

AN ANALYSIS OF INDIA'S TRADE OPENNESS: SINCE 1950-2010

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Abstract –

The concept of openness indicates that, access to more capital flows, technology, cheaper imports, and larger export markets. The Government of India introduced a series of reforms to liberalize and globalize the Indian economy adapting to the path of openness from mid-1991. The main focus of these reforms has been on Liberalization, openness and export promotion activity. The degree of openness of the Indian economy is measured as $(\frac{X}{GDP} + \frac{M}{GDP})$. This is a trade openness Index. The result of this study share of India's exports and import in GDP show a positive trend. After economic reform the share of exports in GDP is continuously increasing in 1991-1992 to 7.5% and 2009-2010 is 13.8% and the relative share of imports are continuously increasing in 6.2% in 1960 it but in 1991-92 has 8.1% and after economic reform 2009-2010 is 22.3%. Trade openness at present is 36.2 percent in 2009-2010.

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INTRODUCTION

The openness of an economy is a continuous process which has evolved over time and the result of creative innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The trade channel is considered as one of the traditional modes of the integration of global economy. The mobility of capital has provided a new dimension to the concept of openness and economic integration that dominate over conventional trade. In economic literature, the term 'openness' has become common usage since the 1980s, reflecting the technological advances that have made it easier and quicker to complete international transactions, both trade and financial flows. It indicates that, they can have an access to more capital flows, technology, cheaper imports, and larger export markets.

At the time of independence in 1947, foreign trade of India was typical of colonial and agricultural economy. Trade relations were mainly confined to Britain and other commonwealth countries. Exports consisted chiefly of raw materials and plantation crops, while imports were composed of light consumer goods and other manufactures. Over the last sixty years, India's foreign trade has undergone a major change in terms of growth, composition and direction. The exports cover a wide range of traditional and non-traditional items, while imports consist mainly of capital goods, petroleum products, raw materials, and chemicals to meet the ever-increasing needs of a developing and diversifying economy. For about forty years (1950-90), foreign trade of India suffered from strict bureaucratic and discretionary controls.

Foreign exchange transactions were tightly controlled by the Reserve Bank of India (RBI) on behalf of the Government of India. During the period, India, with some exceptions, always faced deficit in its trade balance. From mid-1991, the Government of India introduced a series of reforms to liberalize and globalize the Indian economy adapting to the path of openness. The major trade policy changes in the post-1991 period included simplification of procedures, removal of quantitative restrictions, and substantial reduction in the tariff rates. India has been a relatively new comer to the process of expansion of International Trade since its opening up to world trade only began after the crisis in 1991. the opening up to International Trade should be seen as a crucial aspect of the New approach to economic Policy and as an Integral part of the process of reforms.

In 1991, the government introduced some changes in its Policy on trade, foreign Investment, Tariffs and Taxes under the name of "New Economic Reforms". The main focus of these reforms has been on Liberalization, openness and export promotion activity. India's foreign Trade has export significantly changed in the Post- reforms period. In absolute terms, Trade Volume rose and the composition of exports has undergone several significant changes. In Post-reform Period, the major contributor to exports growth has been the manufacturing sector.

The performance of imports and exports is largely due to unilateral trade and structured reforms. Rapid economic growth in India has also resulted in an improvement in social indicator such as poverty and infant mortality (WTO 2007) This is the effect of globalization, which opens up the Indian economy to a world of opportunities for ordinary people to reap benefits.

The process of liberalization initiated in the economy has greatly influenced India's foreign trade which important consequence liberalization was the Increase in the degree of openness of the Indian economy. It is measured as ($X/GDP + M/GDP$). This is a trade openness Index. It was 14 Percent of GDP throughout the 1980 and after that It was Increased to 25 percent in 2003-04 But now it has Increased to 36 Percent in 2009-2010.

OBJECTIVES OF THE STUDY:-

The main objective of this study is to examine trade openness in the Pre and Post Reform Era.

- 1) To examine the share of export and import in gross domestic product.
- 2.) To make a comparative study of Pre- reform Period and Post Reform period regarding increasing India's foreign Trade openness.

METHODOLOGY:-

The method applied in the study is essentially descriptive. In addition to this, we have also used econometric and statistical techniques relevant to the data. We have taken absolute time series data for our analysis. We have used simple linear regression equation $x = a + bt$ by this Technique. This is used to compute linear growth rates.

SOURCE OF DATA:-

The data and other relevant information required for the study have been collected from the various national and International sources. The main source of Data have been IMF'S "International financial statistics", "Economic survey of India", R.B. I. bulletin and Report(s) on currency and finance, Indian foreign Trade Review and Indian Economic Journal (Various Issues).

Our study is in the footsteps of earlier studies on India. It is different from earlier studies in the sense that it covers a period of six decades; and also more comprehensive. The study has been divided into four sections. Section I discusses the review of literature. Section II deals with share of export and import in growth rate(GDP). Section III Analyze of India's trade openness since: 1950-2010. Section IV deals with the main conclusion and policy Implication

SECTION-I

REVIEW OF LITERATURE:-

Many theoretical and empirical Studies have been under-taken to assess the role of foreign trade and trade openness in India's. Prominent among them are:

1. Enrico Marelli and Marcello Signorelli (2011), The purpose of this paper is to analyze the economic growth of China and India in terms of their integration in the global economy. This study estimated some econometric relations between economic growth and trade/openness, with the addition of control variable and used a panel data model, 2SLS, for the two countries, to be estimated with fixed effects; The effect on economic growth (in terms of GDP per capita) of our variables of interest - Openness and FDI – remains positive and statistically significant in all specifications and findings these variables as endogenous variables. The results prove the positive growth effects, for the two countries, of opening up and integrating in the world economy.

2. Rudraprakashpradhan (2010), His study investigates the role of trade openness on Foreign Direct Investment (FDI) inflows in the economy during the period 1980-2007. It finds that trade openness has a significant positive impact on FDI inflows. However, its impact is much stronger in the post-globalization era from 1991 to 2007 compared to the pre-globalization era from 1980 to 1990. Other factors that significantly affected India's FDI inflows during this period are real effective exchange rate and terms of trade. The study, therefore, suggests that the government

has to continue the openness policy with greater attention in order to attract more FDI inflows into the Indian economy.

3. Eckhard Siggel, Pradeep Agrawal (2009), In this paper, we report the findings of a small sample survey of manufacturing enterprises in the Delhi region regarding perceptions of the impact of economic reforms of 1990s. Most firms felt that the reforms were helpful by increasing access to foreign technology and making imports of capital and intermediate goods cheaper. They also felt that improvement in infrastructure and more flexible labour laws will facilitate further growth of India's manufacturing sector.

4. Michele Alessandrini, Bassam Fattouh, Benno Ferrarini, and Pasquale Scaramozzino (2009) This paper analyzes the effects of reform on India's trading structure from 1990 to 2006. It computes comparative advantage indicators on the basis of disaggregated trade flow data, and assesses the effects of trade liberalization on the evolution of India's pattern of trade specialization. From dynamic panel regression analysis, evidence is found that those industries where import tariffs have been reduced the most have experienced the highest increase in specialization. Moreover, the analysis shows that trade liberalization has helped India improve its comparative advantage in industries with medium- to high-technology content.

5. Hrushikesh Mallick (2008), The study examines the impact of aggregate government expenditure and its two broader components such as revenue expenditure and capital expenditure on the growth rate of output in the Indian context along with other key potential determinants of economic growth such as trade openness and private investment. It utilizes structural vector autoregression (SVAR) methodology for examining the dynamic response of output growth to the shocks in major macro economic variables wherein public expenditure is considered to be an important fiscal policy instrument. From the empirical analysis, the study finds that neither aggregate expenditure nor the capital expenditure does have significant influence on the growth rate of the economy.

6. Marie Daumal (2008) This paper investigates empirically the effects of trade openness on regional inequalities in India and in Brazil. Regional inequality has been rising in India since 1990 and now reaches a critical level. Regional inequality in Brazil varied over the period 1985-2004 with alternating periods of increase and decrease. This investigation by using the co integration technique and the Granger causality tests. Brazil's trade openness is found to

contribute to the reduction in regional inequalities in Brazil. The opposite result is found for India.

7. Romain Wacziarg and Karen Horn Welch (2007) This study shows that openness indicators and trade liberalization dates allow the 1995 Sachs and Warner study on the relationship between trade openness and economic growth to be extended to the 1990s. New evidence on the time paths of economic growth, physical capital investment, and openness around episodes of trade policy liberalization is also presented.

8. Halit Yanikkaya (2002), his study explains and demonstrates that trade liberalization does not have a simple and straightforward relationship with growth using a large number of openness measures for a cross section of countries over the last three decades. The regression results for numerous trade intensity ratios are mostly consistent with the existing literature. The estimation results show that trade barriers are positively and, in most specifications, significantly associated with growth, especially for developing countries.

9. Aaditya Mattoo, Randeep Rathindran and Arvind Subramanian (2001), The paper has three purposes. First, it explains how the impact of liberalization of service sectors on output growth differs from that of liberalization of trade in goods. Second, it suggests a policy-based rather than outcome-based measure of the openness of a country's services regime. Such openness measures are constructed for two key service sectors, basic telecommunications and financial services. Finally, it provides some econometric evidence—relatively strong for the financial sector and less strong, but nevertheless statistically significant, for the telecommunications sector—that openness in services influences long run growth performance. Our estimates suggest that countries with fully open telecom and financial services sectors grow up to 1.5 percentage points faster than other countries.

10. Anthony P. Thirlwall (2000), This research paper suggests that regional trade agreements, reduce growth and investment, but generalized trade liberalization in the form of unilateral tariff reductions improves growth performance. Export growth relaxes the balance of payments constraint on demand by providing the foreign exchange to pay for the import content of higher levels of consumption, investment and government expenditure. Most developing countries are constrained in their growth performance by a shortage of foreign exchange and could therefore grow faster with more exports.

All these studies analyze the relationship between foreign trade and growth in general and performance of foreign trade in India in pre and post reform era, these studies explain the Patterns of trade and the Performance of exports and Imports. These studies show endogenous growth has argued that the long- term growth potential of an economy can be Positively related to its specialization in technologically advanced Sectors. all studies focused only on India's external Sector Performance especially export performance during post Reform period.

SECTION-II

SHARE OF INDIA'S EXPORTS AND IMPORTS IN GROSS DOMESTIC PRODUCT (GDP): (1950-2010)

Since independence, India followed of its self-reliant economy and inward looking growth model for four decades till 1991. India's exports positions can also be analyzed from the point of view of supply capacity. At the aggregate level, India's supply capacity of exportable can be judged from exports/ GDP ratio. Ratio of exports to GDP increased from 6.2 percent in 1950-1951 to 13.8 per cent in 2009-2010. This ratio increased only after 1972-73.

(A) RELATIVE SHARE OF INDIA'S EXPORTS IN GROSS DOMESTIC PRODUCT (GDP): (1950-2010)

The annexure-1 shows the relative share of India's exports in GDP-(1950-2010). Ratio of exports to GDP was 6.26 percent in 1950-51 but in the next 1951-52 relative share of India's exports to GDP was also Increasing. In the 1981-82 export/GDP was 7.4 but after that the relative share of exports in GDP are decline. After the economic reform in 1991-92 the shared of exports in GDP also increases with 7.5% after that the relative share are increases continuously. In 2000-2001 the share of exports in GDP is 10.7% and now at present time period 2009-2010 the share of exports in GDP is 13.8%.

(B) RELATIVE SHARE OF INDIA'S IMPORTS IN GDP- (1950-2010)

The annexure-2 shows that relative share of India's imports in GDP 1950-2010. After the independence the relative share of imports in GDP in 1950-51 is 6.2 percent. But after that the relative share of India's imports are increased. In 1972-73 the share are very low it is 3.7 percent. But after that the time period 1981-82 the share also increased 12.9 percent. After that it has decline in 1991-1992 is 8.9 percent. After the economic reform the relative share of imports in GDP are increased continuously at till present. In 2001-2002 share is 11.8 percent. Now 2009-

2010 the share of imports in GDP is reached is 22.3%. In 1950-2010 GDP and imports continuous increased. But the shares of imports in GDP are change in that time period.

FIGURE-1

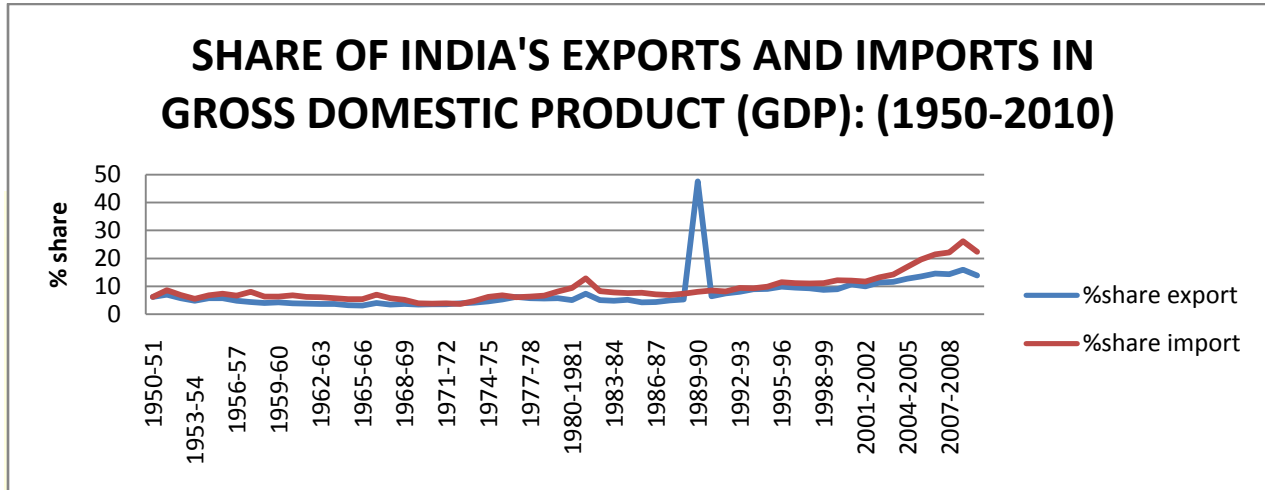


TABLE -1.1

RESULTS OF REGRESSION EQUATIONS SHARE OF INDIA'S EXPORTS IN GDP (1950-2010)

Variable	Time Period	b ₀	b ₁	R ²	\bar{R}^2	F Value
Export Shares as a % of GDP	1950-2010	2.117 (3.974)	.152 (10.033)*	.63	.62	100.6*
	1950-1960	6.799 (19.220)*	-.275 (-4.820)*	.74	.71	23.230*
	1960-1970	3.784 (20.234)*	-2.82e-02 (-.934)	.09	-.014	.872
	1970-1980	3.165 (11.200)*	.305 (6.697)*	.84	.83	443.854*
	1980-1990	5.494 (8.198)	-3.69e-02 (-.342)	.01	-.109	.117
	1990-2000	7.286 (13.682)*	.249 (2.900)*	.51	.45	8.408*
	2000-2010	9.729 (16.920)*	.575 (6.210)*	.82	.80	38.570*

t* - Significant at 5% level of significance.

F* -Significant at 5% level of significance.

Table 1.1 indicates the growth of relative share of India's export in GDP. Results of linear regression equation ($x = b_0 + b_1 t$) showing the relative share of India's exports in GDP.

The table 1.1 reveals that relative share of export in GDP have shown a positive trend for the whole period 1950-2010.the relative share of export in GDP has rose by 0.152 specifically for the first sub period 1950-51 to 1959-1960.the relative share of export in GDP has decline. but t- statistics and f-value is found to be statistically significant at 5% level of significance. But its take a negative trend. But the next sub- period of 1960-61 to 1969-1970 is not statistics significant at 5% level .But 1970-80, 1990-2000, and 2000-2010 is t- statistics and f- value is found to be statistically. Significant at 5% level of significance R², adjusted R² take high value. The result of last two sub period 1990-2000,2000-2010 has shown the rising or positive trend of the share of export in GDP.

TABLE – 1.2

RESULTS OF REGRESSION EQUATIONS SHARE OF INDIA'S IMPORTS IN GDP (1950-2010)

Variable	Time Period	b ₀	b ₁	R ²	\bar{R}^2	F Value
Import Shares as a% of GDP	1950-2010	2.843 (3.321)*	.207 (8.500)*	.55	.54	72.248*
	1950-1960	7.112 (10.685)*	-3.61e-02 (-.336)	.01	-.10	.113
	1960-1970	6.827 (13.973)*	-.188 (-2.386)*	.41	.34	5.692*
	1970-1980	3.152 (7.456)*	.463 (6.791)*	.85	.83	46.121*
	1980-1990	10.317	-.358	.38	.30	4.933

		(10.320)*	(-2.221)			
	1990-2000	7.957	.415	.87	.86	57.306*
		(23.388)*	(7.570)*			
	2000-2010	9.301	1.587	.90	.89	79.028*
		(8.399)*	(8.890)*			

t* - Significant at 5% level of significance.

F* - Significant at 5% level of significance.

Table 1.2 shows the growth of relative share of imports in India's GDP during the period under study for the whole and sub-periods. During 1950-2010 periods the share of import in GDP has rises by 0.207 which is statistically significant as indicated by t-statistics and F-ratio value. The R2 and adjusted R2 is also quite high. During the sub-period the trend is mixed. During 1950-60 the share of import in GDP registered a declining trend. Though not significant statistically. This indicates lack of development activities in the economy. The same trend continued during 1960-70. In the sub-period of 1970-80, the share of import in GDP rose by 0.463 which is statistically significantly also which implicate a rise in development activities due to the mild waves of liberalization in the economy. In the subsequent sub-period of 1980-1990 the share of imports in GDP fall by -0.358. During the sub period of 1990-2000 the share of import in GDP rose by 0.415. This rise is confirmed statistically by t- statistic, high R2 and R2 and F value. Again during the current sub-period of 2000-2010 the share of imports in GDP has risen by 1.587 which is statistically significant as revealed by t-statistics R2 and R2, and F value. The result of last two sub-period i.e. 1990-2000 and 2000-2010 confirms the stabilization of import-liberalization trend in India in the post-reform era.

SECTION- III

INDIA'S TRADE OPENNESS SINCE: - 1950-2011

In this section we have measured –Trade openness through (exports, imports) as a percentage of GDP.

Trade openness in India:-

In the Indian context the paradigm shift towards trade liberalization started in 1991 following the Balance of payment crisis and was carried forward by several policy measures undertaken in response to the crisis by the government. The reforms also sought the elimination of quantitative restrictions on imports; and a drastic reduction in customs duties with a distinct change in the overall policy stance, Reforms make a shift in emphasis from import- substitution to export-promotion. The performance of imports and exports is largely due to unilateral trade and structured reforms. Rapid economic growth in India has also resulted in an improvement in social indicator such as poverty and infant mortality (WTO 2007).

This is the effect of globalization, which opens up the Indian economy to a world of opportunities for ordinary people to reap benefits. Nobel laureate Joseph Stiglitz in his book "Making globalization work (2006) pointed out that China and India are growing at historically unprecedented rate largely because of globalization, New Technologies and financial integration for the first time China and India are making the largest country - level contributions to world growth. These two countries together now account for one fifth of world purchasing power parity adjusted GDP. India has undertaken important growth- enhancing reforms over the past 15 years, placing considerable emphasis on achieving macro- Economic stability, liberalizing trade, strengthening the financial sector and improving higher trade and Investment

growth. **TRADE OPENNESS INDEX IN INDIA:::**
$$\left(\frac{\text{Export}}{\text{GDP}} + \frac{\text{import}}{\text{GDP}} \right)$$

Trade openness index: The annexure-3 show that additional of relative share of exports and imports in GDP. This is show the trade openness Index. After that independence 1950-51 the trade openness was 12.5 percent. In 1965-66 trade openness was 8.57 percent this was continuously decline after the time period 1950-51. In 1981-82 trade openness also rise with 20.35 percent. But at presently trade openness very high it is 36.24 percent. This is representing the share of export and import in GDP is increases. The pre reform period the trade openness is not more but after the past reform in the liberalization was the increase in the degree of openness of the Indian economy. The sum of relative share of export and import in GDP which never exceeded 15% percent of GDP throughout the 1950-1990 but last few years in 1991-92 is 15 percent and 2000-2001 is 22% but now the trade openness in 2009-2010 also increased it's 36.2

percent. This is good indicating for the economic development.

FIGURE-2

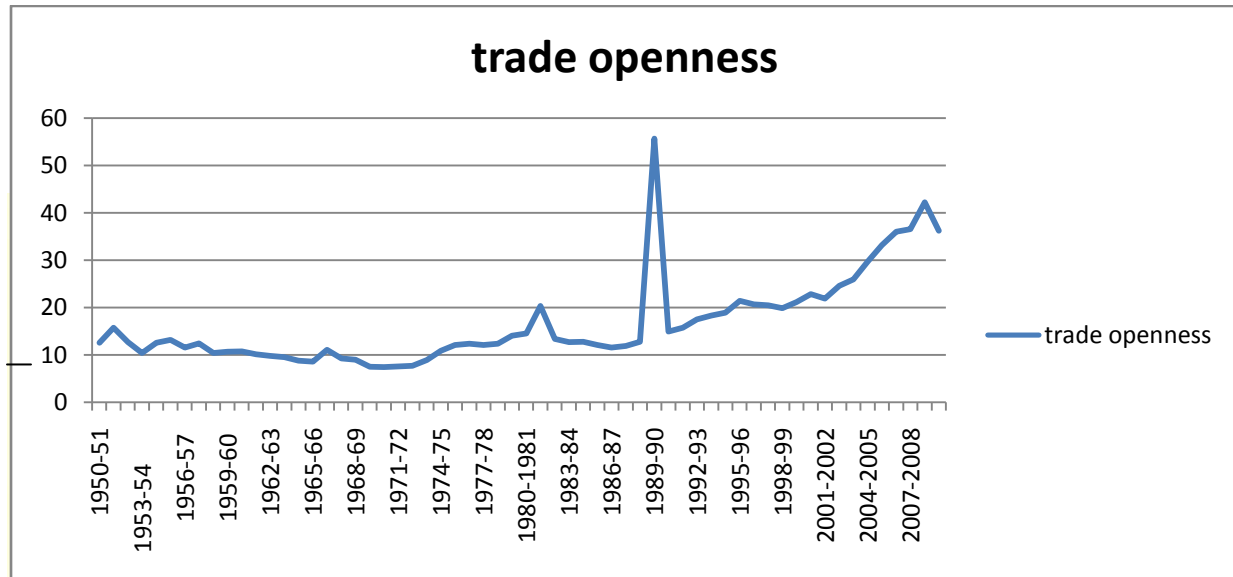


Table -1.3

**RESULTS OF REGRESSION EQUATIONS OF TRADE OPENNESS INDEX
IN INDIA (1950-2010)**

Variable	Time Period	b ₀	b ₁	R ²	\bar{R}^2	F Value
Trade Openness Index	1950-2010	4.960 (3.689)	.360 (9.378)*	.60	.59	88.114*
	1950-1960	13.910 (14.758)*	-.311 (-2.046)	.34	.26	4.187
	1960-1970	10.611 (17.366)	-.216 (-2.046)	.37	.29	4.812
	1970-1980	6.318 (12.290)*	.768 (9.268)*	.91	.90	85.888*
	1980-1990	15.811 (9.651)*	-.395 (-1.495)	.21	.12	2.235
	1990-2000	15.242 (20.231)*	.664 (5.468)*	.789	.763	29.897*

	2000-2010	19.029 (11.404)*	2.162 (8.096)*	.89	.87	65.538*
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t* - Significant at 5% level of significance.

F* - Significant at 5% level of significance.

Table 2.5 shows the growth rate of trade openness during the period under study for the whole and sub-periods. During 1950-2010 period trade openness has risen by 0.360 which is statistically significant as indicated by t-statistics and F-ratio value. the R2 and adjusted R2 is also quite high. During the sub-period the trend is mixed. During 1950-60 the trade openness registered a declining trend. Though not significant statistically. This indicates lack of export activities in the economy. The same trend continued during 1960-70. In the sub-period of 1970-80, the trade openness rose by 0.768 which is statistically significantly also which implied a rise in development activities due to the mild waves of liberalization in the economy. In the subsequent sub-period of 1980-1990 the trade openness fall by -0.395. During the sub period of 1990-2000 the trade openness rose by 0.664. this rise is confirmed statistically by t-statistic, high R2 and adjusted R2 and F value. Again during the current sub-period of 2000-2010 the trade openness has risen by 2.162 which is statistically significant as revealed by t-statistics, R2 and adjusted R2, and F value. The result of last two sub-periods i.e. 1990-2000 and 2000-2010 confirms the trade openness in India in the post-reform era.

SECTION-IV

CONCLUSIONS AND POLICY IMPLICATIONS.

This section has been deals with some of the main conclusions and policy implications emerging from the study.

CONCLUSIONS:-

In this section, we highlight some of the important conclusions which emerged from our study the conclusions are as follow:-

1. The share of India's exports in GDP show a positive trend or Increasing trend in whole time period 1950-2010. But sub-period 1950-60, 1960-1970, 1980-1990, show that negative

trend. In 1960 the relative share of exports in GDP is 6.2percent. But after economic reform the share of exports in GDP is continuously increasing in 1991-1992 to 7.5% and 2009-2010 is 13.8%

2. The share of India's imports in GDP show a rising trend in whole time period 1950-2010 but in sub-period 1950-60, 1960-70, 1980-90 take decreasing trends. After the economic reform the relative share of imports are continuously increasing in 6.2% in 1960 it but in 1991-92 has 8.1% and after economic reform 2009-2010 is 22.3%.

3. Trade openness index show the sum of exports of India's share in GDP and share of imports of India's in GDP . In the pre reform period trade openness is 1950-1990 is not more but after the Post reform period Trade openness also increased in the form of liberalization. Trade openness in not high in 1950-1990 is 15 percent but in 2000-2001 is 22% but now 2009-2010 at present is 36.2 percent.

Policy implication-

The policy implication of this study also indicates that post liberalization era has certainly helped India in achieving high growth in the economy. The increased integration with the world economy can potentially reduce poverty through the creation of new jobs in export industries. However, greater openness also brings increased competition from imports for previously protected industries.

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ANNEXURE-1

RELATIVE SHARE OF INDIA'S EXPORTS IN GDP
(1950-2010)

(Rs.in Crore)

Year	Exports	GDP	%share of exports in GDP
1950-51	606	9678	6.261624
1951-52	716	10227	7.001076
1952-53	578	10095	5.725607
1953-54	531	11000	4.827273
1954-55	593	10322	5.745011
1955-56	609	10508	5.795584
1956-57	605	12539	4.824946
1957-58	561	12817	4.376999
1958-59	581	14325	4.055846
1959-60	640	15026	4.259284
1960-61	642	16440	3.905109
1961-62	660	17326	3.809304
1962-63	685	18523	3.698105
1963-64	793	21181	3.743921
1964-65	816	24731	3.299503
1965-66	810	25883	3.129467
1966-67	1175	29417	3.994289
1967-68	1199	34582	3.467122
1968-69	1358	36486	3.721976
1969-70	1413	40134	3.520706
1970-71	1535	42697	3.5951
1971-72	1608	45440	3.538732
1972-73	1971	50002	3.941842
1973-74	2523	61324	4.114213
1974-75	3329	72275	4.606019
1975-76	4036	76816	5.254114
1976-77	5142	82612	6.224277
1977-78	5408	94319	5.733733
1978-79	5726	101463	5.643437
1979-80	6418	111040	5.779899
1980-1981	6711	132865	5.050992
1981-82	7806	105198	7.420293

1982-83	8803	172703	5.09719
1983-84	9771	201806	4.841779
1984-85	11744	226270	5.190259
1985-86	10895	252998	4.306358
1986-87	12452	281876	4.417545
1987-88	15674	318970	4.913942
1988-89	20232	379294	5.334121
1989-90	27658	436403	6.33772
1990-91	32553	507487	6.414549
1991-92	44041	584091	7.540092
1992-93	53688	669872	8.014665
1993-94	69751	780070	8.941633
1994-95	82674	912156	9.063581
1995-96	106353	1069805	9.941344
1996-97	118817	1247628	9.523432
1997-98	130100	1388729	9.368278
1998-99	139752	1601114	8.728423
1999-2000	159561	1771094	9.009177
2000-2001	203571	1902284	10.7014
2001-2002	209018	2077658	10.06027
2002-2003	255137	2244725	11.36607
2003-2004	293367	2517462	11.65328
2004-2005	375340	2949089	12.72732
2005-2006	456418	3363505	13.56971
2006-2007	571779	3919007	14.58989
2007-2008	655864	4560910	14.38011
2008-2009	840755	5249163	16.01693
2009-2010	845534	6095230	13.87206

Source: Handbook of statistics on Indian Economy (R.B.I.) & Economic Survey (Various Issues)

ANNEXURE-2

RELATIVE SHARE OF INDIA'S IMPORTS IN GDP:
(1950-2010)

(Rs. in Crore)

Year	Imports	GDP	%share of imports in GDP
1950-51	608	9678	6.28229
1951-52	890	10227	8.702454
1952-53	702	10095	6.953938
1953-54	610	11000	5.545455
1954-55	700	10322	6.781631
1955-56	774	10508	7.365817
1956-57	841	12539	6.707074
1957-58	1035	12817	8.075213
1958-59	906	14325	6.324607
1959-60	961	15026	6.395581
1960-61	1122	16440	6.824818
1961-62	1090	17326	6.291123
1962-63	1131	18523	6.105922
1963-64	1223	21181	5.774043
1964-65	1349	24731	5.454692
1965-66	1409	25883	5.443728
1966-67	2078	29417	7.063943
1967-68	2008	34582	5.806489
1968-69	1909	36486	5.232144
1969-70	1582	40134	3.941795
1970-71	1634	42697	3.826967
1971-72	1825	45440	4.016285
1972-73	1867	50002	3.733851
1973-74	2955	61324	4.818668
1974-75	4519	72275	6.252508
1975-76	5265	76816	6.854041
1976-77	5074	82612	6.141965
1977-78	6020	94319	6.382595
1978-79	6811	101463	6.712792
1979-80	9143	111040	8.23397
1980-1981	12549	132865	9.444925
1981-82	13608	105198	12.93561

1982-83	14293	172703	8.276058
1983-84	15831	201806	7.844663
1984-85	17134	226270	7.572369
1985-86	19658	252998	7.770022
1986-87	20096	281876	7.129376
1987-88	22244	318970	6.973697
1988-89	28235	379294	7.444094
1989-90	35328	436403	8.09527
1990-91	43198	507487	8.512139
1991-92	47851	584091	8.192388
1992-93	63375	669872	9.460763
1993-94	73101	780070	9.371082
1994-95	89971	912156	9.863554
1995-96	122678	1069805	11.46732
1996-97	138920	1247628	11.13473
1997-98	154176	1388729	11.10195
1998-99	178332	1601114	11.138
1999-2000	215236	1771094	12.15271
2000-2001	230873	1902284	12.13662
2001-2002	245200	2077658	11.80175
2002-2003	297206	2244725	13.2402
2003-2004	359108	2517462	14.26468
2004-2005	501065	2949089	16.9905
2005-2006	660409	3363505	19.63455
2006-2007	840506	3919007	21.44691
2007-2008	1012312	4560910	22.1954
2008-2009	1374436	5249163	26.18391
2009-2010	1363736	6095230	22.37382

Source: Handbook of Statistics on Indian Economy, Reserve Bank of India (R.B.I) & Economic Survey (Various Issues)

ANNEXURE-3

**TRADE OPENNESS INDEX (%SHARE
OF EXPORTS + % SHARE OF IMPORTS IN GDP: 1950-2010)**

Year	%Share of Exports in GDP	%Share of Imports in GDP	%Share of Exports + % Share of Imports in GDP
1950-51	6.261624	6.28229	12.54391
1951-52	7.001076	8.702454	15.70353
1952-53	5.725607	6.953938	12.67954
1953-54	4.827273	5.545455	10.37273
1954-55	5.745011	6.781631	12.52664
1955-56	5.795584	7.365817	13.1614
1956-57	4.824946	6.707074	11.53202
1957-58	4.376999	8.075213	12.45221
1958-59	4.055846	6.324607	10.38045
1959-60	4.259284	6.395581	10.65486
1960-61	3.905109	6.824818	10.72993
1961-62	3.809304	6.291123	10.10043
1962-63	3.698105	6.105922	9.804027
1963-64	3.743921	5.774043	9.517964
1964-65	3.299503	5.454692	8.754195
1965-66	3.129467	5.443728	8.573195
1966-67	3.994289	7.063943	11.05823
1967-68	3.467122	5.806489	9.273611
1968-69	3.721976	5.232144	8.954119
1969-70	3.520706	3.941795	7.462501
1970-71	3.5951	3.826967	7.422067
1971-72	3.538732	4.016285	7.555018
1972-73	3.941842	3.733851	7.675693
1973-74	4.114213	4.818668	8.932881
1974-75	4.606019	6.252508	10.85853
1975-76	5.254114	6.854041	12.10815
1976-77	6.224277	6.141965	12.36624
1977-78	5.733733	6.382595	12.11633
1978-79	5.643437	6.712792	12.35623
1979-80	5.779899	8.23397	14.01387
1980-1981	5.050992	9.444925	14.49592
1981-82	7.420293	12.93561	20.3559

1982-83	5.09719	8.276058	13.37325
1983-84	4.841779	7.844663	12.68644
1984-85	5.190259	7.572369	12.76263
1985-86	4.306358	7.770022	12.07638
1986-87	4.417545	7.129376	11.54692
1987-88	4.913942	6.973697	11.88764
1988-89	5.334121	7.444094	12.77821
1989-90	47.584	8.09527	55.67927
1990-91	6.414549	8.512139	14.92669
1991-92	7.540092	8.192388	15.73248
1992-93	8.014665	9.460763	17.47543
1993-94	8.941633	9.371082	18.31272
1994-95	9.063581	9.863554	18.92714
1995-96	9.941344	11.46732	21.40867
1996-97	9.523432	11.13473	20.65816
1997-98	9.368278	11.10195	20.47023
1998-99	8.728423	11.138	19.86642
1999-2000	9.009177	12.15271	21.16189
2000-2001	10.7014	12.13662	22.83802
2001-2002	10.06027	11.80175	21.86202
2002-2003	11.36607	13.2402	24.60627
2003-2004	11.65328	14.26468	25.91797
2004-2005	12.72732	16.9905	29.71782
2005-2006	13.56971	19.63455	33.20426
2006-2007	14.58989	21.44691	36.03681
2007-2008	14.38011	22.1954	36.57551
2008-2009	16.01693	26.18391	42.20084
2009-2010	13.87206	22.37382	36.24588

Source: Handbook of Statistics on Indian Economy, Reserve Bank of India (R.B.I) & Economic Survey (Various Issues)