

Value of Export and Import of All Minerals and Its Impact on Indian Economic Development in India

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Abstract

India is rich in minerals and however, the consumption of minerals and metal by Indians is low. This is general trend. This trend leads to low economic development. Hence a scientific economics study on the Indian foreign trade in minerals including the export and import is necessary to promote this venture and to frame a suitable mining policy. The present study aims at the total value of mineral export and import and its impact on Indian economic development. This study shows that to find out the causal relationship between various trade variables such as GDP and mineral export and import, regression analysis is used and the results shows that GDP and mineral exports has greater relationship. This means mineral export causes increase in India's GDP. Thus the India's mineral export highly advantages for the GDP and economic development.

KeyWords: Export, Import, Minerals and Economic Development

Introduction

Minerals continue to be an important source of foreign exchange earnings. The policy of export shall keep in view the mineral inventory position and the long term needs of the country. Efforts shall be made to export minerals in value added form as far as possible. Whenever it becomes necessary to export minerals and ores the strategy shall be to make such exports competitive. The indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals and metals.

The imports of mineral based material shall be co-ordinated as far as possible with the indigenous development of mineral based industries. Areas of co-operation with countries with complementary resource base shall be developed for mutual advantage. The basic approach shall be to make available to the mineral based materials to the domestic users at reasonable prices.

Statement of Problem

India is rich in minerals and however, the consumption of minerals and metal by Indians is low. This is general trend. This trend leads to low economic development. Hence a scientific economics study on the Indian foreign trade in minerals including the export and import is necessary to promote this venture and to frame a suitable mining policy. The present study aims at the total value of mineral export and import and its impact on Indian economic development.

Objectives of the Study

1. To study the export and import of all minerals in India.
2. To discuss about the value of export and import of all minerals in India and its impact on Indian economic development.

Methodology

The present study is an attempt to evaluate the export and import of all minerals and its impact on Indian economic development. The period of the study is from 2000-01 to 2020-21. The India is the Unit of

the study. Secondary data were made available from the Indian Bureau of Mines, Indian Mineral Year Book and various journals, books and websites. An attempt has been made to draw references by employing some of common research methods. Further the data collected are analysed and interpreted with the help of percentage, Average Annual Growth Rate, Compound Growth Rate and regression analysis.

Analysis and Interpretation

Value of Export and Import of all Minerals in India

Table 1 shows that in value of export and import of all minerals in India. In all the years from 2000-01 to 2020-21 value of export and import of all minerals is increase year after year.

Table: 1 – Value of Export and Import of All Minerals in India

(Rs. In Crores)

Year	GDP	Export Value of All Minerals	Import Value of All Minerals
2000-01	2348481	39928	1065321
2001-02	2474962	42948	1124815
2002-03	2570935	46618	117294
2003-04	2775749	49914	130078
2004-05	5092503	69374	182710
2005-06	5514228	79790	243839
2006-07	5958367	80931	305028
2007-08	6398295	95022	349507
2008-09	6674215	109296	514509
2009-10	7131836	127831	524830
2010-11	7704514	174370	669010
2011-12	8106946	175310	944430
2012-13	8546275	160101	1100800
2013-14	9063649	194784	1215827
2014-15	9712133	178019	1071733
2015-16	10491870	170946	738789
2016-17	11328285	200131	809445
2017-18	12034171	199469	1028529
2018-19	12744203	219168	1299186
2019-20	13271471	189683	1151530
2020-21	12453430	196654	791320
AAGR	9.58	8.68	7.75

Source: Indian Mineral Book, and RBI Bulletin, 2000-01 to 2020-21..

India's GDP is observed to have increased from Rs. 2348481 crores to Rs. 12453430 crores during 2000-01 and 2020-21 respectively. The annual average growth rate is worked out to be 9.58 per cent.

India's export value of all minerals is observed to have increased from Rs. 39,928 crores to Rs. 1,96,654 crores during 2000-01 and 2020-21 respectively. The year 2018-19 is the remarkable year when India's export value of all minerals reached Rs. 1,96,654 crores. The annual average growth rate is worked out to be 8.68 per cent.

India's import value of all minerals is observed to have increased from Rs. 1,06,532 crores to Rs. 7,91,320 crores during 2000-01 and 2020-21 respectively. The year 2018-19 is the remarkable year when India's import value of all minerals reached Rs. 12,99,186 crores. The annual average growth rate is worked out to be 7.75 per cent.

GDP, Mineral Export and Import and Economic Development

The major determining factor affecting the FDI and India's agricultural exports in India are analysed through multiple regression analysis. The main factor GDP, India's agricultural export and FDI will be considered. The estimated values are presented in Table 4.

Table: 4-Multiple Regression Analysis-FDI and GDP and India's Agricultural Exports
Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.944	0.890	0.878	1259229.810

a. Predictors: (Constant), Mineral Export and Import

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	231617091870725.560	2	115808545935362.780	73.035	.000 ^b
Residual	28541874875489.640	18	1585659715304.980		
Total	260158966746215.200	20			

a. Dependent Variable: GDP

b. Predictors: (Constant), Mineral Export and Import

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	668357.248	689131.733		.970	.345
Mineral Export	57.092	5.744	.988	9.940	.000
Mineral Import	-.684	.911	-.075	-0.750	.463

a. Dependent Variable: GDP

After estimating the regression, it has been found that the dependent variable, namely GDP is positive relationship and significant with a high R^2 value of 0.944 and also it has a significant 'F' value of 73.035. The 't' value is found significant at 5 per cent level in the variable FDI (9.940) and mineral import (-0.750). It implies that one-unit increase in this variable mineral export, the other things remaining =constant; it may lead to an increase of GDP is 57.092 units. But it implies that one-unit increase in this variable mineral import, the other things remaining constant; it may lead to decrease of GDP is 0.684 units.

This model said to explain the GDP influenced by the variables like India's mineral export. Hence, it is suggested that suitable policies may be formulated as regards the development of mineral export it will lead to increase the GDP in India.

Conclusion

To find out the causal relationship between various trade variables such as GDP and mineral export and import, regression analysis is used and the results show that GDP and mineral exports have a greater relationship. This means mineral export causes an increase in India's GDP. Thus the India's mineral export has highly advantages for the GDP and economic development.

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