

Growth and Structure of India's Foreign Trade in the Post-reform Period

(T. Maheswari, Assistant Professor of Economics, Thiagarajar College, Madurai, Tamil Nadu)

Introduction

Foreign Trade has been one of most significant determinants of economic development in a country. The Foreign Trade of a country consists of inward and outward movement of goods and services, which result in to out flow and inflow of foreign exchange from one country to another country. During present time, international trade is a vital part of development strategy and it can be an effective instrument of economic growth, employment generation and poverty alleviation in an economy.

In 1991, the government introduced some changes in its Policy on trade, foreign Investment, Tariffs and Taxes under the name of "New Economic Reforms". The main focus of these reforms has been on Liberalization, openness and export promotion activity. India's foreign Trade has export significantly changed in the Post- reforms period. In absolute terms, Trade Volume rose and the composition of exports has undergone several significant changes. In Post- reform Period, the major contributor to exports growth has been the manufacturing sector. This is really a welcome development and the trend needs to be strengthened further for the increased income through exports. The effect of liberalization on India's foreign trade the economy has greatly influenced. In this paper an attempt has been made to examine the growth and structure of exports in India during the period 1990-91 to 2012-13.

Objectives

The main objectives of this study are

- To examine growth of exports and imports in India during the post reform period.
- To analyze the changes that has occurred in the composition and direction of India's exports and imports during the post reform period.
- To explore the share of exports and imports in Gross Domestic Product.

Methodology

For the present study, time series data have been obtained from Hand book of Statistics on Indian Economy 2013, published by the Reserve Bank of India. All the variables in the study are in crores of Rupees and deflated to the base year 2004-05. Variables used in this study like, GDP, GNP, Exports of Primary Products (includes Agriculture allied products and Ores and minerals) Manufactured goods (including leather and manufactures, Chemicals and related products, Engineering goods, Textiles and textile products, Gems and jewellery, Hand crafts (excluding hand- made carpets) and other

manufactured goods) Petroleum products, Others, Total Exports and Total Imports, Bulk imports (including petroleum, crude and products, bulk consumption goods, Other bulk imports) , Non-bulk imports (including capital goods, mainly imports related items, others. The time period examined is from 1990-91 to 2012-13. Semi-log model was estimated for the growth analysis. To analyse the composition of exports and imports, and its share in Gross Domestic Product simple percentage analysis was carried out throughout the study, to explore the direction of exports of India also simple percentage analysis was used.

Trend and Growth of Trade

Table 1
Trend in Exports of India from 1990-91 to 2012-13

Year	Percentage Growth				
	Primary Products	Manufactured Goods	Petroleum Products	Others	Total
1990-91	----	----	----	----	----
1991-92	10.21	24.97	-4.21	-32.03	35.27
1992-93	2.96	11.62	23.95	16.41	24.18
1993-94	24.51	20.37	-17.72	44.00	27.54
1994-95	-3.43	9.99	-4.46	0.30	18.53
1995-96	35.40	14.49	6.27	11.62	28.64
1996-97	7.43	5.71	4.51	-0.89	11.72
1997-98	-8.03	8.62	-28.09	21.43	9.50
1998-99	-5.56	3.92	-73.46	2.34	7.42
1999-00	-5.86	15.44	-56.41	32.75	14.17
2000-01	13.82	15.76	47.08	130.04	27.58
2001-02	2.77	-0.21	8.28	14.19	1.91
2002-03	18.39	19.51	25.98	-15.91	22.98
2003-04	4.88	8.39	26.73	44.31	14.98
2004-05	29.16	13.50	81.18	11.31	27.94
2005-06	10.99	12.62	57.45	4.91	21.60
2006-07	12.88	12.36	54.12	17.68	25.28
2007-08	13.86	3.09	27.43	9.41	14.71
2008-09	-6.75	27.62	-0.36	96.60	28.19
2009-10	-5.69	-4.24	1.54	12.12	0.57
2010-11	6.93	22.73	38.15	89.95	36.47
2011-12	35.91	13.96	23.91	-2.44	27.04
2012-13	3.73	6.76	13.38	-41.29	11.55

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 1 reveals the trend in growth of exports in India during the study period. India's total exports have increase by more than 5 folds during the last two decades, from Rs. 825.16 crores in 1990-91 to to Rs. 9515.71 crores in 2012-13. However, the increase has not been uniform over the years. There is some welcome evidence during the initial year of the study period of a new dynamism of India's export performance aided by a more supportive domestic industrial policy. After that it has been increased in real terms but the percentage change was reduced in subsequent years till 1994-95. In the year 1994-95 manufactured exports recorded 9.99 per cent whereas exports of primary products and petroleum product recorded a negative growth. Again it declined to 11.72 per cent in 1996-97 from 28.64 in 1995-96.

Exports witnessed a sharp upward trend in the year 1999-2000 due to favourable terms of trade for non-oil exporting countries and the improved profit margins for the domestic industry in the national markets. The euphoria did not last long. During the 2001-02, the growth rate of exports perished to 1.91 per cent. The slowdown in exports could be attributed to a marked deceleration in world output and trade. Exports recorded a robust growth of 22.98 per cent during 2002-03. The growth of exports in the year 2009-10 was only 0.57 per cent which was the minimum in the entire study period and it may be due to the negative growth in both the exports of primary products as well as manufactured products. It revived in the next year with the 36.47 per cent growth and it was the maximum during the entire study period. During the same year i.e. 2010-11 other exports accounts for 89.95 per cent whereas primary product accounts for only 6.93 per cent. It is revealed that there is greater volatility in the growth of primary products exports during the study period. In the initial years petroleum products exports account for negative growths in many years and in later period it was in good position. Exports of manufactured goods recorded double digit growth in many years during the study period.

Table 2
Growth of Exports in India during 1990-91 and 2012-13

Variable	β_0	β_1	R^2	CGR
Primary Products	5.24	0.075	0.94	18.85
Manufactured Products	6.33	0.106	0.99	27.64
Petroleum Products	1.65	0.254	0.73	79.47
Others	1.82	0.189	0.95	54.53
Total Exports	6.629	0.109	0.98	28.52

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 2 exhibits the results of the semi-log linear models fitted for finding annual growth in exports of primary products, manufactured products, petroleum products and others and also total exports during the study period. All the values are significant at 5 per cent level and all the models also have high R^2 value. During the entire study period, the total exports registered only 28.52 per cent growth rate. Primary products has only 18.85 per cent growth rate whereas manufactured goods has 27.64 per cent growth rate. Petroleum products registered the higher rate of growth i.e. 79.47 per cent during the entire study period and it was the maximum among all the sub-divisions. Other exports also registered a good percentage of growth rate, i.e. 54.53. It has to be noted that, since Indian economy was agrarian one, the primary products exports has a low per cent of growth. It is revealed from the analysis of the results of the semi-log linear models that the post reform period favours the exports of petroleum products and other exports than the manufactured exports.

Table 3
Trend in Imports of India from 1990-91 to 2012-13

Year	Percentage Growth of Imports		
	Bulk-imports	Non-bulk Imports	Total
1990-91	---	---	---
1991-92	-4.65	-0.92	-2.60
1992-93	21.60	21.70	21.66
1993-94	-7.01	14.25	4.88
1994-95	77.03	11.36	37.03
1995-96	-21.01	25.93	2.22
1996-97	12.57	0.26	5.06
1997-98	-11.26	15.13	4.09
1998-99	-6.29	14.43	7.05
1999-00	48.35	2.87	17.06
2000-01	8.05	0.95	3.76
2001-02	-1.50	6.06	2.95
2002-03	17.31	16.55	16.85
2003-04	10.95	20.05	16.45
2004-05	33.12	31.31	31.99
2005-06	36.20	20.48	26.46
2006-07	32.75	10.48	19.60
2007-08	12.06	14.88	13.60
2008-09	27.46	23.34	25.19
2009-10	-10.94	-2.69	-6.46
2010-11	6.70	18.63	13.44
2011-12	38.34	22.08	28.73
2012-13	12.30	0.44	5.65

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 3 reveals the trend in growth of imports in India during the study period. India's total imports have increase by more than 14 folds during the last two decades, from Rs. 1094.73 crores in 1990-91 to Rs. 15555.05 crores in 2012-13. The percentage growth of imports was increased from -2.6 per cent in 1991-92 to 5.65 per cent in 2012-13. However, the increase has not been uniform over the years. While exports have been mainly dependent on world exports and availability of exportable surpluses imports have been largely a matter of government policy. It has a negative growth only in two years i.e. 1991-92 and 2009-10 and non-bulk imports have also negative growth only in two years. It seems that there is always the upward trend in India's imports during the study period. The percentage growth of bulk-imports increased from -4.65 per cent in 1991-92 to 12.3 per cent in 2012-13 and non-bulk imports was also increased from -0.92 per cent in 1991-92 to 22.08 per cent in 2011-12. It is also revealed that both bulk-imports and non-bulk imports has equal place in the India's imports and there is no much difference in their trend during the study period. In the year 1994-95 the growth of imports in India was 37.03 per cent and it was the maximum among all the years during the entire study period. In the year 1994-95 bulk-imports registered 77.03 per cent growth that was the maximum during the study period and it may due to imports of basic consumption goods in that particular year. It was also seen that there is high volatility in the growth of bulk-imports during the study period.

Table 4
Growth of Imports in India during 1990-91 and 2012-13

Variables	β_0	β_1	R ²	CGR
Bulk Imports	5.799	0.127	0.93	33.97
Non-Bulk Imports	6.18	0.124	0.98	33.05
Total Imports	6.70	0.125	0.97	33.35

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 4 exhibits the results of the semi-log linear models fitted for finding annual growth in Bulk-imports, Non-bulk Imports and Total Imports during the study period. All the values are significant at 5 per cent level and all the models also have high R² value. During the entire study period, the total imports registered 33.35 per cent growth rate. Bulk-imports has 33.97 per cent growth rate whereas non-bulk imports has 33.05 per cent growth rate. It is revealed that both bulk-imports and non-bulk imports have equal place in the imports. It has also to be noted that, the growth rate of imports (i.e. 33.35 per cent) is higher than the growth rate of exports (i.e. only 28.52 per cent)

Average Propensity to Export and Average Propensity to Import

Table 5
Share of Trade, Exports and Imports to Gross Domestic Product in India

Year	Percentage Share in Gross Domestic Product		
	Trade	Exports	Imports
1990-91	14.24	6.12	8.12
1991-92	14.98	7.18	7.80
1992-93	16.78	7.77	9.01
1993-94	17.46	8.53	8.94
1994-95	20.16	8.65	11.51
1995-96	20.48	9.51	10.97
1996-97	19.80	9.13	10.67
1997-98	19.64	8.99	10.65
1998-99	19.06	8.37	10.69
1999-00	20.17	8.59	11.58
2000-01	21.71	10.17	11.54
2001-02	20.81	9.54	11.27
2002-03	23.57	10.89	12.68
2003-04	24.85	11.17	13.68
2004-05	29.49	12.63	16.86
2005-06	32.94	13.46	19.48
2006-07	35.72	14.46	21.26
2007-08	36.41	14.31	22.09
2008-09	41.77	15.85	25.92
2009-10	36.16	13.84	22.32
2010-11	39.05	15.88	23.17
2011-12	45.63	17.55	28.08
2012-13	45.54	6.12	28.25

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 5 shows that the share of trade, exports and imports in the Gross Domestic Product of India during the study period. As envisaged in our development strategy the volume of merchandise trade has been

on the rise; the trade to GDP ratio has gone up from 14.24 per cent in 1990-91 to 45.54 per cent in 2012-13. The increase has been shared both by exports and imports but imports has more impact on this ratio. The share of exports in GDP too has increased over the years, from mere 6.12 per cent in 1990-91 to 17.55 per cent in 2011-12 and again fell to 6.12 per cent in 2012-13. This tendency reflects the growing significance of the export sector in the Indian economy. India's exports during the last two decades have shown a mixed trend. Whereas the rate of growth as measured in terms of past performance or in terms of its share of GDP shows an appreciable rise. The relationship between imports and GDP in India has been more or less stable till 2003-04 varied between 7.8 and 13.68. Again since 2004-05 this ratio has stabilized itself at a higher level, between 16.86 and 28.25. The stability in import ratio would suggest that there has been little change in imports required per unit of domestic product. It is, however, possible that imports required per unit of output have declined in certain categories and increased in others keeping the overall ratio constant.

Table 6
Share of Various Exports in Gross Domestic Product in India from 1990-91 to 2012-13

Years	Percentage Share in Gross Domestic Product			
	Primary Products	Manufactured Goods	Petroleum Products	Others
1990-91	1.48	4.09	0.18	0.10
1991-92	1.61	5.04	0.17	0.07
1992-93	1.58	5.34	0.20	0.08
1993-94	1.86	6.08	0.15	0.10
1994-95	1.69	6.29	0.14	0.10
1995-96	2.13	6.71	0.14	0.10
1996-97	2.12	6.57	0.13	0.09
1997-98	1.87	6.84	0.09	0.11
1998-99	1.65	6.67	0.02	0.10
1999-00	1.44	7.12	0.01	0.13
2000-01	1.57	7.92	0.43	0.28
2001-02	1.53	7.50	0.44	0.30
2002-03	1.75	8.63	0.53	0.25
2003-04	1.70	8.66	0.62	0.33
2004-05	2.05	9.18	1.06	0.34
2005-06	2.08	9.45	1.52	0.33
2006-07	2.14	9.69	2.14	0.35
2007-08	2.23	9.13	2.49	0.35
2008-09	1.95	10.92	2.33	0.65
2009-10	1.69	9.63	2.18	0.67
2010-11	1.65	10.81	2.75	1.16
2011-12	2.12	11.60	3.21	1.07
2012-13	2.09	11.80	3.46	0.60

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 6 reveals that the share of primary exports, manufactured goods exports, petroleum products exports and other exports in the Gross Domestic Product. This analysis helps to find the products which helps to boost the gross domestic product of the country through its exports. In 1990-91 the primary products exports account for only 1.48 per cent of GDP and it increased slightly to 2.12 per cent in 2011-12 and again reduced to 2.09 per cent in 2012-13. It registered the maximum in the year 2007-08 and it

was also only 2.23 per cent of GDP. It is derived that the primary products exports has very less importance in boosting the Gross Domestic Product through its exports. In 1990-91 the manufactured products exports account for only 4.09 per cent of GDP and it increased to 11.8 per cent in 2012-13 which is maximum among all the years. It is seen that there is continuous rise in the manufactured exports as per cent of Gross Domestic Product and it was also a good percentage over the years. So it is derived that the manufactured exports has a significant role in Gross Domestic Product of India. In 1990-91 the petroleum products exports account for only 0.18 per cent of GDP and it increased to 3.46 per cent in 2012-13 which is the maximum among all the years during the study period. There is a continuous rise in this percentage and seems that the petroleum products exports took the next place to the manufactured exports in promoting the Gross Domestic Product in India. Other exports has a very meager share in Gross Domestic Product of the country and for many years it was less than 1 per cent. It accounts more than one per cent in the years 2010-11 and 2011-12. So it has very less importance in the Gross Domestic Product of the country.

Table - 7
Share of Agri and Non-Agri Exports in Gross Domestic Product in India from 1990-91 to 2012-13

Year	Ratio of Exports to Gross Domestic Product		Agri Exports/Non-Agri Exports
	Agriculture Exports	Non-Agriculture Exports	
1990-91	1.15	4.97	0.23
1991-92	1.25	5.93	0.21
1992-93	1.18	6.59	0.18
1993-94	1.52	7.01	0.22
1994-95	1.37	7.29	0.19
1995-96	1.78	7.73	0.23
1996-97	1.81	7.32	0.25
1997-98	1.61	7.38	0.22
1998-99	1.44	6.94	0.21
1999-00	1.24	7.35	0.17
2000-01	1.32	8.86	0.15
2001-02	1.26	8.27	0.15
2002-03	1.35	9.54	0.14
2003-04	1.29	9.88	0.13
2004-05	1.28	11.35	0.11
2005-06	1.30	12.17	0.11
2006-07	1.38	13.08	0.11
2007-08	1.49	12.82	0.12
2008-09	1.35	14.50	0.09
2009-10	1.14	12.70	0.09
2010-11	1.22	14.66	0.08
2011-12	1.73	15.82	0.11
2012-13	1.84	15.44	0.12

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 7 explains that the share of agriculture exports and non-agriculture exports in the Gross Domestic Product. Since India was known as a agrarian economy and in the initial years of planning it acquired more benefits from the exports of agricultural commodities, this analysis is required to know the current

position of agricultural exports in India. The agriculture exports registered only 1.15 per cent of GDP and it raised to only to 1.84 per cent of GDP. It is to be noted that it not even reached the 2 per cent of GDP in any year during the study period. Whereas, non-agricultural exports has registered 4.97 per cent of GDP in 1990-91 and 15.44 per cent in 2012-13. There is tremendous increase in this percentage during the study period. So it is revealed that India shifted its importance from agricultural exports to non-agricultural exports in the post-reform period. In the initial years the ratio between agricultural exports to non-agricultural exports was 0.23 and it was reduced to 0.12 per cent in 2012-13. It is noted that there is a continuous decrease in this ratio till 2010-11. It shows that there is unfavourable terms of trade for agricultural exports during this period. In the years 2011-12 and 2012-13, this ratio got momentum i.e. 0.11 and 0.12 respectively which shows the positive trend in the terms of trade between agricultural exports and non-agricultural exports.

Table 8
Share of Bulk and Non-bulk Imports in Gross Domestic Product of India from 1990-91 to 2012-13

Year	Percentage Share to GDP	
	Bulk-imports	Non-bulk Imports
1990-91	3.66	4.46
1991-92	3.44	4.36
1992-93	3.97	5.03
1993-94	3.49	5.44
1994-95	5.81	5.70
1995-96	4.28	6.69
1996-97	4.46	6.21
1997-98	3.80	6.85
1998-99	3.34	7.35
1999-00	4.58	7.00
2000-01	4.75	6.79
2001-02	4.44	6.83
2002-03	5.02	7.66
2003-04	5.16	8.52
2004-05	6.41	10.45
2005-06	7.98	11.50
2006-07	9.66	11.60
2007-08	9.91	12.19
2008-09	11.83	14.08
2009-10	9.70	12.62
2010-11	9.47	13.70
2011-12	12.34	15.74
2012-13	13.19	15.06

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 8 explains that the share of bulk-imports and non-bulk imports in the Gross Domestic Product. It is required to analyse the country's capacity to import is diverted to which type of products whether necessary items or inessential items. In the year 1990-91, bulk imports registered 3.66 per cent of GDP and it increased tremendously to 13.19 per cent. Since bulk imports include consumption goods like cereals, pulses, etc, its share as percentage of GDP has increased continuously but slowly. It is because

India attained self-sufficiency in agricultural products and no need to import from others, but at the same time India imports more of petroleum products, so this percentage has increased over the study period. Whereas non-bulk imports as a share of GDP has increased tremendously from 4.46 per cent in 1990-91 to 15.06 per cent in 2012-13. Because, non-bulk imports include capital goods which are essential for development projects and for industrialization. Even now India is not acquired the place of Industrialised economy and need to go more to achieve this, it need s to import more of capital goods. So this percentage has continuously increasing.

Trade Balance and Terms of Trade

Table 9
Trade Deficit and Terms of Trade in India from 1990-91 to 2012-13

Year	Trade Balance (Exports-Imports)	Terms of Trade (Imports/Exports)*100
1990-91	-269.57	132.67
1991-92	-84.90	108.65
1992-93	-177.78	115.88
1993-94	-62.33	104.80
1994-95	-462.76	133.02
1995-96	-253.61	115.35
1996-97	-289.77	116.92
1997-98	-325.47	118.50
1998-99	-482.68	127.61
1999-00	-675.62	134.89
2000-01	-320.47	113.41
2001-02	-429.28	118.19
2002-03	-461.45	116.49
2003-04	-694.95	122.41
2004-05	-1257.26	133.50
2005-06	-1957.22	144.69
2006-07	-2422.90	147.00
2007-08	-3031.26	154.35
2008-09	-4184.73	163.48
2009-10	-3830.88	161.29
2010-11	-3597.60	145.89
2011-12	-5520.74	160.00
2012-13	-6039.34	163.47

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 9 exhibits the trade balance and terms of trade during the study period i.e. from 1990-91 to 2012-13. During the entire study period, India's imports have exceeded her exports; the size of trade deficit has been continuously increasing. The annual deficit averaged Rs. 269 crores over 1990-91. During 2012-13 trade deficit has been estimated at Rs. 6039 crores. In 2003-04 the trade deficit accounts for Rs.694 crores and it was doubled in the next year i.e. Rs. 1257 crores. After 2004-05 the trade deficit increasing at the faster rate and it may due to the unfavourable terms of trade. The terms of trade in 1990-91 was 132.67 and further in the next year it was reduced to 108.65 and shows the positive trend. A favourable terms of trade is associated with the less trade deficit and unfavourable terms of trade is also

associated with the huge trade deficit during the study period. After 2004-05 both trade deficit and terms of trade are in the worst situation due to rupee value depreciation and international market situation.

Composition of Foreign Trade

Table 10
Composition of Total Exports of India from 1990-91 to 2012-13

Year	Percentage Share in Total Exports				Total
	Primary Products	Manufactured Goods	Petroleum Products	Others	
1990-91	23.83	71.63	2.88	1.66	100.0
1991-92	23.13	73.60	2.32	0.95	100.0
1992-93	22.16	74.35	2.52	0.97	100.0
1993-94	22.10	74.90	1.79	1.21	100.0
1994-95	19.80	77.49	1.58	1.13	100.0
1995-96	22.82	74.69	1.43	1.06	100.0
1996-97	24.01	73.54	1.44	1.01	100.0
1997-98	21.96	75.83	1.01	1.20	100.0
1998-99	20.86	77.64	0.27	1.23	100.0
1999-00	17.72	80.70	0.11	1.47	100.0
2000-01	15.99	77.05	4.20	2.76	100.0
2001-02	16.47	75.74	4.60	3.19	100.0
2002-03	16.51	76.34	4.89	2.26	100.0
2003-04	15.51	75.96	5.59	2.94	100.0
2004-05	16.22	72.70	8.37	2.71	100.0
2005-06	15.89	70.39	11.29	2.43	100.0
2006-07	15.58	67.20	14.78	2.44	100.0
2007-08	16.91	63.21	17.41	2.47	100.0
2008-09	13.86	67.37	14.68	4.09	100.0
2009-10	14.81	64.63	15.72	4.84	100.0
2010-11	12.97	62.38	17.31	7.34	100.0
2011-12	15.01	60.62	18.28	6.09	100.0
2012-13	15.37	61.13	20.04	3.46	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 10 shows that the composition of exports in India during the study period. The share of primary products to total exports was 23.83 per cent in 1990-91 and it was 15.37 per cent in 2012-13. It attained the maximum in the year 1996-97 i.e. 24.01 per cent. It is revealed that the share of primary products exports to total exports has reduced sharply and continuously during the study period. Manufactured products exports share in total exports also reduced continuously from 71.63 per cent in 1990-91 to 61.13 per cent. Still it maintains its place in the total exports. The share of manufactured exports to total exports was at maximum in 1999-2000 i.e. 80.7 per cent. The share of petroleum products to total exports was only 2.88 per cent in 1990-91 and increased tremendously to 20.04 per cent in 2012-13. After 2004-05, the petroleum products exports share to total exports increased at the faster rate. Petroleum products exports reap it importance in the recent years at the same time primary products and manufactured goods loss their importance in the total exports. Other exports constitute only 1.66 per cent in 1990-91 and it reached its maximum in 2010-11 with 7.34 per cent. It also acquired important place in the total exports.

Table 11
Composition of Exports of Primary Products of India from 1990-91 to 2012-13

Year	Percentage Share in Exports of Primary Products		
	Agriculture And Allied Products	Ores and Minerals	Primary Products
1990-91	77.58	3.12	100.0
1991-92	77.50	22.50	100.0
1992-93	74.95	17.59	100.0
1993-94	81.94	18.07	100.0
1994-95	81.04	18.95	100.0
1995-96	83.81	16.19	100.0
1996-97	85.41	14.59	100.0
1997-98	86.20	13.80	100.0
1998-99	87.10	12.90	100.0
1999-00	85.96	14.04	100.0
2000-01	83.82	16.18	100.0
2001-02	82.37	17.65	100.0
2002-03	77.07	22.93	100.0
2003-04	76.08	23.92	100.0
2004-05	62.53	37.47	100.0
2005-06	62.37	37.63	100.0
2006-07	64.43	35.57	100.0
2007-08	66.90	33.10	100.0
2008-09	69.21	30.79	100.0
2009-10	67.18	32.82	100.0
2010-11	73.70	26.30	100.0
2011-12	81.60	18.40	100.0
2012-13	87.97	12.03	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 11 reveals that the composition of exports of primary products in India during the study period. The share of agriculture and allied product to total agriculture exports was 77.58 per cent in 1990-91 and it was 87.97 per cent in 2012-13 which is the maximum among all the years. It is to be noted that its share does not lower below the 60 per cent. It reveals that in the primary products exports agriculture and allied products has prominent place than the ores and minerals. Ores and minerals exports share in primary products exports increased continuously from 3.12 per cent in 1990-91 to 32.82 per cent in 2009-10. After that it started to decline due to more share of agriculture and allied products to primary products exports. Still it maintains its place in the total primary products exports. The share of ores and minerals to total primary product exports reached its maximum in the year 2005-06 with 37.63 per cent.

Table 12
Composition of Exports of Manufactured Products of India from 1990-91 to 2012-13

Year	Percentage Share in Exports of Manufactured Products							Total
	Leather & Manufactured	Chemicals & Related Products	Engineering Goods	Textile & Textile Products	Gems & Jewellery	Handicrafts	Other Manufactured Goods	
1990-91	11.15	13.3	17.32	30.11	22.01	1.65	4.46	100.0
1991-92	9.65	14.21	17.14	35.69	20.82	1.84	0.65	100.0
1992-93	9.1	12.72	17.67	35.67	21.88	1.97	0.99	100.0
1993-94	7.8	14.27	18.24	32.85	23.99	1.91	0.94	100.0
1994-95	7.89	15.03	17.19	34.88	22.06	1.89	1.06	100.0
1995-96	7.38	15.15	18.49	33.82	22.21	1.83	1.12	100.0
1996-97	6.53	15.9	20.16	35.09	19.31	1.93	1.08	100.0
1997-98	6.24	16.56	20.1	34.09	20.14	1.98	0.89	100.0
1998-99	6.44	15.54	17.31	33.38	23.98	2.46	0.89	100.0

1999-00	5.35	15.84	17.34	33.06	25.25	2.25	0.91	100.0
2000-01	5.66	17.14	19.86	32.87	21.51	1.93	1.03	100.0
2001-02	5.72	18.14	19.59	32.39	21.2	1.9	1.06	100.0
2002-03	4.59	18.52	22.44	28.87	22.44	1.85	1.29	100.0
2003-04	4.46	19.48	25.58	26.38	21.8	1.03	1.27	100.0
2004-05	3.99	20.49	28.57	22.32	22.66	0.62	1.35	100.0
2005-06	3.72	20.35	29.93	22.6	21.4	0.64	1.36	100.0
2006-07	3.55	20.41	34.82	20.46	18.81	0.36	1.59	100.0
2007-08	3.4	20.58	36.28	18.86	19.11	0.49	1.28	100.0
2008-09	2.89	18.44	38.4	16.25	22.7	0.24	1.08	100.0
2009-10	2.92	19.89	33.23	17.24	25.17	0.2	1.35	100.0
2010-11	2.48	18.27	36.8	15.33	25.62	0.16	1.34	100.0
2011-12	2.59	20.01	36.58	15.12	24.18	0.15	1.37	100.0
2012-13	2.65	21.73	35.55	14.88	23.66	0.11	1.42	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 12 reveals that the composition of exports of manufactured products in India during the study period. The share of leather and manufactured to total manufactured exports was 11.15 per cent in 1990-91 and it was reduced to 2.65 per cent in 2012-13. It was continuously reduced. The share of chemicals and related products to total exports was continuously increasing from 13.3 per cent in 1990-91 to 21.73 per cent in 2012-13. Like that the share of engineering goods to total exports was also increasing tremendously from 17.32 per cent in 1990-91 to 36.58 per cent in 2011-12 and reduced to 35.55 per cent, yet it has 1/3 share in total manufactured exports. In the initial years, textile and textile product has important place in total manufactured exports and later its importance has been reduced. The share of textile and textile products to total manufactured exports was 30.11 per cent in 1990-91 and reduced to 14.88 per cent in 2012-13. The share of Gems and Jewellery in total manufactured exports is consistent over the study period. It was 22.01 per cent in 1990-91 and 23.66 per cent in 2012-13. The share of Handicrafts in total manufactured exports was also reduced from 1.65 per cent in 1990-91 to 0.11 per cent in 2012-13. Like that the share of other manufactured exports in total manufactured exports was also reduced from 4.46 per cent in 1990-91 to 1.42 per cent in 2012-13.

Table 13
Composition of Total Imports of India from 1990-91 to 2012-13

Year	Percentage Share in Total Imports		
	Bulk-imports	Non-bulk Imports	Total
1990-91	45.06	54.94	100.00
1991-92	44.11	55.89	100.00
1992-93	44.09	55.91	100.00
1993-94	39.10	60.90	100.00
1994-95	50.51	49.49	100.00
1995-96	39.03	60.97	100.00
1996-97	41.82	58.18	100.00
1997-98	35.65	64.35	100.00
1998-99	31.21	68.79	100.00
1999-00	39.55	60.45	100.00
2000-01	41.19	58.81	100.00
2001-02	39.41	60.59	100.00
2002-03	39.57	60.43	100.00
2003-04	37.70	62.30	100.00

2004-05	38.02	61.98	100.00
2005-06	40.95	59.05	100.00
2006-07	45.46	54.54	100.00
2007-08	44.84	55.16	100.00
2008-09	45.65	54.35	100.00
2009-10	43.47	56.53	100.00
2010-11	40.88	59.12	100.00
2011-12	43.93	56.07	100.00
2012-13	46.70	53.30	100.00

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 13 shows that the composition of imports in India during the study period. The share of bulk-imports to total imports was 45.06 per cent in 1990-91 and it was 46.7 per cent in 2012-13. It attained the maximum in the year 1994-95 i.e. 50.51 per cent. Its share to total imports is more or less consistent over the study period, as its main component in the initial years was basic consumption goods and later on petroleum products took that place. The share of non-bulk-imports to total imports was 54.94 per cent in 1990-91 and it was 53.3 per cent in 2012-13. It attained the maximum in the year 1998-99 i.e. 68.79 per cent. Its share to total imports is also more or less consistent over the study period, its main component in the initial years was capital goods which required for development programmes and later on gold has more important place in this category of imports.

Table 14
Composition of Bulk Imports of India from 1990-91 to 2012-13

Year	Percentage Share in Bulk-Imports			Total
	Petroleum and Crude Products	Bulk Consumption Goods	Other Bulk Items	
1990-91	55.57	5.12	39.31	100.0
1991-92	62.19	3.21	34.61	100.0
1992-93	61.34	5.25	33.40	100.0
1993-94	63.14	3.59	33.27	100.0
1994-95	33.51	6.47	60.02	100.0
1995-96	52.58	6.78	40.65	100.0
1996-97	61.33	7.42	31.25	100.0
1997-98	55.20	10.08	34.72	100.0
1998-99	48.36	19.08	32.56	100.0
1999-00	64.19	12.30	23.50	100.0
2000-01	75.18	6.93	17.88	100.0
2001-02	69.09	10.08	20.82	100.0
2002-03	72.59	9.92	17.49	100.0
2003-04	70.48	10.43	19.09	100.0
2004-05	70.39	7.32	22.29	100.0
2005-06	71.97	4.53	23.50	100.0
2006-07	67.68	5.09	27.24	100.0
2007-08	70.64	4.08	25.28	100.0
2008-09	66.93	3.65	29.42	100.0
2009-10	69.44	7.21	23.34	100.0
2010-11	70.07	5.86	24.06	100.0
2011-12	72.11	5.42	22.47	100.0
2012-13	73.74	6.20	20.06	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 14 shows that the composition of bulk-imports in India during the study period. The share of petroleum and crude products to bulk imports was 55.57 per cent in 1990-91 and it was increased tremendously to 73.74 per cent in 2012-13. It attained the maximum in the year 2000-01 i.e. 75.18 per cent. Its share to bulk imports is higher than the other components. The share bulk-consumption goods to bulk imports was very meager amount i.e. only 5.12 per cent in 1990-91 and it was 6.2 per cent in 2012-13. It attained the maximum in the year 1998-99 i.e. 19.08 per cent. Other bulk-items also constitute the important place in the bulk imports with the share of 39.31 per cent in 1990-91 and with 20.06 per cent in 2012-13. It is revealed from the analysis that the petroleum products constitute more share in bulk imports as well as in total imports in the last decade.

Table 15
Composition of Non-Bulk Imports of India from 1990-91 to 2012-13

Year	Percentage Share in Non-Bulk-Imports			Total
	Capital Goods	Mainly Export Related Items	Others	
1990-91	44.13	27.83	28.05	100.0
1991-92	39.02	33.01	27.97	100.0
1992-93	37.04	33.91	29.05	100.0
1993-94	43.98	30.91	25.11	100.0
1994-95	44.06	24.90	31.03	100.0
1995-96	46.20	23.51	30.29	100.0
1996-97	43.58	26.96	29.46	100.0
1997-98	36.70	25.90	37.40	100.0
1998-99	34.52	24.46	41.03	100.0
1999-00	29.86	30.37	39.77	100.0
2000-01	30.08	27.11	42.80	100.0
2001-02	31.72	26.52	41.76	100.0
2002-03	36.37	27.79	35.84	100.0
2003-04	37.54	26.12	36.34	100.0
2004-05	36.37	24.73	38.90	100.0
2005-06	42.76	21.16	36.07	100.0
2006-07	46.46	17.64	35.90	100.0
2007-08	50.55	14.97	34.48	100.0
2008-09	44.23	19.66	36.11	100.0
2009-10	40.53	19.24	40.22	100.0
2010-11	35.96	24.54	39.50	100.0
2011-12	36.16	18.91	44.93	100.0
2012-13	34.92	17.89	47.19	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 15 exhibits that the composition of non-bulk-imports in India during the study period. The share of capital goods to non-bulk imports was 44.13 per cent in 1990-91 and it was reduced to 34.92 per cent in 2012-13. It attained the maximum in the year 2007-08 i.e. 50.55 per cent. Its share to non-bulk imports in the initial years of study period was high because of development strategy followed by India. The share of mainly export related items to non- bulk imports was 27.83 per cent in 1990-91 and it was 17.89 per cent in 2012-13. It attained the maximum in the year 1992-93 i.e. 33.91 per cent. Other non-bulk-items constitute very important place in the last decade with the share of only 28.05 per cent in 1990-91 and with 47.19 per cent in 2012-13. Its share increased tremendously from 1998-99. It is revealed from the

analysis that the other non-bulk items constitute more share in non-bulk imports as well as in total imports next to the petroleum and crude products in the last decade, since it includes gold as its component. In recent decade, people's investment strategy shifted towards gold and India also faced the problem of current account deficit due to this trend.

Direction of Foreign Trade

Table 16
Direction of Exports from India to Principal Countries

Year/ Country	OECD	OPEC	Developing Countries	Eastern Europe	Others	Total
1990-91	58.16	5.79	17.58	18.40	0.06	100.0
1991-92	59.23	8.95	20.56	11.19	0.07	100.0
1992-93	62.07	9.90	23.45	4.51	0.07	100.0
1993-94	57.91	10.91	26.54	4.59	0.05	100.0
1994-95	59.60	9.38	26.89	4.08	0.06	100.0
1995-96	56.49	9.83	29.34	4.28	0.06	100.0
1996-97	56.48	9.82	30.47	3.16	0.07	100.0
1997-98	56.23	10.20	29.74	3.70	0.13	100.0
1998-99	58.15	10.75	27.81	3.18	0.12	100.0
1999-00	57.32	10.58	28.41	3.51	0.18	100.0
2000-01	52.68	10.88	29.20	2.96	4.28	100.0
2001-02	49.34	11.92	30.88	2.86	5.00	100.0
2002-03	50.04	13.06	33.88	2.37	0.65	100.0
2003-04	46.41	14.95	35.69	2.44	0.52	100.0
2004-05	43.69	15.81	37.82	2.13	0.55	100.0
2005-06	44.46	14.79	38.55	1.92	0.29	100.0
2006-07	41.16	16.38	40.17	1.99	0.30	100.0
2007-08	38.45	16.37	42.71	2.08	0.39	100.0
2008-09	61.78	35.08	2.85	0.08	0.20	100.0
2009-10	60.85	35.71	3.15	0.08	0.20	100.0
2010-11	58.68	37.67	3.08	0.09	0.49	100.0
2011-12	61.43	34.47	3.55	0.09	0.47	100.0
2012-13	59.41	36.34	3.93	0.12	0.20	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 16 reveals that the direction of India's exports to principal countries. It is revealed that during the entire study period, OECD countries were the main destination for the India's exports. OECD countries include European Union countries, North American countries and Asia Oceania countries. For most of the years these countries constitute more than 50 per cent of total exports of India. In the year 1992-93, the share of these countries to total exports of India was 62.07 per cent which was the maximum among all the years of the study period. In the year 2007-08 this group registered a low percentage among all the years, i.e. only 38.45 per cent only. In the initial years developing countries were in the second place of India's exporters and reduced in the recent years to very meager amount i.e. less than 4 per cent after 2008-09. In the initial years of the study period, OPEC countries were only next to the developing countries i.e., in the third place. Yet their share continuously increased. After 2008-09, their share becomes to the second place next to the OECD countries. The share of other countries was less than

one per cent except 2001-02 and 2002-03. Eastern European countries share in India's total exports was continuously reduced from 1990-91 to till 2012-13. It is revealed from the analysis that OECD countries were the major destination for India's exports and also there is a slight change in the direction of India's exports also.

Table 17
Direction of Imports to India from Principal Countries

Year/ Country	OECD	OPEC	Developing Countries	Eastern Europe	Others	Total
1990-91	57.22	16.30	18.65	7.82	0.01	100.0
1991-92	54.21	19.69	20.99	5.11	0.01	100.0
1992-93	56.07	21.83	19.56	2.53	0.00	100.0
1993-94	56.14	22.40	19.03	2.42	0.01	100.0
1994-95	51.41	21.12	24.08	3.38	0.01	100.0
1995-96	52.38	20.86	22.20	4.56	0.01	100.0
1996-97	49.72	25.95	21.50	2.82	0.01	100.0
1997-98	47.98	24.32	24.81	2.88	0.01	100.0
1998-99	44.44	21.04	32.17	2.34	0.01	100.0
1999-00	42.95	25.84	29.20	2.00	0.01	100.0
2000-01	39.89	5.32	22.08	1.68	31.03	100.0
2001-02	40.15	5.77	24.85	1.84	27.39	100.0
2002-03	37.94	5.67	25.55	1.86	28.99	100.0
2003-04	37.84	7.18	26.32	2.08	26.58	100.0
2004-05	35.86	8.99	25.65	2.25	27.25	100.0
2005-06	34.72	7.49	25.40	2.54	29.84	100.0
2006-07	34.48	30.19	32.19	2.70	0.44	100.0
2007-08	34.78	30.26	32.07	2.09	0.80	100.0
2008-09	48.51	49.06	2.24	0.15	0.03	100.0
2009-10	49.21	48.28	2.32	0.15	0.03	100.0
2010-11	46.52	51.00	2.29	0.11	0.08	100.0
2011-12	44.87	52.69	2.30	0.12	0.02	100.0
2012-13	40.78	56.55	2.50	0.14	0.03	100.0

Source: Computed from the Secondary Data obtained from Hand Book of Statistics on Indian Economy – 2013-14

Table 17 reveals that the direction of India's imports from principal countries. It is revealed that during the entire study period, Like exports, OECD countries were the main source for the India's imports. For most of the years these countries constitute more than 50 per cent of total exports of India. In the year 1993-94, the share of these countries to total imports of India was 56.14 per cent which was the maximum among all the years of the study period. In the year 2006-07 this group registered a low percentage among all the years, i.e. only 34.48 per cent only. In the initial years developing countries and OPEC countries were more or less in the same position with almost equal share in India's total imports. But in the recent years, the share of developing countries to India's total imports was very meager amount i.e. less than 3 per cent after 2008-09. Eastern European countries registered less share among all the years when compared to OECD and OPEC countries. Others constitute less than one per cent except the period from 2000-01 to 2005-06 and it is to be noted than during the same period the share of OPEC countries were reduced tremendously. It is revealed from the analysis that OECD countries were the major source for India's imports and also there is a change in the direction of India's imports.

Suggestion and Conclusion

The study also indicates that post reform period has certainly helped India in achieving high growth in the economy. There is rapid growth of imports of capital goods, technical raw materials to meet the requirement of industrialization. Growing imports of petroleum products are important to meet industrial and consumption requirement. For the exports, some commodities have good exports potential (Engineering products, Petroleum Products and Gems and Jewellery) and other items of exports (Agriculture and allied Products and Ores and Minerals) fluctuated considerably. Major portion Indian imports consists of fuels, capital goods chemicals etc. Major portion of Indian exports are in manufactured goods.

The composition of India's foreign trade reflects, to a great extent, the structural changes that the Indian economy has undergone over the study period. It is no longer an exporter of primary commodities and an importer of manufactured goods. It exports manufactured goods and imports raw materials, intermediate goods and capital goods.

During the study period, significant changes have been observed in the volume, composition and direction of trade. Although most of these changes have been in consonance with the development needs of the economy, one problem need immediate attention that the problem of deficits in the balance of trade. Growing trade deficits did pose problems of resource mobilization for the Indian planners till the recent past and therefore need to be monitored continuously.

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