

Measuring Structural Changes and Concentration of India's Manufactured Goods Export Since 1991

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This examines the manufactured goods export of India during the period 1991-1992 to 2013-2014. It measures their growth, structure and concentration. Their concentration is measured with the help of Concentration Ratio (CR), Hirschman-Herfindahl Index (HHI) and Comprehensive Concentration Index (CCI). It shows that there has been a gradual shift in them from labour-intensive sectors like textile and textile products, leather and manufactures and handicrafts(excluding handmade carpets) to capital and skill intensive items like engineering goods, chemicals and related products, and gems and jewellery.

Introduction

To achieve economic development, required process of raising the standard of living and productivity in all sectors of an economy is important which is the function of technology and innovation and which requires capital formation. To meet the increasing need of capital formation, foreign trade is one of the major factors which can provide foreign exchange (Todaro 2007). Economic development and foreign trade are intimately connected. There are many studies on the cause and relationship between economic development and foreign trade. Economists such as Prebisch, Myrdal, Singer, Emmunnell, Nurkse and others have suggested an inward oriented approach for the development of developing countries. But economists such as J.N. Bhagwati, Kruger, Chenery, Bela Blassa, and others have recommended the export-led growth strategy (Manjappa and Hegde 1998).

Exports act as a motivating force and play a significant role in speeding up the growth and development process of developing countries. Among the factors operating on the side of demand in the economic development process, Kaldor found that net manufactured goods exports, initially of consumer goods and later of capital assets, contribute to industrialization as import substitution processes become enhanced and foreign demand is needed to avoid external constraints. Thus, the manufacturing sector output may rise above domestic demand and enable the process of structural change to continue. Other economists like

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