



## INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS AND MANAGEMENT

### CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	FDI TRENDS IN INDIA: A MULTI-DIMENSIONAL ANALYSIS <i>DR. K. R. PILLAI &amp; DR. M. S. RAO</i>	1
2.	BEHAVIORAL ANALYSIS OF THE FARMERS, AS END USERS, TOWARDS ORGANIC FERTILIZER: AN EMPIRICAL STUDY IN BANGLADESH <i>MUJAHID MOHIUDDIN BABU</i>	6
3.	ECONOMIC GROWTH NEXUS TO PERFORMANCE OF BANKING SECTOR IN PAKISTAN <i>SHAHZAD GHAFOR &amp; UZAIR FAROOQ KHAN</i>	11
4.	BANK CONSOLIDATION AND CREDIT AVAILABILITY TO SMALL AND MEDIUM ENTERPRISES: EVIDENCE FROM NIGERIA <i>DR. AHMAD BELLO DOGARAWA</i>	19
5.	STUDY OF LINKAGE OF DIVERSIFICATION STRATEGY AND CAPITAL STRUCTURE OF FIRMS: A SURVEY <i>NEETA NAGAR</i>	26
6.	A STUDY ON MONEY SUPPLY, INFLATION RATE AND GDP – AN EMPIRICAL EVIDENCE FROM INDIA <i>UMANATH KUMARASAMY</i>	33
7.	MICROFINANCE FOR SMES: PROSPECTS, CHALLENGES & IMPLICATION <i>GAURAV SEHGAL &amp; DR. ASHOK AIMA</i>	37
8.	TRADE ORIENTATION OF INDIAN INDUSTRIES <i>NAGENDRA KUMAR MAURYA &amp; J. V. VAISHAMPAYAN</i>	44
9.	GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON INDIAN INSURANCE INDUSTRY <i>S. H. ASHRAF &amp; DHANRAJ SHARMA</i>	49
10.	FOOD INFLATION IN INDIA- WHERE ARE THE PRICES HEADING? <i>DR. YASMEEN K. AOWTE</i>	57
11.	SOCIAL ENTREPRENEURSHIP – STUDY OF KAUSHALYA FOUNDATION <i>DR. SHILPA BENDALE &amp; DR. ARVIND CHAUDHARI</i>	61
12.	DYNAMISM OF INDIA'S FINANCIAL SECTOR DURING THE GLOBAL ECONOMIC RECESSION <i>DR. B. KUBERUDU &amp; DR. T. V. RAMANA</i>	64
13.	MANAGING RELIGIOUS PHILANTHROPY FOR SOCIO-ECONOMIC DEVELOPMENT <i>BEERAN MOIDIN B. M. &amp; DR. FAISAL U.</i>	67
14.	INVESTMENT PROCESS OF VENTURE CAPITAL: AN EXPLANATORY STUDY OF ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION VENTURE CAPITAL LIMITED (APIDC-VCL) <i>DR. A. AMRUTH PRASAD REDDY &amp; DR. S. RAGHUNATHA REDDY</i>	72
15.	MICRO FINANCE LOANS – ENHANCING BUSINESS OR MEETING PERSONAL EXPENSES? <i>ARADHANA CHOUKSEY &amp; DR. YAMINI KARMAKAR</i>	78
16.	INTERNATIONALIZATION OF INDIAN BUSINESS: DRIVERS AND CHALLENGES <i>DR. VILAS M. KADROLKAR &amp; SHREESHAIL G. BIDARKUNDI</i>	83
17.	SMEs IN THE ECONOMIC GROWTH OF AGRA: OPPORTUNITIES AND CHALLENGES (WITH SPECIAL REFERENCE TO AGRA SHOE CLUSTER) <i>SHAVETA SACHDEVA &amp; LAXMI R. KULSHRESTHA</i>	90
18.	SAFE MANAGEMENT OF HEALTH CARE WASTE <i>DR. A. SHYAMALA</i>	94
19.	POST MARITAL SEXUAL ANXIETY AMONG DOCTORS (A COMPARATIVE STUDY AMONG MALE AND FEMALE DOCTORS) <i>VIJAYA U. PATIL, CHANDRAKANT JAMADAR &amp; RUKMINI S.</i>	98
20.	CLIENTS SATISFACTION TOWARDS PRIVATE LIFE INSURANCE COMPANIES <i>DR. M. DHANABHAKYAM &amp; M. KAVITHA</i>	101
21.	RURAL ENTREPRENEURSHIP IN JAMMU AND KASHMIR: OPPORTUNITIES AND CHALLENGES <i>DR. DARAKHSHAN ANJUM</i>	105
22.	IMPACT OF DEMOGRAPHIC VARIABLES ON PERFORMANCE OF ENTREPRENEURS IN KERALA <i>DR. R. JUBI</i>	111
23.	MARKET ORIENTATION IN AGRICULTURE: CASE STUDIES OF DEVELOPMENT INTERVENTIONS IN INDIA <i>NISHA BHARTI</i>	118
24.	TRENDS AND PATTERNS OF FDI IN INDIA: AN ANALYSIS <i>PRADEEP</i>	126
25.	THE NEW CONSOLIDATED FDI POLICY 2011: WHETHER IGNORING SOMETHING IN ITS DRIVE TOWARDS BOOSTING INVESTOR CONFIDENCE? <i>VAIBHAV CHOUDHARY &amp; DEEKSHA CHAUDHARY</i>	131
	REQUEST FOR FEEDBACK	134

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at: [Ulrich's Periodicals Directory](#) ©, [ProQuest, U.S.A.](#), [The American Economic Association's electronic bibliography](#), [EconLit, U.S.A.](#),

[Open J-Gate, India](#) as well as in [Cabell's Directories of Publishing Opportunities, U.S.A.](#)

Circulated all over the world & Google has verified that scholars of more than eighty-one countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

[www.ijrcm.org.in](http://www.ijrcm.org.in)

**CHIEF PATRON**

**PROF. K. K. AGGARWAL**

Chancellor, Lingaya's University, Delhi  
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi  
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

**PATRON**

**SH. RAM BHAJAN AGGARWAL**

Ex. State Minister for Home & Tourism, Government of Haryana  
Vice-President, Dadri Education Society, Charkhi Dadri  
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

**CO-ORDINATOR**

**DR. BHAVET**

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**ADVISORS**

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

**EDITOR**

**PROF. R. K. SHARMA**

Dean (Academics), Tecnia Institute of Advanced Studies, Delhi

**CO-EDITOR**

**DR. SAMBHAV GARG**

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**EDITORIAL ADVISORY BOARD**

**DR. AMBIKA ZUTSHI**

Faculty, School of Management & Marketing, Deakin University, Australia

**DR. VIVEK NATRAJAN**

Faculty, Lomar University, U.S.A.

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SIKANDER KUMAR**

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

**PROF. SANJIV MITTAL**

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

**PROF. RAJENDER GUPTA**

Convener, Board of Studies in Economics, University of Jammu, Jammu

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. S. P. TIWARI**

Department of Economics &amp; Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

**DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P. J. L. N. Government College, Faridabad

**DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Government F. G. College Chitguppa, Bidar, Karnataka

**ASSOCIATE EDITORS****PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering &amp; Technology, Amity University, Noida

**PARVEEN KHURANA**

Associate Professor, Mukand Lal National College, Yamuna Nagar

**SHASHI KHURANA**

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

**SUNIL KUMAR KARWASRA**

Vice-Principal, Defence College of Education, Tohana, Fatehabad

**DR. VIKAS CHOUDHARY**

Asst. Professor, N.I.T. (University), Kurukshetra

**TECHNICAL ADVISORS****AMITA**

Faculty, E.C.C., Safidon, Jind

**MOHITA**

Faculty, Yamuna Institute of Engineering &amp; Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

**FINANCIAL ADVISORS****DICKIN GOYAL**

Advocate &amp; Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

**LEGAL ADVISORS****JITENDER S. CHAHAL**

Advocate, Punjab &amp; Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate &amp; Consultant, District Courts, Yamunanagar at Jagadhri

**SUPERINTENDENT****SURENDER KUMAR POONIA**

# CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Business Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email addresses, [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or [info@ijrcm.org.in](mailto:info@ijrcm.org.in).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

### 1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

**THE EDITOR**

IJRCM

**Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.**

**(e.g. Computer/IT/Finance/Marketing/HRM/General Management/other, please specify).**

**DEAR SIR/MADAM**

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for possible publication in your journal.

I hereby affirm that the contents of this manuscript are original. Furthermore it has neither been published elsewhere in any language fully or partly, nor is it under review for publication anywhere.

I affirm that all author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if our/my manuscript is accepted, I/We agree to comply with the formalities as given on the website of journal & you are free to publish our contribution to any of your journals.

**NAME OF CORRESPONDING AUTHOR:**

Designation:

Affiliation with full address & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

2. **INTRODUCTION:** Manuscript must be in British English prepared on a standard A4 size paper setting. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of the every page.
3. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.
4. **AUTHOR NAME(S) & AFFILIATIONS:** The author (s) full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address should be in italic & 11-point Calibri Font. It must be centered underneath the title.
5. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para.
6. **KEYWORDS:** Abstract must be followed by list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should be in a 8 point Calibri Font, single spaced and justified.
10. **FIGURES & TABLES:** These should be simple, centered, separately numbered & self explained, and titles must be above the tables/figures. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. It must be single spaced, and at the end of the manuscript. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITE**

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Economic and Political Weekly, Viewed on July 05, 2011 <http://epw.in/user/viewabstract.jsp>

## TRADE ORIENTATION OF INDIAN INDUSTRIES

**NAGENDRA KUMAR MAURYA**

**ASST. PROFESSOR**

**DEPARTMENT OF BANKING, ECONOMICS AND FINANCE**

**BUNDELKHAND UNIVERSITY**

**JHANSI**

**J. V. VAISHAMPAYAN**

**PROFESSOR & HEAD**

**DEPARTMENT OF APPLIED ECONOMICS**

**UNIVERSITY OF LUCKNOW**

**LUCKNOW**

### ABSTRACT

*The Economic Reforms of 1991 intensifies the process of trade liberalisation. Trade liberalisation focuses on reduction of both tariff and non-tariff barriers to trade. Reduction in trade barriers benefited trade of manufactured goods most. Due to this, trade orientation of Indian manufacturing increases rapidly. In this research paper, we attempted to examine trade orientation of the registered manufacturing sector during 1994-95 and 2005-06. To show trends in export and import annual growth rates have been calculated for 2 digit level industries. Export and import intensities have been calculated by dividing exports or imports by total output of the industry. As ASI does not provide exports and imports estimates, the data for imports and exports are taken from the Directorate General of Commercial Intelligence and Statistics (DGCI). Our result shows that export intensity and import penetration both increased during the period of the study, suggesting that while the relatively open policies during this period helped remove some biases against exports, it penalized the relatively inefficient import competing industries.*

### KEYWORDS

Export Intensity, Import Intensity, Manufacturing, Trade.

### INTRODUCTION

The nature of the trade regime has implications for growth in industrial productivity. There are many arguments explaining why more open trade regimes lead to performance improvements in the industrial sector. Perhaps the most basic is that returns to entrepreneurial effort increases as exposure to foreign competition rises [Corden (1974), Martin and Page (1983) and Tybout (1992)]. A second argument is that increasing returns to scale imply lower costs per unit as output increases [Pack (1988) and Tybout (1992)]. Finally, greater openness may accelerate adoption of technological innovations originating in industrial countries leading to more investment in product development. There has, however, been no clear confirmation of the hypothesis that countries with an outward orientation benefit from greater growth in productivity in the component sectors of manufacturing when combined with the small static costs of protection, this finding leaves those with a predilection towards a neutral trade regime in a quandary.

Liberalisation especially trade liberalisation, directly affects both export and import performance. Protective policies penalise a country's export because of at least two reasons. Due to reductions in competitive pressure, a certain degree of inefficiency is introduced in domestic production. This renders exports uncompetitive in the foreign market. Moreover, the lack of access to imported inputs also works against exporters, since the same is a variable to producers in other countries.

Adopting an outward oriented trade policy results in reduction of biases against exporters and we should expect an improvement in the export performance. This is however, dependent upon an elastic export supply function: pressure of supply bottlenecks would continue to constrain export performance. Low export supply elasticity may be a result of infrastructure bottlenecks or shortage of specialised labour. The effect of trade liberalisation on export performance is therefore ambiguous. The effect of trade liberalisation on import is also ambiguous.

Import liberalisation would result in a greater access to imported inputs and technologies. Also, increased competition would force domestic producers to adopt cost reducing steps and should result in domestic industries becoming more competitive. If this happens import penetration would decrease. If, however, domestic industries do not become competitive and continue to be high cost industries, then import penetration may rise. Competitiveness of the import competing sector is the crucial factor in determining whether import penetration would rise or not.

In this research paper, we examine trade orientation of the registered manufacturing sector during 1994-95 and 2005-06. The period chosen corresponds to the time when lag effect argument of Economic Reforms can be tested. Now, we discuss issues relating to data and variables in export, import, export intensity, and import penetration of Indian industries.

### METHODOLOGY

To show trends in export and import annual growth rates have been calculated for 2 digit level industries. Export and import intensities have been calculated by dividing exports or imports by total output of the industry (= exports or imports / industry output). Apart from above measures, trade classification index is also being presented. The trade classification index, defined as net imports over domestic availability (imports-exports) / (production + imports – exports). According to the trade classification index, the exportable sectors are those for which  $TCI < 0$ , importable sectors are those for which  $0 \leq TCI \leq 0.8$  and the non-competing sectors are those with  $TCI > 0.8$  [Findlay and Garnaut (1986)].

### DATA AND ESTIMATION ISSUES

Data for the study pertaining to the registered manufacturing sector only are taken from the Annual Survey of Industries (ASI). The ASI follows the National Industrial Classification (NIC)<sup>1</sup>. According to this, each production unit is classified in an industry group on the basis of the value of the principal product manufactured by it. The coverage of the Annual Survey of Industries extends to all factories registered under the Factories Act. The ASI publishes annual data at disaggregated three-digit industry level for a number of variables. These include variables on capital (fixed and working), employment (workers, employees and total persons engaged), wages and emoluments, inputs consumed, value of output, depreciation, net value added, net and gross fixed capital formation, increase in stocks, gross capital formation and profits.

Gross output for 22 two-digit industry groups (ASI Code 15-36) pertaining to manufacturing industry is reported. As ASI does not provide exports and imports estimates, the data for imports and exports are taken from the Export-Import Data Bank, Directorate General of Commercial Intelligence and Statistics (DGCI), Government of India. Trade data is available in the ITC (HS) classification. Since, this is different than the NIC classification, a concordance between trade and

industry data has been prepared and trade data matched to the NIC categories (Appendix 1). Suitable deflators have been used to deflate the time series data. The wholesale price index (1993-94 = 100) for different sectors has been used for this purpose.

## TRADE ORIENTATION

A major reason for the low industrial growth can be attributed to the fact that foreign demand was low due to policy regime facing the manufacturing sector. In particular, protection from foreign competition and absence of a competitive domestic environment has resulted in inefficient high cost and low quality manufacturing industries. However, in recent years policy makers has recognised the importance of trade in the development. This is evident in the form of increased export and import intensity of Indian industries.

In a study undertaken by Das (2003) calculated import penetration ratios for 72 three digit industries in India. In his analysis, he found increase in the average level of import penetration in Indian industries in the post-reform period. According to his estimates, the average import penetration ratio for these 72 industries increases from 11 percent in the period 1986-90 to about 16 percent in the period 1996-2000. Pandey (2004) also found same results. He has calculated export intensity and import penetration in 2 digit level industries and found increase in both variables during 1990s.

Goldar and Rengnathan (2008) in an attempt determine relationship between import penetration ratio and capacity utilisation in India Industries. However, he found that between 1998-99 and 2003-04, there was an increase in the import penetration ratio in some industries, but in a large number of industries, there was a fall in the import penetration ratio. The average import penetration ratio in Indian Industries increased from about 9 percent in 1989-90 to 16 percent in 1998-99, but declined to about 14 percent in 2003-04.

In the table 1 annual growth rates of export at two digit industry level has been given. Exports of all manufacturing grew by 12.63, 13.19, and 14.76 percent during 1996-97 to 2000-01, 2000-01 to 2005-06 and 2005-06 to 2008-09 respectively.

**TABLE - 1: EXPORTS OF INDIAN INDUSTRY (CAGR IN %) (According to 2 Digit Classification of ASI)**

ASI Code	Commodity Name	1996-97 to 2000-01	2000-01 to 2005-06	2005-06 to 2008-09	2000-01 to 2008-09	1996-97 to 2008-09
15	Manufacture of Food Products and Beverages	-11.49	12.84	25.85	17.55	6.95
16	Manufacture of Tobacco Products	-4.81	4.42	25.48	11.87	6.01
17	Manufacture of Textiles	7.28	4.85	4.86	4.85	5.65
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	17.49	7.98	5.43	7.02	10.40
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	6.37	4.34	11.01	6.79	6.65
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	-7.53	21.24	14.20	18.55	9.13
21	Manufacture of Paper and Paper Products	17.47	15.52	7.24	12.34	14.03
22	Publishing, Printing and Reproduction of Recorded Media	-0.48	13.50	16.73	14.70	9.40
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	30.75	32.21	28.38	30.76	30.76
24	Manufacture of Chemicals and Products	11.05	16.52	14.80	15.87	14.25
25	Manufacture of Rubber and Plastic Products	16.35	21.30	3.11	14.13	14.87
26	Manufacture of Other Non-Metallic Mineral Products	16.43	13.88	9.88	12.36	13.70
27	Manufacture of Basic Metals	15.89	13.23	12.45	12.94	13.91
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	15.41	11.63	5.10	9.14	11.19
29	Manufacture of Machinery and Equipments N.E.C	11.73	16.51	20.87	18.13	15.96
30	Manufacture of Office, Accounting and Computing Machinery	NA	NA	NA	NA	NA
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	17.61	13.76	41.61	23.50	21.50
32	Manufacture of Radio, Television and Communication Equipments and Apparatus	NA	NA	NA	NA	NA
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	32.10	14.98	12.34	13.98	19.73
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	2.99	25.12	19.89	23.13	16.02
35	Manufacture of Other Transport Equipment	26.29	50.23	69.22	57.09	46.07
36	Manufacture of Furniture; Manufacturing N.E.C.	2.48	18.51	10.04	15.26	10.83
<b>Total</b>	<b>Total Manufacturing</b>	<b>12.63</b>	<b>13.19</b>	<b>14.76</b>	<b>13.77</b>	<b>13.39</b>

Source: Estimated from DGCI&S data.

While manufacture of food products and beverages, manufacture of tobacco products, manufacture of wood and products of wood and cork except furniture, manufacture of articles of straw and plating materials and publishing, printing and reproduction of recorded media showed negative growth during 1996-97 to 2000-01, other industry groups have shown positive growth in both half of the study period. 2000-01 to 2008-09 saw impressive growth rates of exports for the manufacturing sector. During this period, exports increased at a rate of more than 13 percent per annum. Manufacture of coke, refined petroleum products, nuclear fuel (30.76 percent) and manufacture of other transport equipment (57.09 percent) were the fastest growing exporting sector. Export performance of Indian industry is also measured by export intensity.

In the following table 2 export intensity has been presented. Export intensity measured as the ratio of exports to output, increased marginally for all manufacturing industries during 2000-01 to 2005-06. However, there was a significant increase in overall export intensity in the first half 1994-95 to 2000-01 where most of the individual industry groups witnessed increasing export intensity during this period. Our evidence suggests a clear change in the pattern of export intensity, consistent with the hypothesis that outward oriented trade policies remove the bias against exports, making them more competitive.

TABLE - 2: EXPORT INTENSITY IN MANUFACTURING INDUSTRY

ASI Code	Industry	1996-97	2000-01	2005-06
15	Manufacture of Food Products and Beverages	0.056	0.027	0.038
16	Manufacture of Tobacco Products	0.105	0.073	0.099
17	Manufacture of Textiles	0.263	0.243	0.236
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	1.630	1.849	1.753
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	0.915	0.938	0.838
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	0.075	0.073	0.094
21	Manufacture of Paper and Paper Products	0.030	0.044	0.073
22	Publishing, Printing and Reproduction of Recorded Media	0.023	0.028	0.037
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	0.046	0.112	0.178
24	Manufacture of Chemicals and Products	0.109	0.122	0.197
25	Manufacture of Rubber and Plastic Products	0.120	0.172	0.268
26	Manufacture of Other Non-Metallic Mineral Products	0.931	1.239	1.782
27	Manufacture of Basic Metals	0.095	0.142	0.163
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	0.049	0.072	0.062
29	Manufacture of Machinery and Equipments N.E.C	0.098	0.150	0.196
30	Manufacture of Office, Accounting and Computing Machinery	NA	NA	NA
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	0.145	0.218	0.181
32	Manufacture of Radio, Television and Communication Equipments and Apparatus	NA	NA	NA
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	0.121	0.260	0.323
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	0.097	0.103	0.122
35	Manufacture of Other Transport Equipment	0.009	0.023	0.088
36	Manufacture of Furniture; Manufacturing N.E.C.	0.111	0.091	0.061
	Total	0.166	0.206	0.225

Source: Estimated from ASI and DGCI&amp;S data.

Imports also grew throughout this period, the annual rate of growth being much higher during 2000-01 to 2005-06 and 2005-06 to 2008-09 as compared to earlier period. Import penetration, however, showed a slightly different trend as shown in table 4. Import intensity remained virtually constant for all manufacturing industries during 1996-97 to 2000-01. Roughly half the two digit industry groups had falling import intensity during this time period. Subsequently, there was an increase to 0.300 in 2005-06 from 0.219 in 2000-01. Within this 4 industry groups showed decrease, rests have shown increase in import intensity.

TABLE - 3: IMPORTS OF INDIAN INDUSTRIES (CAGR IN %) (According to 2 Digit Classification of ASI)

ASI Code	Commodity Name	1996-97 to 2000-01	2000-01 to 2005-06	2005-06 to 2008-09	2000-01 to 2008-09	1996-97 to 2008-09
15	Manufacture of Food Products and Beverages	3.50	27.58	-0.17	16.37	11.91
16	Manufacture of Tobacco Products	-9.23	25.20	4.24	16.88	7.43
17	Manufacture of Textiles	16.38	16.01	5.71	12.03	13.46
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	34.25	8.28	31.07	16.32	22.02
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	9.94	10.62	19.81	13.98	12.62
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	12.13	11.75	7.21	10.03	10.72
21	Manufacture of Paper and Paper Products	1.81	13.00	17.24	14.57	10.15
22	Publishing, Printing and Reproduction of Recorded Media	11.64	14.52	-2.23	7.92	9.15
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	4.58	13.52	22.31	16.74	12.53
24	Manufacture of Chemicals and Products	-0.13	18.75	31.04	23.21	14.88
25	Manufacture of Rubber and Plastic Products	2.00	25.10	16.76	21.91	14.87
26	Manufacture of Other Non-Metallic Mineral Products	30.11	11.21	20.76	14.70	19.62
27	Manufacture of Basic Metals	-7.46	21.03	14.04	18.36	9.04
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	10.78	19.95	22.41	20.86	17.40
29	Manufacture of Machinery and Equipments N.E.C	3.25	19.19	20.83	19.80	14.01
30	Manufacture of Office, Accounting and Computing Machinery	NA	NA	NA	NA	NA
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	20.86	31.65	20.24	27.25	25.08
32	Manufacture of Radio, Television and Communication Equipments and Apparatus	NA	NA	NA	NA	NA
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	20.84	18.67	17.30	18.15	19.04
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	-13.69	22.76	38.91	28.59	12.59
35	Manufacture of Other Transport Equipment	-4.01	62.32	7.06	38.87	22.78
36	Manufacture of Furniture; Manufacturing N.E.C.	13.28	27.08	21.01	24.77	20.82
Total	Total Manufacturing	8.66	18.34	20.25	19.05	15.48

Source: Estimated from DGCI&amp;S data.

It appears, therefore, that liberalisation affected the export and import competing sectors differently while the export sectors were becoming more competitive, the import competing sectors were not. Thus, as export intensity was increasing, import penetration was also increasing as in conformity of the results found by Pandey (2004).

TABLE - 4: IMPORT INTENSITY IN INDIAN INDUSTRY

ASI Code	Commodity Name	1996-97	2000-01	2005-06
15	Manufacture of Food Products and Beverages	0.005	0.004	0.012
16	Manufacture of Tobacco Products	0.003	0.002	0.006
17	Manufacture of Textiles	0.042	0.054	0.086
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	0.014	0.027	0.026
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	0.088	0.103	0.124
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	0.478	1.009	0.863
21	Manufacture of Paper and Paper Products	0.213	0.177	0.265
22	Publishing, Printing and Reproduction of Recorded Media	0.046	0.089	0.125
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	1.013	1.020	0.756
24	Manufacture of Chemicals and Products	0.169	0.123	0.219
25	Manufacture of Rubber and Plastic Products	0.180	0.152	0.277
26	Manufacture of Other Non-Metallic Mineral Products	0.716	1.486	1.898
27	Manufacture of Basic Metals	0.173	0.106	0.169
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	0.025	0.031	0.038
29	Manufacture of Machinery and Equipments N.E.C	0.398	0.444	0.651
30	Manufacture of Office, Accounting and Computing Machinery	0.000	0.000	0.000
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	0.269	0.452	0.777
32	Manufacture of Radio, Television and Communication Equipments and Apparatus	0.000	0.000	0.000
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	0.534	0.803	1.171
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	0.076	0.039	0.042
35	Manufacture of Other Transport Equipment	0.144	0.123	0.680
36	Manufacture of Furniture; Manufacturing N.E.C.	0.044	0.054	0.052
	Total	0.205	0.219	0.300

Source: Estimated from ASI & DGCI&S data.

#### TRADE CLASSIFICATION INDEX

An examination of manufacturing output according to the nature of market orientation shows a marginal change over the period. Industries having trade classification index (TCI) value  $TCI < 0$  are exportable sectors, importable are those for which  $0 \leq TCI \leq 0.8$  and the non-competing sector are those with  $TCI > 0.8$ . Throughout the period (1996-2006) non-competing industries formed very low share of the output and marginally increased to 2.05 percent in 2005-06 from 1.78 percent in 1996-97. During 1996-2001, the share of import competing industries fell drastically, while that of export promoting industries increased. After 2001, the share of the import competing industries shows an impressive growth. It is evident that outward oriented policy has diminished the importance of the non competing industries that cater exclusively to the domestic market.

TABLE - 5: TRADE CLASSIFICATION INDEX

	Share of Output			Annual Growth Rates		
	1996-97	2000-01	2005-06	1996-97 to 2000-01	2000-01 to 2005-06	1996-97 to 2005-06
Export Promoting	43.14	54.91	43.00	12.44	6.53	9.12
Import Competing	55.12	42.77	54.95	-0.65	17.62	9.12
Non-Competing	1.74	2.32	2.05	13.85	9.13	11.20
Total	100.00	100.00	100.00	5.86	11.87	9.16
Export competing/import competing	0.78	1.28	0.78	5.86	11.87	9.16

Source: Estimated from DGCI&S and ASI data.

#### CONCLUSIONS

We have examined trade orientation of the registered manufacturing sector of Indian industry during the 1990s and 2000s. Our findings confirm the accelerated rate of growth rates of exports and imports into 2000s. The following are the main points which emerged from the above analysis. Both exports and imports grew slowly during 1996-97 to 2000-01, picking up in the subsequent period. Export intensity continuously increased in all sub-periods for most industry groups. Import penetration also showed similar trends and increased to 0.300 in 2005-06 as compared 0.205 in 1994-95, although, there were wide differences among the industry groups. However, our results are in contrast to findings of the Goldar and Rengnathan (2008). Moreover, export and import penetration both increased during the period of the study, suggesting that while the relatively open policies during this period helped remove some biases against exports, it penalized the relatively inefficient import competing industries (Pandey 2004).

#### NOTES

<sup>1</sup>There are two sources of data for industrial production. One is the index of industrial production (IIP) and the other is National Accounts Statistics that is based on ASI data. While the IIP is available at monthly intervals, the NAS is published annually, but with a longer time lag. The IIP is available for 18 two-digit industry groups, as well as five use-based, three input-based and two sector-based categories. The source of the data used for the index is voluntary reporting of monthly output by firms with equipment investment of over ₹ 20 lakh in 1980. Small-scale firms are included in those industry groups where they dominate. The IIP is revised every ten years or so. The index is, however, plagued by incomplete coverage, and does not cover the unregistered manufacturing sector at all. Moreover, with the ease of controls on output and investment since the early 1980s, non-reporting may have gone up.

#### REFERENCES

- Corden, W. M. (1974), "Trade Policy and Economic Welfare", Clarendon Press, Oxford.
- Das, D.K. (2003). "Quantifying Trade Barriers: Has Protection Declined Substantially in Indian Manufacturing?" *Working Paper No. 105*, Indian Council for Research on International Economic Relations, New Delhi.
- Findlay, Christopher and Ross Garnaut (eds.) (1986), "The Political Economy of Manufacturing Protection: Experience of ASEAN and Australia", Allen and Unwin, Sydney.
- Goldar, B. & Renganathan, V. S. ( Sep. 2008), "Import Penetration and Capacity Utilisation in Indian Industries" *Working Paper Series No. E/293/2008*, Institute of Economic Growth, Delhi.

Martin, J.P. and J.M. Page Jr (1983), "Impact of Subsidies on LDC Industry: Theory and an Empirical Test", Review of Economics and Statistics, 65, 608-617.

Pack, H. (1988), "Industrialisation and Trade" in Chenery, H. and T. N. Srinivasan (ed.), Handbook of Development Economics, Amsterdam, North Holland.

Pandey, M. (2004), "Impact of Trade Liberalization in Manufacturing Industries in India in the 1980's and 1990's", Working Paper No. 140, ICRIER, New Delhi.

Roberts, M. and J.R. Tybout (1991), "Size Rationalization and Trade Exposure in Developing Countries", in Baldwin (ed.) Empirical Studies of Commercial Policy, University of Chicago Press for NBER.

## APPENDIX

## APPENDIX - 1: CONCORDANCE BETWEEN ASI AND TRADE DATA

ASI Code	Concordance between ASI and Trade Data (HS Code) Two Digit level	HS Code
15	Manufacture of Food Products and Beverages	16-23
16	Manufacture of Tobacco Products	24
17	Manufacture of Textiles	50-60
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	61-63
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	41-43, 64
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	44-46
21	Manufacture of Paper and Paper Products	47-48
22	Publishing, Printing and Reproduction of Recorded Media	49
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	27
24	Manufacture of Chemicals and Products	28-38
25	Manufacture of Rubber and Plastic Products	39-40
26	Manufacture of Other Non-Metallic Mineral Products	25-26, 68-71
27	Manufacture of Basic Metals	72-81
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	82-83
29	Manufacture of Machinery and Equipments N.E.C	84
30	Manufacture of Office, Accounting and Computing Machinery	NA
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	85

## APPENDIX - 2: TRADE CLASSIFICATION INDEX

ASI Code	Trade Classification Index	1996-97	2000-01	2003-04	2004-05	2005-06
15	Manufacture of Food Products and Beverages	-0.054	-0.023	-0.033	-0.014	-0.027
16	Manufacture of Tobacco Products	-0.114	-0.077	-0.094	-0.102	-0.103
17	Manufacture of Textiles	-0.284	-0.234	-0.215	-0.173	-0.175
18	Manufacture of Wearing Apparel Dressing and Dyeing of Fur	2.623	2.217	1.942	2.681	2.375
19	Tanning and Dressing of Leather Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	-4.771	-5.053	-4.622	-4.526	-2.504
20	Manufacture of Wood and Products of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials	0.287	0.483	0.457	0.468	0.435
21	Manufacture of Paper and Paper Products	0.155	0.118	0.149	0.145	0.161
22	Publishing, Printing and Reproduction of Recorded Media	0.022	0.058	0.077	0.084	0.080
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	0.492	0.476	0.328	0.345	0.366
24	Manufacture of Chemicals and Products	0.056	0.001	0.004	0.018	0.021
25	Manufacture of Rubber and Plastic Products	0.056	-0.020	-0.032	-0.047	0.009
26	Manufacture of Other Non-Metallic Mineral Products	-0.274	0.198	0.184	0.219	0.104
27	Manufacture of Basic Metals	0.072	-0.038	-0.049	-0.043	0.006
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments	-0.024	-0.042	-0.039	-0.026	-0.024
29	Manufacture of Machinery and Equipments N.E.C	0.231	0.227	0.271	0.283	0.313
30	Manufacture of Office, Accounting and Computing Machinery	Na	na	na	Na	na
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	0.111	0.189	0.379	0.417	0.374
32	Manufacture of Radio, Television and Communication Equipments and Apparatus	Na	na	na	Na	na
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	0.292	0.352	0.357	0.396	0.459
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	-0.022	-0.068	-0.077	-0.050	-0.086
35	Manufacture of Other Transport Equipment	0.119	0.090	0.251	0.236	0.372
36	Manufacture of Furniture; Manufacturing N.E.C.	-0.072	-0.038	-0.027	-0.024	-0.010
	Total	0.037	0.014	0.034	0.055	0.070

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **infoijrcm@gmail.com** or **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**