

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3943  
ANSWERED ON:20.03.2015  
TRADE WITH NEIGHBOURING SAARC COUNTRIES  
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the salient features of India's trade relations with the neighbouring/SAARC countries;
- (b) the quantum and value of trade (exports and imports) with neighbouring/ SAARC countries during each of the last three years and the current year, country and product-wise;
- (c) the extent to which trade relations have developed with the said countries and benefits accrued thereby under SAFTA during the said period;
- (d) the areas of scope to strengthen trade relations with the neighbouring/SAARC countries and the provisions for dispute settlement mechanism under SAFTA; and
- (e) the measures taken by the Government to further boost trade relations with neighbouring/SAARC countries?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

(a) On account of its geographical size and population, diversified and mature economy, size of Gross Domestic Product (GDP), faster growth rate and trade surplus with all its neighbours, India occupies a pre- eminent position in the South Asia region. At the Fourteenth SAARC Summit held in New Delhi in April, 2007, India announced that it is ready to accept asymmetrical responsibilities, opening her market to her South Asian neighbours, without insisting on reciprocity.

(b) The value of trade (exports and imports) with neighbouring/SAARC countries during each of the last three years and the current year is given below:

Dated: 18/03/2015

Values in US \$ Millions

S.No.	Country	2011-2012 (April-January)	2012-2013 (Provisional)	2013-2014	2014-2015
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	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
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South Asia									
1.	AFGHANISTAN	510.90	133.03	472.63	159.55	474.34	208.77	352.74	217.81
TIS									
2.	BANGLADESH	3,789	585.73	5,144	639.33	6,166	484.34	5,142	484.20
	PR	.21	.99	.97	.71				
3.	BHUTAN	229.86	202.55	233.22	164.00	355.60	152.17	224.47	118.64
4.	MALDIVES	124.60	18.91	122.36	6.29	106.07	3.97	122.56	3.66
5.	NEPAL	2,721	549.89	3,088	543.10	3,592	529.93	3,729	522.99
		.57	.84	.30	.55				
6.	PAKISTAN	1,541	361.93	2,064	541.87	2,274	426.88	1,579	423.92
	IR	.57	.89	.30	.90				
7.	SRI LANKA	4,378	578.04	3,983	625.81	4,534	666.93	5,785	518.82
	DSR	.79	.87	.35	.88				
Total of		13,296	2,430.08	15,110	2,679.95	17,503	2,472.98	16,937	2,290.04
South Asia		.50	.80	.92	.81				

Data Source: DGCIS, Kolkata DOC-NIC

Region-wise value of trade (exports and imports) are given in the annexure.

(c) During the five year period of 2009-10 to 2013-14, Indian exports to SAARC countries grew at a Compounded Annual Growth Rate (CAGR) of 20.18 percent, while imports from them grew at CAGR of 10.52 percent. During 2013-14, Sri Lanka, Bangladesh,

Nepal and Pakistan figure in the top 35 exports destinations for Indian goods.

(d) India is focused on strengthening Trade in Services in SAARC region. Article 20 of the Agreement on South Asian Free Trade Area (SAFTA) provides for dispute settlement mechanism.

(e) Government has taken step to improve the trade infrastructure with neighbouring/SAARC countries. SAFTA provisions have also been liberalized by India/SAARC Countries to encourage greater trade.