

INAUGURAL STATEMENT BY THE HONORABLE MR. GYANENDRA BAHADUR KARKI

MINISTER OF FINANCE, NEPAL

TENTH SOUTH ASIA ECONOMIC SUMMIT

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Honorable Chairperson of the opening session,
Honorable Ministers from SAARC member states,
His Excellency the Secretary General of SAARC,
Chairman of SAWTEE (सावती)
Excellencies, Ladies and Gentlemen.

It is my great pleasure and privilege to attend the Tenth South Asia Economic Summit in Kathmandu. I warmly welcome the Honorable ministers and distinguished participants from SAARC member states in our historic city of Kathmandu.

I thank the *National Planning Commission, the Ministry of Commerce and the South Asia Watch on Trade, Economics and Environment* for convening this Summit at a very important time on an extremely important theme. All South Asian countries have set ambitious goals for rapid development. There is broad agreement now that this process can be helped by deeper regional integration of our economies.

I am confident that this Summit looks back at our successes and failures and that it can chart a new course of regional cooperation. Issues of equity and

planetary conservation have become as important as our common pursuit of economic prosperity.

Nature has been kind to South Asia. While hydropower in Nepal and Bhutan can be a vast source of clean energy, the economic rise of India, and the agricultural and industrial growth in Bangladesh and Pakistan can all be a basis for intense regional commerce. Similarly, the strength of Sri Lanka, Maldives, Nepal, Bhutan and Afghanistan in tourism can be harnessed to attract middle-class travelers from all over the world. If we pool our efforts, and coordinate our marketing, I am confident that we can be the next global hotspot for human mobility.

Although South Asian countries are well-suited for greater intra-regional trade, our slow progress is well noted. The two major challenges here are poor connectivity and the presence of non-tariff barriers. There is now enough knowhow and financing to make breakthroughs on both fronts. Low-cost ICT technologies and concessional funds should meet our chronic deficit in infrastructure. Regional cooperation can help us bind together in shared production networks at the lowest possible transaction cost.

South Asia is already facing adverse effects of climate change. Every year, we experience large human casualty and loss of property because of natural disasters. Climate change has complicated our development challenges, it

has made planning much more risky, uncertain and costly. The impact is hardest on the poor.

South Asia is home to nearly a quarter of humanity. Hundreds of millions of whom are still very poor. Although we have managed to lower poverty in the past two decades, it remains high, and we need a new approach if we are to lower it to the low-single digit by 2030. Here, the application of mass social innovation across South Asia, from the use of ICT for service delivery, conditional cash transfers and public employment guarantees will go a long way in lowering poverty, and narrowing inequality.

The Sustainable Development Goals are our shared global compact for development over the next decade. We must regionalize these goals and pursue some of them in a united manner. I am hopeful that this will infuse a new mandate to SAARC, and energize it further.

Let us take education as an example. Out of all Nepali students who went abroad for higher level studies last year, only 5 percent went to colleges in India. In contrast, more than 50 percent went to Australia and the United States. Only about 1 percent went to other SAARC countries.

Mr. Chair,

Please allow me to highlight Nepal's initiatives on regional integration and connectivity in the region. Through the South Asia Sub Regional Economic Cooperation, SASEC, various trade facilitation and transit improvement activities are being implemented. Under SAFTA, we are shortening the sensitive lists.

Cross border transmission lines with India are already delivering results. They have helped end sharp power cuts in Nepal, and opened new economic opportunities. Given the reputation of our natural beauty and hard-working friendly people, if Nepal can become a country that is fully reliant on clean energy, we can also become a knowledge hub by hosting world class IT, education and health institutions from all over the region and beyond.

Domestically, these are hopeful times in Nepal. This year, we are in the process of implementing the constitution by holding elections across three tiers of government. With all levels of government staffed by elected representatives, our democracy will be enriched and our development will pick up pace.

With the decade-long post-conflict political transition coming to an end, there is growing optimism on the economic front. There are slow but certain signs of developments, visible right here in Kathmandu and all over the country.

Ladies and Gentlemen,

I am pleased that the 10th South Asia Economic Summit touches on several themes that I have mentioned. With 18 plenary and parallel sessions and about 200 participants, this is very much an intellectual festival.

It is my hope that your discussions and insights find their way to the policy world as well. Nepal stands ready to collaborate and cooperate with SAARC countries on any initiative where there is mutual gain.

Finally, I welcome all of you again to Kathmandu in a cool but pleasant season. I hope you will find some time to explore parts of our city and make your stay enjoyable and memorable.

On behalf of the Government of Nepal, I wish this Tenth South Asia Economic Summit a grand success.

Thank You .