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Trends in India's Foreign Trade

India's Trade Performance

India's merchandise exports reached a level of US \$ 312.61 billion during 2013-14 registering a growth of 4.06 percent as compared to a negative growth of 1.82 percent during the previous year. Despite the recent setback faced by India's export sector due to global slowdown, merchandise exports still recorded a Compound Annual Growth Rate (CAGR) of 15.79 per cent from 2004-05 to 2013-14.

World Trade Scenario

As per IMF's World Economic Outlook April 2014, world trade recorded its largest ever annual increase in 2010, as merchandise trade surged 14 per cent, but in the year 2012, it declined to 2.6 per cent and showed only a marginal improvement to 2.7 per cent in 2013. It however projects acceleration of world trade in goods in 2014 and 2015 with forecasted growth rates of 4.3 per cent and 5.3 per cent respectively. Growth in volume of world trade also increased marginally to 3 per cent in 2013 over 2.8 per cent in 2012 and is projected to accelerate further to 4.3 per cent and 5.3 per cent in 2014 and 2015 respectively.

The IMF has put its growth projections of world output at 3.6 per cent in 2014. The advanced economies are expected to grow at 2.2 per cent while the emerging and developing economies to grow at 4.9 per

cent in 2014. The projected growth rates in different countries are expected to determine the markets for our exports.

Exports

Exports recorded a growth of 4.06 per cent during Apr-Mar 2013-14. The Government had set an export target of US \$ 325 billion for 2013-14. The merchandise exports have reached US \$ 312.61 billion in 2013-14. Export target and achievement from 2004-05 to 2013-14 is given in the Chart 3.1 below:

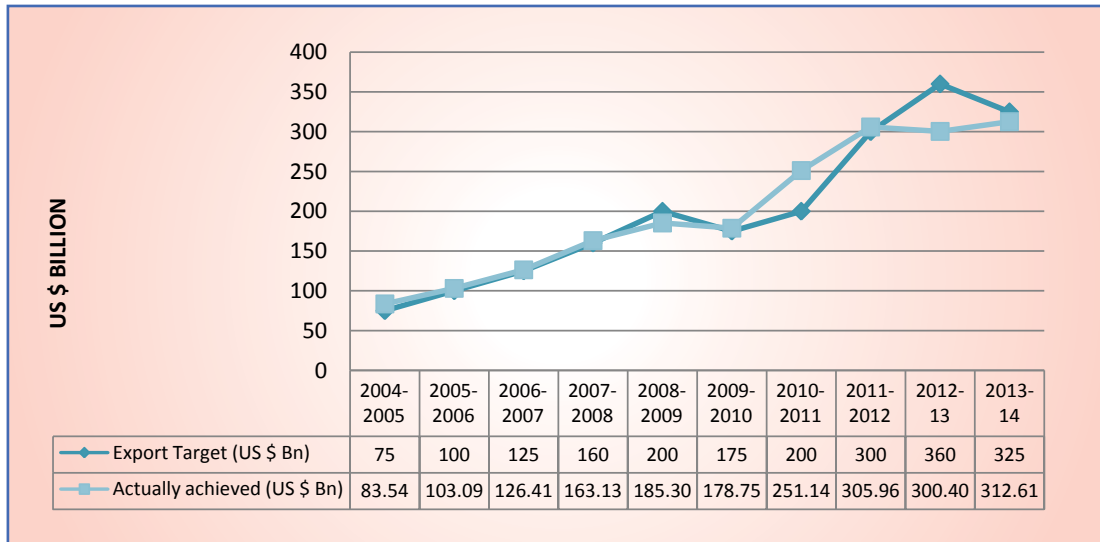
Imports

Cumulative value of imports during 2013-14 was US \$ 450.07 billion as against US \$ 490.74 billion during the corresponding period of the previous year registering a negative growth of 8.29 per cent in \$ terms. Oil imports were valued at US \$ 167.62 billion during 2013-14 which was 2.2 per cent higher than oil imports valued at US \$ 164.04 billion in the corresponding period of previous year. Non-oil imports were valued at US \$ 283.32 billion during 2013-14 which was 13.3 per cent lower than non-oil imports of US \$ 326.7 billion in previous year.

Trade Balance

The Trade deficit in 2013-14 was estimated at US \$ 137.46 billion which was lower than the

Chart 3.1
Export Target & Achievement



deficit of US \$ 190.34 billion during 2012-13. Performance of Exports, Imports and Balance

of Trade during 2004-05 to 2013-14 is given in the table 3.1:

Table 3.1: Trade Data for period 2004-05 to 2013-14

(Rs crores)

S.No	Year	Exports	%Growth	Imports	%Growth	Trade Balance
1	2004-2005	3,75,340	27.94	5,01,065	39.53	-1,25,725
2	2005-2006	4,56,418	21.6	6,60,409	31.8	-2,03,991
3	2006-2007	5,71,779	25.28	8,40,506	27.27	-2,68,727
4	2007-2008	6,55,864	14.71	10,12,312	20.44	-3,56,448
5	2008-2009	8,40,755	28.19	13,74,436	35.77	-5,33,680
6	2009-2010	8,45,534	0.57	13,63,736	-0.78	-5,18,202
7	2010-2011	11,42,922	35.17	16,83,467	23.45	-5,40,545
8	2011-2012	14,65,959	28.26	23,45,463	39.32	-8,79,504
9	2012-2013	16,34,319	11.48	26,69,162	13.8	-10,34,843
10	2013-14(P)	18,94,182	15.9	27,14,182	1.69	-820,000

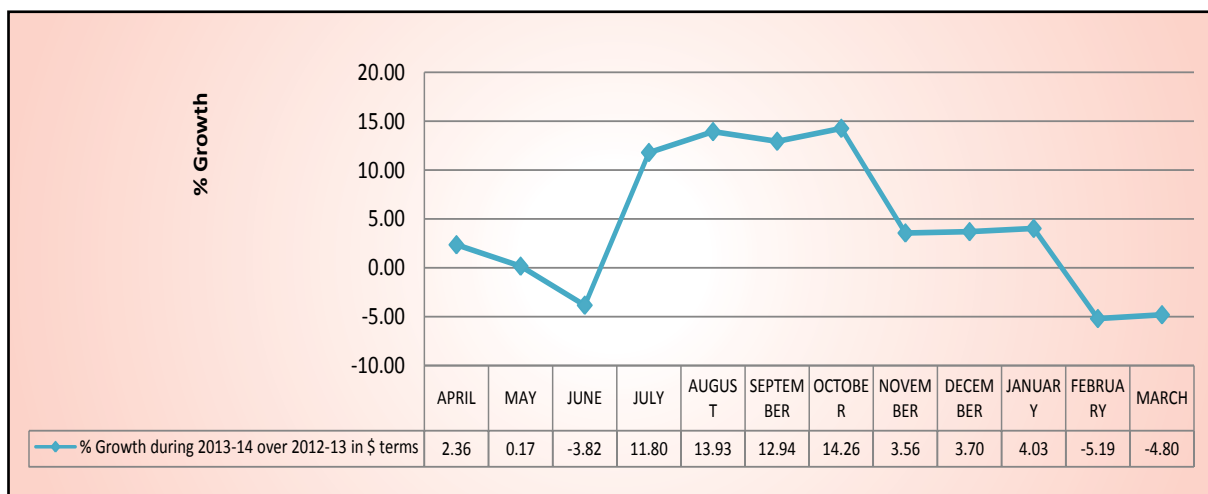
Data Source: DGCI, Kolkata

(USD Millions)

S.No	Year	Exports	%Growth	Imports	%Growth	Trade Balance
1	2004-2005	83,536	30.85	1,11,517	42.7	-27,981
2	2005-2006	1,03,091	23.41	1,49,166	33.76	-46,075
3	2006-2007	1,26,414	22.62	1,85,735	24.52	-59,321
4	2007-2008	1,63,132	29.05	2,51,654	35.49	-88,522
5	2008-2009	1,85,295	13.59	3,03,696	20.68	-1,18,401
6	2009-2010	1,78,751	-3.53	2,88,373	-5.05	-1,09,621
7	2010-2011	2,51,136	40.49	3,69,769	28.23	-1,18,633
8	2011-2012	3,05,964	21.83	4,89,319	32.33	-1,83,356
9	2012-2013	3,00,401	-1.82	4,90,737	0.29	-1,90,336
10	2013-14(P)	312,610	4.06	450,068	-8.29	-137,458

Data Source: DGCIS, Kolkata

Chart 3.2
Month-Wise Year-on-Year Growth during 2013-14 over 2012-13 in \$ terms



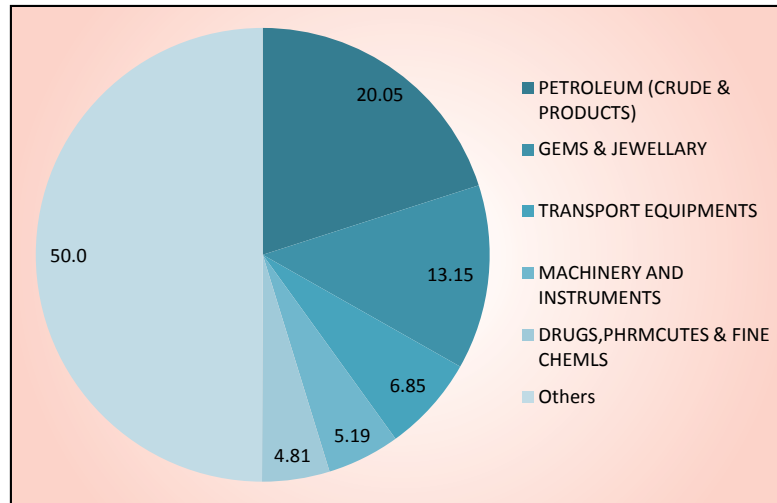
Exports by Principal Commodities

Disaggregated data on exports by Principal Commodities, both in Rupee and Dollar terms, available for the period 2013-14 as compared to 2012-13 are given in Table 3.1 and Table 3.2 respectively. Exports of the top five commodities during the period 2013-14 registered a share of 50.05 per cent mainly

due to significant contribution in the exports of Petroleum (Crude & Products), Gems & Jewellery, Transport Equipments, Machinery and Instruments and Drugs, Pharmaceuticals & Fine Chemicals.

The share of top five Principal Commodity Groups in India's total exports during 2013-14 is given at Chart 3.3 below:

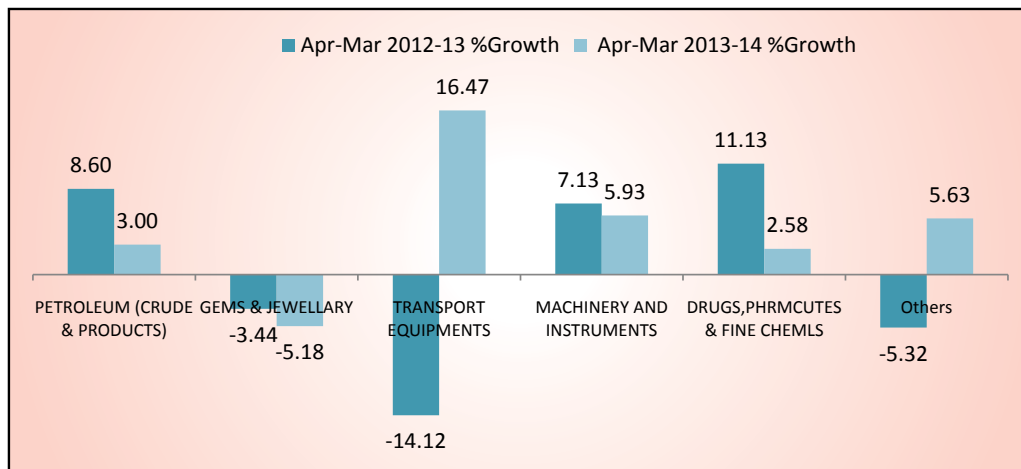
Chart 3.3
Share of Top Five Commodities in India's Export 2013-14



The export performance (in terms of growth) of top five commodities during 2013-14 vis-a-

vis the corresponding period of the previous year is shown in Chart 3.4.

Chart 3.4
Growth of Top Five Exports during 2012-13 & 2013-14



Plantation Crops

Export of Plantation crops during 2013-14, decreased by 8.17 per cent in US \$ terms compared to 2012-13. Export of Coffee registered a negative growth of 7.81 per cent, the value decreasing from US \$ 866.13

million to US \$ 798.49 million. Export of Tea also decreased by 8.54 per cent.

Agriculture and Allied Products

Agriculture and Allied Products as a group include Cereals, Pulses, Tobacco, Spices, Nuts

and Seeds, Oil Meals, Guar gum Meal, Castor Oil, Shellac, Sugar & Molasses, Processed Food, Meat & Meat Products, etc. During 2013-14, exports of commodities under this group registered a growth of 0.81 per cent with the value of exports increasing from US \$ 32,017.27 million in 2012-13 to US \$ 32,277.59 million during 2013-14.

Ores and Minerals

Exports of Ores and Minerals were estimated at US \$ 5,604.22 million during 2013-14 registering a negative growth of 0.48 per cent over 2012-13. Sub groups viz. Iron Ore, and mica have recorded a negative growth of 5.45 per cent and 0.57 percent respectively. Processed minerals, other ores and minerals and coal registered a growth of 1.76 per cent, 1.59 per cent and 0.4 per cent respectively.

Leather and Leather Manufactures

Export of Leather and Leather Manufactures recorded a growth of 16.49 per cent during 2013-14. The value of exports increased to US \$ 5,687.63 million in 2013-14 from US \$ 4,882.35 million in 2012-13. Exports of Leather and Manufactures have registered a growth of 13.71 per cent and Leather Footwear registered a growth of 20.35 per cent.

Gems and Jewellery

The export of Gems and Jewellery during 2013-14 decreased to US \$ 41,100.13 million from US \$ 43,344.85 million in 2012-13 showing a negative growth of 5.18 per cent.

Chemicals and Related Products

During the period 2013-14, the value of exports of Chemicals and Related Products increased to US \$ 43,755.48 million from US

\$ 41,504.68 million in 2012-13 registering a growth of 5.42 per cent. Rubber, Glass & Other Products, Basic Chemicals, Pharmaceuticals & Cosmetics, Plastic and linoleum and residual chemicals & allied products have registered a positive growth.

Engineering Goods

Items under this group consist of Machinery, Iron & Steel and Other Engineering items. Export from this sector during the period 2013-14 stood at US \$ 61,623.50 million compared with US \$ 56,796.94 million in 2012-13, registering a positive growth of 8.5 per cent. The growth in export of Residual engineering items stood at 22.79 per cent, Aluminium other than products stood at 28.6 per cent, Primary & Semi-finished iron & steel stood at 23.95 per cent, Transport equipments stood at 16.47 per cent and Machinery and Instrument 5.93 per cent.

Electronic Goods

During the period 2013-14, exports of Electronic Goods as a group was estimated at US \$ 7,690.68 million compared with US \$ 8,442.77 in 2012-13, registering a negative growth of 8.91 per cent

Textiles

During the period 2013-14, the value of Textiles exports was estimated at US \$ 30,379.55 million compared with US \$ 26,362.39 million in 2012-13, recording a positive growth of 15.24 per cent. The export of Natural Silk Textiles, Wool and Woolen manufactures and Jute manufactures registered negative growth of 8.95 per cent, 7.15 per cent and 3 per cent respectively. However, Readymade Garments, Cotton yarn/Fabrics/Made-ups etc., Manmade Textiles & Made Ups etc, Coir

and coir manufactures registered a positive growth of 15.53 per cent, 18.11 per cent, 12.85 per cent and 16.89 per cent respectively.

Handicrafts and Carpets

Exports of Handicrafts increased to US \$ 277.13 million during 2013-14 from US \$ 203.76 million in 2012-13 registering a positive growth of 36.01 per cent. Export of carpets increased to US \$ 1037.11 million from US \$ 988.14 million during the same period last year registering a growth of 4.96 per cent.

Project Goods

During 2013-14, the export of Project Goods were estimated at US \$ 39.65 million compared with US \$ 145.97 million in 2012-13 registering a negative growth of 72.84 per cent.

Petroleum Products

Export of Petroleum Products increased to US \$ 62,685.29 million during 2013-14, as compared with US \$ 60,859.81 million in

2012-13 recording a positive growth of 3 per cent.

Cotton Raw including Waste

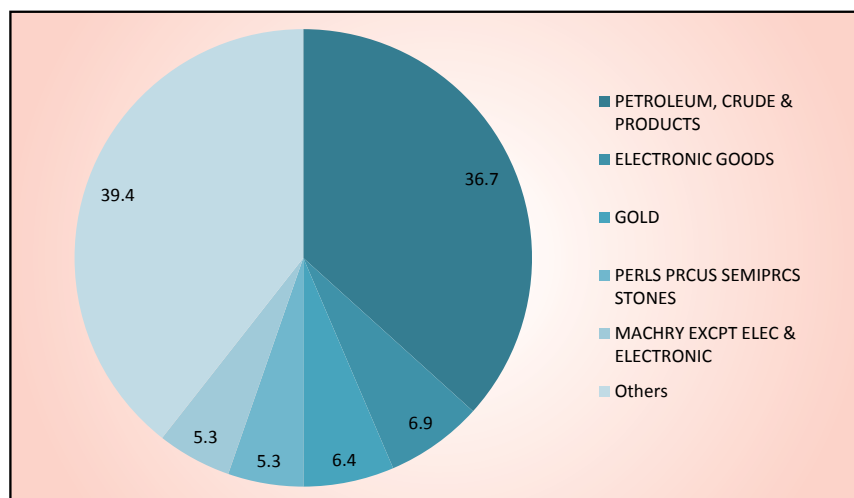
There was a negative growth in the exports of Cotton Raw including waste by 3.33 per cent from US \$ 3,747.73 million in 2012-13 to US \$3,622.89 million during 2013-14.

Imports by Principal Commodities

Disaggregated data on imports by principal commodities, both in Rupee and Dollar terms, available for the period 2013-14, as compared 2012-13 are given in Table 3.5 and Table 3.6 respectively. Imports of the top five commodities during the period 2013-14 registered a share of 60.58 per cent mainly due to significant imports of Petroleum (Crude & Products), Electronic Goods, Gold, Pearls, precious and semi-precious stones and Machinery except electrical and electronic.

The share of top five Principal Commodity in India's total imports during 2013-14 is given at Chart 3.5 below:

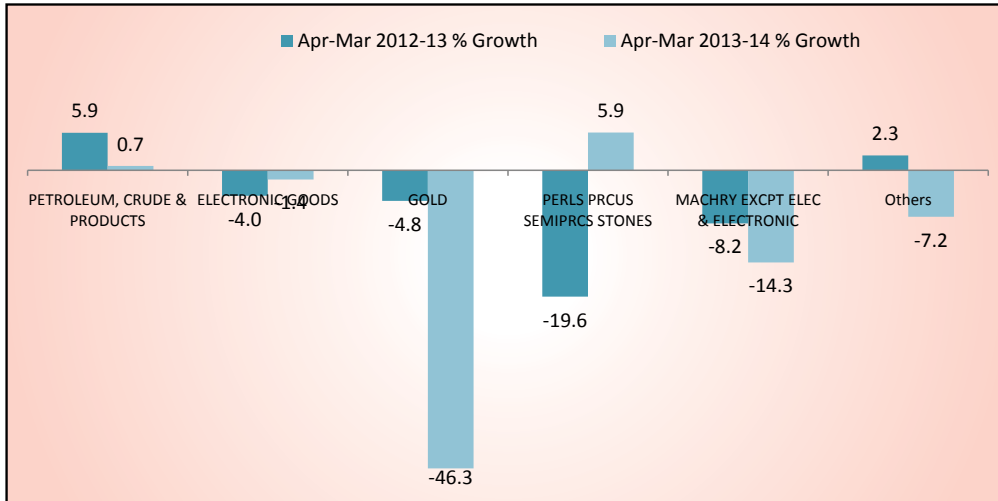
Chart 3.5
Share of Top Five Commodities in India's Imports 2013-14



The import performance by growth of top five Principal commodities during 2013-14 vis-a-

vis the corresponding period of the previous year is shown at Chart 3.6.

Chart 3.6
Growth of Top Five Imports during 2012-13 & 2013-14



Fertilizers

During 2013-14, import of Fertilizers decreased to US \$ 6,469.27 million from US \$ 9,074.95 million in 2012-13 recording a negative growth of 28.71 per cent.

Petroleum Crude & Products

The import of Petroleum Crude & Products stood at US \$ 165,148.10 million during 2013-14 as against US \$ 164,040.56 million in 2012-13 registering a growth of 0.68 per cent.

Pearls, Precious and Semi-Precious Stones

Import of Pearls and Precious and Semi-Precious Stones during 2013-14 increased to US \$ 24,001.39 million from US \$ 22,666.61 million in 2012-13 registering an increase of 5.89 per cent.

Capital Goods

Import of Capital Goods, largely comprises of Machinery, including Transport Equipment

and Electrical Machinery. Import of Machine Tools, Machinery other than electrical, Electrical Machinery and Transport Equipment registered a negative growth of 25.56 per cent, 14.32 per cent, 2.06 per cent, and 12.86 per cent respectively.

Organic and Inorganic Chemicals

During 2013-14, import of Organic and Inorganic Chemicals increased to US \$ 20,213.03 million from US \$ 19,319.84 million in 2012-13, registering a growth of 4.62 per cent. Import of Medicinal and Pharmaceutical Products decreased to US \$ 2,973.83 million in 2013-14 from US \$ 3,117.96 million in 2012-13 registering a negative growth of 4.62 per cent.

Coal, Coke & Briquettes

During 2013-14, import of Coal, Coke & Briquettes decreased to US \$ 16,431.87 million from US \$ 16,995.89 million in

2012-13, registering a negative growth of 3.32 per cent.

Gold & Silver

During 2013-14, import of Gold and Silver decreased to US \$ 33,430.94 million from US \$ 55,793.71 million in 2012-13 registering a negative growth of 40.08 per cent.

Direction of India's Foreign Trade

The value of India's exports and imports from major regions/ countries both in Rupee and Dollar terms are given in Table 3.3,3.4, 3.7 and 3.8 respectively. Share of major destinations of India's Exports and sources of Imports during 2013-14 are given in Chart 3.7 and 3.8 respectively.

During the period 2013-14, the share of Asia comprising of East Asia, ASEAN, West

Asia, Other West Asia, North East Asia and South Asia accounted for 49.67 per cent of India's total exports. The share of Europe and America in India's exports stood at 18.65 per cent and 17.35 per cent respectively of which EU countries (27) comprises 16.5per cent. During the period, USA (12.53 per cent) has been the most important country of export destination followed by UAE (9.76 per cent), China P RP (4.76 per cent), Hong Kong (4.07 per cent) and Singapore (4 per cent).

Asia accounted for 60.87 per cent of India's total imports during the period followed by Europe (15.7per cent) and America (12.91 per cent). Among individual countries the share of China stood highest at (11.33 per cent) followed by Saudi Arabia (8.12 per cent), UAE (6.47 per cent), USA (4.96 per cent) and Switzerland (4.31 per cent).

Chart 3.7
Major Destinations of India's Exports for 2013-14

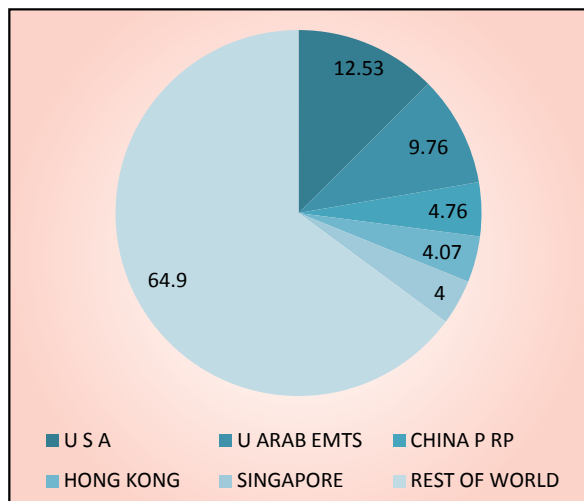


Chart 3.8
Major Sources of India's Imports for 2013-14

