

Presence of exim bank in saarc region

Literature, Russian Literature



History of SAARC The concept of setting up a regional co-operational in the South Asian Region was first mooted by the late President of Bangladesh, Ziaur-Rahman on May 2, 1980. Before this, the idea of regional cooperation in South Asia was discussed in conferences of Asian Regional conference, New Delhi in April 1947, the Baguio Conference in Philippines in May 1950, and the Colombo Power Conference in April 1954. Further in the late 70s, SAARC nations agreed to create a trade bloc consisting of South Asian countries. The idea of regional cooperation in South Asia was again mooted in May 1980 as a result, the foreign secretaries of the seven countries met for the first time in Colombo in April 1981. The Committee of the Whole, which met in Colombo in August 1985, identified five broad areas for regional cooperation.

New areas of cooperation were added in the following years. Hence the South Asian Association of Regional Cooperation (SAARC) was created in 1985 with eight member countries in SAARC namely Afghanistan, Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka. It also has nine observers, namely China, EU, Iran, Republic of Korea, Australia, Japan, Mauritius, Myanmar and USA.

The objectives of the Association as defined in the Charter are: * to promote the welfare of the people of South Asia and to improve their quality of life; * to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potential; * to promote and strengthen selective self-reliance among the countries of South Asia; * to contribute to mutual trust, understanding and appreciation of one another's problems; * to promote

active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields; * to strengthen cooperation with other developing countries; * to strengthen cooperation among themselves in international forums on matters of common interest; and * to cooperate with international and regional organisations with similar aims and purposes. The principles of SAARC are: *Respect for sovereignty, territorial integrity, political equality and independence of all members states * Non-interference in the internal matters is one of its objectives * Cooperation for mutual benefit * All decisions to be taken unanimously and need a quorum of all eight members * All bilateral issues to be kept aside and only multilateral (involving many countries) issues to be discussed without being prejudiced by bilateral issues

Economic Agenda of SAARC

The main economic agenda of SAARC include:) SAARC Preferential Trading Agreement (SAPTA) The Agreement on SAPTA was signed on 11 April 1993 and entered into force on 7 December 1995. The Agreement envisaged promoting and sustaining mutual trade and economic cooperation within the SAARC region through exchange of concessions. b) South Asian Free Trade Area (SAFTA) The Agreement on SAFTA was signed on 6 January 2004 during the Twelfth SAARC Summit in Islamabad. The Agreement entered into force on 1 January 2006. c) South Asian Economic Union The Eleventh Summit (Kathmandu, 4-6 January 2002) provided further impetus to the regional economic cooperation to give effect to the shared aspirations for a more prosperous South Asia.

At the Summit, the leaders agreed to accelerate cooperation in the core areas of trade, finance and investment to realise the goal of an integrated

South Asian economy in a step-by-step manner. They also agreed to the vision of a phased and planned process eventually leading to a South Asian Economic Union. Economic Profile of the SAARC Member Countries In Afghanistan, real domestic product (GDP) is estimated to have reached 13.9% in FY2007, owing to a strong recovery in agricultural production. Industry and services recorded dynamic growth of 13.3% and 12.4%, respectively. Construction was the main driver of industrial growth. In Bangladesh, GDP growth in FY2007 (ended June 2007) stood at 6. % underpinned by steady expansion in manufacturing and continued buoyancy in services, on the base of rising domestic and external demand. Secretariat of SAARC The Secretariat of SAARC is located in Kathmandu has been established on 16 January 1987 inaugurated by Late King Birendra Bir Bikram Shah of Nepal headed by a Secretary General. The Secretary General is appointed by the Council of Ministers from Member Countries in alphabetical order for a term of three-years assisted by the Professional and the General Services Staff, and also an appropriate number of functional units called Divisions assigned to Directors on deputation from Member States.

The Secretariat has been entrusted with the function of coordination and monitoring the implementation of activities, arranging for meetings, and serving as a channel of communication between the Association and its Member States as well as other regional organizations. The setting up of SAARC Secretariat involved inking a Memorandum of Understanding between the Foreign Ministers of member countries on 17 November 1986 at Bangalore, India which contained various clauses concerning the role, structure and administration of the SAARC Secretariat as well as the powers

of the Secretary-General. Regional Centres of SAARC There are various regional centres established by SAARC Secretariat in member states so as to ensure smooth working of the SAARC functions.

The regional Centres covering Agriculture, Tuberculosis, Documentation, Meteorological research, and Human Resource Development have been established in different SAARC capitals: SAIC (Dhaka, 1998) STC (Kathmandu, 1992) SDC (New Delhi, 1994) SMRC (Dhaka, 1995) SHRDC (Islamabad, 1999) SCC (Kandy, 2004) SCZMC (Male, 2004) and SIC (Kathmandu, 2004). In addition, three new regional centres covering Culture, Coastal Zones Management, and Information are being established.

India-SAARC Relationship The countries of South Asia were compelled to forge a regional grouping due to universal realization among the third world countries. - india with her experience of initial efforts to organize the Asian community ; the conflicts in the region welcomed the initiative of Bangladesh in 1980. for an association of south Asian namely India, Pakistan, Sri lanka, Bangladesh, Nepal, Bhutan, Maldives. SAARC provides a platform for the peoples of south asia to work together in a spirit offriendship, trust ; understanding . - it aims to accelerated the process of economic ; social development in member states. - the initial years of SAARC were marked by significant political developments in the world culminating in the demise ofcold war; the disrememberment of the soviet union. - therefore, when the proposal for the regional co-operation was made by bangladesh india could not reject the proposal. - as this regional cooperation could play a useful role in india's own regional policy. - india is the biggest with sharing the borders with all 6 countries of the region. - from politicla to economic level, india &

its neighbors have many disputes. India is also having the stable democracy, has a strong military machine, a large scientific & technical manpower & a vast industries infrastructure makes it different from other countries. - the end of cold war has provided greater leeway to India to promote her perception of South Africa regionalism through SAARC. - India has become the heart of SAARC & in fact constitutes the major source of both GDP, trade & capital flows within SAARC/region. - the reluctance of India & other South Asian countries to turn SAARC into forum for resolving major regional disputes hampers SAARC ability to deal with many of the South Asia's economic ; political problems.

Mekong-Ganga Cooperation : it was established on Nov 10 2000 at Vientiane in the 1st MGC ministerial-meeting. - it comprises of 6 members countries namely, Thailand, Myanmar, Cambodia, Lao PDR, Vietnam ; India. - they emphasize on 4 areas of cooperation , which are : tourism, culture, education, transportation linkages in order to be solid foundation for future trade ; investment cooperation in the region.

Cooperation Mechanisms : - the working mechanism for MGC consists of the annual ministerial meeting, the senior official's meeting, 5 working group namely : * working group on tourism (Thailand) * working group on education , HRD (India) * working group on culture (Cambodia) working group on communication & transportation (Lao PDR) * working group on plan of actions (Vietnam). - with his cooperation India has extended its footprints in ASEAN region under the geostrategic back drop. - India has added powerful cultural dimension to its economic diplomacy by encouraging business contacts between the people residing on the banks.

Summits which are the highest authority in SAARC, are supposed to be held annually. The country hosting the Summit

also holds the Chair of the Association. Bangladesh hosted the Thirteenth Summit in November 2005 at Dhaka as the Chairperson of the Association. India will host the Fourteenth SAARC Summit in 2007 as its Chairman.

South Asia's regional cooperation, international political and economic environment, poverty alleviation, advancing economic cooperation, funding mechanisms, security of small states, combating terrorism, social, natural disasters and environmental challenges as an agenda for third decade of SAARC was also discussed in the Thirteenth Summit. Enhancing people-to-people contact and cultural cooperation, political cooperation and external linkages of SAARC was also discussed. SAARC member states welcomed the request by the Islamic Republic of Afghanistan for membership and invited Afghanistan as a member, subject to the completion of formalities.

SAARC member states also agreed in principle with the desire of the People's Republic of China and Japan to be associated as observers. The Agreement on Mutual Administrative Assistance in Customs Matters Establishment of SAARC Arbitration Council, and the Limited 136 Pakistan Journal of History & Culture, Vol. XXVII/2 (2006) Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters were signed during the thirteenth SAARC Summit. The Council of Ministers comprising Foreign Ministers, meets at least twice a year. Its functions include formulating policy, reviewing progress of regional cooperation, identifying new areas of cooperation and establishing additional mechanisms that may be necessary.

The Standing Committee comprising Foreign Secretaries, monitors and coordinates SAARC programmes of cooperation, approves projects including

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their financing and mobilizes regional and external resources. It meets as often as necessary and reports to the Council of Ministers. The Association also convenes meetings at Ministerial Level on specialized themes. The Committee on Economic Cooperation consisting of Secretaries of Commerce oversees regional cooperation in the economic field. During the Twelfth Summit in Islamabad, the SAARC Social Charter was signed in order to address social issues such as population stabilization, empowerment of women, youth mobilization, human resource development, promotion of health and nutrition, and protection of children, which are keys to the welfare and well-being of all South Asians.

South Asian States have adopted Conventions on the Suppression of Terrorism (including Additional Protocol signed in January 2004 in Islamabad), Narcotic Drugs and Psychotropic Substances, Trafficking in Women and Children, and Child Welfare in South Asia. An Agreement on Food Security Reserve is also in place. During the 12th SAARC summit held in Islamabad the leaders of South Asia reiterated their commitment to form South Asian Economic Union (SAEU). If formed, it will pave the way for more ambitious — but entirely achievable — goals such as a Free Trade Area, an Economic Union, open borders, and a common currency for the region. As President Pervez Musharraf said, “ we must expand SAARC charter to discuss bilateral issues at the regional level. There can be no development in the absence of peace.

There can be no peace, so long as political issues and disputes continue to fester. ” The Twelfth Summit renewed the urgency to deal with poverty in the region. For this purpose, the Summit directed the Independent South

Asian Commission on Poverty Alleviation (ISACPA) to submit to the next Summit a comprehensive and realistic blueprint setting out SAARC 14 President Pervez Musharraf's statement reported by M. Aftab, " Can Safta lead to South Asian Economic Union? " The News, 19 January, 2004. SAARC: Origin, Growth, Potential and Achievements 137 Development Goals for the next five years in the areas of poverty alleviation, education, health and environment.

The Governors of the Central Banks of member states under the auspices of SAARCFINANCE meet regularly to consider cooperation in financial matters. For strengthening cooperation in information and media related activities of the Association, the Heads of National Television and Radio Organizations of member countries meet annually. Similarly, the SAARC Audio-Visual Exchange (SAVE) Committee disseminates information both on SAARC and its Member States through regular Radio and TV Programmes. In the field of education, the Member States cooperate through the forums of SACODiL (SAARC Consortium on Open and Distance Learning) and Heads of Universities Grants Commission/Equivalent Bodies.

Memoranda of Understanding have been signed to promote collaboration with UNCTAD (United Nations Conference on Trade and Development), UNICEF (United Nations Children's Fund), UNDP (United Nations Development Programme), UNESCAP (United Nations Economic and Social Commission for Asia and Pacific), UNDCP (United Nations Drug Control Programme), ITU (International Telecommunications Union), APT (Asia Pacific Telecommunity), WHO (World Health Organization), UNIFEM (United Nations Fund for Women), CIDA (Canadian International Development Agency), EC (European

Commission), PTB (German Metrology Institute), WB (World Bank), ADB (Asian Development Bank), UNAIDS (Joint United Nations Programme on HIV/AIDS) and SACEP (South Asia Cooperative Environment Programme). Regular dialogues with other Regional Organizations such as ASEAN (Association of South-East Asian Nations), ECO (Economic Cooperation Organization) and PIFS (Pacific Islands Forum Secretariat) are held with a view to promoting cooperation among sub-regional organizations.

The Association promotes interaction on multilateral issues of common concern to its members and has identified areas in which collective positions could be projected at international forums. These include trade, finance, environment, agriculture, women and children, information and telecommunications. Beyond official linkages, SAARC also encourages and facilitates cooperation in private sector through the SAARC Chamber of Commerce and Industry (SCCI), which is a SAARC Apex Body. Other such bodies are SAARCLAW and South Asian Federation of Accountants (SAFA). In addition, the status of SAARC Recognized Bodies has been accorded to professional groups in South Asia including Architects, Management 138 <http://www.nihcr.edu.pk> Pakistan Journal of History & Culture, Vol.

XXVII/2 (2006) Development Institutions, University Women, Town Planners, Cardiologists, Dermatologists, Teachers, Writers, Insurance Organizations, Diploma Engineers, Radiological and Surgical Care Societies. The Association of Speakers and Parliamentarians enjoy special recognition by the Heads of State or Government. Achievements Several factors such as political, economic, security and potentiality of mutual economic benefit through regionalism seem to have influenced President Ziaur Rahman's thinking

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about establishing a regional organization in South Asia. 15 SAARC's existence, however, has enabled South Asian political leaders to meet regularly and carry on informal discussions to address their mutual problems.

This is no mean achievement given South Asia's past history and low level of interaction among South Asian countries since their independence. Informal talks among the leaders at regularly held SAARC meetings have led to inter-elite reconciliation on many sensitive issues, producing some noteworthy results in South Asia. The informal talks between the Indian and Pakistani Prime Ministers at the second SAARC Summit meeting at Bangalore in November 1986 led to the diffusion of tension between the two countries on the issue of India's military exercise, Operation Brasstacks, on the Indo-Pakistan border, and the India-Sri Lanka talks at the 1987 SAARC foreign ministers' meeting led to their accord on the Tamil problem.

As a result of an informal meeting and discussion between Prime Minister of India and Pakistan, Narasimha Rao and Nawaz Sharif, at Davos (Switzerland), in 1992, the Pakistani government took action to prevent the move of the Jammu and Kashmir Liberation Front (JKLF) to cross the ceasefire line in Kashmir later that year. The Davos meeting was possible because of an earlier informal agreement between the two leaders at the sixth SAARC Summit meeting at Colombo in December 1991. Given this utility of SAARC, can the organization grow or expand its role in the coming decades? The Heads of State or Government during the Ninth SAARC Summit agreed for the first time that a process of informal political consultations would prove useful in promoting peace, stability, amity and accelerated socio-economic

cooperation in the region. The leaders reiterated this intent during their Tenth and Eleventh Summits in Colombo and Kathmandu respectively also.

The Agreement on SAARC Preferential Trading Arrangement (SAPTA) was signed in 1993 and four rounds of trade negotiations have been concluded. With the objective of moving towards a South Asian Economic Union (SAEU), the Agreement on South Asian Free Trade Area (SAFTA) was signed during the Twelfth Summit in Islamabad in January 2004. SAFTA may enter into force by the end of the year 2006. The Association has carried out Regional Studies on trade, manufactures and services, environment and poverty alleviation, SAFTA and Customs matters. Since its inception in 1984 there have also been serious differences among member countries over the aims and functioning of SAARC. 6 Such differences have been pronounced in verbal bickerings in several SAARC meetings. This is in the face of the fact that closer social, economic and cultural ties (the espoused ideals of SAARC) are considered the one and only hope for building regional cooperation efforts in South Asia in the coming years. Indeed, increasing rationalization of world trade and the fluidity of the emerging global system has increased trade within each trade bloc and those countries that do not belong to any trade blocs are likely to be the losers. 17 This also provides a strong rationale for sustaining the SAARC vis-a-vis future trade prospects of South Asia.

The assumption that peace can be achieved through SAARC without addressing the political problems of the region has neither been able to cultivate peace nor to invigorate the SAARC process successfully. Though since its very inception it has been regularly able to hold Summit meetings

yet there have been interruptions in 16 The main point of debate hinges on the Charter of SAARC which does not allow bilateral issues to be discussed at the regional level summit diplomacy. 17 B. S. Shreekantaradhya, "Globalisation of Indian Economy: Strategies and Constraints," S. Murty, The Changing Indian Economic Order (New Delhi: Indus Economic Profile of the SAARC Member Countries In Afghanistan, real domestic product (GDP) is estimated to have reached 13. % in FY2007, owing to a strong recovery in agricultural production. Industry and services recorded dynamic growth of 13. 3% and 12. 4%, respectively. Construction was the main driver of industrial growth. In Bangladesh, GDP growth in FY2007 (ended June 2007) stood at 6. 5% underpinned by steady expansion in manufacturing and continued buoyancy in services, on the base of rising domestic and external demand (Figure 1). Figure 1: Economic Growth in SAARC Region - 2007 (percent) Source: Asian Development Outlook 2008, ADB Source: Direction of Trade Statistics Year Book 2007, IMF. Bhutan's real GDP in FY2007 (ended June 2007) is estimated to have grown by 17. %. This was driven by growth in power sector (with a GDP share of 11. 3% in FY2006) resulting from the commissioning of the 1, 020 megawatt (MW) Tala hydropower station, which has been phased in since July 2006. In India, the impressive economic performance of the past few years continued with real GDP growth at 9. 0% in 2007-08, as compared to 9. 6% in the previous year. The real GDP of Maldives grew by 6. 6% in 2007, reverting to its historical growth path after the post-tsunami contraction in 2005. Tourism, the leading sector with around one-third share of GDP, grew by 10. 0%. Real GDP growth of Nepal moderated to 2. 3% in FY2007 (endedmid

July 2007) from 3.1% in FY2006, resulting from subdued performances of agriculture and industry. Real GDP growth of Pakistan continued to remain strong for the fourth consecutive year registering a growth of 7.0% in FY2007 (ended June 2007). During 2007, Sri Lanka continued to register strong real GDP growth of 6.7%, as compared to 7.7% in 2006. Trend in Foreign Trade and Trade Policies SAARC's Global Trade During the year 2000 to 2006, the total exports of SAARC countries have increased from US\$ 63.5 billion to US\$ 161.4 billion. The total imports of SAARC countries also have increased from US\$ 79.5 billion in 2000 to US\$ 255.3 billion in 2006.

Among the SAARC countries, India led both in terms of exports and imports, followed by Pakistan and Bangladesh. Intra-SAARC Trade Total intra-SAARC exports have increased from US\$ 2.8 billion in 2000 to US\$ 10.8 billion in 2006, registering nearly a four-fold rise during the period. As a result, intra-SAARC exports, as a proportion of SAARC global exports, have risen from 4.5% in 2000 to 6.7% in 2006. Intra-exports of the SAARC countries were dominated by India, followed by Pakistan and Sri Lanka. The total intra-SAARC imports have also increased more than three-fold from US\$ 3.0 billion in 2000 to US\$ 9.6 billion in 2006. Intra-SAARC imports were dominated by Sri Lanka, followed by India. Figure 2 depicts the trend in intra-SAARC trade (exports plus imports) vis-a-vis trend in SAARC's global trade. A comparison of the trends would highlight the buoyancy in intra-SAARC trade especially after 2003, as compared to SAARC's global trade. Trade Policies Trade liberalisation in South Asia started with a series of sweeping reforms in Sri Lanka in 1977/78. For the rest of South Asia, the 1980s and 1990s saw substantial reductions of tariffs and phasing out of quantitative restrictions

(QRs), along with liberalisation of the exchange regimes. Developments in SAARC Trade Integration SAARC Preferential Trade Agreement (SAPTA) was signed at the seventh SAARC summit in 1993, in Dhaka. The agreement provides a framework and institutional base for trade liberalisation and economic cooperation between the seven SAARC member countries. The agreement provides for the exchange of concessions between SAPTA members on tariffs, para-tariff and non-tariff barriers. It envisages four basic approaches to the exchange of trade preferences: (1) product-by-product; (2) across-the-board; (3) sectoral; and (4) “direct trade” measures. South Asian Free Trade Agreement (SAFTA) extends the scope of SAPTA to include trade facilitation elements and switches the tariff liberalisation process from a positive to a negative list approach. Foreign Direct Investment in the SAARC Region Private capital flows to South Asia was largely driven by India, which received the majority of capital flows to the region. The total FDI inflows into the SAARC region have increased from US\$ 5.6 billion in 2000 to US\$ 22.3 billion in 2006. FDI outflows from the SAARC region have increased from US\$ 350 mn in 2000 to US\$ 9.8 billion in 2006. India's Trade and Investment Relations with SAARC Trade Relations India's exports to the SAARC region increased from US\$ 2.8 billion in 2002-03 to US\$ 6.5 billion in 2006-07 (Figure 3). Amongst the SAARC members, Sri Lanka is the largest market, accounting for 35% of India's exports to the SAARC region. Source: Ministry of Commerce and Industry, GOI total exports in the SAARC region during 2006-07, followed by Bangladesh (25%), Pakistan

(21%) and Nepal (14%). An analysis of the trend in India's exports to the SAARC region during the period 2002-03 to 2006-07 reveals that, while exports to all the SAARC members have registered a rise, India's exports to Pakistan, Afghanistan and Nepal have exhibited distinct buoyancy. While India's exports to

Pakistan registered a six-fold rise during the five-year period, exports to Afghanistan and to Nepal also rose three-fold and two and half-fold, respectively, during the period. India's imports from the SAARC region have also risen from US\$ 531.5 mn in 2002-03 to US\$ 1.5 billion in 2006-07, depicting almost a three-fold rise during the period. Sri Lanka is again the leading partner, accounting for 31% of India's total imports from the region during 2006-07, followed by Pakistan (21%), Nepal (20%), Bangladesh (15%) and Bhutan (9%). The robust rise in India's total imports from the SAARC during the period 2002-03 to 2006-07 has been underpinned by the sharp increase in imports from Pakistan, Sri Lanka, Bhutan and Bangladesh. India generally maintains a positive trade balance with the other SAARC member countries, and the trade surplus have risen from US\$ 2.3 billion in 2002-03 to US\$ 5.0 billion in 2006-07.

Investment Relations The total foreign direct investments (approved) from India to other SAARC countries amounted to US\$ 312.8 mn during April 1996 to December 2007. Among the SAARC countries, Sri Lanka (US\$ 153.1 mn) was the major destination of Indian investment followed by Nepal (US\$ 87.2 mn). During January 2005 to December 2007, 33 joint ventures (JVs) and 42 wholly owned subsidiaries (WOSs) have been approved in the SAARC countries. Out of this, 1 JV was approved in Afghanistan, 7 JVs and 8 WOSs were approved in Bangladesh, 2

JVs in Maldives, 2 JVs and 6 WOSs in Nepal, 1 JV in Bhutan, and 20 JVs and 28 WOSs in Sri Lanka. Areas of investment approved include engineering goods, electrical equipments, pesticides, readymade garments, cables and wires, plastic & plastic products, rubber products and textiles. Total investments of SAARC countries to India have amounted to US\$ 11.7 mn during April 2000 to February 2008. Among all the SAARC countries, Sri Lanka was the largest source of FDI with US\$ 8.5 mn during the period, followed by Maldives (US\$ 3.1 mn).

The investment flows between India and Sri Lanka have increased mainly after the implementation of India Sri Lanka Free Trade Agreement (ISLFTA). Exim Bank in the SAARC Region Export-Import Bank of India (Exim Bank) operates a comprehensive range of financing, advisory and support programmes to promote and facilitate India's trade and investment relations with the SAARC region. In the SAARC region, the Bank has supported several Indian project exporters to execute contracts in countries such as: _ Hydroelectric project (Tala project), tunnel house, and dam construction in Bhutan; _ Road improvement projects, railway construction and maintenance, gas turbine power plant project, lectrical substations, cement plant project, transmission line project, and conveyor belt project in Bangladesh; _ Steel, local telephone network, transmission lines, substations, out door LED video system for cricket matches, and diesel fired power project in Sri Lanka; _ Transmission lines and substations, optic fibre cable project, hydro electric projects, and irrigation projects in Nepal, and _ Air-conditioning & electro mechanical work at Male Airport in Maldives. The Bank, in order to help Indian companies in their internationalisation efforts,

provides term loans to them, both for equity investment in their ventures overseas. Besides, Exim Bank also undertakes direct equity stake in Indian ventures abroad, to enable Indian companies to supplement their equity with Exim Bank's contribution. To facilitate Indian presence in the SAARC region, the Bank has supported joint ventures by Indian companies in several sectors, including: _ Pharmaceuticals, steel and glass sectors in Sri Lanka; _ Electrical sector in Bangladesh, and _ Engineering goods and textile sectors in Nepal. Exim Bank extends Lines of Credit (LOCs) to overseas financial institutions, foreign governments and their agencies, enabling them to finance EXIM BANK ORGANISES SEMINAR ON REGIONAL ECONOMIC & FINANCIAL COOPERATION IN ASIA

Exim Bank of India organised a Seminar on 'Regional Economic and Financial Cooperation in Asia' on October 5, 2005 as a curtain raiser for the 11th Annual Meeting of Asian Exim Banks being held from October 5-7, 2005 in Goa. The Forum of Asian Exim Banks comprises 9 Asian countries, viz. India, Japan, China, Indonesia, Korea, Malaysia, Philippines, Thailand and Australia with Asian Development Bank, Manila, the multilateral financing institution as a permanent invitee. The Forum has an Annual Meeting hosted by a member country by rotation. The Forum was conceived and initiated by Exim Bank of India in 1996. After a decade, Exim Banks of India is again hosting the Annual Meeting. Hon'ble Chief Minister of Goa, Shri Pratapsingh Raoji Rane was the Chief Guest and inaugurated the Seminar. Other dignitaries who spoke at the Seminar included Mr. T. C.

Venkat Subramanian, Chairman ; Managing Director, Exim Bank of India, Dr. Ashok Lahiri, Chief Economic Adviser, Ministry of Finance, Government of

India, Dr. Nagesh Kumar, Director General, Research and Information System, New Delhi, Mr. Werner Liepach, Principal Director, Asian Development Bank, Manila and Mr. Lamon Rutten, Chief, Commodity Finance ; Risk Management, UNCTAD Geneva. The seminar was attended by the members of the Asian Exim Banks Forum at the highest level, special invitees, a cross-section of the industry and the academia. In his welcome address, Mr. Subramanian highlighted the growing importance of the Asian region in global trade and investment with Asia accounting for 27% of world trade.

He, observed that intra-Asian trade at US\$ 625 bn (42% of total exports of Asian countries) was not commensurate with the potential that exists for trade flows among the Asian economies and is much lower than intra-EU and intra-NAFTA trade. Mr. Subramanian also highlighted the sharp rise in Indo-China trade in the past few years catapulting China to become India's largest source of imports and 3rd largest export destination. Giving the theme address, Dr. Nagesh Kumar underscored the significance of regional cooperation among the economies of Asia, particularly considering that the region is home to the fastest emerging economies of the world. Besides sub-regional initiatives in the framework of ASEAN, SAARC and others, broader economic integration initiatives are under way.

He argued that there is a strong case for ASEAN, Japan, China, India and Korea working together to realise the Asian dream. Congratulating Exim Bank of India for initiating a decade back, a Forum of Asian Exim Banks to forge stronger regional economic cooperation among the Asian countries, Dr. Ashok Lahiri in his keynote address noted with interest the wide range of

issues to be covered at the 11th Annual Asian Exim Banks meeting. While underlining the importance of regional cooperation, Dr. Lahiri cited the example of ADB's initiative of the Greater Mekong Subregion in which six countries entered into a programme of subregional economic cooperation to enhance economic relations among themselves. Dr.

Lahiri also explained the Government of India's initiatives, particularly the 'Look East' policy, to forge stronger ties with the Asian economies for promoting trade and investment. Commending the Asian Exim Banks community for creating a forum for economic cooperation and sharing of knowledge, Shri Pratapsingh Rane, Hon'ble Chief Minister of Goa hoped that the Forum would suggest policies that would provide fillip to states/regional level, economic growth in the larger context of intra-Asian economic cooperation. Highlighting the investor-friendly economic environment of Goa, Mr. Rane emphasised the emergence of the state as a major destination for foreign investment and outlined the various measures taken by his Government.