

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S DATED 27-03-2024
INDIA-BELGIUM BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Kingdom of Belgium lies in northwestern Europe, bounded to the north by the Netherlands, to the east by Luxembourg and Germany, to the south by France, and to the west by the North Sea. Belgium is a member of major international bodies viz. UN, WTO, NATO, BIS, OECD, EU, Council of Europe, WEU, OSCE, CERN. This report emphasises on India-Belgium bilateral trade relations, inter-alia. As per available data from DGCI&S database India and Belgium have noticeable bilateral trade relations. It has been observed that India's total import value with Belgium has been 1.28% of India's imports in FY2022-23 and Belgium ranked 20th as an import country partner.

2. Belgium is a highly developed, high-income economy. Belgium has a well-developed transport network, and diversified industrial and commercial base. As per available report of IMF Executive Board Concludes 2023 Article IV Consultation with Belgium December 8, 2023, the Belgian economy and financial sector faced significant cyclical and structural challenges. Owing to a strong and timely policy response, the economy resisted the covid and energy crises. Still, growth is slowing, core inflation remains high, and the pandemic and energy crisis increased already-high public debt and structural fiscal deficits. An aging population and the climate transition are putting pressure on public finances while low productivity and labor participation are dampening potential growth. Risks related to geopolitical fragmentation, global financing conditions, and the domestic political cycle could worsen the outlook.

A snapshot of Belgium's select economic indicators is as under.

Table 1. Belgium: Selected Economic Indicators, 2022-24

	2022	2023	2024
		Projections	
Real economy			
Real GDP	3.0	1.4	1.0
Domestic demand	2.9	2.4	1.3
Foreign balance ^{1/}	0.1	-0.9	-0.3
Exports, goods and services	4.9	-0.2	1.5
Imports, goods and services	4.9	0.8	1.9
Potential output growth	1.8	1.8	1.5
Output gap (in percent)	1.2	0.8	0.3
Employment			
Unemployment rate (in percent)	5.6	5.6	5.6
Employment growth	2.0	1.0	0.6
Prices			
Consumer prices	10.3	2.5	4.4
GDP deflator	5.9	3.8	3.3
Public finance			
Revenue	49.6	50.5	51.3
Expenditure	53.2	55.0	55.7
General government balance	-3.5	-4.5	-4.4

Structural balance	-4.1	-4.6	-4.4
Primary balance	-2.0	-2.7	-2.4
General government debt	104.3	105.5	104.7
Balance of payments			
Goods and services balance	-1.6	-1.4	-0.9
Current account	-1.0	-0.9	-0.3
Exchange rates			
Euro per U.S. dollar, period average	0.9
NEER, ULC-styled (2005=100)	96.3
REER, ULC-based (2005=100)	98.7
Memorandum items			
Nominal GDP (in billions of euros)	554.0	583.7	609.1
Population (in millions)	11.6	11.7	11.7

Sources: Haver Analytics, Belgian authorities, and IMF staff projections.

1/ Contribution to GDP growth.

Source : IMF Executive Board Concludes 2023 Article IV Consultation with Belgium December 8, 2023.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Belgium are Germany, France, Netherlands, United States and United Kingdom. On the other hand five major import partners of Belgium are Netherlands, Germany, France, Ireland and United States. Major five exported goods of Belgium are (i) Vaccines for human medicine (ii) Other medicaments of mixed or unmixed products, (iii) Petroleum oils, etc, (excl. crude); preparation (iv) Natural gas in gaseous state and (v) Automobiles nes including gas turbine powered. On the other hand major five imported goods of Belgium are (i) Petroleum oils and oils obtained from bituminous, (ii) Vaccines for human medicine, (iii) Natural gas in gaseous state (iv) Other medicaments of mixed or unmixed products, and (v) Petroleum oils, etc, (excl. crude); preparation.

4. Belgium's total exports globally in 2018 were of the order of US\$ 323,378 million. It had scaled upto US\$ 463,782 million in 2022. Exports from Belgium had steeply increased by 30.78% in the year 2021 just after the initial serious impact of Covid-19 pandemic followed by another 20.16% increase in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 9.43%.

5. Belgium's total imports from the world in 2018 were of the order of US\$ 340,086 million and had touched US\$ 464,277 million mark in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of imports was 8.09%.

6. Belgium runs an overall Balance of Trade deficit from 2018 to 2022 and it had declined from USD 7968 million in 2021 to USD 495 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of total volume of trade was 8.75%.

A snapshot of Belgium's overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE - 2

BELGIUM'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2018 TO 2022

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2018	323378		340086		6,63,464		-16708
2019	311797	-3.58	318707	-6.29	6,30,504	-4.97	-6910
2020	295144	-5.34	294247	-7.67	5,89,391	-6.52	897
2021	385980	30.78	393948	33.88	7,79,928	32.33	-7968
2022	463782	20.16	464277	17.85	9,28,059	18.99	-495

Annual Compound Growth Rate

9.43

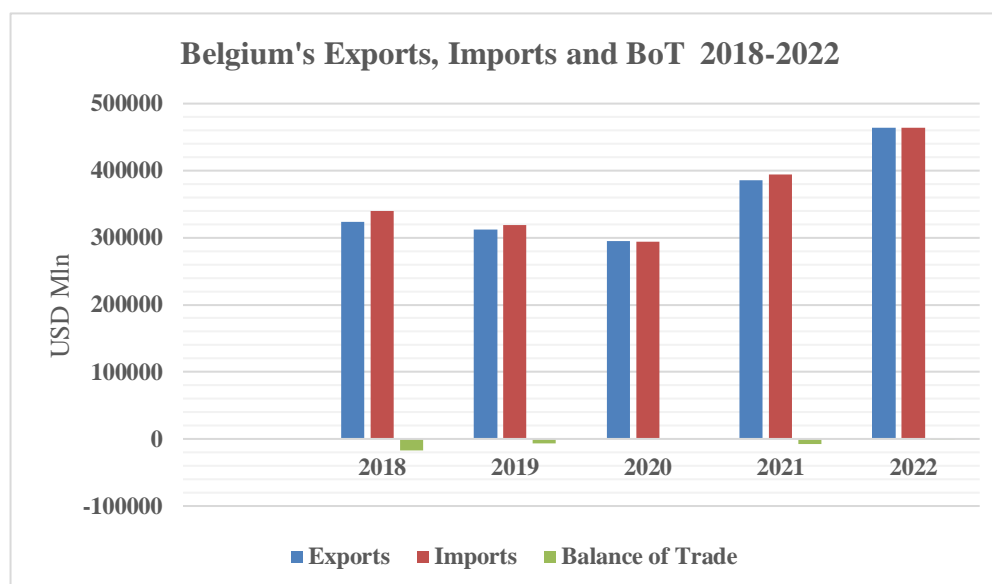
8.09

8.75

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. **Belgium–India relations** are signified by the bilateral ties between the Republic of India and the Kingdom of Belgium. India's Embassy in Brussels was opened in 1948. Belgium's embassy in New Delhi was opened in 1947. Belgium ranked 14th as an export destination of India in FY 2022-23. India had exported to Belgium almost 2% of its total export value in FY2022-23. In the same financial year imports from Belgium was 1.28% of India's total import value. Belgium was the 20th largest import partner of India in FY 2022-23. Almost 1.55% of India's total international trade value of goods was between India and Belgium as has been recorded in DGCI&S data base for FY 2022-23. As per India's foreign trade classification by economic region Belgium fall under Region 16: European Union and during April – January 2024 India's exports to Belgium was to the tune of INR 45,364,855 lakhs and imports to the tune of INR 4,960,989 lakhs.

8. Indo-Belgium total volume of bilateral trade in FY 2018-19 was of the order of US\$ 17,199.19 million. It had scaled upto US\$ 18,041.87 million in FY 2022-23. The annual compound growth rate of total volume comprising both exports and imports during the period from 2018-19 to 2022-23 had been of the order of 1.02%; however, in 2021-22 total volume of trade was slightly higher at US\$ 20036.18 million.

9. It is seen from the available figures that between 2018-19 and 2022-23, India has had a deficit Balance of Trade with Belgium except in the FY 2021-22 where bilateral of trade surplus US\$ 132.88%. Exports from India to Belgium increased steeply by 92.61% in FY2021-22 followed by 12.10% deceleration. The annual average compound rate of growth of Exports was 7.13% during the period under review. On the other hand, imports from Belgium to India increased by 43.38% in FY 2021-22 just after the pandemic hit year and subsequently decelerated by 7.78. During the period from 2018-19 to 2022-23, the annual average compound rate of growth of imports was negative at -3.24%.

A snapshot of India's merchandise trade statistics w.r.t. Belgium is presented in Table 3 Figure 2.

TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. BELGIUM
FY 2018-2019 to 2022-2023

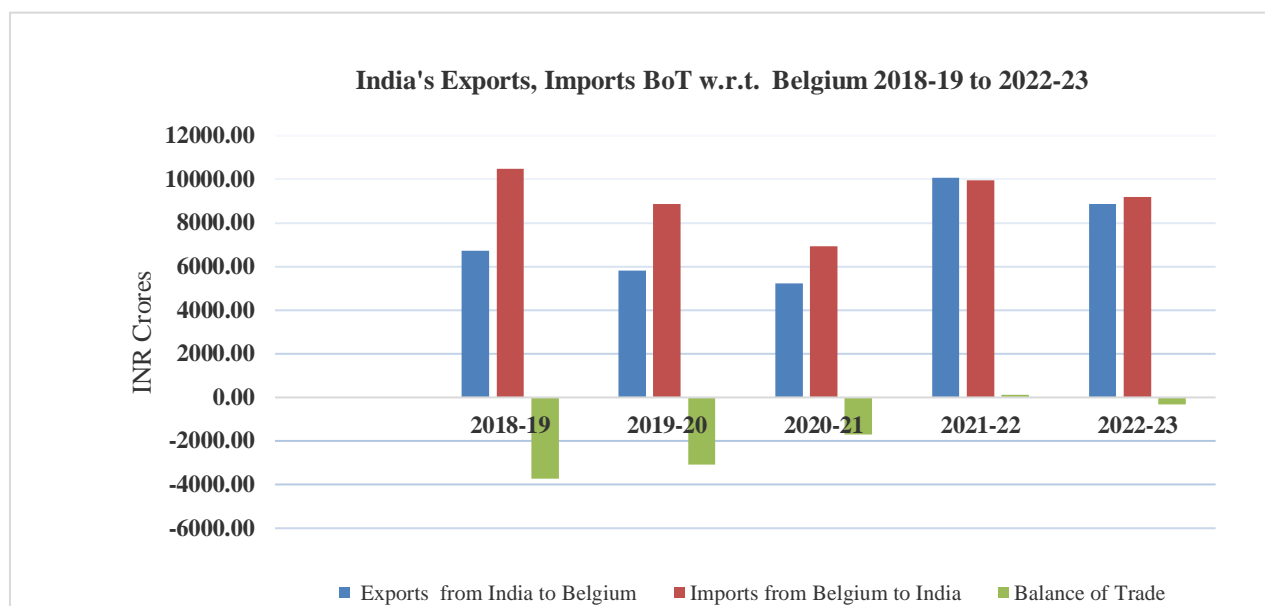
(Value in USD Million)

Year	Exports from India to Belgium	Percentage Growth in Exports	Imports from Belgium to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2018-19	6729.97		10469.22		17199.19		-3739.25
2019-20	5809.97	-13.67	8879.48	-15.18	14689.45	-14.59	-3069.51
2020-21	5235.75	-9.88	6940.68	-21.83	12176.43	-17.11	-1704.93
2021-22	10084.53	92.61	9951.65	43.38	20036.18	64.55	132.88
2022-23	8864.20	-12.10	9177.67	-7.78	18041.87	-9.95	-313.47
Annual Compound Growth Rate		7.13		-3.24		1.20	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I.

Figure 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. **Pearl, Precs. Semiprecs. Stones, Iron and Steel, and Petroleum Products** had occupied the top three slots in India's exports to Belgium in the year 2022-23. **Pearl, Precs. Semiprecs. Stones** had occupied the bulk 29.56% share of India's total exports to Belgium.

b. **Pearl, Precs. Semiprecs. Stones; Plastic Raw Materials and Indl. Machinery For Dairy Etc.** were the three major commodities in India's imports list from Belgium in the year 2022-23, India had imported a significant amount of **Pearl, Precs. Semiprecs. Stones** from Belgium with a share of 51.31% of total imports from Belgium recorded in 2022-23. For both exports and imports, **Pearl, Precs. Semiprecs. Stones** occupied the top slot and detailed item-wise analysis may provide more insightful facts.

TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO BELGIUM
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Pearl, Precs. Semiprecs. Stones	2389.45	2104.54	1296.47	2662.56	2620.08	-11.92	38.40	105.37	-1.60
	Share in total export	35.50	36.22	24.76	26.40	29.56				
2	Iron And Steel	600.82	428.81	543.46	1522.17	769.98	-28.63	26.74	180.09	-49.42
	Share in total export	8.93	7.38	10.38	15.09	8.69				
3	Petroleum Products	412.42	538.74	589.01	1925.48	718.57	30.63	9.33	226.90	-62.68
	Share in total export	6.13	9.27	11.25	19.09	8.11				
4	Drugs Formulations Biologicals	174.34	200.54	259.80	326.43	605.87	15.03	29.55	25.65	85.60
	Share in total export	2.59	3.45	4.96	3.24	6.84				
5	Organic Chemicals	252.80	215.93	264.08	603.28	502.32	-14.58	22.30	128.45	-16.74
	Share in total export	3.76	3.72	5.04	5.98	5.67				
6	Residual Chemicals And Allied Products	139.85	159.31	154.58	181.28	379.37	13.91	-2.97	17.27	109.27
	Share in total export	2.08	2.74	2.95	1.80	4.28				
7	Tobacco Unmanufactured	135.39	149.04	153.38	164.82	243.29	10.08	2.91	7.46	47.61
	Share in total export	2.01	2.57	2.93	1.63	2.74				
8	Marine Products	122.40	126.00	119.11	157.42	210.55	2.94	-5.47	32.16	33.75
	Share in total export	1.82	2.17	2.27	1.56	2.38				
9	Aluminium, Products Of Aluminium	7.29	6.53	9.26	25.47	198.99	-10.43	41.81	175.05	681.27
	Share in total export	0.11	0.11	0.18	0.25	2.24				
10	Products Of Iron And Steel	130.92	128.85	118.40	188.03	164.94	-1.58	-8.11	58.81	-12.28
	Share in total export	1.95	2.22	2.26	1.86	1.86				
	Total export to BELGIUM	6729.97	5809.97	5235.75	10084.53	8864.20	-13.67	-9.88	92.61	-12.10

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCIS&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM BELGIUM
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Pearl, Precs. Semiprecs. Stones	6616.39	5119.52	3500.52	5788.50	4708.64	-22.62	-31.62	65.36	-18.66
	Share in total imports	63.20	57.66	50.43	58.17	51.31				
2	Plastic Raw Materials	321.10	285.98	287.67	414.34	429.19	-10.94	0.59	44.03	3.58
	Share in total imports	3.07	3.22	4.14	4.16	4.68				
3	Indl. Machinery For Dairy Etc.	313.73	246.66	219.57	247.68	382.74	-21.38	-10.98	12.80	54.53
	Share in total imports.	3.00	2.78	3.16	2.49	4.17				
4	Residual Chemicals And Allied Products	254.02	234.42	218.79	270.06	303.90	-7.72	-6.67	23.43	12.53
	Share in total import	2.43	2.64	3.15	2.71	3.31				
5	Iron And Steel	249.49	255.55	239.72	244.68	302.49	2.43	-6.19	2.07	23.63
	Share in total import	2.38	2.88	3.45	2.46	3.30				
6	Drugs Formulations Biologicals	252.75	289.66	318.91	390.10	292.14	14.60	10.10	22.32	-25.11
	Share in total import	2.41	3.26	4.59	3.92	3.18				
7	Organic Chemicals	222.50	276.02	302.79	281.92	211.97	24.05	9.70	-6.89	-24.81
	Share in total import	2.13	3.11	4.36	2.83	2.31				
8	Electric Machinery And Equipment	145.33	187.73	102.98	222.30	203.72	29.17	-45.14	115.87	-8.36
	Share in total import	1.39	2.11	1.48	2.23	2.22				
9	Medical And Scientific Instruments	116.15	147.24	117.26	177.64	200.27	26.77	-20.36	51.49	12.74
	Share in total import	1.11	1.66	1.69	1.79	2.18				
10	Petroleum Products	117.35	38.68	138.00	201.87	200.03	-67.04	256.77	46.28	-0.91
	Share in total import	1.12	0.44	1.99	2.03	2.18				
	Total import from BELGIUM	10469.22	8879.48	6940.68	9951.65	9177.67	-15.18	-21.83	43.38	-7.78

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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