

'Regional integration can counter economic crisis'

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An integrated South Asia can mitigate the risks posed by the global economic crisis, according to regional experts.

Speaking during the fifth South Asia Economic Summit, they unanimously agreed that the global economic crisis that started in 2008-09, has now entered the second stage and has started taking a toll on the economies of South Asia.

The economic crisis has also provided an opportunity to enhance regional cooperation, said executive chairman of South Asia Watch on Trade, Economics and Environment (SAWTEE), the co-organiser of the summit, Dr Posh Raj Pandey addressing the summit that started yesterday in Islamabad, Pakistan.

"There is every possibility that the current eurozone crisis could result in a full-blown

financial crisis," Pandey said, adding that South Asian countries, most of which are dependent on Europe and the United States for their exports, need to prepare themselves by taking a balanced growth strategy that entails a shift to domestic demand-oriented growth trajectory.

Pandey stressed that the economic crisis has provided an opportunity to South Asia to reorient its development strategy and make it more inclusive.

Speaking in a session on global economic crisis, the regional expert also urged the governments to focus on making economic growth inclusive, making investments in infrastructure and productive capacity, improving financial sector performance, making productive use of remittance, and more importantly, deepening regional cooperation.

Chief economist of United



Executive Chairman of SAWTEE Dr Posh Raj Pandey addressing the South Asia Economic Summit, in Islamabad, on Tuesday.

Nations Economic and Social Commission for Asia and the Pacific Dr Nagesh Kumar and chief economist of the World Bank Dr Kalpana Kochhar, on the occasion, argued that since

the centre of gravity of the world economy is decisively shifting towards Asia, including South Asia, the region's growth strategy should be based on policies to boost in-

vestor sentiments, attract foreign direct investment, and advance regional cooperation in energy trade, goods and services trade, and transit trade.

In another session on com-

petition, participants stressed on the need to get competition laws and policies implemented at the national level. "Since the issue of competition extends beyond the national level when considering bilateral and regional trade, there is a need for cooperation among competition agencies in South Asia," they argued.

"Anti-competitive practices in almost all countries of South Asia have aggravated food price inflation," said research coordinator at SAWTEE Paras Kharel, urging for a strong political will to implement the existing competition legislation and to raise consumer awareness.

Other sessions focused on regional cooperation in transport and logistics, welfare and sustainable development, services trade, migration and social accountability.

The summit will conclude tomorrow.