

Policy Dialogue on Strengthening Transport Connectivity in South Asia



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SAARC



Regional Groupings

- **SAARC** 1985
- **BIMSTEC** 1996 (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand)
- **ECO** 1995 (RCD 1985)
- **ASEAN** 1967
- **SCO** 2001/1996 (China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan)

Multiplicity of Regional Blocs

- Relatively a new phenomenon
- Diversity of Geographic locations (South Asia-Central Asia-South East Asia-Middle East to Europe's doorstep)
- Economic market consideration
- Delivery of Common Objectives
- Development level of individual States-time to integrate – mid-term or short-term?
- **Competition vs Cooperation**

South Asia: Strong – but weak

- Non-symmetric trade patterns; vast difference in market sizes
- Economics – vs – Politics
- Population – humongous – but think of a human body !!!
- High economic disparities...1/3 below poverty line
- Inter-regional vs extra-regional trade – which one offers better incentives ??? Which one is more convenient ???
- Doing business in the other state – system conveniences
- Despite SAPTA and SAFTA, intra regional trade remains at a dismal 3% level
- With 1.5 billion people, the region accounts for more than 1/5 of world pop.
- There is great diversity among SAARC member states.
- There is great variation in per capita GDP from \$12000 in Maldives to \$1900 in Afghanistan

Regional Highlights

- Population density in SA 310 persons/sqkm, 7 times more than world average of 46 person/sqkm
- Trade and Transport are closely related, and efficient transport system has a direct bearing on Development/FDI
- In SA, more than 500 million people are still below poverty line
- Although incidence of poverty has declined in the recent past, SA still hosts 30% of World's poor living on less than US\$1.0 per day.
- Economic growth is thus essential for reducing poverty, in which transport plays a crucial role. Access to major markets, enhancing tourism dev. etc., could have positive contribution.

Advantages

- Proximity of Distances
- Huge population = huge markets to exploit
- Potential for Industrialization—lesser labour costs
- Common challenge – CONNECTIVITY
- RAIL – most cost effective mode of transport

Trends in Transport Development

- Transport network in SA is fragmented, although basic infrastructure is in place for mainland countries
- Before 1947, transport system of SA, particularly in mainland countries, was integrated.
- Following partition of British India, transport system developed only in the national context.
- SAARC countries accounted for 10% of World road network in 2002, and % of paved roads varied between 25% (BD) to 55% (Pak) and 53.2% (Ind).
- SA has one of the largest rail network in the World

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https://www.yunbaogao.cn/report/index/report?reportId=5_4839

