

A STUDY ON FOREIGN TRADE IN INDIA

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Abstract: Trade promotion is the main component in a highly developed nation. No country can survive anywhere in the world without resorting to foreign trade. Foreign trade is a great global practical policy to be achieved by becoming one of the actors of economic development. India has taken the same leap forward since independence to be the best in the world and to maintain its image globally. As a matter of fact, globalization has presented the world under one roof and left its place everywhere. India has shown a high percentage in terms of exports in recent years; but over time it showed fluctuations and even a trade deficit; however, it is likely to move higher than any other country. With the availability of resources in the country, India is said to become the world's leading exporter in the coming years. In this article, we will look at how long India has benefited from foreign trade and what steps have been taken to survive and move forward in the long term

Keywords: Association of India, Foreign Trade, Reforms, Recession, Trade Partner.

INTRODUCTION:

In the 15th century it was thought that the main stay of a country was determined by gold and silver. Therefore, more and more exporting countries are receiving more and more imports in the form of gold and silver, which defines the image of a country globally. He saw that the welfare of his nation was of paramount importance (mercantilism). Another consideration was related to donations of positive factors, i.e. countries with resources that could benefit greatly in international trade due to the absolute and comparative advantage in producing goods at home that they are experts in. He argues that countries with abundant capital will tend to specialize in capital-intensive goods and export some of which they have experience. Likewise, it will specialize in labor-intensive goods. These countries will benefit from each other and benefit from a positive play sum (factor donation theory). These theories have made countries understand the importance of international trade: how to profit from international trade and how to produce goods efficiently at home and buy what they cannot produce at home. However, it was when some countries were enjoying the positive sum game and the zero sum game. So the focus was on total positive play.

Internationally, UNCTAD, GATT etc. Such organizations were set up for trade on behalf, but were unsuccessful as most large nations benefited from monopoly and favoritism. Least developed countries suffered greatly and were exploited at the hands of eligible nations. It lobbied countries to create their own trade policies (which served as a roadmap for progress and prosperity) and to stimulate international trade. It resulted in the formation of trade blocs to increase the trade share between countries. One of the most important developments at the international level is the establishment of the WTO, which plays an important role and still plays an important role in the development of international trade, acting as a guardian for member countries.

Prior to independence, India's foreign trade was not conducted under legalized procedures and was not well regulated. Indian foreign trade has fluctuated greatly over time, as foreign policies were not well developed. In India, Delhi was the main commercial center. It facilitated the trade to a great extent and in this period, mainly carpets, ducks, spices, nuts, etc. These goods were exported with the help of Arab traders due to the supply of the river routes they exported. to send them to European countries. Both domestic and foreign traders were the major players in the trade. Before colonialism, trade was on track during the Mughal era, but it declined due to the decline of the Mughals, as it did when the British conquered India. During the Mughal era, more and more trade brought gold and silver to the country, which was considered the pillar of the nation. But the concentration of power in the hands of the British during the British period finally brought famine to agricultural policies which led to major changes in taxation, decline in agricultural production, and poverty of farmers.

OBJECTIVES:

Understand the association of India with other countries in foreign trade and evaluate the largest trading partner of India for selected period of time. Demonstrate the reforms in India foreign trade and study the impact of recession on foreign trade

Period of the study 20 January 2020 to 10 April 2020

Research methodology:

The secondary data is used for the present study. The secondary data is collected from magazines, books, websites and journals. The period of the study is five months. The statistical tools used in this data are tabulation and graphical presentations.

REVIEW OF LITERATURE

S.J. Patel (1959) made a pioneering attempt to analyze the long term trends in India's foreign trade. He examined the stagnancy of India's exports over years, and explained it in terms of stagnant and declining world demand for Indian exports. India's trade with the socialist countries of Eastern Europe has been perhaps the most dynamic sector of India's foreign trade during the 1960s. Payment arrangements under trade for its imports from East European countries were in nonconvertible rupees. The effectiveness of these arrangements has been analyzed by many scholars such as Surender Dave, Sunanda Sen Sumitra Chishti and Asha Datar.

Anne Krueger (1961) and B. Cohen (1964) felt that stagnation of India's exports has been more due to higher domestic production costs and rising domestic demand leading to higher relative prices of exports in the world market.

A. Krueger (1961) maintains that the observed stagnation in the Indian export behavior can be more than adequately explained by policies of the Government of India and the Planning Commission combined with internal demand and supply factors.

Data Analysis:

India has always advocated an open, fair, predictable and non-discriminatory and rules-based international trading system. India is of the view that the regional trade agreement should be "building blocks" that complement multilateral trading systems. India is actively engaged in regional and bilateral talks with various countries to diversify and expand its export markets. While multilateral trade negotiations were slow, India maintained strong regional and bilateral trade negotiations. In line with the "East Gaze Policy", a continuous dialogue was maintained with the ASEAN and Southeast Asian countries in the summit level agreements. The main bilateral agreements signed in recent years include: Comprehensive Economic Partnership Agreement (CEPA) with the Republic of Korea, Comprehensive Economic Cooperation Agreement with Malaysia (CECA) and CEPA with Japan, the United States remains one of India's main trading partners and also India - EU Large Scale Trade and Investment Agreements (BTIA) Negotiations etc.

The main areas of trade are:

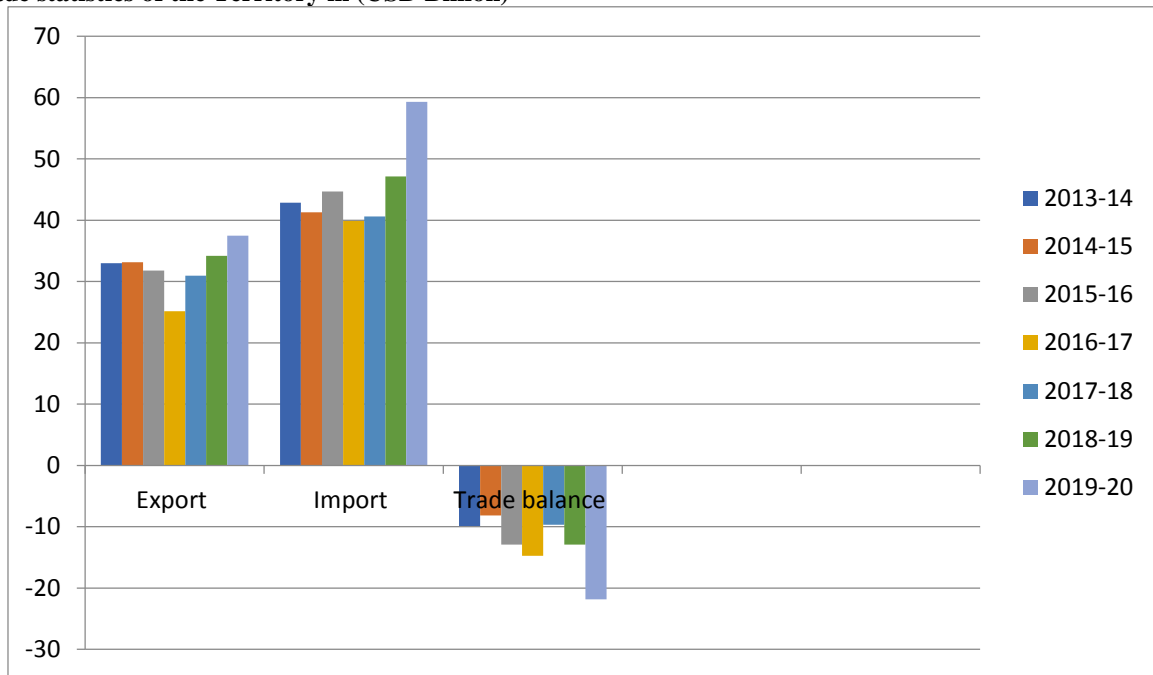
- Trade with Asia
- India's Trade with LAC region for the last 10 years is as under
- Trade with New Zealand
- Trade with North America Free Trade Agreement (NAFTA)
- Trade with Sub-Saharan Africa (SSA) Region.
- Trade with countries in West Asia & North Africa (WANA) Region
- International Trade Organizations
 - The World Trade Organization (WTO)
 - Economic and Social Commission for Asia & the Pacific (ESCAP)
 - United Nations Conference on Trade and Development (UNCTAD)
 - Global System of Trade Preferences (GSTP)
 - Asia Pacific Trade Agreement (APTA)
 - Bay of Bengal Initiative on Multi Sectorial Technical and Economic Cooperation (BIMSTEC)
 - BRICS (Brazil, Russia, China, India and South Africa) Trade
 - IBSA (India Brazil and South Africa) Trade Ministers meet in Pretoria
 - Indian Ocean Rim – Association for Regional Cooperation (IOR-ARC)

Kimberley Process.

Table 1: Trade statistics of the Territory in (USD Billion)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Export	33.01	33.13	31.81	25.15	30.96	34.20	37.47
%Growth	-10.17	0.38	-3.99	-20.8	23.09	10.46	9.56
Import	42.87	41.28	44.71	39.91	40.61	47.13	59.32
%Growth	1.68	-3.71	8.33	-10.9	0.88	16.04	25.86
Total	75.87	74.41	76.53	65.06	71.57	81.33	96.79
Trade balance	-9.86	-8.14	-12.9	-14.75	-9.65	-12.93	-21.85

Source: RBI

Fig 1: Trade statistics of the Territory in (USD Billion)

Source: Prepared by the author

Interpretation: From the above graph exports has been increased from 33.01 billion USD in 2013-2014 to 33.13 billion USD in 2014-2015, where as in 2015-2016 to 2017-2018 exports has been decreased and again it has been increased from 34.20 billion USD in 2018-2019 to 37.47 billion USD in 2019-2020. Import's has been increased from 42.87 billion USD in 2013-2014 to 59.32 billion USD in 2019-2020.

From 2013-2014 to 2019-2020 imports was more than its exports. In 2019-2020 trade deficit is 21.85.

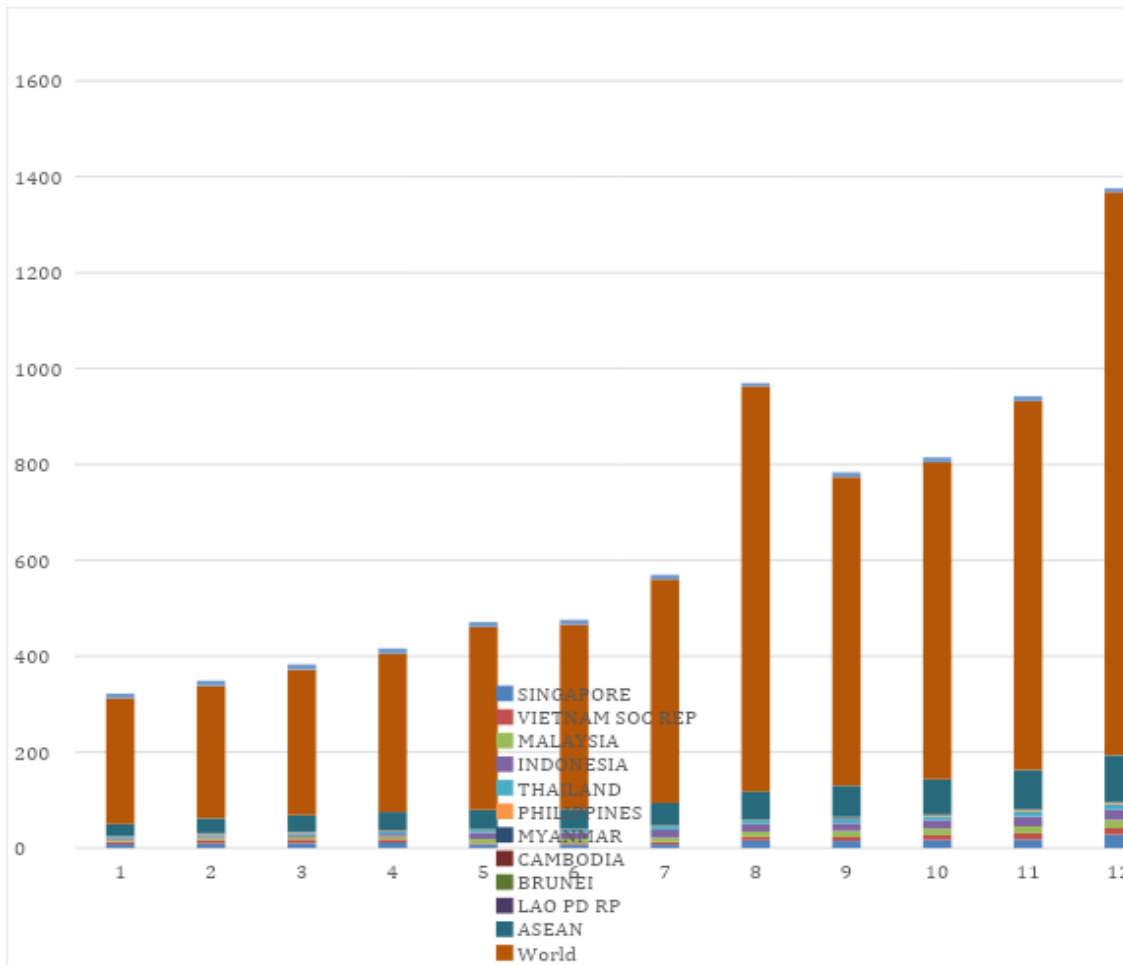
Table 2: Country wise trade figure in (USD Billion)

ASEAN	EXPORT				IMPORT				TOTAL TRADE			
	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
SINGAPORE	7.72	9.57	10.20	11.57	7.31	7.09	7.47	16.28	15.03	16.66	17.70	27.85
VIETNAM SOC REP	5.27	6.79	7.81	6.50	2.56	3.32	5.02	7.19	7.83	10.11	12.83	13.70
MALAYSIA	3.71	5.23	5.70	6.43	9.08	8.93	9.01	10.81	12.79	14.16	14.71	17.25
INDONESIA	2.82	3.49	3.97	5.27	13.13	13.44	16.44	15.84	15.95	16.94	20.40	21.11
THAILAND	2.99	3.14	3.66	4.44	5.51	5.42	7.13	7.44	8.50	8.55	10.79	11.88
PHILIPPINES	1.37	1.49	1.69	1.74	0.54	0.49	0.76	0.58	1.92	1.98	2.46	2.32
MYANMAR	1.07	1.11	0.97	1.20	0.98	1.07	0.64	0.52	2.05	2.18	1.61	1.72
CAMBODIA	0.14	0.11	0.12	0.19	0.05	0.04	0.05	0.04	0.20	0.14	0.18	0.23
BRUNEI	0.03	0.04	0.06	.05	0.55	0.63	0.44	0.59	0.58	0.67	0.49	0.64

LAO PD RP	0.04	0.025	0.025	.039	0.18	0.21	0.17	.001	0.22	0.23	0.19	.040
ASEAN	25.15	30.96	34.20	37.47	39.91	40.62	47.13	59.32	65.06	71.69	81.33	96.79
World	262.29	275.85	303.37	330.06	381.01	384.32	465.58	844.10	643.30	660.60	768.95	1174.16
%Share	9.59	11.23	11.28	11.35	10.47	10.57	10.13	7.02	10.11	10.85	10.58	8.2

Source: DGCI

Fig 2: Country wise trade figure in (USD Billion)



Source: Prepared by the author

Interpretation:

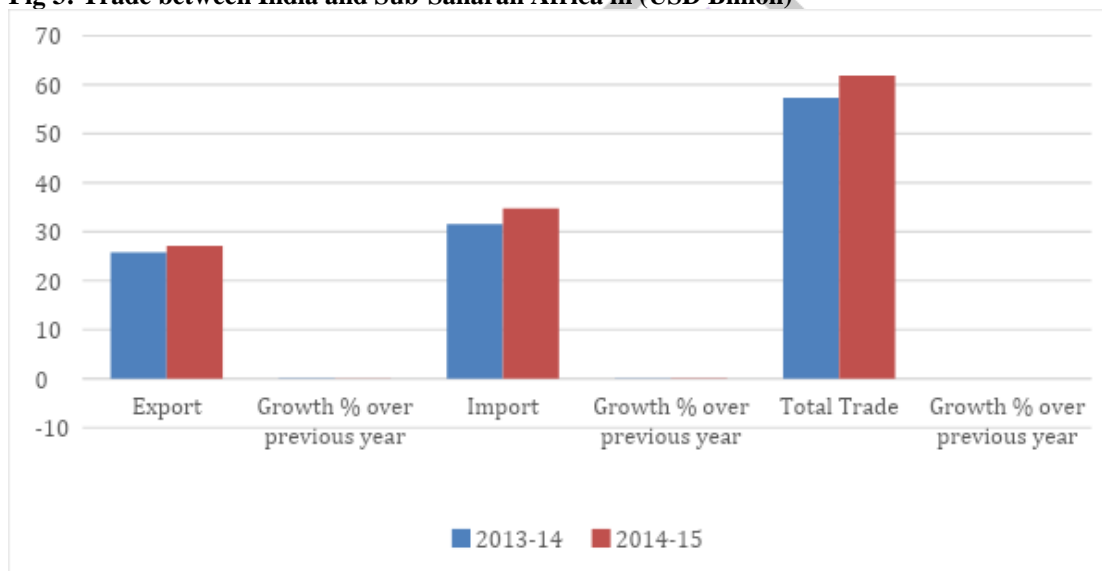
Major Commodities of Export & Import – ASEAN

The principal commodities of export include Mineral Fuels, Mineral Oils and Products of their Distillation, Meat and Edible Meat, Organic Chemicals, Ships, Boats and Floating structures, Nuclear Reactors, Boilers, Machinery and Mechanical appliances, Natural or cultured Pearls, Precious or Semiprecious stones, Iron & Steel, Fish, Cereals Vehicles other than railway or tramway and parts and accessories thereof. The foremost commodities of imports include Mineral Fuels, Mineral Oils and Products of their Distillation, Animal or Vegetable Fats and Oils and their cleavage products, Electrical Machinery and Equipment and Parts thereof, sound Recorders and Reproducers, Television image, Nuclear Reactors, Boilers, Machinery and Mechanical Appliances, parts thereof, Organic Chemicals, Plastics and Articles thereof, Wood & Wood Products, Ores, Slag and Ash, Rubber and Articles thereof, Ships and Boats.

Table 3: Trade between India and Sub-Saharan Africa in(USD Billion)

	2013-14	2014-15
Export	25.80	27.14
Growth % over previous year	9.89 %	5.20 %
Import	31.53	34.75
Growth % over previous year	-8.36 %	10.25 %
Total Trade	57.32	61.89
Growth % over previous year	-0.96 %	0.07 %

Source: DGCI

Fig 3: Trade between India and Sub-Saharan Africa in (USD Billion)

Source: Prepared by the author

Interpretation: Trade between India and sub-Saharan export has been increased from 25.80 billion US dollars in 2013-2014 to 27.14 billion US dollars in 2014-2015 and the import has been increased from 31.53 billion US dollars in 2013-2014 to 34.75 billion US dollars in 2014-2015.

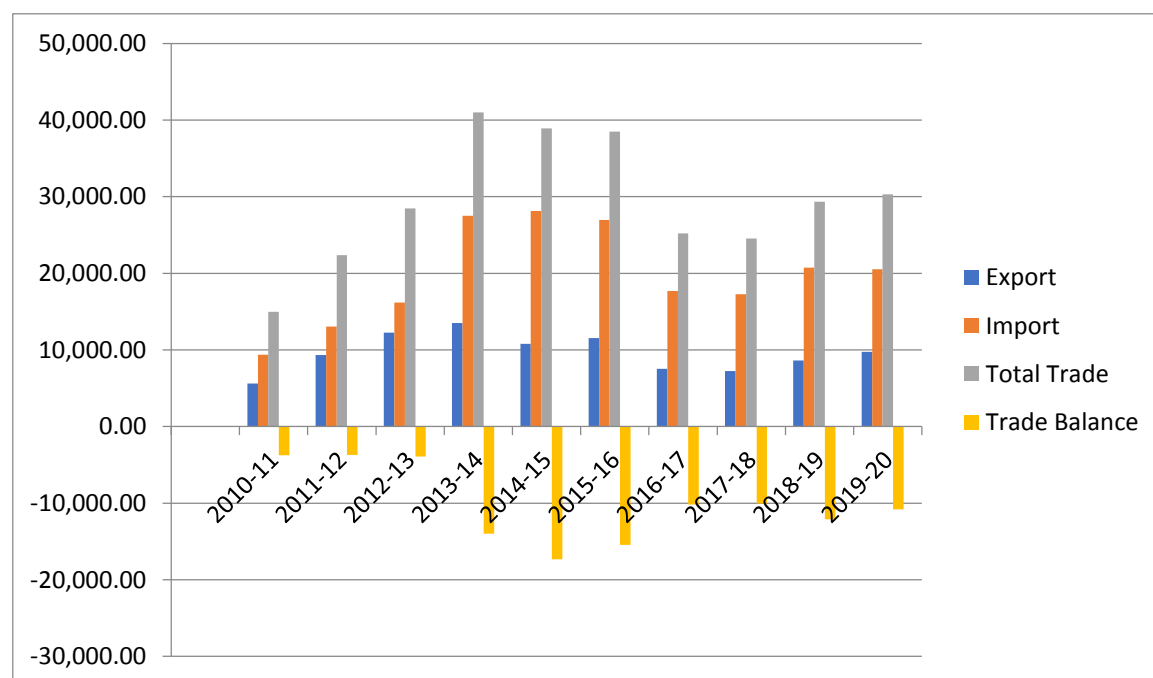
Total trade in the year 2013-2014 is 57.32 and total trade in 2014-2015 is 61.89.

The following activities being implemented under the programme have resulted in creation of infrastructure and knowledge base and would help the beneficiary countries in moving up the value chain and realizing better returns for the farmers and people of the country:

Table 4: India's Trade with LAC region for the last 10 years is as under in (USD Million)

Year	Export	Import	Total Trade	Trade Balance	% Growth		
					Export	Import	Total Trade
2010-11	5,614.40	9,356.30	14,970.70	-3,741.90	1.84	13.54	8.85
2011-12	9,324.48	13,042.52	22,367.00	-3,718.03	66.08	39.4	49.41
2012-13	12,276.85	16,178.56	28,455.41	-3,901.70	31.66	24.04	27.22
2013-14	13,518.03	27,497.09	41,015.12	-13,979.07	10.11	69.96	44.14
2014-15	10,791.60	28,128.07	38,919.68	-17,336.47	-20.17	2.29	-5.11
2015-16	11,528.43	26,951.76	38,480.19	-15,423.33	6.83	-4.18	-1.13
2016-17	7,529.48	17,691.79	25,221.27	-10,162.30	-34.69	-34.36	-34.46
2017-18	7,230.97	17,290.63	24,521.60	-10,059.67	-3.96	-2.27	-2.77
2018-19	8,611.62	20,723.48	29,335.10	-12,111.86	19.09	19.85	19.63
2019-20	9740.72	20547.11	30287.83	-10806.39	13.11	-0.85	3.24

Source: RBI

Fig 4: Trade with LAC region for the last 10 years is as under in(USD Million)

Source: Prepared by the author

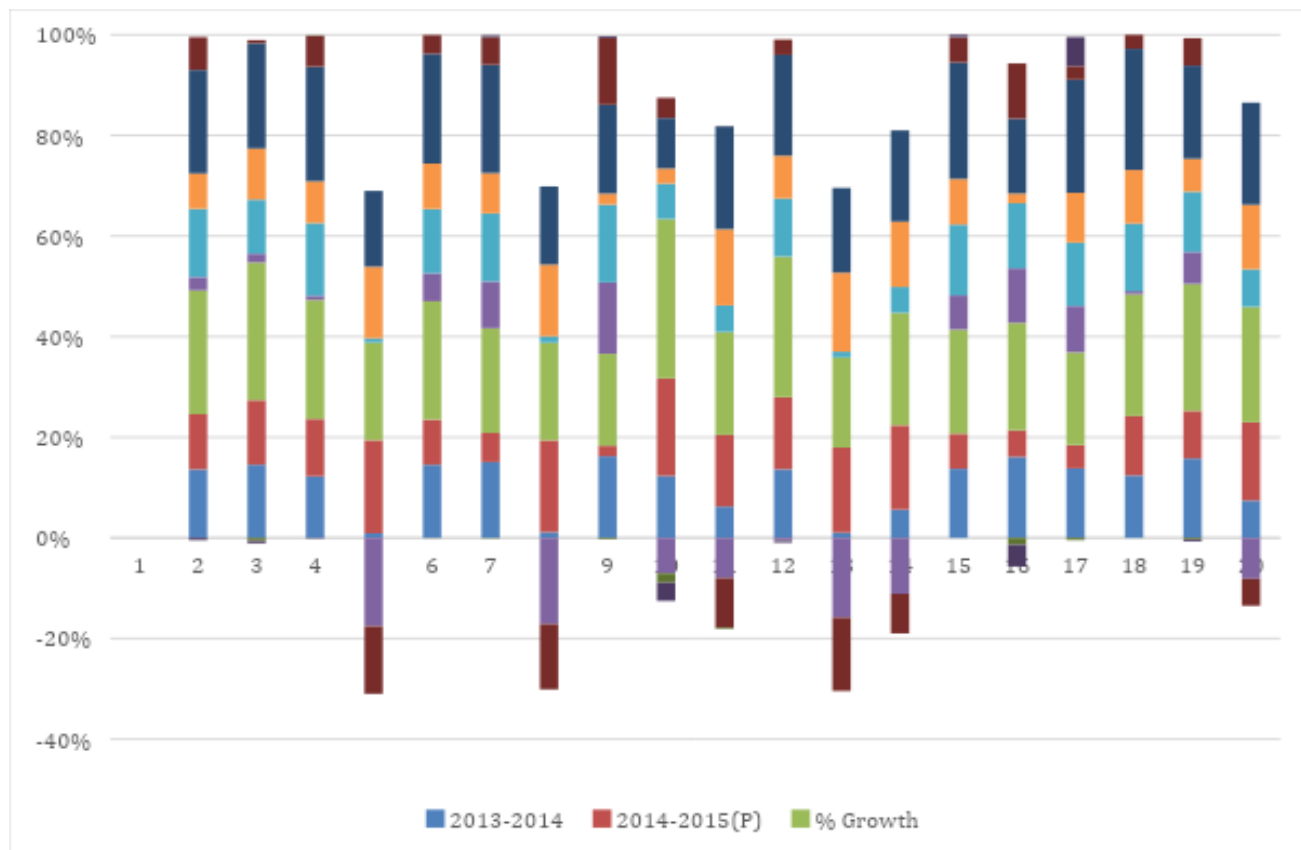
Interpretation: From the above graph India's exports had been increased from the 5,614.40 million USD in 2010-2011 to 9,740.72 million USD in 2019-2020. India's import has been increased from the 9,356.30 million USD in 2010-2011 to 20,547.11 million USD.

From the year 2010-2011 country's imports was more than the exports, the it had high trade balance of negative 17,336.47 in the year 2014-2015.

Table 5: The Bilateral Trade figures of Countries of WANA region in (USD Million)

S.No	Country	2013-2014				2014-2015(P)				% Growth	
		Exports	Imports	Total Trade	Trd.Bal	Exports	Imports	Total Trade	Trd.Bal	Exports	Imports
1.	ALGERIA	1,069.53	860.90	1,930.43	208.62	1,063.73	551.82	1,615.55	511.92	-0.54	-35.90
2.	BAHARAINIS	639.36	563.24	1,202.60	76.13	472.97	446.25	919.22	26.72	-26.03	-20.77
3.	EGYPT ARAB	2,562.16	2,388.96	4,951.11	173.20	3,025.60	1,740.50	4,766.10	1,285.10	18.09	-27.14
4.	IRAQ	918.03	18,520.86	19,438.89	-17,602.83	829.32	14,247.66	15,076.98	-13,418.34	-9.66	-23.07
5.	ISRAEL	3,746.95	2,311.58	6,058.53	1,435.37	3,290.09	2,328.71	5,618.80	961.38	-12.19	0.74
6.	JORDAN	1,595.89	610.71	2,206.59	985.18	1,431.11	848.44	2,279.55	582.67	-10.32	38.93
7.	KUWAIT	1,061.14	17,153.55	18,214.69	-16,092.41	1,198.88	13,381.99	14,580.87	-12,183.11	12.98	-21.99
8.	LEBANON	293.52	37.25	330.77	256.27	279.61	39.66	319.27	239.96	-4.74	6.47
9.	LIBYA	287.20	451.54	738.73	-164.34	163.74	70.14	233.87	93.60	-42.99	-84.47
10.	MOROCCO	385.61	879.18	1,264.79	-493.58	326.30	936.25	1,262.55	-609.95	-15.38	6.49
11.	OMAN	2,812.27	2,951.18	5,763.45	-138.91	2,379.37	1,752.24	4,131.62	627.13	-15.39	-40.63
12.	QATAR	969.06	15,707.99	16,677.04	-14,738.93	1,056.11	14,604.28	15,660.40	-13,548.17	8.98	-7.03
13.	SAUDI ARAB	12,218.96	36,403.65	48,622.61	-24,184.69	11,155.82	28,241.81	39,397.62	-17,085.99	-8.70	-22.42
14.	SUDAN	863.04	436.43	1,299.47	426.61	882.51	569.69	1,452.20	312.83	2.26	30.53
15.	SYRIA	234.10	76.62	310.72	157.48	187.89	28.34	216.23	159.55	-19.74	-63.01
16.	TUNISIA	274.10	91.56	365.66	182.54	249.83	196.19	446.02	53.64	-8.85	114.27
17.	UAE	30,520.42	29,019.82	59,540.24	1,500.60	33,025.28	26,194.27	59,219.54	6,831.01	8.21	-9.74
18.	YEMEN REP	1,306.99	782.18	2,089.17	524.81	992.13	540.68	1,532.82	451.45	-24.09	-30.87
	Total of WANA Countries	61,758.31	129,247.19	191,005.50	-67,488.88	62,010.30	106,718.93	168,729.23	-44,708.63	0.41	-17.43

Source: DGFT

Fig 5: The Bilateral Trade figures of Countries of WANA region in (USD Million)

Source: Prepared by the author

Interpretation: From the above graph in 2013-2014 the country's ALGERIA, BAHARAINIS, EGYPT, ISRAEL, JORDAN, LEBANON, SUDAN, TUNISIA, UAE, YEMENREP exports was more than its imports and rest of the country's has more imports than its exports.

In 2014-2015 the country's ALGERIA, BAHARAINIS, EGYPT, ISRAEL, JORDAN, LEBANON, SUDAN, TUNISIA, UAE, YEMENREP, LIBYA, OMAN exports was more than its imports.

Table 6: Top five exporters to India by value of trade in (USD Million) and share of total 2010

Country	USD	%Share
United Arab Emirates	27,412	12.44
United States	23,587	10.70
China	17,440	7.91
Hong Kong, China	9,508	4.31
Singapore	9,066	4.11

Table 7: Top five importers of India by value of trade in (USD Million) and share of total 2010

Country	USD	%Share
China	41,249	11.78
United Arab Emirates	30,907	8.83
Switzerland	22,198	6.34
Saudi Arabia	20,374	5.82
United States	19,096	5.46

Table 8: Top five exporters to India by value of trade in (USD Million) and share of total 2011

Country	USD	%Share
United Arab Emirates	37,369	12.40
United States	32,919	10.92
Unspecified	18,842	6.25
China	16,718	5.55
Singapore	15,627	5.18

Table 9: Top five imports of India by value of trade in (USD Million) and share of total 2011

Country	USD	%Share
China	55,483	12.00
United Arab Emirates	35,472	7.67
Switzerland	31,367	6.78
Saudi Arabia	28,424	6.15
United States	22,574	4.88

Table 10: Top five exporters to India by value of trade in (USD Million) and share of total 2012

Country	USD	%Share
United States	37,171	12.84
United Arab Emirates	35,781	12.36
China	14,729	5.09
Singapore	13,553	4.68
Hong Kong, China	11,940	4.12

Table 11: Top five Imports to India by value of trade in (USD Million) and share of total 2012

Country	USD	%Share
China	54,140	11.07
United Arab Emirates	37,799	7.73
Saudi Arabia	32,827	6.71
Switzerland	28,718	5.87
United States	24,105	4.93

Table 12: Top five exports to India by value of trade in (USD Million) and share of total 2013

Country	USD	%Share
United States	41,957	12.46
United Arab Emirates	33,980	10.09
China	16,417	4.88
Singapore	14,189	4.22
Hong Kong, China	13,667	4.06

Table 13: Top five Imports to India by value of trade in (USD Million) and share of total 2013

Country	USD	%Share
China	51,635	11.08
Saudi Arabia	36,597	7.85
United Arab Emirates	32,965	7.07
Switzerland	24,659	5.29
United States	22,600	4.8

Table 14: Top five Exports to India by value of trade in (USD Million) and share of total 2014

Country	USD	%Share
United States	42,685	13.44
United Arab Emirates	32,920	10.37
China	13,434	4.23
Hong Kong, China	13,412	4.22
Saudi Arabia	13,064	4.11

Table 15: Top five Imports to India by value of trade in (USD Million) and share of total 2014

Country	USD	%Share
China	58,231	12.68
Saudi Arabia	32,704	7.12
United Arab Emirates	27,288	5.94
Switzerland	21,133	4.60
United States	20,440	4.45

Table 16: Top five exporters to India by value of trade in (USD Billion) and share of total 2015

Country	USD	Share of overall
United States	40.4	15.3%
United Arab Emirates	30.3	11.5%
Hong Kong	12.2	4.6%

China	9.5	3.6%
United Kingdom	8.9	3.4%

Table 17: Top five Imports to India by value of trade in (USD Billion) and share of total 2015

Country	USD	Share of overall
China	61.5	15.8%
Saudi Arabia	21.4	5.5%
Switzerland	21.1	5.4%
United States	20.5	5.2%
United Arab Emirates	20.3	5.2%

Table 18: Top five exporters to India by value of trade in (USD Million) and share of total 2016

Country	USD	%Share
United States	41,992	16.13
United Arab Emirates	30,042	11.54
Hong Kong, China	13,210	5.07
China	8,916	3.42
United Kingdom	8,565	3.29

Table 19: Top five Imports to India by value of trade in (USD Million) and share of total 2016

Country	USD	%Share
China	60,483	16.96
United States	20,395	5.72
United Arab Emirates	19,241	5.39
Saudi Arabia	18,461	5.18
Switzerland	14,855	4.16

Table 20: Top five exporters of India by value of trade in (USD Million) and share of total 2017

Country	USD	Share of overall
United States	46,018	15.63
United Arab Emirates	28,636	9.73
Hong Kong, China	15,021	5.10
China	12,495	4.24
Singapore	11,560	3.93

Table 21: Top five imports to India by value of trade in (USD Million) and share of total 2017

Country	USD	Share of overall
China	71,923	16.20
United States	24,086	5.42
United Arab Emirates	23,115	5.21
Saudi Arabia	21,087	4.75
Switzerland	20,405	4.6

Table 22: Top five exporters of India by value of trade in (USD Million) and share of total 2018

Country	USD	%Share
United States	51,629	16.02
United Arab Emirates	28,523	8.85
China	16,366	5.08
Hong Kong, China	13,132	4.07
Singapore	10,444	3.24

Table 23: Top five imports to India by value of trade in (USD Million) and share of total 2018

Country	USD	%Share
China	90,398	14.63
United States	38,904	6.30
Saudi Arabia	34,343	5.56
United Arab Emirates	32,119	5.20
Iraq	28,444	4.60

Table 24: Top five exporters of India by value of trade and share of total 2019

Country	USD
China	2.5 trillion
United States	1.7 trillion
Germany	1.6 trillion
Japan	738 billion
Netherlands	723 billion

Table 25: Top five Imports of India by value of trade and share of total 2019

Country	USD
China	2.069 trillion
Germany	1.236 trillion
Japan	721 billion
UK	692 billion
Netherlands	646.8 billion

Table 26: Top five Exports of India by value of trade and share of total 2020

Country	USD
China	2216 Billion
US	1553 Billion
Germany	1434 Billion
Japan	6889.9 Billion
South Korea	577.4 Billion

Table 27: Top five Imports of India by value of trade and share of total 2020

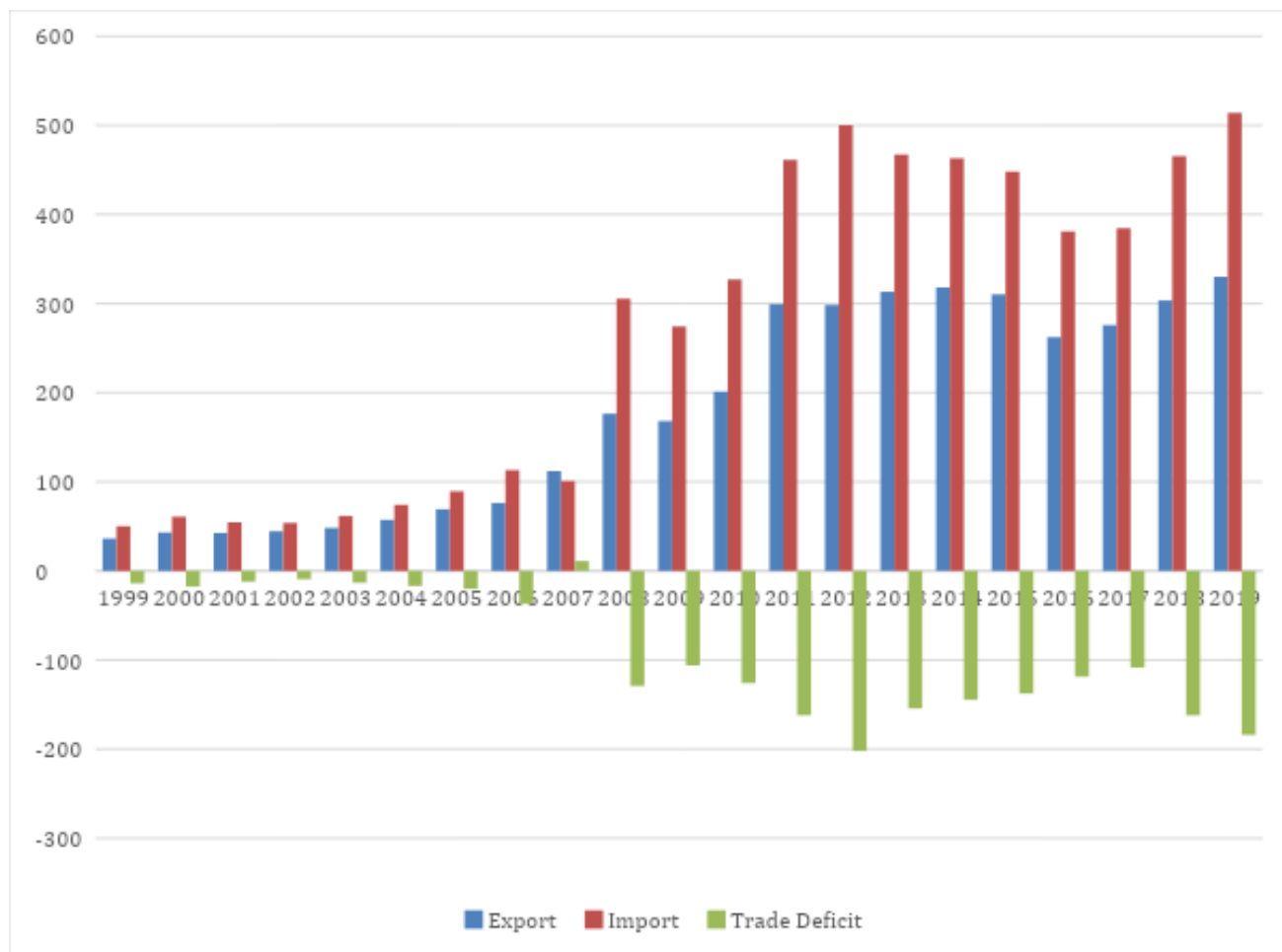
Country	USD
US	2.6 Trillion
China	2.1 Trillion
Germany	1.3 Trillion
Japan	749 Billion
UK	674 Billion

Table 28: Summary table of India Foreign Trade (in billion \$)

Year	Export	Import	Trade Deficit
1999	36.3	50.2	-13.9
2000	43.1	60.8	-17.7
2001	42.5	54.5	-12.0
2002	44.5	53.8	-9.3
2003	48.3	61.6	-13.3
2004	57.24	74.15	-16.91
2005	69.18	89.33	-20.15
2006	76.23	113.1	-36.87
2007	112.0	100.9	11.1
2008	176.4	305.5	-129.1
2009	168.2	274.3	-106.1
2010	201.1	327.0	-125.9
2011	299.4	461.4	-162.0
2012	298.4	500.4	-202.0
2013	313.2	467.5	-154.3
2014	318.2	462.9	-144.7
2015	310.3	447.9	-137.6
2016	262.3	381	-118.7
2017	275.8	384.3	-108.5
2018	303.52	465.58	-162.05
2019	330.07	514.07	-184
2020	598.7	874.058	-275.26

Source:ITP

Fig 6: Summary table of India Foreign Trade (in billion \$)



Source: Prepared by the author

Interpretation: From the above graph India's exports was continuously increased from 36.3 billion US dollars in 1999 to 330.07 billion US dollars in 2019 and imports had been increased from 50.2 billion US dollars in 1999 to 514.07 billion US dollars in 2019. In 2012 country's imports were more than its exports. In 2012 India foreign trade had trade deficit of 202.0 billion US dollars.

Table 29: Trends in India's foreign Trade in(USD Million)

Year to	Exports	Imports	Trade Balance	Rate of Change	
				Exports	Import
1950-51	1269	1273	-4	24.9	-1.5
1970-71	2031	2162	-1301	8.8	3.5
1980-81	8486	15869	-7383	6.8	40.2
1990-91	18143	24075	-5932	9.2	13.5
1991-92	17865	19411	-1546	-1.5	-19.4
1995-96	31797	36678	-5663	20.8	28.0
1996-97	33470	39133	-4881	5.3	6.7
1997-98	35006	41484	-6478	4.6	6.0
1998-99	33218	42389	-9171	-5.1	2.2
1999-00	36822	49671	-12849	10.8	17.2
2000-01	44560	50536	-7586	21.0	1.7
2001-02	43827	51413	-5976	-1.6	1.7
2002-03	52719	61412	-8693	20.3	19.4
2003-04	63843	78150	-14307	21.1	27.3
2004-05	83535	111516	-27982	30.8	42.7
2005-06	103092	149167	-46076	23.4	33.8
2006-07	126361	185749	-59388	22.6	24.5
2007-08	162904	251439	-88535	28.9	35.4
2008-09	168704	287759	-119055	3.6	14.4

2015-16	262,290	381,006	-118,716	55.5	32.4
2016-17	276,547	382,740	-106,193	5.4	45
2017-18	303,526	465,581	-162,054	9.7	34
2019-2020	598.7	874.058	-275.26	5.27	45

Source: RBI

CHANGES IN COMPOSITION OF FOREIGN TRADE

By trade composition is meant materials and products that are present in exports from India to other countries and in imports from other countries to India. Indian foreign trade experienced a series of structural changes during the scrolling period. The percentage of non-traditional goods in total exports has increased steadily, and chemical and engineering exports have grown at a high rate. Handmade items, including jewelry and jewelers, have become one of the most important export items in recent years. India tea, coffee, rice, legumes, spices, tobacco, jute, minerals etc. It exports very little traditional products with it. Economy. Wrists, gemstones and stones are also important items on a large scale, but are exported from the country after they are processed. Other imports include edible oils, non-ferrous metal fertilizers, paper and cardboard, wood pulp and waste paper, etc. There are. Before 2014-15, there were different export and import categories such as primary goods, finished goods, bulk imports, non-wholesale imports. But now it has changed. Today's 31 main categories were included in exports and imports (according to the RBI bulletin), for convenience we created 19 categories for export and 23 categories for imports.

Huge growth in trade value:

It reveals that it has a total foreign trade value of Rs. In 1950-51, 1,972crore gradually increased to Rs. 2,835crore in 1960-61 and then Rs. 3,487crore in 1965-66. Then the value of the trade rose faster than Rs. 3,169crore at Rs in 1970-71. 9,301crore in 1975. - 76 and then significantly increased to Rs. 19,261crore in 1980-81. Since then, the total trade value has increased significantly to Rs. 30,553crore at Rs in 1985-86. 63,097crore, 1989-90 and Rs. 91,893crore at 1991-92 and later at Rs. 1 in 1992-93, at 17,063 points and finally at Rs. 22,15,191 crore in 2008-09.

Thus, during the Quantity from 1950-51 to 1970-71 the total value of the trade only increased by 60.8%. In the same period, from 1970-71 to 1980-81, the total value of foreign trade increased by 597%, almost 6 times. But in the period from 1980-81 to 1990-91, the total value of the trade increased by 293.4%, almost 4 times. In 2008-2009, the value of stock exchanges increased by 32.79% compared to the previous year.

Higher Growth of Imports:

Another feature that can be seen from this trend is that there has been a significantly large growth in the country's imports since 1951 and hence the total import value, Rs. In 1950-51, 1,025crore gradually increased to Rs. 1,634 crores 1970-71, which is only 59.2 percent. Since then the value of imports has started to increase at a much faster rate thus reaching the level of Rs. 12,549crore in 1980-81 followed by Rs. It has increased by 666% and 245% respectively over the past two decades. Among the extremely important factors for this extraordinary increase in imports were the large imports of industrial inputs, P.L. 480 rising anti-inflationary imports, liberal imports of non-essential items, periodic rise in oil prices and hence the government's liberal import policy from 1985-86 to 1991-92. In 2008-09, the value of imports increased significantly to Rs. 13,74,435 crores, with a growth rate of 33.79% over the previous year.

Insufficient export growth:

A very special situation that the country faces is very slow growth in terms of exports. In the first period, the total value of exports to India increased marginally by Rs. 947crore to Rs in 1950-51. In 1970-71, 1,535crore increased by only 62%. However, the increase in exports within the country has since failed to keep pace with the expansion of imports. The total export value gradually increased to Rs. 6,711 crores in 1980-81, 337 percent in 1970-71, then increased to Rs. In 1990-91, 32,553 crores increased 385% from 1980-81. In 1993-94, the export price increased significantly to Rs. 69,751 crores, with a growth of 29.8% over the previous year.

In 2008-2009, the export value rose to Rs. 8, 40,755 crores, showing 28.2 percent growth over the previous year. Again in 2009-2010 (April-January) the value of exports remained at Rs. The 3, 72,096 crores shows negative growth of 19.9 percent over the previous year. Due to the introduction of various export incentive measures since the devaluation of the 1966 rupee, the value of India's exports has increased somewhat, but this increase in exports was completely insufficient given the significant growth with the value of imports. This happened during a steady and growing trade deficit with the country. The factors primarily responsible for this low export growth include unfavourable trading conditions for Indian (agricultural) commodities, insufficient export surplus and protectionism adoption by developed countries, and a prolonged period of economic stagnation in the developed country in recent years.

TABLE 30: INDIA'S EXPORT, IMPORT AND TRADE BALANCE (RS IN CRORE)

Year	Exports	% of change in exports	Imports	% of change in Imports	Trade Balance	Total Trade	Trade Balance as % to Total Trade
1	2	$[(CY-PY)/PY*100]$ 3	4	$[(CY-PY)/PY*100]$ 5	(2-4)6	(2+4)7	$[(6/7)*100]$ 8
2000-01	203571.0		230872.8		-27301.8	434443.8	-6.28
2001-02	209018.0	2.68	245199.7	6.21	-36181.8	454217.7	-7.97
2002-03	255137.3	22.06	297205.9	21.21	-42068.6	552343.2	-7.62
2003-04	293366.8	14.98	359107.7	20.83	-65740.9	652474.5	-10.08
2004-05	375339.5	27.94	501064.5	39.53	-125725.0	876404.0	-14.35
2005-06	456417.9	21.60	660408.9	31.80	-203991.0	1116826.8	-18.27
2006-07	571779.3	25.28	840506.3	27.27	-268727.0	1412285.6	-19.03
2007-08	655863.5	14.71	1012311.7	20.44	-356448.2	1668175.2	-21.37
2008-09	840755.1	28.19	1374435.6	35.77	-533680.5	2215190.7	-24.09
2009-10	845125.2	0.52	1356468.7	-1.31	-511343.5	2201593.9	-23.23

Source:DGFT

Interpretation: The observation of the table shows that the exports are consistently increasing throughout the study i.e. Rs.203571 Crores (2.68) in 2000-01 to Rs.655863.5 Crores (14.71) in 2007-08 further it's going up to Rs.845125.2 crores (28.19) in 2009-10. However when the growth rate is analyzed, taking the percentage changes in the exports from previous year, it is observed that export growth change in percentage declined during the meltdown period and recovering in the recent year. The main reason is due to decline in oil imports, the fall in the value of dollar, higher international crude oil prices that prevailed during May-August 2008 therefore slowing down the industrial growth.

Fig 7: INDIA'S EXPORT, IMPORT AND TRADE BALANCE (RS. IN CRORE)

Source: Prepared by the author



Results:

- Over the past decade, exports have increased and at the same time imports into the country have only increased for the years 2014-2015 to 2016-2017. In recent years, exports had decreased.
- In 2012, a country's imports outstripped exports. In 2012, India's foreign trade registered a trade deficit of US \$ 202 billion.
- Imports from 2012-2013 to 2018-2019 exceeded its exports. In 2018-2019 the trade deficit is 21.85.
- In 2009-2010 the country's imports exceeded exports, with a high trade balance of negative 17,336.47 in 2013-2014.
- The growth rate of Indian GDP has been constant, but the growth rate fell in 2008-2009. The decline in the growth rate is due to the global crisis triggered by the collapse of the US financial market.
- Iron ore exports have decreased by 50% since August 2008, leaving 4 million tons in ports. Crash prices range from \$ 140 per ton three months back to \$ 85 per ton.

The year of 1991 was momentous, in the economy, in the history of India as it witnessed a successful transition of India from a controlled and slow-growing economy to a liberalized and open economy that has now found a country amongst the fastest growing economies in the world. When the Indian economy was opened to external competition, Indian industry was emerging much stronger to find its rightful entity not only in the domestic market but also in the international market. The process of planned economic development in India began with the launching of the

Conclusion:

Indian economy is moving gradually and steadily increasing the growth during the meltdown and it has less impact, though it has started recovering now. India has the opportunities and strength to escape from the global meltdown seeing that strong economy, interest rate, right decisions at right time for implementing the policy of physical and monetary as well as emerging environment, and the strategic solution overcome the export sector concerns. Though the impact of global meltdown on India is less, it will recover by the Government taking correct decisions and changes the established fiscal and monetary policies. It's controlling and monitoring the wholesale price index and the consumer price index; ensuring continuous credit flows at a low rate of interest are some of the ways of boosting the Indian economic growth. Increase in government expenditure will stimulate the demand, so that industry will produce more and high export will lead to higher growth. Further suitable continued amendments should be taken in foreign trade policy, so that India's exports continue to engage in their business actively and a new outlook is warranted for Indian policy makers, especially in foreign trade, to diversify beyond traditional export and export destinations.

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