This study attempts to analyse India's trade and the working of the State Trading Corporation in the Export Promotion with reference to Handicrafts and Handlooms Export Corporation.

The reason for choosing this topic was based on the facts that India had launched a massive expansion on diversification of Foreign Trade Programme through State Trading Corporation to explore new markets for Indian goods in Europe, East Europe, West Europe, North America, etc. As far as import is concerned, India is importing from North America, East Europe, European Common Market (ECM), European Free Trade Association (EFTA).

The State Trading Corporation of India, popularly known as STC, was set up in 1956 with an authorised capital of Rs. 1 crore at present the authorised capital is 30 crores.

The objectives of the State Trade Corporation are to enlarge and broaden the scope of India's exports and to arrange for essential imports on an economical basis.

As far as its role is concerned, the Corporation is intended to serve as an instrument of Government's foreign policy and has been functioning as an "economic fire-brigade".

The study has made commoditywise analysis of export/import
trade of India. Detailed statistical tables have been prepared and analysed for giving true picture of our foreign trade.

As regards the methodology, it is primarily a desk research work based on published data for the period of 1970-71 to 1984-85 which has been obtained from various national and international agencies. The reports of STC have also been carefully analysed for the purpose.

The work has been divided into five Chapters. The introductory chapter deals with India's foreign trade and development of India's economy after independence. Chapter II gives an account of the establishment of State Trade Corporation and its brief historical account.

The role of State Trading Corporation has been highlighted giving commoditywise and countrywise imports and exports during 1970-85 in Chapter III.

Chapter IV deals with the Handicrafts and Handlooms Export Corporation, a subsidiary of State Trading Corporation.

Chapter V presents a brief summary of all the chapters and contains conclusion. A number of suggestions have also been given to strengthen the STC for achieving its targets.