

“TRADE PERFORMANCE OF PAKISTAN AND INDIA”

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ABSTRACT

This study examines the role of export and import, in economic growth in Pakistan and India, by using the secondary Time series data, from the period of 1960 to 2015 taken from World Bank. Unit root test has been checked by ADF (Augmented dickey- fuller)

Among the variables, co integration is shown by the simple regression technique. The results implied that, import and export are important to boost the economic growth in Pakistan. After estimating the model, we concluded that import and export of India highly effect on their economic growth and there are continuous increment in gross domestic product in India. In Pakistan the net balance of trade going to decline and it's continuously negative and declining. I compare the both economy export and import. The result brings out an important theory to support for the proposition that the export and import are one of the key reason of Economic growth in developed and developing countries. We compare in this the growth of India and Pakistan and see the further effect of their trade with china. We compare both country's import and export we can see that, there is too much distortion in Pakistan's trade, as compare to India's trade. The difference between import and export of Pakistan having less impact on GDP, as compared to the effectiveness of India's trade, impact on their GDP. The future relation between Pakistan with china and India with China, may affect largely on their GDP, by their trade benefit.

KEYWORDS: Export and Import, GDP, Trade