

Structure of India's Major Exports

Saanj Ghuge

Student, Department of Economics, Government college of Arts and Science, Chhatrapati Sambhajanagar, Dr. Babasaheb Ambedkar Marathwada University, Maharashtra, India

Abstract

This research work has led me to dive deeper into the structure of India's major exports. This research paper includes a perfect explanation of major exports of India along with graphs and charts. Not only export items but also their destinations and a sectoral division of export items is mentioned. The key obstacles that work as a barrier in the process of export are enumerated herewith, along with the key government initiatives to boost exports are listed here. My research also encapsulates the future export opportunities and the export destinations with potential market places. Overall, this research paper gives an idea of what type of goods India exports majorly, and where, along with obstacles in doing so and the schemes of the government and future opportunities. It is multi-dimensional research aiming to provide a brief idea of Export structure of India in the simplest way to the researchers and academicians.

Keywords: Structure of India's Export, Export commodities, Export destinations, Government initiatives, Sectoral growth.

1. Research Objectives: -

- To know India's major export of goods and services and the export destinations over past 10 years.
- To comprehend India's export classification and growth trends (Sectoral Growth).
- To unfurl the major obstacles for export.
- To recognize government initiatives to strengthen India's export land frame.
- To notice the future export opportunities and export destinations for India.

2. Data and conceptual framework: -

- Use of Secondary data
- Descriptive as well as quantitative research

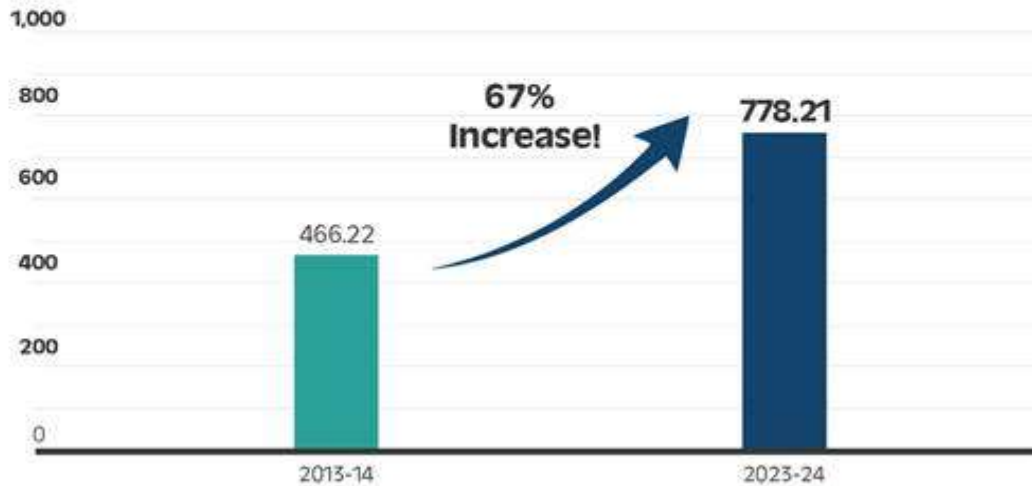
3. India's major exports and their destinations

India's exports have seen a historic rise, reaching USD 778.21 billion in 2023-24. This marks a 67% increase from USD 466.22 billion in 2013-14. The growth reflects India's expanding role in global trade, driven by strong performances in both merchandise and services exports.

In 2023-24, merchandise exports stood at USD 437.10 billion, while services exports contributed USD 341.11 billion, demonstrating a well-balanced expansion. Key sectors like electronics, pharmaceuticals, engineering goods, iron ore, and textiles played a vital role in this surge. Strengthened by strategic policy measures, enhanced competitiveness, and broader market access, India's export ecosystem is now more resilient and deeply integrated into the global economy.

India's Export Growth Over the Years

(In USD Billion)



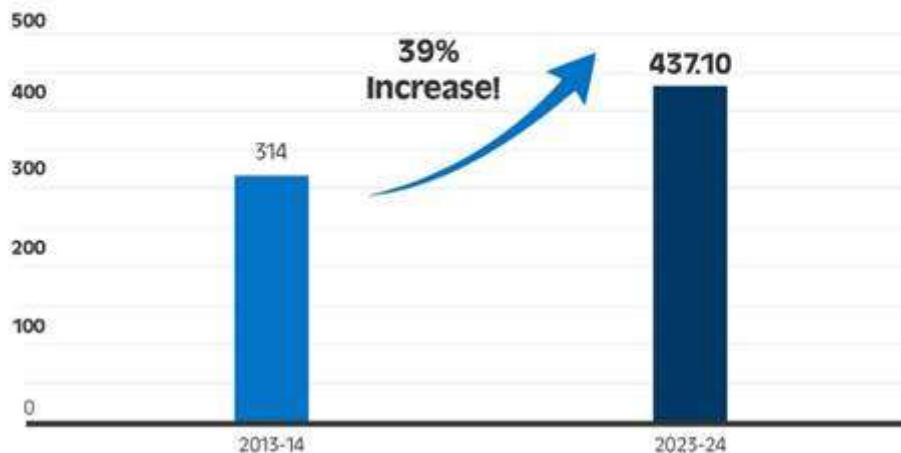
The momentum has continued into FY 2024-25, with cumulative exports during April-December 2024 estimated at USD 602.64 billion, a 6.03% increase from USD 568.36 billion in the same period of 2023. Strengthened by strategic policy measures, enhanced competitiveness, and broader market access, India's export ecosystem is now more resilient and deeply integrated into the global economy.

4. Export Classification and Growth Trends

Merchandise exports have grown from USD 314 billion in 2013-14 to USD 437.10 billion in 2023-24, driven by a stronger manufacturing base and increased global demand.

Growth of India's Merchandise Exports

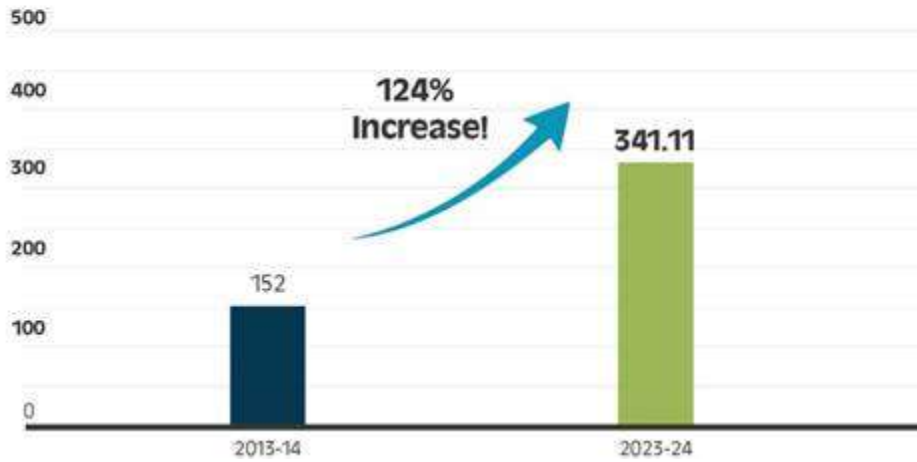
(In USD Billion)



Service exports have expanded from USD 152 billion in 2013-14 to USD 341.11 billion in 2023-24, fueled by the rise of **IT, financial, and business services**.

Growth of Service Exports

(In USD Billion)



5. Leading Export Destinations Over the Years

In 2004-05, India’s exports were predominantly directed to regions like **North America, the European Union, North-East Asia, West Asia-Gulf Cooperation Council, and ASEAN**. By 2013-14, there was a **marked increase in export values across these regions, with North America, the EU, and West Asia seeing notable growth**. Fast forward to 2023-24, and the export landscape shows continued expansion, with North America leading as the largest destination. The EU, West Asia, and ASEAN also experienced robust growth, illustrating India’s diversified and strengthened global trade relationships over the years.

Top 5 Regions for India's Exports Over the Years

(In USD Billion)



Key Export Destinations in 2023-24

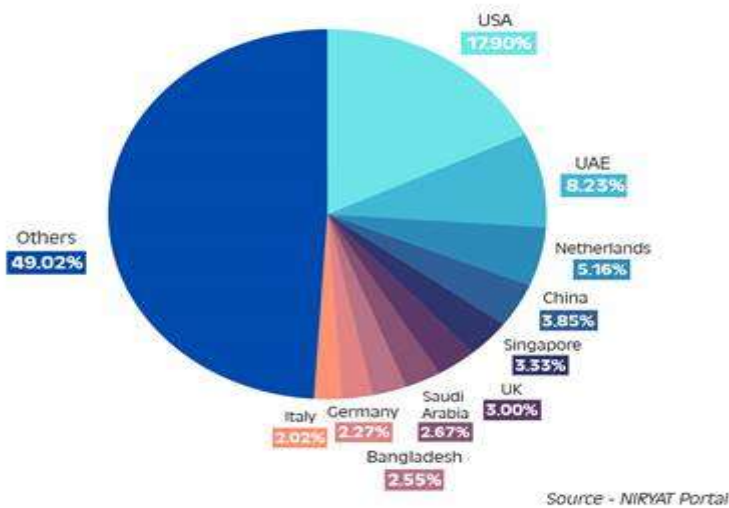
In 2023-24, the top merchandise export destinations for India included

- USA (17.90%),
- UAE (8.23%),
- Netherlands (5.16%),

- China (3.85%),
- Singapore (3.33%),
- UK (3.00%),
- Saudi Arabia (2.67%),
- Bangladesh (2.55%),
- Germany (2.27%),
- Italy (2.02%).

Together, these 10 countries made up 51% of India’s total merchandise export value in 2023-24.

India's Top Merchandise Export Destinations

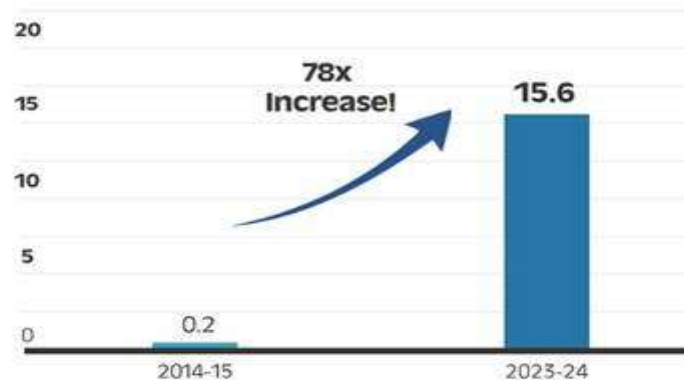


6. Sectoral Growth in India's Exports

1. Mobile Phone Exports Growth: Mobile phone exports reached US\$ 15.6 billion in 2023-24 from USD 0.2 billion in 2014-15. Domestic production of mobile phones grew from 5.8 crore units in 2014-15 to 33 crore units in 2023-24, with imports dropping significantly.

India's Mobile Phone Exports Growth

(In USD Billion)

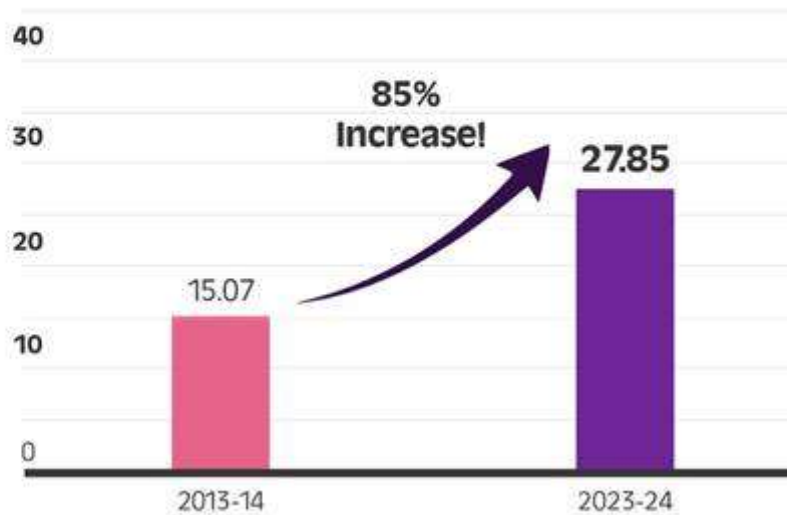


2. Pharmaceutical Exports Surge: India, ranked third globally in drug and pharmaceutical production by volume, saw its pharmaceutical exports rise from USD 15.07 billion in 2013-14 to USD 27.85 billion in FY 2023-24.

India's Pharmaceutical Exports Surge



(In USD Billion)

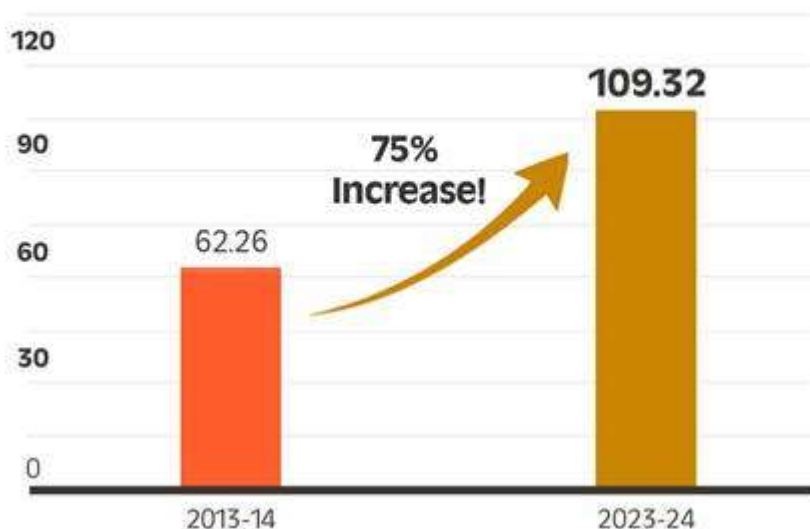


3. Engineering Goods Exports: Engineering goods exports grew to USD 109.32 billion in FY 2023-24, up from USD 62.26 billion in FY 2013-14.

India's Engineering Goods Exports



(In USD Billion)

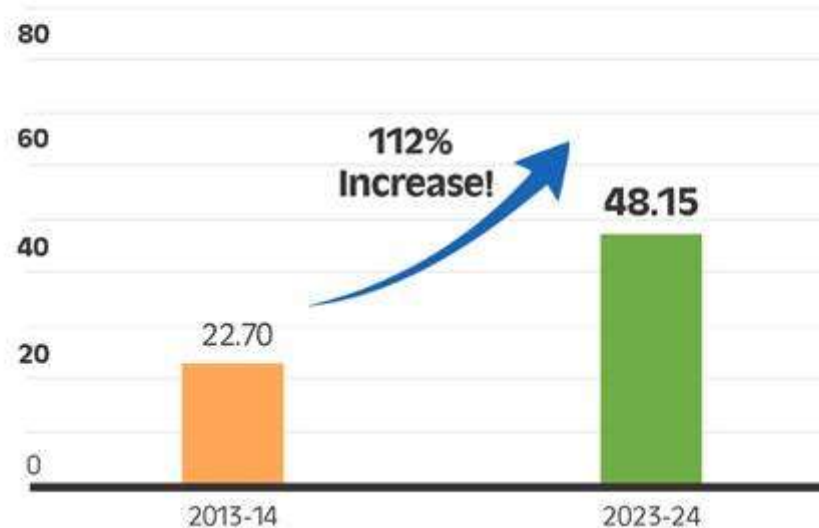


4. Agricultural Exports Growth: Agricultural exports from India increased from USD 22.70 billion in 2013-14 to USD 48.15 billion in 2023-24.

India's Agricultural Exports Growth



(In USD Billion)



7. Key Obstacles for India's Exports: -

- **Tight Government Regulations** – Imposition of numerous rules and regulations on exporters and businessmen makes the process lengthy and clunky, creating an obstacle on the way of small exporters. Like the India before 1991, was a closed economy and hardly indulged into foreign trade but the scenario changed after the implementation of Rao-Manmohan Model of LPG. Thus, the new India is working to make the whole of the import-export process easier and hassle-free.
- **High Tariffs** – Imposing higher strata of tariff on the exporters discourages them from exporting due to too high rates. For example, the recent Trump tariff, has significantly put the exporters into a dilemma of whether to export or not to.
- **Long standing grudges or war** – When there are long standing grudges between two countries dating back to history, may it be political, social, religious or cultural, trade between them is near to impossible. For example, India-Pakistan, on the grounds of religion the two countries are cut throat enemies and hence no trade takes place between the two.
- **Lack of government support and incentives to exporters** – Insufficient export incentives or lack of support from the government to the exporters would discourage them from exporting goods and services outside India. And even biased nature and the corrupt system is a barrier for fair export.
- **Lack of higher production** – while talking of exports, production is the biggest barrier in the sense that if the production capacity itself of the country is at par, or deficit, the export of such goods and services is near to difficult or say impossible. As it is of no use to export, by keeping your own people devoid of those goods and services.
- **Global Demand** – Another important factor that works as a barrier is global demand, if the global demand is fallen or is falling then the exports of those goods and services will fall too. After all, it is the two forces of the market, that is demand and supply on which import-export rely.
- **Technological issues** – lack of advanced technology in the production and trade is a barrier in the process of export. For example- digitalized export system, use of GIS in warehouse management and

tracking devices for the on-time deliveries, use of AI and robotics, such technological advancements in necessary to adopt when the world is moving at a faster pace of technological development.

- **Lack of market knowledge and structure** – Most of the potential producers, small traders or aspiring youth, who wish to export, are unable to due to the lack of market structure and knowledge.

8. Key Government Initiatives to Strengthen India's Export Landscape

Foreign Trade & Export Promotion

1. **New Foreign Trade Policy (FTP) 2023:** Focuses on export incentives, ease of doing business, and emerging sectors like e-commerce and high-tech products. Introduced a **one-time Amnesty Scheme** to help exporters clear pending authorizations.
2. **Interest Equalization Scheme (IES):** It was extended until August 31, 2024, with a ₹12,788 crore allocation to provide concessional interest rates on export credit.
3. **RoDTEP & RoSCTL Schemes:** Provide tax and duty reimbursements to exporters, benefiting sectors like pharmaceuticals, chemicals, and steel.
4. **Districts as Export Hubs:** Identifies high-potential products in each district and provides infrastructure and market linkages.
5. **Trade Infrastructure for Export Scheme (TIES) & Market Access Initiative (MAI):** Support infrastructure development and marketing efforts for export growth.

Infrastructure & Logistics

1. **National Logistics Policy (NLP) & PM GatiShakti:** Aim to reduce logistics costs and enhance multimodal connectivity through GIS-based planning.
2. **Production-Linked Incentive (PLI) Schemes:** With an outlay of ₹1.97 lakh crore, these schemes promote large-scale manufacturing in 14 key sectors to enhance exports. Over Rs. 1.47 lakh crore of investment has been reported till October 2024, which has led to production/sales of Rs. 13 lakh crore and employment generation (direct & indirect) of around 10 lakhs. Exports have been boosted by Rs. 4.5 lakh crore.
3. **Bharat Mart in Dubai:** Provides MSMEs with affordable access to GCC, African, and CIS markets.

Ease of Doing Business & Digital Initiatives

1. **Compliance & Decriminalization Reforms:** Over **42,000 compliances** reduced and **3,800 provisions** decriminalized to simplify business processes.
2. **National Single Window System (NSWS):** Streamlines approvals, allowing businesses to apply for 277 Central approvals.
3. **Trade Connect e-Platform:** Links over 6 lakh IEC holders with Indian missions and export councils for seamless trade facilitation.
4. **Enhanced Insurance Cover for MSME Exporters:** Provides ₹20,000 crore in low-cost credit to 10,000 MSME exporters.

E-Commerce & Digital Trade

1. **E-Commerce Export Hub (ECEH):** Aims to boost e-commerce exports to \$100 billion by 2030, connecting SMEs and artisans to global markets.

2. **ICEGATE Digital Platform:** Modernizes customs processes with e-filing, real-time tracking, and seamless documentation.

Agriculture & Organic Exports

National Programme for Organic Production (NPOP): Expected to benefit 20 lakh farmers, with organic exports targeted to exceed \$1 billion by 2025-26.

9. Future export opportunities and export destinations

1. The fourth generation of Industrial Revolution is of AI, machine learning, 3D printing, robotics, big data analysis etc. and by developing such technologies in the home country, India with majority of its youth population stands to have a great opportunity in developing these technologies and becoming a hub of technology and then exporting the technologies to other nations.
2. After becoming self-sufficient, India must aim at becoming one of the leading exporters of cereals, pulses, fruits and vegetables, tackling the future problems like food insecurity. The fertile northern plains, the farmers of Punjab, Haryana, Gujarat, parts of Maharashtra, Karnataka, Andhra Pradesh can dominate the cash crops, and the rich aroma and taste of tea of Assam stands opportunities to dominate tea exports.
3. In the 21st century, there have been a surge in the demand of textile market due to the rising standards of living of people. With the globalization, inter-regional trade, spread of education and good employment, the spending capacity of people has seen a drastic rise, wherein people are now focusing on leisure and spending over clothing, styling and accessories. IN the wake of such revolution in the fashion industry Indian handicrafts can have a huge rate in the international market for its delicate and thematic art, the pashmina shawls, carpets of Kashmir, artwork and architecture along with unique and rich jewelry of Rajasthan, Paithani's of Maharashtra, Silk and traditional sarees and cloth of Southern India, holds the potential to dominate the rising textile market.

10. Export destinations and Potential Market for India

The global south, is a huge market destination that India must aim at to see a surge in its exports. The African subcontinent, is a potential market that India can target at this stage, just like India itself at the time of colonization was a huge market for Britain, and for America after 1991. Today, most of the developing nations of the south, majorly from the African subcontinent, can prove to be huge consumers of Indian goods. And in this kind of mammoth opportunity India must adopt the policy like that of China, to produce and make every single item on earth that is of use and also to export it to the potential market in Africa.

11. Conclusion

India's export sector has experienced extraordinary growth, driven by a combination of strategic policy measures, robust infrastructure development, and a strengthened manufacturing base. With exports touching new heights across both merchandise and services, the country has firmly established itself as a key player in global trade. The expansion of high-value sectors like electronics, pharmaceuticals, engineering goods, and agriculture, coupled with innovations in e-commerce and digital trade, showcases India's growing global influence. Supported by initiatives such as the National Logistics Policy, Production-Linked Incentive schemes, and enhanced market access, India is well on its way to further diversifying its export landscape. As the country continues to focus on improving business ease, fostering

competitiveness, and tapping into emerging markets, it is poised to not only sustain but also accelerate its export momentum in the years to come.

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