CHAPTER - V

INDIA'S JOINT VENTURES AND PROJECT EXPORTS IN IRAQ AND IRAN
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(5.1) Indian Policy Framework for Joint Ventures:

Joint Ventures have been recognised all over the world as one of the positive ways of fostering and promoting economic cooperation as a part of the global strategy of development. Economic Cooperation through joint ventures can help to achieve greater specialization and diversification of production structure. By making efficient allocation and utilisation of available factors of production.

Broadly speaking, in a joint production enterprise or joint venture of developing countries, two or more parties from two or more countries provide on mutually beneficial terms, risk, capital, technical know-how plant and machinery, managerial expertise, goodwill, natural resources and access to national market for operating a production unit in the industrial, agricultural, or any other specified sector of the economy. The entire process is based on the principle of
sharing production complementarities to mutual benefits which has not only to be in accordance with the national economic policy perspective of the participating countries but should also be approved by the appropriate public authorities of the respective host.

It is widely acknowledged that India, having achieved comparatively a higher degree of industrialization and sophistication in its industrial production as well as having achieved significant level of development in the matter of large, medium and small scale manufacturing sectors, in general, has been soundly placed to provide and share some of its technological and industrial achievements with the other developing countries. This is being done in a number of ways and one of the important modes being joint ventures.

The adoption of joint ventures as a means of economic cooperation among developing countries by India dates back to 1958 when Birla Brothers initiated the setting up of a textile mill in Ethiopia. And after 1964 the government of India has adopted a positive policy of encouraging the setting up of joint ventures abroad.

India, with a wide industrial base spawning considerable technical skills and resources and technology suited to the needs of the developing countries, has amply demonstrated its capability in establishing and operating industrial ventures in South East Asia, South-Asia, West-Asia and Africa. India's joint ventures are in operation even in the
industrialized countries of Europe, the U.S. and Australia. As on 31 December 1986, out of total 218 operational projects, 182 were in developing countries and out of that 79 were in South East Asia, 31 in South Asia, 24 in West Asia, 44 in Africa. During the same period India's total joint ventures in Europe, USA and Australia were 36 in number.¹

Indian policy framework for setting up joint ventures in other countries took a concrete form with the official announcement of guidelines for Indian investments abroad in January 1970, though Indian entrepreneurs had started looking for opportunities of financial and technological participation overseas since the mid 1950s. The broad contours of India's policy regarding joint ventures were clear as early as 1964 - the year an industrialists goodwill mission visited some developing countries and recommended active participation in setting up this mode of production cooperation. A major premise of the guidelines was based on the fact that India was a capital importing country and hence could ill-afford investment through cash remittances for joint ventures overseas.

(5.2) India's Joint Ventures and Project Exports to Iraq:

The foreign exchange affluence of the petroleum exports specifically since the first oil crisis of 1973 provided a

¹ For details, see Indian Joint Ventures Abroad and Project Exports, Federation of Indian Chamber of Commerce and Industry (FICCI), New Delhi, 1986.
strong basis for expanding fruitful cooperation between India and Iraq. India has trade relations with most of the West Asian Countries and they have been willing to get cooperation in both engineering industries and petro-chemical industry and oil exploration. In many branches of engineering industries, India has acquired expertise and therefore the network of skills and know-how has been built and consultancy services have also come up recently. This region offers bright prospects for promoting joint ventures in many areas including manufacturing of machine tools, diesel engines, electric motors, Iron and steel, cement, paper industries, electronic goods and communication equipments. There is a wide scope for India in the construction sector of these countries and India is very successful in the construction industry of these countries.

A salient feature of India's exports to Iraq during the post 1973-74 era has been a significant growth of engineering exports. With the rise in construction activities and establishment of new industries and services in the country, the demand for engineering goods like iron and steel products, various metal manufactures and machineries grew immediately. India being a major industrial power in the region and in a position to supply technology to Iraq, gained a breakthrough in this field. This was the reason for an impressive growth in India's export of engineering goods to Iraq during the period.
An important aspect of engineering exports was that these were associated with the growth of project exports and joint ventures to Iraq. These became an important channel through which India's engineering exports to Iraq grew phenomenally. In that respect India signed a number of cooperative agreements with Iraq since 1972 and the award of a number of prestigious projects, contracts, construction and consultancy works to various Indian firms speak of India's success in its quest for new vistas of technical cooperation.

Many Indian companies including Indian Railway Construction Corporation (IRCON), Rail India Technical and Economic Service (RITES), National Building Construction Corporation, International Airport Authority of India, Bharat Heavy Electricals Limited (BHEL), and Larsen and Toubro Limited, have undertaken a number of construction and other related contracts and have won admiration from Iraqi authorities for high quality of project execution. Some of the important contracts awarded to Indian companies are, construction of grain silos, roads and bridges, various sewerage projects, extension of Baghdad Colour T.V. Station etc. In 1981, out of total 97 projects, about 27 were with public sector companies and nearly all major and large value

2. FICCI Delegation to Iraq (June 14-18, 1989), Staff Paper, Federation of Indian Chamber of Commerce and Industry, (FICCI), New Delhi, p.14.
contracts with private sector companies especially housing, water supply and sewerage.\textsuperscript{3}

During the four year period between 1976-77 to 1980-81, total projects export to Iraq from India amounted to ₹. 1361.11 crores. Out of these civil construction projects were the biggest category with their value of ₹. 1345.70 crores (98.87 per cent of total). Turnkey projects followed with their value of ₹. 12.15 crores (0.90 per cent). Service and consultancy exports were smallest having the value of ₹. 3.26 crores (0.24 per cent). During the period, share of Iraq in India's total projects export to Gulf was highest. It was 66.1 per cent of India's total project exports to Gulf countries during 1976-77 to 1980-81. Share of Iraq in India's total export of civil construction projects, turnkey projects and service and consultancy to the Gulf countries, was 74.8 per cent, 5.6 per cent and 7.2 per cent respectively.\textsuperscript{4} It implies a very prominent position of Iraq in India's total project export to Gulf countries and this position is strongest in export of civil construction projects, which was about 75 per cent of India's total exports of civil construction projects to Gulf region between 1976-77 to 1980-81.

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\item[4.] Workshop on Indian Joint Ventures Abroad and Project Exports, Report/FICCI, New Delhi, 1982. Data for Iraq compiled and percentages round off.
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About $200 million worth of Iraqi contracts were secured by Indian companies in 1978 only. Engineering Project India Ltd., (EPI) alone bagged contracts worth ₹43 crores from State Organisation of Technical Industries of Baghdad for a turnkey project. Another Indian firm, Continental Construction Ltd. was awarded ₹27.5 crores Nassirya Sewerage Project which was the 4th Project awarded to India in the same year. Other contracts won by India in 1978-79 were a ₹8.7 crores contract for building a bridge across Diyala River in North-Eastern Iraq, a bridge across Khider in Southern Iraq, a ₹47 crores contract for building silos in North Iraq by EPI. India also secured contracts to construct a 327 kms. road valued at ₹10 crores and yet another firm was awarded a civil work contract for the treatment plant of Amara Sewerage and Drainage Project.\(^5\)

In 1980, India bagged huge orders from Iraq totalling ₹405 crores for the implementation of housing and sewerage projects in the country. With the addition of these new projects Indian firms, both from public and private sector had secured projects export orders to the tune of ₹1,000 crores in that year. The Rail India Technical and Economic Services Limited (RITES) had also secured a third contract in Iraq providing design and general engineering support services for two years. RITES had earlier secure an assignment from the

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Iraqi Ministry of Transport for providing general engineering and resident engineering services for a four year period for the Baghdad-Al-Qaim-Akashat railway project. India bagged a third major contract in Iraq in 1980 with the award of a letter of intent to a consortium led by Punjab Chemi-Plants for design and construction of 2269 pre-fab houses at four locations at Maqal, Umm-Qasr, Khor-Al-Zubair, and Fao valued at ₹. 120 crores granted by the State Organisation for Iraqi Ports at Basrah. Later, this project was jointly bagged by Punjab Chemi-Plants Ltd. and Hindustan Steel Works Construction Ltd., with an increased amount of ₹. 155 crores.

In the same year, Engineering Construction Corporation (ECC) was awarded a large construction contract by Iraqi Ministry of housing and construction. Under the contract, ECC was to construct a sports stadium with a seating capacity of 25000 at Mayssan, 170 kms. North of Basrah in Iraq. This contract was worth ₹. 17 crores and was to be completed in 821 days.

In 1981, an Indian company, Continental Construction Private Limited, secured a construction contract from Iraq,

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valued at ₹. 450 crores. The total value of the contract signed with its consortium partner, "The State Contracting Company for Water and Sewerage Project, Iraq", was the value of ₹. 960 crores. The design, soil investigation, and coordination of the work execution by all the agencies, was to be carried out by the Indian Company. The work was to be completed within five years. The inflow of foreign exchange as the result of the above contract was estimated around ₹.200 crores.  

In the same year, another Indian firm bagged contract from Iraq worth ₹.80 crores, for constructing three major projects in Iraq. The projects were scheduled to be completed within 24 months, were: The Ramadi Water Supply Project, the Talla'far Water Supplies Scheme, and the base Sewage Project. From that contract India earned foreign exchange worth ₹. 40 crores through remittances. Export of building material was also a net earning.  

The Engineering Construction Corporation Limited (ECCL) was awarded a contract worth ₹.40 crores for the construction of a Police Headquarter Building, Baghdad. The contract on a turnkey basis was to be completed in 2½ years (30 months).

A prestigious Railway contract of $276 million was won by India in 1981 against a stiff international competition. This showed India as a country with a well-developed railway system. This contract also included the construction of nearly 85 bridges including a major one on the Euphrates river. 12

In 1981, Iraq gave contracts worth $20 billion, out of which India got contracts worth only $1 billion, (5 per cent of Iraq's total contracts). Service and technical consultancy is a new field in which Indian expertise has been in demand. During 1976-77 to 1980-81, India secured total service and consultancy projects worth Rs. 60.41 crores out of which Gulf countries' share was 74.4 per cent. Within the Gulf region, share of Iraq was 7.2 per cent. In 1981, there were 97 Indian civil construction projects in Iraq. 14 projects were in water and sewage and their value was worth $889.9 million. Bridge projects were 22 in number and their total value was worth $203.2 million. 30 housing and building projects were there and their total value was $888.5 million. Irrigation and land reclamation projects were seven in number and their total value was worth $114.2 million. One project of $245.0 million was of Railway Construction and 23 other projects including pipelines laying projects, worth $564.0 million were there in Iraq in 1981. The total value of all these 97 projects was $2904.8 million on which 53 Indian companies were working with 37,000 workers. 13

In 1984, the ninth session of 'Indo-Iraq Joint Commission' was held in Baghdad in which it was decided to explore the possibilities of exporting Indian buses, trucks, tractor components, engineering goods and agricultural implements to Iraq. Reviewing on the ongoing projects being executed in Iraq, the host country expressed satisfaction over the progress of the Indian projects and the quality of the work done by Indian contractors. During the meeting the Indian side expressed its interest in taking over the total management of cement plants, luxury hotels and thermal power stations.\textsuperscript{14}

In 1985, an Indian company, Som Dutt Builders Private Ltd., was awarded two big construction projects worth $\text{Rs}.160 crores in Iraq. The Iraqi government awarded the contract to the company for augmenting water supply of Mousal and Hilla towns. It was estimated that the company would engage more than 1400 Indian workers including engineers and technicians and it was also estimated that about $\text{Rs}.3 crores India would earn from that project in the form of remittances.\textsuperscript{15}

By 1986, Indian companies executed contracts in Iraq worth over $\text{Rs}. 5000 crores. Many public, sector undertakings like Rail India Technical and Economic Services (RITES), Engineering Project India (EPI), National Project Construction Corporation (NPCC), Indian Railway Construction Company

\textsuperscript{14} Economic Trends, Vol. XIII, No.11, 1 June, 1984, p.31.
\textsuperscript{15} Economic Trends, Vol. XIV, No.18, 16 September, 1985, p. 75.
(IRCON), Telecommunications Consultants India Limited (TCIL) etc. were involved in most of the such projects in Iraq. Many of the such projects were won in open competition from firms belonging to even developed countries. The Uttar Pradesh State Bridge Construction Corporation is among the public Sector Companies with fairly successful record in Iraq. Hindustan Machine Tools (HMT), and Bharat Heavy Electricals Limited (BHEL) have set up many projects in Iraq. India has set up a machine tool unit there apart from helping in many new areas including tractor manufacture and electronics. Many contracts for services like management, supervision, training and consultancy have been undertaken by Indian Companies in Iraq.

The Iran-Iraq war seriously affected the Iraqi economy resulting in sharp decline in its export earnings. It led to a massive cut back in the imports. However, the increasing success of Indian companies could be judged from the fact that despite the war, the contract value of Indian projects, civil, mechanical, and electrical was worth $ 2.68 billion in 1983 as compared to $ 1.85 billion in 1980.\(^\text{16}\) However, during eighties, due to continued war and also due to declining oil revenues of the oil exporting countries, the share of Iraq in India's total project exports had gradually declined in India's total project exports to Gulf. In 1980, India's civil construction projects in Gulf were worth ₹1206 crores and out

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of that the project only in Iraq were worth ₹ 1043 crores. It means, in 1980, Iraq was having about 86 per cent of India's total civil construction projects in Gulf. After 1980, India's project exports started to decline in the Gulf due to declining oil revenues and Iran-Iraq War. In 1983, India's total civil construction projects in Gulf were worth ₹ 148 crores only and out of that the value of civil construction projects in Iraq was only worth ₹ 48 crores, which is only 32 per cent of India's civil construction projects in Gulf.\(^{17}\)

The Iran-Iraq came to an end in 1988 and it was expected that a boom of reconstructions of the war shattered economy of Iraq will be undertaken on priority and India expected a large share in Iraq's basic infrastructure development and construction activities. But in August 1990, Iraq invaded her neighbouring country Kuwait alleging the later destabilising the Iraqi economy by flooding the oil in the market and consequently bringing the oil prices at a very low level. After that UN imposed sanctions against Iraq, and in January 1991 American led forces started war against Iraq to evacuate Kuwait. During this war the allied forces bombared the civilian areas of the city and destroyed to a considerable extent the basic infra structure of Iraq including roads, bridges, communications, power etc. The Iraq evacuated Kuwait

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\(^{17}\) Annual Reports of Ministry of Commerce (Government of India), 1972-84, and FICCI Report on Indo-Arab Joint Business Council, New Delhi, 1978-86.
and war came to an end, but sanctions are still in force, and only supply of medicines and food items are allowed in Iraq. Although during this period of trade embargo, Iraq has stabilised his economy and basic facilities have been restored. It is expected that in the near future when the embargo will be lifted, the reconstruction process will again start in Iraq at a significant pace and because of India's close relations with Iraq, India may get a considerable number of contracts for the reconstruction of the Iraqi economy. During the war India's attitude was neutral but India being a friendly country of Iraq had opposed the imposition of sanction and solving the crisis by war. This role of India may benefit her during the reconstruction of the economy.

(5.3) India's Joint Ventures and Project Exports to Iran:

One of the weakest spots in India's economic relations with Iran is her joint ventures and project exports to Iran during the post 1973-74 era. Although a significant growth in the import of engineering goods and joint ventures took place in Iran during this period, but unfortunately India could not exploit the market due to Iran's unfriendly attitude towards India. Whereas India's relations with Iraq were registering a steady improvement, they continued to remain at a low static position vis-a-vis Iran. The incidence which disappointed India, was Iranian response of Indo-Pak war of 1965. To the Utter disappointment of India, Iran gave Pakistan more moral
and material help than any other Muslim country in the world, and Iran blamed India for the outbreak of war and alleged India as aggressor. This development, coupled with Iran's pro-west attitude brought India's relations with Iran on its lowest ebb.

As far as joint ventures and project exports are concerned these were smallest in the case of Iran as compared to other countries of the region. A large number of India's joint ventures in the region are in UAE, Saudi Arabia, Iraq, Kuwait and Bahrain.

Out of 65 joint ventures which commenced production between 1960 and 1965, only one unit went into production in Iran. Instead of joint ventures, India had a number of consultancy and project exports during seventies. Under Colombo plan India extended facilities to two trainees from Iran to study the cooperative marketing courses in India at various Indian cooperative training institutions during 1974. In the same year India provided 32 training places to Iran and spent a total of $51000 for this purpose. India provided two training places during 1975 and one during 1976, to Iran under Colombo plan agreement. However, India's total expenditure for various aid programmes to Iran under Colombo Plan from 1950 to 1976 was worth Rs. 1137 thousands.  

recruited 1200 medical personnel from India. Under Indian Technical and Economic corporation Programme (ITEC) India received two trainees from Iran in 1974. Under the same programme the number of Indian experts working in Iran during 1973 and 1974 was four. Upto 31 December 1975, India had only 21 joint venture in Iran under production and her total investment in that venture was worth ₹. 4850 thousands. During 1975, India had three projects in Iran to the value of ₹. 103 lakhs. One project was related to pressure vessels for fertilizer refinery project and its value was ₹. 80 lakhs. The other project which India had in Iran was related to the preliminary feasibility cum-cost study of new railway line in Iran for a total length of 340 km. and its value was to the tune of ₹. 23 lakhs. During 1974-75 India allotted 21 seats for engineering courses and 6 seats for medical course in various Indian Universities for Iranian students.

In 1975, India signed an agreement with Iran for the development of Kudremukh iron ore mines for which Iran had agreed to allocate a significant amount of $630 million and in return agreed to by 150 million tonnes of iron ore from India.

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20. Vohra, Dewan C., India's Aid Diplomacy in the Third World, op. cit., p. 149.


22. Ibid.,
over a 20 year period, and for that purpose Iran released the first instalment of the agreed amount. But due to internal policies and subsequently the change of government in Iran did not allow to materialise this agreement fully. However, recently an agreement has been signed for the settlement of the dispute between the two countries and Iran has agreed to buy the iron ore from India. 23

During the visit of Shah of Iran to India, a number of agreements and protocols were signed for bilateral economic cooperation between the two countries. Iran offered a generous aid for the speedy completion of the second phase of Rajasthan canal project, and also offered a huge Iranian investment programme for India. In 1978, an Indo-Iranian joint venture was launched in Iran for the production and export of automotive shock absorbers. Besides financial participation to the extent of 25 per cent of equity, the Indian firm agreed to provide technology also. The project was expected to be fully commissioned by 1982 and its production capacity of shock absorbers was 1.5 million per annum. But due to the internal problems of Iran the project could not be initiated.

During 1978, a turmoil, against the policies of Shah, started in Iran and it became so strong that the Shah of Iran had to leave the country and a revolutionary government was established in Iran in 1979 under the leadership of Ayatollah

23. Economic Intelligence Service, op. cit., p. 53.
Khomeini. The New Islamic government cancelled all the agreements and protocols signed by the previous government for the bilateral economic cooperation and joint ventures between the two countries. The new government started the reshuffling of the whole economic system of the country and adopted very strong anti-U.S. and anti-West attitude. The process of reformation of the economy and Islamization of the country was going on and the government had fixed a firm grip on the administrative set up of the country when a full fledge war between Iran and Iraq started in 1980 and this futile and useless war continued eight long years and came to an end only in 1988. During the war period the resources of the country were diverted to meet the war expenditure and the process of infra-structural and industrial development was stopped. During the war period, few Indian delegations visited Iran but their visits could not bring any significant breakthrough in the economic relations between India and Iran.

Between 20th and 25th September 1980 an industrial mission of Association of Indian Engineering Industry (AIEI) visited Iran with the support and cooperation of government of India. The mission had general discussion with various ministers and deputy ministers and officials of various industries and chamber of Commerce and signed agreements for the development of bilateral trade and economic cooperation.  

It is seen that a number of agreements between Iran were signed for various consultancy and training programme but there was not a single agreement of joint ventures or project exports of significance. Although, high level delegation from Iran and India visited the countries of each other but they could not come to an agreement for setting up joint ventures and exporting big construction or housing projects. However, a few agreements or small joint ventures were signed between the two countries but they also could not materialize due to Iran's internal political problems. Most of agreements during 1980 were related to the promotion of trade between the two countries or export or import of specific commodities, and obviously it was due to the war with Iraq which did not allow the transfer of resources in other sectors. However in 1986, India signed few agreements with Iran according to which India agreed to help Iran in setting up small scale industries and undertaking road and railway construction and various employment oriented rural development programmes.25

In 1988, the war between Iran and Iraq came to an end and it was expected that like Iraq, Iran will also start the reconstruction of the economy at a rapid rate and India expected to achieve construction projects in Iran. But these hopes also proved futile and Iran did not give any significant construction project to any Indian company. A few Indian

Companies like Engineers India Ltd (EIL), received some consultancy projects in Iran. Recently EIL has signed a Rs. 12.15 crores ($4.5 million) contract to provide management consultancy for the fertilizer project at the Korasan Petrochemical Complex in Iran.  

The Iranian Deputy Minister of Mines and Metals, addressing a meeting of the International Association for Energy Economics proposed that a natural gas pipeline from Iran through Pakistan to India could be built at a cost of 11.75 billion dollars. He also estimated Pakistan’s share of the gas at 4.3 billion dollars and India’s at 4.2 billion dollars. This programme has yet to be finalised.

There exists a wide scope for joint ventures and projects exports from India to Iran. The President of Iran Mr. Ali Akbar Hashemi Rafsanjani has said in an statement that improved relations between Iran and India would help maintain stability and benefit all the countries of the region. He also welcomed the expansion of mutual cooperation between the two countries in various fields particularly railways, energy and economy. India can play a key role in the reconstruction

of Iran in all sectors including infrastructure, power, railroads, ports, telecommunications etc. and the established Indian companies in these fields should organise themselves to look at the opportunities in Iran. India could be of invaluable assistance in setting up the training facilities like institutes of technology and craft oriented institutions. The planners of both the countries should revive this links and India and Iran can strengthen their bilateral cooperation in various sectors of the economy.

(5.4) Limitations of India's Project Exports to Iraq and Iran:

In order to improve the performance of India's technology exports to Iraq and Iran, mainly her project exports and joint ventures, it is necessary to investigate the problems which hamped their progress. Following is the highlight of some of the main problems pertaining to Indian companies.

1. Bottlenecks and Domestic Shortages:

Throughout the period there were some serious limitations on the promotion of project exports. In India, recurring shortages of power, steel, cement, transport, and miscellaneous inputs, especially non-ferrous metals, port delays, strikes etc. caused not only shortfall in exportable
surplus but also avoidable delays in project completion.\textsuperscript{29} Especially the problems of steel and cement shortages had been quite acute. This led to either delays in completion of civil construction projects or the Indian companies had to get their supplies from other countries, which led to cost escalation and thus cut in profitability. It was feared that many of India's contracts were likely to be reduced to service contracts unless effective steps were undertaken to reduce these shortages. No amount of promotional efforts would bring in as much success to projects exports as timely execution of contracts in hand which was dependent on availability of inputs like steel, aluminium, pig iron, finance, transport and power.\textsuperscript{30}

2. Financial Limitations:

Less availability of finance played a crucial limiting role in India's project exports. India's financial institutions like Exim Bank, Industrial Development Bank of India etc. used to take a long time to decide on the issue and many chances to bid for projects were given up by such defaults. Lack of financial facilities thus caused construction exports to lag behind. The Indian Banks had

\textsuperscript{29} Strategy for Engineering Exports, Calcutta 1979, p. 14-17.

\textsuperscript{30} Ibid., p. 29.
offered finance on ongoing project in Iraq, but it is done in long hesitation. Meanwhile no builder has so far been able to get the cash assistance of 70 per cent offered against project exports. This is because of the difficult conditions attached to the scheme.31

Despite various steps taken by the government for providing packing and post-shipment credits at concessional rates, providing various guarantees etc. there was a persistent feeling among exporters that export were not a priority sector in the eyes of Commercial Banks. Reserve Bank of India can give a real boost to project export by opening credit windows. Setting up an offshore banking facility could mitigate some of the financial problems. If India could draw financial loans from Iraq, it was most welcome. But due to Iraq's deteriorating economy it was also impossible.

3. Inexperience:

Inexperience in handling large scale construction projects based on modern technology also caused lots of problems for Indian project exports.

In Iraq, The Engineering Projects India (EPI) slashed its bid for the Council of Ministers building to 32.85 crores of rupees ($32.8 million) following approval the approval from Industrial Development Bank of India for a 53.24 crores of

rupees ($53.2 million). Thus a loss of $11 million resulted. The 1982 Non-Aligned Summit was to be held in Baghdad with which EPI was keen to associate its name and this keenness led to such a loss. Testifying to the Parliamentary Committee, EPI Chairman accepted that, "we did not have much experience of handling such a big project". The original contract was for $230 millions, but cancellation of some works reduced it to $163 millions. In addition Indian Government banned export of cement, steel and other construction material, facing the problem of non-availability, the company was forced to buy from abroad at higher prices. Ultimately the project was completed with a delay of 32 months.  

4. Lack of Information:

Lack of information was another reason, why many contracts slipped from Indians hands. In the absence of wide-network of monitoring agencies, the information sometimes did not reach the concerned firms. Indian Embassies and trade missions abroad were normally handicapped for want or sufficient staff and thus, the normal feed back and necessary informations were not received. The need for a National Trade Information Centre has long been felt, which can continually give specific information regarding tenders etc.


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