

CUTS Dossier on Preferential Trade Agreements
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1. Australia, Singapore to sign updated free trade deal

Singapore is set to sign the updated FTA with Australia. The update will include new agreements in fields such as military training, trade, business services, and scientific research, while the showpiece of the agreement is a 1.7-billion-U.S dollar deal which will result in more than 14,000 Singaporean troops taking up residence at training base in north Queensland. Minister Ciobo told The Guardian that the government was excited to sign the updated agreement with Singapore as it was the next step in fully engaging Australia with “Asia’s emerging middle class,” which he said is expected to grow “from 600 million today to 3 billion by 2030.” “This is the most comprehensive update of an Australian free trade agreement and shows our FTAs are living agreements that can respond to evolving business needs,” he said. The amendments will also benefit financial, legal and education industries in both nations...

(<https://www.newsghana.com.gh/australia-singapore-to-sign-improved-free-trade-deal/>)

CUTS Comments

Singapore is all set to sign an updated FTA with Australia. The new trade equation between Singapore and Australia is likely to have some impact on India’s export basket. Though at present competition is moderate, the situation may change in favour Singapore as well as Australia in both short- and long-run.

Trade statistics reveal that in 2015 the total value of India’s export to Australia was approximately US\$ 3.25 billion. In the same year, the value of Singapore’s export to Australia was approximately US\$ 11.5 billion.

As shown in Table 1.1, India and Singapore are competing in four product segments (in their top 10 exports) such as mineral fuels, mineral fuels, mineral oils and products of their distillation; bituminous substances; vehicles other than railway or tramway rolling stock, and parts and accessories thereof; machinery, mechanical appliances, nuclear reactors, boilers; parts thereof; and electrical machinery and equipment and parts thereof. In the competing product segments the annual growth of export of India during 2011-2015 was better than that of Singapore.

Also, there are products like natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad; pharmaceutical products; other made-up textile articles; sets; worn clothing and worn textile articles; rags; articles of iron or steel; articles of apparel and clothing accessories, not knitted or crocheted; and miscellaneous chemical products, where India is likely to remain a leading player as compared to Singapore.

Table 1.1					
India's Export to Australia (Export in 2015: US\$ 3252.811mn)		Singapore's Export to Australia (Export in 2015: US\$ 11489.21 mn)			
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	
1105.2	69.0	Mineral fuels, mineral oils and products of their distillation; bituminous substances	3832	-16.0	
283.9	3.0	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad	...	...
192.4	14.0	Pharmaceutical products	...	...
135.5	-3.0	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	264	-1.0	
122.7	5.0	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	...	...
101.0	-2.0	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	2380	5.0	
100.9	-9.0	Articles of iron or steel	...	...
100.6	11.0	Articles of apparel and clothing accessories, not knitted or crocheted	...	...
78.6	-5.0	Electrical machinery and equipment and parts	968	-5.0	
69.3	12.0	Miscellaneous chemical products	...	...
		Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	495	10.0	
		Miscellaneous edible preparations	460	106.0	
		Ships, boats and floating structures	248	5.0	
		Aircraft, spacecraft, and parts thereof	231	1.0	
		Plastics and articles thereof	230	-2.0	
		Organic chemicals	209	-2.0	
2290.03 (70%)		Top 10 Products (percentage of total export)	9317.8 (81%)		
<i>Source: International Trade Centre Database</i>					

At the same time, when we talk about export from India to Singapore, in 2015, it was valued at approximately US\$ 7.8 billion, whereas that of Australia to Singapore was approximately US\$ 5.1 billion. As a result of this updated FTA it is expected that Singapore's import from India may get affected in the short-run (See Table 1.2).

India is the 14th and 13th largest import source for Australia and Singapore, respectively. As shown in Table 1.2, India and Australia are competing in five product segments (in their top 10 exports) such as mineral fuels, mineral oils and products of their distillation; machinery, mechanical appliances, nuclear reactors, boilers; parts thereof; natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad; electrical machinery and equipment and parts thereof; and optical, photographic, cinematographic, measuring, checking, precision, medical or surgical.

It is also observed that in products like commodities not elsewhere specified; ships, boats and floating structures; organic chemicals; copper and articles thereof; and nickel and articles thereof, India has an edge over Australia in Singapore's market. Because of this advantage, it has the potential to improve its overall position in Singapore's market.

Table 1.2

India's Export to Singapore (Export in 2015: US\$7805.08 mn)		Australia's Export to Singapore (Export in 2015: US\$ 5052.27 mn)		
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)
2967.5	-23.0	Mineral fuels, mineral oils and products of their distillation	1216.2	-17.0
1034.3	19.0	Commodities not elsewhere specified	...	...
850.5	-25.0	Ships, boats and floating structures	...	...
371.7	-4.0	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	340.8	0.0
354.1	-12.0	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad	1650.7	12.0
285.1	-10.0	Organic chemicals	...	...
209.5	-10.0	Electrical machinery and equipment and parts	131.6	-6.0
159.5	-13.0	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	126.8	4.0
150.1	39.0	Copper and articles thereof	...	...
149.5	301.0	Nickel and articles thereof	...	...
		Meat and edible meat offal	188.4	1.0
		Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal	187.5	16.0
		Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere	158.9	-6.0
		Aircraft, spacecraft, and parts thereof	144.0	14.0
		Aluminium and articles thereof	69.6	-16.0
		Top 10 Products (percentage of total export)	4214.47 (83%)	
6531.80 (84%)				

Source: International Trade Centre Database; *: EEU's imports from Iran

Given this composition of trade between the three countries, a quick simulation using Degrees of Similarity in Export Structures (Finger-Kreinin Index) and Relative Export Competitive Pressure Index can give an indication of competitive strengths and weaknesses with direct competitors in respective markets.

The Finger-Kreinin Index (FKI) measures how similar two sets of countries are in respect to their trade in a destination country. It is used to compare the similarity between either the structure of a country's import or export with any two partner countries so as to see how similar a country's export pattern is to its import pattern, whether geographically or by product or to compare the structure of production in two different countries. It explains how similar the import of a given product is from two different suppliers. It is useful to measure overall similarity of export of two countries and, therefore, their degree of competitiveness/complementarity either with respect to a particular market or with respect to trade with the rest of the world. If $FK=1$ then export structures would be exactly similar and if $FK=0$ there would be no similarity.

The Relative Export Competitive Pressure Index (RECPI) calculates the average degree of competition that country X faces in country Y's market from country Z. It takes into account both the structure and level of competing countries' trade. Country X will be interested in the value of country Z's export to country Y, and also to the extent to which country Z's export is in direct competition with country X's export. A low RECPI explains less competition between the competitors.

There was moderate similarity of export from India and Singapore to Australia. However, there was comparatively low similarity of India's export to Singapore. The FKI in Table 1.3A varied between 0.11 and 0.36. This means that at the aggregate level India's and Singapore's exports are to some extent more similar than that of India's and Australia's.

Furthermore, the RECPIs between India and Singapore and that between India and Australia indicate that export competitiveness was moderate to high for India and Singapore in Australia's market, but the same is not that intense in Singapore's market (see Table 1.3D).

Table 1.3: FKI and RECPI among India-Australia-Singapore (2013-15)						
A. India's FKI with Australia				B. India's FKI with Singapore		
Competitor	2013	2014	2015	Competitor	2013	2014
Singapore	0.11	0.23	0.36	Australia	0.19	0.14
C. India's RECPI with Australia				D. India's RECPI with Singapore		
Competitor	2013	2014	2015	Competitor	2013	2014
Singapore	3.20	7.73	3.23	Australia	0.06	0.09
Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software						

Food for Thought

Though the trade potential is high and untapped yet among India, Singapore and Australia, a more positive approach is the need of the hour for India. As a result of this FTA, a wide range of Australia's and Singapore's products will receive further preferential treatment in their respective markets. In the wake of expected changes in trade in goods, services as well as investment relationship among India, Australia and Singapore, India should look at possible changes in its composition of trade with these countries as a result of the Regional Comprehensive Economic Partnership Agreement of Asia and the Pacific and should fast track this negotiation and also that of its Compressive Economic Cooperation Agreement (CECA) with Australia. Furthermore, it should undertake additional trade facilitation measures to improve its supply chain as well as trade competitiveness.

2. Malaysia, Sri Lanka to explore possibility of initiating FTA

Malaysia and Sri Lanka have agreed to explore the possibility of initiating the Malaysia-Sri Lanka Free Trade Agreement in efforts to promote trade between the two countries. This was agreed upon at a bilateral meeting between Malaysian Prime Minister Datuk Seri Najib Tun Razak and visiting Sri Lanka's President Maithripala Sirisena at Perdana Putra here today. In a joint statement issued in conjunction with the visit, it said that Najib and Sirisena had reaffirmed their commitment to further strengthen bilateral trade and investment cooperation. Both leaders also agreed to deepen the economic engagement for mutual benefits. At the meeting, the joint statement, said Sirisena had assured that Malaysian investors would enjoy a conducive investment climate in Sri Lanka, and invited Malaysian investors to proactively look at the attractive investment opportunities in Sri Lanka...

(<http://www.themalaysianreserve.com/new/story/malaysia-sri-lanka-explore-possibility-initiating-fta>)

CUTS Comments

The new trade deal is likely to have some impact on the export basket of India. Our research based on ITC database and TradeSift software shows that India and Malaysia are competing in a relatively moderate numbers of products in Sri Lanka's market.

Trade statistics reveal that in 2015 the total value of India's export to Malaysia was approximately US\$ 4.9 billion. In the same year, total value of Sri Lanka's export to Malaysia was approximately US\$ 38.6 million.

As shown in Table 2.1, India and the Sri Lanka are competing in one product segment (among their top 10 exports to Malaysia) such as machinery, mechanical appliances, nuclear reactors, boilers; parts thereof. Currently, India is better placed than Sri Lanka in this product segment and as a result of this FTA it may not affect India's export interest in Malaysia's market in the short-run.

Table 2.1

India's Export to Malaysia (Export in 2015: US\$4892.06mn)		Sri Lanka's Export to Malaysia (Export in 2015: US\$38.60mn)		
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)
858.8	85	Ships, boats and floating structures	...	...
495.3	12	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	...	...
421.2	10	Meat and edible meat offal	...	...
341.3	60	Copper and articles thereof	...	...
336.5	445	Nickel and articles thereof	...	...
232.9	13	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	0.7	24
175.6	-14	Organic chemicals	...	...
151.2	-4	Electrical machinery and equipment and parts	...	...
146.4	2	Aluminum and articles thereof	...	...
121.9	29	Articles of apparel and clothing accessories, not knitted or crocheted	...	...
		Rubber and articles thereof	8	-41.0
		Articles of apparel and clothing accessories, knitted or crocheted	6	21.0
		Coffee, tea, maté and spices	4	2.0
		Articles of apparel and clothing accessories, not knitted or crocheted	3	9.0
		Products of the milling industry; malt; starches; inulin; wheat gluten	3	150.0
		Edible vegetables and certain roots and tubers	3	86.0
		Lead and articles thereof	2	
		Fish and crustaceans, molluscs and other aquatic invertebrates	1	-3.0
		Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	1	49.0
		Top 10 Products (percentage of total export)	30.98 (80%)	
3281.09 (67%)				

Source: International Trade Centre Database

In 2015, India's export to the Sri Lanka was valued at approximately US\$ 5.5 billion and Malaysia's export to Sri Lanka was approximately US\$ 482.9 million. Following this FTA it is expected that India's export to Sri Lanka may get affected in some product segments. Though Malaysia's export similarity and complementarity are moderate (see Table 2.3), trade diversion in favour of Malaysia as well as Sri Lanka may not be ruled out.

In 2015, India was the largest and 12th largest importing sources for Sri Lanka and Malaysia, respectively. Products like aircraft, spacecraft, and parts thereof; vehicles other than railway or tramway rolling stock, and parts and accessories thereof; mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ; ships, boats and floating structures; cotton; pharmaceutical products; machinery, mechanical appliances, nuclear reactors, boilers; parts thereof; salt; sulphur; earths and stone; plastering materials, lime and cement; electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ; and edible vegetables and certain roots and tubers, are major export items from India to Sri Lanka. If we compare the data shown in Table 2.2, India and Malaysia compete with each other in three of those product segments.

Additionally, if we look at export growth trend of these products during 2011 to 2015, it indicates that in most of them India is relatively better positioned. This situation may change after this FTA along with a distinct long-term impact. In order to strengthen its position in these markets, India requires necessary measures to maintain and increase its trade competitiveness in these products.

Table 2.2

India's Export to Sri Lanka (Export in 2015: US\$5501.02mn)		Malaysia's Export to Sri Lanka (Export in 2015: US\$482.89mn)		
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)
1053.9	711.0	Aircraft, spacecraft, and parts thereof	...	...
878.1	-2.0	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	...	...
790.4	0.0	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	50.9	-6.0
299.5	15.0	Ships, boats and floating structures	...	...
225.3	-1.0	Cotton	...	...
182.8	8.0	Pharmaceutical products	...	...
178.2	0.0	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	61.6	6.0
138.1	8.0	Salt; sulphur; earths and stone; plastering materials, lime and cement	...	...
127.0	2.0	Electrical machinery and equipment and parts thereof	24.8	-2.0
120.7	13.0	Edible vegetables and certain roots and tubers	...	...
		Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal	93.7	-7.0
		Wood and articles of wood; wood charcoal	38.6	8.0
		Plastics and articles thereof	27.7	-1.0
		Miscellaneous chemical products	22.1	-6.0
		Rubber and articles thereof	17.4	-12.0
		Commodities not elsewhere specified	11.3	2.0
		Paper and paperboard	10.3	-15.0
3993.96 (73%)		Top 10 Products (percentage of total exports)	358.40 (74%)	

Source: International Trade Centre Database

The FKIs in Table 2.3B varies between 0.19 and 0.21 and shows some increasing tendency that indicate some similarity of export of India and Malaysia to Sri Lanka. This means that at the aggregate level and to some extent India and Malaysia were competing in Sri Lanka's market. At the same time, the level of export similarity between India and Sri Lanka in Malaysia's market was also low and stable (Table 2.3A). This means that the competition between India and Sri Lanka in Malaysia's markets was less than that of India and Malaysia in Sri Lanka's markets.

Similar to the results of the Finger-Kreinin Index, Table 2.3C shows that during 2013 to 2015 the RECPIs of India with Sri Lanka were low and stable, indicating stable competition between India and Malaysia in Sri Lanka's market. On the other hand, India's RECPI with Malaysia is negligible, indicating that the level of competition is very low between India and Sri Lanka in Malaysia's market (Table 2.3D).

Table 2.3: FKI and RECPI among India-Malaysia-Sri Lanka (2013-15)						
A. India's FKI with Malaysia			B. India's FKI with Sri Lanka			
Competitor	2013	2014	2015	Competitor	2013	2014
Sri Lanka	0.05	0.08	0.04	Malaysia	0.20	0.19
C. India's RECPI with Malaysia			D. India's RECPI with Sri Lanka			
Competitor	2013	2014	2015	Competitor	2013	2014
Sri Lanka	0.00	0.00	0.00	Malaysia	0.07	0.02
Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software						

Food for Thought

As a result of this FTA, a wide range of Sri Lanka and Malaysia's products will receive reciprocal preferential treatment in their respective markets. India has connected with Malaysia under the India-Malaysia Comprehensive Economic Cooperation Agreement (CECA) and with Sri Lanka through the Agreement on South Asian Free Trade Area (SAFTA) and the India-Sri Lanka Free Trade Agreement. In the wake of expected changes in trade in goods, services as well as investment relationship among India, Sri Lanka and Malaysia, India should put more emphasis on fast-tracking the negotiation on Economic and Technology Cooperation Agreement with Sri Lanka and at the same time strengthen its supply chains to gain more in Malaysian as well as Sri Lankan markets.

3. Bangladesh, Sri Lanka agree to sign FTA

Bangladesh and Sri Lanka have agreed to sign a free trade agreement (FTA) to boost bilateral trade. The FTA will be signed soon after the completion of the formalities, he added. This year's JEC meeting is the fifth of its kind between the two South Asian countries. If the FTA is signed, this will be Bangladesh's first free trade deal with a country. Normally, Bangladesh, as a least-developed country, enjoys duty-free export benefit to many countries, but Sri Lanka, as a developing country, does not get such trade privileges. The FTA will boost Bangladesh's exports, while Sri Lanka will be able to buy goods of global standards at lower prices from Bangladesh. Bilateral trade between Bangladesh and Sri Lanka was a meagre \$76 million in 2015-16, of which Bangladesh's import was \$45.55 million and Sri Lanka's \$30.45 million. The minister said Bangladesh produces garments, pharmaceuticals, cement, paper, electrical items, and jute goods, which are high in demand in Sri Lanka...

(<http://www.thedailystar.net/business/global-business/bangladesh-sri-lanka-agree-sign-FTA-1312198>)

CUTS Comments

The new trade agreement between Bangladesh and Sri Lanka is likely to have some impact on India's export. Currently, India and Bangladesh and India and Sri Lanka are in competition (see Tables 3.1 and 3.2).

Trade statistics reveal that in 2015 the total value of India's export to Bangladesh was approximately US\$ 5.5 billion, whereas that of Sri Lanka to Bangladesh was approximately US\$ 98.5 million.

As shown in Table 3.1, India and Sri Lanka are competing in some product segments (in their top 10 exports) such as man-made staple fibres; electrical machinery and equipment and parts thereof; plastics and articles thereof. In most of these competing product segments, the annual export growth of Sri Lanka during 2011-2015 was better than that of India. The new trade equation may change the growth momentum in favour of Sri Lanka and further strengthen its position in Bangladesh's market in these product segments.

Table 3.1

India's Export to Bangladesh (Export in 2015: US\$5521.52mn)		Sri Lanka's Export to Bangladesh (Export in 2015: US\$ 98.5mn)		
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)
1590.5	13.0	Cotton	26.3	15.0
544.9	20.0	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	...	...
358.9	19.0	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	...	...
332.6	11.0	Cereals	...	...
263.9	40.0	Man-made staple fibres	12	160.0
191.7	55.0	Iron and steel	...	...
180.3	23.0	Electrical machinery and equipment and parts	2	36.0
166.3	12.0	Organic chemicals	...	...
156.5	36.0	Tanning or dyeing extracts	...	...
153.1	17.0	Plastics and articles thereof	11	40.0
		Knitted or crocheted fabrics	10	37.0
		Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial	6	142.0
		Paper and paperboard; articles of paper pulp, of paper or of paperboard	4	20.0
		Mineral fuels, mineral oils and products of their distillation	4	9.0
		Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	3	10.0
		Albuminoidal substances	3	-5.0
3938.63 (71%)		Top 10 Products (percentage of total export)	82.85 (84%)	

Source: International Trade Centre Database

In 2015, India's export to the Sri Lanka was valued at approximately US\$ 5.5 billion, whereas that of Bangladesh to Sri Lanka was approximately US\$ 37.7 million. It is expected that India's export interest may get further affected as a result of Bangladesh-Sri Lanka free trade agreement.

In 2015, India was the largest source of import for Sri Lanka and the 2nd largest source of import for Bangladesh. Products like aircraft, spacecraft, and parts thereof; vehicles other than railway or tramway rolling stock, and parts and accessories thereof; mineral fuels, mineral oils and products of their distillation; ships, boats and floating structures; cotton; pharmaceutical products; machinery, mechanical appliances, nuclear reactors, boilers; parts thereof; salt; sulphur; earths and stone; plastering materials, lime and cement; electrical machinery and equipment and parts thereof; and edible vegetables and certain roots and tubers are major exports from India to Sri Lanka.

If we compare the data from Table 3.2, India and Bangladesh largely compete with each other in products such as cotton; pharmaceutical products; electrical machinery and equipment and parts thereof; and edible vegetables and certain roots and tubers. In terms of annual growth of export during 2011-15, in these product segments, Bangladesh has an edge over India. Because of this advantage, it has the potential to further improve its overall position in Sri Lanka's market.

Table 3.2				
India's Export to Sri Lanka (Export in 2015: US\$5501mn)		Bangladesh's Export to Sri Lanka (Export in 2015: US\$37.71mn)		
Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)	Sectors	Export Value (2015, US\$mn)	Annual Growth (2011-2015, %)
1053.9	711.0	Aircraft, spacecraft, and parts thereof	...	...
878.1	-2.0	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	...	...
790.4	0.0	Mineral fuels, mineral oils and products of their distillation	...	...
299.5	15.0	Ships, boats and floating structures	...	...
225.3	-1.0	Cotton	1.5	9.0
182.8	8.0	Pharmaceutical products	11.7	17.0
178.2	0.0	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	...	...
138.1	8.0	Salt; sulphur; earths and stone; plastering materials, lime and cement	...	...
127.0	2.0	Electrical machinery and equipment and parts	2.4	32.0
120.7	13.0	Edible vegetables and certain roots and tubers	1.5	16.0
		Cereals	11.1	
		Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	1.8	3.0
		Articles of apparel and clothing accessories, knitted or crocheted	1.4	-27.0
		Articles of apparel and clothing accessories, not knitted or crocheted	0.9	-37.0
		Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals.	0.8	20.0
		Plastics and articles thereof	0.8	-3.0
7045 (74%)	Top 10 Products (percentage of total export)		33.70 (89%)	

Source: International Trade Centre Database

The FKI in Table 3.3A varies between 0.09 and 0.15, indicating moderate similarity of exports of India and Sri Lanka to Bangladesh. This means that at the aggregate level and to some extent there is more similarity of India's and Sri Lanka's exports to Bangladesh than that of India's and Bangladesh's in Sri Lanka's market (Table 3.1).

Similar to the results of the Finger-Kreinin Index, Table 3.3C shows that during 2011-2015 India's RECPIs with Sri Lanka were negligible indicating that the degree of competition between India and Sri Lanka in Bangladesh's market was low. It means that competition is low because varied level of value added products are traded by India, Sri Lanka and Bangladesh with each other.

Table 3.3: FKI and RECPI among India-Bangladesh-Sri Lanka (2013-15)							
A. India's FKI with Bangladesh				B. India's FKI with Sri Lanka			
Competitor	2013	2014	2015	Competitor	2013	2014	2015
Sri Lanka	0.09	0.15	0.11	Bangladesh	NA	NA	NA
C. India's RECPI with Bangladesh				D. India's RECPI with Sri Lanka			
Competitor	2013	2014	2015	Competitor	2013	2014	2015
Sri Lanka	0.00	0.00	0.00	Bangladesh	NA	NA	NA

Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software

Food for Thought

It is time for India to get further connected with Bangladesh and Sri Lanka through SAFTA and the proposed India-Sri Lanka ETCA. India should put more emphasis on improving its trade connectivity with Bangladesh including resolving non-tariff barriers, which are hindering its bilateral trade potential. As in case of its FTA with Sri Lanka, bilateral trade relationship between India and Bangladesh should go beyond the coverage of products in SAFTA.