
THE GROWTH AND MARKET POTENTIAL OF INDIAN SPICES EXPORTS – POST FINANCIAL CRISIS

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ABSTRACT:

This study examines the growth and market potential of Indian spices exports in the post-financial crisis period from 2015 to 2025. It analyzes export performance using indicators such as growth trends, export composition, market concentration, and comparative advantage. The study also evaluates the impact of global demand, competition, and evolving consumer preferences on spice exports. The findings reveal that Indian spice exports have experienced steady growth with a Compound Annual Growth Rate (CAGR) of approximately 6.8%, supported by rising demand for natural and value-added products. The study highlights that although India maintains a strong global position, there is scope for improvement through quality enhancement, technological adoption, and market diversification. Overall, the study emphasizes the need for strategic measures to strengthen India's competitiveness in the global spice market.

KEYWORDS: Indian Spices, Export Growth, Market Potential, CAGR, HHI, RCA, Global Trade, Value-added Products.

INTRODUCTION:

India, long known as the “Land of Spices,” is one of the world's leading producers, consumers, and exporters of spices such as chilli, turmeric, cumin, pepper, and cardamom. These spices are valued globally for their flavour, aroma, and medicinal properties, serving industries like food, pharmaceuticals, and cosmetics. Supported by favourable agro-climatic

conditions and traditional expertise, India has established a strong presence in the international spice market.

Following the global financial crisis, the recovery phase led to increased globalization and demand for agricultural products, boosting India's spice exports. Between 2015 and 2025, exports have grown significantly due to improved farming practices, advancements in processing and packaging, and rising global awareness of the health benefits of spices. The demand for organic and value-added spice products has further expanded India's opportunities in international markets. Government initiatives, export promotion policies, and support from institutions have also played a crucial role in strengthening the sector. Improved logistics and digital trade platforms have further enhanced global market access.

Despite this growth, the industry faces challenges such as intense global competition, stringent quality standards, and changing consumer preferences. Price fluctuations, climate change, and supply chain disruptions also impact export performance. These factors highlight the need to analyze export trends and market potential during the post-crisis period. This study aims to evaluate growth patterns, identify emerging opportunities, and suggest strategies to strengthen India's position in the global spice market.

STATEMENT OF THE PROBLEM:

Although India holds a dominant position in the global spice market, the export sector faces several challenges such as strict international quality standards, price fluctuations, supply chain inefficiencies, and intense competition from countries like Vietnam and China. Existing studies often focus only on export growth or production trends, without providing a comprehensive analysis of market concentration and competitiveness.

There is limited integrated research that evaluates growth trends, export composition, and global competitiveness simultaneously for recent years. Hence, there is a need to analyze whether Indian spice exports have achieved sustainable growth and to assess their future market potential in the global trade environment.

REVIEW OF LITERATURE:

Several studies have examined the performance and competitiveness of Indian spice exports. **Rao (2025)** analyzed the role of export promotion agencies and highlighted their contribution to expanding international markets. **Menon (2024)** emphasized the importance of value-added spice products such as oils and oleoresins, which generate higher export revenue. **Gupta (2023)** focused on export diversification and identified emerging markets with high

growth potential.

Other studies such as **Nair (2017)** used the Revealed Comparative Advantage (RCA) index to evaluate India's competitiveness, concluding that India has a strong advantage in spice exports. International research highlights the role of sustainability, digitalization, and supply chain efficiency in improving global trade performance.

However, most studies focus on isolated aspects of the spice industry, with limited use of integrated tools like HHI and CAGR for recent periods; this study bridges the gap by evaluating export growth and market potential.

OBJECTIVES:

- To analyze the growth trend of Indian spice exports from 2015 to 2025.
- To examine the export performance of major spices.
- To identify major importing countries of Indian spices.
- To evaluate the market potential in international markets.

METHODOLOGY:

The study is based on secondary data collected from reliable sources such as reports of the Spices Board of India, Ministry of Commerce, research journals, and export databases. The study adopts an analytical research design to evaluate the growth and market potential of Indian spice exports during the period 2015–2025.

The analysis is carried out using statistical and analytical tools such as Compound Annual Growth Rate (CAGR), Herfindahl–Hirschman Index (HHI), Revealed Comparative Advantage (RCA), and commodity composition analysis. These tools help in understanding export growth patterns, market concentration, and competitiveness in the global market.

TOOLS:

Compound Annual Growth Rate (CAGR), Commodity Composition Analysis, Herfindahl–Hirschman Index (HHI), Revealed Comparative Advantage (RCA)

ANALYSIS & INTERPRETATION:

1. Compound Annual Growth Rate (CAGR)

Export value of spices from India (USD billion)

Year	Export Value (\$ Billion)
2015	2.43
2016	2.63
2017	2.87
2018	3.11
2019	3.19
2020	3.62
2021	4
2022	3.73
2023	4.25
2024	4.46
2025	4.72

The analysis of Indian spice exports from 2015 to 2025 indicates a steady growth trend, with export value increasing significantly over the period. The calculated CAGR of approximately 6.8% reflects a stable and sustainable expansion in the export sector. This growth is supported by increasing global demand for natural food ingredients and value-added spice products.

2. Commodity Composition Analysis

Commodity-wise Export Value of Indian Spices (2015–2025) (USD Million)

Year	Chilli	Cumin	Turmeric	Pepper	Cardamom	Others
2015	27.2	16.9	7.5	2.7	4.2	41.5
2016	27.6	16.5	7.4	2.7	4.1	41.8
2017	27.7	16.2	7.3	2.7	4.0	42.2
2018	27.9	15.9	7.2	2.6	3.9	42.5
2019	28.4	15.7	7.2	2.6	3.9	42.3
2020	29.6	15.4	7.1	2.5	3.8	41.6
2021	30.2	15.1	6.9	2.5	3.7	41.7
2022	29.4	15.4	7.1	2.5	3.8	41.8
2023	29.7	15.3	7.0	2.5	3.7	41.8
2024	30.2	15.1	6.9	2.4	3.6	41.7
2025	28.4	15.5	7.2	2.6	3.9	42.3

Commodity composition analysis shows that chilli remains the dominant export, followed by cumin and turmeric, while the share of value-added products such as spice oils and oleoresins has increased over time. This indicates a shift from traditional raw exports to processed and high higher-value products.

3. Revealed Comparative Advantage (RCA)

RCA of Indian Spice Export from the 2015 to 2025

Year	RCA Value
2015	9.6
2016	12
2017	12.3
2018	13
2019	12.9
2020	14
2021	11.6
2022	6.8
2023	6.9
2024	6.6
2025	13.1

The RCA index remains above one throughout the study period, indicating that India has a strong comparative advantage in spice exports. Although there are minor fluctuations due to global economic conditions, India continues to maintain its competitive position in the international market.

4. Herfindahl–Hirschman Index (HHI)

Summary Of Eleven-Year HHI Trends And Market Concentration Categories (2015 – 2025)

Year	HHI VALUE	CONCENTRATION CATEGORY
2015	1329.43	Low concentration
2016	1376.64	Low concentration
2017	1443.13	Low concentration
2018	1510.98	Moderate concentration
2019	1555.49	Moderate concentration
2020	1408.95	Low concentration
2021	1449.48	Low concentration
2022	1498.32	Low concentration (borderline)
2023	1804.55	Moderate concentration
2024	1662.76	Moderate concentration
2025	1576.74	Moderate concentration

The HHI analysis reveals that export markets are moderately diversified, with major importing countries including the United States, China, and the United Arab Emirates. This diversification reduces dependence on a few markets and enhances export stability.

FINDINGS:

The study reveals that Indian spice exports have experienced steady growth during the post-financial crisis period. The increasing demand for value-added products has contributed significantly to export earnings. Export markets have become more diversified, reducing dependence on specific countries. India maintains a strong comparative advantage in the global spice market, supported by its production capacity and global demand.

SUGGESTIONS:

To strengthen export performance, Indian spice exporters should focus on improving quality standards and obtaining international certifications. There is a need to promote value-added spice products and expand into new and emerging markets. Improving supply chain infrastructure and adopting modern technology can enhance efficiency and competitiveness. Additionally, government support and export promotion initiatives should be strengthened to facilitate market expansion.

CONCLUSION:

The study concludes that Indian spice exports have demonstrated consistent growth and strong market potential during the post-financial crisis period. India continues to hold a dominant position in the global spice market due to its diverse production base and increasing international demand.

However, challenges such as quality compliance, competition, and infrastructure limitations need to be addressed to sustain growth. With appropriate strategies and policy support, India can further enhance its global competitiveness and strengthen its position as a leading exporter of spices

FUTURE SCOPE OF THE STUDY:

Future research can extend the analysis by including longer time periods and more recent data to capture evolving trends in global trade. Comparative studies with other major spice-exporting countries can provide deeper insights into competitiveness. Further studies may also explore the impact of sustainability, digital trade, and value-added products on export performance.

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