

India in the Global Economy

Since 1993, most cars manufactured by General Motors had a radiator cap produced by Sundram, located in Madras, India. Each month, this company exports 300,000 caps to GM headquarters in Michigan. These components are then distributed to automobile production plants in North America, South America, and Asia. Sundram also provides parts to tractor maker Caterpillar, Inc., and Ford Motor Company.

Most people wouldn't expect India to be providing parts for modern vehicles since most cars produced in the country look like 1950s models. However, the country has made a commitment to expanding its involvement in international trade.

Another example of India's participation in the global economy involves computer software. After years of losing their top students to U.S. companies, many are returning home to work for software companies that now have offices in India. With the English language very common among the educated classes of India (the country was once a British colony), the movement of students to the U.S. and back has been quite natural.

In addition, some U.S. trained computer experts have returned to India to start their own software companies. Many of these entrepreneurs are obtaining start-up funding through their U.S. connections. Exporting of software from India has grown from \$164 million in 1991 to \$2 billion in 1998, accounting for 4.5 percent of the country's exports.

1. Research on the economic and cultural environment of India (or another country with a developing economy). What factors provide a foundation for the country's expansion of international trade?
2. Design a poster or Web site that promotes the economic benefits of India (or another country).