

Indo-Pakistan Balance of Trade, 1948-1949

The following article is based on the preliminary results of the special investigation on the subject undertaken by the Director-General of Commercial Intelligence and Statistics at the instance of the Ministry of Commerce. The results are tentative but they indicate nevertheless, the general pattern of India's trade with Pakistan before devaluation. All calculations have been made primarily from customs returns (both sea and land customs), supplemented from other sources wherever available.

TAKING Pakistan's total trade with India into consideration and with necessary corrections in the value of imported foodgrains, India's total trade for the year ended March, 1949 works out to be Rs. 11.31 crores. The Indo-Pakistan trade for the same period has been estimated at Rs. 1.95 crores. India's total adverse balance of trade during this period may be placed at Rs. 2.23 crores while her deficit trade account with Pakistan alone amounted to Rs. 41 crores.

The broad pattern of Indo-Pakistan trade is set forth in Table I which would show at a glance the relative importance not only of the two types of our trade (sea-borne and land-borne) with the Dominion of Pakistan, but also the comparative position with regard to our trade with the two parts of that Dominion viz., Western and Eastern Pakistan. It will be seen therefrom that 60 per cent of our total trade with Pakistan, amounting to about Rs. 1.95 crores during 1948-49, was carried by land route, the remaining 40 per cent by sea route. The value of the import trade during 1948-49 amounted to Rs. 1.18 crores of which land trade accounted for as much as Rs. 83 crores or 80 per cent. The export trade amounted to Rs. 77 crores out of which the share of land trade was about Rs. 28 crores or 40 per cent.

As regards the direction of the trade, it would appear that about 65 per cent of our exports were

TABLE I
INDIA'S TRADE WITH PAKISTAN AND OTHER COUNTRIES,
1948-1949.

	(Rs. Crores)	Countries other than Pakistan	Pakistan	All Countries
Imports from	5,59 [†]		1,18*	6,77
Exports to‡	3,77		77*	4,54
Balance	-1,82		-41*	-2,23
Total value of Trade with ..	9,36		1,95	11,31

[†] Food imports are taken at Rs. 131 crores and not at Rs. 66.5 crores. Food imports from Pakistan amounted to Rs. 1.8 crores.

* See Table II.

‡ Including re-exports.

directed to Western Pakistan and the remaining 35 per cent to Eastern Pakistan, the corresponding shares on the import trade being 28 and 72 per cent respectively.

The relative importance of the main items of our imports from the Dominion of Pakistan is indicated in Table III.

Raw jute and raw cotton between themselves constituted 80 per cent of our total imports from Pakistan during 1948-49. During this period India imported foodgrains valued at Rs. 1.31 crores from abroad out of which Pakistan exported to us only 56,000 tons valued at Rs. 1.80 lakhs. In quantitative terms India imported approximately 46 lakh bales of

raw jute and 65,000 tons of raw cotton. Some of the other items of our imports from Pakistan during 1948-49 were valued as follows: Drugs and medicines (Rs. 23 lakhs), machinery and millwork (Rs. 17 lakhs), chemicals (Rs. 14 lakhs), chalk and lime (Rs. 11 lakhs), hardware and cutlery (Rs. 10 lakhs), oil cakes (Rs. 10 lakhs), and fish (Rs. 8 lakhs).

Composition of India's exports to Pakistan during 1948-49 is indicated in Table IV.

It will be noted that Pakistan has been importing from India a wide variety of goods, mainly manufactures. Textiles alone accounted for as much as 43 per

cent of her total imports from India during the year ended March, 1948-49. Oils and oil-cakes, tobacco, tea, spices leather and leather manufactures, glass and glassware, coal, coke and molasses together accounted for 34 per cent, leaving only 23 per cent to be shared in varying proportions by a large number of items including fruits and vegetables, metals and ores, sugar, soap (Rs. 55 lakhs), provisions and oilman's stores (Rs. 53 lakhs), woollen and worsted goods (Rs. 49 lakhs, raw jute (Rs. 37 lakhs), oilseeds (Rs. 32 lakhs), drugs and medicines (Rs. 31 lakhs), paints and painter's materials (Rs. 28 lakhs), instruments and apparatus, etc. (Rs. 27 lakhs), paper (Rs. 15 lakhs), chemicals (Rs. 13 lakhs), and hardware and cutlery (Rs. 12 lakhs).

(Table IV on next page)

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TABLE II
INDIA'S BALANCE OF TRADE WITH PAKISTAN, 1948-49
(In crores of rupees)

	Western Pakistan	Eastern Pakistan	Total Pakistan
Merchandise—Exports (including re-exports)			
(a) By sea	40.97	5.65	46.62
(b) By land	8.28	19.51	27.79
Total	49.25	25.16	74.41
			77.00†
Merchandise—Imports			
(a) By sea	23.98	0.31	24.29
(b) By land	6.07	76.73	82.80
Total	30.05	77.04	107.09
			118.00†
Balance of Trade in Merchandise			
(a) By sea	+16.99	+ 5.34	+22.33
(b) By land	+ 2.21	-57.22	-55.01
Total	+19.20	-51.88	-32.68
			-41.00†

† In the light of further investigations some revisions became necessary. These figures reflect the extent of such adjustments. These adjustments have been taken into account in the rest of this article.

TABLE III
IMPORTS FROM PAKISTAN

Commodity	Value in Rs. lakhs	Share in Total Imports (per cent)	Quantity in '000s
Raw jute	78,00*	66	4,600 bales
Raw cotton	16,69	14	65 tons
Seeds	4,37	4	..
Fruits & vegetables	2,58	2	..
Spices	2,56	2	..
Foodgrains	1,80	1.5	56 tons
Hides & skins (raw)	1,78	1.5	7 tons
Cement	1,10	.1	101 tons
Salt	88	0.7	78 tons
Other items	8,24*	7	—
Total	1,18,00*	100	—

* Approximately.