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Assessing India's Trade Potential with Developing Countries: A Case Study Approach

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ABSTRACT:

India has steadily deepened its trade relations with developing countries, including BIMSTEC nations, ASEAN, and African LDCs, through strengthened South-South cooperation. These partnerships are marked by complementary sectoral strengths in agriculture, textiles, and intermediate goods. While trade with Pakistan has seen fluctuations, it continues to offer insights into broader trade patterns and sectoral interdependence relevant to other developing economies. This paper employs Revealed Comparative Advantage (RCA) and Revealed Import Dependence (RID) indices to assess India's trade potential with developing nations, using Pakistan as a case study to demonstrate structural trade patterns. Based on trade data from 2010 to 2023, the study not only examines India-Pakistan trade dynamics as a case study but also extends the analysis to India's trade profile with BIMSTEC countries. The findings reveal significant trade complementarities, mutual dependencies, and untapped potential across developing economies, offering a strategic framework for future trade policy and regional integration.

Keywords: BIMSTEC, Developing Countries, India, Pakistan, Revealed Comparative Advantage, Relative Import Dependence, South-South Cooperation, Trade Complementarity.

INTRODUCTION:

India's evolving trade landscape has been significantly influenced by its engagement with developing countries, fostering strategic economic partnerships through South-South cooperation. Over the years, India has worked to enhance its trade linkages with regional blocs and individual nations such as BIMSTEC countries, ASEAN members, and Least Developed Countries (LDCs) in Africa. These efforts are grounded in mutual development goals, sectoral complementarities, and shared economic aspirations. The pursuit of deeper trade integration among developing nations is driven by their growing economic significance and the recognition of regional trade as a key engine for growth.

This study adopts a case study approach focusing specifically on India and Pakistan to explore trade potential through the lens of Revealed Comparative Advantage and Revealed Import Dependence indices. While the India–Pakistan trade relationship offers important insights into bilateral complementarities, the analysis extends further to highlight India's growing dependence on other developing nations, particularly BIMSTEC countries. By examining trade patterns with BIMSTEC, the study underscores India's strategic efforts to diversify its trade partnerships and strengthen regional economic cooperation beyond its immediate neighbors. Specifically, RCA and RID values are computed using Harmonized System (HS) four-digit codes for India-Pakistan trade and HS six-digit codes for India's trade with BIMSTEC countries. This methodological distinction allows for a more detailed sectoral comparison with BIMSTEC partners, aligning with India's broader regional trade strategy. The analysis is based on secondary data extracted from the UN Comtrade Database, covering the period from 2010 to 2023.

An Revealed Comparative Advantage (RCA)index value greater than 1 indicates that a country holds a comparative advantage in exporting a particular product, while a value below 1 suggests a lack of export advantage in that item. In contrast, the Revealed Import Dependence (RID) index helps identify products for which a country shows significant import reliance on its trading partners. An RID value above 1 signifies that the country has a high level of dependence on imports of that specific commodity (Madaan, 1996).

The study aims to identify sectoral strengths, trade complementarities, and asymmetries that can inform strategic policymaking. By integrating quantitative analysis with regional trade insights, the paper provides a comprehensive assessment of India's trade potential with developing economies. The findings are expected to offer valuable implications for strengthening trade agreements, diversifying exports, and fostering regional economic cooperation, ultimately contributing to India's long-term trade and development goals.

2. OBJECTIVE OF THE PAPER:

To assess India's trade potential with developing countries by analyzing its Revealed Comparative Advantage (RCA) and Revealed Import Dependence (RID) indices, using Pakistan as a focused case study and extending the analysis to BIMSTEC nations for a broader understanding of regional trade dynamics and dependencies.

3. METHODOLOGY:

This study primarily relies on secondary data collected from a range of published and unpublished sources. The analysis focuses on the period from 2010 to 2023, depending on the availability of data. Key data sources include the UN COMTRADE database and the International Trade Centre's Trade Map. Additional information has been obtained from academic journals, books, research articles, newspapers, magazines, and online websites. The Revealed Comparative Advantage and Revealed Import Dependence indices have been calculated using trade data classified under the 4-digit and 6-digit Harmonized System (HS) codes.

Balassa's RCA index can be computed as follows:

$$RCA_{ij} = (X_{ij}/X_{it}) / (X_{wj}/X_{wt})$$

The Revealed Comparative Disadvantage Index or RID can be computed as follows:

$$RID_{ij} = (M_{ij}/M_{it}) / (M_{wj}/M_{wt})$$

4. DISCUSSION AND ANALYSIS:

4.1 India's Export Potential Commodities for Pakistan:-

The potential export commodities from India to Pakistan have been identified by aligning items where India's RCA index exceeds one with those where Pakistan's RID index is also greater than one during 2010-2023.

Table 1: India's RCA during 2010-2023

Sr. No.	HS Code	Items	RCA of India
1	908	Nutmeg, mace and cardamoms	16.7
2	508	Coral and similar materials	11.6
3	903	Mate	10.4
4	5201	Cotton	8.7
5	1302	Vegetable saps and extracts	7.4
6	105	Live poultry	7.0
7	5202	Cotton waste	6.8
8	5205	Cotton yarn	6.5
9	5309	Woven fabrics of flax	6.4
10	1001	Wheat and meslin	5.8
11	910	Ginger, saffron, turmeric	5.8
12	904	Pepper of the genus Piper; dried or crushed	5.1
13	306	Crustaceans	5.0
14	5301	Flax, raw or processed	4.9
15	909	Seeds of anis, badian	4.8
16	1301	Lac; natural gums, resins, gum-resins	4.7
17	203	Meat of swine	4.2
18	902	Tea	3.6
19	1703	Molasses	3.4
20	4106	Tanned or crust hides and skins of goats or kids	3.3

* Calculated on the basis of average 2010-23
Source: UN Comtrade Database 2025

Table 1 presents India's Revealed Comparative Advantage across selected commodities for the period 2010–2023. RCA is an index used to assess a country's export strength in a specific product relative to the global average. India exhibits a strong export advantage in nutmeg, mace, and cardamoms (HS Code 908) with an RCA of 16.7, which is the highest among all listed items, reflecting India's traditional strength in spice production. Other highly ranked products include coral and similar materials (RCA: 11.6), mate (10.4), and raw cotton (8.7)—all of which signify sectors where India holds significant global competitiveness.

Additionally, India demonstrates consistent export potential in cotton-related products such as cotton waste (6.8), cotton yarn (6.5), and woven fabrics of flax (6.4). Spices continue to be a strong area, with ginger, saffron, and turmeric (5.8) and pepper (5.1) showing notable RCA values. Even in non-agricultural items like crustaceans (5.0) and lac and natural resins (4.7), India maintains a respectable comparative edge. Lower but still positive RCA values are observed in products like tea (3.6) and molasses (3.4). These figures suggest that India's global trade advantage lies predominantly in agro-based and raw material sectors, which can be further strengthened through export promotion, improved processing infrastructure, and diversification into emerging markets.

Table 2 outlines Pakistan's Revealed Import Dependence for various products during the period 2010–2023. A higher RID suggests a stronger reliance on foreign suppliers due to limited or insufficient domestic production. Pakistan exhibits the highest import dependence on jute and other textile bast

fibres (HS Code 5303) with an RID of 49.3, indicating an overwhelming reliance on imports to meet domestic demand. This is followed by copra (33.9) and tea (15.6), both of which are essential commodities with limited domestic production capacity in Pakistan

Table 2: Pakistan's RID during 2010-2023

Sr. No.	HS Code	Items	RID of Pakistan
1	5303	Jute and other textile bast fibres	49.3
2	1203	Copra	33.9
3	902	Tea	15.6
4	5005	Yarn spun from silk waste	15.5
5	1511	Palm oil and its fractions	14.0
6	5201	Cotton	12.2
7	713	Dried leguminous vegetables	11.2
8	1205	Rape or colza seeds	9.7
9	4102	Raw skins of sheep or lambs	9.1
10	1522	Degras	8.2
11	4105	Tanned or crust skins of sheep	7.5
12	4004	Waste, parings and scrap of soft rubber	7.4
13	1404	Vegetable products	6.8
14	910	Ginger, saffron, turmeric curcuma	5.9
15	4701	Mechanical wood pulp	5.3
16	5004	Silk yarn	4.8
17	908	Nutmeg, mace and cardamoms	4.5
18	5007	Woven fabrics of silk or of silk waste	4.2
19	1502	Fats of bovine animals, sheep or goats	3.8
20	909	Seeds of anis, badian, fennel	3.8

* Calculated on the basis of average 2010-23

Source: UN Comtrade Database 2025

Further, table 2 reveals significant dependence on items such as silk yarn (15.5), palm oil (14.0), cotton (12.2), and dried legumes (11.2)—products essential to Pakistan's textile and food industries. Moderate levels of dependence are observed in natural products and raw materials like rape seeds, raw skins, and vegetable products. Items like ginger, saffron, and cardamom represent Pakistan's reliance on imports for aromatic spices and condiments. The presence of silk fabrics and fats of animals with lower RID values suggests that these are niche or specialized segments within Pakistan's import basket. Understanding these RID values can guide policymakers in identifying vulnerable areas of over-dependence and exploring avenues for domestic capacity building or targeted trade partnerships.

By comparing India's RCA values greater than one with Pakistan's RID values also exceeding one, several commodities have been identified as having strong export potential from India to Pakistan. India's key potential export items to Pakistan include nutmeg, mace, and cardamoms (HS 908); cotton (5201); ginger, saffron, turmeric (910); pepper (904); seeds of anis, badian (909); tea (902); tanned goat and kid skins (4106), indicating significant trade opportunities. Notably, India has its highest average RCA of 16.7 in nutmeg, mace, and cardamoms, while Pakistan's RID for this item is 4.5. Whereas, Pakistan shows the highest RID of 15.6 in tea, where India's RCA is 3.6, highlighting strong mutual trade potential. Exporting such products could strategically benefit India in enhancing trade with Pakistan.

4.2 Pakistan's Export Potential Commodities for India:

By aligning Pakistan's RCA values greater than one with India's RID values above one during the period 2010–2023, several commodities have been identified as viable for bilateral trade, indicating strong potential for future exports from Pakistan to India.

Table 3 analyzes Pakistan's Revealed Comparative Advantage during 2010–2023 on the products in which Pakistan has demonstrated strong export competitiveness. The RCA index quantifies how well a country performs in exporting a particular good relative to the global average. An RCA value greater than 1 indicates a comparative advantage. In this table, all listed items have RCA values significantly above 1, suggesting that Pakistan has a strong and consistent advantage in these products during 2010-2023. Notably, the highest RCA values were observed in various types of cotton-based textiles and fabrics, highlighting Pakistan's longstanding strength in the cotton and textile industry.

The leading products include woven fabrics of cotton under different classifications (HS codes 5212, 5210, and 5209), with RCA values ranging from 29.3 to 44.5. These are followed by cotton waste (24.7) and cotton yarn (22.6), reaffirming the depth and breadth of Pakistan's cotton sector. Additionally, leather products such as leather prepared after tanning or crusting (RCA 23.6 and 9.7) show strong performance, reflecting Pakistan's well-established leather tanning industry. These figures suggest that cotton and leather-based exports form the backbone of Pakistan's manufacturing and export sector, supported by availability of raw materials, skilled labor, and traditional expertise.

Beyond textiles and leather, other sectors where Pakistan has competitive strength include agriculture and food products, particularly rice (RCA 19.5), dried fruits like apricots and prunes (8.2), and ethanol (RCA 8.1). These items signify Pakistan's agricultural potential and export specialization in food and beverage categories. In the domain of raw materials and waste products, wool waste (16.4), cotton waste, and rubber scraps (5.2) also exhibit RCA,

indicating exportable surpluses of industrial and textile residues. These items are likely used as inputs in recycling or value-added production in importing countries.

Table 3: Pakistan's RCA during 2010-2023

Sr. No.	HS Code	Items	RCA of Pakistan
1	5212	Woven fabrics of cotton	44.5
2	5210	Woven fabrics of cotton, containing predominantly	42.8
3	5209	Woven fabrics of cotton, containing >= 85%	29.3
4	5202	Cotton waste, incl. yarn waste and garnetted stock	24.7
5	4113	Leather further prepared after tanning or crusting	23.6
6	5205	Cotton yarn other than sewing thread	22.6
7	1006	Rice	19.5
8	1213	Cereal straw and husks, unprepared	16.8
9	5103	Waste of wool or of fine or coarse animal hair	16.4
10	5204	Cotton sewing thread, whether or not put up for retail sale	11.4
11	5208	Woven fabrics of cotton	11.2
12	4112	Leather further prepared after tanning	9.7
13	5211	Woven fabrics of cotton	8.3
14	813	Dried apricots, prunes, apples, peaches	8.2
15	2207	Undenatured ethyl alcohol of an alcoholic strength	8.1
16	4004	Waste, parings and scrap of soft rubber and powders	5.2
17	910	Ginger, saffron	4.7
18	506	Bones and horn-cores and their powder and waste	4.7
19	5203	Cotton, carded or combed	4.6
20	5206	Cotton yarn containing	4.4

* Calculated on the basis of average 2010-23

Source: UN Comtrade Database 2025

It is concluded that Pakistan's export structure is concentrated in low to medium value-added products, primarily textiles, leather, and agricultural commodities. To further enhance its trade competitiveness, especially within developing regional frameworks like BIMSTEC or SAARC, Pakistan may benefit from diversifying its export base and upgrading its manufacturing capabilities.

Table 4 presents India's Revealed Import Dependence across various commodities, during 2010–2023. RID indicates the extent to which India relies on imports for specific products. As seen in the table, India's highest import dependence is on raw silk (HS Code 5002) with an RID of 26.4, indicating limited domestic availability and a strong reliance on imports to meet demand. Other highly dependent items include cloves (19.3), jute fibres (13.9), dried legumes (13.7), and soya-bean oil (13.3)—all of which are essential for food processing, textiles, or agricultural sectors.

Table 4: India's RID during 2010-2023

Sr. No.	HS Code	Items	RID of India
1	5002	Raw silk "non-thrown""	26.4
2	907	Cloves, whole fruit, cloves and stems	19.3
3	5303	Jute and other textile bast fibres	13.9
4	713	Dried leguminous vegetables	13.7
5	1507	Soya-bean oil and its fractions	13.3
6	5310	Woven fabrics of jute	11.6
7	1511	Palm oil and its fractions	11.5
8	5306	Flax yarn	11.3
9	801	Coconuts	10.2
10	1301	Lac; natural gums, resins	9.9
11	4105	Tanned or crust skins of sheep or lambs	9.3
12	1512	Sunflower-seed, safflower or cotton-seed oil	8.6
13	501	Human hair	7.4
14	1401	Vegetable materials	7.0
15	906	Cinnamon and cinnamon-tree flowers	6.4
16	5006	Silk yarn and yarn spun from silk waste	5.7
17	4707	Recovered "waste and scrap" paper	5.4
18	5307	Yarn of jute or of other textile bast fibres of heading 5303	5.3

19	4403	Wood in the rough	5.0
20	4702	Chemical wood pulp, dissolving grades	4.8

* Calculated on the basis of average 2010-23

Source: UN Comtrade Database 2025

Further, India's RID remains notable for items such as palm oil (11.5), coconut (10.2), and natural resins (9.9), suggesting strategic gaps in domestic production. The list also includes tanned skins, various vegetable oils, and waste paper, all of which play a role in India's manufacturing and industrial processes. Products like human hair (7.4) and silk yarn (5.7) are niche but relevant for export-oriented industries. It helps identify sectors where India could reduce import dependence by enhancing domestic production or diversifying trade partnerships.

During 2010-2023, an analysis comparing Pakistan's RCA index (greater than 1) with India's corresponding RID index (also greater than 1) reveals a set of commodities with strong trade potential. Key export items from Pakistan to India include cotton waste (HS 5202), undenatured ethyl alcohol (2207), rubber scrap (4004), turmeric and related spices (910), jute fabrics (5310), human hair (501), dried fruits (804), oil seeds (1207), cane sugar (1701), and raw cotton (5201). Pakistan shows its highest comparative advantage in cotton waste (RCA: 24.7), which aligns with India's import dependence (RID: 1.3), while India's greatest import need is in jute fabrics (RID: 11.6), where Pakistan maintains a notable export advantage (RCA: 3.7).

4.3 India's Export Potential Commodities for BIMSTEC:-

The potential export commodities from India to BIMSTEC have been identified by aligning items where India's RCA index exceeds one with those where BIMSEC's RID index is also greater than one during 2010-2023.

Table 5: India's Potential Export Items to BIMSTEC Countries Based on Her Revealed Comparative Advantage (RCA) Indices and Latter's Revealed Import Dependence Advantage (RID) Indices for Imports on an average during 2010-2023

Sr. No.	Items	RCA	RID					
		India	Bangladesh	Bhutan	Myanmar	Nepal	Sri Lanka	Thailand
1	Floor coverings of coconut fibres	58.3	0	0	0	2.0	13.6	0.2
2	Mica waste	57.1	0	0	0	0.0	283.1	0.0
3	Articles for interior furnishing, cotton	55.0	44.4	0	0.0	0.3	0.2	1.0
4	Turmeric "curcuma"	54.6	1.0	0	323.7	7.4	0.0	2.6
5	Coconut "coir" yarn	49.5	0.0	0	0.0	11.1	20.8	0.0
6	Woven fabrics of jute or other textile	40.3	2236.3	0	0.0	2107.1	0.0	0.0
7	Multiple "folded" or cabled yarn	35.7	693.5	0	0.0	117.2	0.9	0.0
8	Granite and articles	32.1	0.0	0	0.0	4.1	22.0	0.0
9	Ossein and bones treated with acid	30.2	109.8	0	0.0	54.6	9.4	0.0
10	Shawls, scarves, mufflers, mantillas	28.4	25.0	0	0.0	3.3	0.1	0.0
11	Crude mica and mica rifted into sheets	27.7	0.0	3.9	0.0	0.0	6.2	0.0
12	Sacks and bags	26.4	3948.2	0.0	0.0	1413.1	0.1	4.4
13	Live, fresh or, not smoked, cuttle fish	25.8	6.9	0.0	0.0	0.0	7.6	0.0
14	Single cotton yarn, uncombed fibres	24.8	1.6	0.0	0.0	5.9	0.7	0.2
15	Benzaldehyde	23.7	0.0	0.0	0.0	0.0	23.9	0.4
16	Collages & similar decorative plaques	23.0	3.4	0.0	0.0	10.8	0.9	0.4
17	Human hair, unworked	22.9	0.0	0.0	304.4	0.0	0.4	2.7
18	Flat-rolled products	22.1	4.2	0.0	0.0	670.5	0.0	0.0
19	Yarn containing predominantly	21.3	1.3	0.0	0.0	335.3	0.3	0.1
20	Lac; natural gums, resins	20.7	0.7	0.0	0.1	2.9	115.5	81.2

* Calculated on the basis of average 2010-23

Source: UN Comtrade Database 2025

Table 5 analyzed India's Potential Export Items to BIMSTEC Countries presents an insightful analysis of trade opportunities by mapping India's RCA in various products against the RID of BIMSTEC member countries (Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka, and Thailand). RCA reflects India's relative strength in producing and exporting specific commodities, while RID indicates the degree to which the partner countries depend on imports for those goods. It is evident form table 5 that India shows strong export potential in traditional products like floor coverings of coconut fibres (RCA 58.3), mica waste (57.1), turmeric (54.6), and jute-based items.

From the importers' side, Bangladesh and Nepal emerge as key markets for Indian exports. Bangladesh, for example, has high RID values for jute fabrics (2236.3), sacks and bags (3948.2), and multiple folded yarn (693.5), which align with India's high RCA values in these categories. Nepal also shows significant RID for these products, suggesting strong bilateral trade complementarities. Similarly, Myanmar has a high import dependence for turmeric (RID 323.7) and human hair (RID 304.4), aligning with India's production capabilities. Sri Lanka, on the other hand, demonstrates high RID for items like mica waste (283.1), lac and resins (115.5), and granite (22.0), again presenting India with export opportunities.

Thailand and Bhutan show relatively lower RID indices across most items, indicating less immediate trade complementarity in these product categories. However, certain specialized or decorative items such as turmeric and decorative plaques still reflect moderate trade potential. Overall, the combination of India's high RCA and corresponding RID in several BIMSTEC countries reveals a complementary trade pattern. This synergy highlights the opportunity for India to strengthen its export strategy and support greater intra-regional trade integration within the BIMSTEC framework by targeting products where demand and supply advantages clearly align.

4.4 BIMSTEC's Export Potential Commodities for India:-

By aligning BIMSTEC's RCA values greater than one with India's RID values above one during 2010–2023, various commodities have been identified as viable for bilateral trade, indicating strong potential for future exports from BIMSTEC to India.

Table 6 shows India's potential import items from BIMSTEC countries based on her RID and the latter's RCA Indices during 2010-2023. It provides valuable insights into India's strategic import reliance and potential sourcing opportunities within the BIMSTEC region. The Revealed Import Dependence index indicates how heavily India relies on specific imports, while the Revealed Comparative Advantage index for the BIMSTEC countries shows their export strengths in those same products. Higher RID values for India, combined with high RCA values for partner countries, suggest mutually beneficial trade opportunities. It is evident from table 6 that India's RID on "Gum, sulphate turpentine oils" is 23.5, and Nepal has a very high RCA of 266.8, making it a highly viable trade partner for this item. Similarly, India relies significantly on "Precious and semi-precious stones" with an RID of 20.5), which Myanmar exports with an RCA of 437.9, reflecting clear trade complementarity.

Table 6: India's Potential Import Items from BIMSTEC Countries Based on Her Revealed Import Dependence (RID) Indices and Latter's Revealed Comparative Advantage (RCA) Indices for Exports on an average during 2010-2023

Sr. No.	Items	RID	RCA					
		India	Bangladesh	Bhutan	Myanmar	Nepal	Sri Lanka	Thailand
1	Gum, sulphate turpentine oils	23.5	0.0	0.0	0.0	266.8	0.0	0.0
2	Precious and semi-precious stones	20.5	0.0	0.0	437.9	0.0	0.0	0.0
3	Oilcake and other solid residues	16.2	0.0	0.0	0.0	0.0	113.2	0.0
4	Limestone flux; limestone stone	15.9	0.0	206.4	0.0	0.0	0.0	0.0
5	Dried, shelled beans of species	15.5	0.0	0.0	685.6	0.0	0.0	0.0
6	Woven fabrics of jute	11.4	169.1	0.0	0.0	752.6	0.0	0.0
7	Jute and other textile bast fibres	10.5	339.4	0.0	0.0	0.0	0.0	0.0
8	Dried, shelled lentils	8.5	0.0	0.0	0.0	96.0	0.0	0.0
9	Tropical wood in the rough	8.5	0.0	0.0	1.5	0.0	0.0	0.0
10	Hides and skins of goats	7.5	0.0	0.0	0.0	599.9	0.0	0.0
11	Pulps	7.1	0.0	0.0	10.6	0.0	0.0	0.0
12	Wire of refined copper	7.0	0.0	36.9	0.0	0.0	0.0	0.0
13	Wood in the rough	6.7	0.0	0.0	9.9	0.0	0.0	0.0
14	Sacks and bags	6.6	132.2	0.0	0.0	1483.1	0.0	0.0
15	Dolomite ramming mix	6.3	0.0	600.2	0.0	0.0	0.0	0.0
16	Millstones, grindstones	6.3	0.0	0.0	0.0	0.0	0.0	35.2
17	Safrole	5.6	0.0	0.0	0.0	0.0	161.1	0.0
18	Crude dolomite	5.2	0.0	4549.8	0.0	0.0	0.0	0.0
19	Single yarn	5.1	0.0	0.0	0.0	453.2	0.0	0.0
20	Carbides of calcium	4.9	0.0	2277.3	0.0	0.0	0.0	0.0

* Calculated on the basis of average 2010-23

Source: UN Comtrade Database 2025

A closer comparison shows that India's import dependence is concentrated in agricultural and mineral-based raw materials such as oilcake residues, dried lentils, limestone, wood, and jute-related products. Interestingly, several BIMSTEC members exhibit strong export advantages in these sectors. Bhutan shows an exceptional RCA in crude dolomite (4549.8) and Carbides of calcium (2277.3), aligning well with India's RID values of 5.2 and 4.9, respectively. Similarly, Bangladesh and Nepal hold strong RCA in jute and jute-based products, while Sri Lanka shows high RCA for safrole (161.1) and oilcake residues (113.2). These findings underscore how India's industrial needs—especially for raw materials and intermediate goods—can be effectively met through targeted imports from BIMSTEC countries that already possess export specialization.

Further, the table shows limited overlap between India's import dependence and Thailand's RCA. Thailand exhibits a strong RCA (35.2) in *millstones and grindstones***,** matching India's RID of 6.3. This indicates a potential trade synergy in this product. Thailand may also have moderate potential in *pulps***,** though not prominent in this dataset. Overall, India–Thailand trade appears more aligned in select industrial goods than in raw materials.

The overall complementary trade pattern strengthens the potential for deeper intra-regional trade integration within BIMSTEC. However, India's role as a large importer, particularly in sectors where its regional partners demonstrate competitive export capabilities, highlights a natural synergy. The policy implication is that India should consider strengthening bilateral and multilateral trade arrangements with BIMSTEC nations to secure reliable

supply chains, reduce dependence on distant markets, and promote regional economic cooperation. Moreover, India can develop strategic sourcing policies and diversify imports while enabling neighboring countries to expand their export markets.

5. POLICY IMPLICATIONS:

The analysis of India's trade potential using the RCA and RID indices offers valuable insights for trade policy formulation. Identifying products where India lacks a comparative advantage but where countries like Pakistan or BIMSTEC members exhibit strength can guide targeted trade agreements and sectoral import strategies. For commodities with high import dependence (RID > 1), India may consider diversifying import sources or enhancing domestic production to mitigate external vulnerabilities. Simultaneously, in areas where India demonstrates a strong export advantage (RCA > 1), efforts should focus on boosting competitiveness through trade facilitation, infrastructure development, and market expansion initiatives. Strengthening regional trade ties with BIMSTEC can also support India's broader goal of balanced and resilient trade relations. Overall, aligning trade policy with RCA and RID insights can promote more informed and effective economic decision-making.

6. CONCLUSION:

The empirical analysis using Revealed Comparative Advantage and Revealed Import Dependence indices provides a comprehensive understanding of India's trade potential with Pakistan and BIMSTEC countries over the period 2010–2023. Wani and Dhami (2014) applied the RCA and RID methodologies to assess the trade potential between India and Brazil. Wani et al. (2016) utilized similar indices to examine the scope for trade between India and South Africa. In this paper, the analysis reveals strong trade complementarities in India–Pakistan trade relations. Pakistan exhibits a strong comparative advantage (RCA > 1) in several products such as *cotton waste (5202), woven cotton fabrics (5209–5212), undenatured ethyl alcohol (2207), ginger and turmeric (0910), and jute fabrics (5310)***.** These are matched with India's corresponding RID values greater than one, indicating India's substantial import dependence on these products.

In particular, the highest RCA value of 24.7 was recorded in *cotton waste (5202)***,** while India's RID value for the same stood at 1.3, highlighting a potential trade opportunity. Similarly, *jute fabrics (5310)* showed a strong two-way trade potential where India's RID index was 11.6, and Pakistan maintained an RCA of 3.7. These findings underline the feasibility and mutual benefits of enhancing trade in select product categories between the two neighbors, even amidst periodic geopolitical tensions. The analysis reinforces that India can strategically rely on Pakistan for specific raw materials and semi-processed goods that align with its import needs.

Turning to BIMSTEC countries, the study reveals that India also shares notable trade complementarities with member nations such as Thailand, Bangladesh, and Myanmar. Products like *edible fruits and nuts, rubber, spices, and certain mineral products* reflect high RCA values in BIMSTEC countries alongside higher RID values in India. For example, Thailand shows a strong RCA in processed food products and rubber, where India's RID values also exceed one, suggesting strong import dependence. Likewise, India demonstrates significant export potential to BIMSTEC nations in sectors like *automotive components, pharmaceuticals, and refined petroleum***,** where India's RCA exceeds one, and BIMSTEC countries show relatively higher import dependence.

Overall, the findings suggest that while Pakistan offers a focused and specific set of trade opportunities for India, BIMSTEC represents a broader platform for regional economic integration and trade diversification. The RCA–RID matrix clearly identifies win-win product categories that can be leveraged for policy-driven trade enhancement. Encouraging bilateral and multilateral engagements based on such data-driven insights can help India reduce supply chain risks, ensure raw material availability, and expand its export footprint in neighboring developing economies.

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