

# FOREIGN TRADE REVIEW

Quarterly Journal of  
Indian Institute of Foreign Trade

## OBJECTIVES OF *FTR*

Global economic relations among the nations today have undergone significant changes in the last 20 years. Several trade blocs have emerged with powerful economic backing along with an emerging consensus that countries should reduce the barriers in the way of free international trade. The pattern of trade of the developing countries has changed significantly and operations of multinational corporations have contributed to that change. New areas have emerged in the arena of trade during the GATT Negotiations.

In the international financial system in the post Bretton Woods System era, a very strong regime of international fund managers has acquired the centre stage and this has imparted volatility in the financial system. The developed countries are finding it more difficult to attend stability both in the financial and real sectors in international trade. All these require fundamental research to have the necessary policy prescriptions suitable for a developing country like India. There is a lack of forum in the dissemination of research in the field of international trade and related areas.

The *Foreign Trade Review* is an international quarterly intended to fill the urgent need as explained above. The Indian Institute of Foreign Trade - an apex institution for research, training and consultancy in the broad areas of international trade has taken up the task of the publication of the journal. The following are the objectives and scope of the journal:

- To provide a forum for debate and discussion of high quality theoretical and empirical research in the areas of international trade, finance and marketing.
- To provide an outlet for research in evaluation and interpretation of innovations in the instruments and methods in the areas of trade.
- To transmit information on system and policy developments, and wide statistical information related to international trade and the international bodies facilitating international trade transactions.
- To provide a forum for discussion on the areas relevant for the negotiations in WTO.

The Journal invites research papers covering areas and problems consistent with the objectives as laid down above. It also welcomes papers on policy relevance and operational aspects.

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## IN THIS ISSUE

### **Sunrise Sectors in India: Role of Export Promotion Councils**

By *Dr. (Mrs.) Vijaya Katti*

Professor and Chairperson (Research) Indian Institute of Foreign Trade, New Delhi.

*Shailja Joshi and Rahul Pachariwala*

Participants, MBA (International Business) 2005-07, Indian Institute of Foreign Trade, New Delhi.

The paper makes an attempt to study some of the major sectors of Indian economy. To that regard, it has identified four major sectors and analyzed how the export promotion councils have helped to shape the Indian economy, its export growth and the challenges they face in an increasingly globalized world. It also focuses on the employment and export intensity of Indian economy and highlights the industries that are in particular having low and high export and employment intensity.

### **Imposition of Safeguard Measures and Unforeseen Developments**

By *Dr. Sheela Rai*, Lecturer-in-Law, West Bengal National University of Juridical Sciences, Kolkata (West Bengal).

WTO has certain protective clauses which allow the Members to provide their domestic industry temporary respite from the rigors of free market. Provision for safeguard measures under Article XIX of the GATT 1994 and the Agreement on Safeguards is one such provision that allows Members to restrict imports if there is serious injury to the domestic industry because of increase in imports. However, as held by the Appellate Body, it needs to be proved that increase in imports has been the result of unforeseen developments. The article critically analyzes the provision of unforeseen developments as interpreted by the Appellate Body and then examines whether the decision of the Appellate Body was correct in the light of the negotiating process.

### **Growth of Export of Industrial Goods from Punjab during Pre- and Post- Reform Period: An Empirical Analysis**

By *Shri Gulshan Kumar*

Senior Lecturer, Department of Economics, D.A.V. College, Hoshiarpur (Punjab).

and

*Dr. Sanjeev Gupta*

Senior Lecturer, Apeejay Institute of Management, Jalandhar (Punjab).

Present study focuses on the examination of growth of export of industrial goods from Punjab during pre- and post-reform period. Yearly growth rates have been computed to capture year-to-year fluctuations and Compound Annual Growth Rates (CAGRs) are estimated to view the impact of reform process on pace of growth momentum in exports. All CAGRs have been estimated by fitting a function of exponential form and their significance was tested by applying t-test. Study revealed the fact that under the impact of liberalization policy of government, growth

of exports from the state have experienced steep acceleration even more than total country's exports. Study also observed that the small scale sector accounts for the major chunk of total state exports. Export activity seems to continue to be very much centralized in eight commodities (hosiery & readymade garments, drugs & pharmaceuticals, bicycle & parts, sports goods, other items, food products, cotton yarn/textiles, and hand tools & machine tools) and six districts (Ludhiana, Jalandhar, Amritsar, Patiala, Kapurthala and Ropar). No doubt, Punjab is performing well in the field of industrial goods' exports, still it has the potential to go ahead and for that concerted efforts are the need of the hour.

ECONOMIC SURVEY 2006-07

**India's External Sector**

Excerpts from *Economic Survey 2006-07*, Ministry of Finance, Government of India.

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