

Industrial Growth and Export Expansion: The Case of West Pakistan

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Large scale manufacturing has been the fastest growing sector in the economic development of Pakistan during the last two decades. Starting from almost a scratch, this sector has been able to show spectacular performance in terms of rate of growth. The overall annual growth rate in West Pakistan during 1960-68 was 11.4%, well in excess of the target rate of 7.0% laid in the Second and Third Five Year Plans. The share of manufacturing in the Gross Provincial Product (GPP) of West Pakistan rose from 12.3% in 1960 to 16% in 1968. Not only has the share of this sector risen in the GPP but major structural transformations have also taken place within the sector. Consumer goods industries which contributed about 76% of the total output in 1954 are no longer as important and accounted for only 57% of the total output in 1968. The distribution of the fixed assets has also moved in the same direction as output during this period.

The purpose of this paper is to evaluate the performance of West Pakistan manufactures in the expansion of the country's exports and to determine its effect on the balance of payments.

A popular belief persisted among the policy makers as well as the business sector that the foreign demand for Pakistan exports was inelastic and that there were insurmountable difficulties, like tariff policies of developed countries and quality differentials in the products, which made it almost impossible for non-traditional, especially manufactured exports to enter the world market. It was generally believed that if the developed countries could liberalise and relax their policies then alone could West Pakistani exports penetrate the world market. Until 1959-60 the bulk of the West Pakistani exports consisted of primary commodities, like raw cotton, raw hides and skins, and there was hardly any growth of exports. In fact there were signs of stagnation

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as total export earnings were declining. This stagnation may have been due to a lack of incentive for primary exports: Pakistan did not devalue until 1955—several years later than her competitors—and even thereafter export duties were levied which reduced the effective exchange rates for primary exports. For example, Lewis [3] in his calculations of implicit exchange rates for exports has shown that these rates for raw cotton were much below the official exchange rate.

Table I shows the changing composition of West Pakistan's manufactured exports. In 1955, manufactured commodities formed only 8.7% of the total exports but by 1967-68 their share had reached a high 48% and the trend has continued in the same direction since then. The major impetus to this impressive performance came through the Export Bonus Scheme which provided a flexible exchange rate for sales of industrial exports and purchases of selected imports thereby transferring to exporters the licensing profits otherwise created by an overvalued exchange rate. The Export Bonus Scheme was, in fact, selective partial devaluation to offset the overvaluation of currency and an attempt to liberalise the foreign exchange market. The scheme made it possible for domestic producers to export at fairly attractive terms of sale, and was not only confined to the existing exports but also provided incentives for potential new manufactured exports.

The Third Five Year Plan [6] had envisaged an annual rate of growth of 20% for manufactured exports and of 4.5% for primary exports. During the period 1960-68, manufactured exports grew at an annual average rate of 24% (compounded continuously). Cotton textiles, which constituted the largest single commodity group, grew rapidly but its share within the sector of manufactured exports declined from 66% in 1960-61 to 52% in 1967-68, thus indicating that diversification and entry of new potential goods in the export market had been concomitant features of the export promotion policy.

The questions which are usually raised in the context of West Pakistan's export growth are: (a) What were the various sources of the growth of these exports? (b) What has been the impact of the effective exchange rate, i.e., the operation of the Export Bonus Scheme, on the growth of exports?

Sources of Exports Growth

The first question is about the sources of the growth of these exports. Following Little, Scott and Scitovsky's method [4], a statistical analysis has been attempted to explain these various sources of change.

The actual increases in the value of the exports over the period 1960-61 to 1967-68 are divided into three parts: (a) those due to the average change, (b) those due to commodity composition, and (c) those due to the change in the share of the market.

The average change is that change in value which would have occurred if the country's exports had risen in the same proportion as the world exports.

The change due to commodity composition is the difference between the level of exports after the average change and what they would have been if the country's exports of each commodity had risen as fast as world exports of that commodity.

Table I
Composition of Manufactured Exports of West Pakistan (FOB)

	1955		1960-61		1967-68		Annual Com- pound Rate of Growth 1960-68
	Value	%	Value	%	Value	%	
Total Exports	630	100	540.1	100	1,645	100	17.2
Primary Exports	575	91.3	358.8	67.4	806.3	41.8	12.3
Manufactured Exports	55	8.7	176.2	32.6	794.3	48.2	24.0
Cotton Textiles	8	14.5	118.2	67.0	416.5	52.4	19.7
Other Textiles	5	9.0	13.9	7.8	114.0	18.1	39.5
Leather and Products	17	31.0	6.7	3.8	86.4	10.8	44.1
Cement and Concrete	1	—	—	—	10.0	1.2	—
Chemicals	—	—	3.0	1.7	34.3	4.3	41.3
Machinery and Equipment	—	—	11.3	6.4	12.3	1.5	1.2
Cutlery	—	—	—	—	3.0	—	—
Sports Goods	9.4	17.0	11.5	6.1	23.2	2.9	10.4
Scientific Instruments	—	—	2.4	1.3	12.1	1.5	26.0
Other Manufactures	14.6	27.0	9.2	5.2	52.5	6.6	14.2

Sources: 1. 1955 data from [2] and [5]

2. 1960 and 1968 data from [1] and [5]

The change due to change in the country's share of world exports is the difference between the level of exports which would have been reached had the country's share in each commodity group remained constant and the actual final level of exports.

The first two parts are regarded as being largely outside of the control of the exporting country while the last part (i.e., that due to the change in shares) is considered within the country's control. The results of this analysis of the increases in the exports of manufactures from West Pakistan during the period 1960-61 to 1967-68 are reproduced in Table II. The total actual change was an increase of 351% (if base year is 1960-61) out of which 88% was due to average increase, -6% due to the effect of commodity composition and 269% due to the increase in the shares of the world market. If the percentages are computed with 1967-68 instead of 1960-61 as the base year, the corresponding increase was 78% (19% due to average increases, -1% due to commodity composition effect and 60% due to increase in the shares of the world market.) Little, Scott and Scitovsky [4], who made similar analysis for the manufactured exports of Pakistan for the period 1953-55 came up with an overall increase of 35% (2% due to average increase and 33% due to increase in the share of the world market). Therefore, it can be reasonably inferred that the actual increases in West Pakistan's exports can be ascribed to an expansion in its relative share of the world market. Changes were observed for four major commodities, viz., textiles, chemicals, machinery and equipment, and all other manufactures. Except for machinery and equipment, each of these commodities increased its world share considerably. The quotas and other restrictive practices adopted by the developed countries are undesirable and have proved to be a stumbling block in the way of export expansion of several developing countries. But it is a matter of comfort to observe that in spite of quotas and other restrictions, West Pakistan successfully expanded its share of cotton textile exports, the dominant component of its manufactured exports. Presumably, this has been possible due to a larger volume of trade with other developing countries and access to new markets. Even in the case of machinery and equipment, the figures for 1967-68 are highly abnormal and if the trend figures of 1966-67 values are used, the results would be different from those reported in Table II.

Impact of Effective Exchange Rate

So far it has been established that foreign demand for West Pakistan's manufactured exports was elastic. It is now proposed to investigate the determinants of the supply response and, in particular, the responsiveness of supply to price incentives. Ideally, this can be done in a regression analysis framework through a comparison of pre- and post-Bonus growth rates of exports and then conducting tests of significance to determine whether the two sets of regressions coefficients come from the same population. However, non-availability of pre-1959 West Pakistan data imposes severe limitation on this kind of analysis.

As already pointed out, the main instrument for export promotion was the Export Bonus Scheme which, in essence, provided higher domestic currency earnings per unit of export than the official exchange rate, i.e., there was an

Table II

Analysis of the Sources of Growth of West Pakistan Manufactured Exports:
(1960-61 to 1967-68)

(Rs. million)

Sector	Total Change	Average Change	Commodity Composition Change	Change in the Share
	$V_i X_i$	$V_i X$	$V_i(X_i - X)$	$V_i(X_i - X_i)$
Textiles	423.4 (77%)	110.70 (20%)	(-6.29) (-1%)	318.27 (58%)
Chemicals	31.3 (812%)	2.64 (77%)	0.30 (8%)	28.35 (727%)
Machinery & Equipment	1.0 (8%)	9.944 (80%)	0.9944 (8%)	-9.85 (-80%)
Other Manufactures	102.4 (81%)	31.76 (16%)	-7.22 (-4%)	137.9 (69%)
All Manufactures	618.1 (78%)	155 (19%)	-11.2 (-1%)	474.3 (60%)

Source: Appendix Tables A I and A II

Note: Figures in parentheses indicate percentage changes with base year 1967-68.

effective exchange rate¹ for exports of manufactures which depended on the bonus rate admissible to various commodities and the market price of bonus voucher. Thus the effective exchange rate E_i for commodity i can be defined as

$$E_i = R (1 + b_i P)$$

where R is the export earnings at official exchange rate, b_i is the bonus rate for commodity i and P is the market price of bonus voucher. The effective exchange rates have been computed by multiplying the annual average of market price of bonus voucher with the bonus rate and weighting it by the corresponding exports of each commodity. There have been only three bonus rates—one for cotton yarn, the second for cotton cloth and the third for all other manufactures. These rates have been changed four times during the period under review (1960, 1964, 1966 and 1967) except for cotton yarn whose

¹Sheahan and Clark [7] have used the term 'effective exchange rate' as official exchange rate divided by cost of living index. In this paper 'effective exchange rate' is official exchange rate plus bonus earnings of exporter according to differential bonus rates and market price of bonus vouchers.

rate was also changed in 1961-62 and 1963-64. As the observations in this study are based on annual rather than quarterly averages, it is suspected that some of the variations might have evened out during the averaging. The basic model can be represented by the following equation:

$$\dot{X}_i = a + b \dot{E}_i + c \dot{W}_i$$

where \dot{X}_i is the percentage change in West Pakistan's exports for commodity i , \dot{E}_i is the percentage change in effective exchange rate for i and \dot{W}_i is the percentage change in world exports of commodity i .

As West Pakistan's manufactures constituted a very small proportion of the world trade and foreign demand was taken as highly elastic, the world price was given and could not be altered by West Pakistan's exports. Therefore, the exporter profits in domestic currency increased as the effective exchange rate rose either due to variation in bonus rate or the market price of bonus vouchers. To the extent that these increased receipts were not passed on to the foreign customers, the profitability of exports in relation to the sales in the domestic market increased and the exports expanded as a result of an increase in domestic production and/or a diversion of sales from the domestic market.

World export data for textiles (SITC 65) chemicals (SITC 5), machinery and equipment (SITC 7) and all other manufactures (SITC 6 and 8 minus 65) were assembled from GATT Annual Reviews on International Trade (1960 to 1968) and West Pakistan manufactured exports were initially divided into three groups, viz., cotton yarn, cotton cloth, and all other manufactures, on the basis of three effective exchange rates. Linear regressions were first run on annual percentage changes in the exports of cotton yarn, cotton, cloth, and other manufactures, and annual percentage changes in their respective effective exchange rates for the time series between 1960 and 1968, and the following results were obtained:

Cotton yarn

$$(1) \quad \begin{array}{l} \dot{X}_{cy} = 8.5 + 7.0 \dot{L}_{cy} \\ R^2 = 0.64 \quad F = 10.83 \quad D = 2.29 \end{array}$$

(2.15)

Cotton cloth

$$(2) \quad \begin{array}{l} \dot{X}_{cc} = 17.3 + 5.29 \dot{E}_{cc} \\ R^2 = 0.48 \quad F = 5.56 \quad D = 0.66 \end{array}$$

(2.24)

Asterisk (*) indicates significance at 5% level. Standard errors are shown in parentheses.

Other manufactures

$$(3) \quad \begin{array}{l} \dot{X}_{om} = 23.1 + 1.14 \dot{E}_{om} \\ R^2 = 0.05 \quad F = 0.32 \quad D = 2.13 \end{array}$$

(2.01)

co-efficient (b) for effective exchange rate was significant at 10% while the coefficient (c) for world exports was not significant even at that level. However, these two variables could explain almost half of the variations in exports.

Table III

Regression Equations -on 'Other Manufactures'

Machinery & Equipment

(1)	\dot{X}_{ME}	=	41.4	+	2.97	\dot{E}_{ME}		
	R^2	=	0.25		(2.10)	$F = 2.002$		$D = 1.10$
(2)	\dot{X}_{ME}	=	-145.9	+	6.6	\dot{E}_{ME}	17.36	\dot{W}_{ME}
	R^2	=	0.68		$F = 5.46$			$D = 0.96$

Chemicals

(3)	\dot{X}_c	=	60.91	+	2.0	\dot{E}_c		
	R^2	=	0.01		(5.93)	$F = 0.11$		
(4)	\dot{X}_c	=	218.2	-	4.72	\dot{E}_c	-	15.0 \dot{W}_c
	R^2	=	0.12		$F = 0.37$			$D = 1.82$

Other Textiles

(5)	X_{OT}	=	51.6	+	0.81	\dot{E}_T		
	R^2	=	0.01		(3.25)	$F = 0.06$		$D = 3.08$
(6)	\dot{X}_{OT}	=	42.7	+	0.79	\dot{E}	+	0.75 \dot{W}
	R^2	=	0.13		(3.54)	$F = 0.04$		(3.93) $D = 3.10$

Leather

(7)	\dot{X}_L	=	50.0	+	0.68	\dot{E}_L		
	R^2	=	0.002		(6.22)	$F = 0.12$		$D = 1.0$
(8)	\dot{X}_L	=	70.8	-	0.80	E_L	-	2.65 \dot{W}_L
	R^2	=	0.011		$F = 0.02$			$D = 1.98$

Sports Goods

(9)	\dot{X}_{SG}	=	11.97	+	0.44	\dot{E}_{SG}		
	R^2	=	0.07		(0.64)	$F = 0.47$		$D = 1.43$
(10)	\dot{X}_{SG}	=	18.34	-	0.008	\dot{E}_{SG}	-	0.81 \dot{W}_{SG}
	R^2	=	0.14		$F = 0.43$			$D = 2.12$

Residual Manufactures

$$\begin{array}{rcl}
 (11) \dot{X}_{RM} & = & 11.3 + 2.78 \dot{E}_{RM} \\
 R^2 & = & 0.48 \quad \begin{array}{l} (1.61) \\ F = 5.75 \quad D = 2.18 \end{array} \\
 \\
 (12) \dot{X}_{RM} & = & 7.0 + 3.0 \dot{E}_{RM} + 0.55 \dot{W}_{RM} \\
 R^2 & = & 0.49 \quad \begin{array}{l} (1.80) \\ F = 2.45 \quad D = 2.44 \end{array}
 \end{array}$$

All the above six commodities have shown very high rates of growth and have been preferred over cotton textiles as evidenced by the consistently higher bonus rates for the cotton textiles. The above analysis was, therefore, pursued to understand the reasons for the differentials in the bonus rates. The reason most often advanced to justify higher rates for 'other manufactures' was that because they were non-traditional and newer manufactures they might have had difficulty in penetrating world markets, their costs of selling and advertising might be higher and thus they required additional and special incentives. Bonus rates for these commodities were initially 40% and were reduced to 30% in 1964 but were revised upward to 40% in 1967. If one subscribes to the hypothesis that the higher bonus rate was the only way to provide additional incentives to these non-traditional exports a reduction in the bonus rate should cause decline in their volume of exports and also growth rates. But no observed association was discernible between the variation in the bonus rate and the change in the exports. In spite of the reduction in the bonus rate between 1964 and 1967, there was hardly any decline in the quantities or value of other manufactures exports. This lack of observed relationship leads one to believe that factors other than the bonus rate may serve to explain the impressive growth rates of these exports.

Besides the Export Bonus Scheme the other export incentive schemes [2] adopted by the Government were: (a) Tax exemption—the exports were exempted from sales and excise taxes and this meant that the foreign price of exports differed from the domestic price by the extent of the indirect taxes. (b) Tax rebates—the Central Sales Tax, excise taxes and customs duties on the inputs used directly in the manufacturing of the exports were rebated. This brought the cost of the importable inputs actually purchased from abroad in line with the world prices. (c) Export performance licensing (EPL)—exporters received import licences at varying percentages of the f.o.b. value of the exports to insure an adequate supply of imported raw materials and the spare parts required for the production of these exports. This meant elimination of scarcity premium on importable inputs. In 1968 the maximum limit was fixed at 30% of the f.o.b value of exports. The EPL system was abolished in January 1970. (d) Pay-as-you-earn (PAYE) scheme—it permitted the exporter to negotiate a foreign supplier's credit for the purchase of capital equipment.

Cotton textiles exports were not entitled to the export performance licensing scheme during this period.

Hufbauer has made quantitative estimates of each of these incentive schemes for the year 1966-67. According to him, out of the total bonus exports (manufactures and selected primary commodities) valued at Rs. 857/- million,

the approximate value of all the incentive measures amounted to Rs. 677 million, i.e., 79% of the total. Among the five incentives, the Export Bonus Scheme contributed Rs. 488 million (72%), Tax Rebates Rs. 64 million (9.4%), Tax Exemptions Rs. 62 million (9.1%), EPL Rs. 59 million (8.7%), and PAYE Rs. 4 million (0.8%).

The cumulative effect of all the above-mentioned incentive schemes and the multiple pricing of foreign exchange for inputs and outputs may be a more important determinant of the changes in the exports of the other manufactures' than the nominal subsidy, i.e., the percent by which exchange rate exceeds the official rate through the export bonus scheme. Hufbauer [2] developed a concept of effective export subsidy or taxation on the same analogy as that of effective protection against imports. It takes account of tariffs, taxes, scarcity premiums and subsidies which, by raising the cost of inputs or lowering the cost of export output, hinder or help overseas sales. This can be expressed in the form of the following equation:

$$T_i = \frac{{}_xW_i - {}_xV_i}{{}_hV_i}$$

Where T_i shows the percentage increase and decrease in domestic value added resulting from the system, ${}_xW_i$ is the value added at world prices for inputs and outputs per unit of output sold abroad by the exportable industry; ${}_xV_i$ is the value added per unit of output sold abroad by the industry and ${}_hV_i$ is value added per unit of output sold at home. As Hufbauer has calculated rates of effective export subsidy for mainly two digit industries and the data on the rates of growth or exports of these industries are not available, the estimates calculated by Lewis [3] were used to test if there was any relationship between the growth of the exports of 'Other manufacturing group' (i.e. excluding cotton textiles) and the rates of effective subsidy. Although the more appropriate course for testing this relationship would have been to attempt a regression analysis, but as the time-series data were not available for the two variables, the rank correlation method was tried. This test is cruder because it omits variables other than price incentives (such as the world rate of the growth of the exports) which might also explain part of the variation in the growth rates of the exports. The results show a rank correlation coefficient of 0.35 for 19 four-digit industries for whom both the statistics were available. If rubber goods and electric machinery, which have extreme values, are deleted, the coefficient is 0.45. Thus there seems to be some association, between effective subsidy and export growth of the other manufacturing group, which explains the variations in the exports better than a simple nominal subsidy, i.e., the bonus rate. This observation leads us to infer that the returns to the exporters of the newer non-traditional manufactured goods from the bonus rates and the premia alone were inadequate and had to be supplemented by other incentives. In our opinion, multiplicity of incentives is hardly desirable and at times counter-productive. The appropriate policy measure would have been the one which brought about changes in the effective exchange rates through manipulation of bonus rates rather instituted a formidable multipointed apparatus of export subsidies.

Conclusion

The impressive growth of the large scale manufacturing sector in West Pakistan in the sixties was accompanied by a rapid increase in the rates of growth of manufactured exports as well as by growth differentials among the

various component sectors of those exports. An analysis of the sources of growth of these exports indicated that most of the upward rise could be attributed to an expansion of West Pakistan's share in the world market. This belies the popular belief which persisted in Pakistan that penetration into the world market in the non-primary commodity goods is almost impossible. The promotion measures like the export bonus scheme had the desired effect of domestic currency proceeds per unit of foreign exchange earned but in cases other than those of cotton textiles, the effect of this scheme seemed to have been diffused in the maxe of multipoint incentive measures, multiple exchange rate for inputs and output, differential tarrif and indirect tax rates. Although the cotton textiles were found to be responsive to variations in the nominal subsidy or the effective exchange rate computed through the effect of the bonus scheme alone, all other manufactures appear to be influenced largely by effective export subsidies rather than by nominal subsidy provided through the export bonus scheme. In other words, the effect on the improvement of the balance of payments had not been as pronounced as the gross export receipts tend to suggest.

Appendix.

Table A I

	West Pakistan Exports (Rs. million)			World Exports (\$ million)		
	1960-61	1967-68	%Change 1960-68	1960-61	1967-68	%Change 1960-68
Textiles (SITC 65)	125.8	549.2	336% (77%)	6508	11900	83%
Chemicals (SITC 5)	3.0	34.3	1043% (812%) 9%	7520	14900	98%
Machinery and Equipment (SITC 7)	11.3	12.3	9% (8%)	27770	56490	96%
Other Mfct. (SITC 6 & 8; ecl. SCIT 65)	36.1	198.5	450% (75%)	28445	47910	68%
Total	176.2	794.3	354% (78%)	69700	13100	88%

Sources: 1. West Pakistan Exports data from Durrani [1].

2. World Export data from GATT International Reviews (Various issues 1961 to 1968).

Note: Figures in parentheses denote the percentage changes with 1967-68 as base.

Table A II

"Let the actual proportionate increase in the value of exports of commodity i be x_i while that of world exports of i is X_i . Let the value of the country's exports of i in the base period be v_i .

Let X be the proportionate increase in the value of world exports of all the commodities covered in the analysis. Then $V_i X_i$ is the change in the value of the country's exports of i and this may be split into three parts as follows:

$$V_i X_i = V_i X + V_i (X_i - X) + V_i (X_i - X_i)$$

Where $v_i X$ is the average change, $v_i (X_i - X)$ represents the commodity composition effect and $v_i (X_i - X_i)$ indicates the changes in the shares. These three parts may be summed over all commodities exported by the country. The resulting value figures are then divided by Σv_i , the values of exports in the base period."

Textiles

x_t	v_t	X_t	X	v_t	X_t
3.36	125.8	.83	.88	423.4	

$$\begin{aligned}
 v_t x_t &= v_t X + v_t (x_t - X) + v_t (x_t - X_t) \\
 &= 125.8 (.88) + 125.8 (.83 - .88) + 125.8 (3.36 - .83) \\
 &= 125.8 (.88) + 125.8 (-.05) + 125.8 (2.53) \\
 &= 110.70 + (-6.29) + 318.27 = 423.4 \\
 &\quad (20\%) \quad (-1\%) \quad (58\%) \quad (77\%)
 \end{aligned}$$

Chemicals

x_c	v_c	X_c	X	v_c	X_c
10.43	3.0	.98	.88	31.3	

$$\begin{aligned}
 V_c X_c &= v_c X + v_c (x_c - X) + v_c (x_c - X_c) \\
 &= 3.0 (.88) + 3.0 (.98 - .88) + 3.0 (10.43 - .98) \\
 &= 2.64 + 0.30 + 28.35 = 31.3 \\
 &\quad (77\%) \quad (8\%) \quad (727\%) \quad (812\%)
 \end{aligned}$$

Machinery and Equipment

x_m	v_m	X_m	X	v_m	v_m
.09	11.3	.96	.88	1.0	

$$\begin{aligned}
 V_m X_m &= 11.3 (.88) + 11.3 (.96 - .88) + 11.3 (.09 - .96) \\
 &= 11.3 (.88) + 11.3 (.88) + 11.3 (-.81) \\
 &= 9.944 + .9944 - 9.85 = 1.0 \\
 &\quad (80\%) \quad (8\%) \quad (-80\%) \quad (8\%)
 \end{aligned}$$

Other Manufactures

	X_{om}	V_{om}	X_{om}	X	V_{om}	X_{om}
	4.5	36.01	.68	.88	1.624	

$$\begin{aligned}
 V_{om} X_{om} &= 36.1 (.88) + 36.1 (.68 - .88) + 36.1 (4.5 - .68) \\
 &= 36.1 (.88) + 36.1 (-.20) + 36.1 (3.82) \\
 &= 31.76 + (-7.22) + 137.902 - 162.4 \\
 &\quad (16\%) \quad (-4\%) \quad (69\%) \quad (81\%)
 \end{aligned}$$

All Manufactures

$$\begin{aligned}
 V_M X_M &= V_M X + V_M (X_M - X) + V_M (X_M - X_M) \\
 618.1 &- 155.0 - 11.2 + 474.3 \\
 &\quad (19.0\%) - 1\% + (60\%)
 \end{aligned}$$

Note: Figures in parentheses denote percentage changes with 1967-68 as base.

Table A III

Annual Export Receipts

	(Rs. millions)										
	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68		
Cotton Yarn	175	73.6	10.2	20.4	98.9	139.4	104.9	117.7	216.2		
Cotton Fabric	56	44.6	30.9	51.2	90.4	133.7	149.3	165.1	200.3		
Other Textiles	—	11.2	17.7	17.6	44	41.6	50.0	84.1	129.9		
Leather and L. Pr.	—	6.7	11.5	11.3	30.9	46.3	75.3	77.4	86.4		
Chemicals and Prod.	—	3.0	2.4	5.4	19.6	17.4	25.7	28.6	34.3		
Paper and Paper Pr.	—	0.3	1.9	1.0	0.5	0.2	0.6	0.7	0.4		
Cutlery	—	—	—	—	1.8	1.3	2.1	3.0	3.0		
Scientif. Instr.	—	2.4	7.0	5.4	8.3	6.7	8.8	10.3	12.1		
Mach. & Transp. E.	—	11.3	16.3	16.4	19.5	17.9	28.2	56.5	12.8		
Sports Goods	1	—	—	1	18.7	19.6	19.3	20.1	23.2		
All other Mfg.	97	26.7	31.7	31.3	44.2	37.8	45.5	55.7	73.4		
Total	328	176.2	132.2	156.6	377.3	467.9	502.2	623.8	794.3		

Source: 1959-60 data from Mahbubul Haq, "Toward Economic Liberalism" (manuscript) Chap. 4 Table. 1960-61—1967-68 data from Durrani [1].

Table A IV
Bonus Rates and Market Prices of Bonus Voucher

	Bonus Rates		Bonus Voucher	
	Cotton Yarn	Cotton Fabric	Other Mfg.	Average Price
1959-60	20%	20%	40%	161
1960-61	10%	20%	40%	124
1961-62	Nil	20%	40%	140
1962-63	10%	20%	40%	157
1963-64	15%	30%	40%	152
1964-65	20%	30%	30%	150
1965-66	20%	30%	30%	150
1966-67	20+10*	30+10*	30+10*	159
1967-68	30%	40%	40%	170

Source: Bonus rates from Mahbub ul Haq, *ibid* and Durrani [1].
 Bonus Voucher average prices from Durrani [1].

Table A V
World Exports

	(U.S. \$ billion)			
	C. Textiles	Mach. & Equipment	Chemicals	Other Manufactures
1959-60	5.50	24.4	6.68	55.90
1960-61	6.43	27.77	7.52	62.27
1961-62	7.54	30.25	7.97	65.46
1963-64	8.81	36.36	9.37	77.49
1964-65	9.97	40.86	10.91	88.33
1965-66	10.65	45.69	12.22	98.15
1966-67	11.53	51.72	13.70	110.47
1967-68	14.03	56.49	14.90	116.97

Source: GATT International Reviews (Various issues)

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