

Export performance of small scale industries in India

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Abstract

Objectives: To explore the Indian small scale industrial contribution to exports, especially of mentioned industries.

Methods/Statistical analysis: This study attempts to present and analyze industrial manufacturing sector's contribution to the export growth. It particularly concentrates on the contribution of SSIs sector. Exports data collected from Hand Book of Statistics on the Indian Economy, RBI, from 1987-88 to 2002-03. The study calculated Compound Annual Growth Rate (CAGR).

Findings: The success of the Globalization of the Indian economy should be measured by its export performance. Innovation in the operation and organization of this sector is key for the success of the economic reforms. SSIs contributed enormous exports in post globalization period. Those industries are: Chemical and allied products, Marine products processed foods, Woolen garments and knitwear's, Rayon synthetic products, Processed tobacco, Snuff & Beedi spices, spice oils and Lac industry.

Improvements/Applications: Government has to give some special incentives SSI, provide market facilities and purchase SSI products in Government institutions.

Keywords: Small Scale Industries, Exports, Globalization, Indian economy.

1. Introduction

In India, new economic reforms started in 1991. Globalization results in more challenges and created wide opportunities to the manufacturing industries. The main objectives of economic reforms are: to reduce the government intervention to reduce the tariffs and quantitative restriction on imports, to facilitate to avail foreign technology and to raise the growth of the performance of the industrial sector by removing various constraints, and to improve the efficiency of the manufacturing sector through increased competitiveness [1, 2]. In developing countries like India, Small Scale Industries (SSI) has been one of the major strategies of economic development since Independence. The small scale industry occupies a position of strategic importance in the Indian economy due to its significant contribution in terms of exports, output and employment opportunities as also for balanced regional development. Indian small scale industries played a vital role in the industrial development. SSI units should be the responsibility of industrial growth and development. They contributed approximately 40% of the gross value of output in the manufacturing sector, about 35% of the total exports [3-5]. Here we explain each industry exports performance. The study is to explore the Indian Small Scale industrial contribution to exports, especially of mentioned industries.

2. Methodology

This study attempts to present and analyze industrial manufacturing sector's contribution to the export growth. It particularly concentrates as the contribution of SSIs sector. Exports data collected from Hand Book of Statistics on the Indian Economy, RBI, from 1987-88 to 2002-03. The study calculated Compound Annual Growth Rate (CAGR).

3. Results and Discussion

1. SSIs exports

The share of SSI exports gradually increased from 1980-81 to 2002-03. During 1980-81, the share of SSIs was 24.5%. In 1987-88, exports contribution was `4,372.96 crores, and the share of SSI to total exports was 27.80%. During the year 1988-89, SSIs exports were gradually increased from `7,625.7 crores (27.57%) to `25,307crores in 1993-94 (36.39 %). The share of SSI to total exports was 34.47% in 2000-01 and in 2002-03 the share of SSIs exports again declined and it was 34.03 and details are presented in Table1.

Table 1. Share of SSI exports in total exports (% in crores of ₹)

Years	Total exports	SSI sector exports	Share of SSI sector to total
1980-81	6710.70	1643.20	24.50
1981-82	7805.90	2070.60	26.50
1982-83	8907.80	2045.00	23.00
1983-84	9872.10	2164.00	21.90
1984-85	11493.70	2540.80	22.10
1985-86	10894.00	2769.10	25.40
1986-87	12566.60	3643.70	29.00
1987-88	15741.20	4373.00	27.80
1988-89	20295.20	5489.60	27.00
1989-90	27681.50	7625.70	27.50
1990-91	32553.30	9664.10	29.70
1991-92	44041.80	13883.40	31.52
1992-93	53350.50	17784.80	33.54
1993-94	69547.00	25307.10	36.39
1994-95	82574.10	29068.20	35.20
1995-96	106464.90	36470.20	34.26
1996-97	117525.00	39248.50	33.40
1997-98	126286.00	44442.20	35.19
1998-99	141603.50	48979.20	34.59
1999-00	159561.00	54200.47	33.97
2000-01	202509.70	69796.50	34.47
2001-02	207746.00	71244.00	34.29
2002-03	252789.97	86012.52	34.03

Source: Hand Book of Industrial Policy and Statistics, Various Issues

2. Engineering goods

The export of engineering goods performance is not very significant in Indian Small Scale Industries. During the year 1987-88 the exports value of this commodity was `315 crores, the share of this goods in SSI exports was 7.2%. In the year 1989-90 the exports of value of engineering goods were`618 crores, the share of these goods in SSIs export was 14.13%. After 1989-90 there was gradual decline in the exports engineering goods. In the year 2000-01 the engineering exports value was `7,631 crores, the share of this unit to total was 10.55%. The engineering goods exports increased from `7,631 in 2000-01 to `12,500 in 2002-03 (Table 2). Engineering goods exports CAGR was 37.6% in pre globalization but post globalization period the CAGR declined (18.3%). During 1987-88 to 2002-03 the CAGR was 22.4% (Table 3). It shows that the engineering industry exports contributed enormously in post globalization period.

Table 2. Industry wise exports values in selected SSI in India, 1987-88 to 2002-03 (₹ in crores)

Years	Engineering goods	Basic chemicals, pharmaceuticals and cosmetics	Chemicals & allied products	Plastic products	Finished leather & leather products	Marine products	Cashew kernal and cashew nut shell liquid	Processed foods
1987-88	315 (7.20)	316 (7.23)	60.23 (1.38)	16.51 (0.38)	898 (20.54)	307.47 (7.03)	237.98 (5.44)	210.06 (4.80)
1988-89	400 (7.29)	681.1 (12.41)	84.49 (1.54)	38.77 (0.71)	1184.62 (21.58)	344.38 (6.27)	246.05 (4.48)	263.1 (4.79)
1989-90	618 (14.13)	1176.1 (26.89)	97.43 (2.23)	48.17 (1.10)	1505.68 (34.43)	206.62 (4.72)	315.92 (7.22)	308.75 (7.06)
1990-91	954 (9.87)	1282.8 (13.27)	89.43 (0.93)	56.13 (0.58)	1915.3 (19.82)	253.3 (2.62)	387.9 (4.01)	355 (3.67)
1991-92	1390 (10.01)	1936.2 (13.95)	152 (1.09)	80 (0.58)	2547 (18.35)	519.8 (3.74)	537.2 (3.87)	603.9 (4.35)
1992-93	1950 (10.96)	1992.8 (11.21)	119 (0.67)	175.4 (0.99)	2954 (16.61)	506.8 (2.850)	642.5 (3.61)	840.5 (4.73)
1993-94	2065 (8.16)	2432.8 (9.61)	174.4 (0.69)	267 (1.06)	3311.5 (13.09)	609.6 (2.41)	1027.6 (4.06)	1716 (6.78)
1994-95	2325 (8.00)	2676.2 (9.21)	237.7 (0.82)	356.1 (1.23)	4400.5 (15.14)	664.5 (2.290)	1244.3 (4.28)	1761.7 (6.06)
1995-96	3025 (8.29)	3002.5 (8.23)	250 (0.69)	265 (0.73)	4910.5 (13.46)	624.3 (1.71)	1230.2 (3.37)	5155.8 (14.14)
1996-97	3390 (8.64)	4331.2 (11.04)	353.4 (0.90)	714.6 (1.82)	3200 (8.15)	953 (2.43)	1283 (3.27)	4868.6 (12.40)
1997-98	4400 (9.30)	6502 (13.74)	6147 (12.99)	480 (1.01)	985 (2.08)	2692.1 (5.69)	1426.8 (3.01)	4620.2 (10.39)
1998-99	4818 (9.84)	3427 (7.00)	484.9 (0.99)	957.1 (1.95)	3438.5 (7.02)	1204.6 (2.46)	1613.2 (3.29)	6253.1 (12.76)
1999-00	5420 (10.25)	6147 (11.62)	515.5 (0.97)	982.3 (1.86)	3592.1 (6.79)	2261 (4.27)	2453.3 (4.52)	4392.1 (8.10)
2000-01	7631 (10.55)	7696.2 (10.64)	530.4 (0.73)	1700 (2.35)	4683.6 (6.47)	2702.2 (3.74)	1876.5 (2.68)	6215.2 (8.90)
2001-02	8302.94 (11.7)	8037.17 (11.3)	426.12 (1.0)	1882.25 (2.6)	5715.8 (8.02)	2617.4 (3.7)	1628.1 (2.25)	6896.4 (9.68)
2002-03	12500.00 (14.53)	9659.12 (11.22)	3354.67 (3.90)	1862.56 (2.16)	6108.24 (7.10)	3251.4 (3.78)	2014.7 (2.34)	9679.6 (11.25)
Years	Woolen Garments and knitwear's	Sports Goods	Readymade Garments	Rayon synthetic Products	Processed Tobacco, Snuff & Beedi	Spices, Spice oils	Lac	Total
1987-88	59.72 (1.37)	30.5 (0.70)	1799.68 (41.15)	6.22 (0.14)	15.23 (0.35)	12.58 (0.29)	14.61 (0.33)	4372.9 (100)
1988-89	69.6 (1.27)	38.11 (0.69)	2050.25 (37.35)	8.99 (0.16)	11.64 (0.21)	15.65 (0.29)	16.88 (0.31)	5489.6 (100)
1989-90	86.4 (1.98)	54.85 (1.25)	3124.95 (40.97)	11.71 (0.27)	19.79 (0.45)	18.56 (0.42)	15.96 (0.36)	7625.7 (100)
1990-91	97.5 (1.01)	66.6 (0.69)	4133.5 (42.77)	13.5 (0.14)	17.9 (0.19)	24.71 (0.26)	16.5 (0.17)	9664.2 (100)
1991-92	123.6 (0.89)	76.5 (0.55)	5654.2 (40.73)	14.3 (0.10)	187.4 (1.35)	36.2 (0.26)	27.4 (0.20)	13883.3 (100)
1992-93	208.1 (1.17)	93.6 (0.53)	7956.7 (44.74)	15.7 (0.09)	240.1 (1.35)	38.2 (0.21)	51.5 (0.29)	17784.8 (100)
1993-94	300.2 (1.19)	132.2 (0.52)	11771.3 (46.51)	1163.3 (4.60)	193.7 (0.77)	54 (0.21)	88.6 (0.35)	25307.1 (100)
1994-95	319.8 (1.10)	179.9 (0.62)	13240.4 (45.55)	1416.9 (4.87)	111.8 (0.38)	60.7 (0.21)	72.8 (0.25)	29068.2 (100)

1995-96	896.1 (2.46)	207.5 (0.57)	14806.5 (40.60)	1686.2 (4.62)	237.6 (0.65)	74.3 (0.20)	98.7 (0.27)	36470.2 (100)
1996-97	863.4 (2.20)	217.5 (0.55)	16729.2 (42.62)	1613.3 (4.11)	520.3 (1.33)	118 (0.30)	92.9 (0.24)	39248.5 (100)
1997-98	1353.1 (2.86)	240.7 (0.51)	16550.6 (34.97)	1365.4 (2.89)	358.4 (0.76)	140.8 (0.30)	64.4 (0.14)	47326.5 (100)
1998-99	1589.9 (3.25)	247.8 (0.51)	22209 (45.34)	720.2 (1.47)	543.5 (1.11)	1406.4 (2.87)	69.3 (0.14)	48981.9 (100)
1999-00	2006.8 (3.79)	230.9 (0.44)	21584.7 (40.80)	883.4 (1.67)	734.5 (1.39)	1620 (3.06)	79 (0.15)	52902.6 (100)
2000-01	2696.6 (3.73)	250.4 (0.35)	26626.9 (36.81)	1263 (1.75)	635.6 (0.88)	1487.3 (2.06)	130.9 (0.18)	72341 (100)
2001-02	2344.4 (3.3)	275.66 (0.4)	24893.45 (35.0)	1303.59 (1.8)	560.83 (0.8)	594.75 (0.8)	140.87 (0.20)	71244.0 (100)
2002-03	1224.71 (1.42)	317.51 (0.36)	23404.85 (27.21)	1484.19 (1.82)	675.19 (0.78)	515.05 (0.59)	100.69 (0.11)	86012.5 (100)

Source: Hand Book of Industrial Statistics, Various Issues

Note: Figures in brackets are percentage within manufacturing industries

3. Basic chemicals and pharmaceuticals and cosmetics

During the year 1987-88, the Basic chemicals and products exports contributed to `316 crores and the share of this product to total SSIs exports was 7.23%. In the year 1988-89, the unit product export value was `681.1 crores, the share of this product to total exports were `12.41 crores. The industry exports Compound Annual Growth Rate (CAGR) was 47.5% in pre globalization period, but exports growth rate was drastically declined in post globalization period and it was 19.1%. During the period 1987-88 to 2002-03 the CAGR was 19.1% (Table 3).

Table 3. Compound Annual Growth Rates (CAGR) Industry wise selected SSI in India, from 1987-88 to 2002-03

Sl.No.	Industry Name	1987-88 to 1990-91	1991-92 to 2002-03	1987-88 to 2002-03
1	Engineering goods	37.6	18.3	22.4
2	Basic chemicals pharmaceuticals and cosmetics	47.5	15.1	19.1
3	Chemicals & allied products	13.3	21.7	21.4
4	Plastic Products	38.9	27.1	31.1
5	Finished leather & leather products	25.1	5.1	9.4
6	Marine Products	-10.9	19.1	18.4
7	Cashew kernal and cashew nut shell liquid	17.2	10.9	15.4
8	Processed foods	17.3	22.2	27.2
9	Woolen garments and knitwear's	16.9	25.8	27.6
11	Sports goods	27.1	11.1	15.2
12	Readymade garments	29.2	12.3	18.2
13	Rayon synthetic products	25.9	30.2	42.2
14	Processed tobacco, snuff & beedi	10.2	14.5	28.2
15	Spices, spice oils	22.0	35.9	32.9
16	Lac	3.1	8.8	15.0
17	Total	27.1	15.4	19.6

Source: Hand Book of Industrial Policies and Statistics, Various Issues

4. Chemicals and allied products

In the year 1987-88 the chemical and allied products exports contributed `60.23 crores, the share of this products export to total exports was 1.38%. In the year 1988-89 the chemical exports value was `84.49 crores, the share of this exports in total exports was 1.54%. During the year 1989-90, the export was `97.43 crores and the share of this unit to total exports was 2.23%. In 1991-92 chemical product exports value was `530.4 crores, the share of chemicals to total SSI exports is 0.73%. This industry's CAGR was 13.3 per cent in pre globalization period, but in post globalization period the export growth rate increased to 21.7%. During 1987-88 to 2002-03 the CAGR was 21.4% (Table 3) and it is very significant in SSIs, exports.

5. Plastic products

During the year 1987-88, the plastic exports contributed `16.51 crores and the share of this product to total SSIs exports was 0.38%. In the year 1988-89, the plastic products exports value was `38.88 crores and the share of this product to total SSI exports was 0.71%. The products exports value slowly increased from `16.51 crores in 1987-88 to `1,700 crores in 2000-01 (2.35%). The plastics products industry's CAGR was 38.9% in pre globalization period, but decreased in post globalization period (Table 3).

6. Finished leather & leather product

In the year 1987-88 exports of finished leather and leather products contributed `898 crores and the share of this product was 20.54% to total SSI exports in 1988-89 the exports value increased to `1,184.64 crores and the share of this product was 21.58%. During the year 1989-90 the exports value was `1,505 crores and the share of this product to total exports was 34.43%. The globalization process started after 1990-91 and the product exports gradually declined [6]. During the year 2000-01 the total exports value was `4,683.6 crores and the share of this exports to total exports was 6.47%. This industry exports CAGR was 25.1% in pre globalization period, but there was a decline in post globalization, and the CAGR in post globalization period was 5.1%. During 1987-88 to 2002-03 the AAGR was 9.4% (Table 3).

7. Marine products

India is the largest fishing nation in the developing world. It contributes nearly 90% of her seafood and exports to East European countries. Japan, USA and other countries together import sea marine product from India. Now a days at international level the fish products exports are facing the dumping fierce competition, and government policies are creating problem for this products. Further they were facing problems like inadequate shipping facilities, lack of market information, and lack of facilities and high cost of inputs. These are the causes for down fall of exports of marine products from the country. During the year 1987-88 the marine products exports was `307.47 crores and in the year 2000-01 the exports of this product was `2,702 crores. So this product contributes to total SSIs exports was 7.03% in 1987-88. The share of this product drastically changed. In the year 2000-01 the share of this product was 3.47% and in 2002-03, marine exports was only 3.78% in total SSIs exports (Table 2). It shows that product could not contribute enormous exports. The main reason is that the European countries dominated this product. This Industry exports CAGR was in 19.1% and it increased in post globalization as compared to pre globalization period (in pre globalization growth rate was 10.9%). During 1987-88 to 2002-03 the CAGR was 18.4% and this industry contributed enormous exports in post globalization period. During 1987-88 to 2002-03 the CAGR was 18.4% (Table 3) and it is very significant in SSIs, exports.

8. Cashew kernels

India's exports of cashew kernels depend both on her domestic products and on her imports of raw nuts. It shows an increase in the trend of exports of cashew kernels (Table 2). During the year 1987-88 the cashew kernels export was `237.98 crores and it increased to `1,244.3 crores in the year 1994-95. In 1995-96 the exports decreased to `1230.2 crores. In the year 1999-2000 the exports increased to `2453.3. So in the year 2000-01 the exports value increased to `1876.5 crores. Compared to the total SSIs exports to cashew kernels was 5.44% in 1987-88. Comparatively every year there are ups and downs in the performance of this category. During the year 1999-2000 (4.52%), 2000-01 (2.68%) to 2002-03 (2.34%) the share of this unit exports decreased. This industry exports CAGR tremendously increased in pre globalization period and declined in post globalization period. But in pre globalization period (1987-88) and in post globalization period (2002-03) this industry exports performance was good and its CAGR was 15.4% (Table 3). And this industry product dominated in international market.

9. Processed foods

India is the second largest producer of fruits and vegetables in the world. The exports of processed food shows increasing trend during the last 15 years but the share of this products to total products declined. During the year 1987-88 the share of the product was 4.80% and in 1995-96 the share of total SSI's was 14.14%.

After 1995-96, the share of this product within SSI's exports industries drastically declined. During the year 2000-01 the processed food exports was ₹6215.2 crores and the share of this products was 8.90%. The total SSIs exports in 2002-03 industry exports again increased and it was 11.25%. This industry exports CAGR increased in post globalization period, as compared to pre globalization period (Table 3). This products export was positive in the world market.

10. Woolen garments and knitwear's

In 1987-88 the woolen garments and knit wears products contributed ₹59.72 crores and the exports increased gradually from ₹59.72 crores in 1988-89 to ₹2,696.6 crores in 2002-03. The share of this product was 1.37%, in the year 1987-88. The share of this product increased from 1.37% in 1988-89 to 1.98% in 1989-90. In 1990-91 it decreased from 1.01% to 0.89% in 1991-92. During the period 1993-94 the share of this industry exports was 1.19% and it increased to 3.73% in 2000-01, but again exports growth declined from 3.73% in 2000-01 to 1.42% in 2002-03 (Table 2). The CAGR in post globalization period was 25.8%, an increase compared in pre globalization period. But the Industry export during 1987-88 to 2002-03 CAGR was 27.6% (Table 3). This industry contributed enormous exports in post globalization period.

11. Sports goods

Sports goods contributed very less exports in the Indian economy. In the year 1987-88 the exports value was ₹30.5 crores and this value slowly increased to ₹250.4 crores in 2000-2001. In 2002-03, sports goods exports value was ₹317.51 crores (0.36%). This industry's CAGR was 27.1% in pre globalization period and in post globalization period this goods exports growth was 11.1%. But during 1987-88 to 2002-03 this goods CAGR was 15.2% (Table 3).

12. Readymade garments

The readymade garments contributed significant growth in Indian industry [7]. In 1987-88 the Indian Small Scale Readymade garments contributed ₹1,799 crores. This garments products exports increased from ₹1,799 crores in 1987-88 to ₹2,6626.9 crores in 2000-01. During the period 2001-02 to 2002-03 the exports within SSIs growth declined. The share of this industry was 41.15% in the year 1987-88. During the year 1989-90 the share of this product was 40.97%. In the year 1990-91 the share of this industry was 42.77%. During the year 1991-92 the share of this product was 40.73%. Finally this product share in the year 2000-01 was 36.81%, the share of industry growth declined from 35.12% in 2001-02 to 27.12% in 2002-03. This industry exports CAGR increased in post globalization period as compared to in pre globalization period (Table 3).

13. Rayon synthetic products

The Rayon synthetic products contributed exports of ₹6.22 crores in 1987-88 and it is very low in total SSI exports. This industry exports increased slowly from ₹6.22 crores in 1987-88 to ₹15.7 crores in 1992-93. During the year 1993-94 this unit exports value was ₹1,163 crores and the share of this product was 4.11%. This is very significant in this year and its exports value gradually increased to ₹1,686.2 crores in 1995-96 and the share of this product was 4.62% (1995-96). After that the exports value gradually decreased to ₹1484.18 crores in 2002-03. At the same time the share of this unit also decreased in total SSI exports. The CAGR was 25.9% in pre globalization period, but after post globalization the growth rate increased and it was 30.2%. From 1987-88 to 2002-03 this industry CAGR was 42.2% (Table 3). This industry contributed high exports in pre and post globalization period.

14. Processed tobacco, snuff & beedi

The processed tobacco, snuff & beedi products export value during the year 1987-88 was ₹15.23 crores and the share of this product was 0.35% in total SSI export. So this unit contributed very less exports. In 2000-01 the unit exports value was ₹635.6 crores and the share of this industry was 0.88% in total SSIs exports. This industry exports CAGR was 17.3% in pre globalization period and it increased in post globalization period (Table 3).

15. Spices, spice oils

In 1987-88 the exports of this product was ₹12.58 crores. After 1987-88 the exports value increased to ₹1,487.3 crores. At the same time in the share of this product to total SSIs exports also increased from 0.29% in 1987-88 to 2.06% in 2000-01. This industry sectors CAGR increased in the post globalization period as compared to pre globalization period (Table3). After post globalization this industry contributed more exports.

16. Lac

Lac products contributed exports during the year 1987-88 and the share of this product is 0.33%. In the year 2000-01 the Lac products export value was ₹130.9 crores the share of this product was 0.18%. The study observed that this unit exports was very less within SSIs. This industry's CAGR was 3.1% in pre globalization period but after post globalization the exports growth rate is increased (8.8%) (Table 3).

17. Industry wise exports

During the year 1987-88 readymade garments industry contributed ₹1,799.68 crores, and the total exports of the share of this unit exports was 41.15%. This product occupied first rank, second rank goes to finished leather & leather products and third rank goes to Basic chemicals pharmaceuticals and cosmetics and last rank goes to spices, spice oil products. In the years 1988-89,1989-90,1990-91,1991-92,1992-93, 1993-94, 1994-95 years of exports readymade garments occupied first rank, second rank goes to finished leather & leather products, and third rank goes to basic chemicals and chemicals products and last rank goes to rayon synthetic products (except in this year's 1993-94, 1994-95 where spices and spice oils occupied last rank) (Table 2).

In the year 1995-96, readymade garment industry contributed very high exports. Readymade garment occupied first rank, second rank goes to processed food, third rank goes to finished leather & leather products and last rank goes to spices, spice oils. In 1996-97 readymade garments contributed higher percent within SSI exports. Second rank goes to processed foods, third rank goes to basic chemicals and pharmaceuticals and cosmetics and last rank goes to Lac unit. In 1997-98 readymade garments occupied first rank, second rank goes to basic chemicals, pharmaceuticals and cosmetics, third rank goes to chemicals & allied products and last rank goes to spices and spice oils. In the year 1998-99, readymade garments occupied first rank, second rank goes to cashew kernel and cashew nut liquid and third rank goes to engineering goods and last rank goes to Lac industry. In 1999-00, 2000-01 readymade industry occupied first rank, basic chemicals pharmaceuticals and cosmetics industries occupied second rank and third rank was occupied by engineering goods and last rank goes to Lac unit. In 2001-02, exports Readymade garments occupied first rank, second rank goes to engineering industry, third rank goes to basic chemical industry and last rank goes to Lac industry. In 2002-03, first rank, second rank and last ranks occupied readymade garments, engineering and lack industry respectively, but third rank occupied processed food industry [6,7].

18. Problems of SSIs

The export performance of SSI exports is influenced by a number of factors such as size of units, design, advertising, sales promotion measures, capital intensity of operation, finance, skills, up-gradation of technology etc. These things are determined by the performance of industry. Most of the Indian small scale industries are labour intensive and contribute very less exports. But most of the SSI units were not aware of their ability and skill. SSI's also do not know how to sell their product. So, SSIs units depend upon middlemen or merchant. At the same time SSIs not using up-gradation of technology and many SSIs units do not have economic scale.

4. Conclusion of the study

The success of the Globalization of the Indian economy should be measured by its export performance. Innovation in the operation and organization of this sector is key for the success of the economic reforms. But in case of SSIs more industries contributed enormous exports in post globalization period. Those industries are: Chemical and allied products, Marine products processed foods, Woolen garments and knitwear's, Rayon synthetic products, Processed tobacco, Snuff & Beedi, spices, spice oils and Lac industry.

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