



ISSN: 2249-894X
 IMPACT FACTOR : 5.7631 (UIF)
 UGC APPROVED JOURNAL NO. 48514
 VOLUME - 8 | ISSUE - 8 | MAY - 2019



COMPOSITION OF FOREIGN TRADE OF INDIA: PRE AND POST LIBERALISATION

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ABSTRACT:

The foreign trade of India have under gone a complete change in terms of composition and direction. The structure of India's foreign trade reflected the systematic exploitation of country by foreign rulers. The composition of foreign trade of any country imply in the composition of exports and imports. On examination of the composition of the foreign trade of a country enables us to analyse the progress of that country and the rate and speed of structural changes operating in it. India's efforts at diversification of exports and imports baskets and exports and imports markets are in the desirable directions. The major portion of Indian imports consists of

fuels; capital goods chemicals etc and the major portion of Indian exports are manufactured goods. The composition of India's exports has grown significantly the exports of tea, coffee, spices, tobacco, leather, iron and ore, petroleum and chemical have shown a considerable increasing trend. The composition of India's imports has grown up significantly. It has also positive and increasing trends during the entire period of the study. The share of imports of yarn made up electronic manufacturers of metals, crude, copper, medicinal and pharmaceutical products, transport equipment has increased significantly. The imports of food grains and consumer goods have decline due to adoption HYM technology in Indian agriculture as India's share in the world. In this research paper an efforts have been made to study the composition of imports and exports of principal commodities and to draw inference and make suggestions.

KEYWORDS: Foreign trade, composition, Export performance, economic growth, pre and post-liberalization period.

OBJECTIVES

1. To study the composition of imports and exports of principal commodities.
2. To draw inference and make suggestion.

RESEARCH METHODOLOGY

Data required for the analysis of different periods are collected from 1970-71 - 1990-91 and 1991-92 - 2010-

11. Secondary data was collected from books, articles, Annual reports and monthly report, RBI, World bank, Economic & Political weekly, Economic survey-ministry of finance and internet, etc.

Review Of Literature

Massell (1964) examined the relationship between export concentration and fluctuations in export earnings in a cross sectional, analysis of data for thirty six countries. He carried out a regression analysis using export instability as dependent variable and primary product ratio, degree of industrialization and

diversification as independent variables. The results of multiple regressions revealed insignificant relationship. His investigation provided little support for industrialization as a method of reducing instability. An insignificant but "negative" association between geographical concentration and export instability was established. The study further revealed a direct but insignificant relationship between instability and commodity concentration.

NCAER (1969) studied under the chairmanship of Shri Manubhai Shah the export strategy of

India's. It attempted to highlight the problems associated with Indian export trade, and identified possible solutions including policy changes so as to increase export earnings. It concluded that even if import liberalization was to be continued under worst circumstances, to help exporters get raw material in case of non-availability due to monsoon, rising internal demand or accidental loss of indigenous production the linkage would be in conservancy with that policy so far it will help to restore the market forces further. This inherent inconsistency of the study group led to half-hearted pursuance of export promotion measures which in turn resulted in less than optimum export earnings.

De Rosa and Goldstein (1981) examined the effect of changes in import competition on the domestic pricing behaviour of U.S. manufacturing industries from 1972 to 1976. The results show that increase in import penetration restrain the inflation rate in US manufacturing sector. So, import penetration affects not only profit rates but price behaviour also in expected direction. He concludes that import discipline is stronger in higher concentrated industries than less concentrated ones. The effect of import penetration on domestic price changes is small as compared to effect of unit cost changes and excess demand conditions. These effects are considerably larger when the two stages least square method is used and when import penetration is measured in value terms.

Lopez and Rodrik (1989) examined the impact of trade restrictions of imported inputs on trade balance. The study used the average import composition of large samples of developing countries in Africa, Asia and Latin America over the 1975-85 periods. According to the results, when imports are predominantly intermediate inputs (as they are in most developing countries) import restriction acts as a supply shock to the economy. The paper concludes that net effect of a small tariff remains ambiguous. It leads to negative income effect in terms of, increased domestic price of imported inputs.

Mani (1991) examined whether the import dependence of Indian Industrial Sector has increased in post liberalization phase compared to the earlier period. The period 1986-87 to 1988-89 is considered as post-liberalization phase. He examined three industrial groups, cotton and blended textiles, aluminium and basic Industrial chemicals, have registered high growth rates of over 50 percent. The study concludes that all three measures of import dependence have shown an increase in post liberalization phase.

Samhuri (1994) attempted to examine the impact of post 1973 International Monetary System on the developing countries in terms of flexible exchange rates and export instability. The study covers the thirteen years period and includes 54 LDCs. The study concluded that majority of the LDCs experienced an increase in their export instability after 1973.

Prasad (1997) examined the impact of economic reforms on exports of India and came to the conclusion that during 1990-1991 to 1994-1995, India experienced a high growth compared to growth rates of world exports. The study also revealed that the growth in the values of exports from India was mainly due to growth in quantity of exports and not due to real increase in unit values. This showed that Indian exports were becoming more competitive in terms of prices.

Patibandla and Ghemawat (1998) analyzed the impact of economic reforms undertaken in 1991 on India's exports especially on three successful industries namely diamonds, garments and software. Analyzing each industry performance and future prospects, they found that the economic reforms have enhanced India's competitiveness in labour and skill intensive industries, reduced the dependence of competitive industries in inefficient domestic supplies and infrastructure and enhanced domestic competitive conditions. Economic reforms lead to considerable increase in exports which grew at an annual rate of 22% in rupee term between 1990-91 and 1996-97. The study also suggested that reform process should continue and be extended deepened further.

Mallampally and Sauvany (1999) analysed the growth and significance of foreign direct investment in developing countries during 1980-1997. During 1980-97, global FDI outflows increased at an average rate of about 13 percent a year. Developing countries' share in total FDI inflows rose from 26 percent in 1980 to 37 percent in 1997 and their share in total outflows rose from 3 percent in 1980 to 14 percent in 1997. According to them, what is likely to be more critical in attracting foreign direct investment into the developing countries in the future is the distinctive combination of locational advantages and, especially, created assets that a country or region can offer potential investors.

Dholkia and Kapur (2001) analysed the economic reforms and trade performance for private corporate sector in India. It is based on data for five hundred fifty seven firms for the period of 1980-81 to 1995-96. The companies are divided into exporting and non-exporting groups. Thus, concluded that, Indian exports from private corporate sectors are more import intensive and also showed dependence of exporting companies on imports. So it is concluded that import liberalisation acts as an important measure of export promotion.

Bhasin N. (2005) conducted a study on external sector reforms in India and observed that reform measures have succeeded in reducing the current account deficit well within the sustainable level for India. The study also reveals that the greatest challenge facing the Indian economy is to enhance its productivity and competitiveness so as to achieve a sustained growth in exports of goods and services. It was suggested that this would need an expanding production base of tradable goods and services, which is able to withstand external competition.

Nandi and Kumar (2005) examined the inter relationship between exports and imports in the context of liberalization of Indian economy. The study concluded that increased openness of Indian economy increases imports, which ensures more efficient allocation of resources through specialization and efficient exploitation of comparative advantage.

Sharma and Dietrich (2007) analysed empirically structural change in the Indian manufacturing based export sector during the period 1980-2000 by using trade indices such as Balassa's Revealed Comparative Advantage (RCA) index, and other variants commonly employed in the literature are used. Three technology categories (high technology, medium technology, and low technology) are analysed individually. The results of the study indicate towards substantial industrial restructuring in manufactured exports. It also indicates towards de-specialization within India's manufactured exports for the time period studied, which is consistent with increasing specialization in a subset of manufactured exports.

Pillania (2008) observed that Indian foreign trade has progressed a lot over the last sixty years since independence. The period was divided into three sub-periods of 1950-1970, 1971-1991 and post 1991. He concluded that India services exports share in global exports is more than double of that of Indian manufacturing exports. In terms of direction, it is now more distributed around the world and the share of East Asian countries has risen in overall trade. Looking at the large size of the economy, the high growth rates and small share in world trade; with the help of economic theories, and there is huge untapped potential for Indian foreign trade in years to come.

Kaundal, K. and Sharma, M. (2010) examined that the levels of India's exports of principal groups and principal agricultural products have shown variation in exports. It was concluded that primary products growth rate was higher than the manufactured products exports. The study suggested that prospect of future growth in the export of agricultural commodities lies in the commodities with high growth and low instability.

Kaur (2012) examined the pattern of India's foreign trade in pre & post reform era and analyzed that the composition of India's exports has grown up significantly the exports of tea, coffee, spices, tobacco, leather, iron and ore, petroleum and chemical have shown a considerable increasing trend. The composition of India's imports has grown up significantly and showed a positive and increasing trend during the period under study. The study also indicates that post liberalization era has certainly helped India in achieving high growth in the economy. Rapid growth of imports of capital goods and technical raw materials to meet the requirement of industrialization, growing imports of petroleum products for meeting industrial as well as consumption requirement. For the exports some commodities have good exports potential (handicrafts, engineering product, readymade) and other items of exports (Sugar, Jute, Iron, and Steel) fluctuated considerably. Major portion Indian imports consists of fuels, capital goods chemicals etc., major portion of Indian exports is manufactured goods.

Veeramani (2012) analyzed the growth and pattern of India's merchandise exports during the post-reform period (1993-94 to 2010-11). The first decade after reforms (from 1993-94 to 2001-02) was characterized by a relatively low export growth rate of 8% a year, while the second decade (from 2002-03 to 2010-11) stands apart for its strong growth of 21% a year.

INTRODUCTION

India's foreign trade has under gone a complete change in terms of composition and direction. The structure of India's foreign trade reflected the systematic exploitation of country by foreign rulers. The exports cover a wide range of traditional and non- traditional items, while imports consist mainly of capital goods, petroleum product, raw material and chemicals to meet the ever increasing needs of developing and diversifying economy. The composition of foreign trade of any country imply in the composition of exports and imports. On examination of the composition of the foreign trade of a country enables us to analyse the progress of that country and the rate and speed of structural changes operating in it. If we closely examine the country in question imports food-grains and raw material but exports finished goods, machinery and capital equipment that conclude that it has reached high level of economic development. On the other hand, if it exports primary good commodities like jute, tea, raw cotton, sugar etc, but imports capital equipment's and machinery, finished goods etc then we can conclude that the country is under developed one and the speed of such country changes its pattern of trade (leading to a percentage decline in imports of manufactured products and percentage increase in the exports of such products) is often taken by economists as an indication of the pace of development of the country.

COMPOSITION OF IMPORTS

Imports of India are in two ways, one way of classifying importable products is into bulk imports and non-bulk imports. Bulk imports in crude petroleum, oil and lubricants (POL), and NON-POL items such as consumption goods, fertilizers and iron and steel. Non bulk items include electrical and non-electrical machinery, pearls, precious and semi-precious stones and other items.

Table-1
India's Imports of Principal Commodities (US\$ million)

Sr. No.	Commodities	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
I.	Food and live animals chiefly for food (excl. cashew raw) of which:	449	321	481	-	-	-
I.1	Cereals and cereal preparations	380	282	127	102	20	119
II.	Raw materials and intermediate manufactures	1105	1176	1234 1	-	-	-
II.1	Cashewnuts (unprocessed)	-	39	11	75	211	578
II.2	Crude rubber (including synthetic and reclaimed)	23	5	40	126	152	1771
II.3	Fibres of which:	212	168	208	-	-	-
II.3.1	Synthetic and regenerated fibres (man-made fibres)	-	12	122	31	60	210
II.3.2	Raw wool	2	20	55	102	100	315
II.3.3	Raw cotton	172	131		0	259	137
II.3.4	Raw jute	17	0	1	11	18	67
II.4	Petroleum, oil and lubricants	145	180	6656	6028	1565 0	1059 64
II.5	Animal and vegetable oils and fats of which:	10	51	896	-	-	-
II.5.1	Edible oils	8	31	857	182	1334	6551
II.6	Fertilizers and chemical products of which	185	286	1884	-	-	-
II.6.1	Fertilizers and fertilizer mfg	27	113	1034	984	664	6885
II.6.2	Chemical elements and compounds	82	90	453	1276	338	2914

II.6.3	Dyeing, tanning and colouring material	2	12	26	94	191	1178
II.6.4	Medicinal and pharmaceutical products	21	32	107	261	377	2436
II.6.5	Plastic material, regenerated cellulose and artificial resins	19	11	154	610	558	6874
II.7	Pulp and waste paper	15	16	23	255	282	1145
II.8	Paper, paper board and manufactures thereof	25	33	236	254	439	2111
II.9	Non-metallic mineral manufactures of which	13	44	702	-	174	-
II.9.1	Pearls, precious and semiprecious stones, unworked or worked	2	33	527	2083	4838	34620
II.10	Iron and steel	258	194	1078	1178	781	10376
II.11	Non-ferrous metals	99	158	604	614	539	46677
III.	Capital goods	747	534	2416	5833	5534	50907
III.1	Manufactures of metals	48	12	113	168	391	3332
III.2	Non-electrical machinery apparatus and appliances including machine tools	426	341	137	2363	3703	26111
III.3	Electrical machinery, apparatus and appliances	120	93	328	949	487	3845
III.4	Transport equipment	151	88	597	931	953	11467
	Total Imports	2353	2162	15869	24075	51413	369769

Sources: Ministry of Finance, Government of India, Indian Economic Survey, 2017-18. P.A102-103

The table-1 shows that the total imports in 1970-71 were 2162 \$ million which increased to 15869 \$ million in 1980-81 further increased to 24075 \$ million in 1990-91. There was a large increase in imports from 51413 \$ million in 2000-01 to 36979 \$ million in 2010-11. Imports of food and live animal have declined sharply. Imports of cereals and cereal preparation was 282 \$ million in 1970-71 which decreased to 127 \$ million in 1980-81, further decrease to 102 \$ million in 1990-91 followed by 20 \$ million in 2000-01 which increased to 119 \$ million in 2010-11. Study also indicates that imports of raw material and intermediate increased from 1105 \$ million in 1960-61 to 1176 \$ million in 1970-71 and then further 12341 \$ million in 1980-81. Imports of cashew nuts was 39 \$ million in 1970-71 which decreased to 11 \$ million in 1980-81. Further rise to 75 \$ million in 1990-91 and after post liberalization period it rose to 211 \$ million in 2000-01, followed by 578\$ million in 2011-12. Table 4.8 also indicates that the raw wool was 2 \$ million in 1960-61 which rose to 120 \$ million in 1970-71, but after post- liberalization rose to 102 \$ million in 2000-01, further rose to 350\$ million in 2010-11. There is a gradual increase of import of raw jute which was 11 \$ million in 1990-91 which increased to 18 \$ million in 2000-01 and further increased to 67 \$ million in 2010-11. Imports of petroleum and lubricants was 145 \$ million in 1960-61 which further increased to 180 \$ million in 1970-71 , followed by 6656 \$ million in 1988-81, in 2000-01 it increased to 15650 \$ million and further increased to 105964 \$ million in 2010-11. There was a drastic increase in imports of edible oils which was 8 \$ million in 1960-61 which increased to 31 \$ million in 1970-71 followed by 857 \$ million in 1980-81. After post liberalization i.e. in 2000-01 it was 1334 \$ million followed by 6551 \$ million in 2010-11. Imports of chemical elements and compounds also increased at very faster ratio. It was 90 \$ million in 1970-71 which rose to 453 \$ million in 1980-81 further increased to 1276 \$ million in 1990-91 and 2914 \$ million in 2010-11. Imports of Pulp and waste paper was 15 \$ million in 1960-61 which increased to 23 \$ million in 1980-81 and 255 \$ million in 1990-91. After post Reform period it was 282 \$ million in 2000-01 which further increased to 1145 \$ million in 2010-11. Import expenditure of pearls and precious stones was 33 \$ million in 1970-71 which increased to 527 \$ million in 1980-81

and 2083 \$ million in 1990-91. There was gradual increase in imports of pearls and precious stone in post reform period. It was 4838 \$ million in 2000-01 which increased to 34620 \$ million in 2010-11. There were some fluctuations in import expenditure of iron and steel. It was 258 \$ million in 1960-61 which decreased to 194 \$ million in 1970-71 but increased to 1078 \$ million in 1980-81, which further rose to 1178 \$ million in 1990-91 and then fell to 781 \$ million in 2000-01 but further increased to 10376 \$ million in 2010-11.

It can be further inferred from the table-1 that imports of non-ferrous metals was 99 \$ million in 1960-61 which increased to 158 \$ million in 1970-71 and 614 \$ million in 1990-91. After post reform period i.e. in 2010-11 it was 46677 \$ million. Imports of capital goods was 534 \$ million in 1970-71 but in 1980-81 it increased to 2416 \$ million in 2000-01 it was 5534 \$ million and increased to 50907 \$ million in 2010-11. Imports of manufactures of metals was 48 \$ million in 1960-61 which fell to 12 \$ million in 1970-71 but increased to 168\$ million in 1990-91, in post Reform period it was 391 \$ million which increased to 3332 \$ million in 2010-11. Imports of electrical machinery was 93 \$ million in 1970-71 but increased to 328 \$ million in 1980-81, again increased to 949 \$ million in 1990-91 but fell to 487 \$ million in 2000-01. Further increased to 3845 \$ million in 2010-11. Import expenditure use of transport equipments was 151 \$ million in 1960-61 fell to 88 \$ million in 1970-71, further increased to 949 \$ million in 1990-91.

Table-2
Composition of Imports (in percent)

Commodities	1960-61	1970-71	1980-81	1990-91	2010-11	2011-12
1. Food and live animals chiefly for food of which:						
Cereal and cereal preparations 380	19.1	14.8	3	-	-	-
2. Raw materials and intermediate manufactures of which:						
(a) Edible oils	47	54.4	77.8	-	-	-
(b) Petroleum oil and lubricants	0.4	1.4	5.4	0.8	1.8	2
(c) Fertilisers	6.1	8.3	41.9	25	28.7	31.7
(d) Iron and Steel	1.1	5.3	6.5	4.1	1.9	2.2
(e) Chemical elements and compounds	11	9	6.8	4.9	2.8	2.4
(f) Pearls and precious stones	3.5	4.2	2.8	5.3	0.8	0.7
(g) Non-ferrous metals	0.1	1.5	3.3	8.7	9.4	5.8
3. Capital goods of which:	4.2	7.3	3.8	2.5	12.6	13.6
(a) Non-electrical machinery	31.7	24.7	15.2	24.2	13.8	13.2
(b) Electrical machinery	18.1	15.8	8.7	9.8	7.1	6.8
(c) Transport equipment	5.1	4.3	2.1	3.9	1	1
4. Others (unclassified)	6.4	4.1	3.8	3.9	3.1	2.8
Total	2.2	6.1	4	N.A.	N.A.	N.A.
	100	100	1000	100	100	100

Source: Ministry of Finance, Government of India, Economic Survey, 2012-13, Delhi, Appendix Table 7.3 (A), Pp.A82-A84

While analyzing composition of imports in percentage it shows that share of imports of food and live animals was 19.1 percent in 1960-61 which increased to 14.8 percent in 1970-71 but after its share fell to 3 percent in 1980-81. Petroleum and oil lubrication(Table-2) indicates that the share of imports of POL imports accounted for only 6.1 per cent of imports expenditure in 1960-61 and 8.3 per cent in 1970-71 which increased drastically to 41.9 per cent in 1980-81. The period of 1980s was marked by substantial increase in domestic oil production on the one hand and a softening of international oil prices on the other hand. As a result, the share of POL imports in total imports expenditure declined

considerably to 25 per cent in 1990-91. In percentage terms, the share of POL imports in total imports varied 25.0 per cent to 30 per cent during 1990s. In 2011-12, imports of POL were 31.7 per cent of total imports expenditure.

The share of imports of non-ferrous metals was which 13.6 percent of total was imports expenditure in 2011-12 which was 4.2 percent, 7.3 percent & 2.5 percent in respective years of 1960-61, 1970-71, 1990-1991. Non-electrical machinery: Imports expenditure on 'non-electrical machinery, apparatus and appliances' was 18.1 percent in 1960-61 which decreased to 15.8 percent in 1970-71, which declined to 9.8 percent 1990-91 and further declined to 7.1 percent in 2010-11 and to 6.8 percent in 2011-12. Fertilisers and Fertiliser materials: Imports expenditure on fertilisers and fertiliser materials fallen from 5.3 percent in 1970-71 to 1.9 percent in 2010-11 which increased to 2.2 percent in 2011-12. Iron and steel: The imports of iron and steel 1990-91, in percentage terms have more or less consistently fallen from 9.0 per cent in 1970-71 to 4.9 per cent in 1990-91 which declined to 2.8 percent in 2010-11 and in 2011-12, its share in imports expenditure was 2.4 percent. Pearls, Precious and Semi-Precious Stones: The share of imports of 'pearls, precious and semi-precious stones' have increased significantly. In fact, this item accounted for 0.1 per cent of imports expenditure in 1960-61 and occupied the second place. Imports of 'pearls, precious and semi-precious stones' was 5.8 per cent of total imports expenditure in 2011-12 which was 1.5 percent in 1970-71. Edible oil: The share of import of edible oils was 0.4 percent in 1960-61 which rose to 5.4 percent in 1980-81 and then decreased to 1.8 percent in 2010-11 and 2 percent in 2011-12. Raw material and intermediate: Import of raw material and intermediate manufactures was 47 percent in 1960-61 which rose to 54.4 percent in 1970-71 and further to 77.8 percent in 1980-81. Chemical elements and compounds: Import of chemical elements and compounds was 3.5 percent in 1960-61 which increased to 4.2 percent in 1970-71 but after it declined to 2.8 percent in 1980-81. Which further declined to 0.7 percent in 2011-12. Capital goods: The imports expenditures of capital goods was 24.7 percent in 1970-71 which fell to 15.2 percent in 1980-81 and further declined to 13.8 percent in 2010-11 and 13.2 percent in 2011-12. Transport equipments: Import of transport equipments was 6.4 percent in 1960-61 which declined to 4.1 percent in 1970-71 followed by 3.8 percent in 2010-11 and 2.8 percent 2011-12

COMPOSITION OF EXPORTS

Composition of exports means goods that we are selling to other countries. At the time of Independence, our exports consisted mainly of agricultural products like Tea, Spices, tobacco and other raw materials etc. We were also exporting cotton textiles and jute products in large quantities. With the industrialization of the economy, composition of exports have under gone a change, Thereby the proportion of raw materials in our exports has declined while that of manufactured goods has increased. we are now exporting large quantities of items such as machinery and transport equipment, chemicals allied products, marine products, handicrafts, fish however exports of items such as cotton fabric tea Jute manufactures, spices etc. also continues.

Table-3
India's Exports of Principal Commodities (US\$ million)

Sr. No.	Commodities	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
I	Agricultural and allied products of which:	596	644	2601	3521	6256	24448
I.1	Coffee	15	33	271	141	259	622
I.2	Tea and mate	260	196	538	596	443	736
I.3	Oil cakes	29	73	158	339	448	2438
I.4	Tobacco	34	43	178	147	191	875
I.5	Cashew kernels	40	76	177	249	412	627
I.6	Spices	36	51	14	133	354	1768

I.7	Sugar and molasses	60	39	50	21	112	1246
I.8	Raw cotton	25	19	209	471	49	2910
I.9	Rice		7	283	257	644	2545
I.10	Fish and fish preparations	10	40	274	535	1394	2623
I.11	Meat and meat preparations	2	4	70	78	322	1971
I.12	Fruits, vegetables and pulses (excl.cashew kernels, processed fruits & juices)	13	16	101	120	352	1397
I.13	Miscellaneous processed foods (incl. processed fruits and juices)	2	6	45	199	239	806
II	Ores and minerals (excl. coal) of which:	109	217	523	834	906	8581
II. 1	Mica		21	22	19	14	42
II.2	Iron ore (million tonne)	36	155	384	585	358	4715
III.	Manufactured goods of which:	610	1021	4738	13229	35181	173263
III. 1	Textile fabrics & manufactures (excl. carpets hand-made) of which	153	192	1179	3807		
III.1.1	Cotton yarn.fabrics, made-ups etc.	136	188	516	1170	3509	2910
III.1.2	Readymade garments of all textile materials	2	39	696	2236	5577	11614
III. 2	Coir yarn and manufactures	13	17	22	27	48	159
III. 3	Jute manufactures incl. twist & yarn	283	252	417	166	204	459
III. 4	Leather & leather manufactures incl. leather, footwear ,leather travel goods & leather garments	59	106	493	1449	1951	3909
III. 5	Handicrafts (incl. carpets hand-made) of which:	23	96	1204	3437	1116	1293
III. 5.1	Gems and jewellery	2	59	782	2924	7384	40509
III. 6	Chemicals and allied products*	15	39	284	1176	5002	28905
III. 7	Machinery, transport & metal manufactures including iron and steel ^b	46	261	1045	2158	6976	49815
IV.	Mineral fuels and lubricants (incl. coal) ^d	15	17	35	528	1931	42280
	Total Exports	1346	2031	8486	18143	44076	251136

Source: Government of India, Economic survey, 2012-13, Delhi, Appendix Table 7.3 (A), pp.A86-A88

Table-3 shows that total export of India was 1346 \$ million in 1960-61 which rose to 2031 \$ million in 1970-71 further increased to 8486 \$ million in 1980-81 followed by 18143 \$ million, 44076 \$ million and 251136 \$ million in 1990-91, 2000-01 and 2010-11 in respective years. Exports of agriculture allied product was 596 \$ million in 1960-61 followed by 644 \$ million in 1970-71 and 2601 \$ million in 1990-91 which increased to 24448 \$ million in 2010-11. Exports of ores and Minerals was 109 \$ million in 1960-61 and 217 \$ million in 1970-71 which further increased to 834 \$ million in 1990-91 and drastically increased to 8581 \$ million in 2010-11. Exports of manufactured goods was 610 \$ million in 1960-61 followed by 1020 \$ million in 1970-71 which rose to 173263 \$ million in

2010-11. The export of mineral fuels and lubricants was 15 \$ million in 1960-61 which rose to 17 \$ million in 1970-71 but there was tremendous increase in its exports to 42280 \$ million in 2010-11.

Exports of coffee was 15 \$ million in 1960-61 which rose to 33 \$ million in 1970-71 further increased to 141 \$ million in 1990-91 but further increased to 622 \$ million in 2010-11. Exports earning was 196 \$ million in 1970-71 which rose to 596 \$ million in 1990-91 and further increased to 736 \$ million in 2010-11. There was a drastic increase in Exports earning of oil cakes which was 29 \$ million in 1960-61 which increased to 158 \$ million in 1990-91 further increased to 2438 \$ million in 2010-11. Exports of cashew kernels was 76 \$ million in 1970-71 which rose to 249 \$ million in 1990-91 and further increased to 412 \$ million in 2000-01 followed by 627 \$ million in 2010-11. Export of Spices was 51 \$ million in 1970-71 which rose to 133 \$ million in 1990-91 further rose to 354 \$ million in 2000-01 followed by 1768 \$ million in 2010-11. Export earning of raw cotton was 25 \$ million in 1960-61 which declined to 19 \$ million in 1970-71 but increased to 471 \$ million in 1990-91 but then declines to 49 \$ million in 1970-71. But export earnings of raw cotton increased to 2910 \$ million in 2010-11. Export earning of rice was only 7 \$ million in 1970-71 but rose to 644 \$ million in 2000-01 followed by 2545 \$ million in 2010-11. Export of fish and fish preparation was 40 \$ million which increased to 2623 \$ million in 2010-11 from 1394 \$ million in 2000-01. Export of meat and meat preparations was only 4 \$ million in 1970-71 which rose to 322 \$ million in 2000-01 which further increased to 1971 \$ million in 2010-11.

Table -4 indicates that exports of iron ore was 21 \$ million in 1970-71 which rose to 585 \$ million in 1990-91 and further increased to 4715 \$ million in 2010-11. Export of readymade garments was only 2 \$ million in 1960-61 which rose to 39 \$ million in 1970-71, further rose to 2236 \$ million in 1990-91 and 11614 \$ million in 2010-11. Export of leather and Leather manufacturers was only 59 \$ million in 1960-61 which increased to 106 \$ million in 1970-71. During 1990-91 it increased to 1449 \$ million in followed by 3909 \$ million in 2010-11. Exports of Gems and Jewellery was only 2 \$ million in 1960-61 which increased 59 \$ million in 1970-71, further increased to 782 \$ million in 1980-81 which further increased to 7384 \$ million in 2000-01 but it in 2010-11 there is very sharp increase to 40509 \$ million in 2010-11. Export of chemical and allied product was 39 \$ million in 1970-71 which rose to 1176 \$ million in 1990-91 followed by 28905 \$ million in 2010-11.

Table-4
Commodity wise Composition of Export (In percent)

Commodities	1960-61	1970-71	1980-81	1990-91	2010-11	2011-12
1. Agriculture and allied products of which:	44.3	31.7	30.6	19.4	9.1	12.3
(a) Tea and mate	19.3	9.6	6.3	3.4	0.3	0.3
(b) Cashew kernels	3	3.7	2.1	1.4	0.2	0.3
(c) Rice	-	0.3	3.3	1.4	1	1.6
(d) Fish and fish preparations	0.8	2	3.2	2.9	1	1.1
2. Ores and Minerals (excluding coal) 109 of which:.	8.1	10.7	6.2	4.6	3.4	2.8
Iron Ore	2.6	7.6	4.5	3.2	1.9	1.5
3. Manufactured goods of which:	45.3	50.3	55.8	72.9	69	66.1
(a) Cotton yarn, fabrics, made-ups etc	10.1	9.2	6.1	6.4	1.2	1.4
(b) Readymade garments	0.1	1.9	8.2	12.8	4.6	3.7
(c) Jute manufactures	21	12.4	4.9	0.9	0.2	0.1
(d) Leather and Leather manufactures	4.4	5.2	5.8	8	1.6	1.6
(e) Gems and jewellery	0.1	2.9	9.2	16.1	16.1	14.7

(f) Chemicals and allied products	1.1	1.9	3.3	6.5	11.5	12.2
(g) Engineering goods	3.4	12.9	12.3	11.9	19.8	19.2
4. Petroleum Products	1.1	0.8	0.4	2.9	16.8	18.7
5. Others	1.3	6.5	7	0.2	1	0.1
Total Exports	100	100	100	100	100	100

Source: Government of India, Economic Survey, 2012-13 (Delhi, 2013), Appendix Table 7.3 (A), pp. A86-A88.

Data given in table- 4 reveals that traditional exports depend upon agriculture and mineral wealth accounted for 44.3 percent of total exports in 1960-61 and their share declined to about 12.3percent in 2011-12 as against it, the share of manufactured has gone up from 45.3 percent to 66.1 percent over the same period. Table -4 shows percentage share of Different Exports Items ,it revealed that agriculture and mineral wealth accounted for 44.3percent of total exports in 1960-61 and their share declined to 31.7percent in 1970-71, 30.6 percent in 1980-81 which fell to 19.4 percent in 1990-91 and again fell to 9.1 percent in 2010-11 but increased to 12.3 percent in 2011-12. The share of exports of tea and mate was 19.3 percent in 1960-61 which decrease to 9.6percent in 1970-71 further 6.3percent in 1980-81. In 1990-91 is share again decreased to 3.4percent in 1990-91. Import liberalization again the share of Tea and mate was 0.3 percent in 2010-11, but there was a minor increase in its share to 0.3percent in 2011-12.The share of exports of cashew kernels was 3.0 percent in 1960-61 which rose to 3.7percent in 1970-71 but after it fell to 2.1percent in 1980-81 which again fell to 1.4percent in 1990-91 followed by 0.2percent in 2010-11 but again rose to 0.3percent in 2011-12. The share of exports of rice was 0.3percent in 1970-71 which rose to 33percent in 1980-81 but decrease to 1.4percent in 1990-91 again decreased to 1.0 percent in 2010-11 which rose to 1.6percent in 2011-12.Fish and Fish preparations: share of export of fish and fish preparations was 0.8percent in 1960-61 which fell to 2percent in 1970-71 but increased to 3.2percent 1980-81 but fell to 2.9percent in 1990-91, in post-reform period its share decreased to 1.1 % in 2011-12. Share of export of iron ore was 2.6percent in 1960-61 which increase to 7.6percent in 1970-71 but fell to 4.5 percent in 1980-81 again decreased to 3.2percentin 1990-91, again fell to 1percent in 2010-11 which increased to 1.5 percent in 2011-12.Share of export of manufactured goods was 4.4 percent in 1960-61 which rose to 5.2percent in 1970-71, again increased due to 5.8 percent in 1980-81 and 8.0 percent in 1990-91, in 2010-11 it decreased to 1.6 percent in 2010-11. The export share of cotton yarn fabrics was 10.1percent in 1960-61 which decreased to 9.2percent in 1970-71, again fell to 6.1percent in 1980-81 but increased to 6.4percent in 1990-91, but its share was decreased to 1.4percent in 2011-12.Share of exports of jute has continuously declined from 12.4% in 1970-71 to 4.9percent in 1980-81, further 0.9 percent in 2000-01, further fell to 0.2 and 0.1 in years 2010-11 and 2011-12 respectively. The share of exports of leather and Leather manufacturers was 4.4percent in 1960-61 which rose to 5.2percent in 1970-71 and further increased to 5.8percent in 1980-81 and 8.0 percent in 1990-91, but in 2010-11 the share was only 1.6 percent.The share of exports of gem and jewellery was 0.1 gem and jewellery in 1960-61 which increased to 2.9 gem and jewellery in 1970-71 which again increased to 9.2 and 16.1 percent in 1980-81 and 1990-91 but its share remained constant in 2010-11 as 16.1 gem and jewellery which decreased to 14.7 percent in 2011-12.The share of exports of chemical and allied product was 1.9percent in 1970-71 which increased to 3.3percent in 1980-81 followed by 6.5 percent, 11.5percent and 12.2percent in 1990-91, 2010-11 and 2011-12.The share of exports of Petroleum products was 1.1percent in 1960-61 which decreases to 0.8percent in 1970-71 and again 0.4percent in 1980-81. But in 1990-91 the share of exports of Petroleum products increased 2.9percent, 16.8percent and 18.7 percent in 1990-91, 2010-11 and 2011-12.

CONCLUSION

It can be concluded that the trends in composition of foreign trade of India during 1970-2014, gives a summary of recent foreign trade policies, deals with the elimination of global financial crisis on India's foreign trade during 2008-10, lists measures taken by Government of India and Reserve Bank of

India during the period of recession, and reviews the global trends in merchandise trade during 2007-15. India's efforts at diversification of exports and imports baskets, and exports and imports markets are in the desirable directions. Enhancing competitiveness of Indian enterprises for facing competition in the global markets, and also within the country is a pre-requisite for the success of enterprises. It is important that the Government of India in close consultation with industry associations periodically monitors global industrial environment, and takes appropriate measures for safeguarding the Indian industry in the era of greater integration with the global economy. The study also indicates that post liberalisation era has certainly helped India in achieving high growth in the economy. Rapid growth of imports of capital goods, technical raw materials to meet the requirement of industrialization. The growing imports of petroleum products for meeting industrial and consumption requirement. For the exports some commodities have good exports potential (handicrafts, engineering product, readymade) and other items of exports (sugar, jute, iron and steel) fluctuated considerably. The major portion of Indian imports consists of fuels, capital goods chemicals etc and the major portion of Indian exports are manufactured goods. The composition of India's exports has grown significantly the exports of tea, coffee, spices, tobacco, leather, iron and ore, petroleum and chemical have shown a considerable increasing trend. The composition of India's imports has grown up significantly. It has also positive and increasing trends during the entire period of the study. The share of imports of yarn, made up electronic manufacturers of metals, crude, copper, medicinal and pharmaceutical products, Transport equipment has increased significantly. The imports of food grains and consumer goods have decline due to adoption HYM technology in Indian agriculture as India's share in the world.

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