4th Feb 2023 .

GS-2 - IR

1. Despite slowing global trade, trading more within Asia makes economic sense. Do you agree with this view? comment.

Recently International Monetary Fund's World Economic outlook report highlighted global growth to slowdown.

Silverline for global growth

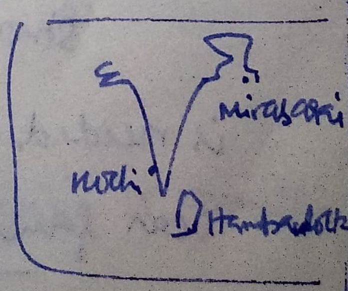
Monetary Fund also released a book 'South Asia's path for Resilient growth' - focusing on trade within Asia, can increase global growth, since the region has base to improve trade relation, envisioning Act East policy

Relooking trade within Asia | South Asia ⟺ East Asia

1. Reduce barriers for Goods & services
i) Tax reforms within the region.
ii) Reallocation of Factors of production and reskilling of workers

2 strengthen performance of Special economic zones
South Asia - home to >600 such zones

Requires → Economics political stability etc;



3. comprehensive Free trade Agreement to:- against rising protectionism. eg:

Regional comprehensive economic partnership

If India, joins this → will leave the fear of left out; also incentivise other economies

4. Re-inventing trade - through focusing on BIMSTEC [Bay of Bengal Initiative for Social, Economic + cultural cooperative]. Free trade Agreement within the grouping.

Others

These factors may be curtailed by Growing complex geopolitics. Larger economies has to facilitate smaller economies gain from trade

Way forward

Stronger political will - for pro-trade policy is needed. Indian being president of G20 can facilitate such platform