

CHAPTER-V

EXPORT GROWTH AND INSTABILITY:

SECTOR AND COMMODITY WISE

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5.1 INTRODUCTION

In chapter four, the export growth and instability was analysed in terms of country and group. It was found that exports to U.A.E are desirable not only for higher exports earnings but also for bringing stability in the exports earnings. However, there is also a need to find out, which sector/s and commodities can bring about a faster export growth with stability. This is undertaken in this chapter based on the methodology adopted in the earlier chapters. Rest of the chapter is divided in to two sections.

In the second section of this chapter the findings of analysis is presented. The findings are sub divided into three parts. In part one commodity group wise export growth trend is examined. In part two, the instability has been analysed and in the part, three growth and instability together have been examined. The last section of the chapter provided the conclusion.

5.2 ANALYSIS

The findings are divided into three parts, Firstly, the findings regarding export growth are provided. In the second part, the result pertaining to exports instability is presented. In the last part the link between the export growth and instability have been examined. All these finding are as per group and commodity wise.

Export Growth:

Since, large number of commodities constitutes the export basket of India, it will be appropriate to discuss the growth analysis by dividing the commodities sector wise. Accordingly, the growth analysis is divided in to three sub-sections. The first explains export growth of primary product and in the second export, growth of manufactured goods is analysed and finally exports of petroleum product is dealt with.⁶⁷

⁶⁷ This sub-division is based on the statistics provided by RBI.

5.2. a. Primary Products:

It is argued that majority of developing countries are the producer and exporter of the primary commodities, it is on the basis of this argument the analysis of export growth trend begins with the primary products. This group has two sub-groups (a) Agricultural and allied products (b) Ores and minerals.

Table 5.1, shows that primary products constitute nearly, 24% share of Indian exports, of this agriculture constitute 80.90% share and remaining is accounted by ore and minerals that is 18.67% during the entire period of study. If we consider agriculture goods alone then it accounted for almost 19.5% of the total exports where as the share of ore and minerals is about 4.5%.⁶⁸

This commodity group has also achieved a significant growth of 15.13% in absolute values this is mainly due to the higher and significant growth during the entire period registered by commodities such as wheat (26.90%), oil meals (25.31%), sugar (16.84%) and marine products (16.36%). But, growth in terms of percentage share reveals a deterioration in the export growth of Primary products (-3.45%). This is mainly due to tea (-10.58%), cotton raw (-8.89%), and coffee (-7.33%).

Further, table 5.1, also depicts the performance of export during pre and post-reform periods. The average percentage share of primary products in the total exports has reduced from 30.89% during pre-reform period to 19.08% in post-reform period. This is due to the fall in the average percentage share of sub-group agricultural and allied products from 25.61% in pre-reform period to 15.95% in post-reform

⁶⁸ With in agriculture the main contributors to the exports were tea (2.55%), rice (2.19%) and marine products (3.11%) and in ore and minerals, it was iron-ore (2.80%) and mica (0.10%).

period (i.e. by 9.66%) and 1.35% fall in the share of ore and minerals.⁶⁹

In terms of growth rate in absolute values the primary products, have shown improvement during post-reform period, as it has achieved a higher and significant growth of 13.52% during post-reform period as compared to pre-reform period (10.25%). This growth was mainly attributable to the sub-group agricultural and allied goods.⁷⁰ Similarly, the other sub-group Ore and minerals also have shown a marked improvement during post-reform period as compared to pre-reform period. The buoyancy in exports of Ores & minerals was due to exports of iron ore and mica. Thus, the above trend shows that the reforms had a positive impact on the exports in absolute value of primary products.

Similar trend is observed when analysis of export growth has been done in terms of percentage share. Although, the growth achieved by primary products during post-reform period was negative. But, it shows an improvement when compared with pre-reform period. This is the case both with, agriculture as well as ore and minerals.

But, if we consider, the adjustment and post-adjustment period within the post-reform period than the picture is different. It is evident from table 5.1 that the average percentage share of primary product fell from 21.75% in adjustment period to 17.87% in post-adjustment period, mainly due to the fall in the share of agricultural and allied goods.⁷¹ The export growth of primary products in absolute values also indicates deterioration during post-adjustment period from 23.55% to 12.38%. This decline in the growth trend was again mainly caused by the fall in the export growth of sub-group agricultural and allied

⁶⁹ With in agricultural and allied good all the commodities have recorded a fall in their average percentage share during the post-reform period except Oil meals.

⁷⁰ This was largely accounted by Tobacco, Rice, Wheat, Fruits & vegetables, Sugar and Meat & meat.

⁷¹ The commodities responsible for this fall in exports share were mainly Tea, Cashew, Oil meals, Marine products, Meat, and meat preparations.

goods.⁷² The result of export growth in terms of percentage share also shows a similar deterioration. Here, also the cause of deterioration in the exports was declining of the exports by sub-group agricultural and allied good.⁷³ The only improvement in the exports growth has been shown by the sub-group Ore and minerals, which have registered a positive growth during post- adjustment period in both absolute value and percentage share.⁷⁴

5.2. b. Manufactured Goods:

This group consists of five sub-group namely: (a) Leather and manufactures (b) Chemicals and related products (c) Engineering goods (d) Textile and textile products (e) Gems and jewellery (f) Handicrafts.

From the table 5.2 it can be seen that this group contributes the largest to India's exports constituting nearly 69.55% of the total exports. It is evident that India though a developing country is exporting more of manufacturing goods as compared to primary products. Of the manufacturing goods, the sub-group textile contributes 32.83%, gems and jewellery 21.35% and engineering goods 19.71 % during the entire study period. If we consider the share of the various sub-groups in the total exports than also it is found, that textile contribute the largest 22.84% followed by gems and jewellery 14.85% and engineering goods 13.71%. Manufactured goods have registered a significant growth of 20.75% in absolute value during the study period. It was mainly accounted by chemicals (26.70%), engineering goods (23.17%), gems, and jewellery (21.01%).⁷⁵

⁷² Agricultural and allied faced deterioration in exports mainly due to the fall in the export growth of commodities such as Coffee, Rice, Cashew, Oil meals, Marine products, meat and meat prep in absolute value.

⁷³ Here, the main commodities were Coffee, Rice, Cashew, Spices, Oil meals, Marine products and Meat & meat preparations.

⁷⁴ Here credit goes to Iron ore.

⁷⁵ Plastic and linoleum products have registered highest growth, during study period.

Further, from this table, it becomes clear that the average percentage share of manufacturing goods has increased from 61.71% in pre-reform period to 74.95% during post-reform period. This is mainly due to sub-group chemicals and engineering goods.

But, the performance of exports in terms of growth in absolute value of the manufacturing good has shown deterioration from 20.09% in pre-reform period to 16.57% in post-reform period. This has been caused by the poor export growth of sub-group chemicals, textile and gems and jewellery.⁷⁶ The only support was provided by the exports of sub-group engineering goods and handicrafts. The exports of engineering goods increased from 17.29% in pre-reform period to 21.37% in post-reform period and exports of handicrafts improved from negative growth of -1.56% in pre-reform period to a significant growth of 7.97% during post-reform period.⁷⁷ The rising export growth of engineering goods reflects India's revival of heavy manufactures. However, this has failed to correct the falling trend of export growth of manufacturing goods.

Similar results were observed when the growth is measured in terms of percentage share. The export growth of manufactured goods reveals a deterioration in post-reform period (-0.34%) as compared to pre-reform period (3.4%). This deterioration in the export growth is accounted by all the sub-groups such as leather and manufactures (-6.54%), Chemicals (2.63%), Textile, Gems and jewellery (-3.67%). With sole exception of Engineering goods, which has not only attained the highest growth among all the sub-group but also recorded a higher growth during post-reform period from 0.99% in pre-reform period to

⁷⁶ Commodities responsible for the lower export growth were basic chemicals, pharmaceuticals & cosmetics, plastic & linoleum products, rubber, glass, paints, enamels and products, cotton yarn, fabrics, natural silk yarn, manmade yarn, fabrics, woolen yarn, fabrics, readymade garments, coir & coir manufactures and carpets,

⁷⁷ Within the engineering good, the main contributors were iron-steel, manufactures of metals, machine and instruments, transport equipments etc all these registered higher growth during post-reform period as compare to pre-reform period.

3.76%.⁷⁸ From the above it can be concluded that reforms proved to be positive only in case of the Engineering goods. But, for manufactured goods as whole reforms have not played a significant role in accelerating exports.

Further, an insight into the post-reform period reveals that export growth in absolute value was good in the beginning of reform process, but deteriorated with the passage of time towards the latter part of reforms i.e. the post-adjustment period. The growth rate of manufactured goods has fallen from 24.94% in adjustment period to 15.88% in post-adjustment period. This is because of the deterioration in export growth of all sub-groups such as Chemicals, Textile and textile products, Gems and jewellery, Handicrafts.⁷⁹

Export performance of manufactured goods in terms of percentage share during post-adjustment period also indicates deterioration. The only exception to this is the sub-group of engineering goods, which has registered an improvement from 1.79% in adjustment period to 5.27% during post-adjustment period.⁸⁰

5.2. c. Petroleum Products:

This group accounted for about 5.00% of Indian exports. The table 5.2 shows that this group has achieved a significant export growth of 18.94% during the study period in absolute value, which is higher than the exports growth of primary products (15.13%). During the post-reform period, this group has registered the highest growth of 34.16% as compared to primary products and manufactured goods. Not only this, the group also has shown a marked improvement from

⁷⁸ Within the Engineering good the credit of growth goes to commodities such as Iron and steel, Manufactures of metals, Machinery and instrument, Transport equipments and Electronic goods.

⁷⁹ Among the manufacturing goods the following commodities registered lower export growth: Plastic & linoleum products, rubber, glass, paints, enamels & products, Iron & steel, Electronic goods, Cotton yarn, fabrics, Manmade yarn, fabrics, Woolen yarn, fabric, Readymade garments.

⁸⁰ This was contributed by Manufacture of metals, Machinery and instruments and Transport equipments.

15.78% in pre-reform period to 34.16% during post-reform period. The enhanced domestic refining capacity was mainly responsible for the surge in exports of petroleum products from India.⁸¹ In terms of percentage share, during post-reform period this group has achieved the highest export growth of 14.72% as compared to other two groups. Moreover, this group has also attained a higher growth in the post-reform period.

Further, the analysis of post-reform period also indicates an improvement during post-adjustment period as compared to adjustment period. During post-adjustment period, also this group has recorded the highest export growth as compared to primary products and manufactured goods in absolute value as well as in percentage share. The perceptible increase in the export growth of petroleum products reflects not only the rise in petroleum prices but also India's enhanced refining capacity. Thus, it can be said that reforms has affected this group positively.

From the above analysis, it can be concluded that reforms has failed to improve the overall growth rate of total exports. But at the same time, the analysis has highlighted that certain sub-group and commodities has performed better over a period. For instance, sub-group engineering goods and its commodities as well as petroleum products have shown improvement. Here it can be argued that in order to improve the overall export growth India should concentrate on the exports of these commodities which has witnessed higher growth. But, the pertinent question is whether this growth would be sustainable? The answer to this can be found by measuring the instability index. This is attempted in the next section.

Export Instability:

The instability analysis is also divided in to three parts as per the commodity grouping.

⁸¹ See, Economic survey 2007-2008.

5.2. d. Primary Products:

During entire study period, the instability index for this group have been estimated 11.80 in absolute value and 9.17 in percentage share during the study period, the main contributor to this was sub-group ore & minerals, which has registered a higher instability as compared to agriculture & allied products both in absolute value and in percentage share.⁸² This is evident from table 5.3. The table also, shows that the instability index of primary products has gone up from 9.60 in pre-reform period to 12.65 during post-reform period in absolute value. This is due to the higher instability registered by sub-group ore and minerals.⁸³ Sub-group agriculture & allied product also witnessed higher instability during post-reform period from 10.91 in pre-reform period to 12.91 during post-reform period here commodities such as coffee, rice, cotton raw, tobacco, processed fruits, marine products, sugar & molasses and wheat were responsible for higher instability. The only commodity that registered lower instability during the study period and post-reform period was marine products.⁸⁴

However, the instability index in terms of percentage share indicates all together a different picture of stability during post-reform period as compared to pre-reform period. As the instability of primary products, has fallen from 10.76 in pre-reform to 8.19 in post-reform period. This is mainly, due to the lower instability witnessed by the commodities such as coffee, cashew, spices, oil meals, fruits & vegetables, marine products and meat & meat preparations. This shows that export of primary products were more stable in terms of percentage share as compared to absolute value during the reform period.

⁸² Export instability of ore & minerals in absolute value was estimated 20.23 and agriculture products was 12.44, in percentage share also ore & minerals had higher instability (17.75) than the agriculture products (10.79). Exports of primary products in percentage share were more stable as compare to exports in absolute value during the study period.

⁸³ Within ore and minerals mica, and iron ore mark higher instability.

⁸⁴ Marine products registered lowest instability 14.97 during study period and 9.01 during post-reform period in absolute value.

A further study of export instability of primary products during adjustment and post-adjustment period shows a fall in the instability index in absolute value from 15.25 in adjustment period to 10.60 during post-adjustment period. This mainly accounted by agriculture products. Within agriculture, the main credit goes to the commodities such as coffee, rice, tobacco, processed fruits & juices, marine products and wheat. Similarly, in terms of percentage share also the instability index of primary products has shown improvement as it has fallen from 11.28 in adjustment period to 6.22 during post-adjustment period indicating that exports of primary products became more stable with the passage of time towards the latter part of reforms.⁸⁵

5.2. e. Manufacture Goods:

The export instability index of this group for entire period has been lower than the instability of primary products in absolute value as well as in percentage share. This group has also recorded more stability during post-reform period as compared to pre-reform period. As the instability index, decline from 11.14 in pre-reform period to 6.07 in post-reform period in absolute value. This is, due to the lower instability registered by all the sub-group except gems and jewellery. Sub-group such as textile, leather, chemicals, and engineering goods have recorded the lower instability.

The export instability of sub-group textile has declined from 15.54 in pre-reform period to 8.22 during post-reform period.⁸⁶ Within this group the lowest instability is marked readymade garments. Similarly, within sub-group chemicals the main commodities that recorded the lower instability were basic chemicals, rubber, glass and paints, residual chemicals and allied products. The commodities of sub-group, engineering goods has also marked more stability during post-reform period. Here, the main commodities were iron and steel,

⁸⁵ Here, the credit of stability goes to the commodities such as coffee, rice, tobacco, processed fruits, marine products and wheat.

⁸⁶ This is mainly due to commodities such cotton yarn & fabric, manmade yarn & fabric, readymade garments, jute and carpets.

manufacture of metals, machinery and instruments, transport equipments and electronic goods. The lowest instability is recorded by manufacture of metals.

Similar, results have been reflected when the instability is measured in terms of percentage share. In terms of percentage share, also the exports of manufactured goods were more stable as compare to primary products during post-reform period. Secondly, the instability of manufactured goods also declined from 5.61 in pre-reform period to 3.13 in post-reform period.⁸⁷

5.2. f. Petroleum Products:

It become evident from the table 5.2 that this group has registered the highest export instability, not only during the study period under the consideration but also during the post-reform and during post-adjustment period both in absolute value as well as in percentage share as compare to primary product and manufacturing goods.

The overall analysis of export instability shows, that instability has gone down during post-reform period as compare to pre-reform period in absolute value, this mainly due to a fall in the export instability of manufactured goods, which also constitute nearly 75% of total exports. But, during post-adjustment period total exports has registered higher instability because the group of manufactured goods and petroleum products has failed to provide stability.

In terms of percentage share, the analysis reveals that export instability of manufactured goods has declined the most during post-reform period as well as during post-adjustment period.

From the above it can be concluded that India should concentrate on the production and exports of manufacturing goods in

⁸⁷ This mainly due to lower instability recorded by all the sub-group and in particular by chemicals, engineering goods and textile.

general and in particular, chemicals, textile and gems & jewellery. But, as stated earlier that in terms of growth India should concentrate on the export of petroleum products. This misleading conclusion emerges because we have analysed export growth and instability in isolation. Thus, there is a need to examine growth and instability together. That is identifying goods having higher growth and lower instability. This is examined in the next section.

Growth and Instability:

As mentioned in chapter four the relationship between the export growth and instability will indicate four different possibilities:

1. A declining export growth with a decreasing instability in exports.
2. A declining export growth with an increasing instability in exports.
3. Increasing export growth with an increasing instability in exports.
4. Increasing export growth with a decreasing instability in exports.

Of these, it is the fourth possibility of high export growth with lower instability that is considered the most favorable. Ideally, external sector reforms should aim at this trend. Thus, it is necessary to examine of these four possibilities, which pertains to India. So, the impact of reforms can be ascertained. This is attempted in foregoing section.

The commodity group wise percentage share of export growth and instability is presented in table 5.4. The primary products shows a negative export growth but with a marked improvement in the falling tendency in the instability index during post-reform, indicating possibility four of increasing export growth with a decreasing instability in exports.

But, during the post-adjustment period this group has witnessed a negative export growth along with fall in the instability. Thus, this group indicates the first possibility of a declining export growth with a decreasing instability in exports.

The manufactured goods constitute the highest percentage share in Indian exports. It has registered a low instability during the entire period under consideration. In fact, the instability index for this group is lowest among all groups of commodities (See, Table 5.3). Thus, the group that is the largest exporter of Indian exports has the lowest instability as well as positive export growth among all the three groups. This can be regarded as a favorable situation. In other words, lower instability is associated with higher and positive growth. But, the cause for concern is that the export growth is negative although with lower instability during post-reform and post-adjustment period. This shows the failure of reform to promote the manufacturing exports. Thus, this group also indicated the first possibility mentioned above.

As far as petroleum products are concerned, it has registered a higher export growth but with high export instability during the post-reform period and in post-adjustment period. Therefore, reforms have also failed to provide stability in exports of petroleum products. Thus, this group indicates possibility three of increasing export growth with an increasing instability in exports.

From the above observations, it can be asserted that if the aim is to have high export growth with low instability than production and exports of primary products in general and agriculture and allied goods in particular should be increased.⁸⁸ However, there are certain goods in manufacturing sector, which also exhibits the possibility four. These goods are residual chemicals, iron & steel, manufacturing of metals, machinery & instruments, transport equipments and electronic goods. Thus, if post-reform period is considered, than India should aim at these groups/commodities.

But, to know the real impact of external sector reforms it is necessary to take into account the post-adjustment period rather than post-reform period only. If this is done, then table 5.4 shows that none of the groups fall in the feasible criteria of higher exports with low instability except for some

⁸⁸ Among the agriculture goods, emphasis should be given on the production and exports of coffee, fruits and vegetables, meat and meat preparation.

commodities such as tobacco, basic chemicals and manufacture of metals. Further, basic chemicals and manufacture of metals together account more than 10% of Indian exports in post-reform and post-adjustment period.

5.3 CONCLUSION

This chapter attempts to highlight the behaviour of Indian exports with respect to different group of commodities during the study period under consideration. The behaviour of exports has been judge on the basis of growth and instability.

5.3. a. Growth analysis shows that:

1. The total exports registered a growth of double digit during study period. This is mainly due to the higher export growth of manufacturing goods.

2. The primary products and the petroleum product group registered an increasing trend in exports during post-reform period. While manufacturing goods export exhibits a decreasing trend. However, the total export witnessed an increasing trend. Further, during the post-adjustment period there is deterioration in the export growth. This is because of the decline in the export growth of both primary and manufacturing goods.

3. In terms, of absolute values and percentage share the export of manufactured goods shows deterioration during post-reform and post-adjustment period. However, during these periods petroleum products provide a favorable indication as it registered higher growth.

4. Exports of manufactured goods recorded a deterioration during post-reform and post-adjustment periods in terms of absolute value and percentage share. It is only the exports of petroleum products, which provided some satisfaction by registering the higher growth during both post-reform and post-adjustment period.

5.3. b. Instability analysis shows that:

1. The total exports recorded a decline in the instability index. This is due the manufactured goods. But, during the post-adjustment period, the total exports have shown more instability as compared to adjustment period this again due to manufactured goods during the same period.⁸⁹

2. But, exports of manufactured goods were more stable as compared to other groups of commodities during the entire study as well as during post-reform and post-adjustment period also both in absolute value and in percentage share.

3. Exports of primary products also witnessed lower instability during both post-reform period and post-adjustment period in percentage share. This is mainly due to the stability in exports of agriculture and allied products.

5.3. c. Growth and instability relationship shows that:

1. Exports of manufactured goods failed to prove fruitful on the basis of growth and stability. This is due to the reason that lower instability is associated with negative growth.

2. None of the group as well as sub-group has shown increase in export growth along with falling instability during the post-adjustment period in percentage share. However, three commodities such as tobacco, basic chemicals, manufacture of metals have marked the high growth with lower instability during post-adjustment period in percentage share. This indicates a positive impact of reforms, and shows, that if the trend continues than India would be receiving comparatively stable export earnings in future also by exporting above mentioned commodities. It is to be noted that these three commodities together accounted for more than 10% of India's exports.

⁸⁹ This group has more impact since it has the highest share in total exports.

The different possibility for different groups are summarised in the below table (During 1995-96 to 2006-07)

Group	Possibilities	Situation
I. Primary products, agriculture products, II) manufactured goods, a)Chemicals, b)Textile c) Gems & jewellery	First	Unfavorable
Leather & manufactures	Second	Unfavorable
Ore & minerals, engineering goods, handicrafts, III) Petroleum products.	Third	Unfavorable
None	Fourth	Favorable

Source: Compiled from Table 5.4.

Thus, in terms of policy implication, the above analysis points to increasing the export of tobacco, basic chemicals and manufacture of metals, not only for having higher exports growth but also for stability in export earnings. This is one of the main objectives of undertaking external sector reforms in India.

After having, examine the export growth and instability country and commodity wise separately in chapter four and five there is a need to examine the growth and instability commodity and country wise together. This is required to identify the commodity and country where these commodities have the possibility of providing a base for higher exports with stability in the years to come. This is attempted in the next chapter.

TABLE 5.1

**INDIAN EXPORTS: AVERAGE PERCENT SHARE AND GROWTH RATE
(PRIMARY PRODUCTS)**

	Commodity	1980-81 to 1990-91	1991-92 to 2006-07		Overall	1980-81 to 2006-07
			1991-92 to 1995-96	1996-97 to 2006-07		
I	Primary products		A			
	Avg % share	30.89	21.75	17.87	19.08	23.89
	CGR absolute value	10.25*	23.55	12.38**	13.52**	15.13*
	CGR % share	-5.07*	-0.80	-3.96	-2.95**	-3.45*
A	Agriculture & allied					
	Avg % share	25.61	17.63	14.03	15.95	19.41
	CGR absolute value	8.58*	25.51*	8.34*	11.72**	14.34*
	CGR % share	-6.51*	0.78	-7.41*	-4.45	-4.13*
B	Ores & Minerals					
	Avg % share	5.28	4.13	3.84	3.93	4.48
	CGR absolute value	17.75*	15.62**	26.57	18.60	17.63*
	CGR % share	1.39	-7.16	8.17**	1.39	-1.38**

Source: Compiled from Appendix Table: A.6. A.9 and A.10.

(*): Significant at the 1% level; (**): Significant at the 5% level.

TABLE 5.2

**INDIAN EXPORTS: AVERAGE PERCENT SHARE AND GROWTH RATE
(MANUFACTURE GOODS)**

	Commodity	1980-81 to 1990-91	1991-92 to 2006-07		Overall	1980-81 to 2006-07
			1991-92 to 1995-96	1996-97 to 2006-07		
II	Manufacture Goods					
	Avg % share	61.71	75.13	74.86	74.95	69.55
	CGR absolute value	20.09*	24.94*	15.88*	16.57**	20.75*
	CGR % share	3.40*	0.32	-0.97	-0.34*	1.24*
A	Leather & manuf. L					
	Avg % share	6.29	6.29	3.85	4.61	5.30
	CGR absolute value	22.34*	16.98*	8.61*	9.32*	15.88*
	CGR % share	5.34*	-6.07**	-7.18	-6.54*	-2.84*
B	Chemicals					
	Avg % share	5.50	10.75	13.45	12.61	9.71
	CGR absolute value	28.31*	28.93*	19.51*	20.05*	26.70*
	CGR % share	10.48*	3.52**	2.13	2.63*	6.23*
C	Engineering Goods					
	Avg % share	10.25	13.36	17.32	16.08	13.71
	CGR absolute value	17.29*	26.77*	23.18	21.37	23.17*
	CGR % share	0.99	1.79	5.27	3.76**	3.27*
D	Textile, textile products					
	Avg % share	21.03	26.04	21.96	23.24	22.34
	CGR absolute value	18.72*	23.28*	9.51*	12.69*	19.08*
	CGR % share	2.22**	-0.77	-6.42**	-3.67*	-0.16
E	Gems & jewellery					
	Avg % share	14.03	13.48	16.26	15.39	14.83
	CGR absolute value	25.83*	26.93	15.69	20.71	21.01*
	CGR % share	8.34**	1.91	-1.14	3.19	1.45
F	Handicrafts					
	Avg % share	3.96	1.42	1.17	1.25	2.35
	CGR absolute value	-1.56	24.60*	-0.55*	7.97**	9.52*
	CGR % share	-15.24*	0.05	-15.01	-7.70**	-8.17*
III	Petroleum products					
	Avg % share	6.42	1.94	5.16	4.15	5.08
	CGR absolute value	15.78	7.66	67.89	34.19	18.94*
	CGR % share	-0.31	-13.56	43.48	14.72	-0.28
	Total Exports (Gr)	16.14*	24.54*	17.01**	16.97	19.27*

Source: Compiled from Appendix Table A.6, A.9 and A.10.

(*): Significant at the 1% level, (**): Significant at the 5% level.

TABLE 5.3
INDIAN EXPORTS: INSTABILITY INDEX
(GROUP AND COMMODITY WISE)

	Commodity	1980-81 to 1990-91	1991-92 to 2006-07		Overall	1980-81 to 2006-07
			1991-92 to 1995-96	1996-97 to 2006-07		
I	Primary products					
	Absolute value	9.60	15.25	10.60	12.65	11.80
	Percentage Share	10.76	11.28	6.22	8.19	9.17
A	Agriculture & allied					
	Absolute value	10.91	16.14	8.32	12.91	12.44
	Percentage Share	12.87	12.12	6.26	9.51	10.79
B	Ores & Minerals					
	Absolute value	16.68	14.15	26.00	22.79	20.23
	Percentage Share	15.17	11.42	20.84	19.09	17.25
II	Manufacture Goods					
	Absolute value	11.14	1.94	5.78	6.07	8.91
	Percentage Share	5.61	3.35	3.15	3.13	4.45
A	Leather & manuf. L					
	Absolute value	15.04	4.36	7.85	8.30	12.27
	Percentage Share	12.20	8.23	8.58	8.40	11.48
B	Chemicals					
	Absolute value	33.14	9.31	7.40	8.40	21.38
	Percentage Share	23.98	8.09	4.15	5.37	15.57
C	Engineering Goods					
	Absolute value	18.29	5.96	12.96	11.14	14.55
	Percentage Share	11.59	3.13	6.87	5.97	8.65
D	Textile, textile products					
	Absolute value	15.54	3.80	7.27	8.22	12.71
	Percentage Share	11.32	7.79	7.28	7.79	9.81
E	Gems & jewellery					
	Absolute value	16.49	371.02	8.97	123.95	85.97
	Percentage Share	18.66	386.71	12.03	127.83	88.79
F	Handicrafts					
	Absolute value	52.25	4.52	29.42	25.98	37.91
	Percentage Share	55.19	6.64	31.37	26.67	38.91
III	Petroleum products					
	Absolute value	141.87	15.68	271.58	195.27	168.98
	Percentage Share	137.19	17.84	256.02	186.38	179.99
	Total Exports (I.I)	10.44	3.88	7.56	7.29	8.96

Source: Compiled from Appendix Table A.7 and A.8.

TABLE 5.4

**INSTABILITY INDEX, GROWTH RATE AND AVERAGE (% SHARE)
(GROUP AND COMMODITY WISE)**

	Commodity	1980-81 to 1990-91	1991-92 to 2006-07		Overall	1980-81 to 2006-07
			1991-92 to 1995-96	1996-97 to 2006-07		
I	Primary products					
	Instability.I % share	10.76	11.28	6.22	8.19	9.17
	CGR % share	-5.07*	-0.80	-3.96	-2.95**	-3.45*
	Avg % share	30.89	21.75	17.87	19.08	23.89
A	Agriculture & allied					
	Instability.I % share	12.87	12.12	6.26	9.51	10.79
	CGR % share	-6.51*	0.78	-7.41*	-4.45	-4.13*
	Avg % share	25.61	17.63	14.03	15.95	19.41
B	Ores & Minerals					
	Instability.I % share	15.17	11.42	20.84	19.09	17.25
	CGR % share	1.39	-7.16	8.17**	1.39	-1.38**
	Avg % share	5.28	4.13	3.84	3.93	4.48
II	Manufacture Goods					
	Instability.I % share	5.61	3.35	3.15	3.13	4.45
	CGR % share	3.40*	0.32	-0.97	-0.34*	1.24*
	Avg % share	61.71	75.13	74.86	74.95	69.55
A	Leather & manuf. L					
	Instability.I % share	12.20	8.23	8.58	8.40	11.48
	CGR % share	5.34*	-6.07**	-7.18	-6.54*	-2.84*
	Avg % share	6.29	6.29	3.85	4.61	5.30
B	Chemicals					
	Instability.I % share	23.98	8.09	4.15	5.37	15.57
	CGR % share	10.48*	3.52**	2.13	2.63*	6.23*
	Avg % share	5.50	10.75	13.45	12.61	9.71
C	Engineering Goods					
	Instability.I % share	11.59	3.13	6.87	5.97	8.65
	CGR % share	0.99	1.79	5.27	3.76**	3.27*
	Avg % share	10.25	13.36	17.32	16.08	13.71
D	Textile, textile products					
	Instability.I % share	11.32	7.79	7.28	7.79	9.81
	CGR % share	2.22**	-0.77	-6.42**	-3.67*	-0.16
	Avg % share	21.03	26.04	21.96	23.24	22.34

Continue...

TABLE 5.4

**INSTABILITY INDEX, GROWTH RATE AND AVERAGE (% SHARE)
(GROUP AND COMMODITY WISE)**

	Commodity	1980-81 to 1990-91	1991-92 to 2006-07		Overall	1980-81 to 2006-07
			1991-92 to 1995-96	1996-97 to 2006-07		
E	Gems & jewellery					
	Instability.I % share	18.66	386.71	12.03	127.83	88.79
	CGR % share	8.34**	1.91	-1.14	3.19	1.45
	Avg % share	14.03	13.48	16.26	15.39	14.83
F	Handicrafts					
	Instability.I % share	55.19	6.64	31.37	26.67	38.91
	CGR % share	-15.24*	0.05	-15.01	-7.70**	-8.17*
	Avg % share	3.96	1.42	1.17	1.25	2.35
III	Petroleum products					
	Instability.I % share	137.19	17.84	256.02	186.38	179.99
	CGR % share	-0.31	-13.56	43.48	14.72	-0.28
	Avg % share	6.42	1.94	5.16	4.15	5.08

Source: Compiled from Appendix Table A.6, A.8 and A.10.

(*): Significant at the 1% level, (**): Significant at the 5% level.