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Trend And Balance of Trade (BOT) Status of Foreign Trade of India: A Comparative Analysis of pre-and post – liberalisation era.

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ABSTRACT

Foreign trade or World trade means trade among different countries. J.S.Mill in his book titled “Principle of Economics” discussed that, “Setting asides its enabling countries to get commodities which they might not produce themselves, its advantages consist in additional efficient employment of the productive force of the planet.” Nowadays, International Trade known as “Engine of growth” for developing countries like our country. Foreign trade considered as a most vital economic factor of growth of the country. Before July 1991, India has closed economy but during July 1991 Government has announced economic reforms in India. The Economic policy reforms aimed at toward creating an environment within which export could increase at a quick pace, bring up India’s share during a world export and find an enduring solution to the balance of payment crisis. Liberalisation, globalisation and privatization came into light during economic reforms. Liberation deals with liberal the rule and regulation in the entry of private firms, while the globalisation deals with open the barriers to the whole world. The most important objective of this research paper is analysed the growth line and BOT status of foreign trade of India during pre & post economic reform era.(1949-50 to 2021-2022). To check the growth and BOT status of foreign trade of India, the secondary data has been used. To analysing the growth line and BOT status, during pre- and post-reform time, following statistical techniques are employed: Average, Mean, Maximum, Minimum, Median, Skewness, Percentage, Standard deviation, kurtosis, Annual rate of growth, compounded annual rate of growth (CARG), tables and graphs. Hypothesis was tested with the help of t-test. In a nutshell, result shows that Null hypothesis would be rejected ($P < t\text{-stat.}$) and alternative hypothesis(H_1) would be accepted, which indicates, that significant changed in growth and BOT status, during post-Liberalisation era. In the post reform era trade has been changed. Size of India's trade as well as composition of India’s trade has also been increased after economic reforms.

Keywords: liberalisation, Privatisation, Globalisation, Export, Import, Balance of Trade (BOT)

1.INTRODUCTION

Foreign trade or World trade means trade among different countries. J.S.Mill in his book titled “Principle of Economics” discussed that, “Setting asides its enabling countries to get commodities which they might not produce themselves, its advantages consist in additional efficient employment of the productive force of the planet.” Nowadays, International Trade

known as “Engine of growth” for developing countries like our country. Foreign trade may be considered as a most vital economic factor of growth of the country. In international trade, country rely on foreign trade not only to get domestically known availability of products but also for disposal of their products. The foremost advantage of foreign trade is to provide materials means capital goods, machinery, raw material, semi-finished goods which are indispensable for economic development. It's a vital source of technical knowledge, managerial talent and entrepreneurship. It's bringing an environment of healthy competition by checking monopolies and restrictive trade practices. It races the method of efficiency in production and provides necessary infrastructure. It's responsible for correct utilisation of resources and increase employment opportunities. It's facilitating economic development and provides harmonious relationship among the countries.

1.1 International trade of India during pre and post reforms era.

Foreign trade is one among the important mean for promoting economic process of the country through the creation of employment opportunities, raising income level, generating the domestic resources and augmenting exchange resources required for development. The foreign trade could be a stimulator of economic process and development for the expansion of developing countries. No country within the world is capable of manufacturing everything within its own boundaries that it requires for its development and advancement. It's only through for a rustic could obtain such goods and services but also for disposal of their surplus product. Sometimes, it's important for the Government of country to extend its trade with the opposite countries to extend the stock of foreign currency, with which it should purchase commodities which are scarce within the country.

Before July 1991, India has closed economy but during July 1991 Government has announced economic reforms in India. The Economic policy reforms aimed toward creating an environment within which export could increase at a quick pace bring up India's share during a world export and find an enduring solution to the balance of payment crisis. Liberalisation, globalisation and privatization came into light during economic reforms. Liberation deals with liberal the rule and regulation in the entry of private firms, while the globalisation deals with open the barriers to the whole world. In the post-reform era trade of India was significantly changed. Volume of India's trade as well as composition of India's trade has been also increased after economic reforms.

During post- liberalisation (Since July 1991) major export of the merchandise were chemicals, manufacturing goods textiles, precious and semi-precious stones and electronic goods. Whereas within the case of imports were involved Petroleum and Petro product, fertilisers, Sulphur manufactured product, chemicals organic and inorganic, iron and steels. Before Post liberalisation, India's exports were limited to OECD countries but after post-liberalisation periods exports were turn towards OPEC countries, East Europe, Developing countries, USA. Whereas just in case of India's import were limited to OECD countries but after post -liberalisation period, India's imports were turn towards OPEC countries, East Europe, Developing countries.

1.2 GATT AND WTO:

In 1947, GATT was signed by the 23 countries including India. The main purpose of GATT was to reduce discriminatory practices, unnecessary barriers of international trade and ensuring fair and equitable treatment of all members. In the Uruguay round GATT was converting into World trade Organisation (WTO) by the members of GATT.WTO agreement was signed by 104 members including India. On 30th Dec.1994 after ratifying the WTO agreement India become the founder member of WTO, which come into force from 1st Jan.1995.To fix and enforce rule for international trade and dispute settlement system are the strongest features of WTO as compared to GATT. The objectives of the WTO are same as those of GATT, i.e., raising standard of living & income, better economic condition,

increasing production level, trade and ensuring the best use of the world's resources. Now the WTO is the most significant organisation in international level which deals with the foundations and regulations of the trade among different Nations. The most important function of the WTO is to ensure that trade flows should be fairly and freely as possible.

2. REVIEW OF LITERATURE

Mitra (2006) Studied the “Impact of globalisation on SSI in India”. SSI contribution in relation to number of units, value of products produced, number of individuals employed and generating of revenue through export could not be ignored. To compete with the large firms both at the national and international level our small-scale industry must equip itself with the newest technology. Now Government should extend its all-round support to those small-scale enterprises in order that it can face the new challenges effectively and efficiently. **Chakravarthy and Srivastava (2007)** Studied the “Effect of environmental standards on India’s market assess.” The economic upsurge witnessed by many developing countries within the multilateral trade regime under the WTO has seen a group back in terms of imposition of environmental requirement as an import barrier for these countries, which limits their market assess opportunities. **Chakraborty (2007)** Studied the “India’s negotiations on trade and environmental issues at WTO.” The study discuss is a smaller amount than encouraging experience of developing countries in terms of trade negotiation in recent years and so proceeds to debate India’s position in terms of such negotiation at the WTO. **Rajesh k pilanina(2008)** concluded that India’s World Trade highly increased during last decade. **Anjani Kumar (2010)** Study that economic liberalization and policy reform are the most factor for market opportunities. **Purva Yadav (2012)** Concluded that the economic and political environment reform contributed a good amount of international marketplace. **Ramesh (2014)** Study depicts that the most objective of the developing countries by way of liberalization reform to improving the export performance of the country. **Shubhada (2014)** Suggested that the exchange reserve position of India and balance of payment failure thanks to the quantity of things. **Arjun Kafle (2017)** concluded that the use Opportunity and interchange earning increased because of international trade.

3. RESEARCH DESIGN

3.1 Need of the study:

With the growing concept of globalisation, liberalisation, privatisation, it becomes necessary to analyse the trends and issues governing foreign trade and balance of trade position of India, which is useful to improve the GDP of India.

3.2 Objective of the study:

The most important objective of this research paper is analysed the growth line and BOT status of foreign trade of India during pre - post economic reform era.(1949-50 to 2021-2022).

3.3 Scope of the study:

This research paper is expounded to analyse the Trend line and BOT status of foreign trade of India for a duration of 40 years before (1949-1950 to 1989-1990) and 31 years after (1990-1991 to 2021-2022) the post- liberalisation period. (1991-1992).

3.4 Hypothesis:

The following hypothesis are developed for the aim of testing:

Null Hypothesis (Ho): There is no significant change in the Trend line and BOT status in trade during pre- and post-reform era.

Alternative Hypothesis (Ha): There is significant change in the Trend line and BOT status in trade during pre- and post-reform era.

3.5 Research Methodology:

Research methodology could be a plan in step with which observations are made and data is assembled.

3.5.1 Data collection:

To check the growth line and BOT status in trade during pre- and post-reform era, the secondary data has been used. The secondary data has been collected from Various sources like economic survey of India, banking concern of India reports, foreign trade review, Indian journal of commerce, Indian journal of economics, Ministry of Commerce and industry (Various annual report of the related years), financial express (various issues), Economic and political weekly (different issues) and Various websites.

3.5.2 Statistical techniques used:

To analysing the growth line and BOT status in trade during pre- and post-reform era ,the following statistical techniques are employed: Average, Mean, Maximum, Minimum, Median, Skewness, Percentage, standard deviation, kurtosis, Annual rate of growth, Compounded annual rate of growth (CARG), tables and graphs. Hypothesis was tested with the help of t-test.

3.5.3 Limitation of this study:

Despite the best efforts the present study suffers from several limitations:

Firstly, most of the information given in the present study has been quoted from these Secondary sources which have their own limitation.

Secondly, to have a depth study of foreign trade more comprehensive data was required but limited data was received from various sources including various websites of Internet.

Thirdly, every research takes a particular span of time to complete but time has their own limitations. However, still all sincere efforts are made to make the study more meaningful and precise in nature.

4. ANALYSIS AND INTERPRETATION

Table: 4.1 Trend & Balance of Trade (BOT) of foreign trade of India during pre- liberalisation period. (1949-1950 to 1989-1990)

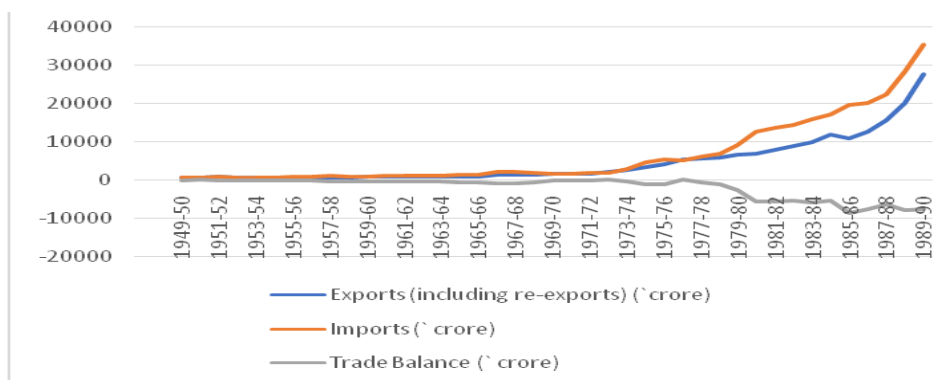
Year	Exports (including re-exports) (Crore)	Annual growth rate of export (%)	Imports (Crore)	Annual growth rate of import (%)	Trade Balance (crore)
1949-50	485	--	617	--	-132
1950-51	606	24.9	608	-1.5	-2
1951-52	716	18.2	890	46.4	-174
1952-53	578	-19.3	702	-21.1	-124
1953-54	531	-8.1	610	-13.1	-79
1954-55	593	11.7	700	14.8	-107
1955-56	609	2.7	774	10.6	-165
1956-57	605	-0.7	841	8.7	-236
1957-58	561	-7.3	1035	23.1	-474
1958-59	581	3.6	906	-12.5	-325
1959-60	640	10.2	961	6.1	-321
1960-61	642	0.3	1122	16.8	-480
1961-62	660	2.8	1090	-2.9	-430
1962-63	685	3.8	1131	3.8	-446
1963-64	793	15.8	1223	8.1	-430
1964-65	816	2.9	1349	10.3	-533
1965-66	810	-0.7	1409	4.4	-599
1966-67	1157	42.8	2078	47.5	-921
1967-68	1199	3.6	2008	-3.4	-809
1968-69	1358	13.3	1909	-4.9	-551
1969-70	1413	4.1	1582	-17.1	-169
1970-71	1535	8.6	1634	3.3	-99
1971-72	1608	4.8	1825	11.7	-217
1972-73	1971	22.6	1867	2.3	104
1973-74	2523	28	2955	58.3	-432
1974-75	3329	31.9	4519	52.9	-1190
1975-76	4036	21.2	5265	16.5	-1229
1976-77	5142	27.4	5074	-3.6	68
1977-78	5408	5.2	6020	18.6	-612
1978-79	5726	5.9	6811	13.1	-1085
1979-80	6418	12.1	9143	34.2	-2725
1980-81	6711	4.6	12549	37.3	-5838
1981-82	7806	16.3	13608	8.4	-5802
1982-83	8803	12.8	14293	5	-5490
1983-84	9771	11	15831	10.8	-6060

1984-85	11744	20.2	17134	8.2	-5390
1985-86	10895	-7.2	19658	14.7	-8763
1986-87	12452	14.3	20096	2.2	-7644
1987-88	15674	25.9	22244	10.7	-6570
1988-89	20232	29.1	28235	26.9	-8003
1989-90	27658	36.7	35328	25.1	-7670
CAGR	0.1063		0.1064		
CAGR (%)	10.63		10.64		

Source: www.dgcis.com

Table 4.1 shows trend & Balance of Trade (BOT) of foreign trade of India during pre-liberalisation period. (1949-1950 to 1989-1990). Table shows that during the year 1953-1954 minimum export and import were Rs. 531 crore and Rs 610 crores respectively. It's also depicting that maximum export were Rs 27,658 crores during the year 1989-1990, whereas import was Rs 35,328 crores during the year 1989-1990. It's depicting that the highest annual export growth rate was 42.8 % during the year 1966-67 whereas highest annual import growth rate was 58.3% during the year 1973-74. Highest annual export growth rate of downfall was -9.31% during the year 1952-53, whereas highest annual growth rate of imports downfall was -21.1% during the year 1952-53. Table depicts that highest negative balance of trade (BOT) position of India's were Rs -8003 crore during the year 1988-89 and highest positive balance of trade position of India's were Rs 104 crore during the year 1972-73. CARG of export were 10.63%, whereas CARG of import were 10.64%. It shows that almost compound annual growth rate of export and import were same but Balance of trade (BOT) position of foreign trade of India almost were negative during the pre-liberalisation period.

Figure 4.1 Trend & Balance of Trade (BOT) of foreign trade of India during pre-liberalisation period. (1949-1950 to 1989-1990)



SOURCE: AUTHOR COMPLIANCE

Graph 4.1 depicts the Trend & Balance of Trade (BOT) of foreign trade of India during pre-liberalisation period. (1949-1950 to 1989-1990) Blue line indicates that trend line of India's export whereas red line indicates that trend line of India's import. Graph shows that imports and export grew but imports grew more faster in comparison to export. In the graph, silver-line shows that the trend-line of balance of trade position of India, which shows that almost negative balance since 1977-1978.

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Table 4.2: Trend & Balance of Trade (BOT) of foreign trade of India during post- liberalisation period. (1990-1991to 2021-2022)

Year	Exports (including re-exports) (crore)	Annual growth rate of export (%)	Imports (Crore)	Annual growth rate of import (%)	Trade Balance (crore)
1990-91	32553	17.7	43198	22.3	-10645
1991-92	44041	35.3	47851	10.8	-3810
1992-93	53688	21.9	63375	32.4	-9687
1993-94	69751	29.9	73101	15.3	-3350
1994-95	82674	18.5	89971	23.1	-7297
1995-96	106353	28.6	122678	36.4	-16325
1996-97	118817	11.7	138920	13.2	-20103
1997-98	130100	9.5	154176	11	-24076
1998-99	139752	7.4	178332	15.7	-38580
1999-00	159095	13.8	215529	20.9	-56434
2000-01	201356	26.6	228307	5.9	-26950
2001-02	209018	3.8	245200	7.4	-36182
2002-03	255137	22.1	297206	21.2	-42069
2003-04	293367	15	359108	20.8	-65741
2004-05	375340	27.9	501065	39.5	-12572
2005-06	456418	21.6	660409	31.8	-20399
2006-07	571779	25.3	840506	27.3	-26872
2007-08	655864	14.7	1012312	20.4	-35644
2008-09	840755	28.2	1374436	35.8	-53368
2009-10	845534	0.6	1363736	-0.8	-51820
2010-11	1136964	34.5	1683467	23.4	-54650
2011-12	1465959	28.9	2345463	39.3	-87950
2012-13	1634319	11.5	2669162	13.8	-1034843
2013-14	1905011	16.6	2715434	1.7	-81042
2014-15	1896348	-0.5	2737087	0.8	-84073
2015-16	1716384	-9.5	2490306	-9	-77392
2016-17	1849434	7.8	2577675	3.5	-72824
2017-18	1956515	5.8	3001033	16.4	-1044519
2018-19	2307726	18	3594675	19.8	-1286948
2019-20	2219854	-3.8	3360954	-6.5	-1141100
2020-21	2159043	-13.2	2915958	-2.7	-75691
2021-2022(April-Dec.) P*	2238821	49.3	3298495	68.6	-1059674
CAGR	0.1462		0.1501		
CAGR (%)	14.62		15.01		

Source: www.dgcis.com

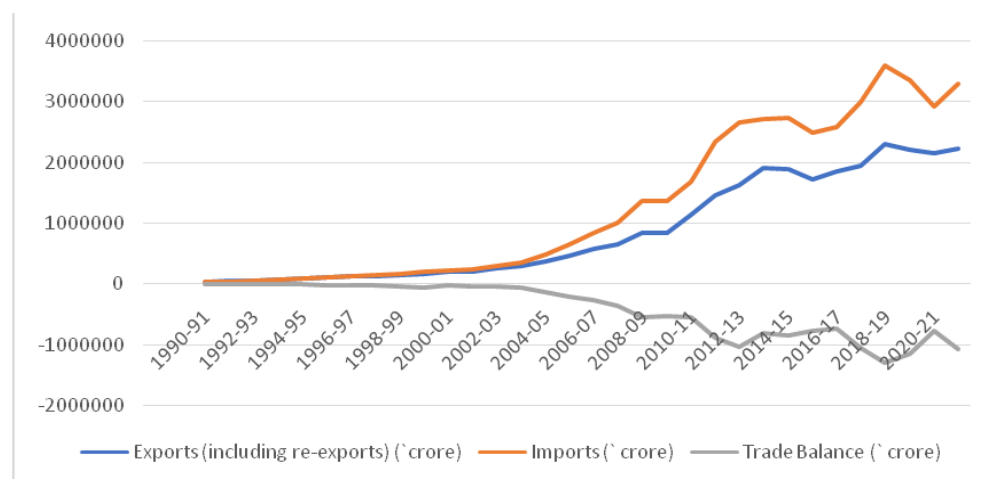
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Table 4.2: shows the growth and BOT status of foreign trade of India in post- liberalisation era.(1990-91 to 2021-2022). Trend & Balance of Trade (BOT) of foreign trade of India during post- liberalisation period. (1990-1991to 2021-2022) Table shows that during the year 1993-1994 minimum export and import were Rs 69,751 crore and Rs 73,101 crores respectively. It's also depicting that during the year 2018-2019 maximum export were Rs 23,07,726 crore and import were Rs 35,94,675 crores. Table shows that during the year 2021-22 highest annual export growth rates were 49.3% and highest annual import growth rate were 68.6%. It's depicting that highest export growth rate of downfall were -13.2 %during the year 2020-21, whereas highest import growth rate of downfall were-9% during the year 2015-16. Table depicts that highest negative balance of trade (BOT) position of India's were Rs -12,86,948 crore during the year 2018-19 and lowest negative balance of trade position of India's were Rs - 3810 crore during the year 1991-92. CARG of export were 14.62%, whereas CARG of import were15.01%. Its shows that CARG of imports were increasing in comparison to CARG of exports. That's why there was negative BOT status of international trade of India in post-liberalisation era.

Figure 4.2:Growth and BOT status of foreign trade of India in post - liberalisation era.(1990-91 to 2021-2022).



SOURCE: AUTHOR COMPLIANCE

Graph 4.2. depicts the Trend & Balance of Trade (BOT) of foreign trade of India during post-liberalisation period. (1990-1991 to 2021-2022). Blue line indicates that trend line of India's export whereas red line indicates that trend line of India's import. Graph shows that imports and export grew but imports grew more faster in comparison to export. In the graph silver-line shows that the balance of trade position of India, which shows that almost negative balance since 2003-2004. Silver-line also depicts that during 2019- 20 the balance of trade position of India is very critical position due to start corona virus.

Table 4.3: Data Description:

Variable	Exports before 1991	Exports after 1991	Imports before 1991	Imports after 1991
Average	4728	965431	6987	1422231
Mean	2305	558415	3257	761290
Min	531	69751	610	73101
Max	27658	2307726	35328	3594675
Standard deviation	6168	830063	8782	1250212

Median	1573	655864	1959	1012312
Skewness	2	0.403	2	0.374
Kurtosis	5	-1.569	2	-1.553

SOURCE: AUTHOR COMPLIANCE

Table 4.3 shows that average of India export before 1991 were Rs 4728 crores, whereas export after 1991 were Rs 9,65,431 crores, whereas in case of import before 1991 were Rs 6987 crore and after 1991 were Rs 14,22,231. Mean of India's export before 1991 were Rs 2305 crore and export were Rs 5,58, 415 crores after 1991. The Mean of import before 1991 were Rs 3257 crore and import were Rs 7,61,290 crore after 1991. Minimum of India export before 1991 were Rs 531 Crore and export after 1991 were Rs 69,751 crore. Minimum India's imports before 1991 were Rs 610 crore and after 1991 were Rs 73,101 crores. Maximum export before 1991 were Rs 27,658 crore and after 1991 were Rs 23,07,726 crores whereas in case of import before 1991 were Rs 35,328 crore and after 1991 were Rs 35,94,675 crores. Standard deviation of India's export before 1991 were Rs 6168 crore and after 1991 were Rs 8,30,063 crores, whereas import before 1991 were Rs 8782 crore and after 1991 were Rs 12,50,212 crores. Median of export before 1991 were Rs 1573 crore and after 1991 were Rs 6,55,864 crores, whereas median in case of import before 1991 were Rs 1959 crore and after 1991 were Rs 10,12,312 crores. The skewness of India's export before 1991 were 2 and after 1991 were 0.403 whereas in case of import, the skewness was before 1991 were 2 and after 1991 were 0.374. Kurtosis of India's export before 1991 were only 5 and after 1991 were -1.569, whereas in case of import, Kurtosis were 2 before 1991 and after 1991 were -1.553.

Testing of Hypothesis:

Hypothesis was tested with the help of following t-test.

Particular	t-stat.	P-value
Export of pre- and post-liberalisation period.	3.80	1.99*
Import of pre- and post-liberalisation period	6.93	1.99*
BOT position of India during pre and post - liberalisation period	3.68	1.99*
P-value at 95% confidence level($P < t\text{-stat.}$)		

Source: Author Description

It can be concluded that the t-stat. value of exports of pre- and post- liberalisation period were 3.80 which is greater than the p -value (1.99) at 95% confidence level, which indicates that there is a significant changing in exports of India's during post -liberalisation period. The t-stat. of Imports of pre and post liberalisation period were 6.93 which is greater than the p-value (1.99) at 95% confidence level, which indicates that there is significant changing in imports of post -liberalisation period. The t-stat. value of balance of trade position of India during pre and post liberalisation Period were 3.68, which is greater than the p-value (1.99) at 95% confidence level which indicate that there is significant changing in BOT status in post-liberalisation era. In a nutshell, result shows that our Null hypothesis will be rejected ($P < t\text{-stat.}$) and alternative hypothesis (H_a) will be accepted, which indicates, has significant changed in BOT status of foreign trade of India in post- Liberalisation era.

5.CONCLUSION AND SUGGESTION

It can be concluded that during the year 1953 -1954 minimum export and import were Rs. 531 crore and Rs 610 crores respectively. Highest annual export growth rate of downfall was -9.31% during the year 1952-53, whereas highest annual growth rate of imports downfall was -21.1% during the year 1952-53. Highest negative balance of trade (BOT) position of India's were Rs -8003 crore during the year 1988-89 and highest positive balance of trade position of India's were Rs 104 crore during the year 1972-73 .CARG of export were 10.63%, whereas CARG of import were 10.64%.It can be concluded that almost compound annual growth rate of export and import were same but Balance of trade(BOT) position of foreign trade of India almost were negative during pre-liberalisation era.

In addition, during the year 1993-1994 minimum export and import were Rs 69,751 crore and Rs 73,101 crores respectively. During the year 2021-22 highest annual export growth rates were 49.3% and highest annual import growth rate were 68.6%. Further it can be concluded that highest export growth rate of downfall were -13.2 % during the year 2020-21, whereas highest import growth rate of downfall were -9% during the year 2015-16.Highest negative balance of trade (BOT) position of India's were Rs -12,86,948 crore during the year 2018-19 and lowest negative balance of trade position of India's were Rs - 3810 crore during the year 1991-92. CARG of export were 14.62%, whereas CARG of import were 15.01%.its shows that CARG of imports were increasing in comparison to CARG of exports. That's why there was negative Balance of trade (BOT) position of foreign trade of India during post - reform era.

Further, outcome that average export before 1991 were Rs 4728 crores, whereas export after 1991 were Rs 9,65,431 crores, whereas in case of import before 1991 were Rs 6987 crore and after 1991 were Rs 14,22,231. Mean of India's export before 1991 were Rs 2305 crore and export were Rs 5,58, 415 crores after 1991.The Mean of import before 1991 were Rs 3257 crore and import were Rs 7,61,290 crore after 1991.Minimum of India export before 1991 were Rs 531 Crore and Export after 1991 were Rs 69,751 crore. Minimum India imports before 1991 were Rs 610 crore and after 1991 were Rs 73,101 crores. Maximum export before 1991 were Rs 27,658 crore and after 1991 were Rs 23,07,726 crores whereas in case of import before 1991 were Rs 35,328 crore and after 1991 were Rs 35,94,675 crores. Standard deviation of India's export before 1991 were Rs 6168 crore and after 1991 were Rs 8,30,063 crores, whereas import before 1991 were Rs 8782 crore and after 1991 were Rs 12,50,212 crores. Median of export before 1991 were Rs 1573 crore and after 1991 were Rs 6,55,864 crores, whereas median in case of import before 1991 were Rs 1959 crore and after 1991 were Rs 10,12,312 crores. The skewness of India's export before 1991 were 2 and after 1991 were 0.403 whereas in case of import, the skewness was before 1991 were 2 and after 1991 were 0.374. Kurtosis of India's export before 1991 were only 5 and after 1991 were -1.569, whereas in case of import, Kurtosis were 2 before 1991 and after 1991 were -1.553.

In addition, it can be concluded that the t-stat. value of exports of pre- and post-liberalisation period were 3.80 which is greater than the p -value (1.99) at 95% confidence level, which indicates that there is a significant changing in exports of India's during post - liberalisation period. The t-stat. of Imports of pre and post liberalisation period were 6.93 which is greater than the p-value (1.99) at 95% confidence level, which indicates that there is significant changing in imports of post -liberalisation period. The t-stat. value of balance of trade position of India during pre and post liberalisation Period were 3.68, which is greater than the p-value (1.99) at 95% confidence level which indicate that there is significant changing in BOT status in post-liberalisation era. In a nutshell, result shows that our Null hypothesis will be rejected ($P < t\text{-stat.}$) and alternative hypothesis(H_1) will be accepted, which indicates, has significant changed in BOT status of foreign trade of India in post-Liberalisation era.

In Nutshell, it can be concluded that there's significant changes in Import, Export and BOT status during pre & post- liberalisation period. Study shows that there's an increasing trend in Imports, exports ,during pre and post liberalisation period, but balance of trade (BOT) position of foreign trade of India shows negative balance year by year, due to increasing in imports compared to exports. After post -liberalisation period Imports and exports shows increasing trend, but balance of trade showing decreasing trends because of same reason, i.e., Imports were more compared to exports. Compared to pre -liberalisation period, exports were increased during post-liberalisation period because of economic reforms. Finally, it can be concluded that there's increasing trend in exports, Imports, but trend in balance of trade position always negative in pre and post -liberalisation period. It's happened because of excess of imports in comparison to export. GOI should think about what the main reason of excessive imports in comparison to exports. Government of India must have to take initiative to restriction on imports and should make policies, that will help to boost exports in future. The balance of trade of our country would be positive if we focus on excessive exports and control on imports, otherwise we've to face the problem of negative balance of trade as usual since independent. Special economic zones can also play role to boost exports. Government of India Should think about how international relation can be improved which will be helpful to boost exports.

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