

# **THE RECENT GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON FOREIGN TRADE- A CASE OF INDIA**

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## **Abstract**

The outbreak of the recent global financial crisis and the afterwards economic slowdown of the major trading associates of India have brought about one of the most difficult challenges to the international trade of India. Export and import, severely declined, leading to serious reductions in economic growth of India. Global trade volume growth rate declined to 2.8% in 2008 which was 7.3% in 2007. India's foreign trade also dropped parallel to global trade volumes. In the year 2007-08, India's exports and imports growth rate was 28.87% and 35.38% respectively, which reduced to 12.21% and 18.85% respectively in year 2008-09. Further the exports and imports growth rate had turned negative to -2.21% and -3.50% respectively in financial year 2009-10. In this paper, an analysis of India's foreign trade has been undertaken to see the impact of global financial crisis on international trade. The paper studies India's foreign trade by analyzing imports, exports and direction in detail. The analysis has been done by comparing all variables before, during and after the global financial crisis. Data for this purpose have been taken from the handbooks of statistics compiled by the RBI and Ministry of Commerce & Industry.

**Keywords:** Global Financial Crisis, Foreign Trade, India.

**JEL classification codes:** F14, F18, G01.