

*CHAPTER SEVEN*

*THE STRUCTURE  
OF  
INDIA'S EXPORTS  
TO  
JAPAN*

This chapter presents India's exports to Japan from 1991 to 2011, and discussion of major items of India's exports to Japan (like agriculture & agriculture allied products, manufacture goods, non metallic mineral ware, Diamonds, Iron ore, and marine products). As revealed by the country's export performance in other markets, India's production structure and export base have changed radically in the last two decade. Opportunities should therefore now exist for a shift from the traditional 'vertical trade' (Inter Industry Trade) to 'horizontal trade' (Intra Industry Trade). This would be greatly facilitated by a combination of enhanced Japanese investment and continued Indian trade liberalization. The share of India's exports to Japan was around 9.2 percent during 1991-92. It fell down sharply to 3.4 percent in 2001-02 and 2.1 percent in 2011-12. The study has been divided into four 5-yearly phase in sync (synchronization) with plan periods and new foreign trade policy.

- [i] First phase (1991-96)
- [ii] Second phase (1996-01)
- [iii] Third phase (2001-06) and
- [iv] Fourth phase (2006-11) all phase is five yearly.

### **7.1 INDIA'S EXPORTS TO JAPAN (1991-2011)**

The important items of exports in this period were food and live animals, fish and fish preparation, crustacean & mollusks, shrimps, prawns & lobsters, fruits and vegetables, coffee, cocoa & spice, crude materials, cotton, salts, metalliffrous ores & scrap, Iron ore, manufactured goods, textile, Diamonds and non-metallic mineral ware. Out of these items manufactured goods, non-metallic mineral ware, Diamonds, food & live animals and crude materials accounted for over 60 percent of exports to Japan<sup>139</sup>.

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139. Yearly report of Trade statistics of Japan, Published by 'ministry of Finance' Japan.

### **7.1.1 Food and Live Animals**

Food and live animals is one of the main items of exports to Japan. Japan is the largest net food importing country in the world. Japan is a net importer of foods and agricultural products and such food products account for around 12% of Japan imports. India is one of the world's largest producers of food. However, India's share in imports of agriculture, forestry and fisheries products by Japan is miniscule.

The average value of its exports was Rs. 16394.25 million in the first phase (1991-96). It increased by 85.30 percent to Rs 30379.80 million in the second phase. It declined by 30.40 percent to Rs. 21142.90 million in the third phase (2001-06). But it increased by 56.00 percent to Rs. 32982.25 million in the fourth phase (2006-11). The exports of this group rose by 2 times to Rs. 32982.95 million by the end of fourth phase. The share of this group in total exports was 9.28 percent in the first phase. It increased to 12.97 percent in the second phase (1996-2001) and it declined to 10.07 percent in the third phase and thereafter, it increased to 13.97 percent in the fourth phase [Table 7-1, 7-2].

### **7.1.2 Fish & Fish Preparation**

The average value of fish and fish preparation was Rs. 13144.67 million in the first phase. It increased by 85.67 percent to Rs. 24405.94 million in the second phase. But it declined by 39.74 percent to Rs. 14705.02 million in the third phase and 54.06 percent to 13910.06 million in the fourth phase. [Table 7-1, 7-2]

The share of this group in total exports was 7.44 percent in the first phase (1991-96). It increased to 10.42 percent in the second phase (1996-2001). But it declined to 7.01percent in the third phase (2001-06), 5.89 percent in the fourth phase (2006-11).

### **7.1.3 Crustacean & Mollusks**

The average value of its exports was Rs. 12592.68 million in the first phase (1991-96). It increased by 85.33 percent to Rs 23339.03 million in the second phase (1996-2001). It fell continuously to 45.91 percent to Rs. 12624.00 million in the third phase, 15.45 percent to Rs. 10672.84 million in the fourth phase. Export of this group declined by 0.84 times to Rs. 10672.84 million by the end of fourth phase (2006-11). The share of

this group in total exports was 7.13 percent in the first phase. It increased to 9.96 percent in the 1996-2001. Thereafter, it declined to 6.01 percent in the third phase (2001-06), and 4.52 percents in the fourth phase [Table 7-1, 7-2].

#### **7.1.4 Shrimps, Prawns & Lobsters**

Japan is the largest importer of Indian shrimps. The average value of shrimps, prawns & lobsters were Rs. 11971.60 millions in the first phase (1991-96). It increased by 85.38 percent to Rs. 22194.10 million in the second phase (1996-2001). But it declined to 45.59 percent to Rs 12074.78 million in the third phase, 15.87 percent to Rs. 10157.81 in the fourth phase (2006-11). Export of this group declined by 0.8 times to Rs. 10157.81 million by the end of fourth phase.

The share in total export was 6.78 percent in the first phase. It increased to 9.47 percent in the second phase (1996- 2001). Thereafter, it declined to 5.75 percent in the third phase (2001-06) and oscillated around this figure later on [Table 7-1, 7-2].

#### **7.1.5 Fruits & Vegetables**

The average value of its exports was Rs. 997.37 million in the first phase (1991-96). It increased by 32.87 percent to Rs. 1325.24 million in the second phase (1996-2001), 1.09 percent to Rs 1339.70 million in the third phase (2001-06), and 48.22 percent to 1985.72 million in the fourth phase. The exports of this group rose by two times to Rs. 1985.72 million by the end of fourth phase (2006-11). The share in total exports was 0.56 percent in the first phase, and second phase. It increased to 0.63 percent in the third phase and 0.84 percent in the fourth phase [Table 7-1, 7-2].

#### **7.1.6 Coffee, Tea, Cocoa & Spice**

The average value of its exports was Rs. 1022.69 million in the first phase (1991-96). It increased by 106.19 percent to Rs. 2108.69 million in the second phase. It declined by 14.09 percent to Rs. 1811.38 million in the third phase (2001-06). Thereafter, it increased by 21.95 percent to Rs. 2209.05 million in the fourth phase (2006-11). The exports of this group rose by 2.2 times to Rs. 2209.05 million by the end of fourth phase. The share of

total export was 0.57 percent in the first phase. It increased to 0.90 percent in the second phase (1996-2001) and hovered around this figure in later years [Table 7-1, 7-2].

#### **7.1.7 Crude Materials**

The average value of its exports was Rs. 17648.10 million in the first phase (1991-96). It increased by 23.28 percent to Rs. 21758.02 million in the second phase (1996-2001). And it shot up continuously to 14.96 percent to Rs. 25013.23 million in the third phase (2001-2006), 41.72 percent to Rs. 35451.03 million in the fourth phase (2006-11). The exports of this group rose by 2.0 times to Rs. 35451.03 million by the end of fourth phase. The share of this group in total exports was 10.0 percent in the first phase. It declined to 9.29 percent in the second phase. Thereafter, it increased to 11.92 percent in the third phase and 15.01 percent in the fourth phase [Table 7-1, 7-2].

#### **7.1.8 Cotton**

The average value of cotton exports was Rs. 687.14 million in the first phase. It's increased by 17.43 percent to Rs. 806.94 million in the second phase. But it declined by 33.65 percent to Rs 535.3 million in the third phase. Thereafter, it increased by 1.78 percent to Rs. 544.38 million in the fourth phase. Export of this group declined by 0.79 times by the fourth phase. The share of this group in total exports was 0.38 percent in the first phase. But it fell continuously to 0.34 percent in the second phase, 0.25 percent in the third phase, 0.23 percent in the fourth phase [Table 7-1, 7-2].

#### **7.1.9 Salts**

The average values of exports of salts were Rs. 76.06 million in the first phase (1991-96). But it fall up 35.03 percent to Rs 49.43 million in the second phase (1996-2001). It shot up by 9.2 times to Rs. 456.34 million in the third phase (2001-06), 244.31 percent to Rs. 1571.17 million in the fourth phase (2006-11). The exports of this group rose by 20.65 times to Rs. 1571.17 million by the end of fourth phase. Its share in this group in total exports was 0.04 percent in the first phase. It declined marginally in the second phase. But it rose to 0.21 percent in the third phase and 0.66 percent in the fourth phase [Table 7-1, 7-2].

### **7.1.10 Metalliferous Ores & Scraps**

The average value of its exports was Rs. 13567.14 million in the first phase (1991-96). It's increased by 25.06 percent to Rs. 16967.55 million in the second phase (1996-2001). It rose to 20.80 percent to Rs. 20497.39 million in the third phase (2001-06) and 42.51 percent to Rs. 29212.24 million in the fourth phase (2006-11). The exports of this group rose by 2.1 times to Rs 29212.24 million by the end of fourth phase. The share of this group in total exports was 7.68 percent in the first phase. It declined marginally in the second phase. But it rose to 9.77 percent in the third phase and 12.37 percent in the fourth phase [Table 7-1, 7-2].

### **7.1.11 Iron Ore & Concentrates**

Japan is one of main importers of this group. The average value of exports of Iron ore and concentrates was Rs. 12639.69 million in the first phase. It rose by 21.75 percent to Rs. 15386.75 million in the second phase, 17.81 percent to Rs 18128.62 million in the third phase and 25.11 percent to Rs. 22682.0 million in the fourth phase. The export of this group rose 1.8 times to Rs. 22682.01 million by the end of fourth phase. Its share in this group in total exports was 7.15 percent in the first phase (1991-96). But it declined marginally in the second phase (1996-2001). Thereafter, it rose to 8.64 percent in the third phase (2001-06), and 9.60 percent in the fourth phase (2006-11) [Table 7-1, 7-2].

### **7.1.12 Manufactured Goods**

Manufactured goods are one of the main items of exports to Japan. The average values of exports of manufactured goods were Rs. 30016.92 million in the first phase (1991-96). It's increased by 1.34 percent to Rs. 30419.85 million in the second phase (1996-2001). It shot up continuously to 7.82 percent to Rs. 32799.01 million in the third phase (2001-06), 13.44 percent to Rs. 37209.17 million in the fourth phase (2006-11). The export of this group rose by 1.2 times by the end of fourth phase. The share in total exports was 17.00 percent in the first phase. But it fell to second phase. Thereafter, it increased to 15.63 percent in the third phase and 15.76 percent in the fourth phase [Table 7-1, 7-2].

### **7.1.13 Textile Yarn Fabrics**

The average values of its exports were 4086.92 million in the first phase (1991-96). It's increased by 75.26 percent to Rs. 7162.84 million in the second phase (1996-2001), 8.34 percent to Rs. 7760.77 million in the third phase (2001-06). Thereafter, it declined by 10.75 percent to Rs. 6926.11 million in the fourth phase (2006-11). The exports of this group rose by 1.7 times by the end of fourth phase. The share of this group in total exports was 2.31 percent in the first phase. It increased to 3.05 percent in the second phase and 3.69 percent in the third phase. But it declined to 2.93 percent in the fourth phase [Table 7-1, 7-2].

### **7.1.14 Non-Metallic Mineral Ware**

The average values of its exports were Rs. 21738.97 million in the first phase. But it declined by 9.33 percent to Rs. 19710.02 million in the second phase. It shot up by 7.06 percent to Rs. 21101.99 million in the third phase. Thereafter, it declined by 25.29 percent to Rs. 15764.81 million in the fourth phase. Export of this group declined by 0.72 times by the fourth phase. The share of this group in total exports was 12.31 percent in the first phase (1991-96). It declined to 8.41 percent in the second phase (1996-2001). But it increased to 10.06 percent in the third phase (2001-06). Thereafter, it declined to 6.67 percent in the fourth phase (2006-11) [Table 7-1, 7-2].

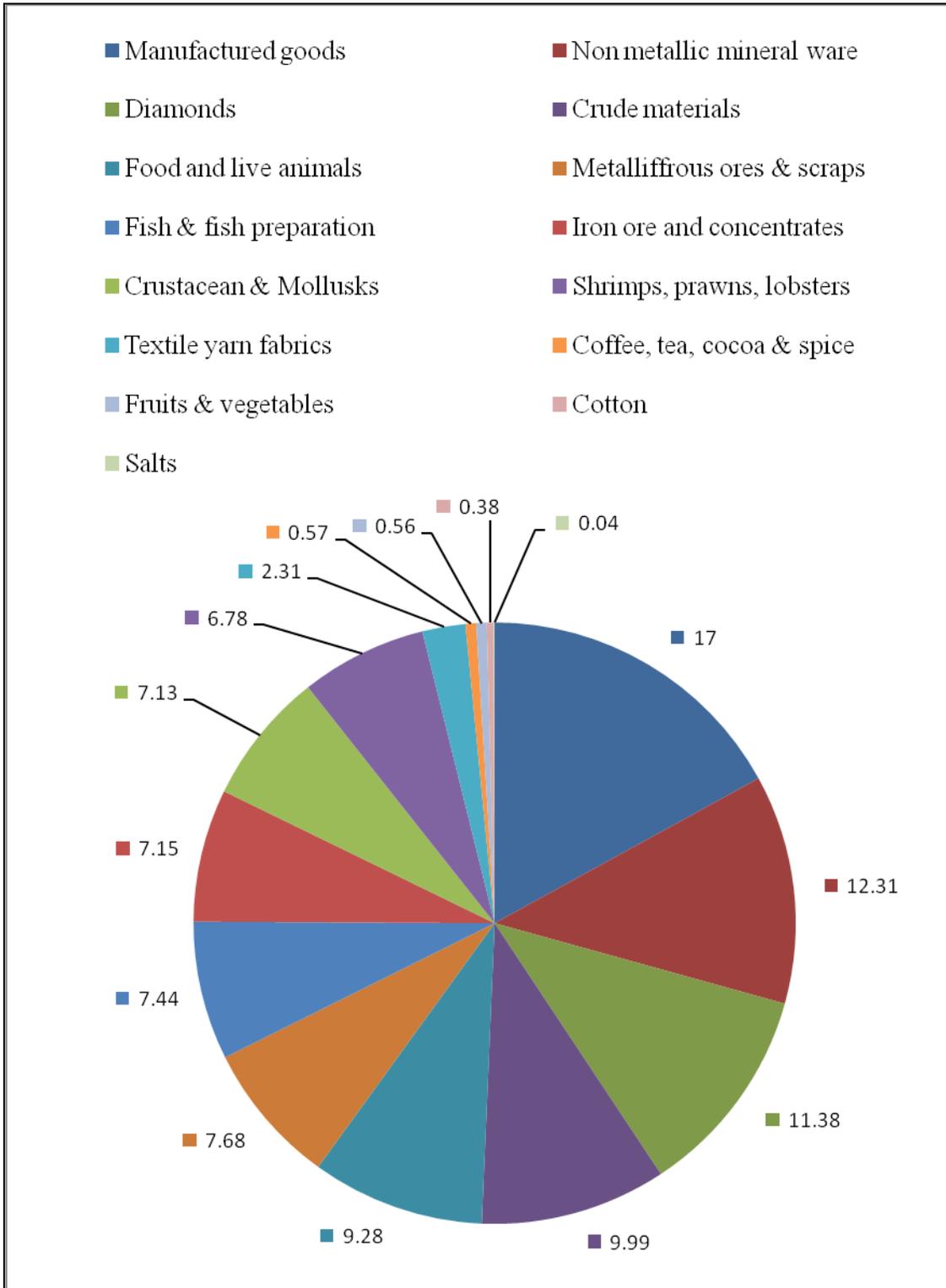
### **7.1.15 Diamonds**

The average value of diamonds exports was Rs 19976.96 million in the first phase (1991-96). But it declined by 9.18 percent to Rs. 18141.29 million in the second phase (1996-2001). It shot up 8.95 percent to Rs. 19766.69 million in the third phase (2001-06). Thereafter, it declined by 25.29 percent to Rs. 14767.39 million in the fourth phase (2006-11). The share of this group in total exports was 11.38 percent in the first phase. It declined to 7.81 percent in the second phase. It again increased to 9.50 percent in the third phase. Thereafter, it declined to 6.25 percent in the fourth phase [Table 7-1, 7-2].

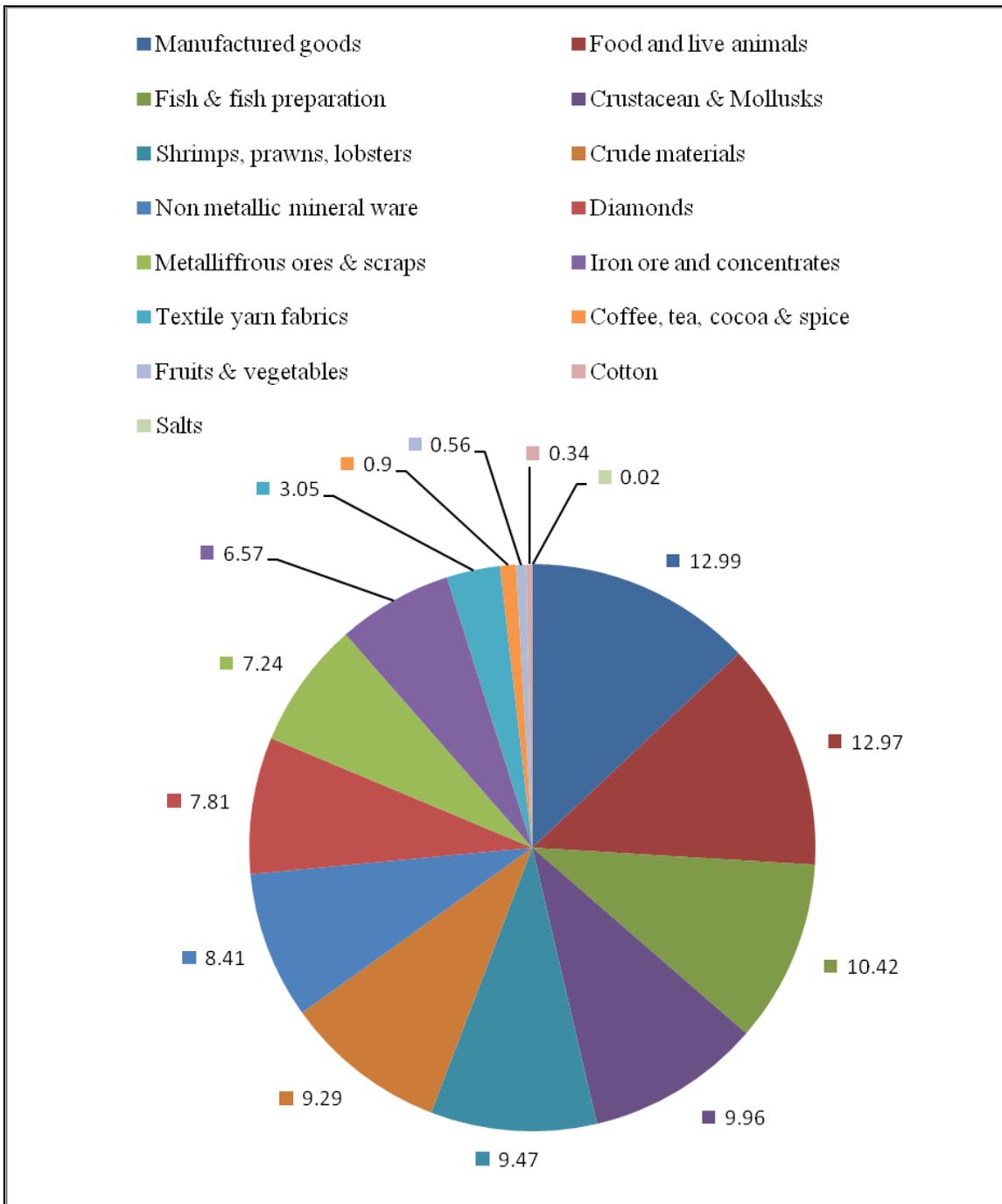
## **7.2 India's Average Exports to Japan [1991-2011] - An Overview**

figures 7.1 to 7.4 commodities wise India's exports to Japan is shown for period from 1991-2011. The top five exports from India to Japan constitute 60 percent of India's total exports to Japan and include manufactured goods, crude materials, metalliferous & non-metallic mineral ware, iron ore & concentrates, and diamonds. They have consistently ranked as the top India's exports to Japan in the last two decades. The share of food and live animals, fish & fish preparation, crustacean & mollusks, shrimps, prawns & lobsters in total exports were approximately 32 percent in the first phase. The share of this group increased to 43 percent in the second phase and it declined to 29 percent in the third phase and oscillated around this figure later on. The share of textile yarn fabrics, Salt, cotton, coffee & spice and fruits & vegetables in total exports from India to Japan were 7 percent (approximately) in the first phase and oscillated around in the overall in this period (1991-2011).

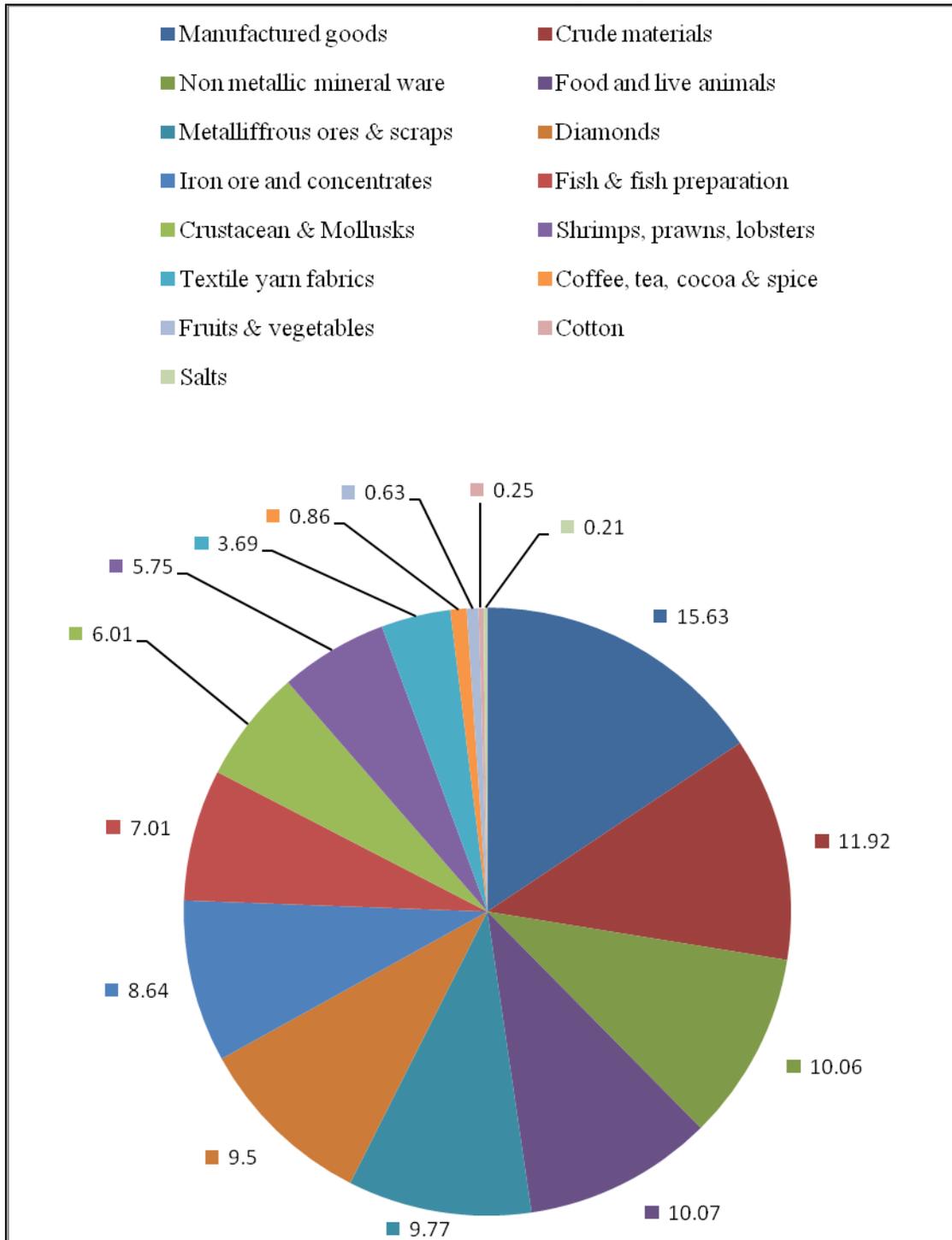
**Figure 7.1**  
**Share of Different Commodities in India's Average Exports to Japan [1991-1996]**



**Figure 7.2**  
**Share of Different Commodities in India's Average Exports to Japan [1996-2001]**

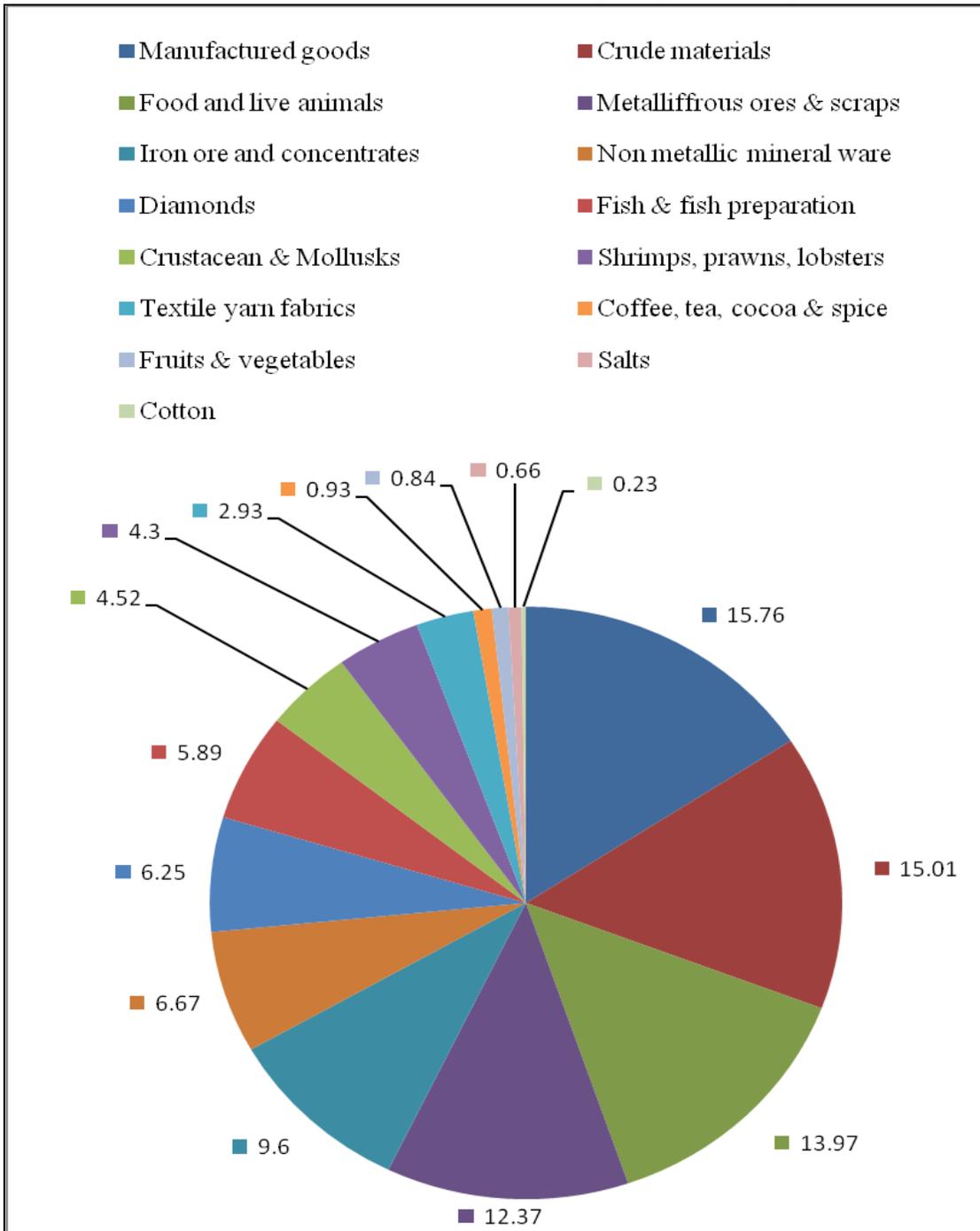


**Figure 7.3**  
**Share of Different Commodities in India's Average Exports to Japan [2001-06]**



**Figure 7.4**

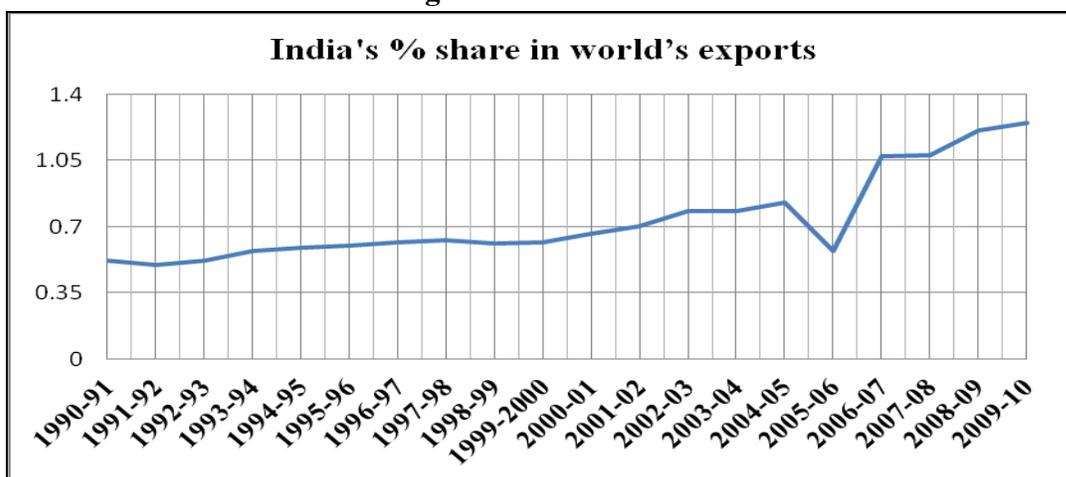
**Share of Different Commodities in India's Average Exports to Japan [2006-11]**



### 7.3 Share of India's Exports in World's Exports

India is among 15 leading exporters of agricultural products in the world. India's agricultural exports amounted to US \$ 23.2 billion with a 1.7 per cent share of world trade in agriculture in 2010<sup>140</sup>. The Table 7.4 & Figure 7.5 shows that share of India's exports in world exports. India's export has increased from \$21.3b in 1990-1991 to \$42.3b in 2000-01. It has increased to 59.0 billion US\$ in 2003-04 and to 194.5 b\$ in 2008-09. India's exports are continuously increasing during the period under study 1990-2010, except the year 2009-2010 has declined to 157.2b US\$. The Share of India's exports in world's exports has increased in this period. The share of India's exports in World's exports 0.52 percent in 1990-91 to 1.25 percent in 2009-10<sup>141</sup>.

Figure 7.5



140. International Trade Statistics 2011, published by the World Trade Organization (WTO).

141. Yearbook of International financial Statistics, (Various issues) Published by International monetary fund (IMF) Washington.

## **CONCLUSION**

Japan is a leading partner of India. It enjoys twelfth position among India's customers abroad in recent times. Japan's share in India's exports however explains 2.0 percent of her total exports. There has not been any significant structural change in the composition of trade and the major items of India's exports to Japan continue to be manufactured goods, Non-metallic mineral ware, Diamonds, Iron ore, Textiles & Agriculture products.

India has been the main exporter of Agriculture and allied sector in Japanese market. Food and live animals share in total exports was at its climax in the second phase (2001-06) when it accounted for about one- twelfth of total exports. The export of Fish and fish preparation to Japan has been increasing. The export of this group has recorded considerable increase in second phase. It accounted for about one-tenth of total exports. Indian fruits are getting huge popularity in Japanese market. Japan's deep liking for Indian mangoes can be well apprehended. Since the current crop imported from Philippines and Indonesia is sold at a high premium. Indian mangoes are of same quality but are much less expensive than crop from the south East Asian countries. The exports of coffee & tea, Cocoa & spice had risen by two times by the end of fourth phase (2006-2011). The prospects for pushing up exports are rather uncertain. Increasing home consumption, lower quality, high cost of producing tea, lack of publicity, poor salesmanship are some of the major problems with which India is confronted with in the International market. The export of cotton in total exports declined sharply. This could be attributed to some extent to the severe competition among exporting countries, restrictive practices by several importing countries. The exports of Textile yarn fabrics registered remarkable growth in the third phase period. India had been the main exporter of Diamonds in Japanese markets. The exports of Diamonds has recorded climax in the first phase (1991-96). The export of Crude materials and Metalliferous ores to Japan has been increasing. Its share in total exports was at its climax in the fourth phase (2006-11). Japan is one of the main importers of Iron ore and concentrate. The export of Non-metallic mineral ware has been declined sharply after the first phase. Its share in total exports was at its climax in the first phase when it accounted for about one-twelfth of the total exports.