
EVALUATION OF THE PERFORMANCE OF INDIAN FOREIGN TRADE SINCE 2015

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ABSTRACT

Foreign trade is the most important and crucial stone for the economic growth of any developing country like India. It is known as the Engine of growth and with their highly liberal foreign trade policies which provides the maximum foreign trade to India. India foreign trade is growing with a very fast rate which is a good sign of countries growth. This study try to pinpoint some areas of foreign trade like Performance of India's Merchandise Trade, Performance of India's Service Trade, Performance Of India's Overall Trade, % Share of India's Export share, Import's share and Ranking in World Trade (2011-2022), India's Top five trading partners during 2022-23, India's Export Profile : State wise Growth and India's Export Profile : State wise Share . Secondary data has been taken from various official websites like Export import data bank department of commerce, govt. of India, RBI Monthly Bulletins, WTO reports, various articles, research papers etc. The data has been taken since 2015-16 onwards. As data of Indian foreign trade of April 2025 shows that India's total exports was 73.80 US\$ Billion and India's total imports was 82.45 US\$ Billion which is higher than export and responsible for negative trade balance. India's total trade balance was rose to US\$ Million. -116701 from US\$ Million -49297 during 2015-24 which means India still have more imports than exports.

Keywords: Export, Import, Trade Balance, Economic Growth, foreign trade policies.

INTRODUCTION

India is recognized as an emerging and developing country and its global trade has a vast and long history. As per data available, recently India is the 4th largest economy in the world on the basis of its nominal GDP which is projected to around US\$ 4.19 trillion little bit more than Japan. India also has 3rd largest economy in the world on the basis of its PPP (purchasing power parity) which is US\$ 9596.83 billion in 2025 following to China and U.S. In the international scenario, a nation's position is identified by its economic strength and foreign trade is the most crucial variable and playing a significant role for the economic growth of any country.

Foreign trade is called as 'Engine of growth' for the developing countries like India. Foreign trade includes the exchange of goods and services between the two countries by crossing their international boundaries. The requirement of foreign trade occurs because of unequal distribution of resources like natural resources, man power, area of land, climate change, facilities, technology advancement etc.

Before independence, India was known as agrarian and colonial economy. Foreign trade was restricted to few countries like Britain, Iran, and China. But after implementation of economic reforms in form of LPG in 1991, India's foreign trade had changed drastically in all areas like direction, composition, value etc. In the era of post economic policy 1991, the Govt. of India framed a liberal foreign trade policy including step by step removal of barriers and restrictions to improve the position of foreign trade and attract the foreign investors to invest in the Indian economy.

India launched its 1st Foreign Trade Policy in 1992 known as Export Import Policy (EXIM) with the aim to accelerate exports by providing simple and easy process of trade and also by granting various incentives to Indian business sector. Table 1 shows the list of foreign trade policies with their main aims and objectives

Table 1: Foreign Trade Policy with its Objectives

Foreign Trade Policy (FTP)	Period	Main Aims and Objectives
FTP 1992–1997 (EXIM Policy)	1992–1997	Trade liberalization, promote the export, connected the India with global economy by applying globalization, technology advancement, simple process of foreign trade etc.
FTP 1997–2002	1997–2002	Strengthen export infrastructure, adopting international trade standards, economic development. Policy stability.
FTP 2002–2007	2002–2007	Increase India’s share in global trade, accelerating exports, technology and infrastructure up gradation.
FTP 2004–2009	2004–2009	Doubling India's share in global merchandise trade, neutralizing the export input costs, refining trade process and costs, generation of employment, developing India as a international hub.
FTP 2009–2014	2009–2014	Promoting labor incentive sectors, Mitigate impact of global slowdown
FTP 2015–2020	2015–2020 (extended till 2022)	Simplify trade processes, Improve ‘Make in India’, make country capable to get a position of leadership in international trade dialogues.
FTP 2023–2028	2023–2028	District-wise export hubs, Promote exports through e-commerce, shift from incentive to remission-based regime, paperless trade.

Table 2: India's Foreign Trade during April 2025

		April 2025 (US\$ Billion)	April 2024 (US\$ Billion)
Merchandise	Exports	38.49	35.30
	Imports	64.91	54.49
Services*	Exports	35.31	30.18
	Imports	17.54	16.76
Total Trade (Merchandise + Services) *	Exports	73.80	65.48
	Imports	82.45	71.25
	Trade Balance	-8.65	-5.77

Source: <https://www.commerce.gov.in/trade-statistics/latest-trade-figures/>

*** Note: The latest data for services sector released by RBI is for March 2025. The data for April 2025 is estimation, which will be revised based on RBI's subsequent release.**

From last many years, with the efforts of the government and its effective policies, performance of the India's foreign trade shows excellent. India's share was 1.94 % in 2011 and increased to 2.38% in 2022. We can look Table 2 with the latest data which was published by Ministry of commerce and Industry on dated 15 may 2025, it showed that total export were US\$ 73.80 Billion in April 25 with annual growth of 12.70% as compared to US\$ 65.48 Billion in April 24. Total imports were approx., US\$ 82.45 Billion with positive annual growth rate of 15.72% as compared to US\$ 71.25Billion in April 24.

Table 3: Trade excluding Petroleum and Gems & Jewellery during April 2025

	April 2025 (US\$ Billion)	April 2024 (US\$ Billion)
Non- petroleum exports	31.11	28.26
Non- petroleum imports	44.20	37.99
Non-petroleum & Non-Gems & Jewellery exports	28.61	26.00
Non-petroleum & Non-Gems & Jewellery imports	39.27	33.26

Note: Gems & Jewellery Imports include Gold, Silver & Pearls, precious & Semi-precious stones

Source: <https://www.commerce.gov.in/trade-statistics/latest-trade-figures/>

Table 3 reflected the data related to the trade of Non- petroleum exports which were estimated US\$ 31.11 Billion in April 2025 as comparison to US\$ 28.26 Billion in April 2024. Non- petroleum imports which were estimated US\$ 44.20 Billion in April 2025 as comparison to US\$ 37.99 Billion in April 2024. Data related to Non-petroleum & Non-Gems & Jewellery exports shows that exports were US\$ 28.61 Billion in April 2025 as comparison to US\$ 26 Billion in April 2024. Non-petroleum & Non-Gems & Jewellery imports shows that imports were US\$ 39.27 Billion in April 2025 as comparison to US\$ 33.26 Billion in April 2024.

OBJECTIVES:

The data of foreign trade has been used from 2015-16 to April 2024-25 (April to Sept.) and research analysis the data on the basis of :

1. Analysis the Performance of India's Merchandise Trade (2015-16 to 2024-25)
2. Analysis the Performance of India's Service Trade (2015-16 to 2024-25)
3. Analysis the Performance Of India's Overall Trade (2015-16 to 2024-25)
4. Analysis the % Share of India's Export share, Import's share and Ranking in World Trade (2011-2022)
5. Analysis the India's Top five trading partners during 2022-23
6. Analysis the India's Export Profile : State wise Growth (2016-17 to 2023-24)
7. Analysis the India's Export Profile : State wise Share (2016-17 to 2023-24)

RESEARCH METHODOLOGY:

The current study analysis the data of foreign trade for the period of approx. 10yrs that is from 2015-16 to April 2024-25 (April to Sept.).

DATA COLLECTION:

The data has been collected from the secondary sources like monthly bulletins of RBI, various research papers, official websites of the foreign trade statistics like Directorate General of Commercial Intelligence & Statistics (DGCI&S), Kolkata, WTO, Directorate General of Foreign Trade (DGFT), newspapers, magazines, economic review reports.

DATA ANALYSIS TOOLS:

The collected data has been proceeding with the use of descriptive statistical tools like tables, Annual growth rate.

METHODOLOGY OF THE RESEARCH:

To analysis the growth rate of India's foreign trade, the formula is

$$Gt = \frac{Y_t - Y_{t-1}}{Y_{t-1}} * 100$$

Here Gt= Growth rate of y Variable, Yt= Current year export, Yt-1= Previous year export

REVIEW OF LITERATURE:

Botre, P.R. (2018) researcher has taken the data from 2005-06 to 2015-16 of foreign trade, and it classified in two parts as export and import of oil and non-oil with trade balance. it conclude that liberalization, privatization and globalization changes in the business environment for improving the foreign trade relation with other countries is very important.

Mishra, M. (2021) conducted a research on India's foreign trade –An overview. The researcher took the data of foreign trade for the period 2010-11 to 2019-20 and concluded that India exported more than 40% of its total export to UAE, USA, UK, Germany, Saudi Arabia, Hong Kong and china.

Govindan ,P. (2020) explored on the topic A study on growth and its impact of India's foreign trade- An engine for entrepreneurship and economic development. The ponder aim of the study is to investigate the growth of import, export and balance of trade of the period 1949-50 to 2018-19 in India. The researcher also explored the state wise share in India's export profile during 2016-17 to 2018-19. Statistical tools like descriptive analysis, correlation, ANOVA, regression, and paired t test were applied. The results concluded that India shows successful growth in its foreign trade. India's framed favorable FTP for improving the business env. For its global trade. These favorable conditions developed golden opportunity for converting its negative trade balance into positive.

RESULTS AND ANALYSIS

Table 4: Performance of India's Merchandise Trade (2015-16 to 2024-25)

(Value in US\$ Millions)

Years	Export	% Change	Import	% Change	Trade Balance
2015-16	262292		381008		-118716
2016-17	275852	5.169811	384356	0.878722	-108503
2017-18	303526	10.03219	465581	21.13275	-162055
2018-19	330078	8.74785	514078	10.41645	-184000
2019-20	313361	-5.06456	474709	-7.65818	-161348
2020-21	291808	-6.87801	394436	-16.9099	-102627
2021-22	422004	44.61701	613052	55.42496	-191048
2022-23	452168	7.1478	716495	16.87345	-264327
2023-24	435635	-3.65638	661036	-7.74032	-225401
2024-25(April-sept.)*	213420		349419		-135999

Sources: Compiled data from Various Monthly bulletin on foreign trade statistics

Table 4 shows the data related to the India's Merchandise Trade during the period 2015-16 to 2024-25 and also reflect the yearly % change in exports, imports. As the data reflected, highest exports increased by 44.6% in year 2021-22 followed by financial year 2017-18 by 10%. The overall total exports increased by 66.0878% during 2015-16 to 2023-24 means India's Merchandise export Trade increased with a high rate. As per table, imports were showing fluctuating data and India's had the negative merchandise import in the 2019-20, 2020-21, 2023-24 which means India developed itself as self-dependent country. The overall import had been increased by 73.5% during 2015-16 to 2023-24. The trade balance had been increased by 89.87%.

**Table 5: Performance of India's Service Trade (2015-16 to 2024-25)
(Value in US\$ Millions)**

Years	Export	% Change	Import	% Change	Trade Balance
2015-16	155136		85717		69419
2016-17	160683	3.575572	95469	11.37697	65214
2017-18	174762	8.761972	105212	10.20541	69550
2018-19	204760	17.16506	126357	20.09752	78403
2019-20	220728	7.798398	140654	11.31477	80074
2020-21	209356	-5.15204	122643	-12.8052	86713
2021-22	254530	21.5776	147003	19.86253	107527
2022-23	325454	27.86469	180146	22.5458	145308
2023-24	341250	4.853528	177260	-1.60203	163990
2024-25(April-sept.)*	181965		97573		84392

Sources: Compiled data from Various Monthly bulletin on foreign trade statistics

Table 5 shows the data related to the India's services trade during the period 2015-16 to 2024-25 and also reflect the yearly % change in exports, imports of services. As the data reflected, highest exports increased by 27.9% in year 2022-23 followed by financial year 2018-19 by 17%. The overall total exports increased by 119.97% during 2015-16 to 2023-24 . As per table, imports of services data reflects that India's had the negative service import in the 2020-21, 2023-24. The overall import had been increased by 106.8% during 2015-16 to 2023-24. The overall trade balance of the service sector had been positive throughout the years and increased by 136.23% which means that the performance of the service sector was amazing because of increasing demand of Indian service sector at global level, growth IT-BPO services and liberal economic reforms, favorable foreign trade policy, taking the tech advancement, friendly environment for foreign investment.

Table 6: Performance of India's Overall Trade (2015-16 to 2024-25)
(Value in US\$ Millions)

Years	Export	% Change	Import	% Change	Trade Balance
2015-16	417428		466725		-49297
2016-17	436535	4.577316	479825	2.806792	-43289
2017-18	478288	9.56464	570793	18.95858	-92505
2018-19	534838	11.82342	640435	12.20092	-105597
2019-20	534089	-0.14004	615363	-3.91484	-81274
2020-21	501164	-6.1647	517079	-15.9717	-15914
2021-22	676534	34.99254	760055	46.99011	-83521
2022-23	777622	14.94204	896641	17.97054	-119019
2023-24	756503	-2.71584	871735	-2.7777	-116701
2024-25(April-sept.)*	395385		446992		-51607

Sources: Compiled data from Various Monthly bulletin on foreign trade statistics: DGFT.GOV.IN

After analyzing the trade of merchandise and services of India in table 4 and 5, we revealed that trade balance of merchandise was negative during all given years but trade balance of services was continuously positive in all given years. Now table 6 shows the data related to the overall trade(merchandise+ services) and data shows that overall trade balance was negative because of negative trade balance of merchandise. After having the positive trade balance, overall still raised to 136.73% from 2015-16 to 2024-25.

Table 7: % Share of India's Export share, Import's share and Ranking in World Trade (2011-2022)

Year	India's share and ranking in World Merchandise Trade				India's share and ranking in World Commercial Services Trade				India's share and ranking in World Merchandise + Services Trade	
	Export Share	Import Share	Export Ranking	Import Ranking	Export Share	Import Share	Export Ranking	Import Ranking	Export Share	Import Share
2011	1.65	2.52	19	12	3.12	2.93	7	9	1.94	2.6
2012	1.6	2.62	19	10	3.19	2.94	7	10	1.92	2.68
2013	1.66	2.47	19	12	3.25	2.84	6	9	1.95	2.5
2014	1.69	2.43	19	12	3.15	3.07	8	8	1.98	2.45
2015	1.62	2.34	19	13	3.27	2.65	8	10	1.97	2.4
2016	1.65	2.21	20	14	3.35	2.83	8	10	2.02	2.35
2017	1.68	2.48	20	11	3.47	3.02	8	10	2.09	2.6
2018	1.67	2.57	19	10	3.54	3.2	8	10	2.07	2.7
2019	1.71	2.53	18	10	3.52	3.11	8	10	2.13	2.63
2020	1.57	2.09	21	14	4.12	3.33	7	10	2.1	2.32
2021	1.77	2.54	18	10	4	3.52	8	10	2.24	2.73
2022	1.82	2.82	18	9	4.38	3.82	7	9	2.38	3.01

Source: WTO

Table 7 reflects the complied data of India's share as well as its ranking in merchandise import and export in world trade, India's share as well as its ranking in services import and export in world trade and India's share and ranking in World overall Trade. Firstly we analysis the data of merchandise part of trade, India's export share is almost continuously in world trade increasing except year 2020. Its rose from 1.65 to 1.82 whereas import share is fluctuating since 2011 but import share was lowest i.e. 2.09 in 2020 during the analysis period. The high share of export and low share of import is favorable for any countries trade balance. Now we are looking forward to the section of India's share and ranking in World Commercial Services Trade. As previous table

data shows that India doing fabulous in service sector therefore its export and import share in world trade was increasing. India had good ranking especially in export of services.

Table 8: India’s Top five trading partners during 2022-23

Value in US \$ Millions

Rank	Country	Import	% share of Import of individual country against India’s total	Export	% share of Export of individual country against India’s total	Trade Balance	Total Trade	% share of total trade of individual country against India’s total
1	U.S.A.	50863.87	7.10	78542.6	17.41	27678.73	129406.47	11.09
2	China	98505.77	13.76	15306.1	3.39	-83199.67	113811.87	9.75
3	UAE	53231.55	7.43	31608.79	7.01	-21622.76	84840.34	7.27
4	Saudi Arab	42035.27	5.87	10727.65	2.38	-31307.62	52762.92	4.52
5	Russia	46212.71	6.45	3146.95	0.70	-43065.76	49359.66	4.23
	Total of Top 5 countries	290849.17		139332.09		-151517.08	430181.26	
	India Total	715968.86		451069.98		-264898.88	1167038.84	
	% Share of top 5 countries in India total	40.62		30.89			36.86	

Sources: Export Import Data Bank Ministry of Trade and Commerce Govt. of India

Table 8 shows the data related to the India’s Top five trading partners during 2022-23 and value is in US \$ Millions. Ranking to these countries has been given on the basis of total trade and India has highest total trade with USA. Table shows that top 5 trading partners have 40.62% share in India’s

total Import and India import highest among these top 5 trading partner i.e. 13.76% followed by UAE with 7.43% and so on. Further table reflects that India’s exported highest to the USA and share to USA export is 17.41% followed by UAE to whom India export share was 7.01 and so on. If we look on the total trade, USA share was 11.09%, China share was 9.75%, UAE share was 7.27%, Saudi Arab’s share was 4.52% and Russia share was 4.23%. These top 5 countries have 36.86% share in India’s total trade that is a big share these countries have.

Table 9: India's Export Profile: State wise Share

Year	Value in US \$ Millions									
	Gujarat	% share	Maharashtra	% share	Tamil Nadu	% share	Karnataka	% share	A.P.	% share
2016-17	54213.62	19.65	67433.77	24.45	26452.98	9.59	19685	7.14	11939.98	4.33
2017-18	66818.03	22.02	69731.48	22.99	29754.22	9.81	18052.34	5.95	13019.53	4.29
2018-19	67409.75	20.42	72809.04	22.06	30523.73	9.25	17341.29	5.25	14085.63	4.27
2019-20	63448.4	20.25	64906.08	20.71	30014.55	9.58	16639.45	5.31	14787.75	4.72
2020-21	60587.01	20.76	58383.19	20.01	26151.71	8.96	15140.41	5.19	16842.34	5.77
2021-22	126805.21	30.05	73119.5	17.33	35169.43	8.33	25874.5	6.13	19311.79	4.58
2022-23	149399.57	33.12	72437.52	16.06	40654.69	9.01	27937.46	6.19	19860.62	4.4
2023-24	134391.43	30.75	67201.7	15.38	43553.89	9.96	26630.5	6.09	19759.84	4.52
2024-25(April-sept.)*	61512.91	28.88	31994.22	15.02	22971.73	10.78	14063.53	6.6	10509.89	4.93

Sources: Compiled data from Various Monthly bulletin on foreign trade statistics: DGFT.GOV.IN

In table 9 we are analyzing the role of Indian states in the Indian export profile. How much individual state contributing in enhancing the export level of the India. Table 9 shows the data of top 5 exporting states with their share in India’s total export. The analysis period is to be taken during 2016-17 to 2023-24 and 2024-25(April- Sept.) data is provisional. On an average data reflects that Gujarat is the highest contributor in India’s total export followed by Maharashtra.

Table 10: India's Export Profile: State wise Growth

Year	Value in US \$ Millions									
	Gujarat	% Change	Maharashtra	% Change	Tamil Nadu	% Change	Karnataka	% Change	A.P.	% Change
2016-17	54213.62		67433.77		26452.98		19685		11939.98	
2017-18	66818.03	23.25	69731.48	3.41	29754.22	12.48	18052.34	-8.29	13019.53	9.041
2018-19	67409.75	0.88	72809.04	4.41	30523.73	2.59	17341.29	-3.94	14085.63	8.19
2019-20	63448.4	-5.88	64906.08	-10.85	30014.55	-1.67	16639.45	-4.05	14787.75	4.98
2020-21	60587.01	-4.51	58383.19	-10.05	26151.71	-12.87	15140.41	-9.01	16842.34	13.89
2021-22	126805.21	109.29	73119.5	25.24	35169.43	34.48	25874.5	70.90	19311.79	14.70
2022-23	149399.57	17.82	72437.52	-0.93	40654.69	15.60	27937.46	7.97	19860.62	2.84
2023-24	134391.43	-10.05	67201.7	-7.23	43553.89	7.13	26630.5	-4.68	19759.84	-0.51
2024-25(April-sept.)*	61512.91		31994.22		22971.73		14063.53		10509.89	

Sources: Compiled data from Various Monthly bulletin on foreign trade statistics: DGFT.GOV.IN

Table 10 shows the top 5 states growth pattern in form of % change in current year as compare to previous year **during** the period 2016-17 to 2023-24 and 2024-25(April- Sept.) data is provisional. As per table data, all the states have highest growth rate in year 2021-22. Gujarat's growth was recorded by 109.29, Maharashtra growth rate was 25.24%, Tamil Nadu growth rate was 34.48%, Karnataka growth rate was 70.90% and Andhra Pradesh growth rate was 14.70% in year 2021-22.

CONCLUSION AND SUGGESTIONS:

1. India should put more concentrate on converting the merchandise trade into positive as its total trade balance shows negative balance since 2015-16. This creates hurdle in the overall balance of trade.
2. India's service trade doing well and its overall trade balance showing positive since 2015-16 but Indian govt. should increase this trade balance by providing more facilities, favorable foreign policies, subsidies because service sector is the only sector who can help

in converting the negative balance of overall trade to positive balance in current visible scenario as India's overall trade balance is also consecutively negative.

3. India is also trying to improve their export and import ranking as well as its export and import share in world share by applying liberal policies, strategic decisions, building itself as a global hub, reducing imports by making itself self-sufficient and attract foreign investors with simply trade procedures.
4. India's top 5 trading partners have the 36.86% share of India's total foreign trade. India should also focus on other countries so that the dependence of these countries can be reduced. Even only from china, India imported 13.76% of its total import which shows that how much we are dependent on china.
5. Gujarat, Maharashtra, Tamil Nadu, Karnataka and Andhra Pradesh are the top 5 states of India since 2016-17 who contributed major share in India's export. It is good but other states should be motivated to come in top series.

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