

This study, chiefly relating to an analysis of production possibilities and export prospects for the three major and traditional export commodities of Pakistan, namely, rice, raw cotton and cotton manufactures, has been undertaken in the background of the separation of its eastern province which became Independent Bangladesh in December 1971. The Introduction Chapter is entirely devoted to a discussion of the economic consequences of the separation for the economy of the remaining Pakistan with a special emphasis on the problem of diversion of trade.

Then follows a detailed study of the three main export commodities listed above. These three commodities taken together still earn a bulk of Pakistan's foreign exchange. The study encompasses three main fields, namely, production, export and the E.C. market.

In the field of production, an analysis of the past trends in the production of these commodities in Pakistan is carried out. The factors influencing the production are also discussed and an effort is made to estimate the responsiveness of farmers to changes in prices. The production of these commodities in other major producing countries of the world is also briefly analysed.

With regard to exports, an empirical study of the trends in world and Pakistan's exports of these commodities is undertaken. A detailed examination is also made of the traditional and potential export markets and the export capabilities of the major exporting countries. This is done to focus attention on the exporting problems likely to be encountered by Pakistan.

The policies of the European Community regarding the import of these commodities are discussed in detail in order to determine the extent to which the requisite trade diversion and expansion can be effected in this direction. Statistical analyses with a view to pinpointing the factors influencing the demand for these commodities in the E.C. are also undertaken.

A common theme throughout the study is the emphasis on the development of trade between Pakistan and Bangladesh relating to these commodities prior to separation and the recent performance of Pakistan in the matter of diversion of this trade to alternative international markets.