

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

Cotton Production, Exports and Price

A Comparative Analysis of India and the US

By **Rajan Sudesh Ratna**, Professor, Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi.

ABSTRACT

Issue of subsidy provided by the US government to its cotton production has been a bone of contention in the current Doha Round of WTO negotiations. C4* countries have alleged that the subsidy given by the US is hampering their prospects in world market as they are unable to compete with world prices. These countries are vociferously arguing that withdrawal of subsidy from cotton sector will be a welcome step for the growth of a free and fair world economy. However, this paper makes an attempt to examine the prospects of cotton production and exports between India and the US. It provides a comparative analysis by taking into consideration also the pricing factor. It shows India has become a top ten exporter in the world since 2005 and has a promising future in this sector. Similarly, exports of the US have increased. The paper further highlights that the demand of cotton in world market has not decline.

Global Administrative Law and the World Trade Organization's Legitimacy Crisis

By **Dushyant Manocha**, Associate, Amarchand & Mangaldas & Suresh A. Shroff & Company, New Delhi

ABSTRACT

With the establishment of the WTO, world trade has been governed by a rules-based multilateral trading regime. However, the efficacy of the WTO has been questioned of late. This paper examines the functioning of the World Trade Organization (WTO) from an administrative law perspective. It tries to build a theoretical logic for, and suggests some steps towards a more legitimate WTO. It concludes that adoption of a more robust regime of administrative rules and procedures by international policymaking bodies would directly contribute to their capacity for good governance through the mechanism of procedural rigour and would indirectly enhance their legitimacy.

IIFT STUDY: COMPENDIUM ON TECHNOLOGY EXPORTS

Technology Exports from India

An Overview

BOOK REVIEW

H. Sadhak, *Life Insurance in India: Opportunities, Challenges and Strategic Perspective*, Response, New Delhi, 2009, Rs. 675/-.

By **Debashis Chakraborty**, Assistant Professor, Indian Institute of Foreign Trade, New Delhi.

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Manuscripts submitted for publication must be in English. Electronic manuscript (floppy/CD) will be accepted provided it comes with a hard copy. All manuscripts should be typed in double space, in MS-WORD format with tables, diagrams, graphs, charts, etc., in Excel in black colour only on one side of the paper, with a wide margin (minimum one inch) on either side.

They are accepted for publication on the understanding that they contain unpublished work not submitted for publication elsewhere. Any special feature relating to the paper such as its presentation in a seminar/conference must be clearly indicated at the bottom of the first page.

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- (b) Coes, Donald V. (1981), "The Crawling Peg and Exchange Rate Uncertainty", in John Williamson (ed.), *Exchange Rate Rules: The Theory, Performance and Prospects of the Crawling Peg*, St. Martin's Press, New York, pp. 113-116.
- (c) Ware, Roger and Ralph Winter (1988), "Forward Markets, Currency Options and the Hedging of Foreign Exchange Risk", *Journal of International Economics*, Vol. 25 (November), pp. 291-302.

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All manuscripts must be addressed to The Editor, *Foreign Trade Review*, Indian Institute of Foreign Trade, B-21 Qutab Institutional Area, New Delhi-110016, India. (E-mail: akanungo@iift.ac.in)

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The Section Officer (Publications)

Indian Institute of Foreign Trade, B-21 Qutab Institutional Area, New Delhi-110016

Phones: 26965124, 26965051, 26966563, 26965300 • Fax: 91-11-26853956, 26867841, 26867851

E-mail publications@iift.ac.in