

**DEVELOPMENT OF INDIAN STOCK EXCHANGES
IN THE WTO ERA.**

Introduction

The globalization paves a channel of flow of foreign direct investment, portfolio investment and commercial borrowing. The financial system of a country should facilitate the transfer of resources for economic development of a country. The financial system consists of the money market and the capital market. The capital market discharges the important function of transfer of savings especially of the household sector to companies, Government and public sector bodies. The capital market includes primary market and stock market. The primary markets are those where public issue/new issue of securities are traded. The stock markets are those where securities issued in the past are traded. These secondary markets are called stock markets or stock exchanges.

Stock market produces impact on economic growth by the creation of liquidity. The stock market development explains future economic growth. Liquid equity markets render investment less risky and more profitable and more attractive by allowing savers to acquire an asset and sell it quickly and cheaply. The companies can raise equity and enjoy a permanent access. Liquid markets improve the allocation of capital and enhance the prospects for long-term growth.

Stock Exchanges in India

Stock exchange in the world made a humble beginning with setting up of the Amsterdam stock exchange, in the year 1494. The first stock exchange in South Eastern countries was the Bombay Stock Exchange started in the year 1875. Prior to that it was known as "Native Share Brokers Association". Madras stock exchange the pioneer in south India, was first formed in 1908. In India there are 24 recognized stock exchanges by SEBI. The details are as follows.

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Sl.No	Name	Year of Est.
1.	The Ahmedabad Stock Exchange	1984
2.	The Bombay Stock Exchange	1875
3.	The Bangalore Stock Exchange	1957
4.	The Calcutta Stock Exchange Association	1908
5.	The Cochin Stock Exchange Ltd.	1978
6.	The Delhi Stock Exchange Association Ltd	1947
7.	The Gauhati Stock Exchange Ltd	1984
8.	The Hyderabad Stock Exchange	1943
9.	The Mangalore Stock Exchange Ltd	1985
10.	The Ludhiana Stock Exchange Ltd	1983
11.	The Madras Stock Exchange Ltd	1908
12.	The Madhya Pradesh Stock Exchange Ltd	1930
13.	The Pune Stock Exchange Ltd	1982
14.	The Uttar Pradesh Stock Exchange Association Ltd	1982
15.	The Magadh Stock Exchange Ltd	1986
16.	The Jaipur Stock Exchange Ltd	1983-84
17.	Bhubaneshwar Stock Exchange Association Ltd	1989
18.	Saurashtra-Kutch Stock Exchange Ltd	1989
19.	Vadodara Stock Exchange Ltd	1989
20.	Meerut Stock Exchange Ltd	1990
21.	Coimbatore Stock Exchange Ltd	—
22.	OTC Exchange of India	1991
23.	National Stock Exchange of India Ltd	1989
24.	Capital Stock Exchange, Trivandrum	1992

In this study an attempt is made to study the growth of stock exchanges in terms of turnover. The turnover refers to the total value of transactions of securities in all market segments of an exchange.

Table-I shows the growth and distribution of turnover in stock exchanges during 1994-95 to 2000-01. It is clear that the relative importance of various stock exchanges in the market has undergone dramatic changes during the study period. The change took place mostly at the large exchanges while the small exchange failed to keep pace with the changes. It is heartening to record with special mention that the share of NSE in the total volume of turnover has increased from 5.014% to 53.434% during the study period. This clearly shows that NSE continues to be the Market Leader since 1995-96. As may be seen from table the share of turnover of top five stock exchange ranges about 84% to 97% while the share of top 10 stock exchanges ranges about 92% to 98%. In other 13 stock exchanges the turnover was about 2% during 2000-01. It is also a surprise to record here that about half a dozen exchanges reported nil turnovers during 2000-01. However, the total turnover of all stock exchanges constantly increased by 20 folds (i.e) from Rs. 1, 69,688 crores to Rs. 3,3338 crores. The overall analysis of this table shows that Indian stock exchange have been playing significant role for economic growth of our country by means of mobilizing resources for corporate sector.

Conclusion

Trading volumes at the stock exchanges have been witnessing phenomenal growth during the past few year. However, the increase in turnover has not been uniform across exchange. NSE happens to be the first stock exchange in the world to use satellite communication system for trading on a wider area network basis. Hence, NSE will continue to be Market Leader in future also.

THE WTO AND ITS IMPLICATIONS FOR INDIAN EDUCATION

The Genesis and the objectives of the WTO

The World Trade Organisation (WTO) was established on January 1, 1995. It has come to replace the General Agreement of Tariffs and Trade (GATT), which was in existence from 1948. GATT used to govern world trade in goods only, while the WTO has now acquired a much wider and ever increasing scope and coverage. As of now 140 countries including India, are members in the WTO. All members have to sign 28 agreements arrived at the final Uruguay Round negotiations in 1994. All these agreements are binding on all members.

In a rapidly globalising environment, the WTO is committed to a fair, equitable, rule-based and transparent multilateral trading system, progressive liberalisation and elimination of tariff barriers; rejection of all forms of protectionism; and elimination of discriminatory treatment in trade relations. Obviously, global free trade is the corner stone of the WTO. It seeks promotion of multilateral trading system based in effective and enforceable multilateral disciplines.

The Ministerial Conference is the highest policy - making body of the WTO dealing with several macro issues. The first biennial Ministerial meet was held in Singapore in December 1996 to review the working of the WTO as well as to take up new issues. The fourth Ministerial meet was held in Doha in November 2001. Apart from the reduction and rationalisation on tariffs and non-tariff barriers, based on the Uruguay Round of Negotiations, many significant new agreements have come into operation in a wide ranging areas such as Trade in services, Trade related Investment measures (TRIMS); Trade Related Intellectual property Rights (TRIPS); Dispute Settlement Mechanism; and Dumping and Anti-Dumping Rules etc.,

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