

INDIA'S GROWING TRADE RELATIONS WITH SAARC COUNTRIES WITH SPECIAL REFERENCE TO BANGLADESH AND NEPAL AN ANALYSIS

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ABSTRACT

A historic step was taken with the signing of the SAARC charter in Dhaka on December 8, 1985. This witnessed the birth of SAARC (The South Asian Association for Regional Cooperation). SAARC has eight Member nations namely Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAARC was established to fulfill the following objectives-to promote and strengthen collective self-reliance among the countries of South Asia, to enhance economic growth, to assist each other in various fields such as economic, social, cultural etc. and to offer cooperation and assistance with international and regional organization with similar aims and objectives. The purpose of this article is to analyze the growth rate of India's exports to and imports from SAARC region and also to analyze India's bilateral trade relations with its two major trading partners of SAARC namely Bangladesh and Nepal during the five year period from 2013-14 to 2017-18. Statistical tools such as percentage method and regressions in log natural form have been used to arrive at conclusive results. The study concludes that India's trade with SAARC region has witnessed a rise during the five year period with exports rising at 15% and imports increasing at 16%. There has been a significant growth in the major commodities exported to Bangladesh and Nepal. Also, imports from both Bangladesh and Nepal have witnessed a rise. However, an interesting feature emerging from the study is that some major commodities imported from Bangladesh and Nepal both have experienced a steep decline.

KEYWORDS: SAARC, Growth Rate, Regional Organization, Economic Growth, Bilateral Trade