

Composition of trade

6.20 The composition of exports in the recent past shows a gradual increase in the share of manufactured exports, which have consolidated from 75.4 per cent in 1995-96 to 77.8 per cent in 1998-99. This trend has continued in the first eight months of the current financial year with the share of manufactured exports in total exports rising further to 80.8 per cent (Figure 6.3). The share of agriculture and allied products, after peaking at 20.4 per cent in 1996-97 declined to 17.3 per cent in 1998-99 due to a decline in these exports in US Dollar value by 11.7 per cent on account of both lower quantum as well as unit value realization in 1998-99. A decline in agriculture and allied exports by 11.6 per cent during April-November, 1999 has further reduced their share in total exports to 14.5 per cent. Ores & minerals have been displaying a consistently declining trend with their share in total exports shrinking from 3.7 per cent in 1995-96 to 2.6 per cent in 1998-99 and further to 2.1 per cent during April-November, 1999. Similarly, the share in total exports of crude and petroleum products has been diminishing since 1995-96.

6.21 There was a decline (in US Dollar value) in all the broad categories of exports in 1998-99 with agriculture & allied products declining by 11.7 per cent, Ores & minerals by 16.0 per cent, manufactured goods by 1.3 per cent and crude & petroleum products by 74.6 per cent. The main commodities contributing to this decline in growth in 1998-99 were oil meals (-50.8 per cent), unmanufactured tobacco (-43.1 per cent), dyes/intermediates & coar tar chemicals (-21.0 per cent), engineering goods (-17.5 per cent), ores & minerals (-16.0 per cent), cotton yarn & fabrics & made ups (-15.0 per cent), marine products (-14.0 per cent) and leather & manufactures (-11.3 per cent). However, significant growth rates were posted by commodities like rice (62.5 per cent), ready made garments (14.4 per cent), gems & Jewellery (10.4 per cent) and handicrafts (5.3 per cent).

6.22 The buoyancy in exports in the current financial year is led by manufactured exports, which in the first eight months of the year have posted a growth rate of 17.3 per cent in US Dollar value as against a decline of 1.8 per cent in the corresponding period of last year.

Agriculture and allied sector and ores and minerals sector continued to show a declining trend during April-November, 1999. The main commodities registering high growth rates during this period include gems and jewellery, cotton yarn fabrics and made ups, ready made garments, manufacture of metals, handicrafts, transport equipment, primary and semi-finished iron and steel, electronic goods, cashewnuts, and marine products (Table 6.6). The major commodities showing poor export performance in the current year are cereals (-52.1 per cent), processed minerals (-16.4 per cent), oil meal (-37.7 per cent), coffee (-31.6 per cent), tea (-20.8 per cent), iron ore (-35.2 per cent), raw cotton (-61.0 per cent), machinery and instruments (-3.1 per cent), crude and petroleum products (-65.3 per cent) and leather & manufactures (-13.8 per cent).

6.23 The composition of imports in the recent past reveals a rising share, in total imports, of food and allied products from 3.6 per cent in 1996-97 to 6.1 per cent in 1998-99. The share of POL has declined from 25.6 per cent in 1996-97 to 15.4 per cent in 1998-99, due mainly to low international oil prices. Similarly, the share of capital goods imports in total imports declined from 21.5 per cent in 1996-97 to 16.6 per cent in 1998-99. On the other hand, share in total imports of other intermediate goods has increased from 27 per cent in 1996-97 to 35.9 per cent in 1998-99 (Figure 6.3). The stagnation in total imports in 1998-99 was mainly contributed by decline in imports (in US Dollar value) of POL (-21.2 per cent), capital goods (-7.9 per cent), coal (-21.2 per cent), cereals (-20.2 per cent), pulses (-70.1 per cent), cashew nuts (-20.2 per cent), fertilizers (-12.4 per cent), non-ferrous metals (-27.1 per cent), iron & steel (-15.5 per cent) and chemicals (-3.1 per cent). Major import commodities posting significant increase in imports in 1998-99 include edible oils (127.9 per cent), sugar (102.0 per cent), gold & silver (53.9 per cent), pearl, precious & semi precious stones (12.6 per cent), and professional instruments (8.9 per cent).

6.24 During the first eight months of the current financial year import growth in US Dollar value has been low at 7.1 per cent. Even this growth was almost wholly on account of a 54.3

per cent increase in the oil bill. Non-POL imports, on the other hand, have declined in the first eight months of the current financial year by 1.6 per cent. The main contribution to the downturn is on account of a sharp decline in imports of capital goods (by 29.8 per cent) and slowdown in imports of gold & silver (-15.2 per cent). Other main commodities which have witnessed a significant decline in imports in the first eight months of the current financial year are cereals (-44.7 per cent), pulses (-68.0 per cent), non ferrous metals (-16.6 per cent),

iron & steel (-11.4 per cent), paper board manufactures & newsprint (-14.6 per cent), coal (-8.9 per cent) and cashew nuts (-4.9 per cent). On the other hand, a number of commodities registered significant increases in imports. These, apart from POL include pearls, precious and semi precious stones, edible oils, fertilizers, chemicals, manufacture of metals, wood & wood products, Non-metallic mineral manufactures excluding pearls, artificial resins, plastic materials etc., pulp and waste paper and raw silk (Table 6.6).

TABLE 6.6
Fastest Growing Commodities : Exports & Imports (1999-00)

(Amounts in US \$ million)

| Commodities | Weights* | 1998-99 (Apr-Nov.) | 1999-00 (Apr-Nov.) | % Change |
|--|----------|-----------------------|-----------------------|----------|
| Exports | | | | |
| 1. Cashew nuts | 1.1 | 252.3 | 395.8 | 56.9 |
| 2. Transport equipments | 2.2 | 443.2 | 685.9 | 54.8 |
| 3. Primary & semi finished iron & steel | 1.5 | 339.9 | 437.2 | 28.7 |
| 4. Gems & Jewellery | 17.5 | 3884.4 | 4760.6 | 22.6 |
| 5. Manufactures of metals | 3.2 | 667.1 | 802.6 | 20.3 |
| 6. Electronic goods | 1.5 | 322.9 | 384.1 | 19.0 |
| 7. Handicrafts | 3.7 | 838.4 | 952.0 | 13.6 |
| 8. Ready made garments | 13.2 | 2612.3 | 2950.4 | 12.9 |
| 9. Cotton Yarn, fabrics, made ups etc. | 8.2 | 1833.9 | 2013.7 | 9.8 |
| 10. Marine products | 3.1 | 732.9 | 770.9 | 5.2 |
| Imports | | | | |
| 1. POL | 15.4 | 4407.5 | 6800.3 | 54.3 |
| 2. Fertilizers | 2.3 | 749.4 | 1150.1 | 53.5 |
| 3. Pearls, precious & semi-precious stones | 9.0 | 2342.9 | 3298.1 | 40.8 |
| 4. Wood & Wood Products | 0.9 | 238.0 | 299.6 | 25.9 |
| 5. Edible oils | 4.0 | 1314.8 | 1443.8 | 9.8 |
| 6. Artificial resins, plastic materials etc. | 1.6 | 448.8 | 485.4 | 8.1 |
| 7. Pulp and waste paper | 0.6 | 159.0 | 168.1 | 5.7 |
| 8. Non-Metic Mnrl Mnfs Excl perls | 0.4 | 110.9 | 115.7 | 4.3 |
| 9. Chemicals | 9.0 | 2559.4 | 2662.4 | 4.0 |
| 10. Manufacture of metals | 1.0 | 252.9 | 261.9 | 3.6 |

Source : DGCI&S, Calcutta

* : Weights have been worked out on the basis of value shares in 1997-98.