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An analysis of Indian foreign trade (Export-Import) in recent time.

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ABSTRACT

Foreign trade plays an important role in Indian economy. An Indian foreign trade has come a long way in value terms from the time of gaining independence in 1947. As the country need to import diverse products so foreign trade in extremely important to contrary. Japan, Singapore, Hong kong, Taiwan and developing countries adopted programmers of Export promotion and import liberalization in the 1960s and achieved appreciable successes. The success of these countries has inspired many economists, IMF and World Bank to advocate import liberalization and export promotion as a panacea for many economic ills facing developing countries like India. In 1990-91, Indian economic condition was vary power. So, the economic policy (LPG) introduced by the government of India in July 1991 at the behest of IMF and the World Bank. India exports vast number of products and also imports an equal amount of other products. The total value of Indian exports increased from 1269 US \$ billion 1950-51 to 303526 US \$ billion in 2017-18. The total value of Indian imports increased from 1273 US \$ billion 1950-51 to 46581 US \$ billion in 2017-18. Trade growth has picked up past LPG of 1991. Devloping countries and OECD countries have become a major trading block. This paper is an attempt to analysis's the recent trends and direction in foreign trade in India.

Keywords: Foreign Trade, Export, Import and LPG

Introduction:

The process and level of economic development of a country significantly influence the value, composition and direction of its foreign trade. Foreign trade in India includes of imports and exports and from India. At the level of central government its administered by the ministry of commerce and industry. Foreign trade accounted for 48.8 percent of india's GDP in 2017. India's foreign trade was largely determined by the strategic needs of the british colonial powers prior to its independence in 1947 like other colonies, india too was a supplier of raw materials and agricultural commodities to Britain and other industrial countries and its used to import the manufactured goods from braitain. After new economics reforms of India makes a heavy demand for capital goods, equipments, machineries and raw metrials, which have to be imported from advanced industrialized countries. This cause of import bill of developing countries to rises sharply in the early phases of their economic development. To pay for these rising imports, exports promotion measures are adopted and new lines of export promotion measures are adopted new lines of exports are developed. A sharp rise in imports and a steady growth of exports raises the total volume of foreign trade. These are changes in the value and direction of exports and imports. The total value of Indian international trade has gone up from US \$ 1269 million in financial year 1950-51 to US \$ 30352 million in financial year 2017-18.

Objectives of the study

To analysis the change in value of Indian foreign trade in recent era.

To analysis the change in direction of Indian foreign trade in recent era.

Review of literature

Crtstea (2010), how can the economic growth be affected? statistical analysis for Romania” the main objective of this paper is to investigate this relationship for remain taking into account the effect of inflation rate bank lending and exchange rate over economic growth using quarterly data for the period 2001-09. In this study has under taken variable such as economic growth, average rate exchange, inflation rate. The study based on secondary data and most of data taken from national institute of statistic, national bank of Romania, statistical year book of Romania. As research methods it was applied the backward methods linear regression, into spss program and

correlation and test. The result of this study there the short time, credit activity, inflation rate and the evolution of average at exchange rate in Romania have to be under control in order do not inflation in the negative way economic growth in our country.

Cuddy (1988), a regional analysis of growth rate in agriculture output in Ireland 1968/69 to 1976/77” in this paper analyzed the changing pattern of regional agricultural output over the period 1968/69 to 1976/77. In this study has under taken the variables such as wheat, barley, oats, milk, pigs, sheep, potato sect. the study based on secondary data and data has under taken statistica l abstract of Ireland for various year , department of agriculture , census for population , labor force survey and agriculture census and survey of malls engaged in agriculture etc. In this paper use the method is weight average mean, standard deviation and coefficient of variation etc. the result in this study increased hectares per labor unit than increased output per hectare.

Reddy (1978), “Growth rates” this paper observes that the above statistical measures of goodness of fit are inadequate to determine the exact nature of the trend curve describing the underlying data, this paper also focus on attempted to overcome the difficulty of choosing on appropriate growth curve in India the study based on secondary data. The data has been collected CSO, RBI. The study has under taken variable such as agricultural sector and industrial sector. The study used the methods like regression of coefficients, t test and correlation. The study find out agricult ure production and industrial production has been increased, constant growth rate.

Gupta (2019), analyzed the trends, composition and direction of the Indian foreign trends during financial period 1950-51 to 2017-18. The study is based on secondary data and the data has been taken from ministry of commerce and industry, finance ministry and RBI. The study impleme nted for the presentation of data which include the use of tables and graphs. In the study the researcher has used variable such as- export. Import and commodity etc. and found that the Indian foreign trade has increased after new economic reforms 1990-91.

Pillania (2008), analyzed the trends, composition and direction of the Indian foreign trends during financial period 1950-51 to 2017-18. The study is based on secondary data and the data has been taken from ministry of commerce and industry, finance ministry and RBI. The study impleme nted for the presentation of data which include the use of tables and graphs. In the study the researcher has used variable such as- export. Import and commodity etc. and found that the Indian foreign trade has increased after new economic reforms 1990-91 in India. India serves exports share in global exports in more than double of that of Indian manufacturing exports in terms of direction.

Methodology

Methodology is an important part of the research. Methodology is used to know what are the methods applied to the analysis of the study. In order to fulfill the objectives of the study follow ing methodology is used in the research:

Growth Rate: Growth rate is the rate of increase in size per unit time. Calculating Per cent Growth Rates:

The per cent change from one period to another which is calculated from by formula:

$$GR = \frac{\text{present value} - \text{past value}}{\text{past value}} * 100$$

Where: GR = Growth Rate

The annual percentage growth rate is simply the per cent growth divided by N, the number of years.

Percentage share: A percentage is a portion of a whole expressed as a number between 0 and 100 rather than as a fraction.

Data Analysis

In order to an analysis of Indian foreign trade in recent time. The study utilizes the annually time series data from 1950-51 to 2017-18.

Table-1: Recent trends in Indian's foreign trade (in US \$ million)

Years	Export	Import	Trade balance	Growth rate	
				export	import
1950-51	1269	1273	-4		
1960-61	1346	2353	-107	6.07	45.89
1970-71	2031	2162	-1301	50.89	-8.11
1980-81	8486	15869	-7883	317.82	633.99
1990-91	18143	24075	-5932	113.79	5.17
2000-01	44560	50536	-5976	145.60	109.91
2016-17	276547	382740	-106193	520.61	657.36

2017-18	303526	465581	-162-54	9.76	21.64
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Source: DGSIS & Ministry of commerce & Industry.

Table 1 shows that the Indian foreign trade in recent time. The total value of India's export has gone up from US \$ 1269 million in 1950-51 to nearly US \$ 303526 in 2017-18. The total value of trade balance has gone up from only -4 US \$ million in financial year 1950-51 to nearly US \$ -162054 in financial year 2017-18. The rate of change of export in 8.8 in 1970-71 to increased 9.7 in 2017-18.

Table 2: Direction of Indian trade- Export

S. No.	Group/ country	2015-16	2016-17	2017-18
I	OECD Countries	100837.8	104487.9	119622.4
A	EU	44590.7	47308.8	53603.7
B	North America	42354.4	44216.4	50384.8
C	Asia & Oceania	8233.9	7113.2	9099.4
D	Other OCED Countries	5658.8	5849.5	6534.5
II	OPEC	46272.8	45200	44302.5
III	Eastern Europe	2415.7	2820.4	3058.7
IV	Developing Countries	110039.4	120658.3	133732
A	Asia	76940.1	88573.7	99848.5
A1	SAARC	18594.2	19222.1	22926.3
A2	Other Asian developing Countries	58346	69351.6	76922.2
B	Africa	21683.5	20251.9	21472.5

C	Latin America	11415.7	11832.7	12411
V	Others	242.4	215.6	229.3
VI	Unspecified	2482.9	2470.1	2431.3
	Total exports	262291.1	275852.4	303376.2

Source: RBI Bulletin, 2018

Table 2: the table shows that the direction of the Indian trade – exports. The direction means the countries with which we have trade relationship. It shows our trade relationship with the countries to whom we export and from whom we import our requirement. As per table 2, destination wise, during 2017-18, among the region developing countries and OECD countries were the major markets for India exports with each group accounting for 39.3 percent.

Table 3: Direction of Indian trade- Import

S.No.	Group/ country	2015-16	2016-17	2017-18
I	OECD Countries	109912.2	109264.6	126729.2
A	EU	43938.4	42389.3	47881.3
B	North America	26015.4	26439	31339.6
C	Asia & Oceania	19296.6	21413.6	25610.9
D	Other OCED Countries	20661.8	19022.8	21897.3
II	OPEC	90165.1	92541.8	109359.2
III	Eastern Europe	7095.6	9329.3	12914.5
IV	Developing Countries	164860.1	165750	207173.5
A	Asia	132457.2	133351.4	165831.6

A1	SAARC	2975	2813.4	3198
A2	Other Asian developing Countries	129482.2	130538.4	162633.6
B	Africa	18643	17976.4	22673
C	Latin America	13759.9	14421.8	18668.9
V	Others	265.3	127.8	98.3
VI	Unspecified	8709.6	7343.6	9303.7
	Total exports	381007.8	384357	

Source: RBI Bulletin, 2018

Table 2: the table shows that the direction of the Indian trade – Imports. The direction means the countries with which we have trade relationship. Total import from OPEC, developing countries, OECD countries were US \$ 109359.2 million, US \$ 207173.5 Million and US \$ 126729.2 million in financial year 2017-18 respectively. Direction of Indian import during 2015-16 indicated that growth of import from EU, North America, Asian and Oceania, OPEC, Asian and African developing countries increased, while imports from others countries declined in financial year 2017-18.

Conclusion:

Indian foreign trade has progressed a lot over the last seventy years since independence. The Indian foreign trade increased after economic reforms in 1990-91. Services exports contribution has grown rapidly in recent past. 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 on rise 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, we can safely conclude that there is huge untapped potential for Indian foreign trade in year to come.

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