

## SAARC: A MAJOR TRADE BLOCK

---

Dr. Shikha Khandelwal\*

### ABSTRACT

*As said, "United we stand, divided we fall", many organizations in different parts of the world are living examples of this saying. After Second World War various economic arrangements came into being to harness mutual benefits in trade and business. This provides a forum to discuss and consult relevant issues on regular basis like resource optimization, consumption of goods and trade bargains among member countries besides the outside world. South Asia took a considerable long time to form such a regional organization because of geographical and social barriers like difference in race, language and religion.*

**KEYWORDS:** SAPTA, SAARC, EU, SAFTA, Organization, Economic Arrangements.

### Introduction

The South Asian countries joined together to shape such an association as first summit at Dhaka (Bangladesh) on 8th December, 1985, SAARC comprised study of eight member countries of South Asia namely the Islamic Republic of Afghanistan, the people's republic of Bangladesh, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka. Besides Afghanistan all members are founder member of SAARC, Afghanistan joined SAARC in the year 2007 at fourteenth SAARC Summit. Till yet SAARC conducted nineteen SAARC summits yet. SAARC has nine observers namely China, The US, Myanmar, Iran, Japan, South Korea, Australia, Mauritius and the European Union (EU). SAARC is unique in many aspects it shares cultural heritage and historical bond among member countries.

### Objectives of SAARC

The basic objective of SAARC is to develop economics, collective self reliance in the South Asian Countries and to set up the social and cultural development in south Asian Countries. The main objective of the SAARC organization is spreading peace and prosperity in its member nations.

### Origin of SAARC

South Asian Countries were characterized as the poorest part of the world. These countries were suffering from higher rate of population growth, lack of employment, opportunities and poor per capita income, educational as well as infrastructural facilities. In brief South Asia was standing in the last in race of Least Developed Countries (LDC). Gradually, the need of cooperation among South Asian countries was growing for trade and economic development making favorable balance of payment, optimal utilization of natural resources and to stop tendency of the north which used to create obstacles across the way of developing countries. The idea of regional cooperation in South Asia was come in mind of the then Bangladesh President Late Zia-ur-Rehman. He was as father of SAARC he visited Nepal, India, Pakistan and Sri Lanka during the year 1977 to 1980. He addressed various letters to the heads of the government of the countries in South Asia namely Bhutan, India, Maldives and Nepal. Initially informal consultation started at the level of foreign secretaries in Colombo for the first time in April 1981. They all met and identified agriculture, rural development, telecommunication, metrology, population, health activities and all the possible areas for regional cooperation. They all set up a 'Committee of the Whole' comprising of senior officials of the seven countries to identify and report on other areas of possible cooperation for further

---

\* Former Faculty, Department of EAFM, SBN Boys PG College, Jaipur, Rajasthan.