

CHAPTER VINDIA'S EXPORT TRADE WITH SRILANKA

A country generally exports, in normal course, those commodities in which she has comparative advantages in producing the same with the available factor endowments within the economy. Since exports are the sound source of foreign exchange to finance the imports of the reporting country and to meet the developmental needs in some particular years it requires proper planning as to what surplus exportables should be kept aside for a particular trading partner. To cope with the growing expectations of the people of India and Srilanka especially after their independence from British dominance after the Second World War, both the countries tried to develop a more diversified trade and economic structure through plannings. This gave rise to competitiveness, to a large extent mainly in their foreign trade sectors, of both the countries. So, India has to face competition with Srilanka in respect of her exports in tea, coffee, rubber and marine products, the main export items of Srilanka in her global trade relations. But since Srilanka is a least developed island country with geographic proximity and historic as well as cultural affinity with India she has to depend still now to large extent for the manufacture imports from the comparatively diversified economy of India.

A detailed investigation reveals the following :

India's exports to Srilanka a variety of products. There are two reasons. First, due to comparatively a diverse economy of India, she has a scope to offer a large variety of products to Srilanka; and Second, the economy of Srilanka is least developed and is highly dependent on imports.¹

India's export share in Srilanka's total imports during 1977 to 1987 period has been shown in Table-5.1. It shows the highest percentage of 10.35 in 1979 placing India as the second largest exporter to Srilanka in the particular year.² But the position became dim in the next years. It became the lowest at 4.02 percent in 1982. If we consider the percentage share of Srilanka's imports in total exports of India during the same reference period the picture will become more gloomy. It shows the highest share at 1.95 percent in 1979, and the lowest at 0.65 percent in 1977 and also after a decade in 1987, as revealed in Table5.2.

Degree of India's exports share in Srilanka's total imports during two distinct periods has been shown in Table-5.3. Distinction of the periods, however, has been made as :-

- (i) pre-ethnic conflict period covering the years 1977-1982 and
- (ii) Ethnic conflict period covering the years 1983-1987. It shows that India's export volume to Srilanka has been declined to a considerable limit from an average of 6.36 percent during pre-ethnic conflict period to 4.99 percent during ethnic conflict period under review.

So, the ethnic conflict in Srilanka has an adverse impact on India's export trade with Srilanka.

Table-5.1

Share of India's Exports in total Imports of Srilanka(1977-1987

<u>Year</u>	<u>Share in percent</u>
1977	5.96
1978	8.96
1979	10.35
1980	4.75
1981	4.13
1982	4.02
1983	6.43
1984	6.04
1985	4.08
1986	4.33
1987	4.06

Source: IMF - Direction of Trade Statistics Year Book
(various issues)

Table-5.2

Share of Srilanka's Imports in total Exports of India(1977-1987

<u>Year</u>	<u>Share in percent</u>
1977	0.65
1978	1.30
1979	1.95
1980	1.28
1981	0.94
1982	0.85
1983	1.18
1984	1.05
1985	0.74
1986	0.77
1987	0.65

Source: IMF Direction of Trade Statistics Year Book
(various issues)

Table-5.3

Degree of India's Exports share in Srilanka's Total Imports
during two distinct periods.

<u>Periods</u>	<u>Years covered</u>	<u>Average % of share of -</u> <u>India's Exports to total</u> <u>Imports of Srilanka.</u>
1.Pre-ethnic Conflict Period.	1977-1982	6.36
2.Ethnic Conflict period.	1983-1987	4.99

Source: IMF-Direction of Trade Statistics Year Book
(various issues).

Composition to India's Exports to Srilanka

As regards India's primary and manufactures exports to Srilanka during the reference period it is revealed in Table-5.4 that 30.60 percent and 49.66 percent of total exports to Srilanka were informed of primary and manufactured goods. But though the manufactures have shown the highest percentage share on average, its compound growth rate was the lowest at 6.10 percent as against 11.25 percent for primary exports. Further, it is shown in the table that the manufactures were always in excess of primary exports throughout the period under review except in 1984 and 1985, in both value and percentage terms. It is also revealed that the primary exports were highest at 57.77 percent in 1984 and the lowest at 22.58 percent in 1977, values were being Rs.58.67 crores(I.C.) and Rs.8.79 crores(I.C.) respectively. On the other hand, manufactures exports to Srilanka for the same reference period have a highest percentage share of 77.34 percent in 1977 and the lowest at 42.20 percent in 1984, values were being Rs. 30.10 crores(I.C.) and Rs. 42.87 crores (I.C.) respectively.

It is shown from the above table when the manufactures exports attained the highest percentage, the primary exports were lowest percentage in 1977, but in 1984 the trend was opposite i.e. primary exports attained highest percentage and manufactures exports were lowest percentage. The co-relation exist between the primary and manufactures export of India to Srilanka during the period were positively moderate.

Table- 5.4

Primary and Manufactures Exports of India to Srilanka.

<u>Year</u>	<u>Primary Exports - RITC</u> <u>(0-4)(in Crores of Indian</u> <u>Rupees)</u>	<u>Manufactures Exports - RITC</u> <u>(5-8)in Crores of Indian</u> <u>Rupees)</u>
1977	8.79 (22.58)	30.10 (77.34)
1978	13.17 (24.33)	40.93 (75.61)
1979	30.70 (34.68)	57.79 (65.27)
1980	30.62 (33.35)	61.18 (66.62)
1981	23.89 (29.67)	56.57 (70.28)
1982	12.08 (23.35)	39.64 (76.60)
1983	32.30 (39.23)	50.05 (60.75)
1984	58.67 (57.77)	42.87 (42.20)
1985	68.91 (54.34)	57.88 (45.64)
1986	29.09 (36.12)	51.44 (63.86)
1987	28.40 (32.92)	57.80 (66.99)
a =	30.60 (35.30)	49.66 (64.65)
g=	11.25	6.10
r=	+0.45	

Note: i) Figure in the parenthesis reveal percentages to the total exports including RITC-9.
 ii) a= Annual average.
 iii) g= Annual Compound growth rate. (iv) r = Correlation.
 Source: DGCI & S - Calcutta - Statistics of Foreign Trade of India by Countries - Vol.I-March(Various issues)

Composition of India's Exports by Aggregate 1-digit
level Trade Classifications.

India's visible exports by 1-digit RITC sections have been presented in Table-5.5. It shows the following:-

(a) Export of "Food and live animals chiefly for food (RITC Section-0)".

This category of Indian exports to Srilanka attained the second largest position at average percentage of 28.74 percent for the period under review. It's lowest value was found at Rs.6.84 Crores(I.C) in 1982 and the highest value at Rs.59.55 Crores (I.C) in 1985.

(b) Export of "Beverages and Tobacco "(RITC Section-1)" :
India's exports of Beverages and Tobacco to Srilanka were in negligible amounts. Average being 0.20 percent.

(c) Export of "Crude Materials, inedible, except fuels(RITC Section-2)" :

Crude materials exports of India to Srilanka have attained fifth position in volume over years. It's percentage share on average was 5.78 percent.

(d) Exports of "Mineral fuels, Lubricants and related materials (RITC Section-3)":

This type of exports were found very negligible in terms of value over years.

(e) Exports of "Animal and Vegetable oils, fats and waxes (RITC Section-4)":

This category of export have the lowest negligible figures with 0.02 percent on average.

(f) Exports of "chemical and related products, n.e.s., -(RITC Section-5)":

Chemical exports of India to Srilanka have been found one of the major exports categories. It attained the fourth largest position on the export list showing average share of 8.68 percent. From a minimum of Rs.2.89 Crores(I.C) in 1977, it reached progressively to the highest at Rs.11.85 Crores(I.C) in 1987, the percentage were being 7.42 percent and 13.73 percent respectively.

(g) Exports of "Manufactured goods classified chiefly by materials-(RITC Section-6)":

This is one of the most important export category of India to Srilanka having third largest position with average share of 20.45 percent. The range of its exports values were Rs.8.49 crores(I.C) to Rs.21.08 Crores(I.C) for the period 1977 to 1987.

(h) Export of "Machinery and Transport equipments-(RITC Section 7)":

Indian exports of machinery - and Transport equipment to Srilanka have got the first position on export list with average share of 33.46 percent, average value being Rs.25.96 Crores(I.C).

Its values varied between Rs.13.53 Crores(I.C) to Rs.36.02 Crores(I.C) for the reference period.

(i) Exports of "Miscellaneous manufactured articles - (RITC-Section-8)":

Miscellaneous manufactured exports to Srilanka have one of the lowest shares of 2.06 percent over years.

(j) Export of "Commodities and Transactions not classified elsewhere in the SITC (RITC-Section-9)":

Exports of such items were always below the level of Crore of Indian rupees and hence negligible.

Table-5.5

India's Visible Exports to Srilanka by RITC Sections
(Value in Crores of Indian Rupees)

RITC/Yr.	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Average
0	7.80 (20.04)	11.19 (20.67)	29.95 (33.83)	23.44 (25.53)	16.29 (20.24)	6.84 (13.22)	28.78 (34.94)	49.00 (48.24)	59.55 (46.96)	21.56 (26.77)	22.20 (25.73)	25.15 - (2) (28.74)
1	.24 (0.62)	.25 (0.46)	.02 (0.02)	- -	.01 (0.01)	- -	.01 (0.01)	- -	.23 (0.18)	.16 (0.20)	.05 (0.06)	.12 (0.20)
2	.74 (1.90)	1.11 (2.05)	.72 (0.81)	2.08 (2.27)	7.56 (9.39)	5.22 (10.09)	3.34 (4.06)	9.67 (9.52)	9.12 (7.19)	7.36 (9.14)	6.14 (7.11)	4.83 - (5) (5.78)
3	- (-)	.61 1.13	.01 (0.01)	5.08 (5.53)	.01 (0.01)	.01 (0.02)	.17 (0.21)	- -	- -	- -	- -	0.98 (1.15)
4	.01 (0.02)	.01 (0.02)	.01 (0.01)	.02 (0.02)	.02 (0.02)	.01 (0.02)	.01 (0.01)	.01 (0.01)	.01 (0.01)	.01 (0.01)	.02 (0.02)	0.01 (0.02)
5	2.89 (7.42)	4.14 (7.65)	5.30 (5.99)	5.09 (5.54)	5.05 (6.27)	6.48 (12.52)	7.63 (9.26)	7.38 (7.26)	7.72 (6.09)	11.04 (13.71)	11.85 (13.73)	6.78 - (4) (8.68)
6	13.10 (33.65)	13.75 (25.40)	18.67 (21.08)	21.08 (22.96)	13.93 (17.31)	12.32 (23.81)	8.49 (10.31)	13.01 (12.81)	17.05 (13.45)	18.39 (22.83)	18.44 (21.37)	15.29 - (3) (20.45)
7	13.53 (34.75)	22.16 (40.94)	32.35 (36.53)	34.03 (37.06)	36.02 (44.75)	19.25 (37.20)	31.53 (38.27)	20.57 (20.25)	31.27 (24.66)	19.91 (24.72)	24.96 (28.92)	25.96 - (1) (33.46)
8	0.59 (1.52)	.88 (1.62)	1.48 (1.67)	.98 (1.06)	1.57 (1.95)	1.59 (3.07)	2.40 (2.91)	1.91 (1.88)	1.83 (1.44)	2.09 (2.60)	2.56 (2.97)	1.63 (2.06)
9	.03 (0.08)	.03 (0.06)	.04 (0.05)	.03 (0.03)	.04 (0.05)	.03 (0.05)	.02 (0.02)	.03 (0.03)	.02 (0.02)	.02 (0.02)	.08 (0.09)	.03 (0.05)
Total:	38.93	54.13	88.55	91.83	80.50	51.75	82.38	101.58	126.80	80.54	86.30	80.78

Note: Figures in the Parenthesis reveal the percentages to total.

Source: DGCI & S Calcutta - Statistics of Foreign Trade of India by Countries - Vol.I(various issues).

Composition of India's Exports by Disaggregate
2-Digit level Trade Classifications.

To have an analytic view on the composition of Indian exports to Srilanka at disaggregate level have been presented in the subsequent tables.

(i) Table-5.6 shows India's exports to Srilanka by main categories under RITC Section-0 :

"Sugar, Sugar preparation and honey", "Coffee, Tea, Cocos, spices and manufactures thereof", "Vegetables and fruits", "Fish, Crustaceans and molasses and preparation thereof", "Cereal and cereal preparations", "Feeding staff for animals", are the first six important main categories of Indian exports to Srilanka with average export values of Rs.1,146.08 lakhs(I.C), Rs.496.77 lakhs(I.C), Rs.493.82 lakhs(I.C), Rs.366.99 lakhs(I.C), Rs. 112.73 lakhs(I.C) and Rs. 110.40 lakhs(I.C) respectively. Other main categories have shown lower values.

(ii) Table-5.7 shows India's exports to Srilanka by main categories under RITC Section 11: :

Here only two main categories have been found on the export list. The most important category is "Tobacco and Tobacco manufactures", with an average value of Rs.12 lakhs(I.C).

(iii) Table-5.8 shows India's exports to Srilanka by main categories under RITC Section- 2 :

"Textile fibres" and "Crude animal and vegetable

materials", were the main two categories of Indian exports to Srilanka during the period with average values of Rs.277.02 lakhs(I.C) and Rs.181.78 lakhs(I.C) respectively. Other important items under this section were "Crude fertilizers and crude minerals", "metalliferous ores and metal scrap", and "Oil-seeds and oleaginous fruits".

(iv) Table-5.9 shows India's exports to Srilanka by main categories under RITC Section-3 :

Under this section, only two main categories of Indian exports were found visible, viz, "petroleum, petroleum products and related materials and "Coal, Coke and briquettes with average values of Rs.89.08 lakhs(I.C) and Rs.27.63 lakhs(I.C) respectively.

(v) Table-5.10 shows India's exports to Srilanka by main categories under RITC Section-4 :

Only three main categories of Indian exports have been found under this section with very negligible amounts. Among this "fixed vegetable oils and fats" are the only important category having average value of Rs.0.89 lakhs(I.C).

(vi) Table-5.11 shows India's exports to Srilanka by main categories under RITC Section-5 :

"Medical and Pharmaceutical Products" under this section have shown the highest export values for India to Srilanka, value being Rs.448.95 lakhs(I.C). The next important

categories are "Inorganic Chemicals" "Dying, Tanning and Colouring materials", "Artificial resins, plastic materials and cellulose, esters and ethers" and "Chemical materials and products, n.e.s.", having average exports values of Rs.86.45 lakhs(I.C), Rs.54.52 lakhs(I.C), Rs.48.09 lakhs(I.C) and Rs.32.33 lakhs(I.C) respectively.

(vii) Table-5.12 shows India's exports to Srilanka by main categories under RITC Section-6 :

Under this section, the first four most important exports categories to Srilanka from India were "Textile yarn, fabrics, made up articles, n.e.s., and related products", "Manufactures of metals n.e.s.", "Iron and Steel" , and "Non-ferrous metals", having average exports values of Rs. 656.47 lakhs(I.C), Rs. 291.19 lakhs(I.C), Rs. 133.40 lakhs (I.C) and Rs.128.88 lakhs(I.C) respectively. Other categories of exports under this section have shown very small values.

(viii) Table-5.13 shows India's exports to Srilanka by main categories under RITC Section-7 :

"Road vehicles" exports of India to Srilanka have been attained the highest values under the section. From the lowest Rs.470.15 lakhs(I.C.) in 1978 it reached to the apex at Rs.2,119.48 lakhs (I.C), in 1980, average being Rs.1,396.18 lakhs(I.C) for the reference period. In descending order the other five main categories with higher values were of "Machinery

specialised for particular industry" (average Rs.403.18 lakhs), "Electrical machinery, apparatus and appliances n.e.s. and electric parts thereof" (average Rs. 260.68 lakhs), "power generating machinery and equipment" (average Rs.197.37 lakhs) and "general industrial machinery and equipment n.e.s., and machine parts n.e.s., (average Rs.183.67 lakhs).

(ix) Table-5.14 shows India's exports to Srilanka by main categories under RITC Section-8 :

Under this section, the most important category of exports of India to Srilanka was "Miscellaneous manufactured articles n.e.s.", with average value of Rs.83.03 lakhs (I.C). Other important items with lesser values were "Photographic apparatus, equipments and supplies and optical goods n.e.s., watches and clocks", - "Professional, Scientific and Controlling instruments and apparatus n.e.s., "Sanitary, plumbing, heating and lighting fixture and fittings n.e.s.", "outer garments - men's and boys' of Textile fabrics".

Table-5.6

India's Exports to Srilanka by main Categories under RITC Section: - 0

Commodity Description	(Value in the lakh of Indian rupees)											
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Average
Live animals chiefly for food	.16	.19	-	-	-	-	-	.35	-	-	-	0.23
Meat and meat preparations	.11	-	.10	.21	16.00	3.81	-	.16	-	-	-	3.40
Dairy products and birds eggs	9.57	9.50	11.44	4.13	14.11	-	.02	-	11.44	43.58	14.91	13.19
Fish, crustaceans & molasses and preparation thereof	112.77	262.59	210.43	128.62	128.72	28.57	227.09	618.69	1026.37	703.29	589.71	366.99 - 4
Cereal and cereal preparations-	26.51	13.51	249.36	198.22	102.96	104.87	169.56	116.66	100.54	54.90	102.99	112.73 - 5
Vegetable and fruits	20.94	71.26	199.59	305.38	303.83	207.47	289.54	391.27	1754.05	1098.08	790.57	493.82 - 3
Sugar, sugar preparations and honey	571.48	402.26	1842.23	2341.64	789.97	.18	1196.25	3314.67	995.94	-	6.22	1146.08 - 1
Coffee, Tea, Cocos, Spices and manufactures thereof	29.67	331.98	454.61	346.19	190.84	199.27	904.52	494.36	1733.85	605.87	173.30	496.77 - 2
Feeding stuff for animals (not including unmilled cereal)	8.21	19.00	6.84	14.30	73.44	81.01	84.95	159.62	323.49	87.83	355.69	110.40
Miscellaneous edible products and preparations-	.68	9.54	20.43	5.40	9.31	8.83	6.30	6.07	9.75	2.54	6.27	7.74

Source : DGCI & S - Calcutta - Statistics of Foreign Trade of India by countries - Vol. I (Various issues)

Table-5.7India's Exports to Srilanka by main Categories under RITC Section : 1(Value in the lakh of Indian rupees)

<u>Commodity Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Av.</u>
Berverages -	-	.92	1.75	-	-	-	.61	-	-	-	.78	1.02
Tobacco and Tobacco manufactures	24.34	13.98	-	-	1.34	.09	-	-	24.19	15.81	4.25	12.00

Source: DGC I & S - Calcutta - Statistics of Foreign Trade of India by Countries - Vol.I.

(various issues)

Table-5.8

India's Exports to Srilanka by main Categories under RITC Section:-2
(Value in the lakh of Indian rupees)

<u>Commodity Description.</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Average</u>
Oilseeds and oleaginous fruits	.45	.46	1.60	.38	1.33	.27	.46	.66	13.98	10.70	.77	2.82
Erude rubber(including synthetic and reclaimed).	.16	.54	.43	.25	-	-	-	.08	-	.42	.08	0.28
Cork and wood -	1.52	1.05	.85	.32	-	-	.02	-	-	.05	-	0.64
Textile fibres(other than wool tops) and their wastes -	.18	-	.10	85.45	632.24	342.30	210.68	652.64	426.95	160.48	259.13	277.02
Crude fertilisers and crude minerals(excluding coal, petroleum and precise stone	9.73	13.28	14.68	31.18	38.67	45.40	16.70	20.27	52.84	20.80	36.20	27.25
Metalliferous ores and metal scrap	.54	.16	.07	-	.14	-	.08	.05	-	203.42	.09	25.57
Crude animal and vegetable materials n.e.s. -	61.86	100.38	54.03	90.81	83.56	134.02	105.74	293.00	417.75	340.47	317.97	181.78

Source: OGCI & S - Calcutta - Statistics of Foreign Trade of India by Countries-Vol.I(various issues).

Table-5.9India's Exports to Srilanka by main Categories under RITC Section:-3

(value in the lakh of Indian rupees)

<u>Commodity Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Average</u>
Coal, coke and briquettes	-	37.81	-	-	-	-	17.47	-	-	-	-	27.63
Petroleum, Petroleum products and related materials -	.07	23.20	.96	508.09	.91	1.23	-	-	-	-	-	89.08

Source: DGCI & S - Calcutta - Statistics of Foreign Trade of India by countries - vol.I(various issues)

Table-5.10

India's Exports to Srilanka by main Categories under RITC Section:- 4
(Value in the lakh of Indian Rupees)

<u>Commodity Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Avera</u>
<u>Animal oils and fats -</u>	-	-	-	.01	-	-	-	-	-	-	.06	0.03
Fixed vegetable oils												
fats	.65	1.40	.99	1.7	.93	.44	.72	.55	.42	.88	1.65	0.89
Animal and vegetable oils and fats, processed and waxes and animal or vegetable origin-	-	-	.36	.35	1.05	.58	.27	.40	1.06	.42	.05	0.50

Source: OGC I & S - Calcutta - Statistics of Foreign Trade of India by countries- Vol.I(various issues).

Table-5.11

India's Exports to Srilanka by main Categories under RITC Section-5

<u>Commodity Description</u>	<u>(Value in the lakh of Indian rupees)</u>											
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Average</u>
Organic Chemicals	60.61	4.28	9.39	16.90	10.53	18.96	14.56	20.88	10.74	9.34	32.01	18.93
Inorganic Chemicals	-	68.34	87.23	65.04	71.54	132.49	80.19	109.44	77.97	73.20	99.10	86.45
Dying, Tanning and Colouring materials	17.70	75.23	59.78	56.44	50.40	43.77	59.47	35.71	46.07	74.26	80.85	54.52
Medicinal and Pharmaceutical products -	151.26	162.73	282.41	264.08	267.12	367.21	557.06	527.22	589.27	901.58	868.55	448.95
Essential oils and perfumed materials, Toilet polishing, cleansing preparation -	2.62	2.41	3.08	8.53	5.73	8.38	5.55	5.96	9.33	14.91	37.22	9.43
Fertilizers manufactured	-	.02	-	-	.18	-	-	-	-	-	.03	0.08
Explosive and Pyrotechnique products -	-	11.47	18.58	11.68	6.49	.05	1.22	.27	-	1.68	.03	5.72
Artificial resins, plastic materials and cellulose esters & ethers.	29.51	56.89	39.00	47.05	51.11	32.93	9.95	9.85	11.09	11.48	37.09	48.09
Chemical materials & products n.e.s.	26.95	32.65	30.34	38.95	41.60	44.48	35.21	29.77	27.96	17.90	29.79	32.33

Source: DGCI & S - Calcutta-Statistics of Foreign Trade of India By Countries-Vol.I(various issues).

Table-5.12

India's Exports to Srilanka by main Categories under RITC Section-6
(Value in the lakh of Indian rupees)

<u>Commodity Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Average</u>
Leather, leather manufactures n.e.s. and dressed furskins-	10.09	.31	2.02	1.51	11.49	3.17	44.19	82.72	53.49	7.12	72.85	26.27
Rubber manufactures n.e.s.	13.49	31.28	56.84	26.38	25.33	21.03	12.79	27.21	26.86	36.52	103.13	34.62
Cork and wood manufactures(excluding furnitures -	14.80	82.89	76.58	43.62	170.75	93.19	4.50	13.88	6.99	.88	1.58	46.33
Paper, paper board and articles of paper pulp of paper, or of Paper board.	43.57	55.92	73.93	11.91	13.49	7.84	4.59	4.37	5.81	4.37	3.03	20.80
Textile yarn fabrics made up articles n.e.s. and related products	674.66	469.14	702.62	361.82	526.90	444.41	223.81	325.39	1073.61	1309.76	1109.09	656.47
Non-metallic minerals manufactures n.e.s.	73.38	71.42	97.03	145.14	123.92	102.92	89.62	69.53	51.68	88.54	112.29	93.22
Iron & Steel	292.16	290.43	255.30	83.99	115.18	32.93	96.07	42.57	87.49	83.02	88.22	133.40
Non-Ferrous metals-	54.24	190.54	74.12	160.44	79.97	272.99	65.21	70.69	117.86	109.28	222.39	128.88
Manufactures of metals n.e.s.	90.73	186.42	528.67	273.80	326.22	253.78	308.11	664.65	284.67	154.79	131.06	291.19

Source: DGCI & S - Calcutta-Statistics of Foreign Trade of India by Countries - Vol.I(various issues).

Table-5.13

India's Exports to Srilanka By main Categories under RITC Section-7

(Value in the lakh of Indian rupees)

Commodity Description	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Average
Power generating machinery & equipments -	339.43	172.00	185.24	206.00	229.32	252.22	167.25	188.03	127.54	147.28	156.81	197.37
Machinery specialised for particular industries -	138.31	133.72	299.81	299.05	456.24	325.69	446.07	237.73	1299.06	399.24	400.11	403.18
Metal working machinery	875.00	38.16	178.97	137.89	129.42	98.22	115.74	73.17	37.18	37.99	60.50	162.02
General industrial machinery & equipment n.e.s. and machine parts n.e.s.	-	127.29	253.51	180.56	217.80	193.79	185.33	242.08	216.38	134.47	85.50	183.67
Office machine and automatic data processing equipment.	-	4.16	13.66	18.11	16.50	12.82	4.20	5.96	10.29	15.17	6.50	10.74
Telecommunication and sound recording apparatus and equipment.	-	2.71	12.69	47.00	66.26	5.15	11.46	2.35	6.30	5.30	5.35	16.46
Electrical machinery, apparatus & appliances n.e.s. and electric parts thereof (including non elec. counter parts n.e.s. of elec. house hold type equipments).	-	172.10	358.88	321.84	334.25	160.72	521.39	309.44	242.98	102.55	82.61	260.68
Road vehicles (including air cushion vehicles)-	-	470.15	1926.45	2119.48	1926.05	859.17	1690.02	989.61	1174.65	1133.90	1672.36	1396.18
Other Transport equipment	-	95.30	5.24	73.33	228.04	17.41	11.61	18.84	12.22	15.00	23.10	50.01

Source: DGCI & S - Calcutta-Statistics & Foreign Trade of India by countries-Vol.I(various issues)

Table-5.14

India's Exports to Srilanka By main Categories under RITC Section-8

(Value in the lakh of Indian rupees)

<u>Commodity Description</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Average</u>
Sanitary, plumbing, heating and lighting fixture and fittings n.e.s.	3.44	7.22	5.51	9.90	26.11	19.78	16.02	11.09	27.09	44.02	32.35	18.32
Furniture and parts thereof	.13	2.05	4.97	2.16	3.86	1.26	1.50	1.81	1.13	.17	.56	1.78
Travel goods, handbags and similar containers.	.68	.28	1.21	.09	.87	.08	1.45	.89	.74	.45	.16	0.63
Outer garments men's and boys' of textile fabrics (other than knitted or crochated goods)	14.18	4.55	9.34	10.79	6.22	7.88	7.08	23.03	21.17	22.18	17.55	13.09
Foot ware -	2.76	.40	.09	.12	-	.33	1.64	.72	.72	1.56	.25	0.86
Professional, Scientific and controlling instruments and apparatus n.e.s.	-	18.44	11.80	9.15	16.17	13.89	14.67	16.27	16.90	12.66	53.23	18.32
Photographic apparatus, equipment and supplies and optical goods n.e.s. watches and clocks -	-	13.09	8.55	20.61	46.00	42.51	46.27	46.99	26.69	17.12	35.50	30.33
Misc. manufactured articles n.e.s.	19.59	50.73	106.97	44.91	59.13	73.20	151.53	90.78	88.45	111.19	116.86	83.03

Source: DGCI & S - Calcutta-Statistics of Foreign Trade of India by Countries - Vol.I(various issues)

Commodity Intensity of India's Export Trade with
Srilanka(1977-1987).

To compute India's commodity Intensity of export trade with Srilanka we have used the following formula.³

$$\frac{X_{ij}^h}{X_{ij}} \quad / \quad \frac{M_j^h}{M_j}$$

Where, X_{ij}^h = India's exports of particular commodities by SITC Section to Srilanka.

X_{ij} = India's total exports to Srilanka.

M_j^h = Srilanka's imports of particular commodity by SITC Section from all sources of supply

M_j = Srilanka's Total imports.

Such indices are expected to reveal the extent to which India's exports had met the pattern of Srilanka's import demand.

Commodity Intensity indices of India's export Trade with Srilanka have been presented in Table-5.15.

It shows average indices at 1-digit SITC Section for the first five commodity groups indicating higher export potentialities as :

(i) Crude materials, inedible, except fuel (SITC-2).

(ii) Food and live animals (SITC:-0)

(iii) Machinery and Transport equipment (SITC: -7)

(iv) Manufactured goods classified by material (SITC:-6)

(v) Chemicals (SITC:-5).

It follows from the above investigations that the composition of India's export to Srilanka is good. India was able to meet the requirements of Srilanka's imports for the above five selected categories having higher commodity intensity except 'machinery and transport equipment'. India could meet the demand for machinery and transport equipment partially.

After the formation of SAARC, India has a surplus trade balances with the SAARC countries except Pakistan. Srilanka's important four trading partners of SAARC countries are India, Pakistan, Bangladesh and Maldives. Srilanka has consistent trade deficit with India during the entire reference period. But she has a surplus trade balance with other three countries. While she has overall trade deficit with the SAARC countries.

Table-5.15

Commodity Intensity of India's Export Trade with Srilanka(1977-1987)

SITC Section	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Average	Potentiality Rank
0	0.51	0.71	1.49	1.28	1.07	1.08	2.13	3.45	2.47	1.59	1.26	1.55	2
1	2.07	1.53	0.10	-	0.05	-	0.03	-	0.06	0.50	0.05	0.55	7
2	0.80	0.64	0.31	1.42	4.70	5.31	1.93	4.76	2.88	4.57	-	2.73	1
3	-	0.07	-	0.23	-	-	0.01	-	-	-	-	0.10	9
4	0.03	0.20	0.03	0.10	0.07	0.10	0.03	0.01	0.02	0.02	0.02	0.06	10
5	1.14	0.98	0.71	0.67	0.76	1.84	1.38	0.87	0.67	1.24	-	1.03	5
6	2.65	1.61	1.04	1.32	0.92	1.25	0.52	0.65	0.62	0.79	-	1.14	4
7	2.90	1.72	1.47	1.49	1.97	1.57	1.46	0.83	1.20	1.09	0.65	1.49	3
8	1.27	0.74	0.73	0.41	0.59	0.79	0.77	0.45	0.37	0.54	-	0.67	6
9	0.06	0.07	0.07	0.10	0.13	0.17	0.07	0.08	0.05	0.20	0.06	0.10	8

Sources: (i) OGCI & S - Calcutta - Statistics of the Foreign Trade of India by Countries, Vol.I(various issues)

(ii)UN Statistical Year Book for Asia and the Pacific (various issues).

SUMMARY

India has to face competition with Srilanka in respect of her exports in tea, coffee, rubber and marine products, the main export items of Srilanka in her global trade relations. But since Srilanka is a least developed country with geographic proximity and historic as well as cultural affinity with India she has to depend still now for the manufacture imports from the comparatively diversified economy of India.

India's exports to Srilanka's total imports were 10.35 percent placing India as the Second largest exporter in 1979. But the position declined in the next years. The ethnic conflict has an adverse impact on India's export trade with Srilanka. It declined to a considerable limit from an average of 6.36 percent during pre-ethnic to 4.99 percent during ethnic conflict period. Srilanka's imports in the total exports of India during the reference period the picture is more gloomy.

When India's primary export to Srilanka is stagnant at about 35.30 percent, exports of manufactures stood at 64.65 percent on average. India exports a variety of commodities to Srilanka of which the following five categories have shown higher export potentialities for Srilanka.

Those are: (i) Crude materials, inedible, except fule (SITC:2); (ii) Food and live animals(SITC: 0); (iii) Machinery and Transport equipment(SITC: 7); (iv) Manufactured goods classified by materials(SITC: 6); (v) Chemicals(SITC : 5).

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