

**Remarks by Honorable Dr. Yuba Raj Khatiwada, Finance Minister, Government of
Nepal to the Thirteenth Informal Meeting of SAARC Finance Ministers
Fiji, May 2019**

Honorable Finance Ministers of the Member States of SAARC
Heads of the Delegation,
His Excellency Mr Amjad Hussain B. Sial, Secretary-General of SAARC,
Vice President of Asian Development Bank
Ladies and Gentlemen,

At this outset, let me express my immense pleasure and privilege to get this opportunity of warmly welcoming you in this informal meeting of the Finance Ministers of SAARC. On behalf of the Governments of the Member States of SAARC, and on my own, I would like to thank the Asian Development Bank for providing this opportunity to have this meeting on the margin of its Annual Board Meeting. I would also like to express our thankfulness to the SAARC Secretariat for making arrangements for this meeting outside the SAARC Region.

The cooperation between SAARC and ADB is multifaceted, long and prosperous heading for effective regional economic integration which, I believe, will eventually lead us to the creation of South Asian Economic Union (SAEU), as envisioned by our leaders during the Eighteenth SAARC Summit.

The partnership between SAARC and ADB has been well manifested in the pursuit of economic development and amelioration of the plights of common people in South Asia. It is commendable that the Bank has been active in promoting regional integration through better connectivity and trade facilitating measures throughout the SAARC Region. As South Asia is in great need of more investment and infrastructures at present than any time in the past, we expect ADB's enhanced level of support for this region in the coming days.

In the last meeting of the Finance Ministers of SAARC we have agreed on a number of issues critical for regional economic cooperation including the early finalization of text of SAARC Agreement on Promotion and Protection of Investment, widening of scope of SAARC Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matter, early signing of SAARC Motor Vehicle and Railways Agreement and operationalization of Economic and Infrastructure Window of SAARC Development Fund. Despite some progresses achieved so far, we need to gear up our efforts to meet our expectation and tap the true potentials of regional cooperation.

Smooth regional economic integration essentially hinges on substantial progress made on lowering the tariffs; eliminating non-tariff barriers (NTBs) and para-tariff barriers (PTBs); reducing the sensitive lists, adopting trade facilitation measures for enhanced intra-regional

trade under South Asian Free Trade Area (SAFTA); working closely for energy cooperation; implementing South Asia Trade in Services (SATIS); improving connectivity by the all possible modes; early finalizing the SAARC Agreement on Promotion and Protection of Investments; widening the scope of the SAARC Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters; and harmonizing customs procedures and documentation to facilitate movement of goods in the region. Early adoption of the SAARC Motor Vehicles Agreement and SAARC Railways Agreement is also equally important in this regard.

Despite impressive economic performance made by the region in the past decades, the regional trade performance is not encouraging. Intra-SAARC trade is hovering around 5% of the cumulative trade of SAARC. The region is heavily dependent on import to sustain growth and support domestic demand. Speedy movement towards the goal of SAEU will definitely unleash regional economic potentials and will contribute to the better export performance of the region. However, this requires our focused attention, concrete action and true commitments.

With the support of the Asian Development Bank, the SAARC Secretariat has conducted the comprehensive study on Regional Economic Integration with some recommendation. With the support of ADB the Fourth Special Meeting of Financial Experts will be held in Nepal next month and earlier three meeting were also organized with generous support of the bank. In the past meetings our experts made seven recommendations as a way forward towards South Asian Economic Union.

In concluding, I conclude I would like to express hope that this meeting would made a firm resolve to widen and deepen the economic engagement among the Member States of SAARC which will essentially help create productive employment, improved productivity and sustainable path to development in the region. Let us work together for our collective prosperity and economic advancement and request ADB to help enhance our partnership to the new level.

Thank you.

