

Direction of Trade

31. There was a distinct down trend in the share of East Europe and Japan in India's exports during the nineties. The share of Eastern Europe fell dramatically between 1990-91 (17.9 per cent) and 1992-93 (4.4 per cent) because of the disintegration of the USSR. The down trend has continued with a fall to 2.9 per cent in 1996-97. Japan's share declined steadily from 9.3 per cent in 1990-91 to 6.0 per cent in 1996-97 (7.0 per cent in 1995-96). There was a corresponding increase in Asia's share from 14.3 per cent in 1990-91 to 21.3 per cent in 1995-96 and 22.7 per cent in 1996-97. The same trend continued in the first ten months of 1997-98 (Figure 6.4).

32. During 1996-97, there was also a marginal decline in the share of EU and an increase in that of the USA (to 19.8 per cent from 17.4 per cent in 1995-96) in exports. This reflected sluggish demand in Western Europe (and Japan) and strong growth in the USA. There has been little change in USA's share during April-January,

1997-98 (19.5 per cent). The share of other LDCs increased to 28.0 per cent in April-January, 1997-98 (from 26.8 per cent in April-January, 1996-97). The share of East Asia declined marginally to 14.2 per cent from 15.4 per cent (after increasing progressively from 12.3 per cent in 1992-93).

33. The share of OECD countries (including United States, EC and Japan) in total imports, declined to 49.2 per cent in 1996-97 from 52.4 per cent in 1995-96. This was off set by the increased share of OPEC. While the share of the OECD countries (with the exception of Japan), improved during April-January, 1997-98 that of OPEC, Russia and other LDCs declined as compared to the corresponding period in 1996-97. The United States, thus, continued to be the single largest destination of our exports as well as source of our imports. UK emerged as the second most important trading partner with Japan's share declining in both exports and imports.