



INDO-JAPANESE IMPORT-EXPORT STRUCTURE DURING THE PERIOD 1983-1996

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Abstract

Today, global players are determined by whether or not they are signatories to the world trade organization, whether they have signed. TRIPS (Trade Relation Aspects of Intellectual Property Rights Agreement), India has made the right kind of noises in all these areas. From that point of view, India is integrated with the global scene. Politics is something which is going to be more and more of back bencher in terms of the economic relationship being developed between countries.

Japan relations with India have been age of old not only in terms of social and cultural relations from some-where ground the middle of the sixth century but also in terms of industrial trade. The composition of import and export, export started including new product in last parts of the 80's. The pattern of Japan's imports from India remained more or less unchanged and India's share in Japanese import of manufactured goods, for which there was an expending market remained by and large outrage negligible for quite a good berth of time until Japan, started making concerned efforts to open up the country's economy.

Keywords: Export, Import, Japan.

1. INTRODUCTION

India is unique in that it modernized rapidly at one point in the past. For about 10 years after World War II, India was the most industrialized country in Asia. But in the following 30 years, socialist politics delayed economic development. Now, India is again taking an economy-oriented approach.

Generally speaking, Japanese companies follow a definite pattern when going into foreign countries. First, a few companies like trading houses go in and set up a business environment, like industrial parks, where companies can operate in ways similar to the domestic market. But India

is too large, and, except for a few like Suzuki Motor Corp., most Japanese companies have not seen the environment they're looking for.

India has been close to the U.K. historically and also has a close connection with the U.S. Many people from India work at large U.S. companies or attend major universities. Some of them go back to India to start a business. Thinking 10 years ahead, Japanese companies cannot ignore India, neither as a manufacturing site nor as a market.

Though Japanese companies have other choices, like ASEAN countries and China, India has strong value for Japanese. Indian business leaders have an affinity with Japan. They want to learn from Japan as a model country that introduced a Western business and industry system and yet retained its traditional culture. India has high-quality human resources in the areas of senior management and software engineering. How to utilize them will be vital for Japanese companies that do business globally in the future.

The best way is for both peoples to get to know each other's' country more. In that sense, it is a good sign that Japan is coming in a big way to India. It obviously has the support of the Japanese government and the support of MITI (Ministry of International Trade and Industry). All these are favourable factors which will make Japan and India become strong economic partners.

Today, global players are determined by whether or not they are signatories to the World Trade Organization, whether they have signed TRIPS (Trade-Related Aspects of Intellectual Property Rights Agreement) and TRIMS (Trade-Related Investment Measures Agreement). India has made the right kind of noises in all these areas. From that point of view, India is integrated with the global scene. Politics is something which is going to be more and more of a back-bencher in terms of the economic relationships being developed between countries.

Japan has become one of the more potential markets for Indians products. It has been reported that Japan's role in global trade, as one of the largest trading country in terms of both imports and exports, makes Japan an important potential market for India. Appreciation of the

yen has resulted in making imports cheaper in the domestic market. Also, a burgeoning trade surplus has accelerated pressures from western countries to open Japanese markets for imports.

Japan relations with India have been ages old not only in terms of social and cultural relations from some-where around the middle of the sixth century but also in terms of industrial trade, Indian textiles having been first introduced into Japan around the seventh century. So far as the developments in India's post-independence era were concerned trade relations between India and Japan remained limited to the extent of exports of cotton and twist and yarn etc from India to Japan.

The composition of our exports started including new product items, such as, jute, rice iron ore, lac, oil cakes, etc in last parts of the 80's. The pattern of Japan's imports from India remained more or less unchanged and India's share in Japan's imports of manufactured goods, for which there was an expanding market remained by and large negligible for quite a good length of time until Japan, started making concerted efforts to open up the country's economy. Import regulations were relaxed, standards and certification procedures simplified, tariff either cut or eliminated and import procedures. Despite these developments Japan still appeared to be a difficult market to penetrate. 12.3 per cent during the comparable half of 1994-95. The buoyancy in exports was sustained by the further dose of trade liberalization effected by the modified EXIM Policy announced in March and April 1995. Reflecting primarily the continued resurgence in domestic industrial activity, imports registered a sharper rise of 32.8 per cent to US \$ 17,065 million. Imports of capital goods contributed a sizable portion of aggregate imports culminating into investment boom.

During the reform period, after two years of indifferent performance, exports emerged as a force to be reckoned with. The years 1993-94 and 1994-95 experienced an annual average export growth of about 19 per cent in Dollar terms, almost equaling the high growth phase witnessed in the last three years of the Seventh Five Year Plan (1987-88 to 1989-90). In volume terms too, the growth of 12.1 per cent per annum during the first three years of Eighth Five Year Plan is close to the Plan target of 13.6 per cent. The striking improvement in the export performance had its

reflection in trade deficit which contracted significantly and this resulted in considerable foreign exchange saving.

So far as the Indo-Japanese trade is concerned there has been a continual increase in the extent of trade between the two countries. In the five years period since 1990,1994 witnessed highest growth rate in India's exports, India's imports as well as in the overall bilateral trade between India and Japan in Dollar terms. India's share of 0.97% in Japan's total imports is also highest recorded in recent years although it is marginally lower than the set target of 1% share.

2. Composition of India's Imports with Japan

Commodity-wise imports figures between 1983-84 and 1988-89 are presented in Table 1. An analysis of the Table reveals that the major commodities imported from Japan have been iron and steel, machinery specialized for particular industry, general industrial machine and equipment, telecommunication and sound recording products, electrical machinery and appliances, road vehicles, machinery and transport equipment and other transport equipment. These products, taken together, account for more than 80 per cent of our overall imports from Japan, the other products of interest have been rubber and rubber manufactures, paper and paper board, plastic and plastic products, chemicals, photographic and cinematographic products and textile yarns, fabrics and made up articles. These products, in all, represent about 10 percent of our import from this market.

When we analyze the total import scenario in the pre-liberalized era it was found that in our overall imports from Japan, Iron and steel accounts for over 16 per cent share in 1988-89 followed by machinery specialized for particular industry electrical machinery, apparatus and appliances (11.10), road vehicles (about 11 per cent), general industrial machine and equipment (9.05%), machinery and transport equipment (5.49%), telecommunication products (over 5%) chemicals (4.67%) and textile yarn, fabrics and made up articles (3.61%). The relative share of other products imported from Japan remained at low levels.

3. India's imports from Japan Vis-a-Vis important countries of the world

In the pre-liberalization era, the import data from Japan in the background of Asian countries were analyzed in the previous sections. Now we analyze the import data of India from Japan in the background of such important countries of the world as Australia, Canada, Germany, UK, USA and other countries with Japan at the centre of the discussion. The data are presented in Table 2 and Table 3. In the former Table i.e. in Table 2 the data are presented in Rupees One crores) whereas in Table 3 the import data is presented in the form of percentage distribution.

Table-1
Composition of Indian's Imports from Japan

(Rs. in Lakh)

S. No.	Commodities	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	Index 1983-84=10
1.	Edible Vegetable	28.14 (0.02)	12.36 (0.01)	57.44 (0.03)	162.87 (0.07)	5.25 (0.00)	20.12 (0.01)	71
2.	Rubber and articles those of	1504.66 (1.04)	2040.56 (1.65)	2444.20 (1.38)	2735.75	3248.35 (1.53)	4357.46 (1.66)	290
3.	Paper & Paper bond	1075.19 (0.74)	1142.05 (0.92)	1219.32 (0.69)	1427.09 (0.55)	1070.63 (0.50)	1413.29 (0.54)	131
4.	Photographic & Cinematographic products etc.	1434.45 (0.99)	1486.29 (1.20)	1422.62 (0.80)	1419.05 (0.55)	4836.69 (2.27)	5306.27 (2.02)	370
5.	Plastic & Plastic products	3527.37 (2.44)	2052.25 (1.66)	3500.70 (1.97)	5457.54 (2.11)	4322.16 (2.03)	5005.88 (1.90)	142
6.	Textile yarn, fabrics made up articles	6010.48 (4.15)	3665.67 (2.96)	3725.46 (2.10)	2389.15 (0.92)	8333.49 (3.92)	9487.23 (3.61)	158
7.	Chemicals & selected products (organic & inorganic)	6777.21 (4.68)	5911.07 (4.77)	6520.29 (5.68)	66647.67 (2.57)	9445.67 (4.44)	12337.84 (4.67)	182
8.	Medicinal & Pharmaceuticals products	1106.26 (0.76)	703.03 (0.57)	758.31 (0.43)	1094.43 (0.42)	396.19 (0.19)	596.09 (0.23)	54
9.	Non-metallic mineral manufacturer	3987.21 (2.69)	1329.84 (1.07)	1627.18 (0.92)	4085.72 (1.58)	3361.91 (1.58)	6138.99 (2.33)	158
10.	Iron Steel	33482.66 (23.14)	27152.86 (21.90)	41200.85 (23.22)	47830.85 (18.46)	40306.37 (18.96)	43205.25 (16.42)	129
11.	Machinery & Transport equipment	6689.13 (4.55)	5481.99 (4.42)	8362.24 (4.71)	9027.84 (3.48)	10208.23 (4.80)	14443.17 (5.49)	219

S. No.	Commodities	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	Index 1983-84=10
12.	machinery specialized for particular	19088.34 (13.19)	13006.06 (10.59)	17221.21 (9.71)	41021.21 (15.83)	42201.67 (19.85)	48300.24 (18.36)	253
13.	General industrial machine and equipment	12432.28 (7.76)	11047.66 (8.91)	12627.21 (7.12)	23383.80 (9.02)	20284.78 (9.54)	23809.44 (9.05)	212
14.	Telecommunication and sound recording	6025.75 (4.16)	5249.74 (4.23)	6514.98 (3.67)	9524.68 (3.68)	9348.86 (4.40)	13288.00 (5.05)	221
15.	Electrical machinery apparatus and appliance	5818.95 (4.02)	8153.92 (6.58)	11786.86 (6.64)	16038.31 (6.19)	17134.17 (8.06)	29201.15 (11.10)	502
16.	Road vehicles	1792.21 (1.24)	7363.81 (5.94)	24716.20 (13.93)	28907.31 (11.15)	21517.09 MO. 12)	25523.20 (9.70)	1424
17.	Other transport equipment	6398.45 (4.42)	4679.39 (3.37)	1153.90 (0.65)	15077.64 (5.82)	4188.61 (1.97)	4299.41 (1.63)	67
18.	Total	28902.68 (19.98)	23523.49 (18.97)	32540.50 (18.34)	42919.11 (16.56)	12409.44 (5.84)	16354.73 (6.22)	57
	Total	144691.43	124002.04	177399.47	25950.02	21269.66	263087.76	182

Figure in bracket denotes share in percentage

4. Concluding Remarks on Import Status

The matter content presented as above puts forth the import status of India. The analysis covered both pre and post liberalization eras of Indian economy. Not only general over-view but commodity wise view of the import status was also presented. Finally the priority analysis through Pareto's law was also carried out. This indicated which items in the list of those imported from Japan constitute the most critical items so as to be monitored very vigilantly and minutely. The next part of the present paper highlights the status of export data pertaining to Indo-Japanese trade

5. STRUCTURE OF INDIA'S EXPORTS TO JAPAN

Preliminaries:

This part of the present paper highlights the performance of India in the field of exports, particularly in relative to its trade with Japan. In addition, a comparative analysis is also presented along with the export performance to focus upon India's share in the overall trading environment in

general and trading with Japan in particular. In addition, the two most promising fields of exports, the agriculture and software engineering products have also been analyzed from export view-point.

India's share in Japan's Foreign Trade:

As regards the export of commodities from Japan to India and then Japan's imports from India are concerned the data are presented in Table 2. These data are spread over a period of more than thirty years. In both the cases of imports and exports percentage has been calculated as shown in the last columns of the table 2. Primarily these data reflect the export and import status in the pre-liberalization era. What is revealing in these data is that percentage of Japan's exports to India has been gradually decreasing (coming down from 1% in 1986 to 0.5% in 1991). On the other hand, Japan's imports from India have been almost same (yielding a figure of 1.0% in 1986 and 0.9% in 1991).

Table: 2 India's share in Japan's Foreign Trade

Year	Japan's exports to India			Japan's export's from India		
	Total	To India	%	Total	From India	%
1960	4,055	111	2.7	4,491	127	2.8
1965	8,452	204	2.4	8,169	184	2.3
1970	19,318	103	0.5	18,881	390	2.1
1975	55,753	471	0.8	57,863	658	1.1
1976	67,225	377	0.6	64,799	801	1.2
1977	80,495	504	0.6	70,809	800	1.1
1978	97,543	730	0.7	79,343	793	1.0
1979	103,032	780	0.8	110,672	1,053	1.0
1980	129,807	1,915	1.5	140,528	1,014	0.7
1981	152,030	1,197	0.8	143,290	1,057	0.7
1982	138,831	1,408	1.0	131,931	1,122	0.9
1983	146,927	2,431	1.7	126,393	1,131	0.9
1984	170,114	1,168	0.7	136,503	1,132	0.8
1985	175,638	1,596	0.9	129,539	1,189	0.9
1986	209,151	2,099	1.0	126,408	1,297	1.0
1987	229,221	1,957	0.9	149,515	1,530	1.0
1988	264,917	2,082	0.8	187,354	1,804	1.0

1989	275,174	2,018	0.7	210,846	1,977	0.9
1990	284,947	1,708	0.6	234,799	2,075	0.9

6. India's Exports, Imports and Trade Balance:

The status of export, imports and trade balance in the period panning over 1 980-81 to 1995-96 is presented in Table 3.

Highlight of the growth pattern is presented in Table 4. It important to note that prices of Indian exports in non-Dollar hard currencies remained unaltered or even declined in the post-NEP period. But as US Dollar weakened as compared to the currencies of other major industrialized countries these prices increased in terms of US Dollar. In such a situation, preponderance of the US Dollar in India's export invoicing pattern coupled with Rupee-Dollar stability resulted in considerable rise of Rupee as well as Dollar estimates of unit value index of India's exports. This in turn inflated the overall export growth rates in Rupee as well as Dollar terms during the post-NEP years. It is logical to anticipate a similar pattern of price movement for India's imports as well. That is, one might expect considerable increase in Dollar or Rupee values of unit value index of India's imports for the post-NEP period. However, even though there has not been any substantial change in India's import composition in the post-NEP period over the pre-NEP years, unit value index of imports in Rupee terms, on an average, shows a 6 per cent per annum decline during the post-NEP period.

Table-3
India's Exports, Imports and Trade Balance

Year	Export	Import	Balance	Export	Import	Balance
1980-81	1814	3392	-1578	6711	12549	-5838
1981-82	1981	3454	-1473	7806	13608	-5802
1982-83	2263	3674	-1411	8803	14293	-5490
1983-84	2231	3614	-1384	9771	15831	-6060
1984-85	2411	3518	-1107	11744	17134	-5390
1985-86	1939	3498	-1559	10895	19658	-8763
1986-87	1553	2506	-953	12452	20096	-7644
1987-88	1666	2364	-698	15674	22244	-6570
1988-89	1790	2499	-708	20232	28235	-8003

1989-90	2372	3030 .	-658	27658	35328	-7679
1990-91	2545	3377	-832	32553	43198	-10645
1991-92	2387	2594	-207	44041	47851	-3810
1992-93	2330	2750	-420	53688	63375	-9687
1.993-94	2396	2511	-115	69751	73101	-3350
1994-95	2614	2844	-231	82674	89971	-7297
1995-96	2685	3095	-409	94141	108488	-14347

Table-4
Growth Rates of India's Exports, Imports and Balance Trade

(Rs. in crore)

Year	Export	Import	Balance
1981-82	16.32	8.44	-0.62
1982-83	12.77	5.03	-5.38
1983-84	11.00	10.76	10.38
1984-85	20.19	8.23	-11.06
1985-86	-7.23	14.73	62.58
1986-87	14.29	2.23	-12.77
1987-88	25.88	10.69	-14.05
1988-89	29.03	26.93	21.81
1989-90	36.70	25.12	-4.61 .
1990-91	17.70	22.28	38.79
1991-92	35.29	10.77	-64.21
1992-93	21.90	32.44	154.25
1993-94	29.92	15.35	-65.42
1994-95	18.53	23.08	117.82
1995-96	29.06	37.96	152.03
1992-93 to 1995-96	24.85	27.21	89.67
1986-87 to 1990	24.73	17.45	5.92

Growth rate for April-February 1995-96 has been calculated over April-February 1994-95.

7. Composition of India's Export with Japan

In terms of some specific commodities (Table 5), the analysis revealed that the major commodities exported to Japan are gem and jewellery, iron ore, marine products, engineering goods,

ready-made, garments, chemicals, cashew-kernels, tea, jute coffee, manufactures and spices. These account for over four-fifth share in the total exports to Japan. Gems and jewellery, iron ore; and marine products make 70 per cent approximately of export.

Table-5
Composition of India's Export to Japan

S.No.	Commodities	1980-81	1985-86	1986-87	1987-88	1988-89	1989-90	Index 1989-90 1980-81=100
1.	Tea	268 (0.45)	-	654 (0.49)	931 (0.57)	1066 (0.50)	2447 (0.90)	913
2.	Coffee	1447 (2.42)	-	740 (0.55)	1622 (1.00)	676 (0.31)	1037 (0.38)	72
3.	Spices	286 (0.48)	-	645 (0.48)	700 (0.43)	894 (0.42)	686 (0.25)	240
4.	Cashw Kernels	1027 (1.82)	1456 (1.25)	2435 (1.82)	2735 (1.69)	3259 (1.51)	3406 (1.25)	313
5.	Marine Products	15556 (26.02)	29055 (24.95)	35257 (26.42)	33214 (20.57)	37207 (17.29)	36941 (13.55)	237
6.	Iron Ore	18767 (31.39)	40419 (34.71)	37621 (28.19)	38597 (23.90)	42451 (19.73)	54718 (20.06)	292
7.	Gems & Jewellery	6672 (11.16)	-	29262 (21.92)	48844 (30.25)	77219 (35.89)	98399 (36.08)	1475
8.	Chemicals	656 (1.10)	18144 (15.58)	1672 (1.24)	2135 (1.32)	4305 (2.00)	4256 (1.56)	649
9.	Engineering Goods	90 (0.15)	975 (0.84)	259 (0.19)	4675 (2.89)	4267 (1.98)	14578 (5.35)	16198
10.	Cotton, Yarn Fabrics	662 (1.11)	975 (0.84)	1347 (1.01)	3324 (2.06)	5922 (2.75)	5562 (2.04)	840
11.	Readymade Garments	1305 (2.18)	-	3203 (2.40)	3474 (2.15)	6335 (2.94)	11187 (4.10)	857
12.	Jute Manufactures	964 (1.61)	531 (0.46)	967 (0.72)	1146 (0.71)	1680 (0.78)	806 (0.30)	84
13.	Tobacco	-	85 (0.07)	-	-	-	-	-

14.	Leather Manufacturers	-	837 (0.72)	-	-	-	-	-
15.	Others	12021 (20.11)	23955 (20.57)	19424 (14.55)	20110 (12.45)	29903 (13.90)	38677 (14.18)	322
	Total	597.81 (100.00)	116432 (100.00)	133466 (100.00)	161489 (100.00)	215184 (100.00)	272700 (100.00)	456

The tea market showed considerable rise, the index equaled 913 in 1989-90 taking 1980-81 as the base. In the year 1980-81 title value of tea exports stood at Rs.268 lakh which by 1986-87 went up to Rs.654 lakh showing less than two and a half times rise. It went up to an all-time high level of Rs.2447 lakh in 1989-90. Its Share in the overall exports also went from 0.45 per cent in 1980-81 to slightly less than one per cent in 1989-90 and exports of coffee fell down drastically from Rs.1447 lakh in 1980-81 to Rs.1037 lakh in 1989-90. Its share also reduced to less than half in 1989-90 from about two and a half per cent in 1980-81. So far as the exports of spices are concerned, these appreciated during the year. It stood at less than two per cent in 1980-81, came down to 1.51 per cent in 1988-89 and further reduced to 1.25 per cent in 1989-90.

It has been observed that India was the second largest player in the Japanese market for shrimps, prawns and lobsters in the year 1986 but in the succeeding years it slipped down to the third and then to the fourth position. Indonesia has moved to the top spot since 1988. Besides, countries like China, Vietnam, Thailand and the Philippines have considerably increased their supplies to Japan, thereby bettering their market share. Frozen shrimps is the principal item of India's marine products exports to Japan, accounting for nearly 90 per cent of the export earnings of marine products from Japan.

In the context of iron ore industry it is noted that "Japan's rapidly expanding steel industry in 60s and 70s needed iron ore as a raw material for producing pig iron and, therefore, Japanese iron and steel industry created an excellent market for the consumption of Indian iron ore together with other Asian and Latin American countries. In 1980-81 India's export of iron ore was of the order of Rs. 188 crore which raised to Rs. 42451 lakh in 1988-89 and went to Rs.547 crore in 1989-90. Its relative share also revealed virtually downward trend. From an all-time high level of over 35 per cent in 1985-

86 it gradually reduced to about 20 per cent in 1988-89 and remained at the same level in 1989-90. "If we throw a glance on the figures of major countries of iron ore to Japan it is certain that India has been losing her grip on Japan's iron ore market. Between 1960 and 1986, however, India lost share by 2.7 per cent whereas the relative share of Brazil and Australia showed a rise of 16.2 percent and 38.1 per cent respectively. But Chile gained only 3.4 percent. India had lost her share due to poor quality and higher cost. In the year 1980-81 it's share was to the tune of a little over 1% which gradually moved up to a new peak of more than 30 per cent 1987-88 and further to the highest level of 36 per cent in 1989-90, thereby showed more than 25 per cent increase over the year 1980-81. In this way, our exports of gems and jewellery witnessed about 15 times growth.

As regards the export of chemicals to Japan it recorded much more than six times growth, the index being 649 in 1989-90 taking 1980-81 as the base year.

The exports of cotton, yarn and fabrics showed more than eight times growth, index being 840 in 1989-90 taking 1980-81 as his base year. It was observed that now-a day's Japan is one of the largest in porters of readymade garments next only to the USA and Germany.

8. Concluding Observations of India's export to Japan

Of late, under the shadow of the economic reforms and under the impact of the fast blowing winds of liberalization India has performed very well in the international market. However, the vast multibillion export market of the world remains yet to be fully tapped by India.

In view of the studies and analysis of the previous data on exports one finds that in carrying out the export business in global market, quality of the products is the most important factor. Since trading companies have no Production facility of their own in general, and have the limited capability in technical aspect of merchandises, we have to entirely depend upon manufacturers as to the quality and performance of the product to be exported. What one finds today t\at he/she has to submit samples a Bomber of time to the customers for approval. Once the sample has been approved, and trial order proved to meet required standards, one gets the order in bulk and ships the same out to customers. What is most discouraging is this; suddenly, it is told that merchandise supplied are

different from samples approved, do not meet specified requirements, quantity not sufficient packing broken etc. Naturally, overseas customers claim for compensation. Consequent result is very clear. "No More India becomes the slogan and this situation would not change unless India immediate counters measures.

Firm commitment to export as a company's policy is also very important to secure substantial presence in overseas market. It is observed that price competition is very tough in export markets. Delivery is also considered as an important factor. Now days, the production system of multinationals is not meant for one single unit manufacturing from every component required for the finished product in one place and one country. In this context delivery time plays a very critical role. Adding to these factors, overseas customers will not be fully satisfied with Indian products, unless international pacts are fully honored by India.

Apart from these fundamentals of foreign trades, Indian exporters should also recognize that domestic business practices will not be applicable to export business. In this context the export-import rules of the country concerned must be kept in view.

The last point to be mentioned is that Indian manufacturers have to take initiative by making themselves more known to the world customers. In the first half of this century, 'Made in Japan' was synonym to the rubbish and poor quality product. As of today, products with 'Made in India' stamp are yet to be recognized as quality products in the world market barring a few exceptions. However, the industrial power of India is now ranked as one of the top ten industrialized countries of the world and has substantial, presence in the world economy. In order to make known this fact to the overseas customers and to convince them of India's points, Indian manufacturers will have to have direct contact with the actual users as far as possible.

To sum up present paper dealt with the import and export between India and Japan. Details pertaining to overall performance of India in the international sphere with special reference to the Indo-Japanese trade are presented and impacts of trade policy on import-export were studied.

9. CONCLUSION

The matter content presented in the paper form the import status of India. The analysis covered both pre and post liberalization ears of Indian economy. Not only general over-view but commodity wise view of the import-status was also presented. Finally the priority analysis through pareto's law was also carried out. This indicated which items in the list of those imported from Japan constitute the most critical items so as to be monitored very vigilantly and minutely. The next part of the present paper highlights the status of export data pertaining to Indo-Japanese trade.

Of late, under the shadow of economic reforms and under the impact of the fast blowing winds of liberalization India has performed very well in the international market. However, the vast multibillion export market of the world remains yet to be fully tapped by India.

In view of the studies and analysis of the previous data on exports on finds that in carrying out the export business in global market, quality of the products is the most important factor. Since trading companies have no production facility of their own in general, and have the limited capability in technical aspect of merchandises, we have to entirely depend upon manufacturers as to the quality and performance of the product to be exported. What one finds today that he/she has to submit samples a number of time to tie customers for approval. Once the sample has been approved, and trial order proved to meet required standards, one gets the order in bulk and ships the same out to customers. What is most discouraging is this; suddenly, it is told that merchandise supplied are different from simples approved, do not meet specified requirements, quantity not sufficient packing broken etc. Naturally, overseas customers claim for compensation. Consequent result is very clear. "No more India" becomes the slogan and this situation would not change unless India immediate counters measures.

To sum up present paper dealt with the import and export between Indian and Japan. Details pertaining to overall performance of India in the international sphere with special reference to the Indo-Japanese trade are presented and impacts of trade policy of import-export were studied.

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