

Composition of Trade

24. The composition of exports reveals a gradual shift during the nineties. The share of ores and minerals has declined progressively from 4.6 per cent in 1991-92 to 3.1 per cent in 1997-98 and this trend has continued during the first eight months of 1998-99, with the share declining further to 2.4 per cent (Figure 6.3). The share of manufactured exports, the dominant sector, has been fluctuating in a narrow band around 75 percent. The share of agriculture has been more variable, declining from 1991-92 to 1994-95, rising during the subsequent two years and dropping again since 1997-98. This is, in part, due to lack of a consistent agricultural export policy and frequent supply considerations restraining aggressive trade promotion of these exports.

25. The main commodities responsible for the slowdown in export growth in 1997-98 were cereals and raw cotton in the agricultural sector, ores and minerals, crude and petroleum products, and in the manufacturing sector, leather products, transport equipment and electronic goods. Manufactured exports fared better in

1997-98 with a growth rate (in Dollar terms) of 4.7 per cent, with other categories of exports recording negative growth. Among the manufactured export items posting buoyant growth during 1997-98 included gems and jewellery (7.6 per cent), drugs, chemicals & related products (9.5 per cent), manufacture of metals (17.4 per cent), and machinery and instruments (9.8 per cent). Among agricultural products, exports of tea and coffee recorded significant increase in 1997-98 as against an absolute decline in the previous year.

26. In the first eight months of the current financial year, exports have shown an across the board decline in all commodity groups, with a decline of 22.4 per cent in ores and minerals, 5.4 per cent in agricultural and allied commodities, 4.6 per cent in manufactured goods and 69.5 per cent in crude and petroleum products. Exports which recorded poor performance included leather footwear, dyes and chemicals, cotton yarn, fabrics and made ups, electronic goods, transport equipment, primary and semi-finished iron and steel, raw cotton, raw tobacco and oil meals. Among the export

TABLE 6.6
Fastest Growing Commodities : Exports & Imports (1998-99)

Commodities	Weights*	(Amounts in US \$ Million)		
		1997-98 (Apr-Nov.)	1998-99 (Apr-Nov.)	% Change
Exports				
1. Cereals	2.6	515.2	904.2	75.5
2. Tea	1.2	266.4	346.8	30.2
3. Handicrafts (exc. Handmade Carpets)	1.5	375.2	444.8	18.6
4. Gems & Jewellery	15.1	3200.8	3715.9	16.1
5. Leather & manufactures	2.7	647.4	707.7	9.3
6. Readymade garments	11.1	2434.3	2642.9	8.6
7. Rmg. Cotton including Accessories	8.3	1806.8	1941.4	7.4
8. Manufactures of metals	3.2	627.2	659.4	5.1
9. Drugs, pharmaceuticals & fine chemicals	4.1	892.9	915.7	2.6
Imports				
1. Gold & Silver @	7.2	936.9	3311.0	253.4
2. Edible Oils	1.8	607.1	1229.3	102.5
3. Project goods	3.9	841.4	1456.2	73.1
4. Chemical material and products	0.7	192.0	280.3	46.0
5. Manufactures of metals	0.8	190.2	267.3	40.5
6. Cereals	0.7	153.1	197.8	29.1
7. Electrical machinery except electronics	0.9	234.8	301.3	28.3
8. Professional Instruments, Optical goods	1.8	452.2	522.1	15.5
9. Pearls, precious & semi-precious stones	7.7	2163.5	2339.9	8.2
Source : DGCI&S, Calcutta				
@ : The bulk of increase in gold & silver imports in 1998-99 is on account of switch in channel of imports from NRI Baggage route to DGCI&S reporting system.				
* : Weights have been worked out on the basis of value shares in 1997-98.				

commodities that showed high growth, were cereals, tea, handicrafts (excluding carpets) and gems and jewellery (Table 6.6).

27. The composition of imports in the recent past reveals a rising share of food and allied products from 3.6 per cent in 1996-97 to 6.5 per cent in the first eight months of the current financial year. The share of fuel in total imports has declined from 28.2 per cent in 1996-97 to 17.9 per cent in the current year due mainly to low international crude oil and product prices. Similarly, capital goods share in total imports declined from 21.5 per cent in 1996-97 to 16.4 per cent in the first eight months of 1998-99, on account of reduced imports of transport equipment, machinery (except electrical) and machine tools. On the other hand, the share of

other imports has increased sharply from 27.0 per cent in 1996-97 to 35.4 per cent in the current financial year, mainly due to a sharp increase in imports of gold and silver which is largely on account of the shift in recording of these imports from the baggage route to the DGCI&S reporting system. Other commodities whose imports recorded significant growth in 1998-99 (April-November) were: project goods (73.1 percent), edible oils (102.5 percent), manufacture of metals (40.5 per cent), cereals (29.1 percent), professional instruments & optical goods (15.5 per cent), chemical materials and products (46.0 per cent), pearls, precious and semi-precious stones (8.2 per cent), and electrical machinery except electronics (28.3 per cent) (Table 6.6).