

# Improved trade in SAARC region still a distant dream

by Vidyaratne Herath

A top economist raised doubts on the future of SAARC which is lagging behind other regional agreements in the world due to its lack of focus on trade and development.

"SAARC, which was formed arbitrarily by without any political or economic reason has now been reduced to an organization merely dealing with sports and cultural events," Dr. Saman Kelegama, Executive Director, Institute of Policy Studies of Sri Lanka said.

He was addressing a panel discussion on 'SAARC: Recent Trends and Developments', at the BCIS auditorium

recently.

He said that the lack of a 'driving force' has made SAARC an ineffective body.

Dr. Kelegama said that due to the slow progress of trade arrangements such as SAPTA and SAFTA, member countries have entered into bilateral trade agreements which has rendered the implementation of SAFTA a difficult task.

"For example, Sri Lanka has signed Free Trade Agreements with India and Pakistan. SAFTA has to come into operation in this environment. It will have to supersede these agreements.

Economic agreements such as ASEAN did not have these constraints so that it has benefited the member countries," Kelegama said.

Another point Dr. Kelegama raised was the fact that the SAARC's agenda is mostly dominated by least developed member countries, which depend on relief and subsidies.

"This has shrunk the growth opportunities for countries like Sri Lanka," Dr. Kelegama said.

Dr. Kelegama said the SAPTA Expert Group had suggested that the SAARC region become a common market by 2015, but due to the lack of con-

nectivity among the member states this goal seems to be hardly achievable.

"For example, there is no proper airline connecting the region.

Member countries have so far failed at least to facilitate fellow countries with their visa procedures," Dr. Kelegama said.

He said the World Trade Organisation was formed with the specific objective of facing the challenge of globalisation, but SAARC did not have such a clearly defined objective.

"The SAARC has not brought about tangible benefits to the people

although a lot of documentation work had been done," Kelegama added.

The South Asian Association for Regional Co-operation (SAARC), which was formed in 1985, represents more than one fifth the world's population and it is the largest regional grouping in terms of human resources than those of EU and ASEAN. But nearly half its population is living below the poverty line.

The intra-regional trade of SAARC barely touches six billion US dollars whereas trade among the NAFTA member countries is around 767 billion US Dollars.