

# Foreign Trade



*Composition of Foreign Trade in India*  
*Part A*

# Introduction

- ❖ Foreign trade has played a crucial role in India's economy and its growth
- ❖ The composition and direction of foreign trade has undergone substantial changes particularly after the liberalisation process which began in early 1990's

# Introduction

- ❖ Over the years, India's trade with other countries have gone up substantially
- ❖ Apart from that, India is now a major player in global trading systems and all the major sectors of Indian economy are linked to the world outside either directly or indirectly through international trade

# Composition of India's Foreign Trade

- ❖ The Statistical analysis of a country's product groups in its international trade is referred to as Composition of Trade
- ❖ The analysis carried out for product groups exported is known as the Composition of Exports
- ❖ As a result of industrial progress during the planning period, there has been an increasing diversification of Indian exports over the years

# Composition of India's Foreign Trade

- ❖ Before independence and during the initial years of planning, India's major exports were tea, jute, cotton, textile
- ❖ As the economy progressed, a large number of finished goods, like capital goods & other engineering items, chemical, leather, ready made garments, handicrafts etc., have entered the export list

# Composition of India's Foreign Trade

- ❖ The analysis carried out for product groups imported is known as Composition of Imports
- ❖ After independence, as a result of the changing requirements of the process of industrialisation, there has been a shift in India's import trade from primary products to capital goods and other intermediate manufacturers

# Composition of India's Foreign Trade

- ❖ Previously,(1950-1961), India's major imports consisted of food grains, cotton, jute etc.,
- ❖ But after that, the trend has changed, now the import of primary fertilisers, iron & steel, non ferrous metals & other industrial inputs has increased

To be Continued...

Thank You