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Evolving Patterns and Empirical Distribution of Normalized Revealed Comparative Advantage: A SAARC Countries Analysis

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ABSTRACT

Normalized revealed comparative advantage (NRCA) index by Yu et al. (2009) has a great significance due to its dynamic characteristics of over time, cross countries and cross products comparison in international trade. It also provides comparative picture of degree of advantage and disadvantage. This is first study that aims at estimating NRCA of SAARC countries at 17 sectorial level products to reveal their comparative and dynamic positions in international trade. This study found that Bangladesh has advantages in two sectorial products, Bhutan in two, India in two, Maldives in three, Nepal in four, Pakistan in four and Sri Lanka has advantages in three sectorial products. In textile and clothing products, Bangladesh is in better position due to rising trend in advantage over time, Nepal's advantage has been volatile, Pakistan's advantage is falling, India has volatile in textile and in clothing it is falling. Sri Lankan's advantage in clothing is falling while Maldives and Bhutan has no advantage in textile and clothing products. Bhutan is improving in iron and steel products but in fuel and mining products its advantage is falling, Maldives with three sectorial products enjoying advantages but it is falling over time i.e. Agricultural, Food and Fuels products.

KEYWORDS Sectorial Products; GSP Status; SAARC; Comparative positions; degree of advantage

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