

**FIRST SESSION OF THE UNESCAP COMMITTEE ON TRADE, INVESTMENT,
ENTERPRISE, AND BUSINESS INNOVATION**

**AGENDA ITEM 2: MAKING TRADE IN ASIA AND THE PACIFIC MORE COMPETITIVE,
SUSTAINABLE AND INCLUSIVE**

(BANGKOK AND ONLINE, 22-24 FEBRUARY 2023)

REMARKS BY MR. MANI RATNA SHARMA, DIRECTOR, SAARC SECRETARIAT

**Excellencies,
Distinguished Delegates,**

On behalf of His Excellency Mr. Esala Ruwan Weerakoon, Secretary General of the South Asian Association for Regional Cooperation (SAARC), I have the honour to address this important Session on *Making Trade in Asia and The Pacific More Competitive, Sustainable, and Inclusive*.

This important event assumes considerable significance as it is being held at a time when we are trying to recover from the adverse impacts of the COVID-19 pandemic. I convey the best wishes of His Excellency Mr. Weerakoon for every success of this Session.

**Excellencies,
Distinguished Delegates,**

Cognizant of the importance of trade and economic cooperation, the SAARC Leaders at their successive Summits have reiterated their resolve to facilitate trade in the region. In order to realize this objective, since its inception in December 1985, SAARC has introduced several mechanisms and legal instruments for promoting intra-regional trade and economic cooperation.

As the first step towards liberalization and facilitation of trade in the region, an **Agreement on the SAARC Preferential Trading Arrangement (SAPTA)** was introduced in April 1993. This was followed by the **Agreement on the South Asian Free Trade Area (SAFTA)**, which came into force on 1 January 2006. The SAFTA Agreement is envisaged as a prelude towards the visionary goal of the South Asian Economic Union to be achieved in a phased and planned manner through creation of a Free Trade Area, a Customs Union, a Common Market, and a Common Economic and Monetary Union, as pronounced by the SAARC Leaders during the Eighteenth Summit in Kathmandu in 2014.

The SAFTA Ministerial Council (SMC) comprising the Commerce Ministers of the Member States, which is assisted by the SAFTA Committee of Experts (SCOE), oversees the implementation of the SAFTA Agreement. Important initiatives have been taken on Verification Mechanisms relating to Rules of Origin under SAPTA and SAFTA. In the meanwhile, efforts are underway to remove non-tariff and para-tariff barriers as well as to further reduce sensitive lists.

The SAARC Arbitration Council (SARCO) has been functional since 2007 with the overarching goal of providing a legal framework within the region for fair and efficient settlement through conciliation and arbitration of commercial, investment and such other disputes. Likewise, the **South Asian Regional Standards Organization (SARSO)**, established in 2014, has been working on the harmonization of SAARC standards and the promotion of regional collaboration in the fields of metrology, accreditation, and conformity assessment.

The Agreement on Trade in Services (SATIS), signed in April 2010, aims to promote trade in services among the contracting States in a mutually beneficial and equitable manner by establishing a framework for liberalizing and promoting trade in services within the region. In addition, the **SAARC Agreement on Promotion and Protection of Investments** is under active consideration of the Member States. Furthermore, presently, a **Study on Harmonization of 8-digit HS Tariff Lines and 8-digit Customs Tariff** of the Member States is being conducted with the support of the Asian Development Bank. The Study intends to identify ways and means for the harmonization of Tariff Lines and Custom Tariffs of the Member States.

**Excellencies,
Distinguished Delegates,**

The vision of the SAARC Leaders articulated through the SAARC Declarations at the successive Summits has served as a blueprint for regional cooperation in promoting trade in a more competitive, sustainable and inclusive manner. SAARC is determined to move forward with a special focus on trade and economic cooperation among its Member States.

As the world strives to build back better from the economic crisis triggered by the COVID-19 pandemic, regional cooperation has become all the more a necessity today, than ever before, to promote trade in a sustainable manner. I do hope that this Meeting will come up with useful recommendations in this regard.

On behalf of the Secretary General of SAARC, I thank UNESCAP for organizing this important event and for inviting SAARC. UNESCAP has been an active partner of SAARC and we look forward to continuing collaborative ties with UNESCAP in the days ahead.

I wish this Session every success.

I thank you!