

Chapter - V :BILATERALISM AND INDIAN IMPORTS - I

## I

INTRODUCTION

We have already seen trend and structure of Indian Imports in money term (i.e. at current prices) as well as in real term (i.e. at constant prices). However structure of imports and exports of a country depends among other things on the trade policy adopted by it. Since the installation of national government in 1947, India's trade policy underwent basic changes to suit the objectives of the rapid development of the country. Among the important features of post-independence trade policy three may be mentioned.<sup>1</sup> These are related to control of imports, promotion of exports and organization of trade.

- 1 (a) Agrawal A.N.: Indian Economy. Vikas Publishing House Pvt. Ltd., Bombay. Fifth Edition, 1979.
- (b) Ghosh, Alak. Indian Economy. The World Press Pvt. Ltd., Calcutta, 1980.
- (c) Panchamukhi, V.R.: Trade Policies of India, a quantitative Analysis. Concept Publishing Company, Delhi, 1977.
- (d) Bhagwati, J. and Padma Desai: India Planning for industrialization, Industrialization and Trade Policies since 1951, Published on behalf of the OECD Development Centre, Oxford, 1970.

Import controls :- On the import side, to begin with, the government pursued a policy of protection to indigenous industry through variety of devices - import duties, controls etc. and preference for indigenous goods in respect of government purchases. During 1956, a serious foreign exchange crisis compelled the government to tighten import controls. Since then, protection in India's foreign trade policy has operated more through foreign exchange controls than through custom duties.

The inauguration of the second plan in 1956 also shows another big change in the objectives of trade policy. The Mahalanobis strategy, with emphasis on heavy industries led to a more comprehensive control of various items of imports with a view to providing a favourable climate for the policy of import substitution. Besides the imports of inessential consumer goods were kept to the minimum to save foreign exchange for the import of necessary development goods. Since, then, trade policy and planning have worked hand in glove.

Export Promotion:- Trade policy has also given a place of pride to export expansion. Since the second plan, when the heavy industries biased development required huge investments in foreign exchange, the government has been adopting a vigorous policy of promoting exports. In the context of

mounting debt servicing obligations and the goal of zero net aid the government has placed exports in the list of priority sector.

In the pursuance of this policy, all out efforts have been made to promote exports. Among the measures the important ones are finance for export assistance, concessions and incentives to exporters, facilities of transport market research, supply of raw materials, import inputs of export industries etc.

Organization :- In this sphere, two major things need to be mentioned : (1) State trading and (ii) Bilateral trade agreements with many countries in particular with socialist countries.

As far as this study is concerned, it intends to examine bilateralism in relation to various aspects of Indian imports.

## II

### REASONS FOR INDIA'S ENTRY INTO BILATERAL TRADE AND PAYMENT AGREEMENTS WITH DIFFERENT COUNTRIES

Before we go into the discussion of bilateralism in relation to various aspects of Indian imports, it must be mentioned, why India has entered into a number of bilateral trade and payment agreements with different countries of the world?

In examining the reasons for India's entry into bilateral trade agreements, it should be noted first that as far as the socialist countries are concerned, such agreements were perhaps unavoidable because trade in these countries is a state monopoly and they prefer to deal on a government to government basis.<sup>2</sup>

Given these facts it is possible to advance three sets of explanation of the growth of bilateralism in India: (1) Political reasons (2) the planned nature of the Indian Economy (3) the country's foreign exchange constraint and character of its foreign trade regime.<sup>3</sup>

Political Reason : Transitional politics and trade are closely interwoven phenomena and the instrument of trade has been widely used by the socialist countries in their attempt to win friends in the so-called third world countries. The attractiveness to a developing country of bilateral trade agreements with the socialist countries lies principally in the fact that their terms are particularly tailored to meet the special requirements of developing countries in the light of

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- 2 <sup>(I.I.F.T.)</sup> Indian Institute of Foreign Trade: Emerging Opportunities for India's Foreign Trade and Economic Cooperation with East Europe, Proceedings of National Seminar organised by I.I.F.T. and State Trading Corporation of India Ltd., July 24 and 25, 1977.
- 3 Banerji, Ranadev: The Development Impact of Barter in Developing Countries, the case of India. Technical Studies, Development Centre of the Organization for Economic Cooperation and Development, 1977.



the difficult balance of payments, financial and technological situation in which nearly all developing countries find themselves. Thus for instance, the agreements invariably encourage barter like trade which minimize the use of convertible currency and at terms of trade which are often more favourable than on a multilateral basis: they provide ready markets for the primary products of developing countries, providing them at the same time with technology (in form of imported machinery) on easier terms than to be had on multilateral basis. The political implications of these economic overtures are not to be underestimated.

In India's case the political motive behind the bilateral agreements with the socialist countries is particularly revealed by the fact that the scope of these agreements goes beyond trade and embraces economic as well as non-economic cooperation. The significance of wide ranging cooperation with the socialist countries for maintaining the countries neutral posture in international politics is one standpoint that Indian politicians have persistently maintained.

Economic Planning : Extensive economic planning is practised in India in which the plan targets and the instruments deployed to achieve these targets are laid down normally for a five year period. For each plan period, detailed export and import

programmes are drawn up on a year to year basis, taking account of the likely structure and growth of domestic production and consumption, the expected trends in world market conditions and commercial policies of the trading partners. Being a small country in international trade sense, in trading on a multilateral basis the variables under the control of the Indian planners are rather limited in number. Thus unforeseen developments in International trade beyond India's control can cause severe difficulties in achieving the plan targets and priorities. The risks of untoward developments taking place are relatively much less in bilateral trading arrangements in which trade plans are drawn up annually with the trading partner laying down the list of commodities to be traded during the year. Bilateral agreements provide a better framework to policy makers in India than multilateral trade does in target setting and in fulfilling the target as a better overview of demand (for exports) and supply (of imports) is thereby obtained. This advantage of bilateral trade to a planned economy should explain in some measure its rapid growth in India during last decade.

#### Foreign Trade Regime and Foreign Exchange Crisis :

The character of India's Foreign trade regime is largely a consequence of foreign exchange constraint facing the country.


Both are however responsible in their own ways for the growth of bilateralism in India.

The characteristic feature of India's foreign trade regime is exchange control, one aim of which is to maintain an artificially low price of foreign exchange. Because of its overvalued currency, India's exports are overpriced in the world market and imports are cheap, but at the same time insufficient because of limited amount of convertible currency at the country's disposal. To increase exports various devices like export rebates, import entitlement scheme etc. have been adopted by the government leading to various degrees of defacto devaluation by commodity categories. Bilateral trading arrangement is another device adopted by the country in search of new markets for its exports and new sources for its imports.<sup>4</sup>

Under the bilateral payments agreements according to categorical definition "the partner countries under take to effect their reciprocal current settlements in a way that will minimise the use of convertible exchange and gold."<sup>5</sup>

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- 4 (a) "Import possibilities for India under Rupee Payment Agreements", by Sumitra Chishti and Attam Parkash in Foreign Trade Review, July-Sept. 1969.
  - (b) Tandon, J.K.: Indo-German Economic Relations. National Publishing House, 1978.
  - (c) The Gazetteer of India, Vol. III. Economic Structure and Activities. Ministry of Education and Social Welfare, Government of India.
  - 5 John H.C. de Looper: "Current Usages of payments Agreements and Trade Agreements". IMF Staff Paper, Aug. 1955.

Moreover, bilateral payment arrangements may more suitably be defined,..."as an agreement which establishes a general method of financing trade between two countries giving rise to credits which are available for use in making payments over a wide range of imports from the other country or for other specified purposes."<sup>6</sup>



The essence of bilateralism is to minimise payments in convertible currencies. This being the case, India finds it easier to enter into bilateral agreements with countries which also practice exchange control and which like India find it difficult to sell their overpriced exports in the world market. It is therefore no coincidence that India's rigid form of bilateral trade agreements are found to be exclusively with East European and other socialist countries. Exchange control and overvaluation extend also to all developing countries, but with only a few exceptions. India's bilateral agreements with them do not take the same rigid form that characterises the agreements with East European countries. The urge on India's part to enter into rigid bilateralism with developing countries appears to be less strong because unlike European Socialist countries, they are not in a position to meet India's changing import needs, consisting mainly of capital goods and industrial raw materials. On the other hand, the

6 Sen Sunanda : India's Bilateral Payments and Trade Agreements: 1947-48 to 1963-64. Bookland Pvt. Ltd., Calcutta, 1965.

alternative for India to purchase these from countries with convertible currencies as is partly done would have meant further strain on the country's scarce foreign exchange reserves, assuming that Indian exports in bilateral trade could not have entirely sold for convertible currency.

### III

#### FEATURES OF BILATERALISM

India's bilateral trade can broadly be classified under three groups, according to the mode of payments involved and the degree of their barter content.

- (i) Bilateral agreements with parallel clearing and payment arrangements according to which all payments arising out of trade are settled in non-convertible rupee.
- (ii) Bilateral agreements involving payments arrangements in rupees and partly in convertible currencies.
- (iii) Those involving no special payment arrangements and in which the payments on account of trade are made in convertible currencies.

The first two categories agreements share, albeit in a varying degree in common with barter the following characteristics :

- (i) They are designed to minimise payments in convertible or hard currencies.
- (ii) They aim at bilateral balancing of trade through offsetting purchases.

By these criteria, India's trade relations with the socialist countries and developing countries can be characterised as being barter like.

The Shopping list : All bilateral agreements contain an indicative list of goods to be exchanged on a bilateral trade. Prior to November 1953, the values of commodities to be traded under the fixed quota type arrangements were normally mentioned in the agreements as were the values of each commodity. Since 1953, this practice is no longer followed. Instead in setting yearly targets the annual trade plan try to ensure that any rupee balances which have accumulated to one side or another are used up. The trade plans do not however restrict trade only to the commodities mentioned therein. In other words, there is a degree of flexibility in the agreements as far as commodity composition of trade is concerned.

#### Barter-Like Bilateral Trade Agreements with the Socialist Countries :-

A large number of bilateral trading agreements has been signed between India and each of her socialist trading

partners.<sup>7</sup> These agreements are rather homogeneous in form, which permit us to treat these countries as one group. Historically seen, however, the character of agreements has changed over time.

The changing character of the agreements reflected at each stage India's development problems and needs. Prior to foreign exchange crisis of 1956-57, the trade agreements with the socialist countries were considered from India's point of view primarily as instruments of trade expansion. The provisions concerning the grant of export and import licences were laid down in the agreements, as were a list of commodities available for trade. The agreements provided unique opportunities for Indian manufacturers and businessmen to familiarise themselves with the possibilities of trade with East Europe and they helped to generate trade inquiries and contracts. There were no obligations for the countries in the contract to buy or sell the goods specified nor was bilateral balancing of trade an essential element of the agreements. Concerning payments, before 1953 convertible currencies (dollar or sterling) served

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7 In a historical perspective, India's First bilateral trade agreements was with Yugoslavia in 1948; by 1951, in addition, there were agreements with Czechoslovakia, Hungary and Poland. India's first trade agreement with the USSR was signed in 1953, with the German Democratic Republic in 1954 and with Rumania in 1959. In 1954 was signed the agreement with China (Peoples Republic) in 1956 with North Korea. Among the countries mentioned by 1960 for political reasons and since January 1973 India's trade relation with Yugoslavia is no longer on a rupee payment basis.  
 & the agreement with China has expired

both as the unit of account and as the medium of settlement of the outstanding balances at the end of the agreement period or on demand. From 1953 to 1956 the Indian rupee entered as the unit of account but payments for the outstanding balance had to be made in sterling.

During 1958-59, in concluding trade agreements, the first steps were taken by India in the direction of ensuring a balance in country's bilateral trade and of introducing non-convertible rupee for payment for imports. From 1959-60 onwards, in all bilateral agreements involving the socialist countries the non-convertible rupee entered as the unit of account and as the medium of settlement of the outstanding balances. The principal aim of the bilateral trade were now :

- i) to conserve or save foreign exchange
- ii) to enlarge the markets for Indian exports
- iii) to ensure the supply of essential imports.

The unique features of India's existing bilateral agreements with the socialist countries can be summarised in the following seven points :<sup>8</sup>

- i) The agreements, laying down the broad principles of economic co-operation, cover normally a five year period within

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8 These agreements containing generally about 13 Articles, are rather broad in scope and are expressed in fairly general terms. See: India's Trade Agreements with Other Countries, Ministry of Commerce, Government of India, 1963, 1973, 1976.



the confines of which a trade plan is drawn up each year.

(ii) the yearly trade targets are set down by the annual trade plans which include an indicative list of products available for export and import.

(iii) the agreements provide for the balancing of imports and exports over the duration of the agreement period though not necessarily on a year-to-year basis.

(iv) trade is handled through rupee-denominated clearing accounts and does not involve foreign exchange.

(v) the annual trade plans try to ensure that any rupee balances which have accumulated to one or the other side are settled through deliveries of goods.

(vi) aid and trade are closely integrated in the sense that aids are received in the form of imports on a deferred payment basis whereas debts are repaid by way of exports.

(vii) the agreements go beyond trade and cover payments of non-commercial nature such as expenses for embassy and cultural activities.

The features giving rise to the barter-like character to India's trade with the socialist countries can now be treated in some detail.

The Clearing Account: How it Functions :

All commercial and non-commercial transactions between India and her bilateral trading partners are recorded in units of rupees in the clearing accounts. For this purpose, each bilateral partner maintains (a) central account with the Reserve Bank of India and (b) one or more subsidiary accounts with one or more commercial banks in India authorised to deal in foreign exchange. The central account is used for depositing (i) rupee balances (ii) any credits extended to India as aid and (iii) the debt repayments by India. The accounts with the commercial banks in India are used for carrying out all commercial and non-commercial transactions. India may pay for its imports from bilateral countries either by depositing non-convertible rupee in the central account or by withdrawing from this account the credits extended to it by bilateral partners. Imports from India by the socialist countries, on the other hand, are paid through their accounts with the commercial banks. The central account is replenished by transfer of funds from the accounts with commercial banks or through repayments of credits extended to India. The accounts of the commercial banks, on the other hand, are replenished by transfers of fund from other such banks or from the central account.

A balance at any time in the central rupee account in

favour of one of India's partner would thus represent a net claim by that country on India. This claim is eventually to be met by exports of goods from India to the country concerned; no actual transfer of rupee from India to another country (or in the reverse order for that matter) is thereby involved. To take one example, when a East European country extends a credit to India, this sum is automatically recorded in its rupee equivalent in the clearing account, representing a claim of that country on India. The eventual repayment of this debt by India will follow in terms of exports to the creditor country, implying offsetting adjustments in the creditor's rupee account held in India. The system of clearing account thus provides the mechanism by which (i) bilateral trade is conducted without involving an offsetting monetary flow from one country to another and at the same time (ii) the trade and payments balances of India with its bilateral partners are kept under control. As was pointed out, taken together these two features reveal particularly strongly the barter-like character of India's trade with the socialist countries.

As precise equality between outpayments and inpayments is not always to be expected, the system of swing credit is included in the agreements to meet such a divergence. This means that if the rupee balances of an East European country

is exhausted, India's swing credits to this country enable it to make purchases. Similarly, if a bilateral partner accumulates a surplus in the rupee balance, India's import licences are adjusted accordingly to restore the balance.

Since the unit of account is rupee, any change in the official rate of exchange requires a revaluation of all exports and imports under bilateral agreements. The agreements with the East European countries, therefore, normally contain a gold clause by which the value of the rupee is pegged to its gold equivalent. This clause is aimed to protect the interests of India's trading partners in the event of a change in the official value of the rupee as happened, for instance, in June 1966 when the Indian rupee was devalued (its value in terms of foreign currency was reduced by 36.5 per cent, whereas the value of foreign currencies in terms of the rupee was increased by 57.5 per cent). Subsequent to this devaluation India had to conclude fresh agreements with the East European countries making up the value of the unimplemented portions of the export-import contracts with all countries except the USSR by 57.5 per cent. In the case of USSR, however, the import contracts were revalued by 57.5 per cent, but the export contracts by 47.5 per cent. In 1975 the issue of the exchange rate cropped up again as the East European currencies stood revalued because

the rupee was linked to the fast depreciating sterling. The rupee's link with the sterling has been snapped since April 1975 and ~~at the time of the writing~~ in 1976 the negotiations in respect of exchange rates were under way with the respective countries to arrive at a mutually acceptable solution to this problem.<sup>9</sup>

#### The Situation of the Clearing Accounts :

Some evidence concerning the situation of the clearing accounts during 1964-1972 period is available from the Reserve Bank of India's report concerning India's international investment position.<sup>10</sup> Explicit information is available only for the balances of the USSR under payments agreements held with the Reserve Bank of India.

Table 5.1

The Balance of Clearing Account With the USSR in India (Rs. millions)

Year	Assets	Liabilities	Net position
1964	-	1569.0	-1569.0
1965	-	2134.0	-2134.0
1966	-	2380.0	-2380.0
1967a	2.0	2739.0	-2737.0
1967b	2.0	4096.0	-4094.0
1968	-	4394.0	-4394.0 (-2939.0)
1969	-	4686.0	-4686.0 (-3133.0)
1970	-	4664.0	-4664.0 (-3119.0)
1971	-	4312.0	-4312.0 (-2883.0)
1972	-	4117.0	-4117.0 (-2753.0)

9 The termination of the special payment arrangement between India and Yugoslavia in January 1973 was also partly due to the exchange rate problem.

10 India's International Investment Position 1968-1972. Reserve Bank of India Bulletin, July 1975, pp.414-456.

- (a) Without adjusting for the devaluation of Indian rupee in 1966.
- (b) Adjusting for the devaluation. Figures in brackets are based on pre-devaluation rupee.

Source : Reserve Bank of India, Bulletin, July 1975, pp.431-433.

The figures underlying net position represent the net financial claim of the USSR on India, resulting from the trade and payments agreements. In absolute value terms, this claim is seen to have increased continually until 1969, after which year a declining trend is visible. Two points are important to note here. First of all, the rapid increase in the value of liabilities, after 1967 is mainly statistical as it reflects the upward revision of the figures following the devaluation of the rupee in June 1966. Secondly, the balance of clearing account conceals the fact that the balance of trade between the USSR and India in the period concerned was, with only rare exceptions, constantly in India's favour. The net claim on India revealed by these figures represents, therefore, mainly the credits received from the USSR as economic aid. The declining character of this claim further reflects the fact that while no new credits were received from the USSR in the period from 1967-68 to 1973-74, repayments by India were continually made in the form of exports.

Bilateral Balancing of Trade : Concerning the bilateral balancing of trade, it is important to note that the agreements provide for the balancing not only of the values of exports and imports but of all payments of commercial and non-commercial nature. The stress is, thus, on the balance of overall outpayments and inpayments. The provision concerning payments of a non-commercial nature was, however, introduced into the agreements only after the rupee was accepted as the unit of account i.e. after 1956.

Although the basic stress is on the balancing of trade, there are qualifications to it. Thus, imbalance may arise through the supply of imports into India on a deferred payment basis or through exports from India by way of repayments of credit. According to the terms of the agreements, any outstanding balance after the expiry of the agreement period is to be settled during the ensuing twelve months through the purchase or sale of goods as the case may be or through other ways as may be mutually agreed upon between the bilateral partners. In general, however, such outstanding balances are carried forward in the following trade agreements. This appears to be the common practice as could be seen from the situation of India's overall balance of payments with the USSR in the Table 5.1.

The Shipping Clause :

India's bilateral agreements with socialist countries normally contain a shipping clause and accompanied in some cases by a parallel bilateral shipping agreement, such as the Indo-Soviet shipping Agreement of 1956. According to the term of shipping clause (or agreements), the contracting parties agree to utilise, to the extent possible, the vessels of the two countries concerned for the shipment of goods to be traded under the agreement. The provisions concerning the use of national bottoms in the ocean carriage of cargos is of particular significance to India as the tariff rate set by international shipping conferences generally tend to affect adversely the prices of India's exports and imports.

Barter-Like Trade With the Developing Countries :

India's trade agreements with some developing countries have also involved elements of barter. A survey of the large number of agreements that India had with each one of these countries reveals, however, a great deal of diversity in their forms, ranging from near barter (agreements on the exchange of particular commodities and frequently involving the use of clearing accounts) to trade on a multilateral basis. It is illuminating, therefore, to consider in some detail the character of India's bilateral agreements with nine developing countries.



Afghanistan : India's trade agreements with Afghanistan (the first was signed in 1958) have laid down the principles of balanced trade and limited rupee payment. These arrangements have, however, evolved through different stages. The trade agreements concluded during the 1950s were introduced to strengthen and streamline the traditional imports from Afghanistan (dried and Fresh Fruits, asafoetida, cumin seeds, medical herbs etc.) which were financed by private traders in Indian rupees. In addition, a self-balancing account was opened by Afghanistan with State Bank of India into which the sale proceeds from imports of hides and skins from Afghanistan were deposited. These proceeds were to be used by Afghanistan in financing its purchases in India.

In the agreement that was reached with Afghanistan in 1964, three different lists of product were included, one indicating products available for exports from Afghanistan (so called "Schedule-A" products) and other two those from India (called "Schedule-B and C" products). The self-balancing account was to be used as before to facilitate imports of hides and skins. Payments for the exports of Schedule-B goods (textiles, food, chemicals, pharmaceuticals, engineering goods, electrical goods, leather manufactures, handicrafts etc.) from India to Afghanistan were to be made largely in convertible currencies. Payments for the imports of cotton and wool from

Afghanistan and for exports of Schedule-C goods (including products like sugar, automobiles, tractors, machinery, some consumer durable goods and other capital goods) from India to Afghanistan were to be made by establishing letters of credit in transferable U.S. dollars or pound sterling.<sup>11</sup>

The barter-like approach to trade between India and Afghanistan was made particularly explicit in the trade agreement that was reached in 1972.<sup>12</sup> In this agreement three separate list of commodities (called B-I, B-II and C) available for exports from India to Afghanistan were provided along with another list indicating the export products of Afghanistan (Schedule A products)<sup>13</sup> According to this agreement, imports from Afghanistan were permitted to any person in India provided that his imports were counter-balanced by equivalent exports of schedules B-I and B-II commodities from India to Afghanistan. Conversely, exports of these commodities from India were to be

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11 India's Trade Agreements with other countries:1968, op.cit., pp.1-7.

12 India's Trade Agreements with other countries, 1973, op.cit., pp.1-8.

13 Schedule B-I included tea, coffee, cardamom, pepper, tobacco, coir and coir products, dyeing and tanning substances, mary-oblam and its extracts, leather manufactures, cotton yarn, cotton twist and cotton thread. The Schedules B-II and C included items which were already quoted in the text in the foregoing paragraph. The Schedule-A included primary products like fruits, medical herbs etc.

permitted against equivalent imports from Afghanistan. This measure was thus clearly aimed at achieving a bilateral trade balance in specific commodities. In continuation of the earlier practice, payments for exports and imports of commodities other than those covered by Schedules A, B-I and B-II were to be made by establishing letters of credit in transferable U.S. dollars on pound sterling. Also, as before Afghanistan's self balancing account with the State Bank of India was to be used to facilitate imports of hides and skins on a liberal basis against purchases of Indian goods.

Bangladesh :

The Balance Trade and Payment Arrangement between India and Bangladesh first signed in 1972<sup>14</sup> and with minor changes existing until the end of 1974 had all the traces of India's earlier trade agreements with Pakistan. To begin with, trade between the two countries involving payments in each other's currencies had to be balanced. The total value of trade on either side from 1972 to 1973 was fixed at Rs.250 million and the maximum values were laid down for individual items of trade. Accordingly, exports from India to Bangladesh would consist of cement (Rs.45 million), asphalt (Rs.10 million), coal (Rs.40 million), cotton textiles (Rs.2.5 million), cotton yarn

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14 India's Trade Agreements with other countries: 1973, op.cit., pp.15-27.

(Rs.15 million), manufactured tobacco (Rs.100 million), stone boulders, wood and minerals (Rs.10 million), books, periodicals and movies (Rs.3.5 million), medical herbs and crude drugs (Rs.2.5 million), chemicals and pharmaceuticals (Rs.2.5 million), spices (Rs.1.5 million), infant milk food (Rs.2.5 million), machinery and spare parts (Rs.50 million) and miscellaneous products (Rs.10 million).

Exports from Bangladesh to India, on the other hand, were to consist of fresh fish (Rs.90 million), semi tanned hides (Rs.10 million), furnace oil and naptha (Rs.15 million), newsprint (Rs.30 million), raw jute (Rs.75 million), molasses (Rs.2.5 million), medical herbs (Rs.2.5 million), books, periodicals and records (Rs.2 million) movies (Rs.1.5 million), pharmaceuticals (Rs.1 million) spices (0.5 millions) and other items (Rs.20 million). Any trade exceeding the amount specified or in commodities not included in the list would have to be on a convertible currency basis and would be subject to normal exchange control regulations of the two countries.

A parallel arrangement in each country was made concerning the payments procedure. The State Bank of India and the Bank of Bangladesh opened accounts with each other for the purpose of making payments to exporters in either country. It was further agreed that any overdraft on either account in excess

of the limit laid by law in the country concerned would have to be covered by the grant of a special interest free loan by the country upto a maximum limit of 50 million Indian rupees or that much of Bangladesh takes as the case might be. Any loan in excess of this amount would carry a rate of interest of six per cent. The outstanding balance, if any, in either account on the expiry of the agreement period was to be settled in pound sterling or in some other mutually agreed manner.<sup>15</sup>

The Balanced Trade and Payments Agreement with Bangladesh was renewed in September 1973 and it was to last until September 1976. However, the agreement was terminated at the beginning of 1975, with which ended the barter-like character of trade between the two countries. With effect from January 1975 all payments for trade and related transaction between India and Bangladesh are made in freely convertible currencies. A large part of trade during 1975, however, continued to be on the basis of rupee credits that Bangladesh received from India during the previous years.

#### Burma :

India's first bilateral agreement with Burma dates back to 1951. Between that year and 1962 three more agreements were signed including a special agreement in 1960. Covering the period from 1951 to 1965 all these agreements were of fixed

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15 The agreement also contained provisions concerning border trade (as in the case of earlier agreements with Pakistan) and the use of waterways, railways and roadways for commerce between the two countries.

quota type in character and were aimed in the first place to ensure the supply of rice from Burma to India. A typical example of this was India's first trade agreement with Burma in which this country agreed to supply 240,000 tons of rice in exchange for exports of 150,000 tons of gunny bags, 10,000 tons of groundnut oil, 2000 bales of cotton yarn and 3000 tons of galvanised iron sheets from India during the period 1950-51. According to the same agreement, in the period from 1952 to 1955, Burma was to export annually 350,000 tons of rice and India was to supply each year a minimum of 15,000 tons of gunny bags, 8,000 tons of groundnut oil, 2000 bales of cotton yarn and 4,000 tons of iron and steel products.<sup>16</sup> In addition, the agreement contained a list indicating the maximum values and in some cases the maximum quantities of different products available for exports from the two countries. According to this list nearly nine-tenths of the value of exports available from India consisted of manufactures whereas the supply from Burma constituted only primary products. The two countries also recorded the desire to extend to each other's exports the most favoured nation treatment.

India's trade agreement with Burma signed in 1956 and covering the period upto 1961 contained for the first time an

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16 India's Trade Agreements with other countries, 1953", Ministry of Commerce and Industry, Government of India, 1954, pp.20-27.

explicit reference to the bilateral balancing of trade. Two lists of products were drawn up in the agreement. The first list indicated products in which the total trade was to be confined to a maximum yearly value of 9.5 million rupees. In the second list were included products for exports from each country the trading in which was to be limited either way to a maximum of 30 million rupees per year.<sup>17</sup> In addition, during the validity of the agreement period India was to import annually 0.4 million tons of rice from Burma. By a special agreement signed in 1960 Burma further agreed to supply in that year 0.2 million tons of rice to India.

In the 1956 agreement was also made explicit the provision that all payments arising out of trade in commodities mentioned in the agreement were to be made in rupees. Corresponding to the two product lists Burma was to open two clearing accounts in rupees with State Bank of India. Any outstanding balance at the end of the agreement period in the first account was to be settled through the purchase or sale of goods. In the second account, however, a swing limit to the extent of 3 million rupees was established; thus exports could exceed imports in either direction by as much as the amount of the

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17 Teak-wood squares and scantling and hardwood sleepers from Burma and manufactured goods from India. See "India's Trade Agreements with other countries, 1960", Ministry of Commerce and Industry, Government of India, 1961, pp.14-22.

swing limit. Any further excess had to be corrected within a period of six months through offsetting purchases of goods, failing which it had to be settled in pound sterling. Also, any outstanding balance in the second account at the end of the agreement period could be settled within six months through purchases or sale of goods, after a six months period any remaining balance had to be settled in pound sterling.<sup>18</sup>

India's trade relation with Burma lost much of its barter like flavour when a new agreement was signed in 1962. As compared to the previous one, these agreement brought three main changes. First it was agreed that all payments would be made in convertible currencies instead of rupees; second, bilateral balancing of trade was not particularly stressed; and, finally, the fixed quota types of arrangements were particularly given up, except in so far as India agreed to purchase a minimum of 150,000 tons of rice from Burma each year during the period of agreement (i.e. upto 1965) and also concluded a specific agreement for the purchase of that much quantity of rice for the year 1963. In general, the agreement provided for exports from India of manufactured goods and imports from Burma of primary goods without, however, assigning any monetary values to them.

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<sup>18</sup> India's Trade Agreements with Other Countries: 1960, op.cit.



India's trade agreement with Burma signed in 1970 bears almost no trace of bilateralism which characterised the Indo-Burma agreements of 1950s. This agreement sets down only the general desire of the two countries to expand trade between them on the most Favoured Nation (MFN) basis. There is neither a mention to bilateral balancing of trade nor an indicative list of products available for trade is provided. Further, it explicitly states that all payments between the two countries are to be made in convertible currencies.<sup>19</sup>

Egypt :

India's first trade agreement with Egypt that was signed in 1953<sup>20</sup> included among other features, (i) an indicative list of products available for exports in the two countries;<sup>21</sup> (ii) provision concerning the extension of MFN treatment to each other's exports and (iii) the rules for payments. It did not, however, contain any explicit reference to bilateral balancing of trade. Concerning the payments procedure to be followed it was agreed that sixty per cent of payments for exports from Egypt to India would be made in sterling and remaining 40 percent in Indian rupees. The National Bank of Egypt would maintain

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19 "India's Trade Agreement's with other countries, 1973", op. cit.

20 "India's Trade Agreement's with other countries, 1953", op. cit., pp.49-59.

21 There were indicated 16 items of exports (mostly primary including cotton) from Egypt and 46 items (tea, jute goods tobacco and many manufactured goods) from India.

for this purpose one Rupee Account to be utilized for financing purchases of goods from India and one Sterling Account in which would be kept 10 per cent of the total value of Egyptian exports to India. This Sterling Account was to be used for financing purchases from India only in case that Egypt's rupee balances were exhausted. The maximum limit for the Rupee Account was set at 100 million rupees, any amount in excess of which had to be converted into Sterling by India on demand. Moreover, any outstanding balance on the Rupee Account at the termination of the agreement could be utilized either for purchasing goods from India or could be converted into sterling on demand.

In the period from 1953 to 1961 a number of new developments affected the payments procedure established between the two countries India's Foreign exchange crisis of 1956-57 was now an influential factor in introducing rupee as the medium of payment. Thus, in 1957 by a new agreement a rupee account to be operated by the State Trading Corporation of India was opened. This account was to be used for purchasing cement and cotton from Egypt and the ensuing sales proceeds were to be used to finance exports of jute goods, tea, pepper, tobacco, electric fans, centrifugal pumps, diesel engines, dry batteries and other engineering chemical and pharmaceutical products from India to Egypt. All contracts involving exports to Egypt were to be registered with the State Trading Corporation of India.<sup>22</sup>

22 "India's Trade Agreements with other countries, 1960", op.cit.  
p.54.

In 1958, in view of the foreign exchange difficulties that Egypt was facing a new set of regulations was established between the two countries. It was agreed that payments for exports and imports would now be made partly in rupees and partly in Egyptian pounds. The latter currency was to be used in payments for exports of tea and jute goods from India and of cotton from Egypt. For this purpose the State Bank of India was to open an account in Egyptian pounds with the National Bank of Egypt. Exports and imports other than those of jute goods, cotton and tea were to be paid for in Indian rupees.<sup>23</sup>

In 1959, because of the difficulties encountered in the way of expanding trade through the payments arrangement outlined above, there was a return to trade on a rupee payment basis. Now the National Bank of Egypt was to open a rupee account with the Reserve Bank of India into which would be deposited the proceeds from imports of cotton from Egypt. These proceeds were to be used by Egypt, in turn, for purchases in India of tea, jute goods and such other commodities as would be mutually agreed upon from time to time and also for the repayment of loans.

Of special interest from the point of view of its barter content was India's agreement in 1960 with the Mizr Foreign

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23 "India's Trade Agreements with other countries:1960." op.cit., p.54.

Trade Company of Cairo concerning the utilization of rupee proceeds arising out of the sale of 0.1 million tons of Egyptian rice to India.<sup>24</sup> In value terms this transaction involved a sum of approximately 40 million rupees. According to the terms of this agreement it was decided that the Misr Company could spent 23.5 per cent of the proceeds (i.e. approximately 10 million rupees) each on purchases of Indian jute goods, tea and non-traditional products. The balance was to be used for purchases of non-traditional goods by the Egyptian government. In this last respect, if no purchases were made by the government within a six month period, the sum could be used for the purchase of Indian jute goods and tea. In the Rice Agreement of 1961 the proceeds from the sale of rice were to be utilized on Indian goods in a different proportion. According to this agreement, 30 per cent of the proceeds was to be used for the purchase of tea, 20 per cent for jute goods and 25 per cent each for purchases of non-traditional products by the Misr Company and by the Egyptian Government.<sup>25</sup>

India's rupee payments arrangement with Egypt came to an end in 1961 by the agreement between the two countries , concluded in that year. Since 1961 all payments for exports and

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24 "India's Trade Agreements with Other countries, 1960", op.cit., pp.56-58.

25 "India's Trade Agreements with other countries, 1962", op.cit., pp.39-41.

imports are made in convertible currencies. The common practice that now followed is periodic trade arrangements within the framework of 1953 trade agreement. These agreements, which are valid for a varying length of time, usually accompany an indicative list of products which are available for exports from the two countries.

Pakistan :

India's trade relation with Pakistan needs to be viewed in the light of the special nature of political relations between the two countries. Despite the complementary character of the economy of two countries very little trade has existed between them. The trade agreement between India and Pakistan are, nevertheless, interesting from the view point of their barter like characters. The first agreement reached in 1953 was of the fixed quota type in which both countries agreed to grant the necessary licenses to facilitate exports of coal, stone boulder, various minerals, books, chemical products, species, cinema film etc. from India and of raw jute, raw cotton, hides and skins, betel leaves, various fresh food, etc., from Pakistan. There was however, no mention of bilateral balancing of trade nor any specific arrangement concerning payments was involved.<sup>26</sup>

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26 An important aspect of all agreements with Pakistan was the provision of border trade between the people living in the border areas of East Pakistan (now Bangladesh) and India to meet their day to day requirements without having to comply with the usual import-export and exchange controls. See "India's Trade Agreements with Other Countries, 1955" op.cit., pp.148-155.

The barter like aspect of India's trade deals with Pakistan appeared for the first time in the special arrangements that were entered in 1959 and 1960. In the 1960 agreement the value of goods to be traded either way for a period of one year was fixed at 41 million rupees and goods to be exchanged on the basis of equivalent values were explicitly specified in the following manner:

- (i) Rs.4 million worth of trade either way in fresh fruits and vegetables.
- (ii) Rs.15 million worth of exports of raw cotton from Pakistan against imports of equivalent value of cement, stone boulders, and bidi leaves from India.
- (iii) Exchange of Rs.0.5 million worth of betal leaves either way.
- (iv) Exchange of 0.5 million worth of live animals either way.
- (v) Exports of Rs.10 million worth of jute cuttings from Pakistan against imports of equivalent value of iron and steel from India, and,
- (vi) Exchange either way of Rs.11 million worth of other goods.

In addition, there was a fixed quota type of agreement with respect to exports of coal and woods from India and that of raw jute and jute cuttings from Pakistan.

A special clearing account based on rupee was established by the National Bank of Pakistan with the State Bank of India

to facilitate the exchange of commodities. Payments in rupee were to be confined, however, only to the barter type of trade, i.e. to commodities for which ceiling in value terms were specified; payments for all other trade were to be made in convertible currencies. The interesting feature of the self-balancing clearing account was a swing limit of Rs.5 million on either side. Any balance in excess of this limit had to be corrected by making the necessary adjustments in exports or imports of the two countries. Moreover, it was envisaged that any outstanding balance at the termination of the agreement would be settled through imports of goods by the country concerned.

The subsequent trade agreements between the two countries upto the period 1965 in which year all relations were broken up had essentially retained the features outlined in the preceding paragraphs. The only changes that were introduced were with respect to the values of goods to be traded. Thus, the total value of goods to be exchanged was raised from Rs.41 million to Rs.81 million and then again to Rs.96 million. In the 1963 Report of India's Trade Agreements, the total value of exchange was indicated to be Rs.137 million, which included, among other items, Rs.66 million worth of exports of raw cotton from Pakistan against that much of exports of stone boulders, timber and woods, cement, bidi leaves, and railway equipments from India.<sup>27</sup>

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27 India's Trade Agreements with Other Countries, op.cit., pp.165-166.

After a break of nearly a decade India's trade relation with Pakistan has been resumed on a bilateral basis by an agreement signed on 23rd January 1975. In its present form this agreement is, however, very different from those existing prior to 1965. Trade on a government to government basis or through government controlled trade corporations and payments in freely convertible currencies are the distinguishing features of the new agreement with Pakistan.

#### Sri Lanka :

Three trade agreements were signed between India and Sri Lanka, during the 1953-1973 period. The first two agreements covering the period until 1961 contained provisions concerning partial trade balance by determining offsetting quota. The barter-like trade was applied particularly to imports of "Jaffna" tobacco (a local variety of chewing tobacco) from Sri Lanka and exports of "beedis" (a local variety of cigarette) and other forms of manufactured tobacco from India to that country. According to the agreements reached in 1953, India was to import 1.5 million pounds of chewing tobacco each year for four years, totalling 6 million pounds, at preferential rates of duty.<sup>28</sup> In exchange Sri Lanka agreed

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28 The rates of import duty were fixed in the following manner :  
 1953-54: First 756,000 pounds at Rs.0.5 per pound; the rest at Rs.0.75 per pound.  
 1954-55: First 648,000 pounds at Rs.0.5 per pound; the rest at Rs.0.75 per pound.  
 1955-56: First 540,000 pounds at Rs.0.5 per pound; the rest at Rs.0.75 per pound.  
 1956-57: First 432,000 pounds at Rs.0.5 per pound; the rest at Rs.0.75 per pound.

...cont.



to import "beedis" from India under Open General License at a rate of import duty not higher than that prevailing on the 15th July, 1953, namely the date on which the talks on the trade agreement were concluded. In addition, the agreements foresaw increasing imports of Indian tobacco for the production of cigarettes and other tobacco manufactures to Sri Lanka and also that of handloom towels from India at a reduced rate of import duty.

The barter character of trade in tobacco was stressed again in the second trade agreement between the two countries signed in 1958. According to this agreement India agreed to import chewing tobacco from Sri Lanka at a concessional rate of import duty of Rs.0.67 per pound to the extent of 2.66 million pounds over the 1957-58 to 1960-61 period.<sup>29</sup> In exchange, quotas were fixed for imports of "beedis" from India, at the prevailing rate of duty, to the extent of 5.9 million pounds during the four year period.<sup>30</sup>

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These rates were applicable only for imports through the Indian port of Alleppy. Imports through other ports or in excess of the specified amount were subject to normal duties on manufactured tobacco. Note that the units are expressed in terms of pounds instead of "candies" as originally in the agreement using the rate of conversion candy=600 pounds. See "India's Trade Agreements with other countries", op.cit., 1953, pp.30-32.

- 29 The exact distribution of which was laid down as : 900,000 pounds during 1957-58, 720,000 pounds during 1958-59, 576000 during 1959-60 and 462000 during 1960-61. The concessional rate was applicable only to imports through the port of Trivandrum. See "India's Trade Agreements", op.cit., pp.23-24.
- 30 The quota was distributed over the four years in the following manner: 2 million pounds during 1957-58; 1.6 million pounds during 1958-59; 1.28 million pounds during 1959-60; and 1.02 million pounds during 1960-61.

The last trade agreement to be signed between India and Sri Lanka was in 1961 which bore no trace of barter-like trade. This agreement contained no specific quotas with respect to trade between the two countries. Instead, it recorded in general terms the desire of the countries to expand mutual trade, emphasizing in particular exports of manufactures from India to Ceylon on a deferred payment basis.

Sudan :

Interesting for its barter content is India's trade agreement with Sudan that was concluded in July 1971. This was a rupee payment agreement although in the First Indo-Sudan trade agreement of 1965 it was stated that all payments were to be generally settled in pound sterling.<sup>31</sup> The 1971 trade agreement, covering a period of fifteen months, i.e. until the end of December 1972, entailed trade on a balanced basis. It envisaged exports from the either country to the extent of 33 million, consisting of cotton, gum arabic, raw hides and skins from Sudan and tea, jute manufactures, textiles, lentils, spices, chemicals, engineering goods etc. from India. The major part of India's imports from Sudan was to consist of cotton (350,000 bales).

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31 Mutalik Desai, P.: "Bilateral Trade Agreements: The Indo-Sudan Experience", Economic and Political Weekly, May 12, 1973. pp.880-884. See also, "India's Trade Agreements with Other Countries", op.cit., 1973.

During the course of the agreement period the trade between the two countries, however, ran into some difficulties.<sup>32</sup> India had already exceeded its export quota during the first twelve months, whereas imports from Sudan were lagging behind the plan. This resulted in payments difficulties as India was not willing to extend further rupee credits to finance Sudan's purchases from this country. In the subsequent annual trade agreements signed in 1973 and 1974 the two countries have, however, reportedly resolved the difficulties arising out of the earlier agreements.<sup>33</sup>

Tunisia :

The barter-like character of India's trade agreement with Tunisia (First signed in 1960 and normally renewable on a year-to-year basis) is reflected in the quota-type arrangement with respect to the tradables of the two countries. Concerning exports from India, the 1960 agreement laid down the following ad valorem quotas : Spectable Frames (3000 dinars), pharmaceutical products (5000 dinars), rubber tyres and tubes (10,000 dinars), electric fans (5000 dinars) trade fair quota (80,000 dinars) and miscellaneous (100,000 dinars). The maximum limits were specified in respect of imports from Tunisia to India: Wool (100 tons), cheese, olive oil, wines and liquors, vegetables, fruits and fish (25,000 dinars); and mercury (5000 dinars)<sup>34</sup>

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32 Mutalik Dessai, P.: op.cit.

33 "India's Trade Agreements", op.cit., 1973, pp.470-476.

34 "India's Trade Agreements", op.cit., 1973, pp.470-476.

35 Reserve Bank of India, Report on Currency and Finance, 1970-71, p.215.

Of particular interest from the point of view of barter was the triangular trade deal between India, Bulgaria and Tunisia. The deal signed in 1971 involved exports of tea from India to Tunisia, rock phosphate from Tunisia to Bulgaria and urea from Bulgaria to India.<sup>35</sup>

Nepal :

Finally, mention should be made of the treaty of trade and transit between India and Nepal. A good part of the trade between the two countries is traditionally conducted in terms of rupees, though without involving a parallel payments arrangement. Thus, Stricly speaking, the term barter-like is misplaced in defining this trade. The importance of the treaty is derived from the fact that Nepal, bordering on India, is a land locked country and the greater part of her exports and imports have to find their way through India. The treaty of trade and transit is aimed principally to regulate the transit trade between the two countries, although it also underscores the principle of Most Favoured Nation treatment to each other's exports.

Bilateral Trade Agreements Without Special Payment Arrangement :

This category of India's bilateral trade agreements can be broadly classified into two groups, those with developed countries

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35 Reserve Bank of India, Report on Currency and Finance:1970-71, p.215.

(including the Member Countries of the OECD) and those with developing countries.<sup>36</sup> These agreements are expressed in fairly general terms are broad in scope and they do not bear any of the barrier-like characters of the type that we have so far discussed. Unlike India's trade agreements involving rupee payments, bilateral trade agreements with convertible currency payment countries do not require bilateral balancing of trade. Payment arrangement through clearing accounts is conspicuously absent in these agreements. It is usual in these bilateral agreements to provide a list of commodities available for exports from both countries although trade is by no means supposed to be confined to the listed goods only.

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36 Because many of these agreements have frequently been renewed and some have even expired it will require more space than is available here to give a detailed historical review. All agreements in this category are, however, very similar from country to country and, therefore, only a very brief synopsis of their basic characteristics is presented in the text. The years (in brackets) in which such agreements were first entered into are country-wise as follows :  
 Argentina (1966); Austria (1963); Chile (1956); Colombia (1970); Finland (1967), France (1959); Germany Federal Republic (1956), Greece (1958); Indonesia (1966); Iran (1964); Iraq (1953); Italy (1954), Japan (1958); Jordan (1960), South Korea (1961); Spain (1972); Sri Lanka (1953); Morocco (1962); Nepal (1960); Peru (1971); Philippines (1969); Tanzania (1966); Thailand (1969), Tunisia (1960); Uganda (1965).  
 See: "India's Trade Agreements with Other Countries", op.cit. , Various issues.

Two basic aims of this type of bilateral agreements can be said to be: (i) to ensure supply of essential imports into India and (ii) to expand and diversify country's exports. Some examples of the first aspect are imports of industrial goods from developed countries, fertilizers from Morocco, Tunisia and Jordan, raw cotton from Sudan and Uganda and petroleum and related products from Iran and Iraq.

As an instrument of export promotion such bilateral agreements generally contain a provision concerning mutual extension of the MFN treatment to each others exports. In some cases India's efforts to expand exports within the framework of the bilateral agreements have found expressions in the form of specific quotas being set down for imports from India. Thus, India's trade agreements with Austria have included quotas for imports of grey cotton goods, terry towels and towelling, cotton yarn, finished fabrics, and other miscellaneous cotton textiles from India.<sup>37</sup> Similarly, India's trade agreements with France have involved quotas with respect to imports from India of dried mushrooms, canned fruits, jute clothes, coir fibres, woollen hosiery, garments other than cotton and various other types of textiles. It is also interesting to observe a quota in value term for trade exhibitions and fairs in the agreement with France.<sup>38</sup> Also, during the 1950s quotas with

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37 India's Trade Agreements with Other Countries, 1973, op.cit., pp.9-14.

38 India's Trade Agreements with Other Countries, 1973", op.cit., pp.89-159.

respect to imports of textiles from India figured explicitly in the country's trade agreements with the Federal Republic of Germany.<sup>39</sup>

Summary :

Above discussion makes it obvious that India's trade relations with socialist countries are barter-like, involving such features as bilateral balancing of trade, clearing accounts and payments in rupees. Bilateral trade agreements with some developing countries have taken various forms, involving frequently barter-like characteristics. Finally, there are trade agreements with many developed and developing countries featuring payment on a convertible currency basis. These agreements do not display any barter-like characteristics but are aimed principally at expanding trade on MFN basis.

IV

ELEMENTS OF A THEORY OF BILATERAL TRADING

There have been many views on the origin, growth and benefits of trade between the centrally planned economics of Eastern Europe and the developing countries. These views are based partly on the classical and neo-classical trade

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39 According to available information, quotas were fixed for the period from 1955 to 1959. See, "India's Trade Agreements with other countries, 1973", op.cit., pp.176-199.

theories. At the sametime there have been efforts to explain the trade between these two sets of countries by some ad hoc arguments, both economic and non-economic.<sup>40</sup> In more recent research in the theory of trade attempts have been made in many studies to provide explanations for the type of trade involving preferential agreements.<sup>41</sup> This analysis has been extended to include the types of trading arrangements between the centrally planned economies and developing countries.<sup>42</sup>

The theory of discriminating monopoly provides some interesting working hypotheses to explain the bilateral trading

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- 40 In this category for the latest and the very detailed essay on the political economy of relations between socialist economies and capitalist countries both developed and developing See Andre Gunder Frank "Long Live Transideological Enterprise! Socialist Economics in Capitalist International Division of Labour". Economic and Political Weekly, Annual Number, February 1977, pp.297-348.
- 41 For instance Jaroslave Vanek and Marry kemp have advanced theories on Preferential Trading Agreements in the Framework of Custom Union. Jaroslav Vanek, "General Equilibrium of International Discrimination, The Case of Custom Union". Harward University Press, Cambridge 1965 and Marry kemp "A contribution to the General Equilibrium Theory of Preferential Trading" Contributions to Economic Analysis, North Holland Publishing Co., 1969.
- 42 Caves Richard: "The Economics of Reciprocity: Theory and Evidence of Bilateral Trading Arrangements" in Willy Sellekaerts (ed.) International Trade and Finance, Essays in honour of Jan Tinbergen, Macmillan, 1973, pp.17-54.



arrangements between the developing countries and the East European countries. While the Hecksher-Ohlin theorem seems to be valid as the structure of trade between these countries is basically on the pattern suggested by the theorem, most of the issues arising from such type of trade are convincingly explained by the theory of discriminating monopoly. In the recent economic literature, bilateral trading is treated as the simple extension of the theory of discriminating monopoly in the general equilibrium frame work. The arguments underlined in this theory show remarkable consistency with the evidence available from the trade agreements involving partners with power of monopoly or monopsony. According to this theory, there are valid reasons why a monopolist may exercise his discriminating power through bilateral trade arrangements. This might be due to persuading the trading partner not to resell the commodities or it might be on account of an attempt to maximise its profit by bulk trading or to improve the overall terms of trade.

There are many hypotheses flowing from the extension of the theory of discriminating monopoly as applied to bilateral trade. These hypotheses are as follows :

- (1) One hypothesis is that gain from such trade arrangements depends to some extent on the rational choice of the trading partners and the impact of trading with it on the country's

trade with the rest of the world and on the terms of trade with the rest of the world.

(2) The trade arrangement gives rise to a discriminating transaction because (a) it specifies the quantity of each individual commodity to be exchanged and allows non-commercial transactions in terms of inconvertible currency and (b) certain institutional arrangements like State Trading are made to replace competitive market forces to settle the terms of trade agreements and to implement it. This set of features of the trade agreements naturally implies terms of trade different from those which are derived from multilateral trade. However, in this context the existence of overvaluation in exchange rates is equally important to judge in correct terms whether there is any discrimination in favour of against a particular market.

(3) Another important feature of trading agreement to involve discrimination is that there is prohibition on resale of the commodities.<sup>43</sup> Generally, there have been complaints from the developing countries about resale on "Switch trade" by the socialist countries. The socialist countries are alleged to be resorting to these measures, because (1) they want to earn precious foreign exchange to finance their imports of machinery and technology from the hard currency areas and (2) since they do not make explicit use of foreign currency, it is natural

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43 Cares Richard: op.cit., p.35.

that they take commodities as international reserves to meet deficits and surpluses. Notwithstanding the arguments whether the centrally planned economies really resort to switch trade, the existence of such complaints implies that the developing countries use trade agreements to effect discrimination.<sup>44</sup>

(4) A corollary and an important feature of the bilateral trade agreements under the framework of discriminating monopoly is that the partner favoured will be one that has high income and substitution elasticity and also probable price elasticities.<sup>45</sup> Furthermore, a profitable discrimination requires that the exporting country exploits monopolistic position by exporting the goods in bulk. Moreover such a country will largely export those items in which it has monopoly power in world production and exports. This also implies that the favoured trade partner will be one with relatively low income than the competing

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- 44 Harry Johnson gives a convincing explanation for the possibility of switch trade by the centrally planned countries. To quote "if the goods entering in the bilateral trade agreements are later on bartered away to the third market then bilateral trading appears as a means of avoiding explicit use of money, but not as a partitioning of the market into segregated sectors with widely differing exchange rate and economic waste involved may be only rather trivial cost of shipping goods to their final uses by more indirect routes and through the commands of more transactions then would be the case in a market employing money."

Johnson H.G.: "Notes on some theoretical problems faced by the Foreign Trade of Centrally Planned Economies". In Alan, Brown and Egon Neuberger (ed.) International Trade and Central Planning, University of California, 1968, pp.130-165.

- 45 Caves Richard, op.cit., p.35.

importing country. The theory of discriminating monopoly also suggests that the trading partner with relatively price elastic demand will enjoy some bargaining power in settling the debts built up over the period. Generally, the debts in the bilateral trade agreements are cleared up not through the transfer of convertible currency or movements of goods from the debtor to the creditor.

(5) To explain why the preferential trading agreements between the centrally planned economies and the developing countries arise, the theory suggests that there will be a larger possibility of such type of trading agreements when the external terms of trade are insufficiently out of line with the country's internal opportunity costs. It implies that the trade agreements will be more attractive when demand for a particular principal export item declines at the given prices. The trade agreements enable the countries to meet the difficult balance of payments situations by selective price reduction (in favour of the partner) rather than through general price reduction measures like devaluation (either unilaterally or due to devaluation by a competitor). The trade arrangements are also used to offset the fluctuating sales in free markets. From this one could hypothesise that the magnitude of trade under bilateral trade agreements would itself be not stable, but that they would contribute to the stability of a country's

total trade.<sup>46</sup> This result has been noted by those remarking on the failure of bilateral agreements themselves to generate a stable flow of trade.<sup>47</sup>

(6) The theory of discriminating monopoly suggests that the quantity of exports to the favoured buyer should increase. Once the trade agreements come in force. However there is a time lag between the trade agreement and the unfavourable movements in terms of trade of the disfavoured buyer, so the trade agreement may result in the short run increases in internal prices and total production of commodities exported under the agreement.

(7) Another hypothesis regarding trading agreements under the framework of discriminating monopoly is that such discrimination may be effected by making transfer of aid an integral part of an agreement. Such aid may be tied and repayment might be settled in terms of commodities.

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46 Caves Richard: op.cit., p.37.

47 Dave S. : "India's Trade Relations with East-European Countries 1952-53 to 1959-60. A Study in Bilateralism". Indian Economic Journal, IX, (July 1961), pp.64-65.

U.N.O. Economic Commission for Asia and the Far East, "Trade between developing ECATE countries and Centrally Planned Economies" Economic Bulletin for Asia and the Far East, XV, (June 1964), p.28.

INDIAN IMPORTS ON BILATERAL BASIS

As far as this study is concerned, we have studied imports of those commodities under bilateral agreements, which are indicated in the commodity agreements with different countries of the world. While, most of the agreements are on the yearly basis i.e. on the calendar year, this study examines various aspects of imports under bilateral agreements for the calendar year from 1966 (June to December) to 1977.

It is quite obvious from the appendices I to XII to Chapter VI<sup>48</sup> that major commodities which were imported from the countries coming under bilateral trade agreements during 1966 (June to December) to 1977, were chemicals i.e. organic as well as inorganic chemicals, non-ferrous metals, Drugs and pharmaceutical products, News print paper, Rock Phosphate, Raw cotton, Arabic Gum, Rice, Asafetida, Fresh and Dried fruits, Fertilizers, Ball, Roller and Taper Bearings, Seamless pipes and Tubes, Printing machinery, Agricultural machinery, Oil prospecting and Drilling equipments, Textile machinery etc.

Out of all these commodities, Rock Phosphate, raw cotton, arabic gum, asafetida fresh and dried fruits were mainly imported bilaterally from the developing countries of the world. These developing countries are Sudan, Afghanistan, Iran, Iraq,

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48 Appendices I to XII are given at the end of Chapter VI, because they are also utilised for Chapter VI.

Morocco, Tunisia, Jordan and United Arab Republic. While rest of the commodities i.e. industrial raw materials and capital goods were imported from the different countries of the East European countries on the bilateral basis.

Table 5.2

Total number of commodities Imported Bilaterally  
under major commodity groups

Year	Chemicals	Non-ferrous metal	Fertilizers	Drugs & pharmaceutical products	Machinery	Others	Total
1	2	3	4	5	6	7	8
1966	56	15	-	1	3	21	96
1967	88	15	5	1	1	21	131
1968	138	13	6	11	13	17	198
1969	104	1	4	13	20	24	166
1970	141	8	5	13	28	22	217
1971	107	16	6	11	14	20	174
1972	67	11	5	9	24	18	134
1973	69	18	2	4	34	20	147
1974	85	13	6	13	25	15	157
1975	56	11	1	9	32	11	120
1976	30	8	2	8	49	22	119
1977	46	-	3	1	15	1	66

Source: Monthly Statistics of Foreign Trade of India, Vol.II, Imports, various issues.

It is quite obvious from the table that total number of commodities which were imported bilaterally<sup>49</sup> has increased

49 Commodities were imported bilaterally from the countries which have included these commodities in their list of goods to be traded.

from 96<sup>50</sup> during 1966 to 217 during 1970. In other words, this number has increased by 126.04% during 1966-1970. However, it turned towards falling trend and reached to 119 commodities during 1976 and 66 during 1977. Such a tremendous increase in the imports of total number of commodities during 1966 to 1970 was largely due to a significant increase in the imports of organic and inorganic chemicals. Total number of chemicals imported into India has increased by 151.79% during 1966 to 1970. In a similar way the falling trend in the total number of commodities was associated with falling trend in the imports of chemicals under bilateralism.

Year 1968 seems to be the turning year for the commodities imported on the bilateral basis. Since 1968, there seems to be an increase in the imports of total number of items of capital goods, i.e. Ball roller and taper bearings, seamless pipes and tubes, printing machinery, textile machinery, agricultural machinery and metal working machinery though with fluctuations. This number has increased from 13 in 1968 to 49 in 1976. In otherwords, proportion of different items of capital goods to total number of different commodities has increased from 6.06% during 1968 to 42.86% during 1976.

Moreover different commodities those were imported under the heading of non-ferrous metals fluctuate between 8 to 18

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50 These commodities refer to 7 digit level of RITC group 1965.



over the period under consideration. 1969 was the exceptional year during which only five items of non-ferrous metals were imported.

As far as fertilizers were concerned, they fluctuates mainly between 4 to 6 different types of fertilizers except during 1973 to 1976. News print paper was imported on the bilateral basis except during 1967.

From the above discussion, it may be concluded that over a period of time not only the number of commodities imported has increased on the bilateral basis, but has also resulted in change in the composition of imports.

## VI

### BENEFITS OF COMPETITIVE PRICES

The use bilateral trade and payment for trade promotion has always been highly controversial as it is argued that it violates well set tenets of international trade, which can be achieved under multilateral trade i.e. buying from cheaper sources and selling to dear markets and economical utilization of resources. This brings up the question of comparative price advantage that India obtains on her imports from countries having bilateral trade agreements vis-a-vis other countries. In otherwords, whether the bilateral character of India's trade with different countries compels her to accept less favourable

prices for her imports as compared to what she can get from other countries. India has entered into number of bilateral agreements with East European Countries (i.e. Bulgaria, Czechoslovakia, German Democratic Republic, Romania, USSR, Yugoslavia, Hungary and Poland) and imports large number of fertilizers, chemicals, dyes, drugs and machinery. While very few primary goods were imported bilaterally from developing countries. On account of this reason price advantage, which India obtains from East European countries vis-a-vis other countries, is same thing as price advantage which India obtains from the countries having bilateral agreements vis-a-vis other countries with regard to chemicals, fertilizers, dyes, drugs and pharmaceutical products and machinery.

There does not exist a single view regarding this matter. J.R. Carter M.Goldman, Vassil Vassilev and Kurt Muller<sup>51</sup> alleges that Soviet Union sells commodities to the developing countries at 15 to 20% higher than the world market prices and she purchases mostly primary commodities from developing countries at 15 to 20% lower than the world market prices.

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- 51 (a) The Net Cost of Soviet Foreign Aid, by Carter J.R., F.A.Praeger, New York, 1971.  
 (b) Berliner, J.: Soviet Economic Aid: F.A.Prager, 1958.  
 (c) Marshall, Goldman: Soviet Foreign Aid. F.A.Praeger, Washington, 1967.  
 (d) Vassilev, Vassil: Policy in the Soviet Bloc on aid to Developing Countries. OECD Development Centre Studies, Paris, 1969.  
 (e) Kurt, Muller, The Soviet Bloc and Developing Countries, Thacker & Co., 1970.

On the other hand many observers on the Indian scene have noted that prices that India gets under bilateral arrangements for exports and imports are on the whole more favourable than what India gets on a multilateral basis.<sup>52</sup>

However one of the major limitation of all these studies is that they have examined this argument with reference to very few commodities and for three to five years of time. But India imports large number of commodities considering at the 7 digit level of the SITC group 1965, under the bilateral trade agreements. M. Sebastain has examined above mentioned argument with regard to manufactured fertilizers (1958-59 to 1968-69), News print paper (1961-62 to 1969-70), Iron & Steel (1954-55 to 1965-66), Iron & Steel bar (1966-67 to 1969-70), Iron & Steel plates and Sheets (1966-67 to 1969-70),

- 52 (a) Data Asha L.: India's Economic relations with the USSR and East Europe. Cambridge, 1972.
- (b) Indian Institute of Foreign Trade: India's trade with East European Countries. New Delhi, 1973.
- (c) Sebastain, M.: "Does India buy dear from and sell cheap to the Soviet Union?" Economic and Political Weekly, Vol.VIII, No.48, Dec.1 1973 pp.2141-2150.
- (d) Dharm Narain: Aid Through Trade. UNCTAD document TD/3/C.3/57 Geneva, 1968.
- (e) Bhagwati, J.: India: Planning for Industrialization. & Desai, P. Oxford Univ.Press (for OECD), 1970.
- (f) Chandra, N.K.: "USSR and Third World: Unequal Distribution of Gains". Economic and Political Weekly, Annual Number, 1977, pp.349.
- (g) Mudgil, R.K.: "Who is really exploiting India in her trade relations - The capitalist countries or the USSR?" The Economics of India-Soviet Trade, edited by Sharma, R.K. Allied Publishers Pvt.Ltd., Bombay, 1979.
- (h) Sen S.: India's Bilateral Trade and Payment Arrangements, Book Land Pvt.Ltd., Calcutta, 1965.

Iron and Steel tubes and pipes (1966-67 to 1969-70); Refractory bricks (1966-67 to 1969-70); Copper alloys (1966-67 to 1969-70); Drilling machine (1966-67 to 1969-70); Rotary printing presses (1966-67 to 1969-70) and Bulldozers (1966-67 to 1969-70). With reference to above mentioned commodities be concluded that India did not buy dear from the <sup>S</sup>oviet Union.

On the other hand, Nalini Ambegaokar has argued for the same proposition with reference to kerosene, lubricants, Naphthalene, Chloroform, octanol, Urea, Sulphonamide, Titanium dioxide, Sulphazianale, Sulphadiazine, Urea (containing not more than 45% nitrogen), Potassium chloride commercial, News print, Heavy plates etc. boiler quality plates and sheets (below 3 mm thick iron and steel uncoated) Tinned plates and sheets and seamless pipes and tubes for the period 1968-69 to 1971-72.<sup>53</sup> She concluded that unit value of imports from the East European countries was higher in the case of 12 out of 17 commodities. Thus in her study, unit value of imports from East European countries was higher for more than 75% of commodities.

Hence, it is clear from the above discussion that differences in opinion is mainly due to the differences in the selection of commodities. M. Sebastian has examined the same argument with different commodities than that of Nalini Ambegaokar.

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53 Ambegaokar, Nalini: In Reserve Bank of India's Bulletin: "India's Trade with East European Countries - Trends and Problems", March 1974, pp.418-467.

Before we examine the above mentioned proposition, it must be noted here that, India is having a continuous export surplus with East European countries barring a few countries such as Poland and German Democratic Republic. This persistent export surplus has focussed attention on the need to import more from this region in order to balance bilateral trade over a period of time. According to H.S. Ellis<sup>54</sup> "Whatever the ratio and whatever the method employed for enforcing it, clearing must for individual traders concerned cause a reduction in the volume and profitability of foreign trade over what would be realized for them collectively with free multilateral trade. This follows from the fact that exporters in each country are no longer free to sell in the best market, but must now sell to those countries which buy enough from the home country to give the exporter an opportunity of receiving payment. On the import side, it is no longer the cheapest country but the country for which a clearing balance is available that now secures the trade."

In other words, we can say that if surplus is available with agreemental country, country is not free to import from the cheapest country, but have to import at a high price from the agreement country. Since India has persistent balance with East European countries, it is interesting to examine whether this is true in the case of India or not.

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54 Ellis, Howard S.: In Readings in the Theory of International Trade. "Bilateralism and Future of International Trade". Published by American Economic Association, 1949.

This can be studied from a comparison of unit value of India's imports from countries having commodity agreement vis-a-vis other countries. In order to derive this unit value we have used method of weighted arithmetic mean because there are more than one country which come under the commodity agreement and more than one country, come under non-commodity agreement for the same commodity. A simple arithmetic average could be obtained by dividing total unit import price by number of countries from where a commodity is imported. This would obviously be a misleading average because no attention has been given to the fact about the proportion of commodity imported from the different countries. To correct this situation, a weighted arithmetic mean should be found. In order to derive unit value of import of commodity A from countries under commodity agreements, sum up, the quantity imported and total value respectively. From all the countries having commodity agreement and divide this total import value by total quantity imported of commodity A.

Now let us examine, above mentioned proposition with reference to following commodities.

**Fertilizers :** Fertilizers were imported continuously on the commodity agreement basis through out the period under consideration. India has imported mainly seven types of fertilizers

during 1966 to 1977. These fertilizers were Ammonium Nitrate whether or not pure, Ammonium Sulphate whether or not pure, Urea containing not more than 45% Nitrogen, Potassium chloride pure, Potassium Chloride commercial, Potassium sulphate containing not more than 52 per cent k 20 and Ammonium phosphate containing not less than 8 M.gram per kg.

It is seen from appendices I to XII to Chapter VI that, except Potassium Sulphate containing not more than 52% K2O and Ammonium Phosphate containing not less than 8 M gram per kg, the price paid by India for other fertilizers to the countries having commodity agreement with India, was not continuously higher or lower as compared to the price paid to the other countries of the world. For these two fertilizers, unit price paid by India was continuously lower to the country having bilateral agreement whenever they were imported from 1966-1977. As far as Urea containing not more than 45% Nitrogen and Potassium chloride pure, unit price paid by India was also lower for all the years except 1968 and 1974 for Urea containing not more than 45% Nitrogen and year 1972 for Potassium Chloride pure.

It is clearly obvious from the Table 5.3 that India paid higher prices for even less than 50% of total fertilizers for entire period except 1972, 1975 and 1976. While India had paid lower prices for all the fertilizers during 1973 and 1977.

Table 5.3

Number of Commodities for which India had to pay higher price to the countries having commodity agreements.

Year	Che- micals	Drugs	Non- ferro- us metals	Ferti- lizers	Machi- nery	Other commo- dities	Total commo- dities	Total commo- dities (%)
1	2	3	4	5	6	7	8	9
1966	41	1	7	-	-	9	58	60.42
1967	51	0	8	2	1	7	69	52.67
1968	81	6	10	1	3	1	102	51.52
1969	85	12	1	2	9	13	122	73.49
1970	78	10	6	2	8	11	115	53.00
1971	82	8	9	2	8	7	116	66.67
1972	37	8	5	4	7	6	67	50.00
1973	30	3	11	0	11	6	61	41.5
1974	36	8	5	2	6	2	59	37.58
1975	29	4	6	2	12	0	53	43.33
1976	10	3	2	1	22	2	40	33.61
1977	26	1	-	0	8	0	35	53.03

Source: Appendices I to XII to Chapter VI.

Thus it may be concluded that in the case of fertilizers, India did not have to lose anything whether it imported from the country having commodity agreements.

#### Drugs and Pharmaceutical Products :

More than 30 types of drugs and pharmaceutical products were imported by India bilaterally during the period between



1966 to 1977. These were largely concentrated to Vitamins and Provitamins, Opium Alkaloids cocaine Quinine and other vegetable Alkaloids Salts, Hormones, Glycosides glands extracts Sera vaccines and Sulpha groups.

With regard to price paid by India bilaterally as well as multilaterally, picture is different than what we have seen in the case of imports of different fertilizers. For about ten types of drugs and pharmaceutical products India paid higher prices to the countries having commodity agreements vis-a-vis other countries through out the period whenever they were imported. These comprised of Vitamin B<sub>2</sub>, sulphadiazine sulphamezathin, Cholines, Hydrocortisone salt, Atropine sulphate, Digoxin, Vitamin D, Vitamin B<sub>12</sub> and Ergot Alkaloid.

On the contrary, unit price paid by India was lower bilaterally for Vitamin B complex, Ergotamine Tartrate, Hormone of Pituitary gland and Phthalyl Sulphacetamide. But they were imported for a year or two. However for the rest of the drugs and pharmaceutical products, unit price was higher on the bilateral basis for the same commodity for certain years, vis-a-vis other countries, while for some years it was lower. A closer examination of appendices I to XII to Chapter VI makes it clear that unit price was higher for most years excepting one or two years with the countries having commodity agreements. Such a situation is represented by Vitamin B<sub>1</sub>, Papaverine salt

and derivative, Theophylline, Ephedrine Hydrochlor, Antimalarial chloroquine and chloroquine phosphate, Vitamin E and Sulphathiazole.

Above discussion leads to conclude that India buys dear drugs and pharmaceutical products from the countries having commodity agreements with India.

#### Non-ferrous Metals :

Non-ferrous metals occupy a significant place in the total imports of India due to the growing industrialization in the country. Non-ferrous metals mainly consist of Silver platinum and other metals of platinum group, Copper, Nickel, Aluminium, Lead, Zinc and Miscellaneous non-ferrous base metals employed in metallurgy. About 50 different types of non-ferrous metals were imported bilaterally over a period of time. However, it must be mentioned here that very few of them were imported for more than 5 years, rest of them were imported for one to three years only, between 1966 to 1977.

For about 20 commodities, India paid higher unit price to the countries having commodity agreements, whenever they were imported over a period of time under consideration. These commodities were Brass worked NES, Aluminium unwrought, Tubes, pipes, blanks of Aluminium, Pig lead, Lead unwrought, Bars, Rods, Angles of lead, Foil powders flakes of lead, Magnesium

and alloys unwrought, Bars, Rods, Angles of Zinc, Plates, Sheets of Zinc, Copper bars, Powder flakes of copper and alloys, wire of Bronze, Plates sheet strip and Foil of Nickel, Plates sheet strips of copper, Electroplating Andoes of Nickel, Plate sheet strip bronze and alloys, other refined copper excluding alloys and winding wire of copper tinned annealed.

On the contrary, price paid by India was lower to the countries having commodity agreements with India vis-a-vis other countries for fourteen different non-ferrous metal continuously over a period of time. These commodities are represented by Aluminium alloys unwrought, Aluminium wire, Fittings for tubes and pipes of aluminium, Plates, Sheets and strip of lead, Brass rods, Bars rods etc. of Nickel, Tubes, pipes fittings of Bronze and alloys, Tungstan Filament, Tungstan worked, Bars rods etc. of Nickel alloys, Plates etc. of Nickel alloys, Rods of Bronze, Tubes pipes etc. of Bronze and alloys and copper weld wire. However, a careful examination of appendices I to XII to Chapter VI reveals that all these non-ferrous metals were imported for a year or two except two or three commodities during the entire period.

While in the case of rest of the non-ferrous metals, India paid higher prices for certain years on the bilateral basis

as compared to other countries and for some years it paid lower prices for the same commodity bilaterally.

Moreover Bars and rods of aluminium and zinc indicate some definite trend in price paid by India to the countries having commodity agreements. With regard to bars and rods of aluminium, price was lower on the bilateral basis upto 1971 and year 1972 seems to be the turning year. Similarly price was higher in the case of import of zinc on the bilateral basis during 1966 to 1974, but year 1975 represents the turning year.

Table 5.3 also shows that price paid by India was higher for more than 50% of non-ferrous metals imported from the countries having commodity agreements with India for all the years except 1976 over the period under consideration.

Thus it can be concluded that India does not have clear-cut superior terms of imports with the countries having commodity agreements with India in the case of non-ferrous metals.

#### Chemicals :

Chemicals are mainly classified into two parts. Organic chemicals and inorganic chemicals. Both these types of chemicals have a significant place in the industrial raw materials. Pertaining to industrial raw materials there is

always a conflict in the East European countries whether to sell to the countries belonging to the clearing agreements or to sell against hard currencies. In view of the tremendous deficit that they are having with Western Europe, they are hesitant to divert their products which are hard currency earners to the countries belonging to the clearing agreements. It is therefore interesting to examine relative import price realized from the bilateral agreement countries (i.e. East European countries) and the rest of the world.

As it is clear from appendices I to XII to chapter VI that large number of chemicals were imported over a period of time. These mainly consisted of (1) Hydrocarbons halogenated, sulphonated, nitrated or nitrodosed derivatives (2) Alcohols, Phenols, Phenol alcohols Glycerine (3) Ethers Epoxides acetals (4) Aldehyde ketone and Quinon function compound (5) Acids halogenated, Sulphonated, nitrated or nitrosated derivatives (6) Inorganic Esters Salts derivatives (7) Nitrogen function compounds (8) Organic, inorganic hetrocyclic compounds (9) Other organic chemicals.

Hydrocarbons halogenated sulphonated nitrated or nitrodosed derivatives consists of 31 different types of chemicals. Among these chemicals, for about 14 chemicals unit price paid by

India was higher on the bilateral basis whenever they were imported over a period of time. These were xylenes, Diphenyl Methane, Chlorofluoromethanes, Chloroform, Dodecyl Benzenes, Naphthyl Disulphoric acid, Toluene Diisocyanate, Benzene, Isocyanates and diisocyanates of hydrocarbons NES, Benzo Trichloride, Para Nitrotoluene orthosulphonic acid Tetrachloroethane and Carbon Tetrachloride. While for four chemicals, it had paid lower price. These were Chlorobenzene, Metanitrochlorobenzene, Phenyl Isocyanate and Dichloronitrobenzene. It must be mentioned here that except chlorobenzene, three were imported during one year.

Moreover for rest of the chemicals belonging to this group, price paid by India was higher to the countries having commodity agreements vis-a-vis other countries for most of the years over a period under consideration.

Thus it is quite clear from the above discussion that India buys dear chemicals particularly hydrocarbons halogenated sulphonated, nitrated or nitrodesod derivatives from countries having commodity agreements with India as compared to other countries.

Turning to Alcohols, Phenols, Phenol alcohol Glycerine, it also supports the proposition provided by hydrocarbons halogenated, sulphonated, nitrated or nitrodesod derivatives.

Unit price was higher bilaterally for 14 to 15 commodities whenever they were imported over the period under consideration. These comprised of Methyl Alcohol, Sorbital, Propylene Glycol, Trichloro Phenol and derivatives, Dimethyl Octanol, Oleyl alcohol, Propanol, Cetyl alcohol, Para nitrophenol, Glycerine refined chemically pure, Stearyl alcohol, Phenyl phenols, Benzyl alcohol and Fatty Alcohol NES. Except Nevile winter acid, Ethyl Alcohol Denatured and Mannitol, for rest of the chemicals belonging to this group, India does not have any price advantage on the bilateral basis.

In the case of Ethers Expoxides Acetals, a similar picture arises. Again in Aldehyde ketone Quinone Functions compounds, price charged by bilateral agreement countries to India was higher as compared to price charged by other countries for Heliotropine, Derivatives of oxygen function aldehydes, Vanillin, Musk Keton, Anisic aldehyde, Formaldehyde, Methyl Ethyl Keton Anthraquinone, Benzophenone and Diactone Alcohol through out the period under consideration. Not only this but also, India had to pay higher prices for Ethyl vanillin, cinnamic Aldehyde and Benzaldehyde to the countries having commodity agreements with India than as compared to the prices to the other countries of the world. for most of the years during the period under consideration. Hence it can be seen that it strengthens the above mentioned arguments.

Turning to Acids halogenated sulphonated Nitrated or Nitrodosed derivatives, 31 different types of chemicals were imported. Except Bornyl acetate, Oleic acid, Adipic acid, Trichloro acetate acid, Phenyl propylacetate and Dimethyl phthalate (for which India had paid continuously lower price bilaterally) price paid by India to the bilateral trading countries were higher during the entire period or for most of the years except one or two years.

Under the heading of Nitrogen function compound, largest number of chemicals i.e. 57 were imported over the period under consideration. For more than 20 chemicals, price that the countries under commodity agreement charged for the product sold to India was higher through out the period as compared to the price charged by other countries. These chemicals were as follows : Aceto Acetanilide, Amino Nitrophenol, Aminophenol Sulphonic acid, Diethanolamine, Glutamic acid, Broners acid, Monoethanolamine, Phenyl Peri acid, Para Amino Azo Benzene, Trichloroaniline, Kochs acid, Phenyl J. acid, Amino acetic acid, Amino Napthol Sulphoric acid, Toludin Sulphuric acid ortho phenetidine, Meta Diethyl Aminophnl, Meta Aminophenol, Sodium Napthionte, Para acetyl aminophenol, Imide and Imine function compound and Amino F Acid. However price paid by India to the countries having commodity agreement



was lower vis-a-vis other countries for only eleven chemicals. These were para Amino Benzoic acid, Phenobarbital, Phenobarbital sodium, 2 Chloro 5 Toluidine 5 Sulphonic acid, Alpha Napthylamine, Meta Nitroaniline, Diethyl M Toluidin, Acetalidine, Aceto Acetic Para chloraanilide, Para chloroaniline and Dimethyl Diethyl Urea.

While for rest of the chemicals belonging to this group, mixed picture arises concerning the price charged by the countries having commodity agreement as compared to price charged by others for the same chemical for different years.

As far as chemicals which were imported under the group of Organic Inorganic hetrocyclic compound, price was higher on the commodity agreement basis for almost all chemicals over a period of time.

However very few i.e. 3 to 4 types of chemicals were imported in India belonging to Inorganic Esters Salt derivatives and other organic chemicals. There also exists a mixed picture regarding unit price advantage.

From the above mentioned discussion regarding import price differentials in the case of organic chemicals, the general impression gained is that on balance, the terms of imports on commodity agreement basis were not superior to those other

countries. In other words, it is inferior for most of the imports of organic chemicals with the countries having commodity agreements as compared to other countries.

**Inorganic chemicals :-** A glance at the appendices I to XII to Chapter VI shows that price paid by India for different inorganic chemicals was different than that of organic chemicals. About 70 different types of inorganic chemicals were imported from the countries having commodity agreements with India during 1966 to 1977.

It is obvious from appendices I to XII in Chapter VI that unit price paid by India was higher for 25 inorganic chemicals on the commodity agreement basis, during the entire period. Similarly it was lower for 23 inorganic chemicals.

Inorganic chemicals for which India had to pay higher price to the countries having commodity agreements consisted of Phosphours white or yellow, carbon black for rubber industries, Tin Oxide, Arsenic acid, Hydrazine Hydrate, Sulphur sublimed, Molybdic acid, Antimony Oxide, Sodium cyanide, Aluminium Flouride, Potassium Iodide, Calcium Carbonate excluding natural, Calcium Hypophosphite, Calcium chloride, Sodium Thiosulphate, Calcium silicide, Potassium Permanganate, Persulphates, Potassium Phosphate Dibasic, Amonium sulphocynide, Cryolite Artificial, Sodium Flouride and Sodium carbonate light.

On the otherhand, chemicals for which India had to pay lower price to those countries over the period under consideration were represented by Mercury Quicksilver, Sulphur precipitated, Selenium, Arsenic, Hydrochloric acid, Magnesium oxide, sulphur chloride, Barium sulphite, Sodium Nitrate containing more than 16% Nitrogen, Double cyanide of Potassium sodium, Sodium chlorate, Potassium chlorate, Aluminium chloride Potassium Hydroxide, Barium Hydroxide Barium chloride Potassium Carbonate, Strontium nitrate Ammonium Bicarbonate Bicarbonate, Potassium Carbonate and Sodium Nitropruside.

Moreover, a closer examination of appendices I to XII to Chapter VI reveals that unit price paid by India was higher on the bilateral basis during most of the years for Hydrofluoric acid, Titanium dioxide Anatase type, Titanium dioxide rutile type, Phosphorus Red, Silicon, Persian Gulf red oxide artificial, Aluminium oxide, Sodium hydrosulphate, sodium sulphate and sodium ferrocyanide. For sulphur oxychloride, caustic soda FLA-E, Caustic soda solid and Ammonium carbonate unit price paid by India was higher as well as lower for equal years. While for rest of the chemicals price was lower on the bilateral basis for most of the years during 1966 to 1977.

Thus from the above discussion, it is rather difficult to conclude whether India has superior or inferior terms of imports with the countries having commodity agreements in the case of inorganic chemicals.

Capital Goods :

## (i) Ball Roller and Taper Bearings :-

The analysis of comparative price advantage in the case of capital goods is also interesting. In the case of Ball, roller and Taper Bearings, 19 types of Ball roller and Taper Bearings were imported on the bilateral basis during the period under consideration. Appendices I to XII to Chapter VI indicate that picture is entirely different than that of chemicals, Drugs and Pharmaceutical products and non-ferrous metals. It is similar to the case of different types of fertilizers. Appendices I to XII to Chapter VI show that India had paid continuously lower price to the countries having commodity agreements with India in the case of Tappered ball bearing between 50 to 100 mm, Thrust ball bearing excluding 100 mm bore and Thrust ball bearing exceeding 50 mm or 2 in. diameter. While for rest of the Ball, Roller and taper bearings, price paid by India was lower for most of the years for the same commodity during 1966 to 1977. These commodities are represented by Adapter ball bearing not exceeding 50 mm or 2 in. Bore Diameter, Ball bearing other than adapter bearing not exceeding 50 mm, Adapter ball bearing above 50 mm but not above 100 mm bore, Adapter ball bearing above 100 mm Bore, Ball bearing excluding adapter bearing between 50 mm to 100 mm bore, Ball bearing excluding adapter bearing above 100 mm Bore, Tappered roller bearing not

above 50 mm, Tapered roller bearing between 50 to 100 mm, Tapered roller bearing above 100 mm Bore, Roller bearing radial not above 50 mm, Roller bearing radial above 100 mm bore Thrust roller bearing not above 50 mm; Thrust ball bearing not exceeding 50 mm or 2 in. diameter, Thrust ball bearing exceeding 50 mm or 2 in. diameter, Thrust ball bearing between 50 to 100 mm and Thrust Ball bearing exceeding 100 mm Bore.

From the above discussion, it is clearly obvious that India has relative price advantage in importing Ball, roller and Taper Bearings from the countries having commodity agreements with India.

#### Pumps :

There were about 9 different types of pumps which were imported bilaterally during 1974 and 1975. Except Hydraulic Ram for all other different types of pumps, i.e. pumps injections for diesel engines, pump oil for internal combustion engine, pump water for internal combustion engine, Handpumps, Centrifugal pump electrical motor operated, Centrifugal pump engineering operated, Air gas compressor free-piston generator and vacuum pump, India had paid lower price during 1974 and 1975 to the countries having commodity agreements with India.

Printing Machinery :

Printing, book binding machinery was also imported on the bilateral basis during 1966 to 1977. Only for two types of book binding machinery, countries under commodity agreements charged lower unit price to India than other countries. These two were highly polished zinc sheet for process blocks and machinery other than machine tools, though they were imported for one or two years. On the other hand, price was higher as well as lower on the commodity agreement basis for four years in case of offset Rotary Printing Presses. For the rest of the book binding machinery it was lower on the commodity agreement basis.

Thus it can be concluded that India does not suffer from inferior terms of imports with the countries having commodity agreements as far as printing book binding machinery is concerned.

In the case of X-ray Film and Cinematographic film, X-ray Films and plates was dearer on the bilateral basis than that of other countries whenever it was imported over a period of time. On the other hand, it was lower for cinematographic film underdeveloped, feature film, advertising shorts news reel, cine film unexposed coloured and cine film developed with sound track which were imported imported for one year only.

Textile Machinery :

In the case of textile machinery, there does not seem to be clear-cut picture just like Ball roller and taper bearing and printing machinery. Unit price was higher for parts accessories cotton spinning machinery, parts of cotton hosiery machinery, card clothing for textile machinery, Hosiery needles, shuttles and cotton yarn reeling machine. While it was lower for knitting machines, parts accessories of textile machine covered by 717 15 NES and parts accessories of jute spinning machinery. Moreover, there was a combination of higher price and lower price for parts accessories and man made fibre spinning weaving machinery, parts accessories of knitting machine and manufacture of fulle lace, parts accessories of cotton weaving machinery, parts accessories of wool weaving machine and parts accessories of wool spinning machine.

Turning to the binoculars and other optical elements which were imported on bilateral basis during 1973 and 1976 also show similar picture like textile machinery. India had superior terms of imports in the case of optical elements unmounted, photographic or projector lenses, Image projector excluding cinematographic, photo excluding cine enlargers and reducers, Balance parts excluding weights, Technical models parts, Mechanical appliances for testing physical properties of industrial material, Hydrometer and similar instruments, corneal micro-

scope and ear operating and Binocular and refracting telescope. While it was reverse in the case of astronomical instruments, photographic camera excluding cinemetographic, Tachometer, speedometer excluding air or sea, calipers verniers and micro-meters, Gauges ring, Pressure gauges and Photometers.

Taking rest of the machineries together, India has price advantage with the countries having commodity agreements for 15 commodities. These comprised of x-ray apparatus parts, x-ray generator, spare parts of gas apparatus appliances, conveyors belt, power cranes, winches, Healds and reeds cotton machinery, Rail axle wheel etc. and wheel part, Axle boxes brake gear for railway, Grinding internal machine, Grinding surface machine, Grinding cylindrical plain and universal, mining machinery excluding coal mining and rail wagon and carriage axle. On the contrary India had inferior terms of imports with countries having commodity agreements for 13 types of different capital goods. These were as follows : Metalurgical equipment, Robls for rolling mills, componant parts of rolling mills, Tractor ploughs, agricultural machinery complete assembled or not, parts for animal drawing, parts of harvesting and thresing machinery, oilseed crushing or grinding machinery, Piston ring, Boot shoe manufacturing machinery, parts accessories of lifting loading machinery and Testing machinery.



In short, it may be concluded that India has comparative price advantage for most of the capital goods with the countries having commodity agreements with India vis-a-vis other countries during 1966 to 1977. Hence this study supports the argument provided by M. Sebastian and others, as far as capital goods are concerned.

Primary Commodities :

Dates : There were two types of dates imported bilaterally as well as multilaterally from 1966 to 1976. As far as Dates dry soft concerned, price paid by India to the country having bilateral agreement was lower through out the period under consideration except during 1966 as compared to other countries.

With regard to dates dry hard, picture is not so straight. Unit price paid by India was higher on the bilateral basis during 1967, 1968, 1971 and 1972. However it was lower during 1966, 1969, 1974, 1975 and 1976.

Raw Cotton : Another important primary commodity that was imported bilaterally was raw cotton. However, it was not imported continuously on the bilateral basis over the period of 1966 to 1977. It was imported during 1966, 1967, 1971, 1972, 1974 and 1976 bilaterally. There were mainly four types of raw cotton imported during the above mentioned years. For

Foreign cotton 25 pts 5 mm below 27 mm ( $1 \frac{1}{16}$ " price paid by India to the country having bilateral agreement was higher than that of other countries through out the period under consideration. On the other hand it was lower bilaterally during the entire period for foreign cotton 30 mm and above ( $1 \frac{3}{16}$  ").

Moreover, India had to pay higher price during 1967, 1971, 1972 and 1976 for foreign cotton below 25 pts. mm (1") and during 1971 and 1974 for foreign cotton 27 mm to below 30 mm ( $1 \frac{3}{16}$ " ) on the bilateral basis. While it was lower during 1966 and 1974 for foreign cotton below 25 pts mm (1") and during 1966, 1967, 1972 and 1976 for foreign cotton 27 mm to below 30 mm ( $1 \frac{3}{16}$  ") bilaterally.

With regard to arabic gum also, a mixed picture arises. Unit price was lower on the bilateral basis during 1966 to 1971 and 1976, while it was higher during 1972 and 1973.

Rock Phosphate : Rock Phosphate is also an important commodity which was continuously imported on a bilateral basis from 1966 to 1976 except 1973 and 1975. It is quite clear from appendices I to XII to Chapter VI that price paid by India was lower for the rock phosphate through out the entire period to the countries having bilateral agreements with India.

Fruits : Now let us come to the imports of fruits, both fresh

as well as dried. There were mainly nine types of fruits were imported, out of which India paid higher price continuously on the bilateral basis for Dried figs, Raisins, Sultanas and other dried grapes and pistachio nut. Unit price was lower for Apricots and on the other hand, unit price was higher and lower for equal years in the case of pomegranats and almonds.

Taking together, rest of the different types of primary commodities, unit price paid by the country on the bilateral basis was lower for most of the commodities during the period under consideration. These mainly consisted of synthetic fibre not carded or combed, asbestos cement sheet, asbestos fibre spinnable, clove not extracted, sisal fibre and waste, sheep lamb wool greasy, Mechanical wood pulp, chemical wood pulp dissolving grade, sulphite wood pulp unbleached, Nutmegs, Refractory cements or mortars, silicon carbide crucibles, and viscose rayon fibre. While it was higher for polyamide fibre, Packings gaskets, sulphur excluding sublimed, Hides and skins excluding fur skin, acrylonitrile rubber, Benjamin Gas.

#### Conclusion :

In short, the above study indicates that the unit price realized on the bilateral agreement basis was higher for majority of the commodities falling under the groups of

chemicals, drugs and pharmaceutical products and non-ferrous metals as compared to other countries of the world during the period under consideration. Moreover, it was lower for majority of the commodities belonging to fertilizer, rock phosphate, ball, roller and taper bearings, printing machines, pumps, textile machinery and other capital goods as compared to the rest of the countries.

## VII

### NET POSITION OBTAINED BY INDIA BY IMPORTING ON THE COMMODITY AGREEMENT BASIS

We have already examined a number of commodities which were imported on the commodity agreement basis under different commodity groups during 1966 to 1977. This study has also analysed a number of commodities for which it has to pay higher price during all the years, higher price during majority of the years, lower price during all years, lower price during majority of the years and higher and lower price for equal years on the commodity agreement basis as compared to other countries of the world under a different commodity group. If the unit import price paid by India was lower for all years for majority of commodities under a particular commodity group on commodity agreement basis as compared to other countries of the world, it may be easy to argue that India is in the

advantageous position to import on the commodity agreement basis, while reverse is the case for the commodities for which unit import price paid by India was higher on the commodity agreement basis. But the net result is entirely dependent on the percentage of the total commodity imported on the commodity agreement basis and the difference in the unit import price realised on the commodity agreement basis as compared to other countries of the world. Similar is the case for commodities for which unit import price on the commodity agreement basis is higher for majority of the years, lower for majority of the years and higher and lower price for equal years as compared to other countries of the world.

Hence, in order to find out the net result by importing on the commodity agreement basis, we have applied unit import price paid by India to the different countries of the world for different commodities to the quantity imported on the commodity agreement basis. If this value is higher than what was realized on the bilateral basis, India was in the gainful position by importing on the bilateral basis and vice-versa.

India has imported various commodities under 54 different commodity groups over a period of 12 years i.e. 1966 to 1977.

Under a group of fertilizers, India has imported about 7 different types of Fertilizers over a period of time. Out

of these 7 different types of fertilizers, for three types of fertilizers, the unit import price was higher for majority of the years and still it has shown the gain worth of Rs.20143981. Moreover, for other two types of different fertilizers, it was lower for majority of the years on the commodity agreement basis as compared to other countries of the world and still it has shown the loss of Rs.69976347. However it was lower for the entire period for other two types of fertilizers. Thus considering the fertilizer as a commodity group, India was a loser worth Rs.13448451, On the commodity agreement basis as compared to other countries of the world, not because it has to pay higher price for three types of fertilizers for majority of the years but the loss sustained by India for two types of fertilizers for which the lower unit import price realized on commodity agreement basis for majority of the years was higher than the gain realized from other two types of fertilizers.

Turning to the chemicals, a different picture arises from that of fertilizers. For more than 50% of total number of commodities for which the unit import price realized by India on the commodity agreement basis was higher for all years and higher for majority of the years and still it has resulted into the gain of Rs.2912712 and Rs.6909312 for organic chemicals and inorganic chemicals during 1966 to 1977 respectively.

As far as non-ferrous metals were concerned, about 53 different types of metals were imported on the commodity agreement basis during 1966 to 1977. Out of these 53 different non-ferrous metals, for 27 various metals i.e. 50% of these total non-ferrous metals, unit import price realized was higher on the commodity agreement basis as compared to other countries of the world for the entire period and for majority of the years during 1966 to 1977 and for the rest of the commodities it was lower for a majority of the years, lower for all years and higher and lower for equal years on the commodity agreement basis as compared to the other countries of the world and it has resulted into the loss of Rs.45322200.

There were certain commodities for which India has paid a higher price on commodity agreement basis as compared to other countries of the world for majority of the years and still it has resulted into advantageous position for India. These commodity groups are as follows : Fertilizers, rice, fruits, textile machinery and raw cotton.

Similarly if the unit import price paid by India was lower for a majority of years for different commodities on commodity agreement basis as compared to other countries of the world. India was generally in an advantageous position on the commodity agreement basis as compared to other countries

of the world. But there were certain commodities for which India had paid a lower price on the commodity agreement basis as compared to other countries of the world and still India was a loser on the commodity agreement basis during 1966 to 1977. These commodity groups are as follows : Fertilizers, non-ferrous metals and news print papers.

There were certain commodities for which unit import price paid by India was higher and lower for equal years on the commodity agreement basis as compared to other countries of the world belonging to 13 different commodity groups imported by India on the commodity agreement basis. These 13 different commodity groups are as follows: wood pulp, Xray generator, asbestos, leather making machinery, pumps, natural rubber, rice, chemicals, non-ferrous metals, fruits, textile machinery, ball, roller and taper bearings and printing machinery. Out of these 13 different types of commodity groups, India is in a gainful position for leather making machinery, rice, chemicals, non-ferrous metals, fruits, textile machinery; ball roller and taper bearings and printing machinery, while for the rest of the commodity groups India was a loser on the commodity agreement basis as compared to the other countries of the world.

Considering different types of commodity groups, this study shows an advantageous position obtained by India for



Table 5.4

## Net Position of India on Commodity Agreement Basis

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Commodity Group	No. of commo- dities	Value involved Rs.	Higher price in agreement country during all years			Higher price in agreement country during majority of the years			Gain/Loss involved
			No. of commo- dities	Value involved	Average % distribu- tion	No. of commo- dities	Value involved	Average % distribu- tion	
1. Dyes	30	3163236	18	2186039	18.539205	-	-	-	-
2. Chemicals	285	234999405	112	40441334	14.170613	-13658710	514063347	20.839966	-4533652
3. Organic Chemicals	215	167563957	87	33035500	15.351282	-12409074	493000722	23.148159	-3886386
4. Inorganic chemicals	70	67435448	25	6455834	10.086399	-1249656	21062625	6.2508432	-647066
5. Non-ferrous metal	53	635411520	21	50916553	10.617652	-17795173	462804575	19.666401	-31838018
6. Fruits	11	551918893	4	161075822	93.471543	-65024310	934926	99.708316	102457
7. Textile Machinery	14	4574722	6	536224	1.0382369	-343075	199045	1.31053	163516
8. Ball, roller and taper bearings.	19	78445860	-	-	-	-	25354936	12.353114	-3086570
9. Drugs and Pharmaceutical products	31	39820624	14	7004805	31.251907	-2098100	15040510	19.100	-956274
10. News Print paper	1	20073472	-	-	-	-	-	-	-
11. Arabic gum.	1	42457504	-	-	-	-	-	-	-
12. Rock Phosphate	1	497442727	-	-	-	-	-	-	-
13. Raw cotton	4	1003204747	1	55612362	20.809	-6484346	11780899	15.676	18098
14. Asafetida	1	14040820	-	-	-	-	-	-	-
15. Printing machinery	9	48712225	1	6667	11.363035	-1829	-	-	-
16. Fertilizers	7	1714675822	-	-	-	-	-	-	-
17. Seamless pipes and tubes	4	104137738	1	969686	0.25270	-282027	79934713	11.018862	-6799790
18. Tractors	3	212536972	-	-	-	-	39934413	11.018862	-6799790
19. Pumps	9	6620241	1	59756	3.1798096	-49921	-	-	-
20. Agricultural machinery	5	9442486	4	9427442	40.333672	-8708524	915663855	25.379254	20143981
21. Copra	1	29503538	1	29503538	48.306416	-5117100	-	-	-
22. Natural Rubber	3	8731503	1	11995	0.49232	-823	-	-	-
23. Sulphur	2	49406	2	49406	0.084486	-19982	-	-	-
24. Rice	2	113246297	-	-	-	-	98476193	23.649904	9568950
25. Clove	1	83276	-	-	-	-	-	-	-
26. Cable	2	117494	-	-	-	-	-	-	-
27. Sisal fibre and waste.	1	1777484	-	-	-	-	-	-	-
28. Hides and skins	2	38172	2	38479	3.0476146	-18729	-	-	-
29. Lifting Equipment	4	623631	1	40241	0.12005	-25635	-	-	-
30. Wool	1	74765	-	-	-	-	-	-	-

...cont.

Table 5.4. (contd.)

	1	2	3	4	5	6	7	8	9	10	11
29. Wood Pulp.	4	16187312	1	3901281	62.789173	- 262524	-	-	-	-	-
30. X-ray generator	6	43230220	1	25917411	33.710459	-41345798	-	-	-	-	-
31. Graphite	1	512393	-	-	-	-	-	-	-	-	-
32. Crude Fertilisers	1	34849674	-	-	-	-	-	-	-	-	-
33. Synthetic Rubber	1	16149	1	16149	7.1537735	- 3215	-	-	-	-	-
34. Controlling, measuring, optical instruments	24	3593354	10	2374116	18.475215	-1728169	-	-	-	-	-
35. Gums & Resins	1	77144	1	77144	51.072506	- 25582	-	-	-	-	-
36. Nut Meg	1	293605	-	-	-	-	-	-	-	-	-
37. Refractory materials	2	38985682	-	-	-	-	-	-	-	-	-
38. Asbestos	7	66082349	4	110393	1.0711621	- 55357	-	-	-	-	-
39. Industrial Explosives	1	367918	1	567918	18.920742	- 19350	-	-	-	-	-
40. Staple Fibre	2	530933	-	-	-	-	-	-	-	-	-
41. Viscose	1	493269	1	493269	22.262857	- 1838	-	-	-	-	-
42. Potassium Chloride	1	22146801	-	-	-	-	-	-	-	-	-
43. Wheel, tyres, axles for railway wagons	3	11831994	-	-	-	-	-	-	-	-	-
44. Welding sets	1	39451	-	-	-	-	-	-	-	-	-
45. Mining machinery	2	1676574	1	213594	15 313296	- 213495	-	-	-	-	-
46. Crushing and Grinding Equipment	2	777307	1	324130	19.64143	- 103112	-	-	-	-	-
47. Peppermit oil	2	664913	1	233099	84.277322	- 30169	-	-	-	-	-
48. Leather making machinery	3	3409513	1	321553	2.4859785	- 40723	-	-	-	-	-
49. Electro medical equipment	1	8682	-	-	-	-	-	-	-	-	-
50. Wood and metal working machinery	12	10475837	8	9812622	17.328772	-8888474	-	-	-	-	-
51. Laboratory & Testing Equipment	1	132078	1	132078	2.384576	- 56827	-	-	-	-	-
52. Petroleum products	2	14617064	1	14445511	60.006232	- 326376	-	-	-	-	-
53. Raw Jute	1	151359124	-	-	-	-	-	-	-	-	-

... cont.

Table 5.4 (contd.)

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Commodity Group	Lower price in agreement country during majority of the years				Lower price in agreement country during all years				Higher and lower price in agreement country during all years				Net gain/loss
	No. of commodities involved	Average % gain/loss	Value	duties	No. of commodities involved	Average % gain/loss	Value	duties	No. of commodities involved	Average % gain/loss	Value	duties	
	12	13	14	15	16	17	18	19	20	21	22	23	24
1. Dyes	-	-	-	-	12	977137	16.024912	370750	-	-	-	-	-288161
2. Chemicals	50	80949598	27.681177	12689145	35	27349680	42.82244	11405227	28	15985446	19.869029	3920014	9822024
a. Organic	28	62084929	29994614	10006806	27	10857667	52.00296	4747723	23	11335139	16.447507	4453843	2912712
b. Inorganic	22	18774669	22.055806	2682339	8	16492013	38.36757	6657504	5	4650307	40.307689	533829	6909312
3. Non-ferrous metal	6	100656284	23.56257	-1677856	15	6523103	10.634589	2795055	5	14510905	4.2714399	3193752	-45322200
4. Fruits	2	237338715	67.386691	171825368	2	6843629	88.564074	5619883	2	145725801	65.158401	19884137	152407029
5. Textile Machinery	1	522630	1.1590583	753244	3	1742260	3.016821	1624298	3	1574563	5.5841557	4964517	7165500
6. Roll, roller & bearings	12	41516940	11.064213	16753557	3	11511690	12.673012	5697500	1	68294	15.441896	149861	22514348
7. Drugs & Pharmaceutical products	6	17577334	33.326	2435889	5	197975	2.0514	581442	-	-	-	-	-37043
8. Newsprint paper	1	20073472	18.607402	-941353	-	-	-	-	-	-	-	-	-941398
9. Arabic Gum.	1	42457504	98.952	35565866	-	-	-	-	-	-	-	-	35565836
10. Rock phosphate	-	-	-	-	1	497442727	38.54346	184621682	-	-	-	-	184621682
11. Raw cotton	1	334792248	22.476	9879087	1	601019238	33.022	27515962	-	-	-	-	3092801
12. Asafoetida	1	14040820	57.221	12735672	-	-	-	-	-	-	-	-	12735672
13. Printing Machinery	1	7486537	55.51351	3571944	4	533384	1.7300844	1146672	3	40685637	33.745587	8337766	13054553
14. Fertilizers	2	738151349	28.913699	-69976347	2	60860618	5.0620862	36383915	-	-	-	-	-13448451
15. Seamless pipes and tubes	-	-	-	-	2	23233339	4.4128673	5698364	-	-	-	-	-1383453
16. Tractors	1	203030262	53.697027	79049707	2	9506310	15.57608	29034650	-	-	-	-	108084357
17. Pumps	-	-	-	-	7	6336994	4.0712888	2824481	1	223491	36.09683	-200095	2574465
18. Agricultural machinery	-	-	-	-	1	15044	1.7736132	8142	-	-	-	-	-8700382
19. Copra	-	-	-	-	-	-	-	-	-	-	-	-	-5117100
20. Natural rubber	-	-	-	-	1	2720940	32.461374	321695	1	5998568	8.0118453	-163505	157227
21. Sulphur	-	-	-	-	-	-	-	-	-	-	-	-	-19982
22. Rice	-	-	-	-	-	-	-	-	1	14770104	5.0681501	1480475	11055425
23. Cable	-	-	-	-	2	117494	0.96942	50515	-	-	-	-	50515
24. Glove	-	-	-	-	1	83278	90.350648	52340	-	-	-	-	52340
25. Sisal Fibre and Waste	-	-	-	-	1	1777484	52.01609	350238	-	-	-	-	350238
26. Hides & Skins	-	-	-	-	-	-	-	-	-	-	-	-	-18729
27. Lifting Equipment	-	-	-	-	3	583391	11.37717	2394336	-	-	-	-	2371701
28. Wool	-	-	-	-	1	74765	0.075711	1034	-	-	-	-	1034

...contd.

**Table 5.4 (contd.)**

[illegible]

certain commodity groups on the commodity agreement basis during 1966 to 1977 as compared to other countries of the world, while for certain commodities reverse is the case.

Hence, taking all these different types of commodity groups together, India has obtained a gain of Rs.603150018 on the commodity agreement basis as compared to other countries of the world. Considering the net position obtained by India on year to year base, it shows that India is in the gainful position by importing on the commodity agreement basis for all years except the year 1975 during 1966 to 1977.

Thus we can conclude from the above discussion that India is in a beneficial position, if it imports bilaterally from those countries which have included these commodities in their list of goods to be traded.

Table 5.5

Year	Gain or loss on the bilateral basis(Rs.)	Year	Gain or loss on the bilateral basis (Rs.)
1966	34,902,390	1972	82,748,170
1967	16,791,905	1973	24,084,512
1968	61,464,288	1974	207,565,623
1969	56,130,184	1975	-36,686,324
1970	70,985,054	1976	71,768,137
1971	10,399,555	1977	2,936,524
		Total	603,150,018

## VIII

TREND IN THE PROPORTION OF IMPORTS FROM THE  
BILATERAL AGREEMENT COUNTRY

We have already examined in detail about the unit price charged by the country having commodity agreements as compared to other countries for different commodities. In this context it is interesting to examine whether there is a definite trend towards the proportion of total imports of the particular commodity from the country having commodity agreement with India or not. Let us examine this proposition with regard to different commodities one by one.

Fertilizers : In the case of different types of fertilizers, there seems to be a rising trend in the proportion of particular fertilizer imported on bilateral basis in quantity term. In the case of Ammonium nitrate whether or not pure, Ammonium sulphate whether or not pure and urea containing not more than 45% nitrogen, it has tripled over a period of time. In otherwords, proportion of imports on the commodity agreement basis has increased from 10% to 11% during 1967 to 34% to 35% during 1974 and 1975. Moreover, for potassium chloride pure, proportion has increased from 20% during 1967 to 100% in 1971, but it has declined to 13.37% during 1974.

In short we can see that over a period of time, proportion of Fertilizer imported from the countries having commodity agreements has increased. In this case, country's terms of imports are superior with countries having commodity agreements vis-a-vis other countries. Thus India is in gainful position to import different fertilizers on commodity agreement basis.

Drugs and Pharmaceutical products : Turning to the drugs and pharmaceutical products, mixed picture arises with regard to the trend in the proportion of imports on the commodity agreement basis. With regard to phthalyl sulphathiazol, sulphamerazine and sulphanilamide it has increased from 1% or even less than 1% during 1966 to more than 50% during 1972 to 1974.

On the otherhand, vitamin B<sub>1</sub>, Vitamin B<sub>2</sub>, sulphadiazine, Ephedrine Hydrochlor and Horocortisone, though they show the rising trend, they still constitute less than 25% of particular drugs imported in India on commodity agreement basis.

However, paraverine salt and derivatives, pancreatin dried powder pancreas, sulphamezathin cholines, vitamin B<sub>6</sub>, Ergotamine Thrttrte, Theophyline and vitamine E show the falling trend in the proportion of commodity imported on the commodity agreement basis.

It must be mentioned here that the movements in the

proportion of imports on the commodity agreement basis and movement in unit price paid by India on commodity agreement basis were not necessarily related to each other.

Non-ferrous Metal: A closer examination of the data indicate that for about 20 types of non-ferrous metals, proportion of imports on the commodity agreement basis was even less than 5% throughout the period under consideration. These consisted of aluminium alloys unwrought, fittings for tubes and pipes of aluminium, tubes pipes blanks etc. of aluminium, piglead, bars rods angles etc. of lead, plates sheets and strip lead, foil powder flakes of lead, magnesium and alloys unwrought, bars rods angles zinc, electric wire bar of copper, brass rods, copper wire, powder flakes of copper and alloys, plates sheet strip and foil of nickel, Tungston Filament, Tungston wire, sheets plates and strip of copper and magnesium and alloys wrought.

While for platinum not rolled, bars and rods of aluminium, aluminium wire, aluminium bars and rods, zinc alloys, tubes pipes etc. of copper, tubes pipes etc. of brass, copper bars and Blistor and other unrefined copper, there seems to be a falling trend in the proportion of imports on the commodity agreement basis.

There is a rising trend in platinum etc. not rolled others,



plates, sheets etc. of aluminium others, zinc or speleter mazak or alloys over 94% zinc, bars rods etc. of nickel, nickel unwrought except electroplating anodes, wire bronze, tube pipe fitting of bronze and alloy, bronze etc. worked and plates sheets strip of bronze and alloys. But this increase in proportion is at quite a slow rate. Thus it becomes obvious that picture is entirely reverse<sup>that</sup> of fertilizer.

Dyes : Not even a single dye was imported for more than one year except acid green other than nonazo, pigment violet and vat red 1. During every calendar year different dyes were imported on commodity agreement basis. But<sup>it</sup> is interesting to note here that proportion of imports on commodity agreement basis was higher than 10% for almost every dyes except 5 to 6 dyes. Not only that but for acid yellow nonazo, acid green other nonazo, basic red 1, basic violet 1, pigment green other, direct red 28 and solvant violet proportion of imports exceeds 50%.

#### Chemicals :

(1) Organic Chemicals : All the organic chemicals belonging to hydrocarbons halogenated sulphonated nitrated or nitrodosed derivatives, show the rising trend in the proportion of imports on the commodity agreement basis excluding halogenated derivatives of hydrocarbons and orthonitrotolune. It must be

noted that even

though unit price was higher on the commodity agreement basis, there seems to be a rising trend in the proportion of imports on the commodity agreement basis. As far as Alcohols phenols phenyl alcohol glycerine is concerned, all the chemicals have an increasing trend, except Amyl alcohol, Ethylene alcohol, octanol, and alpha Naphthol. Taking together Ethers Epoxides Acetals, Aldehyde ketone quinone Function compound Acids halogenated sulphonated Nitrated Nitrosteroid derivatives, Inorganic esters salts derivatives, Nitrogen function compound, organic inorganic heterocyclic compound and other organic chemicals, only 33 chemicals show falling trend. While rest of the others show the rising trend. Chemicals which show the falling trend were citric acid, Heliotropine, Ethyl acetoacetate, Benzaldehyde, Vanillin, Paraldehyde, Phenylacetaldehyde, Methyl ketone, Tartaric acid, Methyl cinnamate, ortho toluidine, Para toluidine, xylidine mixed, 2 chloro 4 Toluidine 5 sulphonic acid, Gamma acid, Ethylenediamine, Diphenylamine, Monoethanolamine, Para amino azo benzene, Phenyl J acid, Phenyl Alpha naphthylamine, Amino Pyridine, Phenyl Methyl Pyrazolone, Thiourea, Indole, Dehydrated Thio para Toluidine Sulphonic acid, Epsilon caprolactam, Hydroxy Quinoline salts and Acetoacetic ortho chloranilide.

In short, we can say that for more than 60% of the organic chemicals there is an increasing trend in the proportion of imports on the bilateral basis.

(2) Inorganic chemicals : In the case of inorganic chemicals, result is different than that of organic chemicals. Only for 18 commodities, it shows a rising trend. Even though it has increased, it has increased at a small rate. These comprised of mercury quick silver, Hydrafluric acid, Titanium dioxide anatase type, acetylene black, sulphur oxychloride, bromine, phosphurs red, caustic soda flake sulphur sublimed, sodium sulphate, sodium nitrite, potasium ferocynede, calcium hypophosphite, silicon carbon pure and sodium chlorate.

However for rest of the inorganic chemicals, this proportion has declining trend or remains more or less stable.

Primary Commodities : There were large number of primary commodities which were imported on bilateral basis from the developing countries of the world. Let us examine one by one.

Dates : There are mainly two types of dates. Both were imported on a bilateral basis from the developing countries. Both of them show the rising trend in the proportion of imports on bilateral basis. But proportion of imports bilaterally increased at a faster rate or by greater amount in the case of dates dry soft than that of dates dry hard. Proportion of imports on the bilateral basis has increased from 0.059% during 1966 to 97.28% during 1976 in the case of dates dry soft, while it has increased from 24.21% during 1966 to 71.27% during 1976 in the case of dates dry hard.

Arabic gum : With regard to this commodity, proportion of imports on the bilateral basis has remained stable around 99% through out the period except during 1968 and 1976.

Raw cotton : Proportion has increased from 3% to 6% during 1966 to 25% to 30% during 1976 in the case of Foreign Cotton below 25 pts 5 mm (1") and Foreign cotton 25 pts 5 mm below 27 mm ( $1\frac{1}{16}$ "). This proportion has increased from 40.3% during 1966 to 61.04% during 1975 for foreign cotton 27 mm to below 30 mm ( $1\frac{3}{16}$ "), though it has turned to 31% during 1976 which was lower than that of initial year i.e. 1966. However there was a reverse trend with regard to foreign cotton 30 mm and above ( $1\frac{3}{16}$  "). It has fallen from 69% during 1966 to 12.7% during 1975.

Thus it is clear that except foreign cotton 30 mm and above ( $1\frac{3}{16}$ ") all other raw cotton has an increasing trend in the proportion of imports on the bilateral basis throughout the period under consideration.

News print paper : News print paper which was continuously imported on the bilateral basis from 1966 to 1977 shows the rising trend in the proportion of imports on the bilateral basis. It has increased from 15% during 1966 to 30% during 1977 i.e. to say it has increased by 100% though with fluctuations.

Fruits : There were different types of fruits which were imported on bilateral basis during 1966 to 1977. It is found that the proportion of imports on the bilateral basis has fluctuated between 99% to 100% in the case of pomegranates, Figs dried, Raisins, sultanas and other dried grapes, apricots, plums and prunes and fresh grapes.

However, it has increased from 61.55% during 1968 to 86.5% during 1976 i.e. by 40.54% in the case of almonds.

Other commodities : As far as rice is concerned, proportion of imports has a rising trend during 1966 to 1971. In other-words, this proportion has increased from 0.76% in 1966 to 89.7% during 1971 and then it has turned towards falling trend and reached to 14.7% during 1975, on the bilateral basis.

In the case of arabic gum this proportion has fluctuated between 99.0% to 99.7% except year 1968 and 1976. During 1968 and 1976, this proportion was even less than 0.5% on the bilateral basis.

Turning to the rock phosphate, it is quite obvious that the proportion of imports from the countries having commodity (bilateral) agreement with India has declined by 76.27% over the period under consideration. In otherwords, this proportion has fallen from 91.21% during 1966 to 21.64% during 1976. However, this proportion was lowest during 1969 i.e. 7.11%.

With regard to asafoetida, this proportion has increased by 21.08% during 1967 to 1971 while it has declined by 92.86% during 1971 to 1974.

Thus on the aggregate basis, it may be concluded that proportion of imports of most of the primary commodities has increased over a period of time on the bilateral basis.

#### Capital Goods :

(1) Ball, Roller and Taper Bearings : Amongst the different types of capital goods, ball, roller and taper bearings occupies a significant place. Out of 19 different types of ball, roller and taper bearings, only ball bearing excluding adapter bearing above 100 mm bore, thrust ball bearing excluding 100 mm bore, thrust roller bearing between 50 to 100 mm and thrust roller bearing not above 50 mm show the falling trend in the proportion of imports on the bilateral basis. However for rest of these ball roller and taper bearings, proportion of imports on the bilateral basis has increased by tremendous amount. In certain ball roller and taper bearings, this proportion has increased from 1% or even less than 1% during 1968 to 13-75% during 1976 i.e. by more than 1000%. These were represented by ball bearing other than adapter bearing not exceeding 50 mm, adapter ball bearing above 50 mm but not above 100 mm bore, adapter ball bearing above 100 mm bore, tapered roller bearing

above 100 mm bore and roller bearing radial between 50 to 100 mm.

Thus it can be seen that this rising trend in the proportion of imports of ball, roller and taper bearings from the countries having bilateral agreements accompanies by lower unit import price from those countries.

(2) Appendices IV to VIII to Chapter VI show that proportion of imports on the bilateral basis was higher in the case of tractors.

With regard to agricultural machinery textile machinery, leather making machinery and printing machinery most of the machineries were imported for a year or two.

However, a closer examination of appendices IV to XII to Chapter VI reveals that this proportion has fluctuated between 15% to 100% on the bilateral basis in the case of printing machinery except type setting machine during 1972, Highly polished zinc sheet for process blocks in 1972 and parts of printing presses during 1975 for which this proportion was less than even 3%.

As far as textile machinery is concerned, for about 5 to 6 types of machineries, this proportion has fluctuated between 80% to 100% on the bilateral basis. These comprised of healdes and needs of cotton machinery (1970), healdes knitting needle

and healdes cord (1971), knitting machines etc. parts accessories of wool weaving machines (1974) and cotton weaving automatic powerloom (1977).

On the contrary, this proportion was even less than 10% on the bilateral basis in the case of knitting machine, parts accessories of silk and man-made fibre, spinning and weaving machinery, parts accessories of knitting machines and manufacture of tale lace, parts accessories of cotton spinning machinery, parts accessories of cotton weaving machinery, parts of cotton hosiery machinery, parts accessories of jute spinning machinery, card clothing for textile machinery, hosiery needles and shuttles during 1970 to 1977 whenever they were imported.

Table 5.6  
Share of Bilateral Trade

	No. of commo- dities	Rising	Same	Falling
I. Organic chemi- cals. Higher price during all the years. on the bila- teral basis.	2	3 5121307, 5121308 5121303, 5122815 5122503, 5122216 5122303, 5122305 5122217, 5122301 5124107, 5124200 5124108, 5125106 5125113, 5127402 5127244, 5127221 5127252, 5128507 5128521.	4 5125207 5127113	5 5122100, 5122501 5124111, 5124322 5125307, 5125111 5125317, 5127237 5127281, 5127217 5127243, 5127128 5127701, 5127266 5128105, 5128508 5128517.
No. of commo- dities	40	21	2	17

cont..



Table 5.6 (contd.)

	No. of commo- dities	Rising	Same	Falling
	2	3	4	5
Higher price in majority of the years on bilateral basis.		5121325, 5121324 5121402, 5121416 5121423, 5122313 5122202, 5122701 5122714, 5123103 5123105, 5125101 5125102, 5125105 5125121, 5125205 5125138, 5127101 5127121, 5127135 5127413, 5127416 5127116, 5127227 5127301, 5128531	5124114	5121339, 5121422 5122201, 5122205 5122214, 5122306 5122806, 5122215 5122708, 5124, 102 5125213, 5125302 5125124, 5125305 5125104, 5127143 5127141, 5127403 5127226, 5127125 5127218, 5127123 <del>5127218, 5127123</del> 5128574.
No. of commodities	50	26	1	23
Lower value during all years on bi- lateral basis		5124103, 5127415 <del>5127415</del> , 5127401	5127133	5121306, 5124113 5127236, 5127131 5128101
No. of commodities	9	3	1	5
Lower value during majo- rity of the years on bi- lateral basis		5121415, 5121413 5121404, 5122711 5123111, 5124301 5124105, 5124325 5125135, 5127134 5127501, 5127222 5127233, 5127255 5127258, 5127274 5127201, 5127238 5127256.		5121304, 5123104 5127138, 5127142 5127246, 5127248, 5127251, 5127203 5128502, 5129104
No. of commodities	28+1	19	-	9+1

Table 5.6 (contd.)

	No. of commo- dities	Rising	Same	Falling
Higher and Lower price for equal years on the bilateral basis.	2	5121208, 5121403 5122704, 5122211 5122208, 5122304 5122703, 5122509 5122207, 5122702 5125125, 5125132 5127411, 5127234, 5127600.	4	5124112, 5125126 5127148, 5127272 5127145, 5127136 5128525, 5128518
No. of commodities	23	15	-	8

II. Inorganic Chemicals

Higher value during all years.		5132303, 5142605 5143101 5142601		5132404, 5132702, 5136901, 5143106 5141102
No. of commodities	9	4	-	5
Higher value during major- ity of the years.		5133903, 5135501, 5132403 5136502 5142411	5135502	5132406, 5135301 5142303, 5143107 5143102 <del>5143102</del>
No. of commodities	11	5	1	5
Lower value during all years		5132500 5141403		5132401, 5142907, 5142505, 5142503
No. of commodities	6	2	-	4

cont...

Table 5.6 (contd.)

	No. of commo- dities	Rising	Same	Falling
Lower value during major- ity of the years	2	5149502, 5132701 5132201	-	5142504, 5143105 5133603, 5133906
No. of commodities	7	3	-	4
Higher and lower price for equal years		5134103, 5136201 5136203, 5142802		5142902, 5143104
No. of commodities	6	4	-	2
<u>III. Fertilizers.</u>				
Higher price during major- ity of the years		5611001, 5611002	-	-
No. of commodities	2	2	-	-
Lower price during all years		5619001	-	5613003
No. of commodities	2	1	-	1
Lower price during majority of the years		5611003, 5613002	-	5613001
No. of commodities	3	2	-	1

cont...

Table 5.6 (contd.)

	No. of commo- dities	Share of Bilateral Trade		
		Rising	Same	Falling
	2	3	4	5
<u>IV. Drugs and Pharmaceutical Products.</u>				
Higher price during years.		5411006 5417065 5411001, 5415002 5414001		5411008 5417086
No. of commodities	7	5	-	2
Higher price during majority of the years.		5417062, 5417063 5411005 5414008 5417011 5411013		5414027
No. of commodities	7	6	-	1
Lower price during all years.		5411015		5414012
No. of commodities	2	1	-	1
Lower price during majority of the years.		5417055 5417066		5414021 5417064 5411007
No. of commodities	5	2	-	3
<u>V. Non-ferrous Metals.</u>				
Higher price during all years.		6822123 6822221		6822119 6851001 6842500
No. of commodities	5	2	-	3
Higher price during majority of the years		6842209, 6861011 6822109 6831001		6842101 6861001
No. of commodities	6	4	-	2

Table 5.6 (contd.)

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	No. of commo- dities	Share of Bilateral Trade		
		Rising	Same	Falling
Lower price during all years.		6841011 6822609 6832101 6822129 6822202	-	6842119
No. of commodities	6	5	-	1
Lower price during majority of theyears		6812109 6822107	6812101	6861019 6822501 6822502
No. of commodities	6	2	1	3
Higher and lower <sup>price</sup> / <sub>for</sub> equal years.		6821201 6893209		6842129, 6821100 6822104
No. of commodities	5	2	-	3
<u>VI. Ball, Roller and Taper Bearings.</u>				
Higher price during majority of the years		7197306 7197307 7197308	-	-
No. of commodities	3	3	-	-
Lower Price during all years.		7197304	-	7197204
No. of commodities.	2	1	-	1
Lower price during majority of the years.		7197103 7197105 7197201 7197203 7197106 7197107 7197303 7197305	7197101	7197401 7197402
No. of commodities	11	8	1	2

Table 5.6 (contd.)

	No. of commo- dities	Share of Bilateral Trade		
		Rising	Same	Falling
	2	3	4	5
Higher and lower price for equal years.		7197901	-	7197108
No. of commodities	2	1	-	1
<u>VII. Fruits.</u>				
Higher price during all years.		0520200 0520301	-	0520309
No. of commodities	3	2	-	1
Higher price during majority of the years.		0520902	-	-
No. of commodities	1	1	-	-
Lower price during majority of the years.		0520101 0520102	-	-
No. of commodities	2	2	-	-
Higher and lower price for equal years.		0519901 0517201	-	-
No. of commodities	2	2	-	-
<u>VIII. Printing Machinery.</u>				
Higher price during all years.		-	-	7182214
No. of commodities	1	-	-	1
Lower price during all years.		7182219	-	-
No. of commodities	1	1	-	-

cont..

Table 5.6 (contd.)

	No. of commo- dities	Share of Bilateral Trade		
		Rising	Same	Falling
1	2	3	4	5
Lower price during majority of the years.		7182904	-	-
No. of commodities	1	1	-	-
Higher and lower price for equal years.		7182100 7182902	-	-
No. of commodities	2	2		
<u>IX. Textile Machinery.</u>				
Higher price during all years.		--	7171314	-
No. of commodities	1	-	1	-
Higher price during majority of the years.		-	-	7171322
No. of commodities	1	-	-	1
Lower in all years.		7171253	-	-
No. of commodities	1	1	-	-
Lower price in majority of the years.		7171317	-	-
No. of commodities	1	1	-	-
Higher and lower price for equal years.		7171315 7171321	-	7171318
No. of commodities	3	2	-	1

cont...

Table 5.6 (contd.)

	No. of commo- dities	Share of Rising	Bilateral Same	Trade Falling
	2	3	4	5
<u>X. Pumps :</u>				
Lower price during all years.		7192108 7192201	-	-
No. of commodities	2	2	-	-
Higher and lower price for equal years.		7192103	-	7192102
No. of commodities	2	1	-	1
<u>XI. Leather making machinery.</u>				
Lower price during all years.		-	-	7172003
No. of commodities	1	-	-	1
Higher and lower price for equal years.		7172002	-	-
No. of commodities	1	1	-	-
Higher price during all years.		2631202	-	2212000
No. of commodities	2	1	-	1
Higher price during majority of the years		2631201	-	0422001
No. of commodities	2	1	-	1
Lower price during all years		2762200 2764001 2662109	-	2713001, 2631204
No. of commodities	5	3	-	2

cont...



Table 5.6 (contd.)

	No. of commo- dities	Share of Bilateral Trade		
		Rising	Same	Falling
1	2	3	4	5
Lower price during majority of the years.		2922114, 6411001 2516000 2640001	2922113	2631203 2518100
No. of commodities	7	4	1	2
Higher and lower price for equal years.		-	0422003	2311001 2764019
No. of commodities	3	-	1	2
<u>Seamless pipes &amp; Tubes, Tractors &amp; Other Machineries.</u>				
Higher price during all years.		8624101	6782300	7152202
No. of commodities	3	1	1	1
Higher prices during majority of the years		6782400	-	-
No. of commodities	1	1	-	-
Lower price during all years.		6782000	-	6782101 7317002
No. of commodities	3	1	-	2

Source: Appendices I to XII to Chapter VI

With regard to agricultural machinery, proportion of imports on the bilateral basis was 100% in the case as rotary tiller for preparing cultivating soil. On the contrary it was less than 10% for tractor ploughs, agricultural machinery appliances harvesting threshing sorting complete assembled or not, and parts for animal drawing.

Conclusion: Thus the above study brings out the fact that the proportion of imports from the countries having commodity agreements with India has increased in case of fertilizers, organic chemicals, dates, raw cotton, news print, rice, fruits and ball, roller and tapper bearings. However, non-ferrous metals, inorganic chemicals and rock phosphate have shown the declining trend in the proportion of imports on the commodity agreement basis.

## IX

### AN EXAMINATION OF COUNTRIES UNDER COMMODITY

#### AGREEMENTS

A point of considerable interest is to examine whether countries under commodity agreements remain the same throughout the period under consideration for different commodities or not and this is discussed as below :-

(1) Fertilizers : German Democratic Republic, Roumania and

USSR have included different types of fertilizers in their commodity list to be traded during the year 1967. But at the same time these fertilizers were also imported bilaterally from Czechoslovakia, Hungary and Poland during 1967 though they have excluded them from their commodity list to be traded.

Moreover during 1968, German Democratic Republic and USSR have continued to include fertilizers in their indicative list. Fertilizers were also imported from Roumania during 1968 bilaterally, but in contrast to 1967, it has excluded this commodity from its commodity list to be transferred. Fertilizers which were absent during 1967 in the indicative list of goods were included by Poland, Bulgaria and Hungary during 1968.

In the year 1969, the picture was quite similar to that of 1968. Except Hungary all countries i.e. German Democratic Republic, USSR, Poland and Bulgaria as in 1968 have already given place to the Fertilizers in their indicative list of commodities to be exchanged. Mention should also be made at this point that though Hungary has excluded fertilizers in its list of goods to be traded, fertilizers were imported from Hungary bilaterally. On the contrary, Fertilizers were imported bilaterally from Yugoslavia and Roumania during 1969 and 1970. In the year 1970, countries which have considered fertilizers in their commodity list were the same as that in 1969 except

Bulgaria. As far as Roumania is concerned, it has exported fertilizers during 1968, 1969, 1970 and 1971 bilaterally but the year 1971 seems to be different than 1968, 1969 and 1970. During 1971 Roumania has included fertilizers in its commodity list to be exchanged in contrast to 1968, 1969 and 1970. During 1972, Roumania has again excluded fertilizers from its commodity list to be traded though fertilizers were imported bilaterally in India from Roumania.

The year 1972 was similar to year 1969, but the difference was that fertilizers were not imported bilaterally from Yugoslavia during 1972 unlike 1969.

The year 1974 shows something different than that of the previous year which is discussed above. Though fertilizers were imported bilaterally from German Democratic Republic during 1974, it has not included fertilizers in its indicative list of goods to be exchanged. This is an exceptional case because during all these years whenever fertilizers were imported from German Democratic Republic, Fertilizers fall under its commodity list. During 1974, countries which have included Fertilizers in their commodity list were Roumania, Poland, USSR, Bulgaria and Korea Democratic Republic.

Romania has included Fertilizers in its indicative list during 1975 and 1976. Bulgaria, German Democratic Republic and

USSR have included fertilizers in their indicative list during 1976 and 1977. As far as Poland is concerned, it has included fertilizers in its indicative list during 1976, while it excluded them during 1975.

Thus it is obvious that countries which have included fertilizers in their indicative list for different years during 1966 to 1977 do not maintain the same uniform policy during the same span of period.

(II) Medicinal and Pharmaceutical Products :

Medicinal and pharmaceutical products were imported bilaterally during 1967 to 1977. Medicinal and pharmaceutical products were imported bilaterally during 1967 from German Democratic Republic, Hungary, Poland, Roumania and USSR. But German Democratic Republic was the only country which has included medicinal and pharmaceutical products in its commodity list of goods to be exchanged. However, during 1968, medicines were imported bilaterally from German Democratic Republic but it has excluded from its commodity list to be traded.

Moreover, Hungary and Poland have included medicines in their list during 1968 in contrast to the year 1967. Besides, medicinal and pharmaceutical products were imported bilaterally from Yugoslavia, USSR, Bulgaria and Czechoslovakia though they have excluded these products from their commodity list.

During 1969, not only Hungary and Poland have continued to include medicinal and Pharmaceutical products in their list but also Bulgaria and USSR have included this commodity in their indicative list of goods to be exchanged. Moreover, India has also imported this commodity from Yugoslavia, Romania, Czechoslovakia and German Democratic Republic bilaterally though these countries have omitted this commodity from their exchange list.

Thus it is clear that year 1968 and the year 1969 present a different picture with regard to Bulgaria and USSR. Though, India has imported medicinal and pharmaceutical products from Bulgaria and USSR during 1968 and 1969, both countries have included these medicinal and pharmaceutical products in their indicative list of goods to be traded during 1969 while they have not done so during 1968.

Turning to the year 1970, we find that India has imported this commodity on the commodity agreement basis from Bulgaria, German Democratic Republic, Hungary and Yugoslavia. Besides, this commodity was also exported by Czechoslovakia, Poland and Romania to India bilaterally. Hence it is clear that situation is different with reference to Yugoslavia and Poland during 1970 as compared to 1969.

The year 1971 was not also identical with any of the

previous years as far as medicinal and pharmaceutical products were concerned. Over and above Bulgaria, Hungary and Poland, there were two other countries i.e. Czechoslovakia and Romania have also included this commodity in their commodity list of goods to be exchanged which were absent during previous years. In contrast to the year 1970, Yugoslavia has excluded this commodity from its commodity list during 1971, though it has exported bilaterally to India.

During 1972, only three countries, i.e. Bulgaria, Hungary and Poland have considered medicinal and pharmaceutical products in its indicative list of goods to be traded, while Czechoslovakia, Yugoslavia, German Democratic Republic and Romania have excluded them from their commodity list, though they have supplied this product to India as in 1969.

The year 1973 differs from the period of 1967 to 1972. During 1973 medicinal and pharmaceutical products were imported on commodity agreement basis from Bulgaria, Hungary and Yugoslavia and the same commodities were not imported bilaterally from other countries.

During 1974 and 1975, Bangladesh has also included medicinal and pharmaceutical products in its indicative list of goods to be traded but it has exported bilaterally to India only Antimalarial chlroquine and chlroquine phosphate <sup>during these two</sup> particular years. Moreover, Iran was another developing country which has

supplied Vitamin B complex to India bilaterally during 1975. Beside these two developing countries, Bulgaria, Poland and Hungary have also exported various medicinal and pharmaceutical products on the commodity agreement basis during 1974 and 1975.

The year 1976 and 1977 were quite similar to the year 1973. During these two years medicines were imported bilaterally only from those countries which have included this product in their list of commodities to be transferred. During 1976 these countries were Bulgaria, Hungary and Czechoslovakia while during 1977 it was only Czechoslovakia.

(iii) Chemicals : In the case of different types of chemicals i.e. organic and inorganic, countries which have included chemicals in their indicative list of goods to be exchanged were Hungary and Czechoslovakia during 1966. However, chemicals were also imported bilaterally from German Democratic Republic, Romania and Poland during 1966, though these countries have not included chemicals in their commodity list to be exchanged.

During 1967, the picture was entirely different from that of 1966. In spite of the fact that chemicals were imported bilaterally from Hungary and Romania, they were excluded from their commodity list to be traded. On the contrary, chemicals were imported on the commodity agreement basis from German Democratic Republic, Romania and Poland. Thus it is clear that



though chemicals were imported bilaterally during 1966 and 1967 from the same countries, countries which have included chemicals in their indicative list of goods to be exchanged during 1966 did not include them during 1967 and vice-versa.

In contrast to what is discussed above, all the chemicals were imported bilaterally only from those East European countries which have included this commodity in their list to be exchanged during 1968 except 16 chemicals out of 138 chemicals.

Out of 8 East European countries German Democratic Republic has included chemicals in its indicative list of goods to be traded during 1968 to 1977. Chemicals were imported bilaterally from Poland during the period under consideration but it has included chemicals in its indicative list during 1969, 1972, 1974, 1975 and 1977 only. However, Bulgaria has included them (i.e. chemicals) during 1969 to 1977 except for the years 1972 and 1976. Hungary has excluded them in their indicative list of chemicals to be exported to India during 1966-1968, 1971 and 1976 only. Moreover, chemicals were imported bilaterally from Czechoslovakia according to commodity agreements during 1971 and 1975 to 1977. During 1973 Yugoslavia has included chemicals in its indicative list of goods to be exchanged. USSR has also included them during 1974 to 1977.

It is significant to note that eventhough some countries

have excluded from their indicative list of goods to be traded have exported (supplied) these chemicals to India on bilateral basis as it would be clear from the following analysis :-

Chemicals were imported from Poland continuously bilaterally during 1969 to 1977 though it has excluded from its indicative list during 1970, 1971, 1973 and 1976. Though Bulgaria has excluded chemicals from its indicative list during 1972 and 1976, chemicals were imported bilaterally from Bulgaria during 1972 and 1976. Chemicals were also imported from Czechoslovakia bilaterally during 1969, 1970 and 1973. Similarly chemicals were imported from Romania during 1969 and 1970, without commodity agreement basis. USSR and Yugoslavia have exported chemicals during 1969 to 1973 and 1969, 1970, 1971 and 1974 respectively bilaterally in the absence of commodity agreements.

(iv) Non-ferrous Metals : During 1967 non-ferrous metals were imported bilaterally from USSR, German Democratic Republic, Yugoslavia, Hungary and Poland. Out of all these countries, Hungary and Poland have exported these metals to India bilaterally even though they have excluded these metals from their commodity list to be exchanged. India has also imported these metals from Yugoslavia in addition to Hungary and Poland, inspite of its exclusion of these metals from its list of commodities to be traded during 1968. From the foregoing

discussion, it is clear that non-ferrous metals were imported from Yugoslavia during 1967 and 1968, but the difference lies in the fact that during 1967 Yugoslavia has included non-ferrous metals in its list of goods to be traded during 1967, while it has not done so during 1968. During 1968, USSR, Czechoslovakia and German Democratic Republic were the only three countries which have considered non-ferrous metals in their list of products to be transferred.

Bulgaria was the only country from where India has imported these metals bilaterally on commodity agreement basis during 1969.

Turning to the year 1970, it must be noted that the picture is entirely reverse than that of 1968. Various types of non-ferrous metals were imported from Bulgaria, Hungary, Poland, Yugoslavia, USSR and German Democratic Republic during 1970. However countries which have included these metals in its indicative list during 1970 have excluded them during 1968 and vice-versa.

During 1971, USSR and Yugoslavia have included non-ferrous metals in their indicative list of goods to be exchanged and excluded them from their list of commodities to be traded by Bulgaria, Hungary and Poland.

USSR and Yugoslavia were the only two countries from

where India has imported these non-ferrous metals bilaterally on commodity agreement basis during 1972 and 1973. India has also imported these non-ferrous metals from Hungary, Romania, Czechoslovakia and Poland during 1972 and from German Democratic Republic, Hungary, Czechoslovakia, Poland and Bulgaria during 1973.

During 1974, 1975 and 1976 these various types of non-ferrous metals were imported bilaterally on commodity agreement basis only from USSR. On the contrary, these were imported during 1977 from the USSR which has excluded from its indicative list of goods to be traded.

It should also be mentioned that Poland has excluded these non-ferrous metals from its indicative list of goods to be exchanged during 1974 and 1975, still these metals were imported from Poland and on the contrary during 1977, non-ferrous metals were imported bilaterally on commodity agreement basis.

(v) Capital Goods :

(A) Tractors : They were imported bilaterally on commodity agreement basis during 1969, 1970, 1971, 1972 and 1973. They were imported bilaterally from all the East European countries except Hungary i.e. Bulgaria, German Democratic Republic, Poland, Czechoslovakia, USSR, Yugoslavia and Romania.

Out of these seven countries, only Yugoslavia and Poland have exported tractors to India on bilateral basis, even though they have excluded from their indicative list of goods to be exchanged.

During 1970, though Romania and German Democratic Republic have supplied tractors to India, they have excluded from their list of commodities to be exchanged in contrast to 1969. Turning to the year 1971, India has imported different types of tractors on commodity agreement basis from Poland, USSR and Yugoslavia. Moreover, Romania and Czechoslovakia have also supplied bilaterally. During 1973, the picture is entirely reverse than that of 1971 as far as Czechoslovakia and USSR are concerned.

(B) Ball Roller and Taper Bearings : These were imported from all the East European countries during 1968, 1969, 1970, 1972, 1973, 1975 and 1976. During 1968, Hungary only has considered this ball, roller and taper bearings in its indicative list of goods to be traded. In addition to Hungary, Czechoslovakia, USSR and Romania were the countries which have included this commodity in their indicative list of goods to be exchanged during 1969. In the year 1970, Czechoslovakia, Hungary and USSR have continued to consider this commodity in their commodity list to be traded. In contrast to the year 1969, German Democratic Republic and Poland have also exported bilaterally

ball, roller and taper bearings on the commodity agreement basis. During 1973, Poland was the only country which has included this commodity in its list of commodities to be transferred. 1975 was the year during which all the East European countries except Czechoslovakia have excluded from its commodity list to be traded. The year 1976 presents a situation entirely different from that of the other years.

(C) Printing and Textile Machinery : As above, in the case of printing and textile machinery, not even a single East European country has continuously considered printing and textile machinery in its commodity list to be traded.

(vi) News Print Paper :

As far as news print paper is concerned, it was imported bilaterally from German Democratic Republic and USSR during 1967 and multilaterally from the non East European countries. However, during the year 1968, it was imported bilaterally on the commodity agreement basis from Finland and USSR. Not only that but also Poland has supplied this commodity bilaterally inspite of its exclusion from the commodity list to be transferred. During 1969 to 1971, USSR only has considered news print paper in the commodity list to be exchanged, though it was exported bilaterally by German Democratic Republic, Czechoslovakia and Poland. During 1972 in addition to USSR,

Czechoslovakia and Bangladesh have also exported it bilaterally on commodity agreement basis. The year 1973 was quite identical to the year 1972 with reference to imports of news print paper from different countries. The only difference was that India has not imported news print paper from USSR during 1973.

During 1974 to 1977, news print paper was imported from Czechoslovakia, Bangladesh, Poland, Finland, USSR and German Democratic Republic. Here also countries which have included news print paper in their list of goods to be traded during one particular year have excluded during another year and vice-versa. To illustrate, USSR has exported this commodity during all the 4 years i.e. 1974 to 1977, it has considered this commodity in its indicative list only during 1975 and 1977, ~~it has considered this commodity in its indicative list only during 1975 and 1977~~ while Czechoslovakia has considered only during 1976.

(vii) Primary Commodities :

It may be noted that not even a single East European country has included primary commodities in its commodity list to be exchanged. Imports of primary commodities on the bilateral basis was quite different than imports of medicinals and pharmaceutical products, drugs, chemicals, dyes, fertilizers and machineries. Primary commodities were imported bilaterally only

from those countries which have included in their indicative list of goods to be traded. In other words, primary commodities were not imported bilaterally from countries which have not included them in their indicative list of goods to be exchanged.

Table 5.7 (SECTION X)

Number of commodities imported under different group

Commodities	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
1. Chemicals	24	30	123	83	67	41	41	50	85	56	15	46
2. Non-ferrous metals	9	8	13	-	4	8	6	10	7	8	3	-
3. News print paper	-	1	-	-	-	-	-	-	-	-	-	-
4. Dyes	-	4	-	8	7	-	4	2	-	1	-	-
5. Fertilizers	-	-	5	3	1	3	3	1	4	-	2	3
6. Drugs	-	-	3	3	2	3	4	4	10	7	7	1
7. Tractors	-	-	-	-	-	1	-	-	-	-	-	-
8. Printing machinery	-	-	-	-	-	3	-	-	-	-	-	-
9. Textile machinery	-	-	-	-	-	-	-	1	-	-	2	6
10. Leathermaking-machinery	-	-	-	-	-	-	-	-	-	-	1	-
11. Ball, Roller & Taper Bearings	-	-	-	3	2	-	-	-	-	-	15	-
12. Metal working machinery.	-	-	-	-	-	-	-	-	-	-	-	1
13. Refractories	-	-	-	-	-	2	-	-	-	-	-	-
14. Asbestos	-	-	-	-	-	3	-	-	-	-	-	-



X

ASSESSMENT OF COMMODITIES AND THEIR PRICES  
UNDER BILATERAL AGREEMENT ETC.

Table 5.7 shows the total number of commodities which were imported bilaterally only from those countries which have included all these commodities in their indicative list of goods to be traded (and not bilaterally from the countries which have excluded these commodities from their list of goods to be exchanged) and multilaterally from the non-East European countries.

An examination of Table 5.8 reveals the comparative unit import price advantage that India obtains on bilateral basis as compared to multilateral basis.

It is obvious from table 5.8 that unit price paid by India on the bilateral basis (i.e. different EastEuropean Countries) was higher for more than 50% of the total chemicals imported except the year 1974 and 1976. Mention should be made here that during 1966 and 1971, unit price charged by the East European countries was higher for more than 80% of total chemicals imported in India. Thus it is clear that India buys dear chemicals from the EastEuropean countries vis-a-vis other countries of the world.

With regard to drugs also similar picture arises. It is

Table 5.8

Number of commodities for which unit price was higher  
bilaterally vis-a-vis multilaterally.

Commodities	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
	1	2	3	4	5	6	7	8	9	10	11	12
1. Chemicals	20	17	81	55	46	35	21	25	36	29	6	26
2. Non-ferrous metals	3	4	10	-	3	5	4	6	2	4	1	-
3. Newsprint paper	-	0	-	-	-	-	-	-	-	-	-	-
4. Dyes	-	1	-	7	6	-	1	1	-	-	-	-
5. Fertilizers	-	-	0	2	0	1	3	-	2	-	1	0
6. Drugs	-	-	2	3	2	2	4	3	6	4	4	1
7. Tractors	-	-	-	-	-	0	-	-	-	-	-	-
8. Printing M/c	-	-	-	-	-	2	-	-	-	-	-	-
9. Textile machinery	-	-	-	-	-	-	-	-	-	-	2	3
10. Leather making machinery	-	-	-	-	-	-	-	-	-	-	0	-
11. Ball, Roller & Taper Bearings	-	-	-	2	-	-	-	-	-	-	5	-
12. Metal working machinery	-	-	-	-	-	-	-	-	-	-	-	1
13. Refractories	-	-	-	-	-	0	-	-	-	-	-	-
14. Asbestos	-	-	-	-	-	1	-	-	-	-	-	-

seen from the table 5.8 that for more than 60% of the various types of drugs, India has to pay higher price on the bilateral basis.

As far as Fertilizers were concerned, mixed picture emerges. During the years 1968, 1970 and 1977 unit price was lower for all the fertilizers on the bilateral basis as compared to multi-lateral basis. On the contrary unit price paid by India was higher bilaterally (i.e. East European countries) for various types of Fertilizers during 1972 as compared to other countries of the world.

In the case of dyes also, unit price was higher for more than 80% of dyes during 1969 and 1970 on the bilateral basis.

It is also clear from the table 5.7 that as far as machineries were concerned, most of them imported bilaterally not only from the countries which have included in their indicative list of goods to be traded but also from the countries which have entered into bilateral agreement with India. Hence in the case of these different types of machineries, such a direct comparison is possible for few machineries and for few years.

Thus it may be concluded that on an average India's terms of imports was superior on bilateral basis only for fertilizers in contrast to chemicals, non-ferrous metals, dyes and medicinal and pharmaceutical products.

Table 5.9

Number of commodities which were imported bilaterally from the countries which have included in their list of goods to be traded and also from the countries which have not included in their list of goods to be exchanged.

Commodities	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
	1	2	3	4	5	6	7	8	9	10	11	12
1. Chemicals	29	49	15	34	53	56	21	17	-	2	13	-
2. Drugs	5	1	8	10	11	8	5	-	2	2	-	-
3. Non-ferrous metals	6	7	-	-	4	8	5	8	6	3	5	1
4. Fertilizers	-	5	1	2	3	3	2	4	2	2	-	-
5. Tractors	-	-	-	2	2	2	1	1	-	-	-	-
6. Metal working machinery	-	-	-	3	3	-	-	4	-	-	-	-
7. Printing machinery	-	-	-	-	2	3	4	-	-	3	-	2
8. Textile machinery	-	-	-	-	1	1	-	2	6	8	4	7
9. Diesel engine	-	-	-	-	-	-	-	-	2	-	-	-
10. Pumps	-	4	-	-	-	-	-	-	7	3	-	-
11. Dyes	-	1	-	5	2	-	-	-	-	-	-	-
12. Ball, Roller & Taper bearings	-	-	10	10	14	-	16	13	-	12	4	-

Table 5.10

Comparative Unit Price of Different Commodities  
on the Bilateral Basis

Commodities	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
1. Chemicals	8	31	9	17	24	22	9	11	-	1	10	-
2. Drugs	3	1	4	5	3	2	2	-	2	1	-	-
3. Non-ferrous metals	3	1	-	-	2	4	4	5	3	2	2	-
4. Fertilizers	-	2	0	-	3	1	2	1	2	0	-	-
5. Tractors	-	-	-	1	0	1	-	-	-	-	-	-
6. Metal working machinery	-	-	-	0	0	-	-	2	-	-	-	-
7. Printing machinery	-	-	-	-	0	-	3	3	-	3	-	1
8. Textile machinery	-	-	-	-	-	-	-	1	6	6	2	1
9. Diesel Engine	-	-	-	-	-	-	-	-	0	0	-	-
10. Pump	-	-	-	-	-	-	-	-	6	6	0	-
11. Dyes	-	1	-	1	-	-	-	-	-	-	-	-
12. Ball, Roller & Taper Bearings	-	-	8	2	7	-	15	10	-	6	3	-

Previously we have examined unit price paid by India on the bilateral basis (bilaterally means countries which have included in their list of goods to be traded) and on the multilateral basis. However, it should be noted that India has imported different commodities bilaterally not only from the countries which have included these commodities in their list of goods to be traded, but also from the countries which have not included in their indicative list of goods to be transferred.

In this connection, it is significant to examine whether India has comparative price advantage in importing bilaterally from those countries which have included these commodities in their list of goods to be exchanged or not in comparison to countries which have excluded these commodities from their list of goods to be traded.

Table 5.10 indicates total number of commodities under various groups of commodities, for which unit price paid by India was higher on the bilateral basis to the countries which have excluded from their list of goods to be traded as compared to the countries which have these commodities in their commodity list to be transferred.

It is obvious from table 5.10 that for most of the years i.e. 1967, 1968, 1969 and 1973 to 1977, unit price charged by the countries which have included these chemicals was lower

as compared to the unit price charged by the countries which have excluded chemicals from their indicative list of goods to be traded for more than 50% of the total chemicals imported on the bilateral basis.

This proposition is stronger in the case of different types of machineries during the period under consideration.

Thus a glance of the table 5.10 leads to conclude that India is in an advantageous position by importing bilaterally from the countries which have included respective commodities in their indicative list of goods to be traded in relation to the countries which have excluded those commodities from their commodity list to be transferred.

Appendix - I

January-December 1969

Indian Imports

Commodities	Countries which are under bilateral agreements	Countries which are not under bilateral agreements
I. Fresh Fruits.		
0517201	Afghanistan	Iran
II. Dates		
1. 0520101	Iraq, Iran	Saudi Arabia.
2. 0520102	Iran, Iraq	Muscat, S.YMN.P.Re., Saudi Arabia.
III. Dry fruits.		
1. 0520902	Agghanistan	UK
2. 0520301	Aghanistan, Iran	-
3. 0520309	Afghanistan, Iran	Iraq
4. 0520901	Agghanistan, Iran	-
IV. Synthetic Rubber.		
1. 2312001	Hungary	German Democtatic Republic Federal Republic Germany, Japan, UK, USA, France.
V. Wood Pulp.		
1. 2516000	USA	Yugoslavia.
2. 2518000	USSR	Sweden, USA.
VI. Rock Phosphate.		
1. 2713001	United Arab Republic.	Jordam, USA, Morocco.
VII. Graphite.		
1. 2762200	Korea Republic	Burma, Ceylon, Japan, Fe.Re.Germany, Madagascar, Other East Africa, UK, Tanzania.
VIII. Arabic Gum.		
1. 2922113	Sudan	Fe.Re.Germany, Indonesia, Singapore, Sweden, Iran, UK.



Commodities	Countries which are under bilateral Agreement.	Countries which are not under bilateral agreements
IX. Chemicals.		
1. 512201	Poland	Czechoslovakia, Fe.Re. Germany, UK, USA, Denmark, Netherland.
2. 5122202	Hungary, Poland	Fe.Re. Germany, Netherland, Norway, UK.
3. 5122204	Bulgaria	France, Sweden, Switzerland, UK.
4. 5122405	Bulgaria, Geo.De. Re., Hungary	Australia, Fe.Re. Germany, Japan, Netherland, UK, USA.
5. 5122207	Ger.Demo.Re. Hungary	Fe.Re. Germany, UK, USA.
6. 5122212	Ger.Demo.Re.	Australia, Denmark, Japan, USA.
7. 5122214	Bulgaria, Hungary, Poland.	Fe.Re. Germany, Japan, UK, USA.
8. 5122215	Ger.Demo.Re. Hungary.	Fe.Re. Germany, Italy, Japan, Sweden, UK, USA.
9. 5122217	Ger.Demo.Re. Hungary	France, Fe.Re. Germany, UK, USA.
10. 5122301	Ger.Demo.Rep. Hungary	France, Fe.Re. Germany, Japan, UK, USA.
11. 5122303	Bulgaria	Belgium, France, Fe.Re. Germany, Netherland, Switzerland.
12. 5122304	Ger.Demo.Rep.	Brazil, France, Fe.Re. Germany, USA.
13. 5122305	Bulgaria, Hungary, Ger.De.Rep.	Belgium, France, Fe.Re. Germany, Japan, Netherland, UK, Switzerland.

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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
14. 5122306	Bulgaria	France, Fe.Re.Germany, Japan, Netherland, Singapore, Switzerland, UK, USA, USSR.
15. 5122503	Ger.Demo.Rep.	Fe.Re.Germany, Japan, UK, USA, Switzerland.
16. 5122701	Hungary	France, Italy, Japan, UK, USA.
17. 5122704	Ger.Demo.Rep.	Fe.Re.Germany, Australia, Japan, Netherland, UK, USA
18. 5122711	Ger.Demo.Rep. Hungary, Poland.	Czechoslovakia, Fe.Re. Germany, Italy, Japan, Romania, Switzerland, USSR.
19. 5122713	Hungary	France, Fe.Re.Germany, Italy, UK, USA, USSR.
20. 5122714	Bulgaria, Hungary, Ger.Demo.Re.	France, Fe. Re. Germany, Japan.
21. 5122806	Ger.Demo.Re. Poland.	Czechoslovakia.
22. 5123103	Ger.Demo.Re. Poland.	Fe.Re.Germany, Japan, Netherland, Singapore, Switzerland, UK, USA.
23. 5123105	Bulgaria	Fe.Re.Germany, Switzerland UK.
24. 5123111	Ger.Demo.Rep.	France, Fe.Re.Germany, UK.
25. 5124102	Poland.	Fe.Re.Germany, Netherland, Switzerland, UK, USA.
26. 5124105	Ger.Demo.Re.	France, Fe.Re.Germany, Switzerland, UK.
27. 5124107	Ger.Demo.Re.	Czechoslovakia, France, Fe.Re.Germ. Italy, Switzerland, UK, USA, Yugoslavia.

Appendix-I (contd.)

Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
28. 5124108	Ger.Demo.Rep.	Fe.Re.Germany, Japan, UK, USA.
29. 5124111	Bulgaria	Fe.Re.Germany, Japan, Switzerland.
30. 5124112	Ger.Demo.Rep.	Czechoslovakia, Fe.Re. Germany, Japan, Switzerland, UK, USA.
31. 5124113	Bulgaria, Ger.Demo.Re.	Fe.Re.Germany, Switzerland.
32. 5124114	Bulgaria, Ger.Demo.Re.	Czechoslovakia, France, Fe.Re.Germany, Netherland, Switzerland, UK, USA.
33. 5124200	Bulgaria, Hungary, Ger. Demo.Rep.	France, Fe.Re.Germany, Netherland, Switzerland, UK.
34. 5124305	Bulgaria.	Fe.Re.Germany, Netherland, Switzerland, UK.
35. 5124321	Poland.	USA.
36. 5124322	Bulgaria	France, Fe.Re.Germany, Netherland, Switzerland, UK
37. 5125101	Poland	Fe.Re.Germany, Japan, Netherland, UK, USA.
38. 5125102	Ger.Demo.Rep. Hungary, Poland.	Fe.Re.Germany, UK, USA, USSR.
39. 5125104	Ger.Demo.Rep. Hungary	Australia, Austria, Fe.Re. Germany, UK, USSR, Switzer- land.
40. 5125105	Ger.Demo.Rep. Poland.	Belgium, France, Fe.Re. Germany, Japan, Netherland, Switzerland, UK.

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Appendix I (contd.)

Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
41. 5125108	Ger.Demo.Rep.	Fe.Re.Germany, UK.
42. 5125111	Hungary.	France, Fe.Re.Germany, Japan, Switzerland, UK, USA.
43. 5125121	Bulgaria, Hungary, Ger. Demo.Rep.	Fe.Re.Germany, Italy, Japan, Netherland, Romania, UK, USA.
44. 5125124	Bulgaria, Ger.Demo.Re.	France, Fe.Re.Germany, Netherland, Switzerland, UK.
45. 5125132	Bulgaria, Ger.De.Re., Hungary, Poland	Italy, Netherland, Switzerland, USA, Denmark, France, Fe.Re.Germany.
46. 5125135	Bulgaria, Hungary.	Australia, Fe.Re.Germany, Netherland, Romania, UK, USA, USSR.
47. 5125138	Bulgaria, Ger.Demo.Rep.	France, Fe.Re.Germany, Netherland, Singapore, Spain, Switzerland, UK, USA.
48. 5125141	Ger.Demo.Rep.	Fe.Re.Germany, UK.
49. 5125201	Hungary, Poland.	Canada, Japan, France.
50. 5125205	Hungary.	Fe.Re.Germany, Japan, Switzerland, UK, USA.
51. 5125213	Bulgaria, Hungary, Poland, Ge.De.Re.	Belgium, France, Fe.Re. Germany, Italy, Japan, UK, Czechoslovakia, USSR, USA, Yugoslavia.
52. 5125301	Ger.Demo.Rep.Hungary	Italy.
53. 5125302	Ger.Demo.Rep.Hungary	Austria, Belgium, Czechoslovakia, Fe.Re.Germany, Israel, Italy, Netherland, Switzerland, UK, USA, USSR, Yugoslavia.

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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement
54. 5125303	Bulgaria, Hungary, Poland.	Fe.Re.Germany, Italy, Japan, UK.
55. 5125307	Poland.	France, Fe.Re.Germany, Japan, Netherland, UK, USA, Denmark.
56. 5125317	Ger.Demo.Re.Hungary	France, Fe.Re.Germany, Italy, Spain, Switzerland, Czechoslovakia, UK, USA, USSR.
57. 5127101	Poland	Fe.Re.Germany, Japan, Romania, UK, USA, USSR.
58. 5127105	Bulgaria, Hungary	Czechoslovakia, Fe.Re.Germany, Italy, Japan, Yugoslavia.
59. 5127113	Hungary, Poland	Fe.Re.Germany, Japan.
60. 5127116	Hungary.	Italy, Japan, UK, USA.
61. 5127117	Ger.Demo.Re.	Fe.Re.Germany, UK.
62. 5127123	Poland.	Fe.Re.Germany, Japan, UK, USA, USSR.
64. 5127128	Hungary	France, Fe.Re.Germany, Japan, Netherland, UK, USA.
65. 5127131	Hungary, Poland	Fe.Re.Germany, Japan, UK, USSR.
66. 5127133	Hungary, Poland.	--
67. 5127134	Ger.Demo.Re.Hungary	Fe.Re.Germany, Yugoslavia.
68. 5127135	Hungary, Poland	Fe.Re.Germany, USA.
69. 5127138	Hungary, Poland	Fe.Re.Germany, Japan, UK, USA, Switzerland.

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Appendix-I (contd.)

Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement
70. 5127141	Hungary	Fe.Re.Germany, UK, Japan.
71. 5127143	Hungary	Fe.Re.Germany, Italy, UK
72. 5127145	Hungary.	Fe.Re.Germany.
73. 5127203	Ger.Demo.Re.Hungary	Fe.Re.Germany, Italy.
74. 5127218	Bulgaria, Ger.Demo.Re. Hungary.	France, Fe.Re.Germany, UK.
75. 5127221	Hungary	Fe.Re.Germany, Japan, Switzerland.
76. 5127226	Hungary, Poland	Fe.Re.Germany, Italy, USSR, UK.
77. 5127227	Hungary, Poland	Fe.Re.Germany, USSR.
78. 5127233	Ger.Demo.Rep., Hungary	Fe.Re.Germany, Japan.
79. 5127238	Ger.Demo.Rep.	Czechoslovakia, Fe.Re. Germany.
80. 5127246	Ger.Demo.Rep., Hungary, Poland.	Czechoslovakia, Fe.Re. Germany, Italy.
81. 5127248	Hungary, Poland	Czechoslovakia, Fe.Re. Germany, Italy, Japan, Yugoslavia.
82. 5127251	Ger.Demo.Re., Hungary, Poland.	Fe.Re.Germany, Italy, Japan, USA.
83. 5127255	Bulgaria, Ger.Demo.Re.	Fe.Re.Germany, Switzerland Singapore.
84. 5127256	Hungary	Fe.Re.Germany, Romania, UK.
85. 5127258	Ger.Demo.Rep., Hungary.	--

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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
86. 5127264	Hungary.	Fe.Re.Germany.
87. 5127267	Ger.Demo.Rep., Hungary.	Fe.Re.Germany, Japan.
88. 5127274	Hungary.	Fe.Re.Germany, Japan, USSR.
89. 5127276	Hungary.	Italy, Japan.
90. 5127281	Bulgaria, Hungary, Ger. Dem.Re.	France, Fe.Re.Germany, Italy, Japan, UK, USA.
91. 5127301	Ger.Demo.Re.	Canada, Fe.Re.Germany, Japan, Sweden, Switzerland, UK, USA.
92. 5127401	Hungary.	Fe.Re.Germany, UK.
93. 5127402	Bulgaria, Hungary.	Fe.Re.Germany, Japan, UK.
94. 5127403	Hungary.	Fe.Re.Germany, Switzerland, UK.
95. 5127411	Ger.Demo.Rep.Hungary	Czechoslovakia, Fe.Re. Germany, Italy, Japan, Romania.
96. 5127413	Ger.Demo.Rep.Hungary, Poland, Bulgaria.	Netherlands, Denmark, France, Italy, Yugoslavia, Czechoslovakia, Fe.Re.Germany.
97. 5127414	Hungary.	Fe.Re.Germany, Netherlands, Switzerland, UK, USSR, Yugoslavia, France.
98. 5127415	Hungary.	Denmark, Netherlands, UK, USSR.
99. 5127416	Bulgaria, Poland, Hungary.	Canada, Fe.Re.Germ., Japan, Kuwait, Netherlands, Sweden, UK, USA, USSR, Yugoslavia.
100. 5127501	Ge.De.Rep., Poland.	Fe.Re.Germany, Netherlands, UK, USSR.

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Commodities	Countries which are under bilateral agreement.	Countries which are not under bilateral agreement.
101. 5127701	Ger.De.Rep.Hungary.	Fe.Re.Germany.
102. 5128105	Ger.Demo.Rep., Hungary, Poland.	Fe.Re.Germany, Japan, Switzerland, UK, USA.
103. 5128502	Ger.Demo.Rep., Poland.	France, Fe.Re.Germany, Japan, Netherland, Switzerland, UK, USSR.
104. 5128507	Ger.Demo.Rep.Bulgaria.	Belgium, France, Fe.Re.Germany, Japan, Switzerland, UK.
105. 5128518	Bulgaria.	Fe.Re.Germ., Netherland, Switzerland, UK.
106. 5128521	Ger.Demo.Rep.Hungary	Fe.Re.Germany, Japan, UK, USA.
107. 5128531	Bulgaria, Hungary, Poland.	France, Fe.Re.Germany, Netherland, Switzerland, UK, USA.
108. 5128600	Ger.Demo.Rep.Hungary	Czechoslovakia, Fe.Re.Germany, Denmark, Japan, Netherland, Switzerland, USSR.
109. 5129104	Ger.Demo.Rep., Hungary	Denmark, Fe.Re.Germany, Italy, Switzerland, UK, USA, Yugoslavia.
110. 5132303	Ger.Demo.Rep.	Fe.Re.Germany, Netherland, Japan, UK.
111. 5132403	Ger.Demo.Rep., Hungary	Fe.Re.Germany, Japan, Netherland, UK, Sweden.
112. 5132404	Hungary.	Fe.Re.Germany, UK, USA.
113. 5132406	Ger.Demo.Rep.	Belgium, Canada, France, Fe.Re.Germany, Italy, Japan, Netherland, Norway, UK, USA.

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Appendix I (contd.)

Commodities	Countries which are under bilateral agreement.	Countries which are not under bilateral agreement.
114. 5132701	Ger.Demo.Rep.	Canada, Fe.Re.Germany, Japan, USA.
115. 5132702	Hungary	Australia, Fe.Re.Germany, Japan, Romania, UK, USA.
116. 5133603	Hungary	Fe.Re.Germany, Sweden, USSR, Yugoslavia, Belgium.
117. 5133903	Hungary	Fe.Re.Germany, UK, USA
118. 5135301	Ger.Demo.Re., Hungary	Fe.Re.Germany, UK, USA, USSR
119. 5135501	Ger.Demo.Re.Hungary	Australia, Czechoslovakia, Finland, Fe.Re.Germany, Japan, Netherland, UK, USA, USSR.
120. 5135502	Bulgaria, <sup>Gen.</sup> Demo.Rep. Hungary.	Australia, Belgium, Czechoslovakia, Finland, France, Fe.Re.Germany, Italy, Japan, Netherland, UK, USA.
121. 5142303	Ger.Demo.Re.	Belgium, Czechoslovakia, France, Fe.Re.Germany, Italy, UK.
122. 5142504	Bul gar ia, Poland, Ger. Demo, Re. Hungary	Belgium, Chile, Fe.Re.Germany, Japan, Netherland, UK, USA.
123. 5142505	Ger.Demo.Re.	Fe.Re.Germany, UK, USA.
124. 5142601	Ger.Demo.Rep., Hungary.	Fe.Re.Germany, France, Switzerland, Netherland, UK, USA.
125. 5142906	Ger.Demo.Re.	France, Fe.Re.Germany.
126. 5142907	Ger.Demo.Re.	France, Fe.Re.Germany, Italy, UK, Japan, Netherland.

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## Appendix I (contd.)

Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
127. 5143101	Ger.Demo.Re., Hungary	Fe.Re.Germany, Japan, USA.
128. 5143102	Hungary.	Fe.Re.Germany, Japan, UK, USA
129. 5143104	Ger.Demo.Re.	Fe.Re.Germany, USA.
130. 5143105	Ger.Demo.Re.	Fe.Re.Germany.
131. 5143106	Ger.Demo.Rep.Hungary	Fe.Re.Germany, UK, USA.
132. 5143107	Ger.Demo.Rep.	Fe.Re.Germany, USA, USSR.
<u>X.D.y e.s :</u>		
1. 5342221	Hungary.	Japan, Ger.Demo.Rep., Fe. Re.German.
2. 5342231	Bul garia	Fe.Re.Germany, USA.
3. 5344025	Bulgaria	UK.
4. 5344079	Bulgaria, Hungary	France, Ger.Demo.Re.Fe. Re.Germ., Japan, Switzerland, UK.
5. 5345339	Hungary	Fe.Re.Germany, UK, USA, Japan.
6. 5345341	Hungary	Ger.Demo.Re.Fe.Re.Germany.
7. 5347109	Hungary	Fe.Re.Germany, UK.
8. 5347129	Bul garia, Hungary	France, Fe.Re.Germany, Japan, Switzerland, UK.
9. 5347179	Bulgaria, Hungary	Fe.Re.Germany, France, Italy, Switzerland, UK.
10. 5347316	Hungary	Fe.Re.Germany, Japan, UK, Italy, Switzerland.
11. 5348102	Hungary	Ger.Demo.Rep.Fe.Re.Germany, Netherland.
12. 5348121	Hungary	France, Fe.Re.Germany, Italy, Japan, Poland, UK.

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## Appendix I (contd.)

Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
13. 5348174	Hungary	Fe.Re.Germany, Italy, Japan, UK.
<u>XI. Drugs and Medicines</u>		
1. 5411005	Hungary	Denmark, Ger.Demo.Rep., Fe.Re.Germany, Japan, Netherlands, Switzerland, UK, USA, Yugoslavia.
2. 5411008	Hungary	Sweden, France, USA.
3. 5411013	Hungary	Ger.Demo.Rep., Fe.Re.Germany, Japan, Switzerland, UK, USA.
4. 5414021	Hungary, USSR	Fe.Re.Germany.
5. 5416204	Hungary.	France, Ger.Demo.Rep., Fe.Re.Germany, Italy, UK, USA.
6. 5417057	Hungary	Belgium, Italy.
7. 5417058	USSR	Denmark, Netherlands, Romania, UK.
8. 5417062	Hungary, Poland, USSR	Denmark, Ger.Demo.Rep., Fe.Re.Germany, France, Japan, Netherlands, UK, Yugoslavia.
9. 5417063	Hungary, Poland, USSR	Fe.Re.Germany, Romania, Switzerland, Netherlands, UK.
10. 5417064	Hungary, Poland, USSR	Czechoslovakia, Fe.Re.Germany, Ger.Demo.Re., Romania, UK.
11. 5417065	Bulgaria, Hungary, USSR	Denmark, France, Ger.Demo.Re., Fe.Re.Germany, Japan, Netherlands, UK.
12. 5417066	Hungary	Ger.Demo.Rep., Fe.Re.Germany, Denmark, Italy, Yugoslavia, Netherlands.

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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
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13. 5417086	Hungary, Poland, USSR	Denmark, Fe. Re. Germany, Japan, Yugoslavia.
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XII. Fertilizers.

1. 5611001	Poland, USSR	Austria, Fe. Re. Germany, Netherland, Sweden.
2. 5611002	Ger. Demo. Re. USSR	Canada, Fe. Re. Germany, UK, Netherland, USA.
3. 5611003	See Urea.	
4. 5613002	Ger. Demo. Re. USSR	Belgium, Canada, France, Fe. Re. Germany.

XIII. Urea

1. 5611003	Bulgaria, Poland	Belgium, Canada, France, Ger. Demo. Rep., Fe. Re. Germany, Japan, Netherland, Romania, Sweden, UK, USA, Yugoslavia.
2. 5127416	Bulgaria, Hungary, USSR	Canada, Fe. Re. Germany, Japan, Kuwait, Netherland, Poland, Sweden, UK, USA, Yugoslavia.

XIV. Newsprint.

1. 6411001	USSR	Canada, Czechoslovakia, Finland, Ger. Demo. Rep., Fe. Re. Germany, Norway, Sweden, UK, USA.
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XV. Non-ferrous Metal.

1. 6851001	Bulgaria	Australia, Austria, Burma, Canada, Fe. Re. Germany, Netherland, UK, USSR, Zambia
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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
<u>XVI. Seamless Steel Pipes.</u>		
1. 6782000	Ger.Demo.Re.Hungary, Poland, USSR.	Australia, Austria, Bulgaria, Canada, Czechoslovakia, France, Fe.Re.Germany, <del>Poland</del> , Italy, Japan, Nether- land, Romania, Sweden, Switzer- land, UK, USA
<u>XVII. Tractors</u>		
1. 7125002	Bulgaria, Romania, USSR	UK, Yugoslavia.
2. 7125003	Bulgaria, Czechoslovakia, Ge.De.Re.Romania,	Japan, Singapore, Switzerland Yugoslavia, Poland, UK.
<u>XVIII. Printing Machinery.</u>		
1. 7182100	USSR	Ger.Demo.Rep., Switzerland, USA.
2. 7182902	Czechoslovakia, USSR	Ger.Demo.Rep., Fe.Re. Germany, Hungary, Italy.
3. 7182919	USSR	Austria, Ceylon, France, Italy, Poland, Netherland, Ger.Demo.Rep., USA, Finland, Sweden, Switzerland, UK.
<u>XIX. Wood and Metal Working Machinery.</u>		
1. 7195203	Poland	UK, Yugoslavia.
2. 7152109	Czechoslovakia	Japan, Netherland, UK.
3. 7152202	Czechoslovakia, Poland	Belgium, Ger.Demo.Rep., Fe.Re.Germany, USSR, Austria, USA, Japan, UK, Hungary.
<u>XX. Ball, Roller and Taper Bearings.</u>		
1. 7197101	Czechoslovakia, Hungary, USSR, Romania	Japan, Netherland, Fe.Re. Germany, Sweden, Switzerland, UK, USA, Austria, Italy.

cont...

Commodities	Countries which are under bilateral agreement.	Countries which are not under bilateral agreement.
2. 7197103	Czechoslovakia, Hungary, USSR, Romania.	Austria, Belgium, Canada, Ger. Demo. Re., Fe. Re. Germany, Italy, Japan, Poland, Netherlands, Qatar, Sweden, UK, Switzerland, USA.
3. 7197105	Czechoslovakia, USSR	France, Ger. Demo. Rep., Fe. Re. Germany, Japan, Netherlands, Yugoslavia, Poland, Italy, Switzerland, Austria, Sweden, UK, USA, France.
4. 7197106	Czechoslovakia, Hungary, Romania, USSR	France, Ger. Demo. Rep., Fe. Re. Germany, Japan, Poland, Sweden, Switzerland, UK, USA.
5. 7197107	Czechoslovakia, Hungary, USSR, Romania	Austria, Austria, France, Ger. Demo. Re., Italy, Japan, Netherlands, Poland, Sweden, Switzerland, UK, USA.
6. 7197108	Czechoslovakia, Hungary, USSR, Romania	Canada, Fe. Re. Germany, Japan, Poland, Qatar, USA, Sweden, UK
7. 7197201	Hungary, Romania, USSR	Austria, Fe. Re. Germany, Italy, Poland, Sweden, UK, USA.
8. 7197203	Czechoslovakia, Hungary, USSR, Romania	Austria, Denmark, France, Fe. Re. Germany, Italy, Poland, Sweden, Japan, Switzerland, UK, USA, Japan.
9. 7197204	Czechoslovakia, USSR	Fe. Re. Germany, Italy, Japan, Poland, UK.
10. 7197303	Czechoslovakia, Hungary, USSR	Austria, Canada, Denmark, France, Ger. Demo. Re., Fe. Re. German, Korea, D. Re. Netherlands, Nigeria, Spain, Sweden, Switzerland, Yugoslavia, UK, Poland, Japan, USA.

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Commodities	Countries which are under bilateral agreement	Countries which are not under bilateral agreement.
11. 7197305	Czechoslovakia, Romania, USSR.	Japan, Spain, Sweden, Fe.Re. German, UK, France, Poland.
12. 7197402	USSR.	Austria, Poland, Sweden, UK, USA, Fe.Re. Germany, Sweden.
13. 7197901	USSR	Fe.Re. Germany, Japan, UK.

Appendix II

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Indian Imports

January-December 1974.

Commodities	Countries which are under bilateral agreements	Countries which are not under bilateral agreements
I. Fish Fresh.		
1. 0311001	Bangladesh.	--
II. Dried fish		
1. 0312001	Bangladesh.	--
III. Fruits.		
1. 0517201	Afghanistan	Iran, Iraq.
2. 0517202	Iran	Afghanistan.
IV. Dates.		
1. 0520101	Iran, Iraq	Mascat, Kenya.
2. 0520102	Iran, Iraq	Muscat, Kenya.
V. Raw Cotton.		
1. 2631201	Sudan	United Arab Republic.
2. 2631203	Sudan	Peru, Uganda, United Arab, Rep., USA.
3. 2631204	Sudan	Uganda, United Arab Rep. USSR.
VI. Raw Jute.		
1. 2640001	Bangladesh	Nepal.
VII. Rock Phosphate.		
1. 2713001	Jordan	Morocco, Spain, Sp. Sahara, USA.
VIII. Minerals.		
1. 2741000	Iran	Bahrein Is, Canada, Fe. Re. Germany, Iraq, Poland, UK, USA, USSR.

cont...



Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
IX. Asafoetida.		
1. 2922114	Iran.	Afghanistan, Iraq.
X. Chemicals.		
1. 5121202	Poland.	USA.
2. 5121301	Poland.	-
3. 5121306	Czechoslovakia	-
4. 5121307	USSR	UK, USA.
5. 5121312	Poland, USSR	-
6. 5121325	Bulgaria, Poland	Belgium, Fe.Re.Germany, Italy, Japan, Netherland, Switzerland, U.K., U.S.A.
7. 5121403	Poland.	Italy.
8. 5121404	Poland.	Japan.
9. 5121412	Ger.Demo.Rep. Romania, Hungary.	UK.
10. 5121415	Ger.Demo.Rep., USSR.	Belgium, Fe.Re.Germany, Netherland, UK.
11. 5121422	Poland, USSR	UK, USA.
12. 5121423	Hungary, Poland, Romania, USSR.	Fe.Re.Germany, Italy, Netherland, UK, USA.
13. 5122205	Hungary.	Belgium, France, Fe.Re. Germany, Italy, Japan, Netherland, UK.
14. 5122217	Bulgaria, Hungary, Romania	Belgium, France, i.e. Re.Germany, Japan, Netherland, UK, USA.
15. 5122306	USSR.	France, UK, USA.

Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
16. 5122501	Poland.	Belgium, Denmark, Fe.Re. Germany, Japan, Netherland, USA.
17. 5122509	Poland.	Fe.Re. Germany, Japan, UK, USA, Denmark.
18. 5122703	USSR.	Fe.Re. Germany, Japan, Switzerland, UK.
19. 5122708	Hungary.	Fe.Re. Germany, Japan, Netherland, Belgium.
20. 5122711	Poland.	Fe.Re. Germany, Japan, Netherland, UK.
21. 5122814	Ger. Demo. Rep.	Italy.
22. 5123104	Ger. Demo. Rep.	Belgium, Fe.Re. Germany, UK.
23. 5123111	Ger. Demo. Rep. Hungary, Poland.	France.
24. 5124102	Poland.	Belgium, France, Fe.Re. Germ., Japan, Netherland, Switzerland, UK, USA.
25. 5124107	Poland.	Belgium, France, Japan, Netherland, UK, USA.
26. 5124108	Poland.	Belgium, France, Fe.Re. Germ., Italy, Japan, Netherland, Norway, UK, USA.
27. 5124112	Romania.	Belgium, Netherland, Switzerland, UK, USA, Fe.Re. Germany.
28. 5124114	Hungary, Poland.	Belgium, Fe.Re. Germany, Japan, Netherland, Singapore, Switzerland, UK, USA.
29. 5124317	Hungary.	Fe.Re. Germany, UK, USA.

contd...

Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
30. 5124321	Poland.	Fe.Re.Germany.
31. 5125101	USSR	Fe.Re.Germany, Yugoslavia.
32. 5125102	Ger.Demo.Rep., USSR	Fe.Re.Germany.
33. 5125106	Hungary.	Belgium, France.
34. 5125108	Ger.Demo.Rep.	Fe.Re.Germany, UK, USA.
35. 5127101	Poland, Romania	Belgium, Japan.
36. 5127116	Poland, USSR	Fe.Re.Germany, Italy, Japan, Netherland.
37. 5127121	Bulgaria, Poland, USSR.	Fe.Re.Germany, Italy, Japan, UK, USA.
38. 5127123	Poland, USSR.	Fe.Re.Germany, Japan, Netherland, UK, USA.
39. 5127131	Poland, USSR.	Fe.Re.Germany, Netherland.
40. 5127134	Ger.Demo.Rep. Hungary, USSR.	France, Fe.Re.Germany, Italy, Netherland.
41. 5127135	Hungary.	Fe.Re.Germany, Netherland.
42. 5127136	Poland.	Netherland, Fe.Re.Germany.
43. 5127145	Poland	Fe.Re.Germany.
44. 5127221	Hungary.	Fe.Re.Germany, Italy.
45. 5127222	Ger.Demo.Rep.	Belgium, Fe.Re.Germany, Italy, UK.
46. 5127227	Ger.Demo.Rep.	Fe.Re.Germany.
47. 5127233	Ger.Demo.Rep.	Belgium, Fe.Re.Germany, Japan.
48. 5127238	Ger.Demo.Rep. Poland.	Fe.Re.Germany, Japan, UK.

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Appendix II (contd.)

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
49. 5127246	Ger.Demo.Rep, Poland	Fe.Re.Germany, Italy,
50. 5127248	Ger.Demo.Rep.Poland.	Belgium, Fe.Re.Germany, Italy, Japan, Netherland, UK, USA.
51. 5127251	USSR.	Fe.Re.Germany, Japan, Netherland.
52. 5127255	Ger.Demo.Re.Poland	Belgium, Fe.Re.Germany, UK, Switzerland.
53. 5127256	Romania	Fe.Re.Germany, Japan, UK, USA.
54. 5127258	Ger.Demo.Rep.	-
55. 5127274	USSR	-
56. 5127301	Ger.Demo.Re., Hungary	Denmark, Fe.Re.Germany, Japan, Netherland, UK, USA.
57. 5127401	Hungary.	-
58. 5127408	Poland.	France, Fe.Re.Germany.
59. 5127411	USSR	Fe.Re.Germany, Japan.
60. 5127416	Bulgaria, Poland, Romania, USSR.	Japan, Kuwait, Netherland, UK, USA, Norway, Belgium, Fe. Re. Germany, Italy.
61. 5127501	Ger.Demo.Re.	Japan, USA, Netherland.
62. 5127600	Ger.Demo.Re.	Fe.Re.Germany, Japan, UK.
63. 5128502	Hungary.	Netherland, UK.
64. 5127509	Hungary	Fe.Re.Germany, Japan.
65. 5127701	Hungary.	Fe.Re.Germany.
66. 5128514	Hungary, USSR	Belgium, Italy, Japan, Netherland, USA.

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Appendix II (contd.)

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
67. 5128517	Hungary.	Belgium, France, Japan, UK, USA, Fe.Re.Germany, Nether- land.
68. 5129104	Hungary.	Fe.Re.Germany, Italy, Lebanon, Netherland, Switzerland, UK, USA.
69. 5132403	USSR.	Japan, Fe.Re.Germany.
70. 5132405	Poland.	Fe.Re.Germany, Italy, Japan, Sweden, UK, USA, Canada, Netherland, Australia, Belgium.
71. 5132406	Ger. Demo. Re. USSR.	Belgium, Denmark, France, Fe.Re.Germany, Japan, Nether- land, Norway, Sweden, UK, USA, Hongkong.
72. 5132701	Ger. Demo. Rep.	Fe.Re.Germany, Japan, USA.
73. 5134102	Hungary.	Fe.Re.Germany.
74. 5135501	Czechoslovakia, Poland.	Belgium, France, Fe.Re. Germ. Japan, Netherland, UK, USA.
75. 5135502	Czechoslovakia.	Australia, Austria, Belgium, Canada, Fe.Re.Germany, Japan, Netherland, UK, USA.
76. 5136203	Romania, USSR.	Italy, UK.
77. 5136502	Czechoslovakia.	Belgium, Canada, France, Fe. Re.Germany, Japan, Netherland UK, USA, Italy, Sweden.
78. 5136901	Hungary.	Belgium, Netherland, UK, USA, Fe.Re.Germany, Japan.
79. 5141403	Bulgaria	Belgium, Fe.Re.Germany.

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## Appendix II (contd.)

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
80. 5142503	Bulgaria.	Belgium, Fe.Re.Germany.
81. 5142802	Romania	-
82. 5143104	Ger.De.Rep.	Belgium, Fe.Re.Germ., Netherland.
83. 5143105	Ger.Demo.Re.Hungary.	Fe.Re.Germany, Hungary.
84. 5143107	Ger.De.Rep.	Fe.Re.Germany, UK.
85. 5149502	Ger.Demo.Rep., Poland.	France, Fe.Re.Germany, Norway, UK, USA, Japan.
XI. Medicinal and Pharmaceutical Products.		
1. 5411001	Bulgaria	Belgium, France, Netherland UK, Switzerland, Fe.Re. Germany.
2. 5411013	Bulgaria, Hungary	Belgium, France, Fe.Re. Germany, Japan, Netherland, Switzerland, UK, USA.
3. 5414021	Bulgaria	Fe.Re.Germany, Italy, Netherland, UK.
4. 5414027	Bulgaria, Hungary.	Belgium, France, Ger. Demo.Re., Fe.Re.Germany, UK.
5. 5417066	Hungary, Poland.	Denmark, Fe.Re.Germany, Sweden, UK, Yugoslavia.
6. 5411007	Hungary.	Fe.Re.Germany, Italy, Japan, Netherland, Swit- zerland.
7. 5414001	Hungary.	Fe.Re.Germany, Israel, UK.
8. 5414008	Hungary.	Belgium, France, Fe.Re. Germ, Netherland, U.K.

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
9. 5414012	Hungary.	Fe.Re.Germany, Switzerland.
10. 5414013	Hungary.	-
11. 5417011	Hungary, Poland, Bangladesh.	France, Fe.Re.Germany, UK, Japan, Netherlands, USA.
12. 5417061	Hungary.	Fe.Re.Germany, Japan, Netherlands.
13. 5417062	Poland.	Japan, Netherlands.
XII. Fertilizers.		
1. 5611001	Romania, Poland.	Belgium, Finland, France, Ger.Demo.Re., Fe.Re.Ger- many, Italy, Japan, Nether- land, Spain, Sweden.
2. 5611002	Romania, USSR.	Belgium, Canada, Italy, Japan.
3. 5611003	Bulgaria, Korea, D.Rep. Poland, USSR, Romania.	Belgium, Finland, Fe.Re. Germany, Italy, Japan, Kuwait, Netherlands, Saudi Arabia, UK.
4. 5613001	USSR.	Belgium, Canada, Ger.Demo. Re.Fe.Re.Germ, USA.
5. 5613002	USSR.	Canada, Ger.Demo.Rep., Fe.Re.Germany, USA.
6. 5619001	Bulgaria, Poland, USSR, Romania,	Belgium, France, Canada, Fe.Re.Germany, Italy, Kuwait, USA, Netherlands.
XIII. News Point Paper.		
1. 6411001	Bangladesh.	Belgium, Canada, Czechoslova- kia, Finland, Fe.Re.Germany, Norway, Sweden, UK, USSR, Poland.

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
XIV. Seamless Pipes.		
1. 6782300	Czechoslovakia.	Australia, Austria, Belgium, Bulgaria, France, Ger. Demo. Re. Fe. Re. Germ, Hungary, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, UK, USA, USSR, Romania, Canada.
2. 6782400	Czechoslovakia	Argentina, Australia, Belgium, Bulgaria, Canada, Finland, France, Ger. Demo., Re. Fe. Re., Germany, Hungary, Italy, Japan, Netherlands, Poland, Romania, Spain, Sweden, UK, USA, USSR, Switzerland.
XV. Non-Ferrous Metal.		
1. 6821100	USSR.	Japan, UK.
2. 6821201	USSR.	Canada, Congo, P. Rep., Zaire Rep., Fe. Re. Germany, Japan, Kenya, Other East Africa, Tanzania, UK, USA, Zambia,
3. 6821209	USSR.	UK.
4. 6822105	USSR.	Fe. Re. Germany, UK.
5. 6822109	USSR.	France, Fe. Re. Germany, Japan, Switzerland, Poland, Sweden, UK, USA.
6. 6822122	USSR.	France, Fe. Re. Germany, UK, USA.
7. 6822221	USSR.	Belgium, Denmark, France, Fe. Re. Germany, Japan, Netherlands, Sweden, Switzerland, UK, USA, Australia, Hungary.

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
8. 6822501	USSR.	Australia, Canada, Finland, France, Fe.Re.Germany, Hongkong, Italy, Japan, Netherlands, UK, USA, Switzerland.
9. 6822502	USSR.	Australia, China Re.Fe.Re. Germany, Italy, Japan, Netherlands, Poland, Switzerland, UK, USA.
10. 6832101	USSR.	Australia, Belgium, Canada, France, Fe.Re.Germany, Netherlands, UK, USA, Sweden, Hungary.
11. 6842101	USSR.	Belgium, France, Fe.Re. Germany, Italy, Sweden, Switzerland, UK, USA.
12. 6842119	USSR.	Fe.Re.Germany, Italy, Netherlands, USA, Hongkong, Japan.
13. 6861001	USSR.	Australia, Canada, Congo, P.Rep., Zaire R.Re., Italy, Japan, Korea Re., Malawi, Mexico, Poland, Singapore, UK.
XVI. Diesel Engine.		
7115605	Romania.	Czechoslovakia, Australia, Austria, Canada, France, Ger. Demo.Rep., Fe.Re.Germany, Italy, Japan, Netherlands, Poland, Singapore, Sweden, Switzerland, UK, USA, USSR.
XVII. Tyres and Axles for Railway Wagons.		
1. 7317001	Poland.	Fe.Re.Germany, UK.

cont...

Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
2. 7317002	Hungary, Poland.	Czechoslovakia, France, Fe.Re.Germany, Italy, Japan, Korea Re., UK.
XVIII. Textile Machinery.		
1. 7171104	Poland.	Fe.Re.Germany, Japan,
2. 7171314	Poland.	Austria, Belgium, Denmark, France, Ger.Demo.Rep., Fe.Re.Ger., Japan, Lebanon, Malaysia, Netherland, Singapore, Spain, Sweden, Switzerland, UK, USA, Bangladesh.
3. 7171315	Poland.	Austria, Belgium, Czechoslovakia, France, Ger.Demo.Rep., Fe.Re.Germany, Hungary, Italy, Japan, Netherland, Sweden, Switzerland, UK, USA, USSR, Denmark.
4. 7171318	Poland.	Belgium, France, Ger.Demo.Re., Fe.Re.Germany, Hungary, Italy, Japan, Netherland, Switzerland, UK, USA, Romania.
5. 7171321	Poland.	Belgium, France, Ger.Demo.Re., Fe.Re.Germany, Italy, Japan, Netherland, Sweden, UK, USA.
6. 7171539	Poland.	Austria, Belgium, Czechoslovakia, Denmark, France, Ger.Demo.Re., Fe.Re., Germany, Hungary, Italy., Japan, Netherland, Kenya, Singapore, Spain, Sweden, Switzerland, UK, USA, USSR.
XX. Rotary Printing Presses.		
1. 7182902	Ger.Demo.Re.	Fe.Re.Germany, Poland, UK, USSR.
2. 7182904	Ger.Demo.Re.	Fe.Re.Germany, Netherland, UK.

cont..

Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
XX. Mining Machinery.		
1. 7184206	Poland.	Canada, Japan, UK, USA.
XXI. Drilling Equipments.		
1. 7184207	USSR.	Fe.Re.Germany, Romania, UK, USA, Sweden.
XXII. Crushing, Grinding and Dressing Equipments.		
1. 7198004	USSR.	Japan.
2. 7156101	USSR.	Belgium, Czechoslovakia, Fe.Re.Germany, Poland, UK, Ger.De.Re.
3. 7156103	USSR.	Czechoslovakia, France, Ger.Demo.Re.Fe., Re.Germany, Netherland, Poland, Sweden.
XXIII. Pumps.		
1. 7192101	USSR.	Australia, Czechoslovakia, Fe.Re.Germany, UK, USA, Japan.
2. 7192102	USSR.	Czechoslovakia, France, Ger. Demo.Rep., Fe.Re.Germany, Japan, Netherland, Norway, UK, U.S.A.
3. 7192103	USSR.	Belgium, Czechoslovakia, Fe. Re.Germany, Poland, UK, USA, Japan, Romania.
4. 7192105	USSR.	Ger., Demo.Rep., Fe.Re.Ger- many, Poland, Sweden, UK, USA, Japan.
5. 7192107	USSR.	Austria, Denmark, France, UK, Fe.Re.Germany, Italy, Poland, USA.
6. 7192108	USSR.	Denmark, France, Fe.Re.Ger- many, Netherland, UK, USA, Sweden, Switzerland.

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Commodities	Countries which are under bilateral agreements.	Countries which are not under bilateral agreements.
7. 7192201	USSR.	Australia, Belgium, Canada, Czechoslovakia, France, Ger. Demo. Rep. Fe. Re. Germany, Italy, Japan, Netherland, Poland, Sweden, Switzerland, UK, USA.
8. 7192203	USSR.	Australia, Belgium, Ger. Demo. Rep. Fe. Re. Germany, Japan, Poland, Sweden, Switzerland, UK, USA.
XXIV. Surveying Equipment.		
1. 8619109	USSR.	Belgium, Canada, Denmark, Ger. Demo. Re., Fe. Re. Germany, Hungary, Japan, Netherland, UK, Switzerland, USA, Yugoslavia, Poland, Kenya.
XXV. Cinematographic Colour Film and X-ray Film.		
1. 8624101	Ger. Demo. Rep.	Belgium, Czechoslovakia, Denmark, France, Fe. Re. Germany, Japan, UK, USA.
2. 8624204	Ger. Demo. Re.	Belgium, Canada, Fe. Re. Germany, Japan, Netherland, Singapore, UK, USA, USSR.

Sources: (A) Report on Currency & Finance, Vol. I, 1973-74.

(B) Monthly Statistics of Foreign Trade of India, Vol. II, Imports.

- 1) January, 1974.
- 2) February, 1974.
- 3) March, 1974.
- 4) December, 1974.

Appendix IIINAME OF THE COMMODITY ACCORDING TO ARTICLE CODE NUMBERFresh Fish.

0311001 Hilsa.  
0312001 Fish Wet Salted.

Rice

0422001 Rice Glazed Polished broken.  
0422002 Rice Glazed Polished Paraboiled.  
0422003 Rice Glazed Polished excluding paraboiled.

Fresh Fruits

0515000 Grapes Fresh.  
0517201 Almonds.  
0517202 Pistachio nut.

Dry Fruits

0520101 Dates Dry soft.  
0520102 Dates dry hard.  
0520109 Other tropical fruits.  
0520200 Figs Dried.  
0520301 Raisins.  
0520309 Sultanas and other dried grapes.  
0520901 Apricots.  
0520902 Plums and Prunes.

~~0520303~~

Clove

0752301 Clove Extracted.  
0752302 Clove not extracted.  
0752401 Nut Megs.

Hides and Skins.

2119019 Hide and skin excluding fur skin.

Rubber.

2311001 Natural rubber heavy.  
2312001 Acrylonitrile Rubber.

Wood Pulp.

- 2512000 Mechanical Wood Pulp.  
 2516000 Chemical wood pulp, Dissolving Grade.  
 258100 Sulphite Wood pulp unbleached.

Wool.

- 2621000 Sheep lamb wool Greasy etc.

Raw Cotton.

- 2631201 Foreign cotton below 25 PT5 mm (1")  
 2631202 Foreign cotton 25 PT 5 mm Below 27 mm(1 1/16")  
 2631203 Foreign cotton 27 mm to below 30 mm(1 3/16")  
 2631204 Foreign cotton 30 mm and above (1 3/16").

Jute.

- 2640001 Row Jute.

Sisal

- 2654001 Sisal fibre and waste.

Synthetic Fibres.

- 2662102 Polyester fibre.  
 2662109 Other fibre not carded or combed.

Viscose.

- 2663101 Viscose Rayon Fibre.

Phosphate.

- 2713001 Rock phosphate.

Sulphur

- 2741000 Sulphur excluding sublimed etc. Sulphur.

Asbestos

- 2764001 Asbestos fibre spinnable.  
 2764019 Other non-spinnable asbestos Fibre.  
 6638105 Packings Gaskets.  
 6638109 Fabricated Asbestos and Articles NES.  
 7231111 Asbestos covered wire.  
 6618302 Asbestos cement sheets.

Gum & Resins

- 2922113 Arabic Gum.  
2922114 Asafoetida.  
2922115 Benjamin Ras.

Refractories.

- 6623300 Refractory cement or Mortars.  
6637002 Silicon carbide crucibles.

Chemicals

- 512 Organic Chemicals  
5121303 Benzo Trichloride.  
5121304 Benzal Chloride  
5121324 Trichloethylene.  
5121413 Nitro Benzene.  
5121211 Xylenes.  
5121404 Dinitrochlorobenzene.  
5121100 Styrene.  
5121204 Diphenyl Methane  
5121208 Toluene Chemically or commercially pure.  
5121305 Carbon Tetra-chloride  
5121306 Chlorobenzene.  
5121307 Chlorofluoromethans.  
5121308 Chloroform  
5121325 Vinyl Chloride.  
5121339 Halogenated Derivatives, hydrocarbons NES.  
5121402 Dichloronitrobenzene.  
5121415 Orthonitrochlorobenzene.  
5121422 Ortho Nitrotolune.  
5121424 Para Nitrotolune orthsulphonic acid.  
5121205 Dodecyl Benzenes.  
5121321 Tetrachloroethane  
5121411 Napthln Disulphomic acid.  
5121414 Metanitrochloro Benzene

5121413	Nitro Benzene.
5121416	Para Nitrochlorobenzene
5121423	Para Nitrotolune.
5121425	Phnyl Isocynate.
5121426	Tolune Diisocynate.
5121406	Isocynates Disocynnts Hydrocarbons NES.
5121403	Meta Dintrobenzene.
5121202	Benzene.
5121301	Benzal Chloride.
5121312	DDT
5121412	Naphthline sulphonic acid.
5122100	Methyl Alcohol.
5122202	Butyl Alcohol
5122215	Pentaerythritol.
5122221	Sorbitol.
5122305	Phnylethyl Alcohol.
5122509	Fatty Alcohol NES
5122701	Carbolic acid commercial.
5122711	Beta Naphthol
5122714	Thymol.
5122207	Isobutyl Alcohol.
5122217	Propylene Glycol.
5122301	Benzyl Alcohol
5122303	Cinnamic Alcohol.
5122702	Carbolic acid pure.
5122704	Crasylic acid commercial.
5122201	Amyl Alcohol
5122205	Ethylene Glycol.
5122208	Isopropyl alcohol.
5122211	Linalol.
5122214	Octanol.
5122304	Menthol.
5122306	Terpineol.



5122703	Para cresol.
5122806	G Acid salts.
5122815	Trichloro phenol and Derivatives.
5122204	Dimethyl Octanol.
5122212	Mannitol.
5122503	Oleyl Alcohol.
5122713	Resorcinol.
5122216	Propanol.
5122713	Resorcinol.
5122501	Cetyl Alcohol.
5122509	Fatty alcohol NES.
5122708	Alpha Naphline.
5122812	Para Nitrophenol.
5122402	Ethyl Alcohol Denaturd.
5122504	Stenyl Alcohol.
5122712	Phenyl Phenols.
5123101	Anisole Derivatives.
5123103	Diphenyl Oxide.
5123104	Ethr Solvant.
5123106	Methyl Celosolve.
5123111	Potassium Guaiacol Sulphonate.
5123105	Isocugenol.
5124107	Ethyl Vanilin.
5124301	Acetone.
5124103	Butanal.
5124105	Cinamic Aldhyde.
5124111	Heliotropine.
5124200	Derivatives Oxygen function aldhys.
5124102	Benzaldehyde.
5124114	Vannilin.
5124303	Anthrquinone.
5124312	Diactone Alcohol.
5124321	Michlers ketone.

5124108	Formal dhyde.
5124112	Paraldehyde.
5124113	Phenylacetaldehyde.
5124305	Benzophenone.
5124322	Mush Keton.
5124101	Anigic Aldehyde.
5124317	Methyl Ethyl Keton.
5125106	Benzyl Benzoate.
5125135	Sodium Benzoate.
5125213	Phthalic Anhydride.
5125302	Citric acid.
5125101	Acetic acid.
5125102	Acetic anhydride.
5125105	Benzyl Acetate.
5125121	Formic acid.
5125124	Linalyl acetate.
5125125	Methyl Benzoate.
5125132	Phenyl acetic acid.
5125205	Dioctyl Phthalate.
5125303	Ethyl Aceto Acetat.
5125307	Lactic acid.
5125104	Benzoic acid.
5125108	Bornyl acetate.
5125127	Monochlorctic acid.
5125128	Oleic acid.
5125201	Adopic acid.
5125111	Butyl Acetate.
5125138	Terpinyl Acetate.
5125141	Trichloro Acetic acid.
5125317	Tartaric acid.
5125126	Methyl cinamate.
5125133	Phwyl Propylaceate.
5125204	Dimethyl Phthalate.
5125207	Maleic anhydride.

5125301	Calcium Gluconate.
5125122	Glycerol Monostert.
5125113	Estrs Acetic acid Derivatives NES.
5125107	Bismuth compounds of Monoacids.
5126102	Dimethyl sulphate.
5126304	Tricresyl Phosphate.
5127101	Aniline.
5127121	Dimethyl Aniline.
5127135	Meta Phenylene Diamine.
5127138	Ortho Toluidine.
5127142	Ortho Toluidine.
5127143	Para Toluidine
5127148	Xylidine Mixed.
5127208	Para Amino Benzoic acid.
5127212	Amino F. Acid.
5127237	Cleves Acid.
5127402	Aceto Acetanelide.
5127403	Aceto acetic ortho chloranilide.
5127411	Jacid Urea.
5127413	Phenacetin.
5127244	Meta Diethyl Aminophnl.
5127414	Phenobarbital.
5127415	Phenobarbt sodium.
5127116	Diethylaniline.
5127134	Para Nitroaniline.
5127141	Meta Toluidine.
5127501	Hexamthylentetrmne not Fuel Medemnt.
5127222	Aminophyline.
5127226	Ortho Anisidine.
5127233	Chicago acid.
5127236	2 chloro 4 Toluidin 5 sulphnic acid.
5127246	Gamma acid.
5127255	Methyl Anthrnilate.
5127258	N Methyl para Aminophnol sulphate.

5127274	Sodium Naphthionte.
5127281	Triethanolamin
5127105	Benzidine Dihydrochloride.
5127113	Dichloro Benzidine Dihydrochloride.
5127206	Iaminoanthraquinon.
5127125	Ethylenediamine.
5127131	Alpha Naphnylanine
5127133	Meta Nitroaniline.
5127201	Acetyl Amino chloroanthraquinon.
5127216	Amino Nitrophenol.
5127217	Meta Aminophenol.
5127218	Para Aminophenol.
5127221	Aminophenol Sulphonic acid.
5127238	Para cresidine.
5127243	Diethanolamine.
5127247	Glutamic acid.
5127248	H acid.
5127251	J acid.
5127232	Broners acid.
5127272	Rhoduline acid.
5127274	Sodium Naphthionte.
5127301	Lecithins.
5127117	Diethyl M Toluidin.
5127123	Diphenylamine.
5127128	Monoethanolamine.
5127145	Meta Tolyln Diamin.
5127203	Para amino acetanilide.
5127256	Naphthionc acid.
5127267	Phenyl Peri acid.
5127276	Tobias acid.
5127401	Acetanilide.
5127701	Para Amino Azo Benzene.
5127122	Dimethyl Toludine.
5127146	Trichloroaniline.

5127202	Para actyl aminophenol.
5127252	Kochs acid.
5127266	Phenyl J Acid.
5127204	Amino acetic acid.
5127215	Amino Napthol Sulphonic acid.
5127277	Toludin Sulphonic acid.
5127404	Aceto Acetic para chloranilide.
5127136	Phenyl Alpha Naphthylamine.
5127234	Chloro ortho Amnphnl Sulphric acid
5127208	Para Amino Benzoic acid.
5127108	Para chloroaniline.
5127600	Nitrile function compound.
5127408	Dimethyl diphenyl urea.
5127509	Imide and Imine function compound.
5127264	Ortho Phenetidine.
5128502	Amino Pyridine.
5128507	Coumarin.
5128521	Melamine.
5128525	Phenyl Methhl Pyrazolone.
5128531	Pyridine.
5128527	Alpha picoline.
5128105	Thiourea.
5128518	Indole.
5128600	Sulphnamide excluding medicaments.
5128508	Dehydro Thio Para Toludn Sulphonic acid.
5128514	Epsilon caprolactum.
5128517	Hydroxy Quis 5 Line salts.
5128505	Carboxy pyrazolone.
5128101	Methione and calciumsalt.
5128516	Hydroxy N Methyl Quinoline.
5129101	Industrial enzymes.
5129104	Pepsin
5129102	Pancreatin pure.

Inorganic Chemicals (513 and 514).

5132404	Phosphorus white or Yellow.
5132500	Mercury Quiksilver.
5132702	Carbon Black for Rubber Industries.
5133603	Arsenic Trioxide.
5133903	Hydrofluoric acid.
5135501	Titanium Dioxide Anatase type.
5135502	Titanium Dioxide Rutile type.
5136800	Tin oxide.
5132302	Sulphur Precipitated.
5132701	Acetylene Black.
5133601	Arsenic acid.
5134103	Sulphur Oxychloride.
5136301	Potassium Hydroxide.
5136401	Barium Hydroxide.
5132405	Selenium
5132201	Bromine
5132401	Arsenic
5132403	Phosphorus red.
5133502	Phosphorous Pentoxide.
5135301	Persian Gulf red oxide Artificial.
5136201	Caustic soda flake.
5136502	Aluminium oxide.
5136905	Hydrazin Hydrate.
5132303	Sulphur sublimed.
5133102	Hydrochloric acid.
5136906	Molybdic acid.
5133906	Silica Gel.
5136203	Caustic soda solid.
5136404	Magnesium oxide.
5134102	Sulphur chloride.
5136901	Antimony oxide.
5141206	Iron chloride febric.

5142303	Sodium Hydrosulphate.
5143502	Potassium Permanganate.
5141201	Aluminium Chloride.
5141203	Barium Chloride.
5142411	Sodium Sulphate.
5142421	Persulphates.
5142504	Sodium Nitrite.
5142605	Potassium Phosphate Dibasic.
5142902	Ammonium Carbonate.
5142907	Potassium Carbonate
5143105	Potassium Ferrocyanide
5143106	Sodium Cyanide.
5143101	Ammonium Sulphocyanide
5141101	Aluminium Fluoride.
5141102	Cryolite Artificial.
5141103	Sodium Fluoride
5141302	Sodium Chlorite.
5142601	Calcium Hypophosphite
5142403	Barium Sulphite.
5142505	Strontium nitrate.
5142901	Ammonium Bicarbonate.
5142904	Calcium Carbonate excluding Natrl.
5143104	Potassium Ferrocyanide.
5143107	Sodium Ferrocyanide
5143108	Sodium Nitroprusside
5142601	Potassium Iodide.
5142906	Potassium Bicarbonate.
5142907	Potassium Carbonate.
5143102	Cyanide Potassium.
5141204	Calcium Chloride.
5142305	Sodium Thiosulphate.
5142503	Sodium Nitrate containing more 16%.Nitrogen.
5149502	Silicon Carbide Pure.
5149601	Calcium Silicide.

5142802 Sodium carbonate light.  
5143103 Double cyanide of potassium sodium.  
5141403 Sodium chlorate.  
5141402 Potassium chlorate.  
Dyes 5341109 Acid yellow Azo.  
5341209 Acid yellow Nonako.  
5341259 Acid Greene other Nonazo.  
5342259 Basic Green other.  
5342221 Basic red I.  
5342231 Basic violet I  
5344025 Dispers red 15  
5344079 Dispers Black  
5345339 Pigment violet  
5345341 Pigment Blue 15  
5347109 Reactive yellow.  
5347129 Reactive red.  
5347179 Reactive Black.  
5347316 Azoic Dazo component 41  
5348102 Vat yellow 4.  
5348121 Vat red I  
5348174 Vat Black 29.  
5341149 Acid Blues Azo.  
5345309 Pigment Yellow other.  
5345329 Pigment red other.  
5345359 Pigment Green other.  
5347317 Azoic Dazo component 48.  
5348112 Vat oranges 15  
5348141 Vat Blue 1.  
5348189 Reduced vat Blues.  
5341339 Acid Violet Azo.  
5343121 Direct red 28.  
5343129 Direct red other Azo.  
5343259 Direct Green Nonazo.



5345239 Solvant violet.  
Drugs & pharmaceutical products.  
 5417055 Phthalyl sulphathiazol.  
 5417062 Sulphaguanidine  
 5417063 Sulphanilamide.  
 5417066 Sulphamerazine.  
 5411004 Vitamin A.  
 5411005 Vitamin B<sub>1</sub>  
 5411006 Vitamin B<sub>2</sub>  
 5411008 Vitamin B<sub>12</sub>  
 5414011 Ergot Alkaloid.  
 5414021 Paraverin salt and Derivatives.  
 5417064 Sulphathiazole.  
 5417065 Sulphadiazine.  
 5416204 Pancretin Dried Powder Pencreas.  
 5417057 Succinyl sulphathiazole.  
 5417086 Sulphamezathin.  
 5411001 Cholines.  
 5411007 Vitamin B<sub>6</sub>  
 5411015 Vitamin B complex.  
 5414012 Ergotamine Tartrate.  
 5414027 Theophylline.  
 5414008 Ephedrine Hydrochlor.  
 5415002 Hydrocortisone Salt etc.  
 5415011 Hormon of Pituitary Gland NES.  
 5415012 Vitamin D.  
 5417011 Antimalarial Chloroquine and Chloroquine Phosphate.  
 5417056 Phthalyl Sulphacetamide.  
 5414013 Salt and Derivatives of Ergot.  
 5411013 Vitamin E.  
 5414001 Atropine Sulphate.  
 5416101 Digoxin.  
 5414012 Vitamin D.

Fertilizers.

- 5611001 Amonium Nitrate whether or not pure.
- 5611002 Amonium Sulphate whether or not pure.
- 5611003 Urea containing not more than 45% Nitrogen.
- 5613001 Potassium chloride pure.
- 5613002 Potassium Chloride commercial.
- 5613003 Potassium sulphate containing not more than 52 pc. k 20.
- 5619001 Ammonium phosphate containing not less than 8 MGRN Arsenic per kg.

News Print Paper.

- 6411001 Glazed News print.

Refractory

- 6623300 Refractory cements or Mortars.
- 6637002 Silicon carbide crucibles.

Seamless pipes and Tubes.

- 6782101 Seamless carbon steel tube upto 114 PT3 mm dia.

~~6782200~~

- 6782300 Other seamless tubes of Iron and Steel.
- 6782400 Seamless pipes.

Non-ferrous Metal.

- 6812101 Platinum not rolled.
- 6812109 Platinum Etc. not rolled others.
- 6822119 Brass worked NES.
- 6841009 Aluminium unwrought NES.
- 6841011 Aluminium alloys unwrought.
- 6842101 Aluminium Bars and rods.
- 6842119 Aluminium wire NES.
- 6842129 Aluminium Bars, Rods Etc others.
- 6842600 Fittings for tubes and pipes of Aluminium.
- 6842209 Plates, sheets etc. of Aluminium others.
- 6842500 Tubes, pipes Blanks etc. of Aluminium.

6851001 Piglead.  
6851009 Lead unwrought NES.  
6852100 Bars, rods Angles etc. of Lead.  
6852200 Plates, Sheets and strip lead.  
6852300 Foil powder flakes of lead.  
6861001 Zinc or Spelter.  
6893100 Magnesium and alloys unwrought.  
6862100 Bars, rods Angles etc. of zinc.  
6861011 Mazak or Alloys over 94% zinc.  
6862200 Plates, Sheets etc. of zinc.  
6861019 Zinc Alloys NES.  
6821201 Electric wire Bar of Copper.  
6822107 Copper wire NES.  
6822112 Brass rods.  
6822501 Tubes, pipes etc. of copper.  
6822502 Tubes, pipes etc. of Brass.  
6832101 Bars, rods etc. of Nickel.  
6822109 Copper worked.  
6822400 Powder flakes of copper and alloys.  
6831001 Nickel unwrought except electroplating Anodes.  
6822123 Wire of Bronze etc.  
6822609 Tube, pipe fittings of Bronze and Alloy.  
6832201 Plates, sheet strip and foil of Nickel.  
6894111 Tungsten Filament.  
6894112 Tungsten wire.  
6822129 Bronze etc. worked NES.  
6822202 Sheets Plates and Strip Copper NES.  
6832400 Electroplating Anodes of Nickel.  
6893209 Magnesium and alloys wrought NES.  
6894119 Tungsten worked NES.  
6821110 Blister and other unrefined copper.  
6822104 Copper Bars.

- 6832102 Bars rods etc. of Nickel Alloys.
- 6822212 Plates sheets and strips Brass NES.
- 6822221 Plates sheet strip Bronze and Alloys.
- 6832203 Plates etc. of Nickel alloys.
- 6821209 Other refined copper excluding alloys.
- 6822105 Winding wire copper Tinned Annealed.
- 6822122 Rods of Bronze etc.
- 6822509 Tubes pipes etc. of Bronze and Alloy.
- 6822101 Copper weld wire.

#### Diesel Engine

- 7115605 Piston Ring.

#### Agricultural Machinery and Implements.

- 7125002 Track type tractor.
- 7125003 Wheeled type tram tractor.
- 7125001 Garden Tractor.
- 7121105 Tractor ploughs NES.
- 7122001 Complete Assembled or not (Appliances Harvesting, Threshing sorting)
- 7121102 Rotary Tiller.
- 7121202 Parts for animal Drwn.
- 7122002 Parts for Harvesting threshing, sorting.

#### Metal Working Machinery.

- 7152202 Rolls for rolling mills.
- 7152203 Component part for rolling mills.
- 7152311 Spare parts for gas operated appliances.
- 7152301 Gas operated welding cutting machine.
- 7156102 Grinding Intrinal.
- 7156103 Grinding centreless.
- 7156111 Grinding surface.
- 7152109 Metalurgical equipments.
- 7156101 Grinding cylindrical, Plain and universal.

#### Textile and Leather making machinery.

- 7171304 Healds and Reeds containing machinery.

- 7171253 Knitting machine etc.
- 7171253 Knitting machine NES.
- 7171317 Parts accessories silk and manmade Fibre Spinning Weaving machinery.
- 7171322 Parts accessories knitting machinery and Manufacture of Tulle lace.
- 7171104 Cotton yarn reeling machine.
- 7171314 Parts accessories containing sspg. Machinery NES.
- 7171315 Parts accessories containing weaving machinery.
- 7171318 Parts accessories wool weaving machinery.
- 7171321 Parts accessories wool spinning machine.
- 7171539 Parts accessories of Textile machine covered by 717 15 NES.
- 7171313 Parts containing Hosiery Machinery.
- 7171316 Parts accessories Jute.
- 7171301 Card clothing for textile machinery.
- 7171307 Hosiery Needles.
- 7171324 Shuttles.
- 7172002 Component parts for boot shoes manufacturing machinery.
- 7172003 Leather Tanning curring machinery.
- 7171201 Cotton weaving automatic powerloom.
- 7171256 Machine for embroidery.
- 7171257 Machine for preparing yarn for manufacture of Tulle lace etc.
- 7172001 Boot shoe manufacturing machinery.
- Printing Book Binding machinery.
- 7182100 Book Binding machinery.
- 7182902 Offset rotary printing presses.
- 7182904 Rotary printing presses.
- 7184207 Petroleum and gas well drilling equipment.
- 7182212 Sterotyping apparatus.

- 7182214 Type setting machine.
- 7182219 Apparatus accessories Type founding Type setting NES.
- 7182919 Parts of Printing presses.
- 7182911 Roller composition.
- 7182204 Highly polished zinc sheet for process blocks.
- 7182207 Machinery other than machine tool etc.

Pumps

- 7192201 Pumps injection for Diesel Engine.
- 7192102 Pump oil for internal combustion engine.
- 7192103 Pump water for internal combustion engine.
- 7192105 Hand pumps.
- 7192106 Hydraulic ram.
- 7192107 Centrifugal pump electric motor operated.
- 7192108 Centrifugal pump engine operated.
- 7192201 Air gas compressor freepiston generator.
- 7192203 Vacuum pumps.

Lifting Equipments.

- 7193102 Conveyors Belt.
- 7193107 Power cranes.
- 7193113 Winches.
- 7193129 Parts accessories of lifting loading machinery etc.

Wood Working machinery

7195203

Ball Roller and Taper Bearings.

- 7197101 Adapter Ball bearing not exceeding 50 mm or 2 in bore diameter.
- 7197103 Ball bearing other than adaptor bearing not exceeding 50 mm.
- 7197105 Adapter Ball Bearing above 50 mm but not above 100 mm bore.
- 7197106 Adapter Ball bearing above 100 mm bore.

- 7197107 Ball Bearing excluding adaptor bearing between 50 mm to 100 mm bore.
- 7197108 Ball bearing excluding adaptor bearing above 100 mm bore.
- 7197201 Thrust ball bearing not exceeding 50 mm or 2 in bore diameter.
- 7197202 Thrust ball bearing exceeding 50 mm or 2 in bore diameter.
- 7197203 Thrust ball bearing.
- 7197204 Thrust Ball bearing exceeding 100 mm bore.
- 7197303 Tapered roller bearing not above 50 mm.
- 7197304 Taper roller bearing between 50 to 100 mm.
- 7197305 Taperd roller bearing above 100 mm bore.
- 7197306 Roller bearing radial not above 50 mm.
- 7197307 Roller bearing radial between 50 to 100 mm.
- 7197308 Roller bearing radial above 100 mm bore.
- 7197401 Thrust roller bearing not above 50 mm.
- 7197402 Thrust roller bearing between 50 to 100 mm.
- 7197901 Forgd steel balls.

Crushing and Grinding machinery.

- 7198004 Oilseed crushing and grinding machinery.

X-ray Apparatus

- 7262009 X-ray apparatus parts NES.
- 7262001 X-ray generator NES.
- 7262002 X-ray Tube and valve.

Laboratory Equipment

- 7295208 Testing machine.

Tyres and Axles for railway Equipments.

- 7317001 Axle bones brake gear for railways.
- 7317002 Rail Axle wheel etc. and wheel part.
- 7317003 Rail wagon and carriage axle etc.

Optical, Measuring and Scientific Instruments:

- 8611100 Optical Elements unmounted.

- 8611201 Photographic or projector lenses.
- 8613100 Binocular and Refracting Telescop NES.
- 8613201 Astronomical Instruments.
- 8613401 Corneal Microscope and Ear operating.
- 8613901 Telescope.
- 8614001 Photographic camera excluding cinematographic.
- 8616101 Image projector excluding cinematographic.
- 8616102 Photo excluding cine enlargers and reducers.
- 8618201 Tachometer.
- 8618203 Speedometer excluding air or sea.
- 8619201 5 Ga or Better Balances.
- 8619202 Balance parts excluding weights.
- 8619303 Calipers Verniers and Micrometers.
- 8619306 Gauges Ring.
- 8619402 Technical Models parts.
- 8619503 Mechanical appliances for testing physical properties of Industrial Materials.
- 8619603 Hydrometer and similar instruments.
- 8619702 Pressure Gauges.
- 8619821 Photometers.

X-ray Films.

- 8624101 X-ray Films and Plates.

Cinematographic Film.

- 8630100 Cine Film Developed with sound Track.
- 8630901 Feature film.
- 8624401 Cinematographic film undeveloped.

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Source: Monthly Statistics of Foreign Trade of India (1966 to 1977). Department of Commercial Intelligence and Statistics, Govt. of India.