CHAPTER - VIII
INDIA AND REGIONAL ECONOMIC
GROUPINGS /TRADE BLOCS
India and Regional Economic Groupings / Trade Blocs

I. INDO-ASEAN Trade:

The Indo-ASEAN trade has developed over the years. From 1996-97 the Indian exports to ASEAN have moved up from 2657.68 to 336.49 million U.S. dollars in the year 2001-2002. Looking at the composition of India’s exports to ASEAN the gems and jewellery has topped the list of exports to ASEAN. From 289 million U.S. dollars the exports of gems and jewellery has gone up to 370.5 million U.S. dollars in the year 2001-2002. The next item of exports from India was electronic goods which is registered a growth from 175.44 million U.S. dollars 1996-97 to 317.17 million U.S. dollars in the year 2001-2002. India has exported oil meals to ASEAN of the value of 277.2 million U.S. dollars in the year 2001-2002. The next major export item from India to ASEAN is the drugs, pharmaceuticals and fine chemicals. It recorded an export of 159.68 million U.S. dollars in the year 2001-2002. The exports of machinery and instruments have in fact gone down when compared with exports made in the year 1996-97. In the year 1996-97 these exports were of the value of 165.09 million U.S. dollars. They went down to 151.73 million U.S. dollars in the year 2001-2002. The exports of sugar to ASEAN moved up from 59.95 million U.S. dollars in the 1996-97 to 139.2 million U.S. dollars (2001-2002). The growth has been significant when compared to the previous year of 2000-2001. In the year 2000-2001 the export of sugar to ASEAN was only 8.34 million U.S. dollars.

The other major products export to ASEAN includes aluminium other than product; meat and preparations, inorganic/organic/ agro chemicals; manufacturers of metals; cotton yarn and madeups; wheat; marine products; ground nuts; processed minerals; fresh vegetables; spices; finished leather etc.

The following Table 8.1 and Figure 8-A depict the Indo – ASEAN export scenario from 1996-97 to 2001-2002.
India also imports commodities from ASEAN. In the year 2,001-2,002 Indian imported goods worth 4010.9 million U.S. dollars which was 3.32 percent over and above the imports made in the year 2,000-2,001. In the year 2,000-2,001 India imported commodities of the value of 3882.14 million U.S. dollars. Earlier in the year 1996-97 Indian made imports worth 2921.16 million U.S. dollars.

Electronic goods were the major import item for India. From 336.86 million U.S. dollars in the year 1996-97, they imports of electronic goods went up to 1004.23 million U.S. dollars in the year 2,001-2,002. The import of vegetable oils (edible) also went up from 643.78 million U.S. dollars in the year 1996-97 to 1245.39 million U.S. dollars in the year 1999-

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2,000 but dropped down to 810.94 million U.S. dollars in the year 2,001-2,002. The import of organic chemicals was the next major item for India. The imports of organic chemicals went up from 212.25 million U.S. dollars (1996-97) to 248.99 million U.S. dollars. The import of wood and wood products from ASEAN went up from 100.8 million U.S. dollars (1996-97) to 224.16 million U.S. dollars (2,001-2,002). The import of non-electrical machinery was 110.46 million U.S. dollars (1996-97). It moved up to 187.37 million U.S. dollars (2,000-2,001) and 191.97 million U.S. dollars (2,001-2,002).

The other import items were printed books, newspapers, electrical machinery; transport equipment; natural rubber. The Table 8.2 and the Figure 8-B display the imports made by India from ASEAN.
The McKinsey report on trade and investment has painted a rosy picture predicting that India has the potential to increase trade with ASEAN from $9 billion in 2000 to $24-30 billion by 2007 at the compound annual growth rate (CAGR) of 15 to 18 per cent.

The report, presented on the opening day of India-ASEAN Business Summit organized by the Federation of Indian Chambers of Commerce and Industry (FICCI) and inaugurated by the Prime Minister, Atal Behari Vajpayee, struck an optimistic note about foreign direct investment (FDI). It indicated that FDI could also increase and reach to $800-1000 million by 2007.

Describing India as one of the largest emerging market economies in the world with a GDP (PPP adjusted) of around $2.4 trillion, the report observes that India is poised for sustained growth over the next five years. Trade is poised to grow at 11 per cent CAGR ($300 billion per annum in 2007) and foreign direct investment at 23 per cent CAGR ($10 billion per annum in 2007).

It has been pointed out by McKinsey that the $28-billion financial service sector has grown at around 15 per cent (in dollar terms) over the past few years. Revenues of the Indian banking sector have grown at 6 per cent CAGR (in dollar terms) over the past few years to reach a size of $15 billion. On the demand side, increasing incomes will be the single most powerful driver of the growth of this industry.

Consequently, the growth is expected to increase to $51 billion by 2007, at a CAGR of approximately 12 per cent in dollar terms. The report highlights the opportunities that exist for the ASEAN investors in the area of personal financial services (PFS), insurance and in value-added services in corporate banking. The Indian life insurance market should grow at 17-22 per cent over 2002-07, driven by deregulation and likely pension reforms.

According to the report, the key drivers of this growth are the increase in share of ASEAN in India's trade (from 6 per cent to 8-10 per cent) as well as the absolute increase in India's trade as it continues opening up and its GDP continues growing.

The document also highlighted substantial profitable opportunities and business synergies in India for ASEAN businesses. As a regional trade partner, India and ASEAN will have the advantage of exploring a geographically contiguous market of more than 1.5 billion people. Given ASEAN and India's desire to strengthen economic ties, from the private sector's point of view, bilateral trade is expected to exceed $20 billion within three to five years.
The first summit between India and the Association of South East Asian Nations registered a perfect take-off, even as the Prime Minister of Singapore, Goh Chok Tong, a long-time advocate of intensive links between New Delhi and the regional organisation, described the event as the acquisition of full-fledged capabilities by the jumbo-aircraft called ASEAN.

The ASEAN joined India in issuing a highly upbeat statement on this new dialogue process. The strategic vision of this new linkage at the highest level would be translated into a reality through "concrete programmes of cooperation" that would "comprehensively" combat "non-traditional security threats", inclusive of terrorism, within the framework of the existing ASEAN Regional Forum.

The ASEAN-India summit was planned to be held every year, although New Delhi was still to remain outside the ambit of the ASEAN-plus caucus that keeps the organisation proactively engaged with China as also Japan and South Korea within a collective framework. The next annual ASEAN-India summit was scheduled to be held in Bali, Indonesia.

With New Delhi fashioning a metaphoric wing of the ASEAN jumbo-jet, the other wing having been crafted by the organisation's East Asian neighbours, the summit between India and the Association acquired political and economic overtones that surpassed the symbolism of the event. The ASEAN held separate meetings with Japan and South Korea, too, while the ASEAN-China summit and the ASEAN+3 conclave, involving these three East Asian neighbours of the outfit, took place earlier.

New Delhi sought to match China and Japan by offering to move towards the creation of an ASEAN-India free trade area. China and the ASEAN inked a framework agreement for a free trade zone that could, if it materialises, down-size all other multilateral entities of this kind in about 10 years. Japan and the ASEAN entered into a "comprehensive economic partnership", with the Japanese Prime Minister, Junichiro Koizumi, playing the ace of a survivable economic superpower.

While India and the ASEAN evinced considerable interest in cooperating with each other in the ongoing global campaign against international terrorism, the defining parameter of the emerging new equation between the two sides at the highest political level was the joint move to firm up economic linkages.

The summit provided impetus for an exercise, already under way, to intensify economic cooperation between the two sides. Gaining the attention of the ASEAN was the
Prime Minister, Atal Behari Vajpayee's suggestion that this exercise be enlarged to explore avenues to the creation of an ASEAN-India free trade area in about a decade.

No new dimension was added, though, to the range of economic ties between the two sides, with the Malaysian Prime Minister, Mahathir Mohamad, commending a synergised two-way model.

While India was now helping Malaysia in the railways sector, Kuala Lumpur was involved in India's highways projects in a matching fashion. India's expertise in high-tech areas, including space-related economic applications, was valued by the ASEAN.

Outlining the broad thrust of the summit, the External Affairs Minister, Yashwant Sinha, dismissed suggestions that India was seeking to play out a smart-strategy to offset China's dragon-like grip over South East Asia and that New Delhi was eager to upset Beijing's strategic applecart, either on India's own initiative or at the behest of the ASEAN itself.

According to Mr. Sinha, mutuality of interests alone determined the ASEAN-India dynamic.

(II) Indo-CIS Trade

The Indian exports to CIS countries has not improved much as compared to the figures of 1996-97. The India's exports to CIS countries from 902.19 million U.S. dollars (1996-97) in went up to 1,063 million U.S. dollars in the year 1999-2000. However by 2,001-2,002 the exports to the CIS countries went down to reach a level of 970.92 million U.S. dollars.

India's major export items to the CIS countries include tea; coffee; RMG of cotton including accessories; drugs; pharmaceuticals and fine chemicals; RMG of man made fibers; RMG of wool; cotton yarn of fabrics madeups; machinery and instrument's etc.

The exports of RMG cotton including accessories from 33.11 million U.S. dollars in the year 1996-97 went up to 229.78 million U.S. dollars in the year 2,001-2,002. The other major export item to the CIS nations from India is drugs; pharmaceuticals and fine chemicals. The exports of these items moved up from 123.88 in the year 1996-97 to 133.49 million U.S. dollars in the year 2,001-2,002. There was also a growth experienced in the exports of tea. These exports went up from 88.91 million U.S. dollars (1996-97) to 114.79 million U.S. dollars (2,001-2,002) Similar was not the case with the exports of coffee to the CIS countries. These exports moved down from 100.8 million U.S. dollars (1996-97) to reach 67.86 million U.S. dollars (2,001-2,002). The exports of RMG of man made fibers
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from 12.35 million U.S. dollars (1996-97) reached 28.51 million U.S. dollars (1998-99) and further moved up to 53.22 million U.S. dollars in the year 2,001-2,002.

The exports of RMG of wool increased from 33.96 million U.S. dollars (1996-97) to 51.29 million U.S. dollars (2,001-2,002). The exports of cotton yarn of fabrics madeups unfortunately declined from 64.06 million U.S. dollars (1996-97) to 29.19 million US dollars (2001-2002). The exports of machinery & instruments did not change much. It was 24.48 million US dollars in the year 1996-97 and 26.02 million US dollars in the year 2001-2002. The biggest change over the previous year was posted by the export of transport equipment of 128.68%. In value terms these exports were negligible. Their exports was only 10.2 million US dollars in the year 2001-2002. The Table 8.3 and the Figure 8.3 display the major items of exports from India to CIS nations between 1996-97 and 2001-2002.
India also imports commodities from the CIS nations. The total value of the commodities imported by India in the year 1996-97 was $768.73 million U.S. dollars. The imports increased to $898.06 million U.S. dollars in the year 1997-98. There was a fall in the imports in the year 1998-99 when the imports slowed down to $698.41 million U.S. dollars. Again in the year 1999-2000 the imports picked up to reach $801.81 million U.S. dollars. The imports again fell down in the year 2000-2001 when they reached a figure of $681.03 million U.S. dollars. They again went up in the year 2001-2002 to reach a level of $740.15 million U.S. dollars.

The major commodities imported by India from the CIS nations include manufactured fertilizer; iron & steel; newsprint; Non-ferrous metals; synthetic and reclaimed rubber; Project goods; Non-electrical machinery; Inorganic chemicals; Organic chemicals; Silver; Gold; raw silk; Leather etc.

The manufactured fertilizer imported by India was on the value of the $156.25 million U.S. dollars in the year 2001-2002. The import of this item was of the level of $103.29 million U.S. dollars in the year 1996-97. Iron & steel was the next major import item for India. In the year 1996-97 iron & steel was imported by India to the tune of $108.79 million U.S. dollars. These imports went up to reach the level of $143.56 million U.S. dollars in the year 2001-2002. The other major import item was newsprint. Its import however fell down from $74.13 million U.S. dollars (1996-97) to $63.54 million U.S. dollars (2001-2002). The import of non-ferrous metals went down from $168.91 million U.S. dollars (1996-97) to $62.22 million U.S. dollars (2000-2002). There was a steep rise that was seen in the imports of synthetic and reclaimed rubber. From a level of $8.83 million U.S. dollars (1996-97) it moved up to a level of $30.88 million U.S. dollars (2001-2002). The imports of project goods improved a lot to reach a level of $25.56 million U.S. dollars (2001-2002) from $9.31 million U.S. dollars (1996-97). The import of non-electrical machinery however declined from a value of $30.34 million U.S. dollars (1996-97) to $22.67 million U.S. dollars (2001-2002).

The Table 8.4 and the Figure 8.1-D display the major imports made by India from CIS nations.
as regards the new capital that was being constructed in Kazakhstan which had created a lot of opportunities for construction. A delegation of 10-15 big construction companies was scheduled to head to Kazakhstan to attend ‘Astana-Build’ show from May 21-23. The CIJ plans to take an infrastructure mission to Astana, a business mission to Ukraine and oil and gas mission to the Russian Federation. Another mission is planned for Armenia, Georgia and Azerbaijan in September 2003 as well as an ‘Enterprise Show’ in Kyrgyz Republic in August 2003. The Govt. of India in January 2003 also initiated to carry out ‘multibonding’ exercise encouraging film makers, businessmen from consumer goods sector to develop trade links with Kyrgyzstan, Tajikistan and Uzbekistan. Earlier in 2000 The European Bank for Reconstruction and Development (EBRD) was prepared to support the Indian corporates to do business in Russia and the CIS countries. The EBRD works with the EXIM bank of India and provides necessary sponsorship required by an investor to make them eligible for a loan from EBRD. The export-import policy of India for 2002-2003 also focuses on the traditional ties with the countries of CIS and lays a stress on expanding bilateral trade with them because of the high growth potential that exists in the region. The special economic zones in Bishkek, Kyrgyzstan are major attractions for the foreign investors.

(III) Indo-European Union (EU) Trade

India carries strong trade links with the European Union. The exports made by India show that the European Union happens to be a strong partner in India’s foreign trade. In 1996-97 in India’s exports to European Union were 8662.6 million U.S. dollars which increased further to reach 9156.94 million U.S. dollars in the year 1997-98. In the year 2000-2001 the exports reached a mark of 10329.83 million U.S. dollars but again declined to 9841.53 million U.S. dollars in the year 2001-2002.

The commodities exported by India include new & jewellery; Cotton yarn, fabrics, madeups etc.; machinery and instruments; drugs, pharmaceuticals and fine chemicals; manufacturers of metals; footwear of leather; leather garments; handmade carpet; processed minerals etc.

The exports of the RMG of cotton including accessories to the European Union were 1270.06 million U.S. dollars (1996-97). These exports went up to 1393.05 million U.S. dollars in the year 2000-2002. As compared to the previous year (2000-2001) there was the fall of 4.73% in the exports of the RMG of cotton including accessories to the European Union. The exports of the gems & jewellery went up from 883.57 million U.S. dollars (1996-
India also imports from the European Union commodities like pearls, precious,
semi-precious stones; non-electrical machinery; electronic goods; organic chemicals; gold;
silver; pulp and paper waste; synthetic and reclaimed rubber etc. The total value of imports
made by India in the year 1996-97 was 10633.71 million US dollars which went up to
10989.28 million US dollars in the year 1999-2000. The imports further went down to reach
a mark of 10398.43 million US dollars in the year 2001-2002. The imports of pearls, precious,
semi-precious stones increased from 2476.69 million US dollars (1996-97) to reach a level of
4309.84 million US dollars in the year 1999-2000. Their imports however declined in the year
2001-2002 and came to 3529.13 million US dollars. The imports of non-electrical machinery
slowed down from 1951.28 million US dollars (1996-97) to a level of 1449.12 million US
dollars in the year 2001-2002. The imports of electronic goods went up from 301.35 million
U.S. dollars (1996-97) to reach the level of 759.69 million U.S. dollars in the year 2,001-2,002.
Organic chemicals were another important items imported from European Union by India.
Their imports went down from 426.93 million U.S. dollars (1996-97) to 385.32 million U.S.
dollars (2,001-2,002). The import of gold was started by India in the year 1999-2,000 when it
imported gold worth 538.36 million U.S. dollars. These imports however went down to
reach a level of 325.18 million U.S. dollars in the year 2,000-2,002. There was an increase in
the imports of computer software from 29.81 million U.S. dollars (1996-97) to 93.12 million
U.S. dollars (2,001-2,002). The import of leather also increased from 27.87 million U.S.
dollars (1996-97) to 68.5 million U.S. dollars in the year 2,001-2,002. The import of
newsprint declined from 83.32 million U.S. dollars a year 1996-97 to 47.46 million U.S.
dollars (2,001-2,002). The Table 8.6 and the Figure 8-1 display the major imports made by
India from the European Union during the period 1996-97 to 2,001-2,002.
Initiatives

The first India–EU Business Summit was organised by the Confederation of Indian Industry (CII). It attracted over 300 leading CEOs from 15 EU member countries and India. The Prime Minister of India, Mr Atal Bihari Vajpayee addressed the Summit in October 2002. The Summit focused on various sectors including infrastructure, IT, biotechnology, pharmaceuticals, R&D, financial services and banking. One of the major initiatives was the setting up of the EU-India CEOs Forum by CII comprising of 15 CEOs each from EU and India. The Forum met for the first time in Brussels in June 2001 when the CII President led a CEOs Mission to Brussels. The delegation met the Trade Commissioner of the European Union, Mr Pascal Lamy and Mr Erkki Liikanen, Enterprise & Information Society Commissioner. This forum will meet annually to facilitate closer relations in all fields of economic activity with particular emphasis on trade and industry. CII has identified nine specific sectors for higher bilateral trade and investment flows between India and Europe. The sectors identified include advertising, biotechnology, entertainment, environmental products and services, education, financial services, health services, information technology and R&D and design.
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(IV) Indo-LAIA (Latin American Integration Association) Trade

LAIA is an organization formed in 1980 by Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, taking over the duties of the Latin American Free Trade Association (LAFTA), which had been created in 1960 to establish a common market for its member nations through progressive tariff reductions until the elimination of tariff barriers by 1973. In 1969 the deadline was extended until 1980, at which time the plan was scrapped and the new organization, LAIA, created by the Treaty of Montevideo. It has the more limited goal of encouraging free trade, with no deadline for the institution of a common market. Economic hardship in Argentina, Brazil, and many other member nations has made LAIA's task difficult. The association's headquarters are in Montevideo, Uruguay.

India carries on import and export trade with LAIA. The major commodities exported from India to LAIA are drugs, pharmaceuticals and fine chemicals; Transport equipment; RMG of cotton including accessories; inorganic/organic/ agro chemicals; Cotton yarn fabrics madeups etc; machinery and instruments; rubber manufactured products; petroleum and crude products; finished leather; marine products; handmade carpet etc.

The exports made by India to LAIA countries picked up from 414.56 million U.S. dollars (1996-97) and reached to 807.54 million U.S. dollars (2,001-2,002). These exports however declined in the year 2,001-2,002 when they reached a level of 793.64 million U.S. dollars. The imports of drugs, pharmaceuticals and fine chemicals moved up from 44.74 million U.S. dollars (1996-97) to reach the level of 159.9 million U.S. dollars in the year 2,001-2,002. The exports of transport equipment moved up from 53.36 million U.S. dollars (1996-97) and reached to the level of 84.70 million U.S. dollars (2,001-2,002). The exports RMG of cotton including accessories also moved up from 43.09 million U.S. dollars (1996-97) to reach the level of 71.31 million U.S. dollars in the year 2,001-2,002. There was also an increase experienced in the exports of inorganic/organic/ agro chemicals. In 1996-97 their exports were 19.80 million U.S. dollars which later on shot up to 50.81 million U.S. dollars in the year 2,001-2,002. The exports of cotton yarn fabrics madeups etc. also went up from 43.40 million U.S. dollars (1996-97) to reach the level of 55.17 million U.S. dollars (2,000-2,001). India also exports machinery and instruments to the LAIA Countries. These exports were 15.55 million U.S. dollars (1996-97), 23.76 million U.S. dollars (1999-2,000) and 42.33 million U.S. dollars (2,000-2,002). The exports of rubber manufactured products were 5.48 million U.S. dollars (1996-97), 14.00 million U.S. dollars (1998-99) and 27.05 million U.S.
dollars (2,000-2,002). Handmade carpets were exported worth 1.41 million U.S. dollars (1996-97), 2.17 million U.S. dollars (1999-2,000) and 22.0 million U.S. dollars (2,000-2,002). The Table 8.7 and Figure 8-G display the major exports made by India to the LAIA countries below.

The imports made by India from the Latin American integration association included edible vegetable oils, raw cotton and waste, non-electrical machinery, transport equipment, organic chemicals, electronic goods, leather, pulses, synthetic and reclaimed rubber etc.

India imported commodities worth 565.63 million U.S. dollars (1996-97). The import figure went up to 969.34 million U.S. dollars (2,001-2,002). The imports of edible vegetable oils moved up from 132.04 million U.S. dollars (1996-97) and reached up to 348.18 million U.S. dollars (2,000-2,001). These imports further went up to very 510.24 million U.S. dollars in the year 2,001-2,002. The imports of metallic ores& metal scrap moved up from 16.55 million U.S. dollars in the year 1996-97 to reach the level of 119.48 million U.S. dollars in the year 2,001-2,002. The import of raw cotton and waste moved up from 0.40 million U.S. dollars (1996-97) to 48.24 million U.S. dollars (2,001-2,002). The imports of non-electrical machinery also moved up from 10.12 million U.S. dollars (1996-97) to reach a level of 34.10 million U.S. dollars in the year 2,001-2,002. The next important import item was the transport equipment. Its imports went up from 0.19 million U.S. dollars (1996-97) to reach a level of 28.84 million U.S. dollars in the year 2,001-2,002. The import of organic chemicals went down from 29.00 million U.S. dollars (1996-97) to a level of 25.72 million U.S. dollars in the year 2,001-2,002. The leather imports made by India moved up from 10.69 million U.S. dollars (1996-97) to reach the level of 13.30 million U.S. dollars in the year 2,000-2,001 and 16.57 million U.S. dollars in the year 2,001-2,002. The Table 8.8 and Figure 8-H display the major imports made by India from the Latin American integration association countries.
INDO-NAFTA TARDE:

India has strong trade links with NAFTA (North Atlantic Free Trade Association). The exports made by India to NAFTA include gems and jewellery, RMG of cotton including accessories, cotton yarn fabrics madeups, drugs, pharmaceuticals and fine chemicals, manufacturers of metals, Marine products, machinery and instruments, electronic goods, transport equipment, leather goods and garments, footwear of leather etc.

The exports made by India to NAFTA were 6992.59 million U.S. dollars (1996-97), 7801.10 million U.S. dollars (1998-99) 10109.6 million U.S. dollars (2,000-2,001) and 9338.93 million U.S. dollars (2,001-2,002). The exports of gems and jewellery were 1654.13 million U.S. dollars in the year 1996-97. These exports witnessed the rise and went up to 2762.25 million U.S. dollars in the year 2,000-2,001. They fell down in the year 2,000-2,002 to the level 2664.10 million U.S. dollars. The exports of RMG of cotton including accessories went up from 1125.88 million U.S. dollars in the year 1996-97 to 1257.65 million U.S. dollars in the year 1999-2,000 and to 1282.41 million U.S. dollars 2,001-2,002. The exports of cotton yarn fabrics madeups etc. were 491.62 million U.S. dollars in the year 1996-97 and moved up to 514.68 million U.S. dollars in the year 1999-2,000 and 601.09 billion U.S. dollars in the year 2,000-2,001. The other major export item was the drugs, pharmaceuticals and fine chemicals. Their exports up from 169.50 million U.S. dollars in the year 1996-97 to reach the level of 288.47 million U.S. dollars in the year 2,000-2,001 and 403.19 million U.S. dollars in the year 2,001-2,002. The manufacturers of metals went up to reach a level of

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324.5 million U.S. dollars in the year 1999-2,000 and 412.20 million U.S. dollars in the year 2,000-2,001. In the year 2,001-2,002 these exports reached a level of 389.06 million U.S. dollars. The exports of marine products went up from 114.88 million U.S. dollars in the year 1996-97 to 195.69 million U.S. dollars in the year 1999-2,000 and to 283.05 million U.S. dollars in the year 2,001-2,002. The exports of machinery and instruments also went up from 155.11 million U.S. dollars in the year 1996-97 to 272.27 million U.S. dollars in the year 2,001-2,002. The Table 8.9 and Figure 8-I display the major export items exported by India to NAFTA during 1996-97 and 2,001-2,002.
India imports various commodities from NAFTA. The major commodities imported by India from NAFTA are electronic goods, non-electrical machinery, professional instruments, optical goods etc. organic chemicals, pulses, pulp & waste paper etc. The value of imports made by India from NAFTA was 4045.72 million U.S. dollars (1996-97), 4045.87 million U.S. dollars (1999-2000). The value of the commodities imported by India in the year 2001-2002 fell down to the level of 3715.21 million U.S. dollars. Electronic goods were imported by India to the tune of 319.40 million U.S. dollars (1996-97). These imports went up to reach the level of 517.65 in the year 1999-2000 and later on 645.53 million U.S. dollars in the year 2000-2001. The imports of electronic goods however fell down to a level of 574.72 million U.S. dollars in the year 2001-2002. Another major import item was non-electrical machinery which was imported by India to the tune of 597.46 million U.S. dollars in the year 1996-97. These imports in the later years fell down to 434.80 million U.S. dollars in the year 2001-2002. Professional instruments, optical goods etc. were also an imported by India from NAFTA. Their imports moved up from 127.49 million U.S. dollars in the year 1996-97 to a level of 210.99 million U.S. dollars in the year 2000-2001 and 257.63 million U.S. dollars in the year 2001-2002. The imports of organic chemicals also fell down from 318.72 million U.S. dollars in the year 1996-97 to a level of 177.22 million U.S. dollars in the year 2001-2002. The import of chemical material and products increased from 56.14 million U.S. dollars (1996-97) to a level of 140.71 million U.S. dollars (2001-2002). The import of transport equipment steadily fell down from 489.95 million U.S. dollars in the year 1996-97 to a small level of 89.28 a million U.S. dollars (2001-2002). The biggest change in 2000-2002 over the previous year was posted by electrical machinery. Its imports went up from 60.82 million U.S. dollars in the year 2000-2001 123.60 million U.S. dollars (2001-2002). The Table 8.10 and the Figure 8.4 given below display the major imports made by India from NAFTA.
India has been having trade links with the OECD Countries. The OECD Group has 30 member countries sharing a commitment to the democratic government and the market economy. With active relationships with some 70 other countries, NGOs and civil society, it has a global reach. The OECD plays a prominent role in fostering good governance in the public service and in corporate activity. It helps governments to ensure the responsiveness of key economic areas with sectoral monitoring. By deciphering emerging issues and identifying policies that work, it helps policy-makers adopt strategic orientations. It is well known for its individual countries surveys and reviews. The OECD produces internationally agreed instruments, decisions and recommendations to promote rules of the game in areas where multilateral agreement is necessary for individual countries to make progress in global economy. Sharing the benefits of growth is also crucial as shown in activities such as emerging economies, sustainable development, territorial economy and aid. Dialogue, consensus, the peer review and pressure are at the very heart of OECD. Its governing body, the council, is made up of representatives of member countries. It provides guidance on the work of OECD Committees and decides on the annual budget. It is headed by Donald J. Johnston, who has been Secretary-general since 1 June, 1996.

India has trade links with the OECD nations. It exports gems & jewellery, woven, cotton yarn, fabrics, madeups etc., marine products, drugs, pharmaceuticals and fine chemicals, manufacturers of metals, machinery and instruments, electronic goods, transport equipment, leather garments, processed minerals etc.
The value of exports made by India to the OECD group of the nations increased from 19357.83 million U.S. dollars (1996-97) to 21841.20 million U.S. dollars (1999-2000) and ultimately reached to a level of 22504.72 million U.S. dollars a year 2,001-2,002. The exports of gems & jewellery made by India increased from 3109.74 million U.S. dollars a year 1996-97 to a level of 4738.84 million U.S. dollars in the year 1999-2,000. Later on it dropped down to 4407.57 million U.S. dollars in the year 2,001-2,002. The exports of RMG of cotton including accessories to the OECD Group were 2634.59 million U.S. dollars (1996-97). It increased to 3010.30 million U.S. dollars (2,000-2,001) and ultimately came to a level of 2864.84 million U.S. dollars in the year 2,001-2,002. The exports of the cotton yarn fabrics madeups etc went up from 1649.66 million U.S. dollars in the year 1996-97 to reach the level of 1824.23 million U.S. dollars in the year 2,000-2,001. In the year 2,001-2,002 it came to a level of 1693.11 million U.S. dollars. The exports drugs, pharmaceuticals and fine chemicals moved up from the 552.75 million U.S. dollars (1996-97) to the 1015.79 million U.S. dollars in the year 2,000-2,001. These exports later on in the year 2,000-2,002 and drop dead down to 897.97 million U.S. dollars. Machinery and instruments were also export by India 403.53 million U.S. dollars in the year 1996-97. These exports went up to reach 747.56 million U.S. dollar level in the year 2,001-2,002. The exports of electronic goods went up from 461.02 million U.S. dollars in the year 1996-97 to a level of 565.94 million U.S. dollars in the year 2,001-2,002. Transport equipment exports from India were 1468.15 million U.S. dollars in the year 1996-97 but later on came down to 379.78 million U.S. dollars in the year 1999-2,000 and then increased to a level of 429.59 million U.S. dollars a year 2,001-2,002. Finished and leather was exported by India one 201.86 million U.S. dollars in the year 1996-97. These exports went up to a level of 263.21 million U.S. dollars a year 2,001-2,002. The Table 8.11 and the Figure8-K show the major exports made by Indian to the OECD nations during the period from 1996-97 to 2,001-2,002.
The imports made by India from the OECD nations mainly include pearls, precious, 
& semiprecious stones; gold; non-electrical machinery; electronic goods; professional 
instruments, optical goods etc.; organic chemicals; coal, coke & briquettes. The imports by India increased from 20492.76 million U.S. dollars (1996-97) to 21775.51 million U.S. dollars (2,000-2,002). The imports of pearls, precious, & semiprecious stones increased from 2554.83 million U.S. dollars (1996-97) to 3806 million U.S. dollars (2,000-2,001) and to 3678.86 million U.S. dollars (2,000-2,002). The imports of gold started from the year 1999-2,000. In this year the value of gold imported was to 2722.79 million U.S. dollars which later on in the year 2,000-2,002 went up to 2865.84 million U.S. dollars. The imports of non-electrical machinery went down from 3343.66 million U.S. dollars (1996-97) to reach the level of 2527.85 million U.S. dollars in the year 2,001-2,002. The imports of electronic goods and the professional instruments, optical goods also increased between the period 1996-97 and 2,001-2,002. The other important imports that were made by India were of organic chemicals which were imported worth 21062.74 million U.S. dollars (1996-97). Their imports however went down to reach a level of 793.6 million U.S. dollars in the year 2,000-
(VII) INDO-OPEC TRADE:

OPEC is an international Organization of eleven developing countries which are heavily reliant on oil revenues as their main source of income. Membership is open to any country which is a substantial net exporter of oil and which shares the ideals of the Organization. The current Members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

Since oil revenues are so vital for the economic development of these nations, they aim to bring stability and harmony to the oil market by adjusting their oil output to help ensure a balance between supply and demand. Twice a year, or more frequently if required, the Oil and Energy Ministers of the OPEC Members meet to decide on the Organization's output level, and consider whether any action to adjust output is necessary in the light of recent and anticipated oil market developments.

OPEC's eleven Members collectively supply about 40 per cent of the world's oil output, and possess more than three-quarters of the world's total proven crude oil reserves.

India exports gems and jewellery, machinery and instruments; RMG of cotton including accessories; manufactures of metals; Basmati rice; drugs, pharmaceuticals and fine chemicals; transport equipment; tea; meat and preparations; processed minerals etc.

India also imports commodities from the OPEC nations. The total value of imports made by India from the OPEC nations in the year 1996-97 was 10182.03 million U.S. dollars which later on seriously declined to 7772.52 million U.S. dollars in the year 1998-99. The imports picked up in the year 1999-2000 to attain a level of 12872.33 million U.S. dollars. The imports suddenly dropped down to a level of 268902 million U.S. dollars in the year 2000-2001 and later on picked up a little bit to reach a total of 298506 million U.S. dollars in the year 2001-2002. The import of vegetable oil (edible) increased from 129.78 million U.S. dollars in the year 1996-97 and reached a total of 390.49 million U.S. dollars in the year 2001-2002. The imports of pearls precious and semi-precious stones moved up from
8.28 million U.S. dollars in the year 1996-97 to a figure of 249.31 million U.S. dollars in the year 2,001-2,002. The import of gold started in the year 1999-2,000. In that year it was important to a value of 62.03 million U.S. dollars which later moved up to 245.77 million U.S. dollars a year 2,001-2,002. The import of organic chemicals declined from 302.66 million U.S. dollars in the year 1996-97 to a level of 243.27 million U.S. dollars in the year 2,001-2,002. The import of inorganic chemicals motor oil from 126.70 million U.S. dollars in the year 1996-97 to a level of 250.46 million U.S. dollars a year 2,000-2,001. The import of wood and wood products went up steadily from 37.39 million U.S. dollars in the year 1996-97 to a level of 161.92 million U.S. dollars a year 2,001-2,002. The other import items were fruits and nuts, pulses, pulp & waste paper etc.

(VIII) INDO-SAARC TRADE:

India has trade links with the SAARC countries. It exports products like cotton yarn fabrics madeups etc.; transport equipment; sugar; machinery & equipments; drugs pharmaceuticals & fine chemicals; wheat; paper/wood products; coal; oil meals; marine products etc. The total value of exports made by India to SAARC nations was 1703.68 million US dollars in the year 1996-97. These exports later on moved up to touch a figure of 1858.13 million US dollars in the year 2000-2001. The exports further grew to touch a level of 1970.73 million US dollars in the year 2001-2002. The exports of cotton yarn fabrics madeups etc was to the value of 401.88 million US dollars in the year 1996-97 which later on fell down to a level of 222.44 million US dollars in the year 2001-2002. The exports of transport equipment was to the tune of 148.04 million US dollars in the year 1996-97. These exports went up to a level of 173.26 million US dollars in the year 2001-2002. The sugar was exported by India worth 119.04 million US dollars in the year 1996-97. These exports came down in the later years. The exports picked up in the year 2000-2001 and reached 114.03 million US dollars. They further rose to 148.94 million US dollars in the year 2001-2002. The exports of machinery & equipments went up from 105.35 million US dollars in the year 1996-97 to a level of 138.37 million US dollars in the year 2001-2002. There was also an increase seen in the exports of drugs pharmaceuticals & fine chemicals between the period 1996-97 to 2001-2002. The exports of oil meals went up from 29.56 million US dollars in the year 1996-97 to 48.44 million US dollars in the year 2001-2002. The exports of marine products went up from 9.84 million US dollars in the year 1996-97 to 12.89 million US dollars in the year 2001-2002. The Table 8.15 and the Figure 8-N depict the major exports made by India to SAARC between 1996-97 and 2001-2002.1
dollars in the year 1993-97 to 44.94 million U.S. dollars a year 2,001-2,002. The imports of spices also picked up from 9.58 million U.S. dollars in the year 1996-97 to a level of 41.55 million U.S. dollars million U.S. dollars in the year 2,001-2,002. The imports of the inorganic chemicals also bring up from 20.97 million U.S. dollars in the year 1996-97 to 28.48 million U.S. dollars in the year 2,000-2,002. The imports of leather varied between 2.27 million U.S. dollars (1996-97) to 2.43 million U.S. dollars (2,001-2,002). The Table 8.15 and the Figure 8-O display the major imports made by India from the SAARC nations.