

Free vehicular movement in S Asia soon

Draft of SAARC Motor Vehicle Agreement being discussed

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Regional economic integration in South Asia through cross-border free movement of vehicles might become a reality soon as the South Asian Association for Regional Cooperation (SAARC) nations are moving closer to striking a deal, albeit on some fixed routes in the beginning.

Vehicles from one SAARC nation carrying passengers and goods could ply across the border of another member country on some fixed routes with international permits issued by the vehicle originating country as the top transport officials of SAARC nations, who met in Udaipur, India, last week have agreed on limited mobility keeping in mind security concerns of the regional members.

The two-day meeting has also decided that a final draft of SAARC Motor Vehicle Agreement would be sent to member countries by August. The respective countries will further discuss the draft agreement during the SAARC transport ministers' meet that will forward it to the next SAARC summit for final adaptation.

The draft of the SAARC Motor Vehicle Agreement has been discussed at length including permits, documents that drivers and passengers need to carry while entering another country, determining routes, and right of inspection of vehicles including their fitness.

The draft agreement — finalised by an expert group from India, Pakistan, Afghanistan, Bhutan, Sri Lanka, Bangladesh and Nepal — has mentioned that member countries will decide on the charges for international permits of vehicles on the basis of distance travelled and vehicle load in the case of cargo vehicles, and number of passengers and distance travelled in the case of passenger vehicles.

However, cross-border passengers and drivers must have a valid visa and passport, apart from following customs and excise duty and negative list of items carried by cargo vehicles that depends on the rules of the respective member countries.

To integrate South Asia economically and increase intraregional trade, the heads of the states had directed the inter-governmental group on

transport to develop a regional agreement on motor vehicles and one on railways that could boost economic activities in the region, during the 14th SAARC Summit, held in New Delhi, in 2007.

Despite declaring 2010-2020 as the 'Decade of Intra-regional Connectivity in SAARC', the region is the least integrated among all the regional blocs in the world.

Countries like Nepal have been suffering due to low connectivity as closer economic integration in the SAARC region will not only strengthen cross-border physical infrastructure like roads and rail corridors, but also boost Nepal's export trade in the region.

Increasing trade in South Asia — due to more connectivity — at preferential rates on a range of products that have both high intra-regional trade potential and high prospects for improving consumer welfare could save at least \$2 billion per year, a study done by CUTS International, South Asia Watch on Trade, Economics and Environment (SAWTEE) and other research organisations in the region, has stated.