

India's Trade Relation with its Neighbours

Dr. Pervez Wahab

Asst. Professor

Department of Commerce

Mirza Ghalib College, Gaya

E mail- wpervez@gmail.com

ABSTRACT

Although South Asia is geographically nearby and has bilateral and multilateral free trade agreements, it is one of the world's least economically linked regions (FTAs). South Asia's commerce is operating at a fraction of its capacity, accounting for just 5% of the region's global trade as a consequence of protectionist laws, high logistical costs, a lack of political will, and an even wider trust gap. South Asia is one of the world's most isolated areas, in comparison to other Asian and Pacific regions, where intra-regional commerce accounts for roughly half of overall trade. Assess India's current degree of trade connectivity by examining developments in the country's trade with its neighbours. The report concludes with a series of policy suggestions. Sri Lanka and Nepal, respectively, are India's second and third largest regional export markets. Myanmar, Sri Lanka, and Bangladesh as a whole provide the vast bulk of the region's imports. Bangladesh has a trade deficit with India of US\$7.6 billion, whereas Nepal has a trade deficit with India of US\$6.8 billion (2018). In recent years, the trade deficit has worsened. India's overall trade with its neighbours has remained constant at between 1.7 and 3.8 percent.

Key Words- South Asia, bilateral trade, neighbours, export market

INTRODUCTION

At this moment, it is the only reasonable course of action. Since World War II, this concept has formed the bedrock of the majority of the world's economic growth. However, this ruse has usually been successful in deceiving Indians. India's commerce with its seven South Asian neighbours has shifted significantly in the past five years as a consequence of the creation of the Banco de India. Between 2012-13 and 2016-17, imports from South Asian nations into the United States rose by an estimated 19 percent, while India's exports increased consistently over the same time. For a lengthy period of time, India accumulated a sizable trade surplus with South Asia.

In 2016-17, imports increased by 2.68 billion dollars to \$2.81 billion dollars, while exports increased by 15.11 billion dollars to \$19.10 billion dollars. In 2016-17, India's most significant South Asian trade partners include Bangladesh, Nepal, Sri Lanka, Pakistan, Bhutan, Afghanistan, and the Maldives. Bangladesh, Nepal, and Sri Lanka accounted for 83 percent of South Asian exports, with Bangladesh accounting for 35% of overall exports. Engineering goods account for 33% of exports to South Asia, while textiles and textile products account for 20%, minerals account for 14%, and chemicals and associated products account for 6%. (1 percent). According to World Trade Organization statistics, global trade with Bangladesh increased by 9.9% to \$7.4 billion in 2016-17. Exports to Bangladesh have increased consistently since 2012-13, reaching \$6.73 billion in 2016-17. India is Bangladesh's second largest economic partner, accounting for 14% of the country's imports in the calendar year. According to Ruchir Sharma's book *The 10 Rules of Successful Nations*, postwar economic success stories cluster in nations ranging from southern Europe to east Asia.

"Japan was the first to notice indications of post-World War II economic growth in Asia. Following that, booms "spread to the economy's second layer." "Take the South Korean and Taiwanese nations as examples. Thailand and Indonesia, both of which are second-tier nations, aided in the country's ascension to third place. China was the world's fourth-fastest-growing economy. According to Sharma, a Japanese economist created the "flying geese" development hypothesis, which puts Japan in the forefront.

PRESENT MARKET SITUATION

India has reiterated its commitment to non-alignment. India contributed Rs.10 crore to the relief and rehabilitation of Afghan refugees in order to maintain good relations. India aids Afghanistan's development in a range of sectors, including public health, small-scale industry, and education. India and Afghanistan have a long history of cordial bilateral relations. India only recognised the Democratic Republic of Afghanistan, sponsored by the Soviet Union, in the 1980s. In India, people believe in cooperating with one another and forming strong ties with their neighbours. India has been recognised throughout history as a "peace-loving" country. India maintains formal political links with the vast majority of nations. India, with a population of 1.2 billion people, is the world's second largest country, behind the United States. Their economy is expanding at a dizzying pace, making it one of the fastest growing in the world. Its eighth-largest military budget in the world is financed by its third-largest armed forces, seventh-largest nominal GDP, and third-largest purchasing power parity economy. India possesses the potential to develop into a regional superpower, a global force, and a future superpower. India's economic influence on the global arena is increasing, and the country now has a large voice.

India is a developing country that is making strenuous efforts to modernise and industrialise. Apart from being a BRICS member, it has a long history of international collaboration and is a significant player in the developing world. India founded a number of international organisations, including the United Nations (UN), the Asian

Development Bank (ADB), and the Group of Twenty (G-20) major nations. Other international organisations in which India has played a major and prominent role include the East Asia Summit, the World Trade Organization, the International Monetary Fund, the Group of Eight plus Five, and the IBSA Dialogue Forum. India is a member of the SAARC and BIMSTEC regional organisations.

India was an outspoken advocate for international collaboration. India, being a large nation with a long border, has a long history of hospitality and cordial ties with a number of its neighbours. India is bounded by Afghanistan, Bhutan, Bangladesh, China, Pakistan, Burma, Sri Lanka, the Maldives, Bhutan, and Nepal. India's biggest trade partner is China. The South Asian Association for Regional Cooperation (SAARC) comprises these nations (SAARC). These nations create a complex web of connections, shared histories, similarities and differences that are woven into the fabric of their diverse races, languages, religions, and political systems. This regulation applies to every nation in the area. India has a unique position in the globe. Due to geography, India shares borders with all other South Asian nations, while no other country in the area does (apart from Afghanistan and Pakistan).

AFGHANISTAN

India and Afghanistan have strong connections and collaborate on a range of issues, including economy, technology, and culture. In 1988, India enthusiastically embraced the United Nations-sponsored Geneva Agreement on Afghanistan. Afghanistan was split after its independence and the Afghan civil wars of the 1990s, as well as the Islamist Taliban's rule. India's aid to Afghanistan comprises infrastructure development, institutional capacity building, local development initiatives, and continuous wheat supplies. Since 2001, over 10,000 Afghan students have benefited from ICCR scholarships to study in India, with over 7,000 coming home with degrees and technical skills that they are currently putting to use to help stabilise and develop Afghanistan. Numerous Afghan government personnel have benefitted from ITEC and the Indian Council of Agricultural Research's technical capacity-building initiatives. India-Afghanistan trade rose to \$680 million in 2013-2014. Aviation relations between the two nations have also strengthened over time.

The Afghan Embassy in Delhi has been collaborating closely with India's chambers of commerce of different cities and industry to develop bilateral economic ties. The US Embassy and five separate Afghan business chambers and hospitals have signed an MOU encompassing economic and medical cooperation. In the following months, MOUs with state chambers and hospitals throughout India will be inked, but not many more will be signed before then. Foreign investment is flooding Afghanistan's "virgin sectors," which include mining, agriculture, information technology and information technology services, and telecommunications.

As a result, the Afghan Embassy in New Delhi has developed sister-city relations with a number of important Indian towns and states. According to this, India aided Afghanistan's gradual transformation to peace, pluralism, and prosperity. Afghanistan and India have a long and fruitful history of cooperation.

BHUTAN

For a long period of time, India and Bhutan had friendly ties, which have lately strengthened. Both nations have advanced economically as a consequence of their collaboration. Bhutan has received help from India in a number of areas, including telecommunications, hydrographic surveys, education, and forestry. India committed to help Bhutan with its international affairs as part of a 1949 friendship treaty. Bhutan concurred. To to the 1949 Treaty, "the Government of India undertakes not to interfere in Bhutan's internal affairs." Bhutan's administration has said that it would follow India's lead on foreign policy matters.

Particulars	2013	2014	2015	2016	2017	2018
Exports to Bhutan (Rs. Cr)	4389	4785	5374	5529	5397	6011
Exports to Bhutan from India as a % to total Bhutanese import	82.4%	84.1%	79%	82.08%	80.56%	84%
Imports from Bhutan (Rs. Cr)	2898	3180	3180	3205	3162	3217
Imports from Bhutan to India as a % to total Bhutanese export	91%	89.4%	90.3%	90.90%	84.77%	78%

Bhutan sends power to India at a rate of one-third. Bhutan imports a variety of significant goods from India, including light oils and preparations (Diesel), ferrous items manufactured directly from iron ore, and other things (such as wood charcoal). Bhutan exports ferrosilicon, Portland cement, dolomite, calcium carbides, silicon carbides, cement clinkers, timber and wood products, potatoes, cardamom, and a range of fruits and vegetables, in addition to energy.

Hydropower is a critical foundation of bilateral cooperation. Along with supplying India with clean energy, it provides income for Bhutan (electricity accounts for about 35% of Bhutan's total exports and contributes 14% to the country's GDP).For both countries, this is a win-win scenario. Three hydroelectric projects (HEPs) with a combined capacity of 1416 megawatts (MW) are already supplying power to Indian consumers (336 MW Chukha HEP, 60 MW Kurichu HEP, and 1020 MW Tala HEP). A total of ten new projects with a combined capacity of 10,000 megawatts (MW) were proposed by both administrations in 2008. A total of 2940 MW will be added to the grid in the fourth quarter of 2017-2018 from three projects (Punatsangchu-I: 1200 MW; Punatsangchu-II: 1020 MW; Mangdechu HEPs: 720 MW).The Joint Venture model was used for four projects totalling 2120 MW, and the two nations signed a Framework Inter-

Governmental Agreement in 2014. Kholongchhu (600 MW), Bunakha (180 MW), Wangchu (570 MW), and Chamkarchu (770 MW). Pre-construction work has started on one of the four JV-model projects, Kholongchhu HEP.

BURMA/MYANMAR

India maintains diplomatic relations with Burma after the country's independence. Mizoram and Manipur have a four-cornered border with Burma; Nagaland and Arunachal Pradesh share a three-cornered border with Burma. Myanmar's closeness to China complicates Indo-Burmese ties. For many years, there have been strong Indo-Burmese connections due to cultural affinities, thriving commerce, similar geographical interests, and the existence of a large Indian community in Burma. Burma is separated from India by a long and contentious border, which it views as a friendly neighbour. Historically, the two countries have been friendly.

Myanmar's exports

India's Myanmar exports increased by 17.9 percent annually from \$ 237.3 million in 2008 to \$ 1.2 billion in 2018. Myanmar imported \$445.3 million from India in 2018, down from \$906.3 million in 2008. In 2018, India exported mainly mineral fuels, oils and derivatives, medicines, sugars, and sugar confectionery to Myanmar, accounting for 44% of total Indian exports. Since 2014, Indian mineral fuel, oil, and derivative shipments to Myanmar have risen significantly. Since 2014, Indian sugar and sugar confectionery exports have grown substantially. Myanmar was India's second biggest sugar export destination in terms of volume in 2018. As demand for sugar and gasoline grew, the Myanmar government authorised their re-export from India and Thailand in order to satisfy that need while also boosting local export income.

However, Indian military supplies to Burma are under growing strain. India's reaction to Cyclone Nargis, when the Myanmar government accepted India's pleas for relief and rescue assistance, demonstrates the two nations' strength.

CHINA

The two nations are separated by a border. These two nations' relations have worsened over time. Despite India's long-standing cordial relations with the United States. China invaded and controlled large portions of India during the Sino-Indian War of 1962. Following then, relations between the two nations continued to worsen. India has always tried to bolster relations with China. India is attempting to calm tensions along its border. However, China wants to defer resolution of the border issue until a later date. India has adopted a strong position in the issue over the border. According to former Indian Prime Minister Rajiv Gandhi in 1988, a solution on the Indo-China border dispute must be fair for both governments and peoples. Rajiv Gandhi's December 1988 visit to China was hailed as a watershed moment in bilateral ties. It was believed that in order to achieve an agreement between the two nations, a cordial atmosphere and climate needed to be created. Prime Minister Li Peng assisted in forging strong ties between China and India during his December 1991 visit to India. Cooperation and delegation exchanges in the fields of culture, sports, and business have started, but the border problem remains unsolved.

Since 1988, the Sino-Indian War of 1962, as well as continuing disagreements over the boundaries of Aksai Chin and Arunachal Pradesh, have not stymied Sino-Indian relations. Both countries have sought to develop economic and cultural ties, as well as normalise relations, in order to alleviate border tensions.

With total two-way commerce surpassing pre-pandemic levels, India's trade with China grew at a record 62,7% in the first half of 2021.

After six months, bilateral commerce reached 57.48 billion dollars, a record high for the first six months of 2021. According to data from China's General Administration of Customs, bilateral trade rose over the previous year, when it fell due to the illness, and surpassed the \$44.72 billion in the first half of 2019 prior to the pandemic.

India's imports rose by 60.4 percent in the second half of the year, reaching \$42.76 billion. India's exports to China rose by 69.6 percent to \$14.72 billion in the first half of the year, a record high. India's main yearly exports to China include steel, cotton, and other basic commodities. After six months, the trade deficit was at \$28.04 billion.

MALDIVES

India and the Maldives have cordial ties. The Maldives are located in the Indian Ocean, under the Indian Lakshadweep Islands. Apart from cordial and varied connections, India and the Maldives are near neighbours with deep ethnic, linguistic, cultural, religious, and economic links. In November 1988, after a coup attempt in Maley, Indian soldiers arrived and freed abducted Maldivian captives. India is committed to assisting and promoting Maldives economic growth.

Since the success of Operation Cactus, ties between these two countries have improved significantly. India has made significant financial contributions to bilateral programmes to improve infrastructure, health, and communications. It constructed the Indira Gandhi Memorial Hospital and upgraded telecommunications in Malé, the Maldives' capital. India exported \$384 million to the Maldives in 2006, but imported just \$6 million. The State Bank of India has made a \$500 million economic development donation to the Maldives. According to the nations, there are plans to increase tuna processing and fishing.

Since 1988's Operation Cactus, when the government fought off Tamil mercenaries who had taken control of the nation, India's foreign policy and security assistance to the Maldives have increased substantially. India joined the South Asian Association for Regional Cooperation (SAARC) in 1985 as a South Asian nation. Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka are members of SAARC. The Maldives has taken the lead in negotiating a South Asian Free Trade Agreement, formulating a Social Charter, initiating informal political discussions in SAARC fora, increasing environmental action, and proposing numerous human rights reforms. These initiatives include the adoption of a regional child rights convention and the creation of a SAARC human rights resource centre.

India and the Maldives signed a free trade agreement in 1981, which allows for the export of basic commodities. Indian exports to the Maldives include rice, wheat flour (Atta), textiles, agricultural and poultry goods, sugar, fruits/vegetables, spices, sugar cane,

and other agricultural byproducts. The Maldives provide the bulk of India's scrap metal. India supplies the Maldives with essential food items such as rice and wheat flour, as well as building materials such as sand and stone aggregates, including sugar and dal, in order to fulfil its bilateral agreement responsibilities.

India-Maldives Trade Figures(in million US\$)

Year	India's Exports	India's Imports	Total Trade	India's Balance of Trade
2015	225.82	3.00	228.82	222.81
2016	274.55	1.55	276.10	273.00
2017	282.04	4.12	286.16	277.93
2018	286.13	3.01	289.14	283.12
2019	290.27	3.42	293.69	286.85
2020(Jan-Feb)	52.18	0.5	52.68	51.68

Economic and commercial ties between India and the Maldives will begin in 2021. (source: India-Maldives Economic and Trade Engagement in 2021).

Two helicopters will be stationed permanently in India to bolster the country's surveillance capabilities and reaction time in the event of a threat. During A. K. Antony's visit, a Coast Guard helicopter was transferred to the Navy, and another will follow shortly. Coastal radars are installed in just two of the Maldives' 26 atolls. India will contribute to the installation of radars on all 26 ships in order to enhance maritime security.

NEPAL

India acts as a transit nation for the bulk of Nepal's trade with third-party countries, since it is the country's largest commercial partner and a significant source of foreign investment. India now accounts for a significant portion of Nepal's commercial trade, as well as one-third of the country's services trade, one-third of the country's foreign direct investment, and a staggering 100% of the country's petroleum supply, as a consequence of the peso devaluation. Numerous reasons contribute to India and Nepal's tense relationship, including border disputes, geography, economy, and the difficulties inherent in dealing with both big and minor powers, as well as comparable ethnic and linguistic identities that transcend boundaries. The relationship between India and Nepal is mainly based on centuries of shared culture. India has been an outspoken advocate for Nepal's development. The two nations were embroiled in acrimonious disagreements over trade and transportation arrangements. On the other hand, the situation has since been resolved. As a consequence, these two neighbours are constantly able to settle their differences logically.

In 1950, New Delhi and Kathmandu formalised their intertwined relationship by signing the Treaty of Peace and Friendship and accompanying secret documents outlining their security ties and a mechanism regulating bilateral commerce as well as trade passing via Indian territory. Additionally, both nations allow people to participate in any economic activity, such as work or business-related activities, while on the other's territory. These accords enabled Nepalis residing in India to benefit from the same economic and educational possibilities as their Indian counterparts.

India is Nepal's primary commercial partner. In 2018-19, bilateral trade amounted to \$8.27 billion. Nepal exported INR 3558 crore (\$ 508 million) to India in fiscal year 2018-19, whereas India exported INR 54300 crore (\$ 7.76 billion) to Nepal. Petroleum goods, motor cars and spare parts, stainless steel billets, rice/paddy/other machinery, medication, hot-rolled sheet in coils, power, agricultural equipment and components, and coal are the primary Indian imports to Nepal. Nepal also imports a range of other products from India, including thread and coils of cold-rolled sheet steel.

Indian businesses account for more than a third of Nepal's authorised foreign direct investment. Over 150 Indian businesses operate in Nepal, the majority of them are engaged in manufacturing, services (such as banking and insurance), dry ports, education, and telecommunications), or tourism. Other companies in the industry include Manipal Group, IL&FS, Asian Paints, CONCOR Holdings, Hindustan Unilever, Transworld Holdings, MIT Group Holdings, Patel Engineering, Bhilwara Energy, GMR India, Bhushan Group, Feedback Ventures, RJ Corp, KSK Energy, Berger Paints, Essel Infra, Project Ltd., and Tata Power, India.

Title/Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
INDIA'S EXPORTS TO NEPAL	5,453.59	6,612.96	7,766.20	7,160.35	6,765.93
%Growth		21.26	17.44	-7.80	-5.51
NEPAL'S EXPORTS TO INDIA	445.13	438.38	508.14	711.61	670.33
%Growth		-1.52	15.91	40.04	-5.80
TOTAL TRADE	5,898.72	7,051.34	8,274.34	7,871.95	7,436.26
%Growth		19.54	17.34	-4.86	-5.5

The Indian government has provided significant financial and technical development assistance to Nepal as part of a broad-based programme focusing on grass-roots infrastructure development, implementing various projects in the areas of infrastructure, health, water resources, education, and rural and community development. India's recent road development in the Terai area has aided Nepal in developing border infrastructure. Among the other projects are Raxaul-Birgunj, Sunauli-Bhairhawa, Jogbani-Biratnagar, Nepalgunj Road-Nepalgunj, Nautanwa-Bhairhawa, and New Jalpaigudi-Kakarbhitta; as well as the construction of cross-border rail lines between Jogbani-Biratnagar and Jaynagar-Bardibas. India has also assisted Nepal in developing its educational system, showing its care for its neighbours. An important element of India's relationship with Nepal has been India's assistance in strengthening Nepal's human resources.

PAKISTAN

Pakistan has been fiercely opposed to preserving ties with India. On the other side, India has made tremendous efforts to normalise and strengthen ties with Pakistan. Pakistan has been mentioned in a number of foreign news sources about the Kashmir issue. Indian authorities have expressed worry to Pakistan about the present scenario due to all of these reasons. With India's relations with Pakistan at an all-time low, despite their historical, cultural, and ethnic connections, India and Pakistan have a long history of distrust dating all the way back to 1947, when India divided. India conducted the Pokhran-II nuclear tests in 1998, followed by Pakistan's Chagai-I nuclear tests in 1999. Pakistan's relations with the US improved somewhat after the February 1999 Lahore Declaration. Later, huge numbers of Pakistani paramilitaries and troops invaded Indian Kashmir's Kargil area. Pakistani paramilitary groups and the Pakistani army. India sent hundreds of troops to clear the region of invaders, sparking the Kargil War. Indian-Pakistani ties worsened considerably in December 1999, despite the fact that the dispute did not escalate into a full-fledged war. India made an effort to mend fences at the Agra summit in July 2001, but it failed. In December 2001, terrorists assaulted the Indian Parliament, and Pakistan was accused for the attack. This culminated in a year-long military stalemate, escalating fears of nuclear Armageddon. However, a 2003 peace process resulted in improved ties in the years that followed.

India and Pakistan have decided to take a number of confidence-building measures in order to jump-start the peace process (CBMs). The Samjhauta Express and the Delhi-Lahore Bus are two such outstanding efforts that have helped in the development of better intercultural understanding between Pakistan and India. In 2005, a bus service between Srinagar and Muzaffarabad was established, and in 2008, a historic trade route over the Line of Control was reopened, showing both sides' desire to repair fences.

India has historically had a trade surplus with Pakistan, owing to the country's low imports in comparison to its large exports. According to the World Bank, India's exports to Pakistan fell by 16 percent to USD 1.82 billion in 2016-17 as relations deteriorated. Despite the obstacles, commerce between the two nations continued to expand. Cotton and organic chemicals accounted for more than half of India's total exports to Pakistan in

2018-19. Other industrial leaders included plastic, tanning/dyeing extracts, nuclear reactors, boilers, equipment, and mechanical appliances. India's exports rose by about 6% to USD 1.92 billion in 2017-18 and by another 7% to USD 1.92 billion in 2018-19.

Cotton was one of the numerous imports that declined after prohibition. Only prescription medicines have experienced a price rise. Pakistan bought medicines and chemical compounds from the United States during the Covid-19 epidemic to ensure a continuous supply of treatment.

Purchasing goods from Pakistan and importing them into India. Mineral fuels and oils, edible fruits and nuts, salt, sulphur, stone and plastering materials, ores, slag and ash, and raw hides and leather were all major imports from Pakistan in 2018-19. Pakistani imports increased by 7.5 percent to USD 488.56 million in 2017-18, despite the fact that volume was considerably lower than in 2016-17.

SRI LANKA

India and Sri Lanka have enjoyed friendly ties for a long period of time. Sri Lanka is home to a large community of Tamils who are descended from Indians. As a result, despite India's backing for Tamil Tiger terrorists and its reluctance to intervene in the civil war, Sri Lanka's ties with India have remained mostly good.

India-Sri Lanka relations have developed significantly since their beginnings. While trade and investment continue to grow and infrastructure connections are reinforced, bilateral defence cooperation continues to develop. Political connections are forged at the highest levels of government via face-to-face encounters.

India's importance in Sri Lanka's foreign relations is generally recognised within the country's political scene. Significant bilateral relations development has been enabled in recent years by Sri Lanka's main political parties. India and Sri Lanka share economic ties. Numerous major Indian private sector companies have invested in and established a presence in Sri Lanka, resulting in a considerable increase in bilateral commerce during the past decade. Sri Lanka is India's biggest trade partner in South Asia. Trade between the two nations increased significantly after the coming into effect of the India-Sri Lanka Free Trade Agreement in March 2000.

Apart from being a significant trade partner, Sri Lanka is a significant source of FDI into India. Numerous major Indian companies have invested in Sri Lanka and established offices. Between 2005 and 2019, India received 1.7 billion dollars in foreign direct investment (FDI), according to the Bank of India. India has made substantial investments in a variety of sectors, including petrochemical retail, tourism and hotels, manufacturing, real estate, and telecommunications. Similarly, Sri Lankan businesses are expanding their investments in India, capitalising on the country's dynamic economy and bigger market... Brandix (Visakhapattanam's textile city, estimated to cost about USD 1 billion) is an outstanding example.

India was the largest source market for visitors visiting Sri Lanka prior to the outbreak, in addition to expanding commerce and investment. From January through December of this year, 355,002 Indian tourists visited Sri Lanka, accounting for 18.2% of all visitors.

Sri Lanka is also a top 10 tourist destination in India. To ease travel between India and Sri Lanka, the Indian High Commission in Colombo issued 107,360 tourist visas and 14,597 business visas in 2019.

CONCLUSION

These countries accounted for only 0.8 percent of India's total goods imports in 2019-20. This isn't something that happens on a regular basis. In 2001-02, the previous high was 1.8 percent. The moral of the story is that India rarely trades with its immediate neighbours, which may be detrimental to its economic growth. Sri Lanka, Bangladesh, Nepal, Bhutan, the Maldives, Burma, China, and Afghanistan are India's immediate neighbours. India has strong historical, religious, economic, ethnic, and linguistic ties to these countries. India wants a calm, prosperous neighbourhood that understands its needs and goals. The promotion of internal cohesion and the management of India's often tumultuous ties with its neighbours, which are frequently intertwined, such as in the case of Pakistan, Nepal, and Sri Lanka, have been the country's key challenges. Despite the fact that India's officials and citizens have had several problems with its neighbours in the past, India's leaders and citizens continue to desire good relations with their neighbours.

REFERENCES

- ❖ Treaty of Perpetual Peace and Friendship Between the Government Of India and the Government Of Bhutan is available at <https://mea.gov.in/bilateral-documents.htm?dtl/5242/treaty+or+perpetual+p>
- ❖ Agreement on Trade and Commerce between the Government Of India and the Government Of Bhutan is available at <https://www.mea.gov.in/bilateral-documents.htm?dtl/5671/Agreement+on+Trade+and+ Commerce>
- ❖ Tradingeconomics.com /Reserve Bank Of India
- ❖ <https://www.indiantradeportal.in/>
- ❖ https://mea.gov.in/Portal/ForeignRelation/India-Nepal_Bilateral_Brief_Feb_2020.pdf
- ❖ <https://in.nepalembassy.gov.np/trade-and-commerce/>