

Belgium's trade relations with **INDIA**

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**Belgian
Foreign Trade Agency**



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1 IMPORTANCE OF BELGIUM AND THE OTHER EU COUNTRIES IN TRADE WITH INDIA

1.1 EXPORTS

Total exports of goods from the European Union (EU-27) to India amounted to roughly €48.3 billion in 2023.

Belgium accounted for a share of 10.1%, making it the 4th largest EU exporter of goods to India. Germany took first place in EU exports of goods to India with a share of 34.1% and an amount of nearly €16.5 billion. Meanwhile, France and Italy took second and third place with shares of 14.6% and 10.7%, respectively.

While European exports (EU-27) to India rose by 1.9% (€+893.1 million) in 2023, Belgian exports were down by 30.3% (€-2.1 billion). Consequently, our country's share of EU exports of goods to India has decreased in 2023.

Whereas German exports of goods to India were up by 10.8% (€+1.6 billion) in 2023 because of the higher value for 'airplanes and other aircraft, of an unladen weight exceeding 15,000 kg', exports of France grew by 18.8% (€+1.1 billion) which can be attributed in large part to the higher value for the subsections 'turbojets of a thrust exceeding 25 kN' and 'airplanes and other aircraft, of an unladen weight exceeding 15,000 kg'. Furthermore, Italy recorded a rise of 7.6% (€+364.1 million) in its exports of goods to India.

TABLE 1: EVOLUTION OF EXPORTS TO INDIA

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	14,872.8	16,478.6	10.8	34.1
2 France	5,935.6	7,053.1	18.8	14.6
3 Italy	4,812.2	5,176.3	7.6	10.7
4 Belgium	6,981.1	4,864.3	-30.3	10.1
...				
Total EU-27	47,450.0	48,343.1	1.9	100.0

1.2 IMPORTS

Total EU-27 imports of goods from India amounted to €64.9 billion in 2023.

Belgium was the 5th largest EU importer of goods from India with a share of 9.7%. Germany was not only the number one exporter to India, but also the largest EU importer of goods from this country with a share of 16.9%, which corresponds to an amount of nearly €11.0 billion. The Netherlands and Italy completed the top three of imports from India with shares of 15.0% and 14.1%, respectively.

While European imports (EU-27) from India were down 4.1% (€-2.8 billion) in 2023, Belgian imports decreased by 22.1% (€-1.8 billion). Since the percentage drop of Belgian imports from India was greater than that of the EU as a whole, our country's share in EU imports of goods from India has diminished in 2023.

Whereas German imports of goods from India recorded a drop of 4.6% (€-524.6 million) in 2023 due to decreased imports of 'smartphones', 'carboxamide-function compounds; amide-function compounds of carbonic acid' and 'T-shirts, singlets and other vests of cotton', among other things, those of the Netherlands displayed a decline of 1.6% (€-161.7 million). Furthermore, Italy recorded a fall of 8.8% (€-881.1 million) in its imports of goods from India due to a lower value for 'heterocyclic compounds with nitrogen hetero-atom(s) only', 'unwrought aluminium' and 'polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms', among other things.

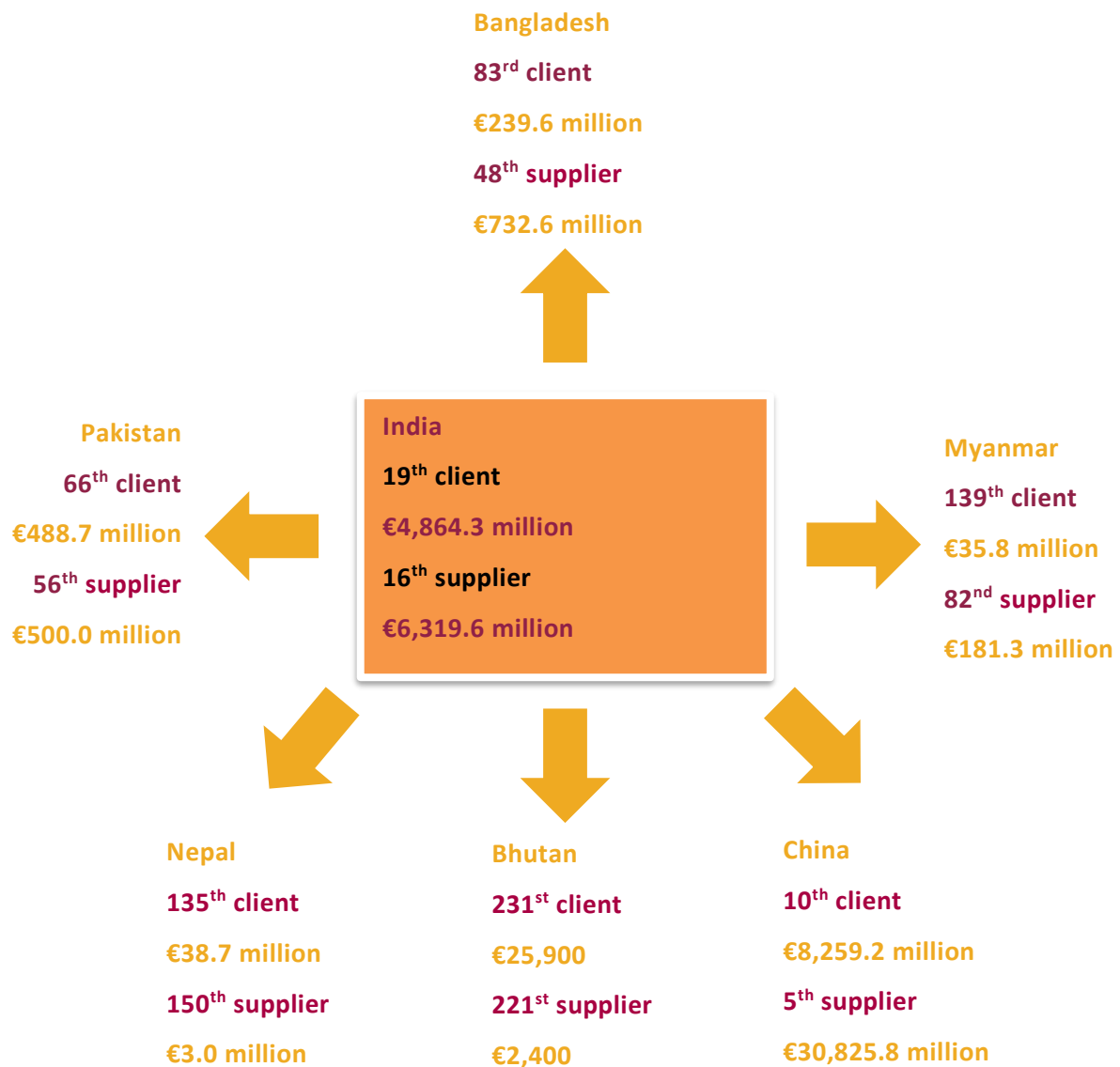
TABLE 2: EVOLUTION OF IMPORTS FROM INDIA

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	11,514.0	10,989.5	-4.6	16.9
2 Netherlands	9,929.7	9,768.0	-1.6	15.0
3 Italy	10,045.0	9,164.0	-8.8	14.1
...				
5 Belgium	8,111.4	6,319.6	-22.1	9.7
...				
Total EU-27	67,737.8	64,930.9	-4.1	100.0

2 IMPORTANCE OF INDIA AND ITS NEIGHBOURING COUNTRIES FOR BELGIUM'S FOREIGN TRADE (2023)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS



INTEREST IN INDIA

The database of the Belgian Foreign Trade Agency, which registers around 25,000 companies, keeps records on 1,413 Belgian companies that export to India and another 2,101 companies that show an interest in this market.

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2023, India ranked **19th** among Belgium's main clients, before Nigeria, but behind Japan.

Total Belgian **exports** of goods to India amounted to nearly €4.9 billion in 2023, which is **30.3%** (€-2.1 billion) less than the previous year. In 2023, exports to India represented **0.9%** of the total amount of Belgian goods exported.

India was Belgium's **16th** largest supplier of goods in 2023, ranking after Austria, but ahead of Türkiye.

Total Belgian **imports** of goods from India were down by **22.1%** (€-1.8 billion), amounting to a little more than €6.3 billion in 2023. India accounted for **1.2%** of total Belgian imports of goods.

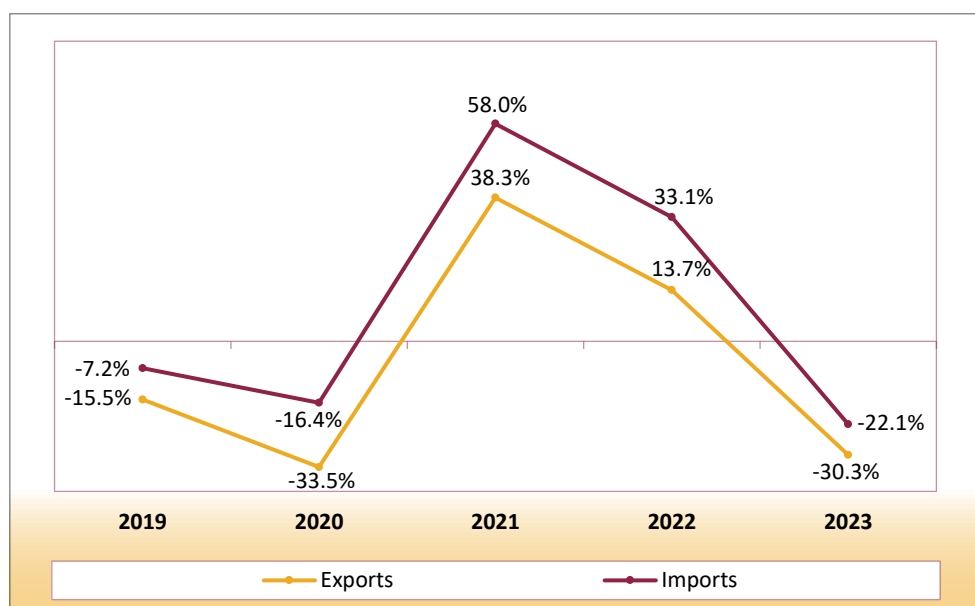
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH INDIA

In million €	2019	2020	2021	2022	2023
Exports	6,675.6	4,439.4	6,139.1	6,981.1	4,864.3
Imports	4,612.1	3,857.9	6,095.2	8,111.4	6,319.6
Trade balance	2,063.5	581.5	43.9	-1,130.3	-1,455.3
Exports: variation in %	-15.5	-33.5	38.3	13.7	-30.3
Imports: variation in %	-7.2	-16.4	58.0	33.1	-22.1

The surplus on Belgium's **trade balance for goods** with India, which amounted to nearly €2.1 billion in 2019, was reduced to €581.5 million a year later because exports fell more sharply than imports. In 2021, the trade surplus was only €43.9 million because the value of imports grew more than exports.

The same situation continued in 2022, turning the trade surplus into a deficit of just over €1.1 billion. In 2023, the value of exports fell more than that of imports, increasing Belgium's trade deficit for goods with India to nearly €1.5 billion.

FIGURE 1: VARIATION OF EXPORTS AND IMPORTS (IN %)



Total Belgian **exports** of goods to India traditionally consist to a large extent of precious metals and stones. An increase or decrease in the exports of this group of products therefore also has a significant impact on the evolution of total exports to this country. After displaying a 15.5% drop in 2019, the situation continued to deteriorate, with exports of goods dropping a further 33.5% in 2020 due to the COVID-19 pandemic. In 2021 and 2022, the value of precious metals and stones picked up again, increasing total exports by 38.3% and 13.7% in these two years. Then in 2023, the value of precious metals and stones was reduced by

almost half, causing total Belgian exports of goods to India to fall by 30.3% last year.

The value of total Belgian **imports** of goods from India was reduced by 7.2% in 2019 and 16.4% in 2020 due to the lower value for precious metals and stones, among other things. Imports of precious metals and stones, base metals and chemical products, the three largest sections, were subsequently all up in 2021 and 2022. As a result, total imports grew 58.0% and 33.1% in these two years. In 2023, the value of the three aforementioned product groups decreased, causing total Belgian imports of goods from India to dip 22.1%.

3.1.1 EXPORTS

In 2023, **precious metals and stones** took the top position in total Belgian **exports** of goods to India. With a value of nearly €2.6 billion, this group of products represented a share of 52.5% of total exports. This section was mainly composed of ‘non-industrial diamonds, unworked or simply sawn, cleaved or bruted’.

Exports of **machinery and equipment** (main subsections: ‘parts of turbojets or turbopropellers’ and ‘weaving machines (looms)’) amounted to €593.6 million, which corresponds to a share of 12.2%.

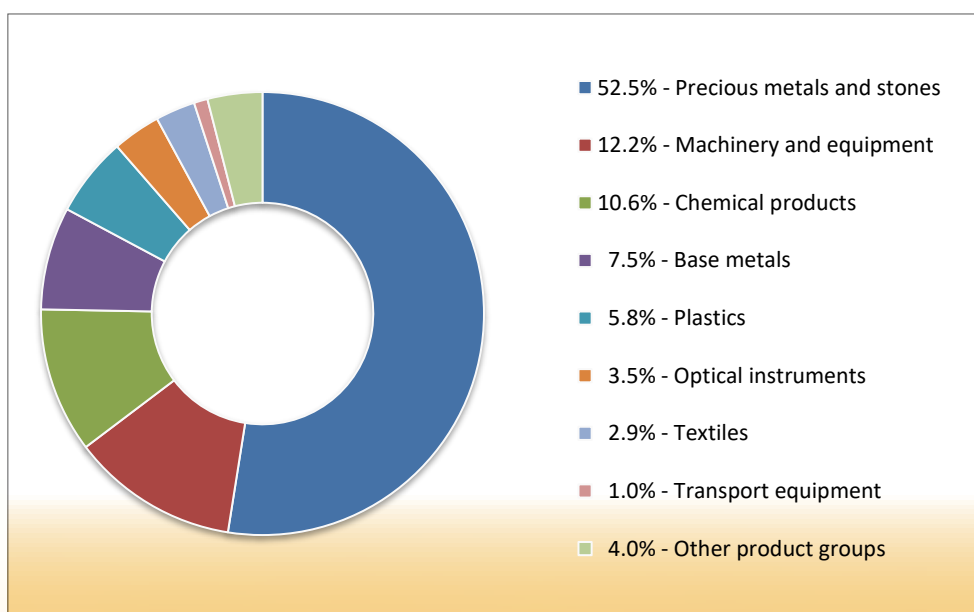
Chemical products (main subsections: ‘vaccines for human medicine against SARS-related coronaviruses’, ‘medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses’ and ‘aniline

and its salts’) completed the top three with a share of 10.6% and exports totaling €517.6 million.

There were five other product groups that also accounted for a share of 1.0% or more of Belgian exports of goods to India. These sections were:

- **base metals:** €364.7 million, corresponding to a share of 7.5%;
- **plastics:** €280.5 million, corresponding to a share of 5.8%;
- **optical, precision and medical instruments:** €168.7 million, corresponding to a share of 3.5%;
- **textiles:** €139.8 million, corresponding to a share of 2.9% and
- **transport equipment:** €46.7 million, corresponding to a share of 1.0%.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO INDIA BY PRINCIPAL COMMODITIES (IN %) — 2023



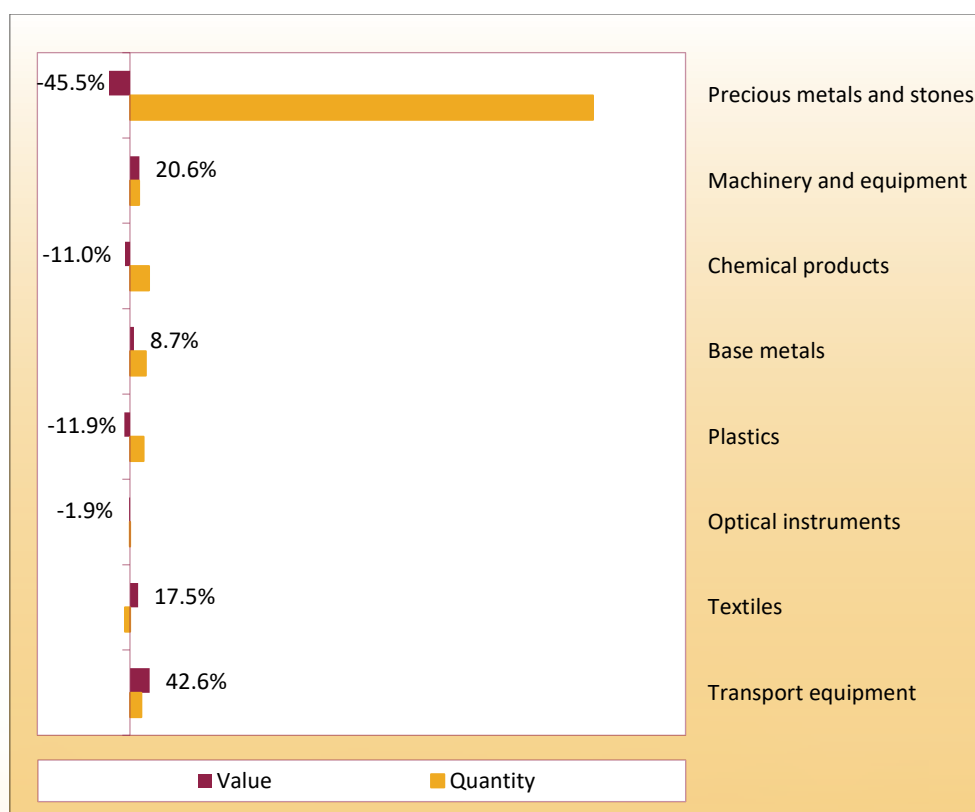
The 30.3% decrease of total Belgian exports of goods to India resulted largely from the fact that the value of **precious metals and stones** was down by more than €2.1 billion. The 45.5% drop recorded by this particular group of products can be attributed to a decline in exports of ‘non-industrial diamonds, unworked or simply sawn, cleaved or bruted’. The reason for the significant increase in the exported quantity of this product group can be attributed to the ‘waste and scrap of precious metal or of metal clad with precious metal’ subsection, which had little impact on the evolution of the value.

Three other product groups that contributed to the cutback in exports to India were **optical, precision and medical instruments** (-1.9%), **chemical products** (-11.0%) and **plastics** (-11.9%). Exports of the latter section were down by €37.9 million due to the ‘polymers of

vinyl chloride or of other halogenated olefins, in primary forms’, ‘polyamides in primary forms’ and ‘polymers of ethylene, in primary forms’ subsections.

The four product groups with a share of more than 1.0% in exports of which the value increased in 2023, recorded growth rates varying from 8.7% (**base metals**) to 42.6% (**transport equipment**). The €14.0 million surge experienced by the latter product group can largely be attributed to higher exports of ‘parts of aeroplanes, helicopters or unmanned aircraft’, ‘railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing’ and ‘gear boxes and parts thereof’.

FIGURE 3: VARIATION OF EXPORTS TO INDIA BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.1.2 IMPORTS

In 2023, **precious metals and stones** not only dominated exports, they also took first place in total Belgian imports of goods from India. This group of products, composed primarily of ‘non-industrial diamonds’, represented a value of nearly €2.2 billion, which corresponds to a share of 34.6%.

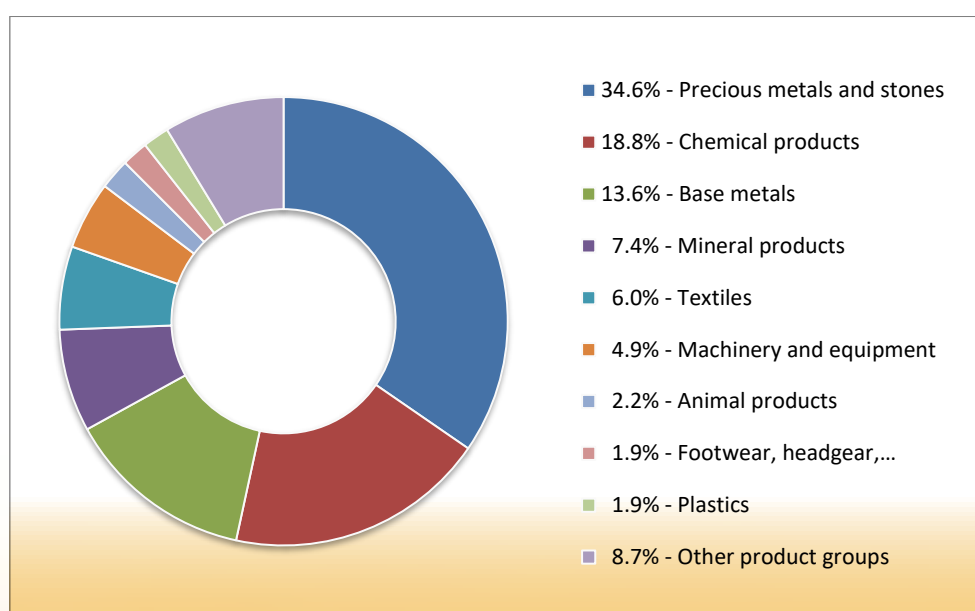
Imports of **chemical products** (main subsection: ‘medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses’) amounted to roughly €1.2 billion, which is equivalent to a share of 18.8%.

Base metals, composed primarily of ‘flat-rolled products of iron or non-alloy steel’ and ‘bars and rods, not further worked than cold-formed or cold-finished’, completed the top three of Belgian import sections from India, amounting to €858.3 million or a share of 13.6%.

Ten other product groups also accounted for a share of 1.0% or more of Belgian imports of goods from India. These sections were:

- **mineral products:** €469.9 million, corresponding to a share of 7.4%;
- **textiles:** €379.5 million, corresponding to a share of 6.0%;
- **machinery and equipment:** €311.0 million, corresponding to a share of 4.9%;
- **animal products:** €138.4 million, corresponding to a share of 2.2%;
- **footwear, headgear,...:** €122.2 million, corresponding to a share of 1.9%;
- **plastics:** €119.6 million, corresponding to a share of 1.9%;
- **vegetable products:** €116.9 million, corresponding to a share of 1.8%;
- **transport equipment:** €113.7 million, corresponding to a share of 1.8%;
- **foodstuffs:** €68.5 million, corresponding to a share of 1.1% and
- **stone, plaster, cement...:** €64.9 million, corresponding to a share of 1.0%.

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM INDIA BY PRINCIPAL COMMODITIES (IN %) — 2023



Precious metals and stones, the largest section in Belgian imports of goods from India, recorded a 25.6% (€-752.4 million) drop which can be attributed primarily to decreased imports of ‘non-industrial diamonds’. The reason for the significant increase in the imported quantity of this product group can be attributed to the ‘waste and scrap of precious metal or of metal clad with precious metal’ subsection, which had little impact on the evolution of the value.

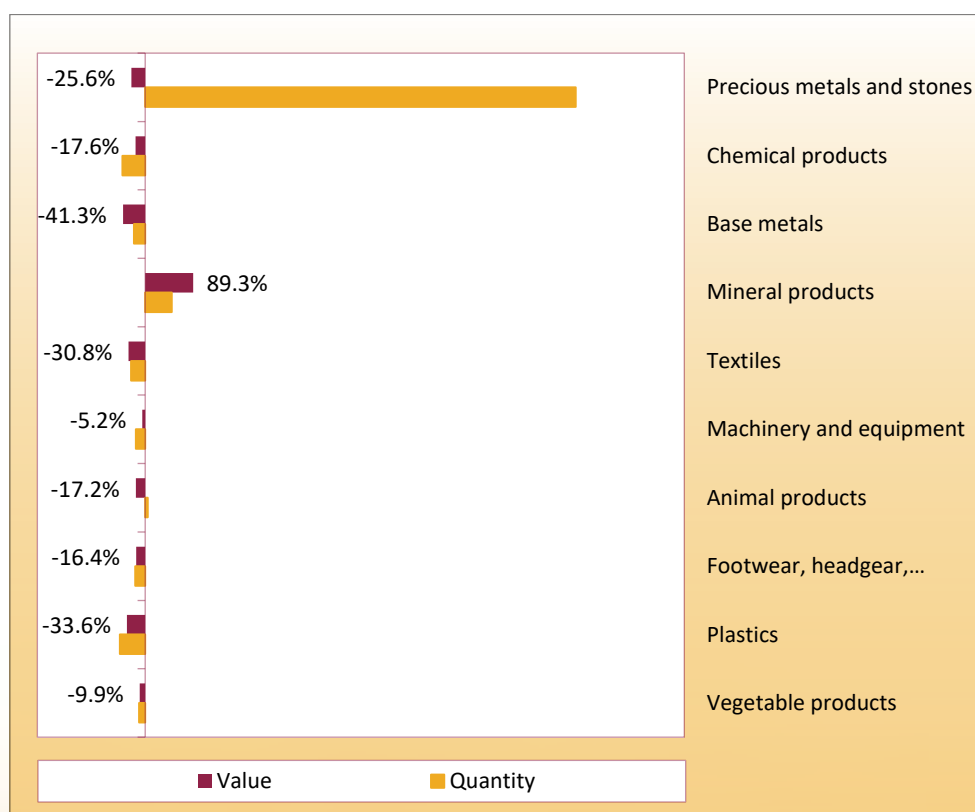
However, the largest percentage drop was recorded by **base metals** (-41.3%). The €604.3 million drop resulted from lower imports of ‘unwrought zinc’, ‘flat-rolled products of iron or non-alloy steel’ and ‘unwrought aluminium’.

The lower value for the two preceding groups of products was a significant contributory factor in the overall decrease in Belgian imports of goods from India by 22.1% in 2023.

The other product groups from the top ten of which the import value was down, recorded negative growth rates varying from 5.2% (**machinery and equipment**) to 33.6% (**plastics**). The €60.6 million decline by this last product group can be attributed to lower imports of ‘polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms’, ‘plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials’ and ‘petroleum resins, coumarone-indene resins, polyterpenes, polysulphides, and polysulphones, in primary forms’.

The only product group from the top ten of which imports increased in 2023 was that of **mineral products** (+89.3%). The surge of €221.7 million experienced by this product group can largely be attributed to higher imports of ‘medium oils’.

FIGURE 5: VARIATION OF IMPORTS FROM INDIA BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.2 TRADE IN SERVICES

The value of Belgian exports of services to India was up by **9.3%** (€+38.2 million) in 2023, increasing to **€448.3 million**. This made India Belgium's **30th** largest client, behind Greece, but ahead of Bangladesh with a share of **0.3%** of total Belgian exports of services.

Belgian imports of services from India accounted for a value of **€753.1 million** in 2023, corresponding to an **8.1%** (€-66.0 million) decrease compared to the year before. India was Belgium's **21st** largest supplier in 2023 with a share of **0.5%** of our country's total imports of services, ranking before Greece, but after Singapore.

TABLE 4: EVOLUTION OF BELGIUM'S TRADE IN SERVICES WITH INDIA

In million €	2019	2020	2021	2022	2023
Exports	359.5	311.2	374.4	410.1	448.3
Imports	564.1	601.1	693.8	819.1	753.1
Trade balance	-204.6	-289.9	-319.4	-409.0	-304.8
Exports: variation in %	-2.8	-13.4	20.3	9.6	9.3
Imports: variation in %	-1.3	6.6	15.4	18.1	-8.1

Belgium's **trade balance for services** was negative each year from 2019 to 2023, with imports of services from India outperforming exports to that country each time.

Belgium's services trade deficit with India, which stood at €204.6 million in 2019, increased by €85.3 million to €289.9 million a year later as the value of exports continued to go down, while imports picked up. Belgium's negative services trade balance with India continued to deteriorate, with the deficit rising to €319.4 million and €409.0

million in 2021 and 2022, respectively, as the value of imports increased more than exports in each of those two years. Then in 2023, exports displayed growth for the third straight year, while imports fell for the first time since 2019. As a result, Belgium's trade deficit with India was reduced to €304.8 million last year.

The services trade balance showed similarities to that for goods in 2023, since both were negative for our country last year.

3.2.1 EXPORTS

In 2023, **other business services** was the largest category in terms of total Belgian exports of services to India with a share of 34.1% and a value of €152.8 million. **Communication services** took 2nd place with 30.1%, while **transportation services** settled in third place with a share of 16.7%. This last section is composed of sea transport, air transport, space transport, rail transport, road transport, inland waterway transport and pipeline transport.

The higher value for **other business services** was the main reason why total Belgian exports of services to India were up by 9.3% in 2023. The value of this group of services

grew by 22.5%, from €124.8 million in 2022 to €152.8 million last year.

Communication services and **construction services** were the two other sections from the top five for which exports grew. The value for the first one displayed a 7.2% (€+9.0 million) increase, while exports of the latter group of services rose by 59.4% (€+7.8 million).

The positive evolution of the preceding services groups and the **other services** (+21.4%, or €+9.0 million) was more significant than the drop in exports of **transportation services** (-16.8% or €-15.0 million) and **royalties and licence fees** (-4.7% or €-703,000).

TABLE 5: BELGIAN EXPORTS TO INDIA BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Other business services	124.8	152.8	22.5	34.1
Communication services	125.8	134.8	7.2	30.1
Transportation services	89.7	74.7	-16.8	16.7
Construction services	13.1	20.9	59.4	4.7
Royalties and licence fees	14.8	14.1	-4.7	3.2
Other services	41.9	50.9	21.4	11.3
Total	410.1	448.3	9.3	100.0

3.2.2 IMPORTS

Other business services not only topped the ranking of total Belgian exports of services to India, they were also the largest section of imports from that country. Their value amounted to €333.4 million in 2023, corresponding to a 44.3% share. This section includes, among other things, ‘merchandising’, ‘operational leasing services’, ‘legal services’, ‘accounting, auditing, bookkeeping and tax consultancy services’, ‘advertising, market research and public opinion polling’ and ‘waste treatment and depollution’.

Communication services and **transportation services** completed the top three with shares of 32.7% and 10.3%, respectively.

The lower value for **communication services** and **transportation services** was the main reason why total Belgian imports of services from India were down 8.1% in 2023. Imports of the former section decreased by 16.3% (€-47.9 million), while the value of the latter group of services fell by 35.6%, from €120.7 million in 2022 to €77.8 million last year.

Goods related services was the other group of services from the top five for which imports diminished. The value for this section displayed a 14.1% (€-1.7 million) decrease.

The negative evolution of the preceding services groups and the **other services** (-1.4%, or €-660,000) was more significant than the rise in imports of **other business services** (+1.6%, or €+5.2 million) and **financial services** (+132.9%, or €+22.1 million).

TABLE 6: BELGIAN IMPORTS FROM INDIA BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Other business services	328.2	333.4	1.6	44.3
Communication services	294.3	246.3	-16.3	32.7
Transportation services	120.7	77.8	-35.6	10.3
Financial services	16.6	38.7	132.9	5.1
Goods related services	12.3	10.6	-14.1	1.4
Other services	47.0	46.3	-1.4	6.2
Total	819.1	753.1	-8.1	100.0

4 ECONOMIC INDICATORS FOR INDIA

Economic structure (2023 - estimates)	
GDP	\$3,732.2 billion
GDP growth rate	6.3%
Inflation rate	5.5%
Exports of goods (2022)	\$452.7 billion
Imports of goods (2022)	\$732.6 billion
Trade balance (2022)	\$-279.9 billion
Population	1.4 billion
Unemployment rate	3.1%
Main clients (2022): % of total	
United States	17.7
UAE	6.9
Netherlands	4.1
China	3.3
Main suppliers (2022): % of total	
China	13.9
UAE	7.4
United States	7.1
Saudi Arabia	6.3
Main exports (2022): % of total	
Petroleum oils and oils from bituminous minerals	20.0
Diamonds, whether or not worked, but not mounted or set	5.3
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	3.9
Main imports (2022): % of total	
Crude petroleum oils and crude oils obtained from bituminous minerals	23.0
Coal; briquettes, ovoids and similar solid fuels manufactured from coal	6.7
Gold	5.0

Sources: TrendEconomy + Lloyds Bank Trade

5 INDEX OF THE UNIT PRICE FOR IMPORTS AND EXPORTS

The table below gives an overview of the development of the index of the unit price for imports and exports for Belgium (with the world).

This index facilitates an analysis of the general development of the price of goods. This makes it possible to consider the global development of Belgian imports and exports in perspective by determining the part that is

caused by price developments (and hence which part is caused by a change in quantity).

The table has to be interpreted as follows:

If a given product had an export value of €100 in the year 2015, then this product had an average value of €141.4 in 2022. The same principle applies to imports. If a particular product had an import value of €100 in 2015, the same product then had an import value of €144.7 in 2022.

TABLE 7: INDEX OF THE UNIT VALUE OF TOTAL BELGIAN EXPORTS AND IMPORTS (2015=100)

	Export	Import
2011	99.7	101.2
2012	102.5	104.4
2013	101.6	103.3
2014	100.5	101.8
2015	100.0	100.0
2016	97.4	95.8
2017	102.4	102.0
2018	105.7	106.6
2019	106.4	106.5
2020	104.8	103.5
2021	115.6	115.4
2022	141.4	144.7

6 SOURCES

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NATIONAL BANK OF BELGIUM — WWW.BNB.BE

CREDENDO GROUP — WWW.CREDENDOGROUP.COM

CIA WORLD FACTBOOK — WWW.CIA.GOV

DIRECTORATE-GENERAL COMMERCE, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/TRADE](http://EC.EUROPA.EU/TRADE)

EUROSTAT, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/EUROSTAT](http://EC.EUROPA.EU/EUROSTAT)

WORLD TRADE ORGANIZATION — WWW.WTO.ORG

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