

Preface

The National Institute of Public Finance and Policy is an autonomous non-profit organisation established for carrying out research, undertaking consultancy work and imparting training in the field of public finance and policy.

The present study was done under the macro economic and industrial policy research programme sponsored by the Ford Foundation. The work was planned and conducted by Dr. B.N Goldar.

Government intervention in international trade and domestic markets exert an important influence on the structure of incentives for domestic industries and the subsequent allocation of resources. An analysis of the incentive structure is, therefore, of much significance in assessing the resource allocational implications of government policies. This study analyses effective incentives to production in the Indian aluminium industry. It is hoped that the findings of this painstaking study would be of interest to a wider audience.

The Governing Body of the Institute does not take any responsibility for the views expressed in this report. That responsibility belongs primarily to the authors.

A. Bagchi
DIRECTOR

Acknowledgements

This work was done under the Macro-economic and Industry Policy Research Project sponsored by the Ford Foundation. I have benefitted much from the comments of Prof. V.R. Panchamukhi on an earlier draft of this Study. Thanks are due to Shri S.B. Mann for excellent secretarial assistance and accurate word processing. I am also thankful to Mrs. Rita Wadhwa for adept editing and supervising the publication of the study.