

## **CHAPTER 3**

### **STRUCTURE OF INDIAN EXPORTS AND IMPORTS**

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## **CHAPTER 3**

### **STRUCTURE OF INDIAN EXPORTS AND IMPORTS**

#### **3.1 INTRODUCTION**

India's economic growth from 1960-61 to 1995-96 witnessed structural transformation in production, consumption, employment, and foreign trade. The rapid industrialization over the years, redefined the role of external sector, from the pursuit of inward looking strategy in early sixties to the openness initiated since nineties. This chapter focuses on the changes in the external sector scenario of the country, broadly by reflecting upon the trend in exports and imports, the respective change in the growth rate, and changes in the respective share in the national income, which indicates the importance of foreign trade in the overall economic activity of the country. Similarly, the change in the structure of exports and imports reflect the changes in the production pattern, as well as the changes in foreign and domestic demand; reflect the level of development achieved by the country. Hence, it would be appropriate to examine the trend in exports and imports at current price and constant price, along with the structural change in exports and imports of India for the period 1960-61 to 1995-96. The development of large and diversified industrial sector, eventually transformed the composition of export basket, from largely constituting primary products to the predominance of manufactured exports over the period. Therefore it is important to examine not only the structural changes of exports and imports at the aggregate level but also at the disaggregate level.

##### **3.1.1 Chapter Plan**

The plan of the chapter is as follows: In Section 1, Introduction. The type of data and the methodology of the adjustment in the data are covered in Section 2. The trends in exports and imports at current and constant price in Section 3. The structure of exports and imports at current and constant price is dealt in Section 4. The link between trade

policy regime and growth of exports/imports at aggregate and disaggregate level is examined in Section 5. Finally, the conclusion is covered in Section 6.

### **3.2 TYPE OF DATA AND METHODOLOGY**

In the present study, we have relied on the data on Indian exports and imports published by the Directorate General of Commercial Intelligence and Statistics (DGCI & S), sourced from the various issues of the Report on Currency and Finance of the RBI and Monthly Statistics of Foreign Trade of India. The foreign trade statistics of India are available in two series. The one that is published by the Director General of Commercial Intelligence and statistics, Calcutta, related to the foreign trade as registered by the customs authorities at Indian seaports, airports and at land customs stations. The second one is published by the Reserve Bank of India is based on data collected from the information provided to the Reserve Bank of India in the course of administration of exchange control. Evidently, the exchange control data differ significantly from that of the customs data owing to the inherent difference in source material. The statistics published by the Director General of Commercial Intelligence and Statistics relate to the physical movement of goods into and out of the customs territory of India, irrespective of when payment is made or received. In the exchange control data an attempt is made to record the value of current transactions when a payment is made or received. Thus stocks bought and accumulated by foreign buyers in India and by India overseas would figure in the exchange control data but not in the customs data. On the import side customs data do not correctly record even the physical movements of goods into the customs territory of India. This is because under the 'note pass system' Government imports are cleared without any customs formalities. An attempt is made however to record such transactions as and when information becomes available. Over a period, the two sets of figures should give the same picture. But for particular period discrepancy arises either because of limitations of recording or reporting or a change in the procedure in regard to payments in or out of India. To sum up, exchange control data are useful in estimating the total foreign exchange commitment, whereas the pattern or structure of exports and imports can be studied only on the basis of customs data. The data for the analysis in the present study are drawn from the data published by DGCI & S because data are published at a

very disaggregate level.<sup>1</sup> India adopted Standard International Trade Classification (SITC), which was revised in April 1977 and which continued up to March 1987. The Indian Trade Classification revision 2, was adopted from April 1987 onwards, a new system of Commodity classification known as India Trade Classification based on Harmonised Commodity Description and Coding system, in short I.T.C. (H.S.) was adopted.

The study on Indian exports and imports is detailed from the data starting from 1960-61 to 1995-96. However the data available at disaggregate level, i.e. the classification of commodities exported and imported from Section 0 to Section 8, merited some adjustments to data to make the entire series comparable. Although the data on exports and imports at current price at disaggregate level, Section wise as per the revised (Revision 2), comparable series is available from 1960-61 to 1989-90. But for the data from 1990-91 onwards, the commodities classified has undergone change making the comparison with previous series incompatible. Moreover the data in real terms was not available section-wise. In order to derive the value of exports and imports at constant price, we have used unit value index and quantum index published by the Directorate General of Commercial Intelligence and Statistics.

However the data on unit value index and quantum index are available with different base years, namely 1958, 1968-69, 1978-79, had to be uniformed to a common base with 1978-79 = 100 using linking factors. The data on unit value index and quantum index for the period 1960-61 to 1968-69 was available with the (Base: 1958=100), for the period from 1969-70 to 1979-80 with the (Base: 1968-69=100), for the period from 1980-81 to 1995-96 with the (Base: 1978-79 = 100) was available. The following procedure had to be followed to make the entire series comparable with a common base: 1978-79. The Unit value/Quantum index from 1960-61 to 1968-69 section wise was divided by the Unit value/Quantum index section wise for the year 1968-69 multiplied by 100. [Unit Value/Quantum Index for Section 0 to Section 8 for the period 1960-61 ÷ Unit Value/Quantum Index for Section 0 to Section 8 for the period 1968-69×100]. Similarly, formula is to be applied for each year up to 1968-69, eventually the series from 1960-61 to 1968-69 with the (Base: 1958 = 100), is made uniform base with 1968-69 = 100. Further the entire converted series with the base year 1968-69 was

divided by the section wise index for the year 1978-79 multiplied by 100. Thus we have the section wise unit value and quantum index for the period 1960-61 to 1968-69, made uniform with the base year 1978-79. Similarly, the Unit Value/Quantum index for the period 1969-70 to 1979-80 with the base year 1968-69 was divided by section wise index for the period 1978-79 multiplied by 100. This gave us the series from 1969-70 to 1979-80 uniform with the Base: 1978-79 = 100.

After synchronizing the entire series of quantum index and unit value index from 1960-61 to 1995-96, with the Base: 1978-79 = 100. Further the data on indices was used to arrive at the value of exports and imports at constant price.

The formula of Quantum index of exports/imports =  $\Sigma PoXi \div \Sigma PoXo \times 100$ .

Where,  $\Sigma PoXi$ , represents value of export/import at constant price.

$\Sigma PoXo$ , represents value of export/import in the base year.

The formula of Unit value Index of exports/imports =  $\Sigma PiXi \div \Sigma PoXi \times 100$ .

Where,  $\Sigma PiXi$ , represents value of export/import at current price.

$\Sigma PoXi$ , represents value of export/import at the constant price.

The above-mentioned formula of Quantum index is used to arrive at exports/imports at constant price by locating the formula as,

$$\Sigma PoXi = \text{Quantum index of exports/imports} \times \Sigma PoXo \div 100.$$

Similarly, the formula of Unit value index is used to arrive at exports/imports at current price for the period 1990-91 to 1995-96 (for the period 1960-61 to 1989-90 the exports/imports current price section wise, published data is available according to Revision 2).

$$\Sigma PiXi = \text{Unit value Index of exports/imports} \times \Sigma PoXi \div 100.$$

Since the data on quantum index shows commodities classified from Section 0 to Section 8, the data on Section 9 requires further processing the formula. It is assumed that price changes in Section 9 are the same as the average change in the prices for Section 0 to Section 8. The procedure worked out to arrive the data on Section 9 is as follows.

The constant price of exports/imports for Section 0 to Section 8 derived from the formula of quantum index is added up. lets call it as---- A.

The current price of exports/imports for Section 0 to Section 8 derived from the formula of quantum index is added up. lets call it as---- B.

Therefore the price index will be  $= B \div A \times 100$ . lets call it as---- C.

Therefore Section 9 at constant price will be  $= \text{Section 9 at current price} \div C \times 100$ .

Thus, we not only arrived at the value of exports/imports for Section 9 at constant price but also arrive at the total of exports/imports at constant price.

### **3.3 THE TREND IN EXPORTS AND IMPORTS AT CURRENT AND CONSTANT PRICE (BASE: 1978-79 = 100)**

#### **3.3.1 Background of India's Foreign Trade**

Since the planned development in 1950-51, India's Foreign Trade (including exports and imports) has undergone changes in its trends, structure, nature and composition over a period of five decades. The Table II.1 shows that the foreign trade at current price increased from Rs 1763.94crores in 1960-61 to Rs 229031crores in 1995-96 and at constant price it increased from Rs 7069.85crores in 1960-61 to Rs 57085.51crores in 1995-96. This manifold rise in the foreign trade has certainly established its role in the economic development of the India. Hence it becomes vital to examine the transformation in the policy perspective that ought to have influenced the trend, structure of the trade.

The Table II.3 reflects upon the ability of Exports to finance the Imports. From 1960-61 to 1963-64, the ratio of exports to imports increased from 57.27% to 64.58%. Thereafter, the ratio started decreasing upto 1967-68. During the period 1960-61 to 1967-68, the exports at current price registered an increase greater than that of rise in imports. The value of exports surged from Rs 642.32crores to Rs 1198.69crores (i.e. a rise in the earnings by 86.61% over the period), whereas the imports increased from Rs 1121.62crores to Rs 2007.61crores (i.e. 78.89% rise in the expenditure over the period).

A perceptible change occurred in the ratio of exports to imports from 1968-69 to 1979-80, the export earnings financing the imports expenditure increased from 71.14% to 105.54% in 1972-73, but thereafter declined to 70.20% in 1979-80. During this period the exports grew from Rs1357.86crores to Rs6418.43crores (i.e. the earnings surged by nearly 4.72 times over the period), whereas the imports increased from Rs1908.63crores to Rs9142.58crores (i.e. 4.79 times growth in the expenditure over the period). The high ratio of exports to imports during the period 1968-69 to 1979-80 reflects the success in generating greater exports, and restraining the imports within the limits.

From 1980-81 to 1986-87, the ratio of exports to imports ranged from a low of 53.48% to a high of 68.54%. This reflected that through out the period the import expenses were much beyond the means earned through exports, a sharp fall compared to the experiences in the above mentioned period.

This was due to the rapid increase in the import bill from Rs12549.14crores to Rs20200.65crores during the period (an 61% increase in the expenditure over seven year period), whereas the exports registered an increase from Rs6710.7crores to Rs12452.36crores (an 87% increase in earnings).

Once again the trend in the export/import ratio witnessed a turnaround, as it increased from 70.46% in 1987-88 to 95.42% in 1993-94 and finally to 86.69% in 1995-96. During this period the buoyancy in the value of exports achieved was relatively more than the value of imports during the period, as a result higher self-sufficiency was achieved in terms of financing the imports. The exports during the period 1987-88 to 1995-96 increased from Rs15674crores to Rs106353crores (i.e. the 6.78 times increase in the earnings), whereas the imports increased from Rs22244crores to 122678crores (i.e. 5.5 times rise in the expenditure).

Table - II.4 shows the ratio of exports to imports in real terms. During the period 1960-61 to 1967-68, the trend in the ratio did not have any marked feature (i.e. it increased from 53.69% in 1960-61 to 64.57% in 1963-64, thereafter it slumped to 51.65% in 1967-68). The earnings in real terms were inadequate to meet the import expenses. The exports in real terms remained steady from Rs2469.95crores from 1960-61

to Rs2893.09crores to 1967-68, whereas the imports in real terms rose from Rs4599.9crores to Rs5600.5crores (i.e. 21.75% rise in the expenditure over the period). However from 1968-69 to 1979-80, there was buoyancy in the exports in real terms as it increased from Rs3308.32crores to Rs6370.36crores (i.e. nearly twice an increase in the earnings over the period). At the same time, the imports bill increased from Rs4841.61crores to Rs6764.59crores (i.e.1.4 times increase in the expenditure). The increase in the exports in real terms eased the foreign exchange availability to meet higher proportion of imports.

The export/import ratio increased from 68.33% in 1968-69 to 79.50% in 1970-71. The increasing trend in the ratio continued further to 109.10% in 1976-77 and 94.17% in 1979-80. Hence from 1968-69 to 1979-80, the overall trend in the export/import ratio has been a continued upward movement.

From 1980-81 to 1988-89, the export/import ratio in real terms largely remained below 63.59% and above 50.99%, with an exception of 47.86% in 1986-87. During this period the imports in real terms increased from Rs9693.51crores in 1980-81 to Rs15849.52crores in 1988-89 (i.e. an 63.50% rise in the expenditure), on the contrary the exports in real terms increased from Rs6164.15crores to Rs8747.8crores (i.e. only 41.91% increase in the exchange earning capacity).

However from 1989-90 to 1995-96, the exports in real terms registered a substantial rise, from Rs10026.19crores to Rs21926.97crores (the earnings more than doubled). even imports also picked up substantially from Rs16090.8crores to Rs35158.54crores (the expenditure burden also more than doubled). As a result, barring the export/import ratio of 45.78% in 1994-95, for the rest of the years the ratio performed above 62.31% to 74.80%.

Table II. 2 shows the relative weight of foreign trade in the country's economic activity (Gross National Product at market price). The share of exports at current price in the  $GNP_{MP}$  during the decade of 60's remained largely steady around 3.31% to 4.45%. Whereas at exports at constant price during the same decade determined a contribution ranging from 4.32% to 5.21%. During the subsequent decade of 70's, exports



contribution at current price significantly increased, since the share was around 5%. Even in real terms exports for most part of the decade contributed a share above 5% in the Gross National Product. From 1980-81 to 1994-95, the relative weight of exports at current price in the economic activity shows an increasing trend i.e. it rose from 5.72% in 1980-81 to 11.37% in 1994-95. However the contribution of exports in real terms to the  $GNP_{MP}$  remained steady at 5% during the 80's, and steadily rose to 6.07% to 7.72% in 90's. The significance of imports at current price in the economic activity shows a decreasing trend. Its share in the  $GNP_{MP}$  decreased from 6.95% in 1960-61 to 4.06% in 1971-72, thereafter imports achieved a steady contribution around 8% to 9% up to 1990-91. The significance of imports in real terms as a share of  $GNP_{MP}$  has been robust over the period of three decades. In the decade of 60's, it was steady at 8% and in the 70's the share fell around 5% to 6%. However from 80's onwards imports contribution in real terms in the economic activity has been robust, as it remained steady around 9% and finally in 1994-95 it surged to 16.87%.

**Table II.1**  
**India's Foreign Trade (Exports+Imports)**  
 (Rs crores)

Years	Current Price	Constant Price (Base . 1978-79)
1960-61	1763 94	7069 85
1961-62	1750 4	6969 82
1962-63	1817 02	7455 95
1963-64	2016 1	7910 19
1964-65	2165 34	8435 76
1965-66	2214 16	8502 71
1966-67	3234 55	8343 33
1967-68	3206 3	8493 21
1968-69	3266 49	8149 93
1969-70	2995.37	7576 29
1970-71	3169 46	7790.62
1971-72	3432 76	8722 65
1972-73	3838 27	9023 93
1973-74	5478 77	9967 21
1974-75	7847.61	9436 5
1975-76	9301 03	9917 92
1976-77	10216.04	10778 18
1977-78	11424.49	11603 72
1978-79	12536 71	12536 71
1979-80	15561 01	13134 95
1980-81	19259 84	15857 66
1981-82	21413 47	16628 92
1982-83	23096 11	17360 49
1983-84	25602 18	19158 89
1984-85	28877 88	17601 78
1985-86	30552 27	18751 54
1986-87	32653 01	21454 39
1987-88	37918	22506 15
1988-89	48467	24596 8
1989-90	63097	26116 99
1990-91	75751	27876 28
1991-92	91893	27928 91
1992-93	117063	31855 62
1993-94	142852	37141 9
1994-95	172645	53197 39
1995-96	229031	57085 51

<b>Table II.2</b> <b>The Share of Exports and Imports in GNPmp at Current Price and Constant</b> <b>Price (Base : 1978-79 = 100)</b>				
Year	Exports at current price as a percentage of GNPmp	Imports at current price as a percentage of GNPmp	Exports at constant price as a percentage of GNPmp (Base : 1978-79)	Imports at constant price as a percentage of GNPmp (Base : 1978-79)
1960-61	3.98	6.95	4.72	8.78
1961-62	3.87	6.38	4.73	8.1
1962-63	3.73	6.16	5.01	8.31
1963-64	3.76	5.79	5.21	8.07
1964-65	3.32	5.48	4.98	8.23
1965-66	4.45	5.42	4.76	8.89
1966-67	4.09	7.08	4.48	8.95
1967-68	3.95	5.56	4.33	8.38
1968-69	3.88	4.34	4.77	6.99
1969-70	3.83	4.07	4.45	5.81
1970-71	3.75	4.26	4.44	5.59
1971-72	4.29	4.06	4.43	6.6
1972-73	4.98	5.83	4.95	6.54
1973-74	5.4	7.33	4.98	7.31
1974-75	5.53	7.22	5.15	6.31
1975-76	6.55	6.46	5.27	5.75
1976-77	6.38	7.11	6.13	5.62
1977-78	5.97	7.11	5.48	6.33
1978-79	6.17	8.79	5.5	6.55
1979-80	5.86	10.96	6.45	6.84
1980-81	5.72	9.98	5.84	9.19
1981-82	5.51	8.94	5.62	9.21
1982-83	5.5	8.92	5.77	9.21
1983-84	5.68	8.29	5.21	10.21
1984-85	4.74	8.55	5.39	8.28
1985-86	4.77	7.75	4.7	9.12
1986-87	5.38	7.64	4.89	10.22
1987-88	6.12	8.54	5.43	9.73
1988-89	7.07	9.05	5.38	9.75
1989-90	7.22	9.58	5.78	9.28
1990-91	8.34	9.06	6.08	9.16
1991-92	8.85	10.45	6.52	8.72
1992-93	10.05	10.53	6.61	9.88
1993-94	10.37	11.28	7.26	11.08
1994-95	11.38	13.12	7.73	16.88

**Table II.3**  
**Indian Exports and Imports at Current Price**

<b>(Rs crores)</b>			
<b>Years</b>	<b>Exports at current price (Rs crores)</b>	<b>Imports at current price (Rs crores)</b>	<b>Ratio of Exports/Imports</b>
60-61	642.32	1121.62	57.27
61-62	660.34	1090.06	60.58
62-63	685.49	1131.53	60.58
63-64	793.25	1222.85	64.87
64-65	816.3	1349.04	60.51
65-66	805.64	1408.52	57.2
66-67	1156.25	2078.3	55.63
67-68	1198.69	2007.61	59.71
68-69	1357.86	1908.63	71.14
69-70	1413.27	1582.1	89.33
70-71	1535.16	1634.3	93.93
71-72	1608.22	1824.54	88.14
72-73	1970.83	1867.44	105.54
73-74	2523.4	2955.37	85.38
74-75	3328.83	4518.78	73.67
75-76	4036.26	5264.77	76.67
76-77	5142.25	5073.79	101.35
77-78	5404.26	6020.23	89.77
78-79	5726.07	6810.64	84.08
79-80	6418.43	9142.58	70.2
80-81	6710.7	12549.14	53.48
81-82	7805.92	13607.55	57.36
82-83	8803.37	14292.74	61.59
83-84	9770.72	15831.46	61.72
84-85	11743.68	17134.2	68.54
85-86	10894.58	19657.69	55.42
86-87	12452.36	20200.65	61.64
87-88	15674	22244	70.46
88-89	20232	28235	71.66
89-90	27681	35416	78.16
90-91	32558	43193	75.38
91-92	44042	47851	92.04
92-93	53688	63375	84.71
93-94	69751	73101	95.42
94-95	82674	89971	91.89
95-96	106353	122678	86.69

**Table II.4**  
**Indian Exports and Imports at Constant Price (Base: 1978-79 = 100)**

(Rs crores)			
Years	Exports at constant price (Rs crores)	Imports at constant price (Rs crores)	Ratio of Exports/Imports
60-61	2469.95	4599.9	53.69
61-62	2570.06	4399.76	58.41
62-63	2803.64	4652.31	60.26
63-64	3103.72	4806.47	64.57
64-65	3182.85	5252.91	60.59
65-66	2962.81	5539.9	53.48
66-67	2782.83	5560.5	50.04
67-68	2893.09	5600.5	51.65
68-69	3308.32	4841.61	68.33
69-70	3285.85	4290.44	76.58
70-71	3450.56	4340.06	79.5
71-72	3503.18	5219.47	67.11
72-73	3886.48	5137.45	75.64
73-74	4038.47	5928.74	68.11
74-75	4240.55	5195.95	91.61
75-76	4743.2	5174.72	91.66
76-77	5623.7	5154.47	109.1
77-78	5383.34	6220.38	86.54
78-79	5726.07	6810.64	84.07
79-80	6370.36	6764.59	94.17
80-81	6164.15	9693.51	63.59
81-82	6301.19	10327.73	61.01
82-83	6682.86	10677.63	62.58
83-84	6470.45	12688.44	50.99
84-85	6940.27	10661.51	65.09
85-86	6374.97	12376.57	51.5
86-87	6945.42	14508.97	47.86
87-88	8059.44	14446.71	55.78
88-89	8747.8	15849.52	55.19
89-90	10026.19	16090.8	62.31
90-91	11118.62	16757.66	66.34
91-92	11951.66	15977.25	74.8
92-93	12774	19081.62	66.94
93-94	14706.4	22435.5	65.54
94-95	16706.13	36491.26	45.78
95-96	21926.97	35158.54	62.36

### **3.3.2 Trends in Exports at Current Price**

In the Table II.5 exhibits the trends in total exports and also section wise at current price. Whereas Table II.6 demonstrates plan wise, the percentage changes in total exports as well as section wise at current price. Over the decade 1960-61 to 1969-70, the exports phenomenally rose from Rs642.32crores (1960-61) to Rs1413.27crores (1969-70). The annual average increase during the decade was of 9.83%. The buoyancy in the exports was the result of committed efforts by the government from third plan (1961-62 to 1965-66) onwards. Third plan emphasized on exports as the major source for increments to foreign exchange availability, which hitherto depended largely on foreign aid. The development strategy in first two plans didn't treat exports as a major problem, it although emphasized on import substitution. However stagnant exports and growing import demand led to serious foreign exchange crises in 1957-58, and the formulation of Aid to India consortium.

During third plan<sup>2</sup> (1961-62 to 1965-66) various export promotion devices were initiated like fiscal measures (direct and indirect subsidies), import entitlement schemes to give special access to scarce imports for the exports having high import content, concessional credit lending facilities by RBI, extended refinancing facilities to commercial banks, Export credit and guarantee corporation (ECGC) to minimize the risk of marketing abroad. Despite the positive initiatives in the trade policy, the exports growth rate during the plan period has been sluggish, barring 1963-64 when there was a sharp turnaround of 15.72% growth rate. The annual average growth rate during the plan period was 4.78%.

In nominal terms it was a moderate achievement, from Rs660.34crores in 1961-62 to Rs805.64crores in 1965-66. The measures for export promotion were initiated to reduce the effects of overvaluation of the Indian rupee. "However these measures were largely selective and oblivious of the cost structure underlying export production."<sup>3</sup> "The export promotion measures covered non-traditional exports whereas the traditional exports were neglected because of the belief of inelastic nature of demand for these exports. extension of subsidies to them would adversely affect the terms of trade."<sup>4</sup>

Exports during the three annual plans.<sup>5</sup> (1966-67 to 1968-69) witnessed a sudden upswing as the exports averaged Rs12376crores and the average growth rate during the annual plans was also exceptional at 20.15%. With the devaluation of rupee by 36.5% in terms of gold in June 1966, it was hoped that exporters were being given a generalized market incentive and that most of the special incentives could be safely abolished. However, in retrospect, the 1966 devaluation had greater initial impact on imports than on exports. It soon became apparent that elimination of the special incentives for exporters had left a good many exporters no better but worse off than before devaluation. In late 1966, 1967 and 1968, remedial measures were introduced, including export credit, subsidies to offset high-cost domestic components and tax reductions. Though the export promotion measures adopted during the first half of the 1960 didn't succeed in giving large boost to the total exports. The Indo-Pak war in 1965 and drought of the same year resulted in high levels of domestic inflation, which in turn resulted in further overvaluation of the Indian Rupees. To rationalise the system, in June 1966, government replaced subsidies by a major devaluation of the rupee. But when during 1966-67 and 1967-68 the domestic price level increased by 14% and 12% respectively, export subsidies were reintroduced. Import entitlement scheme was replaced by import replenishment scheme, though the import entitlement under the latter scheme was less than under the former. However the measures like, devaluation and the subsequent reintroduction of export incentives didn't bring about much change in the aggregate export earning.

The fourth plan.<sup>6</sup> (1969-70 to 1973-74), document envisaged a substantial growth of exports during the period. Not only exports sharply increased from Rs1413.27crores to Rs2523.4crores at current price during the plan period but also the aggregate value realized was Rs9050.88crores as against the expected amount of Rs8300crores. While the growth rate of exports observed in the first three years of the plan was moderate 4% to 8%, compared to the high average growth rate achieved during the Annual Plans. This performance was similar to the export growth achieved in the third plan. This was largely an effect of devaluation accompanied by removal of various subsidies and introduction of export levies on various products.

However in the remaining two years of the plan, 1972-73 and 1973-74 the exports growth rate recovered splendidly to 22.5% and 28.03% respectively. Even the average growth rate of 13.60% was far higher than the targeted growth rate of 7% per year. "The conspicuously impressive growth in exports during 4<sup>th</sup> plan is largely attributed to the far-reaching benefits of the widened export promotion measures."<sup>4</sup> Creation of export promotion councils, Commodity Boards and the Trade Development authority in the decade 1970's signifies these developments. External influences, emanating mainly from the buoyancy in world trade, sustained the growth of India's foreign trade during the 1970's. Moreover in the early 1970's there was sharp jump in oil price, leading to global inflation whereas the subdued domestic prices till the late 1970's, led a competitive edge to the exports.

In the Fifth plan<sup>7</sup> (1974-75 to 77-78): the export performance sustained a impressive growth rate in the first three years of the plan period as it grew at 27%, but followed up with a sudden slump of 5% in the penultimate year of the plan. Even in absolute terms it registered a significant growth from Rs3328.83crores in 1974-75 to Rs5404.26crores in 1977-78. The average growth of exports during the plan period was Rs4477.9crores and the average growth rate of 21.41%, which was higher than the growth rate of exports in the previous plan period.

During the Rolling plans<sup>8</sup> of 1978-79 and 1979-80, witnessed impressive growth of Rs5726.07crores and Rs6418.43crores respectively, i.e. from a relatively modest growth rate of 5.95% to a sharp rise in the growth rate of 12.09%. The average growth rate of exports during the decade was 16.76% as compared to 9.83% in the previous decade.

The impressive export performance during fifth plan and the subsequent Rolling Plans was due to government's adherence to the export-oriented trade policy with its special emphasis on maximizing production for export. The trade development authority (TDA) which was set up in July 1970 to help enterprises build up their exports through a package of personalized services, carried out an All-India survey and enrolled some 300 exporting units for intensive export development.



Export controls on a number of items were progressively relaxed and export duties were reduced. The selective import liberalization measures were initiated on the recommendations of the Alexander committee (1978), with the aim at satisfying the imported inputs requirements of exporting industries and thereby enabling them to enhance the production for exports. There was a marked shift in the emphasis from 'controls' to 'development'.

During the Sixth plan.<sup>9</sup> (1980-81 to 1984-85), the boom in the world trade in the early 1970's receded in the later years of the decade coupled with the 142% increase in the unit price of oil in rupee terms between 1978-79 and 1980-81. On the domestic front, revival of domestic industrial activities in the late '70s and early '80s put up additional pressures on the exportable surplus and imports. Further the rate of domestic inflation started mounting by late 1970's, largely impacted the exports.

As a result the exports growth rate continued to be sluggish in 1980-81 a trend observed since the end of the fifth plan. However from 1981-82 to 1984-85, the average growth rate of 15% showed some positive recovery. Although in absolute terms the exports nearly doubled from Rs6710.7crores in 1980-81 to Rs11743crores in 1984-85. The foreign trade policies for 1982-83, 1983-84 and 1984-85 were formulated within the framework of the recommendations of Tandon committee, the intensification of the promotional efforts in regard to exports by reducing controls on production for exports, providing soft loans to export-oriented crops exports, exemption from reservation policy for small-scale sector fiscal incentives like liberal credit and tax credit. duty free import of capital goods and more concessions like cash compensatory support announced for 100% export oriented industries and a special licenses and other facilities for such industries. The Committee also favoured temporary restraints on consumption, since export markets once lost is difficult to regain. The emphasis of the policy efforts was also to simplify the procedures governing India's foreign trade. During this period. special measures were initiated to boost the export of project goods.

The Seventh Plan.<sup>10</sup> (1985-86 to 1989-90), begun with the exports growth rate turned negative, -7.23%, however there was a significant turnaround in the remaining years of the plan. as it grew progressively from 14.29% in 1986-87 to 36.81% in 1989-

90. Even in absolute terms the export growth was robust, i.e. from Rs10894.58crores to Rs27681crores, a 2.5 times increase over the plan period. The decade's annual average growth rate was 16.36%, more or less similar to the previous decade, which was 16.76%. Reflecting the trends of trade during the early 1980's the committee on Trade policies, under the Chairmanship of Abid Hussain was set up in 1984. The Committee envisaged "growth-led exports" rather than "export-led growth" and stressed upon the need for harmonization of foreign trade policies arguing for a phased reduction of effective protection. The committee also favoured announcement of trade policies for longer periods in order to impart a degree of continuity and facilitate long-term planning of export business. In line with these recommendations, long-term trade policy was introduced with the announcement of an import export policy covering the period 1985-88. In pursuance of the first three-yearly (April 1985-March 1988) import and export policy, the government initiated a series of measures aimed at trade liberalisation. These measures were directed towards two goals. Firstly, the government liberalised the import regime further for "providing easy access to imports essential for maximising production and exports." Secondly, the government resorted to selectively opening up the economy, especially the capital goods sector, to international competition. Recognising the need to "improve the quality of production and upgradation of technologies."<sup>11</sup> The first three years of the Seventh Plan, coinciding with the first three-yearly import-export policy, therefore saw the injection of a dose of economic liberalisation in general and trade liberalisation in particular. The second three-yearly import-export policy (1988-91) the main objectives were (i) to stimulate the industrial growth by providing easy access to essential imported capital goods, raw materials and components to industry, (ii) to promote efficient import substitution and self reliance. To achieve this it basically adopted an 'imports growth' policy as a step towards 'export growth'. It has taken a calculated risk of facing increased imports, especially of imported capital goods in the short run, for reducing the balance of trade deficit in the long run through efficient import substitution and efficient export promotion over time. The policy was formulated with the aim of boosting exports and encouraging efficient import substitution. This policy tried to give larger flexibility to exporters. There were attempts to reduce administrative delays and the multiplicity of schemes. There was considerable reduction in the number of canalized imports and the procedures related to canalized imports were also amended. The major points of the import and export policy included the abolition of automatic

license and most of the goods under these schemes were moved to OGL LIST. In order to eliminate the delays associated with advance licenses, Import-Export Pass Book scheme was introduced whereby manufacturer-exporter were allowed to have easy access to duty-free inputs for export production. The duty drawback system should provide complete re-imburement of taxes paid on inputs used in export production. The cash compensatory scheme should be exempted from income tax, Government should exempt 50% of projects from income tax. The 'exchange entitlements' scheme should be introduced to enable exporters to utilize a fraction of their foreign exchange earnings for the purpose of market development.

During the Annual Plans.<sup>12</sup> the exports grew further to Rs32558crores in 1990-91 and Rs44042crores in 1991-92, however the growth rate marginally declined to 17.61% in the previous year as compared to the upswing of 35.27% in the later year.

In the Eighth Plan.<sup>13</sup> (1992-93 to 1996-97), although exports in absolute terms progressed to Rs53, 688crores in the first year, but the growth rate declined to 21.90% over the previous year. The buoyancy in exports sustained further to Rs69, 751crores in 1993-94 and a subsequent increase of Rs82, 674crores in 1994-95. The growth rate of exports surged to 29.91% but slumped to 18.52% in the later year. In 95-96 the growth rate of exports splendidly recovered to 28.64% and in absolute terms it nearly doubled to Rs106353crores as compared to 1992-93. This was attributed to medium-term trade policy, Export and Import (EXIM) policy 1992-97, marked a distinct departure from the earlier trade regimes. The main focus was gradual removal of quantitative restrictions on foreign trade, reduction in peak rate of tariff, removal of anti-export bias for agricultural as well as manufactured products, provision of incentives for improving efficiency, upgradation of technological and quantity standards of the domestic producers. There was some modification in the export promotion measures as well. The general approach of the policy was to make the price mechanism as reflected by a realistic exchange rate, the main form of export incentive. A LERMS introduced in 1992 to allow greater role to market forces in the determination of the exchange rate. The policies governing foreign investment and foreign collaboration also have undergone significant change, which have a bearing on trade performance. Apart from unilateral measures, the trade liberalization of India's trade policies also reflects the multilateral commitments of the country to the

World Trade Organisation (WTO). But the external factors during 1996-97, witnessed deceleration in world trade, sharp decline in International prices for Manufactured products and low economical growth in the industrialized countries. On the domestic front, exports have been affected by certain infrastructure bottlenecks.

**Table II.5**  
**Trends in Exports of Commodities at Current price**  
**Commodities Classified Section-wise, (S.I.T.C. Revision 2)**

(Rs crores)

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61	198 05	15 76	112 07	7 4	9 8	7 19	262 43	7 19	12 59	9 79	642 32
1961-62	214 02	14 97	118 37	5 9	6 49	7 83	268 71	4 7	11 35	7 95	660 34
1962-63	233 95	18 87	111 08	6 48	13 65	7 81	265 6	4 99	12 26	9 25	685 49
1963-64	249 87	22 52	131 98	9 76	20 61	6 92	317 18	6 33	20 37	6 96	793 25
1964-65	261 27	25 78	137 46	12 28	7 38	10 25	326 47	9 12	20 24	5 9	816 3
1965-66	240 75	21 69	135 05	9 32	4 55	11 1	343 26	11 18	21 81	6 95	805 64
1966-67	352 89	22 63	208 64	12 65	3 05	14 87	490 65	15 61	27 52	7 45	1156 25
1967-68	362 17	35 6	194 4	9 15	4 16	15 74	510 94	21 34	36 38	8 32	1198 69
1968-69	364 29	33 8	212 05	12 1	11 95	23 81	600 97	39 55	46 78	7 33	1357 86
1969-70	345 59	33 36	231 43	9 49	5 07	30 34	630 1	56 17	63 55	8 17	1413 27
1970-71	409 97	32 57	251 66	12 58	7 12	36 36	615 96	76 29	76 26	6 7	1535 16
1971-72	435 27	45 11	240 62	11 58	7 91	35 45	665 14	75 79	85 03	7 5	1608 22
1972-73	530 3	64 05	254 36	32 12	26 31	40 49	816 3	87 37	113 34	6 17	1970 83
1973-74	678 83	70 97	362 31	15 34	32 11	58 19	1000 56	118 33	179 06	7 69	2523 4
1974-75	1019 21	82 27	432 28	20 42	34 45	104 15	1168 79	215 51	243 99	7 75	3328 83
1975-76	1253 32	98 52	543 54	37 04	37 2	90 64	1389 01	259 55	316 93	10 51	4036 26
1976-77	1300 56	102 98	602 16	32 99	52 49	119 11	2121 13	297 77	495 14	13 35	5142 25
1977-78	1554 84	117 74	488 56	27 81	24 93	124 97	2194 28	337 32	515 72	21 71	5404 26
1978-79	1447 65	117 03	512 62	19 82	17 85	155 54	2343 7	398 07	691 71	21 34	5726 07
1979-80	1703 35	115 69	666 73	23 64	52 41	208 47	2399 93	448 79	774 8	24 57	6418 43
1980-81	1705 17	141 32	814 49	27 85	19 3	235 46	2320 32	525 86	870 58	22 88	6710 7
1981-82	1919 17	236 45	774 29	224 89	19 96	375 47	2582 59	617 89	1039 37	15 83	7805 92
1982-83	1897	248 91	816 84	1240 42	26 02	348 35	2640 39	584 94	978 38	22 1	8803 37
1983-84	2069 72	178 74	891 09	1590 04	47 59	327 63	2955 03	540 76	1145 94	24 18	9770 72
1984-85	2442 56	179 27	1001 64	1822 94	59 02	482 86	3608 91	663 17	1455 16	28 15	11743 68
1985-86	2509 37	170 55	1119 02	654 94	48 61	394 07	3710 89	703 54	1565 71	17 9	10894 58
1986-87	2782 17	186 74	1185 92	417 55	31 82	486 31	4531 2	836 05	1955 4	38 8	12452 36
1987-88	2909	137	1199	657	21	736	6181	1014	2696	21	15674
1988-89	3105	134	1294	518	14	1179	9242	1437	3190	39	20232
1989-90	4110	175	1366	740	80	1981	12604	1991	4608	26	27681
1990-91	4519 36	279 26	3161 96	973 72	84 78	2461 83	12230 1	2492 8	6311 16	43 03	32558
1991-92	6662 61	376 98	3126 32	1047 87	166 65	3761 42	16621 68	3342 83	8880 67	54 95	44042
1992-93	7839 89	484 54	2852 17	1533 05	149 02	3634 99	21830 73	3806 3	11492 32	64 99	53688
1993-94	10523 4	498 4	4047 95	1585 95	316 73	4932 91	28821 18	4802 55	14192 22	29 71	69751
1994-95	11686 87	300 39	3776 77	1642 95	480 66	6930 47	33918 49	6022	17796 31	119 09	82674
1995-96	17871 66	512 77	5169 83	1833 75	865 96	8808 15	41776 78	8112 48	21221 59	180 03	106353

**Table II.6**  
**Percentage change in Exports of Commodities at Current Price**

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61											
1961-62	8 06	-5 01	5 62	-20 27	-33 78	8 9	2 39	-34 63	-9 85	-18 79	2 81
1962-63	9 31	26 05	-6 16	9 83	110 32	-0 26	-1 16	6 17	8 02	16 35	3 81
1963-64	6 8	19 34	18 82	50 62	50 99	-11 4	19 42	26 85	66 15	-24 76	15 72
1964-65	4 56	14 48	4 15	25 82	-64 19	48 12	2 93	44 08	-0 64	-15 23	2 91
1965-66	-7.85	-15 87	-1 75	-24 1	-38 35	8 29	5 14	22 59	7 76	17 8	-1 31
aver per	4 18	7 8	4 14	8 38	5	10 73	5 75	13 01	14 29	-4 93	4 79
1966-67	46 58	4 33	54 49	35 73	-32 97	33 96	42 94	39 62	26 18	7 19	43 52
1967-68	2 63	57 31	-6 83	-27 67	36 39	5 85	4 14	36 71	32 19	11 68	3 67
1968-69	0 59	-5 06	9 08	32 24	187 26	51 27	17 62	85 33	28 59	-11 9	13 28
aver per	16 6	18 86	18.91	13 43	63 56	30 36	21 56	53 89	28 99	2 32	20 16
1969-70	-5 13	-1 3	9 14	-21 57	-57 57	27 43	4 85	42 02	35 85	11 46	4 08
1970-71	18 63	-2 37	8 74	32 56	40 43	19 84	-2 24	35 82	20	-17 99	8 62
1971-72	6 17	38 5	-4 39	-7 95	11 1	-2 5	7.98	-0 66	11 5	11 94	4 76
1972-73	21.83	41 99	5 71	177 37	232 62	14 22	22 73	15 28	33 29	-17 73	22 55
1973-74	28 01	10 8	42 44	-52 24	22 04	43 71	22 57	35 44	57 98	24 64	28 04
aver per	13 9	17 52	12 33	25 63	49 72	20 54	11 18	25 58	31 73	2 46	13 61
1974-75	50 14	15 92	19 31	33.12	7 29	78 98	16 81	82 13	36 26	0 78	31 92
1975-76	22 97	19 75	25 74	81 39	7 98	-12 97	18 84	20 44	29 89	35 61	21 25
1976-77	3 77	4 53	10.78	-10 93	41 1	31 41	52 71	14 73	56 23	27 02	27.4
1977-78	19 55	14 33	-18 87	-15 7	-52 51	4 92	3 45	13 28	4 16	62 62	5 1
aver per	24 11	13 63	9 24	21 97	0 97	25 59	22 95	32 64	31 64	31 51	21.42
1978-79	-6 89	-0 6	4 92	-28 73	-28 4	24 46	6 81	18 01	34 13	-1 7	5 95
1979-80	17 66	-1 15	30 06	19 27	193 61	34 03	2 4	12 74	12 01	15 14	12 09
aver per	5 38	-0 87	17.49	-4 73	82 61	29 25	4 6	15 38	23 07	6 72	9 02
1980-81	0 11	22 15	22 16	17 81	-63 17	12 95	-3 32	17 17	12 36	-6 88	4 55
1981-82	12 55	67 32	-4 94	707 5	3 42	59 46	11 3	17 5	19 39	-30 81	16 32
1982-83	-1 16	5 27	5 5	451 57	30 36	-7 22	2 24	-5 33	-5 87	39 61	12 78
1983-84	9 1	-28 19	9 09	28 19	82 9	-5 95	11 92	-7 55	17 13	9 41	10 99
1984-85	18 01	0 3	12 41	14 65	24 02	47 38	22 13	22 64	26 98	16 42	20 19
aver per	7 72	13 37	8 84	243 94	15 5	21 32	8 85	8 88	14	5 55	12 97
1985-86	2 74	-4 86	11 72	-64 07	-17 64	-18 39	2 83	6 09	7 6	-36 41	-7 23
1986-87	10 87	9 49	5 98	-36 25	-34 54	23 41	22 11	18 83	24 89	116 76	14 3
1987-88	4 56	-26 64	1 1	57 35	-34	51 34	36 41	21 28	37 87	-45 88	25 87
1988-89	6 74	-2 19	7 92	-21 16	-33 33	60 19	49 52	41 72	18 32	85 71	29 08
1989-90	32 37	30 6	5 56	42 86	471 43	68 02	36 38	38 55	44 45	-33 33	36 82
aver per	11 45	1 28	6 46	-4 25	70 38	36 92	29 45	25 3	26 63	17 37	19 77
1990-91	9 96	59 58	131 48	31 58	5 98	24 27	-2 97	25 2	36 96	65 5	17 62
1991-92	47 42	34 99	-1 13	7 62	96 57	52 79	35 91	34 1	40 71	27 7	35 27
aver per	28 69	47 28	65 17	19 6	51 27	38 53	16 47	29 65	38 84	46 6	26 45
1992-93	17 67	28 53	-8 77	46 3	-10 58	-3 36	31 34	13 86	29 41	18 27	21 9
1993-94	34 23	2 86	41 93	3 45	112 54	35 71	32 02	26 17	23 49	-54 29	29 92
1994-95	11 06	-39 73	-6 7	3 59	51 76	40 49	17 69	25 39	25 39	300 84	18 53
1995-96	52 92	70 7	36 88	11 61	80 16	27 09	23 17	34 71	19 25	51 17	28.64
aver per	28 97	15 59	15 84	16 24	58 47	24 98	26 05	25 04	24 39	79	24 75

### **3.3.3 Trend in Exports at Constant Price (Base: 1978-79 = 100)**

The table II.7 presents the trend in total exports as well as section wise at constant price over the period 1960-61 to 1995-96 and table II.8 represents plan wise periodisation of the percentage change in total exports and section wise in real terms. In the third plan (1961-62 to 1965-66), the exports in real terms increased from Rs2570.06crores to Rs3182.85crores in 1964-65, but decreased to Rs2962.81crores in 1965-66 (i.e. a fall of – 6.91%). The annual growth rate of exports at constant price in the third plan was 3.89%. During the annual plans, in real terms, the annual growth rate remained steady at 4.07%. In absolute terms, exports at constant price moderately advanced to Rs3308.32crores in 1968-69 from Rs2782.83crores. By the fourth plan (1969-70 to 1973-74) the growth rate of exports in real terms widely fluctuated, but the annual growth rate was steady at a low of 4%(a growth rate stagnating since third plan). Although in absolute terms exports in real terms steadily progressed to Rs4038.47crores in 1973-74 from Rs3285.85crores in the first year of the plan. In the fifth plan (1974-75 to 1977-78) the exports in real terms marked a departure from the past trend as it grew significantly at 7.78% annually. The exports in absolute terms registered an increase from Rs4240.55crores in 1974-75 to Rs5623.70crores in 1976-77, to a marginal decline to Rs5383.34crores in 1977-78. In the subsequent plans (1978-79 and 1979-80), exports in real terms remarkably grew to Rs5726.07crores and Rs6370.36crores respectively. In the sixth plan (1980-81 to 1984-85) exports continued to increase in real terms from Rs6164.15crores to Rs6940.27crores. However the annual growth rate of 1.82% achieved was lowest compared to all the previous plans. However in the seventh plan (1985-86 to 1989-90), concerted efforts in the form export promoting policies by the government brought about tangible turnaround in the external scenario. The exports in real terms phenomenally increased from Rs6374.97crores to Rs10026.19crores during the plan period whereas the annual growth rate of 7.99% was equally significant. In the annual plans (1990-91 to 1991-92), the exports consolidated at Rs11118.62crores and Rs11951.66crores, respectively. It was in the eighth plan (1992-93 to 1995-96), exports in real terms gained substantially from Rs12774crores to Rs21926.97crores during the plan period considered. A remarkable increase of 41.74% from 1992-93 to 1995-96, similarly the annual growth rate was 16.71% during the plan period.

**Table II.7**  
**Trends in Exports of Commodities at Constant Price , Commodities Section-wise,**  
**(S.I.T.C. Revision 2), Base:1978-79=100**

(Rs crores)

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61	774.63	64.08	278.09	37.2	70.06	19.83	1138.33	6.6	43.43	37.64	2469.95
1961-62	870.47	61.82	291.16	29.94	48.59	18.35	1171.85	7.28	39.63	30.94	2570.06
1962-63	966.3	89.72	275.43	38.56	103.4	21.52	1216.38	9.71	44.75	37.83	2803.64
1963-64	974.26	91.98	375.13	43.56	153.69	19.83	1350.2	9.91	57.89	27.23	3103.72
1964-65	1022.18	119.13	398.71	58.08	42.94	35.86	1406.22	18.11	58.58	23.004	3182.85
1965-66	902.46	89.72	393.48	43.56	22.6	36.08	1361.45	23.4	64.46	25.55	2962.81
1966-67	886.39	54.27	422.34	40.83	10.17	28.47	1227.63	34.79	59.97	17.93	2782.83
1967-68	894.35	79.91	393.48	29.94	14.12	30.79	1316.69	38.57	75.11	20.08	2893.09
1968-69	910.42	73.14	438.13	41.29	45.76	41.35	1562.31	81.88	96.14	17.85	3308.32
1969-70	855.7	73.86	460.02	39.22	19.67	55.83	1531.13	107.27	124.09	18.99	3285.85
1970-71	1019.72	68.01	499.44	40.05	20.59	69.07	1437.39	135.94	145.25	15.05	3450.56
1971-72	1028.7	87.77	473.14	42.52	22.88	61.62	1468.56	117.9	183.71	16.33	3503.18
1972-73	1165.35	145.47	468.79	36.33	53.55	76.52	1593.71	127.74	206.82	12.16	3886.48
1973-74	1101.66	120.68	560.8	40.46	39.36	96.37	1640.59	153.97	272.25	12.3	4038.47
1974-75	1247.29	114.82	565.16	47.89	48.05	94.72	1468.56	316.14	328.008	9.87	4240.55
1975-76	1483.98	115.56	565.16	36.33	64.53	86.02	1718.63	266.18	394.41	12.35	4743.2
1976-77	1474.86	122.14	604.58	28.9	106.18	105.06	2265.42	305.47	596.46	14.59	5623.709
1977-78	1192.57	122.88	477.55	25.18	32.03	124.5	2452.91	325.14	608.91	21.62	5383.34
1978-79	1447.65	117.03	512.62	19.82	17.85	155.54	2343.7	398.07	691.71	21.34	5726.07
1979-80	2103.14	114.82	635.28	9.08	41.19	185.31	2203.07	387.4	666.67	24.38	6370.36
1980-81	1650.32	126.39	753.55	15.45	17.13	199.09	1992.14	517.49	871.55	21.01	6164.15
1981-82	1708.22	190.75	543.37	136.55	16.42	293.97	2062.45	513.51	823.13	12.77	6301.19
1982-83	1606.89	183.73	548.5	955.52	22.66	286.19	1896.39	437.87	726.29	16.77	6682.86
1983-84	1534.5	122.88	589.51	841.06	29.8	213.08	1968.7	366.22	788.54	16.01	6470.45
1984-85	1548.98	117.03	615.14	820.34	30.52	287.74	2109.33	453.79	940.72	16.63	6940.27
1985-86	1563.46	106.49	610.01	292.34	27.48	251.97	2062.45	509.52	940.72	10.47	6374.97
1986-87	1520.03	114.68	733.04	278.07	17.31	309.52	2367.13	553.31	1030.64	21.64	6945.42
1987-88	1606.89	87.77	620.27	424.54	11.42	362.4	2812.44	804.1	1265.82	63.75	8059.44
1988-89	1635.84	65.53	707.41	300.47	7.14	566.16	3187.43	911.58	1314.24	51.44	8747.28
1989-90	2026.71	84.26	845.82	210.48	32.48	790.14	3187.43	1186.24	1653.18	9.41	10026.19
1990-91	1997.75	120.54	1209.78	394.02	38.02	1059.22	3234.3	1237.99	1812.28	14.68	11118.62
1991-92	2287.28	112.34	809.93	422.16	71.22	1441.85	3632.73	1146.44	2012.87	14.78	11951.66
1992-93	2518.91	135.75	686.91	275.69	58.9	891.24	4781.14	1237.99	2171.96	15.46	12774
1993-94	2851.87	147.45	1097.006	263.01	99.6	1152.55	5367.07	1425.09	2296.47	6.26	14706.4
1994-95	2822.91	80.75	835.57	264.99	133.51	1516.51	6304.55	1942.58	2780.67	24.06	16706.13
1995-96	4733.81	131.07	989.35	247.75	218.12	1872.7	7124.84	3355.73	3216.45	37.11	21926.97

**Table II.8**  
**Percentage change in Exports of Commodities at Constant Price**

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61											
1961-62	12 37	-3 53	4 70	-19 52	-30 65	-7 46	2 94	10 30	-8 75	-17 80	4 05
1962-63	11 01	45 13	-5 40	28 79	112 80	17 28	3 80	33 38	12 92	22 27	9 09
1963-64	0 82	2 52	36 20	12 97	48 64	-7 85	11 00	2 06	29 36	-28 02	10 70
1964-65	4 92	29 52	6 29	33 33	-72 06	80 84	4 15	82 74	1 19	-15 52	2 55
1965-66	-11 71	-24 69	-1 31	-25 00	-47 37	0 61	-3 18	29 21	10 04	11 07	-6 91
Aver per	3 48	9 79	8 09	6 11	2 27	16 68	3 74	31 54	8 95	-5 60	3 90
1966-67	-1 78	-39 51	7 33	-6 27	-55 00	-21 09	-9 83	48 68	-6 97	-29 82	-6 07
1967-68	0 90	47 25	-6 83	-26 67	38 84	8 15	7 25	10 87	25 25	11 99	3 96
1968-69	1 80	-8 47	11 35	37 91	224 08	34 30	18 65	112 29	28 00	-11 11	14 35
Aver per	0 30	-0 25	3 95	1 66	69 31	7 12	5 36	57 28	15 43	-9 65	4 08
1969-70	-6 01	0 98	5 00	-5 01	-57 01	35 02	-2 00	31 01	29 07	6 39	-0 68
1970-71	19 17	-7 92	8 57	2 12	4 68	23 71	-6 12	26 73	17 05	-20 75	5 01
1971-72	0 88	29 05	-5 27	6 17	11 12	-10 79	2 17	-13 27	26 48	8 50	1 52
1972-73	13 28	65 74	-0 92	-14 56	134 05	24 18	8 52	8 35	12 58	-25 54	10 94
1973-74	-5 47	-17 04	19 63	11 37	-26 50	25 94	2 94	20 53	31 64	1 15	3 91
Aver per	4 37	14 16	5 40	0 02	13 27	19 61	1 10	14 67	23 36	-6 05	4 14
1974-75	13 22	-4 86	0 78	18 36	22 08	-1 71	-10 49	105 33	20 48	-19 76	5 00
1975-76	18 98	0 64	0 00	-24 14	34 30	-9 18	17 03	-15 80	20 24	25 13	11 85
1976-77	-0 61	5 69	6 98	-20 45	64 54	22 13	31 82	14 76	51 23	18 14	18 56
1977-78	-19 14	0 61	-21 01	-12 87	-69 83	18 50	8 28	6 44	2 09	48 18	-4 27
Aver per	3 11	0 52	-3 31	-9 77	12 77	7 44	11 66	27 68	23 51	17 92	7 79
1978-79	21 39	-4 76	7 34	-21 29	-44 27	24 93	-4 45	22 43	13 60	-1 30	6 37
1979-80	45 28	-1 89	23 93	-54 19	130 76	19 14	-6 00	-2 68	-3 62	14 25	11 25
Aver per	33 33	-3 32	15 64	-37 74	43 24	22 04	-5 23	9 87	4 99	6 48	8 81
1980-81	-21 53	10 08	18 62	70 15	-58 41	7 44	-9 57	33 58	30 73	-13 82	-3 24
1981-82	3 51	50 92	-27 89	783 82	-4 14	47 66	3 53	-0 77	-5 56	-39 22	2 22
1982-83	-5 93	-3 68	0 94	599 76	38 00	-2 65	-8 05	-14 73	-11 76	31 32	6 06
1983-84	-4 50	-33 12	7 48	-11 98	31 51	-25 55	3 81	-16 36	8 57	-4 53	-3 18
1984-85	0 94	-4 76	4 35	-2 46	2 42	35 04	7 14	23 91	19 30	3 87	7 26
Aver per	-5 50	3 89	0 70	287 86	1 87	12 39	-0 63	5 13	8 26	-4 48	1 83
1985-86	0 93	-9 01	-0 83	-64 36	-9 96	-12 43	-2 22	12 28	0 00	-37 04	-8 15
1986-87	-2 78	7 69	20 17	-4 88	-37 01	22 84	14 77	8 59	9 56	106 69	8 95
1987-88	5 71	-23 47	-15 38	52 67	-34 03	17 08	18 81	45 33	22 82	194 59	16 04
1988-89	1 80	-25 34	14 05	-29 22	-37 48	56 23	13 33	13 37	3 83	-19 31	8 53
1989-90	23 89	28 58	19 57	-29 95	354 90	39 56	0 00	30 13	25 79	-81 71	14 62
Aver per	5 91	-4 31	7 51	-15 15	47 29	24 66	8 94	21 94	12 40	32 64	8 00
1990-91	-1 43	43 06	43 03	87 20	17 06	34 05	1 47	4 36	9 62	56 00	10 90
1991-92	14 49	-6 80	-33 05	7 14	87 32	36 12	12 32	-7 40	11 07	0 68	7 49
Aver per	6 53	18 13	4 99	47 17	52 19	35 09	6 89	-1 52	10 35	28 34	9 19
1992-93	10 13	20 84	-15 19	-34 70	-17 30	-38 19	31 61	7 99	7 90	4 60	6 88
1993-94	13 22	8 62	59 70	-4 60	69 10	29 32	12 26	15 11	5 73	-59 51	15 13
1994-95	-1 02	-45 24	-23 83	0 75	34 05	31 58	17 47	36 31	21 08	284 35	13 60
1995-96	67 69	62 32	18 40	-6 51	63 37	23 49	13 01	72 75	15 67	54 24	31 25
Aver per	22 51	11 63	9 77	-11 26	37 31	11 55	18 59	33 04	12 60	70 92	16 71



### **3.3.4 Trends in Imports at Current Price**

In Table II.9 and Table II.10, has catalogued the trend in imports section wise and percentage change thereof, respectively for the period 1960-61 to 1995-96.

In Third Plan (1961-62 to 1965-66), the Mahalanobis strategy of development encouraging large-scale industrialization of the country was initiated in the second five-year plan (1956-57 to 1960-61). As a result government had to import capital equipments and machinery raw materials, intermediate goods, technical know-how etc. This led to heavy drain of foreign exchange coupled with sluggish exports. Thus government had to make serious efforts in export maximization on one hand and on the other stringent restrictions on the import of consumer goods and import of capital goods were subjected to licenses. The first year of the plan registered an import growth of Rs1090.06crores and by the end of the plan period, it moderately increased to Rs1408.52crores. The imports growth rate reflected a restrained trend of 4.75% annually during the plan period. Baring the imports growth rate of 8.07% in 1963-64 and 10.31% in 1964-65, during the remaining years of the plan period the growth rate remained sluggish, as it ranged between -2.81% to 4.40%. Although in the beginning of the Annual Plans (1966-67 to 1968-69), the import growth rate drastic leaps to 47.55%, but it plunges to -3.40% and -4.93% in the remaining years, respectively. The import bill in 1966-67 was Rs2078.3crores as compared to Rs1408.52crores in the previous year. However imports declined to Rs1908.63crores by 1968-69. In the Fourth Plan (1969-70 to 1973-74), witnessed the fall in the imports of food grains owing to the success of the new agricultural strategy initiated in the country and the relative success of the import substitution led to substantial decline in the import of food grains, machinery and transport equipments. As a result the imports remained subdued from 1969-70 to 1972-73 as it registered a moderate increase from Rs1582.1crores to Rs1867.44crores. This was reflected in the growth rate of imports, which started off with a negative growth rate of -17.10% in the first year of the plan, a trend reinforced since 1967-68. Although in the subsequent three years of the plan period the imports growth rate was turned positive but was sluggish.

However, the events like sharp upward movement in oil prices, import liberalization and unprecedented drought, heavily burdened the imports bill to Rs2955.37crores and a phenomenal growth rate of 58.25% over the previous years 2.35% growth rate.

The Fifth Plan (1974-75 to 1977-78), started of with a high growth rate of imports of 52.90%, continued from the previous year. In absolute terms the imports registered a significant increase to Rs4518.78crores from Rs2955.37crores in the previous year. In the context of the growing strain on foreign exchange resources due to the rising import bill, Import Policy for 1974-75, accorded higher priority for meeting the import requirements of export-oriented industries. The policy provided simplification of import licensing procedures, preferential treatment to selected industries linked to export performance, liberalized import of spare parts and modification of the scheme for eligible export houses to make it more export-oriented. To exercise some restraint on imports, the Union Budget for 1974-75 has made some selective upward revision in import duties. Efforts were made to increase the oil production and achieve success in the import substitution of nitrogenous fertilizers electric motors, machine tools, casting and forging, non-ferrous metals and certain group of machineries. As a result of the collective measures undertaken the imports were substantially restrained. The import growth rate declined to 16.50% in 1975-76 and in the subsequent year it sharply fell to -3.62%. However, the imports growth rate experienced an upswing of 18.65% in the penultimate year of the plan period. The import bill also recorded a significant increase to Rs6020.23crores as compared to Rs5073.79crores in the previous year.

Over the Rolling Plans (1978-79 to 1979-80), the imports growth rate remained perceptibly high during the rolling plans, although in 1978-79 the imports growth rate marginally declined 13.12% as compared to 18.65% in the previous year, but rapidly increased to 34.23% in 1979-80. The annual average growth rate of imports during the decade was 20.73% as compared to 5.10% registered in the previous decade.

Over the Sixth Plan (1980-81 to 1984-85), period imports growth rate remained subdued and below 10.76%, except the first year experiencing a further rise in the growth

rate to 37.26% compared to 34.23% in the previous year. The import bill moderately increased from Rs12549 14crores to Rs17134.2crores over the plan period.

During the plan period, the system of import licensing and regulation were further streamlined and adjusted taking note of the availability of domestic supplies, the requirements of industrial and other actual users particularly the export sector and the urgency to conserve foreign exchange. Although import of capital goods for electronics and T.V. Industries were permitted under Open general License, but a number of items, mainly, chemicals and allied products, drug intermediates, components of process control instruments and precision measuring instruments, whose domestic production had improved, were transferred from OGL to restricted list.

In the Seventh Plan (1985-86 to 1989-90), the imports growth rate remained restrained in the first three years of the plan period, but there was an upswing in the growth rate in the last two years of the plan period, as it increased to 26.93% in 1988-89 and 25.43% in 1989-90 compared to 14.72% in the first year of the plan. This was also reflected in the import bill, which substantially increased from Rs19657.69crores to Rs35416crores over the plan period. The annual average import growth rate during the decade was 14.96%, which much less compared to the previous decade.

Apart from the import liberalization policy of the government, there was rebound in international oil prices and higher import of edible oils and imports of food grains to replenish food stock. High import prices of key intermediates largely aggravated the value of imports during the plan period. The major emphasis in import policy has been on strengthening the impulses for growth and exports with a measure of prioritisation. Consequently, substantial concessions have built into the import duty structure in favour of inputs for export production. At the same time, it has been found necessary to provide duty relief to sectors such as small-scale industry, agriculture and environmental pollution. Concessional import duties have also been prescribed in relation to import requirements, which go to improve the quality of life.

During the Annual Plans (1990-91 to 1991-92), the import growth rate was restrained to 21.95% and 10.78% respectively. Although the import bill was as high as

Rs43193crores and 47851crores in the following years, which was much higher compared to the years in the seventh plan. The year 1991-92 witnessed two divergent phases in Import Policy pursued by the Government. Phase I (up to February 12, 1992) of import compression, and Phase II (since February 13, 1992) of import liberalization.

To rectify an unfavourable trade balance position, the Government and the Reserve Bank of India initiated a number of measures in order to conserve scarce foreign exchange reserves. The focus of the import management measures were initiated like curtailment of non-essential and low priority imports. The application of monetary and fiscal regulations was intended to relieve strains imposed on the external sector.

In the Eight Plan (1992-97), a several policy initiatives aimed at trade liberalization embodied in the Export-Import (EXIM) policy, 1992-97 as a precursor to the opening up of the consumer goods sector; the negative list of imports was pruned further and simultaneously the lists of items importable under the Open General License (OGL) and special Import Licenses (SIL) were expanded. To give boost to the domestic manufacturing sector, the scope of EPCG Scheme, Duty Exemption Scheme was widened. With a view to improving competitive efficiency of domestic industries, the peak tariff rate was slashed to 65% in 1994-95 from 110% in 1992-93. In pursuant to the recommendations of the Tax Reforms Committee (Chelliah Committee), further reduction in tariff and rationalization/simplification of the tariff structure with a view to bringing them in line with those of other developing countries.

As a result of the import liberalization, the imports growth rate has persisted to be high during the plan period. The growth rate of imports in 1992-93 was 32.44%, as compared to 10.78% in the previous year. In the subsequent year although the imports growth rate slumped to 15.34% but there was a sharp upward movement to 36.35% in 1995-96. Even the revival of industrial activity by that time contributed to the increase in the import bill. In absolute terms the import bill nearly doubled from Rs63375crores in 1992-93 to Rs122678crores in 1995-96. The annual average growth rate of imports during the plan period was 26% as compared to 15.99% in the seventh plan period.

**Table II.9**  
**Trends in Imports of Commodities at Current Price,**  
**Commodities Classified Section- wise, (S.I.T.C. Revision 2)**

(Rs crores)

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61	214 06	0 79	155 36	69 51	4 6	85 71	234 08	332 98	17 45	7 06	1121 62
1961-62	147 07	1 65	129 89	95 85	8 62	89 76	220 95	367.52	21 92	6 83	1090 06
1962-63	179 43	1 66	127 21	87 97	5 63	100.52	203 87	387 38	30 83	7 03	1131 53
1963-64	214 4	1 11	124 45	104 49	4 87	95 86	200 41	436 99	33 54	6 69	1222 85
1964-65	322 72	0 76	128 35	68 67	5 62	94 54	218 58	477 74	22 7	9 34	1349 04
1965-66	354 08	0 56	123 09	68 42	13 62	104 98	216 33	492 14	18 72	16 63	1408 52
1966-67	705 35	0 53	199 23	63 29	14 75	196 67	247 29	576 12	23 45	51 61	2078 3
1967-68	579 2	1 84	191	74 94	34 42	272 64	254 53	503 13	27 71	68 21	2007 61
1968-69	403 06	1 14	189.87	133 22	19 3	283 5	250 42	513.92	24 77	89 43	1908 63
1969-70	320 7	1 03	176.79	137.91	29 57	195 09	229 99	395 88	25 19	69 95	1582 1
1970-71	271 79	0 31	200 31	136 01	38.5	192 14	344 69	394 69	32 55	23 05	1634 3
1971-72	196 93	0 28	212 91	194 57	46 48	218 45	440 43	470 59	32 86	11	1824 54
1972-73	159 75	0 33	189 87	204 27	24 93	258 84	449 5	532 08	36 62	11 24	1867 44
1973-74	547.07	0 45	184 14	560 64	64 88	357 45	539 32	651 59	41 71	8 11	2955 37
1974-75	855 2	1 06	220 01	1157 03	34 85	731.11	771 46	695 7	47 35	4 99	4518 78
1975-76	1428 93	0 97	212 67	1226 04	16 98	759 89	619 98	934 58	55 52	9 21	5264 77
1976-77	955 72	0 68	344	1413 36	117 97	442 55	676 98	1047 56	68 15	6 83	5073 79
1977-78	232 47	1 45	642 66	1551 84	737 92	647 95	972 64	1110 38	115 57	7 34	6020 23
1978-79	245 29	0 68	578 03	1686 92	552 33	836 48	1477 24	1259 9	147 53	26 24	6810 64
1979-80	279.91	0 58	533 32	3331 85	455 37	968 79	1971 41	1382 74	188 39	30 24	9142 58
1980-81	380 16	0 79	565 44	5292 99	708 83	1324.59	2242 02	1820 75	211 5	2 1	12549 14
1981-82	690 14	1 2	843 35	5230 18	687 97	1323 94	2597 75	1980 65	248 72	3 65	13607 55
1982-83	639 64	1 15	767.05	5758 41	447 69	988 88	2821 81	2572 63	290 76	4 71	14292 74
1983-84	1040 15	3 12	953 3	4863 35	798 2	1406 48	3196 74	3173 54	389 89	6 68	15831 46
1984-85	733 62	1 54	1123 39	5463 91	1007 79	2431 08	2970.04	3027.08	367 1	8 67	17134 2
1985-86	878 01	3 65	1502 38	5213 07	770 11	2872 85	3781 11	4083 95	500 58	51 98	19657 69
1986-87	750 25	3 03	1624 56	3029 42	656 25	2636 66	4356 91	6278 58	672 49	87 61	20200 65
1987-88	411 1058	5 786	1348 631	7162 513	549 66	1899 481	4354 037	6148 731	257 0501	107	22244
1988-89	809 95	9 27	1967 12	9338 65	86 85	3110 1	6212 09	6279 25	285 68	126 99	28235
1989-90	968 75	13 83	3245 58	6896 24	215 96	5064 51	8974 51	8737 27	1152 31	147	35416
1990-91	994 82	11 6998	4026 46	11726 46	315 15	5588 77	8558 8	10413 2	1390 28	167	43193
1991-92	927 04	7 96	3628 54	14257 33	294 19	7620 97	9236 18	10364 42	1327 33	187	47851
1992-93	2122 611	11 22	5349 42	18782 61	313 911	9048 44	12460 3	13079 53	1999 92	207	63375
1993-94	1947 38	16 55	4763 01	19858 81	375 35	9489 38	15042 88	19233 59	2147 007	227 001	73101
1994-95	4592 98	28 104	7589 54	21544 6	965 49	13374 31	15329 7	23549 14	2750 09	247	89971
1995-96	2784 15	52 99	9235 3	29257 57	2735 09	19096 18	21199 5	33777 03	4273 13	267	122678

**Table II.10**  
**Percentage change in Imports of Commodities at Current Price**

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61											
1961-62	-31.29	108.86	-16.39	37.89	87.39	4.73	-5.61	10.37	25.62	-3.26	-2.81
1962-63	22	0.61	-2.06	-8.22	-34.69	11.99	-7.73	5.4	40.65	2.93	3.8
1963-64	19.49	-33.13	-2.17	18.78	-13.5	-4.64	-1.7	12.81	8.79	-4.84	8.07
1964-65	50.52	-31.53	3.13	-34.28	15.4	-1.38	9.07	9.33	-32.32	39.61	10.32
1965-66	9.72	-26.32	-4.1	-0.36	142.35	11.04	-1.03	3.01	-17.53	78.05	4.41
Aver per	14.09	3.7	-4.32	2.76	39.39	4.35	-1.4	8.18	5.04	22.5	4.76
1966-67	99.21	-5.36	61.86	-7.5	8.3	87.34	14.31	17.06	25.27	210.34	47.55
1967-68	-17.88	247.17	-4.13	18.41	133.36	38.63	2.93	-12.67	18.17	32.16	-3.4
1968-69	-30.41	-38.04	-0.59	77.77	-43.93	3.98	-1.61	2.14	-10.61	31.11	-4.93
Aver per	16.97	67.92	19.04	29.56	32.57	43.32	5.21	2.18	10.94	91.21	13.07
1969-70	-20.43	-9.65	-6.89	3.52	53.21	-31.19	-8.16	-22.97	1.7	-21.78	-17.11
1970-71	-15.25	-69.9	13.3	-1.38	30.2	-1.51	49.87	-0.3	29.22	-67.05	3.3
1971-72	-27.54	-9.68	6.29	43.06	20.73	13.69	27.78	19.23	0.95	-52.28	11.64
1972-73	-18.88	17.86	-10.82	4.99	-46.36	18.49	2.06	13.07	11.44	2.18	2.35
1973-74	242.45	36.36	-3.02	174.46	160.25	38.1	19.98	22.46	13.9	-27.85	58.26
Aver per	67.09	-8.49	-3.34	5.96	-51.28	3.94	-19.64	34.34	17.25	84.57	16.51
1974-75	56.32	135.56	19.48	106.38	-46.29	104.53	43.04	6.77	13.52	-38.47	52.9
1975-76	67.09	-8.49	-3.34	5.96	-51.28	3.94	-19.64	34.34	17.25	84.57	16.51
1976-77	-33.12	-29.9	61.75	15.28	594.76	-41.76	9.19	12.09	22.75	-25.84	-3.63
1977-78	-75.68	113.24	86.82	9.8	525.51	46.41	43.67	6	69.58	7.47	18.65
Aver per	3.65	52.6	41.18	34.35	255.68	28.28	19.07	14.8	30.78	6.93	21.11
1978-79	5.51	-53.1	-10.06	8.7	-25.15	29.1	51.88	13.47	27.65	257.49	13.13
1979-80	14.11	-14.71	-7.73	97.51	-17.55	15.82	33.45	9.75	27.7	15.24	34.24
Aver per	9.81	-33.9	-8.9	53.11	-21.35	22.46	42.67	11.61	27.68	136.37	23.68
1980-81	35.82	36.21	6.02	58.86	55.66	36.73	13.73	31.68	12.27	-93.06	37.26
1981-82	81.54	51.9	49.15	-1.19	-2.94	-0.05	15.87	8.78	17.6	73.81	8.43
1982-83	-7.32	-4.17	-9.05	10.1	-34.93	-25.31	8.63	29.89	16.9	29.04	5.04
1983-84	62.61	171.3	24.28	-15.54	78.29	42.23	13.29	23.36	34.09	41.83	10.77
1984-85	-29.47	-50.64	17.84	12.35	26.26	72.85	-7.09	-4.62	-5.85	29.79	8.23
Aver per	28.64	40.92	17.65	12.92	24.47	25.29	8.88	17.82	15	16.28	13.94
1985-86	19.68	137.01	33.74	-4.59	-23.58	18.17	27.31	34.91	36.36	499.54	14.73
1986-87	-14.55	-16.99	8.13	-41.89	-14.78	-8.22	15.23	53.74	34.34	68.55	2.76
1987-88	-45.2	90.96	-16.98	136.43	-16.24	-27.96	-0.07	-2.07	-61.78	22.13	10.12
1988-89	97.02	60.21	45.86	30.38	-84.2	63.73	42.67	2.12	11.14	18.68	26.93
1989-90	19.61	49.19	64.99	-26.15	148.66	62.84	44.47	39.15	303.36	15.76	25.43
Aver per	15.31	64.08	27.15	18.84	1.97	21.71	25.92	25.57	64.68	124.93	15.99
1990-91	2.69	-15.4	24.06	70.04	45.93	10.35	-4.63	19.18	20.65	13.61	21.96
1991-92	-6.81	-31.96	-9.88	21.58	-6.65	36.36	7.91	-0.47	-4.53	11.98	10.78
Aver per	-2.06	-23.68	7.09	45.81	19.64	23.36	1.64	9.36	8.06	12.79	18.37
1992-93	128.97	40.95	47.43	31.74	6.7	18.73	34.91	26.2	50.67	10.7	32.44
1993-94	-8.26	47.5	-10.96	5.73	19.57	4.87	20.73	47.05	7.35	9.66	15.35
1994-95	135.85	69.81	59.34	8.49	157.22	40.94	1.91	22.44	28.09	8.81	23.08
1995-96	-39.38	88.55	21.68	35.8	183.29	42.78	38.29	43.43	55.38	8.1	36.35
Aver per	54.3	61.71	29.37	20.44	91.7	26.83	23.96	34.78	35.37	9.32	26.8

### **3.3.5 Trends in Imports at constant Price**

The Table II.11 and Table II.12, shows the trend in imports section wise and percentage change in imports section wise respectively over the period 1960-61 to 1995-96.

In the Third plan (1961-62 to 1965-66), the imports in real terms during the plan period registered a marginal increase from Rs4399.76crores to Rs5539.9crores, i.e. 25.19% increase in the course of five years. During the Annual Plans (1966-67 to 1968-69), the imports growth remained steady; moreover it achieved a decreasing trend in the 1963-64. In real terms it decreased from Rs5560.5crores to Rs4841.61crores from 1966-67 to 1968-69.

During the Fourth Plan (1969-70 to 1973-74), initially for two years the imports growth continued to decline compared to Rs5600.12crores in 1967-68. However in 1971-72, the imports growth rate turned upwards sharply by 20.67% as compared to the annual average of -4.53% in last five years. In real terms the imports bill substantially increased from Rs4290.44crores to Rs5928.74crores from 1969-70 to 1973-74 (i.e. an 38.18% rise over the period).

Over the Fifth plan (1974-75 to 1977-78), in the initial three periods import growth was highly restrained, as it remained steady from 1974-75 to 1977-78. Only in the last year the imports growth sharply picked up to Rs6220.38crores (i.e.20.67% increase as compared to -0.39% in the previous year). During the Rolling Plan (1978-79 to 1979-80), although the imports bill marginally increased to Rs6810.64crores in 1978-79 but thereafter it declined to Rs6764.59crores.

Through the Sixth Plan (1980-81 to 1984-85), imports registered an increasing trend from Rs9693.51crores in 1980-81 to Rs12688.44crores in 1983-84 (i.e. an increase of 30.89% over the period). However in the penultimate year imports growth turned sluggish to Rs10661.51crores (i.e. a decline in the growth rate by -15.97% over the previous year). In the Seventh Plan (1985-86 to 1989-90), the first two years witnessed the growth rate of imports increasing at the rate of 16.08% and 17.22% respectively, but

thereafter in the remaining three years of the plan the imports growth rate remained subdued, as it grew at an average of 10.81% annually.

In real terms, imports grew from Rs12376.57crores in 1985-86 to Rs16090.8crores in 1989-90 (i.e. an 30% increase over the plan period). During the Annual Plans, in 1990-91, import bill in real terms increased to Rs16757.66crores but decreased to Rs15977.25crores in 1991-92.

During the Eighth Plan (1992-97), the imports bill phenomenally increased from Rs19081.62crores in 1992-93 to Rs35158.54crores in 1995-96 (i.e. 84.25% rise in the value over the period). The imports growth rate also experience an acceleration from 19.42% in 1992-93 to 62.64% in 1994-95, but followed up with a sharp fall of -3.65% in the subsequent year.



**Table II.11**  
**Trends in Imports of Commodities at Constant Price, Commodities Section-wise,**  
**(S.I.T.C. Revision 2), Base:1978-79 = 100**

(Rs crores)

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Section 5	Section 6	Section 7	Section 8	Section 9	Total
1960-61	849 46	3 01	527 16	344 8	12.04	172 14	915 44	1674 78	72 05	30 84	4599 9
1961-62	645 21	5 66	425 66	464 74	23 03	197 07	855 46	1674 78	80 55	31 1	4399 76
1962-63	792 31	5 44	420.69	490 05	16 79	289 75	817 94	1687 25	103 16	32 27	4652 31
1963-64	849 48	3.16	393 46	617.24	13 97	292 09	802 87	1662 31	145 55	28 01	4806 47
1964-65	1135 37	2 42	351 44	421 05	14 85	289 75	908 05	2012 31	81 25	36 04	5252 91
1965-66	1658 13	2 28	306 37	435 56	35.23	307 57	840 4	1824 83	63 58	68 1	5539 9
1966-67	2246 24	1 39	368 72	315 79	25 62	426.27	615 27	1362 32	60 76	141 6	5560 5
1967-68	1690 8	3 16	358 84	359 31	65 61	581 85	592 81	1512 25	245 18	201 28	5600 12
1968-69	1166 04	2 42	334 1	366 56	39 04	648 35	555 29	1399 87	101 04	238 67	4841 61
1969-70	957 78	2 47	324 04	781 04	58 21	395 48	477 59	979 82	124 27	201 03	4290 44
1970-71	829	0 68	370 66	740.72	80.97	402 01	655.3	1105 81	113 17	62 17	4340 06
1971-72	619 06	0 63	430 97	1114 71	73.07	486 24	977 34	1371 77	114 17	31 84	5219 47
1972-73	397 12	0 6	357 45	1433 88	40 2	583 52	910 71	1273 88	109 12	31 28	5137 45
1973-74	911 05	0.65	277 28	1565 79	95 33	590 05	866 25	1483 78	122 25	16 44	5928 74
1974-75	1179 72	1 23	203 81	1067 14	26 56	603 01	860 78	1147 89	100 02	5 67	5195 95
1975-76	1553 49	1 31	213 81	1092 78	17 56	479 8	583 06	1133 91	89 91	9 27	5174 72
1976-77	1074 59	0.85	307 33	1290 83	103 94	460 31	671 84	1147 89	89 91	7 05	5154 47
1977-78	268 64	1 36	604 73	1367 75	732 11	674 37	960 64	1469 79	133 38	7.74	6220 38
1978-79	245.29	0 68	578 03	1686 92	552 33	836 48	1477 24	1259 9	147 53	26 5	6810 64
1979-80	221 91	0 53	410.92	1990 56	353 32	829 95	1621.56	1161 87	151 55	22 55	6764 59
1980-81	331 14	0 63	416 18	2209 86	872 68	920 12	2481 76	2242.62	216 86	1 63	9693 51
1981-82	598 5	0 86	653 17	1872 48	756 69	920 12	2555 62	2507 2	460 29	2 79	10327 73
1982-83	566 61	0 72	514 44	2108 65	607 56	736 1	2718 12	3137 15	284 73	3 54	10677 63
1983-84	1052 29	2 4	618 49	1906 21	773.26	1062 32	2688 57	4296 25	283 25	5 45	12688 44
1984-85	613 22	0 8	601 15	1923 08	640 7	1447 11	2319 26	2859 97	250 8	5 43	10661 51
1985-86	610 77	2.01	843 92	1771 26	568 69	1831 89	2880 61	3502 52	331 04	33 25	12376 57
1986-87	564 16	1 59	913 28	1838 74	817 44	1890 44	3678 32	4346 65	395 38	63 61	14508 97
1987-88	654 92	1 84	965 31	2125 51	1027 33	1422 01	3057 88	4397 05	330 46	68 46	14446 71
1988-89	1167 58	2 32	1161 64	2496 64	579 94	1681 32	3294 24	4485 24	402 75	70 04	15849 52
1989-90	598 5	3 4	1080 91	2834 02	187 79	987 04	3294 24	6123 11	464 71	66 31	16090 8
1990-91	728 51	2 18	1317 9	3070 19	267 21	2007 55	2762 43	5556 15	483 89	63 77	16757 66
1991-92	306 61	1 28	901 62	3508 79	149 12	2241 76	2747 66	5354 57	321 61	61 44	15977 25
1992-93	799 64	1 27	930 62	4251 03	88 37	2442 52	2540 85	7206 62	672 73	62 46	19081 62
1993-94	554 35	1 65	1173 4	4554 68	115 98	2802 2	3471 51	9008 28	570 94	69 82	22435 5
1994-95	1000 78	3 17	1560 68	4790 85	237 5	3262 27	3220 38	20725 35	1169 91	99 88	36491 26
1995-96	510 2	5 64	1583 8	5684 92	607 56	3262 27	3353 33	17575 6	2022 63	76 7	35158 54

**Table. II.12**  
**Percentage Change in Imports of Commodities at Constant Price**

Years	section 0	section 1	section 2	section 3	section 4	section 5	section 6	section 7	section 8	section 9	Total
1960-61											
1961-62	-24.04	88.04	-19.25	34.79	91.28	14.48	-6.55	0	11.8	0.84	-4.35
1962-63	22.8	-3.89	-1.17	5.45	-27.1	47.03	-4.39	0.74	28.07	3.76	5.74
1963-64	7.22	-41.91	-6.47	25.95	-16.8	0.81	-1.84	-1.48	41.09	-13.2	3.31
1964-65	33.65	-23.42	-10.68	-31.79	6.3	-0.8	13.1	21.06	-44.18	28.67	9.29
1965-66	46.04	-5.79	-12.82	3.45	137.24	6.15	-7.45	-9.32	-21.75	88.96	5.46
Aver per	17.13	2.61	-10.08	7.57	38.19	13.53	-1.43	2.2	3.01	21.81	3.89
1966-67	35.47	-39.04	20.35	-27.5	-27.28	38.59	-26.79	-25.35	-4.44	107.93	0.37
1967-68	-24.73	127.34	-2.68	13.78	156.09	36.5	-3.65	11.01	303.52	42.15	0.71
1968-69	-31.04	-23.42	-6.89	2.02	-40.5	11.43	-6.33	-7.43	-58.79	18.58	-13.54
Aver per	-6.77	21.63	3.59	-3.9	29.44	28.84	-12.26	-7.26	80.1	56.22	-4.15
1969-70	-17.86	2.07	-3.01	113.07	49.1	-39	-13.99	-30.01	22.99	-15.77	-11.38
1970-71	-13.45	-72.47	14.39	-5.16	39.1	1.65	37.21	12.86	-8.93	-69.07	1.16
1971-72	-25.32	-7.35	16.27	50.49	-9.76	20.95	49.14	24.05	0.88	-48.79	20.26
1972-73	-35.85	-4.76	-17.06	28.63	-44.98	20.01	-6.82	-7.14	-4.42	-1.76	-1.57
1973-74	129.41	8.33	-22.43	9.2	137.14	1.12	-4.88	16.48	12.03	-47.44	15.4
Aver per	7.39	-14.84	-2.37	39.25	34.12	0.95	12.13	3.25	4.51	-36.57	4.77
1974-75	29.49	89.23	-26.5	-31.85	-72.14	2.2	-0.63	-22.64	-18.18	-65.51	-12.36
1975-76	31.68	6.5	4.91	2.4	-33.89	-20.43	-32.26	-1.22	-10.11	63.49	-0.41
1976-77	-30.83	-35.11	43.74	18.12	491.91	-4.06	15.23	1.23	0	-23.95	-0.39
1977-78	-75	60	96.77	5.96	604.36	46.5	42.99	28.04	48.35	9.79	20.68
Aver per	-11.16	30.16	29.73	-1.34	247.56	6.05	6.33	1.36	5.01	-4.04	1.88
1978-79	-8.69	-50	-4.42	23.34	-24.56	24.04	53.78	-14.28	10.61	242.38	9.49
1979-80	-9.53	-22.06	-28.91	18	-36.03	-0.78	9.77	-7.78	2.72	-14.91	-0.68
Aver per	-9.11	-36.03	-16.66	20.67	-30.29	11.63	31.77	-11.03	6.67	113.74	4.41
1980-81	49.22	18.87	1.28	11.02	146.99	10.86	53.05	93.02	43.09	-92.77	43.3
1981-82	80.74	36.51	56.94	-15.27	-13.29	0	2.98	11.8	112.25	71.17	6.54
1982-83	-5.33	-16.28	-21.24	12.61	-19.71	-20	6.36	25.13	-38.14	26.88	3.39
1983-84	85.72	233.33	20.23	-9.6	27.27	44.32	-1.09	36.95	-0.52	53.95	18.83
1984-85	-41.73	-66.67	-2.8	0.89	-17.14	36.22	-13.74	-33.43	-11.46	-0.37	-15.97
Aver per	33.73	41.15	10.88	-0.07	24.82	14.28	9.51	26.69	21.05	11.77	11.22
1985-86	-0.4	151.25	40.38	-7.89	-11.24	26.59	24.2	22.47	31.99	512.34	16.09
1986-87	-7.63	-20.9	8.22	3.81	43.74	3.2	27.69	24.1	19.44	91.31	17.23
1987-88	16.09	15.72	5.7	15.6	25.68	-24.78	-16.87	1.16	-16.42	7.62	-0.43
1988-89	78.28	26.09	20.34	17.46	-43.55	18.24	7.73	2.01	21.88	2.31	9.71
1989-90	-48.74	46.55	-6.95	13.51	-67.62	-41.29	0	36.52	15.38	-5.33	1.52
Aver per	7.52	43.74	13.54	8.5	-10.6	-3.61	8.55	17.25	14.45	121.65	8.82
1990-91	21.72	-35.88	21.93	8.33	42.29	103.39	-16.14	-9.26	4.13	-3.83	4.14
1991-92	-57.91	-41.28	-31.59	14.29	-44.19	11.67	-0.53	-3.63	-33.54	-3.65	-4.66
Aver per	-18.1	-38.58	-4.83	11.31	-0.95	57.53	-8.34	-6.44	-14.7	-3.74	-0.26
1992-93	160.8	-0.78	3.22	21.15	-40.74	8.96	-7.53	34.59	109.18	1.66	19.43
1993-94	-30.68	29.92	26.09	7.14	31.24	14.73	36.63	25	-15.13	11.78	17.58
1994-95	80.53	92.12	33	5.19	104.78	16.42	-7.23	130.07	104.91	43.05	62.65
1995-96	-49.02	77.92	1.48	18.66	155.81	0	4.13	-15.2	72.89	-23.21	-3.65
Aver per	40.41	49.79	15.95	13.04	62.77	10.02	6.5	43.62	67.96	8.32	24

### **3.4 THE CHANGES IN THE STRUCTURE OF EXPORTS AND IMPORTS**

In the Table II.13 the export trends of the primary products and manufactured products and their respective share in the total exports at current price and constant price is shown. Further Table II.15 shows the trend and share of primary exports at current price catalogued at disaggregate level classified from Section 0 to 4. The table captures the structural shifts in each section for the period 1960-61 to 1995-96.

#### **3.4.1 Export of Primary Product Group (Section 0 to Section 4) at Current Price**

##### **3.4.1.1 The Period 1960-61 to 1969-70**

The value of exports of the primary products nearly doubled from Rs343crores to Rs624.94crores from 1960-61 to 1969-70 but the share of primary products in the overall exports declined from 53.41% to 44.25% during the same period.

Within the primary product group (0 to 4), the highest export earner during the decade was food items (Section 0). The exports of this section invariably rose from Rs198.05crores to Rs345.59crores but the growth rate of exports has been decreasing from 8.06% in 1961-62 to -5.13% 1969-70. The share of food items in the exports of primary products marginally declined from 57.73% to 55.30% over the decade.

The other major source of export earnings within the primary export basket was crude materials (Section 2), the exports of the same increased from Rs112.07crores to Rs231.43crores but the growth rate widely fluctuated from 5.62% in 1961-62 to 54.49% in 1966-67 but declined to 9.13% in 1969-70. The share of the crude materials in the primary export basket improved from 32.67% to 37.03% over the decade. In case of the exports of Beverages and Tobacco (Section 1) recorded a modest increase from Rs15.76crores to Rs33.80crores and the growth rate widely fluctuated, with a rise from -5% in 1961-62 to 57.31% in 1967-68 further it was negative growth rates till 1969-70.

The share of Beverages and Tobacco remained largely steady at 5% over the decade. In case of the exports earnings from Mineral and Fuels (Section 3) and Animal and Vegetable Fats (Section 4) was insignificant. The former modestly rose from Rs7.40crores in 1960-61 to Rs12.65crores in 1966-67 but steadily declined to Rs9.49crores in 1969-70. The earnings from the latter increased from Rs9.80crores in 1960-61 to Rs20.61crores in 1963-64, but slumped to Rs5.07crores in 1969-70. Moreover the growth rates for both the products widely fluctuated during the decade. Whereas the share of the former commodity was steady at 2% and for the latter commodity it was within 0.81% to 4.74% during the decade.

### **3.4.1.2 The Period 1970-71 to 79-80**

The export of primary products as a whole shows an increasing trend from Rs713.9crores in 1970-71 to Rs2561.82crores in 1979-80, but its share in the overall exports was more or less steady at 46% till 1975-76 declined to 39% by the end of 80's.

At disaggregate level, the significance of Food items (Section 0) in the export basket of Primary Products continued even in this decade. The value of exports of the same increased from Rs409.97crores in 1970-71 to Rs1703.35crores in 1979-80 and the growth rate was positive during the decade except negative growth rate in 1978-79. The contribution of exports earnings of Food items in the Primary product basket improved further from 57.43% in 1970-71 to 70.23% in 1977-78, but marginally declined to 66.49% in 1979-80. Even the exports of Crude Materials (Section 2) achieved an upward rising trend as the growth rate increased from 8.74% in 1970-71 to 30% in 1979-80 except negative growth rates in 1971-72 and 1977-78.

In absolute terms the exports increased from Rs251.88crores in 1970-71 to Rs666.73crores in 1979-80 but the share of Crude Materials in the Primary exports basket sharply fell from 35.35% to 26.03% during the same period. Although the exports of Beverages and Tobacco (Section 1) also surged from a modest Rs32.57crores in 1970-71 to Rs115.69crores in 1979-80, but the share in the primary export basket largely remained steady at 4.5%. Similarly the exports of Mineral Fuels and Lubricants (Section 3) increased from Rs12.58crores in 1970-71 to Rs37.04crores in 1975-76, but declined to Rs23.64crores in 1979-80. Its share in the Primary Export basket remained insignificant

at 1% throughout the decade. The exports of Animal and Vegetable oils (Section 4) nearly seven fold from Rs7.12crores in 1970-71 to Rs52.41crores in 1979-80, but the share in Primary export basket barely rose to 2% in 1979-80 from 1% in 1970-71. The export growth rate of Beverages and Tobacco, and Animal and Vegetable oils has been positive during the decade barring three and two years of negative growth rate respectively. Whereas the export growth rate of Mineral fuels and lubricants registered negative growth rates during five out of ten years and the trend was highly indeterminist.

### **3.4.1.3 The Period 1980-81 to 1989-90**

The export of Primary Products at current price shows an increasing trend from Rs2708.13crores to Rs6471crores, but its share in the overall exports deteriorated from 43.88% to 23.37% during this decade.

At disaggregate level the export earnings from Food items (Section 0) continue to be significant within the Primary basket. The value of exports increased more than double from Rs1705.17crores in 1980-81 to Rs4110crores in 1989-90 and the growth rate has been steady and positive except negative growth rate in 1982-83. However its share in the export basket widely fluctuated, a decline from 62.96% in 1980-81 to 44% in 1982-83, but recovered to 63.51% in 1989-90. The contribution in the earnings from Crude Materials (Section 2) in value terms increased from Rs814.49crores in 1980-81 to Rs1366crores in 1989-90 but the growth rate was decreasing from 22.16% to 7.92% over the same period. Whereas its share in the Primary export basket experienced a declining trend, from 30.08% in 1980-81 to 25% 1989-90.

The notable feature was the export of Mineral fuels and Lubricants (Section 3); it increased from Rs27.85crores in 1980-81 to Rs1822.94crores in 1984-85, but sharply declined to Rs740crores in 1989-90. The export growth rate was positive in the first half, but turned negative in the later half of the decade. As a result even its share in the primary export basket fluctuated widely, it rose from 29.33% in 1982-83 to 33.11% in 1984-85 but sharply declined to 11.44% in 1989-90. Incase of the export of Beverages and Tobacco (Section1), the export growth rate widely fluctuated as the earnings surged to Rs248crores in 1982-83, but declined to Rs175crores in 1989-90. The share of the

same declined from 5.22% in 1980-81 to 2.70% in 1989-90. The least contribution in the export earnings continued to be Animal and Vegetable Oils (Section 4), from Rs19.96crores in 1980-81 to Rs80crores in 1989-90. Its share in the Primary Export basket remained stagnant around 1% throughout the decade.

#### **3.4.1.4 The Period 1990-91 to 1995-96**

As observed in the earlier decades the proceeds from the export of primary products in nominal terms invariably increased from Rs9019.08crores to Rs26253.97crores but the share marginally declined from 27.70% to 24.68% over the period. Whereas at disaggregate level, the exports of Food items (Section0) increased nearly four fold from Rs4519.36crores (with a share of 50.11%) in 1990-91 to Rs17871.66crores (with a share of 68.07%) in 1995-96. The export growth rate was positive and increasing in most of the years, it increased from 9.5% to 52.92% over the period. Another item that continues to be important source of earnings in the Primary export basket since four decades is the Crude Materials (Section 2). The value of the same increased from Rs3161.96crores in 1990-91 to Rs5169.83crores in 1995-96, but the share of Crude Materials in the Primary Export basket sharply declined from 35.06% to 19.69% over the same period. The export growth rate was erratic since three out of six years registered negative growth rate. In case of Mineral Fuels and Lubricants (Section 3), the exports grew by five times i.e. from Rs973.72crores in 1990-91 to Rs1833.75crores in 1995-96 and the growth rate was positive during the period. However its share in Primary Export basket registered a declining trend, from 10.80% in 1990-91 to 6.98% in 1995-96.

A notable feature was the buoyancy in the exports of Animal and Vegetable oils (Section 4), from Rs84.78crores (with a share of 0.94%) to Rs865.96crores (with a share of 3.30%) during the decade. The export growth rate of the same was positive during the period except a negative growth rate in 1992-93. Although the exports of Beverages and Tobacco (Section 1), increased from Rs279.26crores in 1990-91 to Rs512.77crores in 1995-96, but the share in the primary basket declined from 3.10% to 1.95% over the same period.

Table II.13  
The Share of Export of Primary and Manufactured Goods at Current and Constant Price in the Total Exports.

Year	Exports at Current Price (Rs crores)		Exports at Constant Price (Base : 78-79 = 100)	
	Primary Goods Section 0 to 4	Manufactured Goods Section 5 to 8	Primary Goods Section 0 to 4	Manufactured Goods Section 5 to 8
60-61	343 08 (53 41)	289 4 (45 05)	1224 08 (49 55)	1208 19 (48 91)
61-62	359 75 (54 47)	292 59 (44 30)	1301 98 (50 65)	1237 11 (48 13)
62-63	384 03 (56 02)	290 66 (42 40)	1473 41 (52 55)	1292 36 (46 09)
63-64	434 74 (54 80)	350 8 (44 22)	1638 62 (52 79)	1437 83 (46 32)
64-65	444 17 (54 41)	366 08 (44 84)	1641 04 (51 55)	1518 77 (47 71)
65-66	411 36 (51 06)	387 35 (48 07)	1451 82 (49 00)	1485 39 (50 13)
66-67	599 86 (51 87)	548 65 (47 45)	1414 (50 81)	1350 86 (48 54)
67-68	605 48 (50 51)	584 4 (48 75)	1411 8 (48 79)	1461 16 (50 50)
68-69	634 19 (46 70)	711 11 (52 36)	1508 74 (45 60)	1781 68 (53 85)
69-70	624 94 (44 21)	780 16 (55 20)	1448 47 (44 08)	1818 32 (55 33)
70-71	713 9 (46 50)	804 87 (52 42)	1647 81 (47 75)	1787 65 (51 80)
71-72	740 49 (46 04)	861 41 (53 56)	1655 01 (47 24)	1831 79 (52 28)
72-73	907 14 (46 02)	1057 5 (53 65)	1869 49 (48 10)	2004 79 (51 58)
73-74	1159 56 (45 95)	1366 14 (53 74)	1862 96 (46 13)	2163 18 (53 56)
74-75	1588 63 (47 72)	1732 44 (52 04)	2023 21 (47 71)	2207 428 (52 05)
75-76	1969 62 (48 79)	2056 13 (50 94)	2265 56 (47 76)	2465 24 (51 97)
76-77	2091 18 (40 66)	3033 15 (58 98)	2054 37 (36 53)	3272 41 (58 18)
77-78	2213 88 (40 96)	3172 29 (58 69)	2105 29 (39 10)	3511 46 (65 22)
78-79	2114 97 (36 93)	3589 02 (62 67)	2770 46 (48 38)	3589 02 (62 67)
79-80	2561 82 (39 91)	3831 99 (59 70)	2450 69 (38 47)	3442 45 (54 03)
80-81	2708 13 (43 88)	3952 22 (64 04)	2620 74 (42 51)	3580 27 (58 08)
81-82	3174 76 (40 67)	4615 32 (59 12)	2493 98 (39 57)	3693 06 (58 60)
82-83	4229 19 (48 04)	4552 06 (51 70)	3244 91 (48 55)	3346 74 (50 07)
83-84	4777 18 (48 89)	4969 36 (50 85)	3132 23 (48 40)	3336 54 (51 56)
84-85	5505 43 (46 87)	6210 1 (52 88)	3146 49 (45 33)	3791 58 (54 63)
85-86	4502 49 (41 32)	6374 21 (58 50)	2556 35 (40 09)	3764 66 (59 05)
86-87	4604 2 (36 97)	7808 96 (62 71)	2749 99 (39 54)	4260 6 (61 26)
87-88	4923 (31 40)	10627 (67 80)	2779 84 (34 49)	5244 76 (65 07)
88-89	5065 (25 03)	15048 (74 37)	2716 39 (31 05)	5979 41 (68 35)
89-90	6471 (23 37)	21184 (76 52)	3199 75 (31 91)	6816 99 (67 99)
90-91	9019 08 (27 70)	23495 89 (72 16)	3760 11 (33 81)	7343 79 (66 04)
91-92	11380 45 (25 83)	32806 6 (74 48)	3702 93 (30 98)	8233 89 (68 89)
92-93	12858 67 (23 95)	40764 34 (75 92)	3676 16 (28 77)	9082 33 (71 10)
93-94	16972 43 (24 33)	52748 86 (75 62)	4458 936 (30 31)	10241 18 (69 63)
94-95	17887 64 (21 63)	64667 27 (78 21)	4137 73 (24 75)	12544 31 (75 08)
95-96	26253 97 (24 68)	79919 (75 14)	6320 1 (28 82)	15569 72 (71 00)

\* The figures in the bracket indicate percentage share

Table II. 14  
Exports of Primary Commodity-wise Data (S.I.T.C. Revision 2)  
at Current Price

(Rs crores)

Years	Section 0	Section 1	Section 2	Section 3	Section 4	Total
60-61	198 05 (57 73)	15 76 (4 59)	112 07 (32 67)	7 4 (2 16)	9 8 (2 86)	343 08
61-62	214 02 (59 49)	14 97 (4.16)	118 37 (32 90)	5 90 (1 64)	6 49 (1 8)	359 75
62-63	233 65 (60 92)	18 87 (4 91)	111 08 (28 92)	6 48 (1 69)	13.65 (3 55)	384 03
63-64	249 87 (57 48)	22 52 (5 18)	131 98 (30 36)	9 76 (2 25)	20 61 (4.74)	434 74
64-65	261 27 (58 82)	25.78 (5 80)	137 46 (30 95)	12 28 (2 76)	7 38 (1 66)	444 17
65-66	240.75 (58 53)	21 69 (5 27)	135 05 (32 83)	9 32 (2 27)	4 55 (1 11)	411 36
66-67	352 89 (58 83)	22 63 (3 77)	208 64 (34 78)	12 65 (2.11)	3.05 (0.51)	599 86
67-68	362 17 (59 82)	35 60 (5 88)	194 40 (32 11)	9 15 (1 51)	4 16 (0 69)	605 48
68-69	364 29 (57.44)	33 80 (5 33)	212 05 (33.44)	12 10 (1.91)	11 95 (1 88)	634 19
69-70	345 59 (55 30)	33 36 (5 34)	231 43 (37 03)	9 49 (1 52)	5.07 (0 81)	624 94
70-71	409 97 (57.43)	32 57 (4 56)	251 66 (35 25)	12 58 (1 76)	7 12 (1 00)	713 9
71-72	435 27 (58 78)	45 11 (6 09)	240 62 (32 49)	11 58 (1 56)	7 91 (1 07)	740 49
72-73	530 30 (58 46)	64 05 (7 06)	254 36 (28 04)	32 12 (3 54)	26 31 (2 90)	907 14
73-74	678 83 (58 54)	70 97 (6 12)	362 31 (31 25)	15 34 (1 32)	32 11 (2 77)	1159 56
74-75	1019 21 (64 16)	82 27 (5 18)	432.28 (27 21)	20 42 (1 29)	34 45 (2 17)	1588 63
75-76	1253 32 (63 63)	98 52 (5 00)	543 54 (27 60)	37 04 (1 88)	37 20 (1.89)	1969 62
76-77	1300 56 (62.19)	102 98 (4 92)	602 16 (28 80)	32 99 (1 58)	52 49 (2 51)	2091 18
77-78	1554.84 (70 23)	117 74 (5 32)	488 56 (22 07)	27.81 (1 26)	24 93 (1 13)	2213 88
78-79	1447 65 (68 45)	117 03 (5 53)	512 62 (24 24)	19 82 (0 94)	17 85 (0 84)	2114 97
79-80	1703 35 (66 49)	115 69 (4 52)	666 73 (26 03)	23 64 (0 92)	52 41 (2.05)	2561 82
80-81	1705 17 (62.96)	141 32 (5 22)	814 49 (30 08)	27 85 (1 03)	19 30 (0 71)	2708 13
81-82	1919 17 (60 45)	236 45 (7 45)	774 29 (24 39)	224 89 (7 08)	19 96 (0 63)	3174 76
82-83	1897 00 (44.85)	248 91 (5 89)	816 84 (19 31)	1240 42 (29 33)	26 02 (0 62)	4229 19
83-84	2069 72 (43 33)	178 74 (3 74)	891 09 (18 65)	1590 04 (33 28)	47 59 (1 00)	4777 18
84-85	2442 56 (44 37)	179 27 (3 26)	1001 64 (18 19)	1822 94 (33 11)	59 02 (1 07)	5505 43
85-86	2509 37 (55 73)	170 55 (3 79)	1119 02 (24 85)	654 94 (14 55)	48 61 (1 08)	4502 49
86-87	2782 17 (60 43)	186 74 (4 06)	1185 92 (25 76)	417 55 (9 07)	31 82 (0 69)	4604 2
87-88	2909 00 (59 09)	137 00 (2 78)	1199 00 (24 36)	657 00 (13 35)	21 00 (0 43)	4923
88-89	3105 00 (61 30)	134 00 (2 65)	1294 00 (25 55)	518 00 (10 23)	14 00 (0 28)	5065
89-90	4110 00 (63 51)	175 00 (2 70)	1366 00 (21 11)	740 00 (11 44)	80 00 (1 24)	6471
90-91	4519 36 (50 11)	279 26 (3 10)	3161 96 (35 06)	973 72 (10 80)	84 78 (0 94)	9019 08
91-92	6662 63 (58 54)	376 98 (3 31)	3126 32 (27 47)	1047 87 (9 21)	166 65 (1 46)	11380 45
92-93	7839 89 (60 97)	484 54 (3 77)	2852 17 (22 18)	1533 05 (11 92)	149 02 (1 16)	12858 67
93-94	10523 40 (62 00)	498 40 (2 94)	4047 95 (23 85)	1585 95 (9 34)	316 73 (1 87)	16972 43
94-95	11686 87 (65 33)	300 39 (1 68)	3776 77 (21 11)	1642 95 (9 18)	480 66 (2 69)	17887 64
95-96	17871.66 (68 07)	512 77 (1.95)	5169 83 (19 69)	1833 75 (6 98)	865 96 (3 30)	26253 97

\* The figures in the bracket indicate percentage share



### **3.4.2 Export of Manufacturers Group (Section 5 to Section 8) at Current Price**

Table No II.16: The above table reflects the changes in the structure of the commodities classified from Section 5 to Section 8 within the manufacturing group for the period 1960-61 to 1995-96.

#### **3.4.2.1 The Period 1960-61 to 1969-70**

In the early 60's although the overall exports of manufacture was relatively less than the primary exports in nominal terms as well as the share represented, but in the latter half of 60's the manufacture exports had edged above primary exports. The exports realised from the manufactured products increased from Rs289.4crores (with a share of 45%) to Rs780crores (with a share of 55%) during the decade.

The analysis of the sub-categories within the manufacturing basket shows that the export earnings of Basic Manufactures (Section 6) have been most significant through out the decade. The value of exports surged more than two folds, from Rs262.43crores in 1960-61 to Rs630crores in 1969-70 and the growth rate of exports was positive but fluctuating although in 1962-63 the growth rate was negative. The share of Basic Manufactures (Section 6) in total manufacturing exports although remained steady at 90% until 1966-67, but thereafter steadily declined to 80.76%. Another relatively important source of earnings within the manufacturing basket is Miscellaneous Manufacture (Section 8). The proceeds from exports of the same increased from Rs12.59crores in 1960-61 to Rs63.55crores in 1969-70. The export growth rate widely fluctuated from 1961-62 to 1964-65, but steadily increased from 7.7% in 1965-66 to 35.84% in 1969-70. But its contribution in the total export earnings remained insignificant throughout the decade, i.e. from 4.35% to 8.14%.

Whereas the export earnings of Chemicals (Section 5) increased from Rs7.19crores to Rs30.34crores and that of Machinery and Transport Equipment (Section 7) rose from Rs7.19crores to 56.17crores, during the decade. The share of the former in

the manufacturing basket rose from 2.48% to 3.88% and latter's contribution increased from 2.48% to 7% during the decade 60's.

### **3.4.2.2 The Period 1970-71 to 1979-80**

The exports of the Manufactured group as a whole grew by nearly five times from Rs804.87crores to Rs3831.99crores, as well as the share rose from 52.42% to 59% during the 70's.

The proceeds from the Basic Manufacturers (Section 6) phenomenally increased from Rs615.98crores in 1970-71 to Rs2399.93crores in 1979-80 and the exports growth rate steadily increased from 7.98% in 1971-72 to 52.70% in 1976-77 but declined to 2.39% in 1979-80. However its share in the overall manufacturing exports gradually declined from 76.52% to 62.62% during the 70's. In case of miscellaneous manufacture (Section 8) the proceeds rose by ten times i.e. from 76.26crores (with a share of 9.47%) to Rs774.8crores (with a share of 20.12%) during the decade. Even the export growth rate registered an increasing trend from 20% in 1970-71 to 56% in 1976-77, but growth rate slacked to 12% in 1979-80. Whereas the exports of Chemicals (Section 5) registered an increase from Rs36.36crores to Rs208.47crores during the decade and the export growth rate was positive and increasing for most of the years except negative in 1971-72 and in 1975-76. However the share of the same within the overall manufacturing export remained around 4% to 5%. Even the export of Machinery and Transport equipment (Section 7) achieved a six folds rise from Rs76.29crores to Rs448.79crores and the exports growth rate reflects a positive trend except a negative growth rate in 1971-72. Moreover the share of the same marginally improved from 9% to 11.71% during the 70's.

### **3.4.2.3 The Period 1980-81 to 1989-90**

The importance of the Manufactured group in the overall exports has been notable feature, the proceeds gained five folds increase from Rs3952.22crores to Rs21184crores and its share represented a rise from 64% to 76.52% during the 80's. At the disaggregate level, the export of Basic Manufactures (Section6) invariably achieved considerable growth from Rs2320.32crores in 1980-81 to Rs12604crores in 1989-90 and the exports

growth rate except in 1980-81 was positive and increasing for most of the years during the decade. But its contribution in the overall manufacturing exports has been around 59% during the decade, a relative decline compared to the previous decades. The proceeds from Miscellaneous Manufacture (Section 8) achieved five times rise, Rs870.58crores (with a share of 21%) to Rs4608crores (with a share of 25%) during the 80's. The exports growth rate of the same increased from 12.36% in 1980-81 to 44.45% in 1989-90, except the growth rate was -5.86% in 1982-83. In case of Chemicals (Section 5) the exports grew from Rs235.46crores (with a share of 5.95%) in 1980-81 to Rs1981crores (with a share of 9.35%) in 1989-90. The export growth rate of the same baring for three years was positive and increasing for most of the years. Whereas export of Machine and transport equipment (Section 7) shows an increasing trend except in 1982-83 and 1983-84, the exports of the same grew from Rs525.86crores in 1980-81 to Rs1991crores in 1989-90. But the share in overall performance of manufacturing exports reflected a declining trend from 13% to 9% during 80's.

#### **3.4.2.4 The period 1990-91 to 1995-96**

In the 90's, the earnings from the manufacturing group invariably increased from Rs23495.89crores to Rs79919crores whereas the share represented a marginally rise from 72% to 75%.

Within the Manufacturing group, the exports from Basic Manufactures (Section 6) phenomenally increased from Rs12230crores in 1990-91 to Rs41776.78crores in 1995-96 and the exports registered a positive growth rate from 1992-93 to 1995-96. However its share has been steady at 52% within the Manufacturing basket during the period mentioned. Whereas the export registered positive growth rate incase of Miscellaneous Manufacture (Section 8) as it increased from Rs6311crores in 1990-91 to Rs21221.59crores in 1995-96. Although the share of the same was steady at 27% in 90's, it was a relative rise over the previous decade. In case of Chemicals (Section 5) the exports increased from Rs2461.83 to Rs8808.15crores, and the share steady at 10%. The export growth of Manufacture and transport equipment (Section 7) grew sharply from Rs2492crores to Rs8112.48crores, and its share was steady at 10%, more or less similar

to previous decades. The export of chemicals (except –3.36% in 1992-93) and Machinery and Transport equipment registered positive growth rate during the 90's.

**Table II 15**  
**Exports of Manufactured Commodity Group-wise (S.I.T.C. Revision 2) Data at Current Price**

(Rs crores)

Year	Section 5	Section 6	Section 7	Section 8	Total	Section 9	Total
60-61	7 19 (2 48)	262 43 (90 68)	7 19 (2 48)	12 59 (4 35)	289 40	9 79	642 32
61-62	7 83 (2 67)	268 71 (91 83)	4 70 (1 60)	11 35 (3 87)	292 59	7 95	660 34
62-63	7 81 (2 68)	265 80 (91 37)	4 99 (1 71)	12 26 (4 21)	290 66	9 25	685 49
63-64	6 92 (1 97)	317 18 (90 41)	6 33 (1 80)	20 37 (5 80)	350 80	6 96	793 25
64-65	10 26 (2 80)	326 47 (89 17)	9 12 (2 49)	20 24 (5 52)	368 08	5 90	816 30
65-66	11 10 (2 86)	343 26 (88 61)	11 18 (2 88)	21 81 (5 63)	387 35	6 95	805 64
66-67	14 87 (2 71)	490 65 (89 42)	15 61 (2 84)	27 52 (5 01)	548 65	7 45	1156 25
67-68	15 74 (2 69)	510 94 (87 42)	21 34 (3 65)	36 38 (6 22)	584 40	8 32	1198 69
68-69	23 81 (3 34)	600 97 (84 51)	39 55 (5 56)	46 78 (6 57)	711 11	7 33	1357 86
69-70	30 34 (3 88)	630 10 (80 76)	56 17 (7 19)	63 55 (8 14)	780 16	8 17	1413 27
70-71	36 36 (4 51)	615 96 (76 52)	76 29 (9 47)	76 26 (9 47)	804 87	6 70	1535 16
71-72	35 45 (4 11)	665 14 (77 21)	75 79 (8 79)	85 03 (9 87)	861 41	7 50	1608 22
72-73	40 49 (3 82)	816 30 (77 19)	87 37 (8 26)	113 34 (10 71)	1057 50	6 17	1970 83
73-74	58 19 (4 29)	1000 56 (73 77)	118 33 (8 72)	179 06 (13 20)	1356 14	7 69	2523 40
74-75	104 15 (6 01)	1168 79 (67 46)	215 51 (12 43)	243 99 (14 08)	1732 44	7 75	3328 83
75-76	90 64 (4 40)	1389 01 (67 55)	259 55 (12 62)	316 93 (15 41)	2056 13	10 51	4036 26
76-77	119 11 (3 92)	2121 13 (69 93)	297 77 (9 81)	495 14 (16 32)	3033 15	13 35	5142 25
77-78	124 97 (3 93)	2194 28 (69 17)	337 32 (10 63)	515 72 (16 25)	3172 29	21 71	5404 26
78-79	155 54 (4 33)	2343 70 (65 30)	398 07 (11 09)	691 71 (19 27)	3589 02	21 34	5726 07
79-80	208 47 (5 44)	2399 93 (62 62)	448 79 (11 71)	774 80 (20 21)	3831 99	24 57	6418 43
80-81	235 46 (5 95)	2320 32 (58 70)	525 86 (13 30)	870 58 (922 02)	3952 22	22 88	6170 70
81-82	375 47 (8 13)	2582 59 (55 95)	617 89 (13 38)	1039 37 (22 52)	4615 32	15 83	7805 92
82-83	348 35 (7 65)	2640 39 (58 00)	584 94 (12 85)	978 38 (21 49)	4552 06	22 10	8803 37
83-84	327 63 (6 59)	2955 03 (59 46)	540 76 (10 88)	1145 94 (23 06)	4969 36	24 18	9770 72
84-85	482 86 (7 77)	3608 91 (58 11)	663 17 (10 67)	1455 16 (23 43)	6210 10	28 15	11743 68
85-86	394 07 (6 18)	3710 89 (58 21)	703 54 (11 03)	1565 71 (24 56)	6374 21	17 90	10894 58
86-87	486 31 (6 22)	4531 20 (58 02)	836 05 (10 70)	1955 40 (25 04)	7808 96	38 80	12452 36
87-88	736 00 (6 92)	6181 00 (58 16)	1014 00 (9 54)	2696 00 (25 36)	10627 00	21 00	15674 00
88-89	1179 00 (7 83)	9242 00 (61 41)	1437 00 (9 54)	3190 00 (21 19)	15048 00	39 00	20232 00
89-90	1981 00 (9 35)	12604 00 (59 49)	1991 00 (9 39)	4608 00 (21 75)	21184 00	26 00	27681 00
90-91	2461 83 (10 47)	12230 10 (52 05)	2492 00 (10 60)	6311 16 (26 86)	23495 89	43 03	32558 00
91-92	3761 42 (11 46)	16621 68 (50 66)	3342 83 (10 18)	8880 67 (27 06)	32806 60	54 95	44042 00
92-93	3634 99 (8 91)	21830 73 (53 55)	3806 30 (9 33)	11492 32 (28 19)	40764 34	64 99	53688 00
93-94	4932 91 (9 35)	28821 18 (54 63)	4802 55 (9 10)	14192 22 (26 90)	52748 86	29 71	69751 00
94-95	6930 47 (10 71)	33918 49 (52 45)	6022 00 (9 31)	17796 31 (27 51)	64667 27	119 09	82674 00
95-96	8808 15 (11 02)	41776 78 (52 27)	8112 48 (10 15)	21221 59 (26 55)	79919 00	180 03	106353 00

\* The figures in the bracket indicate percentage share

### **3.4.3 Export of Primary Product Group (Section 0 to Section 4) at Constant Price (Base: 1978-79=100)**

The Table No II.16 reflects the structural changes of exports of primary commodities in real terms over a period of three and half decades.

#### **3.4.3.1 The Period 1960-61 to 1969-70**

During the decade of 60's the value of primary exports in real terms increased from Rs1224.06crores in 1960-61 to Rs1448.47crores in 1969-70, whereas the share in the total exports represented a decline from 49.55% to 44.08% during the same period.

Among the five sections sub-categorised under Primary products, it is the exports of food item (Section 0) most notable over this decade. The export earnings show an increasing trend from Rs774.63crores in 1960-61 to Rs1022.18crores in 1964-65, but further it was a declining trend as it slumped to Rs855.7crores in 1969-70. Similarly the export had positive growth rate till 1964-65, but further continued to experience negative growth rate or positive but insignificant till 1969-70. Whereas its share in the primary basket was more or less steady around 62% for most of the years. Another major source of earnings within the primary product basket was Crude Materials (Section 2). The value of Exports of Crude Materials gradually increased from Rs278.09crores (with a share of 22.71%) in 1960-61 to Rs460.02crores (with a share of 31.75%) in 1969-70. The export growth rate of the same was indeterminist due to widely fluctuating trend during the decade. Although the exports of Beverages and Tobacco (Section 1, achieved the buoyancy in its earnings from Rs64.08crores in 1960-61 to Rs119.13crores in 1964-65, but eventually declined to Rs73.86crores in 1969-70. However its share in the total primary exports averaged 5.4% during the decade. In case of Mineral fuels and Lubricants (Section 3), the value of exports was almost steady as it rose from Rs37.2crores to Rs39.22crores over the decade and its share in the overall primary exports was 2% to 3% during the decade. Whereas the exports of Animal and Vegetable oils rose from Rs70.06crores (with a share of 5.72%) in 1960-61 to Rs153.69crores (with a share of 9.37%) in 1963-64, but gradually the earnings declined to Rs19.67crores (with a share of 1.35%) in 1969-70. The exports growth rate of Crude materials and Animal and Vegetable oils widely fluctuated hence it was indeterminist.

### **3.4.3.2 The period 1970-71 to 1979-80**

In this decade the Primary exports as aggregate of commodities classified under Section 0 to 4 increased from Rs1647.81crores to Rs2450.69crores, but the share in the total exports decreased from 47.75% to 38.47% during the decade.

Even in this decade the features of primary export basket presented a similar structure as in the previous decade. The export of Food items (Section 0) held the buoyancy in the earnings from Rs1019.72crores in 1970-71 to Rs2103.14crores in 1978-79, but declined to Rs1650.32crores in 1979-80. Similarly, the exports growth rate although increased from 19.16% in 1970-71 to 45.27% in 1979-80 but in the intervening period the growth rate widely fluctuated. However its share in the Export basket remained more or less steady around 63% during the decade, except 75.91% in 1978-79. The export proceeds from Crude materials (Section 2) increased from Rs499.44crores in 1970-71 to Rs635.28crores in 1979-80. The exports growth rate although increased from 8.56% in 1970-71 to 23.92% in 1979-80, but the growth rate widely fluctuated during the decade. The share of Crude Materials in the overall primary exports averaged annually 27%, except 18.50% in 1978-79. There was notable change in the export of Beverages and Tobacco (Section 1) compared to previous decade, as it increased from Rs68crores (growth rate of -7.92%) in 1970-71 to Rs145.47crores (growth rate of 65.74%) in 1972-73, but steadily declined to Rs114.82crores (growth rate of -1.8%) in 1979-80. However the share in the Total primary exports was steady around 5% during the decade. In case of the export of Animal and Vegetable oils (Section 4) fluctuated widely, from Rs20.59crores in 1970-71 to Rs106.18crores in 1976-77, further sharply declined to Rs17.85crores in 1978-79. The exports registered positive growth rate from 4.6% in 1970-71 to 130.75% in 1979-80 although in 1973-74 and 1977-78 to 1978-79 registered negative growth rates. Its share of around 2% in total primary basket reflects the insignificant contribution during the decade. The export of Mineral fuels and lubricants (Section 3) reflected a declining trend, from Rs40crores (with a share of 2.43%) in 1970-71 to Rs9crores (with a share of 0.37%) in 1979-80. However the exports growth rate increased from 2.11% in 1970-71 to 18.36% in 1974-75, but further it registered negative growth rates till 1979-80.

### **3.4.3.3 The period 1980-81 to 1989-90**

The overall export of primary products during the decade of 80's registered a rise from Rs2620.74crores to Rs3199.75crores in real terms, whereas the share represented a decline from 42.51% to 31.91% in the overall exports.

At the disaggregate level the exports of Food items (Section 0) were invariably significant within the primary export basket in this decade. Although the value of exports of food items realised during the decade is greater than the previous decade, but its share in the total primary exports shows a declining trend compared to the previous decade. The export growth marginally declined from Rs1708.22crores (with a share of 65.18%) in 1980-81 to Rs1520.03crores (with a share of 49%) in 1985-86 with a turnaround to Rs2026.71crores (with a share of 63.33%) in 1989-90. Similarly the export growth rate was negative or insignificant from 1980-81 to 1986-87 but a sharp upward turnaround in the growth rate during 1989-90. Another item that continues to be buoyant within the primary export basket is crude materials (Section 2). Its exports although slumped from Rs753.55crores (with a share of 28.75%) in 1980-81 to Rs589crores (with a share of 18%) in 1983-84, but further it continuously increased to Rs845.82crores (with a share of 28.75%) in 1989-90. Similarly the exports growth rate widely fluctuated and the trend was indeterminist. A notable development was in case of exports of Mineral fuels and lubricants (Section 3), an upward turnaround in export growth from Rs15.45crores to Rs955.52crores (with a share of 29.44%) in 1982-83, but gradually declined to Rs210.48crores (with a share of 6.57%) in 1989-90. The export growth rate increased from 70.15% in 1980-81 to 599.75% in 1982-83 but registered negative growth rate in rest of the years of the decade except 52.67% in 1987-88. Although the export of Beverages and Tobacco (Section 1) surged to Rs190.75crores in 1981-82 but gradually declined to Rs84.26crores in 1989-90. But its share in total exports continued to be insignificant, as it was within 2.63% to 7.64% during the decade. In case of the export of Animal and Vegetable oils (Section 4) in the first half increased to Rs30.52crores in 1984-85, but eventually declined to 7.14crores in 1988-89, with a turnaround to Rs32.48crores in 1989-90. It continued to have the least share in the total primary exports, i.e. less than or equal to one percent.



Moreover the export growth rate of Beverages and Tobacco, Animal and Vegetable oils widely fluctuated respectively during the decade.

#### **3.4.3.4 The period 1990-91 to 1995-96**

In the 90's the export of primary products at the aggregate level in real terms grew from Rs3702.93crores to Rs6320.1crores, but the importance of it in the total exports has been a declining feature as the share fell from 30.98% to 28.82%.

In this decade of liberalization, the structure of primary products continued the same features as in the previous decades. The export of Food items (Section 0) invariably increased from Rs1997.75crores (with a share of 53%) in 1990-91 to Rs4733.81crores (with a share of 74.90%) in 1995-96. The export growth rate increased from 14.49% in 1991-92 to 67.69% in 1995-96, despite negative growth rate in 1990-91 and 1994-95. The export of crude materials (Section 2) fluctuated, as it fell from Rs1209.78crores in 1990-91 to Rs686.91crores in 1992-93 but recovered to Rs989.35crores in 1995-96. Similarly the export growth rate also widely fluctuated during the decade. However the share shows a gradual decline from 32% in 1990-91 to 15.65% in 1995-96. In case of export of Mineral fuels and lubricants (Section3), steadily declined from Rs422.16crores (with a share of 10.47%) in 1991-92 to Rs247.75crores (with a share of 3.92%) in 1995-96. The exports growth rate decreased sharply from 87.20% in 1990-91 to 7.14% in 1991-92, further the exports turned negative in the rest of the years. The export of Beverages and Tobacco (Section 1) was steady from Rs112.34crores in 1990-91 to Rs131crores in 1995-96, except a sharp decline to Rs80.75crores in 1994-95. The share in total primary export was within 2% to 3% during the decade. Whereas the export of animal and vegetable oils (Section 4) gradually increased from Rs38crores (with a share of 1%) in 1990-91 to Rs218crores (with a share of 3.45%) in 1995-96. The exports growth rate increased from 17.05% in 1990-91 to 63% in 1995-96, although negative export growth was registered in 1992-93.

**Table II. 16**  
**Exports of primary commodity wise data (S.I.T.C. Revision 2) at constant price**  
**(Base: 1978-79 = 100)**

years	Section0	Section1	Section2	Section3	Section4	Total
60-61	774 63 (63 28)	64 08 (5 23)	278 09 (22 71)	37 20 (3 03)	70 06 (5 72)	1224 06
61-62	870.47 (66 85)	61 82 (4 74)	291.16 (22 36)	29 94 (2 29)	48 59 (3 73)	1301.98
62-63	966 30 (65 58)	89 72 (6 08)	275 43 (18 69)	38 56 (2 61)	103 40 (7 01)	1473 41
63-64	974 26 (59 45)	91 98 (5 61)	375 13 (22 89)	43 56 (2 65)	153 69 (9 37)	1638 62
64-65	1022 18 (62 28)	119 13 (7.25)	398 71 (24 29)	58 08 (3 53)	42 94 (2 61)	1641 04
65-66	902 46 (62 16)	89 72 (6 17)	393.48 (27 10)	43 56 (3 00)	22 60 (1 55)	1451 82
66-67	886 39 (62 68)	54 27 (3 83)	422 34 (29 86)	40 83 (2 88)	10 17 (0 71)	1414 00
67-68	894 35 (63 34)	79 91 (5 66)	393 48 (27 87)	29.94 (2 12)	14 12 (1 00)	1411 80
68-69	910 42 (60 34)	73 14 (4 84)	438 13 (29 03)	41 29 (2 73)	45 76 (3 03)	1508 74
69-70	855 70 (59 07)	73 86 (5.09)	460 02 (31 75)	39 22 (2 70)	19 67 (1 35)	1448 47
70-71	1019 72 (61 88)	68 01 (4 12)	499 44 (30 30)	40 05 (2 43)	20 59 (1 24)	1647 81
71-72	1028 70 (62 15)	87 77 (5 30)	473 14 (28 58)	42 52 (2 56)	22 88 (1 38)	1655 01
72-73	1165 35 (62 33)	145 47 (7 78)	468 79 (25 07)	36 33 (1 94)	53 55 (2 86)	1869 49
73-74	1101 66 (59.13)	120 68 (6 47)	560 80 (30 10)	40 46 (2 17)	39 36 (2 11)	1862 96
74-75	1247 29 (61 64)	114 82 (5 67)	565 16 (27 93)	47 89 (2 36)	48 05 (2 37)	2023 21
75-76	1483 98 (65.50)	115 56 (5 10)	565 16 (24 94)	36 33 (1 60)	64 53 (2 84)	2265 56
76-77	1192 57 (58 05)	122 14 (5 94)	604 58 (29 42)	28 90 (1 40)	106 18 (5 16)	2054 37
77-78	1447 65 (68 78)	122 88 (5 83)	477 55 (22 68)	25 18 (1 19)	32 03 (1 52)	2105 29
78-79	2103 14 (75 91)	117 03 (4.22)	512 62 (18 50)	19 82 (0.71)	17 85 (0 64)	2770 46
79-80	1650 32 (67.34)	114 82 (4 68)	635 28 (25 92)	9 08 (0 37)	41 19 (1 68)	2450 69
80-81	1708 22 (65 18)	126 39 (4 82)	753 55 (28 75)	15 45 (0 58)	17 13 (0 65)	2620 74
81-82	1606 89 (64 43)	190 75 (7 64)	543 37 (21 78)	136 55 (5 47)	16 42 (0 65)	2493 98
82-83	1534 50 (47 28)	183 73 (5.66)	548 50 (16 90)	955 52 (29 44)	22 66 (0 69)	3244 91
83-84	1548 98 (49 45)	122 88 (3 92)	589 51 (18 82)	841 06 (26 80)	29 80 (0 95)	3132 23
84-85	1563 46 (49 68)	117 03 (3 71)	615 14 (19 55)	820 34 (26 07)	30 52 (0 96)	3146 49
85-86	1520 03 (59 46)	106 49 (4.16)	610 01 (23 86)	292 34 (11 43)	27 48 (1 07)	2556 35
86-87	1606 89 (58 43)	114 68 (4 17)	733 04 (26 65)	278 07 (10 11)	17 31 (0 62)	2749 99
87-88	1635 84 (58 84)	87.77 (3 15)	620 27 (22 31)	424 54 (15 27)	11 42 (0 41)	2779 84
88-89	1635 84 (60 22)	65 53 (2 41)	707 41 (26 04)	300 47 (11 06)	7 14 (0 26)	2716 39
89-90	2026 71 (63 33)	84 26 (92 63)	845 82 (26 43)	210 48 (6 57)	32 48 (1 01)	3199 75
90-91	1997 75 (53 13)	120 54 (3.20)	1209 78 (32 17)	394 02 (10 47)	38 02 (1 01)	3760 11
91-92	2287 28 (61 76)	112 34 (3 03)	809 93 (21 87)	422 16 (11 40)	71 22 (1 92)	3702 93
92-93	2518 91 (68 52)	135 75 (3 69)	686 91 (18 68)	275 69 (7 49)	58 90 (1 60)	3676 16
93-94	2851 87 (63 95)	147 45 (3 30)	1097 01 (24 60)	263 01 (5 89)	99 60 (2 23)	4458 94
94-95	2822 91 (68 22)	80 75 (1 95)	835 57 (20 19)	264 99 (6 40)	133 51 (3 22)	4137 73
95-96	4733 81 (74 90)	131 07 (2 07)	989 35 (15 65)	247 75 (3 92)	218 12 (3 45)	6320 10

\* The figures in the bracket indicate percentage share

### **3.4.4 Export of Manufacturers Group (Section 5 to Section 8) at Constant Price (Base: 1978-79=100)**

In the Table No II.17 exports in real terms of the commodities classified under the Manufactured Products is analysed at disaggregate level to capture the structural changes. for the period 1960-61 to 1995-96.

#### **3.4.4.1 The Period 1960-61 to 1969-70**

During the 60's the export of Manufactured group at the aggregate level in real terms increased from Rs1208.19crores to Rs1818.32crores but the share represented an increase from 48.91% to 55.33%.

Among the exports in real terms of Manufactured products the most significant achievement is by Basic Manufactures (Section 6), the value of the same increased from Rs1138.33crores in 1960-61 to Rs1531crores in 1969-70, albeit with some wide fluctuations during the decade. Similarly the exports growth rate was positive during the decade not withstanding the three years of negative growth rate. Whereas the share in the overall manufactured basket reflects a gradual decline from 94% to 84% over the decade. Another important commodity relatively important within the export basket in real terms is Miscellaneous Manufacture (Section 8), the value of the same increased from Rs43.43crores (with a share of 3%) in 1960-61 to Rs124crores (with a share of 6%) in 1969-70. The exports growth rate was positive and increasing except negative trend in 1961-62 and 1966-67. In case of the export of machinery and Transport equipment (Section 7), the earnings in real terms increased from Rs6.6crores (with a share of 0.54%) in 1960-61 to Rs107.27crores (with a share of 5.89%) in 1969-70. The exports growth rate of the same was positive during the decade. The export in real terms of Chemicals (Section5) surged from Rs19.83crores (with a share of 1.64%) to Rs55.83crores (with a share of 3.07%) over the period. However the exports growth rate widely fluctuated during the decade.

#### **3.4.4.2. The Period 1970-71 to 1979-80**

Over the decades the export of commodities classified under Manufactured group at the aggregate level invariably progressed from Rs1787.65crores to Rs3442.45crores, and its contribution in the overall exports rose from 51.80% to 54.03% during the 70's.

The significance of exports of Basic Manufactures (Section 6) continues to be major source of earnings in real terms during this decade. The value of the same increased from Rs1437.39crores in 1970-71 to Rs2452.91crores in 1977-78 but declined to Rs2203crores in 1979-80. Similarly the export growth rate widely fluctuated and its trend was indeterminist. But its share in the overall import basket declined sharply from 80% in 1970-71 to 63% in 1979-80. Whereas the export of Miscellaneous Manufacture (Section 8) in real terms continuously increased from Rs145.25crores (with a share of 8%) to Rs666.67crores (with a share of 19.36%) during the decade. Even the export growth rate was positive and often increasing but the growth rate slacked towards the end of the decade and the growth rate turned negative in 1979-80. Incase of the export of machinery and transport equipment (Section 7) in real terms, the earnings rose steadily from Rs135.94crores (with a share of 7.6%) to Rs387.4crores (with a share of 11.25%) during the decade. The export growth rate of the same registered positive movement except for three years showing negative growth rates during the decade. The least earnings continue to be from the export of Chemicals (Section 5), in real terms the same increased from Rs69crores (with a share of 3.86%) to Rs185.31crores (with a share of 5.38%) during the decade. The export growth rate registered negative movement for a period of three years and during the rest of the years it achieved positive growth rate during the decade.

#### **3.4.4.3 The Period 1980-81 to 1989-90**

In the 80's the exports of commodities classified under Manufactured group in real terms consolidated to higher earnings as it surged from Rs3580.27crores to Rs6818.99crores and also was reflected by the growing share in total exports from 58.08% to 67.99%.

As in the earlier decades, the earnings from the export of the Basic Manufactures (Section 6) in real terms continue to be significant in overall import basket of Manufactured Goods. The value of the same surged from Rs1992.14crores in 1980-81 to Rs3187.43crores in 1989-90. However the export growth rate widely fluctuated and the trend was indeterminist during the decade. However its share was much steady around 53% to 59% until 1978-79, but slumped to 46.75% in 1989-90. Another item that continue to grow in significance is the export of Miscellaneous Manufacture (Section 8), in real terms its value albeit declined from Rs871.55crores in 1980-81 to Rs726.29crores in 1982-83, but thereafter it steadily increased to Rs1653crores.

Similarly the export growth rate slumped from 30.73% in 1980-81 to -11.76% in 1982-83 and finally increased to 25.78% in 1989-90. Moreover its share although remained steady around 24% during the decade, except a marginal decline to 21% in 1982-83. In case of the export of Machinery and Transport equipment (Section 7) in real terms increased more than double, from Rs517.49crores (with a share of 14.45%) to Rs1186.24crores (with a share of 17.40%) over the decade. In case of Section 7 the export growth rate was negative from 1981-82 to 1983-84, whereas in the rest of the period it was positive growth rate during the decade. In this decade a notable feature is the phenomenal increase in the export of chemicals (Section 5) in real terms from Rs199crores to Rs790crores, similarly its share also substantially increased from 5.56% to 11.59% during the decade. However the export growth rate widely fluctuated from 1980-81 to 1985-86, further it achieved steady positive growth rate till 1989-90.

#### **3.4.4.4 The Period 1990-91 to 1995-96**

In the period of reforms initiated the export earnings from the Manufactured group as a whole further gained in real terms as it increased from Rs7343.79crores to Rs15569.72crores and the share in the total exports also improved from 66% to 71% during the 90's.

The export of Basic Manufactures (Section 6) perceptibly increased from Rs3234crores in 1990-91 to Rs7124.84crores in 1995-96. The export growth rate invariably was positive reflecting increasing trend in export of Section 6 during the

decade. But its share has remained more or less steady at 45% over the same period. There was a substantial improvement in the earnings of the Miscellaneous manufacture (Section 8) from Rs1812crores to Rs3216.45crores. The export of the same was increasing since the growth rate was positive during the decade. However the share of the same declined from 24% to 20% over the decade. Even the export of the Machinery and Transport equipment (Section 7) in real terms registered a sharp rise from Rs1237.99crores (with a share of 16.85%) in 1990-91 to Rs3355.73crores (with a share of 21.55%) in 1995-96. The export growth rate was positive and increasing for the entire period except negative growth rate in 1991-92. Moreover the export earnings from chemicals (Section 5) real terms was relatively moderate, i.e. from Rs1059.22crores in 1990-91 to Rs1872.7crores in 1995-96, and the export growth rate was positive during the period barring a negative growth rate in 1992-93. However the share declined from 14% to 12% during the same period.

**Table B. 17**  
**Exports of Manufactured Commodity-wise Data (S.I.T.C. Revision 2) at Constant Price**  
**(Base: 1973-74 = 100)**

(Rs crores)							
years	Section5	Section6	Section7	Section8	Total	section9	Total
60-61	19 83 (1 64)	1138 33 (94 21)	8 60 (0 54)	43 43 (3 59)	1208 19	37 64	2489 95
61-62	18 35 (1 48)	1171 85 (94 72)	7 28 (0 58)	39 63 (3 20)	1237 11	30 94	2570 06
62-63	21 52 (1 66)	1216 38 (94 12)	9 71 (0 75)	44 75 (3 46)	1292 36	37 83	2803 64
63-64	19 83 (1 37)	1350 20 (93 90)	9 91 (0 68)	57 89 (4 02)	1437 83	27 23	3103 72
64-65	35 86 (2 36)	1406 22 (92 58)	18 11 (1 19)	58 58 (3 85)	1518 77	23	3182 85
65-66	36 08 (2 42)	1361 45 (91 65)	23 40 (1 57)	64 46 (4 33)	1485 39	25 55	2962 81
66-67	28 47 (2 10)	1227 63 (90 87)	34 79 (2 57)	59 97 (4 43)	1350 86	17 93	2782 83
67-68	30 79 (2 10)	1316 69 (90.11)	38 57 (2 63)	75 11 (5 14)	1461 16	20 08	2893 09
68-69	41 35 (2 32)	1562 31 (87.68)	81 88 (4 59)	96 14 (5 39)	1781 68	17 85	3308 32
69-70	55 83 (3 07)	1531 13 (84 20)	107 27 (5 89)	124 09 (6 82)	1818 32	18 99	3285 85
70-71	69 07 (3 86)	1437 39 (80 40)	135 94 (7 60)	145 25 (8 12)	1787 65	15 05	3450 56
71-72	61 62 (3 36)	1468 56 (80 17)	117 90 (6 43)	183 71 (10.02)	1831 79	16 33	3503 18
72-73	76 52 (3.81)	1593 71 (79 49)	127 74 (6 37)	206 82 (10.31)	2004 79	12 16	3886 48
73-74	96 37 (4 45)	1640 59 (75.84)	153 97 (7 11)	272 25 (12 58)	2163 18	12 3	4038 47
74-75	94 72 (4 29)	1468 56 (66 52)	316 14 (14 32)	328 01 (14 85)	2207 428	9 87	4240 55
75-76	86 02 (3 48)	1718 63 (69 71)	266 18 (10 79)	394 41 (15.99)	2465 24	12 35	4743 2
76-77	105 06 (3 21)	2265 42 (69 22)	305 47 (9 33)	596 46 (18 22)	3272 41	14 59	5623 7
77-78	124 50 (3 54)	2452 91 (69.85)	325 14 (9 25)	608 91 (17.34)	3511 46	21 62	5383 34
78-79	155 54 (4 33)	2343 70 (65.30)	398 07 (11 09)	691 71 (19 27)	3589 02	21 34	5726 07
79-80	185 31 (5 38)	2203 07 (63 99)	387 40 (11 25)	666 67 (19.36)	3442 45	24.38	6370 36
80-81	199 09 (5 56)	1992 14 (55 64)	517 49 (14 45)	871 55 (24 34)	3580 27	21 01	6164 15
81-82	293 97 (7 96)	2062 45 (55 84)	513 51 (13 90)	823 13 (22 28)	3693 06	12.77	6301 19
82-83	286 19 (8 55)	1896 39 (56 66)	437 87 (13 08)	726 29 (21.70)	3346 74	16 77	6682 86
83-84	213 08 (6 38)	1968 70 (59 00)	366 22 (10 97)	788 54 (23.63)	3336 54	16 01	6470 45
84-85	287 74 (7 58)	2109 33 (55 63)	453 79 (11 96)	940 72 (24 81)	3791 58	16 63	6940 27
85-86	251 97 (6 69)	2062 45 (54 78)	509 52 (13 53)	940 72 (24 98)	3764 66	10 47	6374 97
86-87	309 52 (7.26)	2367 13 (55 55)	553 31 (12 98)	1030 64 (24 19)	4260 6	21 64	6954 42
87-88	362 40 (6 90)	2812 44 (53 62)	804 10 (15 33)	1265 82 (24 13)	5244 76	63 75	8059 44
88-89	566 16 (9 46)	3187 43 (53.30)	911 58 (15 24)	1314 24 (21 97)	5979 41	51 44	8747 28
89-90	790 14 (11 59)	3187 43 (46 75)	1186 24 (17 40)	1653 18 (24 25)	6816 99	9.41	10026 19
90-91	1059 22 (14 42)	3234 30 (44 04)	1237 99 (16 85)	1812 28 (24 67)	7343 79	14 68	11118 62
91-92	1441 85 (17 51)	3632 73 (44 11)	1146 44 (13 92)	2012 87 (24 44)	8233 89	14 78	11951 66
92-93	891 24 (9 81)	4781 14 (52 64)	1237 99 (13 63)	2171 96 (23.91)	9082 33	15 46	12774
93-94	1152 55 (11 25)	5367 07 (52 40)	1425 09 (13 91)	2296 47 (22.42)	10241 18	6.26	14706 4
94-95	1516 51 (12 08)	6304 55 (50 25)	1942 58 (15 48)	2780 67 (22 16)	12544 31	24 06	16706 13
95-96	1872 70 (12 02)	7124 84 (45 76)	3355 73 (21 55)	3216 45 (20 65)	15569 72	37 11	21926 97

\* The figures in the bracket indicate percentage share

### **3.4.5 Imports of Primary Product Group (Section 0 to Section 4) at Current Price**

In the Table II.18 the Import trends of the primary products and manufactured products and their respective share in the total imports at current price and constant price is shown. In Table No II.19, displays Imports at Current price of Commodities classified under Section 0 to Section 4, broadly categorised as Primary Commodities. The table captures the structural changes in the commodities at disaggregate level for the period 1960-61 to 1995-96.

#### **3.4.5.1 The Period 1960-61 to 1969-70**

The imports of Primary products at aggregate level invariably grew from Rs444.32crores in 1960-61 to Rs983.15crores in 1966-67, but steadily declined to Rs666crores in 1969-70. However the share of the same in the total imports registered a rise from 39.61% to 42% during the decade. At the disaggregate level, the maximum expenditure was incurred on the Food Items (Section 0), i.e. from Rs214.06crores in 1960-61 to Rs705.35crores in 1966-67, further it steadily declined to Rs320.7crores in 1969-70. The export growth rate widely fluctuated hence the trend was indeterminist. The share of Food Items in the Primary Import basket accordingly rose from 48.17% in 1960-61 to 71.74% in 1966-67, but declined to 48.15% in 1969-70.

Within the Primary Import basket, the value of imports of Crude Materials (Section 2) increased from Rs155.36crores (with a share of 34.96%) in 1960-61 steadily declined to Rs123.09crores (with a share of 21.98%) in 1965-66 and from Rs199.23 (with a share of 20.26%) in 1966-67 steadily declined to Rs176.79crores (with a share of 26.54%) in 1969-70. Similarly the growth rate of imports was negative from -16.39% in 1961-62 to -6.88% in 1969-70, except 61.85% in 1966-67. The expenditure on the import of Mineral Fuels and Lubricants (Section 3) sharply aggravated from Rs69.51crores (with a share of 25.02%) in 1960-61 to Rs137.91crores (with a share of 20.70%) in 1969-70. The import growth rate of the same widely fluctuated during the decade. The import expenditure incurred on the Animal and Vegetable Oils (Section 4)



and Beverages and Tobacco (Section 1) was relatively insignificant within the Primary basket.

The imports of the former increased from Rs4.6crores (with a share of 1.03%) in 1960-61 to Rs34.42crores in 1967-68, but declined to Rs29.57crores (with a share of 4.4%) in 1969-70. Whereas the latter's import valued less than Rs2crores and its share was insignificant at less than 1% during the decade. The import growth rate of Animal and Vegetable Oils, barring three years it has been positive during the decade. In case of Beverages and Tobacco the import growth widely fluctuated.

#### **3.4.5.2 The Period 1970-71 to 1979-80**

The import of primary products in nominal terms steadily increased from Rs2022crores in 1970-71 to Rs2977.24crores but the share in the overall imports marginally declined from 46.58% to 44% during the decade.

Within the Primary import basket the import of Food items (Section 0), continued to be significant as it increased from Rs271.79crores in 1970-71 to Rs1428.93crores in 1975-76, but steadily decreased to Rs279.91crores in 1979-80. However the import growth rate was positive from 1973-74 to 1975-76 and 1978-79 to 1979-80. The share of Food items in the total of Primary Imports reflects notable change in the structure as it fell sharply from 42% in 1970-71 to 6.08% in 1979-80. On the other hand the import expenditure on Mineral Fuels and Lubricants (Section 3), sharply aggravated from Rs136.01crores in 1970-71 to Rs3331.85crores in 1979-80. The import under Section 3 registered positive growth rate from 1971-72 to 1979-80. The share marked a sharp increase from 20.70% to 72.41% over the decade. In case of Crude materials (Section 2) the imports surged from Rs200crores in 1970-71 to Rs533.32crores in 1979-80, but the imports growth rate widely fluctuated during the same period. However the share of Crude materials in the Primary Import basket reflected a declining trend from 30.96% to 11.59% over the decade. The import expenditure on Animal and Vegetable oils (Section 4) sharply aggravated from Rs38.5crores (with a share of 5.95%) in 1970-71 to Rs455.37crores (with a share of 9.87%) in 1979-80. The import of Beverages and

Tobacco (Section 1) invariably was around Rs1crore and its share less than 1% during the decade.

### **3.4.5.3 The Period 1980-81 to 1989-90**

Even in the 80's as observed in the previous decades the value of imports of Primary products at current price continue to increase but its share in the overall import expenditure have steadily declined. In this decade the import bill for the primary products surged from Rs6948.21crores to Rs11340.36crores and its share represented a decline from 55.36% to 36.32% during the decade.

In this decade the composition of imports of Primary products underwent a marked change, as the Mineral fuels and Lubricants (Section 3) burdened the import bill. The value of imports declined from Rs5292.99crores in 1980-81 to Rs3029.42crores in 1986-87, but sharply turn upward to Rs7162.51crores in 1987-88. Similarly the import growth rate steadily declined from 58.86% in 1980-81 to -41.88% in 1986-87 and from 136.43% in 1987-88 to -26.15% in 1989-90. However its share within the Primary imports declined from 76.17% to 60.81% during the decade, with an exception of 49.96% in 1986-87. The import expenditure on Crude Materials (Section 2) also steadily aggravated from Rs565.44crores (with a share of 8.13%) in 1980-81 to Rs3245.58crores (with a share of 28.61%) in 1989-90. Even the import growth was negative only during 1982-83 and 1987-88. A phenomenal change marked the trend and the structure of Animal & Vegetable Oils (Section 4). Its import considerable increased from Rs708.83crores in 1980-81 to Rs1007.79crores in 1984-85, but further steadily declined to Rs215.96crores in 1989-90. Moreover the import growth was negative from -2.9% in 1981-82 to -34.92% in 1982-83 and from -23.58% to -84.19% in 1988-89. Accordingly its share in the Primary imports was around 10% from 1980-81 to 1986-87, but sharply declined to 1.9% in 1989-90. In previous two decades it was the Food Items (Section 0), which burdened the import bill, although there was a sharp declining trend in the late 70's. But since early 80's once again the expenditure on the import of Food Items started increasing. The value of imports increased from Rs380crores in 1980-81 to Rs968.75crores in 1989-90 but the growth rate widely fluctuated during the decade. Its share within the Primary Import basket increased from 5.47% in 1980-81 to 12.37% in

1986-87, but declined to 8.54% in 1989-90. The least import expenditure continued to be on Beverages and Tobacco (Section 1), from Rs0.79crores to Rs13.83crores during the decade and its share has remained stagnant at less than 1% during the decade.

#### **3.4.5.4 The Period 1990-91 to 1995-96**

In the 90's the import of primary products at current price more than doubled as it grew from Rs17074.58crores to Rs44065crores and the share declined from 39.53% to 35.91% in the overall imports. In the nineties also, the features of the import basket of Primary goods were similar to the eighties. The import bill on Mineral Fuels and Lubricants (Section 3), aggravated sharply from Rs11726.46crores in 1990-91 to Rs29257.57crores in 1995-96(i.e. nearly 2.5 times in six years). Even the imports growth rate was positive during the decade. The average annual share of Minerals and Lubricants was 69% in the import basket of Primary goods. Even the imports of Crude Materials (Section 2) increased more than double from Rs4026.46crores in 1990-91 to Rs9235.3crores in 1995-96. The imports growth rate baring 1992-93 and 1993-94 was positive during the period. Whereas the share of Crude Materials was steady around 21%. The imports of Food items (Section 0) increased by five times till 1994-95, from Rs927.04crores to Rs4592.98crores, however it declined to Rs2784.15crores in 1995-96. However the imports growth rate of the same widely fluctuated during the decade. Its share in the total imports bill was fairly steady at 6%, except 13.22% in 1994-95. The Import of Animal and Vegetable oils (Section 4) increased eight folds, from Rs315.15crores in 1990-91 Rs2735.09crores in 1995-96. But its share in the total import of Primary products increased from 1.5% to 6.2% during the same period. The import growth rate sharply increased from 45.92% in 1990-91 to 183.28% in 1995-96, except – 6.65% in 1991-92. Whereas the import of Beverages and Tobacco (Section 1) rose from Rs11.69crores to Rs52.99crores, and its share in Primary imports as usual continued to be less than 1% during the period. The imports growth rate of the same steadily increased from 40.95% in 1992-93 to 88.54% in 1995-96.

### **3.4.6 Import of Manufacturers Group (Section 5 to Section 8) at Current Price**

In the Table II.20, imports of the manufacturing basket consisting of commodities classified under Section 5 to Section 8, is analysed for the period 1960-61 to 1995-96.

During this decade the value of imports of the manufactured group steadily increased from Rs.670.22crores in 1960-61 to Rs.1072.61crores in 1968-69, but momentarily declined to Rs.846.15crores in 1969-70. The share of this group in the total imports was steady at 60% till the first half of the decade but in the latter it fluctuated within 50.21% in 1966-67 to 56.17% in 1967-68.

#### **3.4.6.1 The Period 1960-61 to 1969-70**

At the disaggregate level it is the import of Machinery and transport equipment (Section 7) most vital in the import basket of the manufacturing group. The expenditure on the same increased from Rs332.98crores in 1960-61 to Rs513.92crores in 1968-69, but slumped too Rs395.86crores in the penultimate year of the decade. The growth rate of imports of the commodities (Section 7) registered positive growth rate during the decade barring negative growth rates in 1967-68 and 1969-70. Similarly the share of this commodity within the overall imports of the manufacturing group increased from 49.68% in 1960-61 to 59% in 1965-66, but thereafter it continuously declined to 46.78% in 1969-70. In case of the import of Basic Manufactures (Section 6), the expenditure was more or less steady during the decade, as it was within Rs200crores in 1963-64 to Rs250.42crores in 1967-68. The imports growth rate for most of the years registered negative during the decade. Whereas the share in the total import basket of the manufacturing group shows an declining trend, from 34.92% in 1960-61 to 23.34% in 1968-69. The import bill on Chemicals (Section 5) steadily aggravated from Rs85.67crores in 1960-61 to Rs283.5crores in 1968-69, but declined to Rs195crores in 1969-70. Similarly the imports growth rate widely fluctuated during the period. Its share in the overall manufacture imports also fluctuated widely from 12.78% in 1960-61 to 26.43% in 1968-69. Whereas the least dependence was on Miscellaneous manufactures (Section 8), the import bill on the same increased from Rs17.45crores in 1960-61 to Rs33.54crores in 1963-64, but fell

to Rs25crores in 1969-70. The share of this commodity was insignificant as it was within 2.30% to 4.26% during the decade.

#### **3.4.6.2 The Period 1970-71 to 1979-80**

The growing reliance on the import of commodities grouped as manufacture is represented by the invariable rise from Rs964.07crores to Rs4511.33crores in nominal terms during the decade. Moreover the share in the total imports reflects a relative decline from 58.98% in 1970-71 to 49.34% in 1979-80.

In the decade of seventies, the structural composition of the commodities at disaggregate level classified under the manufacturing imports has undergone noticeable change. The expenditure on the import of machinery and transport equipment (Section 7) aggravated sharply from Rs394.69crores (with a share of 40.48%) in 1970-71 to Rs1382.74crores (with a share of 30.65%) in 1979-80. Even the import growth rate from 1971-72 to 1979-80 registered a positive growth. In case of the Basic Manufactures (Section 6) the imports increased nearly 5.7times, from Rs344.69crores to Rs1971.41crores during the decade. The imports growth rate of commodities under Section 6 was positive except in 1975-76. Moreover its share marked increasing trend compared to the previous decade. In this decade it rose from 35.75% in 1970-71 to 43.69% in 1979-80. Another product burdening the import expenditure is the chemical (Section 5), the value increased five times from Rs192.14crores (with a share of 19.93%) to Rs968.79crores (with a share of 21.47%) during the decade. This was reflected by the positive growth rate of imports from 1971-72 to 1979-80, barring negative growth rate in 1976-77. Whereas incase of the Miscellaneous Manufacture (Section 8) the import expenses continue to be the least within the group. It increased from 32.55crores to 188.39crores during the decade, but its share has remained steady within 2% to 4%.

#### **3.4.6.3 The Period 1980-81 to 1989-90**

The import of the commodities within the Manufactured group at aggregate level increased four folds, from Rs5598.86crores to Rs23928crores and its share in the overall imports substantially from 44.61% to 67.56% during the decade.

In the eighties, the Basic Manufactures (Section 6) imports gained relatively to the imports of Machinery and transport equipment, which hitherto was the main item in the import basket. The value of imports of manufactured goods reflects positive growth rate from Rs2242.02crores in 1980-81 to Rs8974.51 in 1989-90, barring 1984-85 and 1987-88.

Its share in Manufactured basket was steady at 39% to 42% in the first half of the decade, but in the later half of the decade the share fluctuated within 31.24% to 39%. However import expenditure on the machinery and transport equipment (Section 7) aggravated from Rs1820.75crores to Rs8737.27crores (i.e. five times rise over the decade). The high growth in imports was reflected by the positive growth rate of imports (except in 1984-85 and 1987-88) during the decade. Even its share moved upward from 32.52% in 1980-81 to 48.57% in 1987-88, but declined to 36.51% in 1989-90. In case of the import of the chemical (Section 5), the expenditure increased from Rs1324.59crores in 1980-81 to Rs5064.51crores in 1989-90, but the trend was indeterminist due to wide fluctuations in the growth rate. Even the share widely fluctuated within 17% to 23.65% during the decade. The import of Miscellaneous manufactured articles steadily increased from Rs211crores in 1980-81 to 1390crores in 1989-90 and the imports growth rate was positive, barring negative growth rates in 1984-85 and 1987-88. But its share has remained steady at 4% to 5% during the decade.

#### **3.4.6.4 The Period 1990-91 to 1995-96**

In this decade of 90's, the import of Machinery and Transport equipment (Section 7) consolidated further from 10413crores in 1990-91 to 33777crores in 1995-96 and except 1991-92 the imports growth rate was positive and increasing. Its share in the overall manufactured goods was within 36% to 43%. Even in case of Basic Manufactures (Section 6) import expenditure aggravated from Rs8558.8crores to Rs21199crores during the period. This high growth of imports was reflected by the positive growth rate barring negative growth rate in 1990-91. Whereas the share in the overall manufactured import declined from 32.98% to 27% during the period. The import of the chemical goods (Section 5) also sharply increased from Rs5064.51crores to Rs19096crores during the period and the growth rate of imports was positive and increasing during the period. However its share fluctuated within 21% to 26.69% over the period. In case of the import

of Miscellaneous Manufactured articles steadily moved upward from Rs.1390 crores to Rs.4273 crores during the period with a positive growth rate. but its share continue to remain steady at 4% to 5%.

**Table H.18**  
**The Share of Import of Primary and Manufactured Goods**  
**at Current and Constant Price in the Total Imports**

year	imports at current price		imports at constant price (base 78-79)	
	primary goods section 0 to 4	manufactured goods section 5 to 8	primary goods section 0 to 4	manufactured goods section 5 to 8
60-61	444 32 (39 61)	670 22 (59 75)	1736 47 (37 75)	2834 41 (61 61)
61-62	383 08 (35 14)	700 15 (64 23)	1564 3 (35 55)	2807 86 (63 81)
62-63	401 9 (35 51)	722 6 (63 86)	1725 28 (37 08)	2898 1 (62 29)
63-64	449 32 (36 74)	766 8 (62 70)	1877 31 (39 05)	2902 82 (60 39)
64-65	526 12 (38 99)	813 56 (60 30)	1925 13 (36 64)	3291 36 (62 65)
65-66	559 77 (39 74)	832 17 (59 08)	2437 57 (44 00)	3036 38 (54 80)
66-67	983 15 (47 30)	1043 53 (50 21)	2957 76 (53 19)	2464 62 (44 32)
67-68	881 4 (43 90)	1058 01 (52 69)	2477 72 (44 24)	2932 09 (52 35)
68-69	746 59 (39 11)	1072 61 (56 19)	1908 16 (39 41)	2704 55 (55 86)
69-70	666 (42 09)	846 15 (53 48)	2123 54 (49 49)	1977 16 (46 08)
70-71	646 92 (39 58)	964 07 (58 98)	2022 03 (46 58)	2276 29 (52 44)
71-72	651 17 (35 68)	1162 33 (63 70)	2238 44 (42 88)	2949 52 (56 50)
72-73	579 15 (31 01)	1277 04 (68 38)	2229 25 (43 39)	2877 23 (56 00)
73-74	1357 18 (45 92)	1590 07 (53 80)	2850 1 (48 07)	3062 33 (51 65)
74-75	2268 15 (50 19)	2245 62 (49 69)	2478 46 (47 69)	2711 7 (52 18)
75-76	2885 59 (54 80)	2369 97 (45 01)	2878 95 (55 63)	2286 68 (44 18)
76-77	2831 73 (55 81)	2235 24 (44 05)	2777 54 (53 88)	2369 95 (45 97)
77-78	3166 34 (52 59)	2846 54 (47 28)	2974 59 (47 82)	3238 18 (52 05)
78-79	3063 23 (44 97)	3721 15 (54 63)	3063 25 (44 97)	3721 15 (54 63)
79-80	4601 03 (50 32)	4511 33 (49 34)	2977 24 (44 01)	3764 93 (55 65)
80-81	6948 21 (55 36)	5598 86 (44 61)	3830 49 (39 51)	5861 36 (60 46)
81-82	7452 84 (54 76)	6151 06 (45 20)	3881 70 (37 58)	6443 23 (62 38)
82-83	7613 94 (53 27)	6674 08 (46 69)	3797 98 (35 56)	6876 10 (64 39)
83-84	7658 12 (48 37)	8166 65 (51 58)	4352 65 (34 30)	8330 39 (65 65)
84-85	8330 25 (48 61)	8795 30 (51 33)	3778 95 (35 44)	6877 14 (64 50)
85-86	8367 20 (42 56)	11238 49 (57 17)	3796 65 (30 67)	8546 06 (69 05)
86-87	8063 51 (30 01)	13944 64 (69 03)	4135 21 (28 50)	10310 79 (71 06)
87-88	9477 66 (42 60)	12659 29 (56 91)	4774 91 (33 05)	9207 40 (63 73)
88-89	12211 84 (43 25)	15887 12 (56 26)	5408 12 (34 12)	9863 55 (62 23)
89-90	11340 36 (32 02)	23928 00 (67 56)	4704 62 (29 23)	10869 10 (67 54)
90-91	17074 58 (39 53)	25951 05 (60 08)	5385 99 (32 14)	10810 02 (64 50)
91-92	19114 79 (39 94)	28548 90 (59 66)	4867 42 (30 46)	10665 60 (66 75)
92-93	26579 77 (41 94)	36588 19 (57 73)	6070 93 (31 81)	12862 72 (67 40)
93-94	26961 10 (36 88)	45912 85 (62 80)	6400 06 (28 52)	15852 93 (70 66)
94-95	34720 71 (38 59)	55003 24 (61 13)	7592 98 (20 80)	28377 91 (77 76)
95-96	44065 10 (35 91)	78345 84 (63 86)	8392 08 (23 86)	26213 83 (74 55)

\* The figures in the bracket indicate percentage share



**Table II.19**  
**Imports of Primary Commodity-wise Data (S.I.T.C. Revision 2) at Current Price**  
 (Rs. crores)

years	Section0	section1	Section2	Section3	section4	Total
60-61	214 06 (48 17)	0 79 (0 17)	155 36 (34 96)	69 51 (15 64)	4 60 (1 03)	444 32
61-62	147 07 (38 39)	1 65 (0 43)	129 89 (33 90)	95 85 (25 02)	8 62 (2 25)	383 08
62-63	179 43 (44 64)	1 66 (0 41)	127 21 (31 65)	87 97 (21 88)	5 63 (1 40)	401 9
63-64	214 40 (47 71)	1 11 (0 24)	124 45 (27 69)	104 49 (23 25)	4 87 (1 08)	449 32
64-65	322 72 (61 33)	0 76 (0 14)	128 35 (24 39)	68 67 (13 05)	5 62 (1 06)	526 12
65-66	354 08 (63 25)	0 56 (0 10)	123 09 (21 98)	68 42 (12 22)	13 62 (2 43)	559 77
66-67	705 35 (71 74)	0 53 (0 05)	199 23 (20 26)	63 29 (6 43)	14 75 (1 50)	983 15
67-68	579 20 (65 71)	1 84 (0 20)	191 00 (21 67)	74 94 (8 50)	34 42 (3 90)	881 4
68-69	403 06 (53 98)	1 14 (0 15)	189 87 (25 43)	133 22 (17 84)	19 30 (2 58)	746 59
69-70	320 70 (48 15)	1 03 (0 15)	176 79 (26 54)	137 91 (20 70)	29 57 (4 43)	666
70-71	271 79 (42 01)	0 31 (0 04)	200 31 (30 96)	136 01 (21 02)	38 50 (5 95)	646 92
71-72	196 93 (30 24)	0 28 (0 04)	212 91 (32 69)	194 57 (29 88)	46 48 (7 13)	651 17
72-73	159 75 (27 58)	0 33 (0 05)	189 87 (32 78)	204 27 (35 27)	24 93 (4 30)	579 15
73-74	547 07 (40 30)	0 45 (0 03)	184 14 (13 56)	560 64 (41 30)	64 88 (4 78)	1357 18
74-75	855 20 (37 70)	1 06 (0 04)	220 01 (9 69)	1157 03 (51 01)	34 85 (1 53)	2268 15
75-76	1428.93 (49 51)	0 97 (0 03)	212 67 (7 37)	1226 04 (42 48)	16 98 (0 58)	2885 59
76-77	955.72 (33 75)	0 68 (0 02)	344 00 (12 14)	1413 36 (49 91)	117 97 (4 16)	2831 73
77-78	232 47 (7 34)	1 45 (0 04)	642 66 (20 29)	1551 84 (49 01)	737 92 (23 30)	3166 34
78-79	245 29 (8 00)	0 68 (0 02)	578 03 (18 86)	1686 90 (55 06)	552 33 (18 03)	3063 23
79-80	279 91 (6 08)	0 58 (0 01)	533 32 (11 59)	3331 85 (72 41)	455 37 (9 89)	4601 03
80-81	380 16 (5 47)	0 79 (0 01)	565 44 (8 13)	5292 99 (76 17)	708 83 (10 20)	6948 21
81-82	690 14 (9 26)	1 20 (0 01)	843 35 (11 31)	5230 18 (70 17)	687 97 (9 23)	7452 84
82-83	639 64 (8 40)	1 15 (0 01)	767 05 (10 07)	5758 41 (75 62)	447 69 (5 87)	7613 94
83-84	1040 15 (13 58)	3 12 (0 04)	953 30 (12 44)	4863 35 (63 50)	798 20 (10 42)	7658 12
84-85	733 62 (8 80)	1 54 (0 01)	1123 39 (13 48)	5463 91 (65 59)	1007 79 (12 09)	8330 25
85-86	878 01 (10 49)	3 65 (0 04)	1502 36 (17 95)	5213 07 (62 30)	770 11 (9 20)	8367 2
86-87	750 25 (12 37)	3 03 (0 04)	1624 56 (26 79)	3029 42 (49 96)	656 25 (10 82)	6063 51
87-88	411 10 (4 33)	5 76 (0 06)	1348 63 (14 22)	7162 51 (75 57)	549 66 (5 79)	9477 66
88-89	809 95 (6 63)	9 27 (0 07)	1967 12 (16 10)	9338 65 (76 47)	86 85 (0 71)	12211 84
89-90	968 75 (8 54)	13 83 (0 12)	3245 58 (28 61)	6896 24 (60 81)	215 96 (1 90)	11340 36
90-91	994 82 (5 82)	11 69 (0 06)	4026 46 (23 58)	11726 46 (68 67)	315 15 (1 84)	17074 58
91-92	927 04 (4 84)	7 69 (0 04)	3628 54 (18 98)	14257 33 (74 58)	294 19 (1 53)	19114 79
92-93	2122 61 (7 98)	11 22 (0 04)	5349 42 (20 12)	18782 61 (70 66)	313 91 (1 18)	26579 77
93-94	1947 38 (7 22)	16 55 (0 06)	4763 01 (17 66)	19858 81 (73 65)	375 35 (1 39)	26961 1
94-95	4592 98 (13 22)	28 10 (0 08)	7589 54 (21 85)	21544 60 (62 05)	965 49 (2 78)	34720 71
95-96	2784 15 (6 31)	52 99 (0 12)	9235 30 (20 95)	29257 57 (66 39)	2735 09 (6 20)	44065 1

\* The figures in the bracket indicate percentage share

**Table B.20**  
**Imports of Manufactured Commodity-wise Data (S.I.T.C. Revision 2) at Current Price**  
 (Rs crores)

years	Section5	Section6	section7	section8	total	section9	Total
60-61	85 67 (12 78)	234 08 (34 92)	332 98 (49 68)	17 45 (2 60)	870 22	7 06	1121 62
61-62	89 76 (12 82)	220 95 (31 55)	367 52 (52 49)	21 92 (3 13)	700 15	6 83	1090 06
62-63	10 52 (1 45)	203 87 (28 21)	387 38 (53 60)	30 83 (4 26)	722 6	7 03	1131 53
63-64	95 86 (12 50)	200 41 (26 13)	436 99 (56 98)	33 54 (4 37)	766 8	6 69	1222 85
64-65	94 54 (11 62)	218 58 (26 86)	477 74 (58 72)	22 70 (2 79)	813 56	9 34	1349 04
65-66	104 98 (12 61)	216 33 (25 99)	492 14 (59 13)	18 72 (2 24)	832 17	16 63	1408 52
66-67	196 67 (18 84)	247 29 (23 69)	576 12 (55 20)	23 45 (2 24)	1043 53	51 61	2078 3
67-68	272 64 (25 76)	254 53 (24 05)	503 13 (47 55)	27 71 (2 61)	1058 01	68 21	2007 61
68-69	283 50 (26 43)	250 42 (23 34)	513 92 (47 91)	24 77 (2 30)	1072 61	89 43	1908 63
69-70	195 09 (23 05)	229 99 (27 18)	395 86 (46 78)	25 19 (2 97)	846 15	69 95	1582 1
70-71	192 14 (19 93)	344 69 (35 75)	394 69 (40 93)	32 55 (3 37)	964 07	23 05	1634 3
71-72	218 45 (18 79)	440 43 (37 89)	470 59 (40 48)	32 86 (2 82)	1162 33	11	1824 54
72-73	258 84 (20 26)	449 50 (35 19)	532 08 (41 66)	36 62 (2 86)	1277 04	11 24	1867 44
73-74	357 45 (22 48)	539 32 (33 91)	651 59 (40 97)	41 71 (2 62)	1590 07	8 11	2955 37
74-75	731 11 (32 55)	771 46 (34 35)	695 70 (30 98)	47 35 (2 10)	2245 62	4 99	4518 78
75-76	759 89 (32 06)	619 98 (26 15)	934 58 (39 43)	55 52 (2 34)	2369 97	9 21	5264 77
76-77	442 55 (19 79)	676 98 (30 28)	1047 56 (46 86)	68 15 (3 04)	2235 24	6 83	5073 79
77-78	647 95 (22 76)	972 64 (34 16)	1110 38 (39 00)	115 57 (4 06)	2846 54	7 34	6020 23
78-79	836 48 (22 47)	1477 24 (39 69)	1259 90 (33 85)	147 53 (3 96)	3721 15	26 24	6810 64
79-80	968 79 (21 47)	1971 41 (43 69)	1382 74 (30 65)	188 39 (4 17)	4511 33	30 24	9142 58
80-81	1324 59 (23 65)	2242 02 (40 04)	1820 75 (32 52)	211 50 (3 77)	5598 86	2 1	12549 14
81-82	1323 94 (21 52)	2597 75 (42 23)	1980 65 (32 20)	248 72 (4 04)	6151 06	3 65	13607 55
82-83	988 88 (14 81)	2821 81 (42 28)	2572 63 (38 54)	290 76 (4 35)	6674 08	4 71	14292 74
83-84	1406 48 (17 22)	3196 74 (39 14)	3173 54 (38 85)	389 89 (4 77)	8186 65	6 68	15831 46
84-85	2431 08 (27 64)	2970 04 (33 76)	3027 06 (34 41)	367 10 (4 17)	8795 3	8 67	17134 2
85-86	2872 85 (25 56)	3781 11 (33 64)	4083 95 (36 33)	500 58 (4 45)	11238 49	51 98	19657 69
86-87	2636 66 (18 90)	4356 91 (31 24)	6278 58 (45 02)	672 49 (4 82)	13944 64	87 61	20200 65
87-88	1899 48 (15 00)	4354 03 (34 39)	6148 73 (48 57)	257 05 (2 03)	12659 29	107	22244
88-89	3110 10 (19 57)	6212 09 (39 10)	6279 25 (39 52)	285 68 (1 79)	15887 12	126 99	28235
89-90	5064 51 (21 16)	8974 51 (37 50)	8737 27 (36 51)	1152 31 (4 81)	23928	147	35416
90-91	5588 77 (21 53)	8558 80 (32 98)	10413 20 (40 12)	1390 28 (5 35)	25951 05	167	43193
91-92	7620 97 (26 69)	9236 18 (32 35)	10364 42 (36 30)	1327 33 (4 64)	28548 9	187	47851
92-93	9048 44 (24 73)	12460 30 (34 05)	13079 53 (35 74)	1999 92 (5 46)	36588 19	207	63375
93-94	9489 38 (20 66)	15042 88 (32 76)	19233 59 (41 89)	2147 00 (4 67)	45912 85	227 001	73101
94-95	13374 31 (24 31)	15329 70 (27 87)	2359 14 (4 28)	2750 09 (4 99)	55003 24	247	89971
95-96	19096 18 (24 37)	21199 50 (27 05)	33777 03 (43 11)	4273 13 (5 45)	78345 84	267	122678

\* The figures in the bracket indicate percentage share

### **3.4.7 Imports of Primary Product Group (Section 0 to Section 4) at Constant Price (Base: 1978-79=100)**

In the above table No.II.21, presents the trends and compositional changes reflecting the structural shifts within the imports of Primary Products in real terms for the period 1995-96.

#### **3.4.7.1 The Period 1960-61 to 1969-70**

In the decade of 60's the import of Primary products in real terms at aggregate level initially rose from Rs1736.47crores in 1960-61 to Rs2957.76crores in 1966-67 but declined to Rs2123.54crores in 1969-70. The share in the overall imports increased from 37.75% to 49.49% during the decade.

The import of Food Items (Section 0) was significantly represented within the Primary basket. In real terms the expenditure of the same aggravated from Rs849.46crores in 1960-61 to Rs2246.24crores in 1966-67, but steadily declined to Rs957.78crores in 1969-70. Infact the import growth rate was positive only from 1962-63 to 1966-67. Similarly the share of the food items in the overall import of primary products increased from 48.92% in 1960-61 to 75.94% in 1966-67, but sharply declined to 45% by the end of the decade. Moreover the import of Mineral Fuels and Lubricants (Section 3) increased from Rs344crores in 1960-61 to Rs781crores in 1969-70, albeit with some fluctuations since the import growth rate was negative in 1964-65 and 1966-67. Similarly its share fluctuated within 19% to 36.78% during the decade. The expenditure on the Crude materials (Section 2) reflected a steady declining trend since baring 1966-67 the import growth rate has been negative. In real terms it declined from Rs.527crores (with a share of 30.36%) in 1960-61 to 324 crores (with a share of 15%) in 1969-70. Whereas the import of Animal and vegetable oils (Section 4) increased from Rs.12 crores in 1960-61 to Rs58crores in 1969-70 and the share was less than 1% during the decade. Incase of Beverages and tobacco (Section 1) in real terms the value fluctuated within Rs.2 crores to 3crores during the decade and the share less than 3% in the overall primary imports during the decade. Incase of the imports of Beverages and tobacco, and Animal and Vegetable oils widely fluctuated during the decade.

### **3.4.7.2 The Period 1970-71 to 1979-80**

The import of primary products at aggregate level increased phenomenally from Rs.646.92 crores in 1970-71 to Rs.4601.03 crores 1979-80 in real terms and the share in the overall imports increased from 39.58% to 50.32% during the decade.

During the decade there was notable structural shift within the primary basket, as reflected by the more than two folds rise in import expenditure on Mineral Fuels and Lubricants (Section 3), from Rs.740.72 crores in 1970-71 to Rs.1990.56 crores in 1979-80. Moreover the imports growth rate baring 1970-71 and 1974-75 registered positive growth rate. Its share in the overall basket albeit fluctuations increased from 36.63% to 66.68% over the decade. Whereas the expenditure on the import of Food items aggravated from Rs.829 crores in 1970-71 to Rs.1553.49 crores in 1975-76, but since then it apparently declined to Rs.221.91 crores. The import growth rate of food items was positive only from 1973-74 to 1975-76. Similarly its share in the overall import of primary products increased from 41% in 1970-71 to 53.96% in 1975-76, but further steadily declined to 7.45% in 1979-80. Whereas the import of Crude materials (Section 2) reflected a fluctuating growth rate, in real terms it ranged within Rs.203.81 crores in 1974-75 to Rs.604.73 crores in 1977-78 over the decade. Similarly its share also fluctuated within 7.43% in 1976-77 to 19.25% in 1971-72. Even the import of Animal and vegetable oils registered a wide fluctuation, from Rs.17.56 crores (with a share of 0.61%) in 1975-76 with to Rs.732 crores (with a share of 24.61%) in 1977-78. In case of the import of Beverages and Tobacco (Section 1) remained stagnant with a value in real terms less than Rs.2 crores and a share with less than 1% in the overall primary imports, during the decade. As in the previous decade the import growth rate of commodities under Section 1 and Section 4 reflected uncertain import growth rates.

### **3.4.7.3 The Period 1980-81 to 1989-90**

In the decade of 80's the import of primary products registered a steady rise from Rs.3830.49 crores to Rs.4704.62 crores but the share declined from 39.51% to 29.23% over the period. Within the composition of primary basket it was the import of Mineral Fuels and lubricants (Section 3) represented a sizeable value and share among other

products. The value of imports of the same in real terms declined from Rs.2209.86 crores in 1980-81 to Rs.1771.26 crores in 1985-86, further the expenditure moved upwards to Rs.2834 crores in 1989-90. This was reflected in the wide fluctuation of the import growth rates. Moreover the share of Section 3 in the import bill of primary products fluctuated within 43.79% in 1983-84 to 60.24% in 1989-90. There was phenomenal increase in the import of Animal, vegetable oils and Fats from Rs.872.68 crores in 1980-81 with albeit a fluctuation to Rs.1027.33 crores in 1987-88, but sharply declined to Rs.187.79 crores by 1989-90. Even the growth rates reflected the above fluctuations in imports. Similarly its share also fluctuated from 22.78% in 1980-81 to 3.99% in 1989-90. In case of the import of Crude materials (Section 3) the expenditure subsequently increased from Rs.416.18 crores in 1980-81 to Rs.1080.91 crores in 1989-90 but the growth rate of imports widely fluctuated. The share of Crude Materials in the overall primary basket steadily increased from 10% to 22% over the same period. The import food items (Section 0) continue to be significant despite a falling import growth rates towards the end of the previous decade. In 80's the import in real terms steadily grew from Rs.331 crores to Rs.1167.58 crores in 1988-89 but eventually declined to Rs.598.5 crores in 1989-90. The share of Food items in the overall import of primary products widely fluctuated within 8.64% to 24% during the decade. As usual even in this decade the import of Beverages and tobacco (Section 1) continue to be insignificant, as it was never above Rs.2 crores and the share not exceeding 1%.

#### **3.4.7.4 The Period 1990-91 to 1995-96**

In the 90's the value of imports of commodities classified under primary products in real terms increased from Rs5385.99crores to Rs8392.08crores in real terms but the share of the same declined from 32.14% over the period.

In the decade of nineties within the primary basket, the import of Mineral Fuels and Lubricants (Section 3) represented a major share and value compared to other commodities. The value of the same increased from Rs.3070 crores to Rs.5684.92 crores in real terms and the import growth rate was positive during the period, whereas the share of Section 3 in the primary basket decreased from 72% to 67.74%. Another product to be heavily dependent upon is the crude material, the import bill of the same increased from

Rs.1317.9 crores to Rs.1583.8 crores in real terms albeit some fluctuations in the growth rates but its share has steadily declined from 24.47% to 18.87% in the overall composition of primary basket.

Whereas the import growth rate of Food items fluctuated widely, in value terms it rose from Rs.306.61 crores in 1991-92 Rs.1000.76 crores in 1994-95. Similarly the share of the same in the overall basket fluctuated from 6.30% to 13% during the period. In case of the import of Animal and vegetable oils and fats (Section 4) the imports fell from Rs.267.212 crores in 1990-91 to Rs.88.37 crores in 1992-93, turned upward to Rs.607.56 crores in 1995-96. The share of Section 4 increased from 1.81% to 7.24% during the period. The import of Beverages and tobacco (Section 1) was valued around Rs.5.6 crores and its share continues to be approximately 1%.

### **3.4.8 Import of Manufacturers Group (Section 5 to Section 8) at Constant Price (Base: 1978-79=100)**

In the above table No.II.22 reflects the structural changes of the commodities imported and classified under Manufactured basket is analysed in real terms at disaggregate level for the period 1960-61 to 1995-96.

#### **3.4.8.1 The Period 1960-61 to 1969-70**

In the decade of 60's, the import of commodities classified under the manufactured group aggregately declined to from Rs.2834.41 crores in 1960-61 to Rs.1977.16 crores in 1969-70 in real terms and the share simultaneously declined sharply from 61.61% to 46% over the period.

Within the import basket, the expenditure incurred on Machinery and Transport equipment (Section 7) represented heavy dependence among other products. The value of the same declined from Rs.1674.78 crores (with the share of 59%) in 1960-61 to Rs.979.82 crores (with a share of 49.55%) in real terms in 1969-70. However the import growth rate registered wide fluctuation during the decade. Another commodity of significance was Basic Manufactures (Section 6), in real terms the import of the same

steadily declined from Rs.915.44 crores to Rs.477.59 crores as well as the import growth rate negative through out the period barring 1964-65. Even the share of the same deteriorated from 34% to 29% over the decade. Whereas the import of chemicals in real terms steadily increased from Rs.172 crores (with a share of 6%) in 1960-61 to Rs.648.35 crores (with a share of 23.97%) in 1968-69, but sharply declined Rs.395.48 crores (with a share of 20%) in the penultimate year of the decade. The import growth rate of the same fluctuated widely during the decade.

The least import burden was on Miscellaneous Manufacture Articles (Section 8). the value of the same in real terms fluctuated widely within Rs.60 crores to Rs.245 crores and the share in the overall expenditure fluctuated within 2% to 8% over the period.

### **3.4.8.2 The Period 1970-71 to 1979-80**

In the 70's the import of commodities classified under the Manufactured group increased from Rs.2276.29 crores to Rs.3764.93 crores whereas the share fluctuated within 44.18% to 56% over the decade.

In this decade the significance of the import of Machinery and Transport Equipment (Section 7) was clearly notable, but the import growth rate fluctuated widely, in value terms it rose from Rs.1133.91 crores to Rs.1483.78 crores and the share declined from 48.57% in 1970-71 to 30.86% in 1979-80. The import of Basic Manufactures (Section 6) was sluggish in the previous decade this was reflected from the negative growth rate from 1972-73 to 1975-76. In value terms also albeit fluctuations import of the same increased from Rs.655 crores in 1970-71 to Rs.1621.56 crores in 1979-80 and the share in the import basket increased from 24% to 39% over the same period. Whereas the import of Chemicals (Section 5) registered a phenomenal rise from Rs.402 crores to Rs.829.95 crores, but the growth rate widely fluctuated and the share was more or less steady around 20% during the decade. In case of the import of Miscellaneous Manufactured Articles (Section 8) increased from Rs.113 crores to Rs.151.55 crores but the growth rate reflected indeterminist trend and the share was stagnant around 3% to 4% during the decade.

### **3.4.8.3 The Period 1980-81 to 1989-90**

In the decade of 80's the import of commodities grouped as Manufactured goods phenomenally increased from Rs.5861.36 crores in 1980-81 to Rs.10810.02 crores in 1989-90 and the share also increased from 60.46% to 67.54% over the period

As noticed in the previous decade the dependence on the import of the machinery and Transport equipment (Section 7) continue to be most significant in the import basket. In real terms the import of the same increased from Rs.2242.62 crores (with a share of 38.26%) in 1980-81 to Rs.6123.11 crores (with a share of 56.33%) in 1989-90. Whereas the expenditure on the import of Basic Manufactures (Section 6) aggravated from Rs.2481.76 crores to Rs.3294.24 crores, but the imports growth rate reflected in deterministic trend.

Moreover the share in overall import decreased from 42% to 30% over the decade. In case of the Chemicals (Section 5), the imports in real terms increased from Rs.920 crores in 1980-81 to Rs.1890 crores in 1986-87, but declined to Rs.987 crores in 1989-90 and the growth rate also widely fluctuated. Similarly its share in the basket rose from 15.69% in 1980-81 to 21.43% in 1986-87, but eventually to 9% in 1989-90. The least expenses continue to be on the import of Miscellaneous Manufacture (Section 8), which increased from Rs.216.86 crores to Rs.464.71 crores and the import growth rate was uncertain during the decade. Its share in the overall import of Manufactures, was steady at 3% to 4% during the decade.

### **3.4.8.4 The Period 1990-91 to 1995-96**

In the 90's the import of Manufactured goods at the aggregate level consolidated from Rs.10810.02 crores in 1990-91 to Rs.26213.83 crores in 1995-96 and also represented a rise in the share from 64.50% to 74.55% over the period.

Since 60's, the imports of Machinery and Transport equipment (Section 7) in terms of value and share continue to be significant compared to other products within the basket. In real terms the import of the same phenomenally increased from Rs.5556 crores



(with a share of 51%) in 1990-91 to Rs.17575 crores (with a share of 67%) in 1995-96. Whereas incase of the Basic Manufactures (Section 6) the imports in real terms increased from Rs.2762.43 crores in 1990-91 to Rs.3353 crores in 1995-96. But its share steadily declined from 30% to 12% during the same period. The import of Chemicals (Section 5) in real terms also steadily increased from Rs.2007 crores to Rs.3262 crores. but its share declined from 18.57% to 12.44% during the same period. Incase of the import of Miscellaneous Manufacture (Section 8) in real terms it also increased from Rs.483.89 crores in 1990-91 to Rs.2022.63 crores in 1995-96, but its share increased from 3% to 7% over the same period. The imports growth rate of the commodities classified under the Section 6 to Section 8 exhibited indeterminist trend but incase of Section 5 the import growth rate was positive during 1990-91 to 1995-96.

**Table # 21**  
**Imports of Primary Commodity-wise Data (S.I.T.C. Revision 2) at Constant Price**  
**(Base: 1978-79 = 100)**

(Rs crores)

years	section 0	section1	section2	section3	section4	Total
60-61	849 46 (48 92)	3 01 (0 17)	527 16 (30 38)	344 80 (19 86)	12 04 (0 69)	1736 47
61-62	845 21 (41 25)	5 66 (0 36)	425 66 (27 21)	464 74 (29 71)	23 03 (1 47)	1584 3
62-63	792 31 (45 92)	5 44 (0 32)	420 69 (24 38)	490 05 (28 40)	16 79 (0 97)	1725 28
63-64	849 48 (45 25)	3 16 (0 17)	393 46 (20 96)	617 24 (32 88)	13 97 (0 74)	1877 31
64-65	1135 37 (58 98)	2 42 (0 13)	351 44 (18 26)	421 05 (21 87)	14 85 (0 77)	1925 13
65-66	1658 13 (68 02)	2 28 (0 09)	306 37 (12 57)	435 56 (17 87)	35 23 (1 45)	2437 57
66-67	2246 24 (75 94)	1 39 (0 05)	368 72 (12 47)	315 79 (10 68)	25 62 (0 87)	2957 76
67-68	1690 80 (68 24)	3 16 (0 13)	358 84 (14 48)	359 31 (14 50)	65 61 (2 65)	2477 72
68-69	1166 04 (61 11)	2 42 (0 13)	334 10 (17 51)	366 56 (19 21)	39 04 (2 05)	1908 16
69-70	957 78 (45 10)	2 47 (0 12)	324 04 (15 26)	781 04 (36 78)	58 21 (2 74)	2123 54
70-71	829 00 (41 00)	0 68 (0 03)	370 66 (18 33)	740 72 (36 63)	80 97 (4 00)	2022 03
71-72	619 06 (27 66)	0 63 (0 03)	430 97 (19 25)	1114 71 (49 80)	73 07 (3 26)	2238 44
72-73	397 12 (17 81)	0 60 (0 03)	357 45 (16 03)	1433 88 (64 32)	40 20 (1 80)	2229 25
73-74	911 05 (31 97)	0 65 (0 02)	277 28 (9 73)	1565 79 (54 94)	95 33 (3 34)	2850 1
74-75	1179 72 (47 60)	1 23 (0 05)	203 81 (8 22)	1067 14 (43 06)	26 56 (1 07)	2478 46
75-76	1553 49 (53 96)	1 31 (0 05)	213 81 (7 43)	1092 78 (37 96)	17 56 (0 61)	2878 95
76-77	1074 59 (38 69)	0 85 (0 03)	307 33 (11 06)	1290 83 (46 47)	103 94 (3 74)	2777 54
77-78	268 64 (9 03)	1 36 (0 05)	604 73 (20 33)	1367 75 (45 98)	732 11 (24 61)	2974 59
78-79	245 29 (8 01)	0 68 (0 02)	578 03 (18 87)	1686 92 (55 07)	552 33 (18 03)	3063 25
79-80	221 91 (7 45)	0 53 (0 02)	410 92 (13 80)	1990 56 (66 86)	353 32 (11 87)	2977 24
80-81	331 14 (8 64)	0 63 (0 02)	416 18 (10 86)	2209 86 (57 69)	872 68 (22 78)	3830 49
81-82	598 50 (15 42)	0 86 (0 02)	653 17 (16 83)	1872 48 (48 24)	756 69 (19 49)	3881 7
82-83	566 61 (14 92)	0 72 (0 02)	514 44 (13 55)	2108 65 (55 52)	607 56 (16 00)	3797 98
83-84	1052 29 (24 18)	2 40 (0 06)	618 49 (14 21)	1906 21 (43 79)	773 26 (17 77)	4352 65
84-85	613 22 (16 23)	0 80 (0 02)	601 15 (15 91)	1923 08 (50 89)	640 70 (16 95)	3778 95
85-86	610 77 (16 09)	2 01 (0 05)	843 92 (22 23)	1771 26 (46 65)	568 69 (14 98)	3796 65
86-87	564 16 (13 64)	1 59 (0 04)	913 28 (22 09)	1838 74 (44 47)	817 44 (19 77)	4135 21
87-88	654 92 (13 72)	1 84 (0 04)	965 31 (20 22)	2125 51 (44 51)	1027 33 (21 52)	4774 91
88-89	1167 58 (21 59)	2 32 (0 04)	1161 64 (21 48)	2496 64 (46 16)	579 94 (10 72)	5408 12
89-90	598 50 (12 72)	3 40 (0 07)	1080 91 (22 98)	2834 02 (60 24)	187 79 (3 99)	4704 62
90-91	728 51 (13 53)	2 18 (0 04)	1317 90 (24 47)	3070 19 (57 00)	267 21 (4 96)	5385 99
91-92	306 61 (6 30)	1 28 (0 03)	901 62 (18 52)	3508 79 (72 09)	149 12 (3 06)	4867 42
92-93	799 64 (13 17)	1 27 (0 02)	930 62 (15 33)	4251 03 (70 02)	88 37 (1 46)	6070 93
93-94	554 35 (8 66)	1 65 (0 03)	1173 40 (18 33)	4554 68 (71 17)	115 98 (1 81)	6400 06
94-95	1000 78 (13 18)	3 17 (0 04)	1560 68 (20 55)	4790 85 (63 10)	237 50 (3 13)	7592 98
95-96	510 20 (6 08)	5 60 (0 07)	1583 80 (18 87)	5684 92 (67 74)	607 56 (7 24)	8392 08

\* The figures in the bracket indicate percentage share

**Table II 22**  
**Imports of Manufactured Commodity-wise Data (S.I.T.C. Revision 2) at Constant Price**  
**(Base: 1978-79 = 100)**

(Rs crores)							
cars	Section5	Section6	section7	section8	Total	section9	Total
60-61	172 14 (6 07)	915 44 (32 29)	1674 78 (59 08)	72 05 (2 54)	2834 41	30,384	4599 9
61-62	197 07 (7 01)	855 46 (30 48)	1674 78 (59 64)	80 55 (2 86)	2807 86	31 1	4399 76
62-63	289 75 (9 99)	817 94 (28 22)	1687 25 (58 21)	103 16 (3 55)	2898 1	32 27	4652 31
63-64	292 09 (10 06)	802 87 (27 65)	1662 31 (57 26)	145 55 (5 01)	2902 82	28 01	4806 47
64-65	289 75 (8 80)	908 05 (27 58)	2012 31 (61 13)	81 25 (2 46)	3291 36	36 04	5252 91
65-66	307 57 (10 12)	840 40 (27 67)	1824 83 (60 09)	63 58 (2 09)	3036 38	68 1	5539 9
66-67	426 27 (17 29)	615 27 (24 96)	1362 32 (55 27)	60 76 (2 46)	2464 62	141 6	5560 5
67-68	581 85 (19 84)	592 81 (20 21)	1512 25 (51 57)	245 18 (8 36)	2932 09	201 28	5600 12
68-69	648 35 (23 97)	555 29 (20 53)	1399 87 (51 75)	101 04 (3 73)	2704 55	238 67	4841 61
69-70	395 48 (20 00)	477 59 (24 15)	979 82 (49 55)	124 27 (6 28)	1977 16	201 03	4290 44
70-71	402 01 (17 66)	655 30 (28 78)	1105 81 (48 57)	113 17 (4 97)	2276 29	62 17	4340.06
71-72	486 24 (16 48)	977 34 (33 13)	1371 77 (46 50)	114 17 (3 87)	2949 52	31 84	5219 47
72-73	583 52 (20 28)	910 71 (31 65)	1273 88 (44 27)	109 12 (3 79)	2877 23	31 28	5137 45
73-74	590 05 (19 26)	866 25 (28 28)	1483 78 (48 45)	122 25 (3 99)	3062 33	16 44	5928 74
74-75	603 01 (22 23)	860 78 (31 74)	1147 89 (42 33)	100 02 (3 68)	2711 7	5 67	5195 95
75-76	479.80 (20 98)	583 06 (25 49)	1133 91 (49 58)	89 91 (3 93)	2286 68	9 27	5174 72
76-77	460 31 (19 42)	671 84 (28 34)	1147 89 (48 43)	89 91 (3 79)	2369 95	7 05	5154 47
77-78	674 37 (20 82)	960 64 (29 66)	1469 79 (45 38)	133 38 (4 11)	3238 18	7 74	6220 38
78-79	836 48 (22 47)	1477 24 (39 69)	1259 90 (33 85)	147 53 (3 96)	3721 15	26 5	6810 64
79-80	829 95 (22 04)	1621 56 (43 07)	1161 87 (30 86)	151 55 (4 02)	3764 93	22 55	6764 59
80-81	920 12 (15 69)	2481 76 (42 34)	2242 62 (38 26)	216 86 (3 69)	5861 36	1 63	9693 51
81-82	920 12 (14 28)	2555 62 (39 66)	2507 20 (38 91)	460 29 (7 14)	6443 23	2 79	10327 73
82-83	736 10 (10 70)	2718 12 (39 52)	3137 15 (45 62)	284 73 (4 14)	6876 1	3 54	10677 63
83-84	1062 32 (12 75)	2688 57 (32 27)	4296 25 (51 57)	283 25 (3 40)	8330 39	5.45	12688 44
84-85	1447.11 (21 04)	2319 26 (33 72)	2859 97 (41 58)	250 80 (3 64)	6877 14	5 43	10661 51
85-86	1831 89 (21 43)	2880 61 (33 70)	3502 52 (40 98)	331 04 (3 87)	8546 06	33 25	12376 57
86-87	1890 44 (18 33)	3678 32 (35 67)	4346.65 (42 15)	395 38 (3 83)	10310 79	63 61	14508 97
87-88	1422 01 (15 44)	3057 88 (33 21)	4397 05 (47 75)	330 46 (3 58)	9207 4	68 46	14446 71
88-89	1681 32 (17 04)	3294 24 (33 39)	4485 24 (45 47)	402 75 (4 08)	9863 55	70 04	15849 52
89-90	987 04 (9 08)	3294 24 (30 30)	6123 11 (56 33)	464 71 (4 27)	10869 1	66 31	16090 8
90-91	2007 55 (18 57)	2762 43 (25 55)	5556 15 (51 39)	483 89 (4 47)	10810 02	63 77	16757 66
91-92	2241 76 (21 01)	2747 66 (25 76)	5354 57 (50 20)	321 61 (3 01)	10665 6	61 44	15977 25
92-93	2442 52 (18 98)	2540 85 (19 75)	7206 62 (56 02)	672 73 (5 23)	12862 72	62 46	19081 62
93-94	2802.20 (17 67)	3471 51 (21 89)	9008 28 (56 82)	570 94 (3 60)	15852 93	69 82	22435 5
94-95	3262 27 (11 49)	3220 38 (11 34)	20725 35 (73 03)	1169 91 (4 12)	28377 91	99 88	36491 26
95-96	3262 27 (12 44)	3353 33 (12 79)	17575 60 (67 04)	2022 63 (7 71)	26213 83	76 7	35158 54

\* The figures in the bracket indicate percentage share

## DIAGRAMATIC REPRESENTATION OF TRENDS OF EXPORTS AND IMPORTS

Diagram 2.1

### Exports and Imports at Current price (section 0)

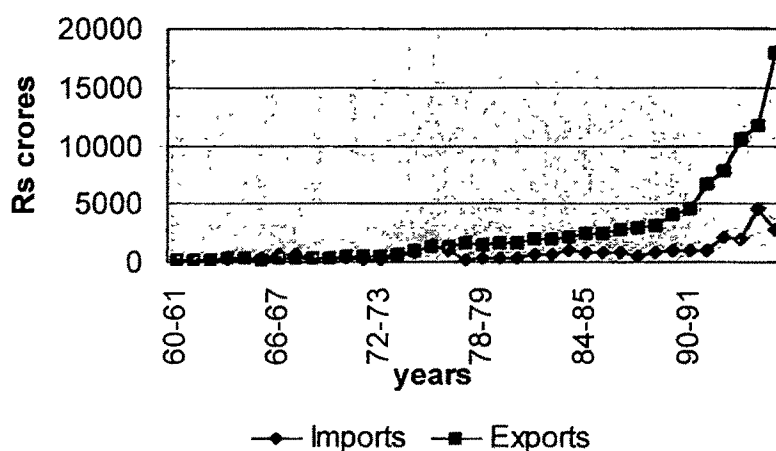


Diagram 2.2

### Exports and Imports at Current price (section 1)

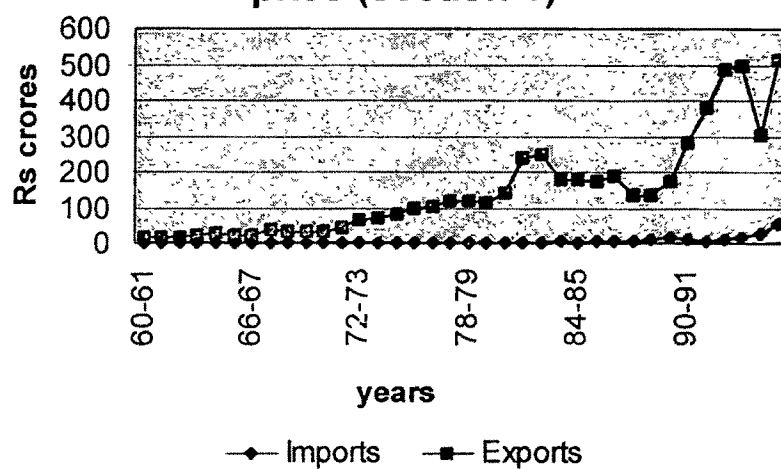


Diagram 2.3

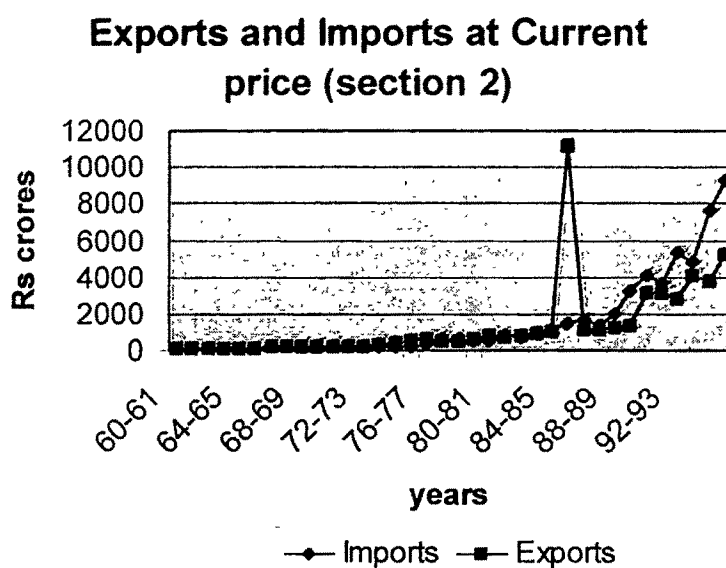


Diagram 2.4

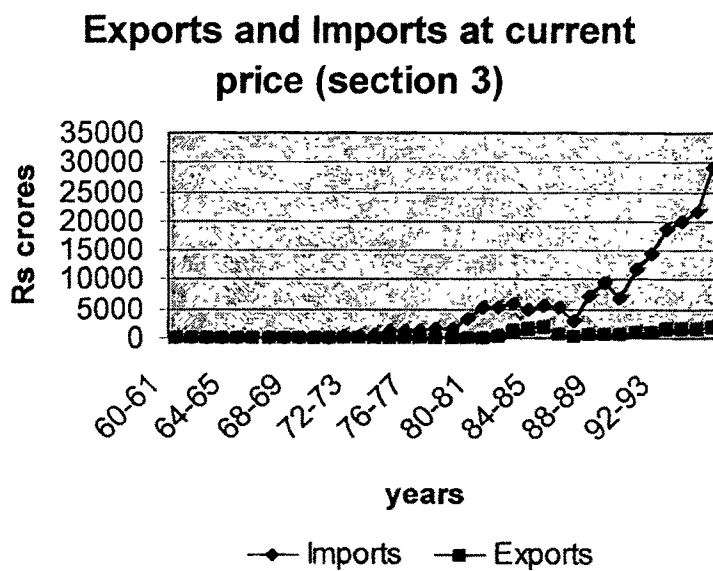


Diagram 2.5

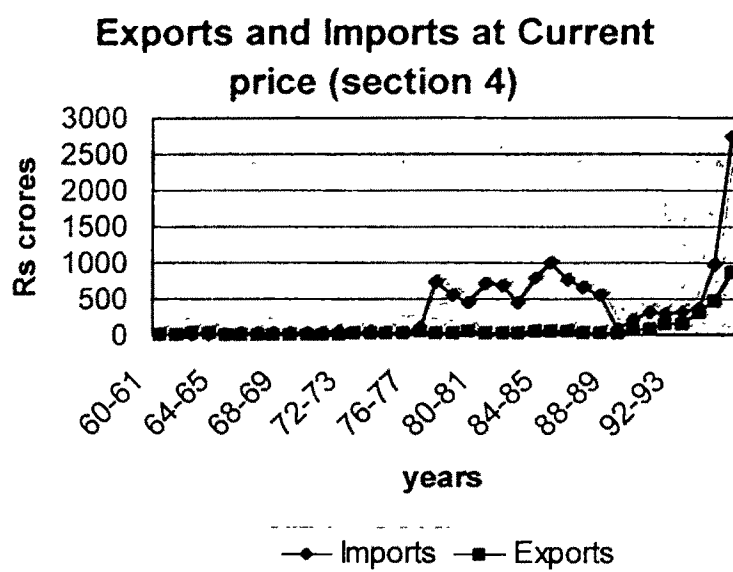


Diagram 2.6

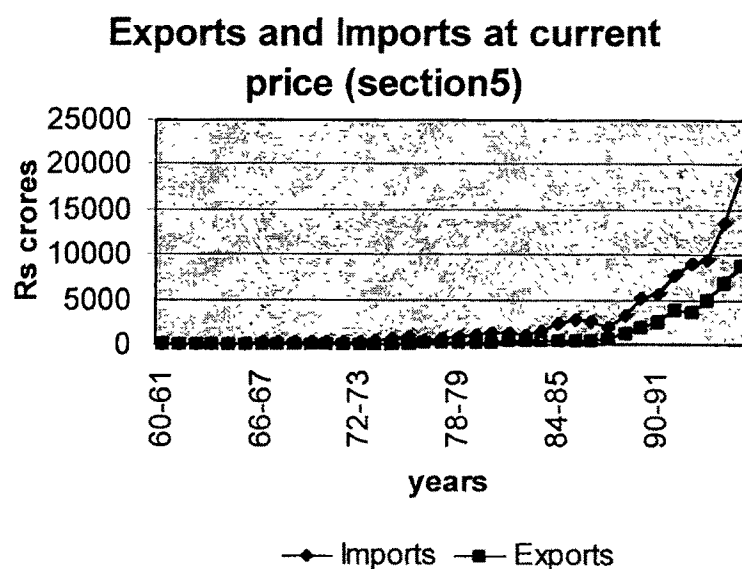


Diagram2.7

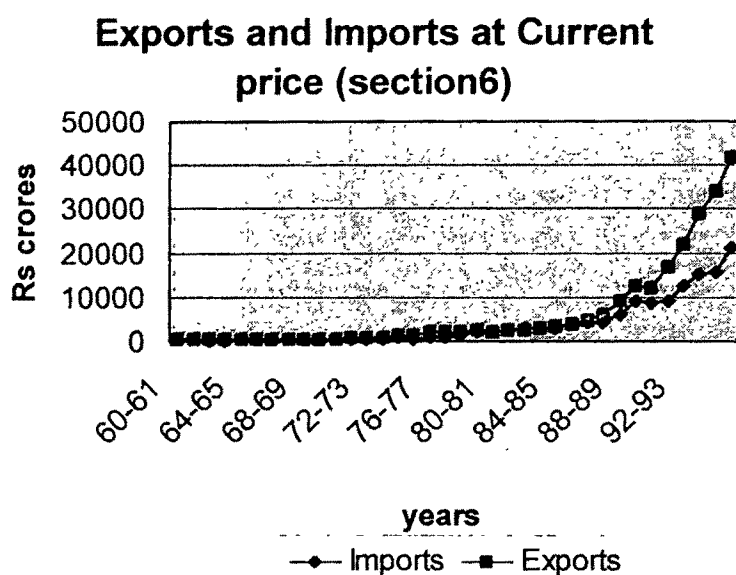


Diagram 2.8

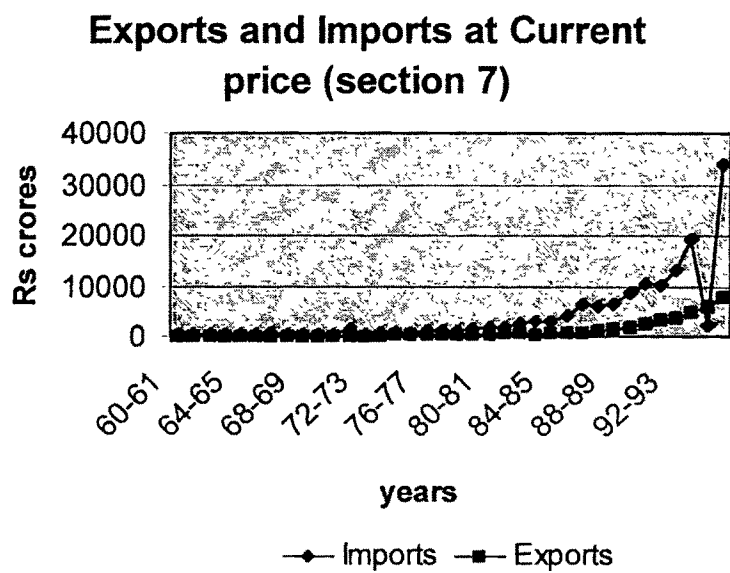


Diagram 2.9

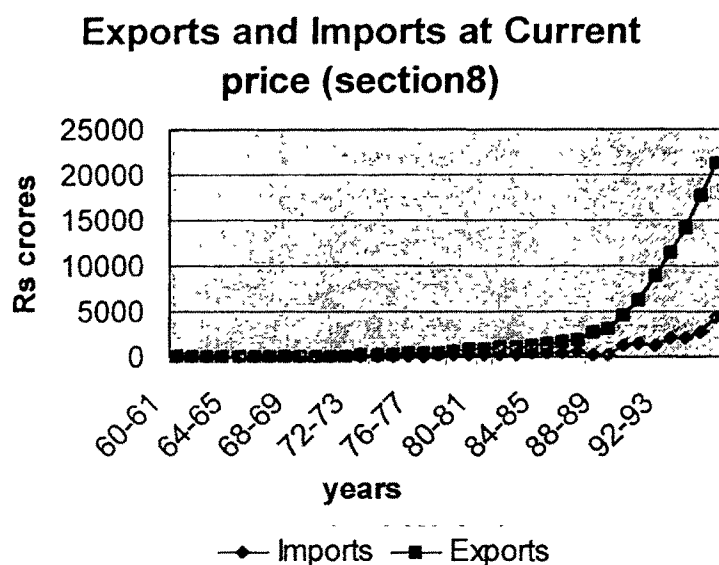


Diagram 2.10

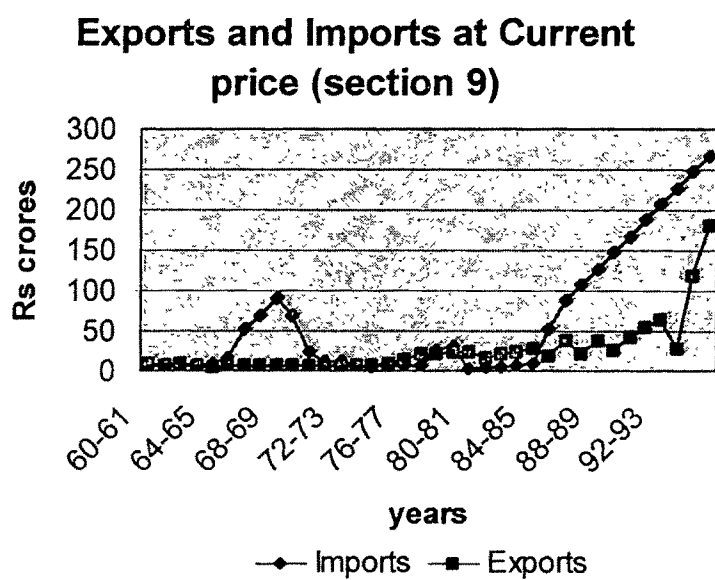




Diagram 2.11

## Exports and Imports at Current price (Total)

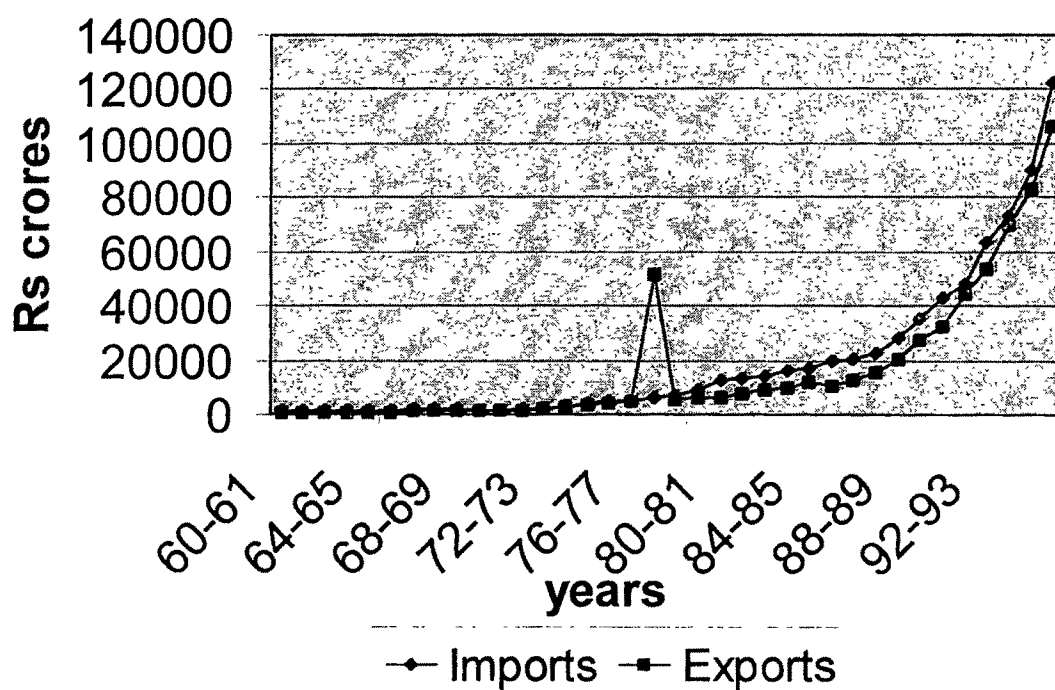


Diagram 2.12

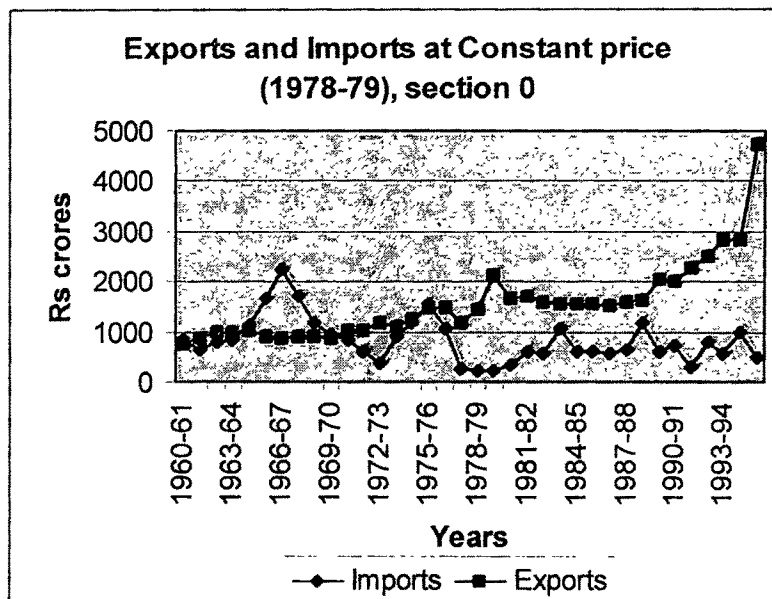


Diagram 2.13

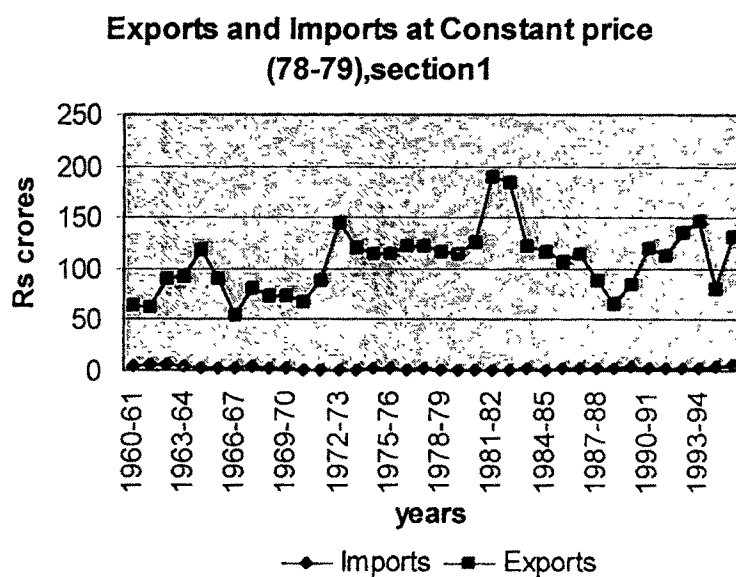


Diagram 2.14

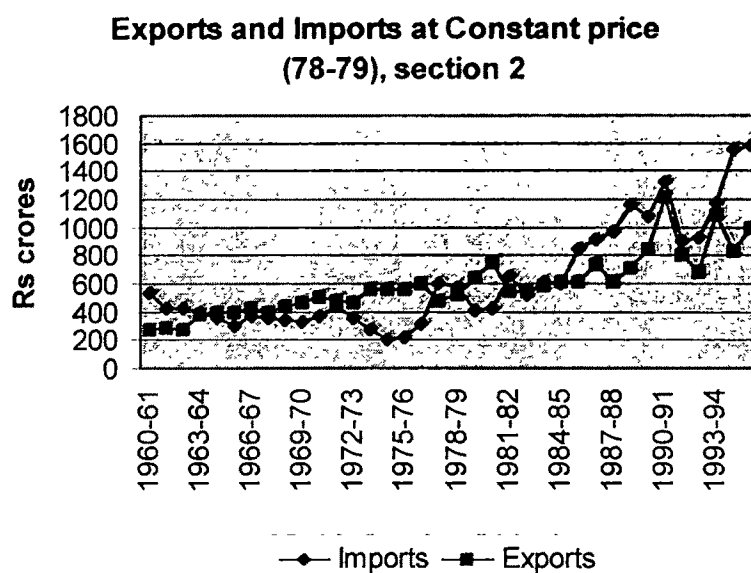


Diagram 2.15

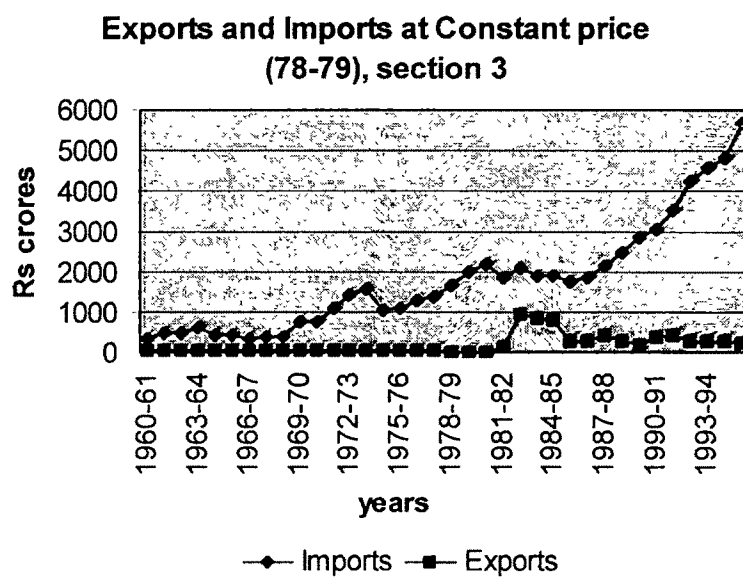


Diagram 2.16

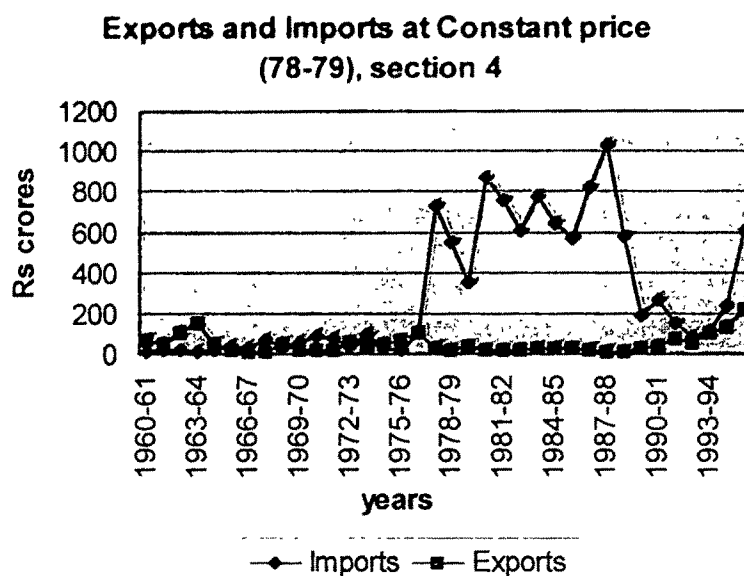


Diagram 2.17

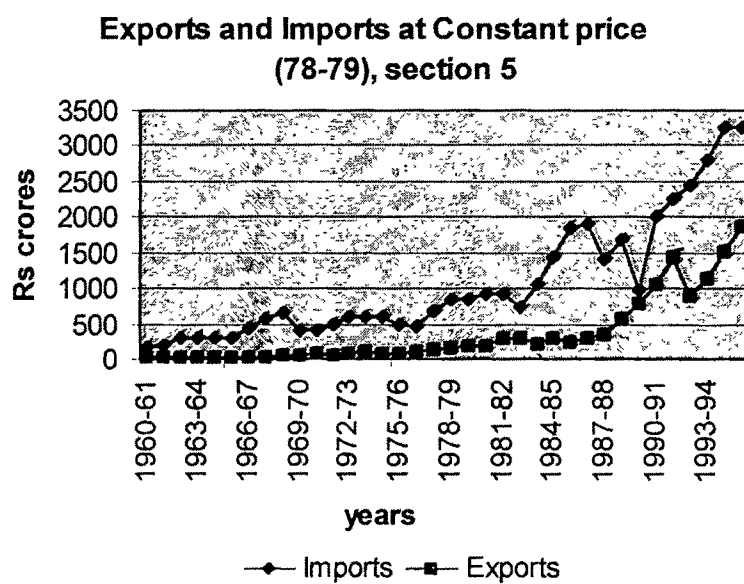


Diagram 2.18

Diagram 2.18

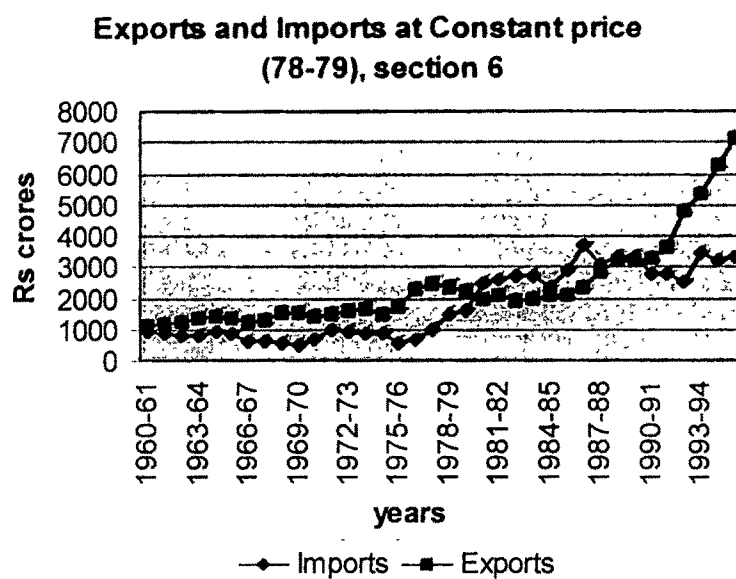


Diagram 2.19

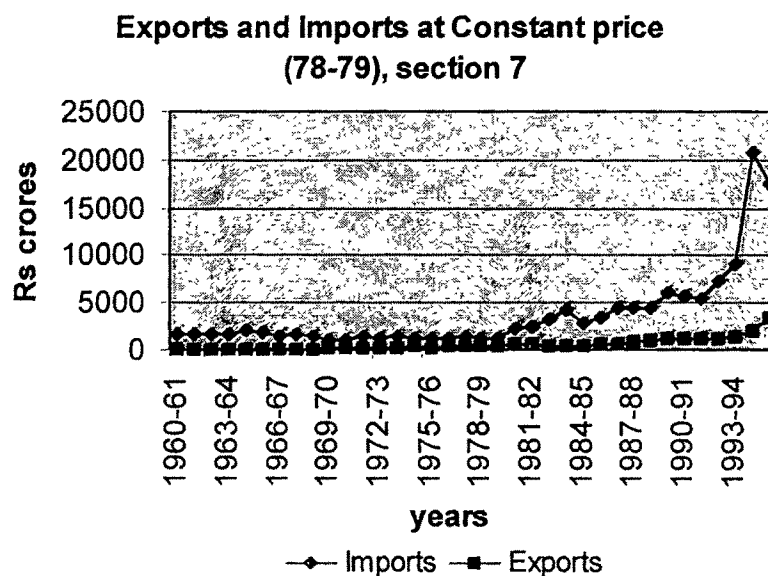


Diagram 2.20

**Exports and Imports at Constant price  
(78-79), section 8**

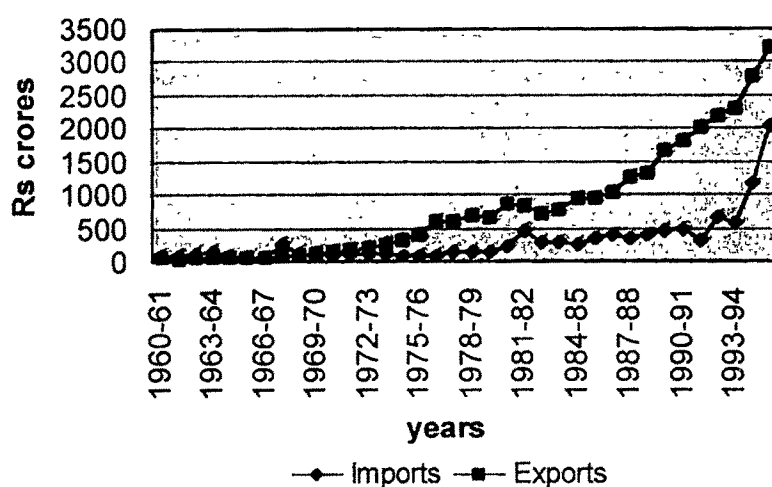


Diagram 2.21

**Exports and Imports at Constant price  
(78-79), Section 9**

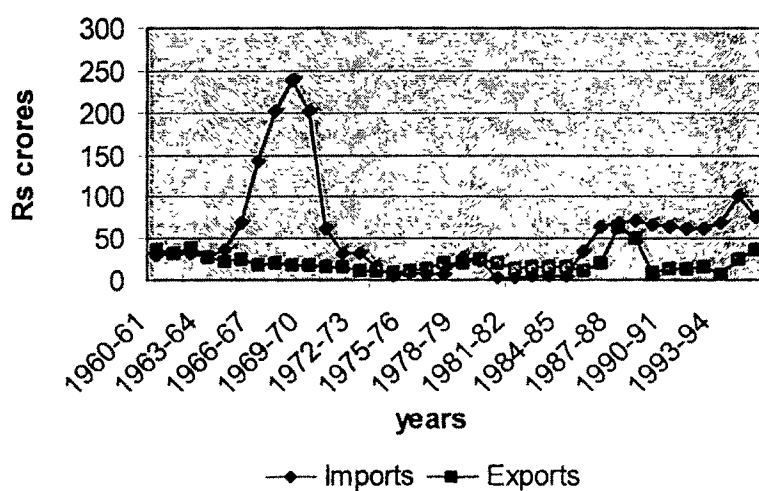
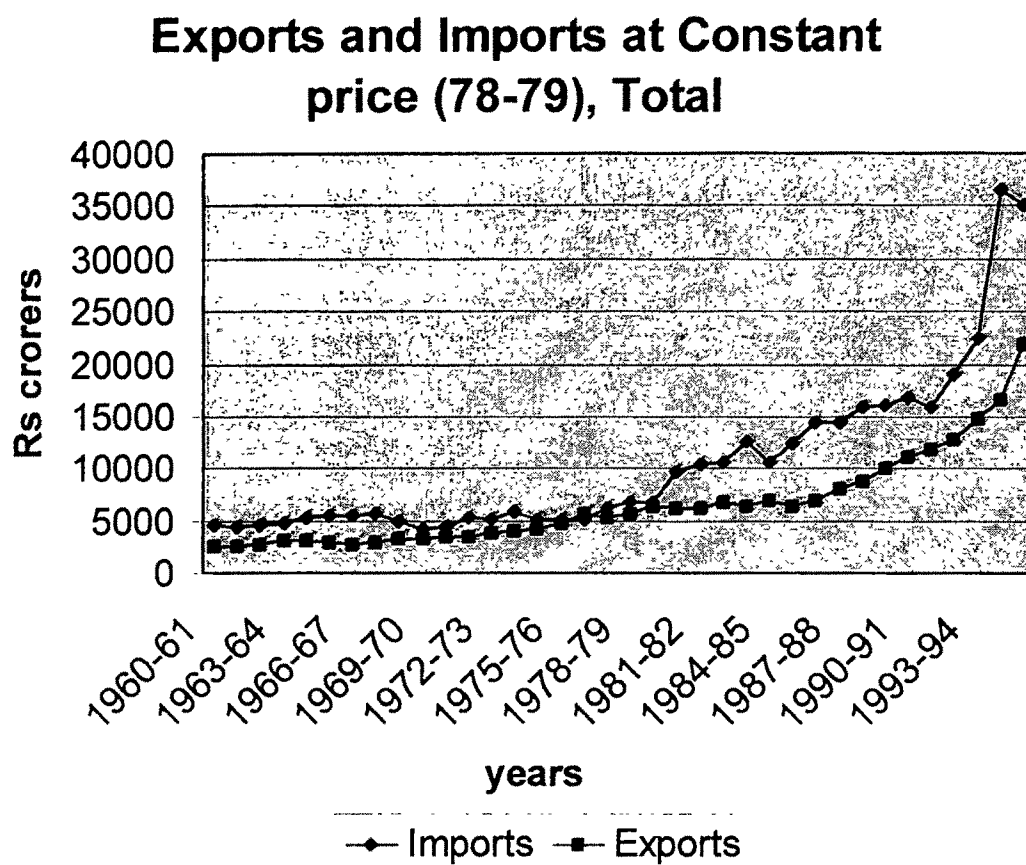


Diagram 2.22



**THE DIAGRAMATIC REPRESENTATION OF THE TREND  
OF THE SHARE OF EACH SECTION (0 TO 8)  
IN THE TOTAL (EXPORTS/IMPORTS)**

Diagram 2.23

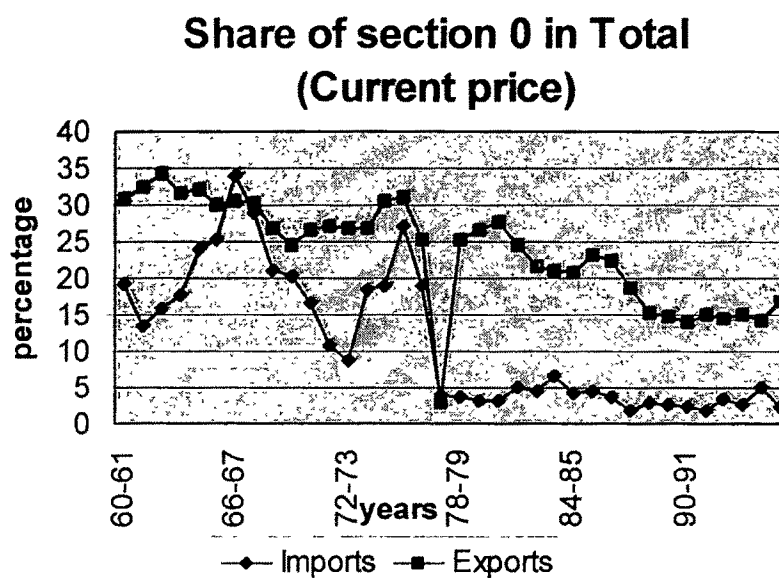


Diagram 2.24

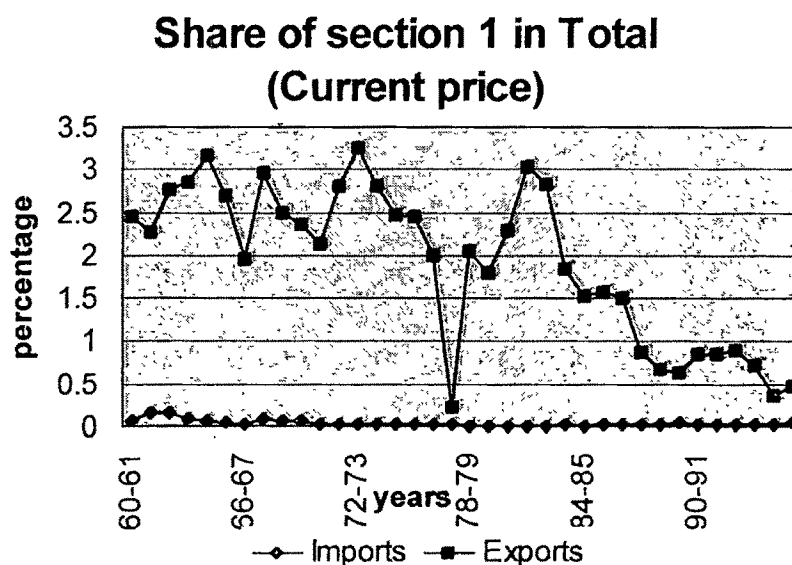




Diagram 2.25

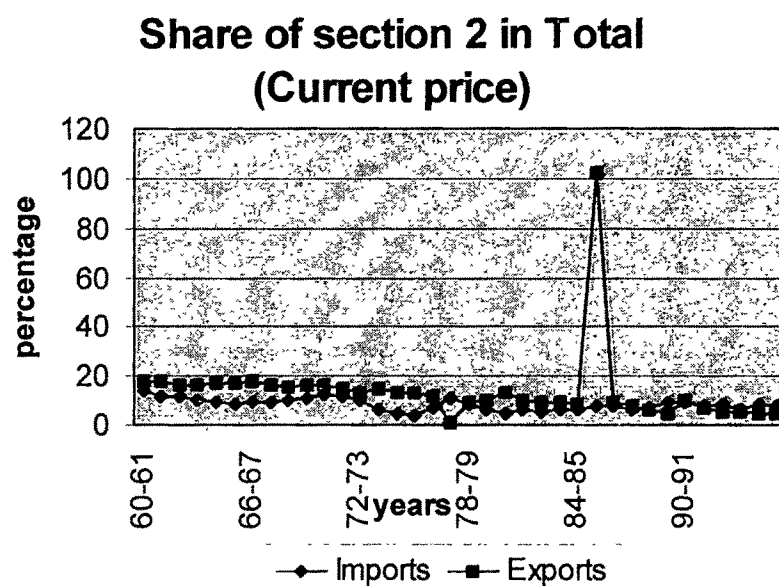


Diagram 2.25

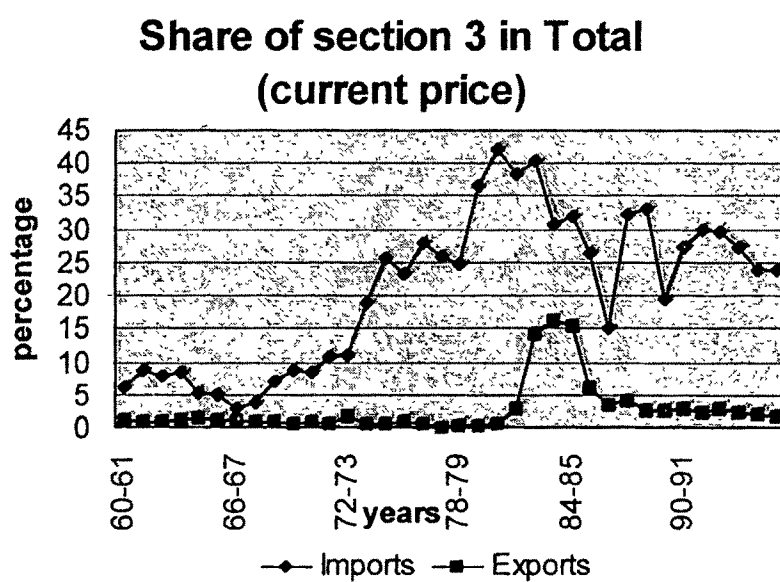


Diagram 2.26

### Share of section 4 in Total (Current price )

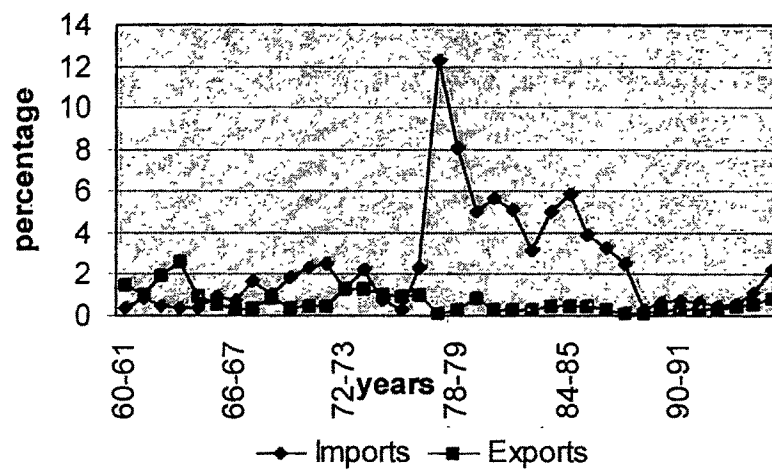


Diagram 2.27

### Share of section 5 in Total (Current price )

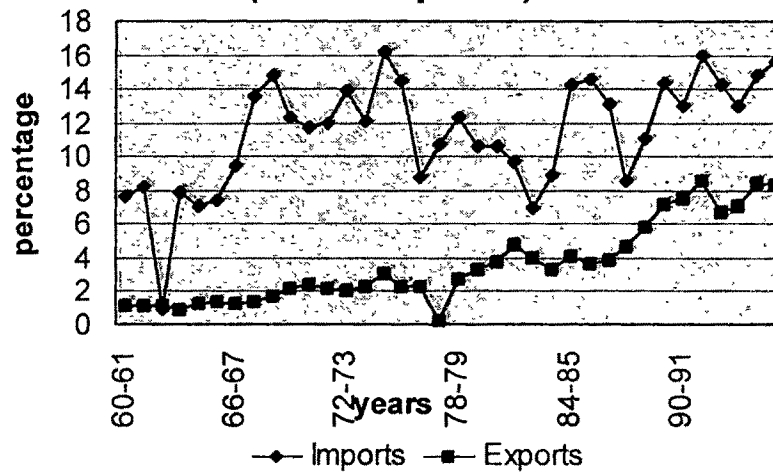


Diagram 2.28

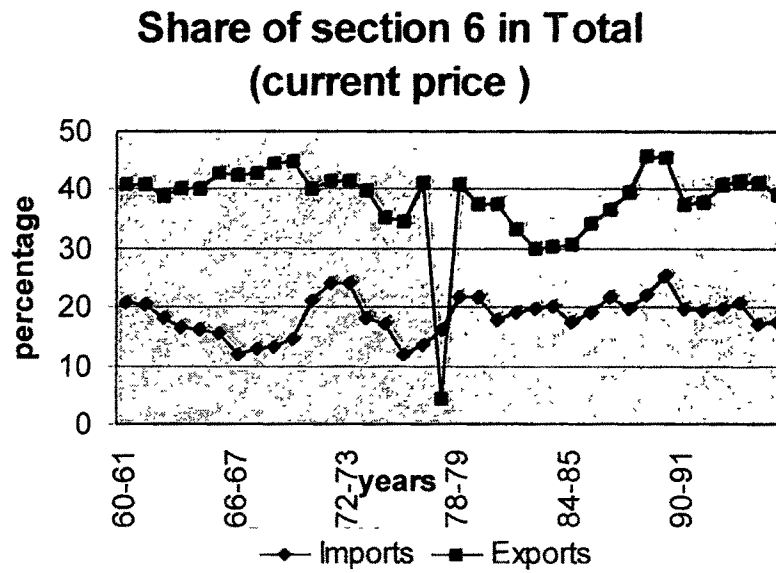


Diagram 2.29

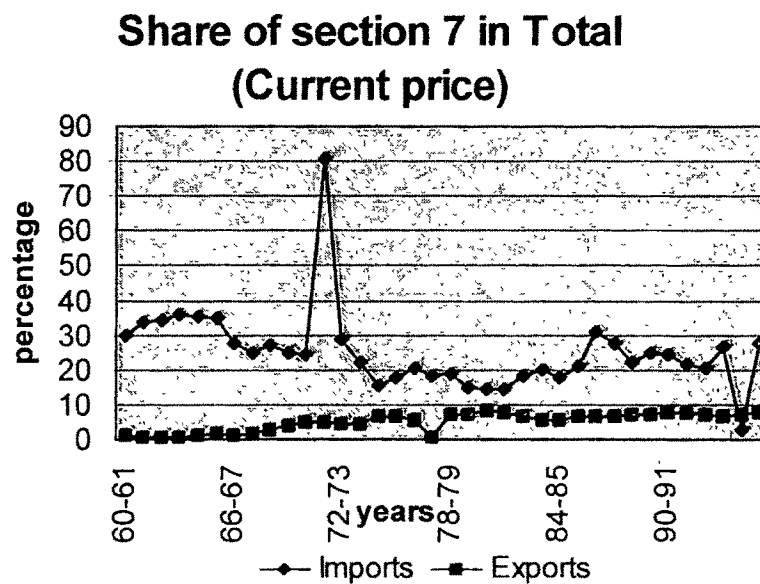


Diagram 2.30

### Share of section 8 in Total (Current price)

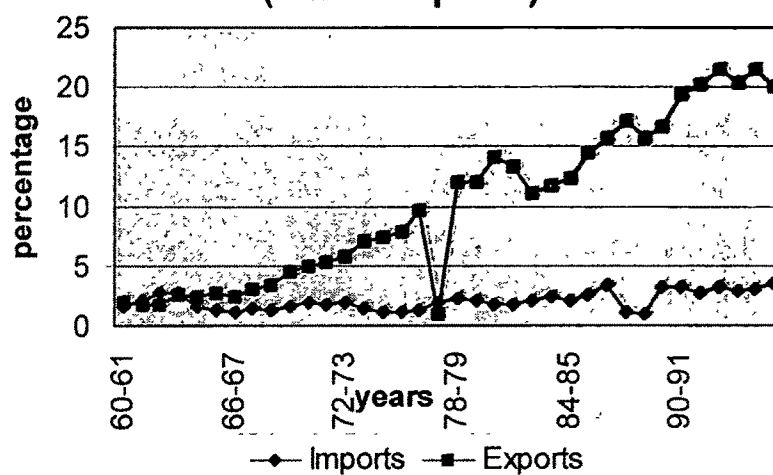


Diagram 2.31

### Share of section 9 in total (Current price)

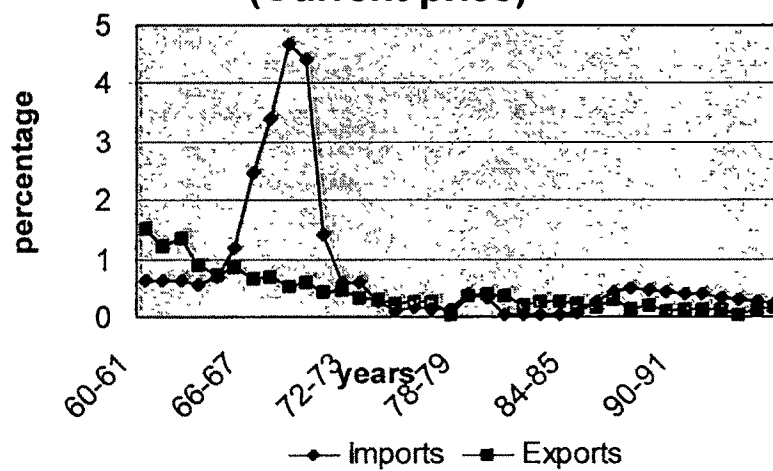


Diagram 2.32

### Share of section 0 in Total (Constant)

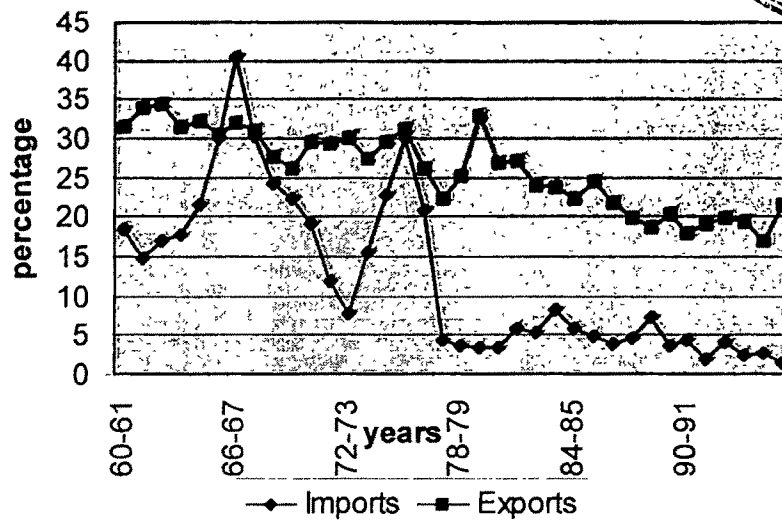


Diagram 2.33

### Share of section 1 in Total (constant price)

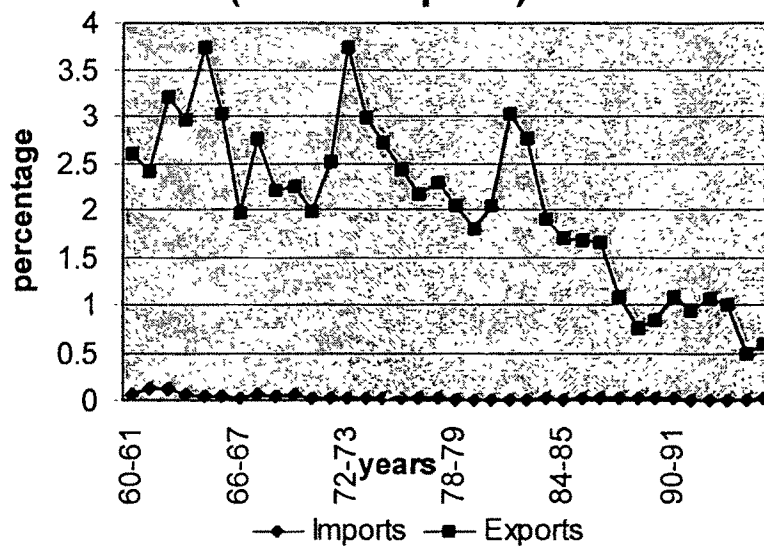


Diagram 2.34

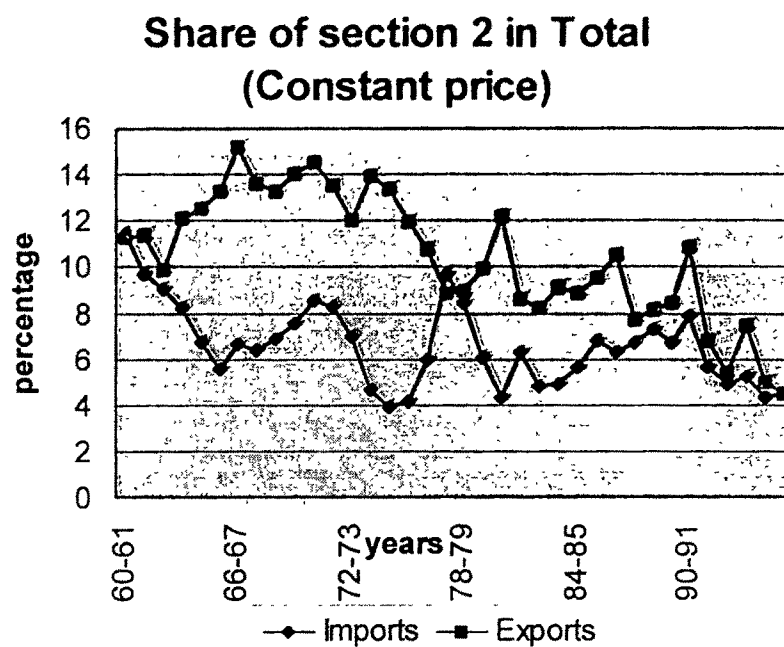


Diagram 2.35

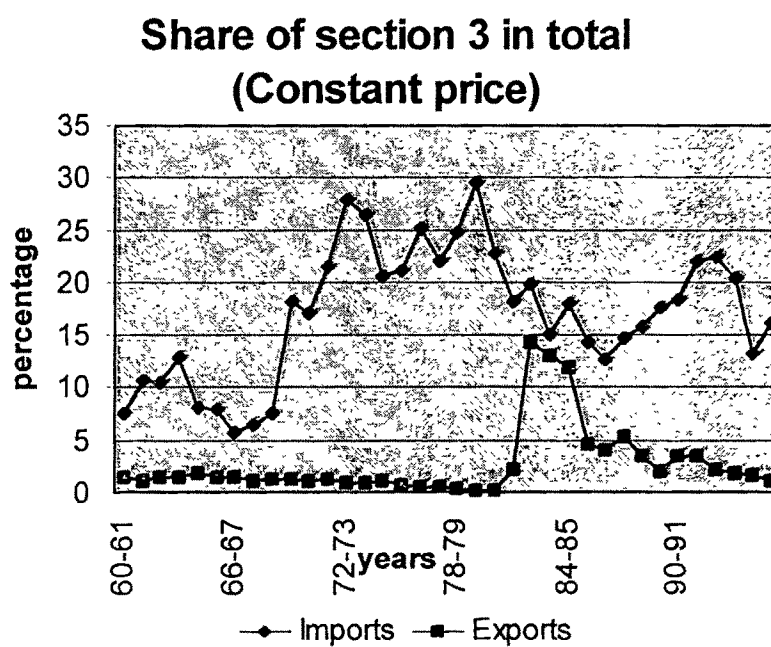


Diagram 2.36

### Share of section 4 in Total (constant price)

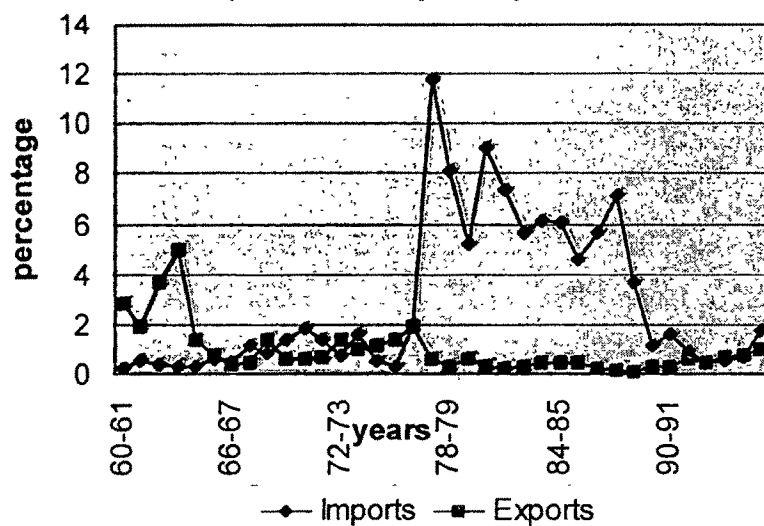


Diagram 2.37

### Share of section 5 in total (Constant price)

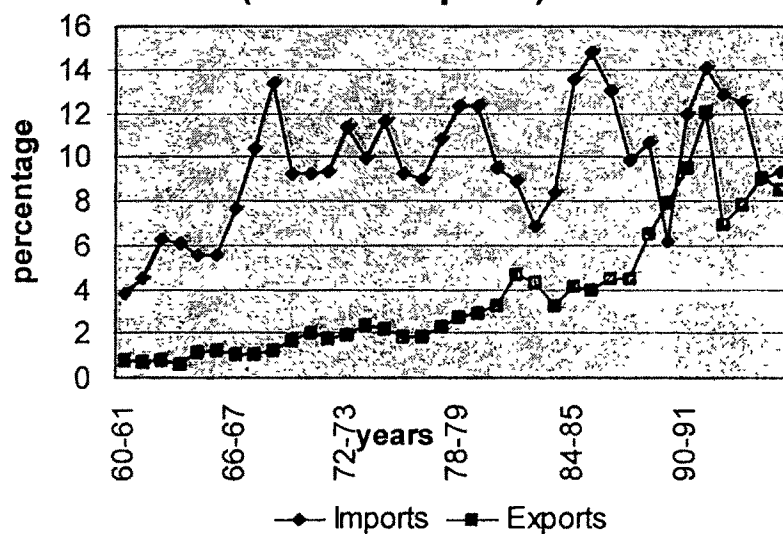


Diagram 2.38

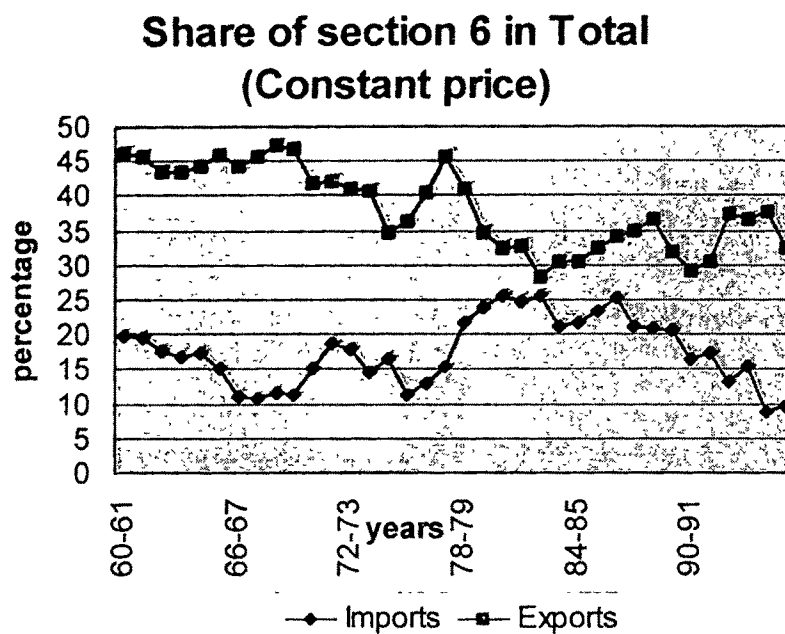


Diagram 2.39

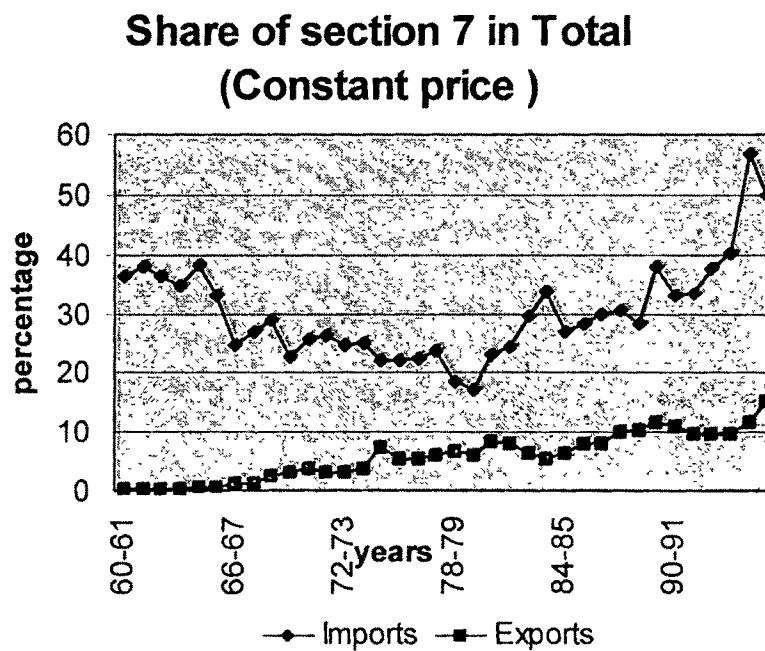




Diagram 2.40

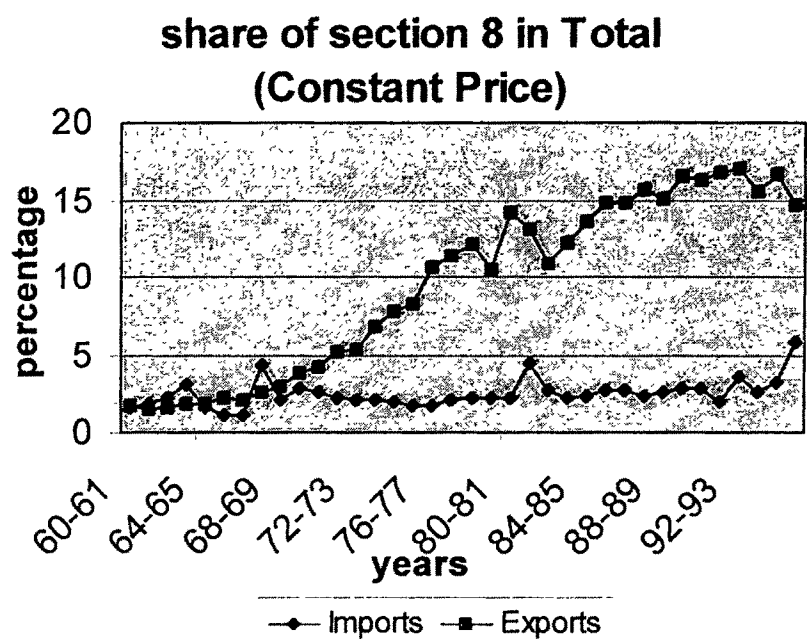
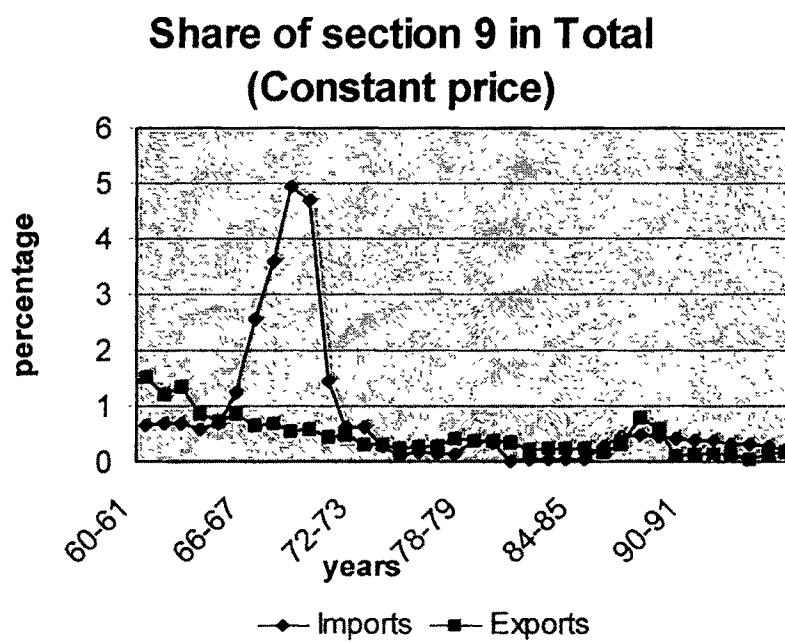


Diagram 2.41



### 3.5. THE IMPACT OF POLICY ON EXPORTS AND IMPORTS AT CURRENT PRICE AND CONSTANT PRICE

The 'Fifties and the 'Sixties the trade behaviour was largely determined by the stance of import-substitution, in the Seventies, the import-substitution was undertaken with the goal of reaping efficiency gains in the domestic economy, particularly in the export sector, through liberal access to imported inputs. Even throughout the 'Eighties' the policy basically adopted was 'imports growth' policy as a step towards 'export growth'. In the 'Nineties' export promotion policy has been pursued with a view to integrate the Indian economy with the rest of the world.

Thus, it is obvious to assume that the trends in exports and imports were largely governed by the changes in the policy objectives over three decades. Hence it is important to examine the impact of policy changes on the rate of growth of exports and imports. The explanatory variable is, a dummy variable has been used as a proxy for the liberalisation policy since 1979-80, the value of which was taken as zero for the years prior to it and one for the rest of the period since 1979-80. In Model three we have used two dummy variables as explanatory variable,  $D_1$ , the value of which was taken as one for the years 1979-80 to 1989-90 and zero for the period prior to 1979-80 and since 1990-91. The other explanatory variable is  $D_2$ , the value of which is taken as one since 1990-91 and zero for the period prior to it.

The following models have been selected to test the impact of policy changes on exports and imports.

$$I. Y = a + bt + CD + d Dt + u$$

Where Y is equal to exports/imports at current price/constant price.

$D = 0$  for the period 1960-61 to 1978-79

$D = 1$  for the period 1979-80 to 1995-96

$t = \text{time}$

$$II. Y = a - bt + CDt + u$$

$$III. Y = a + bt + CD_1 + dD_2t + u$$

$D_1 = 1$  for the period 1979-80 to 1989-90

$D_1 = 0$  otherwise

$D_2 = 1$  for the period 1990-91 to 1995-96

$D_2 = 0$  otherwise

The Table II.23, presents the results of the equation identified by the First Model where we have applied dummy variable in a multiple regression form to capture the policy changes on the dependent variable exports at current price section wise (S.I.T.C. Revision 2) including the Total Exports. The slope coefficient values of the commodities and Total Exports for the period 1960-61 to 1978-79, is positive for all the sections however only in case of Beverages and Tobacco (section 1) the slope is significant. As against this the slope coefficient of all the sections including Total Exports for the period 1979-80 to 1995-96 is not only positive but also statistically significant. This signifies that the liberalisation policy impacted the export growth.

**Table II.23**  
**Exports of Commodities at Current Price**  
**According to S.I.T.C. (Revision 2) 1960-61 to 1994-95**

Dependent Variable	Constant	Bt	CD	DDt	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	-56.05	73.2 (1.01)	-15297.7 (-6.21)**	683.37 (6.11)**	0.81
X <sub>1</sub> (Beverages and Tobacco)	-2.3	5.96 (2.23)*	-276.76 (-3.04)**	13.88 (3.38)**	0.81
X <sub>2</sub> (Crude Materials, Extd.Fuels)	39.1	26.53 (0.37)	-4872.32 (-7.7)**	224.94 (7.83)**	0.89
X <sub>3</sub> (Mineral Fuels etc)	3.93	1.34 (0.09)	-1080.82 (-2.18)*	74.56 (3.32)**	0.73
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	2.85	1.59 (0.34)	-699.32 (-4.37)**	29.61 (4.08)**	0.57
X <sub>5</sub> (Chemicals, Related Prod. NES)	-21.12	7.61 (0.19)	-9894.58 (-7.61)**	440.86 (7.47)**	0.82
X <sub>6</sub> (Basic Manufacturers)	-114.62	108.24 (0.65)	-48721.5 (-8.3)**	2079.53 (8.13)**	0.86
X <sub>7</sub> (Machines, Transport Equipment)	-75.18	20.29 (0.62)	-8338.85 (-7.54)**	373.98 (7.45)**	0.84
X <sub>8</sub> (Misc. Manufactured Goods)	-117.97	30.59 (0.33)	-24852 (-8.09)**	1112.46 (7.97)**	0.84
X (Total Exports)	-3724.5	921.46 (1.75)	-109026 (-6.08)**	4402 (5.41)**	0.78

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.24, reflects the results of applying the equation of the First model to the data of exports at constant price. It can be noted that the slope coefficient for the

commodities classified from (section 0 to section 8) for the period 1960-61 to 1978-79 has been positive and is significant for all the sections and total exports with an exception of Mineral Fuels (section 3), Animal, Vegetable Oil, Fat (section 4) and Chemicals, (section 5). However the slope coefficient of the commodities for the period 1979-80 to 1995-96, shows that the Beverages and Tobacco (section 1) is negative and statistically significant, however for all other commodities including Total Exports the slope coefficient is positive and statistically significant barring Mineral Fuels (section 3). and Animal, Vegetable Oil, Fat (section 4). The liberalisation policy has certainly helped the export of Manufactured group (section 5 to section 8) relatively more than the Primary group (section 0 to section 4).

**Table II.24**  
**Exports of Commodities at Constant Price (Base 1978-79)**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CD	dDt	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	712.69	42.72 (2.5)**	-1958.63 (-3.37)**	80.21 (3.04)**	0.74
X <sub>1</sub> (Beverages and Tobacco)	68.21	3.01 (2.69)**	105.81 (2.77)**	-5.01 (-2.89)**	0.35
X <sub>2</sub> (Crude Materials, Extd. Fuels)	304.25	15.62 (3.55)**	-246.5 (-1.64)	10.18 (1.49)	0.78
X <sub>3</sub> (Mineral Fuels etc)	43.53	-0.62 (-0.07)	455.97 (1.67)	-4.46 (-0.36)	0.44
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	63.51	-1.58 (-0.98)	-217.21 (-3.94)**	9.17 (3.67)**	0.89
X <sub>5</sub> (Chemicals, Related Prod. NES)	1.62	6.70 (0.98)	-1925.93 (-8.04)**	90.01 (8.28)**	0.34
X <sub>6</sub> (Basic Manufacturers)	1034.99	58.51 (2.53)**	-5460.54 (-6.92)**	228.03 (6.37)**	0.88
X <sub>7</sub> (Machines, Transport Equipment)	1.62	6.7 (1.67)	-1925.9 (-5.23)**	90.01 (5.18)**	0.81
X <sub>8</sub> (Misc. Manufactured Goods)	-87.1	33.6 (4.04)**	-2331.73 (-8.22)**	111.12 (8.63)**	0.94
X (Total Export)	2171.72	167.81 (2.67)**	-13628 (-6.37)**	623.09 (6.42)**	0.89

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

The Table II.25, exhibits the results of the equation identified by the First Model where we have applied dummy variable in a multiple regression form to capture the policy

changes on the dependent variable imports at current price section wise (S.I.T.C. Revision 2) including the Total Imports. The slope coefficient for the commodities classified from section 0 to 8, and Total imports for the period 1960-61 to 1978-79, although positive but isn't statistically significant. In case of Beverages and Tobacco (section 1), the slope coefficient is negative and statistically insignificant. However the slope coefficient of the commodities including Total imports for the period 1979-80 to 1995-96 is positive and statistically significant except Animal and Vegetable oils (section 4). The results confirm the policy approach of 'imports growth' as a step towards 'export growth' from 1979-80 to 1995-96.

**Table II.25**  
**Imports of Commodities at Current price**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CD	DDt	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	208.26	25.59 (1.07)	-3280.94 (-4.04)**	133.85 (3.63)**	0.61
X <sub>1</sub> (Beverages and Tobacco)	1.12	-0.02 (-0.09)	-45.8 (-5.41)**	2.05 (5.35)**	0.68
X <sub>2</sub> (Crude Materials, Extd. Fuels)	59.22	18.73 (0.56)	-9644.16 (-8.48)**	443.15 (8.58)**	0.88
X <sub>3</sub> (Mineral Fuels etc)	-318.48	88.22 (0.78)	-25011.1 (-6.56)**	1235.54 (7.14)**	0.87
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	-96.76	21.13 (1.19)	-9.05 (-0.01)	7.58 (0.27)	0.38
X <sub>5</sub> (Chemicals, Related Prod. NES)	-30	38.21 (0.51)	-18460 (-7.28)**	838.86 (7.29)**	0.84
X <sub>6</sub> (Basic Manufacturers)	6.34	49.4 (0.74)	-20526.7 (-9.07)**	983.6 (9.58)**	0.91
X <sub>7</sub> (Machines, Transport Equipment)	241.57	40.88 (0.31)	-32598.9 (-7.4)**	1497.19 (7.5)**	0.84
X <sub>8</sub> (Misc. Manufactured Goods)	2.54	4.53 (0.25)	-4086.79 (-6.69)*	186.93 (6.74)**	0.80
X (Total Imports)	99.69	286.4 (0.65)	-114055 (-7.62)**	5346.95 (7.87)**	0.87

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.26, reflects the results of applying the equation of the First model to the data of Imports at constant price. It brings forth an observation that for the imports in real terms for the commodities and Total Imports, the slope coefficient for the period

1960-61 to 1978-79 is negative for section 0 to section 2 and positive for section 3 to section 8 and the Total Imports. However the results were statistically significant in case of beverages and Tobacco (section 1), Mineral Fuels (section 3), Animal and Vegetable Oil (section 4), and Chemicals (section 5). Whereas comparing with the slope coefficient for the period 1979-80 to 1995-96, shows imports are positive and statistically significant including Total Imports with an exception of Food and Live animals (section 0). However in case of Animal and Vegetable Oils (Section 4), were the slope coefficient is negative and statistically significant. This draws upon the inference that the liberalisation policies pursued since 1979-80's generated greater Imports in real terms.

**Table II.26.**  
**Imports of Commodities at Constant Price (Base: 1978-79 = 100)**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CD	dDt	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	1209.58	-22.88 (-1.33)	-955.81 (-1.83)	37.18 (1.39)	0.22
X <sub>1</sub> (Beverages and Tobacco)	-3.97	-0.21 (-5.12)**	-6.64 (-4.72)**	0.38 (5.95)**	0.54
X <sub>2</sub> (Crude Materials, Extd Fuels)	387.42	-1.2 (-0.21)	-1227.41 (-8.39)**	66.4 (7.62)**	0.88
X <sub>3</sub> (Mineral Fuels etc)	196.36	71.49 (3.7)**	455.97 (1.67)	141.89 (4.47)**	0.89
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	-75.97	20.29 (2.32)*	-1307.99 (-2.63)**	-53.3 (-3.95)**	0.60
X <sub>5</sub> (Chemicals, Related Prod NES)	224.29	26.04 (2.31)*	-2456.87 (-6.4)**	121.44 (6.97)**	0.91
X <sub>6</sub> (Basic Manufacturers)	725.82	9.08 (0.67)	-5460.54 (-6.92)**	53.76 (2.58)**	0.92
X <sub>7</sub> (Machines, Transport Equipment)	1728.37	6.7 (1.67)	-1925.9 (-5.23)**	860.86 (5.8)**	0.74
X <sub>8</sub> (Misc. Manufactured Goods)	60.68	4.45 (0.44)	6.69 (0.91)	21.28 (2.66)**	0.61
X (Total Imports)	4581.49	68.28 (0.54)	-25807 (-6.02)**	1327.82 (6.83)**	0.87

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.27 exhibits the result of the equation expressed in Second Model applied on the datum of exports at current price for each section and the total exports is made to be dependent on time using dummy variable. The slope coefficient for the commodities for the period 1960-61 to 1978-79 is positive for all sections but statistically significant only in case of section 1 (Beverages and Tobacco), section 2 (Crude Materials) and Total exports. However the slope coefficient of the commodities including total Exports for the period 1979-80 to 1995-96 is positive for all the sections but statistically insignificant except Mineral Fuels (section 3) showing statistically significant. The rates of growth of exports in absolute terms have not responded according to expectations under the broader trade policy initiatives under taken from 1979-80 to 1995-96.

**Table II.27**  
**Exports of Commodities Current Price**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	Bt	CDt	R <sup>2</sup>
X <sub>0</sub>	-1516.13	191.58	68.82	0.58
(Food and Live Animal)		(1.88)	(0.9)	
X <sub>1</sub>	-28.71	8.1	2.74	0.75
(Beverages and Tobacco)		(2.82)*	(1.27)	
X <sub>2</sub>	-425.93	64.24	29.2	0.69
(Crude Materials, Extd. Fuels)		(2.15)*	(1.31)	
X <sub>3</sub>	-99.22	9.7	31.14	0.69
(Mineral Fuels etc)		(0.65)	(2.82)*	
X <sub>4</sub>	-63.89	7.007	1.51	0.32
(Animal, Vegetable Oil, Fat)		(1.24)	(0.36)	
X <sub>5</sub>	-965.5	84.18	43.36	0.50
(Chemicals, Related Prod. NES)		(1.38)	(0.95)	
X <sub>6</sub>	-4573.91	469.8	202.59	0.56
(Basic Manufacturers)		(1.68)	(0.97)	
X <sub>7</sub>	-871.06	84.82	38.99	0.56
(Machines, Transport Equipment)		(1.65)	(1.01)	
X <sub>8</sub>	-2489.95	222.91	114.08	0.53
(Misc. Manufactured Goods)		(149.28)	(1.02)	
X	-14130.4	1765.18	22.10	0.53
(Total Export)		(2.40)*	(0.04)	

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.28 represents the result of the equation of the second model applied on the data on the exports at constant price for each section and the total. As witnessed in

exports at current price. the slope coefficient for only section 3(Mineral Fuels), tested significant for the period 1979-80 to 1995-96. This proves that the rate of growth of exports (absolute) in real terms was not benefited by the trade liberalization initiated since 1979-80 to 1995-96.

**Table II.28**  
**Exports of Commodities at Constant Price (Base: 1978-79 = 100)**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CDt	R <sup>2</sup>
X <sub>0</sub>	525.75	57.88	1 53	0.65
(Food and Live Animal)		(3.07)	(0 1)	
X <sub>1</sub>	78.31	2.19	-0.76	0.19
(Beverages and Tobacco)		(1.85)	(-0.86)	
X <sub>2</sub>	280.73	17.53	0 28	0 76
(Crude Materials, Extd.Fuels)		(4.03)*	(0 08)	
X <sub>3</sub>	87.05	-4.15	13.84	0.40
(Mineral Fuels etc)		(-0.52)	(2 33)	
X <sub>4</sub>	42.78	0.09	0 45	0.025
(Animal, Vegetable Oil, Fat)		(0.05)	(0 32)	
X <sub>5</sub>	-182.19	21 6	12.64	0.67
(Chemicals, Related Prod. NES)		(1.86)	(1.45)	
X <sub>6</sub>	513.81	100 77	8 66	0.66
(Basic Manufacturers)		(2.9)	(0.33)	
X <sub>7</sub>	-278.49	38.95	38.99	0 66
(Machines, Transport Equipment)		(2.36)	(0.87)	
X <sub>8</sub>	-309.65	51.64	114.08	0 84
(Misc. Manufactured Goods)		(3.7)	(1.67)	
X	871.05	273.27	22 10	0 76
(Total Export)		(3.04)*	(1 12)	

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.29 exhibits the result of the equation expressed in Second Model applied on the datum of imports at current price for each section and the total imports is made to be dependent on time using dummy variable. Although the slope coefficient of 'Time' is positive but only statistically significant for section 0 (Food and Live Animal), section 3 (Mineral fuels etc), section 6 (Basic Manufactures). But the slope coefficient of 'CDt' is significant only in case of section 3 (Mineral Fuels etc) and section 6 (Basic Manufactures) represented for the period 1979-80 to 1995-96. This implies that the rate of growth of imports (absolute) was largely independent of the trade policy initiatives.



**Table II.29**  
**Imports of Commodities Current Price**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CDt	R <sup>2</sup>
X <sub>0</sub>	-104.88	50.98	2.05	0.41
(Food and Live Animal)		(1.83)	(0.098)	
X <sub>1</sub>	-3.24	0.33	0.21	0.39
(Beverages and Tobacco)		(1.01)	(0.87)	
X <sub>2</sub>	-861.25	93.37	55.72	0.61
(Crude Materials, Extd Fuels)		(1.63)	(1.3)	
X <sub>3</sub>	-2705.65	281.77	230.77	0.70
(Mineral Fuels etc)		(1.73)	(1.89)	
X <sub>4</sub>	-97.63	21.2	7.22	0.38
(Animal, Vegetable Oil, Fat)		(1.25)	(0.57)	
X <sub>5</sub>	-1791.9	181.06	97.26	0.57
(Chemicals, Related Prod. NES)		(1.57)	(1.13)	
X <sub>6</sub>	-1952.8	208.25	158.98	0.69
(Basic Manufacturers)		(1.74)	(1.78)	
X <sub>7</sub>	-2869.79	293.15	187.59	0.57
(Machines, Transport Equipment)		(1.45)	(1.24)	
X <sub>8</sub>	-387.51	36.16	22.75	0.54
(Misc. Manufactured Goods)		(1.37)	(1.15)	
X	-10786	1169.04	765.03	0.64
(Total Export)		(1.67)	(1.46)	

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.30 shows the result of the equation of the Second Model applied to the data on imports at constant price for each section and the Total. The slope coefficient of 'CDt' representing the period 1979-80 to 1995-96 is positive but tested statistically significant for section 1 (Beverages and Tobacco), section 2 (Crude Materials), section 5 (Chemicals), section 6 (Basic Manufactures) and Total Imports. Therefore it implies that the rate of growth of imports (absolute) at constant price achieved a limited gain with the open trade policy pursued.

**Table II.30**  
**Imports of commodities at constant price (Base year: 1978-79)**  
**According to S.I.T.C.(Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CDt	R <sup>2</sup>
X <sub>0</sub>	1118.35	-15.48	-1.2	0.16
(Food and Live Animal)		(-0.91)	(-0.09)	
X <sub>1</sub>	3.33	-0.15	0.11	0.22
(Beverages and Tobacco)		(-3.12)	(2.97)	
X <sub>2</sub>	270.27	8.29	17.09	0.73
(Crude Materials, Extd.Fuels)		(1.02)	(2.83)	
X <sub>3</sub>	-97.52	95.32	18.19	0.82
(Mineral Fuels etc)		(4.00)	(1.02)	
X <sub>4</sub>	64.92	8.86	5.99	0.30
(Animal, Vegetable Oil, Fat)		(0.80)	(0.72)	
X <sub>5</sub>	-10.19	45.06	22.74	0.80
(Chemicals, Related Prod. NES)		(2.79)	(1.88)	
X <sub>6</sub>	767.93	5.67	71.48	0.92
(Basic Manufacturers)		(0.43)	(7.37)	
X <sub>7</sub>	16.78	105.71	140.45	0.49
(Machines, Transport Equipment)		(0.83)	(1.48)	
X <sub>8</sub>	-23.78	11.3	10.12	0.47
(Misc. Manufactured Goods)		(1.01)	(1.21)	
X	2118.39	267.99	291.99	0.72
(Total Export)		(1.53)	(2.23)	

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.31 presents the results of applying the equation under the Third Model to the data on exports at current price for each section and the total. The exports at current price section wise and the Total exports are regressed upon different time periods using dummy variable, to capture the trade policy impact. The slope coefficient for 'CD1t' representing the period 1979-80 to 1989-90 is positive for the section wise but statistically significant only in case of section 3(Crude Materials). However the slope coefficient of 'D2t' for the period 1990-91 to 1995-96 is not only positive for all the sections including the Total Exports but also statistically significant. The results infer that the broader trade reforms implemented in the 90's has drastically affected the exports.

**Table.II.31**  
**Exports of Commodities at Current Price**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CD1t	dD2t	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	-354.48	97.4 (1.41)	21.75 (0.42)	222.38 (4.01)**	0.82
X <sub>1</sub> (Beverages and Tobacco)	3.65	5.48 (2.78)**	1.43 (0.98)	7.02 (4.42)**	0.89
X <sub>2</sub> (Crude Materials, Extd.Fuels)	-12.01	30.68 (2.64)**	12.43 (1.45)	83.92 (8.98)**	0.95
X <sub>3</sub> (Mineral Fuels etc)	-16.76	3.02 (0.21)	27.8 (2.64)**	42.04 (3.66)**	0.73
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	-10.27	2.66 (0.58)	-0.65 (-0.19)	8.6 (2.36)*	0.59
X <sub>5</sub> (Chemicals, Related Prod. NES)	-213.06	23.17 (0.65)	12.87 (0.49)	142.83 (4.99)**	0.84
X <sub>6</sub> (Basic Manufacturers)	-1176.54	194.344 (1.15)	64.93 (0.52)	651.71 (4.81)**	0.85
X <sub>7</sub> (Machines, Transport Equipment)	-235.67	33.3 (1.10)	13.25 (0.59)	122.99 (5.07)**	0.86
X <sub>8</sub> (Misc. Manufactured Goods)	-580.78	68.11 (0.84)	36.72 (0.61)	366.47 (5.61)**	0.87
X (Total Exports)	-5873.4	1095.69 (2.18)*	-312.47 (-0.84)	1113.65 (2.75)**	0.79

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.32 represents the results of subjecting the data on exports at constant price for each section and the total to the equation mentioned as Third Model. The slope coefficient of 'CD1t' is positive and statistically significant for only section 3 (Mineral fuels), but the slope coefficient of 'D2t' for the period 1990-91 to 1995-96. except section 1 (Beverages and Tobacco, section 2 (Crude Materials), section 3 (Mineral Fuels) is positive and statistically significant. This brings forth an important observation that the section 5 to section 8 representing the manufacturing group has benefited the most from the trade liberalisation.

**Table II.32**  
**Exports of Commodities at Constant Price (Base: 1978-79 = 100)**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	Bt	CD1t	dD2t	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	693.3	44.29 (2.81)**	-5.25 (-0.45)*	23.68 (1.86)	0.77
X <sub>1</sub> (Beverages and Tobacco)	76.85	2.31 (1.89)	-0.7 (-0.77)*	-0.95 (-0.96)	0.19
X <sub>2</sub> (Crude Materials, Extd. Fuels)	308.89	15.25 (3.75)**	-0.85 (-0.28)	4 (1.22)	0.80
X <sub>3</sub> (Mineral Fuels etc)	51.52	-1.27 (-0.16)	15.28 (2.63)**	9.15 (1.44)	0.45
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	59.83	-1.28 (-0.83)	-0.23 (-0.2)	2.7 (2.17)*	0.38
X <sub>5</sub> (Chemicals, Related Prod. NES)	-32.14	9.44 (1.55)	6.56 (1.45)	32.47 (6.62)**	0.91
X <sub>6</sub> (Basic Manufacturers)	913.48	68.37 (2.95)**	-7.52 (-0.44)	61.5 (3.3)**	0.86
X <sub>7</sub> (Machines, Transport Equipment)	-122.74	26.32 (1.98)	4.48 (0.45)	31.38 (2.93)**	0.79
X <sub>8</sub> (Misc. Manufactured Goods)	-135.76	37.55 (4.67)**	10.4 (1.75)	40.44 (6.24)**	0.95
X (Total Export)	1922.24	188.04 (3.23)**	33.03 (0.76)	214.59 (4.57)**	0.90

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.33 exhibits the results of working the datum on imports at current price for each section and the total with reference to the equation noted as Third Model. The imports at current price section wise and the Total imports are regressed upon different time periods using dummy variable, to capture the trade policy impact. The slope coefficient of 'CD1t' for the period 1979-80 to 1989-90 is positive and significant for only section 3 (Mineral fuels), whereas the slope coefficient of 'D2t' for the period 1990-91 to 1995-96 is positive and significant for all the sections except section 4 (Animal, Vegetable Oil, Fat). This focuses on the increase in the importance of import of goods in the Manufactured group i.e. section 5 to section 8 since 1990-91 to 1995-96 as a result of trade liberalisation.

**Table II.33**  
**Imports of Commodities at Current Price**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	Bt	CD1t	dD2t	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	140.98	31.04 (1.33)	-7.91 (-0.46)	34.55 (1.84)	0.61
X <sub>1</sub> (Beverages and Tobacco)	-0.4	0.09 (0.36)	0.09 (0.48)	0.58 (2.65)**	0.60
X <sub>2</sub> (Crude Materials, Extd. Fuels)	-162.25	36.69 (1.07)	27.39 (1.08)	148.12 (5.36)**	0.87
X <sub>3</sub> (Mineral Fuels etc)	-633.85	113.79 (1.27)	146.82 (2.23)*	504.66 (7.03)**	0.91
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	-82.34	19.96 (1.14)	6.6 (0.51)	9.24 (0.65)	0.38
X <sub>5</sub> (Chemicals, Related Prod. NES)	-425.5	70.27 (0.96)	41.89 (0.77)	277.9 (4.72)**	0.84
X <sub>6</sub> (Basic Manufacturers)	-513.13	91.52 (1.24)	100.65 (1.86)	349.3 (5.92)**	0.89
X <sub>7</sub> (Machines, Transport Equipment)	-610.96	110 (0.78)	96.06 (0.93)	486.2 (4.32)**	0.81
X <sub>8</sub> (Misc. Manufactured Goods)	-76.04	10.9 (0.64)	10.13 (0.81)	63.92 (4.71)**	0.82
X (Total Exports)	-2352	485.19 (1.12)	423.28 (1.32)	1880.01 (5.4)**	0.87

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

Table II.34 reflects the results of each section and the Total of imports at constant price applied upon the equation presented in the Third Model. The slope coefficient of 'CD1t' for the period 1978-79 to 1989-90 is positive and significant for the section 1 (Beverages and Tobacco), section 2 (Crude materials), section 5 (chemicals), section 6 (Basic Manufactures) and Total Imports. Whereas the slope coefficient of 'D2t' for the period 1990-91 to 1995-96 is positive and significant for all the section except section 0 (Food and Live Animal), and section 4 (Animal and vegetable oils). This substantiates the earlier fact that the liberalisation of trade has impacted more since 1990-91 to 1995-96 and specially the import of the goods in the manufactured group.

**Table II.34.**  
**Imports of Commodities at Constant Price (Base: 1978-79 = 100)**  
**According to S.I.T.C. (Revision 2), 1960-61 to 1994-95**

Dependent Variable	Constant	bt	CD1t	dD2t	R <sup>2</sup>
X <sub>0</sub> (Food and Live Animal)	1147.51	-17.85 (-1.02)	-2.39 (-0.18)	2.64 (0.18)	0.17
X <sub>1</sub> (Beverages and Tobacco)	3.62	-0.18 (-3.71)**	0.1 (2.8)**	0.15 (3.8)**	0.33
X <sub>2</sub> (Crude Materials, Extd. Fuels)	328.8	3.54 (0.48)	14.72 (2.72)**	24.83 (4.2)**	0.79
X <sub>3</sub> (Mineral Fuels etc)	184.66	72.44 (4.78)**	6.75 (0.6)	55.49 (4.55)**	0.93
X <sub>4</sub> (Animal, Vegetable Oil, Fat)	-47.62	17.99 (2.14)*	10.55 (1.7)	-8.87 (-1.31)	0.62
X <sub>5</sub> (Chemicals, Related Prod NES)	175.46	30 (2.79)**	15.22 (1.91)	47.28 (5.45)**	0.91
X <sub>6</sub> (Basic Manufacturers)	673.08	13.36 (1.13)	75.32 (8.68)**	58.94 (6.22)**	0.93
X <sub>7</sub> (Machines, Transport Equipment)	1195.43	10.14 (0.09)	92.69 (1.21)	296.26 (3.56)**	0.69
X <sub>8</sub> (Misc. Manufactured Goods)	60.68	4.45 (0.44)	6.69 (0.91)	21.28 (2.66)**	0.61
X (Total Export)	3761.46	134.77 (0.95)	224.51 (2.16)*	508.3 (4.48)**	0.83

\*\* t-statistics are significant at 1% level.

\* t-statistics are significant at 5% level.

Figures in the parentheses are t-statistics.

### 3.6. CONCLUSION

The chapter captures the changes in the trade performance of India from 1960-61 to 1995-96. Over the three and a half decades, India's export and import performance experienced noticeable development in terms of the changes in the trend, composition and structure. India's trade policy perception towards the external sector reflects a significant changes from Import substitution cum Export promotion oriented policy governing the period 1960-61 to 1978-79 and Export promotion oriented trade policy from 1979-80 to 1995-96. The liberalisation process remained somewhat slow during the first-half of the eighties and it gathered momentum during the second half of the decade as the strategy towards greater integration of the Indian economy with the rest of world

has been pursued since then. The trend in exports seems to align with the policy changes as seen by the value of exports increased from Rs.642.32 crores in 1960-61 to Rs.5726.07 crores in 1978-79 and thereafter witnessed an steady upward surge to Rs.10,6353 crores in 1995-96. Similarly the value of exports in real terms increased from Rs. 2469.95 crores in 1960-61 to Rs.5726.07 crores in 1978-79 and steadily progressed to Rs. 21926.97 crores.

The need for modernisation and technology up-gradation of the Indian industry defined the trends in the policy towards imports. The value of imports increased from Rs.1121.62 crores in 1960-61 to Rs. 6810.64 crores in 1978-79, but witnessed a tremendous rise to Rs. 1,22,678 crores in 1995-96. Even in real terms imports started of with a steady growth from Rs. 4599.9 crores in 1960-61 to Rs. 6810.64 crores and sharply rose to Rs. 35,158.54 crores in 1995-96. The ratio of export/import ratio (average basis) increased substantially from 64 percent and 57.59 percent (real terms) during eighties to 87.68 percent and 63.08 percent (real terms) during the nineties. This reflects thereby increasing alignment between India's export and import performace during the nineties as compared with eighties. The important evidence of the openness of the Indian economy is the export/GNPmp ratio and import/GNPmp ratio. On the average basis export/GNPmp ratio from 1960-61 to 1978-79 was 4.6% (in real terms 5%) and it increased to 7.11% (in real terms 5.88%) during the period 1980-81 to 1994-95. Similarly, on the average basis the import/GNPmp ratio from 1960-61 to 1979-80 was 6.3% (in real terms 7.19%) which increased to 9.44% (in real terms (9.99%) during the period 1980-81 to 1994-95.

Reflecting the development of a large and diversified industrial sector, during the post independence period, India has gradually transformed from a predominantly primary product exporting country into an exporter of manufactured products. The share of primary exports in the total exports was 53.41% (49.55% in real terms) whereas the share of manufactured exports was 45.05% ( 48.91% in real terms) in 1960-61, the share of the former registered a marked decline to 24.68% (28.82% in real terms) and the share of the latter established the dominance of 75.14% and (71% in real terms) in 1995-96. The changes in the structure of India's exports is more noticeable at disaggregate level. The basket of primary goods shows that the relative position of commodities (section 0 to

section 4) has more or less remained same over thirty six years. The share of section 0 (Food and Live Animal) increased from 57.73% (63.28% in real terms) in 1960-61 to 68.07% (74.90% in real terms) in 1995-96, and that of section 2 (Crude Materials, Extd. Fuels) was 32.67% (22.71% in real terms) in 1960-61 sharply declined to 19.06% (15.65% in real terms) in 1995-96, but the second position in terms of contribution has not changed over the period. The performance of manufactured exports (section 5 to section 8) shows that the section 6 (Basic Manufactures) was 90.68% (94.21% in real terms) in 1960-61, but drastically declined to 52.27% (45.76% in real terms). Another product of significance in the basket was section 8 (Machines, Transport Equipment) with 4.35% (3.59%) in 1960-61 but sharply turned upward to 26.55% (20.65%) in 1995-96. The relative position of the commodities with in the manufactured group has remained same over the period.

Whereas the structure of imports from 1960-61 to 1995-96 shows that share of primary imports was 39.61% (37.75% in real terms) which marginally declined to 35.91% (23.86% in real terms), over the priod. However the share of manufactured imports from 1960-61 to 1995-96 shows an increase from 59.75% (61.61% in real terms) to 63.86% (74.55% in real terms). Further the significance changes in the composition can be captured by disaggregating the Primary (section 0 to 4) and Manufactured (section 5 to 8) imports. The leading expenses in the primary basket in 1960-61 was incurred on section 0 (Food and Live animals) with a share of 48.17% ( 48.92% in real terms), section 2 (Crude Materials, Extd. Fuels) with a share of 34.96% (30.36% in real terms) and section 3 (Mineral Fuels) with a share of 15.64% (19.86% in real terms).

By 1995-96 the share of section 0(Food and Live animals) and section 2 (Crude Materials, Extd. Fuels) sharply declined to 6.31% (6.08% in real terms) and 20.95% (18.87% in real terms), whereas the highest import bill of 66.39% (67.74%in real terms) was to be borne by section 3 (Mineral Fuels). The structure of imports has certainly undergone tremendous change with respect of primary products.

The import of goods classified under the Manufactured group shows that in 1960-61, section 7 (Machines, Transport Equipment) with share of 49.68% (59.08% in real terms), followed by the share 34.92% (32.29% in real terms) of section 6 (Basic



Manufactures) and the share of 12.78% (6.07% in real terms) of section 5 (Chemicals). The scenario remained unchanged in 1995-96, with the major expenses of 43.11% (67.04% in real terms) still accounted by section 7 (Machines, Transport Equipment), followed by the share of 27.05% (12.79% in real terms) held by section 6 (Basic Manufactures) and the expenses of 24.37% (12.44% in real terms) by section 5 (Chemicals). However the share of the three products imported as declined in 1995-96 as compared to 1960-61.

In the final section of the chapter we attempt to examine the impact of India's trade policy in shaping the behaviour of the trend of exports and imports at current price and constant price at aggregate and disaggregate level from 1960-61 to 1995-96. For this objective as explanatory variable we deploy dummy variables to serve as a proxy for liberalisation since 1978-79, the value of which was taken as zero for the years prior to it and one for the rest of the period since 1978-79. Further by using the dummy variables once again we tried to capture the insight into the impact of the broader policy reforms undertaken since 1990-91 as compared to the period of beginning of India's liberal policy initiation i.e 1979-80 to 1989-90. To achieve this the value of one was assigned for the period 1979-80 to 1989-90 and zero was taken for the remaining years of 1960-61 to 1995-96. In the same equation another explanatory dummy variable was added, where the value of one was assigned for the period 1991-92 to 1995-96 and for the entire rest of the years from 1960-61 to 1995-96 was represented by zero. The results yielded were robust for the earlier equation, thereby confirming the theoretical belief that the liberalisation phase of 1979-80 to 1995-96 influenced exports positively for all section of commodities classified under S.I.T.C (Revision 2) at current and constant price. The results are statistically significant at 1% level. A similar observation yielded in case of imports for all the sections of commodities classified under S.I.T.C (Revision 2), at current price and constant price. However the was restrictive, for the import of section 0 (Food and Live Animals) at constant prices, since the results were statistically insignificant.

The latter equation considering further periodisation to capture the effect of liberalisation since 1991-92 onwards as compared with 1979-80 to 1989-90. The results for all the sections categorised under exports at current price were robust as it was statistically significant at 1% level for the period representing 1991-92 to 1995-96.

However for exports at constant price only commodities classified from section 4 to section 8 experienced robust results as shown by the 1% level significance. Similarly the imports at current price, although all sections except section 0 (Food and Live Animals) shows 1% level significance for the period identified from 1991-92 to 1995-96. A similar consistent result of robustness is observed for the imports of commodities classified from section 1 to section 8.

Thus it emerges that exports and imports at current price and constant price are indeed amenable to policy action initiated since 1979-80 to 1995-96 and broadly from 1992-93 onwards. However in this, tariffs, exchange rates, and price related measures have a considerable role to play within the overall framework of macro-economic policy. It is essential that these measures are tailored into account to measure the ultimate impact on exports and imports to and its special responses to the other economic fundamentals, like employment, income, consumption and growth of agriculture, industry, infrastructure, services and conduct of fiscal and monetary policy.

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