

# Govts need to shift focus to regional trade

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Experts at the third South Asian Economic Summit have emphasised on the need for governments of SAARC member countries to shift their focus on trade facilitation to promote intra-regional trade. The summit was organised by South Asia Watch on Trade, Economics & Environment (SAWTEE) and South Asia Centre for Policy Studies (SACEPS). The three-day summit concluded here today.

The empirical studies also do show that removal of tariff barriers have not been beneficial for the trade integration of South Asian region due to existence of non tariff and Para-tariff barriers. However, the studies show that the trade facilitation will help in promoting the bilateral and regional trade by manifold the expenditure made on the facilitation, said Dr Selim Raihan, executive director, South Asian Network on Economic Modeling (SANEM) presenting his paper on the concluding day of 3rd South Asian Economic Summit being conducted here in Kathmandu.

Likewise, cost of trading across border is high and coupled with absence of harmonisation of policies, it has become a major non-tariff barrier, obstructing the trade flows, he added.

Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved

to reduce cost burdens and maximise efficiency while safeguarding legitimate regulatory objectives.

The removal of tariff barriers after signing of SAFTA between SAARC countries have been in favour of bigger countries as smaller countries such as Nepal, Bangladesh and Bhutan has suffered from greater trade diversion effect while bigger countries such as India, Sri Lanka and Pakistan are taking all the benefits of removal of tariffs, he said.

Likewise, Dr Pushpa Raj Rajkarnikar, chairman, Nepal Bank Ltd and former member of National Planning Commission (NPC) also emphasised on the need of improving transport connectivity, availability of information and communication channels and efficient customs services has to be priority of the governments, a part of trade facilitation.

"Trade facilitation improves time, cost and predictability of international transaction thus generating more trade than tariff liberalisation," he said.

This year's summit themed as "Regional Economic Integration, Climate Change and Food Security Agenda for the Decade 2011-2020" was inaugurated on December 18. The three day summit that wrapped up today saw numbers of papers presented and discussion held on the topics such as regional integration for trade promotion, food security and measures to cope with climate change.