Abstract

This dissertation titled “Dynamic Comparative Advantage: An analysis of India & China” aims to find out the dynamic changes in comparative advantage of India and China by applying statistical and econometric methods on Revealed Symmetric Comparative Advantage (RSCA) Index. This work concludes that there have been changes in patterns of comparative advantage for both India and China. The increase in overall comparative advantage are encouraged by the higher increase in comparative advantage of groups of products that had no or lower comparative advantage in past. The comparative advantage patterns of India and China are individually Non-stationary but there is similarity when we compare their trade patterns together, however at a lag of one they turn out to be stationary.