

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

Negotiations on Environmental Goods with WTO and Sustainable Development

An Economic Evaluation

By **Dr. S.N. Singh**, Consultant, Planning Commission, Government of India, New Delhi, **Dr. Era Upadhyay**, Assistant Professor, Ansal Institute of Technology, Lucknow, and **Dr. U. Sankar**, Honorary Professor, Madras School of Economics, Chennai.

ABSTRACT

Doha Round of negotiations on environmental goods and services are continuing without resulting in any gainful output. The basic challenge of negotiations on environment is emerged on definitional approach of environmental goods because neither internationally agreed definition of Environmental Goods (EGs) nor any agreed criteria for their classification is specified. However, suggested definitions have varied between limited primarily to “pollution prevention activities” to “extending beyond simple end-use criteria”. The paper attempted to examine various definitions of environmental goods developed from time to time besides estimating time series analysis of export and import data. The paper is also focused on environmental goods in which India has comparative advantage and elaborates the potential for negotiations on environmental goods in India.

Keywords: Doha Development Agenda (DDA), Environmental Goods (EGs), Organization of Economic Cooperation and Development (OECD), Asia-Pacific Economic Cooperation (APEC).

Environmental Compliance of Indian Leather Firms in the Post-WTO Period

Some Empirical Findings

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

ABSTRACT

India is one of the major exporters of leather products. However, the exporting firms need to conform to a number of environment-related compliance requirements in foreign markets, which function as a major barrier. For instance, the introduction of the German ban on import of leather products with traces of PCP and azo dyes in late nineties has been followed by similar product and process related standards in other developed countries like the US. The outward-orientation of Indian leather sector firms has gone up over the years, accompanied by rising degree of environmental compliance for exporting units. The objective of the current paper is to analyze the determinants of environmental expense of leather firms in India in the period following the imposition of the stringent environmental standard through an empirical model. The findings underline the reverse relationship between environmental compliance and export orientation, but positive relationship with firm size and ownership structure. The result indicates that smaller

players may encounter problems in undertaking of the compliance expenditures, which requires policy intervention.

Keywords: Leather products, Trade and Environment

JEL Classifications: L67, F18

Determinants of Exports of Textile Firms in Amritsar and Ludhiana in Wake of Phase-Out of ATC

By **Ms. Anjana Mehra**, Research Fellow, Punjab School of Economics, Guru Nanak Dev University, Amritsar.

Dr. Gian Kaur, Professor, Punjab School of Economics, Guru Nanak Dev University, Amritsar.**ABSTRACT**

ABSTRACT

This paper analyzes the determinants of exports of textiles of Amritsar and Ludhiana in wake of phase-out of ATC. Panel Regression models using log linear form have been estimated. Effect of phasing-out of ATC or end of quota restrictions has been analyzed on sample firms of both Amritsar and Ludhiana. It is found that abolition of quota did not have significant impact on exports of textiles in Amritsar and Ludhiana. However, when the data were analyzed, the removal of quotas had significant impact on the textile exports of both Amritsar and Ludhiana. Also, the coefficient of location showed that firms located in Amritsar were significantly different from Ludhiana.

Keywords: Export behaviour, Industry study, Amritsar and Ludhiana textiles

JEL Classification: C51, C22, L67

WORLD TRADE REPORT 2012

Executive Summary

(*Courtesy:* WTO, World Trade Report 2012, "Trade and Public Policies: A Closer Look at Non-tariff Measures in the 21st Century", Geneva, Switzerland, 2012).

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Manuscripts submitted for publication must be in English. Electronic manuscript (CD/DVD/e-mail) 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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- (a) Williamson, John (1985), *The Exchange Rate System*, Institute for International Economics, Washington, D.C.
- (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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If mathematical equations/formulae are used, they should be typewritten or handwritten clearly. Use notations, exponents, etc., which are simple to reproduce. The full mathematical workings necessary for justifying each step of the arguments should accompany all the articles of a mathematical character. This is meant to assist the referees. These workings will not be published.

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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