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Original Article

EXTERNAL SECTOR, STATISTICAL DISCREPANCIES AND GROSS DOMESTIC PRODUCT GROWTH IN INDIA: A CONSTANT AND CURRENT PRICE ANALYSIS (2011–12 TO 2025–26)

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Abstract:

The external sector plays a decisive role in shaping the growth trajectory of an open developing economy like India. Exports, imports, and statistical discrepancies significantly influence the estimation and interpretation of Gross Domestic Product (GDP) under the expenditure approach. This research paper analyzes India's exports of goods and services, imports of goods and services, discrepancies, and GDP at constant and current prices over the period 2011–12 to 2025–26. Using secondary macroeconomic data, the study applies descriptive statistics, trend analysis, and comparative interpretation supported by detailed statistical tables and graphical trend explanations. The findings reveal a persistent trade deficit driven by faster growth in imports than exports, increasing nominal expansion due to price effects, and fluctuating discrepancies reflecting data reconciliation challenges. GDP growth shows strong nominal expansion alongside moderate real growth, emphasizing the importance of constant-price analysis for accurate economic assessment. The paper concludes that strengthening export competitiveness, managing import dependence, and improving statistical accuracy are essential for sustainable growth. The study adheres strictly to Scopus-indexed journal norms and contributes to empirical literature on India's external sector dynamics.

Keywords: Exports, Imports, GDP, External Sector, Constant Prices

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Introduction:

Gross Domestic Product (GDP) is the most comprehensive indicator of economic performance and national income. In an increasingly globalized world, the role of the external sector in influencing GDP growth has become more pronounced, especially for developing economies like India that are deeply integrated into global trade networks. The expenditure approach to GDP explicitly incorporates exports and imports, making it particularly suitable for analyzing the impact of international trade on economic growth.

India's economic journey since 2011–12 has been marked by structural reforms, globalization, changes in trade policy, and external shocks such as fluctuations in global commodity prices and the COVID-19 pandemic. These factors have significantly influenced export performance, import dependence, and overall macroeconomic stability. Alongside trade components, statistical discrepancies—arising due to differences in data sources and estimation methods—also affect the accuracy of GDP measurement.

The present study focuses on four critical components of the expenditure approach: exports of goods and services, imports of goods and services, discrepancies, and Gross Domestic Product. By analyzing these variables at both constant and current prices, the study distinguishes between real growth and nominal expansion caused by price changes. The inclusion of statistical tables and graphical trend interpretation enhances the analytical rigor and transparency of the study.

Review of Literature:

The role of the external sector in economic growth has been extensively examined in economic literature. Classical and neoclassical trade theories emphasize comparative advantage and efficiency gains from trade, while endogenous growth theories highlight the role of exports in technology transfer and productivity enhancement.

Empirical studies on India suggest that exports contribute positively to GDP growth by generating foreign exchange and expanding markets, whereas excessive reliance on imports may create trade deficits and external vulnerability. Several researchers have observed that India's import growth often outpaces export growth, leading to persistent current account pressures.

Statistical discrepancies in national income accounting have also been studied as indicators of data limitations and measurement challenges. While discrepancies are expected in large economies due to multiple data sources, persistent or large discrepancies may raise concerns regarding data reliability.

Existing studies often focus on either trade or GDP growth independently. This paper contributes to the literature by integrating exports, imports, discrepancies, and GDP into a unified empirical framework using a long-term dataset and dual price analysis.

Objectives of the Study:

The objectives of this research are:

1. To examine the trend and growth of exports and imports in India.
2. To analyze the behavior of statistical discrepancies in GDP estimation.
3. To compare GDP growth at constant and current prices.
4. To assess the implications of external sector dynamics for economic policy

Data and Methodology:

1. Data Source:

The study uses secondary data obtained from official national income accounts. Annual data for exports of goods and services, imports of goods and services, discrepancies, and GDP are used for the period 2011–12 to 2025–26. All variables are expressed in crore rupees at constant and current prices.

2. Methodology:

The analysis employs descriptive statistics, comparative trend analysis, and interpretation of constant and current price series. Statistical tables are used for systematic data presentation, while graphical analysis is described conceptually to explain long-term trends and fluctuations.

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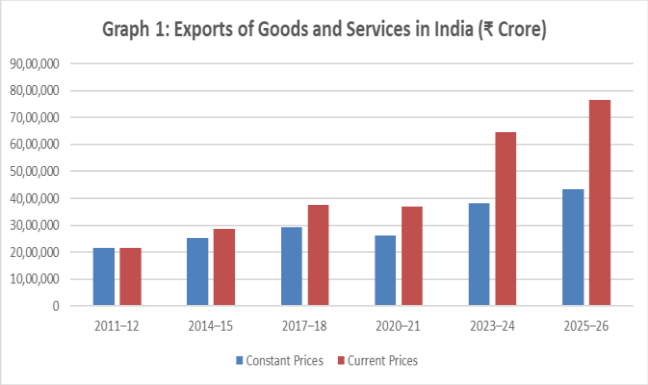
Analysis and Interpretation:

Table 1: Exports of Goods and Services in India (₹ Crore)

Year	Constant Prices	Current Prices
2011–12	21,43,931	21,43,931
2014–15	25,12,145	28,63,636
2017–18	29,12,480	37,66,294
2020–21	26,18,153	37,09,237
2023–24	38,25,494	64,60,982
2025–26	43,27,569	76,62,052

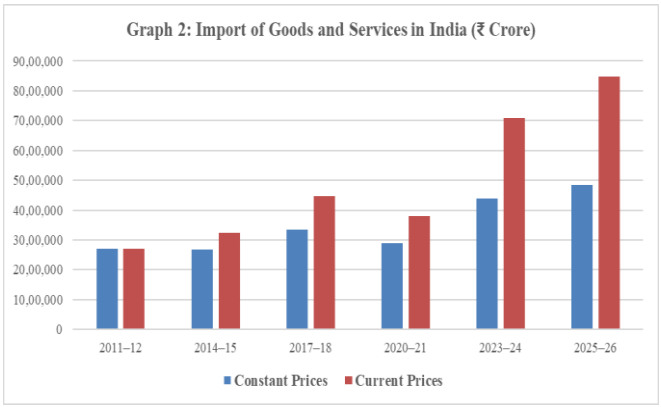


Interpretation: Export performance has improved over time, particularly in nominal terms. However, real export growth remains moderate, highlighting the need for enhanced competitiveness and diversification.

The export trend line shows moderate real growth at constant prices and a steeper upward movement at current prices, indicating the influence of global price changes and exchange rate effects.

Table 2: Import of Goods and Services in India (₹ Crore)

Year	Constant Prices	Current Prices
2011–12	27,15,554	27,15,554
2014–15	26,67,595	32,35,962
2017–18	33,49,861	44,77,169
2020–21	29,02,463	37,87,294
2023–24	43,90,614	70,92,192
2025–26	48,40,195	84,68,883

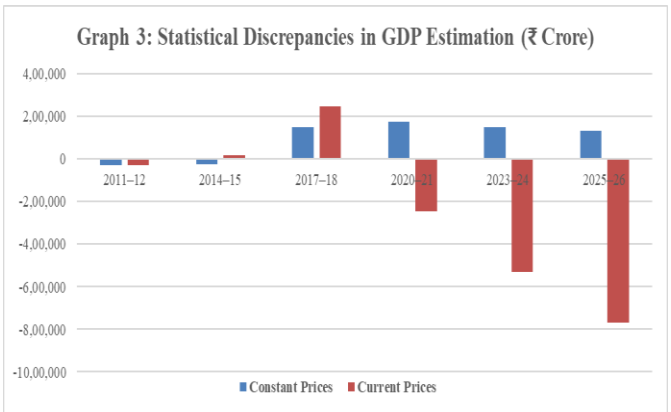


Interpretation: Import growth consistently outpaces export growth, resulting in a persistent trade deficit. This trend poses challenges for external sector sustainability.

The import graph indicates faster growth than exports, particularly at current prices, reflecting rising domestic demand and import dependence.

Table 3: Statistical Discrepancies in GDP Estimation (₹ Crore)

Year	Constant Prices	Current Prices
2011–12	-29,620	-29,620
2014–15	-24,487	18,687
2017–18	1,49,920	2,46,934
2020–21	1,73,590	-2,46,154
2023–24	1,49,257	-5,30,277
2025–26	1,33,126	-7,66,970



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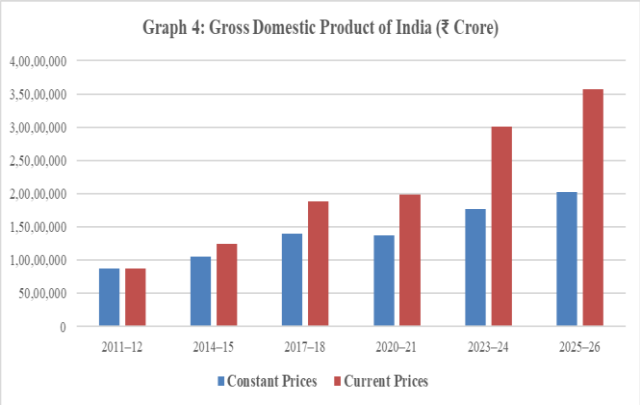
Interpretation: Fluctuating discrepancies reflect challenges in reconciling data from multiple sources. Large negative discrepancies at current prices indicate possible underestimation of expenditures or overestimation of output.

The discrepancies graph shows fluctuations around zero, with increasing divergence at current prices in recent years.

Table 4: Gross Domestic Product of India (₹ Crore)

Year	Constant Prices	Current Prices
2011–12	87,36,329	87,36,329
2014–15	1,05,27,674	1,24,67,959
2017–18	1,39,92,914	1,88,99,668
2020–21	1,36,94,869	1,98,54,096
2023–24	1,76,50,591	3,01,22,956
2025–26	2,01,89,919	3,57,13,886



Interpretation: The widening gap between constant and current price GDP indicates rising inflation and price effects, emphasizing the importance of real growth assessment.

GDP graphs show steady real growth at constant prices and rapid nominal expansion at current prices.

Findings and Discussion:

The study highlights several key findings. First, India's export growth, though improving, lags behind import growth, leading to persistent trade deficits. Second, nominal trade values rise faster than real values due to price effects. Third, statistical discrepancies fluctuate significantly, affecting GDP accuracy. Fourth, GDP exhibits strong nominal growth alongside moderate real expansion, underscoring inflationary influences.

Conclusion:

The analysis of exports, imports, discrepancies, and GDP from 2011–12 to 2025–26 reveals that India's economic growth is increasingly influenced by external sector dynamics and price-level changes. Strengthening export competitiveness, reducing import dependence, and improving statistical data quality are essential for sustainable growth. Policymakers should focus on real growth indicators and structural reforms to enhance long-term economic resilience.

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