Prospects for India's Exports

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IN the economic development plans of many of the underdeveloped countries the export sector does not seem to have received the attention that it deserves. It is often taken for granted that exports would continue to stagnate and that the country would be doing well if it could somehow hold the line and prevent its export proceeds from falling. This attitude of near-fatalism has been the consequence of the very poor performance of the exports of these countries in the past two decades. In its recent annual reports the GATT has devoted lengthy discussions to an analysis of the shares of various groups of countries in world exports and the figures show that the share of the under-developed countries (other than petroleum-exporters) has been steadily falling over the last twenty years. Within this group again the semi-industrialized countries including India have fared still worse—India's share in world exports fell from 2.5 per cent in 1948 to 1.8 per cent in 1951 and thereafter has suffered a slow but continuous further fall, reaching a low of under 1.3 per cent in 1958.* The fall in the export share of these countries is due to the fact that the industrial countries which form the main markets for their products have been buying from them a progressively lesser proportion of their total imports. Several reasons have been adduced for this: the income-inelastic nature of the export products of the underdeveloped countries, increased production of either similar products or substitutes in the industrial countries, adoption of manufacturing techniques which reduce the requirement of the raw material input and so on.

EXPANSION IN THE EXPORT SECTOR

While these factors constitute serious threats to the export of certain commodities, they do not justify the general pessimistic conclusion that the past trends cannot be arrested and that a static level of exports is a fact that the underdeveloped countries have to live with. Surely there are many other things which have gone wrong and which can be set right even in the short period. The lagging performance of exports in the past is in part bound up with the general factors which account for the lagging growth of income and activity in these countries. It is true that the development of the export sector demands a good deal more than that of the internal sectors for the external market can never be sheltered in the same way or to the same degree as the internal market. The need for change and adaptation, improvement in quality and design, application of cost-reducing methods of production and organization, and the constant search for markets and products are all basic to a growing export sector. But if it is realized that development in this sector must sooner or later condition the growth of the internal sectors, then determined action must be taken to make the required export expansion possible.

The direct contribution of an expansion in the export sector to the over-all growth of the economy may not be large in India where exports form a small part of the national income, but its strategic importance cannot be overemphasized. The size of the export earnings determines the import capacity. The latter may exceed the former as long as use can be made of foreign exchange reserves, and foreign assistance is forthcoming. But little further use can be made of our foreign reserves and foreign loans involve repayment obligations which already in case of India are equal to a sixth of her current exports. Nor can one seek comfort in the thought that the import requirements—which, for countries placed as India is, must necessarily be high in the early stages of development even when all non-development imports are drastically reduced—are going to diminish after a time. With adequate progress towards industrialization, import of heavy and finished capital goods may decrease to some extent, but there will be increased demand for raw materials and intermediate goods to sustain the established industries. Then with rising incomes demand for imports will take newer and wider forms. To meet this demand from domestic production would involve additional imports of capital goods for developing the relevant industries. It should also be remembered that very strict control on non-development imports cannot be indefinitely maintained. While industrial countries may be expected to take a tolerant attitude to our import restrictions for some time, there is a limit beyond which restrictions cannot be continued with the same intensity without inviting retaliation against our own exports. Import requirements will thus remain high even in the longer run and service obligations on foreign loans will also increase through time. The size of the export earnings will thus exercise a determining influence on the underdeveloped country's capacity to industrialize itself; failure of exports to expand will sooner or later imperil the achievement of growing levels of income. Export promotion should therefore occupy a prominent place in any planning programme.

PERFORMANCE UNDER SECOND PLAN

In the Second Five Year Plan the average annual exports of India during 1956-61 was estimated at Rs 593 crores, which was actually slightly less than exports in 1955 and also the average performance during the First Plan period. This conservative estimate was perhaps induced by the fact that exports fell considerably short of expectations during the previous five years. Viewed as a target, it reflects an insufficient awareness at that time of the foreign exchange needs of the Plan and of the necessity of programming an expanded level of exports and taking steps to attain it. The estimates of individual commodity exports in the Second Plan were not significantly different from exports in the previous years. In practice, exports during the four Years 1956-59 have performed slightly better: the average annual exports being Rs 608.5 crores. If consideration is given to the fall in average export prices of India since

* These percentages have been computed from figures given in International Monetary Fund, International Financial Statistics. The percentage share for 1959 is 1.3.
DALDA FORUM

Why do we cook our food?

NUTRITIONIST: There are many reasons why we need to cook our food. For one thing, cooking generally helps improve the appearance of food. For another, it develops new flavors in it. Even some animals prefer cooked foods when given a choice.

YOU: Is this why we cook our food?

NUTRITIONIST: More important, of course, is the way cooking helps to stimulate the flow of digestive juices during eating. And it destroys many dangerous germs and parasites. So cooking makes eating safer.

YOU: But doesn't all this destroy the goodness of what we eat?

NUTRITIONIST: On the contrary. Cooking is useful for practically all meats, vegetables and cereals—if only because it makes food more digestible.

YOU: How does it do this?

NUTRITIONIST: Let's start with vegetables. Raw vegetables contain indigestible starch and fibrous substances. Cooking softens the fibers and the starch, and makes them more easily digestible. This is roughly what happens when fruits ripen. Cooking, therefore, follows nature's way in vegetables.

YOU: But surely cooking also destroys some valuable substances in vegetables.

NUTRITIONIST: Yes, unfortunately. In vegetables, cooking can destroy some mineral substances and vitamins. But this can hardly be helped. On the other hand, cooking predigests foods—does not over-burden the digestive system.

YOU: Do we cook meat for the same reasons?

NUTRITIONIST: Generally speaking, yes. Heat softens the protein in meat and makes it easier for assimilation. And meat has to be cooked to destroy dangerous germs which might lurk in meat that is not fresh or hygienically stored. Cooking also brings out the flavoring ingredients in meat—makes it taste much better.

WE: This is all very well. But sometimes, cooking makes food lose its flavor.

NUTRITIONIST: True. A lot depends on how you cook. The way you cook can save or destroy the flavor of food.

YOU: Well, I know that.

WE: But if the food doesn't taste as it should—does not retain its natural flavor, then it is not only because of the way it is cooked, but what it is cooked with.

YOU: What do you mean—'what it is cooked with'?

WE: You see, the cooking fat you use is very important. Certain cooking fats and oils impose their own taste on foods. Others, like DALDA Vanaspati, help foods keep their natural flavors.

YOU: How does DALDA Vanaspati do that?

WE: To begin with, DALDA is a bland fat. That is, it is odourless and tasteless. So it adds no flavor of its own to the food.

YOU: Yes?

WE: DALDA is double-refined to a high degree of purity. It brings out all the delicate flavors of food. All it does is add energy and nourishment to your diet.

YOU: How is it nourishing?

WE: Seven hundred International Units of Vitamin A and 56 IU of Vitamin D are added to every ounce. These are the vitamins that protect the skin, bones, eyes and teeth and keep them healthy. And all the goodness in DALDA is retained because it comes to you in hygienically sealed tins . . .

YOU: In that case, we have chosen our cooking fat well. We use DALDA Vanaspati for all our cooking—we've done so for two decades, in fact.

WE: More and more people are taking to DALDA Vanaspati every day. Can you wonder why?
1955-56, the performance would be still better. While the earnings of the major export commodities, namely tea, jute goods and cotton textiles have shown wide fluctuations and have not been very encouraging, increased have been recorded in a number of other traditional items such as leather and manufactures, metallic ares and mica, and also the products of the engineering industries, and certain new items such as iron and steel scrap have made their appearance on the export scene. The most encouraging feature is the substantial recent improvement in exports from Rs 579 crores in 1958 to Rs 626 crores in 1959. The progress achieved in 1959 has certainly been assisted by the higher level of world demand in that year but it may also be to some extent due to the various promotional measures undertaken by the Government in recent years.

GREATER EXPORT CONSCIOUSNESS

There is certainly a greater measure of export consciousness today and the feeling of pessimism regarding the future of Indian exports seems to be lifting. Recent reports indicate that in the draft Third Plan exports are expected to reach an annual level of Rs. 750 crores by 1965. There is no reason why with appropriate action the recent rate of progress cannot lie maintained in the following years and the target cannot be achieved. In fact, in the light of the heavy import requirements of the Third Plan and the need for annual repayments on past loans, attempts should be made to reach an even higher figure. The question may be looked at from another angle. Between 1950 and 1959 the total value of world exports has risen on an average by about 9 per cent per year. The increase in the volume of world exports has been slower but not much less than 7 per cent per year. From all indications it does not seem unlikely that this rate of growth will be maintained in the coming years. If so, by 1965 India will need to expand her exports by at least 40 per cent over the 1959 level in order to maintain her present low share in the world exports.

II

Promotion Measures

Admittedly the task of a significant step-up in exports is not easy. Governmental action, even when adequate, is in itself not enough for the production and trading of our export goods are overwhelmingly in the private sector. Official incentives, controls, assistance and persuasion can however bring about the necessary changes in the export climate conducive to larger export performance. The first task is to identify as thoroughly as possible the lines of significant export expansion and possibilities both in the short run as well as in the longer run and to set up carefully worked out production targets in these lines. The production targets should allow for possible increases in domestic consumption: in, many cases where production cannot be adequately expanded but substantial export prospects exist, domestic consumption will have to be restrained by fiscal means to release sufficient amounts for export. This is no doubt an unpopular step but under the circumstances is unavoidable. The import requirements of increased production should also be properly estimated and provided for. Unless programming of the export availability is done properly and at the right time, a later increase in exports may not be feasible, for what the internal market can absorb, the foreign market may not. Further, frequent shifts in supply between the domestic market and the foreign market may be neither desirable nor possible.

This brings us to the second important matter, that is, maintenance of prices at competitive levels. The necessity of this has never been greater than now for the world market today is intensely competitive and provides the buyer a wide range of choice not only between similar goods from various countries but also between different goods with similar uses. High prices may be due to various reasons—high costs of raw materials or labour or transportation, inefficient methods of production and organization, heavy handling charges, incidence of various duties and levies or to general factors such as inflation; but, whatever the reason, even long-established exports will have to yield ground quickly unless prices are competitive. In fact, high prices for a country's goods, even if for a temporary period, not only mean losing to another country but may affect permanently the trade in the commodities. In recent years the Government has taken several measures to enable the exporters to reduce their prices, viz., abolition or reduction of export duties and other levies, concessions on freight rates, refund of import duty on raw materials, facilities for manufacture in bond, and so on. While these measures are a step in the right direction not much improvement can be expected through action taken in a piecemeal fashion. What is needed is a systematic inquiry into the cost conditions of those of our export goods which lend to be priced out of the world market. It is unlikely that where high prices prevail, these could be traced to any general factor. We have to identify the basic causes in each individual case and take appropriate action. Official measures in many cases can only have marginal benefits; the manufacturers themselves have to be induced to provide the fundamental correctives.

MARKETING OF PRODUCTS

The third important aspect of export promotion relates to the marketing of products. Export credit, export organization, standardization and quality control, settlement of disputes are all relevant here, as market surveys and research, publicity and sales campaigns, trade arrangements with importing countries and such other matters. The serious deficiencies of our export trade in almost all of these areas have been constantly reiterated, and much of the reason for the decline of our exports probably lies here. There are no doubt individual exceptions, but by and large our manufacturers and traders have either neglected or been very slow to adapt their production and sales in conformity with changing consumer habits, or to exploit fruitful possibilities when they arise, or to extend the demand for our goods by developing new uses or varieties. Official policies concerning the export of some of our goods have also often failed to take full cognizance of developments abroad in demand and supply conditions. Further, at a time when attractive packaging and display have become a crucial factor in the marketing of goods, Indian products often appear on the foreign market clumsily covered and inadequately marked. Nor have our goods, in general, earned a reputation for high and uniform quality and our exporters for their integrity.
In the field and at home Radha works hard...but always with a smile...progress is a word she has never heard of...yet it has touched her life too...during the past few years...in the form of...better food...medical care for her children...and good clothes to wear...

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Bombay, NEW UNION, Bombay, SUMAT COTTON, Surat, and new MAFA TLAL FINE, Navbharat,
USAL SHARAN JUTE, CIRCULAR, INDIAN LINEN, & STUFF INDUSTRIES, Bombay
More recently, the Government has taken several measures to set the export trade on a more organized footing; these include the setting up of several bodies such as the export promotion councils, commodity boards, export promotion directorate, and the export risks insurance corporation; conclusion of rupee payments agreements with certain countries; and also a few other measures such as the inclusion of export bills in the bill market scheme, exchange of trade delegations and participation in trade fairs abroad. All these measures have helped to improve the export climate, but a good deal more remains to be done, and further the measures already taken need to be properly coordinated so that they can be effectively translated into actual result.

The proliferation of committees, councils and boards without effective coordination cannot but lead to unnecessary duplication and divided responsibility and may not always foster systematic, purposive research. The Foreign Trade Board established recently by the Ministry of Commerce and Industry is supposed to secure greater coordination but it only groups the existing personnel into a different mould and does not seem to provide an adequate solution. What is called for is a central export trade agency which should include representatives of the Government as well as the trade and industry and should take over the over-all responsibility for the management of our exports. The organizational breakdown of the agency should be in terms of both commodities and foreign regions, thus rendering the existing councils and boards unnecessary. The Central agency should work in close cooperation with export houses or trade associations which have been envisaged for individual commodities. Its functions should include the framing of export policies, the negotiation of agreements with foreign countries, research in quality and design, systematic market surveys including field analysis (such studies should be extended where necessary to cover the internal market), publicity of Indian products abroad and assistance to the trade in regard to advertisement, dissemination of information on day-to-day trends, and so on. One of the factors cramping the development of our exports is the unethical business practices adopted by Indian exporters. Complaints are frequent about the unrepresentative nature of the samples, non-fulfilment of the buyers’ instructions, delayed payment of commission and delayed settlement of disputes. An important corrective would be the setting up of a unit within the central agency which will attempt to settle disputes by conciliation and, if this fails, will provide arbitration facilities.

**EXPORT HOUSES**

In regard to marketing, export houses contemplated for individual commodities or commodity groups seem to be the best solution. The present situation in regard to the exporting of many of our goods is nothing short of chaotic. Production takes place in small quantities in scattered establishments and the task of assembling, grading, processing, packing and transporting to the port of shipment is generally performed by a whole host of intermediaries and merchants who either work for exporters or export themselves. The result is that a large and increasing number of small and medium scale firms with inadequate capital structure participate in the export business for many of whom exporting is only incidental to selling in the domestic market. Very few of them maintain branches abroad, and little attention is paid to quality, packing, market surveys, publicity and such matters. Export houses which will either act as direct exporters or as associations of exporters can remedy many of the defects of the present system. If the export house is organized as a trade association, then only exporters registered with it should be permitted to do export business. With its pooled resources the export house should be able to conduct intensive advertisement and propaganda campaigns for its commodity in the foreign countries. It can also help to bring about conformity to sample, proper grading and standardization, adherence to the schedule of delivery and improved packaging. The point that needs to be stressed is that our traditional export organization has become totally unsuited to modern times and our current needs, and its thorough reorganization is an essential precondition for any substantial improvement of our exports.

**III Future of Traditional Items**

The future export prospects for the individual commodities may now be briefly reviewed. Tea, jute manufactures and cotton textiles are in that order the most important export goods and together from about one-half of our exports. Consequently even a small percentage increase in the total amount of these exports will bring a sizeable addition to our earnings.

**TEA AND JUTE**

The possibility of an expansion in tea exports seems good. It is true that demand in our traditional markets may not increase much in the near future but there are many relatively unexplored markets where per capita consumption of tea is minimal. There is considerable scope for increase in production; in fact even without increasing acreage, quantity of tea can be increased by varying the method of plucking although this may be at the expense of quality. Consequently domestic market expansion is not a serious threat to exports. The problem here is essentially one of reducing coat and creating and tapping new demand. India sells mostly what are known as "common teas" and the prices are considered to be too high. Further, to the existing competition from Ceylon and Indonesia has now been added growing competition from East African countries whose tea prices in the London market are considerably lower. Manufacturers complain of high labour costs, lack of adequate transport facilities, high freight charges and heavy incidence of export duty, cess and State taxes. The export duty and cess have been reduced recently; if labour costs are too high, the remedy surely lies in improving the efficiency of organisation. Improvement of transport facilities, particularly road communication, also seems necessary.

Along with price reduction, a determined attempt should be made to popularize tea in the Soviet Union and the East European countries, and also countries such as Western Germany and Egypt. Since no country ran expect to retain a market in tea even if it "discovers" it, it would be desirable to explore new markets or expand existing ones in collaboration with the other exporters, particularly Ceylon. One important step in this direction
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would be to produce new varieties of tea (black and bitter) which are popular in Egypt, Iraq, the Soviet Union and Eastern Europe. In some of our traditional markets, namely, Australia, expansion of exports is possible with improvement in shipping facilities. Further, opening of an auction centre in the United States may be worth investigating. Finally, active efforts should be made along with the other tea-exporting countries to revive some form of international tea agreement so as to prevent overproduction and relate world supply to demand.

It is often argued that the present methods of sales under which most of the tea is consigned to London and sold through public auctions there should be changed and sales effected solely through the Calcutta and Cochin auctions. This is desirable as a long-term policy. Apart from the fact that its success would depend on the creation of better storage facilities in the Indian auction centres, any precipitate action might upset the trade and lead to a substantial loss in our foreign exchange earnings.

There are also moderate possibilities of the expansion of jute exports. Despite keen competition from substitutes (paper, cotton, plastics), jute has remained the most important packaging material principally because of its cheapness and the fact that it can be used many times over. To some extent, competition from the substitute packing materials could be reduced by better publicity. There is, again, growing competition from an increasing number of exporters, but distinct possibilities of market expansion exist in the Soviet Union, East Europe, China and Latin America. India’s ability to expand exports would seem to depend upon a reduction of the costs of hessian and sackings—which means production in modernized mills. At the same time it would be desirable to give increasing attention to the production of specialized varieties of jute fabrics in which we may be able to establish an advantage over other producers. The long run prospects would also depend on the development of newer uses of jute and the extent to which they gain acceptance abroad.

**COTTON TEXTILES**

In respect of cotton textiles, the future seems to be the least encouraging. The world trade in textiles has been shrinking for a number of years and the trend is likely to continue. India’s main markets lie in Asian and African countries, and competition is keen and increasing. In the near future it may be possible to increase exports somewhat if our prices can be lowered; this depends basically on modernization and rationalization of the industry—an issue which has wider ramifications. However, with the newly developing countries in Asia and Africa progressively starting their own textile mills, it would be imprudent to expect a continued sizeable expansion. Further, unlike in the case of jute where increased domestic demand enables a fuller utilization of capacity, increased home demand for cloth has been and will be an important factor in reducing the exportable surplus. The situation is different as to handloom goods. Here there are definite prospects of a substantial increase in exports of quality products in the T S and Europe, provided production is better organized, quality and design are improved and adapted to the tastes of the buyers, and exporting is carried out on modern lines.

Coming to the other important categories of traditional exports viz, metallic ores, raw skins and leather, vegetable oils, raw cotton, raw wool, cashew kernels, mica, shellac, coir yarn and manufactures, tobacco, coffee and spices which together form about 27-30 per cent of our exports, the prospects are varied but a substantial over-all increase can certainly be expected. For instance, there is considerable scope for increased exports of iron and manganese ore which now account for 4—7 per cent of total exports. Success here will depend principally upon increased production and improvement of transport facilities and negotiation of bulk contracts with the buying countries. For manganese emphasis should be given to the production of high-grade ores which are in greater demand. The Government has recently taken several measures to step up the exports of manganese: there is also the plan of producing and exporting ferro-manganese which is likely to have an increasing demand. Similar scope for expansion exists in respect of raw skins, leather and leather manufactures which now constitute about 5 per cent of our exports. The recent tendency to emphasize the export of tanned skins and finished leathers in preference to raw skins should be encouraged from the point of view of maximizing earnings, but until tanning facilities are extended, export of raw skins has to continue. Attention needs to be given to quality control and also the establishment of direct export connections (sales are now made principally via London).

**DOMESTIC CONSUMER VS EXPORT NEEDS**

As a foreign exchange earner, vegetable oils have been rather unreliable, their contribution to total earnings varying between 1 and 5 per cent. This is one of the many fields where one has to tread the difficult path between the interests of domestic consumers and export needs. Consequently export policy has been wavering. From the point of view of keeping our export markets, it is however necessary in all these cases to ensure continuity in supply even if this entails sacrifice of domestic consumption or import of cheaper substitutes. The problem is, of course, eased to the extent that production increases. As to the future, the prospects seem particularly good for groundnut oil and oil cakes; further, vanaspati, a relatively new item of our export, can expect to find expanding markets in West Asia and West Europe.

Internal demand is also an important factor in the export availability of raw cotton. The foreign demand for our rough staple cotton is good, and it is necessary to increase the production of this variety. On the other hand, there is a large exportable surplus of raw wool, and prospects of increasing exports can be improved if testing houses for grading wool are established at various ports. As to tobacco, there is stiff competition from Rhodesian producers who are producing considerable straining of tobacco in quality and colour suited to the recent changes in smoking habits. India can find new markets in China, Soviet Union and East Europe, but quality must improve and prices must be competitive. Similarly, gains are possible in the export of shellac with better publicity, fixation of acceptable standards and grades, Mahilization of prices and development of new uses. Quality control is again a crucial factor in the development of mica exports; there are prospects for increased sales to Japan and the Soviet
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Union. As to the other items noted above, namely, cashew kernels, coir manufactures, coffee and spices, chances of improved exports would seem to lie mainly in the development of new markets. In addition, exports of a number of other miscellaneous goods, whose individual share in the total has so far been relatively minor, can be increased; these are chemicals, glassware, paints, woollen piecegoods, silk and rayon fabrics, confectionery, sugar, and also such newer items as iron and steel scrap, footwear and cement.

**FUTURE PROSPECTS—ENGINEERING PRODUCTS**

The most hopeful prospects for the future would appear to consist in industry and internationally in the acceptance and exports of the products of our new engineering industries. These industries have made rapid strides in recent years and it is here that a strong position of comparative advantage can be established. Already we have been exporting a wide variety of such goods to Asian and African countries and, in a few cases, even to advanced countries, and the total earnings, although still small, have been rising. The markets for these goods would principally lie in the non-industrial countries which are now trying to develop their economies. There are formidable competitors such as the United Kingdom, Western Germany and Japan, and others such as the Soviet Union, Czechoslovakia and China are entering the field. The present is therefore the most opportune moment to make an organized bid for these markets.

Apart from augmenting production and keeping prices low, closest attention needs to be given to the various aspects of marketing—namely establishing contacts with the main importing firms in the regions, adequate publicity and display, attractive packaging and finish, uniform quality and internationally acceptable standards (the Indian Standards Institution through its certification marks scheme can play an important role here), periodic market surveys and adaptation of production to the consumer requirements, and prompt settlement of disputes. It is necessary to appoint properly trained agents in these countries who can render after-sales services. Stocks should be kept with the agents to enable them to offer goods for quick delivery or put in offers in response to tender notices. Trade agreements should also be made with the African countries so that India is accorded the most-favoured-nation treatment.

**IN THE IMMEDIATE FUTURE**

The foregoing review of our export prospects would indicate that in the immediate future we have to rely mainly upon our traditional items for additional foreign exchange earnings. With improved methods of production and marketing, sales of these goods even in our traditional markets such as Western Europe, the United States, Japan and Australia can be substantially increased. In this connection it is often argued that the formation of the common market by the six countries in Western Europe will have very serious consequences on our exports. A study made elsewhere by the present writer* does not indicate that the common market arrangement, by itself, is likely to threaten our exports to a significant measure. The situation however may be different if the common market countries and the seven other countries which have formed the European free trade association eventually find a basis for unification: the effects on India's exports in that case would, of course, depend on the nature of the combination and, more specifically, on the terms of the U.K.'s participation in it. Secondly, there is also considerable scope for expanding the sales of our traditional goods in the newer markets, particularly in the Soviet Union and the East European countries. These countries have been taking an increasing proportion of our exports and a substantial further increase is possible. Again, it should be noted that the sources of supply for these countries are increasing and they will buy more from us only if we are able to improve the competitive strength of our goods.

**STRUCTURE WILL CHANGE**

With progress towards industrialization, the structure of our exports would change and so would the direction. We will increasingly utilize our raw materials in our industries and export more goods in a finished form. Some of these, as also the increasing output of our engineering industries, would have to find markets in Asia and Africa. It is therefore necessary that we try to establish closer trade connections with these countries horn now on. Unfortunately our trade with the Asian and African countries has been falling in recent years. On the other hand, China which is likely to be one of our strong competitors in this field has been steadily expanding her trade with these countries. While attempting to expand our exports in the advanced countries in Europe and elsewhere, we must at the same time take steps to improve our current trade with the underdeveloped countries in Asia and Africa.

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* See my article on 'India and the Common Market/' India Quarterly 15 (October-December 1959), 382-92.

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**Brno Fair**

ENGINEERING products have represented more than 10 per cent of the exports of Czechoslovakia in recent years. Exports of machinery and allied equipment in 1958 were two and a half times those in 1950. Czechoslovakia now holds the seventh place in the volume of world exports of machine tools and equipment. Its place is even higher in certain categories of equipment. At the same time, it is a large importer of machine tools due to the high priority assigned to modernisation in home industries. Imports of machine tools since the War have, in fact, increased at a faster pace than their exports.

The prominent position occupied by Czechoslovakia in the world trade in engineering products was evident at the 1st International Trade Fair in Brno held in September last year. It was visited by about 2.5 million persons including more than 13,000 foreigners from 14 countries who inspected 10,000 exhibits put up by Czechoslovakia and 29 other countries. The commercial results of the Fair exceeded expectations. Czech foreign trade corporations alone negotiated contracts for 4 milliard crowns, which is nearly one-fifth of the country's entire foreign trade. In addition, many business deals were discussed and commercial contacts established.

The Brno Fair is highly specialized. Prime consideration is given to engineering. This feature will be retained in the Second Fair to be held this year September 11 to 25. Stress will be laid on machine tools. Technical conferences and international symposia will also be held as at the time of the previous Fair.
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