Composition of India's Foreign Trade

First Author

Deshraj Verma

(Research Scholar)

Department of Economics

(Shia P.G College Lucknow)

University of Lucknow

Lucknow 226007

Mob-9455460712

Email: rs2021eco.shia_deshraj@lkouniv.ac.in

Second Author

Dr. Nafees Hashim Rizvi

(Assistant Professor)

Department of Economics

(Shia PG College Lucknow)

University of Lucknow, U.P

Lucknow 226007

Mob - 8808845786

Email: nafeesrizvi@gmail.com

Abstract

Foreign trade is very relevant in determining economic growth, development of industrialization, and competitiveness of a country. This paper examines the shift in the composition of foreign trade in India between 2000- 2024 and specifically on the top 5 export and top 5 import products of India. It is majorly done through secondary information which will be acquired using international trade databases like UN Comtrade and other available sources of published trade statistics. The data is broken down to HS-2 digit commodity classification and in the US dollar million in order to make comparative analysis. According to the study findings, there has been a major growth in the volume of foreign trade of India over the last 20 years which depicts the increased integration of India in the global economy. The demanded export structure has been slowly transformed to the traditional and primary products to the manufactured and highly valuable products like machinery, electrical equipment and refined petroleum products. Meanwhile, the mineral fuels, electrical machinery, industrial machinery, precious metals and stones, and organic chemicals continue to dominate the import structure. This is indicative of reliance of India in imports of energy and hi-tech products. The paper also examines the relationship between exports and imports on the basis of the regression analysis which indicates that there is a positive statistically significant relationship between exports and imports. Besides, the paper examines how the global economic phenomenon like the 2008 worldwide financial crisis and the COVID-19 pandemic have affected the foreign trade of India. The conclusions indicate that despite India recording a high index of export diversification, the decline of imports in energy and high-technological fields is still a major challenge. This paper highlights the importance of domestic manufacturing or increase, high-value export, and energy self-reliance with regard to the Developed India @2047 objective.

Introduction

It is believed that foreign trade is one of the main aspects of the economic progress of any country and its structural change. Not only does it facilitate the growth of the production and the proper use of the resources, but it also shows the global competitiveness of a country, its industrial capacity, and development level. Alteration in the composition of foreign trade of a nation is a phenomenon that represents the economic transformation of that country as the economy slowly evolves out of the primary products into manufactured and high value-added products. Upon gaining independence, the foreign trade of India was mainly agricultural and primary based. The export items were tea, jute, cotton textiles, and the raw materials and the import items were capital and manufactured goods. This organization was an indicator of the colonial economic system and the low level of industrial base. The policies of liberalization, privatization and globalization (LPG) which were introduced in the year 1991 initiated a major change in the trend in foreign trade of India. These policies led to the shift of an Indian economy out of a closed economical state and the active state of India within a global trading system, which contributed to promotion of exports, inflow of foreign investments, and liberalization of the trade. Since the onset of the 21 st century up to 2024, the foreign trade in India has been experiencing a fast growth in terms of size and structure. Total foreign trade of India in the period around the year 2000 was about US$95 billion and in 2024, it rose to more than US 1600 billion. Surveying on the significant export and importation products of India 2000-2024 makes it clear that there has been a remarkable restructuring of the trade pattern of India. Manufactured and high value added goods have emerged as the more prominent part of the structure of export in India as compared to the traditional primary products. A large portion of the exports has been acquired by the engineering of products, machinery, electrical equipment, pharmaceutical products and electronics. This transformation has been increased by the Make in India and Production Linked Incentive (PLI) schemes. However, India still depends on energy and technological commodities which take up the major part of the import structure. Mineral fuels especially crude oil were the highest at all times during the study period. Besides, imports of electrical machinery, industrial machinery, organic chemicals, and electronic equipment also grow at a fast pace, which indicates the process of industrial development in India and the growth of the digital economy. Also, the increase in the share of services sector is a major aspect of Indian foreign trade. The information technology and software service, as well as business process outsourcing services, have brought India as one of the main global exporters of services. Service exports have over the years been a significant source of

foreign exchange earnings. This term paper contains a discussion of the five leading commodity importation and export patterns in Indian foreign trade system since 2000-2024. The objective of the study is to comprehend the shift of the traditional export structure towards the high-value products-oriented structure, to assess the effects of various global-level economic occurrences, including the 2008 financial crisis and the COVID-19 pandemic, and to perform a statistical analysis of the export-import relations. The present study is also trying to make sense of the existing trade environment in India as per the vision of the Developed India @2047.

Literature Review

Kumar and Dinesh (2022) conducted a comprehensive analysis of India's export performance, focusing on the top 15 commodities from 2010–11 to 2021–22. Their study highlighted a critical paradox: while many sectors, such as petroleum products, iron and steel, and organic chemicals, showed positive annual average growth rates (AAGR), their long-term compound annual growth rates (CAGR) were predominantly negative. This indicates significant year-to-year volatility and a lack of sustained growth trajectory in key merchandise exports. The authors attribute this inconsistency to enduring structural issues, including infrastructural bottlenecks, procedural complexities, and global market uncertainties. Their work underscores the need for targeted policy interventions to stabilize and enhance India's export competitiveness, suggesting market diversification and stronger governmental support as key remedies. This study provides a foundational quantitative assessment of export trends, against which the effectiveness of recent trade policies can be measured.

Sarah Y. Tong (2007/2008) provides a seminal comparative analysis of the trade trajectories of China and India leading up to the late 2000s. Her central thesis highlights a critical divergence: while China leveraged export-oriented foreign direct investment (FDI) to become deeply integrated into East Asian production networks, undergo significant manufacturing upgrading, and generate large trade surpluses, India's trade expansion followed a different path. Tong argues that India's growth was more services-led, suffered from persistent trade deficits, and exhibited limited structural transformation in its merchandise exports, which remained concentrated in resource-based and low-skill labour-intensive goods. She identifies the lack of export-oriented FDI as a primary reason for India's weaker integration into regional supply chains and its slower industrial upgrading compared to China. This comparative framework is essential for understanding the foundational structural differences that have shaped the two economies' global trade roles.

Wang, Chu, & Zhao (2018) offer a detailed empirical analysis of trade complementarity and competition between China and key Belt and Road Initiative (BRI) partners, specifically India and Russia. Their study employs the Revealed Comparative Advantage (RCA) and Trade Complementarity Index (TCI) to dissect bilateral trade structures from 2007 to 2016. A key finding is the asymmetry in the China-India trade

relationship: while strong complementarity exists in specific sectors (e.g., China's demand for Indian raw materials like SITC2, and India's demand for Chinese manufactured goods like SITC6), the overall relationship is characterized by significant competition, especially in labor-intensive products. In contrast, the China-Russia trade dyad is shown to be more robustly complementary, based on a classic resource-for-manufactures exchange. The authors conclude that complementarity outweighs competition for China-Russia, whereas for China-India, competitive pressures are more pronounced. This granular, index-based analysis moves beyond generalized descriptions to provide measurable evidence of trade dynamics, directly addressing gaps they identify in prior literature.

Research Gap

There has been a lot of research concerning the foreign trade in India where the growth rates of trade, the balance of trade, and the global competitiveness have been examined. Nevertheless, the majority of the studies have not done a detailed and comparative study of the shift in the structural composition of India imports and exports over time. In particular, a detailed, statistical discussion of the changes in the structure of the Indian trade in 2000-2024, including the replacement of primary goods by manufactured goods, a rise in imports of technologies, and the predominance of the services sector is rather scarce. In addition, past studies have primarily targeted one of the sectors, including agriculture, manufacturing, or services, and it is rare to come across studies that take an integrated approach. In addition to that, there is no adequate scholarly research on how such events like global economic crisis (2008), and the COVID-19 pandemic (2020) have affected the Indian trade structure. Thus, this study tries to bridge this research gap by examining how Indian foreign trade has altered its structure in the long-term. Not only will this research work help to understand the trend of imports export between India, but it will also be a key reference point in the future development of trade policy.

2. Objectives of the Study

1. To analyze the trends and growth patterns of India's top 5 export commodities and top 5 import commodities during the period 2000-2024.

2. To study the relationship between exports and imports through statistical analysis (regression analysis).

3. To understand India's current foreign trade patterns in the context of the "Developed India @2047" goal.

Research Methodology

This study of research examines how the foreign trade of India has changed in structure during the period between 2000-2024. The research mainly dwells on the trends, growth pattern and structural changes in the top 5 export and top 5 import commodities in India. In this study, secondary data has been employed whereby the main sources of the secondary data include international trade databases like UN Comtrade and the other available authorities in terms of trade statistics. The information of the research is classified according to the HS-2 digit commodity code, which provides the opportunity to easily comprehend the relative status of diverse

traded commodities. The time interval of the study is 2000 to 2024, which allows investigating the long-term tendencies in foreign trade of India. The study has used annual export and import values (in US Million). The analysis has been done using different statistical and descriptive methods. This mainly encompasses trend analysis to know the long-term trends of the leading 5 export as well as import commodities. Also, the major export and import commodities in India have been compared through comparative analysis. The statistical analysis has employed regression analysis to be able to know the relationship between exports and imports. The data is presented in the form of tables, charts and graphs which effectively show the trend of the trade. The present research concentrates on the 5 leading commodities that are traded in India and thus does not cover the overall trade system. Moreover, the analysis of trade in the services sector is not detailed in the study. Therefore, this paper tries to comprehend the dynamic nature of the foreign trade of India based on the known data and statistical methods. Lastly, the study offers a comparative and trend analysis of the evolving Indian foreign trade structure that will be applicable in the future trade policy and economic planning.

Composition of India's Foreign Trade

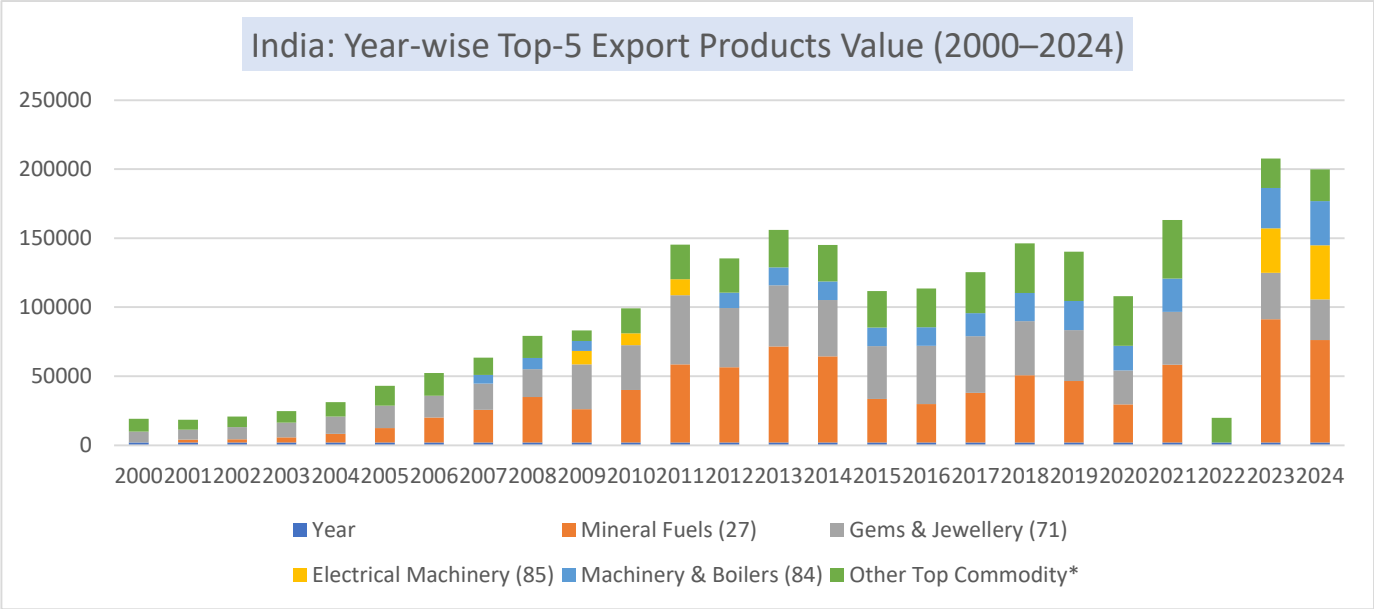
Certain key commodities have consistently held top positions in India's foreign trade. In terms of exports, engineering goods, petroleum products, pharmaceuticals, gems and jewelry, textiles and apparel ,are among

India: Year-wise Top-5 Export Products Value (2000–2024)								Year-wise Top-5 IMport Products Value (2000–						
Year	Mineral Fuels (27)	Gems & Jewellery (71)	Electrical Machinery (85)	Machinery & Boilers (84)	Other Top Commodity*	Total(US $ Million)		Year	Mineral Fuels (27)	Pearls & Precious (71)	Electrical Machinery (85)	Machinery (84)	Organic Chemicals (29)	Total (US$ Million)
2000	0	7812.67	0	0	9370.67	**17183.34**		2000	19341.99	9936.92	2692.21	4216.2	1595.18	**37782.5**
2001	2147.82	7018.82	0	0	7170.58	**16337.22**		2001	15772.37	9688.32	2970.88	4228.86	1769.71	**34430.14**
2002	2328.49	8878.52	0	0	7647.61	**18854.62**		2002	17915.59	10113.45	4348	4846	2061.59	**39284.63**
2003	3622.51	10665.64	0	0	8472.42	**22760.57**		2003	21790.34	12550.55	6284.53	6353.82	2882.02	**49861.26**
2004	6125.15	12642.29	0	0	10540.14	**29307.58**		2004	31163.9	17731.2	8297.68	8617.59	3791.8	**69602.17**
2005	10498.49	16144.62	0	0	14369.6	**41012.71**		2005	46322.21	23323.16	11062.92	12886.22	5310.35	**98904.86**
2006	18004.64	15787.46	0	0	16404.35	**50196.45**		2006	61431.97	21433.39	14054.98	17610.91	5803.7	**120335**
2007	23622.38	19100.98	0	6115.7	12499.13	**61338.19**		2007	73249.47	27494.09	18511.76	22333.13	8374.23	**149962.7**
2008	32868.44	20175.39	0	8108.79	16105.78	**77258.4**		2008	115880.4	35093.29	22453.76	28526.46	12283.85	**214237.8**
2009	24021.69	32598.06	9624.45	7167.49	7716.11	**81127.8**		2009	82661.82	42613.7	24517.61	23766.9	8490.29	**182050.3**
2010	37984.13	32464.56	8706.45	0	17878.53	**97033.67**		2010	110840.7	68629.98	25547.23	27770.55	12115.82	**244904.2**
2011	56556.79	50015.59	11744.26	0	25011.33	**143328**		2011	157356.4	93596.87	32261	35489.44	14028.69	**332732.4**
2012	54380.88	43089.69	0	11070.05	24749.33	**133290**		2012	185696	81575.92	29649.05	36226.29	15243.28	**348390.5**
2013	69571.28	44157.66	0	13126.15	27140.43	**153995.5**		2013	184194	67499.91	29790.26	31945.78	16960.21	**330390.2**
2014	62348.54	40703.54	0	13596.13	26517.1	**143165.3**		2014	176949	59844.36	31923.37	31193.51	18238.88	**318149.1**
2015	31393.7	38488.47	0	13231.4	26626.62	**109740.2**		2015	104646	59632.9	35925.68	32047.18	15917.58	**248169.3**
2016	27715.39	42290.72	0	13557.49	28031.03	**111594.6**		2016	89308.78	48129.74	37005.27	32515.74	14767.09	**221726.6**
2017	35873.71	41165.03	0	16633.52	29763.05	**123435.3**		2017	123108	74307.38	46846.4	36005.67	17966.05	**298233.5**
2018	48593.63	39233.56	0	20426.07	36017.93	**144271.2**		2018	168786	64864.47	52450.74	43206.33	22585.96	**351893.5**
2019	44532.7	36734.42	0	21263.71	35659.92	**138190.8**		2019	152672	58908.09	50846.33	44479.05	20533.32	**327438.8**
2020	27634.36	24455.53	0	17970.88	35853.6	**105914.4**		2020	104358	41049.74	42944.41	35201.38	18154.64	**241708.2**
2021	56400.64	38155.14	0	24165.78	42383.59	**161105.2**		2021	170399	88346.26	56725.01	48414.56	27247.01	**391131.8**
2022	0	0	0	0	17791.59	**17791.59**		2022	277238	78172.89	69680.02	54792.4	29810.26	**509693.6**
2023	89330.99	33431.64	32318.23	29306.4	21300.72	**205688**		2023	220594	72656.58	76063.44	57057.2	27258.53	**453629.8**
2024	74267.31	29249.93	39364.87	32012.37	22983.62	**197878.1**		2024	217944.6	89440.64	83465.27	60756.78	25651.61	**477258.9**
(HS-2 digit, value basis)								*(HS-2 digit, value basis)*						
Source: Data from UN Comtrade database								Source: Data from UN Comtrade database						

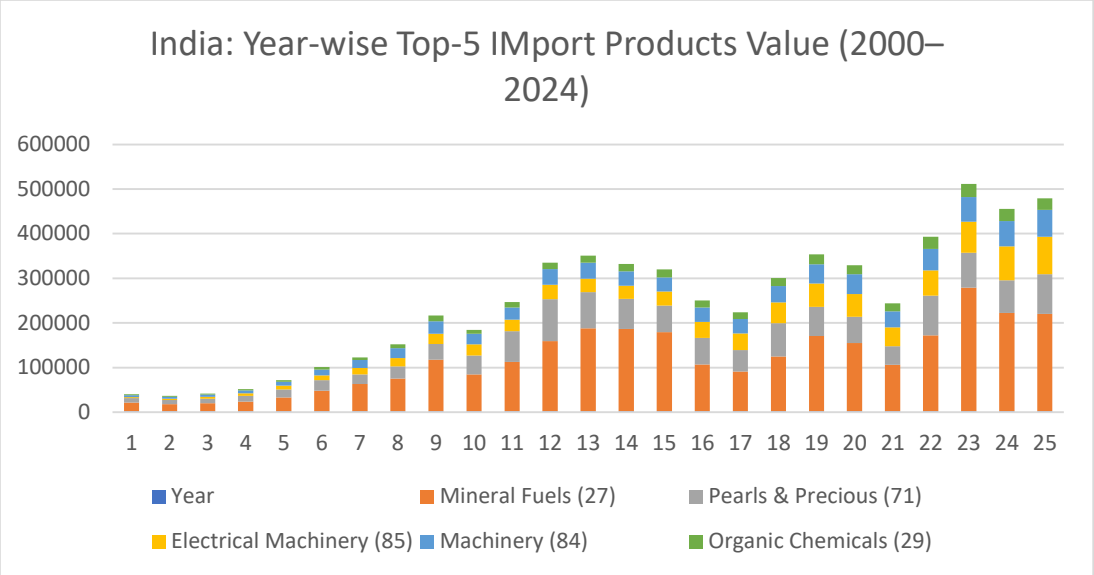
India's top five trading commodities. Looking at imports, crude oil, gold, electronic goods and semiconductors, machinery, These top five commodities represent a significant portion of the total value of India's foreign trade and clearly reflect the country's energy needs, industrial development, technological advancements, and global competitiveness.

The external trade trend of India between 2000-2024 is based on a definite structural divergence between export capacity and import reliance. Using the comparative analysis of the five leading exports and imports, it is apparent that at the time India has been increasing in export basket over the years, the imports have been increasing at a greater rate, consequently giving rise to a trade deficit that has been a constant. The five leading export commodities of India in 2000 were worth approximately US $ 17.18billion, but in imports they were at over 37.78billion. In 2024, exports had risen to close to US$ 197.88 billion, yet, imports had shot up to approximately US$ 477.26 billion. This means that the domestic energy, machinery and industrial inputs demand has been growing at a higher rate than the exports earnings which demonstrates the rising industrial and consumption-oriented economy in India. The export mix indicates that it is dominated by Gems and Jewellery, Mineral Fuels (in more recent years), Machinery and Boilers, and among others, a steady increase in exports of Electrical Machinery in recent years. This implies that India specializes in labour-intensive production, processing sectors and selective engineering products. The increase in exports of electrical machinery after 2022-23 presupposes slow industrialization and shift towards the production of higher value. Nevertheless, exports remain in a way related to imports in that, with gems and jewellery, the raw gold and precious stone is imported and processed to export. Import At the import side, Mineral Fuels constitute the most significant figure in the whole period, which point to the extensive reliance of India on imports of crude oil and energy. The Electrical Machinery, Industrial Machinery, Pearls and Precious materials and Organic Chemicals are the main constituents of the importation basket in India along with the fuels. This trend is indicative of what is needed in a rapidly developing economy, which relies on imported technology, capital goods and raw materials to produce on an industrial basis. Record imports in the post-2021 period also translate into post-pandemic recovery, accelerating global commodity prices, and more domestic industrial

activity.Major global economic events have also influenced trade trends. The 2008 global financial crisis slowed trade growth, the 2014–2016 oil price fall reduced import bills, and the 2020 COVID-19 pandemic caused temporary contraction in both exports and imports. However, strong recovery is visible after 2021. Overall, the comparative trend indicates that while India is gradually strengthening its manufacturing export base, the economy continues to rely heavily on energy and technology imports. Reducing this structural dependence through domestic energy production, renewable energy expansion, and high-technology manufacturing development will be crucial for improving India's long-term trade balance and economic stability.



The chart shows a strong long-term growth trend in India's top five export products from 2000 to 2024, with some fluctuations during global economic shocks. Exports increased steadily from 2000 to 2011, driven mainly by Gems & Jewellery and Mineral Fuels. A moderate decline is visible around 2015–2016, followed by recovery until 2019. The sharp drop in 2020 reflects the COVID-19 impact, but exports rebounded strongly after 2021. Mineral fuels and gems remain dominant contributors, while machinery and electrical exports show gradual structural improvement. The very low value in 2022 appears as an abnormal data dip. Overall, the trend indicates export diversification with increasing industrial product contribution.



The chart shows a strong upward trend in India's top five import products from 2000 to 2024, indicating rising dependence on foreign goods to support economic growth. Imports increased steadily from 2000 to 2013, mainly driven by Mineral Fuels, which remain the largest component throughout the period. A moderate decline is visible around 2015–2016, likely due to global oil price reductions. Imports again fluctuated during 2017–2020, with a noticeable dip in 2020 due to COVID-19 disruptions. After 2021, imports surged sharply, reaching peak levels by 2023–2024. Electrical machinery, industrial machinery, and organic chemicals also show consistent growth, reflecting increasing industrialization and technology demand.

Regression Analysis

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.749122069
R Square	0.561183875
Adjusted R Square	0.541237687
Standard Error	38963.54626
Observations	24

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	4.27E+10	4.27E+10	28.13489	2.53004E-05
Residual	22	3.34E+10	1.52E+09		
Total	23	7.61E+10			

	Coefficients	*ndard Err*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*ower 95.0%*	*pper 95.0%*
Intercept	21346.98268	16720.26	1.276714	0.215016	-13328.70622	56022.67	-13328.7	56022.67
37782.5	0.309258469	0.058304	5.304234	2.53E-05	0.188343204	0.430174	0.188343	0.430174

RESIDUAL OUTPUT

Observation	*redicted 17183.3*	*Residuals*	*dard Residuals*
1	31994.79505	-15657.6	-0.41088
2	33496.08719	-14641.5	-0.38422
3	36766.99959	-14006.4	-0.36755
4	42872.04318	-13564.5	-0.35596
5	51934.14822	-10921.4	-0.2866
6	58561.58504	-8365.14	-0.21952
7	67724.21144	-6386.02	-0.16758
8	87601.83663	-10343.4	-0.27143
9	77647.58585	3480.214	0.091327
10	97085.6929	-52.0229	-0.00137
11	124247.2983	19080.67	0.500712
12	129089.7076	4200.242	0.110222
13	123522.9376	30472.58	0.799656
14	119737.2923	23428.02	0.614794
15	98095.45272	11644.74	0.305579
16	89917.81763	21676.81	0.568839
17	113578.2182	9857.092	0.258668
18	130173.0276	14098.16	0.369962
19	122610.2014	15580.55	0.408862
20	96097.28119	9817.089	0.257618
21	142307.8165	18797.33	0.493276
22	178974.0356	-161182	-4.22972
23	161635.8245	44052.16	1.156009
24	168943.3238	28934.78	0.759301

PROBABILITY OUTPUT

Percentile	*17183.34*
2.083333333	16337.22
6.25	17791.59
10.41666667	18854.62
14.58333333	22760.57
18.75	29307.58
22.91666667	41012.71
27.08333333	50196.45
31.25	61338.19
35.41666667	77258.4
39.58333333	81127.8
43.75	97033.67
47.91666667	105914.4
52.08333333	109740.2
56.25	111594.6
60.41666667	123435.3
64.58333333	133290
68.75	138190.8
72.91666667	143165.3
77.08333333	143328
81.25	144271.2
85.41666667	153995.5
89.58333333	161105.2
93.75	197878.1
97.91666667	205688

The results of the regression analysis have shown that the dependent and independent variables present in the model are statistically significant and moderately strong. The Multiple R of 0.749 indicates that there is a strong positive correlation existing between the variables that make a difference such that as the independent variable goes up, the dependent variable will cost tend to go up. The value of R Sq of 0.561 means that the independent variable in the regression model can explain the variation in the dependent variable by about 56.1 percent. The Adjusted R Square is 0.541 which is slightly less than the R Square value, which is anticipated and indicates that the model is stable and not experiencing any severe problems of overfitting. The Standard Error = 38963, shows that the average values of the observed values are equal to the regression line, with the predictability error being moderate. The outcome of the ANOVA proves the statistical significance of the regression model in general. The value of the F-statistic is relatively high and is 28.13 and thus shows that the model is explaining a major part of the variation in comparison to the one that is not being explained. More to the point, the Significance F value is 2.53 × 10 -5 which is way less than the conventional level of significance of 0.05. It implies that the general regression equation is significant to interpret and reliable statistically. This is to say that there is high level of statistics that the independent variable significantly influences the dependent variable. The results of the coefficient give a better understanding of the type of relationship. The value of the slope coefficient is 0.309 which is a positive and significant value and p-value of 2.53 x 10 -5. This means that a one-unit change in the independent variable causes the dependent variable to change by an approximate of 0.309 units other things being equal. The 95 percent confidence interval of this coefficient is between approximately 0.188 and 0.430 which is not equal to zero initiating again a confirmation of statistical significance. The intercept value (21346.98) is however insignificant as the p-value is 0.215 which is higher than 0.05. This implies that this model does not necessarily have a good practical interpretation of the intercept. The residual analysis reveals that the majority of the standard residual values fall within the range -1 to +1 indicating that most of the model predictions are feasible to most of the observations. Nonetheless, it can be observed that there is a big negative residual which might provide evidence of an outlier or abnormal year in the dataset. This can be as a result of an economic shock or the data deviation, or a structural change at the time. Separate analysis of such observations should be carried out in order to enhance the accuracy of the models. On the whole, the regression model suggests the moderate explanatory power and high statistical significance. Although the model manages to explain over 50 percent of the variation on the dependent variable, the model could be improved by incorporating more explanatory variables, including the global demand conditions, prices of commodities, fluctuations in the exchange rates or domestic production capacity. This would assist in coming up with a more detailed and precise econometric model of analysis of policy and research.

Explaining The Current Foreign Trade Patterns of India in the template of the Developed India @2047 Aim:-

It can be seen based on the available trade data since the year 2000 to 2024 that the structure of foreign trade in India has undergone major structural changes. Within the top five Indian products of export, the significance of manufactured and high value goods, which include machinery, electrical equipment and refined petroleum products, has grown over the years. This means that India is slowly moving away the traditional labor-intensive export of its products to the industrial and technology export, which is in line with the industrial development targets of Developed India @2047. Conversely, a review of the import structure indicates that the levels of imports of mineral fuels, electrical equipment, industrial equipment, and chemicals are very high. High reliance on mineral fuels, especially, is a serious challenge to the Indian energy security. To meet the objective of the Developed India at 2047, India should pay attention to energy independence, growth of renewable energy, and building manufacturing power within the country. The statistics also indicate clearly that the volume of trade in India has been increasing at a high rate; this indicates that India has been participating in the global trade at an increasing rate. Exports have grown but the trade deficit remains as a result of higher growth rate in imports. It will be important in future to increase the involvement of India in high-technology manufacturing, production of electronics, production of green energy and global value chain. Therefore, according to the accessible trade data, one can conclude that India has already gone far in terms of foreign trade structure, though to reach the goal of the Developed India @2047, it will be required to further diversify exports, become technologically independent, and decrease the levels of energy dependence.

Conclusion

The general reflection of the top five export and import commodities of India between 2000 and 2024 shows some significant structural characteristics of the external trade of the country. This research demonstrates that India has witnessed a considerable growth in exports and imports in the past twenty years, which represents the economic growth, industrial growth, and the growing globalization. Nevertheless, the rate of increase of imports has always been higher than the increase in exports which leads to a continued trade deficit. This trend shows that there is a high domestic demand of energy, machinery, technology and raw materials needed in the industrial sector to support the growth oriented economy of India. The export pattern indicates that gems and jewellery, mineral fuels (in recent years) and slow increment in export of machinery and electrical equipment are the leading three things. This means that India is gradually shifting its traditional labour-intensive exports to diversified manufacturing-based exports. Conversely, mineral fuels have a significant portion in the import basket with electrical machinery, industrial machinery, precious materials and organic chemicals coming in the next position. This is an expression of the reliance of India on the imported resources of energy and the goods of high technology. The results obtained with the help of regression analysis also justify the fact that the relationship between the chosen trade variables is strong and significant. The model accounts more than half

of the change in the dependent variable and it proves that the relationship between the variables is positive and significant. Despite the fact that the model has strong statistical strength, it can be enhanced with more macroeconomic and global trade variables. These results indicate that although India has gone a step forward in enhancing its exports base, the nation is still struggling to have structural problems in minimising its imports, particularly in the energy and high technology sectors. To enhance the trade balance in the long term, the policy should include the expansion of domestic manufacturing sector, increasing high-value exports, increasing the development of renewable energy, decreasing reliance on imported fuels and technology. Enhancement in these areas will enable India to have sustainable growth in its trade and also enhance its competitiveness in trade at the international levels in the future.

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