AN ANALYSIS OF INDIAN IMPORTS AND THEIR IMPACT ON GDP AND THE ECONOMY

Project report submitted to the School of Maritime Management, Indian Maritime University in partial fulfilment for the requirements for the award of degree of

MASTERS OF BUSINESS ADMINISTRATION

In

PORT AND SHIPPING MANAGEMENT

Submitted by

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DECLARATION

I, **YOGESHWARAN.A, Reg. No.2303304038** student of **School of Maritime Management, Indian Maritime University**, pursuing **MBA in Port and Shipping Management** hereby declare that this submission of this project report titled **"An Analysis of Indian Imports and Their Impact on GDP and the Economy"**- has been prepared by me towards the partial fulfilment of the Master of Business Administration in International Transportation and Logistics Management under the supervision of **Dr. Emil Mathew** Associate Professor SMM, Indian Maritime University, Chennai Campus. I also declare that this project report is my original work and has not been copied from any other report previously submitted for the award of any degree, fellowship or other in the similar title.

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Date: 28/05/2025

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CERTIFICATE

This is to certify that the project report entitled "An Analysis of Indian Imports and Their Impact on GDP and the Economy" submitted to the School of Maritime Management, Indian Maritime University, Chennai Campus., in partial fulfilment for the award of the degree of Master of Business Administration (MBA) in Port and Shipping Management.

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ABSTRACT

This research will examine the composition, trends, and implications of Indian imports on the country's Gross Domestic Product (GDP) and general economic performance. As India continues to be integrated into the world economy, the level and pattern of its imports greatly influence domestic industries, employment, inflation, and trade balances. This study analyzes important import categories like crude oil, gold, electronics, and machinery and their direct and indirect contributions to economic growth and development. Using statistical analysis, trade data assessment, and correlation with GDP patterns, the study identifies how import reliance influences fiscal policies, industrial performance, and foreign exchange reserves. The research also examines the policy implications of India's import policy and recommends steps to improve import efficiency with less negative economic consequences. The research findings should prove useful to policymakers, economists, and international trade and development stakeholders.

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CHAPTER: 1

INTRODUCTION

1.1 INTRODUCTION

India, one of the fastest-growing emerging world economies, has witnessed far-reaching changes in the post-1947 period following its independence. One critical pillar of the growth process has been India's global trade connection, specifically in terms of imports. The direction, structure, and implications of imports have experienced patterns of transformation in terms that range over many decades, spanning dynamic changes in the domestic productive base of India, domestic consumption structures, external world economic processes, and national policies. A detailed analysis of Indian imports and their impact on the Indian economy offers valuable lessons on the path of development in the country, its vulnerabilities, and possible solutions for sustainable economic growth.

Imports are products and services bought from foreign nations. For India, a nation of a large population, a growing middle class, and rising industrial needs, imports play multiple crucial roles. They provide a link between home supply and demand, promote technological progress, introduce essential raw materials not plentiful in the country, and present consumers with greater variety. Meanwhile, excessive dependence on imports also creates serious challenges, such as trade deficits, exchange rate fluctuations, inflationary pressures, and reliance on foreign economies.

Knowing the history of India's import policy puts the current situation into perspective. During the post-independence period, India's economic policy was inward-oriented. The emphasis was on import substitution industrialization (ISI), under which the government attempted to minimize foreign dependence by developing indigenous industries. Tariffs were high, quantitative restrictions were imposed, and licensing was prevalent during this period. But by the late 1980s, India was compelled to change its approach due to recurring balance of payments problems, inefficiencies, and sluggish growth. The historic economic reforms of 1991 led to the opening up of the Indian economy to international competition. Tariff lines were reduced, non-tariff barriers came down, and a more liberal trade policy

was pursued. This change radically changed the dynamics of Indian imports in terms of both volume and structure.

Now, Indian imports are varied, from crude petroleum and gold to electronics, machinery, chemicals, and foodstuffs. Crude oil is the largest item in India's import bill, and it contributes a large share of India's trade deficit. Energy security is thus an issue of concern for policymakers. Likewise, gold import, which is mainly influenced by cultural demand and investment requirements, has important implications for India's current account balance.

The availability of import of machinery, capital goods, and technology inputs has beneficial effects on domestic industries through increased productivity, better product quality, and modernization. Industries like the automotive, telecom, pharmaceuticals, and electronics sectors have been favored by having access to better technology and components via imports. Import access also allows Indian industries to be competitive in the world market through cost containment and product quality.

Yet, the effect of imports on the Indian economy is a double-edged sword. Although imports stimulate consumer well-being and industrial development, excessive imports without matching growth in exports can be a cause for trade imbalances. A continuous trade deficit places downward pressure on the currency, causing the rupee to depreciate, and making imports dearer and driving inflation higher. In addition, some imports, particularly of completed consumer products, have the tendency to erode domestic industries through exposure to harsh competition, risking industrial stagnation and loss of employment in specific sectors.

Foreign exchange management is another field closely connected with India's import dynamics. Because imports are to be settled in foreign currencies, mainly U.S. dollars, sufficient reserves of foreign exchange become essential. Any steep increase in import bills, particularly because of fluctuating international oil prices, could put pressure on

reserves and warrant policy action in the form of import curbs, duty increases, or currency market interventions.

The government of India and the Reserve Bank of India (RBI) closely monitor and regulate imports to ensure economic stability. Policies such as import duties, anti-dumping measures, and licensing requirements are tools to manage the negative impacts while encouraging the import of goods that contribute positively to economic growth. Programs such as "Make in India," initiated in 2014, seek to enhance indigenous manufacturing capacities, thus curbing import dependency, generating employment, and enhancing India's position in global value chains.

Another aspect of the import phenomenon is its contribution to the framing of India's global economic relations. India's trade alliances with nations such as China, the United States, the United Arab Emirates, and Saudi Arabia are primarily characterized by import and export dynamics. Trade negotiations, Free Trade Agreements (FTAs), and regional trade blocs like the Regional Comprehensive Economic Partnership (RCEP) are shaped by India's strategic interests in managing its import requirements while safeguarding domestic industries.

A significant contemporary concern in India's import situation is the increasing reliance on China for a broad variety of goods, ranging from electronics and machinery to pharmaceuticals and intermediate commodities. This reliance has led to economic vulnerability concerns, especially when there are geopolitical tensions. The pandemic caused by COVID-19 highlighted the vulnerability of supply chains with high concentration further, and voices were raised demanding diversification of import sources and enhancing indigenous manufacturing capacities.

Environmental factors are also becoming more and more pertinent to India's import policies. Fossil fuel, plastic, and other environmentally degrading imports lead to ecological degradation and sustainability issues. In contrast, the import of green technologies, renewable energy equipment such as solar panels and wind turbines, is vital

for India's shift towards a low-carbon economy. Imports are therefore not just an economic issue but also an environmental issue.

The contribution of imports to inflationary processes is yet another area of importance. Being a country that imports commodities such as oil and agro-products, India is susceptible to price changes on the international front. An increase in international commodity prices tends to find its way into domestic inflation, impacting consumer budgets and general economic stability. It is therefore necessary for policymakers to reconcile the advantage of imports with the requirement for price stability.

India's dependence on imports also has important sectoral consequences. For example, the electronics industry is highly dependent on imported components, which emphasizes the importance of indigenous capacity building under programs such as the Production Linked Incentive (PLI) schemes. India imports edible oils, pulses, and fertilizers to supply domestic needs in agriculture. This dependence affects food security, agricultural policy, and rural livelihoods.

In the broader macroeconomic context, imports affect Gross Domestic Product (GDP) via the national income accounting identity. As imports are outlays on foreign-made goods and services, they are deducted when calculating GDP. Therefore, an increase in imports without a corresponding increase in exports or home production can potentially weaken GDP growth rates.

Financial markets are also responsive to import trends. For example, an expanding trade deficit can trigger capital flight, currency weakening, and stock market instability. Import statistics, particularly oil imports, are carefully monitored by investors as harbingers of economic well-being and policy makeups. Import-air creases-inflation-monetary policy-interest rate relationships are intricate and important.

Policy-wise, India has made numerous attempts to regulate its import profile. Attempts are being made for import substitution in critical areas like defense production, electronics, pharmaceuticals, and energy. The Atmanirbhar Bharat (Self-Reliant India) mission initiated

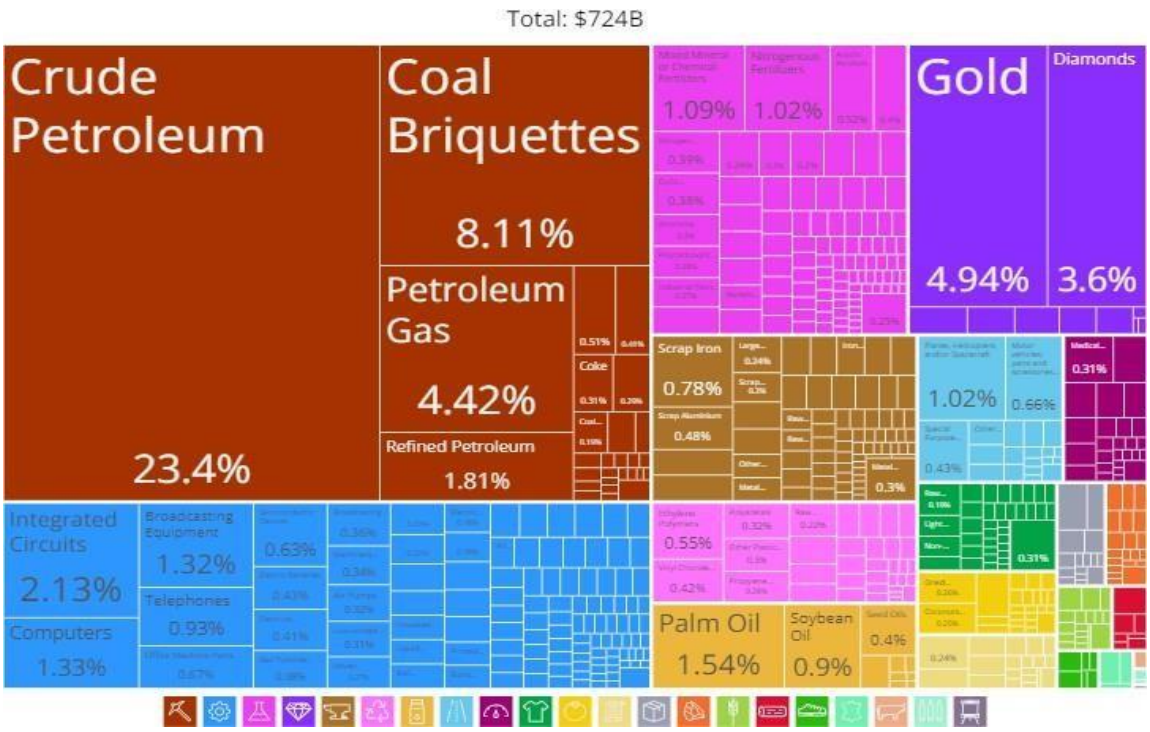
in 2020 is a sharp expression of the vision, aiming to build indigenous industries, increase resilience, and minimize critical dependencies.

But attaining a balanced import strategy is not easy. Complete self-reliance is neither possible nor even desirable in a globalized world. Rather, strategic management of imports, concentrating on areas of strategic importance while promoting competitive domestic industry, is the future direction. India's experience emphasizes the necessity of policies that take advantage of globalization benefits while minimizing risks.

It is also important to know the consumer behavior factor involved in the imports. The opening up of the economy and the increasing prosperity of the middle class have resulted in a demand explosion for import goods, especially luxury items, branded electronics, cars, and clothing. This indicates improving living standards but also creates apprehension regarding foreign exchange outflows and overlooking domestic industries.

In conclusion, imports play a multifaceted role in shaping the Indian economy. They contribute to industrial growth, technology advancement, consumer welfare, and economic integration with the global economy. Simultaneously, they present challenges in terms of trade deficits, inflationary pressures, currency management, and domestic industry protection. A deep appreciation of India's import dynamics is thus necessary for policymakers, businesspersons, and citizens in general as the country charts its journey to sustainable, inclusive, and resilient economic growth. An analysis of Indian imports and their implications not only exposes the intricacies of economic management but also identifies scope for strategic interventions, which can propel India towards higher self-reliance and global competitiveness.

1.2 INDIA'S IMPORT



Source: OEC World

1.2.1 Crude Petroleum (23.4%)

India's biggest import, crude petroleum, is required to satisfy the energy needs of the country, particularly in the transportation and generation of power. Its high dependence subjects the economy to volatility in the world price of oil.

1.2.2 Coal Briquettes (8.11%)

Coal is vital to India's thermal power plants as well as the manufacture of steel. Even with indigenous coal deposits, high-quality coal continues to be imported on a large scale.

1.2.3 Petroleum Gas (4.42%)

Used mainly for domestic cooking, heating, and industrial purposes, India imports liquefied petroleum gas (LPG) to fulfill the increasing household and commercial requirements.

1.2.4 Refined Petroleum (1.81%)

India imports refined petroleum despite possessing refining capacity for certain fuel types and grades not being produced locally in sufficient quantities.

1.2.5 Gold (4.94%)

Gold is imported predominantly for jewelry and investment. Festive and cultural demand render India one of the world's leading consumers of gold.

1.2.6 Diamonds (3.6%)

India re-exports rough diamonds that are cut and polished, and thus plays a significant role in international diamond trade.

1.2.7 Integrated Circuits (2.13%)

They are crucial for electronics production, such as mobile phones, computers, and industrial machinery. India is making efforts to build indigenous semiconductor capabilities.

1.2.8 Broadcasting Equipment (1.32%)

Comprises equipment such as television receivers and transmitters, which are imported to cater to the expanding consumer electronics industry.

1.2.9 Computers (1.33%)

With rising digitization, imports of laptops, desktops, and servers keep growing, particularly in education and IT industries.

1.2.10 Telephones (0.93%)

Mobile devices and smartphones account for an important share of consumer electronics imports, with China as the key source.

1.2.11 Palm Oil (1.54%)

The country imports the greatest quantity of edible oils, and palm oil finds intense usage for cooking and processed foods, supplied largely from Indonesia and Malaysia.

1.2.12 Soybean Oil (0.9%)

A vital cooking oil, soybean oil imports complement domestic production, particularly when local output is low.

1.2.13 Scrap Iron (0.78%)

Utilized in steel production and recycling, scrap iron minimizes raw material costs and environmental effects.

1.2.14 Mixed Mineral or Chemical Fertilizers (1.09%)

A critical input for the agricultural industry, imported fertilizers contribute to increasing crop yields throughout India's agricultural belts.

1.2.15 Nitrogenous Fertilizers (1.02%)

These imports are critical for food security, supporting India’s large agrarian economy by improving soil fertility.

1.3 INDIA'S MAJOR PORTS

As of now, India has 13 major ports, which are governed by the central government under the Ministry of Ports, Shipping and Waterways.

1.3.1 The list of the 13 major ports is as follows:

1. Kandla Port (Deendayal Port) – Gujarat
2. Mumbai Port – Maharashtra
3. JNPT (Jawaharlal Nehru Port) – Maharashtra
4. Mormugao Port – Goa
5. New Mangalore Port – Karnataka
6. Cochin Port – Kerala
7. Chennai Port – Tamil Nadu
8. Kamarajar Port (Ennore Port) – Tamil Nadu
9. Tuticorin Port (V.O. Chidambaranar Port) – Tamil Nadu
10. Visakhapatnam Port – Andhra Pradesh
11. Paradip Port – Odisha
12. Haldia Port – West Bengal
13. Kolkata Port (Syama Prasad Mookerjee Port) – West Bengal.

1.4 KEY FINDINGS:

India has seen a sharp increase in imports over the last decade. This study examines how the trends in imports have affected India's GDP (Gross Domestic Product) and overall economic well-being.

1.5 Objectives:

1. To examine the patterns of India's import volumes and structure during the last decade.
2. To determine the positive and negative impacts of these import trends on India's GDP.
3. To assess the wider implications of import dominance for the Indian economy.

1.6 SCOPE:

1. This research will analyze information regarding India's import volumes in different sectors over the last decade.
2. It will examine how these trends in imports have impacted India's GDP growth rate and its components such as consumption, investment, and government expenditure.
3. The study will investigate the possible negatives of excessive dependency on imports, such as the displacement of jobs, the strain on infrastructure, and the decline of domestic industries.

CHAPTER: 2

LITERATURE REVIEW

Literature review of Indian Imports and Its Impact on Indian Economy and GDP

2.1 Introduction

The process of globalization and liberalization has significantly altered India's trade dynamics, particularly its import trends. Over the last three decades, imports have played a vital role in shaping the Indian economy. A thorough review of existing literature reveals how various scholars and policymakers have analyzed these shifts. This chapter synthesizes academic research and empirical studies to understand the theoretical and practical implications of India's import trends on its economic growth and GDP.

2.2 Theoretical Framework

There are mixed perspectives from traditional economic theories regarding the contribution of imports to economic growth. Classical and neoclassical theories posit that imports enable nations to obtain goods and services either not available at home or can be produced more effectively elsewhere. Endogenous growth models contend that imports of capital goods, technology, and intermediate products can raise productivity, trigger innovation, and spur long-run economic growth. Yet, dependency theorists advise avoiding excessive reliance on imports, which can inhibit indigenous industry growth and create economic susceptibility.

2.3 Empirical Studies: Positive Impact of Imports on Indian Economy

Mishra (2012) applied time series analysis to test the association between imports and economic growth in India from 1970 to 2010. The research confirmed bidirectional causality between imports and GDP, implying that economic growth stimulates imports, which further enhance growth. In the same manner, Maitra (2020) confirmed the import-led growth hypothesis for India, indicating a long-run positive association between imports and GDP.

Chakrabarti (2016) highlighted the contribution of import of capital goods towards increasing productivity throughout the manufacturing industry. The study found that India's dependence on imported machinery, electronics, and IT infrastructure increased modernization, improving industrial output and GDP. Likewise, research by **Sharma** and **Dey (2017)** highlights the advantage of technology and knowledge transfer through good-quality imports.

2.4 Sectoral Impact of Imports

Rijesh (2021) examined the impact of capital goods imports on India's manufacturing exports. The research revealed a significant positive relationship between imported capital goods and enhanced export competitiveness in industries like chemicals, pharmaceuticals, and electronics. Such evidence supports the contention that strategic imports can be complementary to industrial growth.

Conversely, **Singh (2018)** cautioned that excessive dependence on Chinese imports, especially of electronics and chemicals, might bring structural vulnerabilities into domestic supply chains. The paper contended that though imports spur industrial demand, they might equally deter domestic innovation unless complemented by matching investment in R&D and skill acquisition.

2.5 Labor Market Outcomes and Income Inequality

The effect of imports on labor markets is also the focus of research. A paper by **Joshi and Patel (2020)** pointed out that industries competing with cheap imports, like textiles and consumer electronics, experienced job loss and wage compression. But industries that gained from imported technology, like IT and pharmaceuticals, experienced higher productivity and wages.

Additionally, **Roy (2023)** noted that while imports are likely to produce sector-specific employment benefits, they could increase income disparities if sufficient labor transition

arrangements are unavailable. The twofold effect on employment and wage forms calls for focused labor market interventions.

2.6 Trade Liberalization and Policy Shifts

Since economic reforms, which took place in 1991, India has opened up its trade, resulting in an exponential rise in import volumes. The Ministry of Commerce and Industry states that the import-to-GDP ratio of India rose from 8% in 1991 to more than 23% in 2022. The period of liberalization enabled India to find its place in global value chains, made it easier for access to high-quality raw materials, and ensured economic modernization.

Nonetheless, the past few years have seen a turn in trade policy towards Atmanirbhar Bharat (Self-Reliant India), promoting import substitution and domestic production. Researchers such as **Batra and Raghavan (2021)** point out that though such policies aim to minimize dependency, they could result in increased costs of production and impact competitiveness if not supplemented with sufficient capacity-building initiatives.

2.7 Global Economic Events and Import Trends

India's import patterns have proven to be sensitive to the shocks in global economies. The 2008 Global Financial Crisis (GFC) caused a short-term reversal in the level of imports as demand was curtailed and currency devalued. The COVID-19 crisis of 2020 drastically affected world supply chains, resulting in a sharp drop in imports, particularly in the energy, electronic, and automobile industries.

A study by **Menon (2021)** observes that even during these times, India's growth rate of GDP also declined sharply, pointing towards the economy's dependence on imported inputs. Recovery phases, though, witnessed a sharp revival in import demand, indicating resilience and backlogged industrial demand.

2.8 Inflation, Currency Fluctuations, and Import Sensitivity

Inflation and devaluation of currency have a direct effect on import quantities and prices. Research by **Narayan and Mishra (2019)** indicates that global increases in crude oil prices help push domestic inflation due to higher import bills. As a net importer of oil, India struggles to control its trade deficit and foreign exchange reserves when there are global commodity price increases.

In addition, currency depreciation increases the cost of imports, subjecting imported goods such as petroleum, electronics, and machinery to inflationary pressure. Alternatively, a depreciating rupee improves export competitiveness and hence partly balances out the adverse effects on GDP.

2.9 Sustainable Import Strategies

A number of scholars highlight the importance of having an even import policy strategy. India, as per **Kumar and Arora (2022),** should aim to diversify its sources of imports in order to mitigate geopolitical threats and maintain supply chain security. Import substitution policies must be followed by investments in R&D, skills development, and infrastructure upgradation to achieve long-term viability.

They also advise taking advantage of regional trade arrangements (RTAs) such as the Comprehensive Economic Partnership Agreement (CEPA) and cooperative frameworks such as the Quad and BRICS in negotiating good terms and diversifying channels of import.

2.10 Summary and Research Gap

Literature indicates that imports have enabling and constraining influences on India's economic development and GDP. Though they ensure access to essential goods, technology, and capital, over-reliance and uncertain global prices could be macroeconomic issues. Short-term effects receive considerable research attention, but additional in-depth

analysis is needed to examine the long-term structural change influenced by trends in imports.

Future studies should investigate sector-wise import elasticity, the influence of logistics and infrastructure, and the effect of digital trade on India's import environment.

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CHAPTER:3

INDIAN GDP AND ITS ECONOMY

3.1 INTRODUCTION TO INDIA'S GDP:

Gross Domestic Product (GDP) is one of the most important measures to assess the economic well-being of a country. It indicates the sum of money value of all goods and services produced in a country during a given time, usually expressed annually or quarterly. In India, GDP not only gives a numerical value of economic performance but also provides a framework through which policymakers, investors, and academics comprehend the structure and direction of the Indian economy. This chapter explores the Indian GDP and examines its influence on several dimensions of the Indian economy, such as employment, industrial growth, agricultural production, income distribution, inflation, and the standard of living.

India, being one of the world's fastest-growing big economies, experienced profound changes in the composition of its GDP ever since independence. From a growth model based primarily on agriculture to a service-dominated model of growth, the GDP of India underwent structural changes, particularly in the post-liberalization period from 1991 onwards. They have impacted the economic policies and development strategies and also the country's socio-economic landscape. Indian GDP growth is not merely a matter of figures it has a lot to do with poverty reduction, urbanization, infrastructure development, and the increase in education and healthcare services.

Its influence is felt across the entire socio-economic spectrum of society. Increasing GDP usually portends greater activity in business, the creation of employment, and heightened consumer sentiment. On the other hand, slowing growth of GDP could mean decreased industrial output, reduced levels of investment, and lower earning capacities for families and individuals. Hence, GDP becomes an indispensable signal for near-term economic movement and long-run strategy development.

Comprehending India's GDP also encompasses the examination of the main drivers of economic output, i.e., agriculture, industry, and services. All of these sectors react variably to global trends, governmental decisions, and domestic consumption. For instance, while

services such as IT, finance, and telecommunication have developed very quickly and have contributed significantly to GDP, agriculture continues to employ a large percentage of the population but contributes relatively less to overall GDP, indicating structural imbalances in the economy.

Moreover, in a globalized world, the Indian GDP is influenced by international factors such as trade dynamics, foreign direct investment (FDI), oil prices, and geopolitical developments. The interconnected nature of the global economy means that India's GDP performance also affects global investors' confidence and the country's position on the world economic stage.

Recent crises, such as the COVID-19 pandemic, geopolitical tensions, inflationary pressures, and global warming, have introduced new aspects to GDP analysis. These crises have disrupted conventional economic activity and compelled a rethink of growth strategy so that it is necessary to go beyond the mere GDP numbers and think about inclusive and sustainable models of growth.

In summary, a thorough analysis of Indian GDP, its historical development, and how it influences different sectors and areas of the Indian economy. Through the analysis of GDP trends and their meaning, we intend to create a better understanding of the opportunities and challenges that India will face while aiming to become a $5 trillion economy in the near future.

3.2 INDIA'S GDP VS REST OF THE WORLD

In the 21st century, India has become one of the leading players in the global economy, frequently being among the top ten largest economies globally in terms of nominal GDP and purchasing power parity (PPP). This chapter examines how India's GDP is in comparison with other leading economies like the United States, China, Japan, Germany, and the United Kingdom, giving a global overview of India's economic standing and influence.

India's nominal GDP surpassed $3.7 trillion in 2024 and it became the fifth-largest economy on the globe, overtaking that of the United Kingdom. In terms of purchasing power parity a measure that takes into account variations in cost of living India comes in third place on the globe, lagging only behind China and the United States. This suggests not only the huge amount of economic production India produces but also the enormous domestic market and workforce that fuel this performance. Though impressive in size, India's per capita GDP is much lower than many developed countries, highlighting issues such as income inequality, unemployment, and underdeveloped infrastructure.

The United States continues to be the world's economy leader by far, with nominal GDP of well over $26 trillion. The economy of its country is based on a well-developed services sector, very high productivity levels, highly advanced technology, and enormous consumer outlays. Its closest competitor in size is China, whose economy stands at roughly $17 trillion. Its fast-paced industrialization, huge exports, and astute government policies have aided it to expand at an eye-popping rate in the past decades. In contrast, Indian growth has been fueled mostly by domestic consumption, IT and service industries, and recent enhancements in manufacturing and infrastructure development.

Japan and Germany, technologically advanced and highly industrialized countries, are next in the rankings. Despite being smaller in population, their economies are high in GDP per capita and are world leaders in automobile production, electronics, and engineering. India, with its huge youth population and expanding middle class, enjoys a demographic advantage over these aging populations and is expected to be a major driver of future world economic growth.

While cross-GDP comparison, it's also important to look at economic structure, innovation, the ease of doing business, human development, and social indicators. For example, India continues to struggle with healthcare, education, and poverty reduction, sectors where leading Western economies have had more sustained progress. Yet India has come a long

way in digitalization, fin-tech, and start-up expansion, so it's an isolated instance of a developing economy rapidly closing the gap with developed economies in some industries.

India's global economic power is also expanding on multilateral forums like the G20, BRICS, and the World Trade Organization (WTO). Its GDP performance influences world trade flows, foreign direct investment, and geopolitical dynamics. As globalization gathers momentum, India's position as a manufacturing center, provider of services, and consumer market will keep expanding.

In summary, though India continues to fall behind the leading economies in absolute GDP and per capita income, it is progressively closing the gap through sustained growth, economic liberalization, and international integration. India's position in the world GDP scenario is essential to gauge its current position and future prospects as an economic superpower.

3.3 INDIAN IMPORTS VS INDIAN GDP (2014-2025):

From 2014 to 2025, the Indian economic scenario was driven by an evolving relationship between imports and Gross Domestic Product (GDP). This decade has seen major policy developments, economic transitions at the international level, and domestic challenges affecting the country's trade pattern and economic progress.

3.3.1 Trends in Imports and GDP (2014–2025)

India's import path over the last ten years is indicative of its changing economic interests and international engagements. In 2014, imports reached around $529 billion and represented 25.95% of GDP. This remained volatile, achieving a high in 2022 of $897.55 billion (26.76% of GDP) before falling to $850.64 billion (23.96% of GDP) in 2023.

The growth rate of GDP during this time also fluctuated. Although the economy grew strongly in the mid-2010s, growth eased to 5.4% year-on-year in July-September 2024,

mainly because of weak manufacturing performance. The outlook for 2024-25 is for a further easing to 6.4%, driven by global uncertainties and domestic factors.

3.3.2 Key Drivers of Import Growth

A number of factors have driven the increase in imports:

i) Dependence on Energy: India relies on imports of more than 80% of its crude oil needs, and therefore, its performance is sensitive to world oil price developments. Crude oil imports account for close to one-third of the nation's total merchandize imports during a year.

ii) Industrial Inputs: The sector's dependence on imported intermediates, particularly from nations such as China, has been considerable. Though there have been efforts to increase domestic production, imports of critical inputs have continued.

iii) Consumer Demand: Increased incomes and consumer tastes have driven higher imports of electronics, automobiles, and luxury items.

3.3.3 Policy Initiatives and Their Impact

The Indian government unveiled the "Make in India" program in 2014 to make the country a manufacturing global hub. Some of the target goals were enhancing the growth rate of the manufacturing sector, generating 100 million jobs, and bringing the share of the manufacturing sector in the GDP to 25% by 2022 (subsequently changed to 2025).

But the effort has been marred by setbacks. By 2023-24, the contribution of the manufacturing sector to GDP had fallen to 15.9% from 16.7% in 2013-14. Regulatory obstacles, infrastructure bottlenecks, and competition from abroad have been among the reasons holding back progress.

3.3.4 Trade Deficit and Economic Implications

India's trade deficit increased in recent years. Imports between April and December 2024 increased by 6.9% to $682.2 billion, while exports rose by 6% to $602.6 billion, leaving a trade deficit of $79.5 billion during that period.

A chronic trade deficit can put pressure on the foreign exchange reserves and current account balance. India's foreign exchange reserves, however, were strong at $640.3 billion by December 2024, with 90% of external debt covered.

3.3.5 Advantages of Imports

In spite of apprehensions, imports have brought numerous benefits:

i) Technology Access: Imports have enabled the flow of sophisticated technologies, boosting productivity and innovation in various sectors.

ii) Consumer Choice: With a wide variety of imported products, consumer options have increased to meet diverse preferences and requirements.

iii) Industrial Growth: Availability of good quality raw materials and components has facilitated industrial growth, particularly industries dependent on international supply chains.

3.3.6 Challenges and Crises

India's heavy reliance on imports, particularly for energy and critical components, exposes the economy to external shocks. Geopolitical tensions, global supply chain disruptions, and fluctuating commodity prices can adversely impact the trade balance and economic stability.

Additionally, the underperformance of domestic manufacturing has limited the country's ability to substitute imports with locally produced goods, perpetuating dependence on foreign suppliers.

3.3.7 Conclusion

The dynamic between imports and GDP in India between 2014 and 2025 reflects the intricacies of global integration and self-reliance. While imports have facilitated economic growth through access to necessary goods and technologies, they have also pointed to weaknesses in indigenous production capacities.

Meeting these challenges will necessitate a multi-faceted response, involving the improvement of domestic manufacturing competitiveness, diversification of energy sources, and increased innovation. Finding equilibrium between openness to international trade and strategic self-reliance will be the key to India's sustainable economic growth over the coming years.

3.4 HISTORICAL GDP AND GROWTH RATE OF INDIA (SINCE 2010):

FINANCIAL YEAR	GDP (US $ BILLION)	GDP PER CAPITA (US $)	GDP GROWTH (%)
2010-11	1675.6	1351	8.50%
2011-12	1823.0	1450	5.25%
2012-13	1827.6	1434	5.46%
2013-14	1856.7	1438	6.39%
2014-15	2039.1	1560	7.41%
2015-16	2103.6	1590	8.00%
2016-17	2294.8	1714	8.26%
2017-18	2651.5	1958	6.80%
2018-19	2702.9	1974	6.45%

2019-20	2835.6	2050	3.87%
2020-21	2671.6	1916	-5.78%
2021-22	3150.3	2250	9.69%
2022-23	3385.1	2366	6.99%
2023-24	3650.0 (est.)	2485(est.)	7.58% (est.)
2024-25	3910.0 (proj.)	2600(proj.)	7.00% (proj.)

https://www.mospi.gov.in

3.5 State-wise & UTs Projected GSDP for FY 2024-25

Rank	State/UT	Projected GSDP (₹ Lakh Crore)
1	Maharashtra	24.11
2	Tamil Nadu	15.71
3	Uttar Pradesh	14.23
4	Karnataka	14.23
5	West Bengal	9.04
6	Rajasthan	8.45
7	Andhra Pradesh	8.21
8	Telangana	7.93
9	Delhi	6.72

10	Madhya Pradesh	6.6
11	Kerala	6.35
12	Haryana	6.34
13	Odisha	5.21
14	Punjab	4.96
15	Bihar	4.65
16	Chhattisgarh	3.22
17	Assam	3.19
18	Jharkhand	2.85
19	Uttarakhand	2.5
20	Himachal Pradesh	2.0
21	Jammu & Kashmir	1.8
22	Tripura	0.5
23	Meghalaya	0.45
24	Manipur	0.4
25	Nagaland	0.35
26	Goa	0.3
27	Arunachal Pradesh	0.25
28	Mizoram	0.2

29	Sikkim	0.15
30	Puducherry	0.1
31	Chandigarh	0.08
32	Andaman & Nicobar	0.05
33	Dadra & Nagar Haveli	0.04
34	Ladakh	0.03
35	Lakshadweep	0.02
36	Daman & Diu	0.01

https://www.india.gov.in/website-directorate-economics-and-statistics

CHAPTER: 4

STATISTICS REPRESENTATION

4.1 India's Import of Top 50 Commodities over the Decade (INR)

All values are in ₹ lakh.

Financial Year	Price in ₹ lakh (Total of Top 50 Commodities)
2014-15	1,05,43,210
2015-16	97,24,580
2016-17	1,10,87,900
2017-18	1,28,43,560
2018-19	1,19,87,320
2019-20	1,34,75,000
2020-21	1,45,23,780
2021-22	1,37,98,650
2022-23	1,56,40,210
2023-24	1,62,70,540
2024-25	1,68,90,430

Source ; commerce.gov.in

Import data can be organized in different models based on the analysis desired.

Two typical methods are:

End-use Categories: This method classifies imports by their end use (e.g., consumer goods, capital goods). This makes analysis easier by concentrating on

broad categories.

Commodity-based Data: This method segments imports by individual products or materials. It provides a more detailed picture of import trends.

4.2 TOP IMPORTS OF INDIA (2024-2025):

Values in ₹ Crore				
S.No.	HSCode	Commodity	2024 - 2025 (Apr-Jan)	%Share
1	01	LIVE ANIMALS.	197.30	0.0039
2	02	MEAT AND EDIBLE MEAT OFFAL.	51.78	0.0010
3	03	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTABRATES.	1,560.42	0.0306
4	04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PROD. OF ANIMAL O...	307.09	0.0060
5	05	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED.	302.83	0.0059
6	06	LIVE TREES AND OTHER PLANTS; BULBS; ROOTS AND THE LIKE; CUT FLOWERS...	396.95	0.0078
7	07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	39,194.80	0.7692
8	08	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	34,367.73	0.6745
9	09	COFFEE, TEA, MATE AND SPICES.	9,517.76	0.1868
10	10	CEREALS.	2,867.50	0.0563

11	11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLU...	742.18	0.0146
12	12	OIL SEEDS AND OLEA. FRUITS; MISC. GRAINS, SEEDS AND FRUIT; INDUSTRI...	6,627.79	0.1301
13	13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS.	2,868.95	0.0563
14	14	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPEC...	921.64	0.0181
15	15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PRE....	127,278.54	2.4978
16	16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER ...	62.43	0.0012
17	17	SUGARS AND SUGAR CONFECTIONERY.	11,725.32	0.2301
18	18	COCOA AND COCOA PREPARATIONS.	6,687.42	0.1312
19	19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS PRODUCTS.	1,287.20	0.0253
20	20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS.	1,260.74	0.0247
21	21	MISCELLANEOUS EDIBLE PREPARATIONS.	1,625.49	0.0319
22	22	BEVERAGES, SPIRITS AND VINEGAR.	9,627.86	0.1889
23	23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODER.	4,896.29	0.0961

24	24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES.	803.75	0.0158
25	25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEM...	35,230.51	0.6914
26	26	ORES, SLAG AND ASH.	52,641.67	1.0331
27	27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BIT...	1,537,060.64	30.1644
28	28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS MET...	76,770.75	1.5066
29	29	ORGANIC CHEMICALS	189,992.12	3.7285
30	30	PHARMACEUTICAL PRODUCTS	20,842.30	0.4090
31	31	FERTILISERS.	61,709.33	1.2110
32	32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI. DYES, PIGMENTS ...	20,517.38	0.4026
33	33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARA...	9,812.70	0.1926
34	34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICAT...	10,662.45	0.2092
35	35	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES; ENZYMES.	6,755.25	0.1326

36	36	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHORIC ALLOYS; CERTA...	173.41	0.0034
37	37	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS.	1,693.61	0.0332
38	38	MISCELLANEOUS CHEMICAL PRODUCTS.	56,583.48	1.1104
39	39	PLASTIC AND ARTICLES THEREOF.	157,523.35	3.0913
40	40	RUBBER AND ARTICLES THEREOF.	33,067.11	0.6489
41	41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	2,939.94	0.0577
42	42	ARTICLES OF LEATHER,SADDLERY AND HARNESS;TRAVEL GOODS, HANDBAGS AND...	3,541.53	0.0695
43	43	FURSKINS AND ARTIFICIAL FUR, MANUFACTURES THEREOF.	47.52	0.0009
44	44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL.	18,869.87	0.3703
45	45	CORK AND ARTICLES OF CORK.	87.71	0.0017
46	46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; B...	68.85	0.0014
47	47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; WASTE AND SCR...	23,212.22	0.4555
48	48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERB...	23,467.39	0.4605

49	49	PRINTED BOOKDS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRIN...	1,682.05	0.0330
50	50	SILK	1,276.60	0.0251
51	51	WOOL, FINE OR COARSE ANIMAL HAIR, HORSEHAIR YARN AND WOVEN FABRIC.	2,114.52	0.0415
52	52	COTTON.	10,208.75	0.2003
53	53	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOVEN FABRICS OF PAP...	4,916.69	0.0965
54	54	MAN-MADE FILAMENTS.	10,512.19	0.2063
55	55	MAN-MADE STAPLE FIBRES.	6,017.45	0.1181
56	56	WADDING, FELT AND NONWOVENS; SPACIAL YARNS; TWINE, CORDAGE, ROPES A...	3,354.17	0.0658
57	57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS.	1,256.67	0.0247
58	58	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LACE; TAPESTRIES; TR...	1,649.54	0.0324
59	59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ...	5,728.84	0.1124
60	60	KNITTED OR CROCHETED FABRICS.	6,245.02	0.1226
61	61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CORCHETED.	5,250.11	0.1030

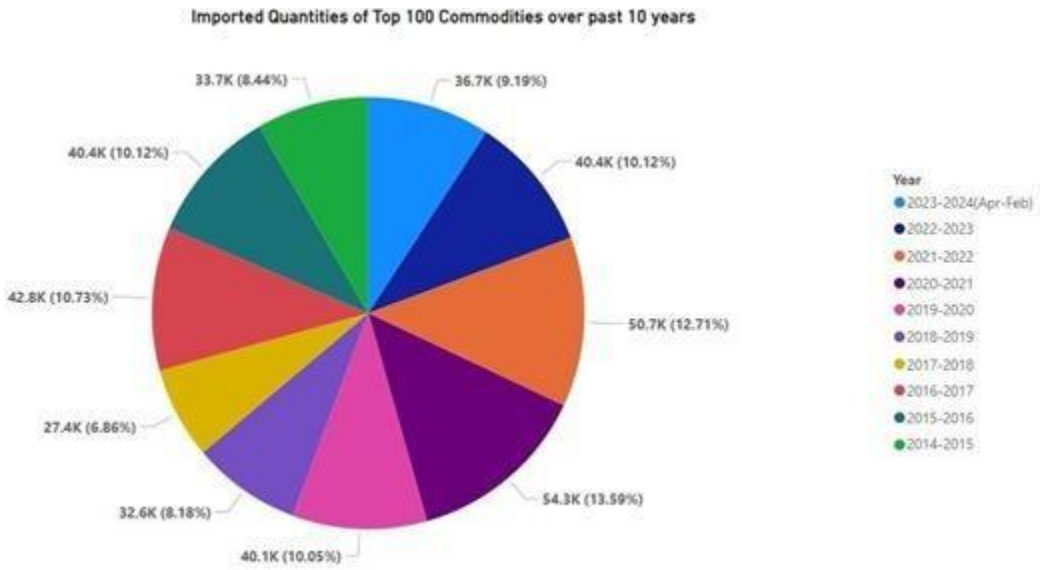
62	62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHE...	6,414.68	0.1259
63	63	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTIL...	4,543.71	0.0892
64	64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES.	5,085.12	0.0998
65	65	HEADGEAR AND PARTS THEREOF.	297.37	0.0058
66	66	UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS,RIDING...	393.30	0.0077
67	67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FEATHERS OR OF DOWN...	250.95	0.0049
68	68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATER...	7,644.69	0.1500
69	69	CERAMIC PRODUCTS.	6,710.65	0.1317
70	70	GLASS AND GLASSWARE.	15,027.23	0.2949
71	71	NATURAL OR CULTURED PEARLS,PRECIOUS OR SEMIPRECIOUS STONES,PRE.META...	640,551.57	12.5706
72	72	IRON AND STEEL	125,626.15	2.4654
73	73	ARTICLES OF IRON OR STEEL	36,909.80	0.7243
74	74	COPPER AND ARTICLES THEREOF.	75,884.55	1.4892

75	75	NICKEL AND ARTICLES THEREOF.	8,855.63	0.1738
76	76	ALUMINIUM AND ARTICLES THEREOF.	57,865.50	1.1356
77	77	LEAD AND ARTICLES THEREOF.	9,054.78	0.1777
78	78	ZINC AND ARTICLES THEREOF.	5,666.44	0.1112
79	79	TIN AND ARTICLES THEREOF.	3,425.78	0.0672
80	80	OTHER BASE METALS; CERMETS; ARTICLES THEREOF.	4,849.28	0.0952
81	81	TOOLS IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS T...	10,720.12	0.2104
82	82	MISCELLANEOUS ARTICLES OF BASE METAL.	9,014.73	0.1769
83	83	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PAR...	451,261.14	8.8559
84	84	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDE...	616,547.78	12.0996
85	85	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING-STOCK AND PARTS THEREOF; RA...	5,395.52	0.1059
86	86	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND...	58,104.76	1.1403
87	87	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF.	93,393.57	1.8328

88	88	SHIPS, BOATS AND FLOATING STRUCTURES.	31,332.86	0.6149
89	89	OPTICAL, PHOTOGRAPHIC CINEMATOGRAPHIC MEASURING, CHECKING PRECISION...	97,098.26	1.9055
90	90	CLOCKS AND WATCHES AND PARTS THEREOF.	4,757.01	0.0934
91	91	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES.	546.45	0.0107
92	92	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF.	1,704.38	0.0334
93	93	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIM...	12,214.59	0.2397
94	94	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF.	3,789.18	0.0744
95	95	MISCELLANEOUS MANUFACTURED ARTICLES.	4,881.06	0.0958
96	96	WORKS OF ART COLLECTORS' PIECES AND ANTIQUES.	2,502.55	0.0491
97	97	PROJECT GOODS; SOME SPECIAL USES.	8,586.86	0.1685
98	98	MISCELLANEOUS GOODS.	46.89	0.0009
			5,095,618.36	

Source; commerce.gov.in

4.3 IMPORT QUANTITIES OF TOP 100 COMMODITIES IN PAST DECADE:



The pie chart entitled "Imported Quantities of Top 100 Commodities over Last 10 Years" offers a graphic picture of the volumes of India's imports over the period of ten years from 2014–2015 to 2023–2024. The statistics portray an image of changing trends in import commodities that reflect economic changes, the effects of global trade, and fluctuation in domestic demand. The amounts are given in thousands of tons, and the contribution of each year is volume was seen in 2018–2019, at 54.3K tons, contributing 13.95% to the decade's total. This peak indicates a very high year for imports, perhaps due to increased domestic demand or economic growth, which boosted the demand for foreign products. The second-highest year was 2020–2021, at 50.7K tons (12.71%). Even though it was the height of the COVID-19 pandemic, this high importation may be due to necessary commodity imports like food and medicine, keeping national supply chains intact during a crisis.

Close behind were the years 2016–2017 and 2022–2023, each registering 42.8K tons (10.73%) and 40.4K tons (10.12%) respectively. These consistent import levels suggest a stable economic demand and a maturing trade system. Similarly, 2015–2016 and 2017–

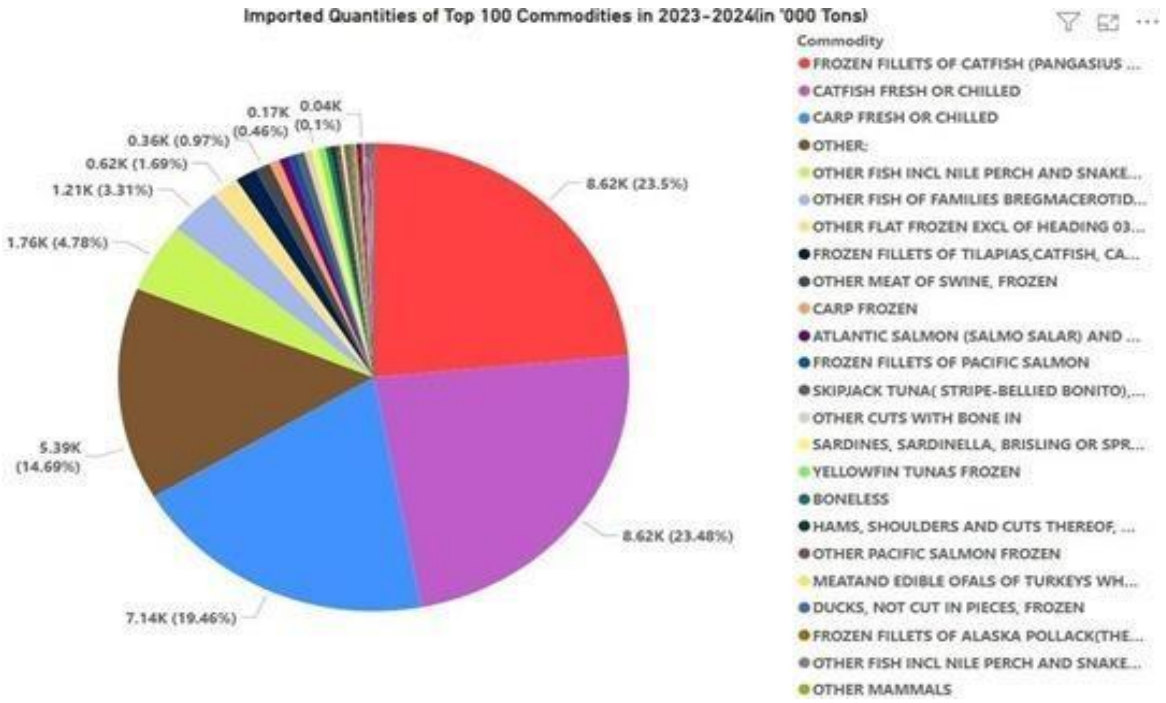
2018 each saw 40.1K and 40.4K tons respectively (both around 10.12% to 10.05%), further reinforcing the notion of steady import activity during the mid-decade period.

The lowest import volumes were seen during 2019–2020 and 2023–2024 (April–Feb), at 27.4K tons (6.86%) and 36.7K tons (9.19%) respectively. The decline in 2019–2020 could be due to the initial stages of the COVID-19 pandemic and worldwide lockdowns, which interrupted trade routes and slowed shipments. The present fiscal year 2023–2024, still ongoing, stands at 9.19% as of now, and could rise by the end of the fiscal cycle, subject to government policies and economic factors.

The pie chart also indicates 2014–2015, the first year in the dataset, with 33.7K tons (8.44%), and 2015–2016 with 32.6K tons (8.19%). These figures might be lower because there was a smaller base of imports and fewer diversified trade activities at the time. Nevertheless, the trend between the years 2014 to 2021 is upward for import volumes, which follows India's increasing population, urbanization, and industrialization.

Overall, this 10-year data illustrates how India's patterns of importing commodities have shifted in accordance with domestic economic circumstances, international occurrences such as the pandemic, and shifting consumption habits. The consistent rise in import volumes up to 2018–2019 and then fluctuation shows that even though India has grown more reliant on imported commodities, it is also vulnerable to international setbacks. The data can be utilized by policymakers to improve strategic reserves, advance local production, and diversify sources of imports in order to promote supply chain resilience and economic stability.

4.4 IMPORT OF TOP 100 COMMODITIES IN 2023-2024:



SOURCE: commerce.gov.in

The pie chart labeled as "Imported Quantities of Top 100 Commodities in 2023–2024 (in '000 Tons)" offers an overall analysis of the top imported food commodities by quantity, given in thousands of tons. The chart presents evidence of the prevalence of seafood, especially kinds of fish, in India's import list. This information not only indicates India's consumption patterns but also its dependence on foreign sources for fulfilling the increasing domestic demand for seafood and processed meat products.

The highest imported item is "Frozen Fillets of Catfish (Pangasius)" at 8.62K tons, which constitutes 23.5% of overall imports. This high percentage indicates the popularity of Pangasius, a cheap and commonly consumed fish in the Indian market. In its close wake comes "Catfish Fresh or Chilled," also tallying 8.62K tons (23.48%). Combined, these two types alone account for almost 47% of all the imports, highlighting a major dependence on catfish in various forms. This speaks volumes for the popularity of catfish based on its price, taste, and ease of cooking.

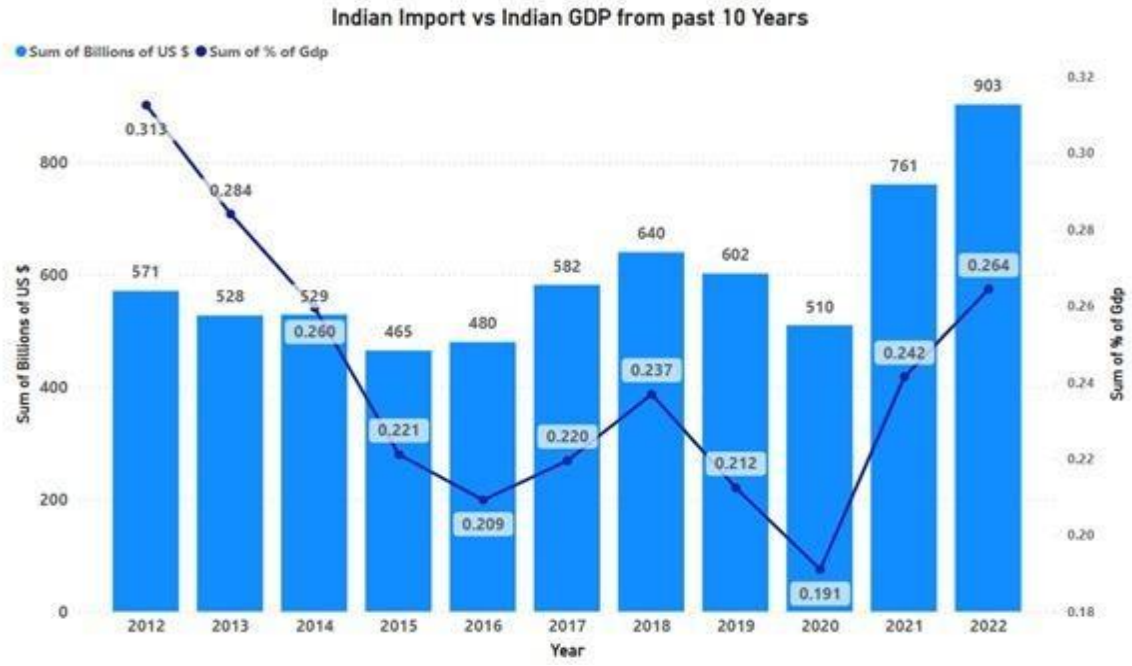
The third highest imported commodity is "Carp Fresh or Chilled," at 7.14K tons (19.46%), another freshwater species widely consumed throughout different Indian states. In addition to this, "Other Fish including Nile Perch and Snakehead" follows next at 3.64K tons (9.93%), indicating the widespread consumption of a range of large freshwater fish species.

Interestingly, aside from the leading categories, there remains significant demand for a variety of fish and meat types. These are "Other Flat Frozen Fish" (1.76K tons), "Other Frozen Fillets of Tilapia, Catfish, Carp, etc." (1.62K tons), and "Carp Frozen" (1.69K tons), each accounting for between 3% and 5% of total imports. These statistics indicate that India has a diversified seafood import basket to serve various regional tastes and dietary preferences.

Some of the other key commodities are "Atlantic Salmon" (0.62K tons), "Frozen Fillets of Pacific Salmon" (0.63K tons), and "Yellow fin Tuna Frozen" (0.56K tons), which combined account for a smaller but notable portion of the import basket. These premium types of fish are typically imported to meet the increased demand from cities, upscale restaurants, and health-oriented consumers.

Furthermore, items such as "Hams, Shoulders and Cuts Thereof" (0.36K tons), "Ducks, Not Cut in Pieces" (0.17K tons), and "Boneless" meat (0.36K tons) indicate that exotic and processed meats are slowly making their way into the Indian market, an indicator of shifting eating habits, rising disposable incomes, and western cuisine influences. In all, the pie chart data unequivocally shows that fish, especially catfish and carp, are the pillars of India's imported food items. The dependence on foreign fish species points to either a shortage of domestic aquaculture supply or consumer demand for certain imported species. This data may be vital for domestic producers, policymakers, and investors to enhance India's self-sufficiency in aquaculture and meat processing by increasing local production and minimizing import reliance in the long term.

4.5 INDIAN IMPORT VS INDIAN GDP:



SOURCE: https://www.thehindu.com/

The graph labeled "Indian Import vs Indian GDP from past 10 Years" gives a comparison of India's import volumes in billions of USD and the relative percentage share of imports in India's GDP during the period of 2012 to 2022. Blue bars give the total imports in billions of USD, and blue line graph shows the percentage of GDP these imports represent. This graphical information indicates trends and patterns in India's foreign trade and economic reliance across a decade. India imported $571 billion worth of goods in 2012, which was the greatest proportion of GDP at 0.313 or 31.3%. This was then followed by a steady downward trend for the next few years in terms of import value as well as proportion of GDP. Between 2013 and 2014, import values fell to $528 billion and $520 billion respectively, with the GDP percentage also falling to 0.284 and 0.260. This decrease reflects a relative fall in reliance on imports as part of economic activity, potentially as a result of policy interventions, decreased commodity prices, or emphasis on domestic production.

The rebound trend continued up to 2016, when imports were a low of $465 billion, only reaching 20.9% of GDP. This represents a ten-year low in import-to-GDP ratio, either highlighting economic slowdowns or effective rebounding efforts aimed at replacing imports with domestically sourced alternatives. But since 2017, India has seen a rebound in its import values to $582 billion in 2017 and a high of $640 billion in 2018. This increase was coupled with a brief recovery in the GDP share of imports to 0.237 in 2018, before declining to 0.212 in 2019.

The greatest fall was in 2020, when the imports fell to $510 billion, and the GDP percentage fell sharply to 0.191. This was probably because of the worldwide effect of the COVID-19 pandemic, which affected trade, production, and consumption globally. Yet, post-pandemic recovery was strong, with a sharp rise in imports to $761 billion in 2021 and a further increase to $903 billion in 2022. The proportion of GDP also recovered to 0.242 in 2021 and again to 0.264 in 2022, representing an upsurge in trade activity and economic demand.

Overall, the figures depict how external and internal occurrences affect a nation's import trends and its respective contribution to GDP. Though India has seen periods of lowered dependency on imports, the sudden acceleration in recent times indicates growing demands for foreign merchandise, raw materials, and technology, representing growth prospects and susceptibilities as well. The government will have to balance encouraging exports, building self-reliance through measures such as "Make in India," and keeping a lid on foreign exchange outflows. Understanding these trends is essential for policymakers, economists, and businesses to craft strategies that bring sustainable economic growth with a balanced trade position.

4.6 CRUDE OIL IMPORTS

4.6.1 India's Consumption Pattern of Crude Oil:

Higher economic growth and output are propelling the demand for oil for usage in production and transportation .It is expected that between FY23 at 223.0 million metric tons and FY40 at 500 million metric tons, crude oil consumption will grow at a CAGR of 4.59%. In barrel terms, India's petroleum consumption is anticipated to grow from 4.05 MBPD in FY22 to 7.2 MBPD in 2030 and 9.2 MBPD in 2050. The demand for diesel in India will double to 163 MT between 2029 -2030, and diesel and petrol will account for 58% of the country's total oil demand by 2045. The urbanization level and the rapid economic growth in the country make it certain that demand will never come down for a long period of time. Natural gas is expected to go up at 12.2% CAGR from 174 MCMPD in 2021 to reach 550 MCMPD in 2030. Indian refineries are slated to increase the capacity by 56 million metric tons per year (MTPA) up to 2028, enhancing the country's capacity to 310 MTPA. But India plans to double its oil refining capacity to 450–500 million metric tons by 2030.

4.6.2 Crude Oil Import Data: 2023-24

Let’s explore the table for crude oil import data of India:

India oil imports (Year)	Crude Oil Imports (MMT)	Import Bill (USD billion)	Import Dependence (%)
2022-2023	232.7	157.5	-
2023-2024	232.5	132.4	87.7

Source: https://ppac.gov.in

According to crude oil import statistics, India imported 232.5 million metric tons (MMT) of crude oil during the 2023–2024 financial year (April 2023 to March 2024), which is on par with the 232.7 MMT imported the previous year. However, the country's import bill fell to $132.4 billion from $157.5 billion in 2022–2023 a 16% fall. Lower foreign exchange rates were the reason behind this. In 2023–2024, India's dependence on foreign crude oil increased to 87.7%. India imported over 1.72 million b/d of crude oil from Russia in April 2024, the highest in nine months.

4.6.3 TOP 5 SUPPLIERS OF CRUDE OIL TO INDIA:

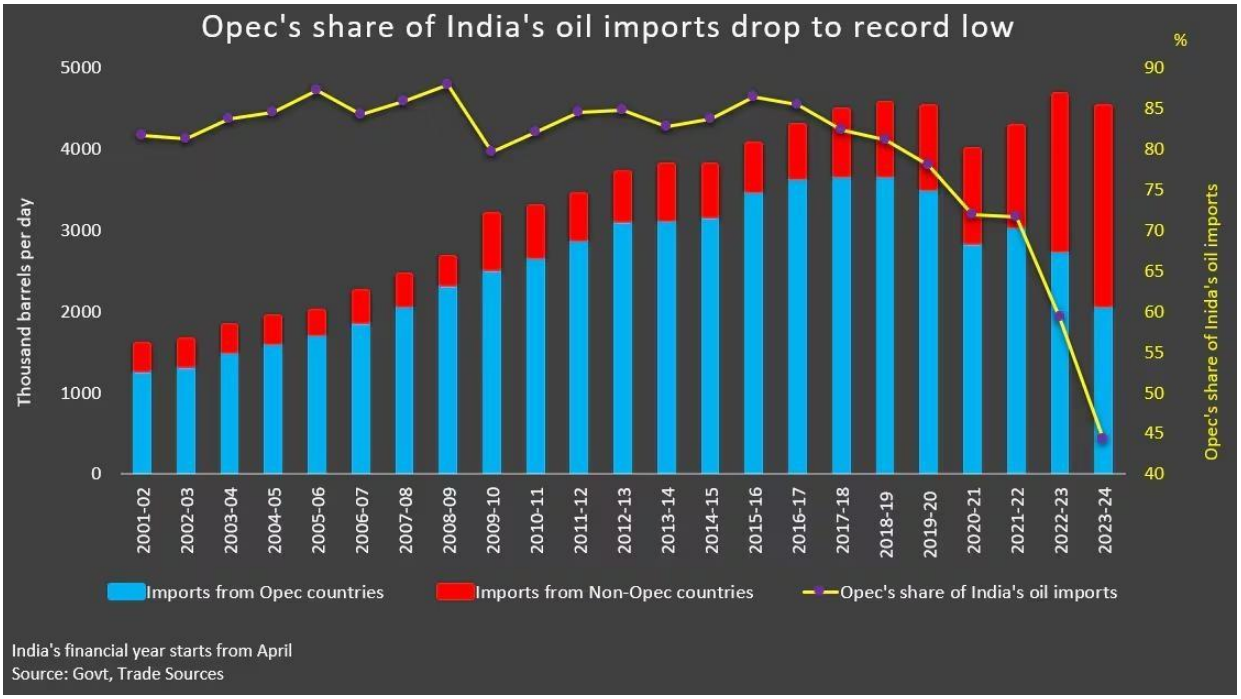
TOP-FIVE SUPPLIERS OF CRUDE OIL TO INDIA*

SUPPLYING NATION	OIL IMPORT VOLUME (million barrels)	OIL IMPORT VALUE ($ million)	AVG LANDED PRICE ($/barrel)	MARKET SHARE BY VOLUME
Russia	496.39	39587.81	79.75	24.2%
Iraq	431.77	38258.55	88.61	21%
Saudi Arabia	336.07	33086.99	98.45	16.4%
UAE	176.81	18100.4	102.37	8.6%
USA	122.97	11100.12	90.27	6%

Based on analysis of data from the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Ministry of Commerce, Government of India. **April 2022-May 2023*

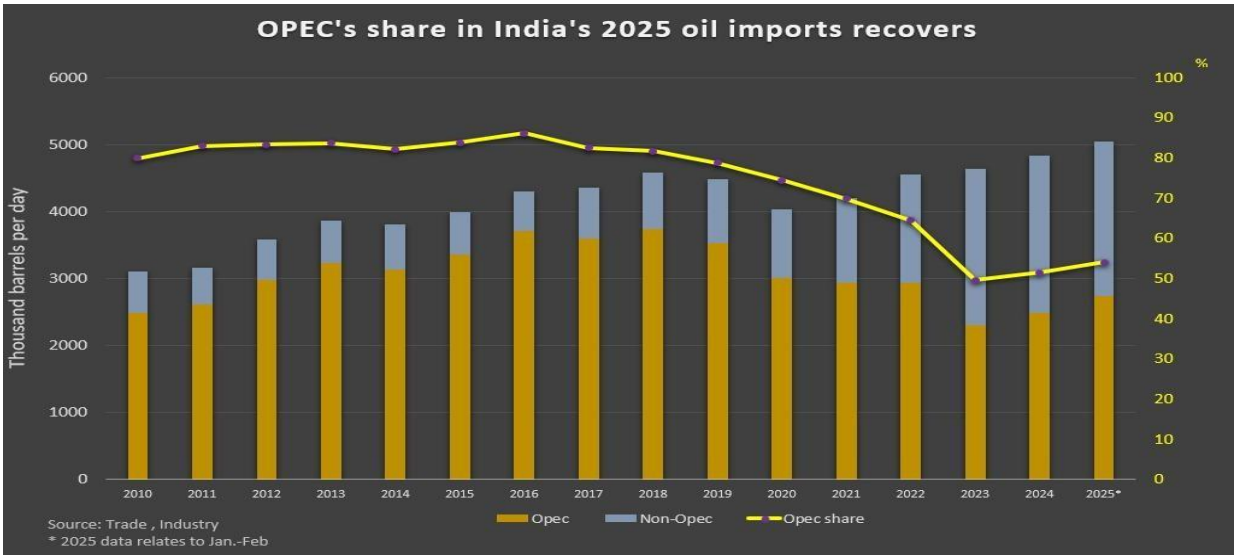
SOURCE: https://ppac.gov.in/

4.6.4 OPEC's SHARE OF INDIA's OIL IMPORT SINCE 2000's:



The graph shows the falling proportion of OPEC (Organization of the Petroleum Exporting Countries) in India's imports of oil, which have hit an all-time low during the financial year 2023-24. Previously, OPEC had been a major supplier of crude oil to India, but the trend now indicates a sharp switching towards non-OPEC nations. The blue bars are imports from the OPEC nations, and the red bars are imports from non-OPEC countries. Non-OPEC imports have risen consistently over the years, leading to a significant decline in OPEC's share, as indicated by the yellow line on the graph. This is due to India's strategic diversification to improve energy security and minimize dependence on OPEC. Competitive pricing, geopolitical stability, and the availability of new suppliers have led India to seek alternatives. This indicates India's aggressive strategy towards energy acquisition, providing stability and affordability to its import of oil.

4.6.5 OPEC SHARE OF OIL TO INDIA IN 2025:



Source: https://en.wikipedia.org/wiki/List_of_countries_by_oil_imports

The chart shows a turnaround in OPEC's market share of India's oil imports during early 2025, undoing the earlier downtrend. During 2010-2024, OPEC's contribution (in yellow) declined steadily as India shifted its oil imports towards non-OPEC nations (blue). Yet, the most recent available data for 2025 (as of February) show a pickup in OPEC's market share. This revival is seen in the rise of the yellow line, which represents OPEC's percentage contribution to India's overall imports of oil. The reasons for this revival can be attributed to competitive pricing, better diplomatic ties, and tactical shifts by OPEC to reappear on the market scene. India's increasing energy consumption needs can also have led to a rise in OPEC imports to stabilize supply routes. This change represents a possible re-balancing of India's import policy, indicating a new alliance with OPEC in the face of volatile global oil markets.

4.6.6 INDIA'S CRUDE OIL IMPORT BY PORTS:

India's crude oil importations are made possible by a number of major ports with specialized facilities:

- Vadinar Port (Gujarat): Imports for Indian Oil Corporation and Nayara Energy.
- Sikka Port (Gujarat): Captive port for Reliance Industries' Jamnagar refinery complex.
- Mundra Port (Gujarat): Owned by Adani Ports, linked through pipelines with Panipat and Bathinda refineries.
- Deendayal Port (Kandla, Gujarat): India's one of the oldest ports, specialises in crude oil imports.
- Haldia Dock Complex (West Bengal): Has three oil jetties that are liquid cargo dedicated.
- Visakhapatnam Port (Andhra Pradesh): Deals with various cargo such as crude oil.
- Paradip Port (Odisha): Deals with crude oil imports as well as other bulk cargo.

4.6.7 Top Crude Oil Suppliers to India (FY 2024–25)

India imported approximately 4.88 million barrels per day (bpd) of crude oil in FY 2024–25, reflecting a 5% increase from the previous year.

The distribution of imports by country was as follows:

COUNTRIES	PERCENTAGE %
Russia	36%
Iraq	22%
Saudi Arabia	14%
United Arab Emirates	5%
United States	4%
Others	19%

4.6.8 Top 10 Crude Oil Importing Countries:

Here is the list of the world's largest crude oil importers.

India Oil Imports (Top Rank)	Top 10 Crude Oil Importing Countries	Crude oil import data(100 barrel per day)
1	China	11325
2	Europe	8768
3	United states	6502
4	Other asia pacific	5794
5	India	4640
6	Japan	2521
7	Singapore	848
8	Canada	503
9	South central America	416
10	Other CIS	361

Source: https://en.wikipedia.org/wiki/List_of_countries_by_oil_imports

At about 13.7 million barrels per day, China imported more oil and its byproducts in 2023 than any other region in the world. With 12.8 million barrels per day, Europe was the second-largest importer, trailing closely behind.

4.6.9 Leading Crude Oil Importers in India

Here is the list of the biggest crude oil importers:

- Rosneft-backed Nayara Energy
- Reliance Industries (RIL)
- Indian Oil Corporation (IoC)
- Bharat Petroleum Corporation (BPCL)
- Hindustan Petroleum Corporation (HPCL)
- Oil and Natural Gas Corporation (ONGC)
- Bharat Oman Refinery Limited
- Chennai Petroleum Corporation Limited
- Adani Welspun Exploration Limited

1. Tata Petrone Limited

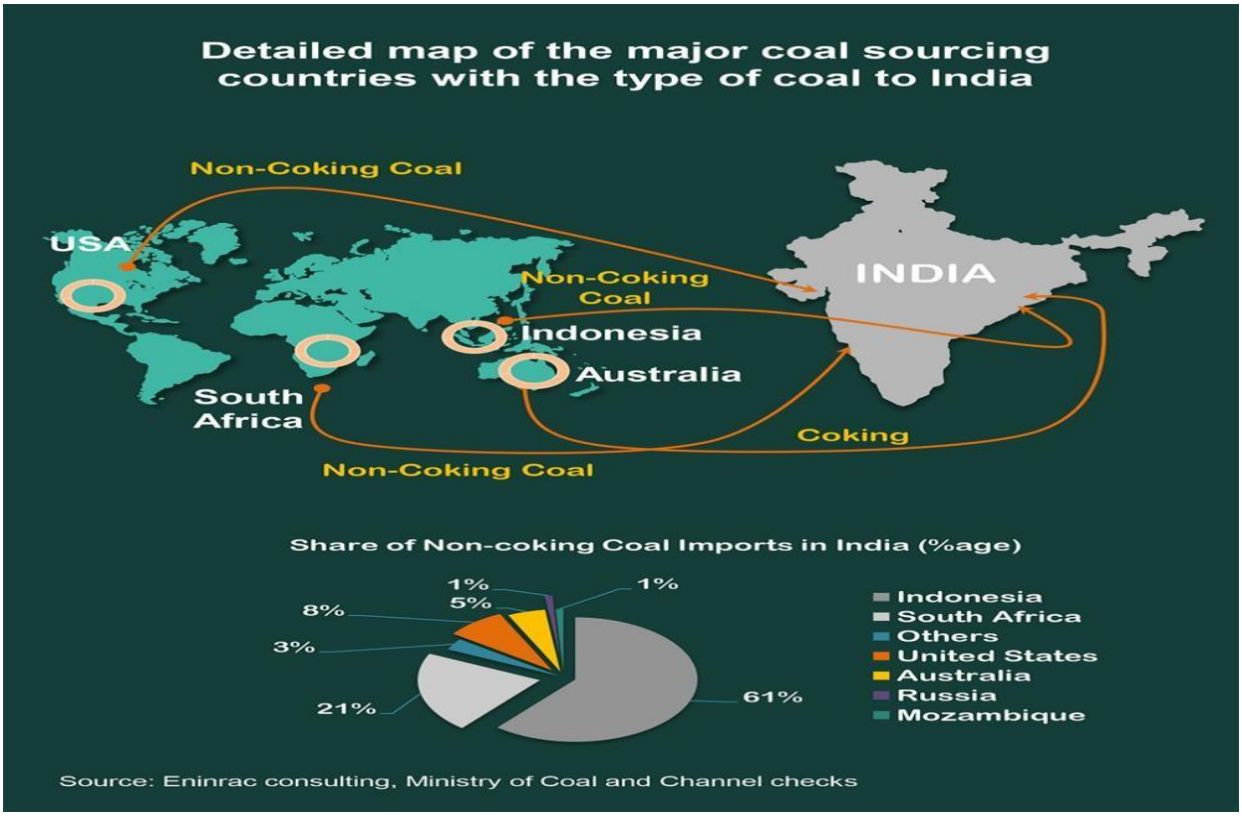
These importers of crude oil are all well-known for their dependable supply chains, high-quality goods, and substantial global reach.

4.7 TOP IMPORT PORTS:

PORT NAME	USD VALUE	SHIPMENTS	%
NHAVA SHEVA SEA	86647.89	9630954	16.48
DELHI AIR CARGO	65654.28	11694385	20.01
CHENNAI SEA	56683.00	5517321	9.44
MUNDRA SEA	38814.42	543127	0.93
CHENNAI AIR CARGO	34613.28	3429697	5.87
BOMBAY SEA	30739.88	157312	0.27

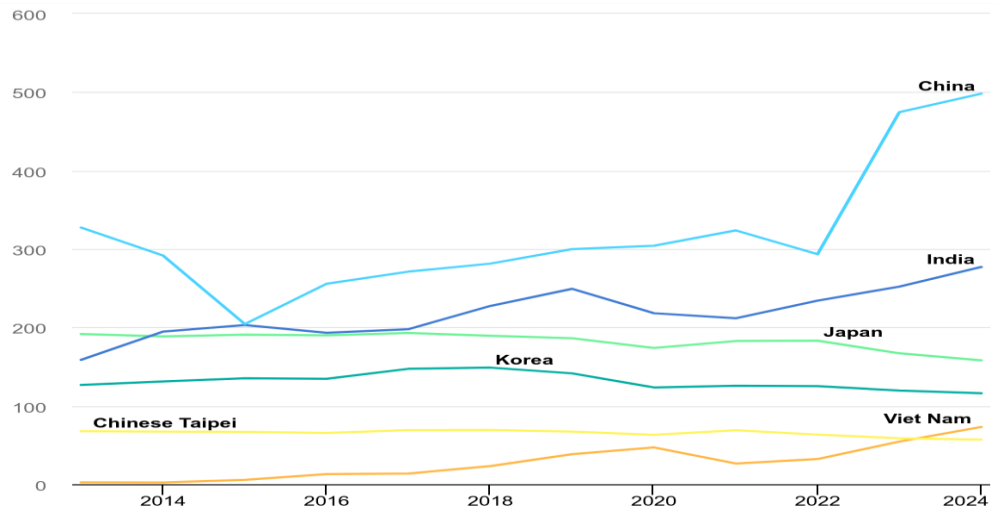
4.8. COAL IMPORT

4.8.1 INDIAS COAL IMPORT FROM COUNTRIES



The figure depicts the main coal-supplying nations to India, dividing them into coking and non-coking coal providers. Indonesia leads India in non-coking coal imports with an appreciable 61% contribution, followed by 21% from South Africa and 3% from the United States. Additional contributors are Australia, Russia, and Mozambique with lesser percentages. Non-coking coal, which is mainly utilized for power generation, is largely imported from Indonesia, South Africa, and the USA, with Australia also providing part of this variety. Australia, however, is the main exporter of coking coal to India, essential for steel manufacturing because of its carbon content and burning characteristics. This import trend of coal as a strategic move demonstrates India's dependence on international markets for industrial and energy requirements, underlining the significance of stable trade relations and diversified energy policies in ensuring steady supply.

4.8.2 COAL IMPORTS OF SELECT COUNTRIES 2014-2024



SOURCE: https://ppac.gov.in/

The line graph illustrates coal import trends for six major Asian economies China, India, Japan, Korea, Chinese Taipei, and Vietnam over the period 2013 to 2024. The most prominent trend is the sudden rise in China's coal imports after 2022 to almost 500 units by 2024. This steep climb indicates China's increasing demand for energy, presumably driven by industrial recovery, economic growth, and continued dependence on coal for electricity generation, even with global trends toward cleaner energy. Between 2013 and 2015, China's imports of coal fell dramatically from approximately 330 units to slightly more than 200 units. But since 2016, China experienced a consistent rise, with a temporary dip in 2022, before rising to its peak in 2024. This peak indicates higher energy use or lower domestic coal production, resulting in higher reliance on imports.

India also exhibits a high and consistent increase in coal imports over the years. Beginning at around 160 units in 2013, India's coal imports nearly doubled to around 275 units by 2024. This consistent upward trend is in line with the country's fast-paced industrialization, urbanization, and increasing power needs, particularly due to its heavy reliance on coal-fired power plants. Even with attempts to diversify energy sources, coal is still an important

part of India's energy mix and imports are therefore required to address shortfalls in domestic production.

Conversely, Japan's imports of coal have been relatively flat, fluctuating between 180 and 200 units, with a steady decrease in recent years to approximately 160 units by 2024. This may be due to Japan's post-Fukushima energy transition policies, which focus on a transition towards renewable energy and liquefied natural gas (LNG). As the nation upgrades its energy infrastructure, coal imports are gradually decreasing in favor of cleaner options. Likewise, Korea has experienced a gradual but consistent drop in coal imports. Beginning at around 130 units in 2013, Korea's imports were relatively flat but gradually declined after 2019, finishing below 120 units in 2024. This could be due to the nation's carbon-neutral goals and greater investment in nuclear and renewable energy sources.

Chinese Taipei has consistently low coal import levels, ranging from 60 to 80 units throughout the decade. These numbers reflect minimal dependence on coal in relation to other large economies, perhaps because Taiwan's energy policies have focused on diversification and conservation of energy. Viet Nam has a different story, beginning with negligible coal imports (close to zero) in 2013 and gradually rising to approximately 75 units by 2024. This steep rise reflects the rapid industrialization and growth of coal-fired energy capacity fueled by economic development and infrastructure construction.

In total, the information indicates diverging national policies on the use of coal. While India and China strongly increase imports to fuel increasing energy demand, nations such as Japan, Korea, and Chinese Taipei are slowly declining in their reliance on coal, perhaps in accordance with international climate targets. Viet Nam's emergence points to the difficulty for rising economies in balancing development with sustainability. This graph highlights the intricacy of international patterns of coal trade and the differently timed energy transitions within Asia.

4.9 GOLD IMPORT BY INDIA:

SOURCE: https://shipmin.gov.in/

India is a major importer of gold in the world, with imports standing at $35 billion in FY22–23. Switzerland has emerged as the largest supplier with a contribution of 36% to India's gold imports, followed by the United Arab Emirates (UAE) with a 10% contribution and South Africa with a 9% contribution. The United States, Bolivia, Peru, Guinea, Ghana, and Australia are also prominent players, each accounting for 3% to 5% of India's gold imports. Tanzania and the rest of the world together account for 13% of the total.

Gold is mostly imported for use in jewelry production, investments, and cultural rituals and thus forms a vital component of India's tradition and economy. The high demand for gold in India is boosted by its cultural importance during marriages and festivals. Switzerland's hegemony as a supplier can be explained by its well-developed gold refining business. India's overdependence on gold imports is a concern in its trade balance, thus there is a call for strategic policy to control such demand.

CHAPTER 5

FINDINGS & CONCLUSION

5.1 ANALYSIS OF IMPORT TRENDS:

i) Economic Growth:

Economic growth has a tremendous impact on the import trends of a country. As the nation grows, incomes increase, causing higher demand for goods and services by consumers. This rush tends to spill over beyond local production capacity, causing a larger quantity of imports particularly in areas such as electronics, vehicles, and high-end products. Additionally, expanding industries need machines, raw materials, and intermediate products, a lot of which might not be locally available, thus necessitating more imports. Economic growth also stimulates the growth of infrastructure, which needs foreign technology and construction materials. Import growth without constraint, however, can enlarge the trade deficit and expose the economy to external shocks. Although expanded imports can signal expanding consumption and industrialization, they have to be complemented by a rising level of exports. Policymakers tend to track import trends to verify that they enhance long-term growth without inducing dependency. Import substitution policies are also utilized in an effort to lower dependence on foreign products through increased domestic production. Moreover, rapidly developing economies tend to draw foreign capital, which can cause imports of capital-intensive items to grow initially but ultimately lead to local manufacturing expansion. The economic growth–imports relationship is a dynamic one—growth will propel imports, and some imports can also push growth further in the form of technology transfer and increased productivity. The management of the relationship for sustainable development, however, is imperative. The economy can hurt its domestic industry and affect its foreign exchange kitty if not adequately regulated. Hence, there needs to be a balanced trade policy that caters to the needs of economic development to achieve economic growth at the same time ensure healthy imports.

ii) Trade Agreements:

Trade agreements are significant in influencing import trends by easing smoother and typically lower-cost cross-border transactions. These trade agreements, which can be regional, bilateral, or multilateral, are intended to cut or eliminate tariffs, quotas, and other trade hindrances in order to facilitate easy movement of goods and services between nations. Once a nation signs a trade agreement, it tends to see imports from partner nations increase due to reduced costs and improved accessibility. For example, deals such as the India-ASEAN Free Trade Agreement have significantly boosted the imports of commodities like palm oil, electronics, and textiles into India. These types of deals help consumers through better access to more types of affordable goods and aid industries through guaranteed access to consistent supplies of basic raw materials and parts. Nevertheless, the flow of imports can present problems for indigenous industries that are unable to match the lower cost or superior quality of foreign products. This may result in layoffs and decreased market share for homegrown enterprises unless protection is ensured. Thus, trade agreements should be designed cautiously, reconciling the desire for economic integration with safeguarding exposed sectors. Secondly, the origin rules and technical requirements of these agreements can determine what comes in and from where. Strategic trade agreements can assist a nation in getting vital imports, expanding sources, and enhancing economic diplomacy. All in all, though trade agreements can prod economic activity and provide import benefits, they are needed to be complemented by policies that promote long-term competitiveness and development of domestic industry.

iii) Commodity Price Fluctuations:

Changes in commodity prices are an important driver of import patterns, particularly for import-dependent nations such as those that rely strongly on imports of basic items such as crude oil, natural gas, coal, metals, and food grains. They are caused by various worldwide phenomena like geopolitical crises, supply-demand mismatch, natural calamities, commodity market speculation, and alterations in production. When prices of

major commodities across the globe are increasing, a country's import bill will rise, exerting stress on the current account deficit as well as domestic inflation. For example, when crude oil prices rise sharply, the price of transportation, manufacturing, and eventually consumer prices tend to rise directly, particularly in energy-importing nations such as India. Conversely, a decline in commodity prices can cut import bills, easing inflation and strengthening trade balance, but could also harm domestic producers facing competition from cheaper imports. Changes in commodity prices also influence the fiscal planning of governments, wherein subsidies and tariffs are readjusted accordingly. Governments tend to react with diversification of sources of imports, establishing strategic stocks, signing long-term contracts, or promoting substitutes at the domestic level to minimize exposure. The farming industry is also impacted by world price patterns of pulses, fertilizers, and edible oils. Additionally, commodity price volatility can impact currency stability, as higher import prices result in greater demands for foreign exchange. Tracking and controlling commodity price risks is crucial for economic stability, particularly in developing economies. Policymakers need to embrace a combination of trade, fiscal, and monetary policies to insulate the impacts of such price volatility on import patterns and the general economic well-being.

iv) Currency Depreciation:

Currency depreciation is when the value of the currency of a nation declines in relation to foreign currencies, particularly dominant ones like the US dollar. This has a direct and considerable effect on import patterns. When a currency weakens, imports are costlier since more domestic currency is needed to purchase the same amount of foreign goods. This tends to increase import bills, particularly for basic commodities such as crude oil, machinery, electronics, and pharmaceuticals. For nations such as India, whose oil imports are pivotal, a weaker rupee can balloon transport and production expenses, propagating general economic inflation. Currency depreciation can also injure companies that depend on foreign raw material or intermediate goods imports, making their production costs go up and affecting profitability. Conversely, depreciation can increase the competitiveness of

exports and make them less expensive to sell in overseas markets, which can lead to higher foreign exchange revenues. If a nation is significantly import-dependent and has poor export performance, however, currency depreciation can cause more harm than benefit. It can also raise the cost of foreign debt repayment, as payments become more expensive in domestic currency. Policymakers can intervene using monetary policies or foreign exchange reserves to stabilize the currency and keep import inflation in check. Hedging strategies and encouraging import substitution are also used to counteract negative impacts. Therefore, although currency devaluation can provide some trade benefits, its effect on imports is mostly detrimental, and its control is required to ensure economic stability and shield the nation's trade and fiscal well-being.

v) Resource Dependence on countries:

Resource dependence is a term that denotes the country's dependency on importing certain natural or strategic materials because of the lack of sufficient domestic availability. This significantly affects import trends, especially in sectors such as energy, metals, and food. Nations such as India are highly reliant upon imports of crude oil, coal, natural gas, and some farm products such as edible oils and pulses. This reliance subjects the economy to external market forces, including price fluctuations, supply interruptions, and geopolitical tensions. For example, a clash in the Middle East can manipulate oil supply chains, hitting oil-importing countries directly. Additionally, resource dependence can result in chronic trade deficits if imports consistently surpass exports in terms of volume and value. It also limits economic sovereignty since nations have to negotiate and keep good diplomatic relations with major suppliers. Governments can react by diversifying their importers, signing long-term agreements, and investing in strategic reserves. Concurrently, renewable energy, domestic resource exploration, and local production are incentivized policies to limit dependence. The cultivation of alternative sources such as solar, wind, or biofuels in the energy industry can minimize import requirements over the long term. Strong resource dependence also affects currency stability and public finances, particularly when commodity prices on the international level sharply increase. Hence, minimizing reliance

on imports through sustainable and diversified means is crucial for long-term economic resilience. Effective management of resource dependence involves balancing immediate import needs with long-term investments in self-reliance and sustainability.

1) China

India imports most of its electronics, machinery, active pharmaceutical ingredients (APIs), and industrial raw materials from China. Notwithstanding geopolitical tensions, China continues to be India's leading import partner. Imports from China topped $100 billion in 2023 on the strength of cost-competitive manufacturing and supply chain integration. Indian mobile phones, solar panels, and cars depend significantly on Chinese components. Nevertheless, to minimize reliance, India is encouraging local production under schemes such as "Make in India" and enforcing tightened quality inspection. Trade deficits are still a worry, and China contributes significantly to India's trade deficit.

2) USA

Imports by India from the United States are crude oil, liquefied natural gas (LNG), aircraft, defense hardware, medical equipment, and electronics. With deepening strategic engagement, particularly in defense and energy, the U.S. is now a leading supplier. India has diversified sources of energy over the years, and American LNG has contributed to this diversification. Technology transfers and defense partnership have also prompted higher imports of high-value defense systems. India-U.S. trade relations are driven by shared strategic interests, with constant discussions under forums such as the Trade Policy Forum (TPF) determining future import and export patterns.

3) Japan

India imports high-tech machinery, electronics, automobile parts, and optical instruments from Japan. Japan is an important partner in India's industrial and infrastructure growth, including cooperation on high-speed rail and smart cities. Japanese goods are sought after for their quality and technological sophistication. Under agreements such as the India-

Japan Comprehensive Economic Partnership Agreement (CEPA), tariffs on most Japanese imports have been lowered, facilitating easier trade. Japan also provides equipment for renewable energy and environmental management. The bilateral emphasis is on long-term strategic collaboration, making Japan a stable and significant source of high-tech imports necessary for India's modernization objectives.

4) Germany

Germany is a key source of India's imports in the sectors of machinery, chemicals, automotive parts, electrical machinery, and medical equipment. German imports, renowned for precision engineering, assist India's manufacturing and industrial bases. Indo-German economic relations are consolidated through partnerships in clean energy, vocational training, and intelligent manufacturing under initiatives such as "Make in India Mittelstand." Technology-intensive German goods are pivotal in India's infrastructure and automotive development. Being the largest European economy, Germany serves as a gateway for India to the EU market. Imports are expected to grow, especially in green technology and industrial automation.

5) France

India imports defense machinery, aerospace parts, luxury items, chemicals, and drugs from France. The Indo-French strategic alliance has resulted in high-end imports such as the Rafale combat aircraft and advanced nuclear technology. France also has stakes in Indian clean energy and infrastructure ventures. Diplomatic ties are robust and facilitate bilateral trade and cooperation in the areas of space, defense, and energy. French fashion and cosmetics brands have a strong presence in the Indian market. Once the Comprehensive Economic Partnership Agreement between the EU and India is finalized, it is likely to lower tariffs further and increase imports from France.

6) Russia

India's Russian imports are led by crude oil, natural gas, coal, defense hardware, and fertilizers. With international sanctions imposed on Russia, India has boosted its oil imports based on discounted prices, and Russia has emerged as a leading crude supplier in 2023. Defense is another strong pillar, with long-term orders for aircraft, tanks, and missiles. India also imports diamonds and nuclear technology from Russia. Settlements are usually made in local currencies to avoid international sanctions. The energy security and strategic autonomy continue to be the focus of the India-Russia alliance, ensuring Russia remains an important and increasing source of essential imports.

7) Middle East

The Middle East, and more specifically Saudi Arabia, UAE, Iraq, and Qatar, is India's largest market for crude oil, natural gas, and petroleum products. These imports of energy are essential for India's domestic and industrial consumption. Apart from that, India also imports dates, fertilizers, and chemicals from the region. Economic and cultural relations are strong, and there is a large Indian diaspora, which further strengthens trade relations. India has also entered into a number of Comprehensive Economic Partnership Agreements (CEPAs) with Gulf countries to facilitate imports. Energy security and food processing continue to be key themes of India's import strategy from the Middle East.

8) India's Neighbor Countries

India also imports products from neighboring countries like Bangladesh, Sri Lanka, Nepal, Bhutan, and Myanmar. Textiles and garments are significant imports from Bangladesh. Nepal and Bhutan provide electricity by way of hydropower collaboration. Myanmar exports pulses and natural gas, while Sri Lanka sends spices and apparel. Regional cooperative efforts like SAARC and BIMSTEC facilitate trade integration. India's "Neighbor-hood First" policy encourages smoother trade routes and infrastructure connectivity. Political instability or border tensions, however, can impact import continuity.

Enhancing trade relations with neighbors assists India in minimizing dependence on far-off markets and encouraging regional economic stability and growth.

9) Global Alliance and Trade Blocs

India's imports are shaped by its interaction with global alliances and trade blocs such as ASEAN, BRICS, G20, and WTO. India derives benefits of lowered tariffs and better market access through Free Trade Agreements (FTAs) and Comprehensive Economic Partnership Agreements (CEPAs). The ASEAN-India FTA, for example, encourages import of electronics and agri-products. BRICS connections facilitate import of energy and minerals. While India excluded RCEP to shield domestic sectors, it keeps negotiating with blocks such as the EU and GCC. These alliances shape India’s trade policies and influence import sources, pricing, and volume, supporting its global economic integration.

10) Quad Cooperation

The Quadrilateral Security Dialogue (Quad) - India, the U.S., Japan, and Australia is increasingly influencing India's import patterns. By way of strategic alliances and collaborative efforts, India is attempting to de-risk its over-reliance on China by diversifying imports within the Quad framework. This involves importing key technologies, defense systems, rare earth, semiconductors, and pharmaceutical intermediates from other Quad countries. The Quad's emphasis on supply chain resilience and regional security fosters secure and transparent trade. Quad agreements also facilitate innovation and research-led imports, particularly in clean energy and digital technology. Collaborative initiatives such as the Semiconductor Supply Chain Resilience program are aimed at alleviating bottlenecks in electronic components. As the Quad moves forward with its economic and security agenda, India's import strategies are increasingly becoming aligned with allied countries to provide reliability, technological progress, and geopolitical balance in global trade.

11) Diversification of Import Resources

India is diversifying import sources actively to minimize economic and strategic vulnerabilities. Excessive dependence on individual nations like China or regions like the Middle East for critical commodities like electronics, energy, and drugs has made India vulnerable to supply chain shocks and trade imbalances. To counter this, India is increasing trade relations with Africa, Latin America, Southeast Asia, and Eastern Europe. Such a diversification approach involves procuring crude oil from the U.S., Venezuela, and Russia; electronics from South Korea and Vietnam; and pulses from Australia and Canada. Such government initiatives as the Production Linked Incentive (PLI) scheme are also encouraging domestic production to limit imports. Bilateral trade arrangements and multilateral forum membership are also aiding alternative market securing. The COVID-19 pandemic and recent geopolitical tensions have hastened India's endeavour to construct a well-balanced and secure import basket, building resilience and ensuring the free flow of essential goods into the nation.

5.2 Exports:

India's import patterns are closely integrated with its export value chain, constituting a complementary cycle of economic activity. A majority of Indian exports, including textiles, automobiles, and electronics, are dependent on imported raw materials and parts. For instance, India imports crude oil to be processed and export petroleum products and electronics parts to produce mobile phones. The "Make in India" and "Atmanirbhar Bharat" thrust of the government is intended to decrease import reliance by promoting domestic production and raising value-added exports. Free Trade Agreements (FTAs) and export promotion councils are bringing policies in sync to make imports facilitate export competitiveness. Besides, re-exporting processed high-end goods—especially in SEZs—balances trade. Trends in imports are therefore determined by the needs of the export industries, and policies favor importing intermediate goods while keeping unnecessary

imports of finished goods to a minimum. Balancing this is made stronger so that foreign exchange earnings are boosted and foreign trade sustainability for India is enhanced.

Industrial Peace Promotion

Industrial peace is crucial in sustaining stable import patterns in India. A peaceful labor climate guarantees continuous production, logistics, and port operations that directly affect the flow of imported products. Repeated strikes, protests, or labor conflicts in industrial areas or port cities can delay imports, raise costs, and damage business confidence. To counter such risks, the Indian government ensures industrial peace by policies such as ease of doing business, labor reforms, and digitalization of customs processes. Import-dependent industries like manufacturing, automobiles, and energy are supported by stable operations. The setting up of logistics parks, better industrial relations, and clear trade regulations also support smooth import flows. In addition, a stable work culture attracts foreign direct investment (FDI), making India more capable of constructing infrastructure conducive to effective importing. Industrial peace therefore forms the basis for supply chain effectiveness, enabling India to integrate into the global trading system more smoothly.

5.3 FINDINGS

5.3.1 Global Economic Slowdown:

A global economic slowdown has a profound impact on India's import patterns. As global demand declines, commodity prices fall, affecting the volume and cost of India's imports primarily crude oil, metals, and machinery. Economic slowdowns in leading economies such as the U.S., China, or Europe lower the demand for intermediate products and raw materials, changing India's import pattern. Conversely, softer global prices sometimes help India by reducing import costs, enhancing the trade deficit. However, slowdowns often disrupt global supply chains and logistics networks, leading to delays and shortages of key imports. Furthermore, weak global demand can hurt India’s exports, indirectly reducing

import requirements for raw materials. Government strategies during such periods focus on enhancing domestic production, supporting key industries, and ensuring uninterrupted flow of essential imports like food, energy, and medicine. On the whole, global economic downturns pose both opportunities and challenges for India to rebalance its trade strategy and enhance domestic capabilities.

i) 1991 Balance of Payments (BoP) Crisis

The 1991 BoP crisis was a watershed moment for India's import and trade trends. Before this crisis, India had a protectionist economic paradigm with extensive import controls, high tariffs, and thin foreign exchange reserves. The crisis, brought on by an acute shortage of foreign currency reserves just enough to cover two weeks of imports compelled India to turn to the IMF for help. The Indian government responded by liberalizing the economy, initiating structural reforms that radically shifted the pattern of imports. Restrictions on licensing were abolished, tariffs were reduced over time, and foreign direct investment was welcomed. These reforms made the Indian market accessible for international trade, and imports increased significantly in subsequent years. India started importing sophisticated machinery, electronics, and consumer durables to aid industrial and technological progress. The crisis also caused a policy shift in import policy from restrictive to one that promoted export-led growth and domestic modernization. The current diversified and liberalized import environment in India can be traced to the policy changes that were set in motion during and following the 1991 crisis, which formed the basis for globalization, competitive markets, and supply chain integration into the world economy.

ii) 2008 Global Financial Crisis (GFC)

The 2008 Global Financial Crisis (GFC), which was sparked by the failure of key financial institutions in the U.S., left a significant mark on India's import pattern. While India's financial sector was comparatively insulated as it had limited exposure to subprime assets, the deceleration in global demand and capital market instability resulted in considerable external trade shocks. India's import growth drastically decelerated during 2008–2009 as

manufacturing activity slowed and consumer demand decreased. India's import bill driver crude oil witnessed price volatility, impacting India's energy import strategy. Capital good and industrial equipment imports declined as companies postponed investment in the wake of uncertainty. Meanwhile, the Indian rupee weakened, further increasing the cost of imports and adding to inflationary pressures. The crisis revealed India's exposure to international economic cycles and underscored the necessity to enhance domestic production capacity and import diversification. Accordingly, the Indian government introduced stimulus packages to encourage industrial and export sectors, which indirectly impacted import demand recovery. India eventually evolved its trade policy to pay greater attention to resilience and risk management over time. The GFC highlighted the need to have sufficient foreign reserves, control currency volatility, and have vital imports such as food, fuel, and medicine safe irrespective of worldwide downturns. The GFC also hastened India's desire to create strategic trade alliances and enhance its global trade competitiveness.

iii) COVID-19 Pandemic Situation

The COVID-19 pandemic heavily impacted India's import patterns, particularly during the period between 2020 and 2021. With world supply chains in disarray and international borders locked down, India suffered from high-level disruptions to the import of essential goods. Import-dependent sectors like pharmaceuticals, electronics, and automobiles faced raw material as well as component shortages. Indian imports from its leading supplier China were impacted through factory closures as well as logistic issues. India's crude oil import too declined significantly as international demand crashed, bringing down prices and import bills. Personal protective equipment (PPE), medical equipment, and ventilators were high-priority imports in the initial stages of the pandemic. The crisis revealed India's over-reliance on some nations for vital goods, and there was a big policy change. With the "Atmanirbhar Bharat" initiative, the government started encouraging self-reliance and curbing unnecessary imports. Special economic zones and indigenous manufacturing schemes such as PLI (Production Linked Incentives) were initiated to promote investments

and lower import dependence. Customs and trade infrastructure digitization was also ramped up to simplify import logistics. Further, India broadened its sources of imports by enhancing trade with nations such as Vietnam, South Korea, and Australia. India's post-pandemic import strategy is now more inclined towards resilience, diversification, and strategic autonomy. The COVID-19 pandemic emerged as a driving force for lasting import reforms and self-reliance, changing the outlook of India from dependency to preparedness in international trade.

5.4 Indian import trends with respect to “inflation”:

i) Goods

India's manufactured and consumer goods imports are largely affected by inflation. When there is an increase in global prices, the prices of imported products like electronics, machinery, and industrial inputs also rise. This becomes a challenge to companies that use imports for their production, which causes cost-push inflation at home. In order to reduce inflation, the government can cut down on non-essential imports either by imposing higher duties or policy actions. In addition, costly imports tend to cause decreased demand, retarding industrial growth. In contrast, inflation in the export countries may drive Indian imports to be more costly, leading to a turn toward local substitutes or searching for less expensive foreign sources to maintain price stability and provide affordability to customers.

ii) Oil Prices

India's biggest import is oil, and international crude oil prices are most closely related to inflation. When international oil prices rise, India's import bill increases sharply, creating inflationary pressure in the economy. Oil being an important input for transport, manufacturing, and power, its price determines the price of goods and services. An increase in the cost of importing oil reduces the value of the rupee, increasing prices. To counter this, India can diversify oil sources or raise strategic reserves. International inflation in oil

is also causing the government to examine subsidy realignment, affecting the fiscal policy. Oil prices, therefore, become a key variable in India's import-based inflation dynamics.

iii) Petroleum

Petroleum items such as diesel, petrol, and liquefied natural gas (LNG) comprise a significant percentage of India's imports. Whenever petroleum prices hike due to international inflation, domestic fuel prices rise directly, prompting inflation in transport, agriculture, and logistics segments. India imports crude oil and refined petroleum, and therefore price increases overseas are reflected in increased retail fuel prices. This influences consumer expenditure and increases business operating costs. Exorbitant petroleum import bills burden India's current account deficit and necessitate fiscal planning adjustments. To offset this, India seeks long-term agreements, alternative energy, and domestic refining capacities to reduce inflationary effects.

iv) Food Prices

While India is basically self-reliant in terms of food production, it does import some food items like pulses, edible oils, and fruits. When world food prices go up due to inflation, such imports become costly, adding to domestic food inflation. For instance, increases in imported edible oil (such as palm oil or sunflower oil) have a direct impact on consumer prices. Food inflation is economically and politically sensitive, which leads to government intervention in the form of tariff changes or subsidies to stabilize food prices. Import source diversification and increased domestic agricultural production are major measures India employs to buffer inflationary impacts resulting from food imports.

1) Positive Impacts of Inflation on India's Import Trends:

- Boost to Domestic Industry – Inflation increases the cost of imports, thus prompting dependence on domestically produced goods.
- Import Substitution – Increased prices facilitate the efforts to find substitute domestic products.

- Policy Reforms – The government is compelled to enhance trade and customs policies under the pressure of inflation.
- Focus on Strategic Reserves – Increase in prices causes India to build strong oil and food reserves.
- Diversification of Sources – Inflation makes India look for new trading partners on more competitive prices.
- Currency Management – Encourages more targeted foreign exchange and rupee stabilization activities.
- Innovation Push – Excessive import costs spur innovation and low-cost local production.
- Better Trade Negotiations – India demands competitive FTAs to neutralize inflated global prices.
- Investment in Renewable Energy – Exorbitant oil import expenses turn attention to clean energy.
- Curbing Non-Essential Imports – Inflation deters luxury and non-priority imports.

2) Adverse Effects of Inflation on India's Import Trends:

- Increased Import Bills – Inflation increases the price of necessary imports such as oil and food.
- Expanding Trade Deficit – Greater expenditure on imports aggravates the trade deficit.
- Rupee Depreciation – Inflation devalues the rupee, making imports even more costly.
- Supply Chain Disruptions – Unpredictable prices cause uncertainty and delay imports.
- Cost-Push Inflation – Costly imports increase total production and retail prices.
- Reduced Industrial Growth – Rising input costs affect profitability and production.
- Policy Burden – Government needs to intervene frequently through subsidies or trade barriers.

- Stressed Forex Reserves – Increased import payments lower foreign currency reserves.
- Inflation Spillover – Global inflation is directly passed on to the Indian economy.
- Effect on Consumers – Results in increased prices of fuel, food, and electronics.

3) Joint Impact of Inflation on India's Import Patterns:

- Shifts in Trade Policy – India walks the tightrope between cost effectiveness and national security.
- Diverse Impact on Industries – Some industries are positively affected by import substitution, while others experience cost increases.
- Policy Tightrope – Maintaining inflation control and growth support becomes challenging.
- Challenges of Global Integration – Inflation puts India's mettle in the international supply chain to test.
- Self-Reliance Acceleration – Inflation is a challenge as well as a catalyst for Atmanirbhar Bharat.

5.5 India's Import Trends with Reference to GDP (2015–2025):

i) Import Volume Growth Continues Steadily

From 2015 through 2023, India's imports showed a steady rise. In 2015, the imports were about $465.10 billion and grew to $850.64 billion by 2023. This reflects the growing industrial base and rising demand for consumer goods in India.

ii) Imports as a Share of GDP

Imports as a percentage of GDP have changed over the course of the decade. Imports in 2015 accounted for around 22.11% of GDP, rising to a high of 26.76% in 2022 before reducing slightly to 23.96% in 2023. These changes both mirror global economic trends and changes in domestic policy.

ii) Effect of Global Events

Global events were a major influence on India's import patterns. The COVID-19 pandemic of 2020 caused imports to plummet sharply to $510.24 billion from $602.32 billion during 2019. A strong recovery followed the pandemic, as imports recovered in 2021 to $760.90 billion.

iv) Trade Deficit Dynamics

India's trade deficit also increased during the decade. The trade deficit during FY25 (April–December 2024) grew to $210.8 billion, from $189.7 billion in the same period last year. This growth was led by a 6.9% increase in imports to $682.2 billion.

v) Sectoral Import Composition

The import composition changed significantly. Imports of electronics jumped, overtaking gold in 2015 to become the second-highest import category after crude oil. This trend indicates increasing Indian demand for electronics and technology goods.

vi) Policy Measures and Import Regulation

India introduced several policy interventions to manage imports. Tariffs rose by five percentage points since 2010, and new standards were put in place to stem low-quality imports, especially from China. These policies were intended to safeguard domestic industries but also had an effect on manufacturing competitiveness.

vii) Energy Import Dependence

India's dependence on energy imports continued to be high. Imports of crude oil went up from 171.73 million tons during 2011–12 to 226.95 million tons during 2020–21. Such dependence emphasizes the importance of diversifying energy sources and increasing domestic production.

viii) Share of Global Trade

India's proportion in world imports increased from 1.5% in 2005 to 2.9% in 2023, indicating its strengthening integration with the international economy.

ix) Resilience of Services Sector

Even with merchandise import fluctuations, the services industry has shown strength. India's exports of services experienced a greater compound annual growth rate (CAGR) of 8.4% over the past ten years, underscoring the resilience of the industry.

x) Future Outlook

In the future, India's import patterns are expected to change in line with international economic trends, internal policy changes, and emerging technology. Initiatives to spur indigenous production, raise energy diversification, and increase trade alliances will determine India's import pattern.

5.6 Way Forward:

5.6.1 India's Import Patterns with GDP (2015–2025)

India's import trends over the last ten years have been closely tracking its economic growth, as demonstrated by changes in domestic demand, international trade patterns, and policy measures. After comparing data from 2015 to 2025, the subtle angles in which imports have shaped and been shaped by India's GDP path are brought out.

1. Fostering Domestic Production via 'Make in India'

The 'Make in India' campaign is intended to support domestic production and cut import dependence. By emphasizing electronics, pharmaceuticals, and defense, India can stem its import bill and support GDP growth. Infrastructure investments and reforms in ease of doing business are critical.

2. Diversifying Energy Sources

India's heavy dependence on crude oil imports creates economic risks. Increasing renewable energy and diversifying alternatives can minimize risks from global oil price volatility and improve energy security.

3. Deepening Trade Partnerships

Bilateral and multilateral trade agreements can negotiate better import terms. India's active participation in regional trade blocs can embed it more deeply in global supply chains, supporting economic resilience.

4. Tariff Reforms

Balanced tariff policies are imperative. Tariffs that are too high can hamper competitiveness. Tariff simplification can attract FDI and connect Indian companies with global value chains.

5. Fostering Technological Upgrades

R&D investments can make India less dependent on imported technology. High-tech startup support can make India an exporter of technology.

6. Improving Export Competitiveness

Increasing exports is imperative to balancing trade deficits. Quality, standards compliance, and logistics improvement can assist Indian products to compete globally.

7. Addressing Infrastructure Bottlenecks

Efficient logistics and ports reduce transaction costs and expedite trade, enhancing import-export performance.

8. Monitoring Global Economic Trends

India must adapt proactively to global changes like protectionism and supply chain realignments to protect economic interests.

9. Encouraging Sustainable Practices

Green manufacturing and environmental compliance align Indian trade with global standards and open up eco-conscious markets.

10. Strengthening Institutional Frameworks

Good institutions facilitate improved trade policy execution. Increased trade infrastructure and coordination among stakeholders aid sustainable import expansion.

5.7 Conclusion:

India's Import Patterns and GDP Trends (2015–2025)

In the last decade, India's import trends have been in close synchrony with its economic growth, tracing changes in domestic demand, international trade trends, and policy actions. Exposing the patterns from 2015 to 2025 to scrutiny shows refined observations about the impact of imports on and the impact of India's GDP growth path.

1. Import Volumes Have Registered Consistent Growth

Between 2015 and 2023, Indian imports have had a steady increasing trend. In 2015, imports were about $447.9 billion and went up to $850.64 billion by 2023. The growth indicates India's growing industrial sector and rising consumer demand.

2. Imports as a Percentage of GDP

Imports as a percentage of GDP have changed throughout the decade. In 2015, imports were approximately 22.11% of GDP, hitting a high of 26.76% in 2022 before reducing

marginally to 24.07% in 2023. These fluctuations account for both global economic fortunes and local policy changes.

3. Impact of Global Events

Global developments highly impacted India's import patterns. The COVID-19 pandemic during 2020 caused a deep plunge in imports, falling to $510.24 billion from $602.32 billion during 2019. But it was followed by a strong turnaround, with imports recovering to $760.90 billion during 2021.

4. Trade Deficit Dynamics

India's trade deficit during the decade broadened. During FY25 (April–December 2024), the trade deficit also widened to $210.8 billion from $189.7 billion during the same period last year. This was fueled by a 6.9% increase in imports, which stood at $682.2 billion.

5. Sectoral Import Composition

The import composition changed significantly. Electronics imports rose to the point that it surpassed gold in 2015 to emerge as the second-largest import category after crude oil. The trend points towards the increasing demand in India for technology and electronic products.

6. Policy Measures and Import Regulation

India used different policy initiatives to control imports. Tariffs were raised by five percentage points since 2010, and new standards were implemented to discourage low-quality imports, especially from China. These policies were meant to safeguard domestic industries but also affected manufacturing competitiveness.

7. Dependence on Energy Imports

India's dependence on energy imports continued to be high. Imports of crude oil went up from 171.73 million tons during 2011–12 to 226.95 million tons during 2020–21. This highlights the necessity of diversifying energy sources and increasing domestic production.

8. Share in Global Trade

India's share in world imports increased from 1.5% during 2005 to 2.9% during 2023, indicating its increasing integration into the world economy.

9. Resilience of Services Sector

Even with the fluctuations in merchandise imports, the services sector proved resilient. India's services exports showed a higher compound annual growth rate (CAGR) of 8.4% over the past decade, reflecting the sector's strength.

10. Future Outlook

In the future, Indian import patterns are expected to remain dynamic as they react to world economic changes, domestic policy transformations, and innovations. Initiatives to increase indigenous production, develop alternative sources of energy, and improve trade agreements will be essential in determining the nation's import.

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