

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

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Kingdom of Belgium lies in north western 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 1.07% of India's imports in FY2023-24 and Belgium ranked 23rd as an import country partner.

2. Belgium's strongly globalized economy and its transport infrastructure are integrated with the rest of Europe. Its location at the heart of a highly industrialized region helped make it the world's 15th largest trading nation in 2007. 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 labour 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 are mentioned below:

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

4. Belgium's total exports globally in 2019 were of the order of US\$ 311,797 million. It had scaled upto US\$ 393,158 million in 2023. Exports from Belgium had steeply increased by 30.78% in the year 2021 just after the initial serious impact of Covid-19 pandemic but in the year 2023 it was a downfall of 15.23% in respect of 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 5.97%.

5. Belgium's total imports from the world in 2019 were of the order of US\$ 318,707 million and had touched US\$ 415,137 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 6.83%.

6. Belgium runs an overall Balance of Trade deficit from 2019 to 2022 except the year 2020 and it had declined from USD 6910 million in 2019 to USD 21979 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 6.41%.

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

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

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Belgium was among the first European countries to establish diplomatic relations with independent India in September 1947. Our close bilateral relationship is based on shared commonalities and commitment to the rule of law, federalism and pluralism. Belgium supports India's aspiration for permanent membership of the UNSC. Belgium ranked 14th as an export destination of India in FY 2023-24. India had exported to Belgium almost 1.79% of its total export value in FY2023-24. In the same financial year imports from Belgium was 1.07% of India's total import value. Belgium was the 23rd largest import partner of India in FY 2023-24. Almost 1.00% 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 2023-24.

8. Indo-Belgium total volume of bilateral trade in FY 2019-20 was of the order of US\$ 14,689.45 million. It had scaled up to US\$ 15,079.41 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 0.66%; 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 2019-20 and 2023-24, India has had a deficit Balance of Trade with Belgium except in the FY 2021-22 and FY2023-24. Exports from India to Belgium increased steeply by 92.61% in FY2021-22 followed by 12.10% deceleration and 11.56% in FY 2023-24. The annual average compound rate of growth of Exports was 7.78% 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. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was negative at -4.97%.

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

a. **Pearl, Precs. Semiprecs. Stones, Petroleum Products and Iron and Steel** had occupied the top three slots in India's exports to Belgium in the year 2023-24. **Pearl, Precs. Semiprecs. Stones** had occupied the bulk 25.86% share of India's total exports to Belgium.

b. **Pearl, Precs. Semiprecs. Stones; Indl. Machinery For Dairy Etc. and Plastic Raw Materials** were the three major commodities in India's imports list from Belgium in the year 2023-24, India had imported a significant amount of **Pearl, Precs. Semiprecs. Stones** from Belgium with a share of 8.77% of total imports from Belgium recorded in 2023-24. For both exports and imports, **Pearl, Precs. Semiprecs, Stones** occupied the top slot and detailed item-wise analysis may provide more insightful facts.

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TABLE - 2
BELGIUM'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 - 2023

(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
2019	311797		318707		6,30,504		-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
2023	393158	-15.23	415137	-10.58	8,08,295	-12.90	-21979

Annual Growth Rate	Compound	
	5.97	6.83
		6.41

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

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

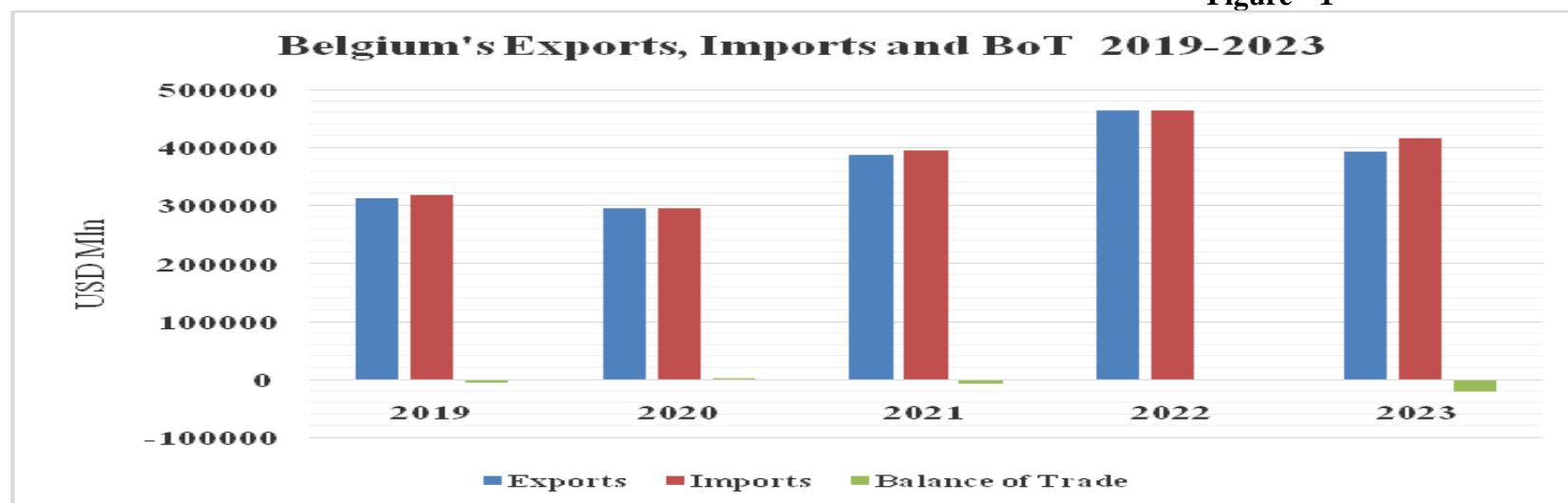


TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. BELGIUM
FY 2019-2020 to 2023-2024

(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
2019-20	5809.97		8879.48		14689.45		-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
2023-24	7839.20	-11.56	7240.21	-21.11	15079.41	-16.42	598.99

Annual Growth Rate **Compound Growth Rate**

7.78
-4.97
0.66

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

SOURCE : DGCI&S, M/oC&I

Figure 2

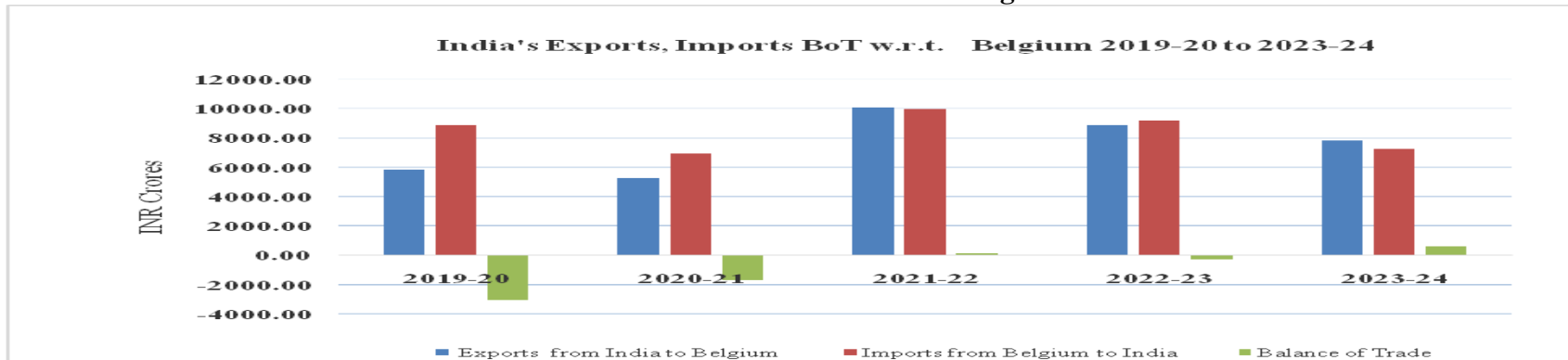


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO BELGIUM
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Pearl, Precs. Semiprecs Stones	2104.54	1296.47	2662.56	2620.08	2027.22	-38.40	105.37	-1.60	-22.63
	Share in total export	36.22	24.76	26.40	29.56	25.86				
2	Petroleum Products	538.74	589.01	1925.48	718.08	1106.28	9.33	226.90	-62.71	54.06
	Share in total export	9.27	11.25	19.09	8.10	14.11				
3	Iron and Steel	428.81	453.46	1522.17	769.98	764.79	5.75	235.68	-49.42	-0.67
	Share in total export	7.38	8.66	15.09	8.69	9.76				
4	Drugs, Formulations, Biologicals	200.54	259.80	326.43	605.87	351.30	29.55	25.65	85.60	-42.02
	Share in total export	3.45	4.96	3.24	6.84	4.48				
5	Organic Chemicals	215.93	264.08	603.28	502.32	322.00	22.30	128.45	-16.74	-35.90
	Share in total export	3.72	5.04	5.98	5.67	4.11				
6	Tobacco Unmanufactured	149.04	153.38	164.82	243.29	269.21	2.91	7.46	47.61	10.65
	Share in total export	2.57	2.93	1.63	2.74	3.43				
7	Bulk Drugs, Drugs Intermediates	84.41	100.30	113.91	95.13	202.20	18.82	13.57	-16.49	112.55
	Share in total export	1.45	1.92	1.13	1.07	2.58				
8	Residual Chemical And Allied Prods.	159.31	154.58	181.90	379.37	188.18	-2.97	17.67	108.56	-50.40
	Share in total export	2.74	2.95	1.80	4.28	2.40				
9	Marine Products	126.00	119.11	157.42	210.98	179.55	-5.47	32.16	34.02	-14.90
	Share in total export	2.17	2.27	1.56	2.38	2.29				
10	Electronic Machinery And Equipments	99.74	78.31	70.72	100.98	178.46	-21.49	-9.69	42.79	76.73
	Share in total export	1.72	1.50	0.70	1.14	2.28				
	Total exports to BELGIUM	5809.97	5235.75	10084.53	8864.20	7839.20	-9.88	92.61	-12.10	-11.56

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

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

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM BELGIUM
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Pearl, Precs Semiprecs. Stones	5119.52	3500.52	5788.50	4708.64	2789.78	-31.62	65.36	-18.66	-40.75
	Share in total import	57.66	50.43	58.17	11.20	8.77				
2	Indl. Machinery For Dairy Etc.	246.66	219.57	247.68	382.74	500.55	-10.98	12.80	54.53	30.78
	Share in total import	2.78	3.16	2.49	0.91	1.57				
3	Plastic Raw Materials	285.98	287.67	414.34	429.19	358.62	0.59	44.03	3.58	-16.44
	Share in total import	3.22	4.14	4.16	1.02	1.13				
4	Iron And Steel	255.55	239.72	244.68	302.49	319.15	-6.19	2.07	23.63	5.51
	Share in total import	2.88	3.45	2.46	0.72	1.00				
5	Residual Chemical And Allied Products	234.42	218.79	270.06	303.90	259.85	-6.67	23.43	12.53	-14.49
	Share in total import	2.64	3.15	2.71	0.72	0.82				
6	Medical And Scientific Instruments	147.24	117.26	177.64	200.27	221.49	-20.36	51.49	12.74	10.60
	Share in total import	1.66	1.69	1.79	0.48	0.70				
7	Organic Chemicals	276.02	302.79	281.92	211.97	203.64	9.70	-6.89	-24.81	-3.93
	Share in total import	3.11	4.36	2.83	0.50	0.64				
8	Electric Machinery And Equipments	187.73	102.98	222.30	203.72	192.18	-45.14	115.87	-8.36	-5.66
	Share in total import	2.11	1.48	2.23	0.48	0.60				
9	Drugs, Formulations Biologicals	289.66	318.91	390.10	292.14	169.57	10.10	22.32	-25.11	-41.96
	Share in total import	3.26	4.59	3.92	0.69	0.53				
10	Petroleum Products	38.68	138.00	201.87	200.03	134.73	256.77	46.28	-0.91	-32.65
	Share in total import	0.44	1.99	2.03	0.48	0.42				
	Total import from BELGIUM	8879.48	6940.68	9951.65	42035.27	31806.53	-21.83	43.38	322.39	-24.33

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

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