

Composition of trade

6.28 The growth in exports in 2000-01 was spread across all the major commodity categories, with exports of petroleum products, ores & minerals, manufactured goods and agriculture and allied products particularly being buoyant (Table 6.7). An important feature of this performance was the turnaround in exports of agriculture & allied products which have been declining since 1996-97. The main products responsible for this revival included exports of spirit & beverages, sugar & molasses, poultry & dairy products, processed foods, meat & preparations, marine products, raw cotton, oilmeals, pulses and cereals. The plantation sector, however, continued to record negative growth at 6.9 per cent, due mainly to a decline in exports of coffee. Enhanced domestic refining capacity was mainly responsible for the surge in exports of petroleum products. The buoyancy in exports of ores & minerals was led by exports of iron ore and processed minerals. Amongst manufactured goods, exports of engineering goods, chemical & related products, leather & manufactures and textiles including readymade garments posted major gains. However, exports of gems & jewelry, which is a major foreign exchange earner, recorded a decline of 1.5 per cent during 2000-01, decline being mainly confined to cut & polished diamonds with gold jewelry sector continuing to grow. Given this performance, the share, in total exports, of manufactured goods and agriculture and allied products declined from 80.7 per cent and 15.2 per cent respectively in 1999-00 to 78.0 per cent and 13.5 per cent respectively in 2000-01. Correspondingly, share of exports of crude and petroleum products and ores and minerals, in total exports, increased to 4.2 per cent and 2.6 per cent respectively in 2000-01.

6.29 The downturn in exports in the current financial year is led by exports of manufactured goods, which declined by 7.1 per cent during April-October, 2001, thus further reducing the share of these exports in total exports to 76.1 per cent. Declines in exports of textiles including ready made garments, gems & jewelry, handicrafts, carpets and leather and manufactures and sharp deceleration in growth of exports of

chemical and related products and engineering goods mainly accounted for the contraction in exports from this dominant export sector. Such low offtake in these exports may partly be attributed to demand contraction in developed countries resulting from global recession. Exports of ores & minerals also witnessed a decline due mainly to lower exports of iron ore and processed minerals. Exports of crude and petroleum products, on the other hand, continued to surge increasing its share in total exports to 5.3 per cent during April-October 2001. Agriculture and allied products also posted a growth of 3.5 per cent, powered by significant increases in exports of cereals (mainly wheat), sugar & molasses, processed foods and poultry & dairy products.

6.30 Import growth in 2000-01 was buoyed up by substantial increase in POL imports, which increased by 24.1 per cent due mainly to continued strength of international crude oil prices. Non-POL imports declined by 5.9 per cent indicating a slowing domestic demand and subdued industrial activity during the year. The decline in Non-POL imports was contributed by lower imports of food & related items, fertilizers, capital goods imports and other intermediate goods (Table 6.8). The contraction in imports of food & allied products in 2000-01 was made up of a sharp decline in imports of cereals, sugar, milk & cream, edible oils, oil seeds, cashew nuts and spices. The decline in imports of intermediate/raw material imports in 2000-01, indicative of weak demand, was mainly due to lower imports of items like chemicals, pearl, precious & semi precious stones, iron & steel, non-ferrous metals, artificial resins & plastic materials and metalliferous ores & metal scrap. The decline in capital goods imports continued in 2000-01, with the decline in imports of transport equipment and project goods being particularly sharp. These growth trends imply a decline in share in total imports from 5.8 per cent in 1999-00 to 3.7 per cent in 2000-01 for food & allied imports, from 12.0 per cent to 11.0 per cent for capital goods imports, from 32.8 per cent to 29.8 per cent for other intermediate imports and from 2.8 per cent to 1.5 per cent for fertilizers. Correspondingly, the share of fuel imports in total

TABLE 6.7
Exports by Commodity Groups

Commodity Group	Percentage Share				Percentage Change			
	1999-2000	2000-01	2000-01	2001-02	1999-2000	2000-01	2000-01	2001-02
	(April - October)				(April - October)			
I. Agriculture & allied, of which	15.2	13.5	12.5	13.3	-7.1	7.1	0.1	3.5
1. Tea	1.1	1.0	0.9	1.0	-23.5	5.0	-14.7	7.5
2. Coffee	0.9	0.6	0.6	0.6	-19.4	-21.7	-29.9	5.5
3. Cereals	2.0	1.7	1.5	1.9	-51.6	2.8	-5.8	24.9
4. Unmanufactured tobacco	0.5	0.3	0.3	0.3	37.8	-22.8	-40.8	-14.5
5. Spices	1.1	0.8	0.8	0.8	5.1	-13.1	-19.9	-1.5
6. Cashew nuts	1.5	0.9	1.0	0.8	46.6	-27.4	-26.1	-23.0
7. Oil meals	1.0	1.0	0.7	0.5	-18.1	18.4	44.8	-19.6
8. Fruits & vegetables	0.6	0.6	0.5	0.6	14.0	18.6	8.7	11.6
9. Marine products	3.2	3.1	3.2	3.1	13.9	17.9	20.8	-6.1
10. Raw cotton	—	0.1	0.1	—	-63.8	175.8	175.1	-90.6
II. Ores and minerals, of which	2.5	2.6	2.6	2.6	2.5	26.5	44.3	-2.2
11. Iron ore	0.7	0.8	0.8	0.7	-29.4	31.9	58.5	-5.3
12. Processed minerals	0.8	0.8	0.9	0.8	9.5	36.2	72.9	-22.2
13. Other ores and mineral	0.9	0.8	0.8	1.0	55.7	13.0	17.8	16.8
III. Manufactured goods, of which	80.7	78.0	80.0	76.1	15.2	16.9	18.9	-7.1
14. Leather & manufactures	2.6	2.9	3.1	3.1	-9.2	33.5	36.7	-1.8
15. Leather footwear	1.0	0.9	0.9	0.9	16.3	1.6	5.4	-3.0
16. Gems & jewellery	20.4	16.6	17.9	16.0	26.4	-1.5	6.9	-12.6
17. Drugs, pharmaceuticals & fine chemicals	4.5	4.3	4.3	4.5	12.1	15.7	11.6	2.2
18. Dyes, pigments & Coal tar chemicals	1.6	1.4	1.6	1.3	25.4	5.5	25.6	-19.3
19. Manufactures of metals	3.3	3.6	3.6	3.8	17.8	31.3	25.5	3.8
20. Machinery and instruments	3.2	3.7	3.5	4.0	2.4	37.7	25.7	12.9
21. Transport equipments	2.2	2.4	2.1	2.2	6.3	30.5	12.2	1.9
22. Primary & semi-finished iron & steel	2.0	2.0	2.3	1.7	47.2	20.8	66.7	-28.0
23. Electronic goods	1.8	2.4	2.1	2.7	35.4	57.5	47.6	24.2
24. Cotton yarn, fabrics, madeups etc	8.4	7.9	8.1	7.4	11.5	13.6	13.4	-10.7
25. Ready made garments	12.9	12.5	13.0	11.3	9.2	17.0	24.0	-15.6
26. Handicrafts	3.6	3.1	3.2	2.6	6.6	2.2	-3.8	-19.6
IV. Crude & petroleum products	0.1	4.2	3.4	5.3	-66.4	6212.8	2724.7	54.2
V. Others & unclassified items	1.5	1.7	1.5	2.7	37.0	35.9	39.7	68.1
Grand Total	100.0	100.0	100.0	100.0	10.8	21.0	20.8	-2.5

Source: DGCI&S, Calcutta

TABLE 6.8
Commodity Composition Of Imports

Commodity Group	Percentage Share				Percentage Change			
	1999-2000	2000-01	2000-01	2001-02	1999-2000	2000-01	2000-01	2001-02
	(April - October)				(April - October)			
I. Food and allied products, of which	5.8	3.7	3.5	4.3	-2.1	-35.0	-46.1	25.9
1. Cereals	0.4	—	—	—	-22.9	-91.3	-92.2	-2.4
2. Pulses	0.2	0.2	0.2	1.2	-51.4	33.4	7.3	585.6
3. Cashew nuts	0.6	0.4	0.1	—	20.1	-23.8	-88.1	-76.1
4. Edible oil	3.7	2.6	2.9	2.8	2.9	-28.2	-33.7	-0.8
II. Fuel, of which	27.4	33.2	35.0	31.4	84.6	23.0	67.6	-9.0
5. Coal	2.0	2.2	2.1	2.1	2.9	9.7	14.9	2.1
6. POL	25.4	31.0	32.9	29.3	97.1	24.1	72.8	-9.7
III. Fertilizers	2.8	1.5	1.7	1.5	30.0	-46.1	-49.9	-14.4
IV. Paper board, manufactures & newsprint	0.9	0.9	0.9	0.9	-3.8	1.1	6.3	3.9
V. Capital goods, of which	12.0	11.0	9.3	9.7	-22.2	-7.3	-12.1	6.6
7. Machinery except elec & machine tools	5.5	5.4	5.1	5.4	-9.8	-0.9	2.0	6.0
8. Electrica; Machinery except electronics	0.9	1.0	0.9	1.2	4.0	11.3	13.3	36.9
9. Transport Equipments	2.3	1.9	1.1	1.1	42.4	-16.2	-21.6	4.8
10. Project goods	2.0	1.5	1.0	1.0	-63.3	-23.0	-52.2	-3.6
VI. Others, of which	32.8	29.8	29.6	30.3	8.5	-7.7	-6.2	4.0
11. Chemicals	7.9	6.7	6.8	7.5	5.3	-14.7	-12.8	10.9
12. Pearls, precious & semi precious stones	10.9	9.6	10.0	8.3	44.6	-11.0	-2.3	-16.1
13. Iron and steel	1.6	1.4	1.5	1.5	-20.1	-13.1	-2.5	5.3
14. Non ferrous metals	1.1	1.1	1.1	1.3	-8.5	-1.5	4.1	25.4
15. Professional instruments, optical goods etc.	1.7	1.7	1.7	2.0	3.0	4.1	6.1	16.8
16. Gold & silver	9.5	9.3	8.5	9.8	-7.2	—	-8.9	16.6
VII. Unclassified items	18.3	19.9	20.0	21.9	15.6	11.7	18.8	10.9
Total Imports	100.0	100.0	100.0	100.0	17.2	1.7	10.4	1.5

Source: DGCI&S, Calcutta

imports increased from 27.4 per cent in 1999-00 to 33.2 per cent in 2000-01.

6.31 Import growth in the first seven months of the current financial year continues to be subdued, rising by 1.5, per cent, which is much lower than 10.4 per cent growth shown in the corresponding period of last year. Import growth has, however, been moderated by falling POL imports, which were lower by 9.7 per cent due to moderation in international crude oil prices and slowdown in energy demand. Non oil imports have, therefore, increased by 7.0 per cent during April-October, 2001 as against a decline of 6.2 per cent during the corresponding period of last

year, hinting at an incipient economic recovery during the current financial year. This growth has been contributed by increased imports of food and allied products (mainly pulses, spices and sugar) and other intermediate products. A positive development during the year has been the reversal of trend in imports of capital goods, which have increased by 6.6 per cent during April-October, 2001. Imports of commodities like pulses, electrical machinery, chemicals, non ferrous metals, gold & silver and professional instruments & optical goods have significantly contributed to the growth of non-POL imports during the current financial year.