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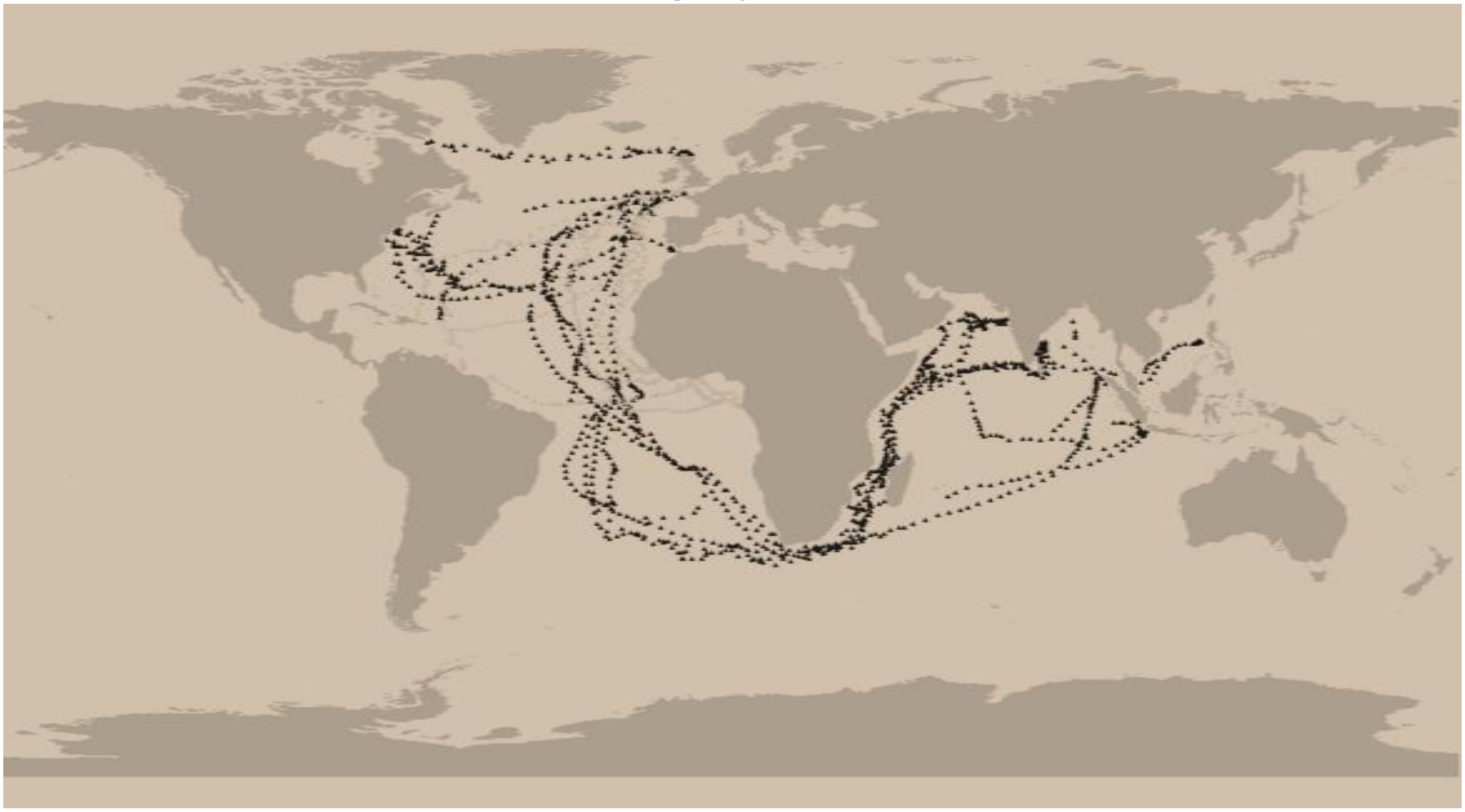

India Trade Report

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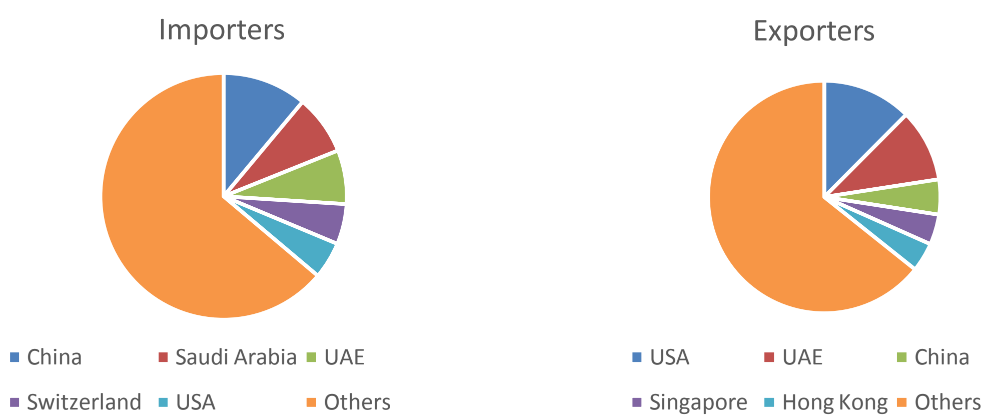
Introduction

India is one of the largest economies in the World; however, much smaller economies such as South Korea, Singapore, Netherlands or Hong Kong have larger trade flows by value. The reason is that India still has significant tariff and non-tariff barriers that limit its trade with the world. In order to understand India's current limitations and identify untapped opportunities this article answer questions such as: what are India's current trade flows and main trade partners? How is India in terms of trade policies and current trade patterns compared with the rest of the world? What are the most problematic factors for India's trade? What are India's main trade barriers? What are the necessary procedures to import? Then we conclude with a brief analysis of India's further trade facilitation.

1. India's International Trade at glance

The liberalization of the Indian economy has transformed the international trade of the country. During 2013, India consolidated as the 12th largest importer demanding USD 477.3 billion and the 16th largest exporter selling to the world USD 336.6 billion. According with information of the International Trade Organization (2014)The main destination of Indian products are, in order of flow value, United States, United Arab Emirates, China, Singapore and Hong Kong, which all account for 35% of Indian exports. On the other hand, India´s main suppliers are, in order of flow value, China, Saudi Arabia, United Arab Emirates, Switzerland and United States, which represent 36% of Indian imports.

Graph 1. Main Indian trade partners



Source: Own elaboration with information of the International Trade Centre.

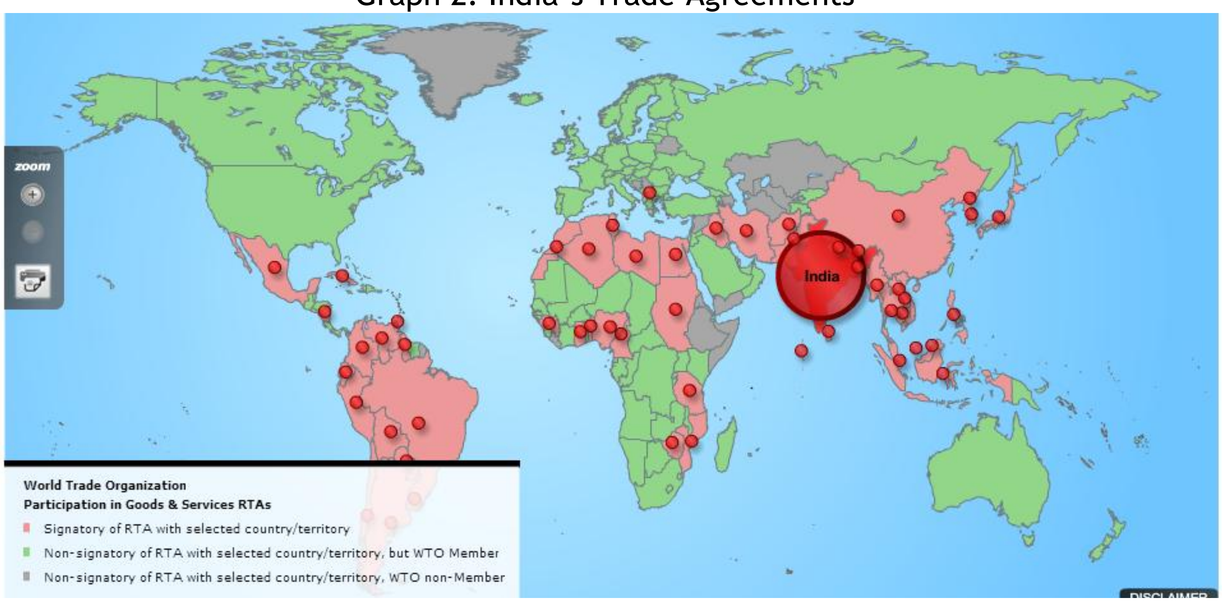
Indian imports are highly concentrated in few products. Nine chapters of the harmonized system represent 80% of Indian imports: 27 mineral fuels, oils and distillation products; 71 pearls and precious stones and metals; 84 machinery; 85 Electrical, electronic equipment; 29 organic chemicals; 99 commodities not elsewhere specified; 72 Iron and steel; 39 plastics and articles, and 15 animal and vegetable fats and oils. Only the two first categories account for 54% of Indian imports.

Exports are more diversified. Nearly 80% of the total exports of the country are represented by 22 chapters of the harmonized system. The first two chapters, again, are 27 mineral fuels, oils and distillation products, and 71 pearls and precious stones and metals, account for 33% of Indian exports.

Regarding the Indian integration in the international economy, the country joined the World Trade Organization in 1995. Its trade flow follow the agreements made in the WTO and the country is subject to dispute settlement panels. Additionally, under the Organization, India grants Most Favored Nation (MFN) Tariffs and it is constrained by a Final Bound Tariff. Nearly 73.8% of India's tariff lines have a Bound Tariff. Currently, on average, India has a Final Bound tariff of 113.1% for agricultural products and 34.5% for non-agricultural. The average MFN tariff applied in 2012 was 33.5% for agricultural products and 6.1% for non-agricultural (See Annex 1).

In addition to the membership of the WTO, India has bilateral and multilateral trade agreements that offer preferential access to the Indian market to several countries.

Graph 2. India's Trade Agreements



Source: World Trade Organization (2014).

Table 1. India's Trade Agreements

Agreement	In force	Countries	Description
ASEAN – India	2010	Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Viet Nam, Thailand	Free Trade Agreement on Goods
Asian Pacific Trade Agreement	1976	Bangladesh, China, India, Rep. of Korea, Laos, Sri Lanka	Partial Scope Agreement on Goods.
Chile – India	2007	Chile	Partial Scope Agreement on Goods.
Global System of Trade Preferences among Developing Countries	1989	Developing countries*	Partial Scope Agreement on Goods.
India - Afghanistan	2003	Afghanistan	Partial Scope Agreement on Goods.
India – Bhutan	2006	Bhutan	Free Trade Agreement on Goods
India – Japan	2011	Japan	Free Trade and Economic Integration Agreement on Goods and Services
India – Malaysia	2011	Malaysia	Free Trade and Economic Integration Agreement on Goods and Services
India – Nepal	2009	Nepal	Partial Scope Agreement on Goods.
India – Singapore	2005	Singapore	Free Trade and Economic Integration Agreement on Goods and Services
India – Sri Lanka	2001	Sri Lanka	Free Trade Agreement on Goods
India – Republic of Korea	2010	Republic of Korea	Free Trade and Economic Integration Agreement on Goods and Services
India – Mercosur	2009	Argentina, Brazil, Paraguay and Uruguay	Partial Scope Agreement on Goods.
South Asian Free Trade Agreement	2006	Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka	Free Trade Agreement on Goods

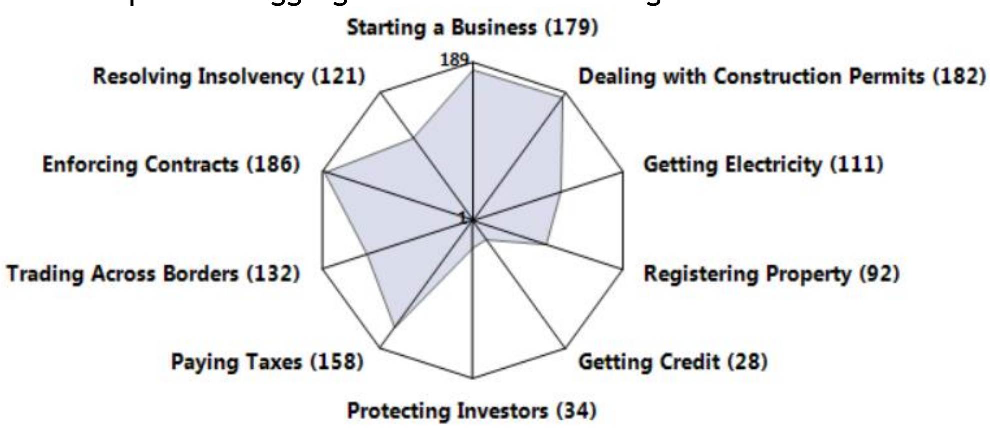
* Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Ecuador, Egypt, Ghana, Guinea, Guyana, Indonesia, Iran, Iraq, Rep. Of Korea, Libya, Macedonia, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Romania, Singapore, Sri Lanka, Sudan, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Venezuela, Bolivia, Vietnam, Zimbabwe.
Source: World Trade Organization (2014).

According with the WTO, India has announced and is currently negotiating trade agreements with the European Union, the European Free Trade Agreement, The Southern African Custom Union and the Bay of Bengal Initiative on Multi-Sectoral Technical and Economic Cooperation.

2. India's Trade performance compared to the World

Despite its network of trade agreements and commitments under the WTO, there are still significant barriers to trade. Most of the agreements offer only partial access to market limited to specific goods. India offers free trade agreement on services to only four countries. India fell three positions in the ease to do business according to the World Bank (2014), form 131 in 2013 to 134 in 2014 out of 189. Trading across borders, together with dealing with construction permits; the ease to start a business, enforcing contracts and paying taxes are the worst rated categories for India.

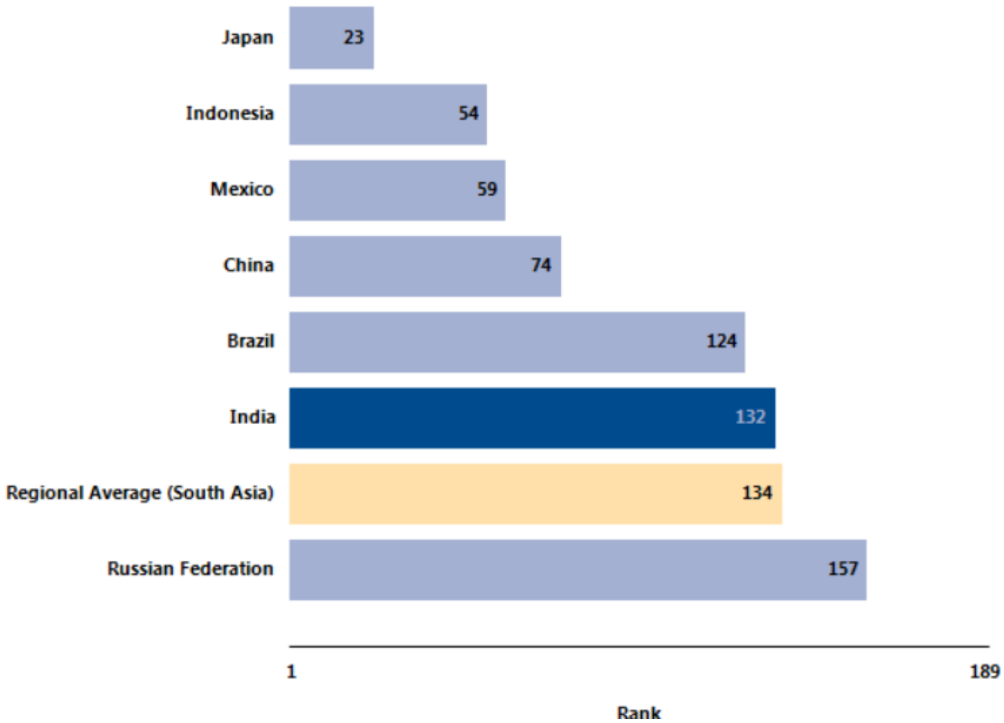
Graph 3. Disaggregation of Ease of Doing Business in India



Source: World Bank, Doing Business (2014B).

In the case of Trading across borders, India ranks 132 out of 189 countries. It also lost three positions compared with 2013. India's performance is behind some direct competitors such as China, Brazil and Indonesia; however, the country performs similarly to its region (South Asia) and has a significant advantage with other BRICS such as Russia.

Graph 4 India ease to trade compared with selected countries



Source: World Bank, Doing Business (2014B).

On average, importing a standard container requires 11 documents, takes 20 days and costs USD 1,250. India performs fairly better than the regional averages; however, it is far behind the countries in the first positions of the ranking.

Table 2. Indicators of trading across borders

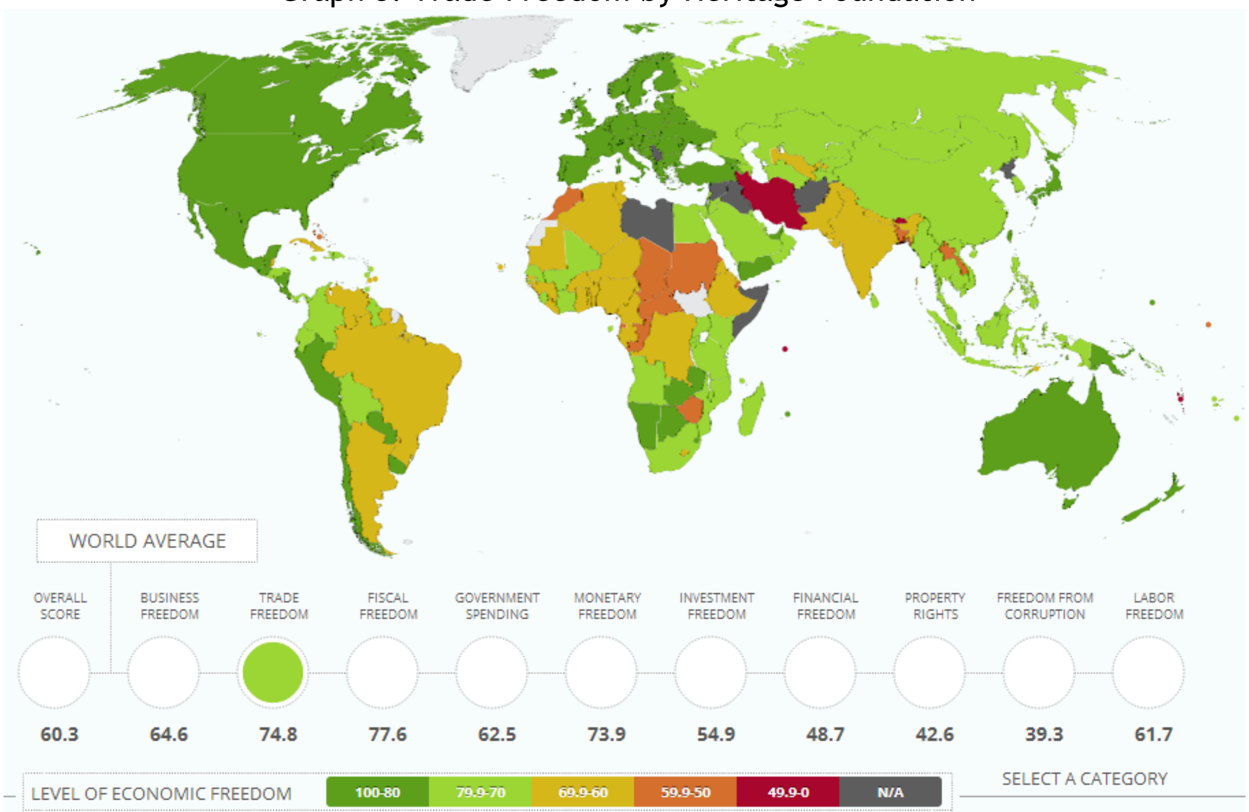
Indicator	India	South Asia	OECD
Documents to export	9	8	4
Time to export (days)	16	33	11
Cost to export (US$ per container)	1,170	1,787	1,070
Documents to import (number)	11	10	4
Time to import (days)	20	34	10
Cost to import (US$ per container)	1,250	1,968	1,090

Source: World Bank, Doing Business (2014).

According with the World Bank (2014)India has maintained constant the documents to export and import since 2006; however, it has decreased the time to export from more than 25 days in 2006 to 16 in 2014. In the case of imports, it has decreased the time from 40 days in 2006 to 20 days in 2006. With such trends, India is now really close to the regional best performance. The fact that the country is not improving in the World Ranking implies that other countries are facilitating trade faster.

The Heritage Foundation ranks India by its economic freedom in the 120th position of 178 countries. Its score improved 0.5 points compared with 2013 making progress in areas such as trade and fiscal freedom. Economic freedom is precisely the area in which India has progressed the most. The country has made double digits improvements in half of the 10 economic freedoms in the last 20 years. . Trade freedom has improved by over 65 points in the same period.

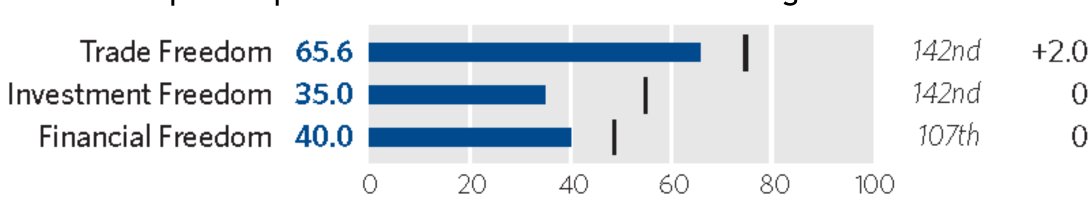
Graph 5. Trade Freedom by Heritage Foundation



Source: The Heritage Foundation, Index of Economic Freedom (2014).

Despite such an improvement, it has not been enough to reach important export competitors in the region such as China and Malaysia. India is still ranked 142 out of 178 in trade freedom. According with the Heritage Foundation, India's tariff rates and non-tariff barriers, including tariff rates quotas on corn and dairy imports, impede trade.

Graph 6. Open markets subindex of the Heritage Foundation



Source: Miller, Kim and Holmes, *Index of Economic Freedom*(2014).

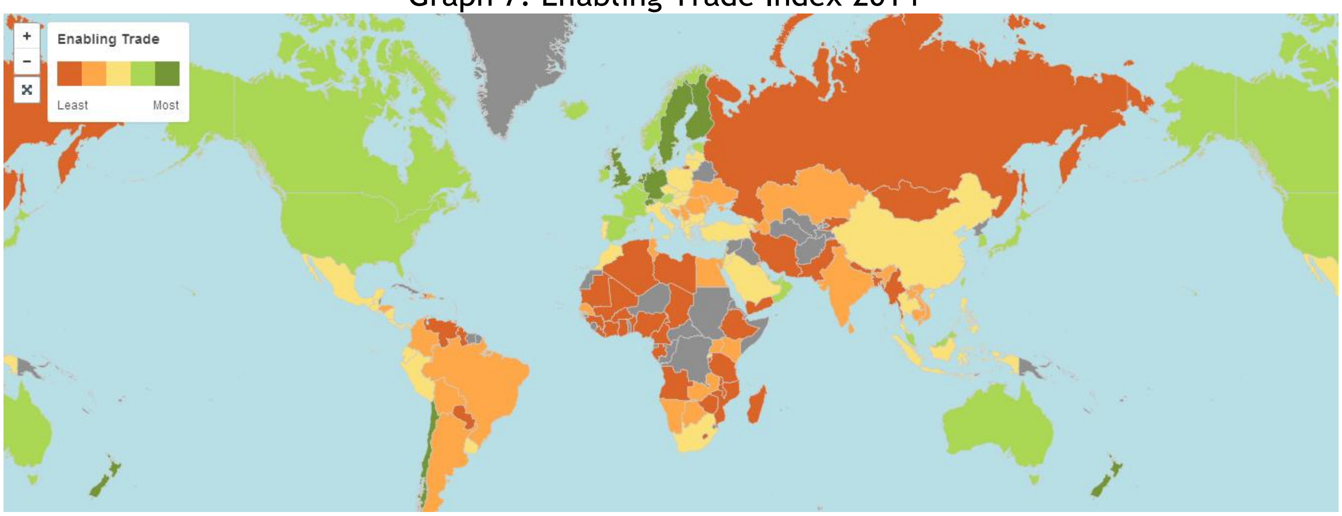
Furthermore, according with the Heritage Foundation:

> Institutional shortcomings continue to undermine India'schances for long-term economic development. The government'spresence in the economy remains extensive throughstate-owned enterprises and wasteful subsidy programs […] theoverall regulatory environment remains burdened by administrative bureaucracy. Non-tariff barriers and burdensome investment regulations hamper private-sector development and modernization of the economic base (Miller, Kim and Holmes 2014, 239).

The World Economic Forum (2014), in its *Global Competitiveness Report* ranks India 60 out of 148 countries. Regarding the 6th pillar of the Global Competitiveness Index, Goods market efficiency, India stands 61 by prevalence of trade barriers, 128 by trade tariffs (as a % duty) and 88 by burden of customs procedures. Nevertheless, the findings of the report show that the most problematic factors for doing business in India are, in order, the inadequate supply of infrastructure, the inefficient government bureaucracy, the corruption and the tax regulations. Undoubtedly, these factors affect the ease and costs to import and export.

In a more specialized report on trade, *The Enabling Trade Index Report*, the WEF (2014C) ranks India 96 out of 138 countries.

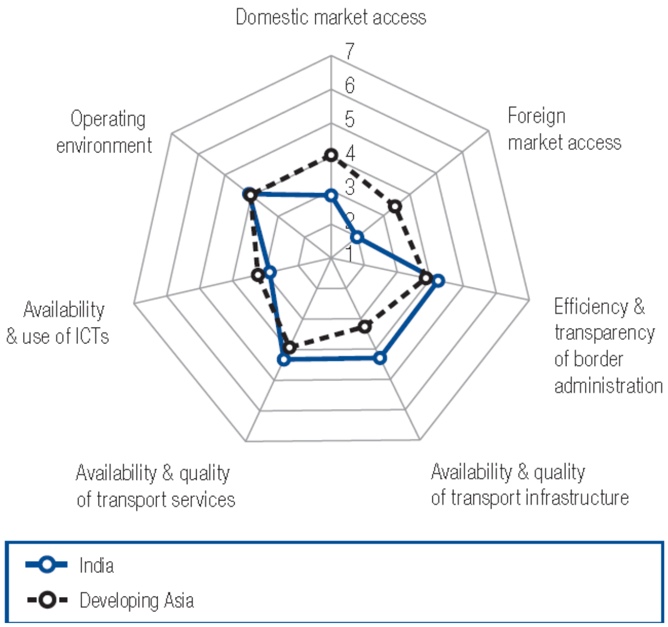
Graph 7. Enabling Trade Index 2014



Source: World Economic Forum, Enabling Trade Widget (2014).

Comparatively, India has a weak - fair performance in all the areas measured by the WEF. India has the best performance in the availability and quality of transport infrastructure and transport services. In both, the country has a score of 4.3 out of 7, which place it 34 and 57, respectively, in the 138 countries rank. India's worst performance is given in the availability and use of information and communication technologies (ICTs) and the access, to both, domestic and foreign markets. In the case of availability and use of ICTS, India has a similar grade as the developing countries in Asia; however, for the domestic and foreign market access, the country is far behind even for regional standards. It is difficult to import and export goods and services to India.

Graph 8. Disaggregated WEF's Enabling Trade Index



Source: World Economic Forum, Enabling Trade Report (2014C).

With the subindex of market access, the WEF tries to measure the complexity of a country tax regime, as well as tariff barriers faced and preferences enjoyed by a country's exporters in foreign markets. In the case of domestic market access, the variables included are: the effectivetrade-weighted average tariff applied by a country,the share of goods imported duty free and thecomplexity of the tariff regime, measured throughtariff variance, the prevalence of tariff peaks and specific tariffs, and the number of distinct tariffs. For foreign market access, the India's weak performance is explained by the average tariffs faced by the country's exporters in destination markets and the margin of preference in destination markets negotiated through bilateral or regional trade agreements or granted in the forms of trade preferences. Given the way in which foreign and domestic market access are measured, it is evident that the two are related. Most of the trade preferences are given in a reciprocal basis and India does not have a favorable access for its products because it is not giving favorable access to other countries.

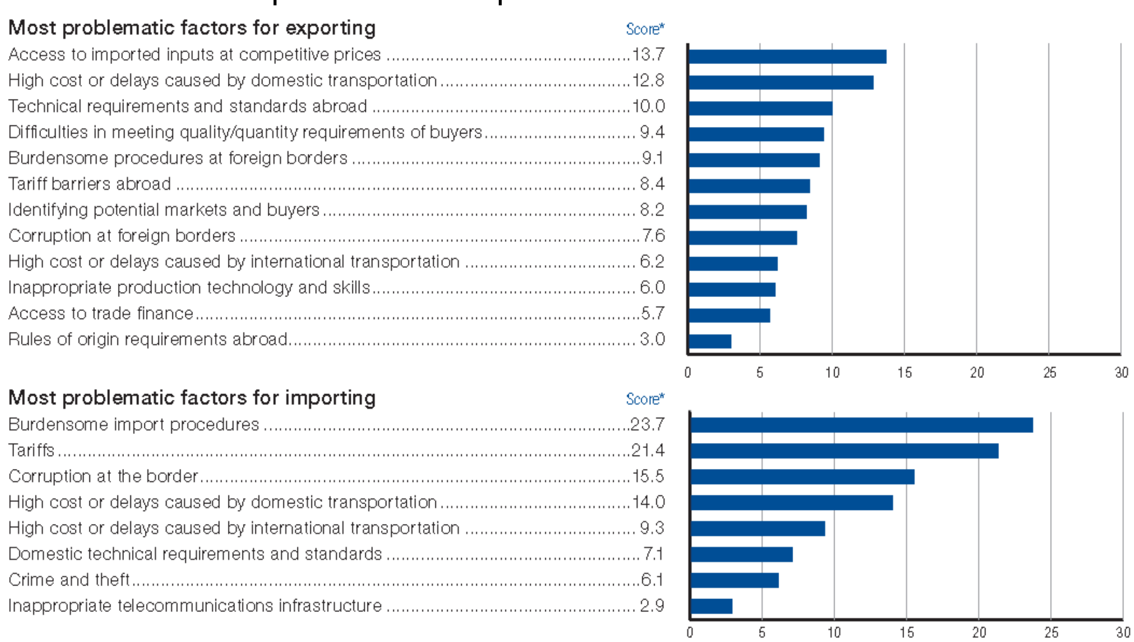
The World Economic Forum concludes on India:

> At 12.4%, average applied tariffs are among the world's highest, with a low 10% share ofduty-free imports. The tariff regime is complex and characterized by a high quantity of distinct tariffs and vast tariff dispersion across tariff lines. Abroad, Indian exporters face relatively high tariffs and benefit for almost no preferences. Thanks to good maritime and air connectivity, and its extensive

rail network, India ranks a satisfactory 34th on the transport infrastructure pillar. But India must invest massively to develop and upgrade its infrastructure in order to respond to the needs created by the development of the manufacturing sector in the decades to come. The sector [trade] accounts only for 14% of GDP in an economy largely dominated by low value-added services and agriculture. […] The Indian administration is far from leveraging ICTs to their full extent. Red tape and corruption in connection with border administration (74th) lead to inefficiencies, delays and lack of predictability (World Economic Forum 2014C, 20).

Perceptions of the private sector reflect similar problems. The most problematic problems to export according with a survey made to Indian business leaders are: access to imported inputs at competitive prices, high cost or delays caused by domestic transportation and technical requirements and standards abroad. The respondents answered that the most problematic problems to import are the burdensome import procedures, the tariffs and the corruption at the border.

Graph 9. The most problematic factors for trade



Source: World Economic Forum, Enabling Trade Report(2014C).

3. India´s trade barriers

The United State Trade Representative (USTR) publishes a yearly report on Foreign Trade Barriers. In the 2014 edition, tariffs, licenses and custom procedures as the main trade barriers for the Indian trade.

The USTR describe a custom tariff system complex and characterized by a lack of transparency in determining the net effective rates of customs tariffs, excise duties, and other duties and charges. India, however, often fails to observe transparency requirements, such as publication of timing and quantity restrictions in its Official Gazette or notification to WTO committees.

Despite India's efforts for trade liberalization the country still maintains high peaks on goods such as flowers (60%), natural rubber (70%), automobiles and motorcycles (60-75%), raisins and coffee (100%), alcoholic beverages (150%), and textiles (some rates exceed 300%). India has also established tariff-rate quotas for products such as corn and dairy. Access to the tariff-rate quotas is complicated by requirements on who can be the end user of the imported products.

India's tariff regime also has significant disparities between bound rates and the most favored nation (MFN) applied rates charged. India's average bound tariff rate was 48.6%, while its simple MFN average applied tariff for 2012 was 13.7%. Such a disparity between bound and applied ratescreates uncertainty because India has considerable flexibility to change tariff rates at any time. India's bound tariff rates on agricultural products are among the highest in the world, ranging from 100 percent to 300 percent. India's average bound tariff for agricultural products is 118.3 percent.

Regarding licenses, India maintains lists of products subject to nontariff regulation. The "negative list"includes banned or prohibited items (tallow, fat, and oils of animal origin); restricted items that require import licenses (livestock products and certain chemicals); and "canalized" items (some pharmaceuticals) importable only by government trading monopolies. India also distinguishes between new goods and secondhand, remanufactured, refurbished, or reconditioned goods, which has resulted in barriers to trade in the latter.

Finally, for customs procedures, the USTR declares that India's valuation procedures allow custom officials to reject the value of an import if it is considered to involve a lower price than the competitive price. U.S. companies have reported to face extensive investigations related to their valuation methodologies, especially when importing computer equipment and have been subject to excessive searches and seizures of imports. The required documentation has also been mentioned as a requirement that inhibits free trade flows because it leads to frequent and lengthy processing delays.

Regarding the trade of services, the USTR mentions that the Indian government has a strong ownership presence in major services industries such as banking and insurance, which rises concerns of unfair competition. Additionally, foreign investment in businesses in certain major services sectors, such as financial services and retail, is subject to limitations on the amount of foreign equity permitted in the business. Foreign participation in professional services is significantly restricted, and in the case of legal services, prohibited entirely.

In another report, *The Report on Technical Barriers to Trade*, the USTR (2014B) lists a series of measures that United States identifies as technical barriers to trade and which the country is currently discussing with India in bilateral and multilateral mechanisms.

Table 3. Technical Tariff Barriers Identified by USTR

Technical Tariff Barrier	Description
Legal Metrology - Packaged Commodities Rules	These rules stipulate that all pre-packaged commodities are prohibited, unless they are in a standard quantity and carry all prescribed declarations. The different interpretations and ways to enforce them conflict with labeling and packaging requirements maintained by Food Safety and Standards Authority (FSSAI) and the Ministry of Commerce (MOCI). Such circumstances create uncertainty causing detention of shipments at the port of entry and cancellation of import contracts. Some examples of the provisions of the Packaged Commodities Rules are: • Mandatory container sizes –which create mandatory package sizes in metric units excluding many U.S. food products since they are packaged in traditional English units. • Wholesale foods labeling - Creates a definition for wholesale foods that is inconsistent with similar requirements of the Food Safety and Standards Regulations (FSSR). The measure requires that all products be labeled with dates of production, importation, expiration and that at least 60 percent of a product's shelf life must remain at the time of importation.
Food Safety and Standard Regulations (FSSR)	There are mentioned by the USTR as "onerous India-specific labeling" provisions, which appears inconsistent with the Codex General Standard for the Labelling of Prepackaged Foods recommended practices or international practice. Furthermore, the USTR claims that India has failed to provide information about how this measure increases safety, efficacy or quality of the products in question.
Security Regulations for Telecommunications Equipment	Are policies on mandatory transfer of technology and source codes as well as burdensome testing and certification requirements for telecommunications equipment. Although international stakeholders successfully lobbied India to roll back most of these measures, India retained the objective of testing all "security-sensitive" telecommunications equipment in India by April 2013.
Electronics and Information Technology Equipment – Safety	In September 2012, the Indian Department of Electronics and Information Technology's (DEITY) ordered compulsory registration for fifteen categories of imported electronic and IT goods. The policymandates exporters to register their

Testing Requirements	products with laboratories affiliated or certified by the Bureau of Indian Standards (BIS). This is regardless any other type of certification internationally recognized laboratories,
Proposed Amendment to the Hazardous Waste Act	U.S. industry has expressed concerns that under the proposed Fifth Amendment of the Hazardous Waste Act, controls on imports of used electrical and electronic equipment (EEE) for direct reuse and imports of refurbished EEE would impose unnecessary burdens on trade that facilitates reuse and extension of life of EEE.

Source: United States Representative, Report on Technical Barriers to Trade (2014B).

4. The process to import and non-tariff barriers: coffee example

It is complicated to talk and analyze trade barriers in general, since these depend on the product. In order to understand better the process of importing a product in India, we chose to exemplify it using the sub-header 090111 – Coffee, not roasted, not decaffeinated.

If the good are cleared through the Electronic Data Interchange System (EDI), no formal bill of entry is filed because it is generated by the computer. However, the importer is required to file a cargo declaration.

In the non-EDI System, the importer has to have a **bill of entry** certifying that the goods specified in description and value are entering to the country from abroad. The bill of entry has to be submitted in different copies and different colors for different purposes. A bill of entry for home consumption has to be submitted when the imported good are for full consumption in India. A bill of entry for warehouses has to be presented whenever the imported goods are to be stored in a warehouse without payment of duty to be clearer later. Finally, a bill of entry for ex-bond clearance is used for clearing good stored in a warehouse. The goods are classified and valued at the time of clearance(Government of India 2013).

Along with the bill of entry, other documents are generally required are:

- Signed invoice
- Packing list
- Bill of Lading or Delivery Order/Airway Bill
- GATT declaration form duly filled in
- Importers declaration
- License wherever necessary
- Letter of Credit/Bank Draft/wherever necessary
- Insurance document
- Import license
- Industrial License, if required
- Test report in case of chemicals
- Adhoc exemption order
- DEEC Book/DEPB in original
- Catalogue, technical write up, literature in case of machineries, spares or chemicals as may be applicable
- Separately split up value of spares, components machineries

- Certificate of Origin, if preferential rate of duty is claimed
- No Commission declaration

For clearance, except from Bangladesh (0%), Bhutan (0%), Maldives (0%), Nepal (0%), Sri Lanka (0%) and Pakistan (20%) India charges an ad-valorem tariff of 100% to the imports of coffee (090111) from the world. In addition to the basic custom duty, at the custom also charges an education cess, a secondary and higher education cess and an additional countervailing duty, which increases the price of coffee (090111) in 111.12% (Government of India 2014).

In its e-commerce Portal, the Central Board of Excise and Customs specifies that the imports of coffee (090111) are subject of a "permit/phytosanitary certificate" and "NOC from plant quarantine authority". Furthermore, because this item is "high risk food items" are referred to FSSAI and NOC by FSSI/PHO according with the CBEC CIR 3/2011. The Central Board of Excise and Customs also suggest to refer to the policy conditions given at the end of chapter 9 of the ITC-HS and specifies that the goods should not be less than 60% of original shelf life – Paragraph 2.1 of CBEC CIR 58/2011 – (Government of India 2014).

The information above is all received by Indian authorities on official sites; however, the International Trade Centre, in its database for non-tariff barriers list a significant larger number of measures to be complied. Even such a list might not be exhaustive.

Table 4. Legislation regulating non-tariff measures applied by India for 090111 Coffee, not roasted, not decaffeinated

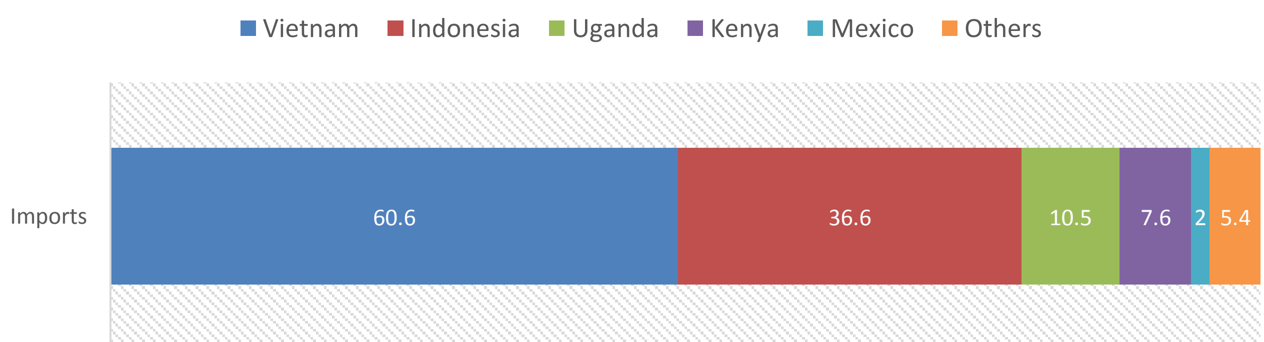
Rule	Type
Agricultural Produce (Grading and Marketing act 1937)	Technical barrier
Central Board of Excise and Customs – Additional custom duties	Charges, taxes and other quantity control measures
Director General Foreign Trade (DGFT) notification – Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury, Custom notification No 06/2012 (NT)	Price control measure
Food Safety and Standards (Contaminants, Toxins and Residues) Regulations 2011	Sanitary and phytosanitary measure
Food Safety and Standards (Food Products Standards and Food Additives) Regulations 2011	Sanitary and phytosanitary measure
Food Safety and Standards (Laboratory and Sample Analysis) Regulations 2011	Sanitary and phytosanitary measure
Food Safety and Standards (Packaging and Labeling) Regulations 2011	Sanitary and phytosanitary measure
Food Safety and Standards (Licensing and Registration of Food Business) Regulations 2011	Sanitary and phytosanitary measure
Foreign Trade Policy 2009-14	Sanitary and phytosanitary

	measure
General Grading & Marketing Rules, 1988	Technical barrier
Legal Metrology (Packaged Commodities) Rules 2011	Technical barrier
Ministry of Defense – Defense procurement procedure 2011	Trade-related investment measures
Plant Quarantine (Regulation of Import into India) Order 2003	Sanitary and phytosanitary measure
The Prevention of Food Adulteration Rules, 1955	Technical barrier and Sanitary and phytosanitary measure

Source: International Trade Centre (2014)

Despite the tariff and non-tariff barriers, India imported from the World USD $122.7million, mostly from countries that do not receive a preferential access to the Indian market.

Graph 10. The main exporters of coffee, not roasted and not decaffeinated to India



Source: Own elaboration with information of the International Trade Centre(2014).

5. Further analysis

Most of the papers on India's International Trade describe a potential and untapped opportunities for further trade facilitation.

In an empirical study, Topalova and Khandelwal (2011) find that lower input tariff on final goods and the access to better inputs have increased firm-level productivity. They claim that the effect was strongest in import competing industries and industries not subject to excessive domestic regulations.

According to Zaki (2014), improvements in trade facilitation to lower red tape, or administrative barriers, following WTO provisions for expediting the movement, release and clearance of goods, India can have an export gain of US (constant prices 2005) $35 billion by 2020.

Prabir De (2013) affirms that despite services have emerged as crucial economic activities in India,a growing number of barriers have been impeding India's international market access in the services sector. Moreover:

> Domestic regulations behave like pseudo tariffs in services, such as restrictions on the inter-state movement of goods and services (in case of transportation services) and lack in proper competition policy (in the case of software and information technology services). Strong and unfriendly regulations are highly detrimental to the expansion or diversification of services trade. Therefore, we need to intensify reforms in domestic regulations (De 2013, 124-5).

In his article, Deperformed an analysis of the linkages between India's services trade flow and its probable barriers. He estimates that a 1 per cent improvement in services trade facilitation measures would lead to a 2 per cent rise in services exports in India. The paper concludes that improved trade facilitation may help unlock unrealized services trade potential.

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Annex

1. World Trade Organization(2014B) profile on India

Part A.1 Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since		1995
Simple average final bound		48.6	113.1	34.5	Binding coverage:	Total	73.8
Simple average MFN applied	2012	13.7	33.5	10.4		Non-Ag	69.8
Trade weighted average	2011	7.7	48.4	6.1	Ag: Tariff quotas (in %)		0.9
Imports in billion US$	2011	476.5	17.7	458.8	Ag: Special safeguards (in %)		0

Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
		Tariff lines and import values (in %)								in %
Agricultural products										
Final bound		0	0	1.2	0.1	2.4	7.2	54.0	35.0	0.3
MFN applied	2012	5.3	3.3	2.5	4.6	4.4	68.9	8.7	2.2	0.3
Imports	2011	15.8	3.9	9.4	2.7	4.0	27.3	35.3	1.5	2.1
Non-agricultural products										
Final bound		3.1	0.5	0.0	0	14.9	50.7	0.4	0.2	6.0
MFN applied	2012	2.6	11.5	75.9	1.1	2.1	6.1	0.6	0.1	5.7
Imports	2011	14.1	46.3	38.9	0.0	0.3	0.1	0.2	0.0	0.4

Part A.2 Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	105.9	0	150	100	31.1	0	100	0.0	0
Dairy products	65.0	0	150	100	33.5	0	60	0.1	0
Fruit, vegetables, plants	99.3	0	150	100	31.0	1.0	100	0.9	0.0
Coffee, tea	133.1	0	150	100	56.3	0	100	0.1	0
Cereals & preparations	115.7	0	150	100	31.3	15.4	150	0.0	3.7
Oilseeds, fats & oils	165.2	0	300	100	37.4	1.8	100	2.1	24.1
Sugars and confectionery	124.7	0	150	100	35.9	0	60	0.0	0
Beverages & tobacco	120.5	0	150	100	69.1	0	150	0.1	0
Cotton	110.0	0	150	100	6.0	80.0	30	0.0	99.8
Other agricultural products	105.7	0	150	100	22.5	13.2	70	0.3	6.6
Fish & fish products	100.7	0	150	13.0	29.9	0.1	30	0.0	0
Minerals & metals	38.3	0.4	55	60.6	7.6	0.5	10	36.0	22.4
Petroleum	-	-	-	0	4.9	18.5	10	29.7	0.1
Chemicals	39.6	0.1	100	89.3	7.8	0.5	10	7.6	2.1
Wood, paper, etc.	36.6	0	40	64.6	9.0	4.0	10	1.6	2.6
Textiles	28.9	0	*161*	68.9	13.5	0	*143*	0.9	0
Clothing	37.8	0	*65*	55.3	14.1	0	*65*	0.1	0
Leather, footwear, etc.	34.7	0	40	50.9	10.2	2.5	70	1.0	0.1
Non-electrical machinery	28.2	7.0	40	94.5	7.3	4.7	10	8.0	18.7
Electrical machinery	27.0	26.9	40	93.7	7.3	16.7	10	6.3	52.0
Transport equipment	35.7	0	40	70.7	21.2	3.7	100	2.9	0.8
Manufactures, n.e.s.	30.8	21.6	40	42.5	8.8	5.7	10	2.2	25.4

Part B **Exports to major trading partners and duties faced**

Major markets		Bilateral imports in million US$	Diversification 95% trade in no. of HS 2-digit	HS 6-digit	MFN AVG of traded TL Simple	Weighted	Pref. margin Weighted	Duty-free imports TL in %	Value in %
Agricultural products									
1. China	2011	3,560	7	9	15.8	5.8	3.0	6.2	2.5
2. European Union	2011	3,403	25	97	12.3	3.7	1.3	25.5	67.8
3. United States	2011	2,706	19	62	5.6	1.1	0.5	69.1	84.4
4. Saudi Arabia, Kingdom of	2011	1,425	17	59	12.4	3.7	0.0	26.4	68.6
5. Indonesia	2011	1,110	12	18	5.5	5.1	0.7	10.4	22.5
Non-agricultural products									
1. European Union	2011	48,875	66	1,064	4.5	4.4	2.1	64.0	65.3
2. United States	2011	32,875	61	747	3.7	2.9	0.4	74.1	65.4
3. China	2011	19,818	38	189	9.1	2.3	0.7	9.1	72.4
4. Singapore	2011	13,849	36	129	0.0	0.0	0.0	100.0	100.0
5. Hong Kong, China	2011	13,409	8	22	0.0	0.0	0.0	100.0	100.0