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INDIA'S FOREIGN TRADE POLICY: AN ANALYSIS OF FIVE-YEAR INTEGRATED TRADE POLICIES

Mr. Keshavamurthy * K Dr. Leelavathi D. S**
**Assistant Professor, Department of Economics, St. Joseph's College (Autonomous) Bengaluru-27*
***Professor (Retd), Department of studies in Economics and Co-operation, University of Mysore.*

Abstract
Impact of trade policies on the investment climate is growing over time. Technological advancements, liberalization of host country trade and investment policies, and the growing organization of global production chains within multinational enterprises (MNEs) have all contributed to trade policies in both home and host countries. India's Foreign Trade Policies provide the basic framework of strategy for promoting exports and trade. These are periodically reviewed to adapt to the changing domestic and international scenario which includes schemes and programs to assist the country's exporters. The Government of India, has been announcing integrated trade policies every five year from 2004 onwards along with the annual EXIM policies. In this article, an attempt is made to review all the three five years integrated polices introduced from 2004-2020, with special reference to the special focus initiatives and promotional measures launched under each trade policy. The paper concludes with an impact analysis of five years' trade policies on trends, volume and direction of India's trade. The results showed significant shifts in terms of composition, volume, and direction. After trade policy reforms traditional labour-intensive export commodities have been replaced with non-conventional capital-intensive export commodities. It is also found that India's import composition has remained relatively unchanged throughout the three trade policies.

Keywords: Foreign Trade Policy, Trends, Composition, Direction, Promotional Measures.

Introduction

India's foreign trade was flourishing despite the fact that it was a typical poor underdeveloped country. India fared better than other contemporary underdeveloped countries in terms of trade volume and range of commodities entering the trading list. During the post-independence period, India pursued an economic development strategy centred on import substitution and self-reliance for more than four decades. The Industrial Policy Resolution, which was heavily influenced by socialist ideology and was adopted in the early 1950s, stated that the economy's commanding heights should be under public ownership and control. Even in areas where the private sector was allowed to operate, the establishment of new production capacities was strictly regulated through an elaborate system of industrial licencing for medium and large enterprises and a registration system for small businesses. Later when reforms were launched in July 1991 the two sectors which gained importance were industrial licencing and import policy. In the case of industrial licencing, all industries were exempt from formal licencing requirements, with the exception of a few that were kept on the list due to special considerations of sensitivity and environmental safety. This made liberalisation of foreign trade is an extremely important aspect of economic liberalisation. The measures like, Removal of Quantitative Restrictions on Imports, import tariff reduction, rupee convertibility on current account, setting up of trading houses in the industrial policy of 1991 resulted in the more outward trade strategy and brought more trade transparency. However, in order to stimulate greater economic activity and to arrest declining trend of exports new five years' trade policy was introduced by then minister of commerce Mr.Kamalnath for the period 2004-09, replacing the previous nomenclature of EXIM Policy.

Data source and methodology

The study uses the descriptive method of analysing trade flows of India during the study period. In order to capture the impact of five-year trade policies on the volume and composition of trade, a comparative analysis has been done at ending years of each trade policies that is 2008-09, 20013-14 and 2020 by analysing the trade data provided by the Ministry of Commerce and Industry, Govt of India. To examine the annual changes during the period in concern a simple formula of (Yt/Yt-1) *100 was applied. However, to analyse the trends across the commodities the data provided by the World Integrated Trade Solutions (WITS)[1] has been used. WITS divides the merchandise data across six groups. These are, Primary commodities (Group A), Labour intensive and resource-based manufactures (Group B), manufactures with low skill and technology intensity (Group C) Manufactures with medium skill and technology intensity (Group D), Manufactures with high skill and technology intensity (Group E) unclassified products (Group F) and the study has been based on this classification.

Foreign Trade Policy of 2004-09:
The Government of India announced a new Foreign Trade Policy on 1st September 2004 for the period 2004-09

Objectives of the policy

1) To double percentage, share of India's trade in global merchandise trade within the next five years;
2) To act as an effective instrument of economic growth by giving a thrust to employment Generation (Foreign Trade Policy, Ministry of Commerce and Industry, Department of Commerce, Government of India, 2006).

The major strategies to achieve objectives are the following:

1. Unshackling of controls and creating an atmosphere of trust and transparency to unleash the innate entrepreneurship of our businessmen, industrialists and traders.
2. Simplifying procedures and bringing down transaction costs.
3. Neutralizing incidence of all levies and duties on inputs used in export products, based on the fundamental principle that duties and levies should not be exported.
4. Facilitating development of India as a global hub for manufacturing, trading and services.
5. Identifying and nurturing special focus areas which would generate additional employment opportunities, particularly in semi-urban and rural areas, and developing a series of 'Initiatives'
6. Upgrading our infrastructural network, both physical and virtual, related to the entire Foreign Trade chain, to international standards.

Special focus initiatives of the policy 2004-2009
With a view to continuously increasing India's percentage share of global trade and expanding employment opportunities, certain special focus initiatives were identified/continued for Market Diversification, Technological Upgradation, Support to status holders, Agriculture, Handlooms, Handicraft, Gems & Jewellery, Leather, Marine, Electronics and IT Hardware Manufacturing Industries, Green products, Exports of products from North-East, Sports Goods and Toys sectors.
The major initiatives were taken for following major sectors to make concrete efforts to increase the exports by specific sectoral strategies.

[1] **World Integrated Trade Solution** (WITS) is software developed by the World Bank, in close collaboration and consultation with various International Organizations including United Nations Conference on Trade and Development (UNCTAD), International Trade Center (ITC), United Nations Statistical Division (UNSD) and World Trade Organization (WTO).

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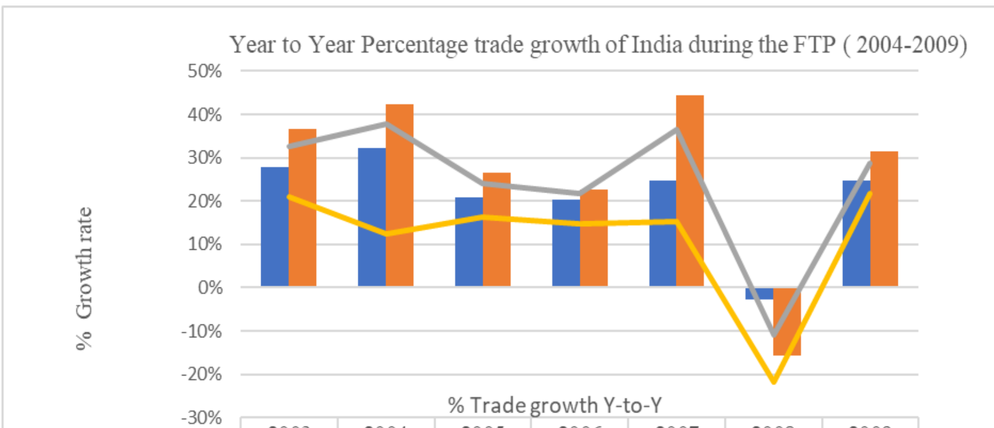
a. The Vishesh Krishi and Gram Udyog Yojana (Special Agricultural and Village Industry Scheme) was a new scheme launched
b. To boost handloom exports, funds were set up under the Market Access Initiative (MAI)/Market Development Assistance (MDA) Scheme.
c. New Handicraft SEZs were developed to buy cottage sector products and finish them for export.
d. Under the replenishment scheme, gold of 18 carats and above was allowed to be imported. Consumables for metals other than gold and platinum were allowed duty-free import entitlement of 2% of FOB value of exports during the previous financial year.
e. The duty-free import entitlement for specified items of leather and footwear were allowed up to 3% of the FOB value of leather garment exports in the year.

Promotional Measures of Foreign Trade Policy of 2004-09:

a) Establishing Assistance to States for Infrastructure development of Exports (ASIDE):
b) Launching of Market Access Initiative (MAI) Scheme to provide financial support for medium-term export promotion efforts focused on a specific country and product
c) The Marketing Development Assistance (MDA)
d) Establishment of the SEZs:



	2003	2004	2005	2006	2007	2008	2009
India's export	28%	32%	21%	20%	25%	-3%	25%
India's imports	37%	42%	27%	23%	44%	-16%	31%
Total trade	33%	38%	24%	22%	36%	-11%	29%
Balance of trade	21%	12%	16%	15%	15%	-22%	22%

Source: Trade statistics, Ministry of Commerce and Industry, Govt of India

The table below reveals the commodity wise year to year percentage growth rates of India between the period 2004-09. It is evident from the table that all the five groups of commodities have shown a significant increase from the 2004 to 2008 with respect to exports and imports. However, in the year 2009 except group E commodities the growth rate is disappointing. This is may be attributed to the global crisis occurred in the year 2008. Similarly, the total trade has also suffered a hit back due unprecedented economic slowdown which is clear from the fact that commodity groups of A, C and D have shown a negative growth rates. Interestingly, Group F commodity have shown a positive trend in term of exports, import, total trade and balance of trade, we can directly attribute these government varies actions and special provisions that were made to the articles like gems and jewellery where under the replenishment scheme, gold of 18 carat and above was allowed to be imported. The provision of allowing consumables for metals other than gold and

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platinum which were allowed duty-free import entitlement of 2% of FOB value of exports, has also resulted in the positive trends in the trade under the same category.

Table 1: Y-to Y Percentage trade growth of India during the FTP (2004-2009) (Commodity group wise)

EXPORTS (%)							
Product	2004	2005	2006	2007	2008	2009	2010
Gr-A	37.95	35.47	24.27	25.84	17.71	-15.33	39.63
Gr-B	10.06	25.01	1.26	14.40	10.07	2.06	23.40
Gr-C	54.18	34.20	22.28	23.44	46.95	-26.03	39.50
Gr-D	30.27	45.89	25.62	21.01	37.49	-11.42	36.23
Gr-E	28.07	31.32	23.96	17.27	27.79	11.97	11.07
Gr-F	60.21	11.07	25.16	9.53	-12.46	151.79	-30.21
IMPORTS (%)							
Product	2004	2005	2006	2007	2008	2009	2010
Gr-A	27.83	40.99	4.27	46.00	27.15	-9.41	18.23
Gr-B	27.25	31.09	-16.54	14.86	35.64	11.41	68.67
Gr-C	39.77	75.27	65.95	9.62	87.99	-37.28	-1.35
Gr-D	36.68	47.75	35.50	34.83	30.55	-7.90	14.71
Gr-E	33.11	37.18	20.19	23.48	8.61	10.14	22.13
Gr-F	20.44	29.84	23.02	24.91	-45.00	128.56	-20.84
TOTAL TRADE (%)							
Product	2004	2005	2006	2007	2008	2009	2010
Gr-A	33.88	37.59	16.40	32.94	21.37	-12.93	30.60
Gr-B	14.74	26.84	-4.29	14.53	17.05	5.01	38.58
Gr-C	48.32	49.93	41.84	16.20	67.23	-32.28	18.48
Gr-D	34.02	47.00	31.55	29.56	33.03	-9.19	22.45
Gr-E	31.46	35.31	21.36	21.51	14.47	10.76	18.32
Gr-F	48.13	15.70	24.56	13.74	-22.24	146.85	-28.37
BOT (%)							
Product	2004	2005	2006	2007	2008	2009	2010
Gr-A	58.70	26.35	61.14	1.80	1.56	-28.01	97.34
Gr-B	-0.19	20.38	16.00	14.13	-5.27	-5.97	-22.68
Gr-C	85.49	-33.06	-164.97	-127.94	-1716.57	-82.28	-682.99
Gr-D	52.16	51.59	55.20	57.09	21.94	-2.96	-12.79
Gr-E	37.90	42.35	17.12	28.84	-6.44	8.19	34.39
Gr-F	90.98	1.91	26.49	0.23	12.04	160.38	-33.25

Source: Authors calculations from the Trade statistics data, Ministry of Commerce and Industry, Govt of India

Foreign Trade Policy: 2009-2014:

On August 27, 2009, the UPA government announced its new foreign trade policy for the years 2009 to 2014, at a difficult time when the entire world was experiencing an unprecedented economic slowdown. One of the most severe global recessions in post war history occurred in 2009. The government used a mix of policy measures to implement this policy, including fiscal incentives, institutional changes, procedural rationalization, and enhanced market access. The three pillars that helped the government achieve this goal were improvements in export infrastructure, lower transaction costs, and a full refund of all indirect taxes and levies. It gave exporters enough confidence to keep their market presence even during a period of stress. Special attention was paid to employment-intensive industries that had lost jobs as a result of the recession, particularly textiles, leather, and handicrafts. The salient features of the policy as follows.

Objectives of the Policy

1. The short-term objective was to arrest and reverse the declining trend of exports of India.
2. To provide additional support especially to those sectors which have been hit badly by recession in the developed world.
3. To achieve an average annual growth rate of exports of 25% over the next six years.
4. To double the merchandise exports from US $250 billion in 2010-11 to US $450 billion in 2013-14 and then to US $750 billion in 2016-17
5. To double India's share in global trade by the end of 2020.

In order to achieve the above objectives following provisions and strategies were adopted in the policy.

Special focus initiatives

Certain special focus initiatives have been launched with the goal of increasing India's percentage share of global trade and expanding employment opportunities.

1. Market Diversification:

- **a)** To achieve diversification of Indian exports, following initiatives have been taken under this Policy.
- **b)** The Focus Market Scheme (FMS) was expanded to include 26 new countries.
- **c)** The Focus Market Scheme's incentives have been increased from 2.5 percent to 3 percent.
- **d)** There has been a significant increase in the outlay under 'Market Linked Focus Product Scheme (MLFPS) 'by inclusion of more markets and products. This ensures support for exports to all countries in Africa and Latin America.

2. Technological Upgradation:

In order to usher in the next phase of export growth, the Govt of India under this policy
adopted the following policy

- a) Certain engineering products, electronic products, basic chemicals and pharmaceuticals, apparel and footwear are now exempt from duty under the Export Promotion Capital Goods (EPCG) Scheme
- b) To encourage value-added manufacturing exports, the Advance Authorisation Scheme requires a minimum 15 percent value addition on imported inputs.

3. Support to status holders

The government acknowledged that 'Status Holders' account for roughly 60% of India's goods exports. Additional duty credit scrip @ 1% of the FOB of past export shall be granted for specified product groups, including leather, specific sub sectors in engineering, textiles, plastics, handicrafts, and jute, to incentivize and encourage status holders, as well as to encourage technological upgradation of export production. These status holders can use this duty credit scrip to import capital goods.

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(a) Export Promotion Capital Goods (EPCG) imported capital goods will be allowed to be installed anywhere in the Agri Economic Zone (AEZ)

(b) Various export promotion schemes allowed the import of restricted items such as panels.

(c) Advance Authorisation for agro exports allowed for the import of inputs such as pesticides.

Handlooms:

The duty-free import entitlement for specified trimmings and embellishments during the previous financial year is 5% of the FOB value of exports was given

a. Hand knotted carpet samples will have a duty-free import entitlement of 1% of the FOB value of exports in the previous fiscal year.

Gems & Jewellery:

a) Under the replenishment scheme, imports of gold weighing more than 8 karat are permitted as long as they are accompanied by an Assay Certificate specifying purity, weight, and alloy content.

b) Duty-Free Import Entitlement for Consumables and Tools (based on FOB value of exports during the previous fiscal year) for:

Jewellery made out of: Precious metals (other than Gold & Platinum)– 2%, Gold and Platinum – 1%, Rhodium finished Silver – 3%, Cut and Polished Diamonds – 1%

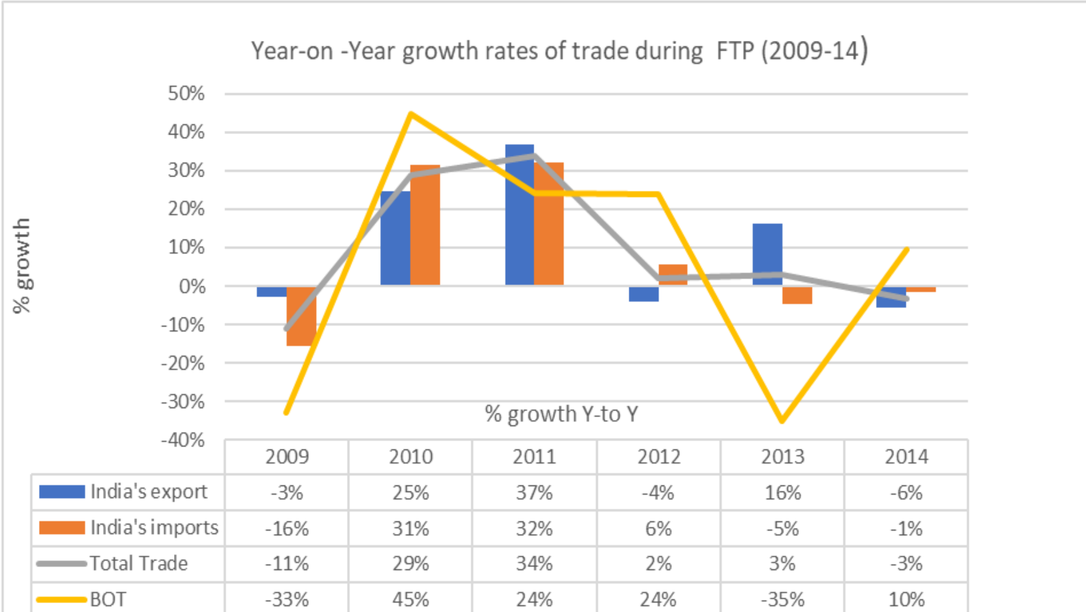
Promotional Measures under the FTP 2009-14:

Assistanc e to States for Developing Export Infrastructure and Allied Activities (ASIDE): The scheme's goal is to create a mechanism for state governments to participate in funding infrastructure that is critical for export growth. providing financial assistance based on export performance in their favor.

Market Access Initiative (MAI) and Market Development Assistance (MDA):

Under MAI scheme, financial assistance was provided for export promotion activities focussing on product basis. Financial assistance was made available for Export Promotion Councils (EPCs), Industry and Trade Associations (ITAs), Agencies of State Government, Indian Commercial Missions (ICMs) abroad and other national level institutions.

The graph given below depicts the year-to-year percentage growth rates of India’s exports, imports, total trade and Balance of Trade during the FTP 2009-14. All the four indicators have shown both positive and negative trends in the period. Exports shown an increasing trend in the years 2010 and 2011 and in the year, it has grown at a negative growth rate of -4 percent and again rose to 16 percent in the year 2013. The same pattern is also seen in the imports, which stood at 31 percent and 32 percent in the years 2010 and 2011 but decreased afterwards. The total trade has also shown fluctuations from 29 percent in year 2010 and -3 percent in the 2014. The BOT however shown negative growth of -33 percent which may be due the global crisis but ends up with a 10 percent growth in the year 2014.



Source: Trade statistics data, Ministry of Commerce and Industry, Govt of India

Commodity wise analysis of the year on year during the same period is presented in the below table. Not surprisingly all the four variables suffered a hit back in the beginning of the policy due unprecedented economic slowdown in the year 2008. Interestingly, Group F commodity have shown a positive trend in term of exports, import, total trade and balance of trade, which could be directly attributed to the continued actions and special provisions that were made to the articles like gems and jewellery even during the Foreign Trade Policy (2009-14).

Table 2: Y-on- Y Percentage trade growth of India during the FTP (2009-2014) (Commodity group wise)

EXPORTS (%)						
Product	2009	2010	2011	2012	2013	2014
Gr-A	-15.33	39.63	16.66	13.33	5.79	-9.38
Gr-B	2.06	23.4	33.08	-15.3	27.52	-6.65
Gr-C	-26.03	39.5	25.47	-7.9	10.04	2.28
Gr-D	-11.42	36.23	15.64	9.83	14.78	2.76
Gr-E	11.97	11.07	31.01	6	6.97	-11.49
Gr-F	151.79	-30.21	71.48	19.89	-40.33	16.31
IMPORTS (%)						
Product	2009	2010	2011	2012	2013	2014
Gr-A	-9.41	18.23	43.32	1.59	-1.3	12.76
Gr-B	11.41	68.67	21.52	-28.35	9.42	0.82
Gr-C	-37.28	-1.35	4.15	4.11	-12.3	5.35
Gr-D	-7.9	14.71	27.94	-0.94	-11.09	-0.94
Gr-E	10.14	22.13	21.52	1.99	4.02	7.39
Gr-F	128.56	-20.84	48.08	83.05	-57.27	15.43

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TOTAL TRADE (%)						
Product	2009	2010	2011	2012	2013	2014
Gr-A	-12.93	30.6	26.84	8.26	2.92	-0.79
Gr-B	5.01	38.58	28.36	-20.34	21.23	-4.31
Gr-C	-32.28	18.48	16.34	-3.29	0.81	3.38
Gr-D	-9.19	22.45	23.02	3.11	-0.73	0.78
Gr-E	10.76	18.32	24.59	3.36	5.05	0.68
Gr-F	146.85	-28.37	66.39	32.12	-44.87	16.12
BOT (%)						
	2009	2010	2011	2012	2013	2014
Gr-A	-28.01	97.34	-26.4	50.23	20.86	-47.86
Gr-B	-5.97	-22.68	58.75	6.87	48.14	-12.94
Gr-C	-82.28	-682.99	89.28	-27.7	63.01	-1.65
Gr-D	-2.96	-12.79	52.49	-17.24	-63.07	-24.05
Gr-E	8.19	34.39	12.82	-2.27	0.62	30.57
Gr-F	160.38	-33.25	80.48	-0.05	-30.53	16.62

Source: Authors calculations from the Trade statistics data, Ministry of Commerce and Industry, Govt of India

Foreign Trade Policy of 2015-2020:

With a vision is to make India a significant participant in world trade by the year 2020 and to enable the country and to assume a position of leadership in the international trade discourse a new Foreign Trade Policy was introduced for the period 2015-2020 by Mrs. Nirmala Sitharaman on 1st April 2015.

Objectives of the FTP Policy (2015-2020):

1. To provide a stable and sustainable policy environment for foreign trade in merchandise and services;
2. To link rules, procedures and incentives for exports and imports with other initiatives such as Make in India
3. Digital India and Skills India to create an Export Promotion Mission for India;
4. To promote the diversification of India's export basket by helping various sectors of the Indian economy to gain global competitiveness with a view to promoting exports;
5. To create an architecture for India's global trade engagement with a view to expanding its markets and better integrating with major regions, thereby increasing the demand for India's products and contributing to the government's flagship „Make in India initiative;
6. To provide a mechanism for regular appraisal in order to rationalize imports and reduce the trade imbalance.

Salient features of the policy

a) Trade Facilitation and Ease of doing Business

b) The Service Exports from India Scheme (SEIS) aims to promote the export of notified Indian services.
c) Niryat Bandhu - Hand Holding Scheme for new export / import entrepreneurs:
d) Online Complaint Registration and Monitoring System:
e) schemes of Focus product scheme, Market linked focus product scheme, Focus market scheme, Agri infra incentive scrip, Vishesh Krishi and Gram Udyog Yojna schemes were replaced under Merchandise Exports from India Scheme (MEIS)
f) Provision for Domestic capital goods manufacturing industry

Table 3: Changes in the structure of India's foreign trade during five-year trade policies:

Changes in the composition and volume of India's exports during the foreign trade policies (2004-2020)											
2008-09				**2013-14**				**2019-20**			
Rank	**Commodity**	**Value***	**share**	**Rank**	**Commodity**	**Value***	**share**	**Rank**	**Commodity**	**Value***	**share**
1	Pearls, precious stones	28,466.39	15.36	1	Mineral fuels, mineral oils	64,685.32	20.57	1	Mineral fuels, mineral oils	42,708.83	13.63
2	Mineral fuels, mineral oils	28,437.14	15.35	2	pearls, precious	41,692.25	13.26	2	Pearls, Precious stones,	36,085.89	11.52
3	Electrical machinery and equipment	9,541.11	5.15	3	Vehicles other than railway	12,933.03	4.11	3	Nuclear reactors, boilers,	20,834.99	6.65
4	Nuclear reactors, boilers, machinery	7,993.46	4.31	4	Nuclear reactors, boilers, machinery	12,077.17	3.84	4	Organic chemicals	17,487.24	5.58
5	Iron and steel	7,533.29	4.07	5	Organic chemicals	12,017.17	3.82	5	Vehicles other than railway	16,711.77	5.33
6	Organic chemicals	7,463.66	4.03	6	Pharmaceutical products	11,140.50	3.54	6	Pharmaceutical products	16,289.25	5.20
7	Vehicles other than railway	6,002.03	3.24	7	Cereals.	10,562.89	3.36	7	Electrical machinery and equipment	15,187.73	4.85
8	Articles of apparel and clothing	5,902.92	3.19	8	Electrical machinery and equipment	10,298.51	3.28	8	Iron and steel	9,277.45	2.96
9	Articles of iron or steel	5,782.63	3.12	9	Cotton.	9,926.42	3.16	9	Articles of apparel	7,994.76	2.55
10	Ores, slag and ash.	5,456.22	2.94	10	Iron and steel	9,223.38	2.93	10	Articles of apparel and clothing accessories, knitted or corcheted.	7,514.83	2.40

Source: Trade statistics data, Ministry of Commerce and Industry, Govt of India.

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Table 4: Changes in the composition and volume of India's imports during the foreign trade policies (2004-2020)

2008-09				2013-14				2019-20			
Ranks	Commodity	Value*	share	Rank	Commodity	Value*	share	Rank	Commodity	Value*	share
1	Mineral fuels, mineral oils	1,03,933.81	34.22	1	mineral fuels, mineral oils	1,81,382.59	40.2894	1	mineral fuels, mineral	1,53,646.45	32.37
2	Pearls, precious stones	43,926.25	14.46	2	pearls, precious stones.	58,464.76	12.9864	2	pearls, precious stones	54,493.80	11.48
3	nuclear reactors, boilers,	26,640.75	8.77	3	nuclear reactors,	30,669.15	6.8123	3	electrical machinery and equipment	49,188.27	10.36
4	Electrical machinery and equipment	25,205.12	8.30	4	electrical machinery and equipment a	29,152.75	6.4755	4	nuclear reactors, boilers, machinery	43,367.87	9.14
5	fertilisers.	12,011.24	3.96	5	organic chemicals	17,044.16	3.7859	5	organic chemicals	19,815.74	4.17
6	iron and steel	10,265.46	3.38	6	plastic and articles thereof.	10,104.19	2.2444	6	plastic and articles thereof.	14,212.12	2.99
7	organic chemicals	8,607.78	2.83	7	animal or vegetable fats	9,441.75	2.0972	7	iron and steel	10,734.12	2.26
8	aircraft, spacecraft,	5,384.37	1.77	8	iron and steel	9,109.58	2.0235	8	aircraft, spacecraft, and parts thereof.	9,971.33	2.10
9	optical, photographic cinematographic	4,858.06	1.60	9	miscellaneous goods.	8,070.51	1.7927	9	animal or vegetable fats	9,867.14	2.08
10	ores, slag and ash.	4,782.56	1.57	10	ships, boats and floating structures.	6,723.33	1.4934	10	optical, photographic	9,251.07	1.95

Source: Trade statistics data, Ministry of Commerce and Industry, Govt of India.

Table 5: India's export destinations during the ftp policies (2004-2020)

2008-09				2013-14				2019-2020			
Rank	Country	Value (Us $ Million)	Share	Rank	Country	Value (Us $ Million)	Share	Rank	Country	Value (Us $ Million)	Share
1	UAE	24,477.48	13.21	1	U S A	39,142.10	12.45	1	U S A	53,088.77	16.94
2	U S A	21,149.53	11.41	2	UAE	30,520.42	9.71	2	UAE	28,853.59	9.21
3	China P Rp	9,353.50	5.05	3	China P Rp	14,824.36	4.72	3	China P Rp	16,612.75	5.30
4	Singapore	8,444.93	4.56	4	Hong Kong	12,731.74	4.05	4	Hong Kong	10,967.12	3.50
5	Hong Kong	6,655.00	3.59	5	Singapore	12,510.54	3.98	5	Singapore	8,922.66	2.85
6	U K	6,649.53	3.59	6	Saudi Arab	12,218.95	3.89	6	U K	8,737.85	2.79
7	Germany	6,388.54	3.45	7	U K	9,779.07	3.11	7	Netherland	8,366.11	2.67
8	Netherland	6,348.69	3.43	8	Netherland	7,995.59	2.54	8	Germany	8,290.90	2.65
9	Saudi Arab	5,110.38	2.76	9	Germany	7,515.81	2.39	9	Bangladesh Pr	8,200.75	2.62
10	Belgium	4,480.32	2.42	10	Japan	6,814.07	2.17	10	Nepal	7,160.35	2.29
	Total	99,057.90			Total	1,54,052.65			Total	1,59,200.85	
	India's Total Trade	1,85,295.36	53.46		India's Total Trade	3,14,405.30	49.00		India's Total Trade	3,13,361.04	50.80

Source: Trade statistics data, Ministry of Commerce and Industry, Govt of India

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Table 6 : India's sources of imports during the FTPs (2004-2020)

Rank	Country	2008-2009	Share	Rank	Country	2013-2014	Share	Rank	Country	2019-2020	Share
1	China P Rp	32,497.02	10.70	1	China P Rp	51,034.62	11.34	1	China P Rp	65,260.75	13.75
2	U Arab Emts	23,791.25	7.83	2	Saudi Arab	36,403.65	8.09	2	U S A	35,819.87	7.55
3	Saudi Arab	19,972.74	6.58	3	U Arab Emts	29,019.82	6.45	3	U Arab Emts	30,256.65	6.37
4	U S A	18,561.42	6.11	4	U S A	22,505.08	5.00	4	Saudi Arab	26,857.37	5.66
5	Iran	12,376.77	4.08	5	Switzerland	19,311.01	4.29	5	Iraq	23,740.18	5.00
6	Germany	12,006.02	3.95	6	Iraq	18,520.86	4.11	6	Hong Kong	16,935.32	3.57
7	Switzerland	11,869.50	3.91	7	Kuwait	17,153.55	3.81	7	Switzerland	16,899.89	3.56
8	Australia	11,098.07	3.65	8	Qatar	15,707.99	3.49	8	Korea Rp	15,659.70	3.30
9	Kuwait	9,593.74	3.16	9	Indonesia	14,748.30	3.28	9	Indonesia	15,061.87	3.17
10	Nigeria	8,900.35	2.93	10	Nigeria	14,097.84	3.13	10	Singapore	14,746.78	3.11
	Total	1,60,666.88			Total	2,38,502.72			Total	2,61,238.38	
	India's Total Imports	**3,03,696.31**	**52.90**		**India's Total Imports**	**4,50,199.79**	**52.98**		**India's Total Imports**	**4,74,709.28**	**55.03**

Source: Trade statistics data, Ministry of Commerce and Industry, Govt of India

Changes in India's foreign trade during five-year trade policies

India's foreign trade exhibited a structural shift during post reforms in terms of its composition, volume and direction. The traditional labour-intensive export commodities were replaced with non-conventional capital-intensive export commodities after the launch of trade liberalization and trade policy reforms since 1991. Conventional Export items like Gems and Jewellery, Leather products, Textile products, Tea, Marine products were substituted by Non-Conventional Export Composition Petroleum products, Transport equipment, Machinery and Instruments, Organic Chemicals, Drugs & Pharmaceuticals etc. Table 3 presents such changes for the top 10 imported and exported commodities with respect to top 10 export and import destinations. At the end of the first five-year policy (2008-09) pearls, precious stone which were one of the traditional items of exports stood at first place which comprises 15.36 percent of India's total exports however, at the end of second and third plan it is evident that mineral fuels, mineral oils have secured the highest share with 20.57 percent and 13.63 percent respectively which is obviously a structural shift in the composition of exports after the plans were introduced. The pearl and precious stones have shown a decreasing trend with 13.26 and 11.52 percent in the first and second plans respectively. The export of vehicles other than the railways have shown significant rise 3.24 percent, 4.11 percent and 5.33 percent in the three's plans. Whereas export of iron and steel have exhibited a decreasing trend with 4.01 percent in 2009, 2.93 in 20014 and 2.96 in 2020.

It also evident from the table no. 4 that India's import composition has not witnessed a significant change during the three trade policies. The composition seems to be more or less constant across the period with mineral fuels, mineral oils, mineral fuels, mineral oils and nuclear reactors, boilers, showing almost an equivalent share in imports. Other items which are commonly imported being fertilisers, electrical machinery and equipment, organic chemicals, aircraft, spacecraft, and parts thereof, plastic and articles thereof. animal or vegetable fats, optical, photographic cinematographic equipment's etc. With respect to the export and import destinations the common countries who continued to remain as the largest trading partners are U S A, China United Arab Emirates, Singapore, Hong Kong, U K, Germany, Netherland, Saudi Arab and Belgium. It is very important to note that the India’s imports from china are significantly rising from 10.73 percent in 2008-09 to 11.34 percent in 2013-14 and to 13.75 percent in the last year of the policy 2019-20 which emphasis the significance of the trade relations between the countries. Similarly, share of the countries like USA, UAE, Saudi Arabia Switzerland are also worth mentioning.

Conclusion

India's trade policy has come a long way since 1991, with a large reduction in tariffs (including peak tariffs), simplification of tariffs and improved regime for non-tariff measures. Reforms have opened up internal markets for services and created opportunities for investment, better facilitation institutions and policies. Since 1991, trade policy reform has opened up India's trade. It has increasingly provided Indian consumers and producers access respectively to world-class consumer goods and the relevant capital and intermediate goods. The major trade policy reform, along with other policy changes, has resulted in greater integration with the global economy, improved capacities, and increased growth potential.

This article was aimed at reviewing the India’s trade scenario in the context of the three integrated five-year trade policies. It is interesting to note trade reforms of India have accomplished with a greater degree of success in connection to manageability of the domestic disruption. However, trade deficit has been significantly high. With recent experiences of declining and subdued global markets the approach towards the polices has to be diversified. India's Foreign Trade Policies from 2004-2020 have been targeted to promote exports, especially those that require a lot of labour and create jobs in rural and urban areas. The regulatory framework must ensure that the country can increase labour-intensive exports, as this will have the greatest impact on job creation. The analysis of the trade changes after the trade policies showed a shift in terms of composition, volume, and direction. After the start of trade liberalisation and trade policy reforms in 1991, traditional labour-intensive export commodities were replaced with non-conventional capital-intensive export commodities i, e petroleum products, Transport equipment, were substituted for traditional export items such as gems and jewellery, leather products, textile products, tea, and marine products. It is also found that India's import composition has remained relatively unchanged throughout the three trade policies. The commodities like mineral oils, mineral fuels, mineral fuels, and nuclear reactors, boilers, appear to have nearly equal share of imports over the period.

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