

Regional Economic Cooperation in South Asia with a Focus on India-Sri Lanka Trade

Kochi, August 21, 2008

Backgrounder

Agenda>>

Objectives

- To engage the participation of Indian stakeholders in regional trade initiatives in South and South East Asia and promote policy responses that would be inclusive of stakeholder preferences
- To involve business representatives, farmer organizations, civil society representatives, academics, and government for creating an awareness and momentum towards regional economic cooperation in South and South East Asia in a way that is expected to influence the future policy direction on trade and investment promotion within the country

Background

India has, of late, engaged itself in bilateral/regional economic cooperation in a variety of forms. Prompted by the global wave of preferential trading arrangements (PTAs) and extremely slow pace of progress of the multilateral negotiations under the aegis of the World Trade Organisation (WTO) there is hardly any country in the world today which is not dwelling upon working out such arrangements. There are over 300 regional trade agreements currently in operation and it is estimated that 60-70 percent of global trade are taking place via such pacts than as per the tariffs as agreed by the WTO Members at the conclusion of the Uruguay Round establishing this multilateral body.

In the past, India had adopted a very cautious approach to regionalism, and was engaged in only a few bilateral/regional initiatives. With the world around moving at break-neck speed towards economic cooperation among neighbours and beyond, in whatever manner and at whatever cost, time seems limited. If regional economic cooperation does not get sufficient momentum, one may just miss the bus for good.

Having realised that such trade pacts are a *sine qua non* for the country's economic development, India has drawn an ambitious agenda for negotiating trade and economic cooperation agreements with countries in the Far East to those in Latin America and the European Union. Already it has signed South Asian Free Trade Agreement (SAFTA) in 2004, bilateral agreements with Thailand, Sri Lanka, Nepal, Afghanistan, and Bhutan, and a Comprehensive Economic Cooperation Agreement with Singapore.

In addition, seven countries of South and South East Asia (India, Bangladesh, Bhutan, Nepal and Sri Lanka from South Asia and Thailand and Myanmar from South East Asia) signed a Framework Agreement to form the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Co-operation (BIMSTEC) in 2004, which decided to form a free trade area by 2012.

India has also initiated negotiations for forming a free trade agreement with the 10-country group of South East Asia – that is the Association of South East Asian Nations (ASEAN). These negotiations are at advanced stage. India has also initiated dialogues for trade pacts with other Asian nations such as China, Japan, Indonesia, Malaysia, and South Korea, etc. All this fits well with the “Look East” policy of the Government of India.

Therefore, other than the policy-makers, business community, civil society, intelligentsia, academics and experts – all who have interests, and are interested – must emphatically promote awareness about the need and advantage of regional economic cooperation.

Whether and how India should be prepared to get more and more engaged with regional economic cooperation is the key issue to be addressed. This is a very pertinent and serious issue on which the opinion and views of different stakeholders is urgently required.

Context

Given the above-mentioned Objectives and Background, this Programme endeavours to assess the future prospects of India’s approach towards regional economic cooperation in South and South East Asia in bilateral and regional settings. An effort is being made to bring together like-minded people and find out their opinion on India’s engagement with such endeavours. This will be carried out by organizing a series of meetings in different parts of India and gather peoples’ opinion on how to enhance the regional economic cooperation within the South and South East Asia. It has been undertaken by CUTS Centre for International Trade, Economics & Environment (CUTS CITEE) in partnership with Friedrich Ebert Stiftung (FES-India). An apex business body of India will be associated with it.

The Event

The tone of the event will be set by a set of high-level dignitaries who will be invited to deliver their addresses at the Opening. Following that there will be a thematic presentation on the basis of which general discussions will take place. A few major issues will be identified from the thematic session and participants will be divided into groups to discuss them and suggest recommendations. The recommendations will be taken forward to various levels, including the Government of India and inter-governmental bodies.

Place & Venue

Cochin University of Science & Technology,
Kochi - 22, Kerala