

## India-U.K. Trade: *A phenomenon of sliding scenario*

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*Until 1973 when U.K., was not the member of European Community (now European Union), India's trade was not geographically as diversified. This was purely due to the reason that India's Trade was almost exclusively with U.K. Indian merchandise would find other destinations in the European continent only as re-exports from Britishers. India's trade relations with U.K., are based upon long nourished relationship fostered during British rule in India with British East India Company as its promotor platform. Based upon mutual trust between the trading communities of the two countries and facilitated with market opportunities, the relationship got further stronger even after India's independence from Britain. However, with U.K. joining European Union, India's trade started getting diversified and trade volumes with U.K started showing falling trends. The present paper traces out the behaviour of falling trade scenario with U.K.*

**Key Words:** India, England, Imports, Exports, CAGR, Commodity Groups, Harmonized System, DGFT.

### INTRODUCTION

Before independence, the direction of India's foreign trade was not determined by the comparative cost advantages but by the colonial relations between India and United Kingdom. It was United Kingdom that would determine what India should export and what it should import. As a matter of fact, the major portion of India's foreign trade was with United Kingdom. History repletes that Indian goods exported to U.K. were then re-exported to other parts of the Europe. This pattern of India's foreign trade continued for some time even after independence because India was yet to explore new destinations and develop formal trading relations with other countries. For example, India's export earnings with UK and USA were 42 per cent in 1950-51. In the same year the share of UK and USA in India's imports was 39.1 per cent (Mathur,2010).. Comparatively, the trade with other industrialized countries like, France, Italy, Japan was quite insignificant. As political and economic relations with other countries evolved, the direction of India's foreign trade became broad based and highly

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diversified. At the same time the inception of economic planning in India gave a boost to the efforts of forming trade relations with other countries across the globe. This broad based diversification proved a hedge against economic vulnerabilities of other countries ( Bhalla et al,2004). Upto Independence and even after for some time India's foreign trade has been mostly with United Kingdom. But over the last many years trade with United Kingdom is on the decline. Nevertheless, with global trade share still hovering around 1.5 to 2 % , there is a greater urgency to increase India's global trade share ( economic survey of India,2006) and increased trade with U.K. would help in improving India's global trade share. Within this backdrop the present study is aimed at the following objectives.

### **Objectives of the study**

The study is aimed:

- to study India's Trade with United Kingdom,
- to examine the growth prospects of India's foreign trade with United Kingdom; and
- to suggest on the basis of findings of the study, various measures which would fillip and elevate trade relations with United Kingdom

### **Research Methodology**

The present study is purely based on secondary data source. Most of the data have been retrieved from the official website of Directorate General of Foreign Trade of India (DGFT). The data used for the study has been retrieved as 2-digit code of grouped commodities. The other source of data information has been Economic Survey of India and Centre for Monitoring Indian Economy (CMIE), Government of India.

The instruments of analysis (the statistical tools) used for the study have been objectively selected to arrive at dependable results. The statistical methods of percentage comparisons, summary statistics such as averages, YoY growth and compound growth rates have been computed. To unravel growth rates of trade between Indian and United Kingdom and also to examine commodity-wise growth rates in exports and imports, the exponential trend equation of  $Y = ab^x$  has been fitted into the time series data from 1997-98 to 2004-05. The following formula has been used:

1. Exponential Trend Equation  $y = ab^x$
2. Logarithmic form of the equation  $\log y = \log a + x \cdot \log b$
3. Corresponding normal equations

$$\Sigma \log y = N \cdot \log a + \log b \cdot \Sigma x$$

$$\Sigma x \cdot \log y = \log a \cdot \Sigma x + \log b \cdot \Sigma x^2$$

4. Compound Growth Rate  $[Gr = 100(b - 1)]$

The data pertaining to commodity Exports and Imports from United Kingdom retrieved from the Export and Import Data Bank of DGFT do actually belong to 99 major commodity groups codified as per ITC (HS) code but due to the constraint of time and space, only major commodity groups were taken for research analysis. The selection of the major commodity groups was done objectively on the basis of their import and export value. Highly valued commodity groups were taken for research analysis. The selection, in this regard, was done separately for imported commodities and exported commodities. 24 commodity groups from the export basket and 16 commodity groups from import segment were finally chosen for analysis. The minimum export and import value for a commodity group to qualify for separate analysis was fixed at Rs. 100 crores. The remaining 75 commodity groups in exports and 83 commodity groups in imports were treated in aggregate and separate analysis was conducted under the heading "Miscellaneous Group".

The data for the purpose was taken from 1997-98 to 2004-05. The year 1997-98 (initial year for analysis) was purposely chosen as it was deemed that by then the liberalization policies in all areas particularly those concerning with foreign trade policies had started blooming. Thus the data selected was processed and with the use of regression analysis, Compound Annual Growth Rates (CAGR), of selected commodities (based on high value) in the import as well as in the export segment were computed. Besides, a comparative analysis was performed with regard to India's export growth with United Kingdom in contrast to India's export growth with world.

## Trade Analysis & Interpretations

Tables 1 and 2 relating to percentage share of India's exports to and imports from European Union bring testimony to the fact that India has had historical trade relations with the Great Britain. In fact prior to 1973, when U.K. was yet to join the EU, India's Exports used to be routed through United Kingdom to the rest of Europe. And maximum of India's foreign trade was with Great Britain.

***The slide of Exports.*** Based on long nourished relationship between the peoples of the two sides developed during the British colonial rule, India's export turnover used to be highest with U.K only. However, with each passing year after 1973 the U.K.'s share in India's Exports started declining. More than 50% of India's foreign trade was with U.K. but as India's foreign trade started getting geographically diversified, India's exports to U.K started sliding. Tracking the data from the year 2000 onwards we observe that that the percentage share of India's exports was 21.56 percent in 2000-01, which went down to 21.31 percent in 2001-02 and further plunged to 20.27 percent in 2004-05 . In absolute terms, India's Export to UK were Rs.10501.52 crores, Rs.10305.60 crores, Rs.12081.43 crores, Rs.13892.31 crores and Rs.15790.31 crores in 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 which has an increasing trend but in relative terms (i.e., percentage share) it has a decreasing propensity (Table 1). Taking a detailed view of the Table 2 , we observe that Belgium with whom trade in raw and finished diamonds, has grown quite rapidly has over the years turned to be an important trading partner for India.

***The Imports also Plummeted.*** Throughout history U.K. has been a major source of India's imports in various segments particularly in capital goods sphere. During the process of Industrialisation of the country ushered in from the earlier years of Independence , the imports of Industrial machinery from U.K. had a pivotal role in the transformation of India as an industrial state. However, as new import sources got explored, the share of U.K.'s exports in India's imports got diminished. Again tracing down the latest data, we observe that India's Imports from U.K were 29.77 percent in the year 2000-01, U.K. was the largest exporter to India followed by Belgium. But as said earlier U.K's share in India's Imports show a decline over the period under study. U.K's share was 24.21 percent in 2001-02, which dropped to 21.72 percent in 2003-04. It finally dropped by more than 3 percentage points in 2004-05, when it touched all time low of 18.69 percent. Again, in absolute terms, we observe an increasing behaviour of India's imports from United Kingdom as is seen in the years 2000-01 (Rs. 14472.66 crores), 2001-02 (Rs. 12224.40 crores), 2002-03 (Rs. 13439.43 crores), 2003-

04 (Rs. 14862.26), 2004-05 (Rs. 15717.70 cores) but in relative terms, we observe a decreasing trend when taken into consideration all EU-27 member countries trade. There we see that U.K.'s share in imports is dwindling with each passing year. Browsing further through the data we observe that United Kingdom's position in India's Import trade had been taken over by Belgium. It should, however, be noted that trade with Belgium is exclusively in diamonds and not as diversified as is with countries like United Kingdom and Germany.

#### ***India-U.K. Trade as compared with India's Total Trade***

The percentage increase/decrease is one of the important indicators of measuring foreign trade performance. India's total export effort had shown overwhelming results over the years under study. India's total exports had grown from Rs.20901798.00 lakhs (2001-02) to Rs.25513728.00 lakhs in 2002-03 marking percentage growth increase of 22.06 percent over the previous year. However, during the same year, the exports to United Kingdom had increased only by 17.23 percent. Whileas, total exports and exports to United Kingdom had absolutely same percentage growth rate in the year 2003-04 i.e. 14.99%, the percentage growth rate in 2004-05 in exports to United Kingdom had been only 14.66% while as total exports had grown at 23.35% in 2004-05. Similarly United Kingdom's share in India's total exports was 5.16% in 2000-01, which decreased to 4.95% in 2001-02, However, it again plunged to 4.36 percent in 2004-05.

On the imports front, India's total imports have grown over the years. In absolute terms India's imports had grown from 24,519,972.00 lakhs in 2001-02 to 29,720,586.00 lakhs in 2002-03, marking an annual growth rate of 21.21%, while as imports from United Kingdom have increased only by 9.94%. In the year 2004-05, the total imports have grown from 35,910,764.00 lakhs in 2003-04 to 49,053,168.00 lakhs in 2004-05 at a rate of 36.60% over the previous year. Similarly, United Kingdom share in the total imports has also been thinning with every passing year. From a share of 6.27 percent in 2000-01, it dropped to 4.99 percent 2001-02 to 4.52 percent in 2002-03 to 4.14 percent in 2003-04 and lastly dipped to 3.20 percent in 2004-05.

Analyzing further, Table 3 reveals that India's total trade has increased at 21.60 percent (2002-03), 18.13 percent (2003-04), and 30.64% (2004-05), while as correspondingly, India total trade with United Kingdom has increased by only 13.28%, 12.07 percent and 9.58 percent in the years 2002-03, 2003-04, and 2004-05 respectively. This phenomenon brings forth a vital revelation that though United Kingdom is an important trading partner for India but at the same time, the import –export trade has been touching new destinations other than the traditional partner like United Kingdom. Table 3 further elucidates

that India's total trade deficit widens and correspondingly trade with United Kingdom has also been growing on deficit lines all along.

### **Exponential Growth Trend-*The robust indicator***

The import and export growth pattern of all EU-member countries have been monitored by Exponential Trend values as are revealed in tables 4 and 5. As is depicted in the Table 5, India's exports to United Kingdom have compound Annual Growth Rate of 9.00% with  $R^2$  at 94.3%. Similarly imports from United Kingdom have been increasing at CAGR of 5.47% (with a dismal  $R^2 = 73.0$ ). Table 6 reveals that Readymade Garments and other clothing accessories has been number one export item to United Kingdom through out the period 1996-97 to 2004-05. In 1996-97 it was 21.07% of total exports to UK. The other major exports have been footwear and other such articles, Fish & other Aquatic invertebrates, Iron & steel, Nuclear reactors, Boilers etc., Cotton, Organic Chemicals, Tobacco, coffee, tea, Mate & Spices. The major import commodities from United Kingdom had been Gems and Jewellery. The share of Gems & Jewellery was 34.84% in 1996-97 while as it was 56.18% in 2003-04 with absolute value of Gems & Jewellery imported from U.K standing at Rs. 7581.95 crores in 2002-03. The import figure of Gems & Jewellery was Rs. 8511.90 crores (54.15%) in 2004-05. The other major import items from United Kingdom are Engineering goods, Nuclear Reactors, Optical surgical Instruments. Their absolute value was 951.14 crores, (6.051%) Reactors, 1711.27crores, (10.88%), optical surgical Instruments 447.66 crores,(2.84%), Iron & steel 1092.98(6.95%) in 2004-05.

### **Conclusions**

U.K has been a trade centre for centuries altogether and infact was the strong propagator of free trade since eighteenth century. U.K still occupies an enviable global trade position (Singh, 2001). Its geographical location has always served as a gateway of merchandise from North America for whole of the Europe. And its relation (both political and economic) with erstwhile colonial Asia including India has been one that stimulated trading relations with these countries. India's sliding trading relation with U.K., can be easily ascribed to trade diversion to other geographical areas. How far has this trade diversion been economically good for India demands a separate study but one thing is patently clear that exports to an affluent society like U.K., would always fetch us better economic rewards. In a study by Binita Verma, trade diversion does not necessarily result in better economic rewards to exporters unless supported by high price differentials (Verma,2005) The trading communities

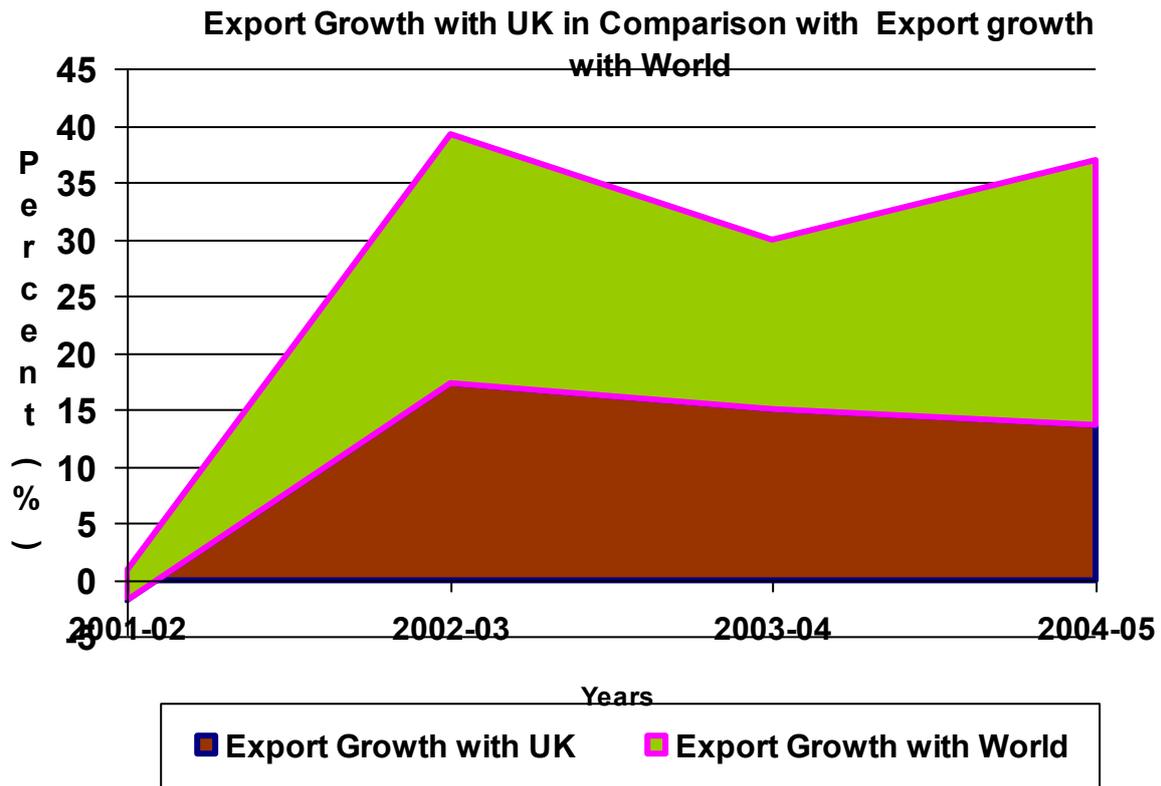
of both countries have a well established relationship nourished through generations but over a period this relationship has got thinned on account of trade diversion. There is an urgent need to rejuvenate this relationship. The government of India has to use a multi-pronged approach to enhance trade with its erstwhile major trading partner. The following suggestions are put forth in this regard.

1. **Organic Presence.** Establishing an organic presence in U.K. through the creation of chain outlets in the form of marketing office, branch office for ensuring speedy transmission of information on latest market trends and potential customers. This would result in greater Indian competitive strength.
2. **Hormonisation of Standards.** The fundamental contention between the EU and the developing countries is the Standards. Under the EU-India Standards and Quality Programme, modernization of Indian testing laboratories took place (Fontaine,2005). India should ensure to export only that merchandise which would bear those standards and certification as is acceptable to the requirements under U.K.
3. **India as Brand.** Indian Industry associations particularly CII and ASSOCHAM should make coherent efforts to create a brand name for India in U.K. which would be ensured only through quality products and services.
4. **Conducting Industry Exhibitions.** Industry exhibitions should be conducted in major cities of U.K., to promote the latest Indian product lines and Indian industry should also participate in the trade fairs organized by U.K. in major cities.
5. **Need for enhanced role for Indian High Commission.** The economic and trade section in the Indian high commission need to be upgraded by further augmentation of the staff for collecting relevant information about domicile changing trade laws having implication for exports from India into U.K.
6. **Revamping Trading Houses.** The export trading houses should be revamped to ensure more focus on the opportunities offered by U.K. market

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**Table 1****India's Exports to EU: Percentage share of member countries**

<b>Country</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
Austria	0.75	0.75	0.68	0.73	0.64
Belgium	13.78	13.71	14.02	12.50	14.5
Czech Rep.	0.35	0.40	0.48	0.19	0.15
Cyprus	0.29	0.28	0.19	0.19	0.15
Denmark	1.63	1.49	1.55	1.67	1.66
Estonia	0.03	0.03	0.03	0.04	0.05
Finland	0.54	0.68	0.60	0.77	0.78
France	9.55	9.32	9.06	8.86	9.28
Germany	17.87	17.64	17.78	17.61	15.43
Greece	1.06	1.05	1.25	1.38	1.69
Hungary	0.39	0.46	0.40	0.63	0.60
Ireland	0.96	1.00	1.14	1.04	1.17
Italy	12.26	11.90	11.45	11.97	12.58
Latvia	0.22	0.06	0.07	0.11	0.09
Lithuania	0.08	0.06	0.08	0.12	0.17
Luxembourg	0.05	0.04	0.07	0.09	0.06
Malta	0.09	0.11	0.27	0.81	0.18
Netherlands	8.24	8.52	8.84	8.92	8.85
Poland	0.80	1.06	0.89	0.92	0.96
Portugal	1.37	1.45	1.36	1.17	1.21
Slovak Rep.	0.09	0.08	0.09	0.11	0.13
Slovenia	0.15	0.28	0.20	0.25	0.35
Spain	6.24	6.68	6.84	6.94	7.65
Sweden	1.65	1.52	1.48	1.52	1.13
<b>UK</b>	<b>21.56</b>	<b>21.31</b>	<b>21.07</b>	<b>20.93</b>	<b>20.27</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Source:** Computed from the data from 'India's Exports by countries –Commodities; DGFT

Government of India, Ministry of Commerce, Various Issues from 2001 to 2005

**Table 2**  
**India's Imports from EU: Percentage share of member countries**

<b>Country</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
Austria	0.65	0.73	1.28	1.34	1.37
Belgium	26.97	26.10	29.04	26.52	23.97
Cyprus	0.01	0.05	0.02	0.01	0.02
Czech Republic	0.34	0.36	0.66	0.74	0.89
Denmark	1.33	1.33	1.12	1.50	1.39
Estonia	0.00	0.05	0.00	0.02	0.70
Finland	1.94	1.53	1.55	1.80	2.01
France	6.62	7.97	8.56	7.27	9.92
Germany	16.53	19.16	18.81	19.46	20.79
Greece	0.20	0.27	0.17	0.31	0.12
Hungary	0.14	0.22	0.16	0.00	0.00
Ireland	0.67	0.80	0.76	0.87	0.96
Italy	6.80	6.65	6.35	7.40	7.08
Latvia	0.04	0.00	0.02	0.00	0.00
Lithuania	0.01	0.00	0.04	0.07	0.09
Luxembourg	0.04	0.06	0.15	0.29	0.05
Malta	0.00	0.00	0.00	0.00	0.19
Netherlands	4.11	4.40	3.01	3.57	4.09
Poland	0.40	0.29	0.30	0.32	0.47
Portugal	0.11	0.13	0.11	0.09	0.09
Slavok Republic	0.06	0.11	0.08	0.07	0.11
Slovenia	0.20	0.24	0.55	0.40	0.11
Spain	1.33	1.59	1.38	1.72	1.99
Sweden	2.23	3.80	4.04	4.66	4.90
<b>UK</b>	<b>29.77</b>	<b>24.21</b>	<b>21.72</b>	<b>21.57</b>	<b>18.69</b>
Total	100.00	100.00	100.00	100.00	100.00

**Source:** Computed from the data ' India's Imports by Countries – commodities; Directorate General of Foreign Trade, Govt. of India, Ministry of Commerce, Various Issues.

Table 3

Import -Export Trade with, **UK** Annual Growth Rates, % Share, Comparison with India's Total Foreign Trade, Trade Balance with U. K., India's Total Trade Balance

Country: U K

Values in Rs. Lacs

Year →	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
<b>EXPORT</b>	1,050,152.63	1,030,560.56	1,208,143.88	1,389,231.25	1,579,031.25
%Growth		-1.87	17.23	14.99	13.66
India's Total Export	20,357,102.00	20,901,798.00	25,513,728.00	29,336,674.00	36,187,916.00
%Growth		2.68	22.06	14.98	23.35
%Share	5.16	4.93	4.74	4.74	4.36
<b>IMPORT</b>	1,447,246.75	1,222,440.00	1,343,943.88	1,486,226.38	1,571,770.50
%Growth		-15.53	9.94	10.59	5.76
India's Total Import	23,087,276.00	24,519,972.00	29,720,586.00	35,910,764.00	49,053,168.00
%Growth		6.21	21.21	20.83	36.60
%Share	6.27	4.99	4.52	4.14	3.20
<b>TOTAL TRADE</b>	2,497,399.38	2,253,000.56	2,552,087.75	2,875,457.63	3,150,801.75
%Growth		-9.79	13.28	12.67	9.58
India's Total Trade	43,444,378.00	45,421,770.00	55,234,314.00	65,247,438.00	85,241,084.00
%Growth		4.55	21.60	18.13	30.64
%Share	5.75	4.96	4.62	4.41	3.70
<b>TRADE BALANCE</b>	-397094.12	-191879.44	-135800.00	-96995.13	7,260.75
India's Trade Balance	-2,730,174.00	-3,618,174.00	-4,206,858.00	-6,574,090.00	-12,865,252.00

**Source:** Compiled from the data India's Total Trade with All countries, Directorate of Foreign Trade, Ministry of Commerce, Government of India

Table 4

## Statistical Analysis (Export Growth Rates with EU Member countries)

Country	Log y = log a + log bx	$\beta$ co-efficient Anti log Beta	CAGR (growth Rate) (b-1) x100	SE (Standard Error)	R <sup>2</sup>
Austria	Log y=2.5801+0.0248x	1.0587	5.87	0.03127	86.3
Belgium	Log y=3.8345+0.0494x	1.0949	9.49	0.02984	95.9
Cyprus	Log y=2.1038+0.0007x	1.0018	0.18	0.06013	0.2
Czech Republic	Log y=2.2970+0.0697x	1.1721	17.21	0.07032	90.8
Denmark	Log y=2.9368+0.2922x	1.0695	6.95	0.0694	64.1
Estonia	Log y=1.3318+0.0414x	1.1001	10.00	0.1452	44.9
Finland	Log y=2.5280+0.0462x	1.1124	11.24	0.07713	78.3
France	Log y=3.6598+0.0444x	1.1078	10.78	0.043100	91.4
Germany	Log y=3.9561+0.0281x	1.0668	6.68	0.04276	84.2
Greece	Log y=2.7810+0.0577x	1.1422	14.22	0.09934	77.2
Hungary	Log y=2.3421+0.067x	1.1692	16.92	0.07578	88.9
Ireland	Log y=2.6850+0.0630x	1.15611	15.61	0.05711	92.4
Italy	Log y=3.7743+0.0416x	1.10075	10.71	0.03942	91.8
Latvia	Log y=1.6745+0.02610x	1.0867	8.67	0.15760	34.4
Lithuania	Log y=1.4249+0.876x	1.2236	22.36	0.12550	83.0
Luxem-bourg	Log y=1.4403+0.0794x	1.2006	20.06	0.11070	83.7
Malta	Log y=1.9626+0.1013x	1.2628	26.28	0.31230	51.3
Netherlands	Log y=3.6375+0.0417x	1.1009	10.09	0.03340	94.0
Poland	Log y=2.6734+0.0398x	1.09616	9.61	0.03416	93.2
Portugal	Log y=2.804+0.0415x	1.10044	10.64	0.03393	93.8
Slavok Republic	Log y=1.6054+0.0883x	1.22560	22.56	0.10030	88.6
Slovenia	Log y=1.9511+0.1009x	1.26181	26.18	0.13160	85.5
Spain	Log y=3.4922+0.06624x	1.16476	16.47	0.03647	96.7
Sweden	Log y=2.8805+0.0284x	1.06760	6.76	0.03389	87.6
UK	Log y=4.0232+0.0374x	1.0900	9.00	0.02923	94.3

**Source:** Computed the Regression Analysis on the basis of the export data of the all EU countries obtained from the Official Website of DGFT, ministry of Commerce, Government of India.

**Table 5**  
**Statistical Analysis (Imports Growth Rates with EU Member countries)**

Country	Log y=log a +log bx	$\beta$ co-efficient Anti log Beta	CAGR (growth Rate) (b-1) x100	SE (Standard Error)	R2
Austria	Log y=2.6674+0.0831x	1.21087	21.08	0.11070	84.9
Belgium	Log y=4.1647+0.0312x	1.074553	7.45	0.05642	75.4
Cyprus	Log y=0.9962+0.08051x	1.203093	20.36	0.26620	48.3
Czech Republic	Log y=2.4235+0.0809x	1.204924	20.49	0.13520	78.2
Denmark	Log y=2.80216+0.0571x	1.140748	14.07	0.07309	86.0
Estonia	Log y=0.4591+0.0322x	1.077010	7.70	0.49740	4.0
Finland	Log y=2.95371+0.0434x	1.106462	10.64	0.08306	73.2
France	Log y=3.6064+0.0515zx	1.125900	12.59	0.07271	83.4
Germany	Log y=4.0109+0.0334x	1.080027	8.00	0.07187	68.4
Greece	Log y=2.02614+0.0382x	1.091975	9.19	0.17230	33.0
Hungary	Log y=1.88963+0.079x	1.204813	20.48	0.0589	93.7
Ireland	Log y=2.52766+0.1047x	1.222690	27.26	0.04507	97.6
Italy	Log y=3.59893+0.0163x	1.051080	5.10	0.08395	39.9
Latvia	Log y=1.00245-0.1292x	0.742215	-25.44	0.40510	50.5
Lithuania	Log y=1.0200+0.1975x	1.574400	57.4	0.50930	60.0
Luxem-bourg	Log y=1.4751+0.1224x	1.325800	32.58	0.32630	64.5
Malta	Log y=0.6810+0.0404x	2.535300	153.53	0.99510	1.6
Netherlands	Log y=3.3332+0.0257x	1.061000	6.10	0.06550	60.7
Poland	Log y=2.26856+0.0440x	1.106630	10.66	0.09790	66.9
Portugal	Log y=1.75791+0.0309x	1.073790	7.37	0.08377	57.7
Slavok Republic	Log y=1.77056+00017x	1.003945	0.39	0.20020	0.1
Slovenia	Log y=1.9149+0.1326x	1.357080	35.70	0.28390	68.6
Spain	Log y=2.93326+0.0424x	1.102770	10.27	0.10020	64.3
Sweden	Log y=3.2225+0.0863x	1.220100	22.01	0.07464	93.0
<b>UK</b>	<b>Log y=4.10168+0.0231x</b>	<b>1.054710</b>	<b>5.47</b>	<b>0.04360</b>	<b>73.0</b>

**Source:** Computed the Regression Analysis on the basis of the export data of the all EU countries obtained from the Official Website of DGFT, ministry of Commerce, Government of India.

**Table 6**  
India's Exports to U.K. (Rs. Crores)

<b>COMMODITIES</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
Gems and Jewellery	299.60	452.01	622.46	594.88	680.04	829.67	1013.98	1037.95	1041.30
Readymade garments & other clothing accessories	1534.24	1480.70	1549.80	1927.89	2336.60	2550.11	2998.14	3097.64	3485.56
Fish & other Aquatic Invertebrates	180.47	80.37	137.30	197.43	278.20	257.71	321.45	276.58	333.80
Cotton	560.79	519.25	457.19	399.51	362.21	259.16	254.11	251.62	177.54
Organic chemicals	167.04	225.96	193.03	243.19	284.80	306.05	369.69	386.95	366.70
Man-Made staple fibres, & filaments	281.71	269.72	131.13	137.88	149.74	188.96	216.08	278.57	253.97
Tabacco & manufactured tabacco substitutes	145.03	140.50	83.63	121.69	65.71	32.04	54.78	55.99	80.62
Iron & steel and its articles thereof	226.66	290.96	265.24	309.16	417.70	349.71	438.80	554.15	842.51
Salt,sulphar, earths, and stones	5.79	9.03	17.92	25.37	30.50	42.50	85.22	100.98	184.79
Engineering Goods including Electrical Machinery	416.14	187.16	190.93	237.31	373.30	319.75	467.17	588.84	653.58
Coffee, Tea, Mate, & spices	194.13	184.96	303.20	280.43	322.49	243.59	275.41	253.46	270.08
plastics and articles thereof	207.28	85.06	80.27	96.05	110.37	148.63	188.74	238.48	251.82
Nuclear Reactors,Boilers, etc	252.08	310.03	277.92	356.08	470.08	323.15	411.49	613.53	929.63
Articles of leather & Raw hides	329.51	396.14	421.15	471.06	561.87	466.67	490.09	487.80	587.39
Articles of stone, plaster, cement, Asbestos	32.05	38.36	44.57	66.11	87.09	91.06	109.51	128.22	123.92
Edible vegetables & edible fruits, nuts	147.92	183.26	186.00	301.00	256.98	230.88	242.05	217.05	273.45
Tanning & Dyeing extracts	165.07	159.44	113.51	125.49	143.66	111.29	132.83	128.07	116.65
pharmaceutical products	76.31	121.47	89.74	94.50	105.61	140.18	250.35	321.72	395.14
Footwear & other such Articles	410.86	434.75	611.20	717.58	717.82	750.56	706.02	709.66	816.32
Carpet & other floor coverings	101.09	104.30	131.13	137.88	149.74	188.96	216.08	278.57	266.05
Cereals	100.65	170.68	168.53	174.48	307.53	197.06	209.24	229.95	273.36
Inorganic chemicals	25.16	19.43	22.00	15.35	26.01	29.96	25.89	29.19	35.91
Rubber and Articles of Rubber	28.52	39.36	36.44	46.47	64.11	55.55	77.72	104.70	113.33
Other Miscellaneous Goods	1378.43	1873.45	1671.49	1740.48	2199.37	2192.40	2526.60	3522.64	3916.89
<b>Total Trade</b>	<b>7266.53</b>	<b>7776.35</b>	<b>7805.78</b>	<b>8817.27</b>	<b>10501.53</b>	<b>10305.60</b>	<b>12081.44</b>	<b>13892.31</b>	<b>15790.31</b>

**Table 7**  
**Imports from U.K. (Rs. Crores)**

<b>COMMODITIES</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
1. Inorganic chemicals	25.45	55.10	35.29	69.87	75.72	98.81	47.82	70.58	74.26
2. Organic chemicals	268.60	269.26	264.66	300.03	250.36	235.10	224.68	326.17	277.19
3. Pharmaceutical products	9.58	25.61	29.58	28.07	31.32	46.63	50.03	49.45	65.53
4. Photographic & cinematographic goods	60.06	99.03	72.92	51.24	54.63	41.16	28.09	41.28	38.52
5. Miscellaneous chemical products	133.68	111.48	126.28	117.19	112.69	121.29	153.60	191.28	157.45
6. Plastic and articles thereof	111.68	146.99	111.63	123.49	119.71	130.51	153.36	195.86	219.01
7. Rubber and articles thereof	61.82	97.99	65.20	75.47	76.57	80.86	96.63	128.92	146.84
8. Paper and paper board	231.37	239.07	272.44	113.09	74.58	43.99	75.44	205.50	114.69
9. Gems and Jewellery	2291.40	3748.62	6127.67	7141.18	10068.89	7055.89	7581.95	7856.05	8511.90
10. Iron and Steel	672.15	567.01	347.94	496.58	523.11	850.34	614.56	724.65	1092.98
11. Nuclear Reactors	1117.07	1177.74	1089.04	949.13	882.93	993.53	1233.76	1395.12	1711.27
12. Engineering goods	413.66	531.08	493.22	478.17	537.98	701.14	1081.00	994.75	951.14
13. Aircraft, spacecraft and parts thereof	20.18	37.38	29.48	33.04	90.04	151.09	239.78	410.87	300.37
14. Optical, surgical instruments	180.65	266.32	373.40	276.05	280.52	338.21	85.07	355.00	447.66
15. Capital goods	750.64	387.87	517.30	208.66	165.83	128.67	380.07	170.12	84.74
16. Other miscellaneous goods	1227.53	1319.88	1072.19	1249.68	1665.52	1207.18	1393.67	1746.66	1524.15
<b>Total</b>	<b>7575.52</b>	<b>9080.43</b>	<b>11028.24</b>	<b>11710.94</b>	<b>14472.47</b>	<b>12224.40</b>	<b>13493.44</b>	<b>14862.26</b>	<b>15717.70</b>