

EXPORT PERFORMANCE OF INDIA

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ABSTRACT- Indian economy is considered as on the fast emerging economy in the world. Its share of contribution to the world trade is tremendously remarkable. Economic liberalization policy of India has impacted Indian economy in positive mode. In this paper an attempt was made by the author to analyze the international trade performance of India particularly considering the export growth. Since liberalization, the value of India's international trade has increased sharply, with the contribution of total trade in goods and services to the GDP rising from 16% in 1990-91 to 47% in 2009-10. Foreign trade accounted for 48.85 of India's GDP in 2015. Globally, India accounts for 1.44% of exports and 2.12% of imports for merchandise trade and 3.34% of exports and 3.31% of imports for commercial services trade.

Key words - Foreign Trade, Exports, Economy, GDP, Imports, Trade deficit and trade Surplus, Merchandise trade, Trade in Service.

1. INTRODUCTION

Indian economy is characterized as developing market economy. It is the world's fifth largest economy by nominal GDP and the third largest economy by purchasing power parity. After the implementation of economic liberalization policy during the year 1991, India is experiencing tremendous growth in all the sectors. Especially when it comes to exports, India has been continuously growing in terms of its exports of goods and services.

India's performance is exceptionally well, especially considering the current economic turbulence in the global trade environment. It had registered exports of US\$ 435.45 billion during the last financial year 2018-2019, with the growth of 7.79% according to estimate from the department of commerce.

Exports have played an important role in the economic development of any nation, so for India also. Due to the formulation of stable and growth oriented EXIM policy and strategic measures taken by government, India's foreign trade have been increased continuously for the last three decades. Focused emphasis on exports helps accelerate industrial growth, remove imports bottlenecks and foster greater competition. Because of the growth of exports of India, foreign exchange reserve has increased from 279,057 million US\$ in 2009-2010 to 412,871 million US\$ in 2018-2019.

Since liberalization, the value of India's international trade has increased sharply, with the contribution of total trade in goods and services to the GDP rising from 16% in 1990-91 to 47% in 2009-10. Foreign trade accounted for 48.85 of India's GDP in 2015. Globally, India accounts for 1.44% of exports and 2.12% of imports for merchandise trade and 3.34% of exports and 3.31% of imports for commercial services trade. Mid-term review of EXIM policy 2015-2020 during December 2017, focused on encouraging exports by MSMES and labour intensive industries. The present study aimed at revealing the exports performance of India for past ten year's period of time. For the purpose of study, data for the period between 2009 to 2019 has been collected and compiled.

India's foreign trade accounted for 48.8% of India's GDP in 2017. India exports nearly 7500 commodities to about 190 countries and imports around 6000 commodities from 140 countries.

India has indicated an impressive growth performance in the recent past. However, global economic growth has remained more or less stagnant in the last few years affecting global trade growth. As per the World Economic Outlook (WEO) April, 2019 global economy is projected to grow at 3.3% and 3.6% for the year 2019 and 2020. Growth of emerging and developing economies is projected to stabilize slightly less than 5%. Growth of emerging and developing Asia will dip from 6.4% in 2018 to 6.3% in 2019, while the year 2020 is projected to witness a growth figure similar to the level of 2019.

The trade war between China and USA, uncertainty of BREXIT may put pressure on global trade recovery. After 2020, global growth is set to plateau at about 3.6% over the medium term, sustained by the increasing the relative size of economies such as China and India. While emerging and developing Asia is the most dynamic in the global economy. In Asia, India and China continue to be the major growth drivers. As per the latest report of WEO India has achieved a growth of 7.1% in 2018, while it was 6.6% in China. As per the projections for the year 2019 and 2020, India's growth is outpacing the growth of China.

OVERVIEW OF THE WORLD ECONOMIC OUTLOOK PROJECTIONS

World Economies	Projections		
	2018	2019	2020
World output	3.6	3.3	3.6
Advanced Economies	2.2	1.8	1.7
United States	2.9	2.3	1.9
Euro area	1.8	1.3	1.5
Emerging market and developing economies	4.5	4.4	4.8
Emerging and developing Asia	6.4	6.3	6.3
China	6.6	6.3	6.1
India	7.1	7.3	7.5

Source: IMF, World Economic Outlook update, April 2019.

One can see the economic growth percentage projected and published by IMF in its World Economic Outlook updated in April 2019 from the above table.

II. INDIA'S MERCHANDISE TRADE PERFORMANCE

Total value of exports made by Indian exporter for the period April-March 2018-2019 was 331.02 billion US\$ as against 303.53 billion US\$ during the period April-March 2017-2018, registering a positive growth of 9.0 % in Dollar terms.

INDIA'S MERCHANDISE TRADE FROM 2009-2010 TO 2018-2019 (US\$ BILLION)

Year (April - March)	Exports	Imports	Trade deficit
2009-2010	178.7	288.3	109.6
2010-2011	249.8	369.7	119.9
2011-2012	306.0	489.3	183.4
2012-2013	300.4	490.7	190.3
2013-2014	314.4	450.2	135.8
2014-2015	310.3	448.0	137.7
2015-2016	262.3	381.0	118.7
2016-2017	275.9	384.4	108.5
2017-2018	303.5	465.6	162.1
2018-2019	331.0	507.4	176.6

Source: Compilation from annual report on foreign trade – various issues.

The above table revealed the global trade performance of India in terms of merchandise items for the period between 2009-2010 and 2018-2019. The total merchandise export from India has considerably increased from 178.7 billion US\$ to 331.0 billion US\$. Imports of India was also increasing from 288.3 billion US\$ in 2009-2010 to 507.4 billion US\$ in 2018-2019. It also showed the trade deficit for the above said period. The total merchandise trade deficit was increasing from 109.6 billion US\$ in 2009-2010 to 176.6 billion US\$ in 2018-2019.

INDIA'S SERVICE TRADE (US\$ BILLIONS)

Year (April - March)	Exports	Imports	Trade Surplus
2009-2010	96.04	60.03	36.01
2010-2011	132.88	84.06	48.82
2011-2012	142.3	78.2	64.1
2012-2013	145.7	80.8	64.9
2013-2014	151.8	78.7	73.1
2014-2015	158.1	81.6	76.5
2015-2016	154.3	84.6	69.7
2016-2017	164.2	95.9	68.3
2017-2018	195.1	117.5	77.6
2018-2019	205.8	125.5	80.3

Source: Compilation from annual report on foreign trade – various issues.

It is inferred that from the above table that the total services exports contributed more to the economic growth of India. Exports in services are continuously increasing year on year from 2011-2012. The above table shows that the exports of services are more than India's services imports, so that India is experiencing trade surplus throughout its study period. Trade in services are increased from 96.04 US\$ billions in 2009-2010 to 205.8 US\$ billions in 2018-19 results in increase of trade surplus of 80.3 US\$ billions in 2018-2019 from 36.01 US\$ billions in 2009-2010 (increase of more than 200%).

On a long term trend basis, there is a discernible shift in India's exports towards high value added manufacturing and tech-driven items. Reserve Bank of India data indicates that there was significant rise in exports of chemical and products as well as engineering and related goods.

According to the report of DGCIS the following are the top five commodities exported from India during 2018-2019.

S. No.	Products	Percentage to total exports	Value of goods (US \$ Billion)
1	Petroleum Products	14.08	46.54
2	Pearl, Precious, Semi Precious Stones	7.87	25.98
3	Drug formulation and Biological	4.37	14.39
4	Gold and other Precious metal Jewellery	3.92	12.94
5	Iron and Steel	2.96	9.75

Source: Annual report on foreign trade 2018-2019, DGCIS

INDIA'S TOTAL EXPORTS WITH % OF THE GROWTH (RUPEES IN MILLIONS)

Year	Exports	% of growth
2009-2010	84,553,364.38	0.57%
2010-2011	113,696,426.38	34.47%
2011-2012	146,595,939.96	28.94%
2012-2013	163,431,828.96	11.48%
2013-2014	190,150,108.86	16.56%
2014-2015	189,634,841.76	-0.45%
2015-2016	171,638,440.44	-9.49%
2016-2017	184,943,355.34	7.75%
2017-2018	195,651,452.80	5.79%
2018-2019	230,772,619.38	17.95%

Source: RBI Statistical Report on Indian Economy

The above table showed that the total exports from India to different directions with their growth percentage. The total exports of India have been increased from 84,553,364.38 million rupees in 2009-2010 to 230,772,619.38 million rupees in 2018-2019 with a growth rate of 17.95%.

III. REGION-WISE EXPORT OF INDIA

India exports of its goods and service nearly to 190 countries in the world. For the purpose of convenience these countries are grouped into twenty regions. Exports of goods and services to these twenty regions are given below.

REGION-WISE EXPORT OF INDIA FROM 2009-10 TO 2018-19 (US\$)

Region	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
EU Countries	36,118	46,137	52,671	50,556	51,720	49,492	44,572	47,292	53,598	57,172
European Free Trade Association (EFTA)	835	954	1,463	1,378	2,046	1,352	1,538	1,240	1,453	1,534
Other European Countries	1,570	2,796	3,616	4,068	4,567	5,502	4,268	4,768	5,263	5,637
Southern African Customs Union (SACU)	2,178	4,107	4,890	5,281	5,395	5,532	3,804	3,786	4,042	4,378
Other South African Countries	1,130	1,512	1,328	1,886	2,329	3,214	1,968	1,511	1,593	1,856
West Africa	3,137	4,297	6,460	6,523	6,993	6,980	6,108	5,652	6,719	7,698
Central Africa	350	465	708	931	1,092	1,251	1,252	1,045	1,143	1,342
East Africa	3,512	5,347	6,594	8,839	9,975	10,152	7,312	6,729	6,533	7,378
North Africa	3,125	3,986	4,694	5,682	5,442	5,712	4,595	4,407	4,874	5,889
North America	21,254	27,553	38,163	39,820	43,407	47,506	45,220	47,677	54,167	59,099
Latin America	5,614	9,324	12,277	13,518	10,792	11,528	7,529	7,231	8,612	9,741
East Asia (Oceania)	1,691	2,506	2,817	2,733	2,683	3,221	3,667	3,369	4,474	4,024
ASEAN	18,114	25,628	36,744	33,008	33,134	31,813	25,133	30,962	34,204	37,474
West Asia-GCC	30,480	42,472	45,360	51,054	48,221	49,296	41,693	41,768	39,391	41,622
Other West Asia	5,749	7,760	9,536	11,356	13,067	11,185	7,883	7,879	8,993	10,761
NE Asia	28,905	35,960	45,303	39,388	40,773	37,788	30,837	34,546	39,468	41,979
South Asia	8,391	11,657	13,296	15,111	17,504	20,480	18,594	19,222	23,101	25,349
CARs Countries	269	303	429	551	538	605	362	338	365	442
Other CIS Countries	1,418	2,379	2,630	3,131	2,954	2,791	2,029	2,456	2,642	3,024
Unspecified	4,910	14,673	16,982	5,587	11,774	4,937	3,926	3,974	2,892	3,678
Total	178,751	249,815	305,963	300,400	314,405	310,338	262,291	275,852	303,526	330,078

Source: Export Import Data Bank, Department of Commerce, Govt. of India

The above table showed that the export of goods and services from India to different trade regions in the world for the past ten years from 2009-2010 to 2018-19. The figures are shown in US\$. From the table given above, we can identify easily the major destination of India's export. Among the export region specified here, North America is in the top list, followed by EU Countries. Third among them is North East Asia, followed by West Africa, ASEAN, South Asia, and other West Asia. Latin America, West Africa and East Africa were ranked eighth, ninth and tenth place respectively in the top most destination for India's exports. For the purpose of analysis only top five export regions' are considered here.

- 1) India's export of goods and services to North America showed increasing trend from 21,254US\$ in 2009-2010 to 59,099 US\$ in 2018-19.
- 2) Exports to EU countries increased from 36,118 US\$ in 2009-10 to 57,172 US\$ in 2018-19 registering a growth of 58.29% from the base year.
- 3) India's export to North East Asia augmented from+ 28,905 US \$ in 2009-2010 to 41,979 US\$ in 2018-2019 with 45.2 % increase.

4) West Asia (GCC) imports from India increased from 30,480 US\$ in 2009-2010 to 41,622 US\$ during the year 2018-2019 with the growth rate of 36.55 %.

5) ASEAN export region had recorded a growth trend from 18,114 US\$ in the base year to 37,474 US\$ in 2018-2019.

Even aftermath of financial crisis emerged from America during 2008, India's overall export to these region have showed an increase of 330,078 US\$ during the financial year 2018-2019 from 178,751 US\$ in 2009-2010 with the growth of 84 % for the study period.

IV. CONCLUSION

India's international trade performance was really a good show of current world economic situation. In the next few years GDP of India will grow by approximately around 7.5%. Due to the high volume of population, India does not only become the consumption hub of world production but it also more productive than other nation. For the past two decades services in trade shows a good trend of progress in foreign trade with the trade surplus. Conducive business climate along with development oriented EXIM policy of Government of India will help the Indian economy to grow faster and better.

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