Background

International trade through regional trading blocs is a very common phenomenon today. It is estimated today that more than 60 percent of world trade is transacted through Regional Trade Agreements (RTAs). Given the stalemate at the WTO Doha Round, it is more than ever an imperative for countries to enter into one or more RTAs as a means of their economic development and growth. Countries are actually getting benefitted through these regional arrangements. In addition, developing and least developing member countries of these trading blocs are able to represent their causes collectively at multilateral levels against policies which are harmful to their survival. This is one of the main reasons for the slow movement of talks at the Doha Round at Multilateral Level. Quite a few regional trading blocs around the world including the EU, ASEAN, NAFTA effectively deliver goods and almost run parallel to the WTO multilateral system. The mandate and scope of some of these trading blocs is broader than the WTO system, embracing goods, services, investments, labor mobility, intellectual property rights, competition law and so on.

The South Asian Association for Regional Cooperation (SAARC) established in 1985 is the largest in terms of the number of people representing more than 1.5 billion people inhabiting its eight member countries. Some of the primary objectives of SAARC are to promote the welfare of the peoples of South Asia and to improve their quality of life; to accelerate economic growth, social progress and cultural development in the region; to promote and strengthen collective self-reliance among the countries of South Asia; to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields.

Despite its known potential for economic cooperation, South Asia is one of the least integrated regions in terms of intra-regional trade, investments and services. So far, only trade and services are identified as the sectors of the cooperation under the SAFTA; investment is still outside the framework of the regional trade agreement. As is well known, trade in services is the most recent addition apart from trade in goods to the SAFTA agenda. Studies on the potential for intra-regional trade in services point out that there is considerable potential for promoting regional cooperation in the sector. Yet, notwithstanding the impressive opportunities available in the above two sectors, trade in goods and trade in services, SAARC track record in deepening regional level mutual engagement in these two sectors unfortunately is poor. It means a critical
enquiry into road blocks which constrain the regional advancement towards the SAARC areas of sectoral integration.

Objective of the Conference

Given the above poor levels of intra-regional trade integration in South Asia, it is important to initiate fresh thinking and greater innovative strategies in order to overcome the known constraints of the past. For this purpose a constant effort to facilitate conducive political and economic environment in the region is indispensable from this relatively backward region of the world. Going by the recent agreements at bilateral level between India and Pakistan, the major countries of the subcontinent, refreshingly, some positive vibes appear to be charactering the regional mindset. Such a process needs sustained effort to provide greater trust to the cause of regional integration.

In the post-recession era, lubricating investment channels and encouraging investment has been more than ever necessary. In this context, the SAARC Investment Promotion and Protection Agreement has been pending finalization since 2007. The agreement aims at ensuring countries in their economies, give the same importance to investments from other countries as those from within their countries. The agreement was expected to be finalized in the 18th summit but given Nepal has postponed the summit; its finalization has been delayed. The provisions of the agreement thus need to be examined to ensure they are adequate for the present economic conditions and whether they are liberal enough to meet the needs of the future conditions.

While the Investment Promotion and Protection Agreement aims at encouraging investments, laws of member countries need to be critically examined to facilitate them. When an individual invests in a foreign country, the income he earns is liable to be taxed both in the foreign country and his own country. This double taxation discourages investments in other countries and countries must avoid them by entering into Double Taxation Avoidance Agreements. SAARC countries need to ensure that they not only avoid double taxation but also have harmonized patterns of avoidance so as to avoid uncertainty. While the SAARC was initially formed to look at multilateral issues only and issues concerning the group at large, bilateral issues have had an effect on regional effectiveness. Strengthening bilateral legal relationships must be undertaken with the aim of enhancing the output of the association as such.

GMR-The Maldives Experience and Lessons for South Asia- the GMR-Maldivian engagement was intended to be a huge step forward in increasing intra-SAARC investments exponentially. A combination of legal ambiguities, political compulsions and cultural issues led to the failure of the deal and GMR being ejected from the island. The arbitration proceedings in Singapore might lead to an imposition of a fine of 800 million dollars on the Maldivian government payable to GMR but the whole process is a loss of partnership and confidence in the entire region.

The episode is a very important lesson for all member countries that must make countries sit up and take notice of flaws and scope for improvement in different sectors.

Increasing investment and globalization has led to interaction of countries with different currencies. Conducting transactions with different currencies also leads to a lot of taking risks
and increased costs like the exchange commission. Having a single currency for the SAARC region will help remove uncertainty in investments promoting inter-country trade and investment. It will also lead to political unification and strengthen economic integration on the lines of the European Union. Having a central monetary authority administering the common currency might also help in development of countries and would bring the much needed stability in the post-recession economies.

Recent Amendments Brought in Indian FDI Policy- India has recently changed its FDI policy by bringing sea of change in the existing FDI laws, be it be the allowance of FDI in multi brand retail, increasing the FDI cap in Aviation, Pharmaceuticals, and Telecommunication sectors. This has given several curious investors an opportunity to invest in these sectors which were previously not so lucrative for investment. Within the last six months we have heard news of IKE investing close to $2 billion and Etihad Airways buying a stake in Jet Airways. These are important changes and the much needed foreign investment in India and therefore we need to analyse the long lasting impact of these changes and also the possible sectors which should be opened for foreign investment.

Political Movements and their effect on Investments- One of the major difficulties which investors are facing globally is uncertainty over their investment, largely due to change in political regime in developing and under developed countries. Though there are Bilateral Investment Treaties between nations which provide political and legal security for investment, but there are many countries which don’t have BIT agreements which create a sense of insecurity in the minds of investors. Thus, these issues need to be addressed as to the possible frameworks which could be used to provide an investor friendly environment and the possible solution available to an investor if there is a political turmoil/crisis.

SAARC and WTO: The regional experience- The World Trade Organization started functioning from January 1, 1995 after the Marrakesh Agreement came into effect. It replaced the General Agreement on Tariffs and Trade which was framed in 1948. While the WTO had aimed at launching programmes to help developing countries, it is alleged to have been against them since the beginning. There are several problems such as subsidies for the rich countries, ambiguous trade agreements, excessive intellectual property protection and so on. A combined means of negotiation through the SAARC helps in a strengthened negotiation process. Thus, the prospects of economic integration are huge for member countries at the levels of international trade bodies.

About M.K. Nambyar SAARC Law Centre

The M.K. Nambyar SAARCLAW Centre at the NALSAR University of Law, was established in the year 2003 and continues to be one of its kind in the entire country, in terms of its objectives and facilities. It has its own fully equipped building for conducting lectures, conferences, meetings, moot court competitions, research and other activities. It runs credible scholarship programmes and fellowship programmes with special emphasis on Post Graduate education and training programmes for law teachers, law officials and Judges of the SAARCLAW Region. SAARCLAW conferences are held annually and research projects conducted on various aspects of interface of law with issues concerning the SAARC region. The center periodically publishes
its own newsletter, journal and books on SAARC. It also seeks to promote faculty-student exchange programmes with other Universities in the SAARC Region.

The Centre to its credit organized an international conference on “Promoting Intra-regional trade in South Asia: Role of SAARC” in March, 2011. A large number of scholars and students from India, most SAARC Countries and even some non-SAARC Countries participated and presented papers. Proceedings of the previous conference will be published as a book.

In furtherance of its mandate and objective, the M.K. Nambyar SAARC LAW Centre has planned an International Conference on “Regional Economic Cooperation in SAARC: Problems and Prospects for Investments”. The overarching theme of the conference would be analyzing and coming up with solutions for various current and pertinent legal issues in the region in terms of the region as a whole and bilateral concerns which might impede the required integration. This conference solicits participation from practicing lawyers, academicians and law students to enrich the discussions.

**Scope of the Conference:**

The proposed international conference will generate debate on the major problems faced by the SAARC countries in promoting intra-regional economic integration to facilitate investments- both intra SAARC and from outside. It will also debate on the opportunities and challenges of identifying and implementing the policy regimes aimed at deepening integration in trade, investment and service sectors.

**Conference Themes:**

1. SAARC Investment Promotion and Protection Agreement : Issues and Concerns
2. Harmonization of Regulatory Mechanism in SAARC : Concern for Investment
3. Bilateralism among SAARC countries: Trade and Investment
4. GMR- Maldives Fiasco : Lessons for South Asia
5. FDI Policies in South Asia : Focus on India
6. Political Instability and Investments in SAARC : Challenges and Response
7. WTO/ TRIMS and SAARC : The Regional Experience

**Dates to be marked off on your calendar**

The Conference will be held on **April 5th and 6th, 2013.**

February 28 : Last date for receipt of Title and Abstract of Paper.
March 05 : Intimation regarding the selection of the Abstract for the presentation.
March 30 : Submission of Full paper.
Paper Submission Guidelines:

1. **Eligibility:** Participants willing to send papers must be practicing lawyers, scholars or law students currently in college in India or abroad.

2. **Abstract Submission guidelines:** The abstract should adhere to the same format guidelines as for the paper and must be restricted only to 500 words.

3. **Format of the Submission:** The paper should be in the English language, typed on A-4 sized paper, double spaced and Times New Roman Script. The pages should be consecutively numbered. The mode of citation is the Harvard Bluebook Citation, 19th edition. The paper should not exceed 5000 words.

4. **Authorship:** Participants may send papers written either on their own or co-authored jointly with a maximum of one other participant.

5. All professionals, faculty and students interested in attending this conference can register by paying the registration fees as mentioned below:
   - Professionals: Rs. 2000/-
   - Academicians: Rs. 1000/-
   - Students: Rs. 500/-

6. All delegates and short-listed participants will be offered local hospitality which includes food, accommodation and local transport.

7. Registration fees must be sent by way of a Cheque or Demand Draft in favour of Registrar, NALSAR University of Law payable at Hyderabad with an enclosed letter specifying the name, professional qualification and registration category of the participant to the following address, on or before March 4th, 2013.

8. All correspondence about the paper including submissions and clarifications must be sent to Prof. V. Balakista Reddy, Professor of International Law & Coordinator, M.K. Nambyar SAARCLAW Centre, Justice City, Shameerpet, R.R.Dist, Hyderabad – 500078. Andhra Pradesh, Email: saarlawcentre@gmail.com, Phone Number - +91-40-23498214.
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