

Composition of trade

6.25 The decline in value of exports in 2001-02 was spread across both the agricultural and manufactured commodity groups, with declines of 2.2 percent and 3.9 percent respectively. Under manufactured goods, major exports like gems & jewelry, engineering goods, textiles including readymade garments, chemical & related products, leather & manufactures recorded sharp decelerations or even decline in exports (Table 6.7). This deceleration/decline was mainly due to lower exports of readymade garments and cotton yarn, fabrics & made ups under Textiles, ferro alloys, primary & semi finished iron & steel and computer software in physical form under engineering goods, organic & inorganic chemicals and dyes/intermediates & coar tar chemicals under chemical & related products and leather goods and leather garments under leather & manufactures exports. However, exports of specific manufactured goods like finished leather, cosmetics & toiletries, non-ferrous metals, machinery & instruments, electronic goods and coir & coir manufactures recorded substantial increases in exports during 2001-02.

6.26 The decline in agricultural and allied exports (including plantation) in 2001-02 was mainly on account of lower exports of tobacco, marine products, spices and cashew nuts. While the decline in exports of tobacco and cashew nuts was due to lower volume of these exports, decline in unit value contributed to lower exports of spices and marine products. The plantation sector continued to record negative growth at 9.8 percent, on account of both reduced volume and unit prices for exports of tea and coffee. Exports of cereals (mainly wheat), sugar & molasses, oil meals, processed foods, poultry & dairy products, however, recorded significant increases during the year. The buoyancy in exports of petroleum products continued in 2001-02, given the enhanced domestic refining capacity. Growth in exports of ores & minerals was led by a 19.2 percent increase in exports of iron ore (due mainly to a 72 percent rise in volume of these exports). Given such performance, the share, in total exports, of manufactured goods and agriculture and allied products declined from 78.0 percent and 13.5 percent respectively in 2000-01 to 76.1 percent and 13.4 percent respectively in 2001-02. Correspondingly, share of exports of

Table 6.7: Exports of principal commodities

Commodity	Percentage Share			Percentage Change*		
	2001-02	(April-October)		2001-02	(April-October)	
		2001-02	2002-03		2001-02	2002-03
1. Gems & Jewelry	16.7	15.9	17.3	-1.1	-12.2	28.6
2. Readymade Garments	11.4	11.6	10.7	-10.2	-12.1	9.0
3. Textiles, other than RMG	10.7	11.2	10.3	-10.4	-6.0	8.7
4. Engineering goods	15.9	16.0	16.0	-0.6	3.1	17.9
5. Chemical & related products	13.8	14.0	13.7	1.5	5.9	15.4
6. Crude & Petroleum products	4.8	4.8	5.0	12.3	40.4	22.0
7. Leather & manufactures	4.4	4.7	4.5	-2.1	1.2	11.3
8. Ores & minerals	2.9	2.6	3.8	8.9	-1.4	73.7
9. Marine products	2.8	3.0	2.8	-11.3	-5.1	7.5
10. Cereals	2.2	2.1	2.3	30.3	40.3	33.6
11. Others	14.4	14.1	13.6	0.8	3.4	15.0
Total Exports	100.0	100.0	100.0	-1.6	-0.9	18.1
* In dollar terms						

petroleum products and ores and minerals, in total exports, increased to 4.8 percent and 2.9 percent respectively during the year.

6.27 The continued surge in exports of petroleum products and ores & minerals has further enhanced the share of these exports in total exports to 5.0 percent and 3.8 percent respectively in the current financial year. Exports in other commodity groups like agricultural and manufactured goods have also increased by 3.0 percent and 16.3 percent respectively, thus making the current upturn in exports broad based across major commodity groups. Acceleration in major exports like gems & jewelry, engineering goods, chemical and related products, textiles, including readymade garments, leather and manufactures and handicrafts, have significantly contributed to this recovery. An important feature of performance in the current year is the turnaround in exports of agriculture & allied goods due mainly to higher exports of cereals, tobacco, spices, cashew nuts, fruits & vegetables and marine products. Cereals exports have spurred by 33.6 percent with India emerging as the world's second

largest exporter of rice and sixth largest exporter of wheat. Notwithstanding such a recovery, the share of agriculture & allied exports in total exports declined further to 11.9 percent, while the share of manufactured exports was broadly maintained in the first seven months of the current financial year.

6.28 Rise in non-POL imports in 2001-02 was contributed by higher imports of food & related items (mainly pulses, edible oil and spices), capital goods imports and imports of other intermediate goods (Table 6.8). Imports under the fuel group, fertilizers and paper board, manufactures & newsprint, however, contracted in 2001-02. While machinery and transport equipment contributed to enhanced imports of capital goods, under intermediate goods, higher imports were recorded for chemicals, iron & steel, non ferrous metals, professional instruments & optical goods, metalliferous ores & metal scrap, electronic goods and non metallic minerals manufactures. A significant feature of the performance in 2001-02 was the reversal in trend in imports of capital goods, which

Table 6.8 : Imports of principal commodities

Commodity	Percentage Share			Percentage Change*		
	2001-02	(April-October)		2001-02	(April-October)	
		2001-02	2002-03		2001-02	2002-03
1. POL	27.2	29.0	29.9	-10.5	-10.2	16.7
2. Pearls, precious & semi-precious stones	9.0	8.3	10.4	-4.4	-15.2	41.3
3. Capital goods	11.4	9.7	10.4	6.3	6.9	20.9
4. Electronic goods	7.4	7.1	8.5	6.4	3.9	35.0
5. Gold & silver	8.8	9.8	7.4	-2.2	17.4	-14.6
6. Chemicals (Inorganic + organic)	5.4	5.4	4.9	13.3	10.8	1.3
7. Edible oils	2.6	2.8	2.8	1.6	-0.3	10.9
8. Coal, coke & briquettes	2.2	2.1	2.0	3.4	2.3	3.0
9. Metaliferous ores & metal scrap	2.2	2.3	1.9	44.8	68.4	-7.4
10. Professional instruments, optical goods	2.0	1.9	1.9	18.4	17.1	7.8
11. Others	21.8	21.6	19.9	14.0	13.4	5.7
Total Imports	100.0	100.0	100.0	1.7	1.9	13.0

* In dollar terms

increased by 6.3 percent as against substantial declines in the preceding two years. Another highlight was the turnaround in export related imports that increased by 1.6 percent in 2001-02 as against a decline of 10.9 percent in 2000-01. Major commodities posting contraction in imports during the year included pearl, precious and semi precious stones, gold & silver, project goods, cereals and cashew nuts. These growth trends imply an increase in share in total imports from 3.7 percent in 2000-01 to 4.5 percent in 2001-02 for food & allied imports, 11.0 percent to 11.4 percent for capital goods and from 29.6 percent to 30.2 percent for other intermediate goods over this period. Correspondingly, shares of fuel group declined from 33.2 percent to 29.5 percent and fertilizers from 1.5 percent to 1.3 percent respectively in 2000-01 and 2001-02.

6.29 Import growth in the first seven months of the current financial year has been high, rising by 13.0 percent as compared with a modest growth of 1.9 percent in corresponding previous period. The growth has been buoyed up by POL imports, which increased by 16.7

percent due to hardening of international crude oil prices and off take in domestic energy demand. Non-oil imports have, therefore, increased by 11.5 percent in April-October, 2002 with a decline in imports of gold & silver by 14.6 percent moderating this growth. Thus, import growth, net of POL and gold & silver imports, posted a growth of 15.7 percent in April-October 2002 as compared with a rise of 6.5 percent in the corresponding previous period, suggesting an incipient economic recovery during the current financial year. The growth has been contributed by increased imports of food and allied products (mainly edible oil, cashew nuts and spices) and other intermediate products (chemicals, precious & semi precious stones, electronic goods, iron & steel, medicinal and pharmaceutical products, professional instruments, optical goods and computer software in physical form). Import of capital goods have accelerated by 20.9 percent (due mainly to transport equipment and non electrical machinery), indicating a pick up in domestic manufacturing activity and export related imports have also surged by 26.9 percent during April-October, 2002.