

Pharma and chemical products post growth in export share in 5 years

This article explores changes in the relative share of various product categories in India's total exports and imports in the last five years (from 2014-15 to 2019-20). The article also explores change in the relative share of different countries in India's exports and imports.

Export items

India's merchandise exports to the world has hardly increased from USD 310 billion in 2014-15 to USD 313 billion in 2019-20. However, within the product categories there are changes in the relative share of exported goods. For instance, the share of pharmaceuticals grew from 3.7% to 5.2% in total merchandise exports, while that of organic chemicals grew from 3.9% to 5.6% during this period. Share of processed food & beverages, including tobacco also grew marginally from 1.9% to 2.3%. Plastic and rubber products witnessed growth in relative share from 2.5% to 3.2%. There has also been significant rise in the share of mechanical appliances and electrical machinery in overall exports. In 2014-15, electrical machinery accounted for 2.8% of our overall exports and by 2019-20, this share grew to 4.8%. Similarly, share of mechanical appliances & machineries grew from 4.4% to 6.7%, while the share of motor vehicles and parts grew from 4.7% to 5.3% during this period. Among the products that witnessed decline in the share of overall exports are labour intensive goods such as textiles (from 12% to 10.9%) and precious stones & metals (13.4% to 11.5%).

Import items

It is interesting to note that the share in total imports has grown for those items whose relative share in total exports have also increased. For instance, the share of electrical machinery and mechanical appliances, plastics & rubber and organic chemicals in India's total imports has grown as with India's total exports. The share of electrical machinery has grown from 14.5% to 19.5%, while the corresponding figure for mechanical appliances has increased from 7.1% to 9.1%, for plastics & rubber it expanded from 3.3% to 3.7% and for organic chemicals from 4.0% to 4.2%.

Export Destination

In export destination, the share of two major markets, viz. USA and Europe grew from 13.7% to 17% and 18.4% to 19.5% respectively during the five-year period under review. Among other countries, the share of Netherlands grew from 2.0% to 2.7%, China's share increased from 3.8% to 5.3%, while Nepal's share grew from 1.5% to 2.3% and that of Bangladesh expanded from 2.1% to 2.6%. Among countries that witnessed decline in share of total exports are UAE (10.6% to 9.2%), Saudi Arabia (3.6% to 2.0%), Singapore (3.2% to 2.8%), UK (3.0% to 2.8%), Hong Kong (from 4.4% to 3.5%) and Commonwealth of Independent States (1.1% to 1.3%). Commonwealth of Independent States is the group of 12 countries, which includes Armenia, Georgia, Azerbaijan, Uzbekistan, Turkmenistan and among others.

Import sources

Among the import sources, the share of USA grew from 12.5% to 12.9%, while that of Russia grew from 0.9% to 2.5% and UAE from 5.8% to 6.4%. Most significantly, the share of Hong Kong trebled in the last

five years from 1.2% to 3.6%, which gives rise to suspicion about diversion of Chinese products from this Special Administrative Region. UK managed to increase its share in India's total exports from 1.1% to 1.4%. The share of the Commonwealth of Independent States in India's total imports grew from 1.7% to 2.5%. Among other Asian countries, the share of Singapore and Vietnam in India's total imports doubled from 1.6% to 3.1% and 0.7% to 1.5% respectively in the last five years ending 2019-20. Among countries that witnessed decline in India's share of total merchandise imports are: Belgium, Switzerland, Nigeria and Saudi Arabia.

(Data for the above analysis is taken from World Trade Organisation)

Notifications

PIB

KVIC revives Assam's oldest Khadi institution

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1692913>

Minister calls for shift towards alternate battery technologies for electric vehicles

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1692907>

DGFT

Amendment in import policy of coal

<https://content.dgft.gov.in/Website/dgftprod/7a6a9b39-d2ce-405b-bcea-1b0c8c3b4ccc/Notification%20No%2056%20dated%2028-01-21%20English.pdf>

RBI

RBI releases framework for grievance redressal in banks

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51029