

BUSINESS ORGANIZATIONS SHOULD HAVE A BIGGER ROLE IN SOUTH ASIAN TRADE REFORMS: CUTS

Apex business organizations in South Asian countries should back governmental efforts to fasten the regional trade liberalization process under the South Asian Free Trade Agreement, says a report prepared by Consumer Unity and Trust Society. The report was discussed in a meeting organized by CUTS and Eastern Regional Office of the Federation of Indian Exporters Organisation on 24 May, 2013 at Kolkata. The meeting was organised by CUTS International as part of a regional trade project implemented by CUTS with the supported of The Asia Foundation

Addressing the meeting, Agneshwar Sen, Joint Director General, Directorate General of Foreign Trade (DGFT), Kolkata, said that South Asian governments need inputs from stakeholders, particularly business associations, for planning and executing reforms for the removal of non-tariff barriers (NTBs) that affect intra-regional trade. He said that specific policy proposals should emerge from traders in order to initiate collective actions.

Debdatta Nandwani, Deputy Director General, FIEO Eastern Region, expressed industries' concerns on hindrance to trade amongst South Asian countries owing to numerous non-tariff barriers. Acknowledging the responsibility of apex business associations in terms of assisting the process of trade reforms, she hinted that time lost on reforms is resulting in huge amount of opportunity cost to prospective traders.

Ramesh Kumar Agarwal, FIEO, Kolkata, also highlighted the growing importance of regional trade and expressed concerns over loss of momentum in trade reforms.

Fast changing external economic climate and worsening inequality and poverty within South Asia necessitates a speed up in regional trade reforms so as to equip the region to deliver on its developmental promises. Economic Survey 2013 indicates bleak prospects ahead for India's export expansion and exploration of regional markets has become crucial in these times.

Joseph George, policy Analyst, CUTS International, presented the research report titled "Participatory Approaches to Removal of Regional Trade Barriers", which resulted from a year-long study undertaken by CUTS in partnership with like-minded organisations from five major South Asian countries. He pointed out that because of insufficient attention paid by member countries in the past, the policy tools, systems and institutions created for regional trade liberalisation in South Asia remain underdeveloped and far less prepared than other similar policy tools, systems and institutions that exist elsewhere in the world.

According to the study, it is important that South Asian countries identify products of high importance to regional trade, measured by supply capacity and matching import demand within South Asia. CUTS has conducted a thorough assessment and has identified many such products for each South Asian country which meets their export interests and import demand respectively.

The focus for the next few years should be to build supply capacity of selected products using provisions of respective national trade policies by all member states. In addition, they should use relevant provisions of the South Asian Free Trade Agreement for enhancing mutual market access for selected products.

For the success of these measures, promoting more inclusiveness in the trade policy making process is critical. Apex business organizations should seek membership at the SAARC Chamber of Commerce and Industries and use it as a platform to discuss and formulate policy proposals.

Besides private business associations, civil society organisations, media and academia should also play a contributory role. A participatory approach will make the regional trade reform process more transparent by permitting accessibility of all relevant stakeholders in the system.

He also mentioned that with the implementation of the suggested measures, intra-regional trade in South Asia will increase by at least three times from its current level over the next five to seven years.

The meeting was represented by various civil society organizations, various export houses and members of FIEO along with trade researches from Kolkata.

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