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"Promoting regional cooperation for inclusive and sustainable development in South and South-West Asia"

South and South-West Asia Office



Manufacturing holds key to job-oriented growth, direly needed in South Asia

A Seminar on Sustaining Employment Growth in South Asia: The Role of Manufacturing and Structural Change, convened on 7 March 2014 in New Delhi by ESCAP-SSWA, the United Nations Industrial Development Organization (UNIDO) and the Confederation of Indian Industries (CII) underscored the vital importance of industrialization and manufacturing to boost job creation. Based on an analysis of patterns of industrial development across the world, the Seminar highlighted the opportunities that exist for developing manufacturing industries in India and South Asia. It brought together over 70 participants, including senior policy makers and representatives from business and industry, including women entrepreneurs and think tanks.

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ESCAP and ITC further support Afghanistan's WTO Accession

As part of an ongoing programme aimed at strengthening the capacity of Afghan public and private stakeholders involved in the country's WTO accession process to foster communication, develop balanced negotiation position and prepare Afghanistan for WTO membership, ESCAP-SSWA in partnership with the UNCTAD/WTO's International Trade Centre delivered a series of technical capacity-building workshops on Afghanistan's WTO accession. The fourth workshop in this series was held in New Delhi from 11-13 March 2014. The workshop brought together some 25 participants including for the first time, several female Afghan officials.

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Workshop on Secure and Efficient Cross-Border Transit Transport in South Asia

The National Workshop on Secure and Efficient Cross-Border/Transit Transport for India and Bhutan, organized jointly by ADB and ESCAP, with support from the Federation of Indian Chambers of Commerce and Industry, was held on 7 March 2014 in New Delhi. The Workshop aimed to introduce the ESCAP models for secure cross-border transport to key stakeholders in India and Bhutan, including senior customs officials from the two countries, and to discuss the feasibility of implementing these models on a pilot basis.

From ESCAP, both the Transport Division (Mr. Li Yuwei and Mr. Sandeep Raj Jain) and the ESCAP-SSWA Office based in New Delhi, contributed to the workshop.

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Opportunities for development of job-oriented manufacturing in India examined

Dr. Nagesh Kumar, Head, ESCAP-SSWA delivered a key presentation on Growth, Balance of Payments and Job Creation: Challenges and Opportunities for India at the international symposium "Towards a desirable future for India in an increasingly global society", convened by the Institute for Human Development from 9 to 11 March 2014 in New Delhi. In his presentation, he argued that a focus on reviving manufacturing could help address the related challenges of growth slow down, widening current account deficits, and job creation. In that context, Dr. Kumar summarized key issues that impinge on the development of manufacturing in the country, including the importance of a competitive exchange rate.

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Outreach and networking

The role of South-South cooperation in the Post-2015 Development Agenda



In the broad discussions on the means of implementation for the Post-2015 Development Agenda, the supplementary role that South-South Cooperation can play (to enhance global partnership) is attracting increasing attention. To discuss the matter, a Dialogue on Southern Voice on Post MDGs: Deconstructing South-South Cooperation – A South Asian Perspective, was organized by the National Council of Applied Economic Research and the Dhaka-based Centre for Policy Dialogue. The event took place in New Delhi on 28 March 2014. Dr. Nagesh Kumar from ESCAP-SSWA addressed the Dialogue and argued

that South-South Cooperation could play an important complementary role to North-South Cooperation in achieving the post-2015 Development Goals by enhancing the dynamism of developing countries as the new engine of growth. South-South Cooperation could also help provide development finance through new institutions like the BRICS Bank, new southern solutions to unique common challenges faced by developing countries through the sharing of good practices, skills, technology and joint innovative activity, besides shaping a more development-friendly global economic governance, Dr. Kumar argued. Other panelists at the session, chaired by Dr. Poshraj Pandey, Chairman of SAWTEE, Kathmandu, were the United Nations Resident Coordinator in India, Ms. Lise Grande; and Amb Shyam Saran, Chairman, RIS and Chairman, National Security Advisory Board (NSAB).

BRICS Countries and Regional Economic Integration

The BRICS grouping of five major emerging economies (Brazil, Russia, India, China and South Africa) is playing an increasingly important role in the world economy. The Economic Policy Forum on BRICS and their Neighbours, which focused on regional economic integration was held in Rio de Janeiro, Brazil on 13-14 March 2014. Dr. Nagesh Kumar, Head, ESCAP-SSWA Office, participated in the Forum and made a kick-off presentation on Regional Economic Integration in Asia and the Pacific. He highlighted the criticality of broader regional economic integration in the context of changed global context and other emerging trends. He reviewed the initiatives towards regional economic integration in Asia-Pacific including the subregional initiatives and potential of the Regional Comprehensive Economic Partnership (RCEP), combining ASEAN + 6 countries, for which negotiations have already been initiated.

In that context, Dr. Kumar briefed the Forum about recent initiatives undertaken by ESCAP to promote regional economic integration including through the recent Ministerial Conference on regional cooperation and integration convened by ESCAP in December 2013 [\[link\]](#).

Financial Cooperation for Inclusive Development in Asia-Pacific



The Asian Development Bank Institute (ADBI) organized a Seminar on Regional Cooperation and Integration: Past and Prospects in Tokyo on 25 February 2014 in honour of Dr. Masahiro Kawai, the outgoing Dean of ADBI. Dr. Nagesh Kumar was invited to make a presentation on Financial Cooperation for Inclusive Development in Asia and the Pacific. In his presentation, Dr. Kumar argued that existing initiatives in the area of financial cooperation had limited scope and coverage. He made a case for financial cooperation in Asia-Pacific that could help prevent crisis, close infrastructure gaps, enhance regional capital markets integration, trade financing and exchange rate cooperation -- besides cooperation for reform of global economic governance. Dr. Kumar concluded his presentation with a briefing on ESCAP's recent initiatives on broader regional cooperation. These initiatives include promoting financial cooperation within the framework of the ESCAP Ministerial Conference on Regional Economic Integration.

Fostering the South Asian Economic Integration



Dr. Nagesh Kumar, Head, ESCAP-SSWA addressed the concluding session of the Fifth Asian Relations Conference: Transitions and Interdependence-India and Its Neighbours, organized by the Indian Council of World Affairs, on 21 February 2014 in New Delhi. In his remarks, Dr. Kumar highlighted the changed global context that requires a greater thrust on regional economic integration as a strategy for sustaining dynamism in the post-crisis world. He summarized the potential and opportunities for regional economic integration and constraints that hamper the realization of such potential. Dr. Kumar outlined a policy agenda for unleashing this potential. He also briefed the Seminar on the work of ESCAP in fostering subregional integration, including through transport corridors.

Towards Regional Railway Corridors in South and South-West Asia



Addressing the PHD Chamber of Commerce and Industry's Global Rail Convention 2014 "Indian Railways: Towards New Horizons", Dr. Nagesh Kumar made a key presentation on Potential and Prospects of Strengthening Regional Connectivity in South and South-West Asia, on 28 March 2014 in New Delhi. Drawing upon ESCAP analysis, the presentation argued that poor surface transport connectivity and trade facilitation were largely responsible for poor levels of intraregional trade and production networking in the subregion. Dr. Kumar shared the ESCAP proposals on extended transport corridors along the Trans-Asian Railway routes (particularly the Istanbul-Tehran-Islamabad-Delhi-Kolkata-Dhaka or ITI-DKD Container Train proposal) that could not only foster intraregional trade but also help leverage the subregion's strategic location to emerge as the hub of East-West trade. The presentation was well received by an audience comprising senior transport officials and logistics experts from the Government and private sector.

Towards a SAARC Regional Road Map on Disaster Risk Reduction



Dr. Nagesh Kumar, Head, ESCAP-SSWA delivered a special address at the inaugural session of the Regional Consultation on Developing SAARC Regional Road Map on Disaster Risk Reduction in South Asia: Beyond 2015. Organized by the SAARC Disaster Management Centre, the Workshop was held on 20 February 2014 in New Delhi. It brought together disaster management officials from all South Asian countries. Speakers included Ms. Sneha Lata Kumar, Secretary in-charge of disaster management, Government of India, Mr. T. Nanda Kumar, Member, National Disaster Management Authority and a regional programme officer of ISDR, among others. In his remarks, Dr. Kumar argued that disasters can undo years of development and MDG achievements. Hence, he argued, disaster risk reduction should be mainstreamed in the development plans and be part of the post-2015 development agenda. He cited examples from South Asia that demonstrated that investments in disaster risk reduction pay rich dividends in terms of saving lives and property, by providing timely warnings.

Challenges to fostering industrial growth in India



Dr. Nagesh Kumar, ESCAP-SSWA, delivered a keynote address as Chief Guest of the Symbiosis School of Economics' Annual Day, held on 8 March 2014 in Pune, India. His address covered key policy challenges faced by the country, including economic slow-down, rising current account deficit and the criticality of job creation. He argued that those challenges could be addressed by fostering industrial development. Large and growing domestic market could be effectively leveraged for this purpose. Dr. Kumar also offered a number of lessons from the experience of the East Asian Countries in fostering faster industrial growth.

India's External Economic Engagements

Dr. Nagesh Kumar participated in a roundtable on India's External Economic Engagements held on 26 March 2014 in New Delhi. The event was co-hosted by the Observer Research Foundation and the Hudson Institute, Washington DC. Dr. Kumar made a presentation highlighting the emerging trends in India's trade and investments patterns, and

their policy implications, especially to address challenges of growth slow down, widening current account deficit and job creation in the context of India's youth bulge. He observed that the competitiveness of Indian manufactured products was eroding as a result of appreciating exchange rate, itself due to robust short-term capital flows. This led to what Dr. Kumar called a 'premature hollowing out' of Indian industry, characterized by the outsourcing of the production of a number of products to China. He then outlined an agenda for the revival of the manufacturing sector in the country.

Growth, Employment and Productivity

Dr. Nagesh Kumar chaired a session at the Seminar on Growth, Employment and Productivity organized by the Wadhvani Foundation's Policy Research Centre and the University of Kobe in New Delhi on 26 March 2014. The session featured two papers on the growth-employment interlinkages and explored reasons behind the 'jobless growth' observed in India, through quantitative analysis and analyses of sources of growth and structural change.

Deepening Indian presence in global markets

Dr. Nagesh Kumar, Head, ESCAP-SSWA participated in a panel on export promotion at the 4th Export Summit 2014 organized by the Confederation of Indian Industries, titled Foreign Trade Policy 2020: Deepening Indian Presence in Global Markets. The Summit was convened on 20 February 2014 in New Delhi. In his remarks, Dr. Kumar highlighted the importance to tapping the potential of export-oriented foreign direct investment for deepening India's presence abroad. In this regard, the experience of East Asian countries presented rich lessons to direct FDI to export-oriented production, through a range of selective policies and strategic interventions. The Summit was also addressed by Mr. Rajiv Kher, Commerce Secretary, Government of India.

Key visitors and bilateral meetings

- A team of 6 researchers from the **German Development Institute**, Bonn, Germany visited ESCAP-SSWA Office on 17 February 2014 for discussions pertaining to their research project on transformation of fresh fruit and vegetable value chains in India.
- **Ambassador Rajiv K. Bhatia**, Director-General, Indian Council of World Affairs, on 18 February to discuss respective work programmes and explore possible collaboration on regional economic cooperation in South Asia.
- **Mr. Salman Zaheer**, Director, Regional Integration, South Asian Region, The World Bank, New Delhi on 10 March 2014 to discuss mutual work on South Asian regional economic integration.
- **Mr. Haroon Sharif**, Adviser, Regional Economic Cooperation, World Bank, South Asia Region chaired by Dr. Shamshad Akhtar, Executive Secretary of ESCAP on 13 and 14 March 2014.
- **Mr. Shishir Priyadarshi**, Director, Development Division of WTO Secretariat, Geneva to discuss work on South Asian LDCs under Aid for Trade framework on 10 March 2014.
- **Mr. Rajesh Agarwal**, Chief, Business Support and Services, International Trade Centre, Geneva, to discuss the collaborative work on South Asian regional economic integration on 11 March 2014.
- **Mr. Y.S. Shahrawat**, Chairman of Land Ports Authority of India, Government of India, visited ESCAP-SSWA to request assistance with regards good practices on border-crossings facilitation, which could be helpful for South Asian countries to improve their land ports and border checkpoints.
- **Dr. Alakh Sharma**, Director of Institute of Human Development in preparation for the international symposium on Human Development in Global South: Emerging perspectives in the Era of Post-Millennium Development Goals to be held in New Delhi on 28-29 April 2014.
- **Mr. Sony Kapoor**, Managing Director, Re-Define -- an international think tank based in London -- to discuss mutual work programmes.
- **Dr. Jiawei Liu**, Assistant Director at Center for South Asia-West China Cooperation and Development Studies, Institute of South Asian Studies, Sichuan University, China to discuss issues of trade, foreign investment and financial stability in India.
- A meeting with Australia's Department of Foreign Affairs and Trade (DFAT) South Asia, Regional Trade Facilitation Programme Design Team was held in Dhaka on 6 April.

SSWA News Digest

The South and South-West Asia Development Monitor looks at recent news coverage of the ESCAP South and South-West Asia Office's activities as well as items from news outlets from around the subregion and beyond related to its broad priority areas.

Inclusive Growth and Achieving the MDGs

[Asia's exclusive growth is leaving too many behind](#) "In two decades of spectacular economic growth and poverty reduction, Asia has nonetheless seen income inequality rising by more than 20 per cent - a growth pattern that cannot be considered inclusive... Overall growth has failed to translate into similar improvements in living standards. ...[M]any lower-income groups have inadequate access to basic services in health care, education, or safe drinking water and sanitation, leaving them ill-equipped to participate in economic advancements. This is evident in case studies from Pakistan, the Philippines and Vietnam in a recent report, "ADB's Support for Inclusive Growth" from Independent Evaluation at the Asian Development Bank." (Source: South China Morning Post)

[Afghan women defy Taliban to vote](#) "Women in Afghanistan have defied threats from the Taliban to vote in the country's elections, saying they have to show the enemies they are not afraid... In Jalalabad and the surrounding area, women formed long queues even before polls opened - a sign of a changing society, increasingly aware of the importance of elections. ... Twenty-year-old Ayesha wore a look of unwavering determination as she went to cast her first-ever vote, ignoring the threat to attack the polls from Taliban insurgents, ever-present in this part of Afghanistan... "I am eligible to vote and even if there were suicide attacks by the Taliban, I would have not cared about it," she told AFP. "We have to vote to show the enemies we are not afraid of them. We should give our enemies a jaw-breaking answer by casting our ballot." (Source: SBS News Australia)

[Inequality, poor networks hurdles for South Asian women entrepreneurs](#) "Speakers at [the 'South Asia Women's Entrepreneurship: Strengthening Women's Entrepreneurship in South Asia' symposium] identified deep-rooted discrimination, insufficient networks and limited access to credit as some of the major hurdles for South Asian women to become successful entrepreneurs, although they represent half of the population in the region... They also noted that women's role and participation in regional connectivity and trade has been far less than expected... They suggested not to leave behind half of the population, which will rather hamper economic growth, as women's empowerment not only benefits them [women] but also the nation as a whole." (Source: The Financial Express)

[SAARC, UN Women reaffirm commitment on gender equality](#) "A memorandum of understanding (MoU) has been signed with an objective to promote gender equality, gender justice and the empowerment of women among the countries in the South Asian region... Promotion of regional Cooperation on issues related to trafficking, economic empowerment, political leadership and decision-making and violence against women (VAW), including safe mobility has been identified as the key areas of cooperation between the two organizations... The signing ceremony was attended by senior representatives from the SAARC Secretariat and UN Women representatives from Bangladesh, Nepal, and Pakistan." (Source: Republica)

Regional Cooperation and Connectivity

[Regional trade integration to help revive economy](#) “[Pakistan’s] Federal Minister for Commerce Khurram Dastgir Khan recently said that regional trade integration and liberalization was the top priority of the government as it would help revive economy by enhancing trade volume... addressing a conference on ‘Central Asian Business Opportunities’... Khurram Dastgir urged over 250 cross-border business groups and government officials, who were attending the conference, to help identify hurdles in regional trade and their solutions during brainstorming sessions... He said Prime Minister Muhammad Nawaz Sharif was taking personal interest in regional trade integration and to enhance trade with all neighbouring countries, including Afghanistan.” (Source: The Nation)

[Sri Lanka, China FTA expected to conclude this year: Sri Lankan Foreign Minister](#)

“Sri Lanka’s Foreign Minister Gamini Lakshman Peiris said recently that the Sri Lanka-China free trade agreement was expected to be concluded before the end of this year... Sri Lanka has set a 7.5 percent economic growth target for 2014. Promoting trade with China, India and Japan will be part of the policy package for realizing the goal, in particular signing the FTA with China as soon as possible. Access to the vast Chinese market will be much easier for Sri Lanka. It will open the door for more rapid expansion of trade, investment and tourism; a whole range of economic activities will be facilitated, Peiris said.” (Source: Xinhuanet News)

[Bangladesh can benefit from Chinese experience: Chinese envoy](#) “Bangladesh can tremendously benefit from Chinese experience on transportation, power and trade with a regional connectivity, the Chinese ambassador to Bangladesh [Ambassador Li Jun] said... The economic corridor linking Bangladesh, China, India and Myanmar would greatly help regional connectivity, he said... The location of Bangladesh, surrounded by South Asia and Southeast Asia, has all the potential to become the regional transportation hub and so the country should work together with China to explore regional road links, railways, waterway and airway, [Jun] said.” (Source: The Daily Star)

[then Indian External Affairs Minister][Khurshid says trade, connectivity critical for economic growth in SAARC nations](#)

“[India’s then] External Affairs Minister Salman Khurshid said that trade was the most critical factor in accelerating regional economic growth in South Asia and called for enhanced connectivity among the countries of the region to accelerate their common development. “The agreement on the South Asian Free Trade Area (SAFTA) was envisaged as playing a pivotal role in this effort,” he said in his statement at the SAARC Foreign Ministers’ Meeting in the Maldives... Mr Khurshid said the region’s maritime, land and air connectivity was still very tenuous and said member-nations must focus on building common infrastructure which transcends their boundaries and interconnects the region... Enhancing connectivity would help raise all our rates of economic growth and accelerate our common development,” he said. (Source: NetIndian News Network)

[Rich can help BIMSTEC poor bloc](#) “The leaders of seven countries of South and Southeast Asia - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand - gathered in Naypyidaw, Myanmar [in March] to take part in the third Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) summit... At the summit, they were deliberating over three key issues: development, connectivity and economic integration. Though the BIMSTEC nations are rich in resources, they remain underdeveloped and disconnected from Asia’s growth story.” (Source: Asia Times)

Food & Energy Security

[Law maker Underlines Iran’s Resolve to Preserve Energy Security](#) “Supplying energy to energy-thirsty countries is top on Iran’s [Islamic Republic of] agenda, a senior Iranian law maker said, adding that Tehran is seeking to define a specific policy to ensure energy security. ‘The issue of energy security is a very important issue about which the Islamic Republic of Iran enjoys special ideas,’ Vice-Speaker of the Iranian Parliament Mohammad Hassan Aboutorabifard said in a meeting with chairman of a [Republic of Korea]

parliamentary commission Park Young-son. 'Iran's basic policy in the field of energy is to prepare grounds for the access of countries which are in need of energy and achieve a single policy to ensure energy security,' the law maker underlined." (Source: Tasnim News Agency)

Stability linked to food security: Pakistan Economy Watch "The Pakistan Economy Watch (PEW) asked the Government to improve food security situation without which stability cannot be ensured. Pakistan must improve its deteriorating ranking in food security index as almost half of the country's population remains food insecure, PEW said... Affordability, availability and quality of the food in Pakistan needs serious review as hunger is rising despite increase agriculture output which indicates lack of serious efforts on the part of the Government." (Source: Daily Times)

Can our agriculture tackle climate change? "India has long been regarded a 'climate change hotspot' and the subcontinent is at the forefront of the worst impacts in terms of human livelihood and food security... South Asia already has the highest number of food insecure people with 300 million undernourished — India accounts for 250 million of them. According to the fifth assessment report of working group II, released by the inter-governmental panel on climate change (IPCC), by 2100, with the current pace of climate change and development trends, and in the absence of adaptation, millions of people in South Asia will be affected by droughts, glacier melts, cyclones and coastal flooding... With regard to agriculture... without adaptation, climate change will exacerbate current poverty levels and trigger new poverty traps in vulnerable areas... Producing enough food sustainably to meet increasing demands, with shrinking resources such as land and water, will throw up unprecedented challenges." (Source: The Hindu Business Line)

India, Bhutan ink pact to develop hydropower projects "India and Bhutan signed an agreement for the development of joint hydropower projects in a bid to further strengthen their bilateral strategic partnership... "Hydropower cooperation with Bhutan is a classic example of win-win cooperation, providing clean electricity to India, generating export revenues for Bhutan, and further strengthening our bilateral economic linkages," a Ministry of External Affairs statement said." (Source: Business Standard)

Disaster Risk Reduction

Street, slum children most vulnerable to daily hazards "Street children and kids living in slums in four Asian cities, including Dhaka, are among those most vulnerable to everyday hazards, disasters and climate change amid rapid urbanisation in Asian countries, said a study of Plan International... According to a World Bank study in 2011, these four cities lack resources to address the growing problem of slums, and the vulnerability of their inhabitants to disasters and climate change impacts. The Plan International study recommends linking disaster risk reduction (DRR) programmes to long-term development plans of the respective Governments. It views that there are few DRR programmes to address vulnerability of urban children living in poverty." (Source: The Daily Star)

Experts stress mainstreaming disaster management "Experts... stressed the need for mainstreaming the

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