

TOPIC: COMPARISON OF SAARC & ASEAN.

1. IN TERMS OF TRADE :

ASEAN and SAARC have achieved different levels of success in achieving the objective of trade.

- ASEAN has been more successful in promoting regional economic integration and trade liberalization, and has established the ASEAN Free Trade Area (AFTA), which has reduced tariffs and non-tariff barriers among ASEAN member states. ASEAN Statistics Year Book 2008 suggests that ASEAN trade volume has increased with an average of ASEAN total trade amounted to 15.86%, Intra-ASEAN trade amounted to 19.02%, and extra ASEAN trade by 14.9%.

- SAARC has not been able to establish a regional free trade area due to disagreements among its member states, and intra-trade regional trade among SAARC member states remains low.

The South Asian Free Trade Agreement

(SAFTA) signed by the members of the SAARC and implemented in July 2006. One of the survey records the main disadvantage of the SAFTA to be revenue loss caused by the tariffs being cut down to almost 0% - 5%. Sri Lanka is budgeted to lose Rs- 100 million worth of revenue as a result.

2. IN TERMS OF GDP:

- ASEAN has a per capita income that is more than four times that of SAARC. In ASEAN, ^{Cambodia} ~~Singapore~~ has the lowest (1510.3 US dollars), while Singapore has the highest per capita income, at 64581.9 US dollars.
- In SAARC, India, Pakistan and Bangladesh have the largest economies accounting for 9.07%, 8.32%, and 8.32% of the regional GDP respectively. Comparatively, SAARC has lower GDP than ASEAN. In fact, ASEAN represents 50% GDP ranking 3rd among Indo-pacific economies from 2008-2017. after China (129%) and India (87%).

3 IN TERMS OF HUMAN DEVELOPMENT INDEX (HDI):

Though SAARC falls below in ranking of HDI in comparison with the ASEAN. However, it has been observed that SAARC's poverty headcount ratio at 1.90 dollars per day has fallen from 47.4% in 1990 to 16.1% in 2013.

There is also a significant disparity in the unemployment rate. Afghanistan has the highest unemployment rate at 8.84% of the total labour force.

Overall, ASEAN has HDI with 0.938 points and SAARC has 0.70 points according to the indicator (1980 to 2021)

