

## Indo-SAARC Trade Trend during COVID-19 Era

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**Abstract:** Nations and territories in South Asia have been influenced by the covid-19 pandemic. The first South Asian nation to report an affirmed case was Nepal and India was the first South Asian nation to overwhelm China regarding the number of Covid-19 cases. The SAARC Intra-Regional Trade was at that point drifting around an extremely low level at less than 5 percent, the flare-up of Covid-19, further influenced the intra-regional trade in South Asia. The present study will examine India's trade trend with the South Asian nation during the Covid-19 era. The South Asian countries are undergoing through covid-19 pandemic since November 2019. The empirical evidence shows that this has led to an increased India's trade trend in these countries. Surprisingly, though the trade between India-SAARC has not grown substantially, there has been a change in the significance of India's trading partners over time.

**Keywords:** Covid-19, SAARC, Intra-Regional, Integration

### 1. Introduction

Corona-virus is a newfound irresistible sickness in light of which everybody is enduring, some are experiencing ailment and some are experiencing different issues. There is a tremendous effect of this pandemic on the instruction area and the effect isn't just on the Indian trade however everywhere in the world. Nations and territories in South Asia have been influenced by the covid-19 pandemic. The first South Asian nation to report an affirmed case was Nepal and India was the first South Asian nation to overwhelm China regarding the number of Covid cases.

The SAARC Intra-Regional Trade was at that point drifting around an extremely low level at less than 5 percent, the flare-up of Covid-19, further influenced the intra-regional trade in South Asia

### 2. Review of literature

This section will discuss various studies focusing on the relationship between covid-19 and intra-regional trade in South Asia.

Kathiresan, Arumugam et.al (2020), studied the impact of covid-19 on the rice sector of Africa and Asia. The market in Africa was found dependent on imports from Asia and the production of rice is continuously reducing.

Kassa, Woubet (2020) examined the impact of Covid-19 on SSA trade and policy implications. This global pandemic has caused a reduction in economic growth at the global level. Especially, the trade sector was found affected drastically during this pandemic era. The livelihood of the people in Africa has become worst due to this. The study suggested the government should formulate some new policies for the producers' of the essential goods so that at least the subsistence level could be maintained.

Mold, Andrew, and Mveyange, Anthony (2020) analyzed "the impact of covid-19 on regional trade in the East African Community (EAC)". Data was used published through May 2020. The findings of the study show that exports of the region experienced improvement and imports of the region sharply declined which lead to downward trends in trade deficit.

### 3. Gap in Literature and Objective of the study

From the review of various research papers and articles, it was observed that COVID-19 has impacted trade trends almost all over the world. However, only a few studies have focused on the impact of intra-regional trade in South Asia.

Based on the literature, the present study will examine India's trade trend with the South Asian nation during the Covid-19 era.

### 4. Research Methodology

The required data was taken from the "Export-Import Data Bank, department of commerce, the government of India" direction of trade statistics, and world development indicators. The period of the study is the month of July 2019 to August.2020, so monthly data was used to study the India-SAARC trade trend and India's Trade with World. To depict the trade trend, tabular and graphical presentation was used computing

#### Covid-19 & Intra regional Trade Trend

India-SAARC trade has continued to be abysmal. However, the monthly trend during the covid-19 period is improving. During July 2019 and February 2020, the percentage share of trade between India and other SAARC nations in India's total trade with the rest of the world ranged between 3.12% and 3.53%. After the covid-19 outbreak, this ratio declined and reached to 1.95% in April 2020. Thereafter, it starts increasing and reached a maximum in July 2020 at 3.74%. From July 2019 to August 2020, the percentage share of imports of India from

other SAARC nations in India's total imports from the rest of the world was lower than India-SAARC exports. In fact, in the same time-span, India-SAARC imports as a percentage share of India's total imports from the rest of the world have ranged between 0.81% and .29% while India-SAARC exports have ranged between 6.69% and 4.62% (Table 1).

Table 1: India-SAARC Trade and India's Trade with World (July 2019 to August 2020)

Month	Monthly Trade between India and other SAARC nations (USDM)			Monthly Trade of India with World (USDM)			Share of India-SAARC Trade in India's Trade with World (%)		
	X	M	X+M	X	M	X+M	X	M	X+M
Jul-19	1,755.12	325.7	2,080.82	26,233.65	40,430.65	66,664	6.69	0.81	3.12
Aug-19	1,775.85	299.85	2,075.70	25,991.91	39,852.08	65,844	6.83	0.75	3.15
Sep-19	1,849.35	359.89	2,209.24	26,024.49	37,694.82	63,719	7.11	0.95	3.47
Oct-19	1,719.44	354.11	2,073.55	26,233.06	37,986.37	64,219	6.55	0.93	3.23
Nov-19	1,853.24	398.52	2,251.76	25,771.57	38,523.25	64,295	7.19	1.03	3.50
Dec-19	1,974.63	359.97	2,334.60	27,107.38	39,594.12	66,702	7.28	0.91	3.50
Jan-20	1,868.47	390.58	2,259.05	25,853.30	41,149.50	67,003	7.23	0.95	3.37
Feb-20	1,949.43	370.11	2,319.54	27,742.76	37,904.47	65,647	7.03	0.98	3.53
Mar-20	1,548.24	230.29	1,778.53	21,490.67	31,470.92	52,962	7.20	0.73	3.36
Apr-20	482.31	49.43	531.74	10,152.57	17,081.77	27,234	4.75	0.29	1.95
May-20	886.27	80.05	966.32	19,174.43	22,800.80	41,975	4.62	0.35	2.30
Jun-20	1,331.74	128.23	1,459.97	21,921.09	21,303.13	43,224	6.08	0.60	3.38
Jul-20	1,678.92	266.13	1,945.05	23,574.80	28,471.12	52,046	7.12	0.93	3.74
Aug-20	1,519.80	242.79	1,762.59	22,707.67	29,473.21	52,181	6.69	0.82	3.38

“Source: Export-Import Data Bank, Department of Commerce, GOI”.

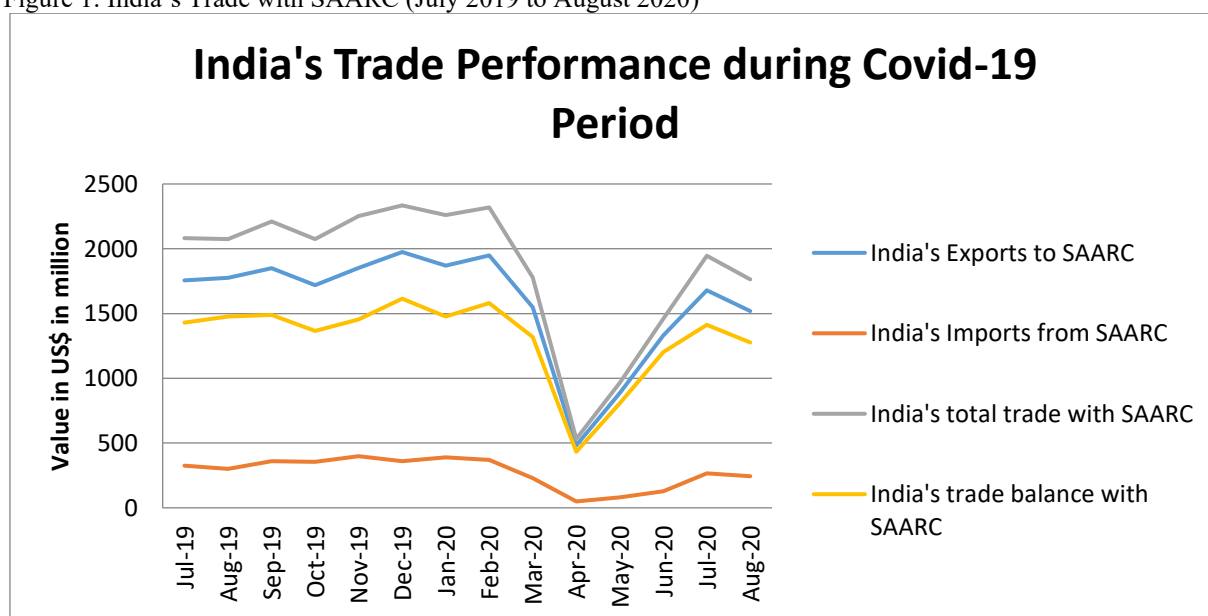
Table 2 and figure 1 indicates that total exports of India to other SAARC nations increased by 5.60% at the monthly average growth rate during July 2019 and August 2020, imports grew at 9.32% and total trade with these countries increased by 5.77% at the monthly average rate under the same time-span.

Table 2: India's Trade with SAARC (July 2019 to August 2020)

Month	India's Exports to SAARC	India's Imports from SAARC	India's total trade with SAARC	India's trade balance with SAARC	Share of India's Trade Balance to Total Trade with SAARC
	US\$ million				
Jul-19	1,755.12	325.7	2,080.82	1,429.42	68.70
Aug-19	1,775.85	299.85	2,075.70	1,476.00	71.11
Sep-19	1,849.35	359.89	2,209.24	1,489.46	67.42
Oct-19	1,719.44	354.11	2,073.55	1,365.33	65.85
Nov-19	1,853.24	398.52	2,251.76	1,454.72	64.60
Dec-19	1,974.63	359.97	2,334.60	1,614.66	69.16
Jan-20	1,868.47	390.58	2,259.05	1,477.89	65.42
Feb-20	1,949.43	370.11	2,319.54	1,579.32	68.09
Mar-20	1,548.24	230.29	1,778.53	1,317.95	74.10
Apr-20	482.31	49.43	531.74	432.88	81.41
May-20	886.27	80.05	966.32	806.22	83.43
Jun-20	1,331.74	128.23	1,459.97	1,203.51	82.43
Jul-20	1,678.92	266.13	1,945.05	1,412.79	72.64
Aug-20	1,519.80	242.79	1,762.59	1,277.01	72.45
	Monthly Average Growth (percent)				Average
	(Jul 2019 to Aug 2020)				
	5.60	9.32	5.77	5.49	71.915

“Source: Export-Import Data Bank, Department of Commerce, GOI.”

Figure 1: India's Trade with SAARC (July 2019 to August 2020)



## 5. Conclusion

The South Asian countries are undergoing through covid-19 pandemic since November 2019. The empirical evidence shows that this has led to an increased India's trade trend in these countries. Surprisingly, though the

trade between India-SAARC has not grown substantially, there has been a change in the significance of India's trading partners over time.

Scope for Future Research: Researchers should focus on the study of South Asia's intra-regional trade potential post-covid-19.

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