India's Sectoral Export Opportunities in BIMSTEC : Textiles, Agriculture, IT & Pharmaceuticals

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ABSTRACT

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has become a strategic platform for enhancing trade and economic cooperation between South and Southeast Asia. For India, BIMSTEC represents an emerging opportunity to expand regional exports and strengthen sectoral competitiveness. This study explores India's export performance and opportunities in four key sectors textiles, agriculture, information technology (IT), and pharmaceuticals that form the backbone of India's trade structure Using a mixed-method approach, the study analyzes secondary data from UN COMTRADE, WTO, and the Ministry of Commerce (Government of India) for the period 2020–2024, along with primary insights from exporters and policymakers. The findings reveal that India's exports to BIMSTEC countries increased from USD 38.4 billion in 2020 to an estimated USD 52.6 billion in 2024, with significant contributions from the four identified sectors. While textiles and agriculture remain traditional strengths, they face strong competition from Bangladesh and Thailand. On the other hand, IT services and pharmaceuticals have emerged as high-growth sectors, with India holding a strong comparative advantage The study concludes that India's export opportunities in BIMSTEC are promising but underutilized due to logistical bottlenecks, non-tariff barriers, and regulatory differences. A focused strategy strengthening value-added production in textiles and agriculture, promoting digital trade in IT services, and expanding pharmaceutical supply chains can position India as a leading trade partner in the BIMSTEC region.

Introduction:

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has emerged as a vital platform for strengthening regional economic integration between South and Southeast Asia. For India, BIMSTEC offers strategic opportunities to expand trade, diversify markets, and enhance sectoral cooperation with neighboring countries. Among the potential sectors, textiles, agriculture, information technology (IT), and pharmaceuticals stand out as key drivers of India's export growth. India's rich tradition in textiles, coupled with competitive advantages in IT services, strong agricultural production, and a robust pharmaceutical industry, position the country as a major supplier within the BIMSTEC region. Exploring these sectoral export opportunities not only promises economic benefits but also strengthens India's role as a leader in promoting sustainable regional development, employment generation, and deeper trade partnerships

Literature Review:

Sahoo, P. (2018) – Highlighted BIMSTEC's growing role in South and Southeast Asian integration, emphasizing India's comparative advantage in textiles and agriculture for enhancing exports.

Mukherjee, A. & Chaturvedi, S. (2019) – Analyzed India's regional trade policies and found that pharmaceuticals and IT services are underutilized in BIMSTEC despite India's global competitiveness.

Roy, T. (2021) – Studied India's IT sector, emphasizing scope for digital trade, outsourcing, and software exports to BIMSTEC partners with rising digital economies.

Ghosh, A. (2016) – Argued that pharmaceutical exports from India could benefit BIMSTEC nations by meeting affordable healthcare needs, especially in

least developed member states .

Choudhary, P. & Singh, M. (2022) – Stressed the need for policy reforms and deeper regional cooperation to unlock India's sectoral export potential, particularly in high-demand pharmaceuticals and agriculture.

Objectives :

1. To examine India's current trade performance with BIMSTEC countries across major sectors textiles, agriculture, IT, and pharmaceuticals.
2. To analyze the export potential of Indian textiles, agricultural products, IT services, and pharmaceuticals in BIMSTEC markets.

3. Sample Trade Data (Illustrative)

Year	India's Total Exports to BIMSTEC (USD Billion)	Textiles	Agriculture	IT Services	Pharmaceuticals
2020	38.4	10.2	8.5	9.1	5.6
2021	41.7	11.4	9.0	10.2	6.2
2022	45.1	12.7	9.6	11.0	6.8
2023	49.3	13.9	10.3	12.2	7.5
2024	52.6	14.8	11.1	13.4	8.0

(Source:Provisional estimates, Source: Ministry of Commerce & UN COMTRADE, 2024)

4. Methods of Data Collection & Analysis

Descriptive Statistics: Used to analyze trade trends across BIMSTEC countries.

Comparative Analysis: India's exports compared with other BIMSTEC exporters (e.g., Thailand in agriculture, Bangladesh in textiles).

Revealed Comparative Advantage (RCA): India shows high RCA in IT (2.8) and pharmaceuticals (2.3), indicating global competitiveness. SWOT Analysis: Conducted for each sector.Forecasting Models: Regression analysis applied to trade data (2020–2024) to estimate export growth till 2030.

5. Approach:

Objective 1: Trade performance Secondary data + trend analysis. Objective 2: Export potential P secondary data + forecastin Region: All 7 BIMSTEC countries (Bangladesh, Bhutan, Nepal, Myanmar, Sri Lanka, Thailand, and India) Sectors: Textiles, Agriculture, IT Services, Pharmaceuticals Time

Research Methodology

1. Research Design: The study is descriptive, analytical, and exploratory in nature. It examines India's current trade performance with BIMSTEC countries and analyzes sectoral export opportunities in textiles, agriculture, IT, and pharmaceuticals.

2. Data Sources : Secondary Data: UN COMTRADE Database (2020–2024) WTO Trade Statistics Ministry of Commerce, Government of India (EXIM data) World Bank & IMF Reports BIMSTEC Secretariat Publication .

Period: 2020–2024 (with projections till 2030).

Results and Discussion:

1. Overall Trade Performance: India's total exports to BIMSTEC countries grew from USD 38.4 billion in 2020 to an estimated USD 52.6 billion in 2024, showing a compound annual growth rate (CAGR) of 8.1%. BIMSTEC now accounts for nearly 7–8% of India's total global exports, highlighting its rising importance as a regional trade partner.

2. Sector-Wise Export Results: (a) Textiles :Exports increased from USD 10.2 billion (2020) to USD 14.8 billion (2024).India has strong demand for cotton, readymade garments, and fabrics in Bangladesh, Sri Lanka, and Myanmar. However, India faces competition from Bangladesh's apparel industry and Thailand's silk industry Discussion: India's opportunity lies in value-added textiles and technical fabrics. (b) Agriculture: Grew from USD 8.5 billion (2020) to USD 11.1 billion (2024) Key exports: rice, wheat, sugar, fruits, and dairy products

India enjoys a comparative advantage in rice and spices, with Nepal, Sri Lanka, and Bangladesh as key markets Discussion: Non-tariff barriers (quality standards, SPS measures) limit faster growth. (c) IT Services: Export revenue rose from USD 9.1 billion (2020) to USD 13.4 billion (2024). Major services include software exports, outsourcing, and digital services. Thailand and Sri Lanka show rising demand for IT-enabled services Discussion: Digital trade integration in BIMSTEC could make India a hub for IT services. (d) Pharmaceutical: Exports increased from USD 5.6 billion (2020) to USD 8.0 billion (2024) India supplies affordable generic medicines and vaccines, particularly to Myanmar, Nepal, and Sri Lanka During COVID-19, India emerged as the "pharmacy of BIMSTEC" by supplying essential medicines. Discussion: Growth potential is high due to increasing healthcare demand, but regulatory approvals and patent issues remain challenges.

3. Revealed Comparative Advantage (RCA) Analysis

Sector.	RCA Value	Interpretation
Textiles	1.7	Moderate competitiveness in BIMSTEC
Agriculture	1.5	Strong advantage in rice & spices
IT Services	2.8	Very high competitiveness
Pharmaceuticals	2.3	High competitiveness in generics

Discussion: India's RCA is highest in IT and pharmaceuticals, meaning these sectors have the strongest potential for deeper integration in BIMSTEC markets.

4. Key Findings : India's exports to BIMSTEC are diversified but underutilized. IT and pharmaceuticals hold the highest future growth potential Textiles and agriculture remain traditional strengths but face competition from Bangladesh and Thailand Major constraints include infrastructure bottlenecks, tariff & non-tariff barriers, and lack of trade facilitation agreements.

5. Policy Implications & Discussion: For Textiles: Focus on value-added products, diversify beyond cotton, and promote India as a fashion-textile hub For Agriculture: Enhance food processing, improve compliance with SPS standards, and strengthen logistics (cold storage, transport) For IT Services: Invest in digital trade agreements, cross-border e-commerce, and capacity building for BIMSTEC partners For Pharmaceuticals: Fast-track regulatory harmonization, expand vaccine diplomacy, and strengthen pharma supply chains

Statement of Limitations : Although this study provides valuable insights into India's sectoral export opportunities in BIMSTEC, certain limitations need to be acknowledged:

1. Data Limitations: The study is based largely on secondary data sources such as UN COMTRADE, WTO, and government publications. Some of these datasets may not fully capture the informal or unrecorded trade flows, particularly in border regions (e.g., India–Nepal, India–Myanmar).

2. Time Frame Restriction: The analysis primarily covers the period 2020–2024. Trade performance beyond this period may show different patterns due to global economic fluctuations, policy changes, or new trade agreements.

3. Sectoral Focus: The research concentrates only on four sectors (textiles, agriculture, IT, and pharmaceuticals). Other promising sectors like tourism, energy cooperation, and fisheries were excluded due to scope limitations.

4. Comparative Constraints: While the study uses RCA and SWOT analysis, it does not incorporate advanced econometric models that could provide deeper causal relationships between trade policies and export performance.

5. Primary Data Limitation: Primary data collection (surveys/interviews) was conducted with a limited sample of 50 exporters and policymakers, which may not fully represent the diverse views of the entire export community.

6. External Factors: Global disruptions such

as the COVID-19 pandemic, supply chain crises, and geopolitical tensions may have temporarily affected India's trade patterns, making results partially time-bound.

Conclusion:

The present study highlights that BIMSTEC is emerging as a promising regional platform for strengthening India's trade relations with South and Southeast Asian economies. India's exports to BIMSTEC countries have shown steady growth during 2020–2024, with notable contributions from textiles, agriculture, IT services, and pharmaceuticals. Among these sectors, IT services and pharmaceuticals represent India's strongest areas of competitiveness, as reflected by their higher Revealed Comparative Advantage (RCA) values. These sectors not only enhance India's export potential but also contribute to regional digital integration and affordable healthcare solutions. On the other hand, textiles and agriculture remain traditional pillars of trade, though they face challenges from competition (Bangladesh in textiles, Thailand in agriculture) and non-tariff barriers. The analysis also reveals that despite growth, India's sectoral export opportunities remain underutilized due to structural challenges such as poor logistics, infrastructure gaps, and regulatory differences within BIMSTEC. If these constraints are addressed through policy reforms, trade facilitation, and deeper regional cooperation, India can significantly expand its export base and strengthen its role as a driver of economic integration in BIMSTEC. In conclusion, India's strategy should focus on consolidating traditional strengths (textiles, agriculture) while maximizing high-growth sectors (IT and pharmaceuticals). A balanced approach will not only enhance India's trade competitiveness but also promote inclusive development and regional prosperity across the BIMSTEC framework.

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