

OCCASIONAL PAPER 12
1998

**CURRENCY TURMOIL IN
SOUTH EAST AND EAST ASIA**

IMPACT ON INDIA'S EXPORTS



B. BHATTACHARYYA

**INDIAN INSTITUTE OF FOREIGN TRADE
NEW DELHI**

**CURRENCY TURMOIL IN
SOUTH EAST AND EAST ASIA
IMPACT ON INDIA'S EXPORTS**

B. BHATTACHARYYA



INDIAN INSTITUTE OF FOREIGN TRADE
IIFT BHAWAN
B-21 QUTAB INSTITUTIONAL AREA
NEW DELHI-110016

CURRENCY TURMOIL IN
SOUTH EAST AND EAST ASIA
IMPACT ON INDIA'S EXPORTS



Rs 50

Printed for the Indian Institute of Foreign Trade by
Apex Printing House, New Delhi-110016.

FOREWORD

The currencies of the South East and East Asia have been subjected to severe depreciation in the last two quarters of 1997. This paper seeks to analyze the impact on India's exports of this development. Countries included in the study are Indonesia, Malaysia, Philippines, South Korea and Thailand.

The paper has come out with a series of important findings. First, it says India's exports may become uncompetitive by about 35 per cent against Thai and 75 per cent against Indonesian exports due to the current depreciation of these currencies. The extent of India's uncompetitiveness will be much less *vis-a-vis* other countries. It will be about 10 per cent against Malaysia and Philippines and only 3 per cent against Singapore.

The study has further found out that India stands to lose maximum due to the depreciation of the Thai currency because the export structures of India and Thailand are very similar. Conversely, the paper has also found out that India need not worry much about the depreciation of the Filipino peso as the export structures of the two countries are highly dissimilar.

Analyzing the export structures of Indonesia, Malaysia, Singapore, the Philippines and Thailand and comparing them with that of India, the study has revealed that the product categories which will be worst affected are food and live animals, manufactured goods and other manufactured goods.

The paper has also analyzed the top 10 export markets of all these countries, and identified the common markets where all of them are competing for market share, where India will face problems of competition.

In conclusion, the paper points out that the price competitiveness gained by these countries through depreciation cannot be maintained, *inter alia*, due to inflation and increased

cost of money. Hence, if the Indian inflation rate does not go up and there is no further round of depreciation of these currencies, Indian exports should be able to face the intensified competition.

We hope this paper which received wide attention in mimeo form now being available to a wider audience, will help in a better appreciation of the issues involved and help in the formulation of policy and business strategy.

K. DHARMARAJAN
DIRECTOR GENERAL

New Delhi
February 1998

CURRENCY TURMOIL IN SOUTH EAST AND EAST ASIA IMPACT ON INDIA'S EXPORTS

B. Bhattacharyya

THE currencies of the South East and East Asian countries have been subjected to severe depreciation in the last two quarters of 1997. This paper seeks to analyze what could be the possible impact of these currency rate changes on India's exports in third country markets. The impact of the downturn in these economies on their imports from India has not been considered in this exercise. Countries included in the study are Indonesia, Malaysia, Philippines, South Korea and Thailand. Taiwan couldn't get included because of data limitations.

The Model

Impact of depreciation of South East and East Asian currencies on India's exports would depend upon several factors.

- (1) The amount of change in the exchange rates of these countries in terms of a numeraire currency, say, US dollar, as against the change in the Rupee exchange rate in terms of US dollar.
- (2) If the currencies of these countries have depreciated substantially more than the Indian rupee, exports of these countries can, to that extent, be more price-competitive. However, the increased cost of imported inputs for export production will have to be discounted to arrive at the net effect.
- (3) However, the actual price competitiveness is expected to be somewhat less, because the pass-through effect, i.e. the extent to which the depreciation gets reflected in

lower prices, is almost always less than unity. In case of India, the pass-through effect has been estimated to be slightly lower than 0.5. In other words, a depreciation of, say, 10 per cent is expected to lower foreign currency denominated export prices by about 5 per cent.

- (4) To what extent the increased relative price competitiveness of exports originating in the South East and East Asian countries may erode the market share of India will depend on, among other factors, whether price is a major determinant of purchase (import) decisions. Existing literature suggests that relative price changes will have strong impact on source-switching for undifferentiated products, i.e. commodity type exports. Greater is the degree of product differentiation, the lesser is the importance of price, at least up to a threshold level. Similarly, for branded products, demand is relatively price-inelastic. Therefore, the structure of India's exports will to a large extent determine the magnitude of adverse impact due to relative currency adjustments.
- (5) Export structure becomes a critical determinant for another reason. If export structure of India and those of Asian countries is totally dissimilar, the impact of exchange rate depreciation will be nil. If the export structure is totally similar, the impact will be very high. The reality will be somewhere between these two extremes. The similarity will have to be seen at the bilateral level, viz. India vs. Indonesia, India vs. Thailand, etc.
- (6) Even if export structure is broadly similar, i.e. two countries are directly competitive, it does not necessarily follow that the consequential market share changes will be high. This is because the two countries may have targeted different export markets. If the export markets are totally different, the impact will be nil. If these are totally same, it will be large. As in the case of export structure similarity, the reality will be somewhere between these two extremes in this case as well.

Empirical Analysis: Exchange Rate-Induced Competitiveness

The currencies of the South East and East Asian countries were very stable till the sudden collapse of the Thai baht and the subsequent domino-type effect on the other currencies. The exchange rates of the South East and East Asian countries and that of India in terms of US dollar are shown in Tables 1 and 2.

It can be seen that the currencies of the South East Asian countries, except that of Singapore, have sharply depreciated during the last six months, especially during the last quarter, while the Indian rupee remained practically stable almost till the very end of the period. Though it is the real exchange rate, rather than the nominal exchange rate, that determines competitiveness, relative depreciation, even in nominal terms of such a high order, will definitely give competitive advantage to these countries. This is because, most probably, the real rates also have moved more or less in the same way. This is again because the inflation rates of these countries were of the same order during the last 12 months. (Table 3)

TABLE 1
EXCHANGE RATES OF INDIA AND SOUTH EAST AND
EAST ASIAN COUNTRIES
(IN TERMS OF US DOLLAR)

Country	Spotrate* 30 June 1997	Spotrate 9 January 1998
India	35.82	39.72
Indonesia	2,431.00	7,800.00
Malaysia	2.52	4.65
Philippines	26.38	44.29
Singapore	1.43	1.77
Thailand	24.90	52.75
South Korea	887.85	1,811.50

* 29 September 1997

Source: *Asian Wall Street Journal* (various issues).

TABLE 2
RATE OF DEPRECIATION AND IMPACT

Country	July '97 - 9 January 98	Net competitive gain ¹	Estimated price reduction ²
India	10.88	—	—
Indonesia	220.85	154.75	75
Malaysia	84.52	52.51	26
Philippines	67.89	40.03	20
Singapore	23.77	6.95	3
Thailand	111.85	73.00	36
South Korea	104.03	67.14	33

¹ Depreciation of a national currency adjusted for import content of 25 per cent and rupee depreciation.

² Assuming a pass-through effect of 50 per cent.

TABLE 3
CONSUMER PRICE INDICES
(PER CENT CHANGE)

	3 months ago	12 months ago
India	1.6	5.6
Indonesia	2.8	7.2
Malaysia	0.5	2.3
Philippines	1.7	5.2
Singapore	0.8	2.0
Thailand	2.9	6.2
South Korea	1.2	4.1

Source: *Far Eastern Economic Review*, 25 December '97-1 January '98.

However, exchange rate depreciation also increases the cost of imports and to that extent nullifies the price advantage for exports. For this exercise, we have assumed 25 per cent import

content and a uniform pass-through rate of 50 per cent. Based on these assumptions, the export prices of these countries may come down by about 20 to 35 per cent on an average, except for Indonesia, for which the rate may go by as high as 75 per cent and for Singapore it is only 3-4 per cent. It is necessary to emphasize that these figures are to be interpreted as broad order of magnitudes and not as precise estimates. However, relative price shifts of anything above 10 per cent can break the psychological barrier as well as compensate the additional costs relating to identifying new sources of supplies. Therefore, there is a distinct possibility that the Indian exports may lose out to exports from these countries, except Singapore. It is, however, very difficult to hazard a guess as to the quantum of business loss. The most important factor will be to what extent the Indian export products are perceived to be similar to the export products coming from ASEAN. If the export structure is very similar, the rate of substitution following the depreciation will also be high. This point has been discussed in greater detail subsequently.

Export Structure Similarity

We have hypothesized that greater is the similarity in the composition of exports among these countries, greater will be the adverse impact. The export structure of these countries is shown in Table 4 (Details are in Annexure 1.) The data are at SITC one-digit level. Data reveal that there is broad similarity in the export structure of these countries. The exception appears to be Philippines.

To test more rigorously whether similarity exists, we have calculated the Rank correlation coefficients between pairs of countries based on 1994 data. The relevant figures are shown in Table 5. Results confirm that except Philippines, all the pairs have similar export structure. However, Thailand and Philippines are found to have export similarity within ASEAN. Also, Indonesia-South Korea export structure similarity is not statistically significant.

TABLE 4
EXPORT STRUCTURE OF COMMODITY GROUPS

Country/ Year	SITC Sections (one-digit)									
	0	1	2	3	4	5	6	7	8	9
Indonesia										
1990	8.9	0.5	7.7	43.8	1.6	2.4	22.1	1.4	11.0	0.5
1993	7.9	0.5	6.0	28.2	2.3	2.2	26.4	6.0	19.0	0.5
1994	8.8	0.3	8.1	26.3	3.4	2.5	23.8	7.6	18.7	0.4
1995	7.9	0.4	11.1	25.3	3.0	3.3	23.2	8.4	17.2	1.1
Malaysia										
1990	4.3	-	14.3	18.3	7.1	1.6	8.1	35.7	10.0	0.4
1993	3.3	-	9.0	10.2	6.0	2.1	9.6	48.5	14.4	0.7
1994	2.9	-	7.4	7.4	6.8	2.6	9.1	53.4	9.5	0.7
1995	2.4	-	6.4	7.0	6.8	3.0	8.9	55.1	8.7	1.3
Philippines										
1990	13.1	0.7	6.7	2.2	4.6	3.2	9.3	12.5	16.4	31.3
1993	11.7	0.4	3.4	2.0	3.2	2.3	7.1	18.6	15.6	35.7
1994	9.9	0.3	3.0	1.6	3.6	3.3	6.5	21.6	14.7	36.5
1995	7.7	0.2	3.0	1.5	4.8	1.9	6.4	22.1	12.9	39.3
Singapore										
1990	2.9	1.5	3.1	18.2	0.8	6.2	7.0	50.1	9.0	1.3
1993	2.4	2.0	1.8	12.2	0.5	6.3	6.5	58.3	8.3	1.7
1994	2.4	1.7	1.5	9.6	0.4	5.6	6.0	63.9	7.7	1.3
1995	2.1	1.4	1.4	6.9	0.4	5.8	6.4	65.6	7.6	2.4
Thailand										
1990	28.2	0.4	5.7	0.8	-	2.0	13.7	22.0	26.0	1.2
1993	21.4	0.4	4.3	1.2	-	2.8	12.3	29.7	26.5	1.5
1994	20.6	0.4	4.9	0.8	-	2.8	12.2	33.3	24.3	0.8
1995	19.0	0.3	5.7	0.7	-	3.8	11.9	33.6	24.0	1.0
India										
1990	13.9	0.8	9.7	2.9	0.3	7.4	37.3	7.4	18.3	2.0
1992	14.7	0.9	5.4	2.8	0.3	6.7	40.4	7.0	20.1	1.7
1993	15.2	0.7	5.8	2.2	0.5	6.9	40.9	6.8	19.7	1.6
1994	14.3	0.4	4.6	1.9	0.6	8.1	40.8	7.1	20.5	1.7

Country/ Year	SITC Sections (one-digit)									
	0	1	2	3	4	5	6	7	8	9
South Korea										
1990	3.1	-	1.5	1.1	-	3.8	22.3	39.3	28.4	0.3
1993	2.5	-	1.4	2.3	-	5.9	25.4	44.9	17.1	0.4
1994	2.4	-	1.5	1.8	-	6.5	24.2	49.0	13.8	0.7
1995	2.1	-	1.4	2.0	-	7.1	22.3	52.5	10.5	2.0

Source: PC/TAS CD-ROM Database (ITC).

TABLE 5
RANK CORRELATION MATRIX

Thailand-Singapore	0.58	Malaysia-Philippines	0.37*
Thailand-Malaysia	0.83	Malaysia-Indonesia	0.67
Thailand-Philippines	0.56	Malaysia-India	0.58
Thailand-Indonesia	0.49	Malaysia-South Korea	0.48
Thailand-South Korea	0.62	Philippines-Indonesia	0.04*
Thailand-India	0.76	Philippines-India	0.36*
Singapore-Malaysia	0.62	Philippines-South Korea	0.03*
Singapore-Philippines	0.07*	Indonesia-India	0.62
Singapore-Indonesia	0.58	Indonesia-South Korea	0.07*
Singapore-South Korea	0.59	India-South Korea	0.51
Singapore-India	0.54		

* Statistically not significant at 5% level.

What it implies is that depreciation of Filipino peso will not have much of an impact on India's exports. On the other hand, the depreciation of Thai baht can adversely affect India's competitive position substantially. The export similarity between India and Thailand is the second highest among all the pairs, after Thailand-Malaysia. The impacts of depreciation of Malaysian and South Korean currencies are also expected to have some impact.

Commonality in Export Markets

Earlier we have hypothesized that the potential impact of depreciation of South East Asian currencies on India's exports will also depend on to what extent all these countries are competing in the same export markets. If the export markets are different, obviously the intensity of competition will be low. Table 6 provides the relevant data. (Details are in Annexure 2.) We have identified the top ten export markets on the basis of 1994 data for all these countries at SITC one-digit level. It is found that in some product categories the competition is severe as most of the countries are targeting the same markets (Table 6). This is especially true in the case of SITC 0 (food and live animals), 6 (manufactured goods) and 8 (misc. manufactured articles). These three categories accounted for 75.6 per cent of India's exports in 1994. Of these categories, SITC 0 may be most adversely affected because for these commodities, price has a major influence on purchase decisions. The major export markets where the competition will be most severe are:

SITC Section 0 : Japan, USA, UK and Germany

SITC Section 6 : Japan, USA, UK and Hong Kong

SITC Section 8 : USA, Japan, UK, Germany, France and Netherlands.

TABLE 6

COMMON NO. OF MARKETS IN THE TOP TEN

SITC	India	Indo-nesia	Malay-sia	Singa-pore	Philip-pines	Thai-land	South Korea	Total (excl.India)
0	10	6	6	4	7	5	3	31
1	10	2	-	-	1	2	1	6
2	10	4	3	3	3	3	5	21
3	10	3	2	2	-	2	2	11
4	10	3	3	1	2	2	2	13
5	10	3	2	2	3	1	3	14
6	10	5	4	3	6	6	5	29
7	10	5	3	3	3	4	2	20
8	10	6	6	3	7	6	7	35
9	10	2	3	3	4	4	2	18

India's top ten export product-groups at three-digit SITC level under these three Section heads are tabulated in Table 7. Not all of these are exported by these Asian countries. These product-groups are expected to face intensified competition.

TABLE 7
INDIA'S EXPORTS OF TOP TEN COMMODITIES
(SITC 3-DIGIT LEVEL)

(Value: US\$ million)

SITC Code	Commodity	1990	1992	1993	1994
011	Meat fresh, chilled and frozen	77	99	109	125
034	Fish fresh, chilled and frozen	55	93	103	173
036	Shell fish, fresh and frozen	468	571	700	939
042	Rice	254	376	410	384
054	Vegetable, etc, fresh and simply preserved	77	83	95	118
057	Fruits, nuts fresh and dried	284	345	394	459
071	Coffee and substitutes	148	146	174	335
074	Tea and mate	585	366	331	307
075	Spices	109	112	142	149
081	Feeding stuffs for animals	336	597	748	582
<i>Total</i>	<i>Food and live animals</i>	<i>2,500</i>	<i>3,046</i>	<i>3,384</i>	<i>3,753</i>
611	Leather	447	311	269	382
612	Leather manufactures	385	312	271	302
625	Rubber tyres, tubes, etc.	104	203	205	238
651	Textile yarn	360	651	656	1,051
652	Cotton fabrics, woven	571	689	683	913
653	Woven man-made fibre fabrics	156	222	252	355
654	Other woven textile fabrics	195	204	171	203
658	Textile articles, n.e.s.	341	406	425	543
659	Floor coverings, etc.	654	630	604	611
667	Pearls, precious and semi-precious stones	2,710	3,120	3,668	4,062
<i>Total</i>	<i>Basic manufactures</i>	<i>6,685</i>	<i>8,363</i>	<i>9,099</i>	<i>10,737</i>

SITC Code	Commodity	1990	1992	1993	1994
831	Travel goods, handbags	134	215	199	254
843	Women's outerwear nonknit	1,023	1,217	1,077	1,409
844	Undergarments, nonknit	424	523	523	725
845	Outerwear knit, nonelastic	293	313	325	339
846	Undergarments, knitted	277	409	417	480
847	Textile clothing and accessories	109	117	141	173
848	Headgear, non-textile clothing	321	432	391	430
851	Footwear	187	233	280	346
893	Articles of plastics, n.e.s	50	72	192	217
897	Gold, silverware, jewellery	179	315	336	447
Total	Miscellaneous manufactured goods	3,276	4,164	4,293	5,406

Source: UN, *International Trade Statistics Yearbook*, 1993 and 1995.

Conclusions

On the basis of available data and the analysis we carried out, the following conclusions can be drawn:

- (1) Thailand will emerge as the most important competitor among the South East and East Asian countries for India if the current exchange rate differential continues to hold.
- (2) The two other countries which can also give India a run for its money are Malaysia and South Korea.
- (3) The threat of loss from the other countries, viz. Singapore and the Philippines, is much less. For Singapore, the depreciation has so far been marginal while for the Philippines, the export structure of the two countries, viz. India and the Philippines, is very dissimilar.
- (4) A major statistical conclusion is that there is strong export similarity between Thailand and India. This means that the export structure, in terms of composition of goods, of these two countries is very similar. Therefore, the relative

exchange rate changes between the Indian rupee and the Thai baht will have a major effect on either country's export performance. This is also true of Malaysia. On the other hand, export structure of Philippines is very dissimilar to that of India and, therefore, the exchange rate behaviour of Filipino peso is of relatively less consequence to India.

- (5) Indonesia's case is rather uncertain at this stage because its currency has reached a level which is most certainly an undervalued stage. Though the initial market reaction to the IMF package has been weak, there is a strong possibility that it will move up in the near future when the package starts working. Therefore, the relative price uncompetitiveness *vis-a-vis* Indonesia should also come down.
- (6) Adverse impact on India will also be conditioned by the similarity in the export markets being targeted by these countries. The sample of the ten most important export markets for major product categories for these six countries reveals that for some product sectors, all the countries have many common export markets. This obviously raises the intensity of competition and the possibility of substantial loss to India due to weakened competitive position. The product categories which will be most susceptible to threat are SITC Sections 0, 6 and 8. The major export markets where the competition will be most severe are:

SITC Section 0 : Japan, USA, UK and Germany

SITC Section 6 : Japan, USA, UK and Hong Kong

SITC Section 8 : USA, UK, Germany, France and
Netherlands.

- (7) One point needs emphasis so far as impact on India's exports is concerned. The initial price competitiveness gained by these countries through depreciation cannot be maintained over a medium-term horizon for several reasons. Major ones are:

- (a) The inflation rate in these countries will rise, in some cases substantially in the post-depreciation period. The International Monetary Fund (IMF) has estimated that Indonesia will have an inflation rate of 20 per cent in 1998, based on a Rph : Dollar parity of 5,000 : 1. It is obvious that the inflation rate actually may be for higher than 20 per cent, possibly 30 per cent. If the Indian inflation rate hovers around 6 per cent, the inflation differential will wipe out about 25 per cent from the initial price gain in one year itself. Even in Thailand, the estimated inflation rate (consumer prices) for the current year is 12 per cent, which is almost double the previous year.
- (b) The cost of money will, in fact, has already risen in these countries. The prime rate of interest has shot up to 30 per cent in Indonesia. In all these countries, the cost of money is now substantially higher than in India.
- (c) Apart from the cost, these countries are increasingly finding it difficult to access money in international market. And whenever they can, they have to pay a premium which will raise the cost of finance.
- (d) In many of these countries, the import content of export production is very high—much more than the average 25 per cent assumed in our exercise. In these import-intensive industries, the competitive gain will be extremely difficult to be sustained.

Based on these reasonings, it is concluded that the estimated competitive gains of these countries due to depreciation, while need to be somewhat offset, do not call for total neutralization, as the market forces automatically will gradually erode these gains. The Indian rupee has now depreciated by about 12 per cent. If the Indian inflation rate does not go up, and there is no further meltdown of these currencies, the Indian exports should be able to face the intensified competition, provided the Indian firms become more competitive in terms of quality, delivery and other forms of servicing the trade requirements.

Annexure 1

EXPORT STRUCTURE BY SITC ONE-DIGIT LEVEL

(US\$ million)

Country/Year	0	1	2	3	4	5	6	7	8	9	Total (0-9)
Indonesia											
1990	2,291	136	1,970	11,239	420	618	5,675	367	2,835	124	25,675
1993	2,921	192	2,554	10,391	848	824	9,723	2,205	6,982	182	36,823
1994	3,531	138	3,235	10,523	1,374	1,001	9,535	3,045	7,500	151	40,053
1995	3,580	195	5,034	11,509	1,384	1,510	10,527	3,824	7,806	500	45,418
Malaysia											
1990	1,276	-	4,208	5,398	2,095	478	2,387	10,513	2,943	122	29,455
1993	1,544	-	4,241	4,849	2,815	1,003	4,543	22,854	4,885	321	47,127
1994	1,711	-	4,368	4,336	4,008	1,536	5,370	31,421	5,590	423	58,843
1995	1,799	-	4,738	5,159	5,039	2,211	6,575	40,673	6,455	971	73,778
Philippines											
1990	1,075	57	546	181	375	261	763	1,020	1,340	2,566	8,186
1993	1,328	44	388	229	370	257	807	2,119	1,769	4,063	11,375
1994	1,330	45	411	216	491	298	880	2,907	1,984	4,923	13,483
1995	1,337	42	531	263	844	330	1,124	3,870	2,249	6,858	17,447

Country/Year	0	1	2	3	4	5	6	7	8	9	Total (0-9)
Singapore											
1990	1,511	769	1,614	9,587	421	3,265	3,692	26,437	4,733	701	52,730
1993	1,799	1,480	1,315	9,063	378	4,668	4,818	43,138	6,109	1,238	74,007
1994	2,323	1,607	1,440	9,260	378	5,413	5,832	61,859	7,427	1,210	96,749
1995	2,507	1,606	1,698	8,121	512	6,902	7,525	77,568	8,971	2,854	118,263
Thailand											
1990	6,495	90	1,315	192	-	458	3,161	5,066	6,009	276	23,069
1993	7,939	150	1,598	397	-	1,040	4,563	11,028	9,867	575	37,167
1994	9,310	165	2,209	452	-	1,259	5,517	15,070	11,003	350	45,259
1995	10,744	144	3,249	407	-	2,128	6,763	19,049	13,585	554	56,648
South Korea											
1990	2,015	-	991	699	-	2,469	14,523	25,542	18,438	216	65,016
1993	2,042	-	1,157	1,859	-	4,850	20,901	36,935	14,068	242	82,232
1994	2,280	-	1,426	1,756	-	6,249	23,217	47,037	13,294	640	96,008
1995	2,645	-	1,785	2,487	-	8,827	27,900	65,625	13,136	2,484	125,056
India											
1990	2,500	152	1,745	523	47	1,325	3,385	1,331	3,276	358	17,940
1992	3,046	193	1,111	587	57	1,383	8,363	1,450	4,164	356	20,711
1993	3,384	159	1,299	496	101	1,534	9,099	1,509	4,293	363	22,237
1994	3,753	96	1,208	514	153	2,134	10,735	1,882	5,406	445	26,330

Source: UN, *International Trade Statistics Yearbook*, 1993 and 1995 (Trade by Country).

TOP TEN EXPORT MARKETS

SITC SEC. 3:0

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
Japan	Japan	Singapore	Malaysia	Japan	Japan	Japan
USA	USA	Japan	Japan	USA	USA	USA
Saudi Arabia	Singapore	Hong Kong	USA	Korea Rep.	Netherlands	Hong Kong
Great Britain	Germany	Netherlands	Hong Kong	Hong Kong	Malaysia	Russia
United Arab Emirates	Algeria	USA	Australia	Netherlands	Hong Kong	Thailand
Netherlands	Netherlands	Germany	Germany	Germany	Singapore	Spain
Singapore	Hong Kong	Great Britain	Other Asia n.e.s.	Great Britain	Korea Rep.	Other Asia unspecified
Malaysia	Great Britain	Australia	Thailand	Canada	Great Britain	China
Germany	Korea Rep.	Other Asia n.e.s.	Brunei Dar.	Saudi Arabia	Australia	Canada
Russian Federation	Poland	Brunei Dar.	Netherlands	Singapore	Canada	Freezones

Annexure 2.2

SITC SEC. 3:1

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
Great Britain	Cambodia	Singapore	Japan	Japan	USA	Japan
Saudi Arabia	Germany	Hong Kong	Korea Rep.	Saudi Arabia	Great Britain	Russia
United Arab Emirates	Malaysia	Thailand	Hong Kong	Egypt	Germany	Hong Kong
Netherlands	Netherlands	Philippines	Vietnam	Other Asia n.e.s.	Japan	USA
Bangladesh	USA	Myanmar	Cambodia	USA	Belgium	Singapore
Algeria	France	Other Asia n.e.s.	Malaysia	France	Egypt	Other Asia unspecified
Jordan	Spain	Brunei Dar.	Myanmar	Germany	Singapore	Greece
Russian Fed.	Belgium	Vietnam	Philippines	Algeria	Australia	Freezones
Germany	Philippines	Japan	Brunei Dar.	Spain	Myanmar	Bulgaria
Djibouti	Thailand	Afghanistan	India	Singapore	Cambodia	Afghanistan

Annexure 2.3

SITC SEC. 3:2

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
Japan	Japan	Japan	Malaysia	Japan	Japan	China
USA	USA	Korea Rep.	Japan	USA	China	Japan
Italy	Singapore	Thailand	USA	Korea Rep.	USA	USA
Hong Kong	Korea Rep.	Other Asia n.e.s.	India	Great Britain	Other Asia n.e.s.	Hong Kong
Indonesia	Spain	Netherlands	China	Other Asia n.e.s.	Korea Rep.	Indonesia
Great Britain	Philippines	China	Hong Kong	Germany	Malaysia	Other Asia unspecified
Thailand	Other Asia n.e.s.	USA	Other Asia n.e.s.	China	France	Vietnam
China	China	Singapore	Other Africa n.e.s.	France	Hong Kong	Belgium
Iran	Germany	Great Britain	Korea Rep.	Hong Kong	India	Bangladesh
Germany	Canada	Australia	Brazil	Malaysia	Germany	Thailand

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
Not specified	Japan	Japan	Hong Kong	China	USA	Japan
Bangladesh	Korea Rep.	Singapore	Malaysia	Japan	Areas n.e.s.	China
Nepal	USA	Thailand	Thailand	Korea Rep.	Lao P. Dem. Rep.	Singapore
Singapore	Other Asia n.e.s.	Korea Rep.	Japan	Hong Kong	Singapore	Hong Kong
Yemen	Singapore	Indonesia	China	Malaysia	Japan	USA
USA	China	India	Vietnam	Singapore	Myanmar	Thailand
United Arab Emirates	Australia	Philippines	Other Asia n.e.s.	Other Asia n.e.s.	Australia	Philippines
Korea Rep.	Italy	USA	Korea Rep.	Guam	China	Vietnam
France	Hong Kong	Sri Lanka	Australia	Not specified	Vietnam	Other Asia unspecified
Australia	Thailand	Other Asia n.e.s.	Panama	Pacific Islands	Cambodia	Russia

Annexure 2.5

SITC SEC. 3:4

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
France	Netherlands	China	Hong Kong	USA	Japan	Russia
USA	Malaysia	Pakistan	China	Netherlands	Singapore	Japan
Japan	China	Singapore	Malaysia	Malaysia	Australia	Thailand
Italy	Italy	Japan	Saudi Arabia	Japan	Indonesia	Other Asia unspecified
Netherlands	India	Netherlands	Thailand	Indonesia	USA	Hong Kong
Ukraine	Germany	Egypt	Other Africa n.e.s.	Korea Rep.	Other Asia n.e.s.	Malaysia
Thailand	Spain	USA	Myanmar	Great Britain	Lao P. Dem. Rep.	Indonesia
Russian Federation	Pakistan	Turkey	United Rep. Tanz	China	India	Libya
Czech Rep.	USA	India	Japan	France	Korea Rep.	China
Brazil	Great Britain	Korea Rep.	United Arab Emirates	Singapore	Pakistan	Norway

Annexure 2.6

SITC SEC. 3:5

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
USA	Japan	Singapore	Malaysia	Vietnam	Hong Kong	China
Great Britain	Other Asia n.e.s.	Japan	USA	Thailand	Japan	Japan
Italy	Malaysia	Hong Kong	Thailand	Japan	Other Asia n.e.s.	Hong Kong
Hong Kong	Hong Kong	USA	Hong Kong	Hong Kong	Singapore	Indonesia
Korea Rep.	Singapore	Thailand	Other Asia n.e.s.	USA	Malaysia	Other Asia unspecified
Netherlands	Thailand	Korea Rep.	Japan	Indonesia	China	USA
Other Asia n.e.s.	India	Indonesia	Korea Rep.	Other Asia n.e.s.	Lao P. Dem. Rep.	Thailand
United Arab Emirates	Philippines	Other Asia n.e.s.	China	Korea Rep.	Philippines	Indonesia
Russian Federation	USA	Netherlands	Philippines	Singapore	Vietnam	Philippines
Germany	China	Philippines	Australia	Australia	Saudi Arabia	Vietnam

Annexure 2.7

SITC SEC. 3:6

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
USA	Japan	Singapore	Malaysia	Japan	Japan	Hong Kong
Japan	USA	China	Thailand	USA	USA	Japan
Belgium	Hong Kong	Japan	Hong Kong	Korea Rep.	Belgium	China
Hong Kong	Singapore	USA	Other Asia n.e.s.	Other Asia n.e.s.	Hong Kong	USA
Great Britain	Korea Rep.	Hong Kong	Japan	Hong Kong	Singapore	Indonesia
Italy	Other Asia n.e.s.	Other Asia n.e.s.	USA	Great Britain	Great Britain	Other Asia unspecified
Bangladesh	China	Korea Rep.	Brunei Dar.	China	Australia	UAE
United Arab Emirates	Great Britain	Great Britain	China	Singapore	United Arab Emirates	Thailand
Singapore	Netherlands	Philippines	India	Germany	Malaysia	Singapore
Germany	United Arab Emirates	Philippines	Vietnam	Australia	Germany	Saudi Arabia

Annexure 2.8

SITC SEC. 3:7

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
USA	Singapore	USA	USA	USA	USA	USA
Bangladesh	USA	Singapore	Malaysia	Japan	Singapore	Japan
Singapore	Japan	Japan	Hong Kong	Singapore	Japan	Germany
Sri Lanka	Germany	Hong Kong	Japan	Hong Kong	Germany	Singapore
Great Britain	Hong Kong	Great Britain	Thailand	Netherlands	Great Britain	Hong Kong
Malaysia	Malaysia	Germany	Germany	Germany	Netherlands	Liberia
Nigeria	United Arab Emirates	Thailand	Other Asia n.e.s.	Other Asia n.e.s.	Hong Kong	Panama
United Arab Emirates	Great Britain	Other Asia n.e.s.	Netherlands	Thailand	Malaysia	China
Egypt	Netherlands	Netherlands	Great Britain	Great Britain	Canada	Other Asia unspecified
Germany	Vietnam	France	Australia	Australia	France	UK

Annexure 2.9

SITC SEC. 3:8

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
USA	USA	USA	USA	USA	USA	USA
Germany	Singapore	Singapore	Malaysia	Germany	Japan	Japan
Great Britain	Japan	Japan	Hong Kong	Japan	Germany	Germany
France	Germany	Germany	Japan	Great Britain	Great Britain	Hong Kong
United Arab Emirates	Great Britain	Great Britain	Great Britain	Hong Kong	France	Canada
Italy	Netherlands	Hong Kong	Australia	France	Hong Kong	China
Netherlands	France	France	Thailand	Canada	Saudi Arabia	UK
Japan	Italy	Canada	Germany	United Arab Emirates	Singapore	Russia
Canada	Hong Kong	Netherlands	Other Asia n.e.s.	Netherlands	Netherlands	France
Switzerland	Saudi Arabia	United Arab Emirates	Korea Rep.	Australia	United Arab Emirates	Netherlands

Annexure 2.10

SITC SEC. 3:9

<i>India</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Singapore</i>	<i>Philippines</i>	<i>Thailand</i>	<i>South Korea</i>
USA	Singapore	Singapore	USA	USA	USA	Hong Kong
Great Britain	Hong Kong	USA	Malaysia	Japan	Japan	Malaysia
France	Egypt	Japan	Japan	Great Britain	Singapore	Japan
Italy	Hungary	Australia	Hong Kong	Singapore	Germany	Singapore
Japan	Japan	Great Britain	Thailand	Germany	Hong Kong	Other Asia unspecified
Canada	Switzerland	Thailand	Other Asia n.e.s.	Thailand	Switzerland	Philippines
Saudi Arabia	Germany	Hong Kong	Switzerland	Other Asia n.e.s.	Great Britain	Thailand
Netherlands	—	France	Philippines	Hong Kong	Areas n.e.s.	UK
United Arab Emirates	—	Other Asia n.e.s.	China	Malaysia	Netherlands	Germany
Germany	—	Brunei Dar.	Germany	Canada	Malaysia	China

INDIAN INSTITUTE OF FOREIGN TRADE

OCCASIONAL PAPERS

1. Aneel Karnani, "Competing for the Indian Market: Local Firms vs. MNCs" (January 1996)
2. B. Bhattacharyya and Satinder Palaha, "Foreign Direct Investment in India: Facts and Issues" (January 1996)
3. B. Bhattacharyya and Vijaya Katti, "Regional Trade Enhancement: SAPTA and Beyond" (February 1996)
4. Satinder Palaha and H.L. Sharma, "Towards Economic Integration through Regional Trade Blocs" (April 1996)
5. B. Bhattacharyya and Somasri Mukhopadhyay, "Duty Free Access to India within SAPTA Framework" (July 1996)
6. B. Bhattacharyya, Somasri Mukhopadhyay and Bimal K. Panda, "India's Trade Liberalization Since 1991: A Statistical Appraisal" (December 1996)
7. Satinder Bhatia, "Indian Garments Industry in the Post-MFA Period" (February 1997)
8. H.A.C. Prasad, "Impact of Economic Reforms on India's Major Exports: Policy Guidelines" (May 1997)
9. Shahid Alikhan, "Intellectual Property Rights in the Present Indian Context" (July 1997)
10. H.A.C. Prasad, "India's Competitiveness in Export of Garments in the MFA Phase-Out and Post-MFA Phase-Out Periods" (September 1997)
11. Justice P.N. Bhagwati, "Democracy and Human Rights" (December 1997)