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India's Exports in the Post-WTO Phase

Some Exploratory Results and Future Concerns

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The ten-year transitory phase of the WTO has come to an end on 31 December 2004. In the post-WTO phase, the members are expected to bring their trade policies increasingly in line with WTO directive, i.e., to reduce the barriers on imports. It is widely held that India's exports would rise significantly in the post-WTO phase, owing to the potential increase in the level of market access. Since future exports are a function of current level of competitiveness, it is interesting to note whether Indian exports are competitive in the world market. The current paper compares the recent Indian export performance with that of China, and attempts to analyze the situation through various features India's export basket, namely competitiveness, diversification trends and instability. In the light of the analysis, the recent stance adopted by India at the WTO negotiation table and elsewhere is critically examined. Finally, based on the findings, the future policy options are explored..

Regional Trade Agreements in a Multilateral Trade Regime

A Survey of Recent Issues

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One of the most striking developments in the world trading system since the mid 1990s has been the surge in Regional Trade Agreements (RTAs). From about 50 till 1990, the number of RTAs has crossed 250 in 2003. As trading within RTAs does not come under the purview of World Trade Organization (WTO), this explosive growth of regionalism is threatening to emerge as an alternative to the WTO led international trading system. This has initiated an intense debate among economists whether RTAs are "building blocks" or "stumbling blocks" of the multilateral trading system. In this backdrop, this paper traces the reasons behind this resurgent regionalism and surveys the literature on RTAs and its interaction with the multilateral trading system. This paper attempts to look at these issues from the perspective of a developing country.

Indian Agricultural and Processed Food Products

Export Concentration, Growth, and Instability

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Wheat, jaggery & confectionery, animal casings, dried & preserved vegetables, fresh vegetables, floriculture were the main source of export earnings during last decades. The extent of growth in value terms has been invariably higher than the amount of growth in quantity terms except in case of jaggery & confectionery, alcoholic & beverages, and milled products. Wheat topped the list both in export earnings and quantity exported with 63.10 per cent and 53.08 per cent annual growth rates, respectively. Instability indices for both export earnings and quantity exported, were highest for animal casings (183.75%) and (172.90%) indicating that animal casing was most vulnerable commodity in terms of export earnings and quantity exported. Guar gum recorded least instability (9.73%) in terms of quantity exported while export earnings instability was observed least (9.13%) in mango pulp. The instability has been by and large higher for quantity exported than the export earnings with some exceptions like guar gum, dried nuts, fresh grapes, buffalo meat, groundnuts, other cereals. In terms of value of exports, the year 2001-02 was a year of export earnings diversification as evidenced by very low value of Herfindahl (0.02), Hirschmann (0.15), and Gini-Hirschmann (0.30) measures, respectively. In terms of quantity exported, year 2000-01 observed highest diversification while 2002-03 recorded commodity concentration (reduced diversification) in quantity exported.

An Analysis of the Competitive Dimensions of Indian Cotton Textile Industry

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Globalization has opened vast market opportunities for Indian cotton textile industry; but at the same time the industry is exposed to the threats of fierce competition. Survival and growth in such an environment require achieving global competitiveness. This paper endeavours to identify the nations posing challenge to it in post-MFA regime, besides, it also explores and analyzes the intra sector competitiveness of the industry. The study is based on empirical investigation of senior and middle level executives from 81 cotton textiles manufacturing and exporting firms in India. The analysis brings out that China, Vietnam, Bangladesh and Malaysia are emerging as major competitors in international textile market. Furthermore, the industry is found to be competitive in terms of input factors - labour, transportation and raw material; but not in terms of finance, power and technology.

UNCTAD'S *WORLD INVESTMENT REPORT 2004*

The Shift Towards Services: An Overview

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BOOK REVIEW

Rakesh Mohan Joshi, *International Marketing* (Oxford University Press, YMCA Library Building, Jai Singh Road, New Delhi-110001); 2005; pp. xiii + 755; Rs 325.

Dr. Vijaya Katti, Professor and Chairperson (MDPs), Indian Institute of Foreign Trade, New Delhi.