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EXPORT EFFORT OF INDIA

by

H. D. Shourie \*

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\* The author is the Director General of the Indian Institute of Foreign Trade.



It is now accepted and recognized in India that the rate of economic growth will to a large extent depend on the expansion of exports for earning foreign exchange which will strengthen the sinews of economic development in its various facets. Over the years, machinery and equipment raw materials and technology have been imported into the country in substantial measure. The imports have been indispensable for raising the infra-structure, industrial development, and for general economic advancement. It is recognized that in future years too there will be continuing need for imports, particularly of industrial raw materials, and the import bill will necessarily constitute an important factor in the economy in spite of every effort that has been made, with marked success, to effect import substitution and to reduce imports to the absolutely essential requirements of economic development.

The country has accepted that out of the alternatives of seeking foreign aid and expanding exports, for meeting the requirements of imports for purposes of economic development, the emphasis should be on the expansion of exports, which help the development and expansion of industries and imbibe in them the consciousness of quality and cost for facing international competition. It is increasingly realised that the country must shake off its dependence on foreign aid which inevitably leads to the mounting burden of repayment obligations. The objective which the country has laid before itself is to become self-reliant in this matter by 1980-1981.

#### Export Experience

Export effort in India has taken concrete shape only during the last decade. In the earlier years, after the attainment of independence in 1947, the country had begun with sizeable quantum of foreign exchange resources. The 1st Five Year Plan (1951-1956) did not call for heavy expenditure on capital goods, and despite periodic difficulties in the balance of payments, foreign trade effort was not assigned any important role. During this period of relatively easy foreign exchange availability, the need for export promotion was less evident. The import policy of the Government laid emphasis on the import of producer goods and raw materials,

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but the export policy was less precise. Practically half the total export earnings continued to flow from a few leading commodities such as tea, jute manufactures and cotton piece-goods. The objectives in the 2nd Five Year Plan (1956-1961) were much more ambitious. It aimed at heavy investment in creating the capital infra-structure and laying the foundation for a sustained growth of the economy. This led to heavy draft on the country's foreign exchange resources and the pendulum of balances swung very low. In 1957 the country for the first time faced real difficulty in the balance of payments. Emphasis was then placed on strictly economizing on imports. Exports did not record any appreciable rise, with the result that the requirements of development and maintenance imports entailed continuous strain on the foreign exchange resources which did not multiply.

Over the first decade of planning (1951-1961), therefore, the country's efforts neglected to take the balance of trade question seriously and the policies hardly emphasised the necessity of using trade as an important lever to overcome the deteriorating foreign exchange situation. There was hardly any trade plan. The trade policy lacked perspective.

#### Beginnings of Export Effort

It was during the 3rd Five Year Plan (1961-1966) that the need for expanding exports was felt and several measures were initiated to promote them. In contrast to the annual export of \$ 1,279 million during the 1st Plan and \$ 1,310 million during the 2nd Plan, exports during 3rd Plan witnessed significant growth and reached the annual level of \$ 1,580 million. Growth during the 3rd Plan period represented 22-24 per cent increase over the previous two Plans.

The Indian rupee was devalued in June 1966. Various factors including supply constraints on availability of agricultural commodities and agriculture-based products as well as the temporary dislocation of trade caused by devaluation resulted in a set back in exports during 1966-1967 and 1967-1968. In the subsequent years, however, the lost ground has been completely recovered. Exports during 1970-1971 have witnessed 8.3 per cent expansion, which is in fact more than the seven per cent

/annual growth

annual growth target which has been prescribed for the 4th Plan period. The complete picture of India's foreign trade during the last two decades will be evident from the table given below:

INDIA'S FOREIGN TRADE

(Million US\$)

Period	Imports	Exports	Exports as percentage of imports
1st Five Year Plan Annual Average (1951-52 - 1955-56)	1 519	1 279	85
2nd Five Year Plan Annual average (1956-57 - 1960-61)	2 069	1 310	63
3rd Five Year Plan Annual Average (1961-62 - 1965-66)	2 607	1 580	61
1966-67	2 771	1 543	56
1967-68	2 648	1 599	60
1968-69	2 545	1 811	74
<u>4th Plan</u>			
1969-70	2 039	1 884	90
1970-71	2 171	2 041	94

Composition and Direction of Exports

Whereas during the 1st Plan period (1951-1956) agricultural and traditional commodities including jute manufacture, tea, cotton fabrics, tobacco, etc., comprised 71.6 per cent of the total exports, and manufactures and semi-manufactures comprising a range of non-traditional items were only 11.4 per cent of the aggregate, the picture in 1969-1970 has substantially changed. The manufactures and semi-manufactures now account for 30.5 per cent of the total exports. The share of traditional

/commodities has

commodities has gone down to 52.4 per cent. Consciousness in the industries has now awakened to the opportunities that exist for the expansion of exports of manufactures and semi-manufactures. The shift in composition will be evident from the following table:

## COMPOSITION OF INDIA'S EXPORTS

(A) Major Traditional Items	Average percentage of total exports				
	1st Plan 1951-56	2nd Plan 1956-61	3rd Plan 1961-66	4th Plan	
				1969-70	1973-74 (projected)
Jute manufactures	24.8	19.2	21.0	14.6	13.9
Tea	17.5	21.1	16.1	8.8	10.8
Cotton fabrics	9.8	9.5	6.9	4.4	4.9
Tobacco	2.0	2.3	2.5	2.3	2.5
Vegetable Oils	3.6	1.8	1.3	0.4	0.7
Oil cakes	0.2	1.7	4.1	2.9	4.5
Spices	3.0	1.8	2.3	2.4	2.2
Sugar	0.2	0.5	2.4	0.6	1.5
Coffee	0.4	1.1	1.3	1.4	1.1
Cotton raw	2.7	1.9	1.5	1.0	0.9
Wool raw	1.1	1.6	0.9	0.3	0.3
Hides and skins	1.1	1.4	1.2	0.6	0.8
Manganese ore	2.8	2.8	1.3	1.8	0.8
Mica	1.5	1.5	1.3	1.1	1.0
Iron ore	0.8	2.1	4.9	6.7	7.6
Precious & semi- precious stones	0.05	0.05	1.2	3.1	2.6
<u>Total (A)</u>	<u>71.6</u>	<u>70.4</u>	<u>70.2</u>	<u>52.4</u>	<u>56.1</u>

} new  
items

/(B) Major

(B) Major Non-Traditional Items	Average percentage of total export				
	1st Plan	2nd Plan	3rd Plan	4th Plan	
	1951-56	1956-61	1961-66	1969-70	1973-74 (projected)
Cashew Kernels	1.9	3.0	3.0	4.1	3.7
Leather and leather manufactures	4.1	4.2	3.9	6.5	7.2
Marine products	0.7	0.8	0.7	2.2	2.5
Coir yarn and rugs	1.4	1.4	1.5	0.9	1.0
Ferro-manganese	0.04	0.2	0.5	0.7	0.4
Clothing	0.9	0.3	0.5	1.5	1.3
Engineering goods	0.8	0.8	1.7	7.5	13.2
Iron and steel	0.5	1.3	0.8	5.5	5.7
Chemical and allied products	1.0	0.6	0.7	1.6	1.3
<u>Total (B)</u>	<u>11.4</u>	<u>12.6</u>	<u>13.3</u>	<u>30.5</u>	<u>36.3</u>
<u>Grand Total (including (B))</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

While every possible effort is being devoted to the enlargement of the new items of manufactures, emphasis continues to be laid also on the maintenance of the export markets in respect of the traditional products and commodities because of their great importance to the economy of the country. Concerted efforts are being made to maintain, and expand where possible, the exports of these commodities. Newer items of export through product development and product adaptation are being evolved even out of the traditional commodities.

Important changes have also come about in the direction of exports. Some traditional markets have grown less in importance and some new markets like the USSR and the other East European countries have emerged very prominently in India's exports. Exports to the European Economic Community countries have consistently increased by the exports to the

European Free Trade Area countries have remained stationary or are showing falling trends. The exports to North America have substantially increased. The U.S.A. has in fact emerged as the largest trading partner of India. Among the ECAFE countries, exports to Japan have risen substantially due to the increase in exports of iron ore and several other items. The increase in exports to African countries has been marginal. The changes that have taken place in regard to the direction of India's exports will be evident from the following table:

## DIRECTION OF INDIA'S EXPORTS

Regions	Average percentage of total exports			
	1st Plan 1951-56	2nd Plan 1956-61	3rd Plan 1961-66	4th Plan 1969-70
I ECM	7.6	7.5	8.6	7.1
II EFTA of which, UK	27.9 26.9	28.2 27.2	25.7 21.4	13.0 11.7
III North America of which, U.S.A.	19.2 16.7	17.3 14.9	22.8 17.4	18.7 16.8
IV ECAFE of which, Japan	25.6 3.8	21.6 4.8	24.8 7.3	26.8 12.7
V Africa	7.6	7.5	7.9	6.2
VI Latin America	4.9	3.0	2.3	0.4
VII East Europe of which, USSR	0.8 0.5	5.8 3.7	17.1 7.8	21.8 12.5
<u>Total (including others)</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>



### Import Policy and Export Policy

Import policy in India over the last two decades has emerged as an important instrument for attainment of the objectives of economic development and export promotion. During the 1st Plan period the import policy was directed to the objective of planned industrialization. During the 2nd Plan, when foreign exchange shortage started putting strain on the economic resources, imports of non-essential items for consumption were slashed and the items which were required for helping import substitution and export promotion were liberalised. During the 3rd Plan period export promotion measures gained significant importance. The present position is that the import policy is completely oriented towards securing the essential items needed for economic development and for stimulating exports. The present import policy reinforces the link between imports and exports, to provide more facilities to those who export more and to discourage imports by those whose contribution to the export is inadequate.

The Export Policy, as it has developed in the country over the years, was recently spelt out in a Resolution placed by the Government before the Parliament. This Resolution is in fact a comprehensive document which deals with all the various facets of the effort that needs to be built up for expansion of exports. Significant features of the Export Policy, in which the Government has indicated the directions in which the effort will be further strengthened, are given below:

- (i) While efforts will continue to be made to identify and pursue the export potential in respect of new projects in the areas of agriculture, horticulture, sericulture, forestry, fisheries, minerals, textiles, chemicals and engineering industries, electronics, etc., attention and assistance will also continue to be provided for consolidating the position of traditional export products such as tea, jute manufactures, cotton textiles, and for identifying in these sectors, new areas of growth and production adaptation. In the areas of textiles, including textiles of cotton, wool, jute, coir, silk and synthetics, emphasis will be laid on diversification and modernization of the industries as well as for product

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development, including blended and finished fabrics and readymade garments. In jute goods, expansion of carpet backing and decorative fabrics will be promoted.

- (ii) The policy of industrial development will be increasingly guided not only by internal requirements but also by considerations of export potential. Facilities will be further promoted in the industrial licensing policy for fostering the creation of new export capacity. The objective will be to generate expanding surpluses of industrial products and to provide assistance to export-oriented units in the private and public sectors to achieve economies of scale, improved efficiency of production, reduce costs, and adapt production to meet the requirements of export markets. Indigenous raw materials required for export production would be made available at fair prices.
- (iii) Special efforts will be made to develop greater competence and capacity for manufacture of labour intensive products in view of the growing demand for these in the developed countries. Encouragement and facilities would be provided to producers and exporters of equipment for the development of infrastructure, industrial machinery, machine tools and consumer durables to meet the requirements of developing countries. Attention will also be paid to the expansion possibilities of providing turnkey projects abroad.
- (iv) In the traditional as well as non-traditional items of exports, measures will be taken to improve their competitiveness in the international markets and provide necessary assistance to build up efficient production and, in the meanwhile, endeavour to compensate exports for the temporary handicaps which inevitably stem from traditional difficulties inherent in a developing economy and to alleviate the disadvantages arising from the fiscal policies of the country or tariff barriers in importing countries.

- (v) The machinery for effecting compulsory quality control and pre-shipment inspection will be further strengthened.
- (vi) Efforts will be made to generate exportable surpluses of the commodities and products by applying, if necessary, temporary restraints on domestic consumption. The quantum of restraint will be determined keeping in view the degree of essentiality of the product in question for industrial use or consumption at home.
- (vii) Special efforts will be made to further improve the areas of export marketing, marketing research, building up of marketing skills, training of export managers, and expansion as well as co-ordination of the areas of research. Commodity specialization will be further strengthened through the organizations which have been established in the country for expanding the exports of various groups of commodities. The media of publicity and exhibitions and trade fairs will continue to be effectively utilised.
- (viii) The role of public sector in the development and expansion of the foreign trade of the country will be expanded progressively and substantially. Its competence to penetrate new markets and to market new products as well as to provide merchandizing services will continue to be built up.
- (ix) Provision of facilities for credit in relation to exports will be further strengthened with the support of the Reserve Bank of India and through the organizations dealing with export credit.
- (x) Problems of the expansion of transport and shipping facilities will receive special consideration. Efforts will be intensified to expand the merchant marine fleet, to start new services and to strengthen existing ones. Problems of freight will continue to be pursued for removing the disadvantages where they exist.
- (xi) Cooperation at the international level, under the auspices of UNCTAD and GATT, will continue to be sought in the interests of expansion of exports. Opportunities opening up under the Generalised System of Preferences will be utilised to the  
/advantage of

advantage of expansion of exports. Economic co-operation among the developing countries will be strengthened.

- (xii) Export effort will be viewed as one of the highest national commitments, and whole-hearted support of the people to it will continue to be sought. While the Government of India is committed to pursue vigorously the appropriate policies to this end, environment will be created wherein similar commitment would be forthcoming from the State Governments, local bodies and all sectors of the economy and sections of society.

#### Organizational and Institutional Frame-work

Certain important developments have taken place during the last few years in the way of establishment of organizations and institutions for stimulating and supporting the export effort of the country. These organizations and institutions aim at the development of specialization in specific spheres of commodities and products as well as the provision of various services. The important organizations and institutions, which are directly involved in the export effort, are mentioned in the paragraphs that follow.

##### (a) Commodity organizations

A number of organizations have been established in the country with the objective of strengthening commodity specialization. These include export promotion councils, commodity boards, development councils and government organizations dealing with certain commodities. There are 19 export promotion councils which cover a wide range of commodities such as cotton textiles, basic chemicals, engineering products, leather and leather manufactures, marine products, mica, plastics and linoleum, shellac, processed foods, silks and rayon, spices, sports goods, tobacco, wool and woollen products, handlooms, gems and jewellery. Some of these Councils are big organizations which have offices at various places in India and abroad. The main functions of these councils are to promote exports by disseminating information about foreign markets, guiding new-comers in the trade, rendering assistance in the development of products, sponsoring trade delegations abroad, organizing participation in trade fairs and

/exhibitions abroad,

exhibitions abroad, organizing participation in trade fairs and exhibitions abroad, advising government, local authorities and public bodies on the policy issues connected with their respective commodities, etc. In addition, eight commodity boards have been set up for commodities such as tea, coffee, coir, handicrafts, cardamom, handlooms, silk, and rubber. The commodity boards deal with the entire range of problems of their commodities, including production, development, marketing, etc.

Development councils have been constituted in respect of certain industries including heavy electricals, leather and leather goods, pharmaceuticals and drugs, inorganic chemicals, light engineering goods, etc. The problems of textiles and jute products are dealt with by the organizations of Textile Commissioner and Jute Commissioner established directly under the aegis of the government.

(b) Service organizations

The organizational frame-work comprising commodity specialization has been supplemented by the establishment of service organizations. It was envisaged that without the development of specialization in individual areas of services relating to exports, the maximization of effort would not be achieved. To this end a number of institutions and organizations have now been established which in their respective areas of specialization attempt to meet the requirements of the industry and trade. The fields in which facilities for services have been promoted during the past few years comprise the development of export management personnel, marketing research, export credit and export insurance, export publicity, participation in trade fairs and exhibitions abroad, collection and dissemination of information, quality control and pre-shipment inspection, improvement of packaging, etc. Brief mention of these various organizations appears in the following paragraphs.

Indian Institute of Foreign Trade. Specialization in development of export management personnel, research into problems of foreign trade, commodity studies, overseas market surveys, area surveys, country surveys, export potential surveys, etc.

Trade Development Authority. Established for providing package assistance to enterprises at micro level after identifying the potential of their products and their requirements of assistance.

Export Credit and Guarantee Corporation. A special organization for providing the facilities of export credit and insurance to the exporters through schemes such as packing credit guarantee, post-shipment guarantee and export finance guarantee.

Export Inspection Council. Established for organizing, through inspection agencies all over the country, pre-shipment inspection of the products and commodities notified for compulsory inspection.

Indian Institute of Packaging. An organization for effecting improvement in packaging standards, providing consultancy services, organizing training activities, and rendering testing facilities in respect of packages.

Indian Council of Arbitration. Established for bringing about facilities of effecting arbitration in cases of commercial disputes in relation to foreign trade.

Directorate of Exhibitions and Indian Council of Trade Fairs and Exhibitions. These two organizations specialize in effecting participation in the trade fairs and exhibitions abroad.

Directorate General of Commercial Intelligence and Statistics. This government organization is concerned with the collection and dissemination of all statistics relating to imports and exports.

Federation of Indian Export Organizations. This body has been created as a common and co-ordinating platform for the various export organizations including the commodity councils and boards and the service institutions and organizations.

(c) State Trading Organizations.

For supplementing the efforts of private enterprises in the field of foreign trade, the government has promoted the establishment of state trading organizations. Out of these, the State Trading Corporation and the Minerals and Metals Trading Corporation, which have become very big organizations, are utilised for the purpose of channelizing imports where necessary, besides undertaking exports of new products to new territories.

/These instruments

These instruments of government trading are proposed to be increasingly utilized for channelizing the imports in consonance with the declared government policy.

Government trading organizations include also the Handicrafts and Handlooms Export Corporation, Cashew Corporation, Metal Scrap Export Corporation and Cotton Corporation. Besides these corporations, which have been established under the auspices of the Central Government, export corporations are also being set up in various States of the country, particularly for providing assistance to exporter in the medium and small industries.

(d) Deliberative and policy making organizations

Another important step in the export effort of the country has been the establishment of the organizations for close and continuous deliberation for formulating policies in relation to foreign trade. The Board of Trade exists as the top deliberative and advisory body consisting of the representatives of government, trade and industry and concerned Institutions. Another top body is the Advisory Council on Trade which half yearly reviews the performance of country's economy in its commercial aspects and considers policies relating to the expansion of exports, regulation of imports and the operation of import and export control, etc. Export promotion advisory committees have also been established at the important ports.

(e) Structure within the Government

The Ministry of Foreign Trade is the primary government agency responsible for evolving and directing export promotion policies and programmes. Within the Ministry of Foreign Trade specialization has increasingly developed in relation to commodities, territories and world markets, services for providing assistance to exporter, determination of policies and co-ordination, etc. Commodity Sections in the Ministry deal with the problems of individual groups of commodities in consultation with the commodity organizations. Territorial desks deal with the problems emanating from the various territories comprising the world markets and remain in touch with India's commercial representatives abroad. The Ministry is operating through eight important divisions.

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International Trade Policy Division  
Foreign Trade Territorial Division  
Export Products Division  
Export Industries Division  
Export Services Division  
Planning, Policy and Co-ordination Division  
Personnel and General Administration Division  
Finance Division

At the level of the States in India, export promotion advisory committees have been established in most of the States with the participation of the representatives of the Government and the industry and trade. Export promotion directorates have been established in a few States whereas in the others the work of export promotion is being looked after in the directorates of industries.

Assistance and facilities to exporters

Various types of assistance, incentives and measures have been generated for stimulating and supporting the export effort in the country. These measures and facilities are briefly mentioned in the paragraphs that follow.

(i) Incentives. Various types of fiscal and non-fiscal incentives operate in the different countries including developing economies as well as developed economies. In India certain fiscal incentives were in operation the pre-devaluation period prior to 1966. Rebate at 1/10th of the amount of tax attributable to income derived from exports, and a rebate of tax computed at the average rate of 2 per cent of export turn-over, constituted the main fiscal incentives. Among the non-fiscal incentives, the chief instrument for providing assistance was a scheme of Import Entitlements under which import was allowed roughly equivalent to twice the quantum of import content of an export project. Restrictions were placed on the free transferability of the import entitlements.

Simultaneously with the devaluation of the rupee in June 1966, these incentives were withdrawn. An Import Replenishment Scheme was thereafter introduced in which import licence is permitted against exports



only to the extent of the actual quantum of the import content of the export product. Restrictions are maintained on the free transferability of the import licence. The sole objective of this Scheme is to provide the import content in the shape of raw materials, spares and components which would enable production of more goods for export. Besides the Import Replenishment Scheme, arrangements are also made for the supply of indigenous raw materials at fair prices, particularly iron and steel, for export production. The Import Replenishment Scheme is supplemented by another scheme in which compensatory allowance is given in relation to the export of certain specified products and manufactures. The quantum of compensatory allowance is determined after taking into account all relevant factors of cost of production vis-a-vis the prices in international market. The resort to compensatory allowance has been necessitated on account of the high cost economy and vast lucrative market at home besides the multi-tax burdens, increasing market costs, constraints of capacity, hazards of international trading, and tariffs in importing countries.

The only direct fiscal incentive now in operation is a market development allowance whereunder the additional margin of 1/3rd is allowed for computation of expenditure, for purposes of tax assessment, in relation to the expenditure on items such as overseas market surveys, publicity abroad, tours of commercial representatives abroad, etc.

Incentives of the nature of draw-back of import duty and refund of excise duty which are levied on various products in the country, are in operation on the lines of similar arrangements existing in other countries.

In the recent years further inducements have been incorporated in the import licensing policy by assuring full imports of the requirements of industrial units which export above a certain specified percentage of production, and facilities of import licensing are reduced in respect of those units which have the capacity of export production and do not export up to the prescribed percentage. In this manner the import policy has been given export orientation to the maximum extent possible.

/Priority for

Priority for the allotment of capital goods, equipment and tools is also given to the exporting units and exporting industries for enabling them to manufacture quality products and to bring their product designs and packaging standards to the international levels. In permitting foreign collaborations, likewise, priority is given to those industries which have export potential and which undertake to export not less than the prescribed percentage of total production.

(ii) Export finance. Measures have continued to be strengthened over the years for provision of facilities of export finance to the manufacturers and exporters. The Export Credit and Guarantee Corporation, which has been established by the Government of India, assists the exporters through special schemes such as packing credit guarantee, post-shipment guarantee and export finance guarantee. The Corporation is wholly owned by the Government of India and works on no-profit-no-loss basis. Export finance is provided by the banks. The Reserve Bank of India and International Development Bank of India function as refinancing institutions. While extensive facilities are available for short and medium term finances, arrangements have also been made for the provision of long term finance for the export of industrial machinery which ordinarily requires deferred payment terms.

(iii) Transport and shipping. Measures have been taken to ensure faster movements of export goods by rail to the ports. Certain freight concessions are also provided by the railways for the transport of bulk goods. The requirements of streamlining the procedures at ports and for loading the export cargo for shipment continued to be kept in view. Problems of ocean freight rates are constantly being pursued, besides the requirements of providing shipping services to ports where they do not at present exist.

(iv) Exhibitions and trade fairs. The Directorate of Exhibitions in the Ministry of Foreign Trade and the autonomously functioning organizations Indian Councils of Trade Fairs and Exhibitions are operating for encouraging and facilitating the participation of manufacturers and exporters in the trade fairs and exhibitions abroad. The trade fairs and exhibitions are selected on annual basis and the events are allocated between the two organizations.

(v) Export Houses. An important development during the recent years has been the promotion of establishment of recognized Export Houses which have the competence, expertise and resources for effectively reaching out to the world markets. In according recognition to the Export Houses, their capacity, resources and programmes, etc., are taken into consideration by the Government. The recognized Export Houses are given facilities of the nature of blanket release of foreign exchange for their operations, assistance in the establishment of foreign offices, etc.

(vi) Trade agreements. For creating favourable climate for the expansion of exports, several trade agreements have been concluded by the Government with various countries. Although the agreements do not necessarily commit the agreement countries to the export or import of specific quantities of commodities covered therein, they help in publicizing the availability of various commodities from both parties. In the case of centrally planned economies India has gone a step further and entered into rupee payment arrangements which have been instrumental in bringing about a significant increase in exports to these countries.

(vii) Commercial Representatives abroad. The Indian Missions in various countries have Commercial Representatives who are drawn from the personnel of the Indian Foreign Service. This Service provides the personnel for appointment on political assignments as well as commercial assignments in the Missions. Increasingly, the Foreign Service Officers are being trained in the Indian Institute of Foreign Trade so that the persons who are posted as Commercial Representatives carry the background and knowledge of the requirements of foreign trade.

(viii) Information system. Information to the manufacturers and exporters at present is being supplied by the export promotion councils and commodity boards as well as by the Directorate General of Commercial Intelligence and Statistics and organizations like the Indian Institute of Foreign Trade and Trade Development Authority. A project has been prepared for setting up a comprehensive information system in the Trade Development Authority.

(ix) Overseas market surveys. Enormous lot of effort has in the recent years been mobilised for detailed and comprehensive studies of export problems relating to individual commodities and the opportunities of their exports to various markets. A large number of studies and surveys have been conducted by the Indian Institute of Foreign Trade. These have been supplemented by the studies undertaken by the export promotion councils and other organizations.

(x) Free trade zone. A zone has been established at Kandla on the west coast for the manufacture of products for export. This free trade zone has been in existence for about seven years, but various problems relating to the port and hinterland have hitherto stood in the way of its substantial expansion. Facilities for the manufacture in bond for the purpose of export are also provided to the enterprises within the country.

(xi) Marketing development fund. A marketing development fund has been created by the Government for providing assistance to projects and measures which are directly related to export promotion and which include programmes of export publicity, market surveys, trade delegations, sales teams, participation in trade fairs and exhibitions, etc. The assistance from marketing development fund is given by the Government only to recognized export houses, approved organizations of the nature of export promotion councils, etc.

(xii) Procedures. A comprehensive study was recently undertaken by the Indian Institute of Foreign Trade for effecting simplification of procedures and documents in the various areas connected with export effort, including the import licensing against exports, draw-backs and rebates of excise and import duty, customs procedures, cargo movements by rail and on the docks, pre-shipment inspection of export products, and export finance. Detailed recommendations arising from the study have been made to the concerned departments for effecting implementation. Quite a few of the recommendations have already been implemented.



