

Shuffling feet: On foreign trade and policy responses

Navigating this year's foreign trade **dynamics** needs sharper policy responses

India's **goods exports**, a key **driver** of its growth **impulses** and a major job creator, **got off** to a disappointing start in 2023. **Merchandise shipments** fell 6.6% year-on-year to \$32.91 billion in January. While this is the second month of **contracting** exports, the **dip** is more than double the 3% drop in December 2022 and **marks** a sharp 13.6% **sequential** decline. Along with an **anticipated post-Christmas cooling off** in demand, **order books** probably **took a hit** as much from actual slowing of economic activity as buyers' **wary assessments** about consumer confidence levels, with the new year **kicking off amid a pall of gloom and doom** on the global economic **outlook**. **Engineering exports** fell 10%; pharma products lost **momentum** as did 14 other products out of India's top 30 export items, including jewellery and textiles. The **silver lining** is that imports dipped too, bringing the goods **trade deficit** to a 12-month low of just \$17.75 billion, **a far cry from** the \$25-odd billion averaged in each of the previous six months and the record \$29.23 billion gap of September 2022. If this trend **holds**, India's **current account deficit** for 2022-23 may **end up** lower than the uncomfortable 3%-plus levels of GDP **projected** by most agencies.

Yet, **the drop** in imports during January **suggests** domestic demand growth is **fading**. While the year-on-year drop was just 3.6%, the \$50.66 billion import bill for January is the smallest in 18 months and 15.8% lower than December's revised \$60.2 billion figure. Only a part of this **stepdown** can be **ascribed** to lower commodity prices as non-oil, non-gold imports have fallen by a sharper 6.7% from January 2022 levels. The Commerce Ministry has argued that India's weaker **trade balance** this **financial year** has been **driven** by the "two-way effect" of a slowing world economy **hurting** exports and **resilient** domestic demand **shoring up** imports. That effect **no longer** seems to be **at work**. Finance Minister Nirmala Sitharaman has rightly **flagged concerns** about Indian exporters' **prospects** this year amid global **slowdown** fears. Her **prescription** that exporters **keep closer tabs on developments** in different markets to avoid being "demotivated" **is** also **spot on**. Amid the overall **headwinds**, trends are **diverging** in key markets. U.S. retail sales **rebounded** to grow faster than expected in January while Japan's trade deficit **hit** a record; more U.K.-based trading businesses now expect an **uptick** in **turnover** this March compared to those that expect a fall, as per a survey by its Statistics office. Industry bodies and the government must work **in tandem** to **tap shrinking** opportunities better and help exporters move across this **river of uncertainty** by **feeling the pebbles along the way**. **[Practice Exercise]**

- **Engineering exports** (noun) – Engineering goods include metal products, industrial machinery and equipment, auto and its components, and transport equipment.
- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Navigate** (verb) – To make sequential progress through something
2. **Dynamic** (noun) – the forces which stimulate growth, development, or change within a system or process.
गतिशीलता
3. **Driver** (noun) – a factor
4. **Impulse** (noun) – Propulsion, drive, stimulus, pressure, impetus, spur, urge,
आवेग
5. **Get off** (phrasal verb) – to leave a place, usually in order to start a journey:
6. **Merchandise** (noun) – goods;
commodities उत्पाद
7. **Shipment** (noun) – the act of sending goods somewhere; Export
8. **Contracting** (adjective) – Diminishing, shrinking, reducing, lessening घटता हुआ
9. **Dip** (noun) – Fall, decline, drop, slump, downturn, plunge गिरावट
10. **Mark** (verb) – Indicate, denote, show, demonstrate, exhibit चिह्नित करना
11. **Sequential** (adjective) – consecutive, serial, successive, sequent, subsequent
आनुक्रमिक
12. **Anticipated** (adjective) – expected, projected, estimated अपेक्षित
13. **Post-** (prefix) – After in time or order.
के बाद
14. **Cool off** (phrasal verb) – become quiet or calm ठंडा होना
15. **Order book** (noun) – An order book is a list of all the orders that are used to describe all buy and sell orders for a specific security or financial instrument.
16. **Take a hit** (phrase) – suffer damage or loss नुकसान उठाना
17. **Wary** (adjective) – Cautious, suspicious, chary, guarded, circumspect, careful, watchful एहतियाती
18. **Assessment** (noun) – Calculation, appraisal, estimation, consideration, measurement आकलन
19. **Kick off** (phrasal verb) – start, begin, get going, get off the ground शुरू करना
20. **Amid** (preposition) – in the middle of.
के बीच
21. **Pall of Gloom and doom** (phrase) – feeling of having no hope in situation.
22. **Outlook** (noun) – perspective, prospect, attitude, view, viewpoint
दृष्टिकोण

23. **Momentum** (noun) – impetus, energy, impulse, speed, velocity गति
24. **Silver lining** (phrase) – ray of hope, positive side, glimmer of hope उम्मीद की किरण
25. **Trade deficit** (noun) – a situation in which the value of goods a country imports is greater than the value of goods it exports व्यापार घाटा
26. **A Far cry from** (phrase) – be very different to बहुत अलग
27. **Hold** (verb) – Continue, sustain, maintain, extend बना रहना
28. **Current account deficit** (CAD) (noun) – the shortfall between the money received by selling products to other countries and the money spent to buy goods and services from other nations
29. **End up** (phrasal verb) – to reach or come to a place, condition, or situation that was not planned or expected पहुंचना (अंत में)
30. **Project** (verb) – Predict, Predict, Envisage, Foresee अनुमान लगाना
31. **Fade** (verb) – Disappear, weaken, diminish, decline, dwindle, fail, die away हल्का होना, फीका पड़ना
32. **Stepdown** (noun) – the act of decreasing or reducing something. घटौती
33. **Ascribe** (to) (verb) – to believe that something was caused or done by somebody/something कारण ठहरना
34. **Trade balance** (noun) – the difference in value between a country's imports and exports.
35. **Financial year** (noun) – Starts from 1st April and ends on 31st March वित्तीय वर्ष
36. **Drive** (verb) – Cause something to happen
37. **Hurt** (verb) – harm, damage, weaken, mar, impair नुकसान पहुंचाना/ प्रभावित करना
38. **Resilient** (adjective) – able to recover quickly मजबूत
39. **Shore up** (phrasal verb) – hold up, support, sustain, prop up, buttress, bolster, reinforce संभालना, सहारा देना
40. **No longer** (phrase) – Not now as formerly. अब और नहीं
41. **At work** (phrase) – in action.
42. **Flag** (verb) – Indicate, signal, highlight, mark, signal संकेत करना
43. **Concern** (noun) – Anxiety, worry, apprehension fear चिंता
44. **Prospect** (noun) – outlook, expectation, view, perspective, possibility संभावना

45. **Slowdown** (noun) – A decline in economic activity. मंदी
46. **Prescription** (noun) – Instruction, recommendation, direction निर्धारण
47. **Keep close tab on** (phrase) – monitor the activities or development of; keep under observation. कार्य-पद्धति पर निगरानी रखना
48. **Development** (noun) – event, turn of events, occurrence, happening, circumstance घटनाक्रम
49. **Spot on** (adjective) – accurate, right, correct, perfect, exact, unerring एकदम सही
50. **Headwind** (noun) – a force or influence that inhibits/restrict progress
51. **Diverge** (verb) – differ, be different, be unlike, be dissimilar अलग होना
52. **Rebound** (verb) – recover in value, amount, or strength after a decrease or decline उलट आना
53. **Hit** (verb) – to reach a place or a level पहुँचना
54. **Uptick** (noun) – A small increase, rise इजाफा
55. **Turnover** (noun) – Total sale during a particular period of time.
56. **In tandem** (phrase) – together, in partnership, jointly, in conjunction साथ साथ
57. **Tap** (verb) – use, utilize, exploit, take advantage, capitalize on लाभ उठाना
58. **Shrinking** (adjective) – Decrease, lessening, Contracting घटते
59. **Uncertainty** (noun) – changeability, changeableness, variability, inconstancy अनिश्चितता
60. **Crossing the river by feeling the pebbles** (phrase) – to take one step and look around before taking another
61. **Along the way** (phrase) – during a process or series of events

Practice Exercise

Direction (Q1 – Q3): Select the best express synonym of the given words [Editorial page]

1. Her prescription that exporters keep closer tabs on developments in different markets to avoid being “demotivated” is also spot on.
 - A. Tweak
 - B. Bulwark
 - C. Intent
 - D. Occurrence
2. Along with an anticipated post-Christmas cooling off in demand, order books probably took a hit as much from actual slowing of economic activity as buyers’ wary assessments about consumer confidence levels.
 - A. Unprecedented
 - B. Cautious
 - C. Fathom
 - D. Mainstay
3. Industry bodies and the government must work in tandem to tap shrinking opportunities better and help exporters move across this river of uncertainty by feeling the pebbles along the way.
 - A. Compensatory
 - B. Marginal
 - C. Contracting
 - D. Uneven
4. **Idioms & Phrase**

The 15th August, 1947 is a red letter day in the history of India.

 - A. A great shock
 - B. An important day
 - C. A trivial day
 - D. A paltry day
5. **Direction: Two statements are given below, which are jumbled in any random order. These statements will form a coherent and meaningful paragraph, when arranged in the correct sequence. Arrange the sentences in the right order and answer the questions that follow.**
 - (i) A little over two years after it turned its back at the last minute on(D)/ a major multilateral trade agreement it had spent years negotiating,(G)/ India last week announced the signing of (F)/ a Comprehensive Economic Partnership Agreement with the United Arab Emirates (UAE).(E)/
 - (ii) The free trade pact is a tacit acknowledgment that India needs to strengthen(B)/ its trade ties with existing partners by lowering tariff walls and(A)/ obtaining more favourable access for its exports in order to boost trade and economic output.(C)
 - A. ABC, EFDG
 - B. DGFE, BAC
 - C. BAC, FDEG

- D. FDGE, CBA
- E. None of the above

Direction (Q6 – Q9): Read the given sentences to find out whether there is any grammatical error in them

6. My friend lived at the top (A)/ of an old house (B)/ which had been (C)/ converted into a flat. (D)/ No Error. (E)
7. A public safety advertising (A)/ campaign in Russia (B)/ hope to draw attention (C)/ of pedestrians crossing the road. (D)/ No Error. (E)
8. A cash prize was (A)/ award to the most (B)/ successful salesman of the (C)/ year by the President of the company. (D)/ No Error. (E)
9. The Renaissance was (A)/ a time to 're-awakening' (B)/ in both the arts (C)/ and the science. (D)/ No Error. (E)
10. **Find out the misspelt word**
 - A. Unplatable
 - B. Unmitigated
 - C. Burgeoning
 - D. Ceaseless

Direction: Read the passage given below and answer the following questions.

(The Hindu Editorial: A raft of concessions – Feb 02, 2022)

If budget making is a complex task, _____ the Union Budget can be _____ given the amount of fine print that one has to pore _____. Finance Minister Nirmala Sitharaman's fifth Budget, and the current Bharatiya Janata Party-led government's final _____ (a) _____ one before next year's general election, ticks all the right boxes on the face of it. Inclusive development that ensures _____ (b) _____ for all, especially the youth, women, farmers, Other Backward Classes, Scheduled Castes and Scheduled Tribes, a focus on infrastructure and investment that **serves(A)** as a multiplier for growth and employment, policies to enable green or environmentally **sustainable(B)** growth, the rationalisation of direct taxes, including a raft of **consolidation(C)** to the middle and salaried classes, and pensioners, and, most importantly, doing all this while staying the course on fiscal **concessions(D)**. Terming it the "first Budget in Amrit Kaal", Ms. Sitharaman sounded the poll bugle by _____ (c) _____ the ruling dispensation's achievements since 2014, when Prime Minister Narendra Modi first assumed office. Per capita income, she said, had more than doubled to ₹1.97 lakh as a result of the economy's growth to being the world's fifth-largest and the government's efforts to ensure a better quality of living for all. She also cited an increase in formalisation of the economy and the widespread _____ (d) _____ of digital technologies, especially in the payments sphere, as other significant achievements. With an eye on 'India at 100', the Budget proposals, **(A)** Ms. Sitharaman said, was aimed at actualizing **(B)** a "technology-driven and knowledge-based economy **(C)** with strong public finances, and a robust financial sector". **(D)** Emphasising that the economic agenda for achieving this vision would, among other things, require a focus on giving a strong **impetus** to growth and job creation, the Minister laid out her Budget proposals that were heavy on this government's trademark acronyms describing the various schemes, but relatively light on details.

Fill in the blanks with the most appropriate combinations of words

11. Finance Minister Nirmala Sitharaman's fifth Budget, and the current Bharatiya Janata Party-led government's final _____(a)_____ one before next year's general election, ticks all the right boxes on the face of it.

Fill the most appropriate option in (a)

- (i) Full-fledged
- (ii) Evident
- (iii) Uncertain
- (iv) Vital

A. Only (i) B. Only (ii) C. Only (iii) D. Both (ii) and (iv) E. None of the above

12. Inclusive development that ensures _____(b)_____ for all, especially the youth, women, farmers, Other Backward Classes, Scheduled Castes and Scheduled Tribes

Fill the most appropriate option in (b)

- (i) Fallout
- (ii) Prosperity
- (iii) Ravage
- (iv) Vigour

A. Only (i) B. Only (ii) C. Only (iv) D. Both (ii) and (iv) E. None of the above

13. Terming it the "first Budget in Amrit Kaal", Ms. Sitharaman sounded the poll bugle by _____(c)_____ the ruling dispensation's achievements since 2014, when Prime Minister Narendra Modi first assumed office.

Fill the most appropriate option in (c)

- (i) Highlighting
- (ii) Emphasizing
- (iii) Woo
- (iv) Pegging

A. Only (i) B. Only (ii) C. Only (iii) D. Both (i) and (ii) E. None of the above

14. She also cited an increase in formalisation of the economy and the widespread _____(d)_____ of digital technologies, especially in the payments sphere, as other significant achievements.

Fill the most appropriate option in (d)

- (i) Assistance
- (ii) Outlay
- (iii) Convergence
- (iv) Adoption

A. Only (i) B. Only (iv) C. Only (iii) D. Both (iii) and (ii) E. None of the above

15. The following sentence may or may not contain an error in one of its parts. Identify the part containing the error. If the sentence is correct, select 'No error' as your answers.

With an eye on 'India at 100', the Budget proposals, **(A)**/ Ms. Sitharaman said, was aimed at actualizing **(B)**/ a "technology-driven and knowledge-based economy **(C)**/ with strong public finances, and a robust financial sector". **(D)**/

- A. (A)
- B. (B)
- C. (C)
- D. (D)
- E. No Error

16. **Directions: In the question below, a sentence is given with three blanks, that indicate that some parts are missing. Identify the correct pair of words that fit in the sentence to make it grammatically and contextually correct.**

If budget making is a complex task, _____ the Union Budget can be _____ given the amount of fine print that one has to pore _____.

- A. Interpreting
- B. Deferred
- C. Through
- D. Over
- E. Hazardous

- A. 241 B.321 C.154 D.245

17. **Given below is a word, followed by three sentence that consist of that word. Identify the sentence (S) that best express (es) the meaning of the word. Choose option 5 'None of the above' if the word is not suitable in any of the sentence**

IMPETUS

- (i) On the other hand, there is also no additional **impetus** of reinforcement, so media influences will not get an extra boost.
- (ii) The recent publicity surrounding homelessness has given a fresh **impetus** to the cause.
- (iii) In the face of this strong **impetus** to stay on the earlier theme, the new direction of talk actually gets taken up.

- A. Only (i)
- B. Only (ii)
- C. Only (iii)
- D. (i), (ii)
- E. (ii), (iii), (i)

18. **In the following question, a sentence is given with four words marked as (A), (B), (C), and (D). These words may or may not be placed in the correct order. Four options with different arrangements of these have been provided. Mark the option with the correct arrangement as the answer. If no rearrangement is required, mark option (5) as your answer.**

A focus on infrastructure and investment that **serves(A)** as a multiplier for growth and employment, policies to enable green or environmentally **sustainable(B)** growth, the rationalisation of direct taxes, including a raft of **consolidation(C)** to the middle and salaried

classes, and pensioners, and, most importantly, doing all this while staying the course on fiscal **concessions(D)**.

- A. A – D
- B. B – A
- C. C – D
- D. A – C
- E. No arrangement

19. **In the following question, two statements and five connectors are given. Only one of the connectors from those given can be used to combine the given two statements into one sentence without changing the meaning. Choose that connector as your answer.**

- (i) Virat and Shobek started their game very well
- (ii) They lost against Lukasz Kubot and Marcelo Melo in an exhilarating match.

- A. Whereas
- B. Therefore
- C. However
- D. Unless
- E. None of the above

20. **Fill the appropriate preposition in the given blanks**

He repented _____ the misdeeds of his youth.

- A. Of
- B. In
- C. Upon
- D. To

Answers

1. D 2.B 3.C 4. B 5. B 6.C 7. C 8.B 9.B 10.A 11. A
 12. B 13.D 14. B 15. B 16. C 17.E 18.C 19.C 20.A **[Practice Exercise]**

Explanations

- Development** (noun) – event, turn of events, occurrence, happening, circumstance घटनाक्रम
 - Tweak** (noun) – adjustment, modification, alteration, change परिवर्तन
 - Bulwark** (noun) – Safeguard, Protection, Defense, Buttress सुरक्षा, हिफाजती बांध
 - Intent** (noun) – intention or purpose इरादा
- Wary** (adjective) – Cautious, suspicious, chary, guarded, circumspect, careful, watchful एहतियाती
 - Unprecedented** (adjective) – Never having happened or existed in the past अभूतपूर्व
 - Fathom** (verb) – understand, comprehend, grasp, figure out समझना, जानना
 - Mainstay** (adjective) – Backbone, support, prop, spine, pillar, strength मुख्याधार
- Contracting** (adjective) – Diminishing, shrinking, reducing, lessening घटता हुआ
 - Compensatory** (adjective) – reducing or offsetting the unpleasant or unwelcome effects of something. प्रतिपूरक, क्षतिपूरक
 - Marginal** (adjective) – slight, small, minimal, negligible, insignificant मामूली
 - Uneven** (adjective) – irregular, unequal, rough, jagged, lopsided असमान
- Red Letter Day** (phrase) – an important day महत्वपूर्ण दिन
- DGFE, BAC**
 A little over two years after it turned its back at the last minute on a major multilateral trade agreement it had spent years negotiating, India last week announced the signing of a Comprehensive Economic Partnership Agreement with the United Arab Emirates (UAE). The free trade pact is a tacit acknowledgment that India needs to strengthen its trade ties with existing partners by lowering tariff walls and obtaining more favourable access for its exports in order to boost trade and economic output.
- (C) 'had' के बदले 'has' का प्रयोग होगा क्योंकि past का "old house" अब 'flat' में converted किया गया है; अर्थात Part (C) में Present Perfect Passive Verb का प्रयोग होगा।
 - 'has' will be used instead of 'had' because the "old house" of the past is now converted to 'flat'; that is, in Part (C), Present Perfect Passive Verb will be used.
- (C) 'hope' के बदले 'hopes' का प्रयोग होगा क्योंकि वाक्य का Subject 'campaign' Singular है।
 - 'hopes' will be used instead of 'hope' because the subject 'campaign' of the sentence is singular.

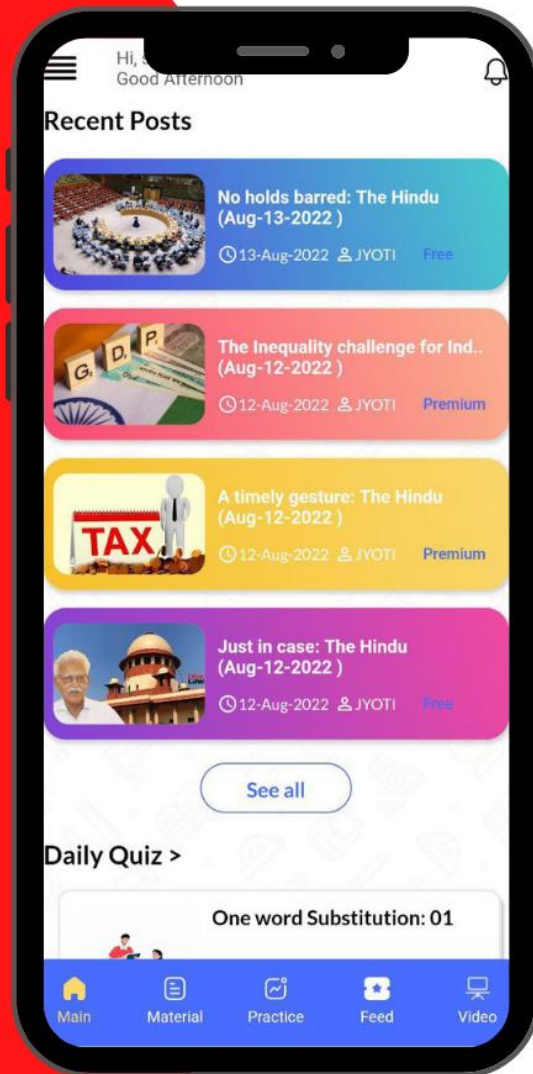
8. (B) 'award' के बदले 'awarded' का प्रयोग होगा क्योंकि वाक्य का Subject 'A cash prize' (receiver) Passive Subject है। अतः Verb भी Passive (was + V³) होना चाहिए।
- 'awarded' will be used instead of 'award' because the subject of the sentence is 'A cash prize' (receiver) Passive Subject. Therefore, Verb should also be Passive (was + V3).
9. (B) 'to' के बदले 'for' का प्रयोग होगा क्योंकि 'time for something' का प्रयोग होता है; जैसे-
- It is time for lunch.
 - She has no time for this work.
- 'for' will be used instead of 'to' because 'time for something' is used; like-
 - It is time for lunch.
 - She has no time for this work.
10. **Unpalatable** (adjective) – disagreeable, unpleasant, displeasing, unattractive, regrettable अप्रिय
11. **Full-fledged** (adjective) – Complete, developed, mature, full-size पूर्ण
- **Evident** (adjective) – obvious, apparent, noticeable, conspicuous, perceptible स्पष्ट
 - **Uncertain** (adjective) – unsure, vague, doubtful, undecided, unclear अनिश्चित
 - **Vital** (adjective) – Absolutely necessary; essential, crucial, key महत्वपूर्ण
12. **Prosperity** (noun) – The condition of prospering; having good fortune समृद्धि
- **Fallout** (noun) – the unpleasant results or effects of an action or event प्रभाव
 - **Ravage** (noun) – Consequence, destruction, after-effect, havoc, damage विनाश, बरबादी
 - **Vigour** (noun) – energy, activity, liveliness, life, spryness जोश, बल
13. **Emphasize** (verb) – **highlight**, underline, accentuate, underscore ज़ोर देना
- **Woo** (verb) – Persuade, encourage, entice, pursue लुभाना
 - **Peg** (verb) – to fix or keep something at a certain level एक विशेष स्तर पर स्थिर बनाए रखना
14. **Adoption** (noun) – Acceptance, implementation, espousal, acquiring अपनाना
- **Assistance** (noun) – help, support, backing, succor, encouragement सहायता
 - **Outlay** (noun) – expenditure, spending, expense, cost, disbursement व्यय / खर्च
 - **Convergence** (noun) – The act or fact of coming together: merging, coming together संमिलन/ समाहित
15. 'was' के बदले 'were' का प्रयोग होगा क्योंकि वाक्य का Subject 'the Budget proposals' plural है।
16. (C) **154**
- **Interpret** (verb) – understand, construe, take to mean, take, read व्याख्या करना
 - **Hazardous** (adjective) – risky; dangerous, perilous, harmful खतरनाक

- **Pore over** (phrasal verb) – to look at and study something carefully
- **Deferred** (adjective) – postponed, delayed स्थगित

17. **Impetus** (noun) – motivation, stimulus, incitement, incentive प्रोत्साहन

According to the given options all options are contextually correct.

18. A focus on infrastructure and investment that serves as a multiplier for growth and employment, policies to enable green or environmentally sustainable growth, the rationalisation of direct taxes, including a raft of concessions to the middle and salaried classes, and pensioners, and, most importantly, doing all this while staying the course on fiscal consolidation.
19. Virat and Shobek started their game very well **however** they lost against Lukasz Kubot and Marcelo Melo in an exhilarating match



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