

### Direction of Trade

28. The OECD region (including U.S.A., E.U. and Japan), Asia and Latin America are the main destinations of our exports. While OECD countries as a group maintained their share (around 56 per cent) in our total exports in 1997-98, the share of advanced industrial economies as a whole declined due to depressed demand in Western Europe and Japan. There was a marginal improvement in the share of the E.U. due mainly to higher exports to Belgium, France and Italy. While our exports to the U.S.A. have recovered well in the current year (Figure 6.4), the share of our exports to Asia declined in 1997-98 due to a fall in exports to the East Asian countries, whose share has come down from 16.0 per cent in 1996-97 to 13.9 per cent in 1997-98, and declined further to 10.6 percent in the first eight months of 1998-99. On the other hand, our exports to Africa and Latin America increased in 1997-98 due to higher exports to Egypt, Nigeria, South Africa, Argentina, Chile, Mexico and Uruguay.

29. As regards sources of imports, the share of OECD countries increased marginally from 49.7 per cent in 1996-97 to 50.8 per cent in 1997-98. Similarly, the share in imports of developing countries increased from 16.7 per cent in 1996-97 to 17.8 per cent in 1997-98. This increase in shares of total imports was balanced by a decline in import shares of OPEC countries and the Eastern European economies. Although the share of OECD, the main source of our imports, has increased in 1997-98, the share of countries like Germany, U.S.A. and Japan was lower than the previous year. The developing countries whose imports' share increased include: Brazil, Mexico, Egypt, Ghana, Morocco, South Africa, China, Malaysia and Indonesia. Broadly, the same trends have persisted in the first eight months of the current financial year, with the share of OECD and the developing countries rising further to 51.3 percent and 20.3 percent respectively.