power of exports in paying for imports. It has been extensively identified as a short-term method to find out the changes in trading positions. This was called as commodity terms of trade by Jacob Viner (1995). The Net barter terms of trade can be expressed as:

$$T_c = (P_x / P_m) * 100$$

Where

T_c = Net Barter Terms of Trade

P_x = Unit Value Index of Exports

P_m = Unit Value Index of Imports

An upgrading in terms of trade takes place when the “increase in export prices is more than the import prices”.

Income Terms of Trade (ITOT)

Perception of Income TOT was introduced by G.S. Dorrance in 1948. It is an upgrading over Net barter terms of trade. It is an index of the value of exports divided by the unit value or the price of imports. It demonstrates the volume of imports of a country that can be obtained from its export earnings. It measures the purchasing power of exports. It shows a country's fluctuating import capacity in relation to variations in its exports.

A rise in the index of ITOT implies that a country can import more goods in exchange for its exports. It can be written as:

$$T_i = T_c \cdot Q_x$$

Where

T_i = Income Terms of Trade

TC = Net barter terms of trade

QX = Aggregate quantities of exports

Thus, income terms of trade method is an improved measure over the net barter terms of trade as it specifies that a nation can now afford more volume of imports with its export value. It is an improved measure of entire gains from international trade from an economy.

Gross Barter Terms of Trade (GBTOT)

Taussig introduced the concept of Gross Barter TOT. It links the total physical extent of imports to the total physical quantity of exports in an economy. An increase in the present year's gross barter terms of trade indicate a promising change which means more imports are obtained for a given volume of exports than in the base year. It estimates the quantity of imports and exports of a country. The formula can be written as:

$$TG = (QM / QX) * 100$$

Where

TG = Gross Barter Terms of Trade

QM = Aggregate quantities of imports

QX = Aggregate quantities of exports

The gross barter terms of trade will be better if the ratio between quantities of imports and exports are higher and a larger quantity of imports can be had for the same volume of exports.

Covid -19 and India's Changing Framework of World Trade

In 1991, the Indian government announced a sequence of changes to globalize the Indian economy. The economic impact of Covid-19 has been quite disturbing in India. Many countries including India and Argentina resorted to lockdowns to control the Covid-19 pandemic. These lockdowns confined millions of citizens to their homes and ceasing almost all economic activity.

The value of world trade dropped during the Covid-19 pandemic. The value of global trade decreased by 2.9 percent on an average in 2019. Exports from Argentina dropped around 16.1%. The crisis was the result of decrease in the volume of trade. The global trade volumes contracted to 8.9% in the first six months of 2020. The sudden fall in trade and production have negative consequences on the economy of both in India and Argentina.

Table 2: Trade Profile of India (US \$ Billion from 2001 to 2020)

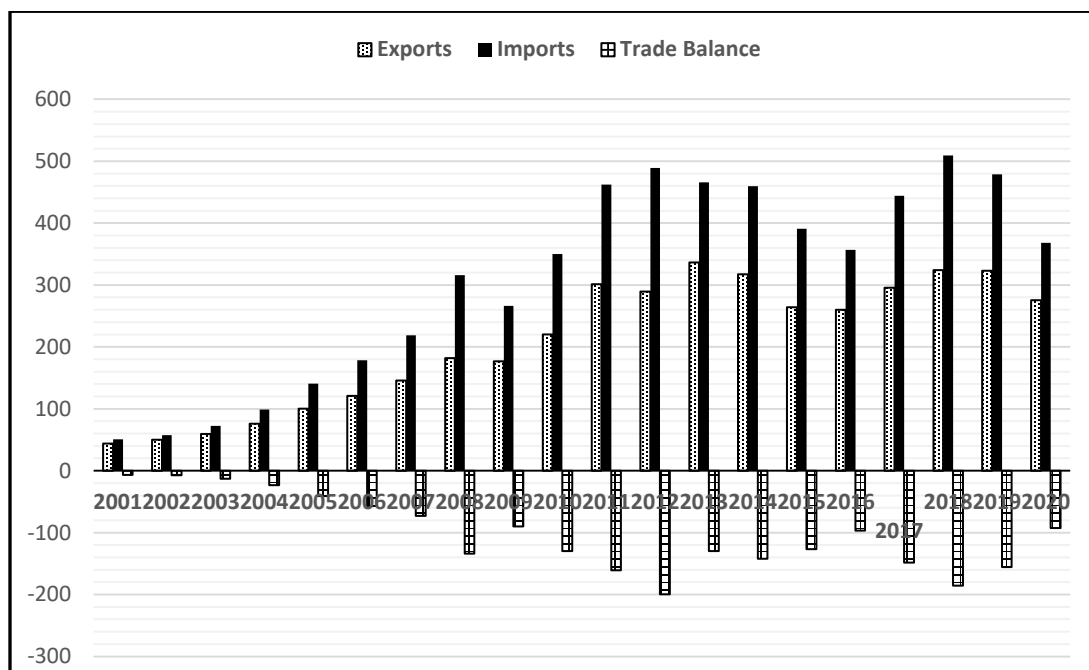
Year	Exports	World Export Share	Imports	World Import Share	Total Trade	World Trade Share	Trade Balance
2001	43.88	0.72	50.67	0.8	94.55	0.76	-6.79
2002	50.1	0.78	57.45	0.77	107.55	0.77	-7.36
2003	59.36	0.79	72.43	0.75	131.79	0.77	-13.07
2004	75.9	0.83	98.98	0.77	174.89	0.8	-23.08
2005	100.35	0.97	140.86	0.93	241.21	0.95	-40.51
2006	121.2	1.01	178.21	1.15	299.41	1.08	-57.01
2007	145.9	1.05	218.65	1.26	364.54	1.16	-72.75
2008	181.86	1.14	315.71	1.34	497.57	1.24	-133.85
2009	176.77	1.43	266.4	2.5	443.17	1.97	-89.64
2010	220.41	1.46	350.03	1.74	570.44	1.6	-129.62
2011	301.48	1.67	462.4	1.91	763.89	1.79	-160.92
2012	289.56	1.57	488.98	2.5	778.54	2.04	-199.41
2013	336.61	1.78	466.05	2.59	802.66	2.19	-129.43
2014	317.54	1.68	459.37	2.47	776.91	2.08	-141.82
2015	264.38	1.61	390.74	2.78	655.13	2.2	-126.36
2016	260.33	1.64	356.7	2.44	617.03	2.04	-96.38
2017	295.85	1.69	444.05	2.01	739.9	1.85	-148.21

2018	324	1.68	509.27	2.64	833.27	2.01	-185.27
2019	323.25	1.73	478.88	2.12	802.13	1.92	-155.63
2020	275.49	1.57	367.98	1.87	643.47	1.12	-92.49

Source: Compiled on the basis of UN COMTRADE database

It is obvious from table 2 that India's exports have increased from US\$ 43.88 billion in 2001 to US\$ 295.5 billion in 2017. Also, India's imports have expanded to US\$ 444.05 billion in 2017. All these trends indicate that India is emerging as a global super power in the arena of trade.

**Figure 1: Exports, Imports and Trade Balance of India from 2001- 2020
(In US \$ Billion)**



Source: Compiled on the basis of UN COMTRADE database.

Figure 1 explains that in 2020 there was a fall in India's exports from US\$ 324 billion in 2018 to US\$ 275.49 billion. Also, India's imports contracted to US\$ 367.98 billion in 2020. The total trade was decreased to US\$ 643.47 billion in 2020. It was the impact of Covid-19 pandemic at the world level as a result of which lockdown was imposed in India and Argentina.

Impact of Covid-19 pandemic on India's Exports to Different Countries

The Covid-19 pandemic disrupted India's trade and economic activities. The fall in India's exports and imports is the result of spread of Covid-19 pandemic at the world level. There was lockdown and social distancing which resulted in an immediate supply shock followed by a demand shock. India's exports were suffered and imports were also contracted sharply.

Table 3: India's Exports to Different Countries of the World (In US \$ Thousand)

Countries	2016	2017	2018	2019	2020
USA	41982373	46028324	51764145	54288194	49320596
UAE	30675031	30020630	29100195	29539358	17953335
China	8914967	12500767	16503442	17278833	19008267
Singapore	7384679	11598045	10494472	10738689	8295020
United Kingdom	8564111	8957197	9767380	8797200	7767620
Germany	7177200	8235876	8972262	8569825	7656985
Bangladesh	5668089	7212092	8763030	8242923	7912821
Netherlands	4867884	5432400	8677864	8906975	6261190
Nepal	4525659	5519572	7316477	7108863	5854597
Belgium	5355723	6221609	6824378	6184548	4565324
Vietnam	5956938	8116919	6715614	5512870	4500549
Malaysia	4188132	5547733	6567583	6268537	6194006
Italy	4463624	5656895	5533394	5190232	4348168
Saudi Arabia	5044523	5218976	5501775	5974037	6154273
Turkey	4472728	4922767	5363419	4575956	3636047
France	4871387	5045601	5295238	5434291	4363548
Korea	3464987	4378168	4817513	4653980	4516496
Indonesia	3131114	3763710	4802577	4515383	4363742
Japan	3826808	4499205	4750985	4815593	4043285

Source: Compiled on the basis of UN COMTRADE database.

It is clear from table 3 that India's exports to USA decreased to US\$ 49320596 thousand in 2020 and to UAE decreased to US\$ 17953335 thousand in 2020 as compared to US \$ 29100195 thousand in 2018. Exports of India to different countries of the world also declined due to the impact of Covid-19 pandemic. India's exports declined heavily in 2020 due to the impact of Covid-19 pandemic. Most of India's trading partners were under severe lockdown due to Coronavirus pandemic which resulted a sharp contraction in exports, imports and disruption of supply chains as well as contraction in outputs.

Impact of Covid-19 pandemic on India's Imports from different Countries

India's exports of goods and services were US\$ 322 billion while imports were US\$ 617 billion in 2018 according to data sourced from WITS. The corresponding figures were US\$ 483 billion and US\$ 524 billion respectively in 2017. Merchandise imports dropped from US\$43.72 billion in march 2019 to US\$ 31.16 billion in march 2020. The coronavirus Pandemic has stuck the biggest economies of the world including India and Argentina.

Table 4: India's Imports from Different countries of the World
(In US \$ Thousand)

Countries	2016	2017	2018	2019	2020
China	60479988	71890425	73845717	68402093	58798825
USA	20393719	24070494	32821243	34917972	26615673
Saudi Arabia	18459918	21077369	28523033	27000125	17723810
UAE	19239922	23105072	27018240	30308879	23901107
Iraq	9973865	15303164	23113210	22085016	16172948
Switzerland	14854549	20395480	18090992	17722676	11312540
Korea	12213417	16084579	16441988	16111284	12168869
Indonesia	12188631	16228107	16098059	15563891	12020795
Iran	8253289	11084449	14778965	3375420	297122
Singapore	6719133	7232165	14483646	14893892	12306747

Australia	8730208	14345897	14126314	10569385	7263296
Germany	11498779	12659429	13891494	12272543	9684429
Japan	9808025	10464507	12577590	12744472	10206851
Nigeria	7407117	8339221	11203247	10613135	6335326
Qatar	7479097	8096078	10621463	9525661	8121369
Malaysia	8652905	8897929	10436691	10407571	7378041
Belgium	7479537	5952290	9562541	9354388	6623542
Kuwait	4034561	6116047	7830642	9137051	5975056
Thailand	5316104	6453481	7671888	7034310	5223762

Source: Compiled on the basis of UN COMTRADE database.

It resulted into a big supply shock for major countries of the world including India. Economic slowdown impacted the trading partners of India including Argentina. India's imports declined from China, USA, UAE, Saudi Arabia, Indonesia and Singapore.

Impact of Covid-19 Pandemic on the Pattern and Composition of Trade between India and Argentina

Argentina is the storehouse of agriculture and economic activity. Bilateral trade between India and Argentina is enhanced with the increase in economic cooperation between these two countries. India imports important items like soybean oil, sunflower oil, leather and wool etc. from Argentina. The percentage share with Argentina was 0.36% in 1996-97 which further increased to 0.53% in 2001-02. India's Percentage share of total trade with Argentina decreased to 0.37% in 2004-05 which further decreased to 0.17% in 2008-09. The percentage share with Argentina increased about 0.47% in 2015-16 which decreased to 0.38% in 2017-18. The total trade with Argentina increased in 2007-08 to US\$ 1196.93 million. It decreased to US\$ 942.17million in 2009-10. It further increased to US\$1738.66 million in 2012-13. Transactions corresponding to Argentina augmented to US\$3011.47 million in 2016-17 and it further decreased to US\$ 2937.91 million in 2017-18.

If we study volume of India's exports to Argentina then it can be concluded that exports from India directing towards Argentina amplified to US\$ 186.32 million in 2004-05. It further increased to US\$ 708.71 million in 2017-18. Thus, we can conclude that India's exports to Argentina have increased from 1996 to 2018. The percentage share of exports from India to Argentina have declined from 0.27% in 1997-98 to 0.17% in 1999-2000 which increased to 0.19% in 2005-06. Similarly, the pattern of India's total imports from Argentina has changed. In 1996 the Percentage share of imports was 0.51% which further increased 0.65% in 2016-17 and decreased to 0.48% in 2017-18.

Table 5: Trade Pattern between India and Argentina from 2001 to 2020
(US \$ Million)

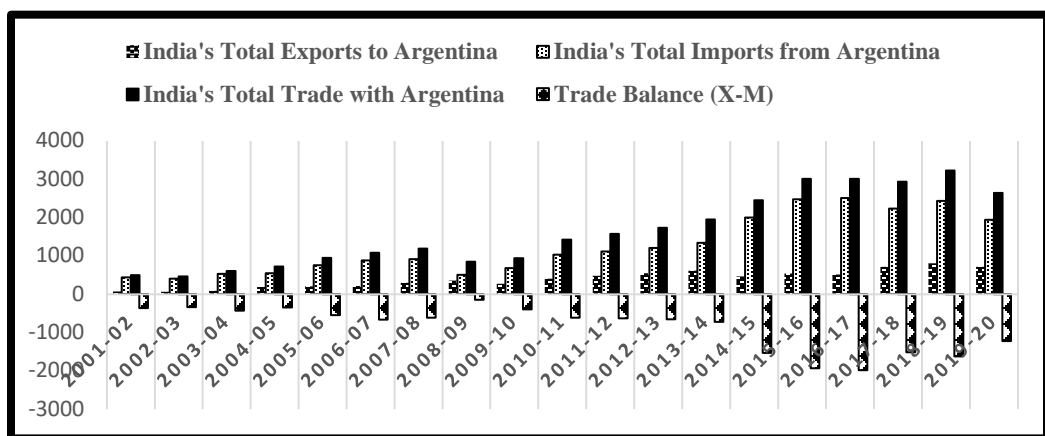
Year	India's Total Exports to Argentina	Exports % Share	India's Total Imports from Argentina	Imports % Share	India's Total Trade with Argentina	% Share	Trade Balance (X-M)
2001-02	64.62	0.15	436	0.85	500.62	0.53	-371.38
2002-03	60.29	0.11	404.14	0.66	464.43	0.41	-343.85
2003-04	87.33	0.14	523.96	0.67	611.29	0.43	-436.63
2004-05	186.32	0.22	539.59	0.48	725.91	0.37	-353.27
2005-06	199.5	0.19	754.04	0.51	953.54	0.38	-554.54
2006-07	211.38	0.17	876	0.47	1087.38	0.35	-664.62
2007-08	290.09	0.18	906.84	0.36	1196.93	0.29	-616.75
2008-09	352.01	0.19	499.07	0.16	851.08	0.17	-147.06
2009-10	269.96	0.15	672.21	0.23	942.17	0.2	-402.25
2010-11	404.36	0.16	1022.73	0.28	1427.09	0.23	-618.37
2011-12	473.57	0.15	1105.55	0.23	1579.12	0.2	-631.98
2012-13	539.95	0.18	1198.71	0.24	1738.66	0.22	-658.76
2013-14	611.48	0.19	1338.35	0.3	1949.83	0.26	-726.87
2014-15	460.19	0.15	1992.25	0.44	2452.44	0.32	-1532.06

2015-16	536.346	0.2	2471.52	0.65	3007.866	0.47	-1935.174
2016-17	510.72	0.19	2500.75	0.65	3011.47	0.46	-1990.03
2017-18	708.71	0.23	2229.2	0.48	2937.91	0.38	-1520.49
2018-19	802.24	0.54	2426.3	0.52	3228.54	0.56	-1624.06
2019-20	710.32	0.32	1935.21	0.29	2645.53	0.29	-1224.89

Source: Ministry of Commerce, Government of India

The total trade with Argentina increased in 2018-19 to US\$ 3228.54 million. It decreased to US\$2645.53million in 2019-20. India's exports to Argentina have decreased in 2019-20. The percentage share of exports from India to Argentina have declined from 0.54% in 2018-19 to 0.32% in 2019-20. Similarly, the pattern of India's total imports from Argentina has changed. In 1996 the Percentage share of imports was 0.51% which further increased 0.65% in 2016-17 and decreased to 0.48% in 2017-18. In 2018-2019 the percentage share of imports was 0.52% which further decreased 0.29% in 2019-2020. The trade volumes were affected for India as well as Argentina being the worst hit in terms of exports and imports. The downfall in trade was the direct impact of Covid-19 pandemic as restrictions were imposed directly on transportation and travel. Also, both India and Argentina were having lockdown which resulted a stoppage on exports, imports and normal course of business except for essential commodities.

Figure 2: Trade Pattern between India and Argentina (US \$ Million)



Source: Calculated and compiled on the basis of UNCTAD Data

Impact of Covid-19 Pandemic on India's Major Export Items to Argentina

The 2019 coronavirus pandemic's economic effect in India has been hugely upsetting regarding the export basket of India to Argentina. India's foremost export commodities to Argentina are vehicles except railways or trams, parts and accessories etc. Its export was US \$34.24 million in 2008-09 which increased to US \$102.48 million in 2016-17. Another important item of export is organic chemicals whose exports were US \$ 52.97 million in 2008-09 and its exports to Argentina increased to US \$ 66.93 million in 2016-17 but its exports to Argentina decreased to US \$ 59.21 million in 2019-20 and other items of exports from India to Argentina are chemical products whose exports decreased to US\$34.04 million in 2019-20 and another important items of exports are apparel and clothing, manmade staple fibers and other colouring products etc. The export basket of India to Argentina also consists of miscellaneous chemical products and plastic etc.

Table 6: India's Major Export Items to Argentina (In US \$Million)

HS Code	Products	2015	2016	2017	2018	2019	2020
29	Organic Chemical	73.2	66.93	74.21	82.14	84.01	59.21
30	Pharmaceutical Commodities	8.73	13.25	19.12	25.45	36.11	23.02
32	Tanning/ Dyeing and Colouring Products	23.54	19.09	25.02	32.01	39.12	26.23
38	Chemical Related	27.88	33.21	41.02	49.22	51.04	34.04

	Products						
39	Plastic and Products	12.31	18.24	22.04	29.87	36.04	26.05
40	Rubber and Articles	11.59	13.18	19.14	21.05	32.06	18.59
54	Man-made filaments.	28.83	16.51	19.98	22.04	29.45	15.02
55	Man Made Staple Fiber	16.37	21.05	25.04	30.22	39.04	22.11
62	Apparel / Clothing Accessories (not Knitted)	19.37	30.04	39.04	41.02	47.22	32.44
87	Vehicles except Rails/ Trams	69.09	102.48	122.04	135.14	144.75	102.04

Source: Based on Data derived from UNCOMTRADE

Table 6 shows that exports of all the major commodities from India to Argentina declined in 2019-20 which was the effect of Covid-19 pandemic. The exports of rubber and articles also declined to US\$18.59 million in 2020. The exports of vehicles except rails or trams also declined to US \$102.04 million in 2020. This can be clearly attributed to the halting of India's trade with Argentina and rest of the world due to Covid-19 pandemic.

Impact of Covid-19 Pandemic on India's Major Imports from Argentina

Vegetable and animal fats and oils and their edible fats, animal or vegetable crudewax remain important items imported from Argentina to India. Its imports were US\$402.64 million in 2008-9 which further increased to US\$4212.45 million in 2019 but its

imports declined to US\$ 2536.14 million in 2020. Another important item of import from Argentina to India is leather coverings (except fur) whose import was US\$23.31million in 2008-09. Ores, slag and ash is another item of import from Argentina whose imports were US\$ 44.13 million in 2016 which decreased to US\$ 24.33 million in 2020. Another items of import from Argentina to India are Coffee, tea, mate and spices, cereals, organic chemicals, plastic and articles and cotton. These are the products which are imported from Argentina to India whose share has decreased in 2020 due to the tsunami of Covid-19 pandemic.

Table 7: India's Major Import Items from Argentina (InUS \$Million)

HS Code	Products	2015	2016	2017	2018	2019	2020
7	Edible Vegetables / Roots	6.5	19.93	20.14	32.25	39.45	22.12
9	Coffee/ Tea/ Spices	2.43	2.82	3.02	3.98	4.01	2.98
10	Cereals.	4.09	31.94	42.22	56.25	64.12	41.22
15	Animal/ Vegetable Fats, Waxes	1583.75	2291.92	2998.32	3214.22	4212.45	2536.14
26	Ores, slag and ash.	47.29	44.13	51.23	32.01	48.22	24.33
29	Organic chemicals	17.73	16.84	19.23	22.04	26.55	19.98
32	Tanning/ Dyeing/ Paints/ Inks	6.02	5.19	4.02	6.22	7.12	4.13

39	Plastic & articles thereof.	0.18	13.61	22.14	30.01	39.25	21.14
41	Raw Hides and Skins	53.57	42.4	39.23	44.21	49.68	32.21
52	Cotton	6.38	7.62	5.21	7.04	8.22	6.23

Source: Ministry of Commerce, Government of India

Thus, it can be concluded that trade cannot be untouched in today's symbiotic and globalised economic order. Trade between India and Argentina was disrupted as national borders were sealed. Restrictions were also imposed on exports and imports of essential commodities, medicines and protective equipments.

Impact of Covid-19 Pandemic on Terms of Trade of India and Argentina

The present study restricts itself to Net barter terms of trade index, Income terms of trade index and Gross barter terms of trade index. For this analysis, unit value indexes are used. This study investigates the fluctuations and inconsistency in terms of trade of India and Argentina caused by Covid-19 pandemic. India largely exports primary commodities as well as manufactured commodities. Argentina is the net exporter of manufactured products as well as primary products also. The industrial exports from Argentina are different from manufactured exports.

Covid -19 Pandemic and Net Barter Terms of Trade Index of India and Argentina

There are variations in prices of different categories of manufactured goods in India and Argentina. Table 8 shows the time series of Net barter terms of trade of India and Argentina for the period from 2001 to 2020. The NBTOT for India was 97.82 in 2001 which declined to 88.63 in 2002. It further increased to 96.2 in 2003 and decreased in the year 2004 after that the declining trend started and it almost remained below 100 for most of the period up to 2014. From the year 2015 onwards, it shows an increasing trend for NBTOT. But it declined to 104.32 in 2020. The unexpected changes in commodity prices at the beginning of Covid -19 crisis have resulted fluctuations in the

terms of trade. Argentina underwent a massive terms of trade boom during the nineteenth century. It has announced numerous restrictions for exports and imports. Various tariff related measures have been adopted to refine the terms of trade during the period from 2001 to 2019. Argentina has introduced multiple trade restrictions in recent years.

Net Barter TOT of Argentina remained below 100 during the initial period of the study. From the year 2003 onwards, it started increasing up to the year 2013 and in the year 2014 it declined to 152.45 and again it declined to 145.84 in the year 2015. The NBTOT increased to 155.23 in 2016 and again in 2017 it declined to 153.35. In the year 2020 it was 154.34. Thus, there are variations in terms of trade of Argentina. Reason behind these fluctuations in NBTOT of Argentina during initial years is either the decline in export prices of commodities or the increase in its import prices. Also, increase in export prices is less than the increase in import prices of commodities.

Table-8: Net Barter Terms of Trade Index of India and Argentina (2000=100)

Year	India	Argentina
2001	97.82	97.62
2002	88.63	99.88
2003	96.2	108.03
2004	91.68	115.65
2005	87.82	112.21
2006	85.7	117.17
2007	81.61	124.39
2008	81.61	139.42
2009	95.01	140.67
2010	93.47	144.65
2011	89.99	160.46
2012	90.08	167.36
2013	92.45	156.36

2014	93.82	152.45
2015	105.65	145.84
2016	108.51	155.23
2017	103.48	153.35
2018	120.21	162.33
2019	121.34	168.34
2020	104.32	154.34
Average	96.47	138.78
Standard Deviation	11.14	23.04

Source: Calculated and compiled on the basis of UNCTAD Data

Terms of Trade of India and Argentina deteriorated due to the outbreak of Covid-19 pandemic massively at the world level which disrupted the production network and supply chains. In terms of trade specifically, it can be observed that the trend in trade volume has not improved to the pre-crisis levels and is projected to be severely reduced due to the Covid-19 pandemic.

Covid -19 Pandemic and Income Terms of Trade Index of India and Argentina

To study the complete portrait, it is necessary to have an idea about the Income terms of trade from 2001 to 2017. As is evident that India's income terms of trade depict an uninterruptedly growing trend from 2001 to 2020 except for the year 2012 for which Income terms of trade has declined from 346.38 in 2011 to 340.45 in 2012 and which further increased to 378.93 in 2013. It further increased to 478.62 in 2017. The Income terms of trade has declined from 499.01 in 2018 to 298.72 in 2020. Thus, it can be concluded that from 2001 to 2020 the Income TOT of India are increasing except the year 2020. The Covid-19 shock has affirmed that trade terms are very volatile and fluctuate very frequently.

Table -9: Income Terms of Trade Index of India and Argentina (2000=100)

Year	India	Argentina
2001	106.14	103.61
2002	112.14	106.12
2003	128.85	119.15
2004	142.55	129.03
2005	166	139.69
2006	181.08	152.64
2007	197.54	171.04
2008	231.11	190.45
2009	253.07	171.56
2010	312.94	200.68
2011	346.38	230.64
2012	340.45	223.58
2013	378.93	201.19
2014	403.99	180.92
2015	446	170.21
2016	470.58	193.54
2017	478.62	188.13
2018	499.01	198.21
2019	301.21	173.44
2020	298.72	156.22
Average	289.76	170.00
Standard Deviation	129.23	36.17

Source: Calculated and compiled on the basis of UNCTAD Data

Income terms of trade was 103.61 in the year 2001. After that from the year 2002 onwards it started increasing and it increased up to the year 2008 and in the year 2009

it declined to 171.56. In the year 2010, it increased to 200.68. Again, the trend went on increasing and it was 201.19 in 2013. After that it started declining and it was 170.21 in 2015 which increased 193.54 in 2016 and again it decreased to 156.22 in 2020. Covid-19 pandemic led to complete lockdown across the countries including India and Argentina which resulted a severe disruption on trading of goods and services.

Covid -19 Pandemic and Gross Barter Terms of Trade Index of India and Argentina

GBTOT of India also manifests clearly an increasing pattern during the period of study. The GBTOT was 103.59 in 2005 which increased to 121.89 in 2009. It increased to 145.22 in 2018 which decreased to 101.23 in 2020. Thus, the gross barter terms of trade for India is showing an increasing trend for most of the times from 2001 to 2020. It can be the impact of trade policy reforms initiated by the government of India from 1991 onwards and change in foreign trade policies from time to time but the decline in gross barter terms of trade in 2020 was the impact of Covid-19 pandemic at the world level.

Table-10: Gross Barter Terms of Trade Index of India and Argentina (2000=100)

Year	India	Argentina
2001	93.51	77.69
2002	83.66	36.38
2003	97.37	52.26
2004	98.16	78.6
2005	103.59	83.64
2006	103.25	90.45
2007	102.53	104.19
2008	110.6	119.87
2009	121.89	103.49
2010	118.96	126.71
2011	113.5	150.89

2012	122.24	150.07
2013	112.4	161.81
2014	112.03	153.4
2015	125.99	161.9
2016	126.76	157.85
2017	127.18	183.88
2018	145.22	197.23
2019	114.4	154.43
2020	101.23	112.32
Average	111.72	122.85
Standard Deviation	14.35	44.06

Source: Calculated and compiled on the basis of UNCTAD Data

The Gross barter terms of trade of Argentina also exhibits more or less an increasing pattern during the period of the study. The trend was increasing from 2001 to 2018 with certain fluctuations. It was 183.88 in the year 2017. GBTOT started decreasing from 2019 to 2020. The reason behind the fluctuation in the terms of trade of Argentina is the decline in its export prices and increase in import prices. The export of manufactured goods of Argentina basically composed of processed products. The export earnings of Argentina are continuously increasing it implies that Argentina is gaining from trade. The value as well as volume of exports of Argentina have increased during the study period.

Covid-19 and Strategies to Promote the Trade between India and Argentina

There is a need to explore possibilities for enhancing and diversifying the exports from India to Argentina. Indian exports have been passing through a tough time since 2019 and the covid-19 has deteriorated the situation. Trade policies in India should be framed in such a way that the negative impacts of covid-19 are reduced and the gains are maximised. Strategies should be formulated to overcome trade challenges due to

covid-19. The Government of India has already taken various measures to start the economy and eventually the trade once the pandemic closes down. A comprehensive package can be a way forward which can provide relief for the improvement of export benefits.

There is a need to save the earth from the pandemic if we need to live together. Countries should introduce more stimulus packages to support the exports. Indian government has given Rs.33000 crore boosts for project exports through National Export Insurance Account (NEIA). It provides covers to buyer's credit and supports exporters. It has been decided to infuse equity in ECGC over next five years to boost export insurance cover by Rs. 88000 crores. New Trade Measures (NTM) related to pandemic should replace the traditional tariff and non-tariff barriers. It is the need of the time that countries should work together while dealing with the post crisis recovery.

To tackle the impact of Covid-19, the central government announced a variety of measures. Problem is that any prediction about the economy or trade depends upon the prediction of ending of pandemic. This marks the situation different from a crisis which is either economic or natural. The possible solution to step up trade and economic activities depends upon trade policies implemented by the government. Trade cannot flourish without appropriate policies to recover the economy. A combination of fiscal and monetary stimulus is required. Alternative trade increasing strategies are required to boost the trade between India and Argentina. The Covid-19 induced lockdown has caused disruptions in trade and economic activity. The supply chains have been disrupted all over the world including India and Argentina. In such circumstances, alternative strategies must be conceived. The production system should be consolidated in a lesser number of locations.

CONCLUSION

With Covid – 19 affecting countries including India and Argentina at various times and rates, there is a need to deliberate how to retain trade flowing in the current crisis and to ensure global recovery. A combination of fiscal, monetary and trade policy measures are required to revive the economy and trade of India at these uncertain

times. No country can fight alone with this pandemic thus coordinated measures must be adopted by both India and Argentina.

The covid-19 crisis has badly impacted the world economy and international trade severely. This crisis has led to some important shifts in the pattern and composition of trade. This sudden slowdown in economic activities due to Covid-19 pandemic has affected the volume and pattern of International Trade. India's exports and imports have contracted sharply. There was a reduction in exports of top performers such as readymade garments, engineering goods, leather products, gems and Jewellery, coal, minerals and handicrafts. Exports of agricultural products also declined.

An important point to consider is that trade policy reforms should be initiated in response to the covid-19 pandemic. In India and Argentina, trade procedures should be streamlined and policy measures should be initiated to accelerate the movement, release and clearance of goods in transit. These measures will address the downturn in trade related to covid-19 pandemic and will support the economic recovery of India and Argentina. A combination of fiscal, monetary and trade policy measures is required to revive the trade and economy in this uncertain situation. Policymakers should try to find out a comprehensive economic strategy to combat with this unparalleled scenario in the post covid-19 pandemic world. Also, trust with the government and its policies will support playing a key role in ensuring continued transparency, boosting confidence of the traders and keeping the global supply chains going for essentials.

Government should continue with the fiscal stimulus packages for some more time at least till the economy recovers. A comprehensive approach addressing the impact of the current crisis may place the Indian economy back on a sustained growth path and support the country's trade and economic development. But this dismal situation of India's trade is not expected to continue for a long period of time. India must strengthen its relationship with Argentina and play an active role for the development of trade relationships. India and Argentina are poised to restructure their ties at the economic and strategic level. The study reveals that India has auspicious future

projections of its trade with Argentina. The impact of Covid -19 pandemic on trade during 2019 to 2020 is also visible as the trade has declined during this period.

The findings of the terms of trade revealed that the trade potentials of India with Argentina are stronger and significant between them. Further trade policies should be formed in such a way that the trade is enhanced between them in future also. Argentina should adopt a more efficient and coordinated approach to promote trade and investment flows with India and should make great efforts to endorse economic development by improving the international competitiveness in various sectors of economy in future. Thus, in this framework, this analysis suggests the special support packages by the government are essential for the revival of the trade and economic development in both India and Argentina and this would finally result in a win-win situation for both sides. Further economic policies may be implemented for the correction of deteriorating terms of trade which will further enhance the growth rate of these countries. India should play an important role in building the trade relationships with Argentina post Covid-19 period when the partnership will be guided by new challenges and new trade policies.

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