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## INDIA'S EVOLVING TRADE POLICY AND ITS PATTERN

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### Abstract

This study explores India's trade dynamics from 1991–1992 to 2019–2020, a period marked by significant economic reforms. Utilizing data from reputable sources like the RBI, WTO, UNCTAD, World Bank, and WITS, detailed analysis was conducted on exports and imports, categorizing them by industries, countries, and regions. Through rigorous cleaning and analytical methods such as time-series analysis and trend detection, the study reveals fluctuating trade balances, with exports and imports both experiencing substantial growth. The widening trade deficit underscores the need for sustainable balance policies. Furthermore, global events like the 2008-09 Global Financial Crisis and the COVID-19 pandemic have impacted India's trade. Pre-1991, India operated as a closed economy with high import duties and restrictions on foreign investment, emphasizing domestic control of commercial sectors. Ethical considerations were prioritized, adhering to terms of use specified by data sources. India's trade balance shifts between surplus and deficit due to global ties and economic factors. Exports rise steadily, demonstrating product competitiveness. Imports grow, showing increased international product integration. However, the widening trade gap, reaching \$184 billion in 2018-19, calls for sustainable policies. External events like the Global Financial Crisis and COVID-19 affect India's trade balance, emphasizing the need for adaptability.

**Keywords:** *India's Trade Pattern, Trade Balance, Export-Import Growth.*

### INTRODUCTION

India is an emerging mixed economy, securing the fifth position among the world's largest economies by nominal GDP and ranking third by purchasing power parity (PPP). The magnitude of globalization and international trade is significant for shaping the economic landscape of a nation. In India, the economy operated as a closed system before 1991, characterized by an average import duty surpassing 200 percent and the imposition of substantial quantitative import constraints. Previously, foreign investment in India was severely restricted, emphasizing domestic control of commercial sectors. However, beginning in 1991, the Government of India adopted a more liberal approach to foreign trade policies, gradually eliminating restrictions. This strategic shift has significantly enhanced the standing of India in the realm of international trade. Today, India exports a diverse range of around 7,500 commodities to approximately 190 countries. The export value for India amounted to US \$313361.042 million, while imports accounted for US \$473,995.2 million in the fiscal year 2019-20. In the fiscal year 2019-20, the leading export commodities for India included gems and jewelry, chemical and related products, machinery, base metals, agriculture and allied products, plastic and rubber articles, and transport equipment. Table 1 shows the Exports, Imports, and Trade Balance for the Study period from 1991-92 to 2019-20. This analysis provides insights into the prevailing trends in Indian foreign trade during that period.

**TABLE 1: SHOWS THE EXPORTS, IMPORTS, AND TRADE BALANCE FOR THE PERIOD OF STUDY FROM 1991-92 TO 2019-20.**

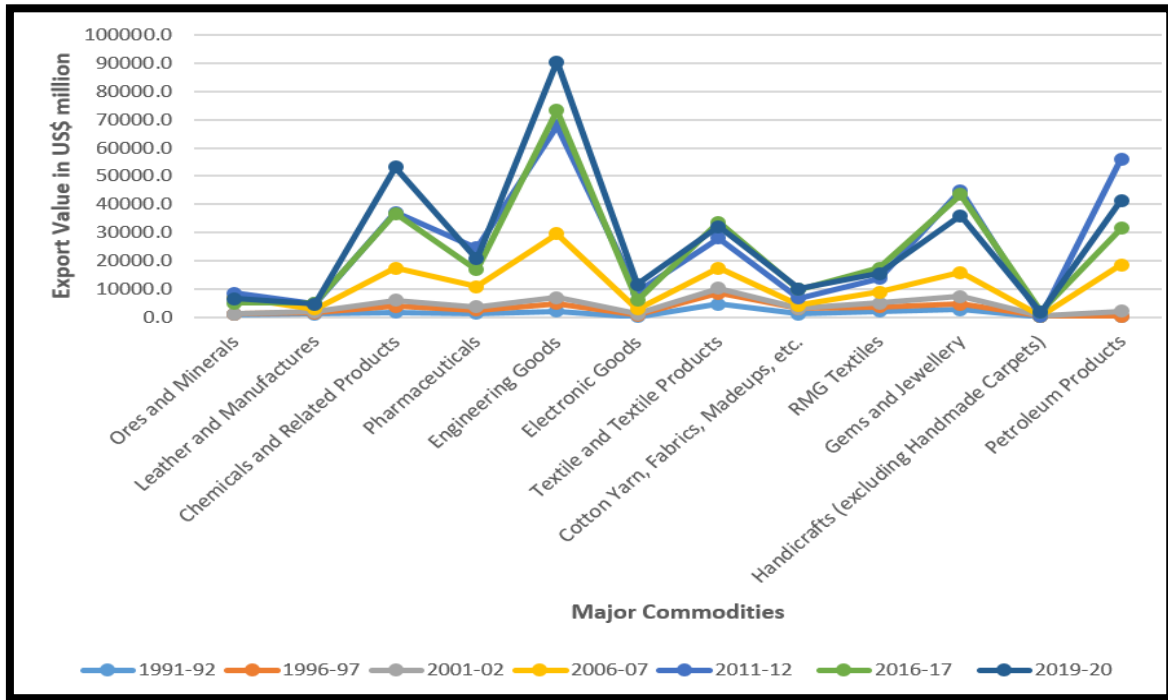
YEAR	EXPORTS	IMPORTS	TRADE BALANCE
1991-92	17865.4	19410.5	-1545.1
1992-93	18537.2	21881.6	-3344.4
1993-94	22238.3	23306.2	-1067.9
1994-95	26330.5	28654.3	-2323.8
1995-96	31794.9	36675.3	-4880.4
1996-97	33469.7	39132.4	-5662.7

1997-98	35006.5	41484.5	-6478.0
1998-99	33218.7	42388.7	-9170.0
1999-00	36822.4	49670.7	-12848.3
2000-01	44560.3	50536.5	-5976.2
2001-02	43826.7	51413.3	-7586.6
2002-03	52719.4	61412.1	-8692.7
2003-04	63842.5	78149.1	-14306.6
2004-05	83535.9	111517.4	-27981.5
2005-06	103090.5	149165.7	-46075.2
2006-07	126414.1	185735.3	-59321.2
2007-08	162904.2	251439.2	-88535.0
2008-09	185295.0	303696.3	-118401.3
2009-10	178751.4	288372.9	-109621.4
2010-11	251136.2	369769.1	-118632.9
2011-12	305963.9	489319.5	-183355.7
2012-13	300400.6	490736.6	-190336.1
2013-14	314415.7	450213.6	-135797.9
2014-15	310352.0	448033.4	-137681.4
2015-16	262291.1	381007.8	-118716.7
2016-17	275852.4	384357.0	-108504.6
2017-18	303526.2	465581.0	-162054.8
2018-19	330078.1	514078.4	-184000.3
2019-20	313361.0	474709.3	-161348.2

Value in US \$ million. Source: Author's formation derived from information presented in the RBI Handbook (2002).

The following section will depict the major export and import commodities from 1991-92 to 2019-20. During the periods covered by the study, Table 3.1 shows the most important export commodities. Export values of Petroleum Products were US \$414.7 million in 1991-1992, US \$481.8 million in 1996-97, US \$2119.1 million in 2001-02, US \$18634.6 million in 2006-2007, US \$56038.5 million in 2011-2012, US \$31545.3 million in 2016-2017, and US \$41288.7 million in 2019-20, as shown in the table. Similarly, export values of Textile and Textile Products were US \$4693.1 million in 1991-92, US \$8635.8 million in 1996-97, US \$ 10206.5 million in 2001-02, US \$ 17373.2 million in 2006-07, US \$28026.58 million in 2011-12, US \$33587.6 million in 2016-17, US \$32053.1 million in 2018-19. Similarly, the table allows for the analysis of other significant commodities, revealing that the export value of all main commodities has consistently risen from 1991-92 to 2019-20. For a better comparison and comprehension of the trade pattern that has evolved over the years, Figure 3.1 illustrates the principal export commodities in cluster bar form from 1991-1992 to 2019-20.

**FIGURE 1: MAJOR EXPORT COMMODITIES FOR THE PERIOD 1991-92 TO 2019-20**



Value in US \$ million. Source: Author’s formation derived from information presented in the RBI Handbook (2002).

**TABLE 2: MAJOR EXPORT COMMODITIES FOR THE PERIOD 1991-92 TO 2019-20**

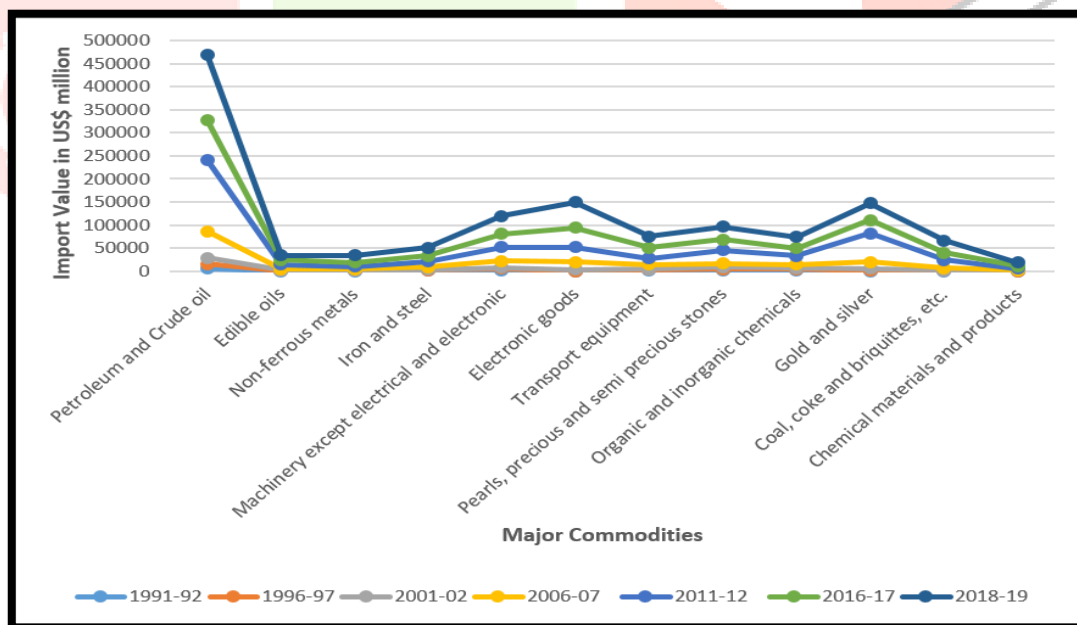
Commodity	1991-92	1996-97	2001-02	2006-07	2011-12	2016-17	2019-20
<b>Petroleum Products</b>	414.7	481.8	2119.1	18634.6	56038.5	31545.3	41288.7
<b>Ores And Minerals</b>	929.7	1172.4	1262.4	7002.5	8450.34	5111.7	6573.3
<b>Leather And Manufacturers</b>	1268.8	1605.8	1910.1	3016.7	4793.59	5165.6	4658.4
<b>Chemicals And Related Products</b>	1868.8	3912.8	6051.8	17335.4	37104.58	36774.2	53208.4
<b>Pharmaceuticals</b>	1400.7	2497.4	3697.0	10958.8	24528.45	16785	20703.4
<b>Engineering Goods</b>	2253.1	4962.7	6957.8	29567.2	67832.23	73179	90404.9
<b>Electronic Goods</b>	265.2	783.7	1171.3	2854.0	8851.45	5962.9	11700.5

<b>Textile And Textile Products</b>	4693.1	8635.8	10206.5	17373.2	28026.58	33587.6	32053.1
<b>Cotton Yarn, Fabrics, Madeups, Etc.</b>	1299.3	3121.7	3072.9	4218.7	6805.09	9862.2	10027.7
<b>RMG Textiles</b>	2199.2	3753.3	5006.6	8892.3	13691.18	17368.2	15488.0
<b>Gems And Jewellery</b>	2738.2	4752.7	7306.3	15977.0	44840.52	43412.8	35898.4
<b>Handicrafts (Excluding Handmade Carpets)</b>	241.5	475.7	549.0	438.0	277.88	1926.7	1797.8

(Value in US \$ million.) Source: Author’s formation derived from information presented in the RBI Handbook (2002).

During the periods covered by the study, Table 2 shows the most important import commodities. Import values of Petroleum and crude oil were US\$ 5324.8 million in 1991-92, followed by US\$ 10036.2 million in 1996-97, US\$ 14000.3 million in 2001-02, US\$ 56945.3 million in 2006-07, US\$ 154967.5 million in 2011-12, US\$ 86963.8 million in 2016-17, US\$ 140918.4 million in 2018-19. Similarly, the import value for Gold and Silver stood at US\$ 991.5 million in 1996-97, followed by US\$ 4582.3 million in 2001-02, US\$ 14646 million in 2006-07, US\$ 61401.76 million in 2011-12, US\$ 29357.21 million in 2016-17, US\$ 36645.67 million in 2018-19. Similarly, the table allows for the analysis of other significant commodities, revealing that the import value of all main commodities has consistently risen from 1991-92 to 2019-20. For a better comparison and comprehension of the trade pattern that has evolved over the years, Figure 3.2 illustrates the principal export commodities in cluster bar form from 1991–1992 to 2019–2020.

Figure 2: Major Import Commodities for the Period 1991-92 to 2019-20.



Value in US \$ Million.

Source: Author's formulation derived from information presented in the RBI Handbook.

**TABLE 3: MAJOR IMPORT COMMODITIES FOR THE PERIOD 1991-92 TO 2019-20**

(Value in US \$ Million)

Source Author's formulation derived from information presented in the RBI Handbook (2002).

Commodity	1991-92	1996-97	2001-02	2006-07	2011-12	2016-17	2018-19
Petroleum and Crude oil	5324.8	10036.2	14000.3	56945.3	154967.5	86963.8	140918.4
Edible oils	100.5	825.1	1355.6	2108.3	9652.02	10892.75	9890.321
Non-ferrous metals	340.6	1105.6	647.3	2604.9	4888.73	9868.825	14732.96
Iron and steel	798.9	1370.6	833.7	6424.7	12009.31	11683.05	17655.95
Machinery except electrical and electronic	1457.5	3644.3	2970.8	13850.4	30110.8	28445.78	39759.72
Electronic goods	-	84.4	3782	15972.5	32657.36	41930.4	55471.41
Transport equipment	1471	2118.3	1149.4	9438.6	14079.62	22687.67	24760.48
Pearls, precious and semi-precious stones	1957.1	2925	4622.6	7487.5	28017.15	23808.59	27075.65
Organic and inorganic chemicals	1378.7	2660.9	2799.6	7830.6	18841.82	16598.44	23827.69
Gold and silver		991.5	4582.3	14646	61401.76	29357.21	36645.67
Coal, coke and briquettes, etc.	420.4	994.9	1143.3	4576.8	17443.85	15759.93	26172.05
Chemical materials and products	137.2	263.6	444.4	1321.6	3462.94	5375.112	7707.602

To examine foreign trade patterns, it is required to take into account the following factors:

1. Changes in the quantity of exported goods
2. Changes in the quantity of imported goods
3. Changes in the composition of foreign trade

In the years 1991-92, the total exports stood at US \$17865.4 million, the exports declined significantly during 1998-99 which can be attributed to the South-Asian crises, and during 2019-20 which can be attributed to the pandemic COVID-19. In the fiscal year 1993-94, there was a 19.96 percent surge in exports, amounting to US \$22238.3 million, while imports witnessed a notable increase of 32.1 percent compared to the preceding year, 2010-11, which had experienced a 19.96 percent growth in exports. The expansion of exports exhibited noteworthy deceleration i.e., 3.53 percent, primarily attributed to a slowdown in global trade resulting from the challenging economic and financial conditions during the South East Asian Crises, Global Financial Crises, and Eurozone Crises. The discontinuation of specific export incentives may have had an impact on export performance. The trade deficit, which stood at US \$118,632.9 million in the year 2010-11, rose significantly to US \$183,353.7 million in 2011-12. This increase was largely attributed to substantial imports of gold, contributing to the surge in the bill. In the year 2013-14, although exports experienced a growth of 4.65 percent, there was an 8.25 percent reduction in imports. This shift in export and import dynamics improved the trade balance, decreasing from US \$190,336.1 million to US \$135,797.9 million. Both exports and imports experienced a decline, attributed to a slowdown in target markets worldwide. These markets are still in the process of recovering from the financial crises that occurred in 2007-08. In the fiscal year 2015-16, there was a significant decline in both exports, decreasing by 15.48 percent,

and imports, decreasing by 14.96 percent. As a result, the trade balance decreased from US \$137,681.4 million to US \$118,716.7 million. The decline in global trade, stemming from a global economic slowdown, has contributed to an overall reduction in India's trade. This decline has facilitated a decrease in the trade deficit for India. The unfavorable conditions in exports are primarily ascribed to the global economic slowdown.

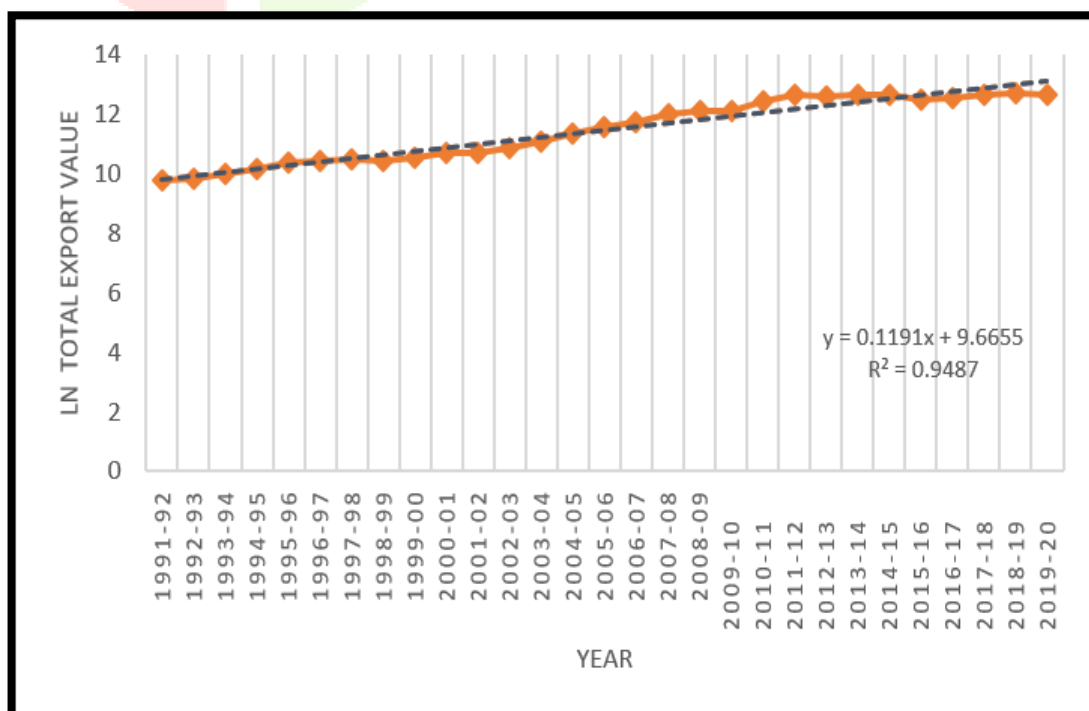
In the fiscal year 2016-17, there was a positive development in exports, witnessing a growth of 5.17 percent. Imports also experienced a marginal increase of 0.87 percent. The exports outpacing the increase in imports led to an improvement in the trade deficit, decreasing from US \$118,766.7 million to US \$108,504.6 million. In the fiscal year 2017-18, the overall exports registered a growth of 10.03 percent, while imports increased by a higher rate of 21.13 percent. This increase in imports by 11 percent more than the growth in exports led to a widening trade deficit, reaching US \$162,054.8 million. In the fiscal year 2018-19, there was an 8.74 percent growth in exports, coupled with a 10.41 percent increase in imports, resulting in a rise in the trade deficit to US \$184,000.3 million. However, in the year 2019-20, both exports and imports experienced negative growth, leading to a decrease in the trade deficit to US \$160,856.7 million

## CHANGES IN THE VOLUME OF THE EXPORTS

The cumulative value of Indian exports increased from US \$17865.4 million in the fiscal year 1991-92 to US \$313,138.5 million in the fiscal year 2019-20. Over 30 years, export growth was cumulative (Figure 1.3). The yearly growth rate of exports in India was 3.76 percent in the fiscal year 1991-92, followed by a significant increase of 18.40 percent in the fiscal year 1994-95, 21.09 percent in the fiscal year 2003-04, 28.86 percent in 2007-08, and 40.49 percent in 2010-11. However, this growth turned negative, contracting by 5.10 percent in the fiscal year 1998-99, and by 30.40 percent in the fiscal year 2015-16. The trend reversed in the fiscal year 2016-17, showing positive growth at 5.17 percent. In November 2016, the Government of India made a significant decision to demonetize 86 percent of its currency. This move had a positive impact, contributing to the growth and export boost for the fiscal year 2016-17, which increased by 5.17 percent — the highest in the last five years. The positive momentum continued into the fiscal year 2017-18, with exports increasing by 10.03 percent. The CAGR of exports during the study period stood at 10.01 percent. The following table shows the AAGR and CAGR of the exports and imports from 1991-92 to 2018-19. Simultaneously Figure 3.3 shows the change in export value over time. The value of  $R^2$  comes to be 0.9487, which is a good indicator of goodness of fit.

Upon analyzing the AAGR and CAGR of Exports, it can be inferred that the exports experienced an average annual growth rate of 15.72 percent and a compounded yearly growth rate of 12.22 percent during the years 1991 and 1996 (Table 3.3). The substantial surge in exports can be ascribed to the implementation of Economic reforms, which resulted in India transitioning into a more liberalized and open economy. The Asian Crises of 1997 significantly hindered India's export growth, as evidenced by the notable fall in export value. As a result, India, thanks to its robust macroeconomic stability, experienced a significant increase in exports, with an average annual growth rate of 18.80 percent and a compounded annual growth rate of 18.66 percent. The positive trend in exports persisted for the following five years. However, the Indian economy was severely impacted by the Global Financial Crisis in 2008, resulting in a significant decline in India's exports. The AAGR and CAGR during this period were 1.57 percent and -3.03, respectively. India had a resurgence in export growth due to the implementation of well-balanced fiscal and monetary policies.

**FIGURE 3: CHANGES IN EXPORT VALUE OVER THE PERIOD 1991-92 TO 2019-22**



Source: Author's formulation derived from information presented in the RBI Handbook

**TABLE 4: AVERAGE ANNUAL GROWTH RATE (IN PERCENT)  
COMPOUNDED ANNUAL GROWTH RATE (IN PERCENT)**

YEAR	EXPORTS		IMPORTS	
	AAGR	CAGR	AAGR	CAGR
1991-96	15.72	12.22	17.55	13.57
1996-01	7.32	5.89	6.76	5.25
2001-06	18.80	18.66	24.98	23.74
2006-11	20.44	14.72	20.77	14.76
2011-16	1.57	-3.03	1.79	-4.88
2016-19	4.72	3.24	10.81	10.18

AAGR- Average Annual Growth Rate (in percent)

CAGR- Compounded Annual Growth Rate (in percent)

Source: Author's formulation derived from information presented in the RBI Handbook.

#### CHANGES IN THE VOLUME OF IMPORTS:

The aggregate value of imports, initially recorded at US \$19410.5 million in the fiscal year 1991-92, grew to US \$51413.3 million in the fiscal year 2001-02, US \$3697691.1 million in the fiscal year 2010-11, US \$473,995.20 million in the fiscal year 2019-20. The annual growth rate of imports, which was 12.73 percent in the fiscal year 1992-92, and 22.94 percent in the fiscal year 1994-95, declined to 1.74 percent in the year 2000-01 but again rose to 19.44 percent in the fiscal year 2002-03. The imports rose to the extreme level of annual growth of 42.69 percent in the year 2004-05, turned negative by 5.04 percent in the year 2009-10, by 14.96 percent in the year 2015-16, by 7.79 percent in the fiscal year 2019-20. Additionally, Over the study period, positive annual growth rates were observed in 2010-11 (20.22 percent), 2011-12 (32.33 percent), 2016-17 (0.87 percent), 2017-18 (21.13 percent), and 2018-19 (10.41 percent). Conversely, negative growth rates were recorded in 2013-14, 2014-15, 2015-16, and 2019-20. The compound annual growth rate (CAGR) of imports during the study period was 11.96 percent.

After examining the Average Annual Growth Rate and Compounded Annual Growth Rate of Imports, it can be deduced that the imports had an average annual growth rate of 17.55 percent and a compounded yearly growth rate of 13.57 percent between the years 1991 and 1996 (Table 3.3). The significant increase in imports can be attributed to the adoption of economic reforms, which led to India's transition toward a more liberalized and open economy. The Asian Crises of 1997 had a substantial negative impact on India's import growth, as seen by a large decline in import value. India witnessed a substantial surge in imports, with an average yearly growth rate of 24.98 percent and a compounded yearly growth rate of 23.78 percent, due to its strong macroeconomic stability. The upward trajectory of imports continued over the subsequent five years. Nevertheless, the Indian economy saw a substantial negative effect from the Global Financial Crisis in 2008, leading to a notable decrease in India's imports. The mean yearly expansion rate and the compounded yearly expansion rate over this time frame were 1.79 percent and -4.88 percent, respectively. India had a revival in import growth as a result of the establishment of effective and balanced fiscal and monetary policies. The subsequent subsection includes Table 3.4, which presents the yearly expansion rates of imports and exports from 1991-92 to 2018-19. After the implementation of the New Economic Policy in 1991-92, exports experienced a growth rate of 3.76 percent, while imports saw a substantial increase of 12.73 percent. The liberalization of the economy had a more pronounced effect on imports, which experienced a substantial increase, while its influence on exports was rather minimal. Nevertheless, in 1993-94, there was a notable increase in exports by 19.97 percent, while imports climbed at a rate of 6.51 percent after a two-year delay. It was evident that both structural and macroeconomic policy variables had a delayed effect of 2 years.

The development trajectory persisted until 1996, when both the global and Indian economy were impacted by the repercussions of the Asian crises. The Asian Crises had a noticeable impact on the annual growth rate of exports and imports, with a decline of -5.11 percent and 2.18 percent correspondingly in 1998-99. In the year 1999-00, the Economy recovered from the crises and experienced yearly growth rates of 10.85 percent for exports and 17.18 percent for imports. This increase can be attributed to the base effect. The economy experienced a significant setback because of the Bubble dotcom Crises that occurred in Western economies. In 2001-02, the exports experienced a negative growth rate of -1.65 percent, while the imports had a growth rate of 1.73 percent. After successfully navigating through previous crises, the Indian economy faced a setback in 2008-09 due to the Global Financial Crisis and in 2017-18 due to the IL&FS crisis. These events had a significant impact on the amount of exports and imports.

It is imperative to acknowledge that the rise in the average annual growth of imports exceeded the rise in the growth of exports. This explains the reason behind India's trade deficit in the Balance of Payments Account. Table 3.4 illustrates the Annual Growth Rates of Exports and Imports for the time 1991-92 to 2018-19.

**TABLE 5: ANNUAL GROWTH RATES OF EXPORTS AND IMPORTS FOR THE PERIOD 1991-92 TO 2018-19**

YEAR	ANNUAL GROWTH RATES (in percent)	
	EXPORTS	IMPORTS
1991-92	.....	.....
1992-93	3.76	12.73
1993-94	19.97	6.51
1994-95	18.40	22.95
1995-96	20.75	27.99
1996-97	5.27	6.70
1997-98	4.59	6.01
1998-99	-5.11	2.18
1999-00	10.85	17.18
2000-01	21.01	1.74
2001-02	-1.65	1.73
2002-03	20.29	19.45
2003-04	21.10	27.25
2004-05	30.85	42.70
2005-06	23.41	33.76
2006-07	22.62	24.52
2007-08	28.87	35.38
2008-09	13.74	20.78
2009-10	-3.53	-5.05
2010-11	40.49	28.23
2011-12	21.83	32.33
2012-13	-1.82	0.44
2013-14	4.07	-8.40
2014-15	-0.73	-0.48
2015-16	-15.49	-14.96
2016-17	5.17	0.88
2017-18	10.03	21.13
2018-19	8.75	10.41

Source: Author's formulation derived from information presented in the RBI Handbook (2002).

## TREND AND PATTERN OF TRADE BALANCE

The table 1 illustrates a clear trend and pattern in the trade performance of the country over the years. Here's a detailed analysis:

- EARLY YEARS (1991-1999):** The initial years from 1991-92 to 1999-00 show a consistent trade deficit, indicating that the country was importing more goods and services than it was exporting. The trade deficit varied in magnitude, but the pattern remained negative.
- PEAK AND SHIFT (2000-2004):** A significant shift occurs in the trend during the years 2000-01 to 2003-04. The trade deficit narrows, reaching its lowest point in 2003-04. This period suggests an improvement in the country's trade position, with a decrease in the gap between exports and imports.
- WIDENING DEFICITS (2004-2011):** However, from 2004-05 onwards, there is a reversal in the trend, and the trade deficit starts to widen substantially. This widening trend continues until 2011-12, reaching its peak during this period. The country faced challenges, possibly due to increased imports, decreased exports, or a combination of both.
- FLUCTUATIONS (2012-2017):** The subsequent years, from 2012-13 to 2016-17, witness fluctuations in the trade deficit. While there is no consistent improvement, the deficits do not widen as dramatically as in the previous period. This suggests a certain level of volatility in the trade balance, with varying economic conditions influencing the country's trade performance.

**RECENT TRENDS (2017-2020):** The years 2017-18 to 2019-20 demonstrate a mixed picture. The trade deficit continues, with occasional fluctuations. While the deficits are still substantial, they do not reach the peak levels observed in the earlier years. Figure 3.7. illustrates the Exports, Imports and, Trade balance for better understanding of the trends of Trade in India from 1991-92 to 2019-20.

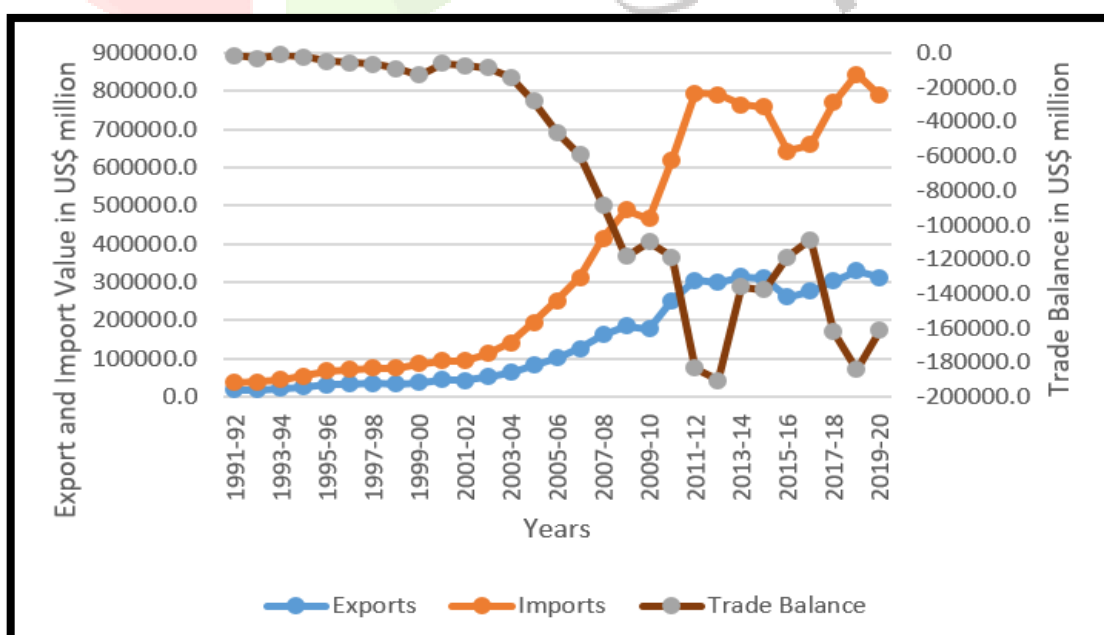
## DATABASE AND METHODOLOGY:

**DATA SOURCE:** The present study used secondary data analysis to look at the history of India's exports and imports from 1991–1992 to 2019–2020, covering a long period in international trade. Careful data collection for this study was carried out from a variety of reputable sources, such as the Reserve Bank of India (RBI) database, the World Trade Organization, the United Nations Conference on Trade and Development, the World Bank Database, and the World Integrated Trade Solutions. The selection of this particular time frame is crucial since it encompasses the noteworthy economic reforms and policy changes that occurred in India in the early 1990s, signifying a pivotal moment in the country's stance towards international commerce.

The dataset contains extensive data on the quantity and worth of exports and imports, categorized by industries, nations, and regions, enabling a detailed examination of trade trends. Data cleaning encompasses the identification and resolution of discrepancies, handling missing values, and standardizing units to ensure the reliability and accuracy of subsequent studies. The study utilized analytical tools such as time-series analysis, trend detection, and comparative assessments to identify trends and changes in India's trade dynamics throughout the stipulated period. The study placed great importance on ethical issues while using data from these credible sources, and it scrupulously followed the terms of use specified by each organization.

**OBJECTIVE OF THE Study:** To Analyze the India's Trade Pattern and its moving towards sustainability.

**FIGURE 3.8. EXPORTS, IMPORTS AND, TRADE BALANCE OVER THE PERIOD 1991-92 TO 2019-20.**



Source: Author's formation derived from information presented in the RBI handbook (2002).

**KEY OBSERVATIONS:**

- a) The trade balance consistently leans towards a deficit, indicating a persistent challenge in achieving a surplus.
- b) The widening trade deficits from 2004-05 to 2011-12 could be attributed to factors such as increased imports, reduced competitiveness in the global market, or economic challenges.
- c) Fluctuations in the later years suggest a dynamic economic environment with changing trade dynamics, possibly influenced by global economic conditions, policy changes, or other external factors.

**Conclusion:**

- 1) India's trade balance varies between surplus and deficit, indicating its worldwide trade connections and economic circumstances.
- 2) Exports showed a steady increase, reaching a peak of \$330,078.1 million in 2018-19, demonstrating the durability and competitiveness of Indian products.
- 3) Imports experienced substantial growth, reaching a peak of \$514,078.4 million, demonstrating the incorporation of international products into the domestic market.
- 4) The increasing trade imbalance, which reached \$184,000.3 million in 2018-19, requires the implementation of sustainable balance policies.
- 5) India's trade balance is influenced by international trade movements, such as the GFC (2008-09) and the COVID-19 pandemic.

**Suggestions:**

- 1) Promote export diversification to reduce sector swings.
- 2) Assess prospects for import substitution to decrease dependence on foreign commodities.
- 3) Implement strategies to control and decrease trade deficits.
- 4) Improve export promotion policies to maintain growth.
- 5) Consistently observe economic data to predict trade obstacles and advantages.
- 6) Enhance and broaden bilateral trade agreements to facilitate smoother trading.
- 7) Make direct investments in crucial industries to improve productivity and competitiveness.
- 8) Offer incentives to industries that produce goods domestically instead of importing them.
- 9) Keep abreast on worldwide economic trends.
- 10) Enhance the export of high-value goods to enhance trade terms and achieve a balanced trade.

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