

An Analysis of India's Performance in Merchandise Foreign Trade after Globalisation – A Trend Analysis

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Abstract

In present scenario, foreign trade considered essential for each nations of the world for their growth and development. In this globalised era all the nations of the world have realised its interdependence over other nations for one and the other resources, commodities and services because no country have self-sufficiency in terms of resources and technology in all over the globe. This paper emphasises on India's performance in merchandise foreign trade after globalisation. At the present time, India is one of the fastest developing economy in the world with greater population growth and consumer demands. With the rise in per capita income of lower and middle income group people of India has appeared as bigger market in terms of imports of goods from different nations of the world. Along with this, increase in technology and innovation permits India to take active participation in production and competitiveness that leads to increased exports in globalising world. The present scenario of India's merchandise foreign trade indicates trade deficits which means merchandise imports are increasing at faster rate than the merchandise exports. The study analyses the trends and performance in merchandise trade for the period of 28 years i.e. 1991-92 to 2018-19. The study also investigate the pattern of growth in India's exports and imports throughout the study period. Further, the study also projecting the value of exports and imports from and to India for the next 6 years from 2019-20 to 2024-25. The present and the forecasted trend values of export and import state that these are going to be increase in terms of volume with upward trend but imports will grow slightly more than exports. The conclusive point is if India wants to increase its share in global trade then it has to increase its export potentials and reduce imports. At the same time, it has to increase its exports to other regions and capitalise the market.

Keywords: Foreign Trade, Globalisation, Merchandise Trade, Exports and Imports etc.

Introduction

Trade is the lifeline of any nation in the world which helps in economic growth and nation's development. Trade can be well-defined as transference of goods and services from one to the other in exchange of money. But with the increase in domestic competition, it is hard to an economy to maintain its trade position with domestic trade. This

circumstances leads to the concept of foreign trade. Foreign trade refers to business transactions taking place between two and more than two nations. Foreign trade is the trading of goods, services and capital over the national boundaries. This kind of trade can be conducted by an individual or government of a country. Foreign trade is vital for every nation because no nation on the globe has self-sufficiency. There is always a necessity of goods and services and capital by every nation, no matter what their natural or human resources are.

Foreign trade also plays an imperative role in India. India's merchandise foreign trade has deep roots from early civilizations. We know about the foreign trade of 'Harappan civilization' with rest of the world. Along with this we also know about the 'Silk route' through which European civilizations were able to connect themselves with Asian countries. So, we can say that it is not a novel concept rather foreign trade co-operation has historical existence and it will further grow and develop. India's trade relations flourished a lot with neighbouring countries like- Middle East Asia, Europe etc. But during British colonial rule, Britishers concentrated on exploiting the resources of India. The Britishers focused on their own interest which created a situation, in which India could not benefit from major changes like- industrialisation, growth in trade, production etc. At the end of British colonial rule, India became one of the deprived and motionless economies in the world. As a result at the time of Independence India was completely dependent on agriculture and most of the people involved in agriculture, which was scarce to feed rapidly accelerating population and contributing in growth of the economy.

India advocated an inward looking industrialization strategy with stress on import substitution in the course of planning for the Indian economy, just after the independence. Export development was neglected by the early planners as it was believed that demand for India's traditional exporting products is inelastic and, therefore, only after a tough industrial base greater export earnings would be thinkable. As a result, India could not play a part properly with the world trading system. On the other hand, the dissatisfaction in import substitution; the debt difficulties, which caused macroeconomic instability; and the role of foreign creditors, for instance the International Monetary Fund and the World Bank, have been nominated of the fundamental reasons of the economic reforms in India, which began in July 1991. The external sector reform such as foreign trade policy reform along with the liberalization, privatisation and globalisation (LPG) of trade has been the indispensable feature of the economic reform process of India. An on-going process of

liberalization, privatisation and globalisation (LPG) in external trade regime has been applied during the last three decades and India has incorporated progressively into the regional and the world economic system (Gupta, 2010).

India's Merchandise Foreign Trade in Globalised Era

Major steps were taken in the early 1990s as part of the policy of liberalization and globalisation and this opened the new economy to India. This new innovative policy system completely in favour of a more open and market-oriented economy. Some major changes include scrapping the industrial licensing scheme, reducing the number of fields reserved for the public sector, changing the monopolies and restrictive trade practices act, starting the privatization scheme, reducing tariff rates and switching to market-specific exchange rates (Velayudham, 2002). In 1991 the Government of India commanded by the then Prime Minister P.V. Narasimha Rao with the former finance minister Manmohan Singh (known as father of new economic policy) decided for several reforms that are collectively termed as New Economic Policy of Liberalisation, Privatization and Globalisation (LPG) a step towards making economy more open.

Exports and imports growth picked up after new economic reforms (LPG), i.e. after 1991, and foreign trade support to GDP improved to 17.1 percent by 2000. However, import growth levels were greater than export growth rates during the era. Exports have executed well during the post-reforms period, specifically between 1992-93 and 1996-97; and between 2002-2003 and 2007-2008. As a share of GDP, exports grew from a point of 5.8% in 1990-91 on a balance of payments (BoP) basis to a point of 14.0% of GDP in 2006-07. Imports were put at 20.9 percent of GDP in 2006-07 as a percentage of GDP based on balance of payments (BoP). Thus, in 2006-07, the trade deficit increased to 6.9% of GDP. An upsurge in petroleum, oil and lubricants as well as non-POL shares in imports could be credited to the more trade deficit. The steady increase in global prices and the increase in gold prices were the main contributors to this process. The trade account is defended by rising exports of services. India's services exports in 2006-07 at \$81.3 billion are improved rapidly with the country's \$127.1 billion merchandise exports. In 2006-07, the rate of growth in services exports was 32.5% matched to 21% in goods exports. India's share of worldwide services export is more than double of merchandise exports and India is one of the few nations which have enlarged their share of services exports in recent years (Pillania, 2008).

India's merchandise exports attained a level of US\$ 251.14 billion in 2010-11 recording a 40.49 percent growth contrasting to a 3.53 percent poor growth in the past year. In

past few years, the export industry in India has revealed prominent strength and dynamism. Despite India's export sector's recent setback leading to worldwide slowdown, merchandise exports experienced a 20.0 percent CAGR from 2004-05 to 2010-11 (Annual Report, 2011-12). Over the period of April-December 2017-18, the country's commodities exports rose by 12 percent to US\$ 223.51 billion corresponding to US\$ 199.46 billion over the year-ago period. Imports grew 21.76 percent to US\$ 338.36 billion over the current fiscal nine-month period, leaving a trade deficit of US\$ 114.85 billion (Economic Survey, 2018).

Significance of the Study

As we already discussed that Foreign trade is essential for the growth and development of any nation in the world because no nation on the globe has self-sufficiency. India advocated an inward looking industrialization strategy with stress on import substitution in the course of planning for the Indian economy, just after the independence. As a result, India could not play a part properly with the world trading system. In July 1991, the external sector reform such as foreign trade policy reform along with the liberalization, privatisation and globalisation (LPG) of trade has been the essential attribute of the economic reform progression of India. An on-going process of liberalization, privatisation and globalisation in outward trade regime has been applied during the last three decades and India has incorporated progressively into the regional and the world economic system. Thus, study engaged in understanding the performance of India's foreign trade i.e. merchandise exports and imports after globalisation.

Review of Literature

Hublikar & B.S. in their study "Recent Trends in India's International Trade" studied the various aspects of India's international trade. These aspects include India's merchandise and service trade performance, analyse India's trade basket and India's major trading partner. They found that India's international trade in case of merchandise trade shows deficit, on the other hand in case of services shows surplus. They further stated that India can increase its global trade share by enhancing export potential and reducing imports. With this, India should try to establish trade relations and increase exports with other regions. P. & Raju, (2017) in their study "Emerging Trends in Foreign Trade of India-A Glimpse into the Post Globalisation Economy" analysed the post globalisation trend of Indian foreign trade and examines the trends of Indian exports and its projected values and found that exports will increase during the forecasted period. Matore & Sagar, (2015) in their paper "India's International Trade

since Globalisation" examined the concept, significance and the direction of India's trade after globalisation. They found in their study that exports and imports are increasing but exports increasing at a declining rate on the other hand, imports increasing at an improving rate. As a result, balance of trade was and will be unfavourable during the post globalisation period. Sahu, (2017) in her paper "A Comparative Study of Performance of India's Trade in Pre and Post Liberalisation Period" examined the India's foreign trade during pre and post liberalisation period. This paper basically focused on changes in imports and exports along with growth of trade. She found in her study that total trade in post liberalisation has been significantly higher than the pre liberalisation period. Thus, total trade of India significantly increases due to the effect of liberalisation. Agrawal, (2014) in his paper "Globalization and its Effect on India" focused on the impact of globalisation on India's foreign trade and the economy. He found that there is an acceleration in the Indian economy after 1991. Due to the flow of globalisation, GDP of Indian economy increased that ultimately improves the global position of India. Globalisation has positively impacted the India's foreign trade but share of India in foreign trade is very low.

Objectives

- To study the post globalisation pattern of growth in exports and imports.
- To analyse the trend of India's exports and imports from 1991-92 to 2018-19.
- To analyse the projected values of India's exports and imports from 2019-20 to 2023-2024.

Research Methodology

This paper is descriptive cum analytical and purely based on secondary sources of data collected from various issues of online database of Reserve Bank of India, Directorate General of Commercial Intelligence and Statistics, Economic Survey, Journals and Articles and Web links, etc. Data relating to the period of 28 years from 1991-92 to 2018-19 have been used in the study for analysis. The statistical tools and methods used are percentage change, compound annual growth rate (CAGR) and trend analysis.

India's Performance in Merchandise Foreign Trade after Globalisation

In 1991, India launched a broad-based trade liberalization, globalisation and economic deregulation program with the aim of closer integration of the Indian economy with the worldwide economy. The new trade policy since institution of NEP 1991 reversed the direction followed for decades. Reducing tariff protection, relaxing and simplifying the

system for import licensing, reducing control over local constraints and industrial licensing encouraged foreign trade. In order to boost domestic and export-oriented growth, the policy emphasis mainly on the liberalization of capital goods and inputs for industry (Setty, n.d.). In the post globalisation and liberalisation period trade of India changed significantly. Volume and composition of trade was prominently changed. On the other hand, the direction of India's foreign trade was observed to be expended towards new countries and regional trading blocs. The openness of the Indian economy lead the trade towards new Asian countries and consequently, China become major trading partner of India. The most significant change regarding direction of India's trade is fast growth of India's trade with ASEAN group, Brazil, Mexico etc.

In order to assess the performance of India's total trade i.e. exports and imports, it would be proper to take an overview of foreign trade performance of India. Keeping this in mind, in the table 1.1, India's merchandise foreign trade performance during 1991-92 to 2018-19 have been presented.

An analysis of the table 1.1 reveals that India's merchandise foreign trade registered more than 22 folds increase with ups and down in few years during the study period. It has been observed that in 1991-92 the India's merchandise foreign trade was US \$ 37,276 million which continuously increased to US \$ 76490.9 million in 1997-98. In 1998-99, it decreases slightly but from the next year it increases and showed continuous increasing pattern up to 2008-09 i.e. US \$ 481633.4 million. It recorded continuous growth of more than 5 folds between the years 1999-2000 i.e. US \$ 86493.1 million and 2008-09 US \$ 481633.4 million. Between 2010-11 and 2018-19 India's merchandise foreign trade recorded a growth about 1.5 times with marginal fluctuations. It has been US \$ 620905.3 million in 2010-11 and reached to US \$ 844103.7 million in 2018-19. An analysis of the table states that India's merchandise foreign trade increased significantly during study period. The compound annual growth rate (CAGR) of India's merchandise foreign trade recorded 12.25 percent during the period taken under study.

Table- 1.1
India's Merchandise Foreign Trade Performance

| (US \$ Million) | | | | | | | |
|-----------------|----------|----------|----------|----------|---------------|-------------|----------|
| Years | Exports | % Growth | Imports | % Growth | Trade balance | Total Trade | % Growth |
| 1991-92 | 17865.4 | NA | 19410.5 | NA | -1545 | 37275.9 | NA |
| 1992-93 | 18537.2 | 3.76 | 21881.6 | 12.73 | -3344 | 40418.8 | 8.43 |
| 1993-94 | 22238.3 | 19.97 | 23306.2 | 6.51 | -1068 | 45544.5 | 12.68 |
| 1994-95 | 26330.5 | 18.40 | 28654.4 | 22.95 | -2324 | 54984.9 | 20.73 |
| 1995-96 | 31794.9 | 20.75 | 36675.3 | 27.99 | -4880 | 68470.2 | 24.53 |
| 1996-97 | 33469.7 | 5.27 | 39132.4 | 6.70 | -5663 | 72602.1 | 6.03 |
| 1997-98 | 35006.4 | 4.59 | 41484.5 | 6.01 | -6478 | 76490.9 | 5.36 |
| 1998-99 | 33218.7 | -5.11 | 42388.7 | 2.18 | -9170 | 75607.4 | -1.16 |
| 1999-00 | 36822.4 | 10.85 | 49670.7 | 17.18 | -12848 | 86493.1 | 14.40 |
| 2000-01 | 44560.3 | 21.01 | 50536.5 | 1.74 | -5976 | 95096.8 | 9.95 |
| 2001-02 | 43826.7 | -1.65 | 51413.3 | 1.73 | -7587 | 95240.0 | 0.15 |
| 2002-03 | 52719.4 | 20.29 | 61412.1 | 19.45 | -8693 | 114131.5 | 19.84 |
| 2003-04 | 63842.6 | 21.10 | 78149.1 | 27.25 | -14307 | 141991.7 | 24.41 |
| 2004-05 | 83535.9 | 30.85 | 111517.4 | 42.70 | -27982 | 195053.3 | 37.37 |
| 2005-06 | 103090.5 | 23.41 | 149165.7 | 33.76 | -46075.2 | 252256.2 | 29.33 |
| 2006-07 | 126414.1 | 22.62 | 185735.2 | 24.52 | -59321.2 | 312149.3 | 23.74 |
| 2007-08 | 162904.2 | 28.87 | 251439.2 | 35.38 | -88535 | 414343.4 | 32.74 |
| 2008-09 | 182799.5 | 12.21 | 298833.9 | 18.85 | -116034.4 | 481633.4 | 16.24 |

| | | | | | | | |
|----------------|----------|--------|----------|--------|-----------|------------|--------|
| 2009-10 | 178751.4 | -2.21 | 288372.9 | -3.50 | -109621.5 | 467124.3 | -3.01 |
| 2010-11 | 251136.2 | 40.49 | 369769.1 | 28.23 | -118632.9 | 620905.3 | 32.92 |
| 2011-12 | 305963.9 | 21.83 | 489319.5 | 32.33 | -183355.7 | 795283.4 | 28.08 |
| 2012-13 | 300400.7 | -1.82 | 490736.7 | 0.29 | -190336 | 791137.4 | -0.52 |
| 2013-14 | 314415.7 | 4.67 | 450213.7 | -8.26 | -135798 | 764629.4 | -3.35 |
| 2014-15 | 310352 | -1.29 | 448033.4 | -0.48 | -137681.4 | 758385.4 | -0.82 |
| 2015-16 | 262291.1 | -15.49 | 381007.8 | -14.96 | -118716.7 | 643298.9 | -15.18 |
| 2016-17 | 275852.4 | 5.17 | 384357 | 0.88 | -108504.6 | 660209.4 | 2.63 |
| 2017-18 | 303526.2 | 10.03 | 465581 | 21.13 | -162054.8 | 769107.2 | 16.49 |
| 2018-19 | 330069.6 | 8.75 | 514034.1 | 10.41 | -183964.5 | 844103.7 | 9.75 |
| | | | | | | | |
| CAGR | 0.114066 | | 0.129021 | | | 0.12249389 | |
| CAGR % | 11.41 | | 12.90 | | | 12.25 | |

Source: RBI Database, DGCI&S and Economic Survey, (Various Issues)

Note: Percentage growth calculated over the previous year.

India's Merchandise Exports

An analysis of table 1.1 reveals that India's total merchandise exports improved more than 18 folds with variations during the period taken under study. The interpretation exhibits that in post-globalisation at initial in 1991-92 was US \$ 17865.4 million which continuously increased to US \$ 35006.4 million in 1997-98. In 1998-99, it decreased slightly, but from the next year it showed increasing pattern till 2008-09 i.e. US \$ 182799.5 million except 2001-02. During 2010-11 to 2018-19 total exports registered a growth about 1.5 times with the value of US \$ 251136.2 million in 2010-11 and US \$ 330069.6 million in 2018-19 as shown in figure 1.1(a). The compound annual growth rate (CAGR) of India's total merchandise exports recorded 11.41 percent during the period taken under study. Exports performance can be observed graphically in figure 1.1(a).

India's Merchandise Imports

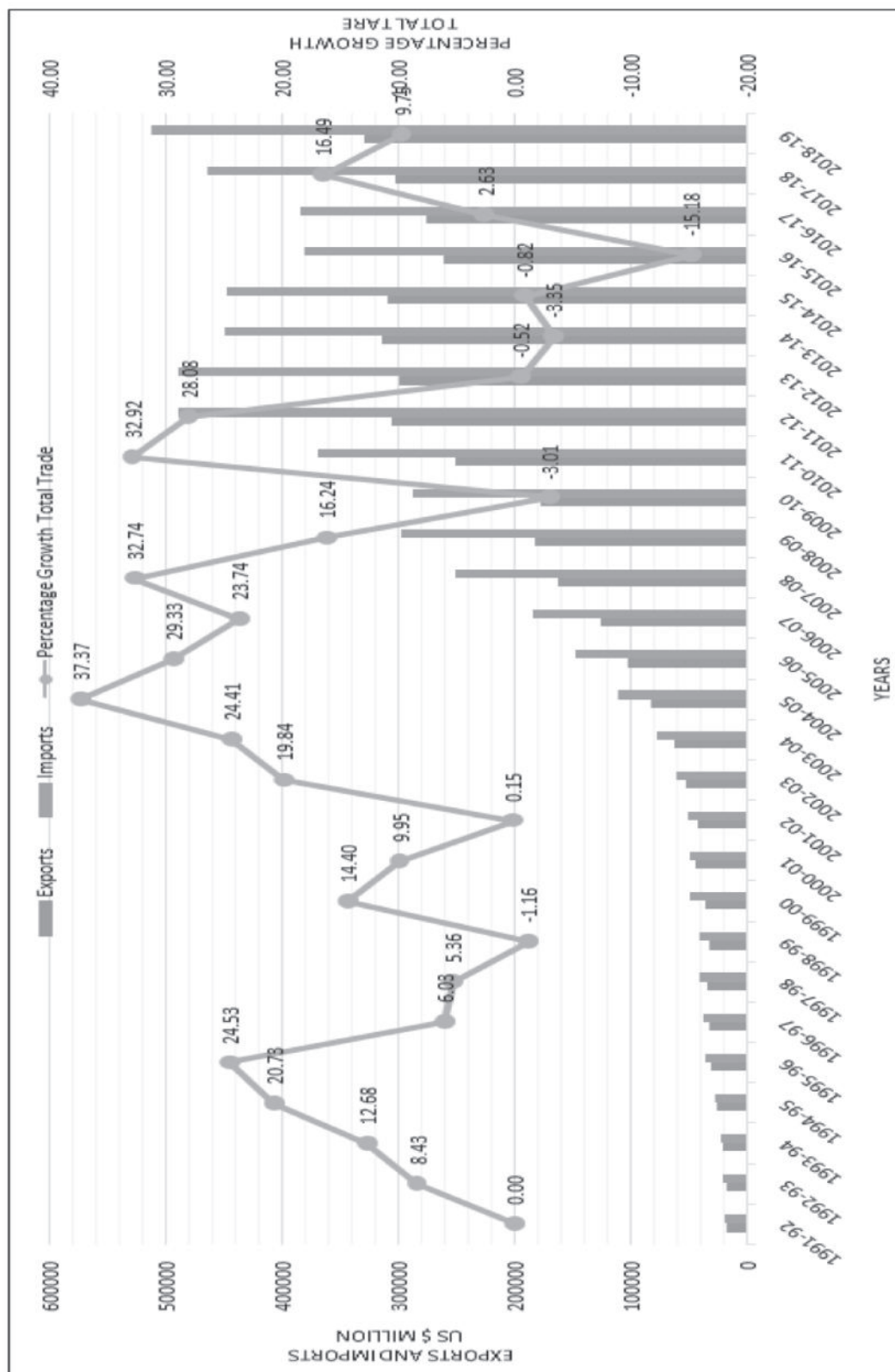
Table 1.1 reveals the pattern of India's total merchandise imports during 1988-89 to 2018-19. During this period total merchandise imports witnessed a growth of more than 26 folds. In post globalisation in 1991-92, it was US \$ 19410.5 million which continuously increased to US \$ 298833.9 million in 2008-09. In the year 2009-10, it recorded deterioration and stood at US \$ 288372.9 million, but from the next year 2010-11, it again showed increasing trend with ups and downs in few years up to 2018-19. During 2010-11 to 2018-19 total imports registered a growth about 1.5 times with the value of US \$ 369769.1 million in 2010-11 and US \$ 514034.1 million in 2018-19

as shown in figure 1.1(a). The compound annual growth rate (CAGR) of India's total imports recorded 12.90 percent during the period taken under study. Imports performance can be perceived graphically in figure 1.1(a).

Percentage Growth in Total Merchandise Trade

Table 1.1 represents the percentage growth in total merchandise foreign trade during 1991-92 to 2018-19. An analysis of the table reveals that growth in India's merchandise foreign trade during post globalisation in 1992-93 at initial, it recorded 8.43 percent over previous year. Further, interpretation exhibits that the percentage growth over previous year was healthy during post globalisation period except few years. In between 1992-93 and 1999-2000, it recorded highest 24.53 percent over previous year in 1995-96 with negative growth of -1.16 percent over previous year in 1998-99 as shown in figure 1.1(a).

Figure-1.1(a)
India's Exports and Imports and Growth of Total Trade



Source: Compiled by Author on the basis of data from RBI Database, DGI&S and Economic Survey, (Various Issues).

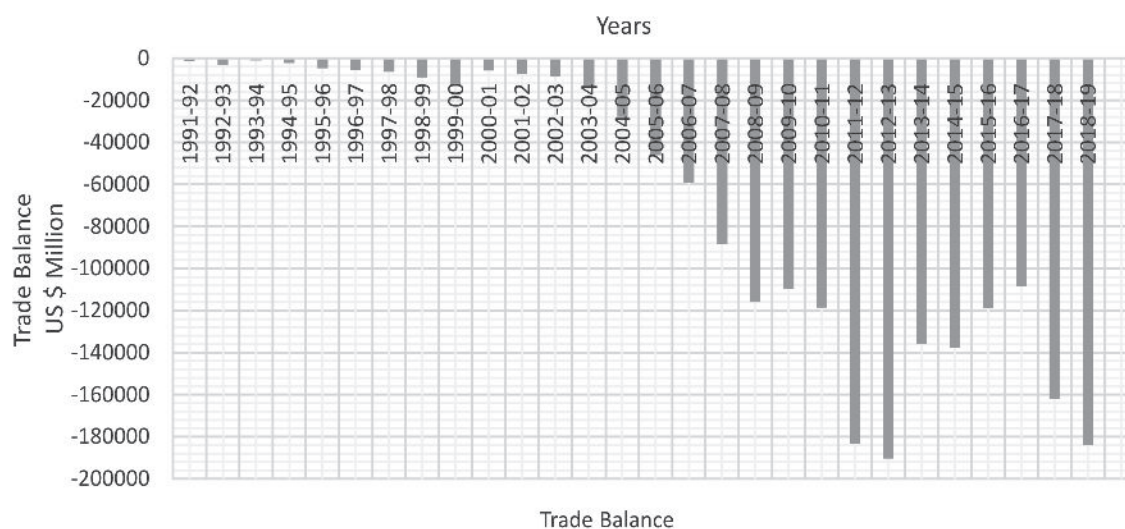
For the next two consecutive years 2000-01 and 2001-02, it recorded growth but at declining rate over the previous year. During 2002-03 to 2011-12, it registered highest 37.37 percent in 2004-05. It also recorded as all-time high 37.37 percent over previous year in 2004-05 during post globalisation period taken under study as shown in figure 1.1(a).

India's Balance of Trade

Table 1.1 reveals India's balance of trade during 1991-92 to 2018-19. It has never been favourable for India during the study period. Imports of India has been more than the exports since 1991-92 as per study period. It has been recorded unfavourable trade balance of India during post

globalisation period. As indicated in table 1.1 the gap between exports and imports make wider during 1991-92 to 2018-19. In 1992-93, India's balance of trade recorded unfavourable by US \$ -3344 million and reached to US \$ -12848 million in 1999-2000. This gap was unfavourably increased by about 4 times. Between 2000-01 and 2009-10, it recorded adverse trade balance by US \$ -5976 million and US \$ -109621.5 million respectively, which was raised more than 18 times. Subsequently, during 2010-11 to 2018-19, it has been recorded adverse by US \$ -118632.9 million in 2010-11 to US \$ -183964.5 million in 2018-19, which was increased about more than 1.5 times. The pattern of India's balance of trade increased unfavourably over the period. It has showed in diagram 1.1(b).

Figure 1.1(b)
Pattern of India's Balance of Trade



Source: Compiled by Author on the basis of data from RBI Database, DGCIS and Economic Survey (Various Issues).

Trends

The impact of globalisation is marked from the shifting structure of India's foreign trade in terms of diversity of market and products, and also in the form of higher degree of trade openness (resulting from higher export growth and the related increase in the capacity to import).

Table 1.2(a) presents the linear trends and growth trends in India's merchandise exports and imports over the study period in terms US \$ million and table 1.2(b) represents forecasted value of linear trends and growth trends for 5 years. One of the significant test to find trends of exports

and imports and estimate the future values is Time Series Analysis. For this purpose, Linear Trend Line Equation and Exponential Trend Line Equation have been traced from line graph (figure 1.2 & 1.3) showing exports and imports values linear and exponential fluctuations and fitting trend lines individually. Exponential trend line has been drawn showing growth trend.

The model for linear trend line is as below:

$$y = a + b x$$

Where,

$$a = \sum Y/n$$

$$b = \frac{\sum XY}{\sum x^2}$$

a = intercept b = slope coefficient y = dependent variable x = independent variable

Once the value of a and b are found the fitted linear line of trend is given by the equation:

$$y_t = a + b x$$

Linear Trend Line Equations for India's total merchandise exports and imports during the period of 1991-92 to 2018-19 are given below:

| Linear Trend Line Equations | R ² | Remarks |
|--------------------------------------|----------------|----------|
| Exports: $y = 13474x - 54240$ | 0.8862 | Good Fit |
| Imports: $y = 20856x - 94476$ | 0.8688 | Good Fit |

The model for exponential trend line is as below:

$$y = a b^x$$

Where,

a = intercept b = slope coefficient y = dependent variable x = independent variable

After taking logarithms on both side the model becomes:

$$\text{Log } Y = \log a + \log b$$

Exponential Trend Line Equations for India's total merchandise exports and imports during the period of 1991-92 to 2018-19 are given below:

| Exponential Trend Line Equation | R ² | Remarks |
|--|----------------|----------|
| Exports: $y = 15188e^{0.1228x}$ | 0.9549 | Good Fit |
| Imports: $y = 16464e^{0.1373x}$ | 0.9449 | Good Fit |

Table- 1.2(a)
Trends in India's Total Merchandise Exports and Imports
(1991-92 to 2018-19)

(US \$ Million)

| Years | Exports | Linear Trends | Growth Trends | Imports | Linear Trends | Growth Trends |
|---------|----------|---------------|---------------|----------|---------------|---------------|
| 1991-92 | 17865.4 | -40765.51 | 17173.04 | 19410.5 | -73620.08 | 18886.44 |
| 1992-93 | 18537.2 | -27291.52 | 19417.44 | 21881.6 | -52764.01 | 21665.79 |
| 1993-94 | 22238.3 | -13817.52 | 21955.15 | 23306.2 | -31907.94 | 24854.16 |
| 1994-95 | 26330.5 | -343.53 | 24824.53 | 28654.4 | -11051.88 | 28511.73 |
| 1995-96 | 31794.9 | 13130.47 | 28068.92 | 36675.3 | 9804.19 | 32707.56 |
| 1996-97 | 33469.7 | 26604.47 | 31737.32 | 39132.4 | 30660.26 | 37520.84 |
| 1997-98 | 35006.4 | 40078.46 | 35885.16 | 41484.5 | 51516.33 | 43042.46 |
| 1998-99 | 33218.7 | 53552.46 | 40575.09 | 42388.7 | 72372.40 | 49376.65 |
| 1999-00 | 36822.4 | 67026.45 | 45877.96 | 49670.7 | 93228.47 | 56642.98 |
| 2000-01 | 44560.3 | 80500.45 | 51873.87 | 50536.5 | 114084.54 | 64978.63 |
| 2001-02 | 43826.7 | 93974.44 | 58653.41 | 51413.3 | 134940.61 | 74540.98 |
| 2002-03 | 52719.4 | 107448.44 | 66318.98 | 61412.1 | 155796.68 | 85510.53 |
| 2003-04 | 63842.6 | 120922.43 | 74986.39 | 78149.1 | 176652.75 | 98094.37 |
| 2004-05 | 83535.9 | 134396.43 | 84786.57 | 111517.4 | 197508.82 | 112530.07 |
| 2005-06 | 103090.5 | 147870.42 | 95867.56 | 149165.7 | 218364.89 | 129090.14 |
| 2006-07 | 126414.1 | 161344.42 | 108396.75 | 185735.2 | 239220.96 | 148087.22 |
| 2007-08 | 162904.2 | 174818.41 | 122563.42 | 251439.2 | 260077.03 | 169879.93 |
| 2008-09 | 182799.5 | 188292.41 | 138581.57 | 298833.9 | 280933.10 | 194879.69 |
| 2009-10 | 178751.4 | 201766.40 | 156693.17 | 288372.9 | 301789.17 | 223558.45 |
| 2010-11 | 251136.2 | 215240.40 | 177171.83 | 369769.1 | 322645.24 | 256457.60 |
| 2011-12 | 305963.9 | 228714.39 | 200326.90 | 489319.5 | 343501.30 | 294198.25 |
| 2012-13 | 300400.7 | 242188.39 | 226508.17 | 490736.7 | 364357.37 | 337492.85 |
| 2013-14 | 314415.7 | 255662.38 | 256111.14 | 450213.7 | 385213.44 | 387158.75 |
| 2014-15 | 310352 | 269136.38 | 289583.00 | 448033.4 | 406069.51 | 444133.55 |
| 2015-16 | 262291.1 | 282610.38 | 327429.40 | 381007.8 | 426925.58 | 509492.83 |
| 2016-17 | 275852.4 | 296084.37 | 370222.04 | 384357 | 447781.65 | 584470.48 |
| 2017-18 | 303526.2 | 309558.37 | 418607.37 | 465581 | 468637.72 | 670481.93 |
| 2018-19 | 330069.6 | 323032.36 | 473316.31 | 514034.1 | 489493.79 | 769150.95 |

Source: RBI Database, DGCIS and Economic Survey, (Various Issues)

Table- 1.2(b)
Forecasted Trend Values of India's Total Merchandise Exports and Imports
(2019-20 to 2023-24)

(US \$ Million)

| Years | Export Linear Trends | Export Growth Trends | Import Linear Trends | Import Growth Trends |
|---------|----------------------|----------------------|----------------------|----------------------|
| 2019-20 | 336506.36 | 535175.31 | 510349.86 | 882340.22 |
| 2020-21 | 349980.35 | 605118.84 | 531205.93 | 1012186.59 |
| 2021-22 | 363454.35 | 684203.47 | 552062.00 | 1161141.31 |
| 2022-23 | 376928.34 | 773623.89 | 572918.07 | 1332016.42 |
| 2023-24 | 390402.34 | 874730.91 | 593774.14 | 1528037.73 |

Source: Author's Computation

The Trend Analysis has been done to present the trend of India's exports and imports for a period of 28 years from 1991-92 to 2018-19 along with estimate of the export and imports trends for 5 years from 2019-20 to 2023-24. Table

1.2(b) exemplifies the future trend of exports and imports which states that there is going to be an increase in terms of volume with an upward trend.

Figure- 1.2

Trend lines fitted constructed on derived trend values of total exports of India

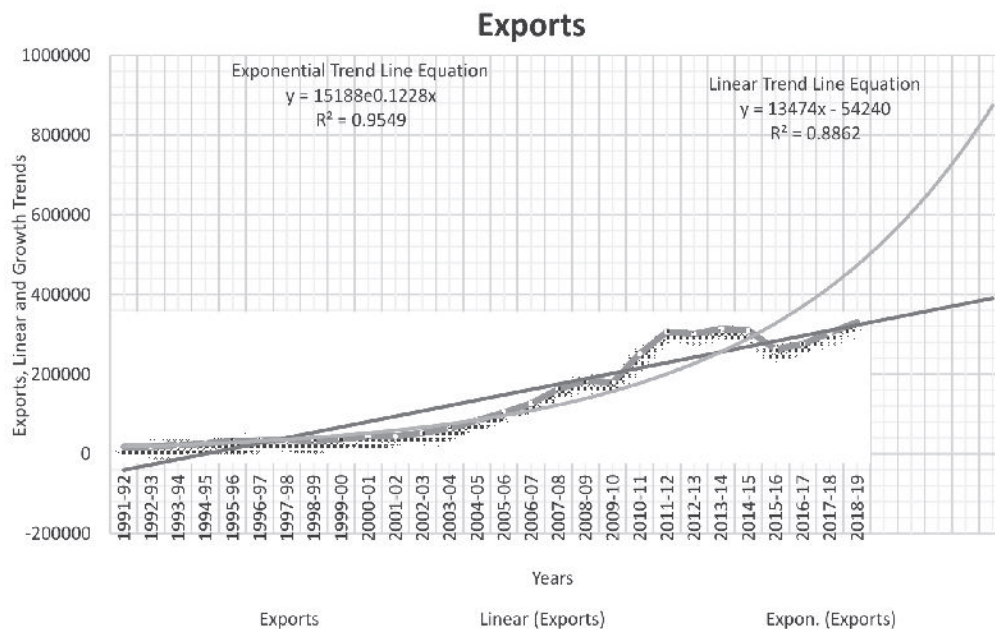


Figure 1.2 shows the India's total merchandise export performance, linear trend and growth trend. There has been an overall increasing trend in India's total exports during the study period from 1991-92 to 2018-19. A linear and exponential trend line have been drawn to show India's total merchandise exports. The linear trend line shows the increasing trend with R square value as 0.8862, which indicates there is good fit of the linear trend line for India's

total exports. The exponential trend line depicts growth trend that shows positive growth with R square 0.9549 which indicates there is good fit of the growth trend line for India's total exports during the study period. This figure also consists of phenomenon of forecasting of India's merchandise exports for the period of 2019-20 to 2023-24. It shows that there is going to be an increase in terms of volume with an upward trend.

Figure- 1.3

Trend lines fitted constructed on derived trend values of total imports of India

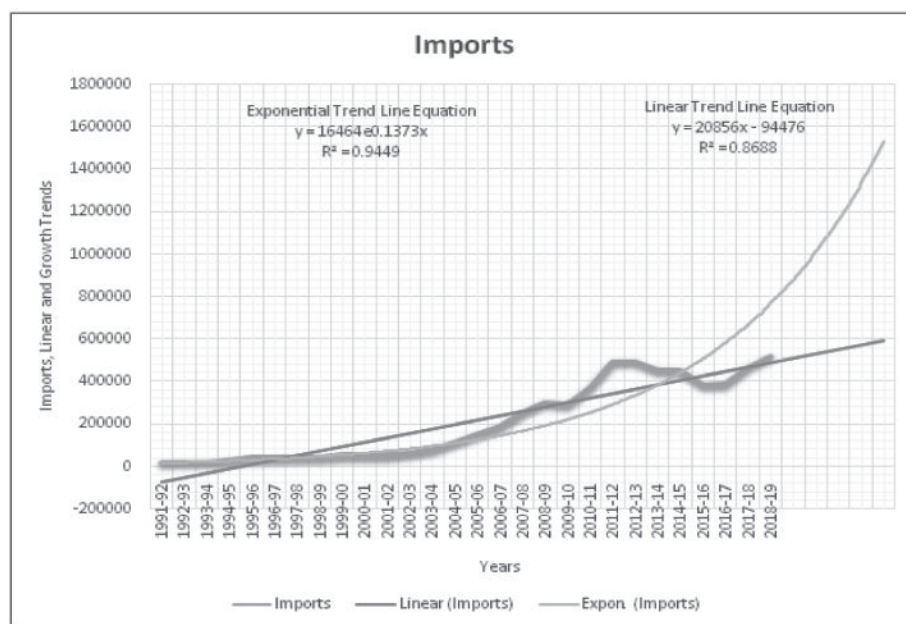


Figure 1.3 shows the India's total merchandise import performance, linear trend and growth trend. There has been an overall increasing trend in India's total imports during the study period from 1991-92 to 2018-19. A linear and exponential trend line have been drawn to show the India's total merchandise imports. The linear trend line shows the increasing trend with R square value as 0.8688, which indicates there is good fit of the linear trend line for India's total imports. The exponential trend line depicts growth trend that shows positive growth with R square 0.9449 which indicates there is good fit of the growth trend line for India's total imports during the study period. This figure also consists of phenomenon of forecasting of India's merchandise imports for the period of 2019-20 to 2023-24. It shows that there is going to be increase in terms of volume with an upward trend.

Conclusion

Globalisation characterised by openness, adaptation and responsiveness paved way to newer dimensions of Indian foreign trade. This study exhibits the post globalisation pattern of growth in exports and imports, the trend of India's exports and imports from 1991-92 to 2018-19 and the projected values of India's exports and imports from 2019-20 to 2023-2024. By the above study it can be concluded that, the imports are increasing at a greater rate than the exports between 1991-92 and 2018-19. It gives conclusive statistical facts about India's alarming aspects of merchandise trade, where it indicates that merchandise trade deficit is increasing at a faster rate. Further the forecasted trend values of export and import state that these are going to be increase in terms of volume with upward trend but imports will grow slightly more than exports from 2019-20 to 2023-24. The conclusive point is if India wants to increase its share in global trade then it has to increase its export potentials and reduce imports. At the same time, it has to increase its exports to other regions and capitalise the market.

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