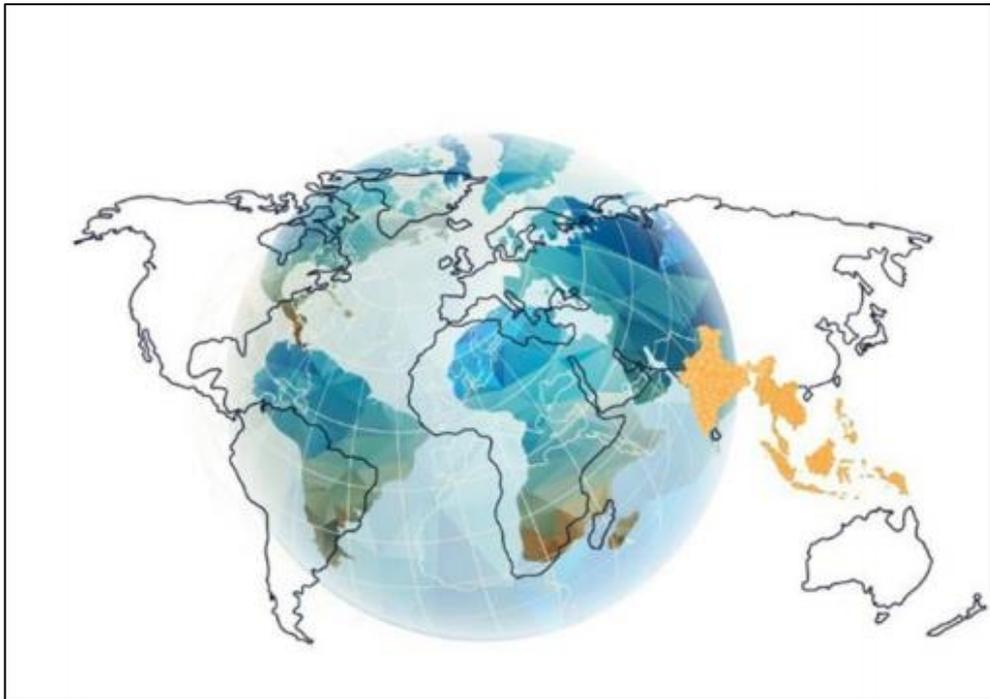




## India- South Asia Knowledge Report

October 2020



**Federation of Indian Chambers of Commerce and Industry (FICCI)**  
**Federation House, Tansen Marg, New Delhi, India**

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## **BACKGROUND**

South Asia is currently among the least integrated regions of the world, with intra-regional trade at 5 per cent, while the region has great opportunity to grow into a powerful geo-economic hub by leveraging human capital, rich resources, innovation culture and strengths in manufacturing and services. South Asia as a whole has remained closed off to the rest of the world, due to a lack of economic integration. South Asian countries need to have stronger business or economic integration with each other. There are several socio-economic and political challenges yet the nations can strive for greater cooperation and leverage their collective strengths of resources, manpower and geographical location for enhancing bilateral and multilateral relations.

In terms of Intra-regional trade, the presence of para tariffs, high logistical costs, inadequate infrastructure, and persistent informal trade, coupled with other non-tariff barriers (NTBs), has hampered the overall growth of the region. In 2019, South Asia's global trade stood at US\$1 tn as compared US\$ 714 bn in 2009. Though South Asia maintains a trade deficit, during 2010- 2019, the region's export growth (CAGR of 4.6 per cent) has outpaced its import growth (CAGR of 3.7 per cent). While major exports of the region include articles of apparel (17 per cent); mineral oils, fuels and its products (11 per cent); pearls and precious stones (9 per cent); machinery and equipment (5 per cent); and organic chemicals (4 per cent), on the other hand, mineral crude (29 per cent); electrical machinery (10 per cent), pearls and precious stones (10 per cent); and machinery (9 per cent), make up the imports.<sup>1</sup>

The South Asian region is experiencing its worst economic performance in the last 40 years, with temporary contractions in all eight countries. According to the latest Global Economic Prospects released by World Bank, the GDP growth rate is projected to contract by 3.2 per cent in 2020 as pandemic mitigation measures hinder consumption and services activity and uncertainty about the course of the pandemic chills private investment.<sup>2</sup>

In the context of India, while India has managed to increase its trade share with Bangladesh, Sri Lanka, in recent times, the economic potential and trade and investment with other countries in the region, remains untapped. India's modern services sector is often cited as the harbinger of a new South Asian services-led growth paradigm. The implication is that modern services will drive productivity and employment growth in South Asia. And services-led sustained high growth will enable the region to eventually join the rank of middle-income countries and reduce poverty to single digits.

The bilateral trade with India and the South Asian countries witnessed a decline of 7.8 per cent in 2019-2020. The countries with which trade declined significantly from the previous year were Maldives, Pakistan and Sri Lanka. Bilateral trade with Nepal saw a significant

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<sup>1</sup><https://www.eximbankindia.in/>

<sup>2</sup> <https://www.worldbank.org/en/region/sar/overview>

increase of 40 per cent from the previous year. In India, growth is estimated to have slowed to 4.2 per cent in FY 2019/20, which ended in March 2020. The output is projected to contract by 3.2 per cent in FY 2020/21 when the impact of the pandemic will largely hit. Pakistan (-2.6 per cent in FY 2019/20) and Afghanistan (-5.5 per cent) are both projected to experience contractions, as mitigation measures are anticipated to weigh heavily on activity. Growth in Bangladesh (1.6 per cent in FY 2019/20) and Nepal (1.8 per cent in FY 2019/20) is expected to decelerate markedly due to pandemic-related disruptions including mitigation measures and sharp falls in exports and remittance inflows.<sup>3</sup>

India and partners in South Asia must *reimagine* regional co-operation by taking leadership positions to create fresh South Asian value chains and tap deeply into existing value networks. India has the vision of a stable, integrated, prosperous region through 'neighbourhood first policy', and by catalysing the vision for regional economic growth and social development. The focus should be creating a calibrated and systematic strategy of engagement with neighbours to create successful partnerships and value chains.

The countries would have to prioritise regional cooperation and integration along with sustainable and inclusive growth and creating resilience against future crises. The necessary aspects for restoring the economic growth for the South Asia region would be to focus upon enhancing regional connectivity, creating valuable regional supply chains, prioritising human-centric development and job creation, building strong healthcare infrastructure, and ensuring greater commercial engagement through trade and investment.

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<sup>3</sup>Ibid

## **AFGHANISTAN**

Afghanistan boasts of an astonishing resources endowment worth nearly \$1 trillion. These include massive veins of coal, copper, lithium, gold; deposits of gemstones, & substantial natural gas and oil fields. It has nutrient-rich soils for significant agricultural output the country offers potential as a trade and energy corridor and also subsequent prospects for downstream industries.

### **India- Afghanistan**

- ❖ **Trade:** The bilateral trade between India and Afghanistan in 2019-20 accounted for US\$ 1.5 bn. India is a natural trading partner for Afghanistan and is the largest market in South Asia for its products.<sup>4</sup>
- ❖ **Major item of exports to Afghanistan:** Man-Made Filaments; Clothing and Accessories; Sugars and Sugar Confectionery; Pharmaceutical Products; Man-Made Staple Fibres; Tobacco.
- ❖ **Major item of imports from Afghanistan:** Edible Fruit and Nuts; Gums, Resins and Other Vegetable Saps and Extracts; Coffee, Tea, Mate and Spices; Vegetables; Oil Seeds; Grains and Seeds; Industrial or Medicinal Plants; Straw and Fodder.
- ❖ **Key Developments:** The India-Afghanistan Air-Freight Corridor has boosted Afghan exports to India and benefited Afghan farmers and small traders and exporters. The operationalisation of the Chabahar Port in December 2017, followed by commercial agreement to manage port operations in February 2018, has helped to enhance bilateral trade has helped to enhance bilateral trade. The India-Afghanistan Trade & Investment Show, 'Passage to Prosperity' in 2019 saw the presence of 105 Afghan businesses and trade agreement worth US\$ 33.6 million was signed and US\$ 23.3 million in pre-contract agreements were discussed. The two countries also witness strong cultural relations through collaboration between India-Afghanistan Foundation (IAF) and ICCR.
- ❖ **FICCI and Afghanistan:** FICCI has an MoU partner in Afghanistan- Afghanistan Chamber of Commerce & Investment (ACCI) and is further exploring opportunities to collaborate and enhance ties with Afghanistan. In 2019, FICCI had organised a Roundtable Discussion with USAID Afghanistan Delegation. During the visit of Dr. Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan in 2016, he suggested the setting up of Task Force between India and Afghanistan chambers to take strategic political and business relationship between India and Afghanistan to the next level. FICCI had also organised the Afghanistan - India Renewable Energy Summit in 2015.

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<sup>4</sup><https://eoi.gov.in/Kabul/?0354?005>

## **BANGLADESH**

Bangladesh is an agricultural country with some three-fifths of the population engaged in farming. Jute and tea are the principal sources of earning foreign exchange. With rising income, improving education, technology and economic growth, Bangladesh's own market is becoming increasingly attractive to business and foreign investors. Cost of doing business in Bangladesh has also significantly and visibly decreased in recent times.

### **India- Bangladesh**

- ❖ **Trade:** The bilateral trade between India and Bangladesh has grown steadily over the last decade. The total bilateral trade between India and Bangladesh in 2019-2020 accounted for US\$ 9.46 bn. Bangladesh is India's biggest trade partner in South Asia.<sup>5</sup>
- ❖ **Major item of exports to Bangladesh:** Cotton; Mineral Fuels; Vehicles other than Railway; Nuclear Reactors; Iron and Steel; Electrical Machinery and equipment.
- ❖ **Major item of imports from Bangladesh:** Apparel and Clothing; Vegetable Textile Fibres, Paper Yarn and Woven Fabrics of Paper Yarn; Animal or Vegetable Fats; Cotton; Fish.
- ❖ **Key Developments:** In order to promote cooperation on bilateral trade, both the Prime Ministers agreed to create an India-Bangladesh CEO's Forum to provide policy level inputs in various areas of trade and investment and also to facilitate exchanges among the business communities of both the countries. Cooperation in power sector has become one of the hallmarks of India-Bangladesh relations. Bangladesh is currently importing 1160 MW of power from India. There are more than \$9 to \$10 billion dollar of imports from India to Bangladesh and Apparel makes up nearly 85 percent of Bangladesh's exports. However, focus should be more investment. It is also crucial for Bangladesh to attract investments from Indian companies through the special economic zones in Mongla, Bheramara and Mirsarai and to strengthen the Indo-Bangladesh business relations.
- ❖ **FICCI & Bangladesh:** FICCI's MoU partner in Bangladesh is Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), through which FICCI has been involved in several exchanges including India Product Show, India – Bangladesh Business Forum, organising trade and investment focused webinar with Indian High Commission, Bangladesh and FBCCI. Recently, FICCI organised an India – Bangladesh Trade & Investment: Stakeholders Interaction in June to discuss the way forward in the post COVID scenario, in the presence of High Commissioner of India to Bangladesh, President- FBCCI, President- IBCCI and FICCI SARC members. Previous interactions include hosting Hon'ble PM of Bangladesh to FICCI in 2019; Seminar on 'Bangladesh's Graduation from LDC: New Frontiers and Horizons for India-Bangladesh Economic Engagement' jointly organised by FICCI and the Bangladesh High Commission.

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<sup>5</sup> <https://www.hcidhaka.gov.in/>

## **BHUTAN**

Bhutan's economy is based on agriculture, forestry, tourism and the sale of hydroelectric power to India. Agriculture provides the main livelihood for 55.4 percent of the population. Agrarian practices consist largely of the subsistence farming and animal husbandry. The important industries include cottage industry, Agriculture, Power, Tourism. Bhutan has seen recent growth in the technology sector, in areas such as green tech and internet/ e-commerce. In May 2012, Thimphu TechPark was launched in the capital and incubates start-ups via Bhutan Innovation and Technology Centre (BITC). Bhutan is a member of the ADB, BIMSTEC, G-77, IFC, IMF, SAARC, UN, UNCTAD, UNESCO, UNIDO, WHO, WIPO, WTO.

### **India- Bhutan**

- ❖ **Trade:** The bilateral trade between India and Bhutan in 2019-20 accounted for US\$ 1.12 bn. India is the largest trade and development partner of Bhutan.<sup>6</sup>
- ❖ **Major item of exports to Bhutan:** Mineral Fuels, Iron and Steel, Vehicles other than Railway, Nuclear Reactors, Electrical Machinery and Electronics
- ❖ **Major item of imports from Bhutan:** Iron and Steel, Mineral Fuels, Cement and Plastering Materials, Inorganic Chemicals; Beverages.
- ❖ **Key Developments:** Bhutanese processed food (particularly juices, jams/jellies, fruit pulp) come to East & North East of India under the brand name of DRUK. Bhutan Ply as product and brand, is also quite popular in the North East. The trade between India and Bhutan at **Jaigaon-Phuentsholing border trade point** is around **Rs 6000 crores annually**, which is much bigger in value terms compared to some of the existing ICPs. The meeting of **Bangladesh, Bhutan, India and Nepal on the Motor Vehicles Agreement (BBIN MVA)** Protocol was held on Feb 8, 2020 where movement of Passengers as well as Protocol for movement of cargo vehicles, was discussed. India International Mega Trade Fair 2019 was organised In Kolkata which attended by His Excellency Lyonpo Loknath Sharma, Hon'ble Minister of Economic Affairs, where the demand for herbal and handicrafts are high.
- ❖ **FICCI and Bhutan:** FICCI engages with Bhutan through its MoU partner Bhutan Chamber of Commerce and Industry (BCCI). In September 2014, Ms. Neeta Boochra, President FICCI Ladies Organisation (FLO) led one of the largest Women Business Delegation to Bhutan. The Business Interest of the visiting delegation varied from Education, textile, gems & jewellery, Chemical, garments, Agriculture, Waste Management, Real estate, infrastructure, etc.

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<sup>6</sup> <https://www.indembthimphu.gov.in/>

## MALDIVES

The Maldivian economy is heavily dependent on fisheries and tourism, which are major sources of foreign exchange earnings and the government revenue. Maldives is strategically situated in the middle of the Indian Ocean along key east-west trade routes. The success of foreign investments in the Maldives can be attributed to its open and liberal economic environment, relative political stability and the consistent growth of the economy, which has achieved an average annual growth rate of 7.5 percent over the last 15 years. Foreign investors are offered a simple and transparent policy environment and continuous efforts are being made to make the investing environment more predictable and transparent. Maldives is a member of ADB, G-77, IFC, ILO, IMF, SAARC, SACEP, UN, UNCTAD, UNESCO, UNIDO, WHO, WIPO, WTO.

### **India- Maldives**

- ❖ **Trade:** The bilateral trade between India and Maldives in 2019- 20 accounted for US\$ 0.23 bn. India is the 4<sup>th</sup> largest trade partner and one of the top 5 import sources for Maldives.<sup>7</sup>
- ❖ **Major item of exports to Maldives:** Pharmaceutical; Salt; Stones; Plastering Materials, Lime and Cement; Nuclear Reactors and Boilers; Electrical Machinery and Equipment; Plastics.
- ❖ **Major item of imports from Maldives:** Iron and Steel; Aluminium; Nuclear Reactors and Boilers; Electrical Machinery and Equipment; Copper and Articles; Vehicles other than Railway.
- ❖ **Key Developments:** Maldives government signed a contract with JV L & T engineering limited and Lea associates south Asia for preparation of project report and development of Addu. India has pledged \$500m to fund the largest infrastructure project in the Maldives [August 13, 2020]. Projects and MoUs signed for building cancer Hospital and a cricket stadium in Hulhulmal, RuPay payment mechanism [MoU between National Payments Corporation of India (NPCI) and the Bank of Maldives (BML)] for easy travel of Indians to Maldives.
- ❖ **FICCI and Maldives:** FICCI is involved in the region through its engagement with the MOU Partner- Maldives National Chamber of Commerce and Industry (MNCCI). Also, FICCI holds Business Secretariat for IORA, of which Maldives is a part and has both have previously engaged on various fora.

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<sup>7</sup> <https://hci.gov.in/male/?pdf1185?000>

## NEPAL

Nepal is one of the bio-diversity rich countries in the world and its unique geographical position and latitudinal variation, makes Nepal a tourism- driven economy. Bestowed with 2.27 per cent of the world water resources, about 6,000 rivers including rivulets and tributaries totaling about 45,000 km in length, Nepal is the second richest country in inland water resources. Nepal is also an agricultural country and the contribution of agriculture to the GDP of Nepal is 31.7 per cent.

- ❖ **Trade:** The bilateral trade between India and Nepal in 2019- 20 accounted for US\$ 7.8 bn. India is the largest trading partner of Nepal. Indian firms are among the largest investors in Nepal, accounting for more than 30% of the total approved foreign direct investments. Nepal is diversifying its trade routes and presents opportunities in the Banking and services sector.<sup>8</sup>
- ❖ **Major item of exports to Nepal:** Petroleum Products; Motor Vehicles and Spare Parts; M. S. Billet; Rice & Paddy; Other Machinery & Parts; Medicine.
- ❖ **Major item of imports from Nepal:** Animal or Vegetable Fats and Oils; Coffee, Tea, Mate and Spices; Man-Made Staple Fibres; Plastics and articles; Beverages, Spirits and Vinegar.
- ❖ **Key Developments:** India and Nepal have several bilateral institutional dialogue mechanisms. In May 2019, the Federal Parliament of Nepal formed the '*Nepal-India Parliamentary Friendship Group*' comprising nine members from both the House of Representatives (Lower House) and the National Assembly (Upper House) of the Federal Parliament of Nepal. India and Nepal have been focusing on a relation on more equitable terms. In terms of trade, 98% of Nepal's transit trade takes place through India and 65% of Nepal's total trade is with India. The two countries also share great cultural ties with people-to-people connect including academic exchanges and there is development co-operation.<sup>9</sup>
- ❖ **FICCI and Nepal:** FICCI has MoUs with Nepal Chambers- Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and Confederation of Nepalese Industries (CNI). FICCI has had several interactions with Nepal where in 2018, FICCI organised a Seminar on Tourism in Nepal as well as a seminar on Tourism, Trade and Investment Opportunities in Nepal" in Hyderabad in May 2018 where Bharat Kumar Regmi, Charge d'Affaires at Nepal Embassy in New Delhi, had highlighted opportunities for investment and cooperation for Indian companies in different sectors such as tourism, hydropower, construction, pharmaceuticals, textiles, etc. Also, in 2017, FICCI had the honour of hosting Rt. Hon'ble PM Mr. Sher Bahadur Deuba at the India-Nepal Business Forum in Delhi, which was attended by prominent delegates including Ms. Bhawani rana, President, FNCCI.

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<sup>8</sup> <https://commerce-app.gov.in/eidb/default.asp>

<sup>9</sup> <https://in.nepalembassy.gov.np/economic-relation/>

## SRI LANKA

Being strategically located at the cross roads of east-west sea routes and serving as an entry point to the vast Indian market, Sri Lanka is well poised to become the trading hub in the region. Strategic location with sea and air connectivity, high literacy rate, market-friendly and transparent government policies, improved infrastructure, high quality education & healthcare facilities have made Sri Lanka an ideal location for foreign investors.

- ❖ **Trade:** The total bilateral trade between India and Sri Lanka in 2019-20 accounted for US\$ 4.7 bn. India is among the top investors in Sri Lanka with cumulative investments of over USD 1.2 billion since 2003. Sri Lanka attracted FDI of US\$ 139.015 million from India in 2019.<sup>10</sup>
- ❖ **Major item of exports to Sri Lanka:** Gas oil/ Diesel, Motorcycles, Pharmaceutical Products, Portland cement, Semi finished products of Iron, Military weapon, Fuel oil, Rice, Cement clinkers, Kerosene Type jet Fuel.
- ❖ **Major item of imports from Sri Lanka:** Base Oil, Poultry feeds, Areca nuts, (waste and scrap) paper or paperboard, Pepper, Ignition Wiring Sets, Copper wire, Marble, travertine and alabaster.
- ❖ **Key Developments:** The two countries also have development cooperation as Sri Lanka is among the major recipients of development assistance from the Government of India. Connectivity is also an important aspect for collaboration between the two countries- Hambantota helps in the supply of medical equipment to Vavuniya Hospital and 150 Boats and Fishing gear for Mullaithivu fishermen. To supply 160 passenger coaches to Sri Lanka Railways, a contract agreement for around US\$ 82.64 million was signed between RITES Limited and Government of Sri Lanka in Colombo on 7 September 2018. However, the East Container Terminal Deal at Colombo Port between India, Sri Lanka and Japan which costs between cost \$500 million and \$700 million, is being reviewed by the current Government through a five-member committee.
- ❖ **FICCI & Sri Lanka:** FICCI is designated nodal Chamber in India by the Ministry of Commerce, Government of India for India-Sri Lanka Free Trade Agreement. A JBC exists between FICCI and its MoU partner FCCISL and FICCI is the Secretariat for India-Sri Lanka CEOs Forum which consists of top Industrialist from India and Sri Lanka. In 2019, FICCI had organised an interactive meeting the Ceylon Chamber of Commerce to discuss on business, trade and investment. In 2016 the then FICCI President, Mr. Harsh Neotia, led a high-powered CEOs delegation to Colombo accompanying Smt. Nirmala Sitharaman, the then CIM. FICCI's participated in Medicare Sri Lanka in February, 2020 with 50 Indian companies from medical equipment sector. It also organised an Industry Interaction with Sri Lanka's Foreign Minister in January 2020. A webinar was organised by FICCI and LKI Sri Lanka with the Foreign Ministry of Sri Lanka in July to deepen economic collaboration between the two countries.

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<sup>10</sup> <https://hccolombo.gov.in/>

## CUMULATIVE TRADE BETWEEN INDIA AND SOUTH ASIA

<b>Total Trade between India and South Asian countries [USD Millions]<sup>11</sup></b>			
<b>Country</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-2020</b>
Afghanistan	1,143.53	1,150.89	1,527.42
Bangladesh	9,299.99	10,254.86	9,452.76
Bhutan	924.11	1,028.29	1,121.01
Maldives	222.68	243.42	232.57
Nepal	7,051.34	8,274.34	7,857.79
Pakistan	2,412.83	2,561.44	830.58
Sri Lanka	5,249.09	6,198.60	4,704.59

## POTENTIAL SECTORS FOR COOPERATION

<b>Country</b>	<b>Sectors</b>
<b>Afghanistan</b>	Education, Health, Agriculture, Irrigation, Drinking Water, Renewable Energy, Flood Control, Micro-Hydro Power, Sports and Administrative Infrastructure
<b>Bangladesh</b>	Tourism, Health, Education, Frontier Technologies of Nuclear Science, Space and Information Technology
<b>Bhutan</b>	Agriculture and Irrigation Development, ICT, Health, Industrial Development, Road Transport, Energy, Civil Aviation, Urban Development, Human Resource Development, Capacity Building, Scholarship, Education and Culture
<b>Maldives</b>	Infrastructure, Health Care, Connectivity and Human Resource Development
<b>Nepal</b>	Infrastructure, Health, Water Resources, Education and Rural & Community Development
<b>Pakistan</b>	-
<b>Sri Lanka</b>	Petroleum Retail, IT, Financial Services, Real Estate, Telecommunication, Hospitality & Tourism, Banking and Food Processing (Tea & Fruit Juices), Copper and other Metal Industries), Tires, Cement, Glass Manufacturing, and Infrastructure Development (Railway, Power, Water Supply)

<sup>11</sup> <https://commerce-app.gov.in/eidb/default.asp>

## COMPANIES

Country	Prominent Indian Companies in South Asian Countries
<b>Afghanistan</b>	<ul style="list-style-type: none"> <li>• KEC International Ltd.</li> <li>• Phoenix</li> <li>• AIPL</li> <li>• Aptech</li> <li>• Gammon India</li> <li>• KPTL</li> <li>• Anaar Group</li> <li>• SpiceJet</li> </ul>
<b>Bangladesh</b>	<ul style="list-style-type: none"> <li>• Mahindra</li> <li>• Godrej</li> <li>• Hero MotoCorp</li> <li>• Airtel</li> <li>• Ceat</li> <li>• Marico Ltd.</li> <li>• Tata International Ltd.</li> <li>• Sun Pharma</li> <li>• KEC International Ltd.</li> <li>• Dabur</li> </ul>
<b>Bhutan</b>	<ul style="list-style-type: none"> <li>• Taj Hotels</li> <li>• Mahindra Group</li> <li>• NHPC Limited</li> <li>• Tata Power</li> <li>• Punjab National Bank</li> <li>• General Insurance Corp.</li> </ul>
<b>Maldives</b>	<ul style="list-style-type: none"> <li>• State Bank of India</li> <li>• Taj Group</li> <li>• Tata Housing</li> <li>• Residency Group</li> <li>• NIIT</li> <li>• EEC (India)</li> <li>• GMR Group</li> <li>• Suzlon</li> <li>• Sriram Group</li> <li>• Bommidala Group</li> </ul>
<b>Nepal</b>	<ul style="list-style-type: none"> <li>• ITC</li> <li>• Hindustan Unilever</li> <li>• VSNL</li> <li>• TCIL</li> <li>• MTNL</li> <li>• State Bank of India</li> <li>• Punjab National Bank</li> <li>• Life Insurance Corporation of India</li> <li>• GMR India</li> <li>• Manipal Group</li> <li>• Tata Power</li> </ul>
<b>Pakistan</b>	<ul style="list-style-type: none"> <li>• Tata Tea</li> </ul>

	<ul style="list-style-type: none"><li>• Apollo Tyres</li><li>• Marico</li><li>• Dabur</li><li>• The Himalaya Drug Company</li><li>• House of Malhotra</li></ul>
<b>Sri Lanka</b>	<ul style="list-style-type: none"><li>• Tata Housing</li><li>• ITC Ltd.</li><li>• Dabur</li><li>• Bharti Airtel</li><li>• Tata Communications</li><li>• Indian Oil Corporation</li><li>• Piramal Glass</li><li>• LIC</li><li>• Ashok Leyland</li><li>• L&amp;T</li><li>• Taj Hotels</li><li>• State Bank of India</li><li>• Indian Overseas Bank</li><li>• ICICI Bank</li></ul>

## KEY TAKEAWAYS

- Economic integration gives way to economic growth and economic integration in South Asia can not only help to sustain our economic agendas but also lead to enhanced trade due to comparative advantages, free trade regime, investment opportunities due to the availability of a large market, availability of cheap capital, regional supply chains. It can also lead to the manufacturing of cheaper consumer goods, low food prices and create much needed jobs.
- South Asia has not been able to develop human capital so there is the need to focus on human resources. It must learn to pragmatise its approach where economic relations should be enhanced through involvement in regional groupings like SAARC, BIMSTEC, BBIN.
- There is a need for creating a power pool in the eastern side of South Asia and strengthening Subregional cooperation, Federalism, and Multilateralism.
- The need of the hour is to promote regional connectivity, sub-regional and cross border tourism, trade and investment as well as develop the Agriculture and Tourism sector and jointly work together and have a production unit.
- South Asia requires to concentrate on forming and convening new intra-regional frameworks to enable profound discussions on major policy issues to ensure private sector- oriented policy formulations.
- It is essential for the governments to ensure the private sectors' interest during policy decisions and abstain from forming rules and regulations that would discourage trade among neighbouring countries. Business engagements of the private sectors must be kept apart from hostile political relations among neighbouring countries.
- The partners need to explore the opportunities for greater engagement to create common labour regulations, enhanced connectivity and prevent brain drain by creating job and education opportunities.
- There is a need for increasing intra-trade through ease of business, proper system to manage information regarding credit risk, motor vehicle and railway agreements and direct exchange of currency.
- India has the vision of a stable, integrated, prosperous region, regional economic growth and social development through a calibrated and systematic strategy of engagement with neighbours to create successful partnerships.
- India and its South Asian partners must re-imagine regional economic cooperation and integration by taking leadership positions to create fresh south Asian value chains and tap deeply into existing value networks.
- The Atmanirbhar Bharat concept can be looked at from regional perspectives where economic self-reliance can be promoted to garner mutual benefit.
- Government has worked hard to prioritise Neighbourhood First Policy but connectivity should be fast tracked, focussing not only on rail, road and air connectivity but also integrating energy and power grids.