



Comparative Advantage of Pakistan with United States of America: The Role of Pakistan's Export for Government Policy

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Abstract

Liberalization of trade and capital market are two leading kind of liberalization. Trade Liberalization can raise exports by falling tariffs. Its rises the economic development by invest in those areas where a solid comparative advantage occurs to rise the efficiency of these areas. liberalization of trade maybe helpful for a country by using three methods, find the solid comparative advantage areas, rise the efficiency of these areas that is consuming RCA and builds a center of attention for investment. Present study endeavors to assess the comparative advantage of Pakistan's exports to United Sates of America. Generally comparative advantage is an important concept for explaining pattern of international trade. Aim of the study is to check out that in how many product categories Pakistan has RCA and from these how many able to export to USA. Revealed Comparative Advantage Balassa Index (1965) over the sample of 961 Product categories have been taken with the time Spain 2001-2016. Data took from the website of Un-Com Trade. Results revealed that Pakistan has a comparative advantage in 29 product categories and from these 29 products Pakistan able to export 26 products to United States of America because United States of America has comparative disadvantage in these 26 product categories.

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Introduction

The new idea of comparative advantage came in to exist to the early part of the 19th century. The comparative advantage is conceivably the most imperative concept for international trade.

If a overseas country can give supply to home country with a product lesser than that can make it, this is better to buy from it with some parts of the manufacture of our own industry, employed in such way in which we have some advantage Adam Smith, endorse the openness of international trade and documented that International trade improves productivity by enhancing market size and economies of scale (Shahab 2013) ^[9].

Adam Smith presented how both countries can advantage from trade, but it was David Ricardo who is accredited with what is commonly called comparative advantage. The idea that both countries can get advantage from trading even if one of them is better at manufacturing everything then the other International trade and expansion of financial markets can be key source of economic growth. Country having specialization in production of particular products at the mass scale, leads to comparative advantage. David Ricardo published a book "Principles of Political Economy and Taxation" which was published in 1817 and in that book he presented comparative advantage. According to theory of comparative advantage, a state export such products or services in which it has a well-built comparative advantage and imports such products or services in which it has low comparative advantage.

The objective of the study is to check out that in how many product categories Pakistan has RCA over United State of America, and result of the study will facilitate to policy maker to focus upon all the products for export to US in which US has comparative disadvantage.

And research question of the study is, Does comparative advantage exist among Pakistan and United states of America if yes in how many products exist?. Until now various studies are available with different few products no any study is available with 96 major product categories. So this study will cover the gap by evaluating 96 product categories.

Literature Review

The country Pakistan is located in southern part of Asia, China and Central Asian states are in its north side. Iran and Afghanistan is to the west side where as India is upon east side. Pakistan divided into its four provinces having names Punjab, Sindh, NWFP and Baluchistan. Currently the name of capital of Pakistan is Islamabad. In terms of culture, climate, and landscape Pakistan is one of the diversified country of the world. Pakistan is one of the agricultural country and its major exports related to agriculture is cotton, rice, sugar and textile. Official language of Pakistan is Urdu and second language that is using for education, trade and for other purpose is English and currently literacy rate of Pakistan is 58 %. Pakistan is 26th largest in whole world at economy scale of world, in term of (PPP) purchasing power parity. And in term nominal (GDP) Gross Domestic Product it is 14th largest country. Current GDP of Pakistan is 243.63 USD billion (Saleem 2015) ^[10].

Trade agreements (TAs) are turning out to be rising well-liked policy tool to control global economic integration. The regulations of the World Trade Organization (WTO) permit agreements of the trade even though the fact that they can interfere with the most favored nation principle. The cause is that these agreements are viewed as a step in the right (free trade) track (yu 2015) ^[5].

Bender and Li worked out to gauge the manufactured export's performance among the Asian economies and Latin American countries. Authors documented economies from both regions show positive significant variation in pattern of RCA of dissimilar sectors. They further stated, the downward trends of RCA in South Korea might be caused of Asian financial crises which were happened in 1997. A period of 17 years from 1981 to 1997 has been taken under consideration. Their study suggested that further future study in context of financial crises Asia will be proven fruitful to manage trade at global level.

Fertő and Hubbard, (2013) ^[3] found meat and animal products shows strong relative advantage in case of Hungary. Their study also used four different indices including the Balassa index to gauge comparative advantage in Agriculture sectors of Hungary. A period of 7 years from 1992 to 1998 was taken under consideration. Their research concluded that Balassa index is most appropriate index as compared to remaining indices. They documented that Agreement among Hungary and EU economies which was signed in 1991 is in favor of trade liberalization. Hungary trade relations with EU economies have much more importance because Hungary has approximately 60 percent trade with EU. They further concluded that eleven commodities groups from Hungary have RCA commodity groups namely: live animals, fats, oils,

vegetable materials, meats, animal materials, cereals, vegetable and fruit, sugar, cork and wood, beverage and oilseeds. The outcomes of their research work were in lines of those recent studies which employed cost and price based methods.

Ali E (2009) ^[1] investigated the revealed comparative advantage and competitiveness: A case study for India in horticultural products. This study conclude that the India's comparative advantage in fruit, vegetables, and flower trade in the Asian, EU, and North American (USA and Canada) markets as compared to other south East Asian countries.

Serin, (2018) ^[6] checked export competitiveness in Lithuanian industry by via Balassa index. Writer used item level information for interval from 2004 to 2010 determined that merchandise display and the RCA crawls towards modification of those merchandise which were powerful business categories. Research further described that exports and imports revealed the reducing pattern as 28% and 38 % respectively during 2008-2009. In the complete worldwide business from 2004 to 2008 imports and exports revealed 57 and 43 percents respectively contribute in Lithuanian case.

Wei and Zhao Found that the comparative advantage of Chinese produced products mutually in world and US market steadily boosting. It is pertinent to mention that most of the commodities with having comparative advantage are with low technology commodities. Whereas all the Chinese products having comparative advantage with medium technology in the market of the World chiefly enhanced. But their RCA are low and their kinds of commodities having high comparative advantage are low. Finally it is concluded that Chinese produced exports are of higher comparative advantage in the market of world than the market of US.

Methodology

Annual data has been taken from Un-Com trade's webs site over the period 2001-2016, based on SITC Rev.3 at two digit level 96 Product categories and used Balassa index 1965 as a measure for assess comparative advantage of Pakistan it is defined as:

$$RCA_i = \frac{\frac{X_{i,j}}{\sum X_j}}{\frac{X_{i,world}}{\sum X_{world}}}$$

Where: RCA_i representing the revealed comparative advantage of country in good i, X_{i,j} represents exports of good i by the country j, ΣX_j representing total exports by country j, X_{i world} representing exports of good i by world and Σ x world representing total exports by the world. In short, in Balassa index country's share in export of particular commodity has been divided by the total world export in particular commodity the result is comparative advantage index. For instance the index value of particular commodity i of country j is greater than 1, it reveals that country j has comparative advantage of good i over the world. If the value of RCA_i index of good i of country j is lesser than 1, it reveals that country j as comparative disadvantage in goods 1.

Results and Interpretation of RCA for Pakistan**Table 1:** Results of RCA for Pakistan

P code	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mean RCA	% Change
1	1.01	0.40	0.16	0.03	0.01	0.01	0.57	1.00	0.77	0.66	0.57	0.11	0.12	4.64	0.72	3.57
2	0.18	0.19	0.19	0.30	0.46	0.49	0.64	0.90	1.02	1.34	1.29	1.26	1.80	1.78	0.85	8.79
3	1.81	1.46	1.64	1.88	1.85	2.37	1.92	1.99	1.94	2.29	2.40	2.42	2.52	0.13	1.90	-0.93
4	0.18	0.18	0.33	0.43	0.42	0.38	0.53	0.46	0.64	0.85	0.88	0.73	0.81	0.26	0.51	0.44
5	2.09	2.62	2.00	2.08	2.23	2.49	3.04	3.02	4.37	4.65	3.52	3.03	2.49	0.02	2.69	-0.99
6	0.01	0.03	0.03	0.03	0.02	0.04	0.02	0.03	0.04	0.05	0.07	0.05	0.06	2.95	0.25	207.43
7	1.82	0.90	2.13	0.81	1.26	0.73	1.24	1.49	2.97	2.41	2.83	1.94	2.85	4.68	2.00	1.56
8	1.52	1.72	1.40	1.57	1.58	1.62	2.12	2.36	2.55	2.87	3.29	3.09	2.99	0.60	2.09	-0.61
9	0.88	0.70	0.72	0.74	0.76	0.76	0.93	0.89	0.78	1.08	1.28	1.15	1.21	17.36	2.09	18.77
10	10.81	10.37	15.98	16.27	13.26	18.86	16.50	18.98	17.10	12.85	13.36	14.19	13.82	0.02	13.74	-1.00
11	4.78	4.56	8.08	9.67	6.77	1.15	1.12	2.29	14.47	10.69	8.84	8.27	13.82	2.52	6.93	-0.47
12	0.33	0.81	0.46	0.56	0.77	0.69	0.70	0.33	0.53	0.64	0.86	0.88	0.77	0.25	0.61	-0.25
13	6.21	5.69	4.78	5.47	6.48	6.27	3.33	3.82	6.81	11.02	9.81	6.89	4.57	0.42	5.83	-0.93
14	3.16	2.33	2.14	2.51	4.23	4.65	3.22	5.61	4.48	5.56	6.93	28.37	4.94	0.91	5.64	-0.71
15	0.89	1.02	1.63	1.57	1.37	1.47	1.03	0.74	1.24	1.55	1.18	0.92	0.55	0.08	1.09	-0.91
16	0.46	0.88	0.35	0.64	0.50	0.34	0.56	0.57	0.89	0.53	0.19	0.16	0.17	1.15	0.53	1.52
17	2.97	3.63	2.77	2.33	1.56	5.75	2.28	1.38	0.88	3.59	9.21	7.19	6.65	0.01	3.59	-1.00
18	0.06	0.04	0.04	0.03	0.02	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.38	0.04	5.39
19	0.15	0.14	0.31	0.32	0.29	0.43	0.34	0.36	0.64	0.62	0.87	0.73	0.63	0.53	0.45	2.62
20	0.15	0.27	0.29	0.33	0.39	0.40	0.38	0.46	0.70	0.85	0.85	0.73	0.62	0.31	0.48	1.07
21	0.29	0.25	0.22	0.16	0.22	0.24	0.22	0.21	0.25	0.34	0.30	0.28	0.32	3.32	0.47	10.27
22	0.32	0.36	0.80	1.21	1.48	1.99	1.07	1.52	1.87	1.20	2.42	2.38	2.21	0.21	1.36	-0.34
23	0.11	0.12	0.08	0.09	0.15	0.16	0.24	0.46	0.40	0.55	0.64	0.74	0.42	0.11	0.30	0.01
24	0.26	0.36	0.26	0.22	0.27	0.19	0.23	0.36	0.59	0.43	0.44	0.39	0.21	7.21	0.81	26.88
25	0.92	1.29	2.78	3.04	5.75	9.86	11.95	9.38	8.78	11.59	11.93	11.36	9.01	2.72	7.17	1.95
26	0.17	0.32	0.28	0.23	0.62	0.92	0.48	0.60	0.33	0.40	0.41	0.34	0.40	2.17	0.55	11.91
27	0.23	0.24	0.31	0.34	0.40	0.34	0.28	0.36	0.29	0.07	0.12	0.16	0.11	0.01	0.23	-0.95
28	0.04	0.07	0.07	0.05	0.09	0.08	0.20	0.18	0.19	0.20	0.20	0.18	0.16	0.04	0.13	0.05
29	0.17	0.09	0.22	0.15	0.03	0.03	0.12	0.08	0.12	0.05	0.07	0.10	0.01	0.17	0.10	0.02
30	0.15	0.17	0.20	0.21	0.25	0.23	0.26	0.22	0.23	0.27	0.26	0.30	0.32	0.00	0.22	-0.99
31	0.15	0.26	0.18	0.04	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.05	-0.30
32	0.07	0.14	0.71	0.26	0.17	0.24	0.25	0.29	0.32	0.41	0.40	0.39	0.35	0.15	0.30	1.06
33	0.08	0.10	0.06	0.08	0.11	0.12	0.14	0.08	0.07	0.09	0.13	0.12	0.12	0.02	0.09	-0.76
34	0.20	0.20	0.12	0.06	0.09	0.30	0.36	0.22	0.22	0.35	0.54	0.42	0.34	0.08	0.25	-0.58
35	0.23	0.15	0.22	0.28	0.25	0.30	0.29	0.29	0.25	0.27	0.19	0.19	0.23	0.22	0.24	-0.02
36	7.26	5.31	4.86	5.89	6.55	5.94	4.02	3.77	3.59	4.63	4.14	2.17	2.43	0.09	4.33	-0.99
37	0.04	0.07	0.04	0.03	0.02	0.02	0.09	0.05	0.14	0.10	0.01	0.00	0.02	0.35	0.07	7.61
38	0.05	0.06	0.07	0.08	0.05	0.08	0.07	0.07	0.06	0.06	0.08	0.08	0.07	1.04	0.14	18.97
39	0.40	0.38	0.52	0.39	0.32	0.49	0.55	0.59	0.69	0.69	0.56	0.45	0.38	0.04	0.46	-0.90
40	0.04	0.06	0.21	0.50	0.09	0.05	0.05	0.04	0.05	0.05	0.06	0.06	0.07	1.66	0.21	44.08
41	6.11	7.29	7.42	7.71	9.60	10.38	9.11	9.69	10.24	10.74	11.20	11.54	10.54	22.03	10.26	2.61
42	10.20	10.52	12.61	12.43	12.03	12.14	9.44	8.40	7.40	7.30	7.47	7.43	6.86	0.02	8.87	-1.00
43	0.00	0.03	0.00	0.01	0.02	0.00	0.07	0.03	0.04	0.03	0.02	0.05	0.04	0.33	0.05	11.89
44	0.08	0.09	0.09	0.08	0.08	0.12	0.19	0.20	0.30	0.30	0.30	0.29	0.27	0.00	0.17	-1.00
45	0.02	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.12	0.01	5.16
46	0.13	0.10	0.25	0.18	0.04	0.02	0.05	0.04	0.09	0.27	0.23	0.38	0.47	0.01	0.16	-0.92
47	0.01	0.01	0.01	0.04	0.01	0.02	0.08	0.02	0.00	0.01	0.00	0.00	0.00	1.21	0.10	152.29
48	0.02	0.06	0.03	0.06	0.07	0.13	0.10	0.10	0.11	0.18	0.25	0.29	0.27	0.04	0.12	0.71
49	0.11	0.10	0.17	0.09	0.06	0.05	0.07	0.1	0.07	0.10	0.07	0.07	0.09	0.02	0.08	-0.86
50	0.15	0.29	0.12	0.40	0.19	0.39	0.05	0.18	0.08	0.16	0.44	0.37	0.55	3.07	0.46	19.27
51	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.6	0.5	0.6	0.8	0.8	0.5	168.8	12.49	579.55
52	36.74	41.57	46.74	49.72	51.14	53.45	52.77	48.40	51.42	57.84	55.88	56.66	53.63	0.04	46.86	-1.00
53	0.3	1.2	1.90	1.5	1.79	0.60	0.91	0.8	0.7	1.1	0.38	0.2	0.5	12.7	1.76	36.62
54	11.79	5.59	4.12	2.70	2.47	0.64	1.58	1.09	0.55	0.53	0.45	0.50	0.41	6.99	2.82	-0.41
55	1.93	2.78	1.76	5.64	9.15	6.88	7.74	10.62	10.35	8.45	7.68	7.57	5.79	0.21	6.18	-0.89
56	2.85	2.22	2.02	1.44	1.22	1.19	0.93	1.03	0.88	0.55	0.86	2.65	3.56	4.72	1.87	0.66
57	14.95	16.18	16.05	13.95	12.44	10.41	7.76	6.48	6.04	6.14	6.08	5.77	5.33	0.95	9.18	-0.94
58	1.35	4.81	2.09	2.17	2.00	0.88	1.48	1.48	0.97	1.53	1.24	1.24	1.12	0.69	1.65	-0.48
59	0.05	0.37	0.20	0.27	0.29	0.17	0.25	0.31	0.29	0.41	0.37	0.30	0.28	1.36	0.35	29.19
60	1.88	6.18	2.16	1.76	2.12	2.18	1.97	2.21	1.24	0.89	0.75	0.81	0.93	66.48	6.54	34.28
61	8.06	9.86	8.60	9.26	8.32	8.34	7.41	7.79	7.64	7.11	6.86	7.67	7.96	11.31	8.30	0.40
62	5.41	4.72	5.89	6.01	6.22	5.88	5.40	6.09	6.37	6.57	6.71	6.50	7.21	14.16	6.65	1.62
63	58.56	54.71	58.64	62.32	60.32	55.00	48.10	47.70	45.37	43.47	44.55	45.12	45.90	1.82	47.97	-0.97

64	1.04	1.19	1.50	1.30	1.06	1.14	1.00	0.67	0.70	0.65	0.64	0.71	0.65	0.06	0.88	-0.94
65	0.08	0.14	0.15	0.14	0.22	0.26	0.23	0.19	0.16	0.13	0.13	0.18	0.14	0.07	0.16	-0.13
66	0.06	0.03	0.04	0.03	0.06	0.07	0.07	0.06	0.06	0.04	0.06	0.05	0.07	0.01	0.05	-0.81
67	0.00	0.01	0.01	0.02	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	2.67	0.20	291.45
68	0.59	0.59	0.56	0.64	0.51	0.53	0.51	0.39	0.44	0.53	0.55	0.45	0.42	0.14	0.49	-0.76
69	0.27	0.31	0.34	0.25	0.24	0.27	0.23	0.17	0.19	0.21	0.18	0.15	0.12	0.17	0.22	-0.37
70	0.13	0.13	0.13	0.23	0.26	0.27	0.27	0.17	0.16	0.16	0.17	0.29	0.11	1.07	0.25	7.02
71	0.11	0.11	0.06	0.07	0.32	0.51	1.04	0.95	0.53	1.58	0.38	0.14	0.02	0.03	0.42	-0.74
72	0.02	0.02	0.03	0.05	0.05	0.06	0.05	0.06	0.07	0.07	0.08	0.10	0.07	0.14	0.06	7.04
73	0.21	0.26	0.37	0.25	0.27	0.31	0.39	0.42	0.48	0.66	0.44	0.48	0.37	0.51	0.39	1.40
74	0.15	0.12	0.12	0.18	0.24	0.28	0.38	0.40	0.49	0.85	0.78	0.70	0.53	0.00	0.37	-0.99
75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.04	745.77
76	0.06	0.06	0.13	0.09	0.09	0.14	0.23	0.17	0.13	0.16	0.16	0.16	0.13	0.00	0.12	-1.00
78	0.02	0.04	0.42	0.89	2.77	0.35	0.95	1.46	1.54	2.10	1.13	0.55	0.09	0.09	0.88	2.60
79	0.00	0.00	0.03	0.03	0.03	0.01	0.01	0.02	0.05	0.05	0.05	0.08	0.03	0.00	0.03	-0.36
80	0.00	0.01	0.00	0.04	0.04	0.01	0.01	0.00	0.01	0.02	0.03	0.01	0.01	0.14	0.02	29.74
81	0.00	0.00	0.00	0.02	0.03	0.00	0.01	0.02	0.01	0.01	0.01	0.02	0.00	4.93	0.36	1194.88
82	0.82	0.86	0.79	0.70	1.03	0.90	1.11	1.27	1.11	1.11	1.08	1.14	1.15	0.07	0.94	-0.92
83	0.02	0.02	0.04	0.02	0.03	0.04	0.01	0.01	0.02	0.02	0.02	0.03	0.03	0.92	0.09	50.00
84	0.05	0.04	0.05	0.05	0.07	0.13	0.12	0.10	0.08	0.07	0.06	0.09	0.06	0.01	0.07	-0.79
85	0.02	0.04	0.05	0.05	0.06	0.05	0.03	0.05	0.04	0.04	0.04	0.03	0.03	0.00	0.04	-1.00
86	0.00	0.01	0.02	0.00	0.03	0.01	0.01	0.01	0.04	0.00	0.00	0.01	0.05	0.42	0.04	238.87
87	0.02	0.03	0.03	0.06	0.03	0.06	0.05	0.05	0.05	0.04	0.04	0.03	0.03	0.01	0.04	-0.66
88	0.04	0.22	0.09	0.04	0.19	0.06	0.02	0.04	0.02	0.01	0.01	0.05	0.03	0.00	0.06	-1.00
89	0.18	3.08	0.21	0.05	3.11	0.06	0.08	0.30	0.04	0.04	0.07	0.01	0.08	2.25	0.68	11.75
90	0.41	0.38	0.37	0.32	0.47	0.50	0.46	0.39	0.41	0.43	0.47	0.49	0.51	0.00	0.40	-1.00
91	0.01	0.01	0.04	0.05	0.01	0.00	0.00	0.00	0.00	0.00	0.02	0.05	0.08	0.05	0.02	2.99
92	0.32	0.39	0.38	0.61	0.47	0.52	0.48	0.43	0.39	0.36	0.37	0.39	0.73	0.80	0.47	1.48
93	1.77	0.20	0.19	0.11	0.08	0.63	0.39	0.35	0.29	0.24	0.16	0.10	0.40	8.97	0.99	4.06
94	0.21	1.11	0.22	0.34	0.17	0.25	0.47	0.41	0.36	0.33	0.34	0.31	0.30	1.09	0.42	4.16
95	3.37	3.34	2.99	3.14	1.94	1.82	1.46	1.77	1.75	1.79	1.84	2.13	1.82	0.30	2.11	-0.91
96	1.89	1.16	1.52	1.04	0.86	1.10	0.65	0.51	0.52	0.35	0.52	0.61	0.35	0.17	0.80	-0.91
97	0.01	0.01	0.01	0.01	0.00	1.15	0.00	0.00	0.41	0.00	0.00	0.01	0.00	2.55	0.30	451.17

Source: Author's own calculation based on the data from Un-Com trade.

Table 1 gives the mean Revealed Comparative Advantage (RCA) of PAKISTAN for the period 2003-2016 for 97 product categories. The mean RCA of 29 commodities are above one that includes [3] [5] [7] [8] [9] [10] [11] [13] [14] [15] [17] [22] [25] [36] [41] [42] [51] [52] [53] [54] [55] [56] [57] [58] [60] [61] [62] [63] [95] and rest all commodities have mean RCA lower than one it means Pakistan has Revealed Comparative Disadvantages in 67 product categories. Literature endorses various reasons for the comparative disadvantage in Pakistani products for instance Electricity, Political, Social, War, financial crises and in case

of sports the issue of child labor effect the significantly. Furthermore forty six product gains positive and significant changeover the period 2003-2016. Table 2 gives the major findings, mean RCA of 96 product categories for the period 2001-2016. Our target is all the these product categories in which Pakistan having RCA and USA having disadvantage in this way USA has comparative disadvantage in 21 product categories comparatively with Pakistan that includes [3] [7] [9] [11] [14] [15] [17] [22] [25] [42] [51] [53] [54] [55] [57] [58] [60] [61] [62] [63] [95] . It means Pakistan can boost its export by focusing upon all these 21 products to USA.

Table 2: Results of RCA for USA

P code	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mean RCA
1	0.85	0.60	0.80	0.51	0.59	0.60	0.55	0.59	0.53	0.52	0.60	0.64	0.53	0.45	0.43	0.42	0.58
2	1.39	1.33	1.46	0.95	1.08	1.12	1.26	1.46	1.40	1.46	1.61	1.64	1.57	1.56	1.43	1.41	1.38
3	0.57	0.59	0.63	0.69	0.73	0.70	0.68	0.65	0.58	0.58	0.64	0.63	0.59	0.55	0.57	0.49	0.62
4	0.23	0.22	0.22	0.31	0.34	0.37	0.49	0.56	0.39	0.54	0.60	0.62	0.74	0.74	0.65	0.59	0.48
5	1.46	1.53	1.64	1.33	1.50	1.61	1.74	1.85	1.37	1.23	1.15	1.13	1.18	1.35	1.44	1.30	1.42
6	0.27	0.26	0.25	0.27	0.29	0.29	0.29	0.29	0.27	0.27	0.24	0.23	0.23	0.22	0.23	0.23	0.26
7	0.71	0.76	0.76	0.79	0.83	0.80	0.80	0.86	0.81	0.79	0.77	0.82	0.80	0.79	0.78	0.74	0.79
8	1.17	1.26	1.31	1.41	1.49	1.49	1.44	1.49	1.51	1.57	1.65	1.75	1.75	1.65	1.53	1.43	1.49
9	0.25	0.28	0.31	0.32	0.29	0.31	0.30	0.29	0.28	0.28	0.29	0.32	0.32	0.29	0.28	0.28	0.29
10	2.36	2.64	2.85	3.26	2.93	3.12	3.45	3.40	2.62	2.80	2.95	2.05	1.98	2.24	1.97	2.23	2.68
11	0.76	0.99	0.97	0.96	0.99	1.18	1.20	0.69	0.76	0.68	0.59	0.62	0.57	0.56	0.54	0.56	0.79
12	2.83	3.22	3.62	3.22	3.17	3.30	3.46	3.58	3.89	3.81	3.15	3.78	3.21	3.36	2.97	3.40	3.37
13	1.14	1.13	1.19	1.19	1.10	1.12	1.16	1.21	1.26	1.18	0.93	0.70	0.80	0.81	0.89	0.86	1.04
14	0.4	0.7	0.5	0.9	0.5	0.5	0.4	0.4	1.0	2.2	1.2	0.7	0.8	0.4	0.4	0.4	0.7
15	0.62	0.74	0.68	0.61	0.56	0.55	0.59	0.65	0.62	0.67	0.55	0.52	0.46	0.41	0.40	0.40	0.56
16	0.50	0.52	0.52	0.47	0.49	0.46	0.47	0.46	0.51	0.52	0.51	0.50	0.54	0.56	0.57	0.53	0.51
17	0.37	0.36	0.40	0.41	0.40	0.41	0.54	0.48	0.41	0.46	0.49	0.58	0.57	0.57	0.54	0.49	0.47

18	0.51	0.40	0.41	0.44	0.44	0.45	0.44	0.45	0.40	0.43	0.45	0.47	0.51	0.50	0.45	0.45	0.45
19	0.72	0.70	0.71	0.71	0.75	0.72	0.72	0.73	0.74	0.76	0.76	0.80	0.78	0.73	0.74	0.67	0.73
20	0.88	0.90	0.84	0.84	0.88	0.87	0.80	0.89	0.91	0.93	0.95	0.99	1.00	0.99	0.95	0.94	0.91
21	1.33	1.37	1.41	1.41	1.44	1.50	1.34	1.37	1.33	1.38	1.38	1.50	1.53	1.47	1.45	1.45	1.42
22	0.41	0.40	0.43	0.45	0.44	0.45	0.50	0.51	0.53	0.64	0.91	0.76	0.73	0.79	0.79	0.79	0.60
23	1.64	1.53	1.52	1.34	1.44	1.48	1.49	1.67	1.64	1.75	1.61	1.62	1.73	1.69	1.73	1.58	1.59
24	1.61	1.33	1.37	1.25	1.06	1.09	0.93	0.76	0.58	0.57	0.52	0.45	0.50	0.46	0.57	0.60	0.85
25	0.81	0.79	0.80	0.79	0.73	0.76	0.71	0.57	0.57	0.69	0.66	0.68	0.68	0.71	0.70	0.69	0.71
26	0.39	0.40	0.43	0.43	0.55	0.57	0.57	0.55	0.35	0.34	0.36	0.35	0.35	0.42	0.47	0.39	0.43
27	0.18	0.18	0.19	0.21	0.21	0.23	0.26	0.33	0.36	0.41	0.49	0.48	0.54	0.60	0.63	0.68	0.37
28	1.25	1.35	1.35	1.33	1.43	1.41	1.43	1.32	1.50	1.32	1.33	1.26	1.19	1.22	1.23	1.24	1.32
29	1.09	1.09	1.22	1.39	1.28	1.30	1.30	1.26	1.17	1.31	1.27	1.23	1.24	1.14	1.15	1.05	1.22
30	0.89	0.81	0.90	0.97	1.00	1.01	1.01	1.05	1.13	1.08	1.02	1.02	0.97	1.00	1.03	1.02	0.99
31	1.25	1.36	1.40	1.36	1.30	1.27	1.09	1.23	1.18	1.00	1.01	0.86	0.90	0.83	0.75	0.75	1.10
32	0.96	1.01	1.05	1.08	1.11	1.11	1.10	1.16	1.15	1.28	1.33	1.22	1.15	1.11	1.13	1.10	1.13
33	1.07	1.07	1.08	1.11	1.16	1.18	1.17	1.21	1.19	1.21	1.14	1.18	1.18	1.15	1.17	1.14	1.15
34	1.09	1.11	1.17	1.28	1.32	1.35	1.32	1.39	1.38	1.46	1.43	1.46	1.47	1.44	1.46	1.40	1.35
35	1.42	1.41	1.21	1.24	1.32	1.34	1.35	1.38	1.32	1.43	1.42	1.38	1.38	1.36	1.38	1.40	1.36
36	1.58	1.71	2.16	2.31	2.25	2.30	2.46	2.32	2.22	2.49	2.33	2.38	2.17	1.55	2.13	2.14	2.16
37	1.30	1.53	1.56	1.51	1.55	1.70	1.75	1.88	1.92	1.87	1.80	1.71	1.78	1.68	1.78	1.67	1.69
38	1.57	1.61	1.65	1.66	1.69	1.68	1.71	1.79	1.65	1.64	1.59	1.70	1.76	1.66	1.67	1.61	1.67
39	1.19	1.24	1.25	1.27	1.28	1.28	1.27	1.31	1.28	1.31	1.27	1.24	1.21	1.19	1.20	1.17	1.25
40	1.02	1.00	0.95	0.95	0.97	0.93	0.91	0.90	0.90	0.85	0.79	0.85	0.85	0.90	0.89	0.85	0.91
41	0.98	1.00	1.08	1.16	1.17	1.14	1.15	1.15	1.04	1.13	1.25	1.21	1.27	1.23	1.16	1.14	1.14
42	0.22	0.23	0.25	0.28	0.35	0.34	0.30	0.30	0.31	0.28	0.25	0.27	0.26	0.25	0.25	0.24	0.27
43	0.45	0.44	0.37	0.35	0.32	0.45	0.60	0.59	0.41	0.41	0.49	0.60	0.57	0.54	0.53	0.50	0.48
44	0.68	0.69	0.70	0.69	0.69	0.68	0.65	0.71	0.70	0.78	0.80	0.79	0.81	0.81	0.78	0.76	0.73
45	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.27
46	0.12	0.18	0.18	0.17	0.22	0.22	0.16	0.14	0.15	0.13	0.10	0.11	0.11	0.10	0.09	0.08	0.14
47	1.66	1.93	1.98	2.07	2.26	2.24	2.25	2.37	2.56	2.37	2.47	2.45	2.32	2.27	2.17	2.20	2.22
48	0.91	0.92	0.94	0.97	1.03	1.03	1.02	1.07	1.04	1.09	1.09	1.14	1.14	1.10	1.10	1.05	1.04
49	1.50	1.47	1.50	1.52	1.61	1.63	1.58	1.54	1.42	1.47	1.39	1.56	1.46	1.32	1.39	1.38	1.48
50	0.10	0.12	0.14	0.12	0.12	0.19	0.16	0.14	0.11	0.09	0.09	0.06	0.05	0.05	0.06	0.05	0.10
51	0.09	0.10	0.11	0.09	0.09	0.11	0.08	0.08	0.09	0.08	0.06	0.07	0.08	0.07	0.07	0.06	0.08
52	0.93	0.99	1.25	1.45	1.43	1.46	1.45	1.54	1.35	1.52	1.91	1.46	1.27	1.19	1.15	1.21	1.35
53	0.09	0.14	0.09	0.08	0.05	0.07	0.07	0.07	0.09	0.07	0.05	0.05	0.05	0.05	0.05	0.05	0.07
54	0.57	0.60	0.56	0.56	0.53	0.54	0.47	0.47	0.41	0.45	0.43	0.44	0.42	0.43	0.42	0.42	0.48
55	0.55	0.63	0.67	0.70	0.76	0.74	0.74	0.83	0.79	0.79	0.77	0.79	0.80	0.75	0.69	0.67	0.73
56	0.95	1.03	1.11	1.23	1.32	1.35	1.17	1.19	1.14	1.22	1.18	1.22	1.23	1.16	1.07	1.05	1.16
57	0.76	0.79	0.78	0.85	0.92	0.94	0.89	0.96	0.84	0.84	0.85	0.89	0.85	0.80	0.77	0.72	0.84
58	0.92	0.99	0.77	0.89	0.83	0.74	0.57	0.50	0.52	0.53	0.48	0.46	0.44	0.43	0.43	0.42	0.62
59	0.86	0.92	1.06	1.03	0.99	0.98	0.97	0.91	0.85	0.92	0.90	0.99	1.00	1.00	1.03	1.00	0.96
60	0.54	0.64	0.83	0.94	1.04	0.87	0.82	0.76	0.48	0.47	0.42	0.41	0.39	0.36	0.35	0.32	0.60
61	0.40	0.34	0.31	0.26	0.24	0.20	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.13	0.14	0.13	0.20
62	0.21	0.20	0.18	0.16	0.14	0.13	0.11	0.11	0.12	0.13	0.13	0.15	0.14	0.13	0.13	0.11	0.14
63	0.44	0.43	0.40	0.40	0.41	0.41	0.42	0.41	0.41	0.40	0.41	0.42	0.42	0.39	0.39	0.36	0.41
64	0.14	0.13	0.13	0.12	0.13	0.13	0.13	0.14	0.13	0.13	0.14	0.14	0.13	0.12	0.12	0.11	0.13
65	0.38	0.33	0.33	0.35	0.38	0.36	0.37	0.43	0.40	0.39	0.38	0.43	0.37	0.35	0.37	0.39	0.38
66	0.09	0.09	0.08	0.09	0.10	0.11	0.11	0.11	0.08	0.08	0.10	0.11	0.09	0.09	0.10	0.10	0.10
67	0.18	0.18	0.20	0.21	0.23	0.23	0.25	0.28	0.25	0.22	0.20	0.19	0.18	0.17	0.17	0.21	0.21
68	0.64	0.65	0.70	0.75	0.80	0.84	0.79	0.74	0.75	0.89	0.89	0.88	0.85	0.86	0.84	0.86	0.80
69	0.43	0.41	0.39	0.39	0.40	0.39	0.44	0.43	0.41	0.46	0.47	0.43	0.41	0.40	0.35	0.37	0.41
70	1.03	0.97	0.98	0.96	0.96	0.97	0.96	0.96	0.90	0.93	0.91	0.88	0.90	0.91	0.92	0.91	0.94
71	1.03	0.99	1.07	1.11	1.23	1.48	1.64	1.69	1.38	1.39	1.38	1.11	1.00	1.04	1.00	0.98	1.22
72	0.37	0.37	0.42	0.40	0.46	0.44	0.48	0.56	0.65	0.60	0.65	0.64	0.59	0.53	0.49	0.47	0.51
73	0.77	0.77	0.76	0.73	0.75	0.74	0.69	0.71	0.71	0.77	0.75	0.82	0.85	0.83	0.77	0.73	0.76
74	0.49	0.55	0.64	0.61	0.58	0.56	0.57	0.60	0.55	0.58	0.64	0.67	0.66	0.65	0.60	0.58	0.60
75	0.7	0.6	0.6	0.5	0.6	0.6	0.5	0.8	0.8	0.7	0.9	0.9	0.9	0.8	0.9	1.1	0.7
76	0.65	0.69	0.68	0.72	0.82	0.85	0.84	0.90	0.87	0.85	0.91	0.95	0.95	0.85	0.80	0.84	0.82
78	0.42	0.43	0.74	0.46	0.41	0.39	0.31	0.51	0.54	0.33	0.27	0.27	0.30	0.32	0.26	0.19	0.39
79	0.16	0.17	0.19	0.24	0.21	0.17	0.17	0.27	0.22	0.25	0.25	0.32	0.28	0.33	0.26	0.37	0.24
80	0.38	0.38	0.37	0.28	0.34	0.38	0.34	0.38	0.35	0.39	0.32	0.28	0.28	0.31	0.32	0.33	0.34
81	1.41	1.61	1.73	1.41	1.87	1.94	1.58	1.56	1.82	1.55	1.69	1.76	1.85	1.79	1.76	1.87	1.70
82	0.92	0.97	1.00	1.02	1.04	1.04	1.04	1.06	1.04	1.07	1.06	1.04	1.02	0.94	0.88	0.83	1.00
83	1.12	1.14	1.12	1.07	1.02	0.99	0.91	0.88	0.85	0.87	0.87	0.90	0.88	0.86	0.83	0.84	0.95
84	1.36	1.31	1.28	1.31	1.36	1.33	1.31	1.34	1.18	1.20	1.22	1.23	1.22	1.19	1.17	1.10	1.26
85	1.18	1.14	1.14	1.11	1.06	1.03	0.97	0.98	0.91	0.91	0.91	0.88	0.85	0.84	0.80	0.78	0.97

86	1.07	0.83	0.96	0.88	1.08	1.20	1.01	0.99	1.01	0.88	0.93	1.04	1.16	1.09	1.20	1.16	1.03
87	0.89	0.94	0.95	0.97	1.04	1.06	1.07	1.10	1.01	1.08	1.15	1.21	1.19	1.14	1.06	1.01	1.05
88	3.17	3.42	3.43	3.52	4.06	4.42	4.90	4.20	4.53	4.23	4.28	4.34	4.40	4.55	4.36	4.47	4.14
89	0.35	0.24	0.25	0.30	0.31	0.34	0.35	0.27	0.16	0.18	0.17	0.27	0.22	0.29	0.26	0.21	0.26
90	1.91	1.95	1.96	1.97	1.94	1.92	1.98	1.97	1.92	1.83	1.83	1.80	1.80	1.73	1.69	1.67	1.87
91	0.20	0.20	0.23	0.26	0.24	0.28	0.30	0.28	0.31	0.29	0.29	0.28	0.27	0.27	0.26	0.27	0.26
92	1.04	1.08	1.14	1.25	1.41	1.42	1.39	1.46	1.51	1.43	1.53	1.54	1.52	1.45	1.35	1.35	1.37
93	3.84	3.85	3.70	4.09	3.68	4.55	4.67	4.04	3.74	3.71	3.39	3.05	3.01	3.97	3.41	4.02	3.79
94	0.66	0.64	0.61	0.61	0.63	0.63	0.60	0.62	0.56	0.61	0.61	0.60	0.58	0.57	0.53	0.51	0.60
95	0.74	0.72	0.82	0.86	0.87	0.93	1.03	0.99	0.99	0.97	0.96	0.92	0.89	0.81	0.71	0.70	0.87
96	0.68	0.71	0.71	0.73	0.75	0.73	0.70	0.65	0.59	0.56	0.54	0.60	0.58	0.55	0.53	0.53	0.63
97	3.29	2.40	2.52	3.06	3.38	3.75	4.00	4.61	4.91	4.30	4.17	3.8	3.7	4.3	4.2	4.3	3.79

Source: Author's own calculation based on the data from Un-Com trade

Conclusion

Present study attempts to assess Pakistan's trade-exports comparative advantage with United States of America for the period of 2001-2016. The objective of the study is to ascertain that in how many products Pakistan having RCA over United States. 96 products categories with annual data have been taken from the web site of UN-Com trade. The results of mean RCA indices shows that Pakistan has comparative advantage in 29 product categories and from this 29 products Pakistan can export to USA 26 products as in these 26 products USA has Comparative disadvantage, for boost export of Pakistan to USA, policy maker of Pakistan should focus upon these 26 product categories further research can be done by selecting other major importer from Pakistan.

From a policy making point of view, Government of Pakistan's role should be confined to legislation, policy development, regulation, capacity building and facilitation with an objective to increase productivity in exports sectors. Focus of policy makers should be towards the broader components of national competitiveness, specifically health, education and infrastructure in order to get international comparativeness. We should learn from the experience of China, especially how they have promoted their exports while neutralizing import substitution. From a policy making point of view, Government of Pakistan's role should be confined to legislation, policy development, regulation, capacity building and facilitation with an objective to increase productivity in exports sectors. Focus of policy makers should be towards the broader components of national competitiveness, specifically health, education and infrastructure in order to get international comparativeness. We should learn from the experience of China, especially how they have promoted their exports while neutralizing import substitution.

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