

South Asian leaders urged to show political will to operationalise SAFTA

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South Asian Free Trade Area (SAFTA)



Ahsan Iqbal hopes for further melting of ice between India and Pakistan

South Asian leadership needs to show a strong political will to fully operationalise South Asia Free Trade Agreement (SAFTA) by evolving standard trade procedures, as it is the only way to increase the volume of trade from the stagnant five per cent to a more sizeable level, participants at an economic summit said on Monday.

The 8th South Asia Economic Summit titled 'Regional Cooperation of Sustainable Development in South Asia' was organised by Sustainable Development Policy Institute (SDPI). Economic experts, thought leaders, and development practitioners from all over the world, especially from South Asia, are participating in this two-day summit.

Speaking at a session on Corridors for Development Federal Minister for Planning, Development and

Reforms Ahsan Iqbal said that there is hope for melting of ice between India and Pakistan following the meeting of the two Prime Ministers at COP21 earlier this week and the subsequent meeting of the security advisors of both countries in Bangkok.

He highlighted the reasons why 80% of the China Pakistan Economic Corridor (CPEC)'s \$46 billion investment was focused on power and energy projects, and said that Pakistan's investment lied in increasing regional cooperation via economic and development corridors. Corridors are the future for South Asian countries, he said and pointed out that South Asia contributed only 3% to the global GDP, while 40% of population in the region lives below the poverty line.

World Bank's Haroon Sharif spoke on the CASA 1000 project with Central Asian countries and CPEC, which he said would pave way for the development of the region. He recommended that economic ties be embedded into countries' foreign policy mandate.

United Nations Economic and Social Commission for Asia and Pacific (UNESCAP) India representative Nagesh Kumar stressed the need for cooperation especially in the post-global economic crisis world where the growth rate of international trade had fallen substantially from nearly 10% to below 2%.

Present on the occasion were notable dignitaries, Ambassador Halil Ibrahim Akca and Economic Cooperation Organization Secretary General and former ambassador Shafqat Kakakhel.

Earlier, Board of Investment, Pakistan Chairman Miftah Ismail said that governments and civil society had a major role to play in the future of South Asia. He added that mega projects like Turkmenistan-Afghanistan-Pakistan-India (TAPI) and Central Asia and South Asia (CASA) are being given the highest priority by the government of Pakistan.

Welcoming the participants of the conference, SDPI Executive Director Dr Abid Qaiyum Suleri said that this summit was a perfect representation of South-South and North South cooperation. He said that South Asia was a region with multiple interstate and intrastate conflicts and finding an opportunity for public thought leaders to objectively discuss the regional issues was a big success.

Nepal's Constituent Assembly and Legislative Parliament Member Dr Rajan Bhattarai highlighted the role of economy in terms of sustainable development and enhanced cooperation in South Asian context. He said that SAARC had become the casualty due to the nature of relations between India and Pakistan.

SAARC Chamber of Commerce and Industry President-In-Charge Suraj Vaidya stressed the need for removal of trade barriers for meaningful progress in the region.

Speaking at the inaugural plenary titled "10 years of SAFTA and Way Forward", Institute of Policy Studies (IPS), Sri Lanka Executive Director Saman Kelegama pointed out the lack of regional trade as an impediment to future cooperation. He said that SAFTA would become operationalised by 2020.

World Bank's Chief Economist for South Asia Region Martin Rama said that South Asia could build upon past successes such as the Indus Water Treaties as well as common culture to overcome trust deficit in the region.

Policy and Planning Division, Ministry of Economic Affairs, Bhutan Chief Planning Officer Sonam Tashi said that the SAARC region's comparative advantage needed to be utilised for the benefit of the people of the region.

Former finance minister of Bangladesh M. Syeduzzaman the, concluded the session by reaffirming the

thoughts offered by other speakers in terms of the need for further cooperation and trust development amongst SAARC nations.

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