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South Asia fastest growing region in world: Report



New Delhi, Jun 26 (IANS): Far from being a non-performing region, South Asia is today the fastest growing region in the world, says a new report released on Thursday.

The South Asia Development and Cooperation Report 2015, brought out by the Research and Information System for Developing Countries (RIS), also terms a "statistical folly" the widespread notion that trade integration in the region was low and slow.

The report was released at a function by Railway Minister Suresh Prabhu.

The report offers concrete policy recommendations in several crucial areas, including trade in goods, services, investment, trade facilitation, connectivity, food security, energy security, climate change, science and technology, development cooperation and social infrastructure.

The pace of economic expansion in South Asia is expected to accelerate in India, the biggest economy in the region. This is a considerable achievement as this region was, like other regions, adversely impacted by the global financial meltdown in 2008-09.

Its size in terms of real gross domestic product (GDP) is much larger than regional groupings like ASEAN, Mercosur, SACU, SADC, COMESA, GCC and CARICOM.

According to the report, the current growth momentum needs to be sustained and one of the ways to achieve this is through trade-augmentation.

The report dispels misperceptions that trade integration in South Asia was low and slow. The South Asian region under the aegis of SAARC has moved much faster in this regard.

Trade within the region has hovered around 5-6 percent as a proportion of trade with the rest of the world.

In fact, the success of South Asian Free Trade Agreement lies in the fact that the intra-SAARC trade has doubled since the region implemented the SAFTA Treaty.

The intra-regional exports have increased to about \$22 billion in 2013 from \$10 billion in 2006.

Recent estimates suggest that the formal trade in South Asia can grow to a range of \$44 billion and \$66 billion by 2018 if there is full tariff liberalisation, trade facilitation and productivity improvements by member countries.

According to the report, there was enormous trade potential that remains to be tapped to the tune of \$80 billion by 2018 if adequate measures on sensitive lists, Non Tariff Barriers and completion of trade in services negotiations are ensured, said an RIS statement.

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