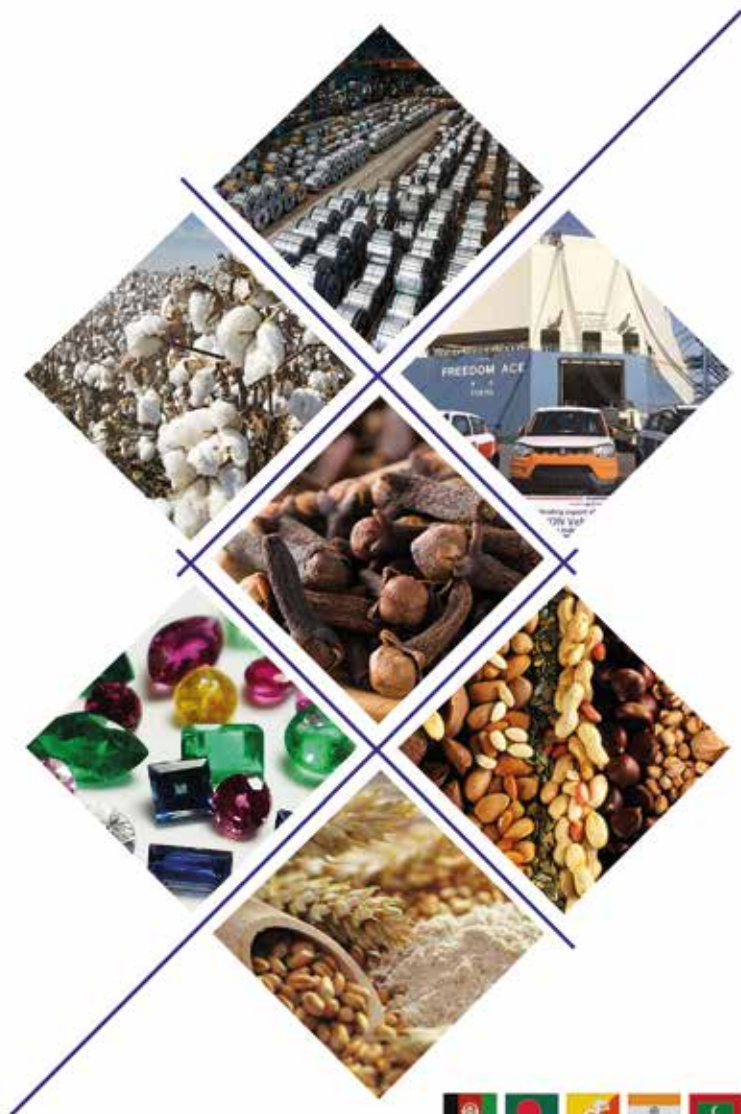


SCCI

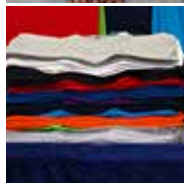
THE REGIONAL BUSINESS
ORGANIZATION OF SOUTH ASIA

ENHANCING INTRA-REGIONAL TRADE IN SAARC

A SURVEY OF POTENTIAL COMPETITIVE COMMODITIES



SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION



CONTENTS

EXECUTIVE SUMMARY	4
1. INTRODUCTION	5
2. TRADE FLOWS OF SAARC TRENDS AND PATTERNS	7
3. INTRA-REGIONAL TRADE POTENTIAL OF AFGHANISTAN	8
3.1 NATURAL GUMS	9
3.2 FIGS	10
3.3 DRIED GRAPES	11
3.4 FRESH GRAPES	11
3.5 COTTON	11
3.6 LEGUMES DRIED & SHELLLED	11
3.7 FRESH TOMATOES	12
3.8 APPLES	12
3.9 JUNIPER BERRIES	12
3.10 PISTACHIOS	13
4. INTRA-REGIONAL TRADE POTENTIAL OF BANGLADESH	13
4.1 MEN'S TROUSERS & SHORTS OF COTTON	14
4.2 JUTE & OTHER BAST FIBERS, RAW/RETTE	15
4.3 MEN'S SHIRTS OF COTTON	15
4.4 T-SHIRTS & VESTS OF COTTON	15
4.5 SINGLE YARN OF JUTE	15
4.6 WOMEN'S TROUSERS & SHORTS OF COTTON	16
4.7 SACKS & BAGS OF JUTE & BAST FIBRES FOR PACKING	16
4.8 CABLED YARN OF JUTE	16
4.9 JERSEYS & SIMILAR OF MAN-MADE FIBRES, KNIT OR CROCHET	15
4.10 MEN'S SHIRTS OF COTTON, KNIT OR CROCHET	17
5. INTRA-REGIONAL TRADE POTENTIAL OF BHUTAN	17
5.1 FERRO-SILICON	18
5.2 CARDAMOMS	18
5.3 CARBIDES OF CALCIUM	18

5.4	CARBIDES OF SILICON	19
5.5	SEMI-FINISHED PRODUCTS OF IRON OR STEEL	19
5.6	CEMENT CLINKERS	19
6.	INTRA-REGIONAL TRADE POTENTIAL OF INDIA	20
6.1	MOTORCYCLES PISTON ENGINE	21
6.2	SEMI-MILLED OR WHOLLY MILLED RICE	21
6.3	SEMI-FINISHED PRODUCTS OF IRON OR STEEL	21
6.4	MEDICAMENTS	21
6.5	CEMENT CLINKERS	22
6.6	SYNTHETIC ORGANIC REACTIVE DYES & PREPARATIONS	22
6.7	SINGLE YARN	22
6.8	FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL	23
6.9	CHASSIS	23
6.10	MOTOR VEHICLES FOR THE TRANSPORT OF PERSONS	23
7.	INTRA-REGIONAL TRADE POTENTIAL OF MALDIVES	24
7.1	FISH	24
7.2	TUNA	25
7.3	FLOURS OF FISH OR CRUSTACEANS	25
7.4	WHOLE FISH FRESH	25
8.	INTRA-REGIONAL TRADE POTENTIAL OF NEPAL	25
8.1	CARDAMOMS	27
8.2	SACKS & BAGS OF JUTE & BAST FIBRES	27
8.3	WOVENS OF JUTE, UNBLEACHED	27
8.4	SINGLE YARN	27
8.5	YARN, <85% POLYESTER STAPLESAN	28
8.6	LENTILS	28
8.7	CABLED YARN	28
8.8	ROSIN & RESIN ACIDS	29
8.9	TURPENTINE OILS	29
9.	INTRA-REGIONAL TRADE POTENTIAL OF PAKISTAN	29
9.1	DENIM, >=85% COTTON	30
9.2	PORTLAND CEMENT	30
9.3	CANE OR BEET SUGAR	30
9.4	WHEAT OR MESLIN FLOUR	31
9.5	DATES FRESH OR DRIED	31
9.6	SEMI-MILLED OR WHOLLY MILLED RICE	31
9.7	WOVENS, >=85% COTTON	32
9.8	CITRUS FRUITS NES, FRESH OR DRIED	32
9.9	FRESH POTATOES	32
9.10	BROKEN RICE	33
10.	INTRA-REGIONAL TRADE POTENTIAL OF SRI LANKA	33
10.1	BLACK TEA	34
10.2	CINNAMON	34
10.3	PEPPER	34
10.4	RUBIES, SAPPHIRES & EMERALDS, WORKED	34
10.5	DIAMONDS	35
10.6	NUTS NES	35
10.7	CLOVES	35
10.8	BRASSIERES	36
11.	DISCUSSIONS AND RECOMMENDATIONS	37

ENHANCING INTRA-REGIONAL TRADE IN SAARC: A SURVEY OF POTENTIAL COMPETITIVE COMMODITIES

Authors:

Imran Ali

Director, Research and Development, SCCI

Afaq Hussain

Director, Bureau of Research in Industry and Economic Fundamentals, India

Disclaimer

The findings, interpretations and conclusions expressed in the study do not necessarily reflect the views of the SCCI. Any conclusions and analysis based on data from ITC Trade Map, ITC Market Access Map, World Bank, UN COMTRADE, World Integrated Trade Solutions (WITS), and WTO are the responsibility of the author(s) and do not necessarily reflect the opinion of the ITC, World Bank, UN, WTO. Although every effort has been made to cross-check and verify the authenticity of the data, SCCI does not authenticate the data included in this work though it is being published in larger interest of individuals and enterprises. This may not be attributed to SCCI.

All data and statistics used are as of December 21, 2020 and may be subject to change with the passage of time. By making any designation of or reference to a particular territory or geographical area, or “country” in this document, SCCI does not intend to make any judgments on legal or other status of any territory or area. SCCI encourages printing or copying information exclusively for personal and noncommercial use with proper acknowledgement of SCCI. Users are restricted from reselling, redistributing, or creating derivative works for commercial purposes without an expressed and written consent of SCCI.

In Partnership With



**FRIEDRICH NAUMANN
FOUNDATION** For Freedom.
South Asia

© 2021 SCCI

All rights reserved. Published 2021.

Printed in Pakistan

Cataloging-in-Publication Data

SCCI

Pakistan-SCCI 2021.

Islamabad, Pakistan.

EXECUTIVE SUMMARY

SAARC has so far not succeeded to make use of regional cooperation and integration especially in terms of unleashing potential of intra-regional trade to spur regional economic growth, employment and poverty reduction. The cost of non-cooperation among the member countries of SAARC result in consumer welfare losses and higher intensity of trade diversion.

South Asia's actual volume of trade has constantly been falling short of its potential by huge margin. Over 70% of the regions trade potential remains unexploited due higher intensity of extra-regional trade volumes. Enhancing intra-regional trade with more liberal trade regimes and enhanced trade facilitation may reduce the trade costs, and lead toward a more rational regional development.

The South Asian countries are yet to unleash their untapped potential and take themselves to new heights. One of most important aspect of achieving it is regional economic cooperation. With intense geographical proximity and identical production structure the member countries have the prospect of attaining new sets of economic benefits from the intra-regional trade. SAFTA has the potential to intensify, merchandise trade between the South Asian countries, and pave the way for market expansion and may create trade opportunities. However the region has the least regional trade intensification in terms of merchandise trade; and majority of the trade in region take place out of the region.

This study discusses trends and patterns in the intra-regional trade, identifies the competitive goods to be traded in the region. Trade performances of the member nations of SAARC are discussed in depth while reviewing and discussing trade volumes, tariffs, trade structure and dynamics of top ten competitive commodities in each of the economy of South Asian region.

The study analyzed 67 prospective tariff lines to enhance regional trade in the region that ranges from agricultural goods, raw material to machines and capital goods. Mere improving trade facilitation and increasing awareness of traders in the region current trade of USD 9 billion in these 67 tariff lines could be enhanced to USD 14 .7 billion and the volume of intra-regional trade may be increased to USD 30 billion.

Out of these top 67 prospective tariff lines 24 tariff lines are in the Sensitive list of the member countries and are deliberately kept out of the scope of South Asian Free Trade Agreement as part of their protectionist trade regimes. As per (UNESCAP, 2017) 67% of the intra-regional potential remains untapped. Higher tariff, poor infrastructure and lack of b2b interactions and proper information and knowledge results in high cost of doing intra-regional trade and compels business to scarity benefits of geographic proximity and regional free trade benefits.

INTRODUCTION



South Asia is a region full of untapped valuable resources yet faces many challenges in developing itself into an integrated prosperous region. The region is rich in natural resource, abundant labor force, cultural diversity, geographical proximity especially to China and large youth population can serve for the regions development. Home to one of the biggest markets in the world with good connectivity across the world the region is yet to harness this very large economic potential. Apart from having most high level of protectionist policies, the region also faces infrastructural and institutional deficiencies impeded regional cooperation for decades.

The region lags behind in opening up to foreign competition and in attracting foreign direct investment. It is also the least integrated region, where intra-regional trade accounts for only 5% of the countries' total

merchandise trade. Protection levels, reflected in the significant tariff peaks and dispersed protection levels, are considerable in India, Pakistan, and particularly in Bangladesh. Serious behind-the-border constraints to private activity in infrastructure, economic governance, financial sector, labor and land markets, and trade logistics impede productivity growth and hurt export competitiveness in all countries.

The sorry status of poverty and human development in the South Asian region calls upon momentous and inclusive economic growth via enhancing regional cooperation and integration for increased inter-regional trade, to create income and employment opportunities. Although regional efforts are being made by SAARC for an integrated South Asia and enhance the volume of intra-regional trade. Regional agreements like

SAFTA* and SATIS* focusing upon liberation in trade of goods and services are signed, and the member countries are striving to implement these regional agreements. However, the success of SAFTA could be assessed in terms of its trade generating capacity, which is far low.

Given the enormous potential of economic growth, it is now a matter of effective implementation of the trade deal. This will entail South Asian countries addressing not only economic factors such as trade facilitation and infrastructure development, but also some non-economic factors like creating political will and building confidence. For this, South Asian economies must conceptualize integration as an evolving process. Indeed, this is reflected in SAARC, which has an explicit intent to move in the direction of an economic union. The growth of the South Asian countries offers prospects and challenges for deeper integration with the global economy, and integration under SAFTA is the first step in that direction.

South Asia's intra-regional trade has been considerably low, with huge rising gaps between the actual and potential trade due to low tides on political forums for regional integration, higher intensity of trade barriers

and low levels of trade facilitations, coupled with poor logistics and transportations, lack of people to people connectivity. As per (UNESCAP, 2017) ¹the estimated trade potential for the region was USD 82 Billion, against the actual intra-regional trade of USD 26.8 Billion. Given the growth rates of the member countries of the region, the potential intra-regional trade might have surpassed estimated potential of USD 170 Billion against actual intra-regional trade of USD 29 Billion in 2018. No heed has yet been paid to enhance the region by prompting trade in more competitive goods, trade complementarities and development of regional value chains moreover there is no credible information available that discusses the trend and patterns of rather competitive goods in the total intra-regional trade of South Asia.

Therefore this study is aimed at discussing trend and patterns in the intra-regional trade, asses as how the competitive goods could be traded in the region. This study will focus on trade performances of the member nations of SAARC, and will review and discuss trade volumes, tariffs, trade structure and dynamics of top ten competitive commodities in each of the economy of South Asian region, while distinguishing formal and informal trade flows in the region.



* South Asian Free Trade Area

* SAARC Agreement on Trade in Services

¹UNESCAP. (2017). Unlocking the Potential of Regional Economic Cooperation and Integration in South Asia. In *Unlocking the Potential of Regional Economic Cooperation and Integration in South Asia*. <https://doi.org/10.18356/5c23ce8b-en>

2. TRADE FLOWS OF SAARC TRENDS AND PATTERNS

Given the better terms of trade with the distant economies, more than 95% of the trade flows of the South Asian region are concentrated outside of the region, with a very diverse pattern of merchandise trade. South Asia's total trade volume is USD 1024.45 billion, with USD 616.69 billion import and an export volume of USD 407.77 billion for the year 2019, with a trade deficit of USD 208.93 billion.

TABLE 2.1 TRENDS IN SOUTH ASIA'S TRADE

Year	Total Trade Volume (Billion USD)	Trade Deficit (Billion USD)
2001	118.59	-10.45
2002	133.43	-12.77
2003	187.74	-21.08
2004	236.66	-31.87
2005	320.33	-55.72
2006	391.98	-77.71
2007	467.17	-96.52
2008	627.96	-173.94
2009	558.11	-120.39
2010	713.75	-171.54
2011	944.39	-218.43
2012	953.42	-253.36
2013	977.18	-181.33
2014	899.10	-188.39
2015	848.37	-188.76
2016	817.12	-151.37
2017	957.81	-214.16
2018	1076.40	-260.56
2019	1024.45	-208.92

Data from Trade Map

South Asia's global trade has grown in the last two decades, it has grown to USD 1200 billion in 2019, from USD 118.59 billion in 2001, however the trade deficit has also increased accordingly. In 2001 the total trade deficit of the South Asian countries was USD 10.45 billion, mere 8.8% of the total trade volume, however in 2019, the trade deficit of the SAARC countries was USD 208.92 billion about 20.4% of the total trade volume.

The region's major exports are medium oils, diamonds, light oils, medicaments, apparels, sea food, cotton and motor vehicle parts; whereas major imports are petroleum oils, gold, coal, natural gas, diamonds,

electronics, palm oil and cotton. South Asia's major export destinations are United State of America, United Arab Emirates, China, Germany, United Kingdom, France and Singapore, whereas the major import partners are China, USA, UAE, Saudi Arabia, Iraq, Singapore Indonesia and Korea.

India is the largest exporting country in the intra-regional trade, with a volume of USD 22.57 Billions, 77.14% of the total intra-regional export of the South Asia, followed by Pakistan with 8%, Nepal with 5% and Bangladesh with 3%. The total volume of intra-regional exports is USD 29.27 Billion in 2019. Major products being traded among the member nations are mineral fuels, cotton, vehicles, iron and steel, machinery, electrical and electronic equipment, fruits, pharmaceutical products and chemicals.

3. Intra-Regional Trade Potential of Afghanistan

Afghanistan's trade volume hovers around USD 6.8 Billion, with USD 5.47 billion imports and USD 1.27 Billion volume of exports globally, with a very huge trade deficit of USD 4.19 billion USD in 2019, around 62% of the total trade volume of the country. The major export destinations of Afghanistan are Pakistan, India, USA, Uzbekistan, Germany, Turkey, Saudi Arabia and Azerbaijan. The top import trade partners of the Islamic Republic of Afghanistan are Pakistan, India, USA, China, Uzbekistan, Kazakhstan and Turkey. Afghanistan's major imports are wheat, sugar, oil, cement, medicaments, light oils and electrical energy, whereas major exports are carpets, dry fruits, fresh fruits, coal, apples, saffron and cotton.

Afghanistan's exports are mostly concentrated in the region, about 85% of the Afghan exports are destined in the region. Volume of Afghan export to South Asia hovers around USD 1.08 billion in 2019. Afghan exports to Pakistan are USD 585 million, and USD 494 million to India. Afghanistan's imports from region for the year 2019 are USD 2.07 billion around 37% of Afghanistan's total imports value. Afghan imports from Pakistan values USD 1.18 billion, whereas imports from India are USD 891.1 million.

Trade between Afghanistan the South Asian countries has vast potential to grow given the restrictions are eased off, enhancing the trade facilitation especially the connectivity between Afghanistan and the South Asian countries.

TABLE 3.1 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM AFGHANISTAN TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Natural Gums	130190	189.2	89.7	99.5	138.3
2	Figs	080420	187.9	80	107.2	81.5
3	Dried Grapes	080620	157.6	74	83	90.5
4	Fresh Grapes	080610	141.3	80.5	60	133.1
5	Cotton	520100	106.2	52	53	3400
6	Legumes	0713XX	66.7	12.3	54	437
7	Fresh Tomatoes	070200	49.8	23.4	26.4	82.8
8	Fresh Apples	080810	44	25.7	18.4	590.7
9	Juniper berries	0909Xc	33.4	14.6	18.38	40.1
10	Pistachios	0802Xb	24.1	29.1	5.9	170.8

3.1 NATURAL GUMS

Afghanistan has a very vast potential to export natural gums to South Asian countries with an export potential of USD 189.2 million in 2019, the current exports natural gums of Afghanistan is USD 89.7 million and is concentrated in India, China and France only. There remains an untapped potential of USD 238.7 million. The major trade partner Pakistan doesn't have any trade on the HS 13 with Afghanistan, where as India imports stood USD 129.5 million in 2019. India doesn't imposes any tariff on the Natural Gums specifically for Afghanistan, whereas the following Tariff structure is followed for the rest of South Asian nations.



TABLE 3.2 TARIFF STRUCTURE FOR HS 13 IN SOUTH ASIAN COUNTRIES

S.No	Country	Average Tariff for Natural Gum (%)
1	Bangladesh	2
2	Bhutan	7.8
3	India	0
4	Maldives	4
5	Nepal	6
6	Pakistan	5
7	Sri Lanka	6.2

Pakistan import natural gums from India with 5% tariff rate, from Denmark, Germany Spain and France with 16.5 average tariff, and from China with 9.4% tariff rate. Bangladesh imports HS 13 classified products from China, Indonesia, Italy, USA and Singapore with applied tariff of 8.7% and from India and Pakistan with applied tariff of 2%. Table 2.3 enlist the major supplying markets for the HS 13 products, that reveals that despite that of such an enormous potential and relatively low tariffs except India, no other regional country is importing HS 13 from Afghanistan, especially in case of Bangladesh and Pakistan.

TABLE 3.3 COMMODITIES SUPPLYING MARKETS FOR THE HS 13 FOR SOUTH ASIAN COUNTRIES

Country	Suppliers	Value of Imports(USD Millions)	Average Tariff (%)
Bangladesh	China	24.79	8.7
	India	17.07	2
	Indonesia	3.78	8.7
	Italy	1.62	8.7
	USA	0.41	8.7
Bhutan	India	0.05	0
India	Afghanistan	129.55	0
	China	23.21	30

TABLE 3.3 COMMODITIES SUPPLYING MARKETS FOR THE HS 13 FOR SOUTH ASIAN COUNTRIES

Country	Suppliers	Value of Imports(USD Millions)	Average Tariff (%)
	Indonesia	15.04	0
	USA	15.00	30
	Germany	10.05	30
Maldives	Australia	0.06	20.2
	India	0.02	4
Nepal	China	1.43	10
	India	1.07	6
	Germany	0.53	10
Pakistan	India	3.86	5
	Denmark	3.34	16.5
	Spain	2.95	16.5
	France	2.29	16.5
	China	2.15	9.4
Sri Lanka	India	0.74	5.6
	China	0.42	5.6
	Germany	0.34	6.4

3.2 FIGS

Afghanistan has an export potential of USD 110 million with the South Asian countries, whereas the total export of dried and fresh export of Afghanistan are USD 80 million. Afghanistan Figs exports are mainly concentrated in India, United Arab Emirates and European Union. In South Asia the major importer of Afghan Figs is India and the volume of Figs import from Afghanistan stands are USD 105.0 million, Pakistan with USD 530, 000 and Nepal less than 1000 USD.

With an untapped potential of USD 107.2 million the Afghan fresh and dried figs may be imported processed and value added by comparatively larger markets like India, Sri Lanka and Pakistan. Figs traded under HS code 080420 have 0% tariff rate applied under SAFTA. The fruits nuts and dried fruit value chains of Afghanistan can be reshaped to create higher value, become competitive and consistent suppliers to the major international markets.



3.3 DRIED GRAPES



Afghanistan boasts almost 100 varieties of grapes that are grown across the country and celebrated in popular poetry, nursery rhymes and proverbs. In the absence of a winemaking industry, which is prohibited, many farmers turn their grapes into raisins, which are easier to preserve and bring a higher price.

Afghanistan have an export potential of USD 157.6 million against USD 74 million of it actual exports. South Asia imports USD 135 million worth of dried grapes mainly from Afghanistan, China and United Arab Emirates.

Dried Grape are included in the SAFTA sensitive list of India and Bangladesh. Bangladesh's main import destinations for the dried grapes are UAE, India, Singapore Malaysia and China. Whereas despite having the dried grape in Sensitive List, 98% of total imports of the dried grapes are concentrated in Afghanistan.

3.4 FRESH GRAPES

Afghanistan produces 1 million tonnes of grapes and the total export of fresh grapes from Afghanistan are only USD 80.5 million, against the export potential of USD 141 million. South Asia's fresh grapes imports from Afghanistan are USD 80 million against total imports of fresh grapes of USD 135 million.

Bangladesh imports fresh grapes worth of USD 84.1 million mainly from China, around USD 75.5 million with an applied tariff of 25%, there are no instances of any imports of the fresh grapes from Afghanistan by Bangladesh. Whereas Sri Lanka imports fresh grapes worth of USD 7.4 million mainly from China. Fresh grapes are included in the sensitive list of Bangladesh, India and Pakistan. Pakistan applies 20%, Bangladesh 25% and Sri Lanka applies 30% average tariff on Afghan fresh grapes. The South Asian countries may enhance fresh fruit trade significantly by substituting Afghan grapes with the other.



3.5 COTTON



Afghanistan has an export potential of USD 69.7 million and exports USD 53 million and there lies an untapped potential of USD 17.5 million. Whereas South Asian imports USD 3.7 billion worth of cotton, and the major supplying markets are China, United States of America, Brazil Egypt Australia and Turkey.

Only Pakistan amongst SAARC member states imports cotton from Afghanistan. Pakistan imports USD 52.3 million worth of cotton from Afghanistan. Bangladesh, India, Pakistan, and Sri Lanka's cotton imports bills are USD 6.3 billion, USD 1.2 billion, USD 0.89 billion and USD 0.63 billion respectively.

Bangladesh import cotton majorly from China, Uzbekistan, Pakistan and India. United States of America, China, Egypt and Brazil are the major supply market of cotton for India, cotton and relevant tariff lines are also listed in the SAFTA sensitive list of India.

3.6 LEGUMES DRIED & SHELLLED

The legumes imports of South Asia values USD 398.1 million from the world, whereas Afghan exports of legumes to South Asia are mere USD 18.5 million against total export potential of USD 85.5 million. Pakistan volume of legume imports from Afghanistan are USD 7.8 million and India 0.93 million.

Legumes are in the sensitive list of both Afghanistan and Sri Lanka. Bangladesh imports volume of legumes is USD 554.32 million, USD 240 million from Australia, and 233 million from Canada, whereas India major legume importing markets are Canada, Myanmar, Republic of Tanzania, Brazil and China, Indian legumes imports value USD 1.5 billion. Nepal imports USD 127.5 Million worth of legumes from the world mainly from Canada, Myanmar, Australia and Russian Federation.



3.7 FRESH TOMATOES



South Asia's imports of fresh tomatoes are more than USD 80 million. The supplying market for the fresh tomatoes are Afghanistan, India, Islamic Republic of Iran, United Arab Emirates, Netherlands, Turkey and Germany.

Pakistan's tomatoes imports from Afghanistan are USD 39.8 million and no other South Asian nations import tomatoes from Afghanistan.

3.8 APPLES

Afghanistan has an export potential USD 52 million of fresh apples against actual exports of USD 34 million. South Asia's fresh apples imports surmount to USD 700.4 million and the major supplying markets are China, United States of America, Italy, Chile, France, Poland and Spain. Afghan apples only export destination is Pakistan. Afghanistan's apple export to Pakistan is USD 43 million and is subjected to an average tariff of 20%.

Indian fresh apples imports from USA, Italy, Chile, Turkey, Poland, Islamic Republic of Iran and others values USD 253 million subject to an average estimated tariff of 50%, whereas India import mere USD 76000 worth of apples from Afghanistan despite having that vast potential to import.

Bangladesh fresh apple imports value USD 204 million and major import markets are China, South Africa, Brazil, France and others with an average tariff rate of 25%. Maldives import fresh apples from South Africa, France, Italy, Turkey, Spain and other that values more than USD 3 million, with 0% tariff applied. However both Bangladesh and Maldives possess ample potential to import fresh apples from Afghanistan.



3.9 JUNIPER BERRIES



Afghan juniper berries possess an export potential of USD 38 million, however only USD 17 million are being exported and there lies more than USD 20 Million worth of untapped potential in export of juniper berries. South Asia's Juniper seed imports value more than USD 60 million. India's Juniper berries imports volume is USD 17 million, and major supply markets are Vietnam, Afghanistan, China, Pakistan, Egypt and others.

There is an untapped import potential of USD 18 million for Afghan Juniper Berries in Indian markets, likewise Pakistan has also import potential of USD 5 million for the Afghan Juniper Berries.

3.10 PISTACHIOS

South Asia's pistachio import value USD 176.3 million from major supplying market of Germany, China, Italy, United States of America, Spain and others. Afghanistan has an export potential of USD 23.4 million, however pistachio exports of Afghanistan are mostly concentrated out of the region in China, United Arab Emirates, Germany, Turkey and others. India's pistachio imports from Afghanistan are USD 58 million.



4. Intra-Regional Trade Potential of Bangladesh

Bangladesh's total trade volume in 2020 hovers around USD 104.1 billion, with USD 56.9 billion of imports and USD 47.2 billion of export. Major exports of Bangladesh comprises of apparel and clothing accessories, footwear, textile, fish, leather products, raw hides, plastics, pharmaceutical products and tobacco. Major export destinations of Bangladesh are United States of America, Germany, United Kingdom, Spain, France, Japan and Belgium etc. Major supplying markets of Bangladesh are China, India, Singapore, Indonesia, Japan, Brazil, Kuwait, United States of America and others. Major imports of Bangladesh are cotton, mineral fuels, machinery, iron and steel, plastics, cereals, organic chemicals, fertilizers and others.

Bangladesh's total trade with the SAARC member countries is USD 7.4 billion, 7.4 % of its total trade with the world. Bangladesh's imports from the region value USD 6.9 billion 11% of its total imports, whereas exports are USD 0.6 billion, 1.3% of its total trade. Bangladesh trades with every member nation of South Asia, and the largest trading partners are India and Pakistan. Table 4.1 illustrates trade volumes of Bangladesh with the SAARC countries for 2019.

TABLE 4.1 BANGLADESH TRADE WITH SAARC COUNTRIES (MILLION USD)

COUNTRY	EXPORTS	IMPORTS
Afghanistan	4.7	0.1
Bhutan	2.4	40.0
India	517.9	5882.1
Maldives	6.1	0.2
Nepal	2.6	0.1
Pakistan	47.7	777.6
Sri Lanka	26.0	112.6

Bangladesh major imports from the SAARC region are cotton, vehicles, mineral fuels, salt, organic chemicals, tanning and dyeing extracts, rubber, coffee and teas, ships and pharmaceutical products. Bangladesh exports to South Asia are articles of apparel and clothing, vegetable textile fibers, animal and vegetable fats, inorganic chemicals, fish etc.

TABLE 4.2 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM BANGLADESH TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Men's trousers & shorts of cotton	620342	165.9	79	86.9	162.9
2	Jute & other bast fibres, raw/retted	530310	125.5	95.4	30.2	108.9
3	Men's shirts of cotton	620520	76.1	44.8	31.3	80.7
4	T-shirts & vests of cotton, knit/crochet	610910	57.9	19.4	38.5	66.8
5	Single yarn of jute	530710	46	33.5	12.7	33.5
6	Women's trousers & shorts of cotton	620462	44.6	21.2	23.5	55.2
7	Sacks & bags of jute & bast fibres for packing	630510	30.9	17.4	13.5	46.5
8	Cabled yarn of jute	530720	30.2	21.6	9	23.9
9	Jerseys & similar of man-made fibres, knit/crochet	611030	19.3	8.3	11	105.8
10	Men's shirts of cotton, knit/crochet	61051	16	6.5	9.5	20.3

4.1 MEN'S TROUSERS & SHORTS OF COTTON

Bangladesh has an export potential of USD 165.9 million for the men's trousers and shorts with South Asia, currently Bangladesh exports are only USD 79 million. Bangladesh exports of men's trousers and shorts value USD 5.7 billion. Bangladesh's export volume men's trousers and shorts of cotton value USD 5.8 billion and the major importing markets for the men's trousers and shorts are United States of America, Germany, France, United Kingdom, Canada, Japan, Italy, India, etc.



Only 1 percent of Bangladesh's men's trousers and shorts are being exported in the South Asian region that values mere USD 80-85 million. Indian imports of the Bengalese men shorts and trousers amounts USD 142.3 million, where Pakistan and Nepali imports of the same are mere ten thousand US dollars. Pakistan and India both apply an average tariff of 20% on the Bangla origin Men's trousers and shorts. The product is enlisted in the SAFTA sensitive list of Bangladesh, India, Nepal and Pakistan.

India is the major export destination for Bangladesh origin men's trousers and shorts in the region, other supplying markets for men's trousers and shorts for India are Spain, China, Sri Lanka, Netherlands and Italy etc. Pakistan's major import partners for the men's trousers and shorts is China, followed by Bangladesh, Cambodia and Vietnam. Nepal's major import partner for the men's trousers and shorts is China, more than 95% of its total imports of men's trousers and shorts are imported from China.

4.2 JUTE & OTHER BAST FIBERS, RAW/RETTED

Bangladesh has an export potential of USD 125.5 million against actual exports of USD 90 million; an untapped potential of USD 30.2 million exist for the South Asian countries to tap. Bangladesh total exports of the jute and other bast fibers is USD 137.1 million major importing markets are India, Pakistan, China, Nepal, Brazil and United Kingdom etc.



Bangladesh is main supplying market of jute and other bast fibers for India and Pakistan with an export volume of USD 47.5 million and USD 23.6 million respectively. Nepal imports of jute and other bast fibers value USD 27.8 million from India and Bangladesh.

4.3 MEN'S SHIRTS OF COTTON



Bangladesh's total exports of men's shirts of cotton is around USD 2.4 billion, South Asian imports of men's shirts of cotton value USD 80.7 million. South Asian imports of men's shirts of cotton are USD 44.8 million against a total export potential of USD 80 million. Major importing markets for the Bangladesh total exports of 2.4 billion of men's shirts of cotton are United States of America, Germany, United Kingdom, Spain, France, Canada, Japan, India and others.

India's major supplying market for the men's cotton shirts are Bangladesh, China and Spain with 70%, 10% and 6% shares in India's imports of men's cotton shirts respectively. Nepal imports of men's cotton shirts from China, India and Bangladesh and other value USD 6 million and 75% of its men's cotton shirts import are from China. Pakistan's 80% of men's cotton shirts are imported from China and only 10% from Bangladesh.

4.4 T-SHIRTS & VESTS OF COTTON

Bangladesh's total exports of t-shirts and vest of cotton are USD 5.7 billion. Bangladesh possess an export potential of USD 60 million with neighboring South Asian countries again total export of mere USD 20 million, and untapped potential of USD 40 million still remain to be unleashed by the South Asian economies. Bangladesh's main importing markets for the men's T-shirts, singlets and vests are Germany, Spain, United Kingdom, France, United State of America, Japan, Russian Federation, China and others. India is the only importing market in the region that imports men's T-shirts, singlets and vests from Bangladesh that value USD 32 million followed by Nepal, Pakistan and Maldives. Other importing markets of India includes China, Spain, Vietnam and Cambodia etc. Nepal imports 86% of men's T-shirts, singlets and vests from China and only 1 % from Bangladesh. The tariff line for men's T-Shirt and vest of cotton is also included in SAFTA sensitive list of Bangladesh, India, Nepal and Pakistan.



4.5 SINGLE YARN OF JUTE

Bangladesh has an untapped export potential of USD 12.7 million for single yarn of jute. Bangladesh exports USD 370.4 million worth of single yarn of jute. South Asia's total imports of single yarn of jute are USD 33.6 million, whereas Bangladesh actual export of single yarn of jute to South Asia are USD 33.5 million against total export potential of USD 46 million. Major importing markets of Bangladesh's single yarn of jute are Turkey, China, India, Uzbekistan, Russian Federation and others.

India's single yarn of jute imports are highly concentrated in Bangladesh, 95% of it USD 54.2 million imports are of Bangladesh origin with 0% average tariff applied. Pakistan imports of single yarn of jute values USD 1 million, 99% of Pakistan's single yarn of jute imports are concentrated in Bangladesh with 5% of average tariff applied by Pakistan.



4.6 WOMEN'S TROUSERS & SHORTS OF COTTON



Bangladesh has exports of women's trouser and shorts of cotton value USD 3.3 billion to major importing market of United States of America, United Kingdom, Germany, Spain, France, Canada, Japan, Russian Federation, China and others. South Asia imports of women's trousers and shorts of cotton value USD 55.2 million. Bangladesh has export potential of USD

44.6 million, whereas total export of women's trousers and shorts value USD 21.2 million, an untapped potential of USD 23.5 million still remain for the South Asia to unleash.

Indian imports of women's trousers and shorts of cotton value USD 126.4 million and primarily concentrated in Bangladesh 32.4%, China 23.6% and Spain 17% of its total imports of women's trousers and shorts of cotton. Pakistan's imports of women's trousers and shorts of cotton value USD 4.28 million primarily from China, India and United Kingdom.

4.7 SACKS & BAGS OF JUTE & BAST FIBRES FOR PACKING

Bangladesh's exports of sacks and bags of jute and bast fibres for packing value USD 78.2 million mainly to Netherlands, India, France, Germany, Indonesia, and others. South Asian imports of sacks and bags of jute and bast fibres for packing value USD 46.5 million, from Bangladesh South Asian imports of sacks and bags of jute and bast fibres for packing amount USD 17.5 million against a total export potential of USD 31 million.



Indian imports of sacks and bags of jute and bast fibres value USD 42.2 million and are mainly concentrated in Nepal, 55% and Bangladesh 40% of its total imports of sacks and bags of jute and bast fibers. Pakistan's imports of sacks and bags of jute and bast fibres value USD 1.16 million and are concentrated in Thailand, United States of America, Canada and others. All other SAARC nations also export sacks and bags of jute and bast fibers except Afghanistan. Afghanistan imports sacks and bags of jute and bast fiber amounting USD 1.2 million, from India, Kenya, Vietnam, Pakistan and China at an average tariff rate of 8-10%. Sacks and bags of jute and bast fibres is enlisted in the sensitive list for SAFTA of Nepal and Pakistan.

4.8 CABLED YARN OF JUTE



Bangladesh exports of cabled yarn of jute value USD 176.9 million and export to South Asia amounts to USD 21.6 million against an export potential of USD 30 million. South Asia's total imports of cabled yarn is USD 24 million. Major importing markets of Bangladesh's cable yarn are Turkey, China, India, Russian Federation, Indonesia and others. Bangladesh is major exporting market of cabled yarn for India, Pakistan and Nepal, however there remains an untapped potential of more than USD 10 million.

4.9 JERSEYS & SIMILAR OF MAN-MADE FIBRES, KNIT OR CROCHET

Bangladesh's jerseys & similar of man-made fibres, knit or crochet has an export potential of USD 20 million and the actual exports of jerseys & similar of man-made fibres, knit or crochet value USD 8 million only. Bangladesh export of jerseys & similar of man-made fibres, knit or crochet amount to USD 2.3 billion, whereas South Asian total imports of jerseys & similar of man-made fibres, knit or crochet are USD 106 million. Bangladesh's main importing markets for jerseys & similar of man-made fibres, knit or crochet are Germany, United States of America, France, Japan, United Kingdom, Poland and others.

Other than Bangladesh, India imports jerseys & similar of man-made fibres, knit or crochet from China, Spain, Cambodia and others.

Nepal's imports of jerseys & similar of man-made fibres, knit or crochet value USD 16 million and major supply market is China 86%. Pakistan's imports of jerseys & similar of man-made fibres, knit or crochet value USD 12 million and more than 90% of its imports of the same are from China with an average tariff rate of 20%. China is also major supplying market of the same for Maldives and Sri Lanka.



4.10 MEN'S SHIRTS OF COTTON, KNIT OR CROCHET



Bangladesh's men's shirts of cotton, knit or crochet exports value USD 979.9 million to the major importing markets of Germany, France, United Kingdom, United States, Russian Federation and others. South Asian imports of men's shirts of cotton, knit or crochet value USD 20 million.

Bangladesh origin men's shirts of cotton, knit or crochet has an export potential of USD 16 million against actual exports of USD 6 million leaving an untapped potential of USD 10 million. Other than Bangladesh, India

and Pakistan import men's shirts of cotton, knit or crochet from China, Vietnam, USA and Sri Lanka. India, Pakistan and Sri Lanka are also exporters of men's shirts of cotton, knit or crochet.

5. Intra-Regional Trade Potential of Bhutan

Bhutan's trade volume is around USD 1.09 billion, with USD 276 million exports and USD 816 million imports. Bhutan's trade is highly concentrated in the region. 93% of exports and 84% of imports of Bhutan are concentrated in the region, mostly with neighboring economies of India and Nepal. Bhutan's regional trade volumes to USD 946.8 million with USD 259 million exports and USD 685 million imports from the region.

Bhutan's major export destinations are India, Nepal, Italy, Turkey, Germany, Singapore and Australia, whereas the major supply markets are India, Thailand, France, United Arab Emirates, China, Japan and Germany. Major imports of Bhutan consist of petroleum, iron or, light oils, charcoal, woven fabrics, motor vehicle, soybean oil and electronics whereas major export of Bhutan are iron and steel, salt and sulphur, beverages, coffee, tea, fruits and vegetables, pearls, oil seeds, meat and edible meat.

TABLE 5.1 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM BHUTAN TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Ferro-Silicon	720221	222	130	91.9	3.1 Billion
2	Cardamoms	0908Xc	19.5	14.6	9.4	669.6 million
3	Carbides Of Calcium	284910	180	6.3	11.8	251.7 million
4	Carbides Of Silicon	284920	150	10.4	4.6	828 million
5	Semi-Finished Products Of Iron Or Steel	720719	9.1	14.1	4.1	2.9 Billion
6	Cement Clinkers	252310	4.90	0.9577	4.8	3.6 Billion

5.1 FERRO-SILICON

Bhutanese Ferro Silicon has an export potential of USD 201.3 million, and export mere USD 114.6 million, with an untapped potential of USD 86.7 million. South Asian Ferro Silicon imports value USD 212.7 million mainly from Bhutan, China, Malaysia and France. Indian imports of Ferro Silicon from Bhutan value USD 126.1 million and India has potential to enhance its imports of Ferro-Silicon from Bhutan. Ferro Silicon imports of Pakistan and Bangladesh from Bhutan and the rest of the supplying markets are less than USD 2 million. Ferro Silicon is in the SAFTA sensitive list of India, but isn't applicable on Bhutan.



5.2 CARDAMOMS



Bhutan's cardamoms export are USD 14.6 million against total export potential of USD 19 million. South Asian total imports of cardamoms are USD 150.6 million. Major supplying markets for cardamoms, imported by South Asia are China, United Arab Emirates, United States of America, Saudi Arabia and Indonesia. Pakistan cardamoms imports value USD 16 million, Bangladesh's cardamoms imports are USD 16 million. Cardamoms are enlisted in Nepal's SAFTA Sensitive List.

5.3 CARBIDES OF CALCIUM

Bhutan exports of carbide of calcium value USD 6.3 million against an export potential of 17.4 million. An untapped supplying market of USD 11 million exist in Bhutan to be harnessed. South Asia imports of carbides of calcium value USD 47.1 million.

India is the sole importer of the Bhutanese carbides of calcium. India imports of Bhutanese carbides of calcium value more than USD 6 million at an average of 0% tariff. Pakistan's imports of carbides of calcium value USD 8 million, and the supplying market are mainly from China with an average applied tariff of 2.6%.



5.4 CARBIDES OF SILICON

South Asian imports of carbide silicon value USD 41.4 million. Bhutan has an export potential of USD 12.5 million and exports USD 10.4 million. Bhutan is the second largest supply market of carbides of silicon for India after China. Bhutan's carbide of silicon exports to India value USD 10 million.



5.5 SEMI-FINISHED PRODUCTS OF IRON OR STEEL



Bhutan has an export potential of USD 14.1 million of semi-finished products of iron or steel against total exports of 8.4 million. South Asia's import of the semi-finished products of iron or steel are USD 510 million. Bhutan's export destinations for the semi-finished products of iron or steel in the region are India and Nepal and Italy, Turkey and Germany beyond the region. Nepal's semi-finished products of iron or steel imports value USD 448.8 million and Sri Lanka imports are USD 417.5 million. Nepal's semi-finished products of iron or steel are imported mainly from India with an average tariff of 5%.

5.6 CEMENT CLINKERS

South Asia's cement clinkers imports value USD 3.6 billion, and the main supplying markets are Pakistan, Thailand, India, United Arab Emirates, Vietnam and Indonesia. Bhutan has an export potential of USD 4.9 million, whereas the actual exports are less than USD 1 million to South Asian region.



6. Intra-Regional Trade Potential of India

India is the largest economy of South Asia. Total trade volume of India is USD 802.13 billion. Total export of India amount USD 323.25 billion, whereas total imports are USD 478.88 billion. Major trading partners of India are United States of America, United Arab Emirates, China, Singapore, Netherlands, Germany and Bangladesh etc.

Major product of Indian exports are mineral fuels, natural and cultural pearls, machinery, organic chemicals, vehicles, pharmaceutical products, electrical machinery, iron and steel, apparel and clothing, plastic and cereal etc. Major imports are mineral fuels, precious and semi-precious stones, machinery, mechanical appliances, organic chemical, animal and vegetable fats and oils, and fertilizers etc. Major supplying markets include China, United States of America, United Arab Emirates, Saudi Arabia, Iraq, Indonesia and Japan etc. India's top export destinations include United States of America, United Arab Emirates, China, Singapore, United Kingdom, Bangladesh and Nepal etc.

TABLE 6.1 INDIA'S TRADE WITH SAARC COUNTRIES (BILLION USD)

COUNTRY	IMPORTS	EXPORTS
Afghanistan	0.49	0.89
Bangladesh	1.21	8.24

TABLE 6.1 INDIA'S TRADE WITH SAARC COUNTRIES (BIILLION USD)

COUNTRY	IMPORTS	EXPORTS
Bhutan	0.25	0.69
Maldives	0.01	0.23
Nepal	0.65	7.11
Pakistan	0.07	1.19
Sri Lanka	0.99	4.23

India's trade with the South Asian region amounts to USD 26.4 billion in 2019-2020, 3.2% of its global trade. Indian export to the South Asia value USD 22.6 billion 7% of its total export to the world whereas Indian imports from the region are USD 3.7 billion, 0.7% of its global imports. Major trading partners of India in the region are Bangladesh, Nepal and Sri Lanka. Main imports of India to the South Asian member countries are mineral fuels, cotton, vehicles, iron and steel, organic chemicals, pharmaceutical products, cereals, manmade filaments etc, whereas main import items of India to the region are animal or vegetable fats and oils, edible fruit and nuts, articles of apparel, ships, boats, iron and steel, coffee tea mate, lac, gums and resins etc.

TABLE 6.2 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM INDIA TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Motorcycles, piston engine	871120	\$1.0 bn	\$597.3 mn	\$409.0 mn	\$753.6 mn
2	Semi-milled or wholly milled rice	100630	\$764.7 mn	\$449.5 mn	\$315.2 mn	\$639.9 mn
3	Semi-finished products of iron or steel	720719	\$741.3 mn	\$473.7 mn	\$267.6 mn	\$510.7 mn
4	Medicaments	3004Xb	\$525.9 mn	\$333.3 mn	\$192.6 mn	\$1.4 bn
5	Cement clinkers	252310	\$484.1 mn	\$168.4 mn	\$315.6 mn	\$847.9 mn
6	Synthetic organic reactive dyes & preparations	320416	\$430.7 mn	\$137.8 mn	\$292.9 mn	\$394.0 mn
7	Single yarn	520524	\$407.4 mn	\$283.3 mn	\$124.0 mn	\$364.6 mn
8	Flat-rolled products of iron or non-alloy steel	720839	\$373.5 mn	\$144.1 mn	\$229.3 mn	\$1.2 bn
9	Chassis	870600	\$364.5 mn	\$184.0 mn	\$180.5 mn	\$242.6 mn
10	Motor vehicles	8703XX	\$348.3 mn	\$291.3 mn	\$66.8 mn	\$2.6 bn

6.1 MOTORCYCLES PISTON ENGINE

Indian export potential of motorcycles, piston engines to South Asia is more than USD 1 billion whereas the actual export of the same are USD 550 million. There remains an untapped potential of USD 409 million of the for the South Asian region to benefit. South Asian countries imports of motorcycles, piston engines are USD 754 million. India's total exports of the motorcycles, piston engine hovers around USD 1.7 billion. Indian importing markets for motorcycle, piston engine are Nigeria, Colombia, Bangladesh, Sri Lanka, Philippines, Kenya, Nepal, Mexico, Austria etc.



Indian export of motorcycles, piston engine to Bangladesh value USD 176.8 million in 2019, Sri Lanka USD 172.8 million, Nepal USD 142.6 million. All the SAARC nations including Bhutan, Maldives, and Afghanistan have some imports of motorcycles, piston engine from India except Pakistan. Pakistan's imports of motorcycles, piston engine value USD 72 million, 52% of which are being imported from China at an average estimated tariff of 50%, Japan, Thailand, Vietnam and others. Motorcycles, piston engine are enlisted in SAFTA sensitive list of Bangladesh, Maldives, Nepal, and Pakistan despite that it is the product that faces the strongest demand potential in South Asia.

6.2 SEMI-MILLED OR WHOLLY MILLED RICE



India's semi milled or wholly milled rice has an export potential of USD 765 million to South Asia, whereas actual exports of Indian semi milled or wholly milled rice exports to South Asia are USD 450 million. Indian global exports of semi milled or wholly milled rice value more than USD 6.5 billion. India has an untapped potential exporting USD 320 million worth of semi milled or wholly milled rice to South Asian countries. Nepal, Bangladesh, Pakistan, Maldives, and Sri Lanka imports USD 392 million worth of semi milled or wholly milled rice. Nepal imports semi milled or wholly milled rice from India,

Japan and USA worth USD 268 million. Pakistan imports semi milled or wholly milled rice value USD 34.23 million from China. Maldives imports of semi milled or wholly milled rice value USD 22.93 million mainly from India, and Pakistan.

6.3 SEMI-FINISHED PRODUCTS OF IRON OR STEEL

India has an export potential of semi-finished products of iron or steel of USD 750 million to South Asia, whereas actual exports are USD 475 million. Nepal, Italy, Sri Lanka, China, Indonesia, Thailand, and Philippines etc are the major importing market for the semi-finished products of iron or steel. Nepal is the leading importer of semi-finished products of iron or steel from India, Nepal's imports semi-finished products of iron or steel from India value USD 430 million, Sri Lanka USD 129 million, Bangladesh 36 thousand, and Bhutan 33 thousand.



6.4 MEDICAMENTS

India has an export potential of USD 525 million of medicaments to the SAARC region, whereas actual exports value USD 320 million, an untapped potential of USD 200 million remains to be explored by the SAARC countries. South Asia's total import of medicaments value USD 1.5 billion, and India's global exports of medicaments value USD 12 billion. Major importing markets for the Indian medicaments are United States of America, South Africa, Russian Federation, United Kingdom, Nigeria, and Germany etc.



Nepal's imports of medicaments from India value USD 150 million, Nepal is the major importing market of medicaments of India in the South Asian region. Sri Lanka's imports of Indian medicaments are USD 172.2 million, Afghanistan USD 62 million, Pakistan USD 18 million, Maldives USD 16 million, Bangladesh USD 12 million and Bhutan USD 4 million. Pakistan's global imports of medicaments are USD 450 million. Germany, Switzerland, Italy, France and China are the major supplying markets of medicaments of Pakistan.

6.5 CEMENT CLINKERS

India has actual exports of USD 150 million against an export potential of USD 500 million to South Asian region. South Asian imports of cement clinkers value USD 900 million, whereas India's total exports are USD 175 million. Nepal and Sri Lanka are the major importing markets of Indian origin cement clinkers with USD 32 million and USD 10 million value of imports respectively.



Bangladesh is the largest importer of cement clinkers in the region. Bangladesh global imports of cement clinker value USD 640 million from the major supplying market of Thailand, Vietnam, Indonesia, United Arab Emirates and Pakistan etc. Bangladesh imports of cement clinkers from India value USD 5.3 million, 0.8% of its total imports of cement clinkers. Pakistan is the largest exporter of cement clinker in the region. Cement clinkers are enlisted in the SAFTA sensitive list of Afghanistan, Bangladesh, Bhutan and Nepal.

6.6 SYNTHETIC ORGANIC REACTIVE DYES & PREPARATIONS



South Asia's imports of synthetic organic reactive dyes and preparation value USD 400 million. India has an export potential of USD 500 million, whereas actual exports are USD 140 million. India is the major supplying market of synthetic organic reactive dyes and preparation for Turkey, Bangladesh, Singapore, Honduras, China and Pakistan etc. Bangladesh is the leading global importer of synthetic organic reactive dyes and preparation. India's export of synthetic organic reactive dyes and preparation to Bangladesh value USD 198

million, USD 36 million to Pakistan and USD 23 million to Sri Lanka. India is the leading exporter of synthetic organic reactive dyes and preparation to all of the South Asian countries.

6.7 SINGLE YARN

Export potential of India for the single yarn of cotton and combed fibres is USD 410 million, whereas actual exports are amount to USD 285 million. Indian global exports are USD 720 million, whereas South Asian total imports value USD 370 million. Bangladesh's total imports of single yarn of cotton and combed fibres value USD 250 million, Sri Lanka USD 42 million and Pakistan USD 23 million. Other than India, Bangladesh's supplying markets for single yarn are China, Pakistan, Indonesia and Vietnam. China is the second leading supplying market of the single yarn of cotton and combed fibre for the South Asian economies.



6.8 FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL

India has an export potential of flat-rolled products of iron or non-alloy steel of USD 375 million for the South Asian region. Actual exports of Indian flat-rolled products of iron or non-alloy steel to the South Asian region amount USD 150 million. India's global exports of flat-rolled products of iron or non-alloy steel to the world are USD 1 billion and South Asia's total imports of flat-rolled products of iron or non-alloy steel value USD 1.2 billion. Vietnam, Italy, United Arab Emirates, Nepal, Malaysia, Saudi Arabia and others are leading importing market of flat-rolled products of iron or non-alloy steel of India.



Nepal's imports of flat-rolled products of iron or non-alloy steel from India value USD 130 million, Bangladesh USD 23 million, Bhutan USD 200 thousand and Sri Lanka USD 190 USD. Bangladesh's total imports of flat-rolled products of iron or non-alloy steel USD 600 million mainly from Japan 60%, China 32%, Korea 10%, and India 7%. Pakistan's imports of flat-rolled products of iron or non-alloy steel from India value USD 500 USD, from Japan, Turkey, Ukraine, Vietnam and South Africa etc.

6.9 CHASSIS



India has an export potential of USD 365 million worth of exporting Chassis to South Asia, actual exports of Chassis from India to South Asia value USD 184 million, South Asia total imports of Chassis value USD 250 million, whereas India's global exports value USD 365 million. Leading importing markets of Indian origin chassis includes Bangladesh, United Arab Emirates, United States of America, Indonesia, Saudi Arabia and Nepal. Indian exports of chassis to Bangladesh value USD 75 million, Nepal 24 million, Sri Lanka 4 million

and Bhutan 1 million. Other than India, Bangladesh imports chassis from Japan and United Arab Emirates. Pakistan's supplying markets of chassis are Japan, Korea, United Arab Emirates and Singapore on an average tariff of 50%.

6.10 MOTOR VEHICLES FOR THE TRANSPORT OF PERSONS

Motor vehicles for transport of persons of Indian origin value USD 350 million, and actual exports value USD 290 million. South Asian imports of motor vehicles for transport of person value USD 2.6 billion, and India's global exports value USD 6.7 billion. Leading importing markets of Indian vehicles include Mexico, United States of America, South Africa, Saudi Arabia, United Arab Emirates etc.



Nepal imports of motor vehicles for the transport of persons from India value USD 102 million and 75 % of its total imports of motor vehicles for the transport of persons. Bangladesh imports of motor vehicles for the transport of persons from India amounts to USD 76 million, Sri Lanka 36 million, Bhutan 21 million, and Afghanistan 7 million. Pakistan imports of motor vehicles for transports of person value USD 789 million from Japan, Thailand, Indonesia, Korea and China cumulatively.

7. Intra-Regional Trade Potential of Maldives

Maldives total trade volume is USD 3.04 billion, with a very high trade deficit of USD -2.7 billion. Maldives have total export of USD 158 million, whereas total imports value USD 2.8 billion. Major export destinations of Maldives are Thailand, Germany, France, United States of America, United Kingdom, Italy, Sri Lanka and others. Leading supplying markets of Maldives are United Arab Emirates, China, Singapore India, Malaysia, Sri Lanka and others. Maldives major imports comprises of mineral fuels, electrical machinery, furniture, wood and articles of wood, air crafts, articles of iron or steel, salt, plastics, dairy produce, meat, fruits etc. Main export items of Maldives are frozen skipjack tuna, fillet of fish, dried fish, waste and scrap, smoked fish, live fish, ornamental fish, waste and scrap of copper, edible fruits, articles of leather and rubber etc.

TABLE 7.1 MALDIVES TRADE WITH SAARC COUNTRIES (MILLION USD)

COUNTRY	EXPORTS	IMPORTS
Afghanistan	-NA-	0.1
Bangladesh	2.6	3.9
Bhutan	-NA-	-NA-
India	3.4	290.3
Nepal	-NA-	0.2
Pakistan	0.03	7.7
Sri Lanka	5.1	165.4

Maldives trade volume with South Asian region is USD 490 million, 16% of its global trade. Maldives export to the region are USD 11 million, whereas exports value USD 467 million. Sri Lanka, Bangladesh, Pakistan, and India are the major trading partner of Maldives in the South Asian region. Maldives major imports from the South Asia are semi-milled or wholly milled rice, medicaments, granite, fresh eggs, wheat and meslin flour, bars and rod, portland cement, onions, and electric conductors etc, whereas major exports are dried fish, scrap iron, yellow fin tuna, smoked fish, ornamental fish, waste oils, fresh and chilled fish.

TABLE 7.2 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM MALDIVES TO SOUTH ASIA (MILLIONS USD)

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Fish	0305Xb	6.4	5.6	1.2	85
2	Tuna	030232	5.9	3.5	2.4	5
3	Flours of fish or crustaceans	230120	2.6	2	1.4	50
4	Whole Fish	0302Xd	1.5	0.019	1.5	24

7.1 FISH

Maldives has an export potential of USD 6.4 million for fishes, cured, whereas actual exports are USD 5.6 million, with a untapped potential of USD 1.3 million. Maldives export of fishes cured are concentrated in Sri Lanka and Japan. Sri Lanka is the largest importer of fishes cured in the region with USD 66.6 million of imports, followed by Bangladesh, with USD 9 million and India with USD 3 million. Bangladesh imports fishes cured from India, Myanmar and Pakistan.



7.2 TUNA



Maldives global tuna exports are USD 36 million, and has an export potential of USD 6 million to the South Asia region, whereas actual export of Maldives to the region amounts USD 3.5 million. South Asian imports of tuna value USD 5 million. Major export destination of Maldivian tuna are United States of America, France, Sri Lanka, Thailand, Spain, Italy, and United Arab Emirates etc.

7.3 FLOURS OF FISH OR CRUSTACEANS

Maldives global export of flours of fish or crustaceans value USD 2 million, South Asian imports of flours of fish or crustaceans amounts USD 50 million. Maldivian flours of fish or crustaceans value USD 2.6 million, whereas actual export amount USD 1.8 million with an untapped potential of USD 1.5 million. Major importing markets of flours of fish or crustaceans for Maldives are Bangladesh with USD 2.6 million, Sri Lanka with USD 0.127 million, Germany with USD 0.04 million. Bangladesh import flours of fish or crustaceans from India, Thailand, Brazil and Malaysia etc. Indian imports of flours of fish or crustaceans are concentrated in Oman, Norway, United States of America and others.



7.4 WHOLE FISH FRESH



Maldives global export of whole fresh fish value USD 4.1 million, and have an export potential of USD 1.4 million to South Asian region. Actual exports of Maldivian whole fresh fish to the region are USD 19 thousand, and there remain an untapped potential of USD 1.4 million. Maldives export fresh whole fish to United States of America, France, Sri Lanka, Thailand, Spain and others.

8. Intra-Regional Trade Potential of Nepal

Nepal's total trade volume is USD 13.2 billion, with total exports of USD 1 billion and total imports of USD 959 million, 92% of Nepal's total trade comprises of imports with a huge trade deficit of USD 11.36 billion. Major exports of Nepal are animal or vegetable fats, staple fibers, tea mate and spice, carpets, apparels, iron and steel, vegetable textile fibers, residues and waste from food industry. Major imports of Nepal are mineral fuels, iron and steel, machinery, vehicles, plastic, cereals, natural or cultured pearls, pharmaceutical products, articles of iron or steel etc. India, China, Indonesia, United Arab Emirates, United States of America, Canada, Thailand, and Malaysia etc are major supply markets for Nepal whereas major importing markets are India, United States of America, Germany, Turkey, United Kingdom, China, Bangladesh, France and Japan etc.

TABLE 8.1 NEPAL TRADE WITH SAARC COUNTRIES (MILLION USD)

COUNTRY	EXPORTS	IMPORTS
Afghanistan	0.03	0.01
Bangladesh	12.12	52.08
Bhutan	2.00	12.57
India	659.58	7777.21
Maldives	0.21	0.00
Pakistan	0.25	25.13
Sri Lanka	0.09	2.53

Nepal's regional trade volume is USD 8.5 billion 69% of its total global trade. Regional imports of Nepal volume USD 7.8 billion, 70% of its total imports, and regional exports of Nepal are USD 675 million, 70% of its total exports. Nepal's leading importing markets in the region are India, Bangladesh and Bhutan whereas Nepal is supplying market for India, Bangladesh, Pakistan, Bhutan and Sri Lanka.

TABLE 8.2 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM NEPAL TO SOUTH ASIA (MILLIONS USD)

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Cardamoms	0908Xc	101.9	37	64.9	150.6
2	Sacks & bags of jute & bast fibres	630510	45.5	19.3	26.3	46.5
3	Wovens of jute	531010	21.8	11.4	10.4	48.9
4	Single yarn	550921	21.7	12.8	8.9	170.9
5	Yarn, <85% polyester staplesan	550951	21.1	11	10.1	57.7
6	Lentils	071340	21	10.5	20	754.9
7	Cabled yarn	550932	18.5	13.6	4.9	172.4
8	Rosin & resin acids	380610	17.6	12.5	5.1	68.5
9	Turpentine oils	380510	16.9	2.5	14.4	130.1

8.1 Cardamoms

Nepali cardamoms have an export potential of USD 101.9 million to South Asia, whereas total actual export of cardamoms to the region are USD 37 million. South Asia imports of cardamoms value USD 150 million. Major importing markets for Nepal's cardamoms are India, United Arab Emirates and China. Bangladesh imports cardamoms from Guatemala, United Arab Emirates, India and Singapore that values USD 62 million. India's imports of cardamoms values USD 51 million mainly from Indonesia, Nepal, Sri Lanka, Guatemala and Bhutan. Pakistan's imports cardamoms from Guatemala, Indonesia, China, India and Sri Lanka etc that values USD 16 million. Nepal's cardamoms have a very good export potential with the rest of South Asia countries.



8.2 SACKS & BAGS OF JUTE & BAST FIBRES



Nepal's global exports of sacks and bags of jute and bast fibers value USD 29 million and major importing market include India, United States of America, Germany, United Kingdom etc. Nepali sacks and bags of jute and bast fibres have an export potential of USD 45 million to the South Asian region, whereas actual exports are USD 19 million with an untapped potential of USD 26.3 million. Bangladesh imports of sacks and bags of jute and bast fibres value USD 1.7 million mainly

from Hong Kong, China, Cote D'Ivoire, and Madagascar etc. Maldives imports of sacks and bags of jute and bast fibres value USD 3.2 million and are mainly concentrated in India, Indonesia, China, Thailand etc. Pakistan's imports of sacks and bags of jute and bast fibres amounts USD 5 million, from China, Thailand and India etc. Sri Lanka's imports of sacks and bags of jute and bast fibres value USD 1.8 million from China, India, Indonesia and Vietnam etc.

8.3 WOVENS OF JUTE, UNBLEACHED

Wovens of jute of Nepal has an export potential of USD 11 million for the South Asian economies, against export potential of USD 22 million. South Asia's imports of wovens of jute value USD 48.9 million. Bangladesh, India, Nepal and Pakistan are global leading exporters of wovens of jute, and for Nepal there exists a vast untapped potential of intra-regional exports of wovens of jute.



8.4 SINGLE YARN



Nepal has an export potential of USD 21.7 million for single yarn for the South Asian region. Nepal's actual export to the region are USD 13 million, with an untapped potential of USD 9 million. South Asia's imports of single yarn value USD 179.9 million. Nepal's global export of single yarn value USD 21 million, and is leading supplying market for India and Turkey.

Indian imports of single yarn value USD 116.1 million, from Indonesia, China, Nepal, Vietnam and Singapore etc. Bangladesh's imports of single yarn value USD 26 million, mainly from China, Vietnam, Indonesia and India. Pakistan's import of single yarn value USD 21 million from India, China and Indonesia.

8.5 YARN, <85% POLYESTER STAPLESAN

Nepal's single yarn, <85% polyester staplesan has an export potential of USD 21.7 million to the South Asian region, whereas total exports of Nepal's single yarn, <85% polyester staplesan value USD 12.8 million. SAARC's imports of single yarn, <85% polyester staplesan value USD 170.9 million whereas Nepal's global exports value USD 20 million importing markets include Turkey, India and Spain etc.



Bangladesh's imports of single yarn, <85% polyester staplesan value USD 8.8 million from the supplying markets of China, Indonesia, India and Thailand etc. India's imports of single yarn, <85% polyester staplesan value USD 33 million from China, Nepal, Indonesia and Vietnam etc. Pakistan's imports of single yarn, <85% polyester staplesan value USD 8 million from Indonesia, India, China and Thailand etc.

8.6 LENTILS



Nepal has an export potential of USD 21 million of lentils for the South Asian region. Nepal's total exports of lentils to the South Asian region value USD 10 million, with an untapped potential of USD 20 million. South Asian imports of lentils value USD 754 million, whereas Nepal's global export of lentils value USD 11 million. Major importing markets of Nepal's lentils are Bangladesh, Singapore, Republic of Korea, Brunei Darussalam and United Kingdom etc.

Afghanistan's imports of lentil amounts USD 3 million, from the supplying markets of Kazakhstan, Pakistan and Malaysia. Indian imports of lentils value USD 298 million, and major supplying markets include Canada, Australia, United States of America, Turkey, Singapore and Netherlands etc. Bangladesh's imports of lentils value USD 195.6 million from Australia, Canada, India, Nepal, Kazakhstan and Thailand etc. Maldives imports of lentils value USD 2 million, from major supplying markets of United Arab Emirates, Sri Lanka, Thailand and India etc. Pakistan's import of lentils value USD 55 million, from major supplying market of Canada, Australia, Afghanistan, Russian Federation, Ukraine and United States of America etc. Sri Lanka's imports of lentils value USD 69 million from the major supplying markets of Canada, Australia, India, and United Arab Emirates. Lentils are enlisted in the SAFTA sensitive list of Afghanistan and Sri Lanka.

8.7 CABLED YARN

Cabled yarn of Nepal has regional export potential of USD 18.5 million, whereas actual exports of cabled yarn to the region are USD 13 million. South Asia's imports of cabled yarn value USD 172 million, whereas total export of Nepal's cabled yarn value USD 13.8 million. India and Yemen are the leading importing markets of Nepal's cable yarn.



Bangladesh imports of cabled yarn value USD 114.9 million, China, Indonesia and Thailand etc are the leading supplying markets for Bangladesh. 91% of India's cabled yarn imports are from Nepal. India

imports USD 18 million worth of cabled yarn from Nepal and Mexico. Pakistan imports of cabled yarn value USD 1.5 million from Indonesia, Korea and India with an average tariff of 11%, 11% and 5% respectively. Sri Lankan imports of cabled yarn value USD 2 million mainly from Indonesia, India and China.

8.8 ROSIN & RESIN ACIDS

Export potential of Nepal's rosin and resin acid to South Asia value USD 17.6 million. Actual exports of Nepal's rosin and resin acids to the region value USD 12.5 million. South Asian imports of rosin and resin acid value USD 68.5 million. Indian imports of rosin and resin acid value USD 57 million from Indonesia, Brazil, Nepal, and United States of America etc. Pakistan's imports of rosin and resin acid value USD 6 million from the major supplying markets of Indonesia, Brazil and China etc. Rosin and resin acid are enlisted in the SAFTA sensitive list of India and Pakistan.



8.9 TURPENTINE OILS



Turpentine oils of Nepal have an export potential of USD 16.9 million for South Asia. Actual exports of Nepal turpentine oils to South Asia values USD 2.5 million. India imports of turpentine oils value USD 194 million from the supplying markets of Indonesia, Brazil, United States of America, Vietnam and Argentina etc.

9. Intra-Regional Trade Potential of Pakistan

Pakistan's total trade volume value USD 73.9 billion, with exports worth of USD 23.8 billion, and imports of USD 51 billion. Pakistan has a rather high trade imbalance of USD 26.3 billion. United States, China, United Kingdom, Germany, Afghanistan, United Arab Emirates, Netherlands, Spain and Italy etc are the major importing markets of Pakistan. China, United Arab Emirates, United States of America, Saudi Arabia, Indonesia, Qatar, Japan and Kuwait etc are major supplying markets of Pakistan. Major imports of Pakistan consist of mineral fuels, machinery, electrical equipment, iron and steel, organic chemicals, plastics, animal or vegetables fats and oils, vehicles, oil seeds, cotton pharmaceutical products, coffee and tea etc. Major export of Pakistan are Textiles, cotton, apparel and clothing accessories, cereals, leather and articles of leathers, fish and crustaceans, salt, edible fruits and nuts, mineral fuels, copper, sugar, beverages, meat and edible meat offal etc.

Pakistan's regional trade values USD 4.10 billion, 5.5% of its total global trade. Pakistan's exports to the region value USD 2.39 billion whereas exports from the region value USD 1.69 billion. More than 10% of Pakistan's exports are concentrated in the South Asian region. Pakistan export cotton, salt, sulphur, earth and stone, sugars and confectionary, cereals, edible fruits and nuts, edible vegetables, pharmaceutical products, mineral fuels, wood and articles of woods, tanning or dyeing extracts, dairy products and raw hides etc.

TABLE 9.1 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM PAKISTAN TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Denim, >=85% cotton	520942	240.8	261.1	8.0	706.5
2	Portland cement	252329	201.0	177.5	28.5	452.3
3	Cane or beet sugar	170199	200.9	178.5	22.6	468.6
4	Wheat or meslin flour	110100	157.7	131.6	26.1	481.4
5	Dates, fresh or dried	080410	111.7	80.0	36.0	315.5
6	Semi-milled or wholly milled rice	100630	103.6	80.6	28.5	639.9

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
7	Wovens, >=85% cotton,	520932	111.1	91.2	11.3	290.2
8	Citrus fruits nes, fresh or dried	0805XX	88.3	41.5	46.9	73.5
9	Potatoes, fresh	070190	81.5	58.8	22.7	132.9
10	Broken rice	100640	77.9	53.8	24.1	70.6

9.1 DENIM, >=85% COTTON

Pakistan has a potential of USD 240.8 million of exporting denim >=85% cotton to the South Asian countries, actual export of Pakistan's denim to South Asia value USD 260 million. South Asian imports of denim values USD 706 million, whereas Pakistan's global export denim value USD 475 million. Pakistan is major supplying market of denim for Bangladesh, Turkey, Egypt, Sri Lanka, Vietnam and Italy etc.



Bangladesh imports of denim values USD 591 million, from major supplying markets of Pakistan 42%, India 20%, China 17%, Thailand, Turkey and Japan etc. Bangladesh imposes an average tariff of 25% on imports of denim. Indian imports of denim value USD 8.9 million from Pakistan, Turkey and China etc. Nepal imports of denims are from the supply markets of China, India, Bangladesh and Korea. Nepal's total imports of denim value USD 7 million. Sri Lanka imports of denim value USD 40%, from Pakistan China and India. Denim is enlisted in the SAFTA sensitive list of Afghanistan and Bangladesh.

9.2 PORTLAND CEMENT



Pakistan Portland cement has an export potential of USD 200 million to South Asia. Total export of Pakistan's Portland cement to South Asia value USD 177 million, with an untapped potential of USD 29 million. South Asia imports of Portland cement values USD 452 million, whereas Pakistan's global exports of Portland cement value USD 227.2 million. Afghanistan, Bangladesh, Sri Lanka, Madagascar, India and South Africa etc are importing markets for the Portland cement exports of Pakistan.

Afghan imports of Portland cement value USD 123 million, from supplying markets of Pakistan, Tajikistan and Uzbekistan. More than 72% Afghan imports of Portland cement are concentrated in Pakistan that values around USD 88 million. Portland cement imports of India value USD 16 million, from the supplying markets of Pakistan, Bangladesh, Bhutan and Bangladesh. Sri Lankan imports of Portland cement value USD 134 million from India, Pakistan and Indonesia. Portland cement is enlisted in the SAFTA sensitive list of Afghanistan, Bangladesh, Bhutan and Nepal.

9.3 CANE OR BEET SUGAR

Pakistan's exports of cane or beet sugar to the South Asian region value USD 178 million, whereas total export potential of cane or beet sugar of Pakistan to South Asia values USD 201 million. Pakistan global export of cane or beet sugar value USD 266 million whereas South Asian imports of cane or beet sugar estimates around USD 468 million. Afghanistan, China, Tajikistan, Uzbekistan and Timor-Leste are major importing markets for Pakistan origin cane or beet sugar. Brazil, India, Pakistan, Thailand and South Africa etc are major supplying markets of cane or beet sugar for South Asian economies.

Bangladesh is the leading importer of cane or beet sugar in the region with total import value of USD 822.3 million, from the supplying markets of Brazil, Singapore, Belize, India and United Kingdom. Indian imports of cane or beet sugar value USD 307 million from the supplying markets of Brazil, South Africa, Mozambique, Germany and United States of America etc. Afghanistan imports of cane or beet sugar value USD 215 million from major supplying markets of Pakistan, India and United Arab Emirates. Sri Lanka imports cane or beet sugar value USD 172 million from India, Thailand and United Arab Emirates etc. Cane or beet sugar is enlisted in the SAFTA sensitive list of Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka.



9.4 WHEAT OR MESLIN FLOUR



Pakistan's wheat or meslin flour has an export potential of USD 158 million to the South Asian region, actual exports of wheat or meslin flour from Pakistan to South Asian value USD 130 million. South Asia's total imports of wheat or meslin flour value USD 480 million from exporting markets of Kazakhstan, Pakistan, Uzbekistan, Sri Lanka, India, Singapore, Turkey and Islamic Republic of Iran etc. Afghanistan's imports of wheat or meslin flour value USD 468.4 million from Kazakhstan, Pakistan and Uzbekistan etc.

Maldives imports of wheat and meslin flour value USD 12.2 million from Sri Lanka, Singapore, Turkey and India. Wheat or meslin flour is enlisted in SAFTA sensitive list of Afghanistan, India and Sri Lanka.

9.5 DATES FRESH OR DRIED

Pakistan's dates fresh or dried have an export potential of USD 111.7 million for the South Asian countries. Actual exports of the Pakistani dates to the SAARC countries value USD 80 million. South Asia's imports of dates value USD 315 million whereas Pakistan's global exports of dates fresh or dried value USD 107.3 million. United Arab Emirates, Iraq, Islamic Republic of Iran, Pakistan and Oman etc are major exporting markets of dates dried or fresh for South Asian region. Pakistan is major supplying market of dates fresh and dried for United Arab Emirates, India, Nepal, United Kingdom and United States of America etc.



India import's dates fresh or dried value USD 164 million from Iraq, United Arab Emirates, Islamic Republic of Iran, Pakistan and Oman etc only 10% of Indian imports of dates are from Pakistan. Bangladesh imports of dates dried of fresh value USD 35 million mainly for the supplying markets of United Arab Emirates, Egypt, Saudi Arabia and Pakistan etc, however Pakistan's share in total imports of dates fresh or dried of Bangladesh are less than 3%. Nepal's imports of dates fresh and fried value USD 18 million primarily from Pakistan.

9.6 SEMI-MILLED OR WHOLLY MILLED RICE



Pakistan's semi milled or wholly milled rice has an export potential of USD 103.6 million for South Asian countries, actual exports of Pakistani semi milled or wholly milled rice to SAARC countries is USD 80.6 million. South Asian cumulative imports of semi milled or wholly milled rice are USD 640 million from India, Pakistan, Russian Federation, Vietnam, Thailand, Japan and United States of America etc. Pakistan exports semi milled or wholly milled rice to China,

United Arab Emirates, Kenya, Saudi Arabia, Oman, Yemen, Afghanistan, and Tanzania etc.

Nepal's imports of semi milled or wholly milled rice value USD 190 million, from India and Japan. Bangladesh imports semi milled or wholly milled rice from India, Vietnam, Pakistan and China that value more than USD 20 million. Maldives imports of semi milled or wholly milled rice value USD 22.9 million from India, Pakistan and United Arab Emirates. Sri Lanka, India and Bhutan imports of semi milled or wholly milled rice value USD 14, 10 and 4 million respectively. Semi milled or wholly milled rice is enlisted in the SAFTA sensitive list of Afghanistan, Bhutan, India, Pakistan and Sri Lanka.

9.7 WOVENS, \geq 85% COTTON



Pakistan has an export potential of USD 111.1 million to export woven of cotton to South Asia, whereas total exports of woven cotton of Pakistan to South Asia value USD 91.2 million. South Asian imports of woven's of cotton value USD 290.2 million from China, Pakistan, India, Vietnam and Korea etc. Pakistan's exports of woven's of cotton value USD 148.8 million to Bangladesh, Sri Lanka, Indonesia, India, Jordan, Cambodia, Germany and United States of America etc.

Bangladesh's imports of woven's of cotton value USD 238 million from China, Pakistan, India and Vietnam etc. Indian imports of wovens of cotton value USD 13 million from China, Pakistan and Bangladesh. 92% of India imports of wovens of cotton are from Bangladesh. Sri Lankan imports of wovens of cotton value USD 40 million from Pakistan, India, China and Brazil etc. Wovens \geq 85% cotton are enlisted in the SAFTA sensitive list of Afghanistan.

9.8 CITRUS FRUITS NES, FRESH OR DRIED

Pakistan has an export potential of USD 88.3 million of citrus fruits, dried or fresh to South Asian countries, actual exports of Pakistan's citrus fruits to South Asia values USD 41.5 million. South Asia's imports of citrus value USD 73.5 million from Egypt, South Africa, India, China and Australia etc. Pakistan exports USD 190 million worth of citrus fruit across the world. Afghanistan, Russian Federation, Philippines, Indonesia, United Arab Emirates, United Kingdom, and Saudi Arabia etc are importing markets of Pakistan's citrus fruits.



Bangladesh imports of citrus fruits value USD 126 million from the supplying markets of South Africa, Egypt, China, India and Australia. India imports citrus fruits from Egypt, South Africa, Australia and China etc. Indian imports of citrus fruits value USD 42 million. Nepal's imports of citrus fruits value USD 20 million, Sri Lanka USD 8.4 million, Maldives USD 8.9 million and Afghanistan USD 866 million. Citrus fruits are enlisted in the SAFTA sensitive list of Afghanistan, Bangladesh, Bhutan, India and Sri Lanka.

9.9 FRESH POTATOES



Pakistan's exports of fresh potatoes to SAARC nations value USD 81.5 million, whereas Pakistan's total exports of potatoes to South Asian countries value USD 58.8 million. South Asia's imports of potatoes amounts to USD 132.9 million from supplying markets of Netherlands, India, Pakistan, China, United Arab Emirates, and Australia etc. Pakistan's total exports value USD 115 million and the major importing markets are Afghanistan, United Arab Emirates, Sri Lanka, Qatar, Oman and Malaysia etc. Nepal's imports of potatoes value USD 54.2 million, primarily from India and Bangladesh, Sri Lankan imports of potatoes value USD 31.5 million

from Pakistan, China and India. Potatoes are enlisted in SAFTA's sensitive list of Afghanistan, Bangladesh, Bhutan and Sri Lanka.

9.10 BROKEN RICE

Pakistan's exports potential of broken rice to the South Asian region amounts USD 77.9 million, total exports of Pakistan's broken rice to SAARC region are USD 53.8 million with an untapped potential of USD 25 million. South Asian imports of broken rice amounts USD 70.6 million, whereas Pakistan's global exports of broken rice values USD 248.7 million. Pakistan's major importing countries of broken rice are Indonesia, China, Senegal, Kazakhstan, Afghanistan and Turkey etc.



10. Intra-Regional Trade Potential of Sri Lanka

Sri Lanka's total trade volume in 2017 was USD 33 billion, with export volume of USD 11.7 billion and imports of USD 21.3 billion with trade deficit of USD 9.5 billion. Major export destinations of Sri Lanka are United States of America, United Kingdom, India, Germany, Italy and China etc. Major supplying markets for Sri Lanka imports are India, China, United Arab Emirate, Singapore, Japan and United States of America etc. Major imports of Sri Lanka includes mineral fuels, machinery, vehicles, cultured and natural pearls, knitted or crocheted fabrics, cotton, articles of iron and steel, paper and paper board, pharmaceutical products, manmade staple fibres and dairy produce etc. Sri Lanka exports consists of articles of apparel, coffee, tea mate and spices, rubbers, natural or cultured pearls, ships, boats, and floating structures, fish and crustaceans, edible fruits and nuts, residue and wastes from food industries, etc.

Sri Lanka's regional trade volume amounts to USD 6.1 billion, 18.6% of its total trade. Regional exports of Sri Lanka values USD 1.1 billion, whereas regional imports are USD 6.1 billion with a trade deficit of USD 5 billion. India, Maldives, Pakistan, Nepal and Afghanistan are trading partner of Sri Lanka. Major region exports of Sri Lanka consist of live animals, meat and edible meat offal, fish, dairy produce, coffee, tea mate and spices, cereals, product of milling industry, malt, starches, oil seeds, lac, gums resins and other vegetable saps and extract, cocoa and cocoa preparations, etc whereas major regional imports of Sri Lanka are vegetable fats, margarine, chocolate and other food preparation, vegetables, fruit nuts, fruit peel, hoop wood, split poles, bulbs tanning extracts, paint and varnishes, printed books, silk yarn etc.

TABLE 10.1 COMMODITIES WITH HIGH EXPORT POTENTIAL FROM SRI LANKA TO SOUTH ASIA

S.NO	PRODUCT	HS CODE	EXPORT POTENTIAL (MILLION USD)	ACTUAL EXPORT (MILLION USD)	UNTAPPED POTENTIAL (MILLION USD)	SOUTH ASIAN IMPORTS (MILLION USD)
1	Black tea	090240	131.1	10.7	120.4	675
2	Cinnamon	0906XX	119	5.6	113.3	103.9
3	Pepper	090411	11.25	56.3	56.2	219.8
4	Rubies, sapphires & emeralds, worked	710391	81.8	2.4	79.4	576
5	Diamonds	710239	58	2.4	55.6	6.5 Billion
6	Nuts nes	0802Xc	50.9	38.8	12.2	176.3
7	Cloves	0907	43.9	17.5	26.5	137.1
8	Brassieres	621210	39.3	11.9	27.7	1.6

10.1 BLACK TEA

Sri Lanka's black tea has an export potential of USD 131.1 million towards South Asia. Actual export of Sri Lankan black tea to South Asia value USD 10.7 million with an untapped potential of USD 120.4 million in 2017. South Asia's imports of black tea value USD 675 million from Kenya, Rwanda, India, Sri Lanka, Nepal, Tanzania and Uganda etc. Major importing markets of Sri Lankan black tea includes Islamic Republic of Iran, Russian Federation, Turkey, Azerbaijan, Iraq, China, Japan and United Arab Emirates.



Afghanistan's imports of black tea value USD 56 million, mainly from supplying markets of Kenya, Pakistan and United Arab Emirates. Pakistan's imports of black tea amounts USD 481.6 million from Kenya, Rwanda, United Republic of Tanzania, Burundi and India etc. Black Tea is enlisted in SAFTA sensitive list of Bangladesh, Nepal, Pakistan and Sri Lanka.

10.2 CINNAMON



Sri Lankan cinnamon has an export potential of USD 119 million for the South Asian region, and actual export of cinnamon from Sri Lanka to South Asia are USD 5.6 million only. South Asia imports of cinnamon value USD 103.9 million, whereas Sri Lanka exports of cinnamon value USD 159.1 million to the importing markets of Mexico, United States of America, Peru, Guatemala, and Colombo etc.

Afghanistan imports cinnamon primarily from China that value USD 595 thousands. Bangladesh imports of cinnamon value USD 37 million from China and Vietnam. Indian imports of cinnamon value USD 82 million primarily from Vietnam. Pakistan's cinnamon imports value USD 11 million from China and Vietnam.

10.3 PEPPER

Sri Lankan pepper has an export potential of USD 112.5 million for South Asian economies, whereas actual export of pepper to the region amounts USD 56.3 million. Sri Lanka's pepper have an untapped potential of USD 56 million for the South Asian countries. SAARC nation's cumulative imports of pepper values USD 219.8 million from Vietnam, Sri Lanka, Brazil, Indonesia and Ecuador etc. Sri Lanka's exports of pepper value USD 74 million to importing markets of India, Germany, United States of America, United Kingdom, France, China and Spain etc.



India's imports of pepper value USD 179 million from Sri Lanka, Vietnam, Indonesia, and Brazil etc. Nepal's imports of pepper value USD 52 million from Vietnam, Brazil, Indonesia and Singapore etc. Pakistan's imports of pepper value USD 26 million from Vietnam, Brazil, Madagascar and Indonesia etc. Bangladesh's imports of pepper value USD 3 million from Vietnam, Singapore, Brazil and United Arab Emirates etc. Pepper is enlisted in the SAFTA sensitive list of Bangladesh.

10.4 RUBIES, SAPPHIRES & EMERALDS, WORKED

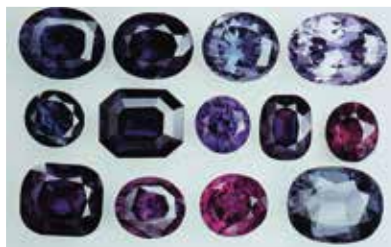


Sri Lankan rubies, sapphires and emeralds have an export potential of USD 81.8 million for the South Asian region, with only USD 2.4 million of actual exports. Sri Lanka has an untapped potential of USD 79.4 million of exporting rubies, sapphires and emeralds. South Asia import USD 576 million worth of rubies, sapphires and emeralds from China, Madagascar, Thailand and United States of America etc. Sri Lanka exports of rubies, sapphires and emeralds value USD

208 million to United States of America, France, Italy, China, Japan and United Kingdom etc. Indian imports of rubies, sapphires and emeralds value USD 255 million from China, United States of America, Thailand and Switzerland.

10.5 DIAMONDS

Sri Lanka has an export potential of USD 58 million to export diamonds to South Asia, whereas the real export of Sri Lankan diamonds to the region are USD 2.4 million. Sri Lanka has an untapped export potential of USD 55.6 million to export diamonds to the region. South Asian imports of diamonds amount USD 6.5 million from United States of America, China, Belgium, United Arab Emirates, Thailand and Japan etc. Sri Lanka exports of diamonds value USD 110 million to the importing markets of Israel, Switzerland, United States of America, Vietnam, Belgium and India etc. Indian imports of diamonds value USD 8.3 billion from United States of America, China, Belgium, United Arab Emirates and Thailand etc. Bangladesh imports of diamonds value USD 2 million from India.



10.6 NUTS NES



Sri Lanka's nuts have an export potential of USD 50.9 million for SAARC region, whereas actual exports value USD 38.8 million. South Asian imports of nuts values USD 176.3 million from the supplying markets of United States of America, United Arab Emirates, Australian, Afghanistan and Indonesia etc. Sri Lankan exports of nuts value USD 39 million and are concentrated in India, Maldives, Saudi Arabia, Bahrain and Germany etc.

India value of nuts imports value USD 1.1 billion from the supplying markets of United States of America, United Arab Emirates, Afghanistan, Australia, and China etc. Bangladesh's imports of nuts value USD 30 million; major supplying markets for Bangladesh includes Indonesia, Thailand, Singapore and United Arab Emirates. Nepal's imports of nuts value USD 25 million from the supplying markets of Indonesia, United States of America and India. Pakistan's imports of nuts value USD 18 million from China, United States of America, Islamic Republic of Iran, Indonesia and Chile etc. Maldives imports of nuts value USD 5 million, Afghanistan USD 5 million, and Bhutan 53 thousand.

10.7 CLOVES

Sri Lanka's cloves export potential to South Asian values USD 43.9 million. Actual exports of Sri Lankan cloves to the South Asian region value USD 17.5 million. Sri Lanka has an untapped potential of clove exports of USD 26.5 million to South Asian region. SAARC imports of cloves amounts USD 137.1 million from the supplying markets of Indonesia, Madagascar, Sri Lanka, Comoros, Singapore and United Republic of Tanzania etc. India, United States of America, United Arab Emirates, Germany, Saudi Arabia, and Poland are major importing markets of Sri Lankan cloves that values USD 30.8 million.



Indian imports of cloves values USD 128.1 million, from Indonesia, Madagascar, Sri Lanka and Comoros etc. Bangladesh imports of cloves value USD 7 million from Singapore, Indonesia, and China etc. Pakistan's imports of cloves amounts USD 7.1 million from Indonesia, Madagascar, Brazil and Comoros. Cloves are enlisted in the SAFTA sensitive list of Bangladesh and Sri Lanka.

10.8 BRASSIERES

Sri Lanka's export potential of brassieres for the South Asian region value USD 39.3 million. Actual exports of Sri Lanka's brassieres to the region value USD 11.9 million. Sri Lanka has an untapped export potential of USD 27.7 million to the South Asian region. South Asian total imports of Brassieres value USD 106.4 million from the supplying markets of China, Bangladesh, Sri Lanka, China, Thailand and Vietnam etc. Sri Lanka's global exports of Brassieres value USD 663.4 million to the importing markets of United States of America, Italy, United Kingdom, Belgium, China, Canada, France, Spain and Japan etc. Indian imports of brassieres value USD 41.8 million from Bangladesh, China, Cambodia and Vietnam etc.

11. Discussions and Recommendations

With less than 6% of its total trade intra-regional trade in South Asia is abysmally low with only at one third of its full potential. Behind the border trade barriers, lack of political will for regional economic integration and the sorry status of trade related infrastructure and lack of openness in terms of business to business connectivity result in losses of USD 54 billion and remains a missed opportunity to uplift life standard of 320 million poor people across region.

The study analyzed 67 prospective tariff lines to enhance regional trade in the region that ranges from agricultural goods, raw material to machines and capital goods. Mere improving trade facilitation and increasing awareness of traders in the region current trade of USD 9 billion in these 67 tariff lines could be enhanced to USD 14.7 billion and the volume of intra-regional trade may be increased to USD 30 billion. Out of these top 67 prospective tariff lines, 24 tariff lines are in the Sensitive list of the member countries and are deliberately kept out of the scope of South Asian Free Trade Agreement as part of their protectionist trade regimes. As per (UNESCAP, 2017) 67% of the intra-regional potential remains untapped. Higher tariff, poor infrastructure and lack of b2b interactions and proper information and knowledge results in high cost of doing intra-regional trade and compels business to scarify benefits of geographic proximity and regional free trade benefits.

South Asia has not been able to tap its potential benefit from regional integration. Low levels of intraregional trade and investments are difficult to justify economically, especially with increased growth in almost all countries of the region. It is the need of the hour that countries in the South Asian region should put aside their differences and conflicts and come together and act for the development of the region.

Process of unleashing is neither new nor difficult, only the political leadership of the SAARC countries have to come together and own the regional integration. The most critical element of the integration process in South Asia is building confidence and filling the huge trust deficit between the countries. The potential of increasing trade and investment and better positioning, to have a say in global governance, has the potential of uniting South Asian countries, while sidelining political differences to pursue regional integration. There is a dire need of improving the interoperability of customs electronic interfaces and harmonize the operating procedures of border crossing points and land customs stations, and to develop a network of multi-modal transport systems connecting and integrating the entire South Asia region. Improved infrastructure and connectivity also means better governance, which creates conducive environment for greater domestic and foreign investment and value chain.

The post COVID 19 scenario makes it important for countries in South Asia to come together and manage the crisis through mutual cooperation. The new trading arrangements will also require the neighboring countries to cooperate more on the trade front. Countries in the region need to realize the importance of regional cooperation in the post COVID 19 scenario where the new value chains are being created and countries in the close geographical proximity will benefit from each other.

Revival of SAARC as an institution is of utmost importance. The recent initiation of cooperative conversations by all the countries in the region under the SAARC umbrella is a positive development but it is important that the discussions within the SAARC continue and sustain. The SAARC summit which has not taken place for around five years now should be held, under the theme of COVID 19 challenges and cooperation measures for South Asia region.

In order to strengthen the process of regional economic cooperation, it is important to liberalize trade in goods, by liberalization of tariff lines and reduction of items in the sensitive lists of SAFTA and other bilateral trading agreements in the region.

Connectivity within the region is being seen as a key element in economic engagements in South Asia. Given the geographical proximity, trade through land will be the dominant trade route for the region. Land

transport being the dominant and cheapest route of transporting goods needs to be made a cost-efficient and viable mode of transportation of goods. Focus on border infrastructure towards trade facilitation needs to be undertaken by the countries to ensure smooth border clearances and movement of goods. It will also ensure facilitation for the land locked countries in the region including Nepal, Bhutan and Afghanistan.

Collaborative and coordinated border management and harmonisation of product standards and conformity assessment procedures can go a long way in enhancing the regional trade in South Asia.

Despite common heritage, history, linguistic, cultural and social practices shared by these nations, South Asia has emerged as the least integrated region in the world. The value of intra-regional trade is less than 6 percent of the region's total trade with the world. The low level of intraregional trade can be explained by a number of factors such as the high costs of intraregional trade, poor trade facilitation at borders, lack of openness in terms of business to business connectivity and the prevalence of multiple non-tariff barriers. Irrespective of the number of challenges this region faces, it also enjoys high untapped economic potential. Multiple studies have highlighted the enormous untapped trade potential in South Asia. The inception of a number of institutional frameworks for advancing regional cooperation, such as the South Asian Association for Regional Cooperation (SAARC), the Bangladesh-Bhutan-India-Nepal (BBIN) initiative and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) are suggestive of the importance and potential of regional economic cooperation.

Intra-regional exports in South Asia stood at USD 29.27 Billion in 2019, which is well-below its envisaged potential. India is the largest trading partner in South Asia, driving 77.14% of intra-regional exports in the region in 2019. The other important intra-regional export nations are Pakistan (share of 8%), Nepal (share of 5%) and Bangladesh (share of 3%). Major products being traded among the member nations are mineral fuels, cotton, vehicles, iron and steel, machinery, electrical and electronic equipment, fruits, pharmaceutical products and chemicals.

In order to enhance regional trade, the study analysed 67 prospective tariff lines ranging from agricultural goods, raw material to machines and capital goods. The study findings suggest that by merely improving trade facilitation and increasing awareness of traders in the region the current trade of USD 9 billion in these 67 tariff lines can be enhanced to USD 14 .7 billion and the volume of intra-regional trade can be increased to USD 30 billion. The study identified the below export potential items from each SAARC country:

Country	Products with export potential in the region
Afghanistan	Gums, figs, dried grapes, fresh grapes, cotton, legumes, fresh tomatoes, fresh apples, juniper berries and pistachio
Bangladesh	Men's trousers and shorts of cotton, jute and other fibres, men's cotton shirts, t-shirts and vests of cotton, women's trousers and shorts of cotton, sacks and bags of jute, cables yarn of jute, jerseys and similar of man-made fibres
Bhutan	Ferro-silicon, cardamoms, carbides of calcium and silicon, semi-finished products or iron to steel and cement clinkers
India	Motorcycles, milled rice, semi-finished products of iron/steel, medicaments, cement clinkers, synthetic organic reactive dyes, and single yarn flat rolled products of iron or non-alloy steel, chassis, motor vehicles.
Maldives	Fish, tuna, flours of fish or crustaceans, and whole fish
Nepal	Cardamom, sacks and bags of jute, ovens of jute, single yarn, yarn, lentils, cabled yarn, resin and resin acids and turpentine oils
Pakistan	Denim, Portland cement, cane/beet sugar, wheat or meslin flour, dates, semi-milled or wholly milled rice, woven cotton, citrus fruits, potatoes, and broken rice
Sri Lanka	Black tea, cinnamon, pepper, rubies, diamond, nuts, cloves, and brassieres

*Moving ahead
with changing times*



GENERAL

Pakistan's most experienced
and highest rated insurer

EFU GENERAL INSURANCE LTD

ISO 9001: 2015 Certified | Insurer Financial Strength

AA+
Outlook Stable
VIS

AA+
Outlook Stable
PACRA

B+
Outlook Positive
A.M.BEST
For the latest rating,
access www.ambest.com

the wheel history....



IT'S ALL ABOUT SERVING

GENERATION TO GENERATION



Guard Head Office 80 - Badami Bagh Lahore, P.O.Box # 465 (Pakistan) Tel: 92 42 772 5616-18, www.guardfilter.com.pk

GUARD GROUP

TRUSTED SINCE 1947



SCCI SECRETARIAT

Permanent Headquarter
No. 397, Street 64, I-8/3,
Islamabad-44000, Pakistan.
Tel: +92 51 4860612-3, 8316023
Fax: +92 51 8316024
Email : info@saarcchamber.org
Website: www.saarcchamber.org