COMPOSITION OF COMMODITY CHANGES IN INDIA'S EXPORTS SINCE POST LIBERALIZATION

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ABSTRACT

The policy changes effected after 1991-92, went far beyond those accompanying earlier balance of payments crises. Several factors contributed to this greater scopes and depth. First, there was severity of crisis itself and it was estimated that foreign exchange reserves were no more than two weeks imports when initial measures were taken. Second, it was evident that fiscal deficit had been the major factor contributing to the crisis and had to be sharply curtailed. Third, over time, a large number of people expressed their discontent with India's slow growth. Fourth, the disintegration of Soviet Union further altered perceptions and undermined support for state dominance of economic activity. Fifth and most important, the economic policy team lead Finance Minister Dr.Manmohan Singh supported by Prime Minister Narasimha Rao was Convinced that economic reform was essential if India was to improve its economic performance. The crisis provided more than the visual room to change the policy regime. The reform proceeded slowly and gradually structural changes began to take place in 1992.The main areas chosen in the initial phase for reforms were tariffs, exchange rates, non tariff barriers and capital flows. Many of the reforms affected in the capital flows had major impact on domestic monetary system, which was significantly liberalized. In 1991, import licensing on intermediate inputs and capital goods accounting for approximately 30 percent of the tariff lines remained subject to licensing. It was only after a challenge by India's trading partners in the Dispute Settlement Body (DSB) of the WTO that these goods were freed of licensing decade later in 2001.This paper analyzes the trends in India's exports using the time series data for the period 1990-91 to 2019-

2020.On study it revealed that the composition of India's foreign trade has undergone substantial changes, particularly, after the liberalization and globalization. Our major exports now includes manufacturing goods such as Engineering Goods, Petroleum Products, chemical and allied products , Gems and Jewelleries,Textile,Electronic Goods and Information Technologies related services sectors etc, which constitute over 80 percent of our expert basket. The study is focusing on the structured changes in the composition of commodities exported from India during last more than three decades since 1990-91(Post reform period). The dominance pattern is Heavy industries, Gems and Jewelleries and Services sector. Over all mobility and turn-over is 12.3 percent per annum on an average basis. The annual compound growth rate (ACGR) of concentration ratio of composition of commodities is positive and statistically significant. Average value of concentration ratio is 0.075.The increasing trend of concentration ratio has been supplemented and complemented to the dominance pattern. India now has significant share in the world trade. India is required to make its commodities more competitive at the world trade level. It is also required to add new commodities and services at competitive price in the export basket for increasing export performance .Hence; India needs a comprehensive and definite policy measure and integrated efforts. This study elaborately analyzed various aspects of commodity composition and Directional changes reflected in India's exports since Post-Liberalization period.

Keywords: Composition ,Dominance, Concentration ,Liberalization, Openness, DSB,PTA,IMF-art VIII,SEZ, CECA,UNCTAD,EPZ,ITES,ELG,RCA,OGL.TRIPS, IRD, RIRD.

IRD: Index of Rank Dominance, *RIRD: Relative Index of Dominance Composition: Over all expert commodities,* ***Dominance****: The most influential Concentration: Focus all of your attention on exports policy****. Liberalization****: Remove or loosen restriction on experts of goods,* ***Openness****: A situation in which competitors can trade without restrictions:****DSP****: Dispute Settlement Policy,****PTA****: Preferential Trade Agreement****, IMF art VIII****: Officially accepted to convert rupee on current account.****SEZ****: Special Export Zone.****CECA****: Comprehensive Economics Cooperation Agreement,****TRIPR****: Trade Related Industrial Property Rights****,UNCTAD****: United Nations Conference on Trade And Development,****EPZ****: Export Promotion Zones****,ITES****: Information Technology Enabled Services****,ELG****: Export Led Growth,* ***TRIPS****: Trade Related aspects Intellectual –Property settlements****,RCA****: Revealed Comprehensive Advantage****,OGL****: Open General License.*

INTRODUCTION

Indian Exports have acquired a great significance in the wave of liberalization which sweeping across the world. The massive trend towards expert market economy in almost all the countries of worlds has manifold the role of exports in developmental efforts. Therefore, in India a particularly export comprises a pivotal factor in economics advancement of our country. For a developing state like India, it is essential to construct a sizable export quantum surplus. The rate of economic growth is largely determined by the rate at which a country can expand its export capacity. Higher rates at economic growth tend to be associated with higher rates of export growth a country that tries to promote growth while ignoring its export performance may succeed in the short-run, but it will be hard pressed to sustain growth over a long period of time. It is an empirically proved fact and evidence that, exports are a key and important determinant factor in the growth process not one of political astrology but of incipient economic evolution. In 1991 the Government of India introduces some changes in its export policy on trade, foreign investment, Tariffs and Fares under the name of "New Economic Reforms". The economic reforms process introduced since 1991 with focus on liberalization, openness, transparency and Globalization has enabled increase integration of the Indian economy with rest of the world. The growth rate of India's trade is increasingly dependent on exogenous factors such as world trade growth (especially those of the trading partners).International price changes and development in the competitor countries, cross currency exchange rates as well as dollar rupee exchange rate movements also get reflected in the performance of India's trade. Indian exports have come a long way from the time of independence in terms of value. One major change occurred in the infrastructure sector which has a positive effort on the external sector-telecom. It resulted in our improvement in both internal and external sector telecom communications. The deregulation permission for private entry into cell phone market and separation of the regulator from the state provider resulted in much improved business environment. (Mathur, Vibha 2016 Foreign Trade of India 1947-2016).Since the initiation of reforms in 1991, there has been opening up of the service sector to private participation, both domestic and foreign. Many services including construction, tourism, health and computer related services have been placed on automatic approval route for FDI.Telecom sector have experienced greater amount of liberalization.Now,fully owned foreign firms are allowed in several segments of the telecom sector, government monopoly in long distance telephone and internet has been eliminated and there are no restrictions on the *number of providers. In several services government increased the foreign holding limit to 74 percent as against the earlier ceiling of 49 percent. Similarly in financial services there has been some liberalization. The approach to autonomous liberalization varies considerably across sectors. The determining factors have been domestic lobbies and stakeholder's sensitivities against liberalization on the one hand, and efficiency, competitiveness and technology considerations and overall economic and structural reform program initiated in 1991 on the other. India's approach to openness has been cautious, contingent on achieving certain pre-conditions to ensure an orderly process of liberalization and macro-economic stability. This approach has been vindicated in recent years with growing incidence of financial crisis in the world economy. Over and above the entire policy regime in India with regard to liberalization in India's external sector has witnessed perceptible change in the reform period. Particularly in this study it has been limited to commodity composition and regional directional changes in India's exports since 1991 –free trade economic globalization policy announced.*

OBJECTIVES AND METHODOLOGY OF THE STUDY

The main objective of the present study is to make a comprehensive and elaborative analysis of India's export growth

in the post reform period (1991-1992 to 2019-2020).The sub objectives are as follows:-

1. To examine the trends in India's exports in terms of trends, volume and price indices.

2. To examine the structural changes in India's commodity composition in exports.

3. To examine the structural changes in Direction of India's exports.

4. To analyze the magnitude of changes that has taken place with respect to share of India's exports in Global market.

To see the changes in India's exports regarding value, composition and direction regarding post reform period, we have calculated the compound growth rate. In order to calculate the growth rate the following regression equation has been used:-

Yt=Yo (1+r) t (1)

Where, Yo= the beginning of the value of Y

Yt=Y's value at the time of t

r= the compound rate of growth of Y Taking the natural value log of above equation (1) on both sides we get:-

In Yt= In Yo +t In (1+r) (2)

Let bo =In Yo

b= In (1+r)

Therefore the equation (2) can be written as In Yt=bo+b1 t (3)

Now if we add the error term U to the above equation, we obtain

In Yt=bo Post liberalization reforms in domestic industry +b1 t+U , We know that, b1=In (1+r)

Therefore antilog (b1)=(1+r), r=(Antilog b1-1) And since the r is the compound rate of growth, once we have obtained b1 (the slope co-efficient) wiccan easily obtain the compound rate of growth of Y by using the following formula:-

Compound rate of growth =Antilog b1-1. 100.

The present study has been segmented into five parts .Part -1 is assigned to review of past studies. Part -2 assigned for analyzes the trends in India's commodity performances in exports at aggregate level for the period 1991-1992 to 2019-2020.In part -3 an adept study is made to analyze the export composition. Part-4 analyzes the India's direction of exports. The main conclusion and [policy implications emerging out of the study are presented in Part-4

PART –I REVIEW OF RELATED PREVIOUS LITERATURE.

The study and review of previous literature on the role of exports as one of the deciding element of economic growth of India is an outdated concept.Adamsmith and Ricardo eminent economists in the history of International Trade very well discussed in favor of international trade as an engine.Aggarwal, 1992 , in his study stated that Export sector is considered as a catalyst agent for sustaining and accelerating process of economic growth. Countries devoted home resources to exports because they obtain more goods and services by international exchange than they would from the same resources devoted to direct home productions. Depending upon marginal propensity to consume and propensity to import, exports have multiplier effects on Gross National Income (Bannock et al., 1992).Exports ,by fostering specialization help to benefit from comparative advantage; utilizing the full capacity of plant size where domestic demand is less than the full production. Getting benefits of greater economies of scale due to large market; expanding aggregate demand; increasing the rate of investment and technological changes; enabling import of essential raw materials and capital goods ,result industrialization and thus rapid economic growth in developing economies (chennery,1979;Kavousi,1984; Ram ,1987; and Moon ,1998).Trade reforms formed an overall integral part of trade reforms of the structural trade reform process (RBI,2001-2002).The multilateral part of India's trade policy refers to India's commitment to the World Trade Organization (WTO) with regard trade in goods and services. This open trade regime has defined as a least vulnerable form of globalization with enormous opportunities for higher growth emanating from higher exports (Kruger, 1998). Exports being major part of India's foreign trade have assumed a place of paramount importance and play significant role in economic development process through generating investible surplus and financing imports by earning foreign exchange (Kaur, 1993): Trade policy reforms in recent past with their focus on liberalization, openness , transparency and globalization as well as creation of WTO have provided an export friendly environment with simplified procedure for trade facilitization (Indian Economic Survey,2016-2017).

PART 2 INDIA'S EXPORTS AND ITS PROGRESSIVE TRENDS.

Since 1991, on its effect of free trade policy announced by the Government of India, a steady progress in terms of Indian Economy in export of goods has been noticed to be remarkable, especially compared with the position of India's economy in early 1991.It was the severe outbreak of hostilities in the Persian Gulf Region in 1991 and consequent spiraling oil prices ,there was tremendous pressure on India's foreign exchange reserves ,aggravating on weak balance of payment crisis. Following this the country plunged into deep economic troubles. The rate of inflation rose to a level of what India witnessed the pre 1991 period. The basket of foreign exchange reserves during this period declined to a level of meeting only barely a three months of imports. To compensate for this decline, India entered into a stand-by arrangement, together with the supplementary loan with the Global body of International Monetary Fund (IMF). Following the IMF's conditionality's, various reform measures were undertaken to raise the economic growth rate in a sustained way. Post liberalization reforms in domestic economy have been able to control excessive Government control of decision making .In the manufacturing sector ,most of the reforms were incorporated into the industrial licensing policy of 1991implemented subsequently through a series of Government and developmental policy notifications. It was only from 1991 that exports were seen as an integral part of industrial growth. The policy, thereafter

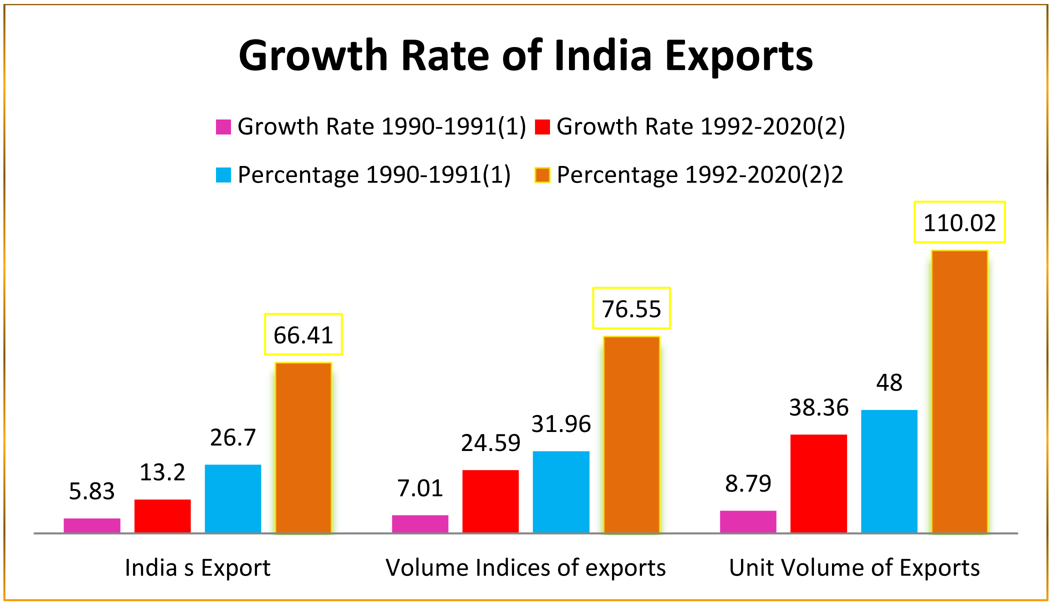
Emphasized technological up-gradation, increase in size of plants freer imports in domestic and international competition for the entire industrial sector as a pre –requisite for export promotion. All these steps have helped the business environment immensely and propelled tremendously India's export growth. In this section number II we have worked-out the growth rate India's exports in terms of value, volume and unit value indices since post reform liberalization period.

TABLE: 1.1

Growth rate of India’s exports since post reform period

Variable	*Compound Growth rate during 1990-1991(1)*	*Compound Growth rate during 1992-2020(2)*	*Percentage(1) 1990-1991*	*Percentage (2)1992-2020*
India’s Exports	*5.83*	*13.2*	*26.70*	*66.41*
India’s volume indices of exports	*7.01*	*24.59*	*31.96*	*76.55*
India’s unit value indices of Exports	*8.79*	*38.36*	*48.00*	*110.02*

Source: Hand book of statistics on Indian Economy (various issues) and Authors own calculation



The above table (1.1) shows that India's exports in pre-reform period Compound Growth Rate (1990-1991 (1) is found to be 5.83% and in the post reform period (1992-2020 (2) showed a remarkable increase to the level of 13.2 %.The base period 1990-1991 (1) percentage stood at 26.70 .Whereas in our study period of 1992-2020(2) the percentage increase is 66.41.This implies that India's exports exhibited a steady increase during the period because of the buoyancy in world demand ,revival of world trade reflecting East Asian recovery ,bottoming out of some global commodity prices ,coupled with trade policy imitative taken by the Government ,inter alia , contributed to this steady increase in the trade outcome. A stable domestic macroeconomic environment including low inflation and a relatively stable exchange rate in real effective terms, may have also contributed to this turnaround in exports. The compound *growth rate of volume indices in India's exports is found to be 7.01 in pre-reform period (1990-1991) and 24.59 in post reform –period (1991-2020).It implies that the volume indices of India's exports have registered an upward trend during the post reform period mainly because of the following facts:- Recovery in international commodity prices ,movements in cross currency exchange prices ,a fast repatriation of exports proceeds, various policy initiatives for export promotion and market diversification contributed to upsurge in export volume in post reform period. At the same time the unit value indices during the period showed better increase mainly due to the resurgence in international oil prices .This further indicated that the competitiveness of Indian industry has tremendously increased in post-reform period.*

THE COMPOSITION OF INDIA'S EXPORTS

The changing structure of India's exports throws some light on both the demand pattern and supply factors that are increasingly influencing India's exports and the manner in which its production structures, institutions and policies are responding to it. Regarding the changes in the composition of exports since 1991s, it may be observed that the share of agriculture and allied products has been declining while that of ores and minerals has been showing steady increase. Share of manufactured goods has increased structurally. Although the opening up of the Indian economy since the early 1991 provided impetus for higher growth for most of the commodities, some products gained more than the others. India's merchandise exports are predominated by the manufacturing sector which accounted for more than three-fourth of its total exports during post reform period.

1) AGRICULTURE AND ALLIED PRODUCTS;-

Agricultural products like tea, coffee, rice, tobacco, and spices are important items of India's exports and hence increase in foreign exchange earnings. Agriculture is also the source of raw material for agro based industries including textiles, jute, sugar, paper and processed foodstuffs. Moreover, agriculture sector provides market for capital goods inputs and consumer goods. The growth rate India's exports of agriculture and allied products pre and post reforms period.

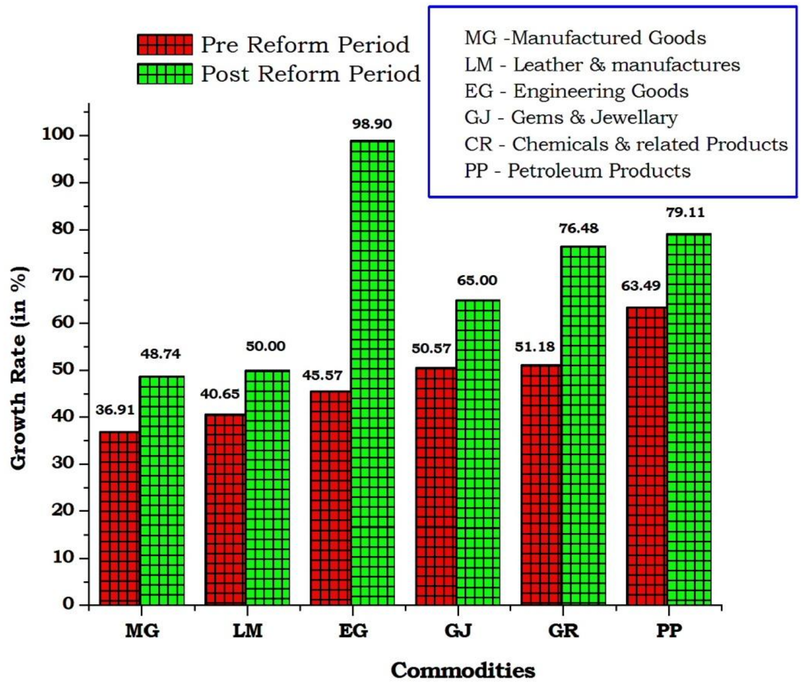
The relevant period data has been presented in table here as Table N0.1.2

TABLE: - 1.2

Growth rate of India's exports of Agriculture and allied products during pre and post economic reform period.

Sl.No	Commodity	Compound Growth rate for reform period (1990-1991)	Compound growth rate for post reform period (1992-2020)
I	Agriculture and allied products	1.9	19.7
1	Tea	0.8	5.0
2	Coffee	2.5	8.1
3	Rice	1.4	18.0
4	Marine Products	6.8	18.8
II	Ores and minerals	5.2	28.9
	Total	18.6	98.5

Source:-Hand book of statistics on Indian Economy (Various issues) & Authors own calculation.



The above table 1.2 reveals that the compound growth rate of India's exports of agriculture and allied products is found to be only 1.9 percent during the pre -reform period, but it is found to be higher in post reform period of 1992-2020.It implies that the export of agriculture and allied products has been rising during post –reform period due to the factors such as :-Adoption of National Agriculture Policy (NAP) by the Government of India ,Establishment of agriculture export promotion zones (AEPZ), Visheshkrishi and Gram Udyogh Yojana (VKGUY) , and opening up of pre-trade policy on Agriculture under the Guidelines promulgated by W.T.O.

I.1 .TEA:

Tea has been the most traditional commodity in our exports. The Indian tea industry is a profile source of earning foreign exchange to our Nation. India has the largest average and the highest production of tea in the world. It even occupied first position in our export items in the few years of seventies and eighties. The compound growth rate of India's export of tea is found to be only 0.8 percent during the pre-reform period which indicates very poor performance of tea exports due to the very reason that was as:-increase in domestic demand of tea very faster than that of domestic production .Rise in price of tea in domestic market vis-à-vis international prices, competition from East Africa, China, and Bangladesh. Low yield rate, increase in cost of production, heavy fiscal burden and progressive tax policy of Government. But the C.G.R is found to be 5.00 percent during the post-reform period which is definitely greater as compared to pre-reform period. It implies a rise in exports of tea during the post-reform period. It is because of the factors such as: - Improvement in production of tea from the regions of North India, firming up of the tea price in the world market, rise in unit value realization and failure of Kenya's tea crop exports to the rest of the market.

1.2. COFFEE:-

Coffee is another important traditional commodity in India's export domain. The C.G.R of India's export of coffee is found to be very low during the pre-reform period which was at mere only 2.50 percent. It implies very poor performance of coffee exports to U.S.A and E.E.C Nations. But the exports of coffee have shown some definite improvement during post-reform period as C.G.R found to be positive to the level of 8.1 percent. This trend of increase in coffee exports attributed to the factors such as:-Failure of Bazillion coffee crop and so much so increase in India's competitiveness' in coffee production.

1.3. RICE:- *The C.G.R of India's exports of rice found to be the lowest ebb of 1.4 percent during the pre-reform period. The fall in export volume, in face of the buoyant market conditions is due to declining of domestic availability following the draught conditions and because of ban placed on exports of non-basmati rice to augment domestic supply. But during the post-reform period the exports of rice has shown a remarkable growth as C.G.R is found to be 18.00 percent. The adjustment in the exchange rate of rupee, attractive premium on exim-scrip and incaution of certain varieties of rice in the open general license made the exports of rice competitive. Bulk of these exports found their ways to the Gulf Region and the U.S.A. Further, recovery in agriculture also felicitated an increase in rice exports during post-reform period.*

1.4. MERINE PRODUCTS

The C.G.R of exports of Marine products found to be 6.8 percent during pre-reform period and 18.8 percent during post-reform period. Improved catch position because of the operation of charted vessels, coupled with better infrastructural facilities like cold storage, transport, etc, and quality control gave apparently a boost to these Marine products exports.

II.ORES AND MINERALS

The C.G.R of exports of Ores and Minerals is found to be around 5.2 percent during pre-reform period due to the fact that of cyclone in the whole of total coastal area of Andhra Pradesh. But during the post-reform period C.G.R is found to be huge amount of rise to a level of 28.9 percent. The unplanned surge in exports of Ores and Minerals in contributed mainly by expansion in exports of Iron Ore.(Which is more than five times compared to the pre-reform period).

III. MANUFACTURED GOODS

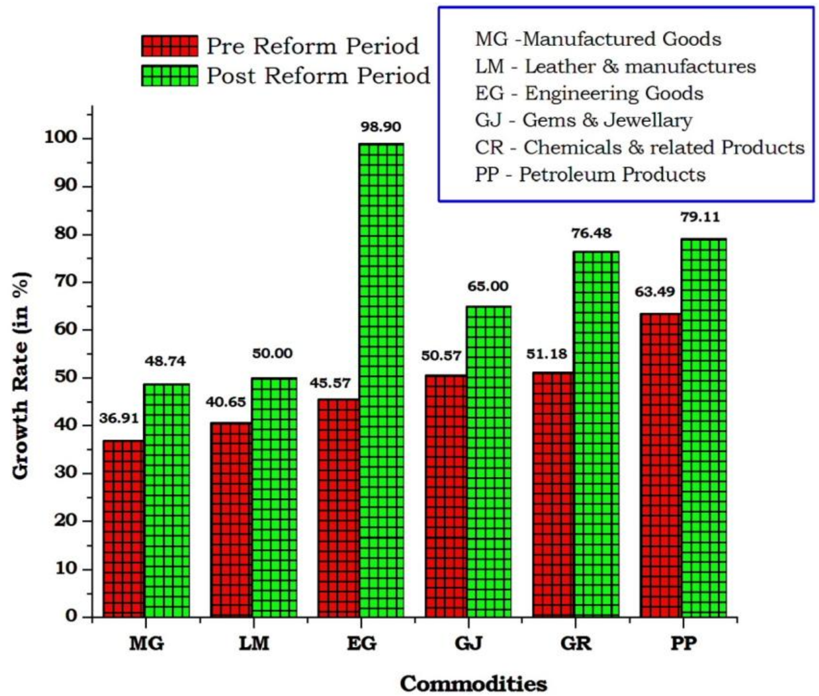
This is very large and major commodity group exported by India, whose share in exports of our country has consistently grown. The growth rate of India's exports of Manufactured Goods in their respective Pre- reform and Post-reform period is shown in the table 1.3.

TABLE: 1.3

GROWTH RATE OF INDIA'S EXPORTS OF PRE-REFORM AND POST-REFORM PERIOD

SI.NO	COMMODITY	COMPOUND GROWTH RATE FOR PRE-REFORM PERIOD 1990-91	COMPOUND GROWTH RATE FOR POST-REFORM PERIOD 2019-2020
III	Manufactured Goods	36.91	48.74
1	Leather and manufactures	40.65	50.00
2	Engineering Goods	45.57	98.90
3	Gems and Jewellary	50.57	65.00
4	Chemicals and related [products]	51.18	76.48
5	Petroleum products	63.49	79.11

Source: Hand Book of Statistics on Indian Economy (Various Issues) and Authors own calculation.



The above table (1. 3) shows that compound growth rate of India's exports of Manufactured Goods is found to be 36.91 percent during pre-reform period (1990-1991), but in 2019-2020 post-reform periods it is improved with some increase to a level of 48.74 percent. It implies that the exports of Manufactured Goods have shown an improved performance. However, the consistent share in rise of export of this commodity can be attributed to many commodities, whose exports have shown a remarkable increase. Category wise export performance of Manufactured Goods is as follows:-

1. LEATHER AND MANUFACTURES:-

The Leather Industry dominates a vital place in Indian Economy by virtue of its wide spread, sizeable employment and export large potential. Leather is an export worthy product, and unlike Gems and Jewellary; it has very little content of import. The C.G.R of India's exports of Leather and Manufactures is found to be 40.65 percent during pre-reform period. But during post-reform period the export quantum has very moderately increased to a level of 50.00 percent owing to the reason such as:- Demand contraction in Developed countries resulting from Global recession ,sharp drop in export of finished Leather and footwear components mainly due to the disintegration of former Soviet Union ,depressed market conditions in leather for European Union Countries and delay in clearance of import consignments etc:-.In view of competition from developed countries ,the Government has set up an inter ministerial committee to provide a single window clearance to enable leather exports to meet their requirements of imported raw materials, machinery etc, on a priority basis. The export base of the item has been strengthened by the change in export components, wherein there has been an increase in the export share of finished products and items with higher value additions. The leather exports promotion council has also taken very serious steps to promote the skills of technical professional and to promote the development, fabrication and distribution of improved environment advanced tools and equipments for tanning etc.

2. ENGINEERING GOODS:-

The C.G.R of export of Engineering Goods is found to be 45.57 percent during pre-reform period but almost double during post-reform period to the level of 98-90 percent due to the factors such as : Rising demands from countries in East Asia and China, growing tremendous industrial base of the country. Fixation of minimum value addition base levels and stream link of procedures for ensuring optimal level of usage of funds under IPRS i.e. (International Price Reimbursement Scheme). Finally, the sharp rise in Engineering Goods exports indicate that despite the fact of protectionism in

Developed Countries and strong competition in international market from the newly industrialized countries , the engineering Goods have achieved acceptable quality and quantity standards.

3. GEMS AND JEWELLARY:-

Gems and Jewellary comprising Diamonds, Gold Jewellary, Silver Jewellary etc. The product group of Gems and Jewellary makes significant contribution to country's overall export earning kiddy and remain in forefront of foreign exchange earnings. The C.G.R of export of Gems and Jewellary is found to be at 50.57 percent during pre-reform period but during post-reform period, exports of Gems and Jewellary showed some quantum of increase to a level of 65.00 percent. The marginal increase in exports of Gems and Jewellary during this period is due to the fact that of non availability of good quality gemstones ,breaking of single channel supply and growing competition, unexpected demand contraction from developed countries resulting from Global recession etc.

4. CHEMICAL AND RELATED PRODUCTS;-

The C.G.R of exports of Chemical and related products found to be 51.18 percent during pre-reform period which indicates the impressive performance of Chemicals and Related products. But the exports of this particular area of exports slightly increased to a figure of 76.48 percent during post-reform period. This marginal increase in exports of Chemicals products during post-reform period may be assumed to be international demand contraction resulting in Global recession.

***5. PETROLEUM PRODUCTS**;*

The compound Growth rate of India's exports of Petroleum's and Related Products is found to be 62.49 percent during the pre-reform period and it was 79.11 percent during the pro-reform period. This implies that India's exports in Petroleum and related products shown a remarkable improvement tremendously in both the periods particularly in pro-reform period .India's domestic refineries have constantly enhanced their refinering capacity to meet the domestic as well as international demands *are the reasons behind the improvements in export trends. Above all the tariff structures evaluated by the Government of India in line with the free trade policy are mainly responsible for the surge in exports of petroleum products during the post-reform period.*

IV.EFFECTS OF POLICY IMPLICATIONS AND CONCLUSIONS.

India's exports performance improved significantly during the post liberalization *period and there level of export expectation. has been a perceptible change in the value and composition .Though the volume and value of exports have increased manifold , India's share in world exports is still in not up to the planned level of expectation. The share of Manufactured Goods as well as the proportion of high value and differential products ,petroleum products has increased the India's export basket reflecting that the Indian economy is being diversified and traditional items of exports are gaining importance .It is expected that India's export level would grow at a planned estimate of 25 percent over the next few years .India's entry into new markets and robust performance in Engineering Goods ,Gems and Jewellary , and Textile segments are the reason behind India's export growth to an expected level in tune with the Free Trade Policy announced by the Government of India.*

POLICY IMPLICATIONS:

Considering the various global detractions happened during the last two years of COVID-19 Pandemic worst conditions prevailed in the global scenario, India could be able to maintain status- co in maintaining the export trend in consonance with the policy maker's predictions. Under the present worst conditions, the major policy implications emerging out of the present study are as follows:-

1. India need to make suitable policy changes in its trade policy, so that India can exploit opportunities in global market and increase its share in Global export. India has rightly shifted its FDI policy to "Make in India"recently.This would help to increase production of manufactured and industrial goods for exports.So, India's FDI policy and foreign trade policy must be integrated for export promotion.

2. For achieving seven percent by 2025, India should be competitive globally and be able to secure opportunities globally expanding its strategies in the market and environment.

3. India needs to make proper diversifications in composition of goods and services within policy guidelines of India's foreign trade. To remove bottlenecks operating in the economy and help in improving export competitiveness India must find a new other way to get over the present COVID'19 Pandemic obstacles in the way of exports worldwide and in particular Indian exports. The price and income elasticity, demand for export, should keep in mind while making diversification in the commodity composition.

4. India's performance on high-tech manufacturing trade front is not at par with other leading exporters of high technology products .India should make special efforts to increase high technology exports such as aerospace, computers-office machine, scientific instruments, electrical machinery, pharmacy etc, as

5. India needs to reorient the pattern of its exports to switch over to more skill intensive and more knowledge –intensive goods and services of competitive international quality.

Further, diversification and addition of India's export basket and the development of new export market should be worked out within the formulated open trade foreign policy during the post –reform period and W T O guidelines and wider efforts to enlarge the country's foreign trade and economic relations with other countries.

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ANNEXURE I

India's Exports trends in composition of commodities share since post liberalization

Source: Hand book of statistics on Indian Economy and Authors own calculation.

Sl No	1990-91	1991-01	2001-06	2006-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
I-A	10.58	9.93	24.10	19.65	32-00	27.82	16.19	15.95	15.73	17.66	16.37	9.97	8.32
I-B	5.07	4.88	10.35	14.72	8.50	7.41	3.56	3.75	3.76	3.54	3.45	2.14	1.95
II	35.54	34.85	22.56	20.32	13.77	40.07	64.58	63.63	62.75	58.40	58.32	34.68	28.74
II-A	4.25	4.46	3.39	3.24	2.41	1.41	.66	.69	.75	1.73	1.73	1.04	.85
II-B	6.11	6.74	5.13	3.86	3.26	2.50	1,39	1.59	1.87	2.05	2.85	7.47	18.40
II-C	7.13	7.66	5.51	7.86	10.25	5.84	3.01	2.93	3.00	2.90	2.90	12.55	10.29
II-D	13.22	13.92	10.76	7.96	5.32	2.68	1.73	1.83	2.02	2.27	2.27	5.68	6.14
II-E	10.21	8.67	10.12	7.62	7.44	3.92	2.05	2.31	2.15	2.56	2.56	1.74	1.38
II-F	2.25	2.53	1.52	6.89	3.80	4.75	1.98	1.99	2.07	2.19	2.19	1.18	4.01
II-G	2.02	2.14	1.55	1.42	3.70	2.73	1.10	1.35	1.50	2.13	2.13	4.83	9.38
III	2.47	2.50	3.00	4.90	7.24	4.74	2.71	2.81	2.86	2.96	2.96	7.41	8.14
IV	1.15	5.52	1.91	1.86	2.31	2.03	1.03	1.17	1.54	1.61	1.61	11.37	10.40
V	100	100	100	100	100	100	100	100	100	100	100	100	100

I

I-A : Agriculture and Allied activities

I- B: Ores and Minerals

II : Manufactured Goods-

II-A: Leather and Related Products

II-B: Chemicals and related products

II-C: Engineering Goods

II-D: Textiles and Garments

II-E: Jems and Jewellary

II-F: Handicrafts and arts

II-G: Other Manufacturing Goods

III: Petroleum Products

IV: All other Goods