

**South Asia Research-Policy  
Dialogue on Global Economic  
Governance and Trade**

**Organized by ICRIER, Oxford University  
(GEG), GIIDS Geneva, and the  
Emerging Dynamic Global  
Economies Network (EDGE)**

**29 April 2008, New Delhi, India**

**Challenges at the Intersection of  
Multilateral and Regional Trade  
Governance in South Asia**

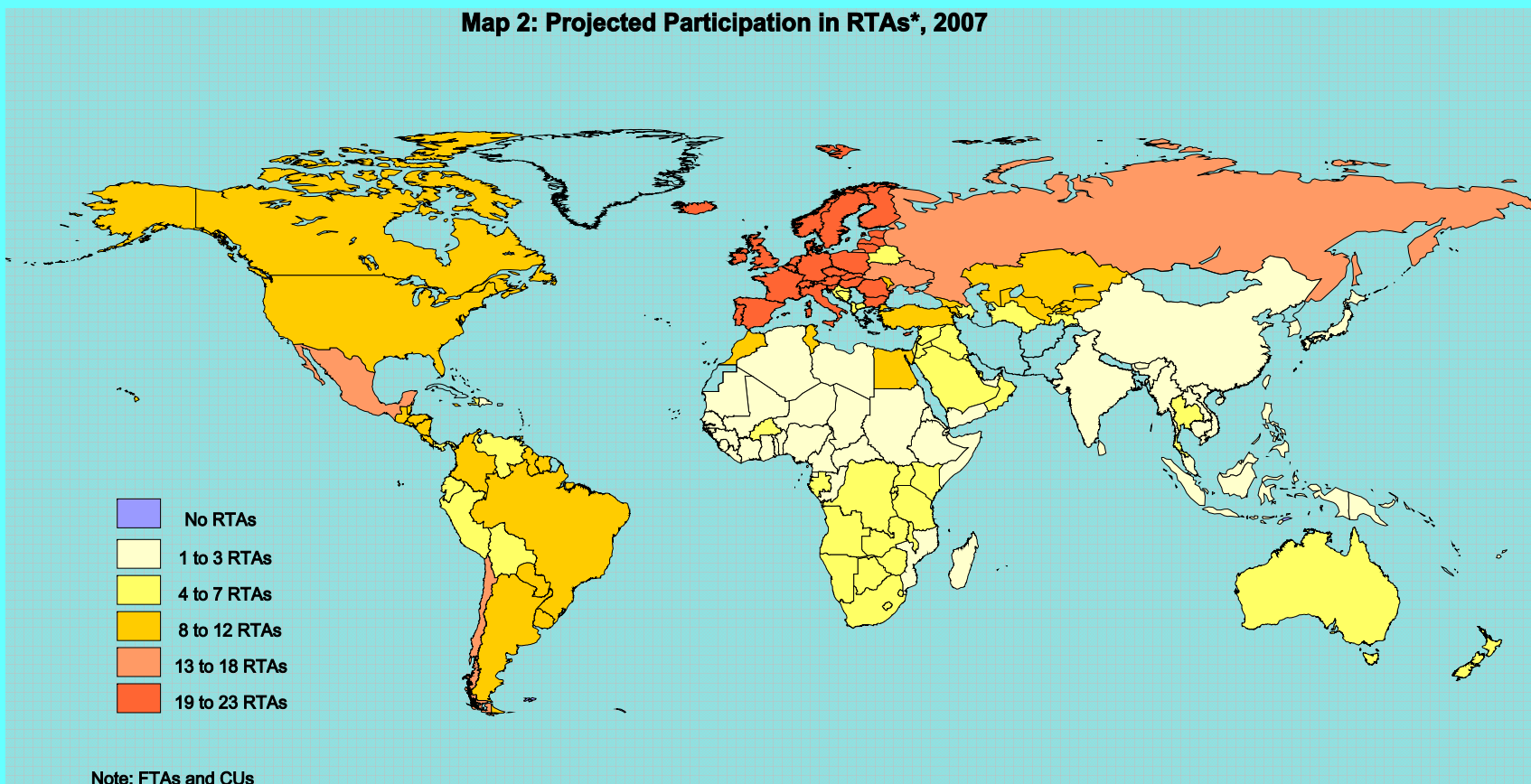
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## I. Overview of RTA Activity

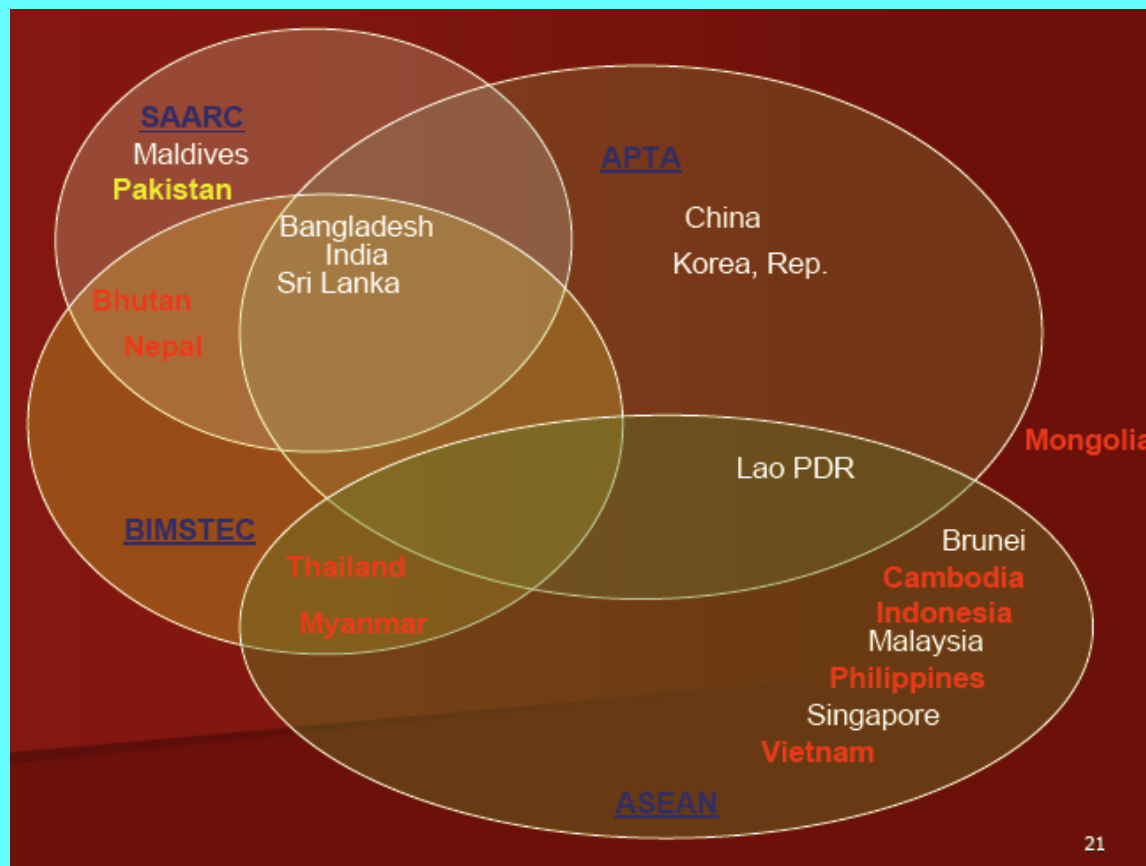
<b>Period</b>	<b>Worldwide Growth of RTAs</b> (34 currently under ratification or negotiations in Asia)
1990-1994	18 (3)
1995-1999	24 (1)
2000-2004	57 (8)
2005-2007	16 (3)

# I. Overview of RTA Activity

Map 2: Projected Participation in RTAs\*, 2007



# I. Overview of RTA Activity in South Asia



## II. South Asian Countries in the MTS and RTAs: A Comparison

Country	WTO Benefits & Participation	Bilaterals/ Preferences with North	Bilaterals with South countries/ RTAs	SAFTA effective coverage rate (%)	Bilaterals with other SA countries	Member of other S-S RTAs
Bangladesh	High	Yes	-	7.05	Yes	Yes
Bhutan	Acceding	Yes	-	-	Yes	Yes
India	High	Negotiating	Yes	15.29 (92.72)	Yes	Yes
Maldives	Recently resident	Yes	-	7.10	-	-
Nepal	Recently acceded	Yes	-	42.16	Yes	Yes
Pakistan	High	Negotiating	Yes	5.45 (89.46)	Yes	Negotiating
Sri Lanka	High	Yes	-	3.36	Yes	Yes

## II. South Asian Countries in the MTS and RTAs: Some Conclusions

- Participation in and benefits from the MTS remain very important
- However, increasing participation in RTAs of all types
- Limited progress in SAFTA but increasing exports to SA countries
- Bilaterals among SA countries have much bigger coverage

## II. South Asian Countries in the MTS and RTAs: Some Conclusions

<b>Country</b>	<b>Exports to South Asia 1995 (% of exports to Asia)</b>	<b>Exports to South Asia 2005 (% of exports to Asia)</b>
Bangladesh	16.00	25.14
India	17.12	12.44
Nepal	72.28	92.17
Pakistan	12.79	30.61
Sri Lanka	16.49	46.77

## II. South Asian Countries in the MTS and RTAs: Main Challenges

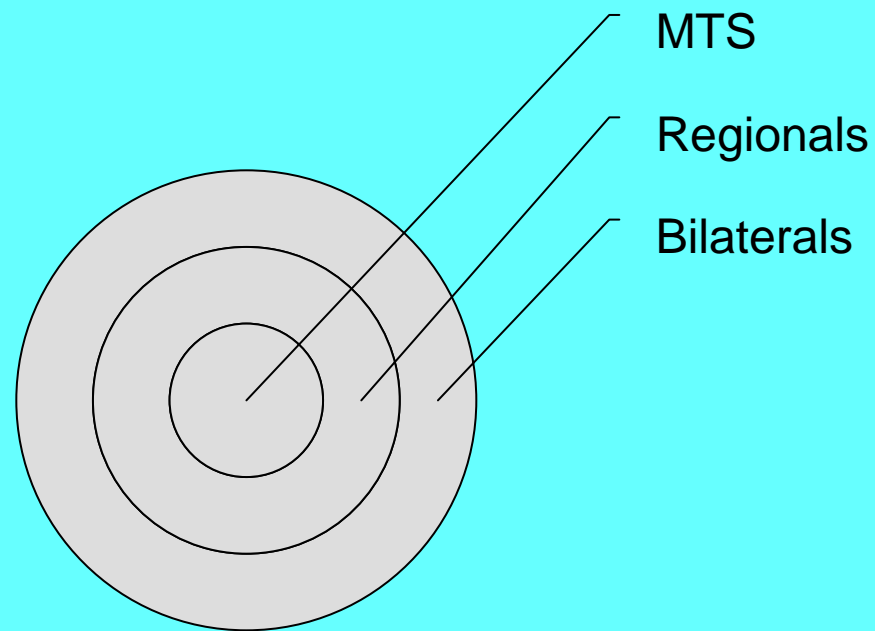
- Managing MTS-RTA intersection to pursue common and conflicting interests
- Limited negotiation and implementation resources, particularly for smaller countries
- Competition with outside SA countries both in the MTS and RTAs
- Limited expectations from Doha Round
- Political issues in SA region



## III-Preliminary Conclusions and Suggestions

- Define and link strategic objectives to promote development and reduce poverty
- Adopt a holistic approach to multilateral, regional and bilateral agreements
- Assess and develop capacity to negotiate and implement
- Prioritize to achieve strategic objectives within the available capacity
- MTS strategic to define and promote key interests; Regionals and Bilaterals to derive additional benefits and / or to protect specific interests

# III-Preliminary Conclusions and Suggestions



*Thank You*