CHAPTER VII
EXPORT PROSPECTS : 1980-81

A. Introductory

The scheme of long-term development envisaged in the Fourth Five Year Plan seeks to "eliminate dependence on foreign aid by 1980-81 according to the Fourth Plan document". By 1980-81 commodity imports are expected to increase to Rs. 2,950 crores and debt-service charges to Rs. 650 crores. The balance on account of invisibles, private capital transactions and other miscellaneous items is expected to show a modest surplus." This together with the estimated export earnings of Rs. 3,600 crores", according to the Planning Commission, "would be adequate to meet the commodity import requirements as well as interest obligations on foreign debt."

Since export earnings is a most important constituent of Balance of Payment, an analysis of the export prospects in 1980-81 will shed considerable amount of light on the question whether the aforesaid objective is capable of being realised.

The export prospects of a country are determined by a complex interaction of a number of variables like future demand pattern for different commodities, supply conditions in the world market, production capacity of the country concerned, trend in internal consumption of the export commodities, trend in commercial policies and economic conditions of the importing countries concerned. Thus, actual course of economic evolution is determined by many variables, some of which can neither be accurately foreseen nor easily quantified. All projections are, therefore, by their very nature, a reflection of a small manageable set of assumptions about economic behaviour drawn from the contemporary experience.

The estimates presented below are not forecasts but merely probable level of achievement, projected on the basis of existing trends and policies, as well as various estimates of income elasticity of demand incorporated in the numerous studies conducted by the P.A.C. and the U.N. Economic Commissions.

B. Methodology & Broad Assumptions

The method adopted can thus be stated as follows: Firstly, we take...
note of trends in world trade in individual commodities, and the projections of the likely world consumption and trade, as made by the U.N.O. and other agencies in recent years. Secondly, we look to the growth rate of our export in the 'einstein and our share of the world trade in different commodities. Thirdly, we take note of the production targets, and programmes of increased production either already initiated or likely to be initiated shortly. Fourthly, we take into account the policy intentions of our Government regarding export of different commodities.

The assumptions on which our projections are based will be stated as explicitly as possible in their appropriate places. But it is necessary to state here some broad assumptions about Indian Economic policies and world trade conditions.

First of all, we assume that the announced policies of the Government will be translated into action more vigorously than in the past. It implies that the Government will take every possible measure to increase production of export commodities. Similarly, as regards quality improvement, keeping to delivery schedule, product development, and publicity and propaganda, there will be more vigorous efforts than hitherto.

Secondly, we assume that the trend towards regional groupings throughout the world will not develop to the extent of affecting our export severely. Similarly, the possibility of any closer economic cooperation among the Asian countries so as to alter India's trade prospect radically is ruled out.

Thirdly, it is assumed that the present trend towards liberalisation of trade will be continued, and there will not be any wave of restrictions for a period long enough to alter the dominant trend.

Fourthly, it is assumed that there will not be any dramatic development of substitutes during the Seventies for commodities exported from India.

6. Commodity Projections.

1. Jute Manufactures

In jute manufactures, India's share of the world trade in 1966-67 - 1968-69 was 57 percent. The future prospect of India's export is,
therefore, dependent overwhelmingly on the trend in world import of jute goods.

The total world consumption of jute goods has remained stagnant at around 22 lakh tonnes since 1963, due to the operation of a number of factors, detailed in Chapter III. The consumption in the developed countries which accounted for 40 percent of the world consumption in 1963-64 actually fell from 13.2 lakh tonnes in 1963 to 12.9 lakh tonnes in 1965. The fall would have been much higher but for the increasing use of jute in woven carpet backing. In the case of centrally planned countries and developing countries there were some increases in consumption (Table III.4). In future, the consumption of jute for backing purposes will depend both on its relative price and also on its competitive usefulness. Certain measures have been taken in India and Bangladesh for stabilising the prices of jute goods, and prices are likely to be reduced consequent on increased yield rate and improved utilisation. Measures have also been taken in the producing countries for improving the quality of jute goods. Some success has also been achieved in product diversification.

The result of these measures may start getting reflected in the world market by 1975.

In the above-mentioned situation, a fall in woven bag consumption in the developed countries, as a result of increasing consumption of synthetics, by 25 to 30 percent, in 1975 over 1963-64 as projected by the P.A.O., is less likely to be accelerated. The relative share of jute in total packable goods is likely to stabilise after 1973. Of course, this will depend mainly on the process of the nations instituted in the major exporting countries. In the centrally planned countries like the U.S.S.R. and others in the Eastern Europe the consumption of jute bags is less likely to be as much affected by substitute as in the case of the developed countries at least up to 1975. With increased agricultural production the consumption of jute goods increased at a rapid rate up to 1967 (Table III.3 & Table III.4). In future this growth is not, however, likely to be maintained. With higher incomes, the faster that operated in the developed countries in the earlier will operate in these countries too. But an labour cost is not as high, and the marketing techniques not as developed in the latter as in the former, these factors will operate with less intensity. However, by 1980, competition from alternative packaging material will be quite severe.

In the carpet backing market, which developed in the earlier, the use

of jute as primary backing has been eroded considerably in recent years. In the E. S. A., the share of jute primary backing in the total primary backing requirement has gone down to 66.6 percent in 1969 from 80.6 percent in 1968. In the secondary backing market, however, jute is showing an increasing consumption. In the E. S. A. it has risen to 76 percent in 1969. In other markets of developed countries also the use of secondary backing in synthetic carpets is increasing steadily. In such circumstances, even if jute loses the primary backing market entirely, the increasing use of jute secondary backing, where synthetics cannot compete, will keep the total market for jute backing at least constant, though the total market would have expanded rapidly. In the developed centrally planned countries, the consumption of jute as carpet backing is likely to increase fast with a rapid increase in income, which is projected to grow at 5.5 percent per annum between 1965 and 1975.

Thus, the total consumption of jute goods in the high income countries (that is, Developed Market Economies and Developed Centrally Planned Economies) in 1980 is expected to be between 1000 to 1500 thousand tonnes, the former being the level of consumption in 1966-67 (Table III.4). The achievement of the higher level will depend on the extent of success of the producing countries in reducing prices and product development.

The consumption in developing countries is expected to rise at a much faster rate with an increase in their agricultural and industrial production. The FAO projection has placed it at the minimum of 3 percent, and the maximum of 4.5 percent, per annum up to 1975. Later studies have, however, led to much lesser optimism, especially in the case of the Latin American and African countries. This is because in Latin America bulk-handling, and bags made from local hard fibres have made considerable inroads into the area of jute. The competition from synthetics has also started in certain countries. In Peru, for instance, a recently established PP extraction, spinning and weaving plant is trying to push jute out of the fish meal market. Similarly, there is competition from hard fibre bags in E. Africa and Angola. In Nigeria, a PP plant for groundnut bags has been planned. There are also programmes for bulk-handling facilities.

Even in the Asian countries there is competition from synthetics as, for instance, PP sacks are produced in Indonesia and Taiwan. In view of these developments, the growth in consumption is not expected to be more than 2 percent by 1975, and less than this thereafter as the competition from substitutes is likely to be more severe at the end of the seventies. The consumption in the low-income countries in 1980 may, therefore, be around 2,500 thousand tonnes.

The growth in world import will, however, be much less than the growth in world consumption. This is because the maximum growth in consumption will be in the producing countries like India, Bangladesh, Thailand, Burma, China and Brazil, which, in turn, are not only self-sufficient but are also important exporters. China is already an important exporter of jute goods to the centrally planned countries, and by 1980 Thailand and Burma will also become significant exporters of jute goods. Brazil's export is mainly to the Latin American countries. Thus it is not only that the growth in world import will be small, competition among the producing countries will also become more keen than hitherto. The FAO has projected a considerable surplus in the world production of Jute and Jute goods.

The total world export of jute goods in 1966-67 - 1968-69 (average) was 1,249 thousand tonnes. This is not likely to increase by more than 15 percent in 1980 due to the above-mentioned factors. The world export in that year will, therefore, be around 1,440 thousand tonnes. Based on the recent share of India to the world trade (57.2 percent, Table III, 2) our quantum of export in 1980 will be around 830 thousand tonnes. Keeping this share intact will, however, require sufficient improvement in yield rate, reduction in cost and diversification into new lines. Assuming that the unit prices realised by India in 1968-69 - 1970-71 (Rupees 3,446 per tonne, Table III, 1) will be maintained in 1980, even if there is a surplus condition in the world market, due to increased exports of jute carpet backing and decorative fabrics, etc., the earning from jute goods export in 1980 will be Rs. 2,850 million. However, if there is a fall in unit price to about Rs. 3,000 per tonne due to competition from

6. The production and export of jute goods from the West European countries are, however, likely to diminish considerably due to high labour cost there and also because of their dependence on raw jute from foreign countries.
synthetics, and over supply of jute goods, Indian foreign exchange realisation will be about Rs. 2,500 million.

2. Cotton Textiles

The markets for cotton textiles is a shrinking one. Between 1966-67 and 1967-68 the world consumption of cotton textiles increased only by 13 percent, while the consumption of all fibres increased by 37 percent. The fall in cotton consumption was more severe in the developed countries as compared to their developing counterpart. According to the P.A.O. projection, the total consumption in 1975 is expected to increase only by 25 percent over 1964-65, and for high income countries only by 15 percent. (average of low and high estimates). The same study has estimated further that the import of cotton manufactures into the non-exporting developing countries is likely to fall from 451 thousand tonnes in 1964-65 to 250-300 thousand tonnes in 1975, both because of internal production of cotton textiles in an increasing number of them, and also because of greater use of synthetic fabrics. The only prospect for an increase in import is in the case of erstwhile net exporters of cotton textiles in the developed countries. The U.S.A. which used to export 97 thousand tonnes of cotton manufactures in 1953-55 became a net importer to the order of 19 thousand tonnes in 1961-63 and 24 thousand tonnes in 1964-65. The import of the U.S.A. in 1975 is expected to go up to 95 thousand tonnes, being the average of low and high estimates. Similarly, Western Europe which was a net exporter till 1961-63 became a net importer in 1964-65. Their net import is likely to go up to 85 thousand tonnes (average of low and high estimates) in 1975 from 20 thousand tonnes in 1964-65. The total net import into the developed countries (excluding Japan) has, on the whole, been estimated at 300 to 330 thousand tonnes. Thus, the total net import into the developed and developing countries (excluding Japan, India, Pakistan, Hong Kong, Taiwan, Republic of Korea and the U.A.R.), which are really important in the import of cotton textiles, will, therefore, be between 550 to 630 thousand tonnes in 1975. All this means stagnation in the quantum of the net import into these countries over 1964-65, when it was 615 thousand tonnes. 9

In 1968, however, projected an increase in world export of cotton fabrics, ranging between 24 and 43 percent, as the low and high estimate respectively, by 1980 over 1960. This study appears to be quite optimistic unlike the FAO's. However, the latter is more reliable than the former as it was undertaken much later, and took into account the trends by synthetic and also the programmes of cotton textile production in developing countries.

In view of the above developments, we cannot expect the growth rate in world export of cotton fabrics to exceed 1.5 percent a year. The average world export in 1965-66 was 781 thousand tonnes. In 1980, on the basis of the above growth rate, the world export is likely to be in the neighbourhood of 960 thousand tonnes. India maintaining its present share to world export in cotton piece goods will also have a similar growth. The value of export as such will reach the level of Rs. 830 million in 1980-81 as against average annual value of Rs. 718 million during the period 1962-63-1970-71.

The prospect of cotton yarn, however, is likely to be a little better. The world export of cotton yarn increased by 69 percent between 1959-60 and 1964-65. This rate of expansion is likely to continue in future as there is a great demand from the developing countries in Asia (Bangladesh, Ceylon, Burma etc.), and in E. Africa, Western Africa, Ethiopia and Sudan to feed their expanding textile industry, and into the developed countries for blending with synthetics. India's export of cotton yarn in the recent years increased significantly, in 1960-61, 1962-63 the average earning was Rs. 49.9 million and in 1968-69-1970-71 it was Rs. 194.4 million (provisional). In future, however, such high rate of growth is not likely to be maintained by our exports because of increasing production by the developing countries themselves, and increasing displacement of cotton yarn by synthetics. However, if we can keep our prices competitive and can supply the yarn of quality and count required, it should not be difficult to reach a level of at least Rs. 300 million in 1980-81.

There is another area which offers a good prospect of increasing export but so far we could not take advantage of it. This is the export in cotton clothing. Between 1960 and 1965 the world export of cotton clothing rose by 106

percent, from $660 million to $1,160 million. In future, the growth is likely to be much less, because of increasing substitution by clothing made from synthetic and blended fabrics. Nevertheless, if we assume a growth rate of only 2 percent per annum for cotton clothing, the world export in 1980 will be of the order of $1,775 million. If India can get a share of at least 1 percent of the world export, her earning from cotton clothing in 1980-81 will be $135 million. This means an increase of 55 percent over the average of 1969-70 - 1970-71, when the value of export was $70.3 million. This level of export can be achieved easily if we make sustained efforts at reducing the cost of production and improving the quality of our clothing.

Other cotton manufactures averaged to be $133 million for the period 1968-69 - 1970-71, registering overall increase of about 70 percent, during the sixties. Assuming even lower rate of increase in these exports, say, 60 percent, during the seventies, we project export under this head to reach the level of $213 million.

Thus, the total value of export of cotton textiles in 1980-81 is projected to be the order of $1,480 million as against the average value of $1,133 million for the period 1968-69 - 1970-71.

3. Leather and Leather Manufacures

India's share in the world export of leather and leather manufactures is insignificant, except in the case of semi-tanned and tanned leather where it was 16.2 percent. In 1966. The trend in world export is, therefore, not as much important as our production capability for increasing export. Nevertheless, the world total import of leather and leather manufactures (B7,611, 612 and 659) increased by 214 percent, between 1957-58 and 1965-66 (Table 17.19).

The consumption of hides, skins and leather depends mainly on the condition of the shoe industry which absorbs some 60 to 70 percent of the leather supplied. But in the shoe industry, leather soles are being replaced more and more by rubber, synthetic or cloth soles. In 1966 the share of leather soles in footwear with leather uppers was down to 54 percent. In Italy, 50

percent. In Spain, 36 percent. In Portugal, 19 percent. In Netherlands and 11 percent. In the U. K. and Sweden. The study made by the International Trade Centre has expected a final equilibrium to be reached with 20 to 30 percent. leather goods. The impact of substitutes such as PLASMA and COME, for shoe upper, however, has not yet been felt to a great extent. But it is expected that their competition will become severe by 1975. The appeal of these substitutes to the shoe-maker is very strong because of the automation they facilitate. In the leather goods industry, there is not likely to be much trend by substitutes in the future as the major import is almost over, and there is a growing demand for leather garments in most developed countries.

The world import of leather (5.7T 0.11) grew at an annual rate of about 9 percent. between 1960-61 and 1965-66 (Table III.09). In future, the growth cannot be expected to be so fast because of the above developments, and also for the fact that the domestic production in many developing countries and the Centraly Planned Countries will increase rapidly in the forecast decade. Assuming a growth rate of 4.5 percent. per annum over the average value of 4 453 million for 1965-66, the world import will be around 4 840 million by 1980-81. India by maintaining its existing share of 16.5 percent. will be able to earn about 8 130 million (Rs 1,002 million).

In respect of footwear (5.7T 0.51), the world import between 1960-61 and 1965-66 increased at an annual rate of about 12 percent. (Table III.19). Even if the rate of growth in future is presumed to be about 10 percent. , the world import in 1980 will be of the order of 2,640 million. If India is expected to record a marginal increase over the share of 1.7 percent. in 1966., she may have 2 percent. share of the world total. Her export will thus be about 49 million, that is, Rs 397 million by 1980-81.

In leather manufactures, the world import grew at 14 percent. per annum between 1960-61 and 1965-66. In future, if the present rate of growth of about 10 percent. per annum is taken for granted in view of the observations made earlier, the world import in 1980 will be around 4 290 million as against 4 62.5 million in 1966 (Table III.19). If India's share is projected at even 5 percent. of this market, her export in 1980-81 will be 12.5 million, that is,

15. I.T.D. : Major markets in Western Europe for hides, skins, and leather. (1963)
16. Ibid.
In 1961, this projected level should not be difficult to attain if proper attention is given to quality and the fashion trends abroad.

Thus, the total exchange earnings from leather and leather manufactures can be expected to be of the order of Rs. 1,550 million by 1966-67.

4. Engineering goods

The world export of engineering goods showed a very dynamic growth since the mid-fifties. Between 1955 and 1965, the average annual rate of growth stood at 10.5 percent. There has been a sharply growing dependence of each industrial country's production and consumption on its external trade in engineering products. Besides, there has been a marked tendency for increased specialization in export of some types of engineering products to be accompanied by increasing imports of other types of engineering goods. The world export of engineering goods amounted to $ 63.5 billion in 1965, that is, 29 percent, of $ 219.8 billion, being the total value of world trade of all goods in all commodities. However, the import into the industrialised countries from the less developed formed only about 1 percent of the former's total import of engineering goods. Nevertheless, in recent years there has been an increasing demand for labour-intensive simple manufactures from the developing countries. There is also a growing volume of trade in engineering goods among the developing countries in different stages of development.

In view of the above trends, the world export of engineering goods is expected to rise by at least 8 percent a year up to 1966. In that event the value of world export in 1966 will be $ 134.9 billion. India's share of the world export in 1965 was only 0.13 percent. In case with vigorous efforts our share is raised to 0.3 percent, India's earning from engineering export in 1966-67 will be $ 6.5 million, that is, $ 6.5 million. This amounts to an annual growth rate of 15.6 percent between 1965-66 and 1966-67 (the annual growth between 1965-66 - 1966-67 and 1966-67 - 1967-68 was 25.7 percent). It will not be difficult to have a growth rate of this order if raw materials are made available at competitive prices and in time. With creation of adequate capacity in terms of quantity and quality well ahead of time, it should not be
difficult for us even to exceed this projected level.

5. Coir goods

India's export of coir goods consists mainly of coir yarn and manufactures. In/Coir fibre applem enjoys a monopoly position. The consumption of coir goods does not show any significant rising tendency due to competition from synthetics and substitute fibres like steel. In the high income countries there has been a shift in demand in recent years from coir and similar low cost floor coverings to tufted carpets and other better quality flooring materials made of rubber and plastic. As a result, the world import of coir yarn declined from 28.1 thousand tonnes in 1955-56 to 4.9 thousand tonnes in 1966-67. Likewise, imports of coir mats, matting etc. and coir ropes and cordages also declined. In future also we can not expect the demand to rise fast, though there may be some increase in demand from the relatively developed of the developing countries, as concluded by the P.A.C. study that coir products, particularly floor coverings, are "inferior goods" which consumers will buy only when their incomes are relatively low, and from which they will turn to higher-priced better quantity or more attractive products as soon as their income rises above a certain level. The future market for coir products will, thus, depend on its competitiveness in price in relation to substitutes, and development of attractive designs in coir products.

India's export of all coir goods came down from Rs. 106.2 million in 1960-61 - 1968-69 to Rs. 86.0 million (pro-forma) in 1968-69 - 1970-71. With success in the measures initiated in recent years for product development and mechanization of the spinning and matting sector, it will be possible for India's export earnings under this head to reach the mark of Rs. 200 million in 1980-81. This will mean an annual growth of about 3.6 percent.

6. Woollen manufactures

The future prospect of export of woollen manufactures from India is dependent on the supply of better quality wool and modernisation of the industry. India's share of the world export is very insignificant and, therefore.

her prospect will depend on her ability to meet the quality and price requirements of the world market.

The most important item in India's export of woollen manufactures to carpets and drapery is but the growth in it was only at 5.3 percent per annum between 1960-61 - 1962-63 and 1962-63 - 1970-71. In future, with improved competitive capacity, we may reasonably expect the growth rate to rise to 6 percent. This puts our projection of exchange earning at the level of Rs. 191 million in 1960-61 as against about Rs. 107.0 million being average for the period 1962-63 - 1970-71.

In respect of woollen fabrics and other manufactures, our export in the 'sixties had a phenomenal growth. But even then the export is not very significant. In increasing the export of woollen fabric the main problem is of getting adequate supply of fine quality wool. In the following decade we expect some improvement in this direction to take place, as a result of measures undertaken recently. Considering as high as more than four times increase in 1962-69 - 1970-71 over that of 1960-61 - 1962-63, the value of export is well expected to swell at least three times over the next decade, that is, to about Rs. 73 million in 1960-61 as against average of Rs. 24.2 million in the closing three years of 'sixties.

The export of other manufactures, mainly handloom and made up garments, which fetched an average exchange earning of Rs. 55.4 million in 1967-68 - 1969-70 is likely to swell to about Rs. 113 million, yielding an increase of 100 percent, during the seventies as against several fold rise during the 'sixties.

Thus, the total export of woollen manufactures in 1980-81 is likely to be of the order of Rs. 377 million as against average of Rs. 175.1 million for 1969-70 - 1969-70. It would thus involve an annual growth rate of about 6.5 percent. (the annual growth between 1960-61 - 1962-63 and 1967-68 - 1969-70 was 12.2 percent.)

7. Chemicals and allied products

The export of chemicals and allied products offers a good prospect. There is a vast market for chemicals in both the developing and the developed countries. Although the developing countries have either recently started producing, or have plans to produce, a variety of chemicals and pharmaceuticals, there will be an increased demand for a variety of other chemicals not yet produced. In the developed countries, there is an increasing demand for products which are labour intensive or whose manufacturing depends on batch process.

The production of different types of chemicals, allied products in the country is also envisaged to rise fast during the period of the Fourth and the Fifth Plans. By 1980-81, there is, therefore, expected to be sufficient surplus of a variety of chemicals in our country. With modernisation and increase in the scale of production there will also be consequent improvement in quality and reduction in cost of production which, in turn, would strengthen our competitiveness and thereby promote exports of our chemicals and allied products. In the context of these developments and well assured supply on a long term basis, it will not be difficult for us to augment our exchange earnings from this item to Rs. 1,000 million in 1980-81 as against average of Rs. 271.9 million in 1968-69 - 1970-71. This means an annual growth of about 13 percent, as compared to 81.3 percent, in the period 1960-61 - 1968-69 and 1969-70 - 1970-71.

8. Iron & Steel

Although the export of iron and steel from India increased very sharply in recent years, it is not likely to march ahead with the same amount of aggressiveness in future as well, for this was induced mainly by a recession in steel-using industries. Anyway, as there is always a surplus of certain varieties of steel, and the production of finished steel by 1980-81 is projected to rise more than three times over 1968-69, it will be possible to increase our export of iron and steel substantially, from the average annual value of Rs. 703.9 million for the period 1962-69 - 1970-71 to Rs. 1,400 million provided adequate capacity is created ahead of time and cost of production is kept under control.

The prospect of world tea trade depends on the developments in tea consumption in the non-producing countries. Of this, more important is the consumption in the developed countries as they account for about 75 percent of the total consumption in the non-producing areas. The trend in their consumption is, however, not at all encouraging. In the U. S. A., the biggest consumer of tea accounting for more than 55 percent of the total consumption, there has been a continuous decline, from 228 thousand tonnes in 1963-65 to 224 thousand tonnes in 1966-68, and the per capita consumption from 4.82 lbs. to 4.07 lbs. in the same period. Of the other major countries, only in the U. S. A. there has been some improvement in consumption. An important feature of the consumption in most of the high income countries is that it is highly inelastic to changes in price or income. Consumption levels are determined more by tradition and habit. The increase in consumption in these countries cannot, therefore, be expected to be more than the growth rate in population. And, as the FAO projects a population growth of 1 per cent. a year for the developed countries, the consumption of tea can also grow only at that rate. Total consumption of tea in the developed countries in 1980 may, therefore, be around 470 thousand tonnes, as consumption in 1961-63 was 440 thousand tonnes. However, as certain changes in drinking habits may be brought about by promotional activities both in traditional and new markets and by attaining production to changing demand patterns, a vigorous promotional campaign by the producing countries may at least raise their total consumption to around 500 thousand tonnes.

The consumption in the centrally planned countries is expected to rise fast in the coming years, as their per capita consumption is one of the lowest, being 0.38 lbs. in the U. S. S. R., 0.22 lbs. in Poland and 0.19 lbs. in East European countries taken together, in 1967-69. The total consumption in the non-producing centrally planned countries may, therefore, rise to about 18 thousand tonnes in 1980-81 as against only 7 thousand tonnes in 1961-63.

As for the consumption in developing non-producing countries,

30. Ibid.
their per capita consumption has risen significantly in recent years (Ch. IV.1). 

P.A.O. study has, therefore, shown that with a rise in purchasing power, per 
capita demand for tea can be expected to rise very fast especially among low-
income groups, and, where close substitutes do not exist. Income elasticity 
of demand for tea in any developing countries ranges between 0.6 and 0.8. 

With rise in incomes, and promotional activities undertaken by the producing 
countries, consumption of tea in these countries will rise rapidly. On the 
basis of the average of low and high estimates recorded, per capita Gross Domes- 
tic Product and population growth in the P.A.O. study, the consumption in the 
developing countries will grow on an average by about 3.5 percent, per annum 
upto 1980. The total consumption in the developing non-producing countries 
will, therefore, be about 220 thousand tonnes.

Thus, the total consumption in the non-producing countries will 
be in the neighbourhood of 750 thousand tonnes. There may also be some amount 
of deficit in the producing countries, especially in the U. S. A. etc. The 
world export of tea in 1980 is, therefore, likely to be about 750 thousand 
tonnnes. This amounts to an increase of 24 percent, over the export of 608 thou-
ousand tonnes in 1969 (Table IV.3). India maintaining her present share of the 
world trade (that is, about 30 percent) will have an export of 205 thousand 
tonnnes. But it will be a really challenging task for India to maintain the 
existing share in the face of the East African and Ceylonese competition. It 
is only with strong resoluteness as well as appreciation of various problems 
on the part of Government and the industry, as detailed earlier (Ch. IV. 1), 
that this will be possible.

The unit price of tea has fallen severely over the years. To 
correct this decline the producing countries have recently (1970) agreed to 
restrict the world export. This is expected to arrest any further fall in unit 
value. Taking the annual average of Rs. 7.46 per kg. (post-devaluation) in 
1968-69 - 1970-71, total earning from tea export will be in the neighbourhood 
of Rs. 1,700 million.

10. Coffee

The world coffee market is faced with an oversupply situation. To regulate supply to demand the international coffee agreement came into existence in 1962 followed by another agreement in 1968, specifying individual quotas for different exporting countries including India.

According to the FAO, the world consumption of coffee is likely to grow at annual rate of 2.6 percent. The consumption in the developing countries will grow at a faster rate than in the developed countries. However, the developed countries will remain the major consumers of coffee even after 1982-84. The study went on to observe that the consumption in the non-producing countries is likely to increase at a rate of 2.3 - 2.6 percent a year. There will also be some amount of import into the producing developing countries. However, the world net import between 1963-65 and 1967-69 increased at 3.2 percent in a year. The growth of world import in future may, therefore, be reasonably assumed to be about 2.7 percent a year. On this basis, the world export in 1980 is likely to be around 4,300 thousand tonnes as against the average world export of 3,282 thousand tonnes in 1967-69. India's share of the world export is currently at 1 percent, if this share is maintained vigorously, our export in 1980-81 will be 43 thousand tonnes as against 31.1 thousand tonnes in 1968-69-1970-71. In other words, it means an average annual growth of 3.3 percent as against 3.6 percent between 1966-67 - 1968-69 and 1968-69 - 1970-71. Taking the unit price prevalent in 1968-69 - 1970-71 (Rs. 6.700 per tonne), the value of India's export in 1980-81 is projected to the order of Rs. 289.0 million.

11. Tobacco

The future consumption of tobacco, according to the FAO, projection, is expected to grow at an annual rate of 2.6 and 3.2 percent, low and high estimates respectively. It is likely to grow at a slightly higher rate in the developing than in the developed countries, as the income elasticity of demand for tobacco is higher in case of the former as compared to the latter.

35. Ibid. p. 228.
37. Ibid.
Since the production of tobacco is likely to grow fast in the developing countries and the centrally planned countries, the increased consumption requirement of the former will, thus, be met mostly from their domestic production of low grade leaf. The high income countries of Europe will continue to be the main importer, and they might further reduce their domestic production which already plays a small role in their total supplies.

The total net import into the major importing countries, that is, the U.S.S.R., Northern Europe, Japan, Oceania, U.S.A., Czechoslovakia and N. Germany, according to the above study, is likely to grow at about 2.0 percent. per annum between 1961-63 and 1975, from 590 thousand tonnes to 864.7 thousand tonnes. The actual growth of import into the developed countries between 1963-65 and 1966-68 was also 2 percent. per annum. But, for the most important exporting area of Western Europe, the growth rate was only 1 percent. per annum, and for the world as a whole, it was negligible, 0.1 percent. only. Taking a longer period, between 1955-57 and 1966-68, the annual rate of growth in world import comes to 2.5 percent. Thus, future annual growth rate in world import may at least be 2 percent. On this basis the world import in 1960-61 will be about 1,100 thousand tonnes or against average of 930 thousand tonnes for the period 1966-68.

If India can recover its earlier share of 8.6 percent. of the total world export, through adequate improvement in quality and competitiveness in price, the share it had in 1964-65 as against 5.4 percent. in 1967-68, her export in 1960-61 will be 101.5 thousand tonnes. Based on average unit realization of Rs. 6.250 for the period 1966-69 - 1970-71, India's export, in value term may, therefore, be around Rs. 635 million in 1960-61.

12. Iron Ore

The export of Iron ore has a good prospect. Demand for Iron ore depends on the production of steel in various countries, which has, indeed, increased rapidly since the 'fifties (Table V. 3). In the coming years also

41. Ibid. p. 101.
42. Ibid. p. 25.
there is no possibility of the growth in steel production slackening down. Being the basic metal in modern industry and with the continuing race for industrialisation throughout the world, production of steel is bound to increase fast. The share of scrap in world steel production, even if all the potentially available scrap were to be utilised, will rise only marginally, from 45.5 percent, in 1955 to 45.3 percent, in 1962-63, as maintained by the U.K. Economic Commission for Europe. The demand for iron will, therefore, more or less keep pace with the growth in steel production. But the production of iron ore in the major steel producing countries is not likely to increase in future. The production in the U.S. A., the U. K., West Germany, Japan and France declined significantly in the past (Table V.3.) and according to a study by the U.S.A. P.E., net imports of iron ore into North America to, therefore, expected to rise by 250 percent, and into Western Europe by 450 - 800 percent, between 1955 and 1975. A similar study for Japan also concluded that Japan's import of iron ore would increase by about 300 percent, in the same period. In the light of the actual experience, however, these estimates appear to be conservative. Japan's import of iron ore increased by 920 percent, between 1955 and 1964.

Despite of aforegone possibility of increase in external demand for iron ore, we have to recognize main limitations on India's future export of iron ore as imposed by mining, shipping and transport facilities. Besides, Australia has become a strong competitor to India in the Japanese market due to factors analysed earlier (Chapter V. 1). In case, like Australia, India puts into operation bulk carriers, the plans for which are in progress, it will not be difficult for India to compete with the countries like Australia and Brazil.

India's export between 1960-61 - 1962-63 and 1968-69 - 1970-71 increased at annual rate of 11.8 percent. In terms of quantum, if in the future we can maintain a growth at least 9 percent per annum, India's export in 1982-83 will be of the order of 42.9 million tonnes. Taking the average unit price prevailing in 1968-69 - 1970-71 ($ 25 per tonne), the value of our iron ore

45. Ibid.
export in 1980-81 will be Rs. 2,350 million.

13. Manganese ore

The prospect of manganese ore export from India is not at all bright. This is mainly because of predominance of captive sources and India's competitive handicap. Out of a total of about 9 million tonnes that entered international trade in 1970, only about 2.0 to 2.5 million tonnes were available to developing countries operating under free market conditions. The overall import of manganese ore in the non-producing countries (excluding Japan) during the 'sixties also did not rise in correspondence with the increase in production of steel due to technical progress. (Chapter V. 2 ) . The growth of world trade in manganese ore recorded was lower than increase in its consumption partly due to increased recovery of manganese from ores, and partly due to growing consumption of low grade ore available locally in the steel producing countries.

The world export between 1957-58 and 1965-66 increased at an annual rate of 5.3 percent. (Table V.6 ) . In view of downward trend in the manganese imports by principal importing countries (Table V.7 ) , we assume a growth rate of 4 percent per annum upto 1980. The volume of world export will thus, be around 14,300 thousand tonnes by 1980-81 as against average of 8,300 thousand tonnes in 1965-66 . Based on the reduced share of India that stood at 15.3 percent. In 1965-66 , India's export in 1980-81 would lie in the range of 2,100 thousand tonnes. The price of manganese fell continuously over the years and reached the lowest level of Rs. 65 per tonne in 1970-71 . Assuming that this price will not fall further , the value of India's export is estimated to be around rupees 1,350 million in 1980-81 . However, realising an export of this order will require an earlier introduction of modernised mining and port facilities in line with the developments in Australia, Brazil and the U. S. A. R.

14. Rice

The future of rice export from India is also not bright.

The demand for nico is a derived demand depending on the development of the electrical industry. However, the demand does not grow proportionately to the increase in production of electricity, which may be taken as a rough indicator of the growth of electrical appliances industry, due to competition from synthetic nico, and the increasing use of screw nico in place of high grade nico. There has also been competition from high-temperature resistant plastics with good insulation properties. Thus, though the world production of electricity increased by 12 percent between 1960 and 1967, the overall consumption of nico declined by 1.9 percent. (Chapter V.3). As a result, the import of nico into the major nico consuming countries like the U.S.A. and the U. K., declined severely (table V.9). However, the rise in export into a number of other countries like Canada, France, W. Germany, Belgium and Japan compensated it considerably, leaving thereby marginal rate of decline on the whole. In future also the overall import level cannot be expected to record any improvement despite significant expansion of the electrical appliances industry in the developing countries, consequent on industrialisation. Again, the world market has become more competitive in recent years. The exports from South Africa and Tanzania have increased many fold since 1960 (Table V.10).

In view of the above developments as well as considerable fall in unit value, India's export is not likely to grow during the Seventies and will, therefore, be around Rs. 170 million as against the annual average export to the tune of Rs. 142.5 million for the period 1962-63 - 1970-71. This means a marginal increase of about 15 percent in value of export during the decade as against the steadiness recorded in the 'sixties.

15. spices

The export of spices offer a good prospect provided the problems faced by them both at the national and the international level are not adequately. The problem at the international level is that of price stabilisation. Prices of different spices fluctuate widely from year to year, caused by irregular supplies from the producing countries and augmented by speculative trading both in the importing and producing countries. Amongst various spices, pepper has suffered most (Chapter VII.a.). Its unit price climbed from 84.1 cents per kg. in 1966 to 69.0 cents in 1967. It is, however, hoped that the 4b. 4a. 4c. 4d. 4e. 4f. 4g. 4h. 4i. 4j. 4k. 4l. 4m. 4n. 4o. 4p. 4q. 4r. 4s. 4t. 4u. 4v. 4w. 4x. 4y. 4z.
agreement entered into with Indonesia on pepper prices would stabilize prices
to certain extent. The problem at the national level is that of adequate supply
at competitive prices of the right quality of spices. To take the case of
pepper, which earns on an average about 45 percent of the total earning under
spices, its production has remained stagnant at about 23 thousand tonnes.
India's Malabar Extra Bold variety is regarded as the best in quality but we
do not have adequate production to meet foreign demand, and in case of other
varieties our prices are uncompetitive. The problem of inadequate production
is common with all our spices.

As there is a growing demand for different types of spices which
are also known to be income elastic, we expect that it would rise just in developing
countries with an increase in their income. Our assumption is well borne out
by the fact that the world import of pepper, the most important spice in world
trade, rose by 6.2 percent, as against 8.3 percent annually in the developing
countries. 49

If the problem in spice export, as posed earlier, are well tackled
it should not be difficult for India to have an annual growth of at least 6 per-
cent. This will mean an earning of Rs. 500 million in 1968-69 from spices as
against Rs. 300.1 million for the period 1963-64 - 1970-71.

16. Vegetable oilseeds

India is now only a very insignificant exporter of oilseeds and
vegetable oilseeds, and its future also looks to be gloomy, because of limitations
imposed on its exportable surplus both by rising internal demand as well as
stagnant production. Despite rising trend in the internal consumption of vegetable
oilseeds with increase in population and income, per capita consumption in our
country has still remained one of the lowest in the world. In view of its income
elasticity measured at the level of 0.8, pressure of internal demand for vegeta-
table oilseeds is likely to rise still further. But, on the contrary, the production
of oilseeds in future is not expected to rise fast. The Fourth Five Year Plan

p.129.
50. The world average per capita consumption of oil is 11 kg., while for India it
is only 5 kg. P.A.O. : Commodity Review & Outlook, 1968-69 p. 50.
51. H.A.N.I.E. Long Term Projections of Demand and Supply of Selected Agricultural
has a target of only 10.5 million tonnes to be attained in 1973-74 - the level already reached at in 1964-65. The long term plan provided for a target of 15.8 million tonnes to be attained by 1980-81. Hence, at least till 1975 we cannot expect any significant increase in production. The impact of the research and other activities undertaken recently to increase production will not be felt before the mid-seventies.

The E.A.O. study has projected the net world import of fats and oils to grow at between 3.8 percent and 4.6 percent per annum, low and high estimate respectively, between 1961-63 and 1975. The trend in recent years, however, shows that the future growth may be much less. The growth in terms of volume was 3 percent, and in terms of value only 0.6 percent, per annum between 1963-65 and 1966-68.

Nevertheless, as India is now only a minor exporter of vegetable oil to the world market, it will not be difficult for her to increase her export if she has the surplus at competitive prices. The average annual value of export in 1962-63 - 1970-71 was Rs. 75.6 million. In 1973-74, we may at best reach Rs. 120 million, which is marginally higher than the export in 1963-69 (Rs. 117.1 million). The value of India's export in 1960-61 may be to the order of Rs. 180 million which is only a 94 percent increase over the level of 1963-69.

17. 012 rakes.

The demand for oils and fats is determined by the changes in output of livestock products like meat, milk and eggs. The production of livestock products rose quite rapidly in the twenties consequent on an increased demand for them in the high income countries with rise in personal incomes. In Western Europe and Japan output of livestock products increased by 49 percent, between 1955 and 1968. The consumption of oils and fats in these countries consequently, rose by an even higher extent of 163 percent, mainly due to an increasing

53. Ibid., p. 166.
56. Ibid., p. 138. 57. Ibid.
recognition of the value of high protein feeds in livestock rations, and a
reduction in the use of foodgrains as a major item in compound feeds. In future
also we expect production would a growth rate to continue, as the demand for
livestock products is bound to increase with rise in personal income.

As no increase in domestic production of oilseeds is envisaged
in Japan, and no significant increase in Western Europe, their import in future
is expected to follow the past trend. Although a decline in total food require-
ments per unit of output is continued to result because of increased efficiency
in feeding techniques and progressive improvements in feed conversion rates,
such a development is, however, not likely to take place in foreseeable future
in the East European countries as their consumption is still at low ebb.

The import into Western Europe and Japan increased at an annual
rate of 9.3 percent between 1960 and 1968. In future, it may be about 6 per-
cent. In the centrally planned countries the import grew at 9 percent per
annum in the same period. In the future it may be about 9 percent, as their
production, which increased at 3.4 percent per annum in the past, is likely
to increase at a faster rate in the coming years. Thus, for the major importing
areas as a whole the growth of import in future may be about 6.5 percent.

India's oilseeds at present is exported mostly to the East European
countries, U.S.S.R., and Japan. Our share of the total market of the E.S.S.R. is
almost negligible. With improvement in quality, and competitive price, it will be
possible for India to increase its export to the E.S.S.R. markets. There is also
the problem of inadequate production. If these problems are tackled properly
and in time, it will not be difficult for India to have an average annual
growth of about 8 percent, as against 9.4 percent, a year during the period
1957-58 - 1958-60 to 1966-69 - 1970-71. India's export may, therefore, be
around Rs. 1, 050 million in 1980-81 as against Rs. 460 million for the period
1968-69 - 1970-71 (Table VI, P).

59. Ibid. p. 163.
18. Fruits and Vegetables

The export of fruits and vegetables offers a good prospect provided we can meet the quality requirements of foreign markets and have adequate production of the required varieties. Between 1963 and 1969 the import of fruits and vegetables into the major importing countries (The U.S.A., West Germany, Canada, Australia, Austria, Belgium, Luxembourg, Denmark, France, Finland, Ireland, Italy, Japan, Netherlands, U.K., Yugoslavia, Norway, Sweden, Switzerland, Spain and the U.S.S.R.) increased at an average annual rate of more than 71 percent. The value of import into these countries and Homeland (excluding USSR) in 1963 was 4,954 million (India's total export to them averaged to only 2,164.6 million in the period 1963-69 - 1969-70), that is a little more than 2 percent. Thus, there is a vast market for our fruits and vegetables. Our export as far as consists mainly of Cashew Kernel (about 70 percent of the total), mangoes, banana and small quantities of citrus; and onions and potatoes.

India accounts for about 65 percent of the world export of Cashew Kernel. Between 1963 and 1966, the world consumption and world export of Cashew Kernel increased at about 5.7 percent per annum. In future also the growth is expected to be at least at this rate. However, for India it will be difficult to maintain her present share of the world export as the exports from Brazil, Mozambique and Tanzania are rising fast. Further, India is dependent on African countries for import of cashew nuts. If the world export grows at an average of 6 percent per annum up to 1990, the total export in 1990 will be around 133 thousand tonnes, and if India's share goes down to about 75 percent, her export in that year will be about 100 thousand tonnes. This means an increase of 72 percent over 1963-69 - 1970-71, that is, an annual growth of 5.6 percent. Although, our unit value has registered substantial increase during the past few decades, as noted in Chapter VII, we assume the unit price of 1963-69 - 1970-71 (Rs. 9,761 per tonne) to prevail in 1980-81 in view of growing competition in international market in recent days. The value of export will thus be in the neighborhood of Rs. 976 million.

63. The per capita consumption in many countries is still less than 10 grammes while in the U.S.A., Australia, Hong Kong, S.Germany, & Lebanon it is more than 100 grammes. (SITC: op. cit.).
64. The Fourth Plan Target for 1966-70 to 60 thousand tonnes. (Govt. of India: Fourth Plan 1969-74, p. 171.)
As for other fruits and vegetables, the limitation is imposed almost solely by the domestic supply conditions. Our export will depend on our ability to increase production, improve quality and reduce prices. However, as the Government has taken certain measures in these directions recently we can expect the export to rise significantly by 1980-81. The growth of export of other fruits and vegetables between 1966-67 - 1968-69 and 1968-69 - 1970-71 was 5.2 percent per annum. The future growth is likely to be at least 6.5 percent per annum upto 1980-81. On this assumption, the value of export in 1980-81 will be of the order of Rs. 382 million as against the average export of Rs. 171.3 million for the period 1968-69 - 1970-71.

19. Fish and Fish Preparation

In the global perspective, fish and fish preparation constitute a significant growth industry. Between 1955-57 and 1966-67, the world export registered an increase of 12.1 percent, while the production increased only by 9.4 percent. The future demand for fish and fish products is expected to rise very fast. There is a rapidly spreading recognition of the nutritional value of fish protein. It has been estimated that in the Japanese market the gap between domestic catches and anticipated demand will exceed 2.6 million tonnes by 1977. The potential capacity of developing countries to consume fish protein is also generally acknowledged to be enormous. With rise in income demand for fish and fish preparation is bound to rise fast.

The world export between 1960 and 1969 increased at an annual rate of 8.2 percent. In the above context, we reasonably expect at least this growth rate to be maintained. The world export in 1980-81, to, therefore, likely to be of the order of 65.5 million tonnes as against 34.3 million tonnes in 1968. If we can get a share of even 0.2 percent, as against 0.12 percent, in 1968, our export in 1980-81 will be 125 thousand tonnes. This will give an exchange earning of Rs. 1,283 million, on the basis of the unit price prevalent

67. Ibid. p. 141.

20. Sugar

Although the world consumption of sugar increased at an annual rate of 4.1 percent between 1955-57 and 1966-68, the future consumption, according to FAO projection, is expected to increase at an annual rate of 3.15 percent (average of low and high estimate). This is because the consumption in the developed countries is not likely to grow at more than 1.8 percent, per annum as the income-elasticity of demand for most of the developed countries is virtually nil. In the centrally planned countries also the growth in future will be substantially reduced from 5.7 percent during the period 1963-65 and 1967-68. Only in the case of developing countries there is a possibility of increasing in consumption, as their per capita consumption is only 11.3 kg, as against 35 kg. in the developed countries.

However, the growth in world import will be much smaller than the growth in consumption due to a growing tendency towards self-sufficiency in sugar. The production in the developing countries, according to FAO projection, will grow at an annual rate of 4.1 percent, and for the centrally planned countries at 4.3 percent, being the average of low and high estimates. Even if the high projection in the case of developing countries does not materialize, import is not likely to grow fast because of balance of payment difficulties.

The world import between 1955-57 and 1966-68 grew at an annual rate of 2.9 percent. In view of the above trends, we cannot expect the future growth to be more than 2 percent. However, if there is some liberalization of import by the developing countries at least after 1975, the average annual growth of world import up to 1980 may be around 2.5 percent. The total world import in 1980 will, therefore, be about 27 million tonnes.

69. FAO, "Commodity Review & Outlook", p. 80
70. FAO, "Agricultural Commodities Projections", p. 103. Ibid., p. 104.
71. Ibid., p. 103:
    The actual growth of production between 1963-65 and 1967-69 was 5.9 per-
    cent per year for the developed, 8.9 percent for the developing, and
    5.8 percent for the centrally planned countries. (FAO, "Commodity Review
    & Outlook 1968-69", p. 80)
India's average share of the world export between 1963 and 1968 was 1.5 percent. If this share can go up to 2 percent, our export in 1980 will be 540 thousand tonnes. This is quite within the reach as average export in 1962-63 - 1963-64 itself reached 530 thousand tonnes. At present we are selling the major portion of our sugar under the U.S. Sugar Act and the Commonwealth Sugar Agreement, under which prices are higher than those in free markets. The future of these preferential markets are uncertain, and it is most likely that the price discrepancies will be, more or less, eliminated. However, the free market price is also likely to improve with the operation of International Sugar Agreement. Assuming a price of Rs. 600 per tonne as against Rs. 270 per tonne, being unit value for the period 1962-63 - 1970-71, the value of India's export in 1980-81 is likely to be Rs. 384 million.

21. Raw Cotton

The prospect of raw cotton is likely to improve much consequent on increase in production and productivity, resulting from implementation of the programme started in recent years. The production of cotton has been projected to be more than doubled between 1968-69 and 1980-81, that is, from 0.95 to 1.95 million tonnes. The export of raw cotton which had severely declined in the 1960s, from average of Rs. 177.3 million in 1960-61 - 1962-63 to Rs. 84.1 million (Pro-Dev.) in 1968-69 - 1970-71 due to stagnant production and increasing internal consumption, may be expected to record atleast annual growth of 3.5 percent in the seventies in the context of targeted increase in production. Thus, the value of raw cotton export is likely to be in the range of Rs. 194 million in 1980-81.

22. Handicrafts (excluding carpets and drapes)

Handicrafts offer immense potentiality for export provided their organisational and raw material problems are tackled promptly and adequately. There is a rapidly growing market for our handicrafts in the West European and North American markets. The total export of handicrafts from India (excluding carpets and drapes) increased by 209 percent between 1966-67 - 1968-69 and 1968-69 - 1970-71, from Rs. 183.6 million to Rs. 393.2 million (Pro-Dev.) in Rs. Govt. of India : Fourth Five Year Plan p. 163.
The export between 1968-69 - 1970-71 and 1980-81 may, thus, be reasonably assumed to rise further by 100 percent. This means handicrafts are likely to have exchange earning of about Rs. 1,200 million in 1980-81.

To sum up, the commodities projected individually so far constituted about 86.5 percent of India's export in 1968-69 - 1970-71 and the rest being contributed by a variety of items. Exports of some of these

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1968-69-70 (average)</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jute manufactures</td>
<td>2,050</td>
<td>2,695</td>
</tr>
<tr>
<td>Cotton textiles</td>
<td>1,113</td>
<td>1,480</td>
</tr>
<tr>
<td>Leather &amp; Leather Manufacture</td>
<td>971</td>
<td>1,450</td>
</tr>
<tr>
<td>Engineering Goods</td>
<td>911</td>
<td>3,085</td>
</tr>
<tr>
<td>Coir Goods</td>
<td>535</td>
<td>200</td>
</tr>
<tr>
<td>Woollen manufactures</td>
<td>1,700</td>
<td>3,573</td>
</tr>
<tr>
<td>Chemicals &amp; allied products</td>
<td>270</td>
<td>1,080</td>
</tr>
<tr>
<td>Iron &amp; Steel</td>
<td>770</td>
<td>1,440</td>
</tr>
<tr>
<td>Tea</td>
<td>1,431</td>
<td>1,000</td>
</tr>
<tr>
<td>Coffee</td>
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<td>209</td>
</tr>
<tr>
<td>Tobacco</td>
<td>130</td>
<td>625</td>
</tr>
<tr>
<td>Iron ore</td>
<td>1,601</td>
<td>2,310</td>
</tr>
<tr>
<td>Manganese ore</td>
<td>122</td>
<td>170</td>
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<tr>
<td>Rice</td>
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<td>170</td>
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<tr>
<td>Yerba</td>
<td>300</td>
<td>500</td>
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<tr>
<td>Vegetable oil</td>
<td>75</td>
<td>130</td>
</tr>
<tr>
<td>Oleoeee</td>
<td>400</td>
<td>1,050</td>
</tr>
<tr>
<td>Fruits &amp; Vegetables</td>
<td>730</td>
<td>1,500</td>
</tr>
<tr>
<td>Fish &amp; Fish preparation</td>
<td>285</td>
<td>1,223</td>
</tr>
<tr>
<td>Sugar</td>
<td>154</td>
<td>304</td>
</tr>
<tr>
<td>Raw Cotton</td>
<td>110</td>
<td>170</td>
</tr>
<tr>
<td>Handicrafts (excluding Carpets)</td>
<td>600</td>
<td>2,000</td>
</tr>
<tr>
<td>Others</td>
<td>1942</td>
<td>3,850</td>
</tr>
</tbody>
</table>

**Note**: Average for 1968-69 - 1970-70

Miscellaneous items like art silk fabrics, non-cotton clothing and foodgrains are likely, on an average, to be treated by 1980-81. Likewise, exports of rubber manufactures, paper and paper board, wood lumber and cork manufactures,
Cotton waste and ferro-manganese and ferro-alloys are also expected to register substantial improvements. For all these items and others we have assumed, on an average, an increase of 100 percent. in 1968-69 over 1966-67 - 1970-71.

Thus, our projections show that India's export in 1968-69 will have an increase of about 94 percent. over 1966-67 - 1970-71, that is, an annual growth rate of 6.8 percent. The Planning Commission's target of having export earning of Rs 30,000 million in 1968-69, therefore, appears to be somewhat over-ambitious. But with proper implementation of the programme of the increased production and determined effort of the part of the Government and Industry in various directions, the export may be expected to attain over this level provided nothing serious stands in the way during the intervening period.

75. Govt. of India, Planning Commission : Fourth Five Year Plan 1969-74 p. 44.
TRENDS IN INDIA'S EXPORTS TO THE E.C.A.F.E. REGION