Business Perspective on challenges to Transport Connectivity in South & South West Asia

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Outline of Presentation

- **Setting the Context**

- **Sub-regional Groups/ Trade agreements**

- **Assessment of Infrastructure**

- **Policy options for Connectivity**

- **Contribution of CONCOR**

- **Way Ahead for the Region**

Setting the Context

- **South & South West Asia region: 7.5% growth in 2010 as compared to 3.9% in 2009. It is major driver of global economic recovery**

- **2011 & beyond: Countries of the region facing high rate of inflation**

- **In the aftermath of global financial crisis in West: domestic & regional trade is a must to sustain growth**

- **For this: Transport Connectivity is v. critical**

(Source: Kalegama & Abayasekara, Regional Economic cooperation and connectivity in south and south west asia)

Sub-regional groups/ Trade agreements

- **To boost business in the sub-region, several groups and trade agreements have been formed**

- **Preferential trade arrangements play a major role in stimulating trade**

- **These agreements result in reduced costs and increasing volumes of regional trade**

Sub-regional groups/ Trade agreements..

- **SAARC (SAPTA/SAFTA/SATIS)**
- **ECO**
- **IOR-ARC**
- **BIMSTEC**
- **ACD**
- **CICA**

Trade Competitiveness depends on efficient, fast, reliable and seamless connectivity

Assessment of Infrastructure

	Overall Infrastructure	Road	Rail	Port	Air
World	4.3	4.0	3.1	4.3	4.7
G7	5.7	5.69	5.3	5.39	5.74
South & South West Asia	3.83	3.66	2.93	3.86	4.17

Score: 1- underdeveloped, 7- best developed

(Source: Kalegama & Abayasekara, Regional Economic cooperation and connectivity in south and south west asia)

Assessment of Infrastructure…

➢ **Air transport is most developed in the region**

➢ **Ports are also relatively well developed. All top 10 container ports are in Asia**

➢ **Road and Rail networks are less developed in the Region. Need lots of improvements and**