



# ANALYSIS OF INDIA'S EXPORT PERFORMANCE IN THE SELECTED PRODUCTS

1<sup>st</sup> Author: Dhruv Sangani  
Researcher (Student)

2<sup>nd</sup> Author: Ritu Rathod  
Research (Student)

3<sup>rd</sup> Author: Sonakshi Sharma  
Research Guide (Professor)

Name of Department: Parul Institute of Management & Research,  
Name of organization: Parul University, City: Vadodara, Gujarat, Country: India

**Abstract:** Export refers to a product or service produced in one country but sold to a buyer abroad. Exports are one of the oldest forms of economic transfer and occur on a large scale between nations. India's share of merchandise exports amounted to around 1.6 percent of the total global exports. Moreover, the share of commercial service exports from the country was higher at 3.5 percent during that same period. Exports have played an increasingly important role in India's economic growth in the last two decades. This paper analyses the performance of India's exports and the various economic factors which have contributed to its growth. Since manufactured exports comprise a significant share of India's aggregate (merchandise) exports, the paper also provides an overview of the export performance of ten important commodities; namely, Petroleum products, Electric Machinery & Equipment, Organic Chemicals, Gems and Jewellery, Iron and Steel, Motor Vehicle/Cars, Iron Ores, Plastic, Salt and Cotton yarn and concludes with key policy changes which could have a bearing on the current trends seen in these sectors.

**Keywords -** Export performance, Manufacturing sector, Export competitiveness, Trade, Policy reforms

## I. INTRODUCTION

World trade has expanded rapidly over the past decades. An important factor contributing to the Growth in trade has been the periodic rounds of successful multilateral trade negotiations which have led to a considerable reduction in tariffs on goods crossing national borders.

India has entered into trading agreements with various countries of the world with the objective boosting its external trade. Foreign Trade Policy of India has always focused on substantially increasing the country's share of global merchandise trade. Accordingly the Government of India Has been taking various steps towards boosting its trade with the rest of the world by adopting Policies and procedures which would help to increase and facilitate both exports and imports with the other countries of the world.

## II. CUSTOMER BUYING BEHAVIOR

Customer buying behavior refers to the action taken by consumer before buying a product or service. This process may include consulting search engines, engaging with social media posts, or a variety of other actions. It is valuable for business to understand this process because marketers can predict how customers will respond to marketing strategies.

Customer buying behavior in India's export market can vary depending on various factors such as the product category, target market, and customer segment. However, there are some common patterns that can be observed. Payment terms, international commercial terms, current affairs in global market, customer's conditions and regulation of its country's governance are factors which affects customers buying behavior.

Customer buying behavior depend upon Trade/Government Policies, Impact of Exchange Rates, Competitiveness, Inflation Rate, Domestic GDP, Foreign GDP, Export Subsidies, Quality, Geographical Location and Marketing.

### III. STATEMENT OF PROBLEM

With the economic downturn, tariffs, and trade impacting the supply chain, a lot of the discussion has focused on the importing of goods and services. Problems like Unclear Logistical Business Planning, Inexperience with Border Control and Distribution Laws, Understanding Legalities for Each Market, Financial Risk in Currency Exchange Rates, Not Determining If Your Product Will Sell, Not Having a Diverse Workforce are Main problems in export process.

### IV. OBJECTIVE OF THE STUDY

The basic objective behind doing this project report is to get knowledge of different tools of finance. True learning happens out of experience and observation. And for more improvement, new tools and techniques have been developed to meet the needs of modern business which works in complex environment.

There are several problems which India is facing in export like Inland transportation challenges, freight charges, Indian rupee to USD, payment terms of buyers and many more problem which exporters are facing can be understand by this research. India's export is also increasing from past few years because of acceptance of new technologies in business and other activity. India has its significant performance in IT industry over the world. By this research we can evaluate in which sector India have to improve its performance by identifying and solving the problems in the industry.

### V. RESEARCH METHODOLOGY

Population: All the products data which are exported from India to other countries.

#### SAMPLING METHOD

Exports of top 10 Selected Products (Industry) between India and China have been taken under consideration. This study is only limited to India's export to China.

#### SAMPLING FRAME

Only secondary data is used in this research.

This study is based on past ten year's data.

The 10 products which have been taken under consideration are as below.

1. PETROLEUM PRODUCTS
2. ELECTRIC MACHINERY AND EQUIPMENT
3. ORGANIC CHEMICALS
4. GEMS AND JEWELLERY
5. IRON AND STEEL
6. MOTOR VEHICLE/CARS
7. IRON ORES
8. PLASTIC
9. SALT
10. COTTON YARN

### VI. Data and Sources of Data

The present study is based on Secondary data analysis.

The data has been collected from various source i.e. Ministry of corporate affairs, IMF, World Bank, Ministry of Foreign Trade.

## VII. Theoretical framework

This report is consist of India's export performance to china, to determine India's export performance and to conclude India's overall growth and expected performance in future. India's export performance is increasing rapidly and it has been possible due to different scheme provided by government. Government also changed such restrictions and rules which causing problem in export process. Special economic zone is one of the most suitable example to understand government steps towards increasing export.

Exporters are getting many compensation scheme by government other than regular sales, by which government influence them to increase exports, which increase inflow of foreign exchange. Indian exporters are making profitable business through their new ideas and innovation. They are also getting benefits from government, which influence them to increase their export sales. India is adopting new technologies, ideas and innovation by which business are getting stronger & making its international relation stronger.

India has entered into trading agreements with various countries of the world with the objective boosting its external trade. Foreign Trade Policy of India has always focused on substantially increasing the country's share of global merchandise trade. Accordingly the Government of India Has been taking various steps towards boosting its trade with the rest of the world by adopting Policies and procedures which would help to increase and facilitate both exports and imports with the other countries of the world. To facilitate and thereby increase external trade activities with the rest of the world, the Department of Commerce, Government of India has developed this web portal.

## VIII. RESULTS AND DISCUSSION

### Results of Descriptive Statics of Study Variables

Table 1: Descriptive Statics

India's Exports, Imports and Balance of trade from 2010-11 to 2019-20						
Year	value in Rs. Crores			percentage growth		
	Exports	Imports	Balance of Trade	Exports	Import	Trade Deficit
2010-11	113696426.4	168346695.6	-54650269.19	34.47	23.45	4.35
2011-12	146595940	234546324.5	-87950384.49	28.94	39.32	60.93
2012-13	163431829	266916195.7	-103484366.7	11.48	13.8	17.66
2013-14	190501108.9	271543390.7	-81042281.88	16.56	1.73	-21.69
2014-15	189634841.8	273708657.8	-84073816.08	-0.45	0.8	3.74
2015-16	171638440.4	249030553.8	-77392113.34	-9.49	-9.02	-7.95
2016-17	184943355.3	257767536.7	-72824181.34	7.75	3.51	-5.9
2017-18	195651452.8	300103343.4	-104451890.6	5.79	16.42	43.43
2018-19	230772619.4	359467461.2	-128694841.8	17.95	19.78	23.21
2019-20	221985418.1	336095445.6	-114110027.5	-6.5	-6.5	-11.33

Table 1 Trade performance of a country can be measured from various perspectives – imports, exports, Trade balance, total trade, etc. and its growth over the years. Table below gives India's Exports and Imports for a decade. As may be seen from the Table that for the initial four years from 2010-11 to 2019-20, India's dependency on other countries were much less and its export Performances were steadily increasing.

Trade performance of a country can be measured from various perspectives – imports, exports, Trade balance, total trade, etc. and its growth over the years. Table below gives India's Exports and Imports for a decade. As may be seen from the Table that for the initial four years from 2010-11 to 2019-20, India's dependency on other countries were much less and its export Performances were steadily increasing.

During this period, the trade deficits were much less and Confined to thousand crores rupees figures although there was more than 61% annual growth in Balance of trade in 2011-12. During that year, the growths were high at 29% and 40% respectively for both exports and imports. If those were indications, in the year 2018-19, there Were increase in both Exports and Imports figures with imports crossing 3 lakhs crores and with Annual growth of almost 20%, rate of growth compared to previous year; exports also Performed well at Rs. 2.30 lakhs crores with 18% growth in 2018-19 in comparison to 6% Growth in 2017-18. However, the impact was noticed more in balance of trade figures as it Crossed one lakh crores (Rs.104451890) and grew with 44% in 2017-18 compared to 23% of 2018-19(Rs.128694841). From this point, the country could not recover and the balance of Trade figures were ever increasing since then except for this four years 2013-14, 2015-16, 2016-17 and 2019-20 when the growth was negative due to global slowdown impact.

The global slowdown during those years had its impact on the economy of almost all the countries, Including India. The impact was such that during 2013-14, both exports and imports, there were Decrease in the rate of growths; for exports it was merely 17%, whereas for imports, it Was growth 2% in 2013-14. The resulting impact was that the balance of trade also shown Negative growth with 21.69%. However, in 2017-18 and 2018-19, the growths of balance of Trade increased along with the exports and imports. In 2017-18, the exports growth was 6% but Import growth was high at 17%, resulting in 43% growth in balance of trade. However, in 2018-19, the import grew significantly at 19% and exports grew less at 17%, resulting in whipping Growth in balance of trade at 23%.

## IX. PROBLEM IDENTIFICATION

It suggested facilitating effective marketing strategies by setting up centers in top international markets, product promotion and integration of brand building initiatives with India's commercial missions.

An export strategy assumes greater significance given a rapidly changing global trade landscape, shifting of global value chains and new free trade agreements, including mega trade agreements.

To encourage domestic manufacturing, the chamber called for strengthening industrial clusters with related infrastructure and port connectivity.

It also recommended adopting an integrated value-chain approach for establishing global linkages is another important recommendation which would require interventions such as logistics and infrastructure support, skill development initiatives, among others.

Trade and investment agreements and an infrastructure for promoting standards. India has to allocate and distribute resources according to need of export while establishing the business.

Needs of management personalities and qualified employees to handle business properly, by appointing highly skilled people in the India it can be resolved from the country?

India has to maintain its brand value in terms of achieving desired goal by maintaining quality.

It is important to focus on transport facilities and also focus on Logistic services and available modes of transport.

Consistency of export strategy with other goals of the country Demand of management personals, production capacity and finance. Establishing a production unit to produce finish goods in the country itself rather than importing in the country.

Government policies regarding export and imports of materials from raw material supplying countries of its own to calculate cost of productions. Issues to establish local manufacturing facilities and getting support from local authorities.

### Heavy Document Process

Exporting comes with the complexities of dealing with unfamiliar buyers in foreign lands, different trade laws and practices, and numerous documents. However, the process in India is said to be more time-consuming and cumbersome than in many other countries, partly due to a high documentation requirement. Indian exporters must prepare a large set of documents for each stage of the shipping process. These are the pre-booking, booking, post-booking, and discharge stages.

### Congested roads

India's roads also carry a major chunk of its freight traffic (67 percent in 2017, as per the latest available figure). India's road traffic is among the worst in the world, thanks to a large population and poor road conditions. In 2020's TomTom Traffic Index, which ranked 416 cities based on traffic congestion, four Indian cities made the top 20. Mumbai ranked second, Bangalore sixth, Delhi eighth, and Pune 16th. Losses attributed to road congestion in India are significant. A 2018 report commissioned by cab hailing company Uber found the cost of traffic snarls in four Indian cities – Delhi, Mumbai, Bangalore, and Kolkata – to be worth \$22 billion a year in terms of fuel consumption, productivity loss, pollution, and accidents.

### Lack of connectivity

Exporters in land-locked states are hampered by a lack of connectivity to gateway ports. It takes 46 hours to move a shipment from a warehouse in Delhi to a port, three times longer than in other countries. Bihar, Jharkhand, Himachal Pradesh, Uttarakhand, Jammu and Kashmir, and the North Eastern states suffer from poor hinterland connectivity. The transport of agricultural produce – among India's top exports – suffers from poorly built link roads connecting farms with main roads.

## X. CONCLUSION

This report is consist of India's export performance to china, to determine India's export performance and to conclude India's overall growth and expected performance in future. India's export performance is increasing rapidly and it has been possible due to different scheme provided by government. Government also changed such restrictions and rules which causing problem in export process. Special economic zone is one of the most suitable example to understand government steps towards increasing export.

## XI. REFERENCE

- Batra, A. &. (2005). Revealed comparative advantage: An analysis for India and China. Working paper.
- Bhattacharya, S. K. (2007). Gains and losses of India-China trade cooperation-A gravity model impact analysis.
- Gupta, A. a. (2010). India and China: New Tigers of Asia, part 3, Morgan Stanley Research Special Economic Analysis.
- Kalirajan, K. &. (2008). A comparative analysis of China's and India's recent export performances. Asian economic papers.
- Kumar, A. (2018). Overview of India's Export Performance: Trends and Drivers.
- Mohanty, S. &. (2005). Emergence of China and India in the New Millennium: Will it Facilitate Market Access for LDCs and Developing Countries?
- Mukherjee, S. &. (2012). Overview of India 'export performance: Trends and drivers. IIM Bangalore Research Paper.
- Nagraj. (2005). Industrial Growth in China and India A preliminary Comparison. .
- Sen, A. (2011). India, China growth race 'silly', Business News 9Finance.
- Yanrui. (2008). Comparing Regional Development in China and India.

## XII. ACKNOWLEDGMENT

I would like to take this opportunity to thank “Parul Institute of Management & Research”, Parul University providing me an opportunity to do a research project on “Analysis of The India’s Export Performance in The Selected Products”

I express my gratitude and vote of thanks to my Project guide Prof. Sonakshi Sharma who always provided me with necessary inputs, guidance and direction to carry out this project. She provided me access to different domains of knowledge from where I collected inputs for this project. I shall remember their polite way of correction and constant encouragement by asking various questions.

