Intra- Regional Trade Practices in the Period of Covid- 19 Pandemic: A Study on India and Bimstec Countries

Prof. N. U. K. Shervani

Head of the Department of Commerce and Business Studies, Jamia Millia Islamia University, Delhi.

Dr. Jyotsna

Assistant Professor, Department of commerce, Maitreyi college, University of Delhi.

Dr. Saroj Rani

Associate Professor, Department of Economics, Maitreyi college, University of Delhi.

Correspondence: Jyotsna

Department of Commerce, Maitreyi college, University of Delhi.India.
E- mail: jyotsna@maitreyi.du.ac.in

Abstract

The common history and shared cultural heritage are the backbone of BIMSTEC countries for understanding and respect for each other. In the period of COVID 19 Pandemic like other countries of the world BIMSTEC countries was also initially response to restrict trade, travel and other forms of connectivity. This Paper focuses on socio- economic environment of economic integration on intra- regional trade between India and BIMSTEC countries in the troubled times. The Gravity model shows theoretical justification of intra- regional trade annd applies the generalized gravity model to analyses the India and BIMSTEC trade with its major trading partners. The empirical findings suggest that India and BIMSTEC has positively associated with both intra-regional trades. This paper recommends that goal- oriented policies and strong political commitment towards economic integration are needed in the region.

Keywords: Economic Integration, Gravity Model, Intra-regional Trade, Trade relations, BIMSTEC, COVID-19.

INTRODUCTION:

The common history and shared cultural heritage is the backbone of BIMSTEC nations for understanding and respect for each other. The regional integration is the responsibility of BIMSTEC nations to creating prosperous and strengthens cooperation among member countries. The Bay of Bengal seven groups of countries has been also affected by corona virus (COVID- 19) Pandemic.

The COVID- 19 affects the prices of the goods and these prices increases above than market prices which causes losses of additional economic welfare. This COVID- 19 Pandemic increases greater scope in the region of Bay of Bengal for regional cooperation among these countries. Regional integration helps to reduce costs of pandemic- driven barriers and facilitating regional cooperation. All members of BIMSTEC countries are facing challenges like trade flows impede, people and capital movement to overcome the Corona virus Pandemic by regional integration. WHO stated," With a fast-moving pandemic, no one is safe, unless everyone is safe." BIMSTEC nations like other countries of the world initially response to restrict trade, travel and other forms of connectivity in the period of COVID 19 pandemic. But these restrictions have been relaxed as situation worse therefore these countries reopen their economics with innovative trade practices. BIMSTEC countries are approximately 1.3 billion people which are 22% of the world's population and only 4% of World's GDP is 4%. The BIMSTEC countries are working together in the core areas such as trade and investment, infrastructure, tourism, economic assistance, energy and fishery.

LITERATURE REVIEW:

However, The BIMSTEC members' countries have been negotiating for regional economic cooperation. The negotiations in the areas of tariff concessions on trade in goods, customs cooperation, trade in services, investments and dispute settlement mechanism are spread over. The 20th TNC meeting for four draft agreements like trade in goods, rules of origin, dispute settlement and customs matters was held in Bangkok from September 9-10, 2015 to sign the final agreements. (Rahman M. M.and Kim C., 2016)

To different activities to enhance trading facilitate like increase transportation and communication facilities, trade, various initiatives have to be implemented including easy customs procedures and practices, information on standards, strong banking policies (The Hindu, 1-07- 2000). To increase trade in the area of transport and communication different areas of cooperation introduced like cross border trade, arrangements for logistics of transport, increase infrastructure facilities and also sea transport facilities. (The Hindu, 26-04-2001). Table 3 which shows technology and infrastructure profile of South Asia and East Asia and pacific region plus ASEAN region.

The difference between India and Pakistan makes SAARC unable to trade and BIMSTEC was formed which tend to increase trade relations with ASEAN. There are other factors also which affect progress of SAARC of India with smaller countries for economic arrangements. For example, Even Bangladesh was denied to provide gas reserves grants to Indian oil companies. India has collaboration with South Korea for foreign multinationals firms for fossil fuels reserves in Myanmar to secure its energy reserves for future. BIMSTEC is balanced combination of countries to reduce the gap or bridge between countries of South Asia and Southeast Asia than MGC initiative. (Yahya. F, 2005)

FTA is the important for market integration operations in BIMSTEC. It should also give emphasis for trade facilitation activities through easy transit facilities, Policies which friendly for doing business at large scale, new transport corridors through air, sea and land etc. The process of trade can be increase by providing non-tariff barriers in the region of BIMSTEC. The digital connectivity is also play important role for trade. To improve people- to- people contact the governments must improve air connectivity and tourism promotion business by

inter- governmental cooperation like Buddhist circuit is one such example for BIMSTEC tourism promotion. The needs of strong institutions and information for sectoral cooperation. (Ceylon Today, 06-06-2017). By keeping the content and meaning of the analyzed review of literature in mind, it was observed that there is no systematic study on BIMSTEC with regard to intra- regional trade between India and BIMSTEC countries. This is the gap identified by the researcher. In order to fulfill this gap, the present study was undertaken.

In order make this grouping an enabler for regional co-operation, it must primarily seek to establish trade and connectivity across the region based on common aspirations for growth, development, commerce, and technology. Connectivity holds the key for economic integration of this region and this must evolve based on identifying regional synergies among economies and bottom-up approach. People to people connections and 'specific areas of cooperation' among member states shall establish BIMSTEC as a regional framework and driver to make Bay of Bengal sub region hub of economic activities and cooperation (Singh A.P.,2018)

Table 1 is showing literature by different researchers related to methodology of the study.

Table1: Different studies related to Methodology of the study

S.No.	Papers	Authors	Objectives	Research Methodology	variables
1.	India- BRICS Trade: A Gravity Model Approach	Mohamed Nazeer S(2016)	To analyze the Growth of trade of BRICS Countries	Gravity Model, OLS	GDP, Distance, Language, cultural sharing
2.	Does Trade Cause Growth?	Jefrey A. frankel and David Romer(1999)	estimates of trade's impact on income	OLS	GDP
3.	Regional Integration in South Asia: An Analysis of Trade Flows Using the Gravity Model	Naseem Akhter and Ejaz Ghani(2010)	assessment of trade potential, trade creation and trade diversion effects under the arrangement of SAFTA	Gravity Model, OLS	GDP, Distance, border, tariff,
4.	A Multifaceted Panel Data Gravity Model Analysis of Peru's Foreign Trade	Xu Wang , Ryan P. Badman(2016)	Peru's export performance and attempts to identify the dominant economic factors	Gravity Model, fixed effects GLS regression, random effects GLS regression and instrumental variables GMM regression.	GDP, exchange rates, Inflation rate

5.	Does the Gravity Model Explain India's Direction of Trade? A Panel Data Approach	Bhattacharyya.R & Banerjee.T(2006)	to evaluate the influence of the three variables suggested by the gravity theory in determining India's Direction of trade	Gravity Model, OLS	GDP, Distance, culture, language, colonial links
6.	The Economic Potential via The Gravity Model of Trade	N. L. Beronilla , P. J. H. Esguerra , and J. Ocampo(2013)	the research on economic potential for the Philippine towns	Gravity Model, OLS, Poisson Regression	GDP, Distance, % share of road, electricity, unemployment
7.	All Economic freedom is not created Equal: Evidence from Gravity Model	Robert J. Sonora(2014)	analyzes the differential impacts of different types of economic freedom on bilateral trade flows between the United States and 122 countries over 10 years	Gravity Model, OLS	GDP, Distance, Population
8.	Controlling for Heterogeneity in Gravity Models of Trade and Integration	I-Hui Cheng and Howard J. Wall(2005)	compares various specifications of the gravity model of trade	Gravity Model, OLS, Fixed effect Model	GDP, Distance, Population, common language
9.	The Trade Consequences of Pricey Oil	David Von Below and Pierre- Louis Vezina(2016)	examines the trade and trade-induced welfare effects of oil prices	Gravity Model, OLS,	Distance, Language, currency, Border, colony

 By keeping the content and meaning of the analyzed review of literature in mind, it was observed that there is no systematic study on BIMSTEC with regard to intra- regional trade between India and BIMSTEC countries. This is the gap identified by the researcher. In order to fulfill this gap, the present study was undertaken.

OBJECTIVES OF THE STUDY:
1.) To study trade relationship between India and BIMSTEC countries in the era of COVID-19.

2.) To assess the impact on socio- economic environment of economic integration on intra-regional trade between India and BIMSTEC countries in the troubled times.

Major Socio- Economic Indicators of India and BIMSTEC:

The BIMSTEC nations have a combined GDP is US$750 billion. The comparative major socio- economic indicators of BIMSTEC countries are showing some important indicators in Table 2 are:

Table 2: Comparative Major Socio- economic Indicators of BIMSTEC Countries

Description	Indicators	BANGLADESH	BHUTAN	INDIA	MYANMAR	NEPAL	SRILANKA	THAILAND
Population	Millions	164.670	0.808	1339.180	53.371	29.305	20.877	69.038
GDP growth rate	%	7.28	6.00	6.68	6.84	7.50	3.31	3.91
Literacy	%	72.9	57.0	69.3	75.6	59.6	91.9	92.9
HDI ranking	Rank	136	134	130	148	149	76	83
Life expectancy	Years	72.8	70.6	68.8	66.7	70.6	75.5	75.5
Unemployment rate	%	4.4	2.5	2.7	1.6	-	4.2	0.7
Poverty rate	%	24.3	8.2	21.9	32.1	25.2	4.1	8.6

Source: World development Indicators, UNCTADstat2018 data was accessed on 25th July 2019

BIMSTEC Trade

The BIMSTEC countries are 14 priority sectors along with technological and economic cooperation. Trade is one of the sectors for cooperation in the BIMSTEC trade. Now a day's trade plays an important role to accelerate the growth of economic development. Both global trade and regional trade integration are equally important for global trade integration. It is most important to participate at both regional and multilateral trade forums. Trade and Investment is one of the sectors of BIMSTEC organization among 14 sectors of the cooperation. This organization have signed the agreements in various areas like free trade, cooperation in reduce terrorism at international level, crime which is transnational and illicit drug trafficking, energy, weather and climate and the like. The region is larger than expected which is given importance in world trade.

Economic Relations with BIMSTEC Economics:

The economic relation with BIMSTEC Economies shows in Table 3 is showing total trade of BIMSTEC economies with India for the year 2018-19 and 2019-20 value in crore. The total balance of BIMSTEC countries is 19,584,420.53 for 2018- 19 and 17,842,116.86 for 2019-20. The India's total balance is 230,772,619.38 for 2018-19 and 221,985,418.10 for 2019-20 with percentage growth negative 6.61. The percentage share of BIMSTEC countries is showing 8.4865 in 2018-19 and 8.0375 in 2019-20.

Table3: Total Trade of BIMSTEC Economies with India (2018-19) and (2019-20) value in Rs. Crore

S. No.	Country	2018-19	2019-20	% Growth
1.	**Bangladesh PR**	6,439,152.25	5,817,660.89	-9.65
2.	**Bhutan**	459,132.95	523,528.64	14.03
3.	**Myanmar**	845,853.57	691,047.58	-18.30
4.	**Nepal**	5,430,053.60	5,071,276.32	-6.61
5.	**Sri Lanka DSR**	3,299,621.00	2,693,454.09	-18.37
6.	**Thailand**	3,110,607.15	3,045,149.34	-2.10
	Total	19,584,420.53	17,842,116.86	-8.90
India's Total		**230,772,619.38**	**221,985,418.10**	**-3.81**
% share		**8.4865**	**8.0375**	

Source: https://tradestat.commerce.gov.in/eidb/egrpcnt.asp accessed on 16/03/2021

Trade Relations of India with BIMSTEC Countries:

The liberalized policy of India was started in 1991 through extensive efforts with systematic reforms. The technology transfers and increase exposure of competitive pressures is required in the process of reforms of trade and investment to restructure comparative advantage in global economy. The regionalism is growing slowly in the South AsiaThe Pace of regionalism in the South Asia has been slow because of excessive tariffs, NTBs (Non- tariff barriers), Political aspects and historical contention among BIMSTEC countries. Political distrust, economic irregularities, limited trade balancing and lack of promises are the reasons for below prospect recital of trade liberalization in south Asia (Udagedera, S , 2001). To increase relationship with ASEAN countries India was encourage going with BIMSTEC.BIMSTEC fulfill India's desire to achieve its 'look east' policy towards east to add on Thailand. BIMSTEC organization helps smaller like also Bangladesh, Bhutan and Nepal to trade of major economic activities with ASEAN all over the world (Bhattacharjee.J , 2018). The total trade of BIMSTEC countries is 1.5 trillion in 2018 as compared 790.4 billion in 2009. The total export was 646.1 billion USD and imports are 864.2 billion USD in 2018 of BIMSTEC countries. The intra- regional trade of BIMSTEC group is 6 percent with lots of capabilities which increase or improve economic activities and collaboration reach to new heights between these countries. The vital trends of bilateral trade are to take economic and

commercial status at higher level between India and BIMSTEC countries. The total trade is trebled between India and BIMSTEC countries from 12.3 billion USD in 2009 as compared 37.9 billion in 2018. The exports of BIMSTEC countries increased 4 times from 7.3 billion USD as compared 27 billion USD in 2018. The imports of BIMSTEC have doubled which is 5.1 billion USD in 2009 as compared 11 billion USD in 2018. The total International trade between India- BIMSTEC countries is 4.6 percent. The major trading partner is Thailand with India having 31.7 percent share in 2018 among BIMSTEC countries. Bangladesh with 32.5% followed by Nepal (27%), Sri Lanka (17.3%) and Thailand (16.2%) are major export destinations among BIMSTEC countries in 2018. Thailand with 70% followed by Sri Lanka (12%) and Bangladesh (8.1%) are major Import destination to India in 2018. Mineral fuels, oil and their products (14.4%), vehicles other than railway or tramway (10.3%), cotton (9.3%) and mechanical appliances (8.2%) are most important items exported to India in 2018. Machinery and mechanical appliances (13.2% share in total imports); plastic and articles (9.7%), electrical machinery and equipment (9%) and inorganic chemical (6.7%) are foremost items imported by India from BIMSTEC in 2018 (EXIM Bank of India, 2019).

Table 4 is showing trade intensity index of BIMSTEC economics from 2010 to 2019. The lowest trade intensity index is showing by Thailand and highest trade intensity index of Bhutan. India is showing lowest trade intensity index as compared Bangladesh and Sri Lanka. The Myanmar is showing second highest trade intensity index.

Table 4: Trade Intensity Index of BIMSTEC Economies (2010-19) value in Rs. Crore

Countries Year	Bangladesh	Bhutan	India	Myanmar	Nepal	Sri Lanka	Thailand
2010	2.90	25.50	1.01	12.07	17.63	5.78	0.88
2011	2.75	23.91	0.95	10.53	15.75	5.55	0.89
2012	3.08	23.09	0.96	9.73	14.25	5.06	0.78
2013	3.07	26.30	0.93	9.09	14.26	5.00	0.96
2014	3.13	24.27	1.04	6.24	15.60	6.31	0.98
2015	2.85	21.81	1.13	7.40	16.96	5.95	1.00
2016	2.69	25.42	1.28	7.24	19.25	4.91	0.91
2017	2.86	23.77	1.23	6.12	16.73	4.77	0.94
2018	3.00	22.42	1.25	5.62	17.88	5.15	1.00
2019	2.79	24.07	1.21	4.99	17.53	5.00	0.99

Source: www.aric.adb.org/database/integration accessed on 15-04- 2021

RESEARCH METHODOLOGY:

The Gravity Model Specification:

Trade performance could be better assessed by examining the trends in inter and intra-regional export and import flows among the member countries. In fact, there are several approaches to measure success of a region in exploiting its trade potential. The empirical studies by Tinbergen (1962) and Poyhonen (1963) which is explains gravity model to international trade and in other empirical models of trade this theory introduced trade flows among trading countries. The Gravity model is the based on the pattern and behavior of trade

flows which is tool and technique to estimate international trade flows with variables and parameters affecting to trade flows.

The Sample Description and Data:
The BIMSTEC countries are comprised of seven-member nations: Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand which is used for empirical analysis (Table 4). The range of data is from 2004 to 2019. Data has been collected from different secondary sources like the world development indicators, Asia Regional Integration Center (ARIC), Integration Indicators Database of the Asian Development Bank (ADB), the World Bank Data Bank and the UNCTAD data base.

Dependent Variables:
Dependent variables are the trade costs estimation of Export and Import trade for bilateral trade between BIMSTEC countries as the dependent variables. The bilateral trade between India and BIMSTEC countries is calculated as i and j. The dependent variable is calculated by using Tij. The trade data between India and BIMSTEC countries is taken from 2004 to 2019.

Independent Variables:
Independent variables are the bilateral trade flow between country i and j, those are GDP, Distance, border, common language. The data has taken from 2004 to 2019. These socio-economic independent variables explained below which are used in the gravity model are GDP per capita at current US dollar, Distance, Border and common Language explained below:

1.)Gross Domestic Product (GDP) Per Capita at Current US Dollar:
GDP per capita at current US dollar is calculated by using GDP_{it} and j countries as GDP_{it} and j countries as GDP_{jt} which is measurement of size of economy. The percentage growth of GDP is calculated for India and BIMSTEC countries.

2.) Distance:
Distance can be measured between country i and j which is calculated distance trade goes by air not by sea or land. D_{ij} is the distance measured between country i and j in Kms.

3.) Border:
The Border has taken by BIMSTEC countries as essential independent variable to calculated implications and dual connotation in the territory. The abbreviation is used as for dummy variable as $Border_{ij}$. The $Border_{ij}$ is measured as unity if these countries share common border between country i and j and zero if not have common border.

4.) Common Language:
The common language independent variable is expected to increase transaction cost if these trading countries not speaking language used for official or commercial to facilitate trade

negotiations. The dummy variable which is $Lang_{ij}$ is calculated as a dummy variable, it is one when countries i and j share common language otherwise zero.

Null Hypotheses:
1.) H_0: There is Positive effect of GDP Per Capita of BIMSTEC on Bilateral Trade.
2.) H_0: There is Negative effect of distance on Bilateral Trade.
3.) H_0: There is Positive effect of dummy variables border on the Bilateral Trade
4.) H_0: There is Negative effect of dummy variables of language on the Bilateral Trade

The Model:
There are many research papers on Gravity Model of Bilateral Trade flows to examine Trade Patterns and Trade relationships. On the basis of similar research of bilateral Trade flows of Gravity Model describe by different researchers like Egger (2000, 2002), Baltagi et.al (2003), and Serlenga and Shin (2007). The estimation of bilateral trade of Gravity Model of BIMSTEC countries is explaining below.

The dependent and independent variables for empirical estimation of Gravity model of BIMSTEC countries are T_{ij}, GDP_{ij}, D_{ij}, $Border_{ij}$, $Lang_{ij}$. The impact of selected bilateral Trade Indicators of BIMSTEC countries for empirical estimation on import and export, we use the following empirical models:

$T_{ij} = \alpha_0 + \alpha_1 GDP_{it}*GDP_{jt} + \alpha_2 D_{ij} + \alpha_3 Border_{ij} + \alpha Lang_{ij} + \mu_{ij}$

Where i and j denotes countries and T_{ij} denotes the value of bilateral trade between countries i and j.

T_{ij} is the value of bilateral trade between countries i and j

GDP_{ij} is trade percent of gross domestic product of countries i and j

D_{ij} is the bilateral distance between countries i and j

$Border_{ij}$ is the common or shared border between countries i and j

$Lang_{ij}$ is the official language between countries i and j

μ_{ij} is a normally distributed error term and the myriad other influences on bilateral trade which is equal to 0.

The above equation of Gravity Model is estimation of the impact of patterns and behavior on intra regional trade between India and BIMSTEC countries. The dependent variable of this equation is bilateral trade between countries. GDP, Distance, Border, official language are Independent variables that are going to be estimate for bilateral trade some as dummy variable that assume a value of 0/1 as value which depends on trading pairs of the number of countries in equation.

RESEARCH ANALYSIS:
Gravity Model: Empirical Model
The Gravity Model is using statistical tool and technique OLS (Ordinary Least Square) to estimate coefficient variables in log linear form. Gravity Model technique by using modeling and methodology helps researchers to analyze and evaluating policies. This Gravity model equation study is based on Breusch- pegan test value, where null Hypothesis is constant or Homoscedasticity residual (P- value > 0.05: Accept H_0). The Breusch- Pegan test result is BP= 29.86 and P- value = 5.22, null hypothesis is accepted. There is homoscedasticity in the

residual of the model. Panel data for OLS is calculated for the period 2004-2019 with pooled coefficients and other estimation. For the above-mentioned equations, we use Ri386 3.4.4 software technique. The Tij is represented dependent variable of bilateral trade shown in Table 6. The statistical results for independent variables are also shown. The P- value is more than 0.05 (P>0.05) which means independent variables has not significant influence on dependent variable. The overall R^2 is 0.765 means model fitted at 76 percent of the variation in the data. The number of variables is n=6 for time (t= 16) and total number of observations are 96. The GDP per capita for both India (GDPit) and other BIMSTEC countries (GDPjt) are estimated negative and not significant at 1%. The GDP per capita explains India exports less and imports more goods and services. This finding of negative coefficient explains that GDP per capita shows dismal economic growth of India and other BIMSTEC countries, therefore slow economic growth results less trade between these countries (Djeto Assane and Eric P. Chiang ,2012). The estimation coefficient of distance variable is positive and significant at 1% which explains that low distance increases bilateral trade flows between as given in findings of Herrera (2013) and in the words of Batra.A (2004) Less distance means less transportation costs which helps deliver goods at particular time , synchronized cost which helps to make available at right time to avoid production resistor in factories and transaction costs which makes new trading opportunities, these different costs inversely related to increase trade. The coefficient is negative and significant for developed countries but developing countries is showing coefficient is insignificant when sharing common border (Nicholas Horsewood, 2005). Baier et.al (2007) and Carrere (2006) is also showing common border negative and significant at 1%. Kirkpatrick and Watanabe (2005) in their estimation is showing insignificant and negative border in case of sub- Sahara Africa. The low transportation cost and easy market access in common border effects positively on trade flow (Mahfuz Kabir and Ruhul Salim, 2017). The negative results for border variable show common borders because of free exchange with no duties exchange duties like barter system with non- monetary exchange of goods between India- Nepal, India- Bangladesh, India-Bhutan and also India- Myanmar. DGCIS, Government of India (2017-18) is showing India with BIMSTEC countries border trade like Bangladesh (87.4%), Bhutan (11.6%), Myanmar (0.01%) and Nepal (0.0%). In the theory of Feenstra et. al (2001) common border shows negative and significant OECD effect on trade of goods for the cross-sectional data of 1970, 1980 and 1990. The dummy variable official language is showing positive coefficient and significant at 1%. This variable is the reflection of similar history, culture, tastes and social relationships which effects less transaction costs which facilitate trade negotiations at international trade (William Greene, 2013). These results are showing that similar language speaks by few countries of BIMSTEC (Fidrmuc. J.,2015).

Table 5: Statistical calculations

Min.	1st Quartile	Median	3rd Quartile	Max.
-34.7327	-20.6784	2.1104	11.2928	39.6962

Table 6: Estimates of Gravity Model for Bilateral Trade (2004- 2020)

Parameters	Estimated values of the Coefficients
GDPit	-11.50 (0.1)
GDPjt	-0.35 (0.1)
Dij	0.05 ((0.001)***
Borderij	-66.40 (0.001)***
Langij	66.73 (0.001)***
R sq. overall	0.76

Source: Author's calculations

Note: Signif. codes: 0 '***' 0.001 '**' 0.01, '*' 0.05 '.' 0.1, ' ' 1

The Bay of Bengal region has ruinous influence by Coronavirus pandemic – health or otherwise. On January 2021, the total COVID -19 cases in BIMSTEC countries observed 13 per cent of world's total population and total deaths about 8 per cent of total world's death. The top three most affected COVID- 19 cases in terms of number of deaths in countries are India, Bangladesh and Nepal followed by Myanmar, Sri Lanka and Thailand. The least-affected countries in total number of deaths in the region of Bay of Bengal are Bhutan and Thailand. These two BIMSTEC countries are escaped successfully from the impact of the pandemic. (Prabir De, 2021)

Effect of COVID- 19 on the BIMSTEC Organisation:
 The economy of the world has influenced by COVID- 19 Pandemic and all over the world is facing slowdown of trade. The Pandemic was affected the world socially, politically and economically. In BIMSTEC region the number of people lost their lives in this Pandemic. The International trade was also most affected area and every country are facing lots of challenges globally. In 2019 Indian economy was trembling trade tensions but COVID- 19 Pandemic is making trade crisis. During COVID- 19 the most affected factor of production is labour worldwide.
 The developing region of the world Asia is also in severe economic danger. The world international trade can return to its form by only the way of coordination and cooperation as clarified by World Trade Organisation (WTO). The International trade and world economy can bounce back when all the countries struggle against COVID- 19 Pandemic.
During lockdown period the trade of India is also expecting fall. Due to COVID- 19 Pandemic the Indian business affected by 53 percent, 80 percent affected cash flow

organizations to reduce cash flow and also give impact on supply chain. The 30 percent of organizations adopted policies work from home and 40 percent organizations has adopted policies to check employees before entering in the offices.

Difficulties Faced by trade in COVID- 19:

The crisis of COVID- 19 has damaged whole economy of the world and also trade at national and international level. The crisis has pretentious trade patterns and commerce of long distances. The trade was also affected by certain conditions are as follows:

1.) Change in Global Demand Pattern:

The volume and different patterns of international trade has changed incisive swiftly at global market and demand to make influence on world economy. The change in global demand pattern which results restrictions of people and goods movement, this will be result of combination of factors like retrenchment of economic activities, restrictions on the movement of goods and people, low-income results of lessen in demand of goods and services, find difficulties in long term and short-term loans. The exports related to agricultural products and pharmaceuticals products increased from India. India is large exporter of automobiles industry but facing decrease in demand of auto parts and auto ancillaries.

2.) Supply Shocks and Lack of International Mobility:

The COVID- 19 Pandemic has slowdown supply chain and also imported goods. The imported goods are facing certain challenges and turn down mobility of goods at international level.

3.) Impact on Services:

The online or E- commerce services has boost in this COVID- 19 period but badly affected different services like transportation, tourism, hospitality and other services.

4.) IPRs will become more critical:

When services are working through digital media and goods are replaced by ideas, designs and data. The developed countries more concentrate on IPRs than developed countries like India. India must be conscious about misuse and make use of international level IPRs.

5.) Impact on China:

The COVID- 19 Pandemic has impact on the business of China the countries all over the world has avoided to business with China. India is also trying to boycott China to do business. There are many Asian countries like India is benefitted of this situation and can make better their situation at international market. Therefore, India has to focus on making policies on FDI and environment so that Indian companies those are interested in new places in China.

6.) More De- Globalization and Increased Emphasis on National Self- reliance:

The old policy trends of globalization have changed on tariff and non- tariff measures on imports after the Period of COVID-19. The International trade and long- distance business has start with new ideas and eternally change focus on self- reliance after this COVID- 19 Pandemic.

Strategy to Promote Trade in COVID- 19 Pandemic:

1.) The new incentives and subsidies policies or schemes should be started and designed by the government which is done in some countries like Singapore to maintain and generate new prospects and jobs so that traders will get maximum benefits.

2.) India must investigate new potential and make strategies or policies to attract investment from different countries like Japan, Taiwan, Korea, Germany and UK in place of China.

3.) To enhance trade and supply chain India must discover novel innovative methods to invite FDI like E – commerce services-based models constant for perishable goods at international level.

4.) The Indian government must focus on rules and regulations against fraud which are done online to sustain customers worldwide. Government should give incentives to adapt IT and go online by small and medium size firms. Therefore, these firms can explore customers, productivity and efficiency at international level.

5.) The government should reduce export and import duties and penalties/detention/ demurrage/storage charges so that exporters and importers can survive in this COVID- 19 pandemic era.

6.) With the collaboration of Department of commerce, Ayush and industry India should explore new job potentiality in services like Ayurveda medical practice and yoga to manage unemployment problem.

 CONCLUSION:

The group of other BIMSTEC nations and India should work together help the world to overcome the problems related to trade and take out world from pandemic darkness into golden new start in this COVID- 19 period. The services export is India's economy is based on services export. Europe is major destinations of services exports. Because of COVID- 19 IT industry affected which is more than 3/4th of India's service exports.

Both developed and developing countries are affected by COVID- 19 and there is big challenge before each part, region and country of the world. The International and National trade and economics are affected badly. India is also affected adversely but due to China's mistrust and uncertainty makes India a new destination for investment. The Government of India should provide subsidies to small and medium traders or firms so that production networks may rise after post COVID- 19 restoration period. India is encouraging Indian investors and capital through investments, mentoring and support in the BIMSTEC region to larger ecosystem.

BIMSTEC, Bay of Bengal region, is a tool of regional integration which leads to substantial economic gains, development and reassessed its effectiveness in this post-COVID- 19 Pandemic. Regional integration is the building block for global integration and regionalism benefits for regionalism is depends on integration spirit of BIMSTEC countries. This paper explains that this region of BIMSTEC is affected immensely by ongoing Coronavirus- driven Pandemic. This paper argues regional integration postulates next round of integration and helps to reduce the cost of coronavirus- driven barriers. The Pandemic has responses which suggest a greater scope of regional cooperation among BIMSTEC countries. All the member countries of BIMSTEC region are facing similar challenges to hit this Pandemic regional integration helps to defeat people ideas and overcome areas those obstruct the flow of trade in goods and services.

Recommendations of this paper may help to defeat challenges of COVID- 19 pandemic and restructure this Bay of Bengal area as the centre of gravity in the region of Indo- Pacific. The

BIMSTEC countries are demonstrate the joint and collective devotion to the development of future economic startup the pillar to support and flourish.

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