

# Trade corridor: Do better relationships mean more jobs and profit

## Introduction

International trade brings an extensive economic impact to regional, national and international economies. Trade strategies are crucial for a country to achieve its goals through its configuration of resources for economic development. A trade corridor approach can act as a strategy to bridge the gap between economic theory and management practises to achieve success. The dissertation sets out to assess the impact of a trade corridor approach, identify the benefits on long-term trade relationships between India and the UK in the seafood sector and to consider the standards, integrity and vision as key to success of the formation of a strategic tool, trade corridor approach to develop international trade.

The seafood sector is considered as one of the potential sectors to improve trade and development of long-term relationships between India and the UK. It is an ambitious target. Even David Cameron, Prime Minister of UK announced that the UK would aim to double bilateral trade with India by 2015. India has always had a good trade relationship with the UK and at present both economies are striving hard to encourage the further development of this bilateral trade.

This research explores the current knowledge about a trade corridor approach and its ability to create long-term and successful trade relationships between India and the UK by reducing barriers to trade and economically benefiting both countries.

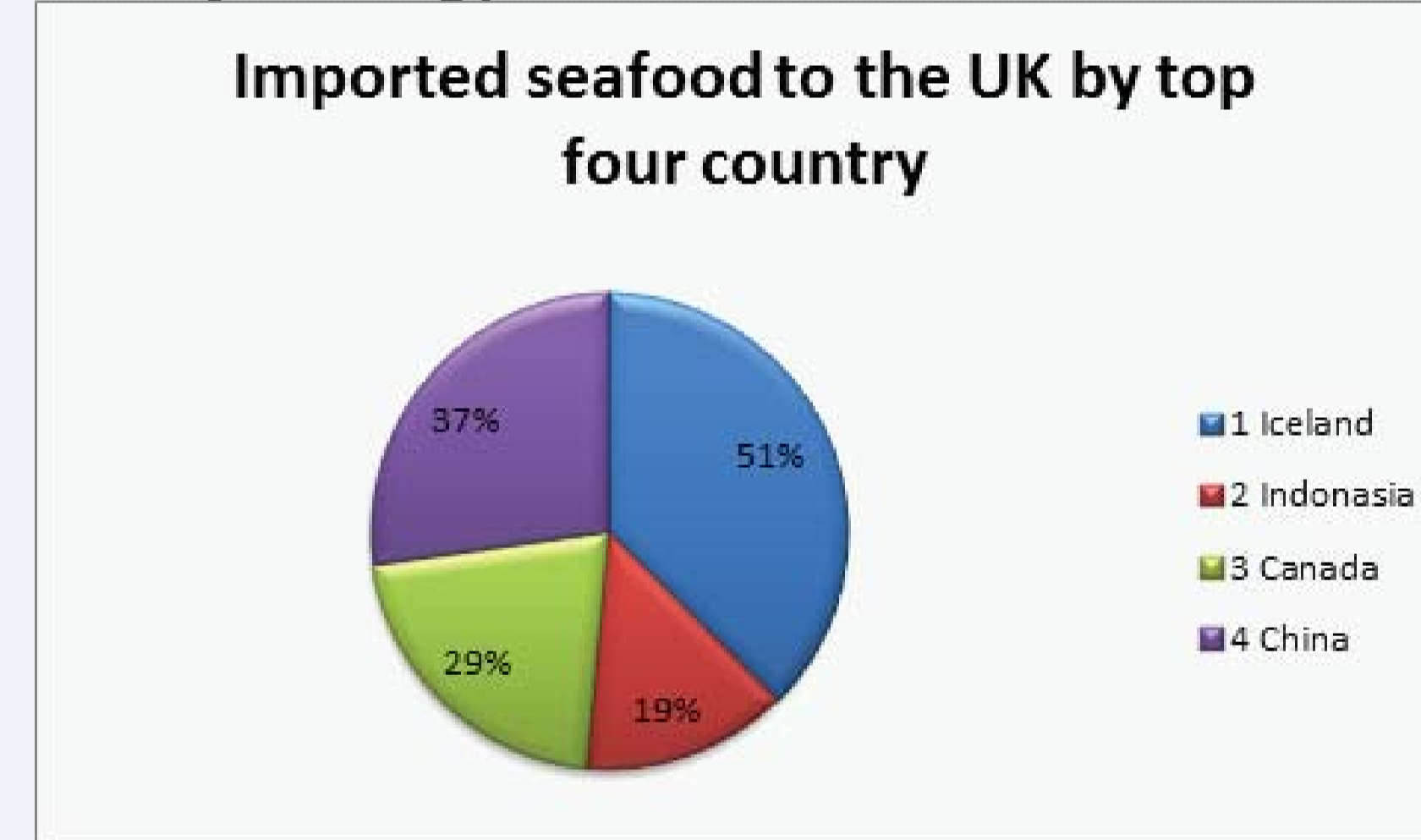
The analysis confirms the barriers involved in the Indian seafood trade, i.e. political, economical, sociological and technological barriers. A trade corridor approach can be a suitable concept and strategy to reduce or overcome those barriers and benefit both the economies in terms of economic development such as increasing employment opportunities, increasing Gross Domestic Product (GDP) and revenue to the government, and increasing the demand for the export of seafood products to UK.

## Findings and Analysis

The method of analysis included analysis of countries that implanted trade corridor approach and gained economic benefits, created long-term relationship with developed nation. It includes a critical analysis of the seafood trade between India and the UK, evaluates the barriers involved in trade flow, compares Indian seafood trade with other competing countries who export to the UK and finally reaches a conclusion on the impact of a trade corridor approach on Indian seafood trade relations with the UK and the economic gains arising from it. The Analysis is extended in terms of investigation and assessment of trade corridor relations with respect to India and the UK.

Analysis included comparison of major seafood trading partners of the UK. Many obstacles have been identified for reason of decline in the seafood trade between India and the UK. One of the major barriers is increased global competition.

### The major trading partners of the UK



The significant issue identified are as follows

- Lack of market knowledge
- Lack of management skills
- High technology costs
- Inefficient infrastructure
- Lack of awareness of Indian seafood products in terms of quality and compliance

## Conclusion and Discussion

If a Trade Corridor helps build the relationship between suppliers would be easy to meet the demand and also their mutual advantage. Trade corridor approach highlights bilateral rather than multi-lateral initiatives; it focuses on strategic nodes particularly at border crossings between two nations. Trade corridor approach usually concerned with the port of countries, it emphasis the physical planning of the trade and its surrounding area. The infrastructure development is most important factor to get positive benefits.

The report has identified that a trade corridor approach should be more effective than a 'simple' partnership strategy. The Porter model of competitive advantage suggested that a partnership strategy can benefit developed and developing countries – it often offers larger benefits to established firms in the developed world through processing concentration, investment in efficient technologies and skilled labour and low production cost. An exporter focused trade corridor approach endeavours to moderate some of the imbalances between the more powerful 'buyers' in developing countries and generally less experienced and less sophisticated exporters in developing countries. A trade corridor approach helps identify opportunities for mutual benefit between industrial and governmental stakeholders in partner nations. The promotion of opportunities to work with foreign suppliers helps to amplify awareness of the potential in new market areas and helps lower the risk adverse resistance in developed countries which can acts as barriers to trade. A trade corridor approach to use both top down and bottom up approaches to achieve greater value, as discussed in the case studies which would be helpful to Indian seafood trade, Business to business solutions can be used to enlarge market access, develop desirable new products and adopt more effective business practises.

A trade corridor approach based on India would involve new infrastructure utilization and the building and support of effective trade partnership from the bottom up strategy. Trust can be established through this mechanism. This should particularly prevail over the risk tendency of both buyers and suppliers especially who wants to be in a perfect market of less competitive but established suppliers/buyers.

The trade corridor would help in providing tools to increase the effectiveness of government planning: the assessment of economic impact would estimate how projects will affect export revenue and employment rates; by establishing productivity centres a trade corridor would generate reliable data on performance. A Trade Corridor approach has been very successful in supporting trade partnerships in recent years. The evidence from this research suggests that a trade corridor approach helps build trade partnerships by providing a framework in which trust can be established by and between those who exist in the trade already.