

Trend of India's Exports

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One of the objectives of the new economic policy of liberalization of trade sector is to achieve high rate of growth of India's export and increase its share in world exports which declined from around 2 percent at the eve of independence to about 0.4 percent in 1980, though then rose to 0.5 percent in 1990. Given the startling performance of many of the Asian countries such as Taiwan and South Korea under export oriented industrialization led many countries to believe that restrictive trade policies not only constrain earnings of foreign exchange by retarding export growth, it also had an adverse effect on economic prosperity of the country. To facilitate trade and integration into the world economy, many countries have embarked on liberal trade policies, by reducing the government controls and lowering the tariff rates to minimum level. It is argued that removal of the anti-export bias of trade and industrialization policies generate a big response from total exports in general and manufacturing exports in particular.