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India's Foreign Trade with North-eastern Neighbouring Nations **Krishnendu Malakar**

Assistant Professor, Department of Commerce, Karimganj College, Assam, India

Abstract

Economic relations among the nations have undergone significant changes in the last 20 years. With the aim of reducing the barriers of international trade several trade alliance have been emerged among powerful economics. Globally the formation of the World Bank (1944), the International Monetary Fund (1944), the World Trade Organisation (1944), the United Nations Conference on trade and Development (UNCTAD) and the General Agreements on Tariff and Trade (GATT) are all results of efforts to integrate International Trade. The developing countries have also managed to follow the same pattern of trading like developed countries. India's foreign trade have notably changed after the policy of Globalization and Liberalization in the 1990s'. Among various countries with which India have trade relations, the north-eastern nations of India have also contributed from time to time to gain from trading with India and strengthen the trade relations.

This paper is an attempt to study the pattern of trade between India and its north-eastern neighbouring countries viz. Bangladesh, Bhutan, China, Nepal and Myanmar for the period from 2009 to 2014.

Keywords: Export, Import, North-Eastern Nations, Trade Balance, International Trade.

Introduction: No economy in the world is perfectly independent. Every country is interdependent to one another economically. In the absence of international trade, it will be very difficult for a country to develop. Trade has several benefits. It promotes growth and enhances economic welfare by stimulating more efficient utilization of factor endowments of different regions and by enabling people to obtain goods efficient sources of supply. Trade also makes available to people goods which cannot be produced in their country due to various reasons. The foreign trade multiplier shows how an injection of income arising out of trade can lead to economic expansion. That is why trade has been referred to as 'the engine of growth' by Robertson. There was a time in history when men used to produce what was needed and consume what was produced. This self-dependency unhurriedly ends when human needs increased. Human beings understood the importance of exchanging surplus-goods and making barter. Internationally the need to promote International trade was greatly realised after the World Wars (1914-1918 and 1939-1945) and the Great depression (1939- middle of 1940s).

India's North Eastern Region (NER) is unique in respect of providing opportunities for trade and investment. About 96 per cent of the region's borders form India's international boundaries. NER shares borders with China, Bangladesh, Bhutan and Myanmar (NE Vision, 2020). Given its strategic location, the region can be developed as a base for India's growing economic links not only with the Association of Southeast Asian Nations (ASEAN) but also with neighboring countries, viz. Bangladesh, Bhutan, and Nepal (RIS, 2011). So, the expansion of the border trade can be an economically strategy for the economic development of the region.

The aim of this paper is to explore the pattern of trade between India and its north-eastern neighbouring nations' viz. Bangladesh, Bhutan, China, Nepal and Myanmar for the period from 2009 to 2014.

India's foreign trade policies

India's foreign trade policy during the last six decades can be broadly classified into:

1. Import substitution policy
2. Export drive policy and
3. Export acceleration policy.

The import substitution policy was followed till 1960's. It was attributed by discriminated foreign goods by protecting domestic industries by various strategies like ban on import of many products, tariffs wall (which was one of the highest in the world) and administrative restrictions like import licensing, foreign exchange regulation etc.

Then in 1962, Government appointed an Import and Export Policy Committee, headed by Mr. Mudaliar. The committee suggested some fresh trade policy. The recommendations of the committee were accepted by the government in 1985. In 1985-88 policy main changes were abolition of automatic licensing, inclusion of 201 items of industrial machinery under capital goods import under OGL, decentralization of 53 import items and granting facility for import of capital goods against REP license from Rs1 lakhs to Rs. 2 lakhs.

With the realization of the drawbacks of the excessively inward-looking strategy on one hand and the need for modernization and technology up gradation on the other many policy measures have been taken. The second three-year policy (1988-91) carried forward the process of trade liberalization to make exports more competitive. The policy was designed to stimulate industrial growth by providing easy access to essential imported capital goods, raw materials and components to industry. The liberal imports of capital goods and technology were viewed as a means to enable exporters to undertake technological up gradation in order to compete more effectively in the international market. In 1990s, two major measures taken in trade policies, which were (a) liberalization of imports (b) linking expansion in exports to import liberalization.

International Borders between India's North-eastern region and India's North-eastern neighbouring Countries: The immediate north-eastern neighbouring countries of India are

Bangladesh, Bhutan, China, Myanmar and Nepal. Among these countries, Bangladesh shares utmost of international border with India's North-eastern region. Bangladesh in totality shares 1880 kms of International Border with India's north-eastern region. The North-eastern regional states which are adjoined with Bangladesh are Assam, Meghalaya, Mizoram and Tripura. After Bangladesh, it's Myanmar which shares the utmost of international border with India's North-eastern region. Myanmar in totality shares 1643 kms of International Border with India's north-eastern region. The North-eastern regional states which are adjoined with Myanmar are Arunachal Pradesh, Manipur, Mizoram and Nagaland. In sharing International Border with North-eastern region of India, China is third among the immediate north-eastern countries. It shares 1300 Kms of International Border with Indian North-eastern region. The North-eastern regional states which are adjoined with China are Arunachal Pradesh and Sikkim. After Bangladesh, Myanmar and China, It's Bhutan which shares the most of International Border with Indian North-eastern region. Bhutan shares 516 kms of International Border with Indian North-eastern region. The North-eastern regional states which are adjoined with Bhutan are Arunachal Pradesh, Assam and Sikkim. Lastly it's Nepal which shares the least of International Border with Indian North-eastern region. It shares 98 kms International Border with Indian North-eastern region. The North-eastern regional state which is adjoined with Nepal is Sikkim.

Table-1: International Borders (in kms) between Indian North-eastern region and Indian immediate North-eastern neighbours.

State/Country	Bangladesh	Bhutan	China	Myanmar	Nepal	Total
Arunachal Pradesh	-----	217.00	1080.00	520.00	-----	1817.00
Assam	263.00	267.00	----- -----	----- ---	----- -----	530.00
Manipur	-----	-----	-----	398.00	-----	398.00
Meghalaya	443.00	-----	-----	-----	-----	443.00
Mizoram	318.00	-----	-----	510.00	-----	828.00
Nagaland	-----	-----	-----	215.00	-----	215.00
Sikkim	-----	32.00	220.40	-----	97.80	350.20
Tripura	856.00	-----	-----	-----	-----	856.00
Total	1880.00	516.00	1300.40	1643.00	97.80	

Source: Developing cross-border production networks between north eastern region of India, research and information system for developed countries.

Since it can be clearly figured out from the above table that a vast area of the north eastern states, especially Arunachal Pradesh, Tripura, Mizoram and Assam is bordered by neighbouring countries; while Arunachal Pradesh and Sikkim is sharing their border with three different counties, viz., Bhutan, China, Myanmar and Bhutan, China and Nepal

respectively; Assam and Mizoram is surrounded by two countries, viz., Bangladesh, Bhutan and Bangladesh, Myanmar respectively and Manipur and Tripura shares its border with Myanmar and Bangladesh respectively. Thus it can be noted that all the north eastern states are sharing their borders with some other countries which offers enough scope for international trade in the region.

NER: Economy and Location: The NER comprises eight Indian states, namely, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. These eight states together cover an area of 2,62,179 sq. km., constituting 8 per cent of the country's total geographical area, and accounting for around 4 per cent of country's total population.

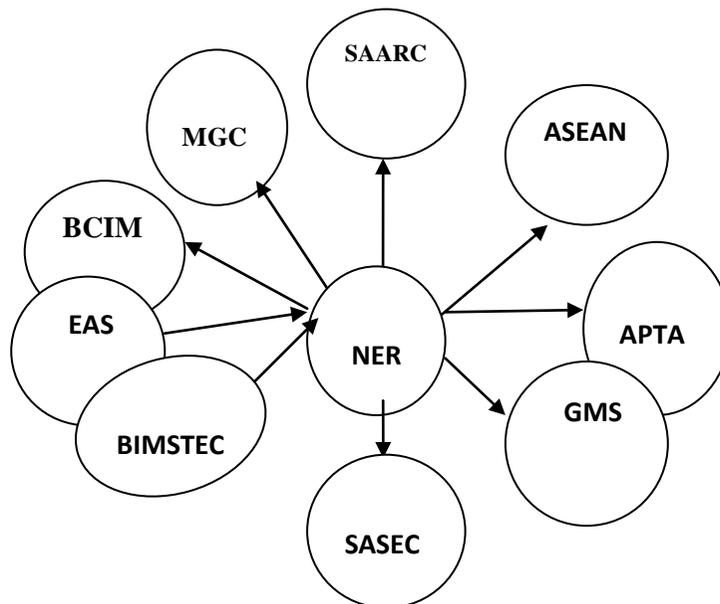
Table-2: Gross State Domestic Product (GSDP) at current price (Rs. Billion)

NER States	2004-05	2008-09	2012-13
Arunachal Pradesh	34.88	56.87	127.02
Assam	533.98	810.74	1435.67
Manipur	51.33	73.99	117.13
Meghalaya	65.59	116.17	183.63
Mizoram	26.82	45.77	78.30
Nagaland	58.39	94.36	133.22
Sikkim	17.39	32.29	104.16
Tripura	89.04	135.73	221.39
NER	877.41	1365.92	2400.52
India	29714.64	53035.67	95229.84

Source: Handbook of Statistics of Indian Economy, RBI.

NER suffers from various socio-economic deprivations as compared with the rest of India despite endowed with natural resources. The people of the region do not have access to basic facilities such as health care facilities, education etc. There exists a high rate of unemployment and underemployment although the literacy rate is high.

The NER provides opportunities as far as the location is concerned. NER shares borders with China in the north, Bangladesh in the southwest, Bhutan in the northwest and Myanmar in the east. Its location provides an advantage to develop the region as base for cooperation with the Association of Southeast Asian Nations (ASEAN) as well as with neighbouring countries such as Bangladesh, Bhutan and Nepal (shown in figure 1).

Figure-1: Strategic Location of NER

Notes: North East Region (NER); South Asia Sub-regional Economic Cooperation (SASEC); Mekong-Ganga Cooperation (MGC); Greater Mekong Sub-region (GMS); Bangladesh, China, India, Myanmar Forum on Regional Cooperation (BCIM); South Asia Association for Regional Cooperation (SAARC); Asia Pacific Trade Agreement (APTA); Association of Southeast Asian Nations (ASEAN); East Asia Summit Countries (EAS); Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC).
Source: RIS (2011)

A number of regional and sub-regional initiatives have been taken by countries in the South and South-East Asia over the past several years. These include the enhanced cooperation among the members of the South Asian Association of Regional Cooperation (SAARC) that have agreed to set up a South Asian Economic Union, the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC), the Asia-Pacific Trade Agreement (APTA). Besides, India has adopted the “Look East” policy and is engaged in deepening economic cooperation with ASEAN and countries belonging to the East Asia Summit (EAS), which brings together ASEAN and six of its partner countries, including India. Providing fillip to these initiatives is not possible without the NER playing a pivotal role.

Objectives of the study:

1. To study the trend of international trade in India in general and to study the trend of international trade of India with its north east neighbouring nations in particular from the period 2009-2014.
2. To highlight the major commodities those are traded between India and its North Eastern neighbouring nations.

Trend of India's Foreign Trade: Though there has been seen a positive trade growth over the past five years, the growth rate in the export of items is gradually declining which is not desirable and over the past five years the import rate has declined which shows a positive effect of the international trade. Again, it has to be mentioned that over the last five years the international trade of India with other countries has declined from 27.66% in 2010-11 to 7.37% in 2013-14. Table 2 presents a complete picture of the India's foreign trade.

Table-3: India's Trade Balance during the period 2009-2014.

(Value in Rs.
Lakhs)

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	84,553,364.38	113,696,426.38	146,595,939.96	163,431,828.96	190,501,108.86
Growth (%)	-----	34.47	28.94	11.48	16.56
Import	136,373,554.76	168,346,695.57	234,546,324.45	266,916,195.69	271,543,390.74
Growth (%)	-----	23.45	39.32	13.80	1.73
Total Trade	220,926,919.14	282,043,121.96	381,142,264.41	430,348,024.65	462,044,499.60
Growth (%)	-----	27.66	35.14	12.91	7.37
Trade Balance	-51,820,190.38	-54,650,269.19	-87,950,843.49	-103,484,366.72	-81,042.281.88

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

Thus with the above table a complete picture of India's foreign trade could be observed. Now it will be admirable to study the trend of India's foreign trade with its north eastern neighbouring countries.

Trend of India's Foreign Trade with the North-Eastern Countries: North eastern neighbouring countries of India include Bangladesh, Bhutan, China, Nepal and Myanmar. Since in table 1 it has been shown that many of these countries share their border with more than one states of North East India which implies that there is ample scope of international trade with these countries.

Bangladesh shares its border with three states of NER, viz., Assam, Meghalaya, Manipur and Tripura. Besides NER, Bangladesh also shares its border with West Bengal. Focusing on the rate of trade with Bangladesh, there could be observed a fluctuating rate (fall from 32.09% to 26.21% in 2011-12 again hike to 48.47% in 2012-13 and again a fall to 28.18% in 2013-14) over the last five years. Table 3 presents the trend of foreign trade with Bangladesh over the last five years.

Table-4: Foreign Trades with Bangladesh**(Value in Rs. Lakhs)**

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	1150106.83	1475247.50	1832669.09	2793257.77	3741126.05
Growth(%)		28.27	24.63	52.19	33.69
Import	120528.14	203138.64	279636.10	346792.73	290332.86
Growth(%)		68.54	37.66	24.02	-16.28
Total Trade	1270634.97	1678386.13	2118305.18	3145050.50	4031458.91
Growth(%)		32.09	26.21	48.47	28.18
Trade Balance	1029578.69	1272108.86	1559032.99	2451465.04	3450793.20

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

Bhutan too, shares its border with many NER states, viz., Assam, Arunachal Pradesh, Sikkim and also West Bengal. India's trade with Bhutan over the past five years has been in a declining trend till 2012-13 but the growth rate has hiked from 2012-13 to 2013-14 to a great extent. The export rate though shows declining trend in 2011-12 and 2012-13, the rate of export hiked from 2012-13 to 2013-14 and the import rate shows a continuous declining trend over the past five years. Table 4 shows the trend of India's trade with Bhutan over the last five years.

Table-5: Foreign Trade with Bhutan**(Value in Rs. Lakhs)**

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	56085.31	80151.85	110440.44	126739.17	215494.52
Growth(%)		42.91	37.79	14.76	70.03
Import	72298.50	91735.68	97357.11	89244.65	91932.97
Growth(%)		26.88	6.13	-8.33	3.01
Total Trade	128383.81	171887.52	207797.55	215983.82	307427.49
Growth(%)		33.89	20.89	3.94	42.34
Trade Balance	-16213.19	-11583.83	13083.33	37494.52	123561.55

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

China is bordered India by NER states as well as Jammu and Kashmir, Himachal Pradesh and Uttarakhand. In NER, it shares border with Sikkim and Arunachal Pradesh. India's trade with China showed 30.70% growth in the year 2010-11, 34.51% in 2011-12 but only 1.41% in 2012-13 and 11.70% in 2013-14. Table 5 shows in detail the status of India's trade with China over the past five years.

Table-6: Foreign Trade with China

(Value in Rs. Lakhs)

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	5471392.87	6431514.27	8747082.09	7352956.23	9056108.68
Growth(%)		17.55	36.00	-15.94	23.16
Import	14604861.20	19807907.58	26546561.90	28438458.52	30923495.99
Growth(%)		35.63	34.02	7.13	8.74
Total Trade	20076254.07	26239421.85	35293643.99	35791414.74	39979604.66
Growth(%)		30.70	34.51	1.41	11.70
Trade Balance	-9133468.33	-13376393.31	17799479.81	21085502.29	21867387.31

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

Myanmar shares its border only with NER states, viz., Arunachal Pradesh, Nagaland, Manipur and Mizoram. India's trade with Myanmar over the past five years was hiked in the year 2011-12 where the export rate was 81.17% and import rate 42.20%. Table 6 presents a detail picture of India's foreign trade with Myanmar over the last five years.

Table-7: Foreign Trade with Myanmar

(Value in Rs. Lakhs)

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	98472.88	145903.12	264450.60	296070.66	480568.13
Growth(%)		48.17	81.25	11.96	62.32
Import	610794.46	465115.40	661401.33	770118.21	839148.23
Growth(%)		-23.85	42.20	16.44	8.96
Total Trade	709267.34	611018.52	925851.93	1066188.87	1319716.36
Growth(%)		-13.85	51.53	15.16	23.78
Trade Balance	-512321.58	-319212.28	-396950.73	-474047.55	-358580.10

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

Nepal is bordered by Sikkim in North East India and some other states, viz., Bihar, Uttarakhand, Uttar Pradesh and West Bengal. The rate of trade with Nepal has been almost consistent over the past five years. Export rate gradually declined till 2012-13 and then in 2013-14 it showed a hiked rate. The entire picture of the trend of foreign trade of India with Nepal is depicted in table 7.

Table-8: Foreign Trade with Nepal**(Value in Rs. Lakhs)**

Years	2009-10	2010-11	2011-12	2012-13	2013-14
Export	725131.51	987080.89	1313024.45	1680555.92	2177023.41
Growth(%)		36.12	33.02	27.99	29.54
Import	214646.32	233895.01	263933.16	295806.57	320429.69
Growth(%)		23.45	39.32	13.80	1.73
Total Trade	939777.84	1220975.90	1576957.60	1976362.49	2497453.10
Growth(%)		29.92	29.16	25.33	26.37
Trade Balance	510485.19	753185.88	1049091.29	1384749.35	1856593.72

Source: Govt. of India, Ministry of Commerce and Industry, Department of commerce

Major commodities imported and exported between India and its North-eastern neighbouring countries: India's external sector witnessed significant improvement during 2013-14. With a pick-up in exports and moderation in imports, trade deficit contracted significantly during the year as compared to that in the preceding year. Some pick-up in growth of trade partner economies and depreciation of the rupee helped India's exports to grow in 2013-14. India's exports started improving in July 2013 though the uptrend in exports was temporarily abated in February and March 2014. Imports also moderated since June 2013, largely driven by fall in gold imports and lower non-oil non-gold imports reflecting slowdown in domestic economic activities and decline in international prices of some commodities (e.g. metal). This led to a narrowing of India's trade deficit by about 28 per cent in 2013-14.

Now it would be vital here to highlight the major imported and exported commodities to the various North Eastern neighbouring nations of India.

Table-8 and Table-9 shows the major commodities exported to and imported from Bangladesh during the last five years respectively. The mentioned commodities are the 1st to 10th highest valued commodities traded in the respected five years.

Table -9: Major import of commodities from Bangladesh

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.	26244.9	45115.29	68472.92	67274.96	49065.86
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	24095.8	26421.95	32788.8	46031.73	28842.59
3	Fish and crustaceans, molluscs and other aquatic invertebrates.	11994.89	26848.44	36190.93	19496.71	8639.71
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	9444.04	15050.53	14406.48	14888.73	12375.55
74	Copper and articles thereof.	5461.52	6671.06	11539.83	12936.23	10264.85
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.	4786.43		7650.96		
41	Raw hides and skins (other than furskins) and leather	3728.65	5498.29			
31	Fertilisers.	3536.5				
72	Iron and steel	3277.63	7652.32			5683.71
52	Cotton.	2913.73			9392.68	11854.36
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.		19016.03	8255.47	21382.88	
8	Edible fruit and nuts; peel or citrus fruit or melons.		11725.34	20245.93	52813.42	33331.06
62	Articles of apparel and clothing accessories, not knitted or crocheted.		7375.09	15876.33	28528.92	48013.82
61	Articles of apparel and clothing accessories, knitted or corcheted.			7357.38		10413.87
23	Residues and waste from the food industries; prepared animal fodder.				10086.05	

Source: Export Import Data Bank

Table-10: Major export of commodities to Bangladesh

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
52	Cotton.	213639.47	490901.93	520166.67	818826.4	957979.9
7	Edible vegetables and certain roots and tubers.	118748.5	63639.25	44730.25		100365.34
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	115443.53	113288.55	157532.72	203896.07	290906.32
23	Residues and waste from the food industries; prepared animal fodder.	94053.68	112173.39	99841.6	103347.43	151584.73
72	Iron and steel	63159.52			70477.32	148920.46
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	62129.01	50705.9	62139.98	82906.29	120375.28
10	Cereals.	57371.61	78585.06	131371.61	309642.7	563797.43
29	Organic chemicals	40026.28	45242.67	52676.25	66194.46	84875.36
54	Man-made filaments.	35589.64				
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	30856.38	55891.16	95363.37	145780.15	161426.76
39	Plastic and articles thereof.		35067.48			
17	Sugars and sugar confectionery.		31901.51	81931.24	107294.38	
8	Edible fruit and nuts; peel or citrus fruit or melons.			45533.19		
55	Man-made staple fibres.				65928.48	107388.73

Source: Export Import Data Bank

Thus from the above tables it can be figured out that out of the mentioned commodities traded with Bangladesh, residues and waste from the food industries; prepared animal fodder, fertilisers, raw hides and skins (other than furskins) and leather and inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals are the least imported ones and plastic and articles thereof, edible fruit and nuts; peel or citrus fruit or melons and man-made staple fibres are least exported goods.

Table-10 and Table-11 present a complete picture the major commodities exported to and imported from Bhutan during the last five years respectively. The mentioned commodities are the 1st to 10th highest valued commodities traded in the respected five years.

Table-11: Major import of commodities from Bhutan

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
72	Iron and steel	44058.01	61550.61	60981.22	61724.7	58993.47
74	Copper and articles thereof	11334.91	15085.43	21197.16	6600	1969.4
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes	8456.23	9301.19	9360.15	14569.72	15934.99
39	Plastic and articles thereof	2823.59	1830.18	2349.57	1863.76	3710.29
44	Wood and articles of wood; wood charcoal	2751.88	2068.32	2107.45	2862.22	1905.38
22	Beverages, spirits and vinegar	948.1	415.58	350.73		1530.28
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	584.28	661.28	529.59	133.28	4919.52
68	Articles of stone, plaster, cement, asbestos, mica or similar materials	479.48		210.18	835.69	1255.98
54	Man-made filaments	357.05			41.82	
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; lamps and lighting fittings not elsewhere specified or inc	346.96	236.51	105.72		
22	Beverages, spirits and vinegar		415.58		190.1	
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard		283.23			
20	Preparations of vegetables, fruit, nuts or other parts of plants			53.69	52.87	650.41
38	Miscellaneous chemical products.				264.73	
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.					682.21

Source: Export Import Data Bank

Table-12: Major export of commodities to Bhutan

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	14809.34	21199.01	29239.91	7626.4	7098.03
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	10853.43	12364.74	20107.29	41730.84	74651.3
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	5146.41	8231.72	8794.39	10104.93	7896.16
72	Iron and steel	4517.34	7612.34	8748.86	13302.08	25154.7
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts	4247.69	3953.33	9346.52	5686.3	7045.61
73	Articles of iron or steel	2589.75	3748.51	7794.23	14190.18	12935.7
22	Beverages, spirits and vinegar	1257.8	1468.09	1896.13		
26	Ores, slag and ash	1188.83	3667.99			
19	Preparations of cereals, flour, starch or milk; pastrycooks products.	995.75		2646.16	3828.69	5302.18
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	917.95		5058.57	8615.42	14645.22
88	Aircraft, spacecraft, and parts thereof		2013.75			
71	Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and articles thereof; imit. jewelry; coin		1870.19			
39	Plastic and articles thereof			1708.34	1931.53	
40	Rubber and articles thereof				3080.11	
36						
98	Project goods; some special uses					15922.56
99	Miscellaneous goods.					3907.61

Source: Export Import Data Bank

From the above tables, it can be figured out that over the past years amongst the commodities traded in Bhutan; mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, miscellaneous chemical products, paper and paperboard; articles of paper pulp, of paper or of paperboard, beverages, spirits and vinegar and man-made filaments are the least imported ones and aircraft, spacecraft, and parts thereof, natural or cultured pearls, precious or semiprecious stones, pre metals, clad with pre metal and art cls thereof imit jewellery; coin, plastic and articles thereof, rubber and articles thereof, project goods; some special uses and miscellaneous goods are least exported.

Table-12 and Table-13 shows the major commodities exported to and imported from China during the last five years respectively. The mentioned commodities are the 1st to 10th highest valued commodities traded in the respected five years.

Table-13: Major import of commodities from China

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	4591151.9	5396804.19	6794687.56	7614098.14	8617776.8
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	2929815.9	3510085.23	4860169.52	5443264.75	5719939.05
29	Organic chemicals	1426007.7	1755452.63	2100235.71	2693286.7	3262224.85
98	Project goods; some special uses.	995434.46	1446263.99	2442183.24	2018000.26	1285183.65
73	Articles of iron or steel	406392.27	537066.43	738722.21	803506.6	742191.84
72	Iron and steel	379753.68	908793.38	892048.1	813554.13	592124.16
39	Plastic and articles thereof.	245332.73	390149.22	503664.19	616777.21	798251.19
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	223806.86	334471.53	476647.33	527566.84	601988.94
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.	214767.91				
90	Optical, cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	209884.75			544423.04	630965.04
31	Fertilisers.		695297.05	1265368.3	1634564.8	119826

					5	9.88
89	Ships, boats and floating structures.		550116.93	691935.3		

Source: Export Import Data Bank

Table-14: Major export of commodities to China

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
26	Ores, slag and ash.	2615063.14	2165301.18	2221189.72	1028000.58	952148.06
52	Cotton	588781.22	855658.87	2009839.42	1846575.36	2349952.58
74	Copper and articles thereof.	256559.23	618099.18	975901.32	1093160.62	1139966.75
29	Organic chemicals	240482.71	318517.79	430420.14	555678.93	558628.85
71	Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and articles thereof; imit. jewelry; coin.	207366.31				
39	Plastic and articles thereof.	147798.29	181736.78	295817.57	342820.36	339888.38
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	145875.87	144868.55	183046.01	236798.19	293227.25
72	Iron and steel	145154.81	340798.67	275787.7	164176.68	
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	131262.99	169132.24	229786.43	331598.45	408276.61
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.		374186.39	543739.3	178573.23	631446.69
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers,		123855.2			197544.43

	television image and sound recorders and reproducers, and parts.					
15	Animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxes.			162536.58	205392.54	
88	Aircraft, spacecraft, and parts thereof.					253859.31

Source: Export Import Data Bank

Table-12 and Table-13 shows that over the past years, amongst the commodities that were traded between India and China, inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi elem or of isotopes and ships, boats and floating structures are the least imported commodities and among the commodities that are exported, natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and articles thereof; imit. jewellery; coin, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts, animal or vegetable fats and oils and their cleavage products; pre edible fats; animal or vegetable waxes and aircraft, spacecraft, and parts thereof are the least exported ones.

Table-14 and Table-15 shows the major commodities exported to and imported from Myanmar during the last five years respectively. The mentioned commodities are the 1st to 10th highest valued commodities traded in the respected five years.

Table-15: Major import of commodities from Myanmar

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
7	Edible vegetables and certain roots and tubers.	403524.75	260934.15	320089.98	354088.88	375682.88
44	Wood and articles of wood; wood charcoal.	191397.66	191545.12	320321.84	409534.79	449645.51
17	Sugars and sugar confectionery.	8053.84				
5	Products of animal origin, not elsewhere specified or included.	2946.15	5636.41	2747.65	1015.54	655.61
9	Coffee, tea, mate and spices.	1454.78	1345.72	1395.18	1171.52	2756.39

41	Raw hides and skins (other than furskins) and leather	964.75	2073.7	1025.21	225.76	
8	Edible fruit and nuts; peel or citrus fruit or melons.	839.58	368.64		2132.46	5948.17
99	Miscellaneous goods.	588.27				
96	Miscellaneous manufactured articles	260.45			192.95	248.16
12	Oil seeds and olea. Fruits; misc. Grains, seeds and fruit; industrial or medicinal plants; straw and fodder.	248.01	213.73		391.54	
40	Rubber and articles thereof.		1167.47	846.34		
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.		569.09			262.18
73	Articles of iron or steel		128.96			
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.			5484.55		
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.			3672.96	252.73	
15	Animal or vegetable			1202.82		

	fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxes.					
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.			629.7	265.56	
26	Ores, slag and ash					1673.56
3	Fish and crustaceans, molluscs and other aquatic invertebrates					1102.71
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof					354.9

Source: Export Import Data Bank

Table-16: Major export of commodities to Myanmar

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
30	Pharmaceutical products	26443.62	28144.37	37819.14	66440.02	83109.91
72	Iron and steel	18166.31	9876.13	14793.66	24414.97	36467.95
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	7881.25	7688.44	11548.86	33207.1	49998.48
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	6015.16				
40	Rubber and articles thereof.	4174.96	3637.49	6381.44	8311.82	7803
39	Plastic and articles thereof.	3923.51	2686.48			

84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	3881.29	8896.93	8825.91		82091.23
52	Cotton.	2807.86	4253.44	4929.54	8330.8	32079.09
73	Articles of iron or steel	2681.78	3827.5	104427.47	7714.53	27661.01
23	Residues and waste from the food industries; prepared animal fodder.	2144.01	7645.4	13249	27546.93	37562.63
17	Sugars and sugar confectionery.		9551.4			6576.8
2	Meat and edible meat offal.			13280.73		
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.			9039.01	10507.44	19951.99
86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical				11689.61	

Source: Export Import Data Bank

From the above tables (Table-14 and Table-15) it can be stated that amongst the various commodities that are traded between India and Myanmar, sugars and sugar confectionery, miscellaneous manufactured articles, rubber and articles thereof, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts, articles of iron or steel, mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxes, ores, slag and ash, fish and crustaceans, molluscs and other aquatic invertebrates and optical, photographic cinematographic measuring, checking precision, medical or surgical inst. and apparatus parts and accessories thereof are the least imported items; again, mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, sugars and sugar confectionery, meat and edible meat offal and railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical are the least exported goods.

Table-16 and Table-17 shows the major commodities exported to and imported from Nepal during the last five years respectively. The mentioned commodities are the 1st to 10th highest valued commodities traded in the respected five years.

Table-17: Major import of commodities from Nepal

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
72	Iron and steel	35879.5	42135.35	48752.69	39570.4	38796.9
39	Plastic and articles thereof.	24715.6	28859.55	30086.85	41417.63	35953.79
55	Man-made staple fibres.	19936.71	21294.76	29657.24	27400.56	24861.73
9	Coffee, tea, mate and spices.	15973.63	20697.73	24092.12	38941.66	39437.41
22	Beverages, spirits and vinegar.	10368.5	9981.67	14084.51	27803.44	40608.21
73	Articles of iron or steel	9467.09	8519.36	10537.09	21288.75	17908.99
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	9166.32				
54	Man-made filaments.	8746.75		8788.45		
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	8622.42	12396.85	12358.02	13852.88	11621.38
32	Tanning or dyeing extracts; tannins and their deri. Dyes, pigments and other colouring matter; paints and ver; putty and other mastics; inks.	8105.57	7547.86			
74	Copper and articles thereof		8152.74	7784.28	8341.96	
64	Footwear, gaiters and the like; parts of such articles			6282.77	10220.99	13555.17
33	Essential oils and resin oils; perfumery, cosmetic or toilet preparations.				6439.21	
8	Edible fruit and nuts; peel or citrus fruit or melons					22579.4
38	Miscellaneous chemical products.					9242.81

Source: Export Import Data Bank

Table-18: Major export of commodities to Nepal

HS Code	Commodity	2009-10	2010-11	2011-12	2012-13	2013-14
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	163499.4	387674.06	484905.91	635934.3	711825.21
72	Iron and steel	81691.78	84858.05	151411.46	201791.12	239315.77
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	68356.49	54990.65	63775.68	77444.33	187378.64
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	42976.26	45500.73	47908.33	62972.27	103713.32
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	42572.52	57484.4	36703.45	34623.59	40032.06
30	Pharmaceutical products	35662.01	32706.12	51605.4	60555.35	74075.47
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	27322.72	29372.8	32876.66	34834	48861.09
39	Plastic and articles thereof.	18399.7	25869.6	45955.71	52560.43	80750.59
52	Cotton.	13079.57	15368.79			
10	Cereals.	11932.65	13777.75	31672.11		115323.29
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard.			20750.46		34679.17
23	Residues and waste from the food industries; prepared animal fodder				32162.85	

Source: Export Import Data Bank

Table-16 and Table-17 clearly reflects that amongst the various items that are traded between India and Nepal, salt; sulphur; earths and stone; plastering materials, lime and cement, man-made filaments, tanning or dyeing extracts; tannins and their deli. dyes, pigments and other colouring matter; paints and ver.; putty and other mastics; inks, essential oils and resin oils; perfumery, cosmetic or toilet preparations, edible fruit and nuts; peel or citrus fruit or melons and miscellaneous chemical products are the least imported ones; again, cotton, paper and paperboard; articles of paper pulp, of paper or of paperboard and

residues and waste from the food industries; prepared animal fodder are the least exported commodities.

Conclusion: The present state of International Trade is not satisfactory but has ample scope for international trade, focusing on NER; the region is surrounded by good number of foreign countries providing the region abundant range of trade. Thus, if entrepreneurs of the region could be encouraged and the resources could be utilised to the maximum possible extent, distinctive products could be manufactured and the same could be exported which in return, will further enhance international trade.

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