INDIA’S FOREIGN TRADE RELATIONS WITH ASIAN AND EUROPEAN COUNTRIES

A select annotated bibliography

DISSERTATION
SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF Master of Library & Information Science

BY
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Roll. No. 96 LSM - 14
Enrol. No. Y - 4200

UNDER THE SUPERVISION OF
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Reader

DEPARTMENT OF LIBRARY & INFORMATION SCIENCE ALIGARH MUSLIM UNIVERSITY ALIGARH (INDIA)
1997
Dedicated
To My
Loving Parents

"WHO ALWAYS BEEN A SOURCE OF INSPIRATION,
GUIDANCE AND ENCOURAGEMENT FOR ME"
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ACKNOWLEDGEMENT

First and foremost, praise to be Almighty God, the most merciful, the most beneficient, who showed me the path of rightness and blessed me with strength & guidance for the timely completion of this dissertation. Without the help of Almighty God, this work would have not seen the light of the day.

It is a matter of great pleasure for me to express my deep sense of gratitude to my respected teacher and Supervisor Mr. S. Mustafa, K.Q. Zaidi, READER, Department of Library and Information Science, A.M.U., Aligarh, under whose supervision this work has been carried out. His provoking discussions and critical comments at every stage of my work have improved the quality of my dissertation. Without his generous help and guidance this formidable task would have been difficult to accomplish.

I sincerely wish to express my heartfelt thanks to Prof. Shahabat Hussain, Chairman, Department of Library and Information Science, A.M.U., Aligarh, Prof. S. Hasan Zamarud, Department of Library and Information Science, A.M.U. for their generous help valuable suggestions and Co-operation in all respect during the period of my study in Aligarh whenever I needed.
Thanks are also due to my respected teachers, Mr. Naushad Ali, P.M., Mr. Asif Fareed Siddique & Miss Nishat Fatima, Lecturers & other staff of the Department of Library & Information, A.M.U., Aligarh for their generous help and Co-operation in all aspects.

No words will be enough to express my deep sense of gratitude to my Loving Parents who always been a source of inspiration, guidance and encouragement for me throughout my life. Infact, without his help, probably, my life would have lost in the darkness.

Thanks are also due to my uncle Mr. Kasim Ali, Mausam Ali, my Cousin Mr. Umaid Tyagi & my Loving brothers, Master Maroof, Arif & Asif Ali and to my loving sisters for their help to continue my studies.

I would like to express my thanks to my friends, classmates & wellwishers, specially Dilshad, Faisal & Mehoob for their co-operation and valuable suggestions. I am also thankful to Mr. Moin Zaidi and Mr. S. Riyaz Abbas, Seminar Incharge for giving me full Co-operation.

At last but not the least I am highly indebted to Mr. Mohd. Asif Khan who took keen interest in typing my dissertation.

(FAROOQ ALI)
AIMS, SCOPE & METHODOLOGY

AIMS & SCOPE:

The present study is intended to bring at one place, in the form of annotations, & tried to cover most of the significant literature that is available on India's foreign trade, although this bibliography is selective in nature, an attempt has been made to cover all the aspects of India's foreign trade with Asian & European Countries.

I tried to cover most of the European & Asian Countries & tried to give trade data as much as possible.

The main purpose of this study is to know, whether India's trade is declining or improving in comparison with other developing countries and how much is India's trade turnover in Exports & Import & what are those important items which we export & Import from other developed countries. On the basis of the present study we can say that India's foreign trade with Asian & European Countries are good & still improving in comparison of the early periods.

METHODOLOGY:

The secondary sources were consulted in Maulana Azad Library, A.M.U., Aligarh to find the location of articles, these are:
a) Guide to Indian Periodical literature (Delhi Library Association).

b) Index India (Rajasthan University, Jodhpur).

The libraries visited for consulting the primary sources are as follows:

a) Maulana Azad Library, Aligarh Muslim University, Aligarh.

b) Seminar Library of Commerce Department, Aligarh Muslim University, Aligarh.

c) Seminar Library of Business Administration Department, Aligarh Muslim University, Aligarh.

d) Seminar Library of Education Department, Coaching and Guidance Centre, Aligarh Muslim University, Aligarh.

STANDARD FOLLOWED:

I followed the rules and practices of the Indian standard for Bibliographical References (IS:2381-1963) for each entry of the bibliography. Thus it gives an uniformity for the bibliographical references through out this select bibliography. The classified catalogue code (CCC) of Dr. S.R. Ranganathan has followed for choice and rendering of authors and headings.

SUBJECT HEADINGS:

I have tried my best to give Co-extensive subject heading. It will facilitate the reader to find out desired
article(s) from this bibliography. An effort has been made to follow postulates and principles given by Dr. S.R. Ranganathan in the formation of subject headings; these are arranged strictly by the principle of alphabetical sequence.

ARRANGEMENT:

The entries are arranged under subject headings which are arranged alphabetically letter by letter.

The entry is preceded by subject heading in capitals. The entry begins with Entry element (i.e. Surname) of the author is capitals, followed by secondary element (i.e. forename) within paranthesis and then the title of the article, after this the title of the periodical being underlined in abbreviated or full form, its volume number, issue number, year, month of publications and date after which are given the page number of the articles.

The item of bibliographical reference for each entry contains the following information:

a) Name(s) of the author(s)
b) Full stop (.)
(c) Title of contribution including sub-title, if any
d) Full stop (.)
SPECIMEN ENTRY

INDIA, FOREIGN TRADE, RUSSIA

167. DEBROY (Bibek) and MAGO (LD). Issues in Indo-Soviet trade. Foreign Trade Review. 26,4;1992 April-September; 40-56.

Soviet Union continuous to be one of the India'n major trading partner in exports to and imports from Soviet Union. In 1988-89, India's total exports to the Soviet Union were 12.66 percent and its total imports from the Soviet Union were 4.49 percent in the same year in which nearly, 70 percent of current Indian imports from the Soviet Union are made by publicsector & 78 percent of India's export are made by the private sector.
ABSTRACT:

The entries in the bibliography contain abstracts giving the essential information to prepare indicative abstract, so that in most of the cases users needs are fulfilled with abstract itself.

INDEX:

The Index contains list of the author index and title index. The indexes have been arranged letter by letter method. Each entry followed by entry numbers. It is hoped that it will be found very much useful in consultation of the bibliography.
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PART - ONE

INTRODUCTION
INTRODUCTION

International trade may be defined simply as the exchange of goods & Services among different countries or nations. Trade between different countries originated as a result of specialisation. Because of their varying productive resources different countries specialise in the production of different commodities. International Trade, therefore is based on the principle of division of labour. A country produces those goods for which it is most suited. Then by exchanging some of its own products for those of the other countries, a country can enjoy of those goods & Services while it can not produce it self or produce only at a comparatively higher costs.

In Simple Words: Foreign or International trade means the exchange of goods & services between nations. Under the one country exports goods or services to, or imports goods & Services from another country. Where goods or Services of a country are sold in one or more foreign countries, it is said to be engaged in export trade & where it buys goods or services from one or more foreign countries, it is said to be engaged in import trade.

There is also a third kind of foreign trade, known as entrepot trade. In entrepot trade, goods are imported
into a country not with the object of use within the country, but for re-export to some other countries.

Foreign trade can be bilateral or multilateral. It is bilateral when it is between any two nations. It is multilateral when each country exports and imports with any other country it wishes.

DIFFERENCES BETWEEN INTERNATIONAL TRADE AND INTERNAL TRADE:

Although internal trade and international trade are the result of specialisation but there are certain differences between the two and as such all require a separate theory of international trade.

The first difference is with regard to the mobility of labour and capital. Labour and capital become much less mobile between the different nations. For example, the labour which is much more mobile within the same country becomes very much less mobile between different countries due to differences in language, customs, climate and difficulties of transport facilities and the presence of migration laws. Similarly, capital also becomes less mobile in between different countries. The secondary difference arises out of the fact that each country has a separate currency system. Different currencies used by different countries are not legal tender money except the one in
which it is issued. This involves the problems of foreign exchange. But there is no such problem of exchange of currency in case of internal trade. **The Third difference** is that the govt.s. of different Countries have adopted different fiscal policies today. Trade between different countries is not free. There are restrictions imposed by custom duties, exchange restrictions and many other tariff barriers.

Lastly, cost of transport and insurance between different countries also check international trade. Since international trade is essentially a long distance trade many problems of transport and insurance arise. But these are no such problems in case of internal trade.

**ADVANTAGES OF INTERNATIONAL TRADE :**

Following are the important advantages of foreign trade.

(a) **Mutual give and take :** Foreign trade enables each country to obtain the goods that it does not produce itself.

(b) **Specialisation and efficiency in production :**
Foreign trade enables a country to concentrate on the production of only such goods that if can produce most efficiently and economically.
(c) **Increase in total production**: Each country produces only such goods as it can produce at the lowest possible cost and sell at the maximum possible profit. It is able to avoid wastage of its productive resources. All factors of production can thus be used to their maximum capacity. This results in increase in total world production.

(d) **Higher standards of living**: There are few countries which are blessed with all successary resources to produce every thing required by them but foreign trade makes it possible to obtain all kinds of goods from abroad assure better standards of living for its people.

(e) **Optimum use of natural and human resources**: Foreign trade enables a country to make optimum used its natural and human resources. For example - Japan, It is best equipped to undertake manufacturing of industrial goods. For a largel part of its requirements of food stuffs and rawmaterials, it depends on other countries if there had been no foreign trade, it would also have to produce its requirements of food stuffs and rawmaterials, it depends on other countries if there had been no foreign trade, it would also have to produce its requirements of food stuffs and rawmaterials through optimum use thereof.
(f) **Price equalisation between countries:** Foreign trade serves to equalise prices in all the trading countries. Without it, a country having appropriate resources to produce a particular commodity in plenty would face a situation of surplus and disposal of the entire produce inside the country would bring down the prices to uneconomic levels.

With foreign trade, the supply of such commodity in the first country is reduced through exports. So that its prices stay at a remunerative level for the producers. In the second country, the supply of such commodity is increased through imports, so that the price continues to stay at a reasonable level for the buyers.

Foreign trade also facilitates the induction of latest technology, new ideas, social changes and liberal attitudes.

**TERMS OF TRADE:**

The terms of trade refer to the rate at which the goods of one country exchange for the goods of another country. It is a measure of power of exports of a country in terms of its imports and expressed the relation between export prices & import prices of its goods. When the export prices of a country rise relatively to its import prices its
then take away the original wares & the transaction is concluded. This wide spread silent trade was reported from such diverse region as North Russia India etc. It is found especially where people of a fairly primitive type conduct habitual exchange with whom of a somewhat higher culture. Elements of shyness and fear are obviously involved in this custom. Which thus secures economic benefits for people who shun foreign contracts.

b) Chief Exchange : The transaction takes the form & counter present often between host & guest. A good example may be cited from the Maori of Newzealand. Exchange was conducted quite in the manner of gift making no bargaining upset the proceedings, such was not correct. At the same time a strict system of reciprocity was inforce, by which the recipient of the gift was bound, as he valued his name name & reputation, to make adequate repayment. This was expected by the donor. Such was the idea of (equivalence) which ran through all Maori social life. But the recipient usually tried, if possible to give back greater value than he received, not through generosity, but since his own prestige would therby be enhanced. Even where the exchange was primarily a matter of security, necessities of life, as food or garments, the desire to obtain fame by being liberal strove with the wish to have economic advantage.
terms of trade are said to have improved. The commodity terms of trade is the ratio between the prices of a country's export goods and import goods. Symbolically. It can expressed as $T_c = \frac{P_x}{P_m}$. Here, $T_c$ stands for the commodity terms of trade, $P$ for price, $x$ for exports and $m$ for imports.

$$\text{Terms of trade} = \frac{\text{Total value of Imports}}{\text{Total value of Exports}}$$

or

$$= \frac{\text{Price of imports} \times \text{Total imports}}{\text{Price of exports} \times \text{Total exports}}.$$ 

**TYPES OF TRADE**

a) **Silent Trade**: Most spectacular is the institution variously described as the silent trade, domb barter as depot trade this method of exchange was practised by the carthagians in their traffic for gold with the African tribes beyond the pillars of Hercules. In this trade one partly goes to the customary spot, lays down goods & retires into the bush as to a distance, giving as a signal, a call or a gang stroke. The other person then come laydown what they consider to be articles of equivalent value & retreat in their turn. The first party then comes back & if satisfied with the bargain removes the newly deposited goods, if not, there are allowed to remain until suitable additions are made. Then the persons of the second party
These are the twin psychological factors lying at the root of ever exchange of gifts.

**Barter**: This consists in the direct transfer of goods against goods. Unlike the gift exchange, it implies agreement as to rates, with the possibility of lagging over quantities & values. A system of barter in certain commodities may co-exist with gift exchange in others of greater social importance as in the Trobriands where, as described by Bronis law or exchange of valuable arm shells & Necklaces is conducted along polite, strictly ceremonial lines, while the giniuali, the barter of fish for vegetables, is carried on with haggling as to size & quantity, & ever acrimonious wrangling. Baster is after supposed to be typical of primitive people.

**Buying & Selling**: This avoids the awkwardness of barter by the use of some medium of exchange. Much of what is often described as primitive money is wrongly termed, but in various parts of Africa, for instance, cloth, and salt do act to turn currency, as also, apparently, do coconuts in the Nicobar Islands.

**ROLE OF INTERNATIONAL TRADE IN ECONOMIC DEVELOPMENT**:

The role of foreign trade in economic development is considerable. The classical and neo-classical economists
attached so much importance to international trade in a country's development that they regarded it as an engine of growth. It is therefore, contended that even if DCS are required to sacrifice the gains from international specialisation, they can attain a higher rate of development by following the policies of import substitution.

Foreign trade possesses great importance for developing countries. It provides the urge to develop the knowledge and experience that make development possible, Herberler opines say that International trade has made a tremendous contribution to the development of Developed countries in the 19th and 20th centuries and can be expected to make an equally big contribution in the future and that substantial free trade with marginal, insubstantial corrections and deviations, is the best policy from the point of view of economic development.

When a country specialise in the production of a few goods due to international trade and division of labour, it exports those commodities which it produces cheaper in exchange for what others can produce at a lower cost. It gains from trade and there is increase in national income, which in turn, raises the level of output and the growth rate of economy. Thus the higher level of output through
trade trends to break the vicious circle of poverty and promotes economic development.

Foreign trade also helps to exchange domestic goods having low growth potential for foreign goods with high growth potential. The staple commodities of underdeveloped countries are exchanged for machinery, capital goods, raw materials, and semifinished products required for economic development.

Foreign trade also provides the basis for the importation of foreign capital in developing countries, if there were no foreign trade, foreign capital would not flow from the rich to the poor countries. Foreign trade benefits developing countries indirectly by fostering healthy competition and checking inefficient monopolies. Healthy competition is essential for the development of the export sector of such economies and for checking inefficient exploitative monopolies that are usually established on the grounds of infant industry protection. Lastly, we can say that foreign trade plays a very important role in economic development.

**INDIA'S FOREIGN TRADE**

In the modern world, no economy is self-sufficient. To meet their varied demands, countries have to trade and maintain international economic relations.
Table 1
India's Foreign Trade

(US $ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Annual Growth Rate (%)</th>
<th>Imports</th>
<th>Annual Growth Rate (%)</th>
<th>Trade Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-51</td>
<td>1,269</td>
<td>24.9</td>
<td>1,273</td>
<td>-1.5</td>
<td>-4</td>
</tr>
<tr>
<td>1960-61</td>
<td>1,346</td>
<td>0.3</td>
<td>2,353</td>
<td>16.7</td>
<td>-1,007</td>
</tr>
<tr>
<td>1970-71</td>
<td>2,031</td>
<td>8.8</td>
<td>2,162</td>
<td>3.5</td>
<td>-131</td>
</tr>
<tr>
<td>1980-81</td>
<td>8,486</td>
<td>-0.6</td>
<td>15,869</td>
<td>40.2</td>
<td>-7,383</td>
</tr>
<tr>
<td>1985-86</td>
<td>8,904</td>
<td>-4.9</td>
<td>16,067</td>
<td>11.5</td>
<td>7,162</td>
</tr>
<tr>
<td>1986-87</td>
<td>9,745</td>
<td>9.5</td>
<td>15,727</td>
<td>-2.5</td>
<td>-5,982</td>
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<td>1987-88</td>
<td>12,089</td>
<td>24.1</td>
<td>17,156</td>
<td>9.1</td>
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<td>1988-89</td>
<td>13,970</td>
<td>18.6</td>
<td>19,497</td>
<td>13.6</td>
<td>-5,526</td>
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<td>1989-90</td>
<td>16,612</td>
<td>18.9</td>
<td>21,219</td>
<td>8.8</td>
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<td>1990-91</td>
<td>18,143</td>
<td>9.3</td>
<td>24,075</td>
<td>13.5</td>
<td>-5,932</td>
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<td>1991-92</td>
<td>17,863</td>
<td>-1.3</td>
<td>19,411</td>
<td>-19.4</td>
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<td>20.0</td>
<td>23,306</td>
<td>6.5</td>
<td>-1,068</td>
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<td>1994-95</td>
<td>26,331</td>
<td>18.4</td>
<td>28,654</td>
<td>23.0</td>
<td>-2,323</td>
</tr>
</tbody>
</table>

* April-December (E) = estimate.

Foreign trade and capital transactions constitute a country's external sector. Today, India's foreign trade is relatively small. It does not contribute significantly to the country's national income. With globalisation, trade liberalisation and export-led growth policy, however, India's external sector is presumably seeking its due importance. Under the new regime of liberalisation and globalisation policy, the external sector in the Indian economy has a strategic role to play in the process of economic development.

**TRENDS OF EXPORTS AND IMPORTS OF INDIA**

Since the inception of planning, the external sector of the Indian economy has undergone significant transformation. The share of foreign trade in the country's GNP has been rising over the years. It has increased from 11.7 per cent in 1985-86 to 14.5 per cent in 1990-91 and further to 16.9 per cent in 1992-93.

**Modest Growth Rate of Exports**: During 1950-51 to 1980-81, 1950 to 1980, there has been a continuous but modest increase in India's exports valued in US dollar terms. In 1950-51 export growth rate was nearly 25 per cent which declined to 0.3 per cent in 1960-61. 1986-87 onwards, India's growth rate of exports has considerably increased.
In 1987-88 it reached a peak level of nearly 24 per cent. It has, however, decline to 3.8 per cent in 1992-93 but again increased to 20 per cent in 1993-94. In 1994-95 the growth rate of export was 18.4 per cent.

During 1980-81 to 1993-93, exponential growth rate of India's exports in rupee terms is worked out at 10.6 per cent.

The lower growth of exports may be attributed to a recession abroad, increasing competition in world market, protectionist barriers etc. However, recent export promotion measures have given a boost to India's exports. India's share in world's exports is today less than 0.5 per cent. It has declined from 2.1 per cent in 1950-51.

**Large Increase in Imports**: The increase in India's imports has been very large over the years. Imports in value terms have increased from US $ 1,273 million in 1950-51 to US $ 21,882 million crores in 1992-93. In 1980-81, the annual growth rate of imports was very high at 40 per cent as against that of exports at about 7 per cent. In 1992-93, import growth rate was over about 13 per cent as against export growth rate of 4 per cent. In 1994-95 it was 23 per cent.
However, during 1980-81 to 1992-93, the exponential growth rate of imports (in rupee terms) of India worked out at 7.9 per cent. There has been a marked rise in percentage share of imports in India's GDP.

Heavy imports of capital goods, fertilisers, petroleum and some other essential commodities, steep rise in import prices have contributed to the rise of imports in India.

**Meagre Foreign Exchange Earnings**: Due to the slower growth rate of exports against a faster rise in imports, there has been not only meagre earnings of foreign exchange, but depletion of foreign exchange reserves too. India's foreign exchange earnings were incapable of financing its imports. As a result, India had to face a severe problem of foreign exchange crisis in July 1991. The new trade policy of 1991 devaluation and other fiscal monetary measures of the government could save the country from this grave situation in the later years of 1992, 1993 and 1994.

The country's foreign exchange reserves (excluding gold and SDRs) improved from US $ 2,236 million 1990-91 to $ 6,434 million in 1992-93 and further to $ 9,807 million by December 1993.
Trade deficit in US dollar terms declined from $5,932 million in 1990-91 to $1,546 million in 1991-92. It, however, increased to $3,345 million in 1992-93. In 1993-94, it declined to $1,068 million, primarily due to a growth of 21 per cent in dollar value of exports and imports to around less than 4 per cent. It again rose to $2,323 million in 1994-95.

To get a correct perspective, we have taken the values of imports and exports in US dollars rather than in rupees as shown in Table 1.

Composition of India's Foreign Trade

The composition of India's foreign trade, i.e., the pattern of imports and exports over the years, has changed in many ways.

Composition of Imports: The principal imports of India may be classified into four major groups as follows: (i) Food and allied products; (ii) Raw materials and intermediate manufactures; (iii) Capital goods; and (iv) Other goods. Due to the industrial growth in the country, there has been structural changes in imports since 1951 as under.

(i) Increasing imports of capital goods and raw materials.
(2) Declining imports of foodgrains and consumer goods as shown in Table 2 1960-61.
<table>
<thead>
<tr>
<th>Product Group</th>
<th>Value of Exports (Rs Crores)</th>
<th>Share in Total Exports (%)</th>
<th>Export Increase (Rs Crores)</th>
<th>Share in Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1975-76</td>
<td>1980-81</td>
<td>1984-85</td>
<td>1975-76</td>
</tr>
<tr>
<td>Cotton Piece Goods</td>
<td>158.74</td>
<td>276.49</td>
<td>450.50</td>
<td>9.44</td>
</tr>
<tr>
<td>Cotton Apparel</td>
<td>146.40</td>
<td>378.18</td>
<td>919.23</td>
<td>8.70</td>
</tr>
<tr>
<td>2. Coir Yarn and Manufactures</td>
<td>19.02</td>
<td>17.26</td>
<td>27.85</td>
<td>1.13</td>
</tr>
<tr>
<td>3. Jute Manufactures incl. Yarn</td>
<td>248.31</td>
<td>329.95</td>
<td>341.26</td>
<td>14.76</td>
</tr>
<tr>
<td>4. Leather &amp; Leather Manufactures</td>
<td>201.30</td>
<td>337.13</td>
<td>694.83</td>
<td>11.97</td>
</tr>
<tr>
<td>5. Footwear</td>
<td>21.20</td>
<td>40.07</td>
<td>48.39</td>
<td>1.26</td>
</tr>
<tr>
<td>6. Handicrafts</td>
<td>224.11</td>
<td>935.40</td>
<td>1655.27</td>
<td>13.32</td>
</tr>
<tr>
<td>Pearls &amp; Precious Stones</td>
<td>122.94</td>
<td>601.92</td>
<td>1153.27</td>
<td>7.31</td>
</tr>
<tr>
<td>7. Chemical &amp; Allied Products</td>
<td>84.45</td>
<td>224.80</td>
<td>482.86</td>
<td>5.02</td>
</tr>
<tr>
<td>8. Engineering Goods</td>
<td>408.66</td>
<td>815.01</td>
<td>880.25</td>
<td>24.29</td>
</tr>
<tr>
<td>9. Iron &amp; Steel (Prime)</td>
<td>68.18</td>
<td>11.68</td>
<td>75.73</td>
<td>4.05</td>
</tr>
<tr>
<td>10. Manufactured Goods</td>
<td>1682.12</td>
<td>3643.88</td>
<td>6583.18</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Composition of Exports:** The principal exports of India may be grouped into: (i) Agriculture and allied products, (ii) Ores and minerals (excluding coal), (iii) Manufactured goods, (iv) Mineral fuels and lubricants (including coal), and (v) Others as shown in TABLE 3 since 19960-61.

**DIRECTION OF INDIA'S FOREIGN TRADE**

Direction of India's foreign trade is studied in relation to the country's proportion of exports to different countries and her proportionate imports from different countries. To study India's direction of foreign trade India's major trading partners are Eastern Europe, Less Developed Countries and others.

**Eastern European countries:** India's trade with East European countries has not only helped the country to expand trade and economic relations with this region but also played a significant role in expanding our overall trade. Development of trade with this region has led to considerable diversification of India's foreign trade and its expansion both in content and direction. On account of the bilateral trade mechanism, trade with these countries has been continuously adjusting itself to the changing requirements of our economy. The items exchanged in trade have been determined mainly by national priorities. The system of bilateral trade has enabled us to make use of idle capacities in various industrial sectors.
The salient features of bilateral trade agreements with the East European countries embody (a) adjectives of economic cooperation between the trading partners with emphasis on planned requirements and their fulfilment to the maximum possible extent; (b) trade to be in non-convertible currencies with provision of settlement of trade balances by movement of commodities or the inconvertible currencies (c) trade transactions being conducted at world prices without detriment to any trading partner, and (d) flow of aid in areas where it is needed most. These objectives of trade agreements have enabled India to find sources of imports, cheaper as well as reliable; expanded exports through trad creation rather than trade diversion.

On account of these favourable factors, India's trade with countries of East Europe comprising USSR, Bulgaria, Romania, Poland, Hungary, German Democratic Republic, Czechoslovakia and Yugoslavia has expanded considerably during the last two decades. Imports from this region increased from Rs. 2,301 million in 1966-67 to Rs. 4,880 million in 1976-77 and to Rs. 21,583 million in 1985-86. Exports from India during the corresponding period rose from Rs. 2,258 million in 1966-67 to Rs. 7,692 million in 1976-77 and Rs. 23,370 million in 1985-86. Growth in India's exports to this region has been quite striking but
steady during recent years. According to the latest available trade data for 1985-86, this region accounts for 21.2 per cent share in our global exports and 10.9 per cent in imports.

Of the countries of this region, USSR is the second largest trading partner with 8.5 per cent share in our total imports and 17.6 per cent share in our exports. Romania and German Democratic Republic are the two other leading trading partners of India in this region. India's major exports to USSR are jute manufactures, tea, cotton, textiles, cashew, tobacco, spices, oil cakes, coffee, iron ore, leather, clothing and footwear. Our imports from USSR include mainly machinery and equipment, petroleum, & petroleum products, fertilizers and paper.

In the case of German Democratic republic, our imports are muriate of potash, rolled steel products, newsprint, organic and inorganic chemicals, cinematographic equipment, printing machinery and diesel generating sets, German Democratic Republic is one of our largest markets for iron ore and shoe uppers. Other items of India's exports to GDR are oil cakes, textiles, and engineering goods including hand tools and automotive parts.

Principal items of import from Romania are rolled steel products, urea, PVC, polyethylene, polypropylene,
oil prospecting and drilling equipment, ball bearings, newsprint and organic and inorganic chemicals. Iron ore, raw cotton, coffee, tea, textiles, leather, oil cakes, graphite electrodes, and machine tools are the major items of our export to Romania.

**European Economic Community (EEC)**

The enlarged European Economic Community consisting of West Germany, France, Italy, Belgium, Luxembourg, Netherlands, UK, Ireland, Denmark, Spain and Portugal is an important trading partner of India not only in terms of trade with West Europe but also in terms of her trade with the world. The EEC region currently accounts for nearly 35 per cent of world trade. So far as trade of this region with India is concerned, EEC in 1985-86 accounted for 17.7 per cent share in country's total exports and 25.5 per cent share in imports.

India's trade with this region can be studied with reference to the period before the enlargement of the European Economic Community and after its expansion. While one of the reasons for expanding country's exports to this region in recent years is the enlargement of this regional economic grouping, the share of this region in our imports has been increasing. The share in India's imports from EEC which was 13.9 per cent in 1971-72 with absolute value
amounting to Rs. 2.538 million rose to 25.5 per cent in 1985-86 with imports valued at Rs. 50,455 million.

Exports to the EEC region during the Third Plan period ranged between Rs. 562 million in 1961-62 and Rs. 553 million in 1965-66. The real breakthrough in exports to this region was made in the period starting from 1972-73 when exchange earnings from EEC amounted to Rs. 4,070 million. In the following years exports touched new heights having grown to Rs. 6,080 million in 1973-74, Rs. 13,329 million in 1976-77 and Rs. 19,499 million in 1985-86.

**Growth diversification of Indian Export-Import Trade with Asian and European Countries:**

Britain is one of the India's top five trading partners, India's exported goods worth Rs. 2,804 crores U.K. in 1991-92, while its imports from that country amounted to Rs. 2,963 crore, India's exports to Britain in recent part have included growing proportion of traditional items like ready made garments, tea & tabacco. The share of U.K. in India's total exports was nearly 27 per cent in 1960-61 which sharply declined to about 6 per cent in 1980-81. It marginally improved to 6.5 per cent in 1990-91.

Likewise, the share of the U.K. in India's imports also declined to 6.7 per cent in 1990-91 as against that of 19.4 per cent in 1960-61.
Japan:

India's trade relations with Japan have improved over the years. The share of Japan in India's exports have increased about two-fold from 5.5 per cent in 1960-61 to 7.5 per cent in 1992-93 and further to 8.5 per cent in 1992-93.

Germany:

Trade relations between India and Germany are of traditional & strategic nature. India is the third important German trade partner after U.S.A. & Japan. Germany accounts nearly 7 percent of India's total exports world-wide & nearly 8 percent of India's total imports world over. India's major exports to Germany are textiles & garments, agricultural goods etc. & India's imports from Germany are Fertilisers & chemicals, Iron & steel etc. With the change in economic policies & emphasis on globalisation of trade, indo-German trade increased by over six times over the part two decades from a total of less than Deutche Mark million in 1971 to 5.2 billion in 1991 during the eighties & nineties exports grew at a trend rate of 17 & 18% respectively. But India's imports is higher 67.4% respectively. But India's exports (63.4%) to Germany.

Eastern Europe:

India's trade with Eastern Europe sharply increased between 1960-61 and 1980-81, but it declined sharply by
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td>M</td>
<td>X</td>
<td>M</td>
</tr>
<tr>
<td>1. OECD- of which</td>
<td>66.1</td>
<td>78.0</td>
<td>46.1</td>
<td>45.7</td>
</tr>
<tr>
<td>(a) U.S.A.</td>
<td>13.5</td>
<td>29.2</td>
<td>18.1</td>
<td>12.9</td>
</tr>
<tr>
<td>(b) U.K.</td>
<td>26.9</td>
<td>19.4</td>
<td>5.9</td>
<td>5.8</td>
</tr>
<tr>
<td>(c) Japan</td>
<td>5.5</td>
<td>5.4</td>
<td>3.9</td>
<td>6.0</td>
</tr>
<tr>
<td>2. OPEC</td>
<td>4.1</td>
<td>4.6</td>
<td>11.1</td>
<td>27.8</td>
</tr>
<tr>
<td>3. EE</td>
<td>7.0</td>
<td>3.4</td>
<td>22.1</td>
<td>10.3</td>
</tr>
<tr>
<td>4. LDCs of which</td>
<td>14.8</td>
<td>11.8</td>
<td>19.2</td>
<td>15.7</td>
</tr>
<tr>
<td>Asia</td>
<td>6.9</td>
<td>5.7</td>
<td>13.4</td>
<td>11.4</td>
</tr>
<tr>
<td>5. Others</td>
<td>8.0</td>
<td>2.2</td>
<td>1.0</td>
<td>0.5</td>
</tr>
</tbody>
</table>

X = Exports   M = Imports

1992-93. The share of Eastern Europe in India's exports came down to 4.2 per cent in 1992-93 from the high of 22.1 per cent in 1980-81. Similarly, its share in India's imports declined from 10.3 per cent in 1980-81 to 2.5 per cent in 1992-93. This has been largely due to the disintegration of the Soviet blocs and the collapse of the socialist economic system, especially in Russia in the early nineties. India's trade relations with the erstwhile U.S.S.R. Yugoslavia, Bulgaria, Romania, etc. now Commonwealth of Independent States are undergoing a severe change in recent years.

Exports to Russia came down to 3 per cent in 1992-93 from 16 per cent of India's total exports in 1990-93.

India's Trade Relations with Asian Countries:

Over the years, India's trade relations with the less developed countries of Asia have improved. Especially, the share of Asian countries in India's exports has increased from about 7 per cent in 1960-61 to 17 per cent in 1992-93.

In recent years, India's exports to selected East Asian countries such as Malaysia, Hong Kong, South Korea, Singapore, Thailand and Taiwan have boomed, the percentage export growth in these countries is about three times of their overall export growth.
Export-led growth is the current strategy of India's economic policy towards globalisation of the economy. Indian exports should acquire a high degree of competitiveness in the world markets. For this, adequate supplies of exportables need to be assured, besides the pursuance of sound fiscal and monetary policies. To push up exports, India needs a further diversification of foreign trade. Over 340 per cent of India's exports have been concentrated among a few countries such as Japan, UK and West Germany, while, over 60 per cent of our imports are from 10 countries, including France, Hong Kong, Singapore, Asia and Oceanic, which continue to be the largest market for our exports accounting for over 30 per cent.

Trade statistics reveal that India depends more on the developed countries for its major proportion of exports as well as imports. India's exports and imports from developing countries do not grow at a significant rate. Further, while trading with developed countries, India's terms of trade are mostly unfavourable. Hence, India is rather a losing partner in its trade with developed countries. As such, larger trade with developed countries would mean more exploitation or resource drain and this cannot be an engine of growth.
<table>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>304.87</td>
<td>85.62</td>
<td>390.49</td>
<td>114.89</td>
<td></td>
<td>536.45</td>
<td>166.95</td>
<td></td>
<td>703.40</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>897.47</td>
<td>62.19</td>
<td>959.66</td>
<td>96.40</td>
<td></td>
<td>1335.62</td>
<td>145.83</td>
<td></td>
<td>1481.45</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>1349.69</td>
<td>56.09</td>
<td>1405.78</td>
<td>119.85</td>
<td></td>
<td>3469.91</td>
<td>282.14</td>
<td></td>
<td>3752.05</td>
</tr>
<tr>
<td>Pakistan</td>
<td>200.66</td>
<td>136.48</td>
<td>337.14</td>
<td>165.61</td>
<td></td>
<td>256.80</td>
<td>150.80</td>
<td></td>
<td>407.60</td>
</tr>
<tr>
<td>Bhutan</td>
<td>31.10</td>
<td>9.34</td>
<td>40.44</td>
<td>57.40</td>
<td></td>
<td>107.20</td>
<td>164.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maldives</td>
<td>24.63</td>
<td>1.02</td>
<td>25.65</td>
<td>0.73</td>
<td></td>
<td>52.52</td>
<td>0.55</td>
<td></td>
<td>53.07</td>
</tr>
</tbody>
</table>

Source: DGCI&S

(Value in Rs. crores)
India should concentrate more on improving trade relations with the developing countries. In fact, developing countries do possess a good potential and scope to promote trade links among them. By overcoming problems like non-tariff barriers, inadequate tariff-concessions and with a strong political will for economic integration. India can succeed in developing good trade relations with developing countries of the south and neighbouring areas.

**INDIA'S BALANCE OF PAYMENTS**

Balance of payments is a systematic record of official estimates of all international economic transactions of the country during a year. It is an economic parameter rejecting country's international financial position as well as its position of the external sector. In more specific terms, the Reserve Bank of India defines the balance of payments of a country as a systematic record of all economic transactions between the 'residents' of a country and the rest of the world. It presents a classified record of all receipts on account of goods exported, services rendered and capital received by 'residents' and payments made by them on accord of goods imported and services received from the capital transferred to 'non-residents' or 'foreigners'.
Table 1
India's Bal' Deficit

<table>
<thead>
<tr>
<th>Period</th>
<th>Trade Deficit</th>
<th>Current A/c Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Plan (1951-56)</td>
<td>542</td>
<td>42</td>
</tr>
<tr>
<td>Second Plan (1956-61)</td>
<td>2,333</td>
<td>1,725</td>
</tr>
<tr>
<td>Third Plan (1961-66)</td>
<td>2,382</td>
<td>1,951</td>
</tr>
<tr>
<td>Annual Plans (1966-69)</td>
<td>2,067</td>
<td>2,015</td>
</tr>
<tr>
<td>Fourth Plan (1969-74)</td>
<td>1,564</td>
<td>-100*</td>
</tr>
<tr>
<td>Fifth Plan (1974-79)</td>
<td>3,179</td>
<td>3,032*</td>
</tr>
<tr>
<td>1979-80</td>
<td>3,374</td>
<td>234</td>
</tr>
<tr>
<td>Sixth Plan (1980-85)</td>
<td>30,456</td>
<td>11,384</td>
</tr>
<tr>
<td>Seventh Plan (1985-90)</td>
<td>54,204</td>
<td>41,041</td>
</tr>
<tr>
<td>1990-91</td>
<td>13,906</td>
<td>-13,855*</td>
</tr>
<tr>
<td>1991-92</td>
<td>6,915</td>
<td>6,251</td>
</tr>
</tbody>
</table>

Note: Current A/c surplus is implied were by the minus sign.
Source: RBI, Bulletins and GOI, Economic Surveys.

Table 2
Parameters of India's Balance of Payments

<table>
<thead>
<tr>
<th>Period</th>
<th>Trade Balance</th>
<th>Current A/c Balance</th>
<th>Capital A/c Balance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>-998</td>
<td>-824</td>
<td>-663</td>
</tr>
<tr>
<td>1970-71</td>
<td>-562</td>
<td>-594</td>
<td>1,210</td>
</tr>
<tr>
<td>1980-81</td>
<td>-7,546</td>
<td>-2,095</td>
<td>3,338</td>
</tr>
<tr>
<td>1990-91</td>
<td>-943</td>
<td>9,679</td>
<td>7,188</td>
</tr>
<tr>
<td></td>
<td>(-3.2)</td>
<td>(-3.3)</td>
<td></td>
</tr>
<tr>
<td>1991-92</td>
<td>-2,124</td>
<td>2,135</td>
<td>4,929</td>
</tr>
<tr>
<td></td>
<td>(-0.9)</td>
<td>(-0.9)</td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>-4,106</td>
<td>-4,921</td>
<td>4,361</td>
</tr>
<tr>
<td></td>
<td>(-1.6)</td>
<td>(-2.1)</td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>-1,000</td>
<td>800</td>
<td></td>
</tr>
</tbody>
</table>

* Include net external assistance, not commercial borrowings, not NK1 deposits, Rupee debt service, foreign investment and not other capital, i.e., movements in banking capital, bilateral balances, short-term credit, etc.

Note: Figures in the parenthesis refer to percentage of GDP.
India's balance of payments (BoP) is classified into two categories: (i) BoP on current account, and (ii) BoP on capital account. The BoP on current account companies: (a) Merchandise or visible trade, i.e., exports and imports; (b) Invisible items: Receipts and payments for services like shipping, banking, insurance, travel, etc. The BoP on current account indicate surplus/deficit in the balance of payments for the current year, the BoP on capital account reflects the implications of surplus/deficit on current account on the country's foreign exchange reserves and its international financial status i.e., strength a weakness of external debt position.

Since the inception of planning era in 1951, India has been facing the problem of BoP deficit; (i) Trade deficit, and (ii) Current account deficit shown its Table 12 & 3.

The following observations are noteworthy regarding the country's BoP problem.

1. Continuously rising BoP deficit during the planning period is a serious problem the trade deficit has increased hundred fold from Rs. 542 crore in the I plan period to Rs. 54,204 in the VII plan period. Likewise, current account BoP deficit has increased from Rs. 42 crore in the first plan to Rs. 41,041 crore in the seventh plan.
**Table 1**

India's Holi Deficit

<table>
<thead>
<tr>
<th>Period</th>
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<td>1,951</td>
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<tr>
<td>4. Annual Plans (1966-69)</td>
<td>2,067</td>
<td>2,015</td>
</tr>
<tr>
<td>5. Fourth plan (1969-74)</td>
<td>1,564</td>
<td>1,105</td>
</tr>
<tr>
<td>6. Fifth Plan (1974-79)</td>
<td>3,179</td>
<td>3,012</td>
</tr>
<tr>
<td>7. 1979-80</td>
<td>3,374</td>
<td>234</td>
</tr>
<tr>
<td>8. Sixth Plan (1980-85)</td>
<td>30,456</td>
<td>11,384</td>
</tr>
<tr>
<td>9. Seventh Plan (1985-90)</td>
<td>54,204</td>
<td>41,031</td>
</tr>
<tr>
<td>10. 1990-91</td>
<td>13,906</td>
<td>15,865</td>
</tr>
<tr>
<td>11. 1991-92</td>
<td>6,915</td>
<td>0.251</td>
</tr>
</tbody>
</table>

**Note:** Current A/c surplus is implied were by the minus sign.

*Source: RBI, Bulletins and GOI, Economic Surveys.*

**Table 2**

Parameters of India's Balance of Payments

<table>
<thead>
<tr>
<th>Period</th>
<th>Trade Balance</th>
<th>Current A/c Balance</th>
<th>Capital A/c Balance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>-998</td>
<td>-824</td>
<td>663</td>
</tr>
<tr>
<td>1970-71</td>
<td>-562</td>
<td>-594</td>
<td>1,210</td>
</tr>
<tr>
<td>1980-81</td>
<td>-7,546</td>
<td>-2,095</td>
<td>3,338</td>
</tr>
<tr>
<td>1990-91</td>
<td>-943</td>
<td>-9,079</td>
<td>7,188</td>
</tr>
<tr>
<td>( -3.2)</td>
<td></td>
<td>( -3.3)</td>
<td></td>
</tr>
<tr>
<td>1991-92</td>
<td>-2,124</td>
<td>-2,135</td>
<td>4,929</td>
</tr>
<tr>
<td>( -0.9)</td>
<td></td>
<td>( -0.9)</td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>-4,106</td>
<td>-4,921</td>
<td>4,361</td>
</tr>
<tr>
<td>( -1.6)</td>
<td></td>
<td>( -2.1)</td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>-1,000</td>
<td>-800</td>
<td></td>
</tr>
</tbody>
</table>

* Include net external assistance, not commercial borrowings, net NR1 deposits, Rupee debt service, foreign investment and not other capital, i.e., movements in banking capital, bilateral balances, short-term credit, etc.

**Note:** Figures in the parenthesis refer to percentage of GDP.


**Table 3**

India's Foreign Exchange Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Currency Assets</th>
<th>Foreign Exchange Reserves*</th>
<th>SDRs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-51</td>
<td>1,914</td>
<td>2,161</td>
<td>—</td>
</tr>
<tr>
<td>1960-61</td>
<td>390</td>
<td>637</td>
<td>—</td>
</tr>
<tr>
<td>1970-71</td>
<td>584</td>
<td>975</td>
<td>148</td>
</tr>
<tr>
<td>1980-81</td>
<td>5,850</td>
<td>6,823</td>
<td>603</td>
</tr>
<tr>
<td>1990-91</td>
<td>2,236</td>
<td>5,834</td>
<td>102</td>
</tr>
<tr>
<td>1991-92</td>
<td>5,631</td>
<td>9,220</td>
<td>90</td>
</tr>
<tr>
<td>1992-93</td>
<td>6,434</td>
<td>9,832</td>
<td>18</td>
</tr>
<tr>
<td>1993-94</td>
<td>15,668</td>
<td>19,254</td>
<td>108</td>
</tr>
<tr>
<td>1994-95</td>
<td>20,809</td>
<td>25,186</td>
<td>7</td>
</tr>
</tbody>
</table>
2. During the beginning of the nineties, trade deficit has been very high at US $9,437 million in 1990-91. The current account BoP deficit was US$ 9,679 million in 1990-91. The new government succeeded in reducing the trade deficit to US $ 2,124 million which accounted for less than 1 per cent of GDP as against that of 3.2 per cent of GDP, in the previous year. Similarly, the current account BoP was reduced to US $ 2,135 million in 1991-92.

3. In 1992-93, however, the trade deficit rose to US $ 4,106 million constituting 1.6 per cent of GDP. The current account deficit also increased to US $ 4,921 million accounting to 2.1 per cent of GDP.

4. The trade deficit during 1993-94 declined substantially to about a billion dollars (or 1000 million dollars).

**Causes of India's Balance of Payments**

Crisis in India's BoP caused by several factors. The major causes are:

(i) Ever Expanditure Trade Gap. Trade deficit is the result of trade gap, i.e., gap due to a big rise in imports against a small growth in exports of the country over the years.
Expenditure on imports has risen at an alarming rates due to the following reasons: (i) Import Liberalisation (ii) Increase in Import Intensity (iii) Import of Oil (iv) Import of Essential Items (v) Rising Prices of Imports and determination in the Exchange rate of Rupee.

REMEDIES AND SUGGESTIONS OF BALANCE OF PAYMENTS

The Government of India took several steps for correcting the BoP in recent years. Such as: (i) Acquisition of foreign currency; (ii) Downward adjustment of the exchange rate of rupee; (iii) Compression of imports; (iv) Remittances from abroad; (v) External commercial borrowings; (vi) NRI deposits; (vii) Foreign direct investment; (viii) Trade policy reform; (ix) Export promotion.

CONCLUDING REMARKS

The new economic and trade policy measures of India have started playing dividend. The year 1993-94 witnessed a spectacularly favourable balance of payments with foreign exchange reserves touching the 15 billion mark in March 1994. By July 1994 it has crossed the 16 billion. However, a large part of these reserves is contributed by NRI deposits, Euro-issues, etc. rather than export earnings. Hence, the country must remain always conscious
to sustain its BoP position through increasing exports growth rate in real and dollar terms.

In 1993-94, the country's exports registered a growth of 20 per cent in dollar terms as compared to just 3.3 per cent in 1992-93. This is a treaty sign. But, in 1994-95 the country may not be able to sustain this 20 per cent growth rate. Exports have estimated its declaration to about 15 per cent. Nonetheless, due to a lower import growth rate expected at 10-12 per cent in 1994-95 as such, the positive balance of trade (BoT) of the country is likely to show a surplus on the current account BoP. Efforts should continue for further improvements in future.
PART - TWO

BIBLIOGRAPHY

The primary sources of current external trade statistics, processed, compiled and put out by the Directorate General of Commercial and Intelligence statistics (DGCI&S). In 1980 India's share in world export was more than 5% in a few commodities namely, tea, coffee, iron, ore, leather and leather manufacturers (6.8%) their corresponding share in 1990 was significantly lower at 10.9 percent, 9.5 percent 8.2 percent 4.2 percent and 2.6 percent respectively the only item is pearls and precious and semi-precious stones in which the Indian share in world export has registered an improvement.

2. MADAN LAL. India's Foreign Trade. Foreign Trade Review. 16, 11; 1985, July; 9-15.

The international economic and trade environment has been difficult for exports of many of our commodities and manufactures in recent years. Among the important items, whose exports in 1983-84 composad to 1982-83, based on provisional figures
indicated significant are gems and jewellery, tea, sugar, readymade garments, raw cotton, handmade carpets, cashew kernels and spices. Crude oil and petroleum products also contributed significantly to general increase in exports. In the case of jute manufactures of textiles exports were also affected by industrial unrest.


World trade structure has undergone substantial change in the last two decades and especially in the direction of inter-regional trade flows. In the case of India, although exports account for a small proportion of national income, is an important factor and it provides additional foreign resources to supplement domestic savings and helps to achieve higher investment at growth. It also helps in the import of capital goods of technology which are essential for growth. In the context of exports, India's export's performance in recent month's is quite impressive.


Developed countries are committed to reducing
tariff barriers by 36% over six years and developing countries have to cut tariffs by 24% over the next ten years. Export subsidies to farmers will have to be cut 20% by developed countries of 13.3% by developing countries. Further the value of direct export subsidies will be cut by 36 percentage over the same period. The trade related intellectual property (TRIPS) cover different types of intellectual property much as-copyright, trade marks, trade secrets etc.

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ASEAN, SOUTH, ASIAN, EXPANSION and DIVERSIFICATION

5. MODWEL (Suman Kumar). South Asian-ASEAN trade: Possibilities of expansion and diversification. Foreign Trade Review. 21,4; 1987, Jan-Mar; 343-68.

The expansion and diversification of trade among developing countries play a dynamic role in their overall economic development. At the global level, developing countries have already launched the first round of negotiations under the global system of trade preferences for exchange of concessions among themselves regarding their tariff, para-tariff and non-tariff barriers to intra-trade. The mutual trade of developing countries in the share of machinery and transport equipment, chemicals and manufactured good increased 16 percent to 37.4 percent in 1985.
During the 1980's many Asian & European nations looked at Japan's runaway economic success and concluded that the corporate state was the wave of the future. The internet is a tangible expression of the world coming together & the World wide web is its communication. The best way to assess the foreign policy debate in this new environment is to think of the internet implications for the free traditional foreign policy internets of security, treasure & culture.

In the mid of 1980's some Asian countries like India Korea, Taiwan & Brazil emerged at a first speed in the export field & they concentrated primarily on labour-intensive exports which seemed like proving an old trade theory point. The given aside takes up the role of the center's technological dominance in
constraining periphery's factor use in export potential import and export substitution in the modern sector.

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**BANGLADESH, EXPORTS, 1980's**


The total volume of trade between the two countries declined from 1979-80, in this year, Indian exports to Bangladesh totalled Rs. 98.22 crores while Bangladesh exported to Indian goods worth Rs. 59.09 crores. India's imports went upto Rs. 12.30 crore an increase of over a hundred percent but the overall volume of trade had declined sharply. In 1980 trade agreement a clause provided for consultations between the two governments for sorting out Problems that might crop up in the implementation of the agreement.

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**SHIPPING**


India's export to Bangladesh were Rs. 52 crores as against the imports of Rs. 1 crore in 1979-80. The main items of export were coal, textile yarn, Fabrics, iron and steel, machinery and transport equipments. Bangladesh has considerable difficulties at the
organisational level in increasing its exports to India. Steps are being taken into a shipping agreement and motor vehicle traffic agreement with Bangladesh.

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**BALANCE OF PAYMENTS in relation to DEVELOPING COUNTRIES, 1990s.**


There has been a sharp decline in the economic growth of most of the Developing Countries since 1980's, mainly due to rice in the price of investment goods imports, oil at fertilizers. The foreign exchange earnings of the LDC'S also declined due to severe recession in the developed countries. Hence there was significant decline in terms of trade in most of the Developing Countries. One of the major cause is anti-inflationary policy required by enormous shift in terms of trade of the Developing Countries.

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**BOND MARKET, 1986-95.**


The Indian bond market, measured by the
estimated value of bonds outstanding, is next only to Japanese the Korean bond market; in Asia. In January 31, 1995 the estimated value of the Indian securities market was estimated to have reached Rs. 3000 billion almost 3.5 times in its size in 1986. The estimated outstanding amount accounts for about 42 percent of G.D.P. as at the end of January 1995, the basis objective of financial sector reforms is to promote a diversified, efficient of competitive financial system by a policy shift from detailed regulation of controls to one based on market forces.

- - , BRITAIN and EUROPEAN COUNTRIES

12. BHAGWATI (Jagdish). Negotiating trade blocs. India Today. 1993, July. 15; 139.

Our special relationship with Britain at generally excellent relations with other European Nations, as also the growing attractiveness of India as a market and as a sourcing country for foreign firms, should predispose the EC towards a favourable response. We should explore the possibility of a free trade agreement with NAFTA. Only by getting ready diplomatically for explaining these policy options, and pursuing them urgently, can we expect to safeguard our
economic interests and the foreign interest in India's economy would itself reinforce the success of the reforms.

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**BULGARIA, 1971-80**


India's co-operation with Bulgaria in the industrial field has expanded during the last decade, where both the countries can produce jointly on their relative, advantages. The Bulgarian technology posticuerly in the area of electronics, leather manufactures, chemicals and other readymade garments is considered suitable for selling up industries under the scheme.

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**CHINA, 1950-1990's**


During the three years 1981-83 the average value per year of sino-Indian trade was 29 million U.S. dollars, during the next three years 1984-86 this Annual average was 22.6 million U.S. dollars. In
1989-1992 the annual average value was 4 million dollars. Between September 1989-1990 the value of China's foreign trade was 91200 in US dollars. Indian imports from China at this time mainly consist of silk, silkyarh, pulses, petroleum of petro chemical products. & India exports to China mainly, tea, coffee, iron ore & Urea.

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The coffee industry which produces 1.8 lakh tonnes a year has heard a sign of relief after the govt has announced the removal of all restrictions or coffee exports. The industry has been agitated ever since the govt rules in August last that only 8,000 tonnes of coffee a month could be exported became of this the auction price dropped by more than 85 percent. The growers got 25 percent less value of bonned grades & MNC's got the advantage of a 25 percent extra margin. Now India is expected to produce the same and of Coffee around 180,000 tonnes & this years export expected to be around 130,000 tonnes.

Last year an internal sales quota (ISQ) of 30 percent was introduced in the domestic coffee market. Production of coffee in India has grown at an average rate of 4.45 percent per year. The producer price of coffee has shown remarkable stability unlike the auction price of cardamom both of which deficit comparable production and export characteristics. The stabilization of the producer price and income of coffee at the consequent reduction in risk to producer had its impact on investments in production.

17. GHOSH (Arun). Indo-CIS trade relations. Economic and Political weekly. 27, 1 and 2; 1992, January; 3-6.

India's exports to Soviet Union are reported to have declined by 50 percent there is a slump in the domestic prices of tea, rubber and spices because Soviet purchases have come to a virtual stop on the import side also things are no better supplies of military hardware, including shares, apart, there has
been a sharp decline in our import of crude oil as well as various petroleum products. Now our trade relations with CIS (Commonwealth of Independent States) is only temporary or it portends a more lasting value.

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PROSPECTS

18. DEBROY (Bibek) and MAGO (L D). India's trade prospects with the CIS. Foreign Trade Review. 27, 1; 1992, April-June; 13-36.

India's trade prospects with the Commonwealth of Independent States (CIS). Historically the former Soviet Union has been one of the India's major trading partners. Trade with the former Soviet Union was governed by a system of bilateral clearing agreements. With the accounts being maintained in non-convertible Indian rupees. The commercial rupee-rouble rate is determined on the basis of a protocol signed in November 1980. Technical credits extended by India in 1991 were estimated to be Rs. 19,000 million but in April 1991, Soviet Union introduced a system of import licences for imports from India.

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COTTON PRICES


According to cotton advisory board's view's the
carry over stock at the end of the reason is estimated at around 17.29 lakhs bales against the opening stock of 30.79 lakh bales the crop has been placed at 115 lakh bales, mill consumption at 109 lakh bales, non mill consumption at 7.5 lakh bales and exports at 12 lakh bales. The export policy for cotton was no doubt influenced in no small measure by the government's obsessive concern for cotton grower's interests.

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20. DHINDSA (K S) and AMRIT PREET. Analysis of trade in cotton textiles during 1970-90. INDIAN E. Journal (Indian Economic Journal). 43,2; 1995, October-December; 70-86.

The cotton textile industry is amongst the oldest and largest manufacturing industries in India. Inspite of India's export of textiles is only 2 percent as compare to other Countries like U.S.A. & China, Korea of total world imports at textiles but now the world exports increased by 7.7 percent during the period of 1980-90 but the growth rate of Indian export was not significant being only 3.6 percent in 1970-90. This article reviews that the absolescence of sickness of Indian textile industry is poor product quality, lack of designs & variety as well as Govt's own
policies are the measure responsible factors for the country's poor competition in the overseas market.

,-,-,DAIRY PRODUCTS, PRICE INCREASES, WORLD TRADE ORGANISATION, FORCASTS


According to WTO report the world market prices for the main dairy products is expected to be sustained well into 1996 of this may limit the ability of some developing countries to maintain their import levels. The current members of the agreement are, Bulgaria, European Union (EU), Romania etc. Due to increased world prices both the U.S. and the EU have reduced their export subsidies of the low stocks would continue to sustain international prices well into 1996. Some Asian countries including India are the main targeted destinations for U.S. subsidised exports for 1995.

,-,-,DEFICIT, CAUSES


Deficit trade balance being one of the three variables of India's foreign trade. The oil crises,
severe doubts and high imports production have distributed India's economic structure. It is true that imports are increasing at a faster rate than exports. India's GDP has been around 2.82 percent such a large deficit have been caused by the disproportionate single of imports vis a vis that of exports seventy two percent of our exports reaches only 14 markets. Germany together account for more than 50 percent of our total exports. Therefore market diversification is imperative for constant growth in our exports.

-,-,-, DEFICIT, role of FOREIGN AID 1985-86

23. MATHUR (B P). India's trade deficit and the role of foreign aid. Foreign Trade Review. 22,2; 1988, July-September; 258-69.

India's trade deficit touched the high of Rs. 8500 crores during 1985-86. The main reason for India's heavy trade deficit is our runaway import bill, which seems to bear no relationship to our capacity to finance it through our export earnings. The trade deficit during the Sixth plan period in India was 28,559 (1980-85). Trade deficit means Imports-exports. Thus foreign aid and commercial borrowings were the key instruments, to which recourse was taken in financing the trade deficit (Rs. 28,559 crores) during the sixth plan.
DEMAND and SUPPLY FACTOR


Price effects are found to be large and very significant in both export demand and import demand functions for manufactured goods. Only 10 percent depreiciation would lead to a 15 percent to 19 percent increase in the foreign currency value of manufactured exports and an 8.4 percent decrease in manufactured imports for the smaller primary export and import demand functions. From the same depreiciation the fall in primary imports would be 4.2 percent while primary exports may not change significantly.

DEVELOPING COUNTRIES

25. DHAR (Biswajit). Trade policies and development: Conventional wisdom questioned. Economic and political weekly. 28,6; 1993, February; 221-23.

The 1992 trade development report marks a significant contribution in re-assessing the place of trade orientation in the economic growth of developing countries. TDR (Trade Development Report) indicates that the statistical relationship between export and economic performance is not found to be valid for all
groups of countries and TDR provides a comprehensive survey of the current state of debt management and the conditions prevailing in the financial markets.

-,-,-,DEVALUATION BALANCE

One of the major economic problem for developing countries is the problem of deficits in their external trade sector thus the developing countries have sought as a remedy the devaluation of their currenties. "Devaluation" means the adjustment in which the value of local currency in terms of foreign currency is re-fixed at a level lower than before, Devaluation on reduces the price of exports in foreign currency of increases the prices of imports in local currency thus some of the developing countries are facing this type of problems.

-,-,-,DUNKEL DRAFT
Instead of a level playing field, the Dunkel draft puts special hurdles for developing countries trying to enter technology-intensive sectors. The restrictions on industrial R&D will be particularly harmful to those developing countries that have a significant presence or potential in technology-intensive sectors and for the very same reason, will re-inforce the global oligopolistic power of the transnational corporations in the rich countries, to the detriment of consumers everywhere.

FOREIGN INVESTMENT


The need for foreign investment for a developing country like India can arise on account of the following reasons. Foreign investment can show the way for domestic capital. Developed countries is required for speedier economic development. The foreign capital has flown into Indian economy mainly in the form of portfolio investment. It is a direct investment with the specific purpose of operating in India. In recent years there has been joint participation of foreign of domestic capital either with the private entrepreneurs or inter govt. Apart from these two forms there are
inter govt loans, loans from international institutions of external commercial borrowings.

--,-,--LIBERALISATION


The role of foreign trade in industrialization is important for several reasons. First, there is a close relationship between trade policy and industrial development. Second, many fear that slow world growth and rising protection in industrial countries may cloud the prospects for developing countries exports. Third, continuing debt problems increase the developing countries need to raise their net earnings of foreign-exchange to service debt and maintain adequate growth.

--,-,--MULTILATERAL NEGOTIATIONS


Trade liberalisation in the industrial country markets constitutes a critical opportunity for the developing countries for promoting sustained economic growth, these countries need imported capital equipment
and intermediate inputs, which can only be obtained if they have adequate access for their products to the markets of the developed industrial countries. The reduction of tariff and non-tariff barriers facing the developing countries is thus one of the few areas in which the "richer" nations could help the poorer" ones by giving them opportunities through trade rather than aid.

--- PRIMARY COMMODITIES, 1900-1982 ---


Primary commodity markets have offered an opportunity for economic development. Secularly declining terms of trade of primary commodities are used to explain the widening gap between developing and developed countries and they are regarded as a contributing factor to the creation of a structural condition of unequal exchange between a dominating industrial centre and a dominated agrarian spiriphery.
SERVICES, 1990's


A study of trade in services for developing countries is important because the scope of traditional merchandise exports is likely to shrink for a variety of reasons whereas the importance of services is likely to increase between an efficient manufacturing sector and an efficient services sector in many of the developing countries in Asia. This article examines the historical experience and alternative hypothesis about the pattern of trade in services i.e. engg. and construction, computer software, banking and insurance etc.

DEVELOPING ECONOMICS, GLOBALISATION


The term globalisation normally cover the whole field of co-operation between the people's of different countries in economic, social, cultural of other related matters other economic activities line the Asean trade, production investment of finance other
areas of Co-operation are technology, services, ideas, persons, environment transport of communication etc. The facts of figures based of the work's of Prof. Nayyar, (1995). As regards international trade the expansion in world exports from $61 million in 1950 to 3,447 billion in 1992.

DUNKEL DRAFT, AGRICULTURE

34. SAHAI (Suman). Dunkel draft is bad for agriculture. Economic and Political weekly. 28,35; 1993, June; 1280-81.

The commerce ministry's claims that the rights of our farmers and breeders will be protected is deliberately misleading. In fact, under the dunkel conditions, even if the farmer can save seed, they still lose the right to modify the seed to suit local requirements. According to TRIP's (Trade related intellectual property. India will have to accept patents or an effective surgerie's system to protect plant varieties.

DRAFT, GOVT INTERPRETATION


India and other developing countries gave up
their fight over non-inclusion of TRIP's under GATT. It is quite understandable because pressures from developed countries did not leave much choice and the developing countries do not have the capacity to resist or make their voice heard. Here onething if the Dunkel Draft is accepted what will happen. South commission observed that the contemplated use of the GATT for dissettlement and compensation is designed to further strengthen the very considerable element of co-eraction already built into the conduct of bilateral economic relations.

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Countries of the poor and developing south have been hoping against hope that the 1990's would not turn out like that of the 1980's. But against the backdrop of geopolitical environment in the past couple of months, they can no longer afford to draw comfort. Tectering already they can accept problems in expanding
their trade due to the apparent tendency for the structure of intra-east Europe trade to be very, similar to the export structures of the developing countries.

-,-,ECONOMIC DEVELOPMENT, 1947

37. SETHURAMAN (S). Trade scenario in post, Independence Era. Yojana(Special) 41,1; 1997, January; 61-8.

India's development strategy launched in 1950's soon after independence aimed mainly at strengthening the industrial base of the country, especially in basic goods & heavy machine building and adopted the import substitution model to achieve self-reliance. In 1960's the export performance improved to an average growth of 3 to 4 percent. In 1970 with an average growth of 6.3 percent in value terms. For the first time an export policy resolution (1970) was passed for export growth through productive efficiency & some important committees also set up in sixth five year plan to improve import to other nations like Abid Hussain Committee. He says exports are a measure of transforming domestic resources in to foreign resources which are necessary to improve the process of development. Now India's exports is increasing with developed economics namely Russia and Eastern Europe.
There are three main concepts of terms of trade (i) the commodity terms of trade, the factors terms of trade and the incomes terms of trade, these concepts belong to the theory of interrational trade and serve the similar purpose in a closed economy to show the distribution of prices for the movement of term of trade. This article shows that the terms of trade has a significant effect on the level of saving in 1975-90 and has an adverse effect on the gross capital formation in 1975-90 and the study concludes that savings are determined by National Income, & terms of trade whereas conformation is dependent on savings, Investment and national Income.

For India, a measure of regional income
inequality was developed by Dehesa and precedo in 1993 to study relative inequality among the regions. In India out of 23 regions, Punjab has 2 percent to two and half percent of the total population and commands 4 percent to 5 percent net state domestic product (MSDP) for all the regions. In this article we examine the pattern of regional inequalities in India during 1970-92 and trend analysis shows that inequality is rising in India in almost every sphere of economic activity.


The current global foreign investment flows amount to some $9000 billion a year. About $50 billion, that is 6 percent of this total goes to developing countries the article states that on the financial side, the devaluation of rupee made Indian exports more competitive the final deficit fell from about of 9 percent of G.N.P. in 1990-91 to 5.5 percent in 1995-96. So, the foreign investors of enterpreneurs started investing their capital with latest technology in India.
ECONOMIC REFORMS PROGRAMME

41. MEHTA (Balraj). Economic fundamentals and official reforms. Public Opinion. 61,6; 1996 March; 13-6.

The Union finance Minister, Dr. Manmohan Singh says that India has the world's most successful economic reforms programme & if the aim of the reforms was really to make Indian economy competitive, the depreciation of rupee as much as 50 percent at the depreciation of the rupee means that exports by India had to increase in the terms by as much as 50 percent in 1995 to earn foreign exchange to finance imports at the level of 1991.

ECONOMIC RECATIONS, NEIGHBOURING COUNTRIES

42. KATTI (Vijaya). India: Economic and trade relations with neighbouring countries. South Asian Studies. 25, 1&2; 1990, January-December; 65-73.

India's economic and trade relations with select neighbouring countries-Bangladesh, Nepal, Pakistan & Sri Lanka are good. Important export and import items traded between India & these neighbours analyse balance of trade. It examines other aspects of economic relations like aid and joint ventures & throws light on the major issues involved in the economic, relationship
between India & these neighbours. India's exports to all these neighbours have increased significantly whereas, increase in imports from these neighbours is not significant.

-\-\- ECONOMY, ISSUES


The rate of average annual rupee value of U.S. dollar has increased to 14 percent during the pre-NEP period of five years (i.e. 1991-92 to 1995-96) as compared to the eight percent in the pre-NEP five year period 'i.e. 1986-87) to 1990-91). The inflow of foreign capital which August to a total of Rs. 55,951 crores during 1986-87 to 1990-91 has declined to a level of Rs. 35,921 crores, a decline of about 36 percent during the same five-years period. This has happened with the initiation of the liberalisation "liberalisation" policy many allusements were offered to foreign investors were sogned in a ceremonal manner with great fanfare.

-\-\- 1992-97


This article deals the mid term appraisal of the
Eight five year plan (1992-1997) drafted by the planning commission the India economy moved a higher growth path in the 1980's. The annual growth rate of GDP increase to 5.3 percent during the sixth plan period of 5.8 percent in seventh plan the balance of payment situation of foreign exchange position improved considerably & with industrial revival in 1994-95 imports have grown at a rate of about 28 percent. In the last two years (1993-94 & 1994-95) the growth rate of exports about 20 percent & 18 percent respectively.

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European communities external trade policy, the significance of Europe 1992 to India lies in that it could directly provide an important additionality to its export possibilities in master. The extent of this additionality will depend on (i) trade creation and trade diversion impact of Europe 1992 on India and its substitution possibilities with third country exports in this market. For manufactured export to the EC India's income elasticity is estimated at 4.6 percent in 1987 and 2.4 percent in 1987 and 3.3 percent in 1992.
yielding an average at 3.5 percent due to a relatively higher growth rate of around 9 percent in industrial production in India during the last three years.

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**EXPANSION**


After attending the G-15 summit in West Europe, Mr. Narasimha Rao told newsmen that the ambassadors spoke of the bright prospects for India in gaining access to the unified European market. This assessment given by several European countries to intensity their economic Co-operation with India. He said that on the whole it was a successful meeting the discussions were frank and purposeful. The G-15 summit's initiatives in 12 areas including a financial mechanism for promotion of trade among South Countries; south investment, trade and technology data centre for medicinal & rolar energy applications.

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**EUROPEAN COMMUNITY**


India is the first non-associate country to have realised the importance of the emerging European
community (EC). EC is India's largest trading partner accounting for 27 percent its exports and 30 percent of imports in 1991-92. India's exports to EC was Rs. 89,510 million in 1991-92 and its imports from EC Rs. 126,800 million but India accounts for a meagre 1.5 percent of EC's total foreign trade. There is a striking rise in India's exports of chemicals to EC, from Rs. 2,500 million to 9.700 million during the last few years.

--- AGREEMENT ---


Mr. Pranab Mukherjee will sign the new trade agreement with the European Union (EU), India's largest trading partner on December 20 in Brussels in era of a highest degree of liberalisation of imports and exports. A feature of the agreement is that it provides for exempting duties and taxes on goods temporarily into their territories for reprocessing & export. In the area of economic Co-operation, the sectors have been broadened to facilitate Co-operation in areas such as industry & services including non conventional sources like solar energy, electronic etc.

This article states that the quantity of sugar earmarked for export by Indian sugar & general Industry Export-Import Co-operation (ISGIEIC) Ltd. was enhanced from 20,000 MTS to 35000 million tonnes. Now it has been decided by SGIEIC to enhance the quantity of 35,500 MTS of Sugar earmarked for export to a quantity of 36000 MTS for exports under the preferential agreement. The overall quantity for export of sugar is 2,50000 MTS 1996-97 sugar season from the period of 1st October 1996 to 30th September, 1997.


India and the 12-nation European Community Committed to a new Co-operation agreement, to monitor progress in the implementation of the decision of the Indo-EC joint commission to discuss trade & economic Co-operation. Both India and EC have been trying hard,
over the years, to find ways of reducing and eventually, eliminating the deficit. Both are agreed that this must be done by raising Indian exports to the EC, and not by cutting back on imports. They cover a wide range of products, including marine products, refined sugar etc.

-.-.-, EXPORTS, CLOTHING

51. GUPTA (Charu). India in the EC's clothing trade. Foreign trade REVIEW. 27,2; 1992, July-September ; 193-203.

India stands third after China & Turkey in EC market. It is next only to Hongkong in respect of three items, viz Men's and Boy's shirts, Women & girls cloths and ladies dresses. In respect of certain other categories like industrial clothing, body-wear and standard trousers and shirts India is yet to make any appreciable dent in the EC market. To improve India's export performance in such market-non restricted products like babies garments, nightwear, gowns, over coats, jackets, industrial clothing etc, have a good demand in EC market and should be promoted on a priority basis.
The bulk of India's textile and clothing export to EC is governed under the provisions of the Indo-EC bilateral textile agreement (1986-1991) where thirteen (13) items, nine clothing and four textiles are under quantitative restraints. The rest are quotafree. Cotton textiles and readymade garment exports around 80 percent of all textile exports to EC reached Rs. 2,841 crore in 1990. This was a 54 percent increase over the previous year's figure of Rs. 1,893 crore and the growth in quota exports from 1989 to 1990 was more in the case of cotton textiles (92 percent) than that of garments (38 percent) in 1991.

India have a vested interest in the generalised system of preferences (GSP), and it has done reasonable well in the EC: exports benefitting from the GSP have risen faster than total exports on the whole (Total
exports rose by 4.7 percent). But if India's GSP exports have been rising each year, the utilisation rate has remained stuck at around 65 percent. India, should be able make better use of its GSP quotas for textiles and clothing. At present, the quota utilisation rate for these products is around 55 percent.

JOINT VENTURES


The foreign investment from the developing countries is initially a new phenomenon. Some Big & dynamic economic enterprises from the developing countries have established with their production & marketing units in other countries. Joint venture considered as a foreign concern formed, registered in accordance with the laws of regulations of the last country in which a Indian party, makes a direct investment whether such investments amounts to a majority or minority shareholding. There were 24 Indian joint ventures in the E.U in 1991 which has been increased upto December 1994.
-,-, EXCHANGE RATE POLICY

55. BAGCHI (Amiya Kumar) and SARKAR (Prabirjit). Trade and exchange rate policy for India. *Economic and political weekly*. 28,38; 1993, September; 2012-14.

India had maintained a policy of fixed exchange rates is utterly false. The nominal exchange rate of the rupee was fixed up then it was raised to Rs. 7.50, and stayed at price upto 1971-72, but from 1972-73, the price rose almost steadily, now the Indian govt & industrial managers can try to redesign our intensive system, the system of macro-economic management of the system of industrial organisation so as to allow an activist policy to be sustainable and produce positive results.

-,-, EXPORTS


It is unfortunate that India's economic reforms have coincided with a market downswing in world trade. During three years ending 1989-90, the over 18% dollar growth are achieved by our exports coincided with an average growth in the volume of world trade of eight percent. Since then, as world trade has become sluggish, our exports with the growth rate first
falling to 9 percent in 1990-91 and then turning in the current year. It is true that world trade in 1991 was disrupted by developments in Eastern Europe & the former USSR which dealt a severe blow to our exports as well.

57. TANEJA (Shiv), VISHWANATHAN (Shankar) and Roy (Amit). Foreign trade: export or perish. India Today. 16,16. 1991, August 31; 102-108.

Indian exports have grown from Rs. 643 crore in 1960-61 to Rs. 32,527 crore in 1990-91, but it still accounted for a meagre 0.4 percent of the total world trade i.e. 7500000 crore. "We had wings said P.Chidambaram" yet we had been dunted by the fear of flying the rupee was devalued mainly to make Indian goods cheaper for foreign buyers. The biggest apple, however is the $ 300- billion international computer software market. Already it is among the fastest growing export segments in India, with exports jumping from a modest Rs. 34 lakh in 1985 to Rs. 230 crore last year.


According to the commercial intelligence statistics estimates in late January and March 1991 indicated that exports would probably not exceed Rs.
28,000 crores against the official target of Rs. 36,000 crores, which was at one time raised to Rs. 40,000 crores and then reduced to Rs. 33,500. When the rupee has depreciated by between 13 and 14% against the dollar so, that Indian products are that much cheaper in the world market. One silver lining of sorts is the finding that excluding purchases of oil, last year's exports and imports were more or less balanced, the non oil trade gap in 1989-90 being as much as Rs. 2,236 crores. But this fact could also be disturbing that country is too dependent on oil imports.

AGRICULTURE DEVELOPMENT


The Indian economy is especially agricultural in nature and agriculture occupies a key position in the process of India's economic development. Overall food grains production which was 50.8 million tonnes in 1950-51 increased to the peak level of about 170.6 million tonnes in 1989-90. The fact is that agricultural production has increased at the compound rate of 2.7 percent per annum. For better export there
should be opening up of more commercial banks branches in the country where there is scope for export potential could be considered.

FOREIGN EXCHANGE


Agricultural exports and competitiveness is to realise greater foreign exchange earnings by improving the linkages between agriculture and other sectors. Expansion in agricultural exports is to be realised by-adopting macro-economic and trade policies, which are fairly conducive to expansion of agricultural exports. Enacting policies in agriculture which should lay stress not only on subsidies but also on improvement in production & quality-emphasing rapid infrastructure development to increases in agricultural production & productivity.

AID AND Exports


On a rough reckoning, it has been estimated that India needs about $ 3 million in 1991-92 to take the short term crises, which excludes the $ 1.8 billion
that the IMF gave in January. Nothing much has so far materialised from their efforts, apart from the hope that the major donors might extended around $700 million. So the centre's short-term financial problem is, therefore nowhere near solution, the country cannot afford to go in for excessive external borrowings without keeping in view the ability to pay back within a stipulated period at time.

\textbf{AGRICULTURAL, 1987-88}


The economic survey, 1987-88 states that export growth is not a luxury for India. It is a pre-requisite for adequate foreign exchange earnings to maintain the tempo of economic development without sacrificing the countries self-reliance. The govt of India has evolved a multi-pronged strategy for promotion of exports to achieve the goals envisaged in the seventh plan. The broad strategy has been to identify sectors, industries and products having a good export potential and provide for a policy framework conducive to their export growth.

Despite a large no. of export orders and enquiries concerning defence equipment, there is little likelihood of India's defence exports picking up. Special interest has also been evinced in the indigenously manufactured 105 mm light field gun, 220mm, 51 mm and 2 inch mortars. Huge orders running into millions in foreign exchange have also been received for the 5.56 mm and 7.62 mm rifles. On the other hand, there is the risk of lethal weapons falling in to the hands of the various insurgent groups, especially in the third world.


It was observed that the economic growth seems to have been closely related to export performance. The "balanced import substituting" growth not came from the export perısim. The countries like, Brazil, India pursued import substitution policy shifted to export
led model the above articles declining terms of trade touches raw nerves and rouses strong resistance thence the emphasis on changing quality of manufactures, new commodities falling transport cost, factorial terms of trade etc.

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**BANGALORE**


With the open sky policy announced by the govt, exports from Bangalore are poised to take off silk garment exports from the state has also been booming. Swan silks, one of the premier silk export house in Bangalore is confident of touching Rs. 25 crore this year last year its export turnover had reached Rs. 15 crore. Exports of engg. goods, manufactured & machine tools, and computer items have also been revitalised. Mr. V. Ramachandran of Rewdale said that his company is already doing Rs. three crore of export transactions every year.

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**BICYCLES**

66. SUBRAMANIAM (Ganga). Bicycles exports: rough ride ahead. *Business India*. 1997, April - May; 121

This article states that Indian bicycle
exporters, who have been enjoying a smooth ride in the international market are now facing tougher competition. Some of the biggest names in the industry like AT cycles, her cycles Ltd are now feeling the heat of intense competition, not just among themselves, but also companies from Taiwan & China say's Manjul (AT) Our is the first company started exports to developed countries like U.K. Germany, France & Canada & exported 1,5000 bicycles & have an export turnover of Rs. 20 crore.

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67. BEHL (Ramesh), DEBROY (Bibek) and MAGO (L D). Software exports world scenario and India's prospects. Foreign Trade Review. 27,2; 1992, July-September; 120-43.

The world software market has grown tremendously over the last one decade. The market which was worth US $ 27 billion in 1981, is now worth US $ 175 billion and is projected to grow to well over US $ 340 billion by 1996. India has a great potential in the field of computer software exports, though its contribution is only Rs. 350 crore out of a total global market of $ 175 billion. The countries where India should concentrate in software exports are the USA, Germany, France etc.
The aim of the article is to analyse the effects of an increase in exports and employment in a developed and developing countries. The article is based on trade between India and U.S.A. The four effects of export expansion are considered as— a direct effect, a linkage effect referring to the output and employment generated in supplying industries (e.g. raw materials and machinery); a Multiple effect and Foreign exchange effect which considers the consequences of an earning of the bottleneck restricting the demand of non-consumer goods.

The small industries development bank of India which provides financial support for development of
small scale units & establishing linkages with large export houses organised a presentation at Calcutta on 16th May 1997 for the benefit of small scale exporters with important features of the SIDBI schemes i.e. pre-shipment credit in foreign currency (PCFC), Foreign currency loan & establishing foreign letters of credit (FCC) for import of capatil goods by small scale units.

-,-,-,FOOD, FRUITS, PINE APPLE, KERALA


Pine apple has an in built export potential of Rs. 100 to Rs. 500 crore. No mean sum considering that the total international trade in processed pine apple products is in the region of Rs. 15,00 to Rs. 2000 crore. This export market exists in the U.S.A., Canada etc, Pine apple was once a popular crop in Kerala's some area's- Trichur and kottayam. According to a study by Food export promotion council the volume of international trade in pine apple is 600,000 tonnes, with a single tonne fetching around Rs. 25,000. Some of the world's largest multinationals like Nestles, Libbys, DelMonte are engaged in growing, processing, $ distributing processed ineapple products.
India has emerged as a major exporter of food grains with earnings of $ 1 million in 1995-96. Our rice export in 1995-96 stood nearly at 5 million tonnes as far as wheat is concerned, FCI released 2.5 million tonnes for export with the successive eight years of good monsoon, food grains production in 1995-96 stood at about 192.57 million tonnes in 1994-95. Rice export went up to a record level because of 13 times more sale of non-Basmati rice last year as compared to previous year. There were high demand for non-basmati rice from Indonesia, Russia & African countries even South Korea bought 5,700 tonnes of rice from India apart from Iran, Iraq & Brazil.

Textiles and clothing an important item of manufactured exports from developing countries. The multi-Fibre arrangement (MFA) is a system of country
cum product quotas effective in net appraisal importing countries who are mainly developed countries. MFA provides an excellent overview of India's garment exports, and generates information on the production side & to reduce the connection between quotas and their utilisation, quotas and production system, and market for quotas because quota's were introduced to avoid market disruption.

GEMS & JEWELLERY


India's export of cut and polished diamonds came down to $ 4.23 billion US in 1996-97 from $ 4.66 billion during the previous year. India had a rich tradition at was once the main source of rough diamonds. According to the Gem & Jewellery promotion council (GJEPC) India could sense good export orders not only for cut of polished diamonds but also for gold and other jewellery at the international jewellary show which is expected to be patronised by nearly 300 international buyers. Apart from 100 Indian participants; other international companies from USA, Italy, Belgium, Germany are expected to display their jewellary.
India's exports in April September 1992 rose by 5.4 percent. Now, India needs to nurture an export ethos to create an image of a quality and dependable producer at competitive prices. Asian countries particularly India products 3 percent of world income and undertaken 22 percent of the world exports. Countries which achieved high export growth also achieved high income growth rate. For trade in goods & services, but of information about opportunities for exports & imports is one of the major factors constraining mutually beneficial expansion of trade.

The information input to expand trade in India requires effort in the following directions—To inform importing countries, including emerging free trade blocks regarding India's and its exporters. To inform exporters in India regarding emerging trends in exports and critical information regarding market segments. To identify new exportable commodities keeping in view the
natural resources, skills etc. Indian exporters also need to be consultancy guided about the trade opportunities available overseas due to some problems we have to reverse the trend in trade, India's share of world trend was 8 percent in 1987, but in 1991 it was less than one quarter of the percent in 1987.

1991-92


The customary annual report of the ministry of commerce for 1991-92 registered an increase in exports during April-December 1991 over the same period of the previous year included agricultural and allied products, marine products, ores and jewellery, chemicals & related products, textiles and handicrafts, two trends are discernible from an examination of the composition of exports - a decline in the share of manufactures and particularly engg. goods, while the share of agricultural products and mineral ores has increased. Within textiles the share of yarn has increased while garments decreased.

It would be a better business strategy for India to export more expensive edible oils like groundnut oil and import less expensive one's like palm oil. Malaysia is the leading grower of oil palm. At least 80 percent or more of all the palm oil produced and exported in the world is of Malaysia origin. From 1,050,000 tonnes in 1987, Malaysia palm oil exports to India have come down to 160,000 tonnes. Malaysia is trying to increase its palm oil export to India at Malaysian palm oil export increased from 3.4 million on tonnes in 1985 to 4.6 million tonnes in 1986.

78. RAIPURIA (K M). Industrial protectionism and long term export growth: Some Issues. Foreign Trade Review. 17, 2&3; 1982, July-December; 236-68.

India's objective as stated in the sixth plan (1980-85) is to increase its export volume by nine percent during 1980-81 to 1984-85 and seven percent during 1985-95, corresponding to the projected growth of GDP of 5.2 and 5.5 percent respectively. The country's interests are shown in exports of
agricultural as well as manufactured items but more than half of the projected growth in exports is expected to be contributed by manufactured items like engg. goods, garments & textile products, silk etc.

--- STRATEGY ---


The new export strategy, proposed by the Union Commerce ministry, envisages an ambitious target of an annual export growth of 20 percent in US dollar terms for the next three years. The strategy cleared by the cabinet committee on trade and investment, has projected total exports for the year 1991-92, at 22.3 billion dollars. In rupee terms this will be Rs. 40,200 crores. The main theme of the export drive is to revive the export momentum of 1986-87 to 1989-90. When Indian exports had gone up by 26.6 percent in rupee terms of the main thrust in pushing up exports will be in areas like agriculture, software, leather, engg. marine products-particularly software, which are expected to grow at a much faster rate.

This article reviews the World Development report (WDR). On labour of development strategy, to discuss a model of the labour market specifically applicable to developing countries. Hence the WDR's emphasis on export growth, particularly of manufactured goods. Finally in the Article, the impact of labour regulation on both the formal & the informal sectors in developing countries is takenup.


India is one of the major players in the global handicrafts market. The exports from Indian handicrafts are mainly by five export oriented crafts viz. Hand knotted Woolen carpets, artmetal weares, hand printed textiles and wood wares. Exports of Indian handicrafts are directed to West European Countries, U.S.A. Japan & Australia. Recently an international seminar was organised on carpet industry in New Delhi which was
attended by a large no. of representative from carpet purchasing organisations from Germany, France, Italy & U.K.

---, IMPORT SUBSTITUTION


At the present stage of India's industrial development, the continuation of import protection of the final goods sectors, characterised by oligopoly market structure conditions to access the domestic market. This provide relative advantage in exports but the Indian experience showing that the possible welfare improving outcomes of oligopoly or monopoly domestic market.

---, IMPORTS


Analysis of external trade data collected from various customs houses reveals that there is little relationship between private sector imports and
exports. Grouping of importers by company shows that the big houses of Birla, Tata, Reliance etc. led the field among importers. A relatively new company, videocon imported Rs. 88.40 crore worth of goods—mainly in the area of consumer electronics—in the nine months period. it ranks eighth among the top importers. The largest exports are of diamonds and precious stones accounting for Rs. 3,000 crores. Garments (Rs. 450 crores). The study reaches that the exports of large houses include a no. of items manufactured in the small scale and medium sector. Their own manufactures do not constitute their main exports.

84. VIJAY SINGH. India's Foreign Trade. _Foreign Trade Review_. 25,10; 1995, April; 7-13.

This article states that India's over all trade increased from Rs. 256.0.2 billion in 1983-84 to Rs. 1,679.55 billion in 1993-94. showing a simple annual growth of 55.6 percent. Exports rose by Rs. 97.71 billion to Rs. 697.47 billion with an annual growth of 61.2% while imports moved up from Rs. 158.31 billion to Rs. 728.06 billion with an annual growth of 36.0 percent during the period of ten years.
MACRO ECONOMIC BALANCE


The trade regime reform recommends the import-export trade control regime about the macro-economic balance in the economy with the aim (i) bringing down all import duties, (ii) abolishing all quantitative restrictions on all imports. (iii) starting with a real devaluation of some 20 percent immediately, in order to make exports more profitable and imports more difficult on all capital goods and intermediate products and introduction of transparency in the import control system by introducing Harmonised system.

PROSPECTS

86. SHIRALI (Rajiv). India, imports, exports down, but hopes still up. Economic Times. 32,189. 1992 May,17;5;3.

The country's export import performance during 1991-92 indicate that the trade deficit of $ 1.61 million, down from the previous year's $ 5.63 billion, is the lowest since 1980, exports have gone down by 1.9 percent. The federation of India chamber of commerce Industry (FICCI), in a recent study has forecast that
export will grow by 13% in 1992-93, and the trade will fall further to $1.3 billion in 1993-94. In fact, it expects an annual average export growth of 15 percent during the eight plan, taking exports soaring to Rs. 1,02,000 crore in 1995-96, from an expected Rs. 56,400 crore in 1992-93.

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**INDUSTRIAL, REAL EXCHANGE RATE, IMPACT**


A social policy constituent of the Indian export effort in the 1980's has been the depreciation of the Indian rupee against all major currencies especially market after 1985. Under this article we findings an econometric investigation for the period 1974-87 of the impact upon Indian export performance in terms of product and destination-specific market shares, of movements in the real external value of the rupee vis a vis currencies of competing exporters.

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**LEATHER, GROWTH**

88. SINHA (Saurabh) and SINHA (Sanjay). Leather exports: An illusory boom? *Economic and political Weekly*. 26,35; 1991, August 31; M 111-2046.

Contd.....
The growth in exports of Indian leather and leather products over the last three decades, and particularly in recent years is improving the value of exports has increased at an average rate of more than 14 percent per annum during 1956-91, the growth of the rupee value of leather exports averaged 15.2 percent per annum over the past few years this growth rate has increased phenomenally to nearly 28% Interms of US dollars exports increased from $ 505 million to $ 1218 million.

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LEATHER and TEXTILE

89. MATHAI (Palakunnathu G), TRIPATHI (Salil) and DASGUPTA (S). Export: A buoyant trend. India Today. 13,2; 1988, January 31st; 103-6.

Exporters are suddenly riding a rising wave of sales and profits aided by the falling rupee and by liberal govt policies. Still most of the higher exports came from a few export stars like leather and garments. Soaps & detergents giant Hindustan lever expects its exports to burgeon by an additional 20% in 1987-88. Toiletries manufacturer ponds India reports export increases of around 35%. M.M. Hasim, Chairman of the council for leather exports, attributes 20 percent of the export prices success in leather to currency factors & higher export prices.
MACHINE TOOL, PROSPECTS


Examining trends and prospects and machines tool exports and analysing the shifting trade pattern, it is found that there is considerable concentration of exports to countries with bilateral trading arrangements and that a small no. of exporters account for the major chunk of exports. The conditions under which machine tools are sold in world markets seems to show that the weakness of the Indian export thrust lies not so much in the inability to offer competitive prices as the other factors such as delivery, service support, finish and technological excellance.

MANUFACTURED PRODUCTS, in relation to OTHER COUNTRIES

MAGO (L D) and BEHL (Ramesh). Exports of important manufactured products from India and competition faced from developing countries. Foreign Trade Review. 27,4; 1993, January-March; 384-427.

A large no. of manufactured items have contributed to India's foreign exchange earnings,
important among them being readymade garments, engg. goods, leather manufactures, chemicals, cotton textiles, silk and man-made fabrics etc. India's export to USA for manufactured products in 1985 amounted to US $135.15 million, which rose to US $250.81 million in 1989. France ranked sixth in 1985 and seventh in 1989 on the basis of India's total exports of identified manufactured products.

MARINE


There has been a continuous increase in the export of marine products from India. During 1988-89 the export of marine products from the country amounted to Rs. 597.85 crore against Rs. 531.20 crore attained in 1987-88. Thus, the export earnings have recorded a remarkable increase of 12.55 percent in one year. However as compared to 1961-62, the export earnings has increased nearly 200 times. The export growth of Indian marine products shows a positive growth keeping the world demand in view. Thus, the future prospects of marine products export from the country is bright due to more incentives to exporters by govt and fluctuation of foreign exchange rates.
In last few years a sharp increase in India's foreign trade deficit due mainly to the phenomenal rise in imports in the wake of petroleum, oils and lubricants and other essential imports. Unfortunately, the high growth in imports has not been matched by the growth rate in exports. In 1977-78 to 1979-80, the average annual growth rate in exports was 7.8 percent as against 27 percent in the preceding three years 1974-75 to 1976-77. In 1980-81 the ministry of commerce fixed an export target of Rs. 7,100 crores as against the total exports of Rs. 6,427 crores.

The main objective of this article is to evaluate the effects of technology transfer on the export performance, & the determinants of the export intensity of the automobile industry through this
article we found that with the superior technology and marketing skills, the foreign equity firms will export more as compared to locally owned firms. It has also been found that the capital intensive firms might find it difficult to export their products.

-,-,-, POLICY

95. RAIPURIA (Kalyan M) and GUPTA (Purnima M). Policy frame for support to deemed exports. *Economic and Political Weekly*. 27,6; 1992, February; 91-95.

Deemed exports may be distinguished from physical exports in that they are not merchandise literally exported outside the country. In a country deemed exports are valuable to the extent they result in earning or saving of foreign exchange, examples supply made against the world bank aided projects in the country, even transactions not resulting in foreign exchange earning have been included under deemed exports.

-,-,-,-, AGRICULTURAL


The new trade policy announced in July 1991 aims
to boost production, exports and growth of the country as higher rates of export growth lead to higher rates of economic growth. The Replenishment licensing scheme (REP) now becomes the principal instrument for export-related imports. Agricultural commodities account for about 1/3rd of the total export earnings of India. A large variety of agricultural & allied commodities like coffee, tea, oil, cakes, spices and sugar are exported by India to other countries. Tea is the major continuous agricultural commodity exported by India.

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The collapse of primary commodity prices in the 1980's has been prolonged and has severely affected many developing countries while low commodity prices can be partly explained by sluggish demand due to slow growth in the industrialised countries. Many developing countries like India have faced severe balance of payments difficulties, in past due to debt crisis, & have resorted to real exchange rate devaluations in
order to boost export earnings. Such devaluations may have boosted export supplies & put pressure on commodity prices.

-,-,-,role in ECONOMY, GROWTH


The government of Mr. Narasimha Rao has laid great stress on accelerating India's exports, both in industrial as well as agricultural policies. Thus export expansion programme should become self-sustaining based on competitive cost structure as well as production of high quality products. Further, Unless we are able to reduce growing pressure on imports, where petroleum and fertilisers are two major items, over balance of payment position would continue to cause concern for quite sometime to come. Thus along with dynamic export every effort needs to be made to accelerate the production of these products.

-,-,-,SUBSIDIES


The persisting trade imbalances, and mounting
external debts and their servicing burden, lack of sufficient inflow of foreign capital and aid, depleting foreign exchange reserves etc. have led to export promotion as an alternative policy measure for India. In recent years, India has experienced a package of measures in its trade, industry and exchange rate policies. Although the timing of these policies is largely undisputed, there is little debate on the desirable (optimum) sequencing of these policies specially within the framework of expert promotional objectives.

TEXTILE, 1997-98

100. PARAS RAM. Textile exports up by over 5 percent in dollar terms. EX-IMP Journal. 19,12; 1997, June; 26.

The export of textiles from India (including handicrafts jute & coir) in April 1997 are estimated at US $ 975.25 million or Rs. 3488.50 crores showing an increase of 5.5 percent in dollar terms and 10.7% in rupee terms over last year. The textile export target for 1997-98 is U.S.$ 13.3 billion (i.e. US$ 13300 million)- inclusive of handicrafts, jute & coir).
In October 1990, a little known Bombay company, phulchand exports Ltd, Suddenly came out in light to buy a running textile mill belonging to the Tata group & in just few years the group expects to touch a turnover of Rs. 300 crore, with 50 percent of the sales coming from exports. Phulchand Covers a wide range of textile exports including yarn, woven & knitted garments etc. The fabrics also being exported with international designer labels, also exports woollen garments like, trousers, jackets & bags to the Europe, Australia & the Middle cast.

The performance of the Indian textile and clothing export sector in 1991-92 once again was extremely favourable by all standards. Textile and clothing exports reached a figure of Rs. 11,892 crore during April 1991 to March 1992. This represented a 42
percent increase in the export of the previous year. The importance of the textile and clothing export sector can be gauged by the fact that it is the country's single largest export product and contributes over 25 percent of India's total export earnings.

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**Environment**


The Indian textile industry is one of the major foreign exchange earners. The industry earned $6524.19 million in 1994-95 from exports of textile products, while in 1995-96 the achievement was $9022.85 million showing an increase of 5.86 percent over the last year. In rupee terms the corresponding figure were Rs. 26,764.75 crore and Rs. 22,999.43 crore respectively. In rupee terms there was an increase of 12.10% over the last year.

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**In relation to Other Countries**


The first Asia-European summit, held in Bangkok last month the European & 10 Asian Countries pledged to forge closer trade & economic links European officials say they
may speed up the removal of import restrictions in 1998 if Asian & other textile exporters agree to open their markets to EU goods. (the EU imported nearly $ 23 billion of Asian textiles & garments in 1994, while Europe's exports of those products were valued at $ 6 million).

JUTE etc.


Since the very beginning of modern civilisation, India was famous for export of traditional items like textile, tea, jute, spices etc. but now India's share in the global markets (exports) will become almost negligible by the end of 90's. Our exports have failed to keep pace with growing imports. From & peak increase of 16.3 percent in 1981-82, the annual rate of growth of Indian export had slumped to 14.2 percent in 1982-83. The gross imports in the year 1991-92 are expected to over Rs. 59,000 crores, while our exports are expected to be Rs. 44,4000 crores.

PROSPECTS


The cotton Advisory Board which met on August 29 to make a preliminary assessment of the 1991-92 crop
prospects placed the crop at 130 lakh bales now this figure has been gradually revised down because of the strong influence of unpredictable weather conditions on the crop till it gets harvested, the crop information system in India suffers from gross inadequacies at almost every level despite the downward revision of crop estimates, the availability of cotton should pose no problem for the industry.

-,-,-,SILK


India's silk exports are poised for a major breakthrough in international markets. Silk production in the country is to be raised from 9,000 tonnes to 15,000 tonnes by 1994 and exports of silk goods from the current Rs. 330 crore to Rs. 850 crore in the next five years. India is the leading producer of silk fabrics. There are an estimated 4.52 lakh hand looms in the country engaged in weaving of silk fabrics.

-,-,EXTERNAL DEBT

As compared to the 1970's our pace of external borrowing has been faster. Nonetheless, in an international setting, the calculative growth rate of our debt during the entire period stands out to below. Defence debt increased rapidly in the 1980's. Within the category of long-term public guaranted loans, bilateral assistance contributed a substantial part of our borrowing in the 1970's. Since 1980, multilateral & private debt played a greater role in our debt build up. To reduced this debt, it is important to maintain balanced foreign relations with various groups of countries in order to secure external loans from all possible sources.

-EXTERN-AL SECTOR, LIBRALISATION


Opening up of the economy to forces of international competiton has been the most controversial and least understood component of the libralisation package in India covers (a) stabilisation which implies cutting down fiscal policies/deficit and the rate of growth of money supply. (b) domestic
liberalisation which consists of relaxing restriction on production, investment, prices and increasing the role of market signals in guiding resource allocation. (c) external sector liberalisation or relaxing restrictions on international flows of goods, services, technology and capital.

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**FISCAL POLICY, 1997-98**


The objectives of the Ninth plan are runned up in the aphorism growth with equity. With the objectives to improve the quality of life, generation of productive element, regional balance of soft reliance will target at breaking the structural backwardness of the economy, raising the income levels of its agricultural workers, small of marginal formers of artisans of all the historically disadvantaged groups in a decisive manner.

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**FLORICULTURE, FOREIGN EXCHANGE**


All over the World, flowers have gained a prominent place in one's life, be it for religious
purposes or for personal decoration. India's share in the multibillion global floriculture market has been growing 15 to 17% per annum. India's floriculture exports consist of: Dried flowers 65%. Cut flowers-9.9% dried plants 3.4 percent. Europe, North America and Japan are having chunk demand for cut flowers. U.S.A. where F.C. Consumption of cut flowers has increased continues to be the largest consumer.

FOOD GRAINS, PRODUCTION, SUPPLY PROSPECTS.

112. SARUP (Shanti) and PANDEY (R K). Supply prospects of food grains productions in India. Yojana. 40,5; 1996, October; 24-6.

The supply position of food grains have been studies at the national level by the planning commission, NCAER (1969), national commission on agriculture (1976). Pandey and sarup studied (1982, 1983, 1984, 1985) Agriculture has made rapid strides since independence of the production of food grains has gone up from 5 million tonnes in 1994-95.

FRANCE, ECONOMIC RELATIONS


Last year, India registered a favourable balance
of trade of 525 million French francs with France as against 154 mill. France F. in 1993. Indian exports to France amounted to 4,969 million French F. and imports 4,444 million French Francs. Indo-French economic co-operation extended to areas such as defence, railways, telecommunications etc. and Indian exports to France are textiles readymade garments, agricultural and marine products and engg. goods.

-.-, GENERAL AGREEMENT OF TRADE and TARIFFS, DUNKEL PROPOSAL


The Govt of India could be in a spot of trouble over the Dunkel Package - a set of proposals put forward by General Agreement of trade & Tariffs (GATT) - to help frame new rules for global trade in goods & services. The main conditions of Dunkel proposals was stringent patent protection, remove restrictions on international textile trade, increased market access in services sector and reduce agricultural subsidies & the impact on India of these conditions was increased import dependence may cripple domestic industry. India will benefit only from 1996, MNC's make their entry for domestic business & no benefit if developed countries don't reduce subsidies.
115. DHAR (Biswa JIT). Trade and environment: The Gatt perspective. Economic and political weekly. 27, 22; 1992, May; 1123-25

GATT'S trade and environment report is clearly aimed at upstaging environmentalists and their united nations conference on environment and development (UNCED) initiative. The report has four broad parts. The first provides an exposition of the existing provisions of the GATT that pertain to environment and their efficiency. Second elaborates the place of domestic environment issues in the discussion on world trade and competitiveness & the third tries to answer the question whether a multilaterally determined set of environmental standards can be evolved.


The main feature of Indo-German trade during the last thirty years has been the adverse balance against India. Thus, while Indian imports from the federal republic varied from Rs. 242.4 crore in 1965-66 to Rs.
119.7 crore in 1968-69, exports to Germany for 1965-66 were Rs. 33.1 crore and for 1966-70, Rs. 21.5 crore. Capital goods such as machine tools, iron & steel sheets at plates, machines for textile and leather industry etc. Indian exports to Germany increased from 15.4 in 1970 to 60.27 in 1990. India imports from Germany, mainly machinery, electrical equipment. India German trade doubled between 1980 & 1985 & crossed Rs. 6000 crore by 1990-91.

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**ECONOMIC RELATIONS**


Trade relations between South & West have been of significant nature. Thus trade relations between India & Germany are of traditional & strategic nature. India is the third important German trade partner after, U.S.A. & Japan. Germany accounts nearly 7 percent of India's total exports worldwide & nearly 8 percent of Indian total imports worldwide. India's major exports to Germany are gems & jewellery, agricultural goods of textiles & garments. India imports from Germany, Iron & steel fertilisers, & chemicals etc.
India's pattern of foreign trade has undergone significant changes over the last four decades. Planned development has helped to improve the agricultural sector and build a modern comprehensive industrial sector. Now, India is also in a position to offer expertise and consultancy services in agriculture to a number of Co-developing countries. Principal exports from India include meat and meat products, marine products, rice, wheat etc. while India's principal imports are sugar, pulp and waste paper, petroleum products and related materials etc. by Germany & other developed nations.

119. NEW OPPORTUNITIES for Indo-Germany Co-operation.  
Commerce. 151,3881; 1985 October, 12; Ed.

The close economic Co-operations between India and Germany can very well be judged from the fact that growing trade balance. The focus of India's growth export in 1984 shifted away from caspets and processed
precious and semi precious stores in favour of cotton fabrics, garments and leather goods. On the import side the major commodities imported included machinery, iron and steel goods, chemicals and pharmaceuticals and electro-technical etc.

\[\text{GROWTH}\]


Indo-German trade increased by over six times over the past two decades from a total of less than Deutche Mark (DM) 1 billion in 1971 to DM 5.2 billion in 1991. During the seventies and eighties exports grew at a trend rate of 17 and 18 percent respectively and exports went up by 12.5 percent and 13.1 percent respectively. But India's imports is higher 67.4% than its share in India's exports (63.4) to Germany. India's main exports is textiles and leather, as for our imports nearly 40% of them are machinery and other 18% each of chemicals & pharmaceutical and metal and steel products.
The tenth session of the Indo-German joint commission on industrial and economic Co-operation concluded its deliberations with optimism for prospectus of more German investment due to a liberalised Indian economy. German's underlined their hope that India's policy of opening up further to foreign investors would continue in its present form. German it now placed sixth in the foreign investors, now there is a need of German involvement in new areas such as computer software, powerplants, communication & food processing sectors.

With the change in economic policies and emphasis on globalisation of trade, major Indo-German joint ventures are receiving a sharp increase in profitability rates and sales. Some companies namely
colour chem. E. Merck, G.L. Rexroth have announced the 
hike in the parent company shareholding to 51 percent 
while some others announced large expansion and 
modernisation programmes with technical assistance from 
their German collaborators. The companies include 
Padmatex engg. (Rs. 16 crores), Reinz Talbros (Rs. 12.9 
crores).

PARTNERSHIP DEVELOPMENT

123. BHATTACHARYA (Purosottam). India and Germany: 
Challenges for a partnership in development. 
International Studies. 33,2; 1996 April-June; 
183-204.

The main feature of Indo-German trade during the 
last thirty years has been the adverse balance against 
India. Thus, while Indian imports from the federal 
republic varied from Rs. 242.4 crore in 1965-66 to Rs. 
119.7 crore in 1968-69 during the period 
1961-69, exports to Germany for 1965-66 were Rs. 33.1 
crore & for 1966-67. Capital goods such as machine 
tools, iron & steel sheets constituted the major 
portion of German exports to India whereas Indias 
export to Germany such as sea, jute goods, iron ore and 
precious & semi precious stones etc.
-,-,GLOBALISATION


India was to increase the market of their growing on sold stocks and enable their own workers earn their wages. Our import earning as a percentage of G.D.P. in 1990-91 was 9.4 percent and it went up to 12.8% in 1995-96 as against 6.2% & 10.00 percent respectively from exports. The foreign exchange reserves in January 1997 was more than 19 million U.S. dollars. According to world development report 1996. The per capita Income in Indian 1994 was 320 U.S. dollar against 430 of Pakistan & 530 of China.


The nature of restructuring and reforms that the emerging global economy makes necessary is not as simple as privatisation, liberalisation, marketisation, globalisation or whatever other slogan that is found attractive and marketable for the time being exports and imports figure of India shows that in 1990-91 export fell to $18,135 million in comparing to the last
previous year i.e. 1989-90, and the imports also declined from $ 26,41 million in 1990-91 to $ 21,213 million.

--- IMPORTS, COTTON

126. SHARMA (D P). No case for cotton import. Economic and Political Weekly. 27, 1 and 2; 1992, January; 7.

According to statistical data compiled by the East India cotton association, lint cotton prices on January 7, stood 122 percent to 91 percent, depending on the variety, above the enhanced support prices fixed for the current season. In the CAB (Cotton advisory board meeting for 1991-92 the crop has been placed at 116.5 lakh bales. Inclusive of the opening stock of 22.62 lakh bales and the total domestic supply comes to 139.14 lakh bales the total demand has been reckoned at 123 lakh bales mill consumption, 114 lakh bales, ex-mill consumption & lakh bales and exports on lakh bales.

--- IMPORTS DEPENDENCE, EXTERNAL LIBERALISATION


The import-independence of the industrial sector has increased in the post-liberalisation phase compared
to the earlier period. The main component of the inter liberalisation is reducing the domestic barriers to entry while external liberalisation encompasses a no of facts like liberalisation of the import regime for exporters, extension of fiscal and monetary concessions to place Indian exporters with their foreign competitors and finally rationalisation & simplification of export-import procedures.

-,-, IMPORTS, ENGINEERING GOODS


The percentage of engineering goods imports in total imports ranged froms 22.5 to 42.6 in 1993-94. The imports of engineering goods is thus contributing a large proortion of the total imports. The international trade balance in engineering goods is negative and increased by 4 times from 1981-82 to 1993-94. This implies that the Indian economy is obtaining by exporting engg. goods is much lower than what it is paying for importing engg. goods. No doubt exports growth strategy increases the imports but one improvement trade balance requires a low import intensity.
Most developing countries are large importers of fertilisers, because agriculture contributes substantially to rational income. India has a large potential of agricultural exports because of the large land size and varied climatic conditions. The govt of India follows a policy of subsidising the fertiliser prices in order to reduce the input cost to the farmers and also to promote use of fertilisers. The subsidy is growing every year. It increased to Rs. 1080 crores in 1984-85 as against Rs. 375 crores in 1981-82.

Examining the specificities of the liberalised trade regime that commenced in the early 1980's the facts relating to the import liberalisation, the design of long term policy changes and short-term adjustments
and the short-run impact on trade. The analysis point to the ineffectiveness of the export link to import liberalisation in India including the design of longterm policy changes and short term adjustment and analyses the short-run impact of policy changes on trade.

VENKITACHALAM (S). Govt. to further liberalise import of fibres, yarn. Financial Express. 23, 179. 1997, September 1; 1:3.

Indian govt purposes to further liberalise imports of all fibres, yarns from January 1, 1998 in accordance with the bilateral textile agreements with European Union. Imports of some of these items already allowed under open general licence (OLG) and others under special import licences from January 1, 1995 will attract tariffs ranging from 20 to 50%, as per the agreements. The agreements envisages imports of all fibres, excepting those of polyster staple fibre at a tariff rate of 35 percent of yarns as well as certain industrial fabrics at 40 percent each with the complete phase-out of multi-fibre arrangement (MFA), by 2005, the quota regime followed by developed countries including European Union.

Wheat has special significance in the analysis of food policy and food imports in the third world. In 1980, wheat accounted for an estimated. In the last decade, wheat imports by developing countries have expanded extremely rapidly, doubling from 1970 to 1981. Second, unlike rice, world wheat exports are dominated by developed countries, which produced about two-thirds of the world's wheat & accounted for about 95 percent of total exports in 1979-81.


Trade policy framework, as an arowed objective of the Govt of India, has been made a centre-piece for the well being of the common man, exporting community and the national economy. The principal objectives of the import policy framework comprise (a) acceleration of the pace of economic development. (b) Industrialization technological upgradation and
modernization and import substitution. It is also used as an important instrument for mobilizing domestic resources, attracting foreign investment, importing technology and exchanging technological known-how with other countries for mutual benefit.

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**IMPORTS, TEXTILE, 1980s**


In the decade of 1970's each unit increase of GDP in developed countries give rise to an increase of only 1.45 Units of imports, while in 1980's the increase in Imports was 1.25 only. The imports of manufacturers by developed countries from LDC's rose in 1980 by about 15% in volume a doubling rate of increase in 1975. But the growth of Imports of textiles in developed countries is decreasing it was only 11 percent in 1981-82. But now with the exception to increase the trade each of the district area of foreign trade i.e. agriculture, textiles and clothing, synthetic fibres has its own trade policy system.
The Indian Ocean Rim Association for regional Co-operation (1OM-ARC) was formally setup on March 6 of the 14 1OM countries namely, Australia, India, Srilanka, Tanzania etc. at port onis, the capital of Mansitivs & seven more countries including Japan expressed its desire to be associated with the 1OM ARC. The IOR ARC members agreed, to set up in port Lonis a Pilot mechanism a new name for secretariat, for co-ordination, servicing & monitoring the implementation of policy as well as for administrative matters.

Indian ocean covers an area of 28 million square miles providing a maritime link between the Atlantic & Pacific oceans. Ocean water touches the shores of thirty six states situated along the littoral. Agriculture is the main occupation of the littoral peoples. They supply agricultural products
in large quantities to the world market such as tea, coffee, Cotton, sugar, rubber etc.

-,-,INDUSTRIAL PERFORMANCE, PROSPECTS


The economic times investment Bureau has estimated that the average growth in turnover of the sensex 30 companies (excluding IDBI, SBI, ICICI) both in production & sales will be between 9.10% as compared to 24 percent last year. The net profit growth is also expected to slow down to around 25 percent as against 46 percent last year this poor performance of the infrastructure industries, the depressed stock markets, & shower growth of imports has cast a warning signal about industrial performance in 1996-97.

-,-,INDUSTRIAL POLICY

138. SRINIVASAN (T N). Reform of industrial and trade policies. Economic and Political Weekly. 25,37 1991, September 14; 2143-47

There are six broad goals and aspects of India's industrial policy framework the first is the
division of responsibility for the development of specific industries between the public and private sectors. This category include all defence related industries. Second is the Gandhian legacy of cottage and village industries. Third was licencing of technology imports and of foreign direct investment as well as foreign collaboration proposals, fourth is control on investment financing. The fifth was a set of price and distribution controls on some commodities including items of mass consumption as well as intermediate goods.

-,-,INDUSTRIALISATION

139. NANJUNDAW (S). Industry and international trade Economic and Political Weekly. 25,19; 1991, September 28; 2250-51.

The emerging global pattern of industrialisation in interaction with international trade based on econometric analysis and detailed statistics for this purpose physical capital is the most significant source of comparative advantage in manufactures. While the precise pattern of intra-industrial trade is arbitrary, its larger extent is associated higher levels of income, increasing economies of scale and low levels of industrial concentration.

Global trade in the Information technology (IT) sector is larger than the exports of agricultural products, world export of IT products now amount to over $500 billion annually. With the efforts of world trade organisation WTO ITA (Information technology agreement, agreed on 13 December 1996. In Singapore, the ITA covers five main categories of hardware products - computers, Telecom products, semiconductors & scientific instruments. The global trade in these products has been concerned by Japan, U.S. EU, India, etc.

141. VALENCIA (Mark J). Asia, the law of the sea and international relations. International Affairs. 73,2; 1997 April; 263-82.

The end of the cold-war & doubts abouts the longevity of the U.S. Security commitment in east asia have raised the potential for both new conflict & new co-operation in the region. This article examines the current state of relations among the main national players in the region & disputes outstanding among
them and accesses the potential for both conflict & Co-operation.

-ISRAEL-

142. VIJAY SINGH India-Israel trade. Foreign trade Bullets 23,2; 1993, April; 20-4.

Desert Gold India Irrigation Ltd (DGIL) has entered into a financial-cum-technical collaboration with Queen gil International of Israel for manufacturing drip & sprinkler irrigation equipment. The DGIL has applied for Approvals from RBI and the Union govt for the venture. The total cost of the project works out to Rs. 50.92 crore.

-ECONOMIC RELATIONS-


India is important to Israel & the presidential given high importance by the Indian govt. this article states that after the establishment of diplomatic relations in January 1992 a brisk, and never ending is going on not just at the govt level but also at the level of private industrialists & businessman. An Indian garment manufactures has set up units for exports to the U.S. & Europe of ready made Israeli
garments the Indian-Israel business Alliance formed in October 1996 to promote the business industry.

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JAPAN ECONOMIC RELATIONS, ANALYSIS


Japan has been for the last few years one of the three top trading partners of India, but there is a basic asymmetry in the bilateral trade relationship in the sense that while Japan accounts for about 10% of India's foreign trade, India's share in Japan's foreign trade is less than 1 percent. It is pertinent to observe that India enjoyed a favourable trade balance with Japan up to 1980. Since then the balance of trade has turned against India & trade deficit was reached at Rs. 1214 crore in 1986-87, which represented 90% of India's exports to Japan since then trade deficits have sharply come down due to substantial expansion in exports.

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Japanese economic relations with India had been
of traditional, strategic & essential nature. India's trade & investment relations with Japan were established in old times. Then Indian textiles were first introduced in to Japan with full Co-operation. In 19th century, trade relations between India & Japan were confined to exports of cottons, twist & yarn from India & imports were limited to copper of Japan. But there after, composition of Indo-Japanese trade under went of sea change. In 1994-95 Indian export to Japan was 6,346 crores & Indian total imports from Japan near 9,016 (88.2%).

FOREIGN DIRECT INVESTMENT, PROSPECTS, 1990s


In the decade of eighties, Japanese foreign direct investment (FDI) abroad has become alarmingly formidable. The Japanese are manufacturing abroad on a scale that has made it a "great economic super power", and the United states of America has been putting a lot of pressure on Japan to slow down its "export juggernaut". Through which Japanese trade surplus has been shrinking & with other Asian countries, India trade with Japan is also affected.

India mines three tonnes of gold every year while Indian consumers demand close to 500 tonnes of gold per annum. Some important name like Suraj and Cartier is the major player in the international fine gold and plantium jewellery market and the third Indian exporter of diamonds entered the domestic market for the first time this year Rs. 650 crore group plans to style manufacturers and retail a range of its forever brand jewellery. Cartier this well known international jewellery house has its reputation for exclusivity with a range of bracelets, rings, necklaces, bangles etc.


This article reviews the first three parts of the World Development Report 1995 (WDR) In first part
of labour & development strategy, the WDR 1995 fails to articulate of discuss a model of the labour market specifically applicable to developing countries. Hence the WDR's emphasis on export growth, particularly of manufactured goods other aspects of export growth & labour incomes dealt with in this article include the continued importance of apart of primary commodities for developing countries.

-- M O R O C C O 

149. SAXENA (S C). India's Foreign Policy. Third Concept. 10,116-17; 1996, October-November; 11-4.

We are trying to expand our trade & commercial relations with Morocco. Trade delegations from India have been going to explore new areas of trade & economic relations between the two countries. Joint ventures also being set up by India in Morocco to expand our trade with it & increase in our imports of phosphate and the setting up of joint ventures in Morocco will strengthen its economy at a time when the need is to intensify all sorts of pressures upon Morocco to force it to co-operate with the India in organizing free & fair trade & India should have taken steps to add to the existing pressure upon Morocco due to its deteriorating economy.
-,-,MOTOR VEHICLES and ELECTRONIC INDUSTRIES, 
LIBERALISATION.


The entire premise of structural reform is that the micro units viz the firms by structural reforms is meant reforms in the policy regime governing trade, technology and trans-border capital flows in the industrial deregulation and administered price policy and in the financial sector. During the seventies, electronic production in India was dominated by electronic capital goods contributing more than 50% of the total output & the shares of electronic consumer goods and electronic intermediate goods were 27 and 21 percent respectively.

-,-,1995-96


The article states that the crises of 1991 was mainly the result of deficit financing over the years to finance the evergrowing non-developmental, unproductive & wasteful expenditure. The decline in
the fiscal deficit as a percentage of GDP from 8.3 percent in 1990-91 to 5.9 percent in 1995-96. The exports increased 18,477 in 1990-91 to 32,430 US$ million in 1995-96 & the imports also increased from 27,914 in 1991 to 39,445 US$ million in 1995-96.

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**NETHERLANDS, ECONOMIC CO-OPERATION**

152. INDO-NETHERLANDS trade and economic co-operation. *Economic Trend*. 15,9; 1986, May 1; 5-12.

The trend and economic relations between India and Netherlands have been close and the bilateral trade between them has been on the increase, the Netherlands is the sixth largest partner in India's export and fifth in India's imports. India's export to the Netherlands include meat, vegetables, fruits, coffee, leather goods etc. similarly, India imports from the Netherlands, such as milk and cream, synthetic rubber, pulp and Waste etc.

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**NORTH-SOUTH, ECONOMIC DEVELOPMENT**


The economic relations between countries with different levels of economic development are key
issues in the current world-wide discussion of the international division of labour and the co-operation in economic development the term North-South for specific relationship among countries indicates not only the differences in the levels of economic development, but emphasizes especially the specific content and nature of these relations which create problems in the global functioning of the world economy and great difficulties to the developing countries.

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The vast array of magazines and newspapers now available at the newsstand may were a new look this year. Due to the recovery of US economy & its publishing industry, their has been an estimated of increase in the demand for newsprint in U.S. this is twice the total demand of India. India is not a big consumer of paper, its import; of newsprint arounds 200,000 per annum. International newsprint papers producers Canada & Russia, have liked prices for paper & public. In Eight plan it has been decided that India increased its newsprint capacity to meet the demand in 1994.
-,-,PAYMENTS POLICIES, IMPLICATIONS

155. CHATTERJEE (Biswajit) and MARJIT (Sugata). Trade and payments policies in India an evaluation of recent changes are their implications. Indian Economic Journal. 39,3. 1992, January-March; 103-13.

Various economic arguments for and against the trade policy reforms undertaken by the central govt in recent months. While liberalisation measures of any kind involve positive adjustment costs, and benefits rather than on non-tangible factors like political expediency. Before blaming the IMF-& the world bank for suggesting measures which in their perception, are optimal for a desorted economy like India, our policy makers & advisor should answers why measure advert type of crises situation in India were not undertaken. Perhaps the current economic problems could be better tackled if our economists & policy-makers prefer to answer that uncomfortable question.

-,-,PHARMACEUTICAL COMPANIES, CAPITAL ESTIMATION


In this article the estimate cost of capital in
practice by selecting two disparate industries viz, pharmaceutical & Investment companies & the study realised yield approach based on capital gains & the second method is based on the wealth ratio can be used for computing realised yield by taking market prices of all intervening periods.

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During the decade of 1970's India's volume of exports grew at an annual average rate of 6.8 percent per annum and in 1980's when the average rate came down sharply to 2.7 percent per annum. These disparate movements in the volume of exports were basically related first in the rates of growth of real incomes in industrial countries, and second the real effective rate of exchange, which measures international competitiveness of India's exports. The industrial economics which are the measure trading partners of India grew at an annual growth of 3.5 percent per annum in 1970's as compared to 2.0 percent per annum in 1980's.
PROMOTION EFFORTS


It is acknowledged that there is a close link between the volume of trade and the trade promotion efforts which invariably are backed by govt.s trade offices overseas, annual budget for trade promotion play an important role in boosting exports. India has four trade offices outside the country whose annual expenditure works out to Rs. 3 crore. Some important organisations i.e KOTRA, AUSTRADE, JETRO promote two way trade. Basically, they service the small and medium sector of the industry, provide trade and market related information services, market development activities etc.

PULSES PRODUCTION, 1951-93

159. BRAHM PRAKASH and LAR (S). Economic constraints on pulses production in India. Yojana. 49,3; 1996, March; 31-3.

In 1951 the production of pulses was 60.7g which increased upto 69.0g in 1961. even then the availability was below the stipulated requirement of 80g per day per person. This availability dropped to
51.2 p.c. per day & further declined to 36.6g in 1993. This low availability has resulted in raising prices of pulses, some major constraints which creating problem in the growth of pulses production in India are as rainfed situation low income, Risk, law marketable surplus & technology etc.

REAL EXCHANGE RATE, effect of FISCAL EXPENDITURE

India develop a small open-economy trade model where a tariff, or a quota, or a voluntary export restraint (VER) exists & where one imported, exported, non-traded and public good are produced, within this context we examine the fiscal expansion on welfare and the real exchange rate (REP). This article identifies additional conditions required to ensure the appreciation of the RER, due to fiscal expansion, under an import quota or a VER (voluntary export restraint).
161. ALAGH (Yoginder K) and GUHA (G S). Econometrics of longterm growth: Trade-offs with inflation. *Economic and Political Weekly*. 28,42; 1993 October; 2276-82.

The design of a growth strategy for a poor country like India calls for an interconnected view of income distribution, monetary policy and employment. Also, the design has to be based on the behaviour of the Indian saver, the Indian markets and the productivity of the Indian water. International trade would accelerate the process and a growth path around 6% is definitely based on the internal sources.


Imports of rubber products into countries of the organisation for Economic Co-operation & Development (OECD) from developing countries have witnessed a steady growth in the last several years. In 1989-94 total inputs of rubber goods into OECD markets increased from $18.6 million to $25.4 billion a rise by 37% to 73% imports of rubber products from developing countries. The united states
& Germany were the largest import markets for rubber products in 1994, purchasing around $5.64 billion and $3.7 billion respectively.

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**RUPEE DEPRICITION, PAYMENTS, 1971-90**


During the period 1971-90 the deprecation of the rupee had no favourable effect on the dollar value and volume of exports and no contractionary effect on the value and volume of imports. Hence it had no influence on the balance of trade. Over the period of 20 years since 1971 when the rupee started to depreciate under the managed float system, the dollar values of exports grew rapidly but India's share in world exports remained at a meagre level. As the dollar values of imports rose at a higher speed, the trade and payments deficits mounted.

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**RUSSIA, AGREEMENT, EXPORTS and IMPORTS, ANALYSIS.**


The Indo-Russian trade protocol for the year
1992, signed on February 22 last, restricts the import & export to goods only between the two countries. The area of project exports has been excluded specifically from the provision of trade protocol. The industry, in a memorandum to the govt, also said that Russia had agreed to provide defence and power equipment on a long term credit which will always at least in the near future, leave a balance of payment in favour of Russia. This will have an added advantage of not repaying the credits by export of goods which can be exported to them.

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**JAPAN, ECONOMIC RELATIONS**


Most of the respondents are of the opinion that India's relation with U.S. has been quite during the past year and 89.6 respondents think that India's relations with Russia also good and 93.7% respondents think that India's relations with Japan regarding trade are quite good during the past year only 8.9 percent who think otherwise about 91% respondents are of the opinion that India's relations with U.K. are quite good.
166. HOW IMPORTANT to have good trade relations with countries like U.S. Russia, Great Britain & Germany. 

Public Opinion. 60,10; 1995, July; 4-21.

The majority (93.2%) of the respondents think that it is important to have good trade relations with United States. In comparing of United States the percentage of respondents what it is important to have good trade relation with Russia is less with 85 percent & 89.6 percent respondents think that to make good trade relations with Great Britain is must. As far Germany is concerned, 85 percent respondents think that it is important to make good trade relations with Germany.

167. DEBROY (Bibek) and MAGO (L D). Issues in Indo-Soviet trade. Foreign Trade Review. 26, 4; 1992, April-September; 40-56.

Soviet Union continues to be one of the India's major trading partners. India's export to and imports from the Soviet Union are reflected in the Soviet Union's share in India's total trade turnover with a 7.98 percent share of total trade in 1988-89. Exports to the Soviet Union as a percentage of India's total
exports were 12.86 percent in 1988-89 and imports from the Soviet Union as a percentage of India's total imports were 4.46% in 1988-89. Nearly Seventy percent of current Indian imports from the Soviet Union, are made by public sector, whereas 78% of India's export to Soviet are made by private sector.

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**PROSPECTS**


India and Russian federation this year and more recent trade and economic co-operation agreement signed early this month (1992), trade between the two countries is still at a standstill except for the supply of 60,000 tonnes of crude oil from Russia, new contract has been signed for further supply of crude oil, diesel and kerosene to India with a view to initiating trade under the 1992 trade protocol, and at the request of the Russia side, India had agreed to advance utilisation of technical credit of $ 85 million to enable purchases of four items, namely, tea, coffee, tobacco and spices.


India's interest in managing a stable
relationship with Russia remains a singular foreign policy priority. Despite its hobbled economy, Russia will remain a nuclear super power & will play a key role not only in regional security matters, but throughout the world especially in the middle east. Due to its natural resources and educated work force, Russia still emerge as an important trading partner. Yet our relationship with Russia may once again be on the verge of profound change, depending on the coming presidential election.


Two old friends are falling apart but they need each other for sometime yet. Moscow urgently needs India to pay back the 10 million rouble (Rs. 32,000 crores) in loans. Though India imported 4.5 million tonnes of crude oil from the region—the newly formed Russia republic not the commonwealth of independent states. Over 90 percent of the earlier trade was conducted with goods originating in Russia, & this is the likely to continue. Now India is in a position to place its consumer goods on the new empty shops
shelves across the republic and Russians can supply arms & spheres and they are looking to India's security needs to deliver their purpose & minerals.

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The trade agreement between India-Soviet signed in 1978 provided for free convertibility of the rupee and rouble at a mutually agreed rate. In 1978, the parity with the rouble was fixed at a rate of Rs. 10 when the dollar ruled at Rs. 8.23 and the special drawing rights at Rs. 10.43. But in November 1991 the exchange rate against the rouble was fixed at Rs. 31. India depends on the Soviet Union for major supplies including defence purchases, crude, non-ferrous metals and other essentials. Thus, the trade protocol with Russia is likely to benefit India according to experts.

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The external affairs minister Madhavisingh Solanki visit to Moscow in November 1991 when both
countries are uncertain as to whether and how to conduct mutual economic relations which are based on protocols and the rupee trade agreement. On the Indian side the reason for the dilemma are many. In 1991 the indo-soviet trade turnover may gone down to about Rs. 6,000 crore as against the target of Rs. 8,000 crore. But India's delimma cannot ignore the soviet union which is one of the India's major trading partner's accounting for over 12-13 percent of exports.

### RUPEES-ROUBLE


The recent visit of Russia and Ukraine by the foreign secretary Mr. J.N.Dixit and other senior govt officials brought some good news that between India and Russia, economic relations between the two sides are being placed on a new & more pragmatic, foundation i.e. a new exchange rate between the rupee and the rouble came up during the discussions and a new rate, on a more realistic basis, is on the agenda in the short-term, and Russia is expected to became a member of the International monetary fund (IMF). & whatever
the Russia supplies like defence equipment, power, steel & coal would be paid for in rupees.

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RUPEES TRADE


During the visit of the secretary of state, of the Russian federation, Gennady Burbulis, to India in May 90 both India and Russia agreed to terminate rupee trade. Russia has its own reason's for discontinuing rupee trade suspension of India's exports after the disintegration of the USSR in December 1991 and refusal of the Indian govt of open letters of credit for Russia's imports from India under the rupee trade agreement. On the other hand, India also has opted to discontinue rupee trade for its own reasons: India had been finding it difficult to import several items under the trade protocol, such as oil, newsprint etc.

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1993


India's rupee trade with Russia is likely to be terminated in January 1993. India has been traditionally dependent on eartwhile USSR for a bulk
of its defence requirement procurement and these have been mostly sourced from Russia. The special trade agreement enabled this equipment procurement on soft credit and against rupee payment. Repayment of the accumulated rouble credit, estimated at about Rs. 38,000 crore based on current rupee-rouble parity may pose a more ticklish problem.

TECHNOLOGY TRANSFER


Technology is knowledge, skills, methods and procedures which are materialised or embodied in designs, specifications, operating instructions, machinery and equipment etc. An important aspect of soviet collaborated projects is that particularly when India attained a comfortable level of foreign exchange reserves, a switch to western collaborations began due to a realisation that the level of soviet technology was inferior to western technology. There are many advantages that these firms perceived in switching over to western collaborations. For instance, the likelihood of reorganisation and rationalisation of their production process, etc.
SAARC (South Asian Association for regional Co-operation) is better placed to improve relations among the countries of subcontinent was set in 1985. SAPTA (South Asia preferential trading agreement) a trade body of SAARC was mooted in 1993. Pakistan is also worried about the possible domination of SAPTA & Large Indian economy. The study of (WBS) 1994 shows that Pakistan takes up 33.5 percent share in exports where as Indian has 54 percent share in exports in the region.

The trade relations between the developing and neighbouring countries such as India & SAARC (South Asia Association for regional Co-operation) is of special significance & relevance, the average per capital GNP of these countries was barely about US$ 391 in 1993. About three fourth of their total population subsists on agriculture & their (SAARC) exports to World have been increased from US $ 6.3
billion in 1975 to $ 37.9 billion in 1994 $ imports have been increased from U.S. $ 10.5 billion to $ 45.2 billion in 1994.

179. MISHRA (Vinod Kumar). Dhaka to New Delhi: one decade of SAARC. Journal of International Affairs. 52, 1&2; 1996 January-June; 73-86.

The eight summit of South Asian Association of Regional Co-operation (SAARC) held in New Delhi (3&4 May 1995) to strengthen the South Asian Preferential Trade agreement (SAPTA) which was initialed at the seventh summit in Dhaka during April, 1993. SAARC was the brain-child of Zia-ur-Rehman, the late president of Bangladesh. Areas of Co-operation under the integrated programme of action (IPA) are as follows. Agriculture, (including forestry), communication, Education & culture, Health & population activities, science & technology, transport areas discussed in SAARC.


The developing world is struggling to take the problem of population explosion, poverty, inequalities, underdevelopment and imbalances in trade
and commerce. Now the question arises can there be a borderless SAARC region. The South Asian region comprises seven countries these region contains more than 1 billion population that is 20% of the world population. India as a diamond economy in SAARC region with a US$274 billion economy in 1992 that is three times bigger than the other six member economies. India constitutes almost three-quarters of the SAARC region in terms of land, population & national product.

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**REGIONAL TRADING BLOCKS**

181. GULATI (Mukesh). Regional Trading Blocks : Lessons from SAARC. *Journal on South Asian Affairs.* 30,1; 1995 January; 80-95.

The trade expansion in the world trade has led to an increased interdependence among the various countries of the world. Yet SAARC countries have not been able to take advantage of the economic growth in the world because they choose inward foreign politics, but the formation of SAARC & signing of SAPTA (has encompass foreign direct investment, extra-regional trade, technical co-operation, services & intellectual property rights) is a step towards augmenting economic Co-operation at the Intra-regional level.
The formation of SAARC is one of the latest steps in the chronology of regional groupings. SAARC may be seen as a member of the family of regional organisations thriving in Asia & World on a classes look to be distinct & different from its many predecessors like the EEC, ASEAN, ANEC & even the OAS. In terms of per capital GNP during 1995 in the region Maldives had the highest $ 900, Indias $ 375.

The economic Co-operation can be advanced through transfer of technology, know how, manufacturing process, designs and standards. Besides scandinavian countries may shift some of their labour intensive units engaged in clothing, leather products in India to take advantage of cheap labour in India.
SERVICES, BANKING, INSURANCE


The position of the developed countries is clear & explicit. They want the developing countries to open up their markets for their banking, insurance & other financial services. The U.S. administration has choses India is it main target for this purpose. When the GATT realy was signed at Markesh, negotiations were to be completed in three main areas of trade in services telecommunications & movement of natural persons etc.

SOUTH ASIAN, ECONOMIES


Indian foreign trade, despite making substantial progress in recent years, around 0.5 percent of the World trade but has not succeeded in gaining entry into AFTA or APEC. In trade with other South Asian Countries, Indian imports from a small proportion of their total imports. This article states that the members of SAARC have been actively promoting foreign investment & yet they have failed to cometogether in improving their own economic performance.

Business opportunities tend to multiply in economies which are open in the sense not only of liberal trade and exchange rate policies but also liberal internal economic policies under which saving and investment decisions are unhampered by govt regulations. However it has to be recognised that internal liberalisation can hardly progress unless it is accompanied simultaneously by the external liberalisation. The South Asian countries have been slow to move in this direction but not there is a wind of change in some countries like India, Pakistan etc.


India's export's to Sri Lanka were of the order of Rs. 55 crores in 1977-88 and imports there from amounted to Rs. 1 crores only in the same year. A trade greement between India & Sri Lanka was signed in 1961. Again in 1961. Again in 1968, an Indo-Sri Lanka joint Committee
on economic co-operation was set up with the objective of increased co-operation in the field of trade, industry, agriculture & tourism. Later on, this committee come to be known as Indo-Sri Lanka joint commission for economic trade and technical co-operation.

\begin{itemize}
\item \textbf{STATE EXPENDITURES, COST-BENEFIT ANALYSIS}
\end{itemize}

188. BRENTE (Robert J.) Cost-Benefit analysis, user prices, and state expenditures in India. Public Finance/Finances Publiques. 50,3; 1995; 327-341.

This article provides a general cost-benefit framework for evaluating the size of user prices associated with public expenditures, from this perspective, a country's fiscal deficit can be judged "too high" if its level of user fees are considered too low. The optimal user charge is a weighted average of actual user prices and marginal costs. The framework is applied to state expenditures in India for 1987-88 for plausible parameter values reflecting distributional concerns & the shadow price of public income.

\begin{itemize}
\item \textbf{TRADE GAINS, 1959-79}
\end{itemize}


Terms of trade leads to an examination of gains
from trade. Trade across boarders, from India fall under two distinct categories primary goods and manufactured goods. India being a developing country, is expected to export more of primary goods and import more of manufactured goods. It is believed that where as prices of exports have fluctuated randomly, the prices of imports have been both stable and dictated by the developed countries, to their advantage. Therefore it is interesting to examine how much we have gained or lost from international trading in primary goods or losses from international trading in manufactured goods.

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TRADE MARKS BILL, 1995


The world economy has entered a new phase on January 1, 1995, with the formation of World trade organisation on, and India a signatory to the GATT treaty, has implemented radical charges in her laws relating to industries, companies, monopolies and restrictive trade practices, foreign exchange, taxation, import & exports, customs etc. the objective of this article is to scan the vital
clauses in the trade Marks Bill in the light of existing provisions to access their implications on national & consumer interest.

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**TARIFFS, REDUCTION**


India has made real progress recently in reducing trade tariffs, it still remains one of the world's most insular economies, and at this point, its export potential is largely unrealised. Mr. Lawrence summer's Vice-President & Chief economist in world bank said, there was further scope for reducing tariffs and quantitative restrictions in order to unteash India's enormous export potential. The report stresses that better growth in India lies in expanded manufacturing activities. This in turn will depend on the extent to which these developing countries like India open up for foreign investment and technology.

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**21st CENTURY**

192. SEN GUPTA (Bhabani). India in the 21st century. *International Affairs*. 73,2; 1997 April; 297-314.

By the year 2020, economically and politically India is expected to be the fourth
largest economy in the World in terms of purchasing power parity in the light of a new foreign policy doctrine, this article examines the contradictions between India's economics & political compulsions & access the prospects for the World largest democracy as it looks east to trading partner's & political links to the resolution of long-standing security issues with its neighbours.

--- NUCLEAR ISSUES ---
193. SEN GUPTA (Bhabhani). India in the 21st century: Nuclear issues. *International Affairs*. 73,2; 1997 April; 311-4.

In the 21st century, India will need friendly co-operatives relations with the united states, Japan, and Western Europe in addition to Russia, China and the ASEAN Countries. The member countries of the European Union make up India's largest regional trading partner the U.S. is the largest country that trades with India & India is the largest recipient of Japan's official development aid.

--- UNFAIR TRADE, GLOBALISATION ---
The most elementary principle on which the right of the consumer is based is the principle of choice. The consumer may choose not to buy any item. But the out of buying like the Law of demand is influenced by a subjective condition & an objective condition. The subjective is the willingness condition, whereas the objective is the ability condition. Another aspect of the unfair trade practice law is many of the trade practices deemed unfair are carried out by the kith & kin of those in power. To solve this problem the consumer to be educated to be told that he/she would book for date of manufacture, ISI trade mark etc.

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UNITED KINGDOM, AGREEMENT, DOUBLE TAXATION


The close relationship between the two countries & an agreement on double taxation eludes the two countries & such an agreement would be a positive step in improving the economic trade between the two countries. United Kingdom is an important trading partner in India's external trade. Accounting for about 8.5 percent in India's global imports and about 10% in India's global exports in
1978-79. The major items of India's exports are tea, cotton textile, leather, tobacco which account for over 50 percent of the exports to U.K.

--- INVESTMENT ---


On October 14, 1993 a meeting under the Indo-British partnership initiative (IBPI) held in Chandigarh to increase trade and investment between the United Kingdom and India. There are already a number of ongoing Indo-UK Collaborations in both Haryana & Punjab and the forthcoming meeting would highlight the initiatives taken by the state govt in building up the industrial base & the progress made in liberalising and internationalising the Indian economy. IBPI aims at maximising trade, investment and collaboration between India and U.K.

--- PROSPECTS ---


Britain is one of India's top five trading partners. While India exported goods worth Rs. 2,804
crores to UK in 1991-92, its imports from that
country amounted to Rs. 2,963 crore. India's
exports to Britain in the recent past have included
growing proportion of traditional items like
readymade garments, tea & tobacco, Lately, there has
been increases in nontraditional items such as engg.
goods etc. Similar by the composition of India's
imports from Britain has changed alongwith the
development of Indian economy. A no. of major
British companies have a presence in India, these
include Leyland, Glaxo, cadburies etc.

U.S.ECONOMIC RELATIONS, IMPROVEMENT

IQBAL (Badar Alam). Are Indo-U.S. Economic relations
really improxing. Journal of International Affairs.
51,1; 1995, January-March; 65-83.

For the last more than four decades,
Indo-U.S. economic relations started moving in
productive manner. U.S. as the India's biggest trade
& investment partner. Since 1988-89 India's trade
with U.S. has been ranging between US $ 5.5 billion
& U.S. $ 5.7 billion till the end of 1992-93. In the
year 1988-89, India's total export to the U.S.
amounted to US $ 2.9 billion & reached a record
level of U.S.$ 4.4 billion during the 1993-94.
India's imports to the U.S. in 1993-94 went up US $2.4 billion from U.S.$1.9 billion during 1992-93 over 1988-89, India's major imports from U.S. are fertiliser, minerals etc.

-,-,-,INVESTMENT, INTERNATIONAL MONETARY FUND


The govt of India, under the dictates of the US dominated world bank /IMF, is all set to open up its economy to foreign multinationals in the name of free trade & this is expected to help US in the removal of mass poverty. The development of our economy is based on the acceptance of free international trade which will attract a large inflow of foreign investment and provide our exports unrestricted world market. The position for countries like India has worsened with changes made in the 1988 act, with regard to the measures for import duties. Now, the fight for India to develop its own trade & industry is going to be a hard one.

-,-,WHEAT, IMPORTS


It is highly regretable to know that India imports wheat from some Western Countries the
country, which is the fourth largest wheat producer in the world is now importing eventhough we are self sufficient in food production after the green revolution, there is a situation prevailing now to import the grain from outside the country. Some people hope that this is due to the insistance of IMF (Indian monetary fund) but now the situation improved and there is no need for extensive import in 1992.

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WORKER'S RIGHT TO TRADE

201. ISLAM (Shada). Western countries link Asian worker's rights to trade. Far Eastern Economic Review. 159, 16.1996, April 18;82.

Asian's may argue that their trade success reflects hard work and good business planning, if only Asian's raised wages and slashed working hours & if only the world's trading nations stopped importing goods from countries that block labour Unions or tolerate child labour, unfair trade competition would end. Asian's are completely unconvinced of the need for a statement that would incorporate labour standards in to World trade rules. Asians says if the EU and the U.S are really worried about social condition in Asia, they should give more development aid.
202. TUFAIL AHMAD. Trade's colonial colours. Radical Humanist. 60,1; 1997 February; 4-7.

The World trade organisation in Singapore (WTO) on December 1996, there more than 2300 delegates from 128 WTO member countries attended the five day ministerial meet to review the commitments made in Uruguay round of trade talks which paved way for the birth of WTO in 1994 & the developing countries like India work upset that though the WTO meeting was called primarily to review the commitment of Uruguay Round the Western nations pushed through many issues like labour standards, investment & competition policy etc.
PART - THREE

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