

# TRADE WITH NEIGHBOURS

The contours of India's business ties with its South Asian neighbours are changing and Bangladesh has emerged as its largest trading partner. **By Ramesh Chakrapani**

India's trade with its seven South Asian neighbours has been undergoing a significant shift in the past five years, the most notable development being the rise of Bangladesh as its largest trading partner.

According to an analysis by the Department of Commerce, imports into the country from South Asian nations have not shown any substantial increase from 2012-13 to 2016-17, except in 2014-15 when they rose by 19 per cent, but exports from India have been rising steadily for the most part. India has consistently maintained a substantial trade surplus with South Asia over the period.

Imports into the country totalled \$2.68 billion in 2012-13 and \$2.81 billion in 2016-17, while exports grew from \$15.11 billion in 2012-13 to \$19.10 billion in 2016-17.

As per 2016-17 data, Bangladesh is India's largest trading partner in South Asia, followed by Nepal, Sri

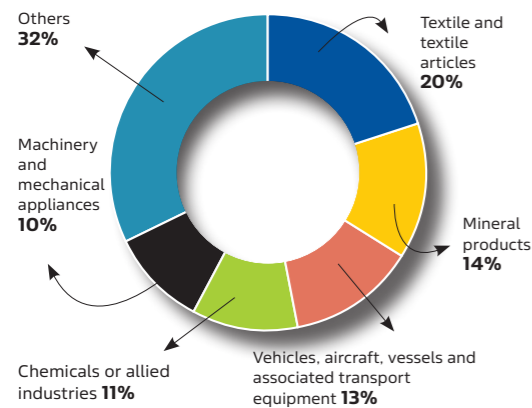
Lanka, Pakistan, Bhutan, Afghanistan and the Maldives. Indian exports also follow the same pattern: 83 per cent of the total exports in South Asia were made to Bangladesh, Nepal and Sri Lanka, with Bangladesh alone accounting for 35 per cent.

The country's export basket to South Asia is quite diverse, from engineering products (33 per cent), textile and textile products (20 per cent), mineral products (14 per cent) and chemicals and allied products (11 per cent).

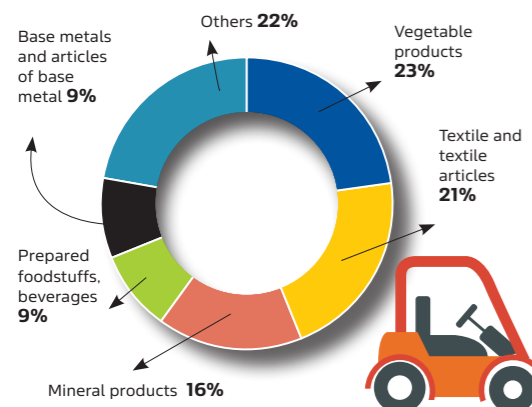
The total bilateral trade with Bangladesh increased by 9.9 per cent to \$7.4 billion in 2016-17. India's exports to Bangladesh have been posting a healthy growth, climbing from \$5.14 billion in 2012-13 to \$6.73 billion in 2016-17. India's importance to Bangladesh as a trading partner is underscored by the fact that it served as the source of 14 per cent of that country's imports in the calendar year 2016.

SOURCE: DGCI&S Database

India's exports to South Asia in 2016-17



India's imports from South Asia in 2016-17



## India's trade with South Asia

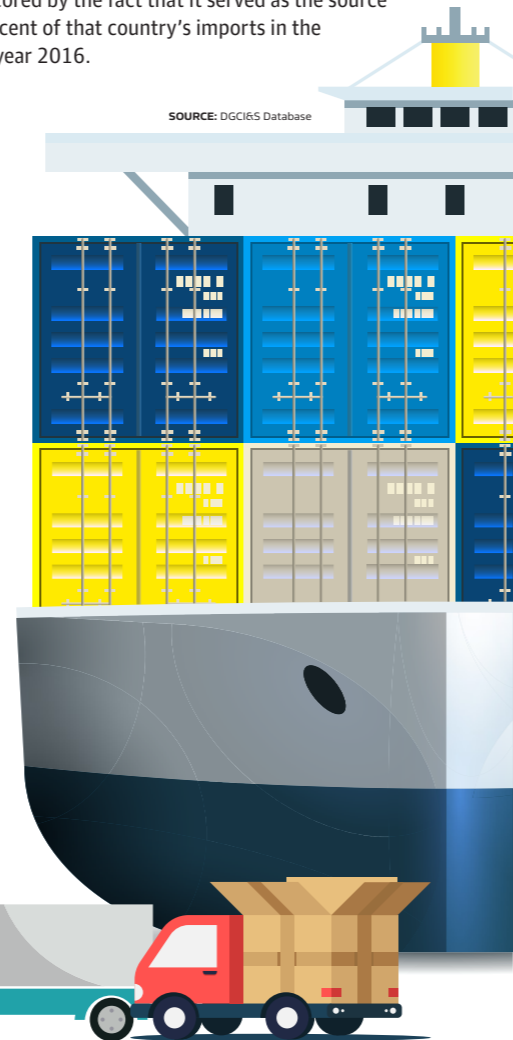
Bangladesh is India's largest trading partner. Engineering products have **top share in exports** (33%), followed by textile and textile products (20%).

Agricultural products top among **India's imports** from South Asia (32%), followed by textiles and textile products (21%).

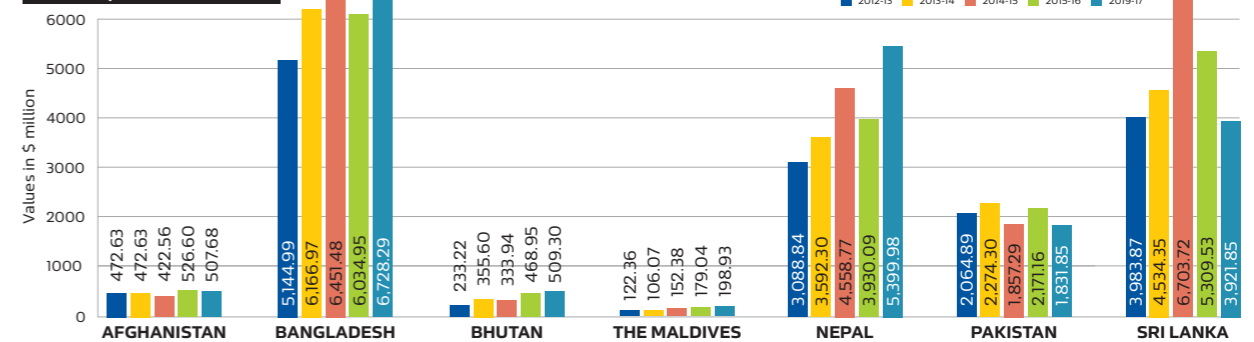
17.3% of India's exports to Pakistan **through land**.

Nhava Sheva, Sikka, Chennai, Tuticorin and Mumbai ports account for **52% of exports** to Sri Lanka.

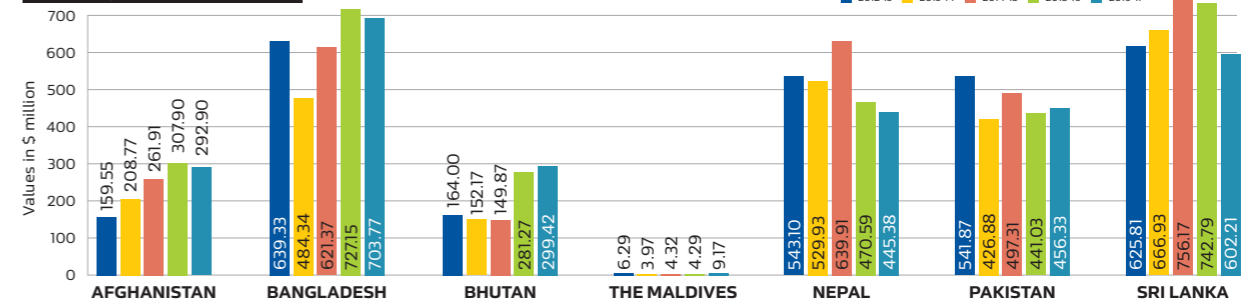
In 2016, **54%** of Nepal's exports came to India, **73%** of its imports went from India.



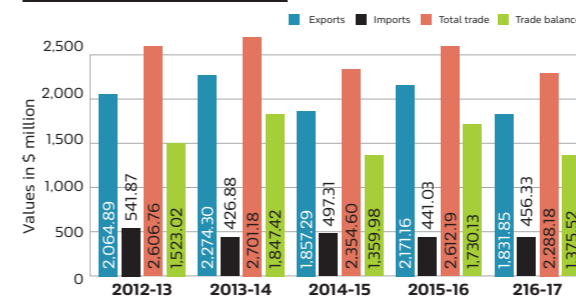
India's exports to South Asia



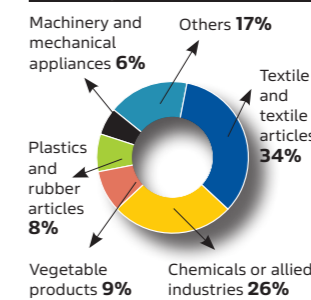
India's imports from South Asia



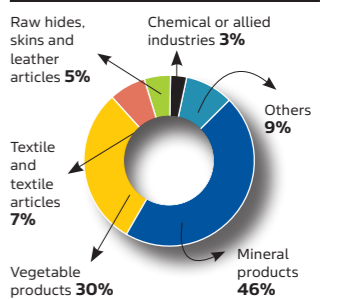
Trend of India-Pakistan trade



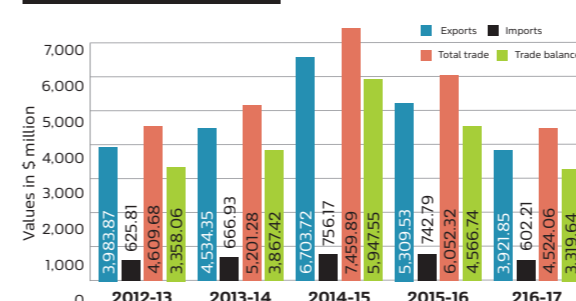
India's exports to Pakistan 2016-17



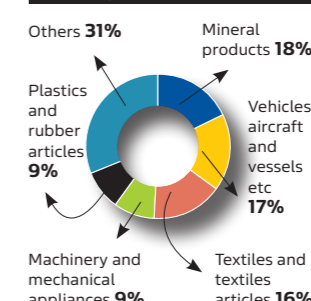
India's imports from Pakistan 2016-17



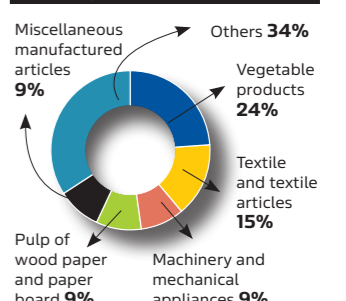
Trend of India-Sri Lanka trade



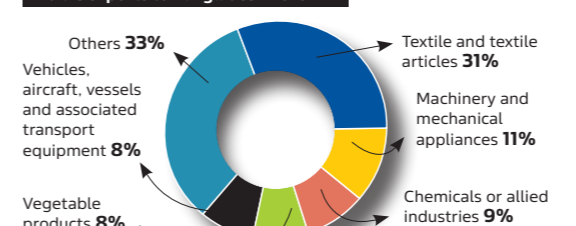
India's exports to Sri Lanka 2016-17



India's imports from Sri Lanka 2016-17



India's exports to Bangladesh 2016-17



India's imports from Bangladesh 2016-17

