

# South Asia urged to integrate to deal with challenges

**POST REPORT**  
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Experts have pointed out that cooperation within South Asia can help address many of the challenges impeding the region's inclusive and sustainable growth.

Speaking at a conference entitled Regional Cooperation on Trade, Climate Change and Food Security in South Asia: Some Reflection and Way Forward which opened on Thursday, they said that sufficient food, climate change, ballooning trade deficit and sluggish economic growth, among others, were the biggest threats in South Asia, and that they would continue to dampen growth prospects unless the region was integrated.

The two-day conference, organized by the South Asia Watch on Trade, Economics

and Environment (Sawtee), aims to present policy messages and recommendations for the benefit of governments in South Asia.

"Nepal's neighbourhoods have been dynamic, but our efforts have been less focused on benefiting from the two emerging economies," said Dinesh Bhattarai, foreign affairs adviser to the prime minister. "Inadequate infrastructure to facilitate trade and high operating costs have been impeding the country's trade. Meanwhile, the agriculture sector—the largest employment provider—has been neglected or is suffering from low investment."

Bhattarai added that lack of development in these two major sectors had kept Nepal trapped in a vicious circle of poverty. "This is also the case of other South Asian economies."

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He underscored the need for regional policy cooperation and coordination to advance the reforms of regional and intra-regional connectivity for trade facilitation. "As we are holding the 18th Saarc Summit in November this year, the outcomes of the conference will be considered and recommended in the summit deliberations," added Bhattarai.

Similarly, Officiating Secretary at the Ministry of Foreign Affairs Shanker Das Bairagi said that successful countries have been able to

take advantage of globalization. "In terms of South Asian nations, the picture of globalization is different, as all the South Asian economies remain least integrated."

Given the current scenario, there is a need for increasing the region's investment in trade and facilitation of intra-regional trade and transit. The primary focus of South Asia should be on coherent policy actions to address stronger recovery, particularly in the farm sector, he said.

"The door is open for foreign direct investment, and efforts have been made to reduce trade and tariff barriers. However, there is a need for a coordinated approach for the implementation of the policies to yield better results for the region's members."

Likewise, Posh Raj Pandey, executive director of Sawtee, said that Nepal had under-

gone tremendous changes on the socio-economic front in the past few years. The per capita income has tripled, poverty level has halved and social safety has improved a lot, he added.

"However, two faces—urbanization and increasing dependency on agriculture—are the emerging challenges for Nepal. Climate change obviously is another threat for an agro-dependent country like Nepal. Regional collaboration, particularly in promoting investment, is necessary to tackle the issues and create inclusive and sustainable growth," said Pandey.

More than two dozen experts and planners from the South Asian region are attending the conference to create broader understanding and cooperation to draw attention to the weaknesses that must be overcome.