

TRADE PERFORMANCE OF SAARC COUNTRIES

Rummana Zaheer *

Abstract

This paper attempts to examine the trade performance of five SAARC member countries (Pakistan, India, Bangladesh, Sri Lanka and Nepal) and its impact over the macroeconomic structure of their economies during 1989 to 2001. The paper basically focuses on intra SAARC trade in the light of free trade agreements which encourage trade liberalization process among SAARC countries. The data provides substantial evidence, which shows the benefits of intra-regional trade expansion: larger markets and fuller utilization of production capabilities, transfer of suitable production technologies, comparative advantage and complementarities, economies of scale due to expanded markets and better utilization of entrepreneurial capabilities, capital, manpower and natural resources. In addition to that such an arrangement is also expected to foster closer economic ties among member countries and enhance their bargaining power with respect to other countries and economic blocs.

* Rummana Zaheer, Assistant Professor, Department of Economics, University of Karachi, Karachi, Pakistan

Introduction

The tremendous growth of international trade over the past several decades has been both a primary cause and effect of globalization. The volume of world trade since 1950 has increased by twenty-fold from \$320 billion to \$6.8 trillion. This increase in the trade of manufactured goods exceeds the increase in the rate of the production of these goods by three times. As a result, consumers around the world now enjoy a broader selection of products than before. Although increased international trade has spurred tremendous economic growth across the globe — raising incomes, creating jobs, reducing prices, and increasing earning power of workers—trade can bring about certain kinds of economic, political, and social disruption. The idea of regional integration is presently gaining grounds and there are many examples of successful regional economic integration. With the passage of time these regional trading blocs have expanded all over the world and become more organized and meaningful. The SAARC could not bring significant change and improvement in trade expansion and relationship among SAARC countries. It is evident from the fact that entire trade between SAARC members was not more than about 3% at the time of establishment of SAARC and even today it continued to be very nominal.

The majority of SAARC member states do not rely on the export and production of any main supplies or commodities for the growth of their financial system. The export of these main supplies or commodities are the main factor which controls foremost portion of their global business, these countries imports are inelastic because even their export sector cannot be flourished without imports of machinery, tools, equipment's and sometime raw materials also included in that list. In addition to export sector other sectors dependence on imports is also very significant. In this research our focus will be upon the trade model of SAARC countries and use various tools to evaluate their trade outlook.

Most of the SAARC countries have been dependent on the production and export of a few primary commodities for the expansion¹ of their economies. A major share of their international trade is also based on the export of these primary products, and the import of raw materials and other capital goods, required for the export sector, as well as for other sectors of the economy.

It has been observed by the various studies that when considering income inequality among all the people in the world, about 70 percent is explained by differences in incomes between countries and merely 30 percent by inequality within countries that appeared to be more important. It is striking that global inequality increasingly has become a problem conditioned to where one happens to live.² However, despite considerable research on this subject, inter- country income disparities have remained a

¹ The proponents (Varshney 1987: Batliwalla 1987: Hussain 1987, Panchamukhi et al 1990, for example) of regional integration opine the regional economic integration among the South Asian Countries would help to reduce the economic dependence of these countries on the developed countries in future.

² UN, 2006

debatable issue. That the rich and poor economies would eventually converge in terms of income level in the long run was the inference drawn on the basis of the standard economic model of growth that had focused primarily on the role of savings and investment. The new growth theories sought to shed more lights on the linkages between openness and growth by taking into account the technology factor. According to this, openness creates opportunities for countries in terms of enhancing access to global pool of technology. Technological advancements thus achieved create growth dynamism in the economy as decline in the marginal productivity of capital is arrested due to increasing returns to the knowledge factor. Therefore, growth profiles can be enhanced and sustained and income convergence among countries can be achieved.³ One of the channels that this may happen, based on the insights from the new growth theories, is through the trade and FDI integration both globally and regionally.

Review of Literature

The first person who observed the impact of regional groupings on the welfare was Jacob Viner.⁴ The concepts of trade creation and trade diversion were also introduced by him; however, his research was based on restrictive assumptions of zero elasticity of demand and supply. Consequently Meade and Lipsey released the assumption of zero price elasticity of demand. The main essence of these researches is that if trade creation and trade expansion exceeds the trade diversion, regional integration would be welfare promoting and vice-versa.⁵

The outcome of the study produced by Viner, Meade and Lipsey has been stationary and it may be argued that dynamic advantages may be even stronger. However, the estimates of dynamic gains have been subject to controversies as well.⁶

The traditional theories of gains from free trade suggests that removal of trade barriers allow consumers and producers to purchase from the cheapest and most competitive source of supply. This will increase efficiency and welfare. However, by introducing the concepts of 'trade creation' and 'trade diversion' it was argued that the net effect of trade liberalization on a regional basis is not necessarily positive.⁷ According to Bhagwati and Panagariy if members of the regional trade agreements are small in relation to the outside world, possibilities of trade creation will be very little.⁸ Dynamic effects of forging regional alliance includes market expansion effects i.e. the achievements of economies of scale and the ability to choose the best locations for production and distribution as trade

³ Romer 1986; Scott 1989, et.al., Whiteley, Paul. F. (ed.), Economic Policy, Vol.1, I. Elgar Reference Collection, International Library of Comparative Public Policy, Vol-6, Cheltenham, U.K., Northampton, Mass Elgar

⁴ Jacob Viner, 1950, The Custom Union Issue, 1950

⁵ Meade, J., 1955a, Trade and Welfare, London, Oxford University Press; Lipsey, 1957, Theory of Customs Unions, 1955, North Holland Publications, p.121

⁶ Bhagwati 1993; Helpman 1995; Baldwin and Venables 1995 & Srinivasan 1997

⁷ Viner 1950, "The Custom Union Issue", http://en.wikipedia.org/wiki/Trade_creation

⁸ Bhagwati & Panagariya, 1996, published in Sajal Lahiri, Regional Issue and Globalization, London & New York, Routledge, Ch.3, (with Rupa Dutta Gupta)

barriers are removed and market expand; competition enhancement effect i.e. facilitation of efficient production because companies with oligopolies in the region are made more competitive by market integration.⁹ Other dynamic effects include accommodating specialization and division of labour, promoting technical efficiency and terms of trade effects etc.

Unilateral Trade Liberalization¹⁰ would yield the greatest trade gain for the region. The small economies of the region would gain more from regional integration and also their benefits from intra-regional trade liberalization would exceed benefits from trade liberalization with other regions. The World Bank study analyzes the static welfare consequences of preferential liberalization.¹¹ Taking empirical observations Waqif mentions that almost all countries have possibility to increase their respective trade with the partner countries of the SAARC region. He points out that regional collective self-reliance can be obtained by exploiting horizontal and vertical economic linkages among these countries. The economic cooperation would enhance the bargaining power of the region in international economic negotiation.¹²

Vajda introduced the distinction between market integration and production and development integration.¹³ The former is defined as 'the guarantee of unhindered sale of each other's product within the framework of the social system of participating countries'. The later is on the other hand said to involve 'raising to an international level and programming the production of those branches of industry, which cannot be developer to an optimum size within national boundaries'.

Vamvakidis focus on the fact that growth is effected by regional trade agreements in the early stages of his research. He proved with the help of empirical evidences that the speed of growth increases significantly if small and large economies form these types of agreements.¹⁴ Another research was done by Cappeln which took the case of EU¹⁵ as an example and proved that the performance of EU was improved due to the financial assistance and regional integration factors.¹⁶ This helped to enhance growth in deprived areas and brought equal distribution of resources in Europe. If a country becomes the member of some regional group Berthelon investigates a new determinant of regional integration. He said that there would be differentiated effects depending upon the size of the partners if integration takes place in such a manner that a country becomes the

⁹ Urata, 2002, Stern, Robert, M., ed. Issues and Options for U.S.-Japan Trade Policies, Studies in International Economics, An Arbor, University of Michigan Press, 2002, pp.419-421

¹⁰ The first quantitative study of implications of stronger South Asian economic cooperation was by Jayaraman (1978). Empirical research by Srinivasan (1994)

¹¹ The World Bank Report, 1997

¹² Waqif, 1987, New Delhi, Thousand Oaks, California and London: Sage Publication, 1999, p.277

¹³ Vajda, 1971, Foreign Trade in a Planned Economy, published by the Syndics of the Cambridge University Press, Benlley House, Euston Road, London

¹⁴ Vamvakidis, May 1998, World Economic Review, 12(2): pp.251-270

¹⁵ EUROPEAN UNION

¹⁶ Cappeln, 2000

member of some regional group.¹⁷ Results showed that regional integration effected economic growth in a positive way.

As far as trade statistics is concerned, India's export and import values are the highest with respect to the world and Asia, among SAARC members. Trade within SAARC: - Major portion of exports of Bangladesh is to Pakistan; India is to Bangladesh; Pakistan is to Bangladesh; and Sri Lanka is to Pakistan. On the other hand, major portion of imports of Bangladesh is from India; India is from Pakistan; Pakistan is from Bangladesh; and Sri Lanka is from India. It has to be noted that the proportion of trade flows within the SAARC region are small and there exists low growth rate within the region.

SAARC economies are basically rural in nature. Agriculture plays a vital role in SAARC region. Except for Pakistan and Sri Lanka, where service sector play major role than agriculture, in all the other countries, the contribution of agriculture to GDP is the highest. However, over the last few decades, it can also be observed that there is a fall in the relative importance of agricultural contribution to GDP in SAARC members, except for that Nepal where agriculture's role has not changed significantly.

As far as Bangladesh, Bhutan and India are concerned, industrial sector and services sector have gained at the loss of agriculture. But, in the case of Nepal and Pakistan, role of industry has improved at the cost of agriculture and services sectors. The prominent trading and commerce activities in Sri Lanka have made the service sector vital than the agricultural and industrial sectors of its economy.

Most of the SAARC countries have been dependent on the production and export of a few primary commodities for the expansion of their economies. A major share of their international trade is also based on the export of these primary products, and the import of raw materials and other capital goods, required for the export sector, as well as for other sectors of the economy. In the long run reduction of military expenditures and joint or cooperative security and defense arrangement can also be expected.¹⁸ Also some non-traditional benefits such as signaling, insurance, coordination device can be enjoyed by the member countries from the regional trade.¹⁹

Intra-Regional Trade and Regional Integration Initiatives

The trade among the South Asian countries is very small. During the previous twenty five years the size of Intra-regional trade was almost stagnant and remained below 2 percent of the total trade. A study carried out by the Pakistan ministry of finance in 1996

¹⁷ Berthelon 2004, The World Bank, Policy Research Working Paper Series: 3239

¹⁸ Dasgupta B.2000. "International Institution for Global Trade; The Case for South Asian Free Trade Association", In Dutta, D. (et) "Economic Liberalization and Institutional Reforms in South Asia": Recent Experience and Future Prospects. Atlantic Publishers and Distributors, New Delhi; Bhat T.P.1983. "Cooperation for Economic Development", In Agwani, M.S. et.al., (ed), South Asia; Stability and Regional Cooperation, Centre for Research in Rural and Industrial Development, Chundrigar, India

¹⁹ Fernandez, R & J. Ports, 1998. "Returns to Regionalism: An Analysis of Non-traditional Gains from Regional Trade Agreements", The World Bank Economic Review, 12(2): pp.197-220

concluded that due to low transportation costs, cultural similarities which influence taste and cause profitable complementarities to emerge and low transaction costs, the economic benefits of liberalizing trade with India outweigh costs.

Intra-regional trade is a new idea for the South Asian countries it is difficult for them to understand the issues of regionalism and regionalization. That is why 95 percent of their trade depends on extra-regional countries. If we do a deep analysis of trade pattern and follow trade statistics then it is evident that intra-regional trade was never organized in the true sense, it only existed in the form of unorganized traditional markets.

Past factors in the trade were responsible to determine this tendency. The post war era destroyed the elements of intra-regional trade this is the reason why growth and trade expansion of SAARC economies was not considered important. On the other hand, constant protectionist policies, unfriendly relations with neighboring countries, unavailability of infra-structure and poor performance of trade and transport sector were mainly responsible for restriction of intra-regional trade in South Asia. Due to miscellaneous factors the South Asian countries were hesitant and reluctant to form an economic union for a long time. Differences of the post-war period and bad memories of the past were a hindrance to form an economic union. In this way very slowly these seven South Asian economies moved towards the path of economic integration and they formed the South Asian Preferential Trade Area (SAPTA) in 1993 which was actually implemented during December 1995. Despite the fact that three rounds of meetings were organized even then the progress of SAPTA was extremely slow. Many factors were responsible for this slow process like presence of protectionist measures, absence of any positive actions towards the reduction of tariff, prohibiting tariff reduction in numerous huge sectors of the economy, political instability, corruption, and stressed relationships of SAARC member economies. Additionally, until 1998 India stopped importing items of consumer requirement from the SAPTA member countries and similar restrictions were imposed for the other countries of the world till 2001. So SAPTA was unable to flourish successfully in such type of unhealthy environment. Some time it seemed that SAPTA was nothing but a paper work and it's never been implemented practically.

As far as the tariff reduction is concerned SAPTA implementation and the coverage of product was not successful mainly because reporting of product was incomplete and they were following the policy of product-by-product approach which reduced the speed of tariff reduction in the beginning. It was also identified after investigation of the twenty main commodities of exports that priority was given to those members which belong to LDC. Due to these reasons regional trade could not be successfully promoted through this agreement and the goal of developing complete free trade area (FTA) could not be achieved. In the year 1996 government Experts of all the member countries suggested desired line of action to build free trading area in the South Asia. This project of Free Trade Area (FTA) was assumed to complete in 2001 however little development took place in this regard.

In the beginning of 2004 the SAFTA agreement was approved which was the result of detailed planning and discussions. The trade liberalization process of the member

countries was planned to start from the beginning of 2006, step by step. So in this manner SAPTA turned into SAFTA which was more refined and improved in enhancing trade activities among all the member countries. Formation of SAFTA was considered a big achievement of SAARC organization. The entire process of complete elimination of tariffs was planned to be completed in decades time which mean the year 2016. In a two step process Tariff reduction took place however the speed of this reduction was too different for those countries which are the member of LDC and those which are not the member of LDC. As a member of LDC, Pakistan, India and Sri Lanka were ready to reduce their tariffs in the beginning of the year 2009, which was actually proposed by World Trade Organization (WTO) that LDC should get the advantage first. Moreover other advantages and preferences would be given to LDC as an encouragement.

The drawback with SAFTA agreement is that it deals only with tangible items of trade so it neglected the trade of intangible items which are equally important. Moreover, the rules of origin (ROO) discussions were also neglected which can make free trade agreements complicated.²⁰ Instead of bringing any dramatic change in the economic and trade pattern of member countries SAFTA tried to accelerate the development process of all the member countries by improving their inter-regional trade and investment.

The matter of the fact is that SAARC economies still rely on different protectionist measures so the prosperity of the sub-region require paying more attention towards the improvement of inter-regional trade. They should follow the example of other economic integrations in this regard and should improve their inter-regional trade with goods and services both. In addition to that investment among countries should also be encouraged by giving different incentives to promote trade and improving supply chains. Example of China and East Asian countries can be taken in this regard. In simple words the prosperity of intra-regional trade and investment lies in the development of quality standards, custom process and strict adherence to policies.

There was no progress in multilateral trade negotiations (MTNs) during the Doha meetings because many differences existed between developed and developing countries. Next meeting in which 146 countries were participating organized in Mexico in September 2003, but even that meeting was also unable to solve the problems. The main area of interest was agriculture trade reforms and the Singapore issue. However because of difference of opinion between WTO members and the management of conference both conferences ended in a most disastrous way. This fall down of MTNs results in a creation of BTAs (bilateral trade agreements). These agreements were negotiated between 3 pairs of South Asian countries Sri Lanka and Pakistan, India and Bangladesh and Sri Lanka and Bangladesh, which was in the light of Bhutan, Nepal and Sri Lanka BTAs with India, same type of agreements were signed between South Asian countries and other non member countries. India made two agreements with Thailand and China to develop FTA. India was also negotiating with Singapore to form BTA. In comparison with India, Pakistan signed an agreement with China known as 'Early Harvest', which started

²⁰ SALLY, Razeen, December 2006, "Free Trade Agreements and the Prospects for Regional Integration in East Asia", Asian Economic Policy Review, Vol-1(2), pp.306-321

working in 2006 and developed FTA in a true sense by the year 2009. In order to establish FTA with US Pakistan signed an agreement known as TIFA (trade and investment framework agreement) in the year 2005. Indonesia, Laos, Singapore and Thailand are the members of ASEAN and Pakistan were planning to sign a BTA; on the other hand Sri Lanka signed TIFA with US to establish FTA in the near future.

This expressed that, remarkable change took place in South Asian countries during the post-2000 period. The chain of latest agreements no matter regional or bilateral, are responsible for this drastic transformation of South Asian economies. It might be possible that in the near future economic integration will expand beyond South Asian countries. The dream of prosperity of Asia will come true in near future and it will be in a dominating position in the world.

Prospects for better Co-operation

Despite the fact that geographically and population wise SAARC countries are different from each other however their problems are almost same such as they all are facing the problem of high inflation, lower growth rate, high population growth rate, large dependence on foreign loans, high unemployment and high poverty rate.

In this connection it is necessary that these countries should focus on their trade expansion policy to give boost to their economy and try to abolish protectionist measure with the member countries. So it is essential to remove all type of tariffs and non tariff restrictions from inter-regional of member countries. Moreover all member countries should continue their trade with other trading blocs as a single unit to obtain the maximum benefits of trade.

To achieve the above mentioned goal it is necessary that there should be no information and communication gap among the member countries of SAARC. Information related to export capabilities, requirement of imports, economic and trade policies, all type of trade barriers and availability of basic facilities essential for production and distribution should be shared to enhance the gains of REC (regional economic cooperation). It is also suggested that to establish a common capital market or a bank for all members can benefit the economic integration process in South Asia.

It is believed that efficient allocation of available resources, creation of new opportunities for increasing industrialization in small countries and Regional economic co-operation (REC) can help in optimum utilization of capabilities and resources available in the member states; decrease in dependence on other countries of the globe is possible through REC. This type of cooperation encourages trade agreements like SAFTA.

The formation of SAFTA has great impact on export and imports on grown member countries to which many member countries found its favorable foe. Them like India whose export has been increase by 51% and Sri Lanka whose export is increase by 57.43% and its remain steady for other countries.

Comparatively as compared to export, imports are also getting affected. The formation of SAFTA is more favorable in imports for Bangladesh that its imports have been decreased by almost 14.50%.

The formation of SAFTA has affected many sectors of the member countries in which service sector is also included. In the same way the services sector of the Bangladesh has been increased by 2.50% and the service sector in India increased by 3.30%, In Nepal increased by 1.60% and it is same in Sri Lanka. In Pakistan service sector showed negative trend.

The data provides the evidence that each member of SAARC is different from each other as far as its production and consumption patterns are concerned. In the same way opportunities of investment are also not similar in our selected five SAARC countries. In addition to that the tax and non tax structure of these countries are entirely different. It means chances of trade enhancement are very bright through comparative advantage among SAARC countries. It is highly recommended that SAARC countries should maintain sincerity with each other to maximize the gains of trade. All factors no matter they are economic or non economic should be considered to establish successful regional cooperation. The data shows that currently SAFTA trade accounts are close to 5 percent of the total trade of SAFTA member countries. Intra SAARC trade is also showing increasing trend from the year 1991 to 2001 along with the SAARC world trade, which is the result of successful process of trade liberalization. In future SAARC trade has more chances to grow if prudent macro policies such as increased bank credit to private sector, increased FDI (Foreign Direct Investment), harmonious developmental strategies and region-oriented policies are pursued.

Table one is showing the key economic indicators in South Asia. In the light of statistics collected in the year 2002, above 22% inhabitants of the world live in South Asian countries however the gross domestic product of this region is just 2% of total output of the world. Many steps are taken to establish trade liberalization among SAARC member countries but the fact is that no noticeable progress could be seen in 1990 total trade of SAARC which was 2.4 percent and in 1995 it rose to 4.1 percent and even at that time most of their trade was with non member countries.

Key Findings and conclusion

- We can conclude that initially Bangladesh was the key member of SAARC exports from 1995 to 2000, since it had highest export figure as compared to other SAARC member countries.
- Main exports of Bangladesh were depending upon manufacturing goods as it was 67.6% in 1980 and 77.5% in 1990.

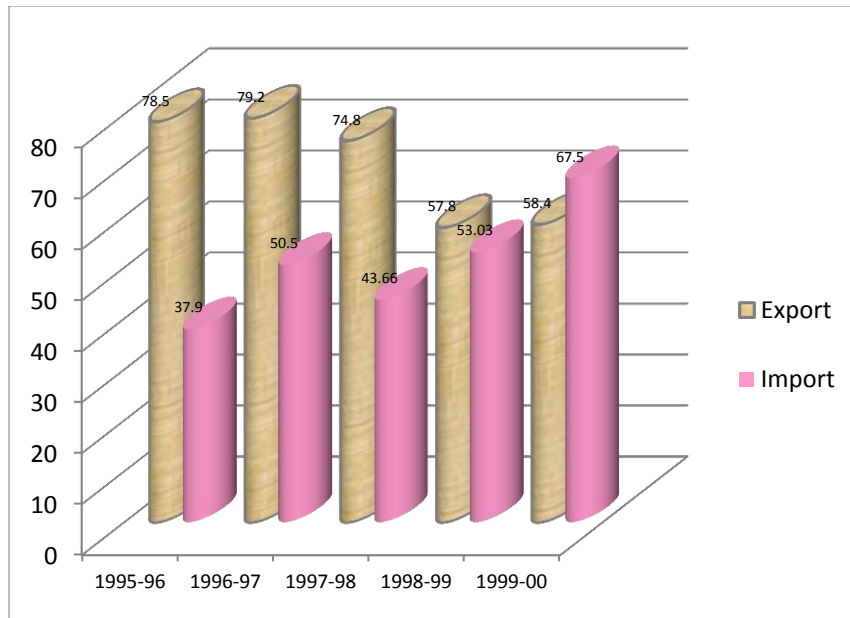
- The main export items of India and Pakistan were manufacturing goods and had small share of food items from 1972 to 1990 while Sri Lanka had share of 72.6% export of food items.
- Bangladesh and Nepal had very prominent role in total SAARC imports from 1995 to 2000.
- The items which were imported by Bangladesh, India, Sri Lanka, Pakistan and Nepal, were mainly depending upon manufacturing and food items. So these two items got highest percentage in import from the year 1972 to 1990
- The analysis from the year 1990 to 1996 clearly shows that India was leading exporter among SAARC member countries. Its total exports to SAARC countries in 1990 were 487 million U.S \$ which rapidly increased and reached at 1619 million U.S \$ in 1996.
- Bangladesh was the leading importer country as it had highest figure of imports in the years 1990-96. In 1996 Bangladesh's imports were 1124 million U.S\$ showing improvement in its economic conditions.
- Our analysis shows that, in the year 1985-86 the exports of Pakistan were 3070 million U.S \$ with 23.2% growth rate, on the other hand imports were 5634 million U.S \$ with a negative growth rate of 4.6%.
- According to current analysis, Pakistan's foreign trade condition is analyzed that total exports of Pakistan at world level are 19052 million U.S \$ with 12.2% growth rate and imports are 39966 million U.S\$ with 30.5% growth rate.
- Trade of Pakistan is highest with India as compare to other SAARC member countries up till last 2007's analysis with 18.49% growth rate of exports and 55.88% growth rate of imports.
- Pakistan held second highest amount of trade with Bangladesh in 2006-07.
- Pakistan performed the exports of 12165.754 million rupees with Sri Lanka in 2007 and imports were 3842.938 million rupees, so Sri Lanka was giant exporter for Pakistan in 2007 after India.
- The main exports of Pakistan were manufacturing goods; like in 1996 it covered 84% of share in total exports.
- South Asia has experienced high growth averaging close to 6 percent per year since the 1990s. In the innovation index.

Since the objective of the paper is to highlight the trade performance of SAARC countries. Tables given in the end of the paper prove that though there is a lot of potential among SAARC countries to boost up their trade with each other and rest of the world

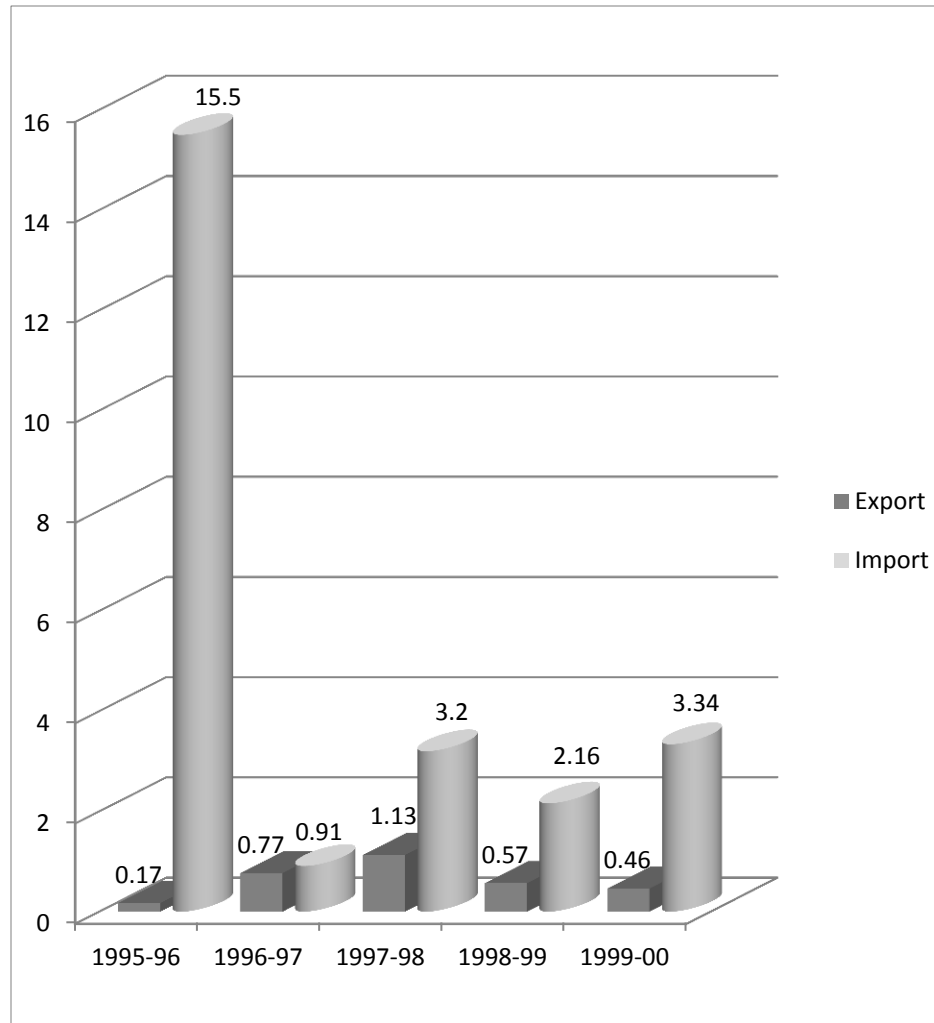
however in order to achieve the desired targets certain barriers should be removed. SAARC countries can perform much better by increasing cooperation among them for the betterment of their trade and economic wellbeing. SAARC countries have to remove all trade barriers to promote trade relations. These relations are greatly affected due to political conditions and acts of terrorism, especially in the relations between India and Pakistan, as 80% of GDP of SAARC is based on their trading activities, and now a day's these countries are trapped in many political and terrorism issues and blaming each other, and due to this the trade acts are suffering a lot and GDP is badly affected. So in short all countries have to work for mutual benefits and solve all these issues in a friendly manner, so that trade between these countries can blossom more in future. India has the largest and fastest growing economy in the region, and it also holds a big trump card for resolving the major issues that have afflicted the region. As a big brother, India has a great responsibility to steer SAARC countries in the direction of economic integration. By doing so, India will expedite its own growth and ensure its stability as well. If India needs a convincing argument for this, it should only examine the circumstances that led to the creation of the EU and NAFTA.

Over the years, SAARC's role in South Asia has been greatly diminished and is now used as a mere platform for annual talks and meetings between its members.

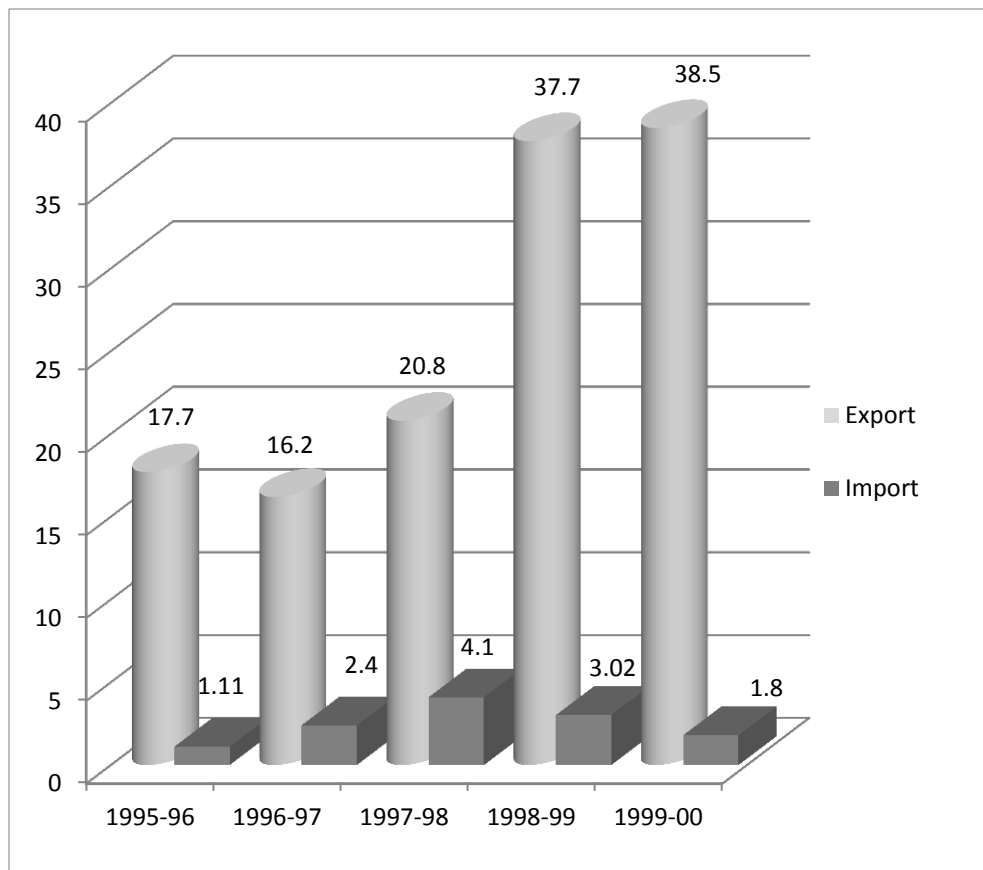
SAARC has intentionally laid more stress on "core issues" mentioned above rather than more decisive political issues like the Kashmir dispute and the Sri Lankan civil war. However, political dialogue is often conducted on the margins of SAARC meetings. SAARC has also refrained itself from interfering in the internal matters of its member states. During the 12th and 13th SAARC summits, extreme emphasis was laid upon greater cooperation between the SAARC members to fight terrorism.

Appendix**% Share of exports and imports of Bangladesh in SAARC countries**

Source: World Bank Report 2008

% Share of exports and imports of Pakistan in SAARC countries

Source: Pakistan Foreign Trade Statistics.

% Share of exports and imports of Sri Lanka in SAARC countries

Source: World Bank Report 2008

Source: UNCTAD Hand Book of Trade & Development Statistics 1995

Table 1
Import structure by main categories in SAARC member countries.

Countries	Years	Total value (Million U.S \$)	All Food Items %	Agricultural Raw Materials %	Fuels %	Ores And Metals %	Manufacture Goods %
Bangladesh	1980	1979.5	23.6	5.9	9.5	2.9	57.9
	1990	3431.8	19.10	5.4	16.5	3.1	55.9
India	1970	2093.7	20.9	9.2	7.7	9.9	49.4
	1980	13818.7	9	1.7	44.6	5.9	37.7
	1990	23798.7	3.2	4.0	27.3	8.1	51.2
	1994	28184.7	6	4.4	23.9	7.6	51.3
	1996	36055	4	4.0	24.0	7	54
Pakistan	1970	1170.9	20.9	3.6	6.5	20.9	66.1
	1980	5350.5	13	3.4	27	2.7	54
	1990	7354.5	17.4	4	20.9	3.6	54.1
	1994	8879.3	16.3	6.2	18.4	2.7	55.9
	1995	11535.3	17.7	5.5	16.5	2.7	57.4
Sri Lanka	1970	386.6	47	2.1	2.4	1.4	46.8
	1980	2035.4	20.4	1.1	24.3	1.6	52.3
	1990	2632.9	19.1	1.8	12.6	1.5	64.9
	1994	4457.8	15.9	1.9	6.3	1.1	74.7
	1996	5028	16	2	6	1	75
Nepal	1978	226.3	4.3	0.6	17.7	1.2	73.1
	1990	574.7	14.8	7	8.7	2	67.4
	1995	601.7	15.1	5	19.5	4.9	47.4
	1996	664	15	5	20	5	47

Source: UNCTAD Hand Book of Trade & Development Statistics 1995

Table 2
Intra- SAARC trade

Intra- SAARC exports (Million US \$)

From -To	Bangladesh		Bhutan		India		Nepal		Maldives		Pakistan		Sri Lanka		Grand Total	
	90	96	90	96	90	96	90	96	90	96	90	96	90	96	90	96
Bangladesh	--	--	--	--	22	21	7	1	--	--	23	37	8	2	60	61
India	297	832		15	--	--	40	158	5	15	43	141	102	458	487	1619
Maldives	--	-	--	--	--	--	--	--	--	--	--	25	7	13	7	38
Nepal	1	5	--	--	14	33	--	--	--	--	--	--	--	--	15	38
Pakistan	103	109	--	1	49	41	1	6	1	3	--	--	69	80	223	240
Sri Lanka	10	12	--	--	20	43	--	1	7	16	32	37	--	--	69	109
Grand Total															861	2105

Source: IMF Direction of Trade Statistics Year Book 1994-96

Intra- SAARC trade
Intra- SAARC imports (Million US \$)

From -To	Bangladesh		Bhutan		India		Nepal		Maldives		Pakistan		Sri Lanka		Grand Total	
	90	96	90	96	90	96	90	96	90	96	90	96	90	96	90	96
Bangladesh	--	--	7	4	170	1018	2	6	--	--	70	90	8	10	257	1124
India	15	58	--	--	--	--	15	49	--	--	45	39	22	35	07	181
Maldives	--	-	--	--	7	36	--	--	--	--	1	3	10	18	18	57
Nepal	8	1	--	--	43	150	--	--	--	--	1	6	--	1	52	158
Pakistan	38	36	--	--	46	212	--	--	--	27	--	--	37	45	121	320
Sri Lanka	9	2	--	--	118	562	--	--	6	14	51	69	--	--	184	64
Grand Total															729	2487

Source: IMF Direction of Trade Statistics Year Book 1994-96

TABLE 3
Trade with SAARC countries
% share in SAARC total exports

Countries Years	Bangladesh	Bhutan	Maldives	Sri Lanka	Pakistan	Nepal	India
1989-90	--	0.003	0.32	10.25	--	2.54	
1990-91	58.9	--	--	9.63	.085	2.56	18.9
1991-92	56.32	0.006	0.89	13.3	--	1.34	--
1992-93	--	--	--	15.54	0.12	1.95	20.3
1993-94	49.6	--	1.56	12.2	0.17	--	22.9
1994-95	50.2	0.0035	--	--	0.155	2.5	25.1
1995-96	51.6	0.004	0.79	17.7	0.176	2.7	27.03
1996-97	48.26	0.011	0.66	16.2	0.7	3.16	30.94
1997-98	45.8	0.049	0.43	20.48	1.136	3.03	29.3
1998-99	29.85	0.016	0.85	37.77	0.572	2.98	27.96
1999-00	25.44	0.023	0.44	38.53	0.466	2.08	33.02
2000-01	26.88	0.065	0.56	40.11	0.654	3.25	28.48

Source: World Bank Report 2008

Table 4
Trade with SAARC countries
% share in SAARC total imports

Countries Years	Bangladesh	Sri Lanka	Pakistan	Nepa l	India
<i>1989-90</i>	<i>23.7</i>	<i>3.12</i>	<i>--</i>	<i>25.2</i>	<i>29.1</i>
<i>1990-91</i>	<i>--</i>	<i>--</i>	<i>0.98</i>	<i>28.5</i>	<i>18.1</i>
<i>1991-92</i>	<i>--</i>	<i>2.11</i>	<i>0.6</i>	<i>30.9</i>	<i>18.6</i>
<i>1992-93</i>	<i>21.8</i>	<i>--</i>	<i>12.5</i>	<i>--</i>	<i>21.5</i>
<i>1993-94</i>	<i>29.4</i>	<i>1.54</i>	<i>--</i>	<i>29.14</i>	<i>22.2</i>
<i>1994-95</i>	<i>26.1</i>	<i>--</i>	<i>6.5</i>	<i>31.5</i>	<i>--</i>
<i>1995-96</i>	<i>25.9</i>	<i>1.116</i>	<i>15.8</i>	<i>33.16</i>	<i>24.02</i>
<i>1996-97</i>	<i>38.59</i>	<i>2.44</i>	<i>0.91</i>	<i>30.03</i>	<i>28.03</i>
<i>1997-98</i>	<i>36.66</i>	<i>4.17</i>	<i>3.12</i>	<i>40.04</i>	<i>16.5</i>
<i>1998-99</i>	<i>42.03</i>	<i>3.02</i>	<i>2.16</i>	<i>33.78</i>	<i>18.2</i>
<i>1999-00</i>	<i>48.58</i>	<i>1.86</i>	<i>3.43</i>	<i>27.2</i>	<i>19.3</i>
<i>2000-01</i>	<i>49.58</i>	<i>2.95</i>	<i>3.15</i>	<i>29.5</i>	<i>15.9</i>

Source: World Bank Report 2008
 (Entries for Bhutan and Maldives were zero)