

Composition of Trade

27. The composition of exports has changed gradually during the nineties. The share of ores and minerals has declined progressively from 4.6 per cent in 1991-92 to 3.5 per cent in 1996-97, and this trend has continued during 1997-98. The share of manufactured exports has been on a slowly increasing trend (74 per cent in 1991-92 to 75 per cent in 1995-96), but with significant fluctuations around this trend. The upward movement has resumed during 1997-98, after a drop in 1996-97 (to 74 per cent). The share of agriculture has been more variable, declining from 1991-92 to 1994-95, rising in 1995-96 and 1996-97 and falling again during 1997-98 (Figure 6.3).

28. Agricultural exports, which grew by 10.3 per cent in 1996-97, declined by 6.6 per cent in April-January 1997-98. Their share therefore fell to 18.8 per cent of total exports, from 20.5 per cent during the same period last year. The decline in growth was attributable to cereals and oil meal, domestic demand for which increased in 1996-97. Ceilings imposed on exports of wheat and rice, and the European Union's ban on marine imports also contributed to slower growth.

29. In contrast, the rate of growth of manufactured goods exports increased from 2.5 per cent in 1996-97 to 5.3 per cent in April-January 1997-98, raising its share from 74.1 per cent to 75.7 per cent. Major contributors to

the increase are listed in Table 6.5. Gems and jewellery suffered during 1996-97 due to weak demand from major markets, non-availability of good quality rough gemstones, breaking of single channel supply and growing competition. They showed signs of recovery, with a growth of 2.7 per cent during April-January 1997-98.

30. The composition of imports does not show any trend during the nineties. In the financial year 1997-98, the share of food & allied products and fertilisers in total imports increased, the former from 3.8 per cent in April-January, 1996-97 to 4.3 per cent in April-January, 1997-98. Growth of imports of food products (including cereals, pulses and edible oils) accelerated from -20.6 per cent in 1995-96 to 12.2 per cent in 1996-97 and 20.3 per cent in April-January, 1997-98. The share of POL imports in total imports declined to 21.2 per cent in April-January, 1997-98, down from 26.2 per cent in the same period of previous year (Figure 6.3). This was primarily due to lower prices of oil and products. The high growth in non-POL imports increased their share in total imports to 78.8 per cent in April-January, 1997-98 from 73.8 per cent in the same period of previous year. Commodities whose imports registered high growth rates in 1997-98 may be seen in Table 6.5. The decline in US dollar value of imported capital goods such as project goods, transport equipment, continued in 1997-98, indicating depressed investment conditions.