Sindh Economics & Business Review International
Volume 1(2), 2020: 11 – 36
ISSN: 2708-3055

Trade Facilitation and Regional Integration in South Asia

Mukesh Kumar[1] Azeema Begam[2] Nargis Noman[3*]

Abstract

Unlike other regions of the world, the regional linkage is weak in South Asia due to cross-border dispute and divergent strategic interests. Despite SAFTA, the South Asian countries have not shown favourable results in promoting intra-trade and economic development over the last few years. In this regard, this region highly requires adopting trade facilitation measures to reduce trade costs and to achieve more economic competitiveness. In South Asia; more than the one-fifth population of the world lives here, however; it is considered as least economically integrated region, whereas; the share of global trade is only 3 per cent and intra-regional trade accounts only 5 per cent of its total trade. The main objective of this study is to identify trade potential and the role of trade facilitation measure in developing regional integration among South Asian countries, using a diagnostic approach. It has been evident that inter-regional trade is missing between many countries like Afghanistan and Nepal, Maldives and Afghanistan and Pakistan and Bhutan etc. Moreover; the average trade cost is 20 per cent in South Asia, which is also very high. Moreover; proper infrastructure and logistics, and customs facilitation are major factors that determine cross-border trade flow. Poor infrastructure, high level of protection and institutional deficiency are also hindering intra- trade in the region. There is need to be improved trade facilitation such as visa sticker, removing tariff and non-tariff barriers and improving infrastructures for enhancing regional trade between SAARC countries. Furthermore; Investment should be linked with facilitating trade in logistic infrastructure, road connectivity, information and communication and cross-border trading services. Moreover; there is a dire need to build more confidence while minimizing trade deficit between member countries which may improve the economic interest and increase the possibility of trade throughout the South Asian Countries.

Keywords: *Economic Integration, Trade Facilitation, South Asia*
JEL Classification: *F02, F13, F15*

How to Cite:
Kumar, M., Begam, A., & Malik, N. (2020). Trade Facilitation and Regional Integration in South Asia. *Sindh Economics & Business Review International, 1*(2), 11 – 36.

INTRODUCTION

Regional integration has brought significant changes to many regions of the world, particularly in East Asia and the European Union. It not only enhances economic growth but also provides a foundation for peace. Regional integration is the need of the time for the economic growth and prosperity of South Asia, which is referred as a least integrated region in the world due to trust deficit and past political tension among member countries. Lack of integration directly affects the economic development of the region and obstructs regional

[1] Institute of Business Management, Karachi, Sindh – Pakistan
[2] University of Karachi, Karachi, Sindh – Pakistan
[3] AERC, University of Karachi, Karachi, Sindh – Pakistan *Email: nargismalik866@gmail.com

trade, investment and people's movement (World Bank, 2018). Regional integration offers certain benefits to the region by offering economic gain through expanding market, industrial and investment opportunities whereas it also brings political stability and socio-cultural harmonization (Huh and Park, 2018).

Since the 1980s; regional integration has been considered as a successful development strategy for promoting economic growth and reducing income inequality and poverty in many parts of the world. However; the mechanism through which regional integration influences these goals have often based on advantages of economies of scale, market expansion, technology diffusion, labor productivity and knowledge spillover that are generated by free trade and investment. It has been proved that lower-income countries with abundant unskilled labour may have more benefits through greater market integration that raises the wages of unskilled labor (Park and Claveria, 2018).

Regional integration refers to the agreement among the countries in the same region to reduce or remove trade barriers for a free flow of goods, services and factor of productions. South Asia comprises eight countries – Pakistan, India, Sri Lanka, Maldives, Bhutan, Nepal, Bangladesh and Afghanistan, which are the members of South Asian Association for Regional Cooperation (SAARC).

Initially; trade and economic cooperation were not the focused themes of SAARC while there were nine other areas such as population, transportation, communication, education, health, culture, sport, arts and science and technology. Moreover; the process of globalization and reforms towards liberalization has influenced, SAARC countries to sign an agreement to deepen economic relationships among member countries. In 1993 at seventh SAARC Summit in Dhaka, South Asian Preferential Trading Agreement (SAFTA) was signed and after negotiation in April 1995, the agreement became effective in December 1995. Moving one more step ahead; the concept of the South Asia Free Trade Agreement (SAFTA) was generated during the 19th session of the SAARC Ministerial Council in 1995. This agreement was signed between member countries in January 2004 during the 12th SAARC Summit. The SAFTA came into force in 2006 that confirmed the cooperation of member's country efforts toward increasing trade and regional integration, however; it is still far away from the target of free trade and lower tariffs. Instead of removing trade barriers; several countries have adopted opaque para-tariff that are imposed on the import goods (Sultan and Asrat, 2014).

South Asia has experienced remarkable growth of 7.1 per cent over the last decade. With the growing young population, the growth of the region is dependent upon energy, infrastructure facility, basic services and job opportunities. However; several economic opportunities are missed due to lack of integration. Intra-regional trade has been estimated 6 per cent only of South Asia's total trade as compared to 25 per cent in the Association of South-East Asian countries (ASEAN) whereas; intra-regional investment is less than 1 per cent of total investment (World Bank, 2018).

South Asian countries have imposed a higher level of protection within the region. Despite moving towards liberalization; average tariffs are still high in South Asian countries. The average tariff was 13.6 per cent in 2016 that was more than double from world average, which was 6.3 per cent and highest as compared to other major regions in the world that prove the ineffectiveness of SAFTA (Kathuria, 2018). Restrictive policies also counteract the beneficial effects of increasing trade. Even; the long "sensitive list" has also restricted almost 35 per cent of intra-regional trade among South Asian countries (Sirohi, 2018). Moreover; cross-border conflicts, trust deficit, security issues and negative perception about neighboring countries have blocked the efforts for bilateral and regional cooperation (World Bank Report, 2018). Even; the major reason behind the failure of SAPTA to incite intra-regional trade was to exclude most of the products of exports from preferential treatment (Kemal, 2004). Due to the lack of regional integration, other issues also have been arising, e.g. limited transportation connectivity, higher trading cost, logistics, visa, customs and other regulatory measures that are restraining the movement of goods and services. There is also a lack of willingness of government and suitable policies that may highlight the gain from regional trade and investment and integration.

Trade facilitation refers to the simplification, harmonization, and standardization the procedure and process of the trade such as customs administration and technical regulation to reduce transaction costs of the national border. It also includes trade round negotiations, initiatives for supply chain, capacity building, and improving regional transport infrastructure and customs modernization programs. However; other issues such as conflicting interests between countries, lack of knowledge and institutional flaws are hindering the implementation of trade facilitation measures (Grainger, 2008).

Trade facilitation can bring significant impact on regional integration because; regional approaches reduce the burden of trade due to differences in customs formalities and cross-border requirements that may hinder trade in the region. Therefore; uniform formalities and standards that are envisioned and coordinated at the regional level can remove hurdles, enhance cooperation and enhance the competitiveness of regional value chains which deepens regional integration (Islam, 2012). The regional countries need to adopt articulated policies to improve transport and transit systems and customs procedures, based on best international practices like ASEAN. While streamlining regimes on trade barriers and infrastructure availability such as transport and telecommunication can also facilitate trade within the region. Stringent actions are also required to enhance capacity building of seaports, logistic service, and modernizing trade documentation process to reduce time and unnecessary delays. This would not only help to reduce transaction cost, but also expand trading activity across the border (Ghani and Din, 2006).

Port and transport infrastructure, regulatory environment, tariff and customs regimes, political conflicts and national interests are deteriorating trade and increasing cost of transportation in South Asia. Seaports connectivity and outdated infrastructure have raised the costs for exporters throughout the region. Moreover; landlocked countries are confronting delays due to clogging in roads and transportation (Wilson and Ostuki, 2004). In South Asia; small trade gain is mainly due to little consideration to trade facilitation measures that increase trade costs. Because; high tariff is not the problem, however; administrative, technical, and physical blockages are major hurdles (Ikenson, 2008; Weerahewa, 2009).

Objective of the Study

The main objective of the study is to highlight the potential benefits of trade facilitation and develop a linkage between trade facilitation and regional integration in South Asia. The study performs a comprehensive data analysis of various indicators to identify the potential of trade in the context of regional integration. Moreover; this study evaluates the implementation of trade facilitation agreements and identifies the areas for actions to improve cross-border trade.

This study addresses the following questions:

1. What are the potential benefits of trade facilitation for regional integration?
2. To what extent; the WTO Trade Facilitation Agreement has been implemented in South Asia?
3. How regional integration can be improved through trade facilitation, though, eliminating barriers at national borders?

The next section of the study discusses the methodology used to achieve the objectives of the study. In the second last section of the study, the detailed discussion has been elaborated to support the argument and in the last section, the study is concluded with facts and figures with policy recommendations.

METHOD & DISCUSSION

This study adopts a *diagnostic approach* which develops a better understanding of the factors that identifies impediments and challenges that are restricting regional integration whereas; to identify the role of trade facilitation in regional trade while considering policies and strategies (Islam and Dasgupta, 2009). Based on secondary data from published journals, reports and website; this qualitative study performs a comprehensive analysis to identify those aspects which can facilitate and improve trade flow through port reform, modernization, streamline regulatory requirements, balancing standards and customs regimes in South Asia. The diagnostic approach follows a framework of possible policy areas.

- Overview and benefits of trade facilitation
- WTO Trade Facilitation and its implementation in the SAARC region
- Developing Framework for Regional Integration through Trade facilitation
- Role of Trade Facilitation in Regional Integration
- Conclusion and Policy Recommendations

Overview and Benefits of Trade Facilitation

Evidence proved that low road-density, under-developed communication network, long custom producers and poor condition of port infrastructures are major reasons that reduce the competitiveness of export and increase transaction cost in South Asian regional markets (Hassan et al, 2017). Trade facilitation is a process which streamlines, harmonizes and simplifies border procedures to accelerate the cross-border movement of goods and avoid unnecessary trade restrictiveness. It is a fact that complicated and lengthy procedure and poor logistics infrastructure, increase the cost of trade, which is ultimately borne by consumers and firms. In the era of globalization; economies are opening their border for trade, foreign direct investment, and technology flow. Now manufactured of goods are located across borders, whereas; goods cross borders many times before reaching final consumers. Ease the movement of cargo with adequate safeguards measures is necessary for the competitiveness of the economy. A research by World Bank reveals delaying of shipment of one day of the product decrease trade by one per cent in trade for that country (World Bank, 2018).

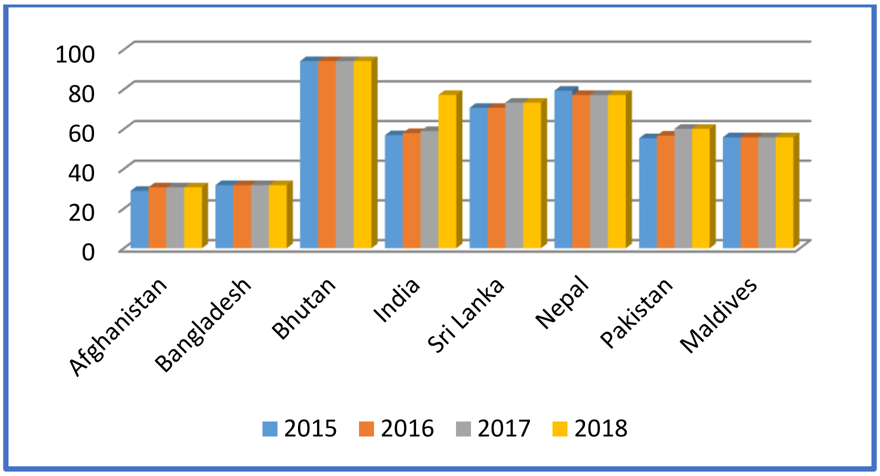
It has been suggested that trade facilitation can be defined to reduce cost, time and uncertainty of international trade, however; it does not include tariff and non-tariff measures in cost for trade facilitation. It is directly related to service standards that have been used in logistics and transport, which is a complex blend of cost, speed and reliability (Gautrin, 2014). Trade facilitation reduces manifest constraints at the border between the countries. While custom activity has a viable impact on the increasing cost and time of trade moving through borders.

Reducing supply chain barriers such as market access, border administration, the business environment and transport and infrastructure have a significant impact on cross-border trade. It has been proved that if country improves two supply chain barriers, i.e. border administration and transportation, communication and infrastructure, world GDP could increase by the US $ 2.6 trillion (4.7%) and exports by US$ 1.6 trillion (14.5%). (World Economic Forum, 2013). Trade facilitation prevents waste of resources, whereas; elimination of tariffs mainly reallocates the resources which increase inefficiency in the economy. Whereas; the benefits of trade facilitation are distributed equally, thus, it is considered a "win-win" situation for countries (World Economic Forum, 2013).

It can be difficult for developing countries to adopt trade facilitation measures because it requires investments while tariff can be removed through a change in trade policy. Region-wise; East Asia has the lowest trade cost slightly higher than the European Union, whereas; trade cost remains high in South Asian countries, however, it is below from North and Central Asian Countries and Pacific Islands (Duval et al., 2009).

Trade facilitation measures are directed by national legislation and various border control agencies are authorized by national acts through their respective ministries. Hence; trade facilitation barriers cannot be standardized at the uniform level with the same measures. Although; international organization presents some common standards or agreements in terms of establishing a benchmark, however; the implementation of such policies is dependent on national policies. Therefore; it increases the constraints among countries to adopt any standardize measures to facilitate trade in the region (Bayley, 2014). The differences in trade facilitation environments can be shown by the World Bank's Doing Business Survey, which is used as an international standard for the relative performance of countries over time. Trading across borders is relevant for measuring trade facilitation which is shown in figure 1.

Figure 1. Trading across Border (From 0 to 100)



Source: World Bank Doing Business Database

This figure highlights that trade facilitation measures are better with limited constraints at the border in Nepal, Sri Lanka, Bhutan and somehow, in India whereas; major economies of South Asia like Pakistan and Bangladesh both have constrained for cross border trading.

Table 1. Intraregional & Extra-Regional Comprehensive Trade Costs (2012-2017)

	ASEAN-4	East Asia-3	Russian Fed. and Central Asia-3	Pacific-2	SAARC-4	AUS-NZL	Eu-3
	76.1% (1.3%)						
East Asia-3	78.3% (6.0%)	**55.0% (7.6%)**					
Russian Federation and Central Asia-3	334.1% (–7.8%)	168.6% (–4.5%)	**113.1% (–7.3%)**				
Pacific-2	168.5% (–7.9%)	162.6% (–6.6%)	378.2% (21.5%)	**133.3% (–0.5%)**			
SAARC-4	132.8% (5.1%)	124.2% (–0.6%)	304.9% (7.0%)	253.2% (–19.4%)	**121.3% (10.3%)**		
AUS-NZL	102.6% (3.6%)	87.8% (–2.2%)	373.0% (5.5%)	88.6% (4.2%)	137.2% (–4.5%)	**55.5% (3.0%)**	
EU-3	104.5% (–4.1%)	85.6% (0.8%)	149.9% (–3.8%)	197.2% (–7.3%)	114.3% (0.2%)	107.5% (–2.0%)	**42.1% (–5.6%)**
United States	87.6% (6.7%)	65.2% (5.6%)	181.2% (0.8%)	164.0% (–0.6%)	114.7% (7.1%)	101.1% (2.0%)	67.5% (2.3%)

ASEAN-4: Indonesia, Malaysia, Philippines, Thailand
East Asia-3: People's Republic of China, Japan, Republic of Korea
Centralia-3: Georgia, Kazakhstan, Kyrgyz Republic
Pacific-2: Fiji, Papua New Guinea
SAARC-4: Bangladesh, India, Pakistan & SriLanka
AUS-NZL: Australia, New Zealand;
EU-3: Germany, France & United Kingdom.
Note: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2006–2011 and 2012–2017are in parentheses.
Sources: ESCAP-World Bank Trade Cost Database

Table 1 presents the sub-regional cost of a trade. European Union (EU) is generally considered as the most integrated, whereas; South Asia is considered least-integrated regional bloc. The level of integration has also impacted the trade cost. The overall cost of trading among the three largest EU countries is equivalent to a 42 per cent average tariff on the value of goods traded. Whereas; the SAARC region has the highest cost which is equivalent to a 121 per cent average tariff. There are five dimensions of integration in the EU such as; financial, monetary, regulatory, trade and political whereas; regional trade in one of the founding principles for EU. Moreover; trade facilitation used to be part of EU's wider "Aid for Trade" agenda, however; it has been ended with a new WTO trade facilitation agreement. The Customs union for promoting regional trade; the single market for free movement of people and money; common currency and political will are the major factors behind the successful regional integration of the European Union. Expansion of trade is made possible in many sectors or industries than tariff elimination; hence global export would increase for more goods and services. Tariffs are eliminated on products such as agriculture, processed food, textile and garments, however; trade facilitation would enhance trade expansion in a wider range of manufacturing products, therefore; trade facilitation expands trade of those goods that involve lengthy supply chains such as transport, machinery and electronics. Free movement of goods across the border with simplifying customs procedures and logistic service also encourage foreign investment in manufacturing sectors **(**Ferrantino, Geiger and Tsigas, 2013).

WTO Agreement on Trade Facilitation and Its Implementation

Table 2. Ratification Date of South Asian Countries

South Asian Countries	Ratification Date
Afghanistan	2016-07-29
Bangladesh	2016-09-27
India	2016-04-22
Maldives	2019-10-01
Nepal	2017-01-24
Pakistan	2015-10-27
Sri Lanka	2016-05-31

Source: World Trade Organization

WTO Trade Facilitation Agreement (TFA) came into force on 22 February 2017 with the provision of Article X: 3 of the WTO Agreement, which was the result of the Doha Round of Trade Negotiations, lunched in 2001 (See Table 2). The TFA aims to accelerate cross border trade with the clearance of goods. TFA provides the flexibility of time, to the members in terms of implementation of the agreements. Each signatory is required to divide the provision of the category into three categories, i.e. A, B, and C. all signed members must provide a timeline for implementation for the provision they have designed in the B and C categories. In Category A; least developed countries (LDC) have been allowed to implement within one year of the agreement entering into force, whereas; in category B, LDCs has been allowed to implement trade facilitation measures after a transitional period. In category C, the implementation of trade facilitation measures will be effective after a transitional period and through the provision of assistance and support for enhancing capacity building (UNCTAD, 2017).

To date; 147 WTO member countries ratified a "Protocol of Amendment" and have notified the WTO of their acceptance of this Protocol. All South Asian Countries have ratified, except Bhutan. According to WTO, Developed Members have 100 per cent implementation rate of TFA whereas; Developing Members including South Asian countries have a 62.2 per cent implementation rate.

Table 3: Trade Facilitation Implementation (%)

Trade Facilitation Measures	South Asia		East and South-East Asia	
	2019	2017	2019	2017
Cross border Paper-less Trade	20.14	13.19	46.03	32.54
Paper-Less Trade	50	40.74	69.84	61.11
Institutional Arrangement and Cooperation	58.33	54.17	67.46	61.9
Formalities	59.38	44.79	82.44	71.13
Transparency	68.33	59.17	88.1	83.81
Total Score	50.4	40.73	71.2	61.9

Source: https://untfsurvey.org/world

Table 3 presents a comparison of trade facilitation implementation between South Asia and East and South-East Asia. The regional status of implementation of trade facilitation has been taken from the outcomes of a third United National Global survey on Digital and Sustainable Trade Facilitation. South Asia needs to work more in the area of cross border paperless trade measures. On the other hand; trade facilitation, East and South East Asia have taken substantial measures to ensure the implementation of trade facilitation, however; this region also needs to work on cross border paperless trade.

Table 4: Trade Facilitation Implementation in SAARC Region (%)

	Afghanistan	**Bangladesh**	**Bhutan**	**India**	**Maldives**	**Nepal**	**Pakistan**	**Sri Lanka**
Cross border Paper-less Trade	0	27.78	22.22	55.56	0	11.11	22.22	22.22
Paper-Less Trade	33.33	48.15	18.52	81.48	48.15	59.26	62.96	48.15
Institutional Arrangement and Cooperation	22.22	66.67	44.44	44.44	55.56	66.67	77.78	66.67
Formalities	16.67	66.67	45.83	45.83	54.17	62.5	70.83	66.67
Transparency	40	73.33	66.67	66.67	80	60	66.67	66.67
Total Score	22.58	54.84	36.56	79.57	46.24	51.61	59.14	52.69

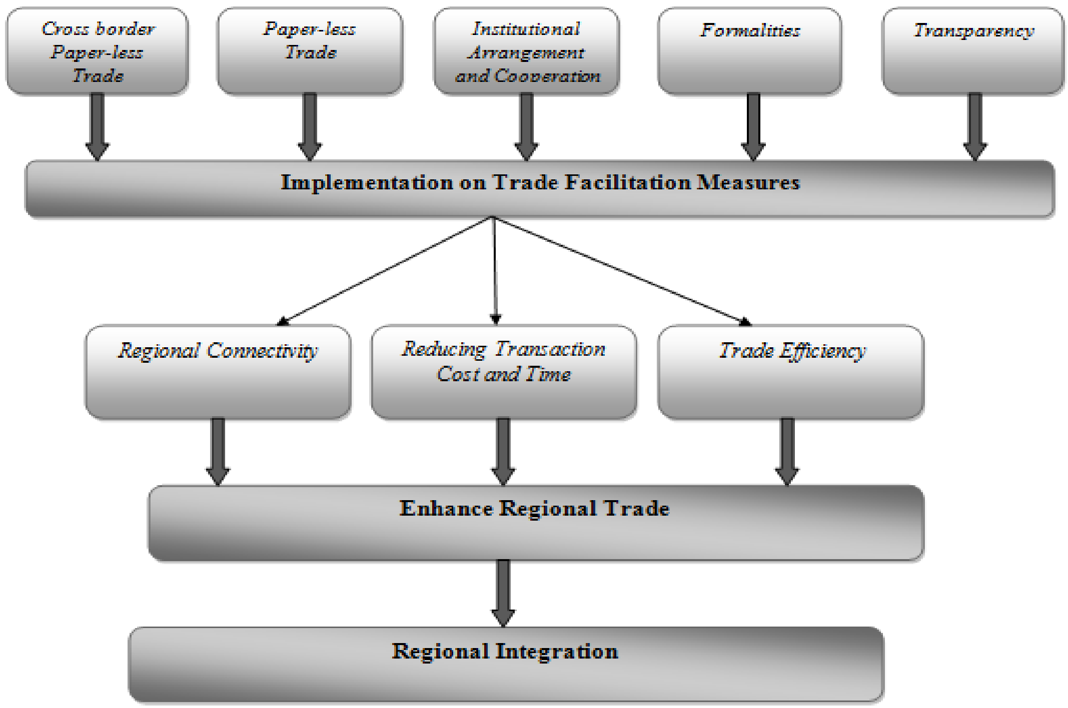
Source: https://untfsurvey.org/world

Table 4 presents the recent data on the trade facilitation implementation in the South Asian region. India has taken considerable measures to ensure trade facilitation implementation followed by Pakistan and Bangladesh whereas; Afghanistan needs to work more for ensuring implementation of trade facilitation. Moreover; it has been highlighted south cross border paperless trade requires more attention as it focuses on the digitization of trade processes. Although; Framework Agreement on Cross-border Paperless Trade has been adopted on 19th May 2016, as a UN treaty in Asia and Pacific, aiming to facilitate the exchange of trade-related documents and data through electronic resources. Furthermore; paperless systems through uses of the electronic source will reduce time and cost and make trade easier, transparent, efficient and less costly (ESCAP, 2019).

Developing Framework for Regional Integration through Trade facilitation

In the era of globalization; tariffs have progressively declined as several trade agreements signed between countries and regions at a bilateral and multilateral level to abolish or reduce trade barriers, however; trade liberalization has not led to complete elimination of protectionist policies. The consideration of implementing protectionist measures has been shifted from tariff to non-tariff measures and other technical barriers. Moreover; developed countries prefer technical barriers to trade (TBT) whereas; trade barriers related to costly border process are particularly famous among developing countries.

Figure 2: Framework for Regional Integration through Trade facilitation



Source: *Author's Illustration*

Regional integration significantly depends on the facilitation of cross-border transit and trade expansion, which acts as an engine of regional integration. It has been driven by the process of the regional value chain which fastens through production complementarities of participating countries. As a result; the dynamics of trade in Asia and the Pacific region are based on trade linkages and industrial production integration. Hence; intra-regional trade is an important indication of regional integration. However; transaction cost, administrative regulations, documentation and security risk are found as the main blockade of raising the trading cost and reducing the competitiveness of exports and trade efficiency that restrict intra-regional trade flows (Jean-Christophe, 2008). The high transaction cost remains a significant hindrance to South Asia's integration into global as well as regional markets. It is mentioned that 80 per cent of trade costs are policy-related, whereas; tariffs represent an almost marginal share of such costs (ESCAP, 2017).

Simplification and harmonization of trade procedures are a well-known component of trade policy to improve efficiency and make an easy transaction at each stage of the global trade chain. Trade facilitation measures are implemented to normalize customs formalities and the cross-border requirement that hinder trade in the region. (OECD, 2015; World Economic Forum, 2014; WTO, 2015a). Furthermore; it has been suggested that extra delays and administrative efficiency can add as much as 15 per cent to the price of goods which undermines the competitiveness of goods between countries (Hoekman and Shepherd, 2013). Moreover; complicated customs procedures and poor road connectivity also prevent developing countries into global value chains (World Economic Forum, 2014).

Several factors such as distance, logistics performance, infrastructure connectivity and border management are major determinants of trading costs. Reducing the transaction cost of trade and improving infrastructure connectivity are essential factors for developing countries to participate in the global production network and value chain whilst efficiently use of trade as an engine of sustainable development. It has the potential to raise intra-regional trade with neighbouring countries, resulting in more regional integration (Kathuria, 2018; Duval and Utoktham, 2011). Hence; implementing trade facilitation including paperless trade in the region can improve regional connectivity, trade efficiency while lowering transaction cost. (ESCAP, 2017).

In the context of regional integration; transit facilitation agreements with neighbouring countries, border cooperation through inter-agency collaboration; limiting of physical inspection of transit goods and risk measurements are the main areas of consideration. Moreover; it has been strongly suggested that through improving port efficiency (liner shipping connectivity), logistic and infrastructure, access to information, exchange of information, and communication technology are also essential for developing regional connectivity. By ensuring border administration challenges and procedural obstacles; regional integration can be deepened through trade facilitation.

In South Asia; intra-regional trade has been considerably below as gaps between actual and potential trade has raised due to the imposition of trade barriers by countries in the region against each other which obliterates trade efficiency among regions. Despite the WTO Trade Facilitation Agreement, high trading costs incurred within a region that drives from poor logistic infrastructure and transportation, complicated documentation procedures and inefficient trade facilitation measures. Recent studies have proofed the welfare impact of trade facilitation as compared to free trade agreements in South Asia (ESCAP 2017).

South Asian countries prefer a trade to distant countries simple documentation requirement and low transaction cost as compared to regional countries. Even regional air and sea connectivity within South Asia are quite restricted and poor infrastructure and communication network are raising the trade cost (Kathuria, 2018). These countries are making economic agreements outside South Asia, for instance; India has signed an economic partnership or free trade agreements with 18 countries or groups whereas; Pakistan has also signed such agreements including China. The political tension and trust deficit issues between India and Pakistan are also disturbing the bilateral trade potential. Land-lock countries- i.e. Afghanistan, Bhutan, Nepal and regions like Northeast India and FATA in Pakistan could more gain from better transit system infrastructure connectivity. Improved physical connectivity and soft infrastructure can also foster economic ties among South Asian countries because it would make trading easy with potentially low transaction cost (Gautrin, 2014; Younus, 2019).

South Asian countries are recommended to implement more proactive trade policies to facilitate the flows of goods, services and investment in the region. Documentation requirements, mandatory security, cross-border facilities, and improved logistic and infrastructure connectivity can normalize economic ties for further enhancing regional integration among South Asian countries.

Trade Facilitation and Regional Integration

Through regional integration; neighboring countries agree for regional cooperation and development through unified rules and arrangements. Regional implementation of trade facilitation measures can bring more significant benefits for members in the same region by ensuring cross-border requirements and customs formalities. By addressing border administration challenges, reducing trading cost and addressing procedural constraints to trade, trade facilitation reinforces regional integration (International Trade Centre, 2017). The implementation of trade facilitation measures has become an important subject matter in trade round negotiation of the WTO, covering logistic service, infrastructure improvement, border administration, customs modernization programs and capacity building. It also develops a regulatory mechanism between respective authorities at the national border (Grainger, 2008). Regional integration in South Asia cannot be achieved without reducing trading cost in the region. Thus; trade facilitation (TF) is a core element of reducing costs of moving goods across borders and enables participation in the global and regional value chain (Duval et al, 2009).

Table 5. Average Trade Facilitation, performance, 2017 (2= best performance)

Countries	Avg. Trade Facilitation
Afghanistan	N/A
Bangladesh	0.78
Bhutan	0.59
India	1.25
Maldives	0.7
Nepal	0.69
Pakistan	1.17
Sri Lanka	0.99

Source: OECD database

Trade facilitation has become progressively more important as the as South Asian adopted more trade policies since the late 1980s. For regional cooperation; SAARC was formed and two agreements have been signed yet. According to Article 3 of SAFTA, member countries have ensured their commitments towards trade facilitation reforms to integrate through transport systems and harmonization of standards for cross border trading in the region (Nayar, 2004). Table 5 explains the average trade facilitation, performance of South Asian countries. The data explains that Pakistan and India are closest to the best performance as compared to other countries. Moreover; collective efforts in facilitating trade between South Asia have made little progress because each country has implemented trade facilitation measures individually.

Moreover; it has been estimated that trade expansion could lead to increase per capita GDP by 2.5 per cent in Asia and Pacific. So, trade facilitation can help to generate trade while enhancing national welfare (Kraay and Dollar, 2001; Duval and Utoktham 2009). Similarly; decreasing transaction cost by 1 per cent can lead to increase GDP by an average of 0.25-0.45 per cent. Therefore; governments and institution should focus on trade facilitation as one of the major policy tools to raise national GDP and trade expansion. The main trade-related issues that impede trade are transaction cost and unnecessary delays due to non-availability of facilities, trade barriers, and cross-border disputes and national conflicts. Besides; country-specific trade barriers have also the negative impact of restricting regional trade which not only raises the prices of goods but also affects the competitiveness of goods before exporting abroad (De, 2014). As compared to another region (e.g. ASEAN and the EU); the average time and cost of cross-border trade are high in South Asia (ADB 2015).

In the Study of De, (2014) highlighted major micro and macro factors that hinder South Asian integration. Inadequate national and regional roads, absence of regional transit trade, high tariff and non-tariff measures that are also very complicated and non-transparent, poor governances, weak institutional infrastructure and lack of coordination between borders authorities are considered as macro factors that are restricting trade flows among regional countries. On the other hand; lack of simplification of trade procedures and non-existence of contemporary corridor management techniques are major microelements that are restricting regional trade. Furthermore; product diversification is also a major issue in South Asia. Most international trades are concentrated with developed countries the USA, UK, Middle East and China. The reason is that export products are homogenous and neighboring countries are competitors of each other in the international market rather than the consumer. Most of the exports demanded by developed countries whereas; South Asian countries imports raw material and capital goods. The goods are exported to Europe, China, the United Arab Emirates (UAE) and United States (US) due to efficient and uncomplicated customs procedures. A considerable share of trade also takes place in the Asian-Pacific region, including Australia, New Zealand and high income East- Asian Countries. South Asian has also imposed high trade barriers against each other in terms of high customs duties, non-tariff barriers and quantitative restrictions (Weerahewa, 2009).

Intra-Regional and Inter-Regional Trade

The trade structure is dominating by inter-regional trade, whereas; intra-regional trade accounts for barely 5 per cent of total global trade in South Asia. On the other hand; table 6 also indicates that regional trade is very high in the South-East Asian region which is almost 22 per cent. Thus, South Asia must improve trade relationships with each other to avail the benefits of liberalization (Mel, 2011; Sultana and Asrat, 2014).

Table 6. Intra- and Inter-Sub-Regional Trade Shares (%)

Region	Year	Intra	Inter	Rest of the World
South Asia	2000	4.4	24.9	70.7
	2010	4.5	30.9	64.6
	2016	5.8	33.5	60.7
	2017	5.6	34.5	59.9
South East Asia	2000	22.8	38.2	39
	2010	24.6	43.5	31.9
	2016	22.6	45.2	32.2
	2017	22.4	45.9	31.8

Source: Asian Economic Integration Report, Data Catalogue

Even; integration among countries requires significant investment and it has been suggested by Mikesell, (1965) that long-term objective of integration should be achieved through changing in trade structure, rather than reducing trade with the developed world. Because; South Asian countries import intermediate and capital goods for manufacturing sectors. Furthermore; regional trade agreements would be more beneficial if the share of intra-trade increases between neighboring countries, but unfortunately, trade linkage is very weak in South Asia as compared to the other developed region (Lipsey, 1960). The proponents of regional integration also support that regional trade can reduce the dependency of this region on developed countries in the future.

Table 7: Tariff rate, applied, simple mean, all products (%)

Region	2015	2016	2017
East Asia & Pacific	4.87	5.16	4.53
South Asia	10.73	11.16	9.62
World	6.17	6.38	5.17

Source: World Bank Indicators

Despite the significant liberalization regimes since the 1980s; average tariffs in South Asia are still very high as compared to East Asian countries. In 2017; average tariff was 9.62 per cent in South Asia as compared to 4.53 per cent in East Asia and Pacific (See Table 7). This high level of protection has been imposed on consumer and intermediate goods which restrict intra and extra-regional trade of South Asia. There is a need to explore more trade opportunities within the region through expending intra-regional trade with complementary investment in infrastructure, communication and regulatory reforms. Moreover; South Asian countries should facilitate intra-regional trade to stabilize their economy to external shock and vulnerability.

Regional Trade Agreements

To create Preferential Trading Area in South Asia; an agreement was signed in April 1993 among seven countries, called SAARC Preferential Trading Arrangement (SAPTA). The idea of liberalizing trade was presented by Sri Lank at sixth Summit, held in Colombo in December 1991. In the next step; SAFTA Agreement was signed in January 2006 at the twelfth Summit, held in Islamabad and entered into force on January 2006. It has been studied that SAFTA has substantial trade creation effects, whereas; trade diversion effect is insignificant. Therefore; more trade agreement could bring significant welfare gain for member countries (Hirantha, 2004).

Table 8. Regional trade agreements to GATT/WTO and in force by Country/Territory

Country	Goods notifications (RTAs)	Goods notifications (Accessions)	Services notifications (EIAs)	Services notifications (Accessions)	No of RTAs
ASEAN					
Brunei Darussalam	8	0	6	0	8
Cambodia	6	0	4	0	6
Indonesia	9	0	5	0	9
Lao People's Democratic Republic	8	1	5	0	8
Malaysia	14	0	9	0	14
Myanmar	7	0	4	0	7
Philippines	10	0	6	0	10
Singapore	24	0	21	0	24
Thailand	13	0	8	0	13
Viet Nam	12	0	8	0	12
SAARC					
Afghanistan	2	1	0	0	2
Bangladesh	5	2	1	0	5
Bhutan	3	1	0	0	3
India	16	2	6	0	16

Source: WTO, RTA database

Table 8 provides a glance look at the number of regional trade agreements (RTAs) among SAARC and ASEAN countries. It is seen that ASEAN countries involve in trade agreements even; Singapore has signed 24 RTAs followed by Malaysia with 14, and Vietnam with 12 RTAs. In comparison with, only India has signed 16 RTAs followed by Pakistan with 10 among all SAARC countries. Most of the South Asian countries are engaged in developing new extra-regional preferential trade treaties with other countries (Sultana and Asrat, 2014).

Despite SAFTA agreements; the presence of sensitive list has a negative impact which restricts product convergence and lowers the scope of intra-trade in South Asia. 53 per cent of total imports have been placed on negative/sensitive lists of representative countries.

India and Sri Lanka restricted imports from ASSRC member countries up-to 38 and 52 per cent that is limiting the opportunity of "Free Trade" unity among member countries.

Implementation of Trade Facilitation in South Asia

The barriers in supply chain and logistic are major barriers to exports or South Asian countries. The non-availability of the harmonized transport system, frequent reloading of gods, complicated customs procedure, documentation requirements and unnecessary delays, and the non-transparent administrative procedure is often considered as major trade constraints. Trade facilitation is referred as policy measures which target reducing cost trade with border set of interrelated factors that reduce non-tariff barriers to make trade easier between destinations and across international borders (Wilson and Ostuki, 2004) For exporter perspective; time plays a significant role to compete in the global market, however; inefficient procedure leads to increase the trading cost. This burden of trading cost transmitted to consumers in terms of the increasing price of trade goods leads to generate a pure deadweight loss in the economy.

Moreover; the Classical trade theory also assumes that the final goods are produced and manufactured within the country, whereas; supply chains are considered with trading intermediate trading goods. The final products are produced using traded components and parts from imports. Thus, trade cost may increase at various stages of the supply chain if intermediate goods across borders. If high trading costs are involved in various stages of the value chain, only final goods will be traded with countries. It highlights the importance of trade facilitation for the global and regional value chain to enable a country to gain from comparative advantages. Because; resourceful trade facilitation measures eliminated the cost and reduce the time needed for exporting and importing (Perera, Siriwardana and Mounter, 2017). Moreover; the time and costs are less in these countries which have implemented trade facilitation agreement. Mainly; the higher ranking in Trading across Border indicates the better TFA implementation status (Sultana and Asrat, 2014).

There are various trade facilitation indicators which are used to measure the impact of TF. Most common of these are "Doing Business" (DB)'s indicators that are related to cross borders, the World Bank's Logistic Performance Index (LPI) and World Economic Forum's Enabling Trade Index (ETI). However; for analysis; we have used the DB and the LPI to measure trade facilitation (Perera, Siriwardana and Mounter, 2017).

Trading Cross Border

Trading cross border explains time and cost (excluding tariff) that includes various types of process of exporting and importing a shipment of goods (Perera, Siriwardana and Mounter, 2017). Table 9 represents a comparison of time and costs of the trading cross border among different regions including South Asia. As it shows that time and cost to export in terms of border compliance is high in South Asia as compared to Europe and Central Asia, whereas; another region incurs high time and cost to exports border compliance. On the other hand; in terms of documenting compliance, time is taking 73 hours in South Asia, however; other regions are taking less time, even Europe & Central Asia and Latin America & Caribbean are taking only 25 and 35 hours respectively for documentary compliance.

Table 9: Region-wise Trading across Borders (2019)

Economy	Trading across Borders rank	Trading across Borders score	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
East Asia & Pacific	103	71.6	57.5	381.1	55.6	109.4	68.4	422.8	53.7	108.4
Europe & Central Asia	53	87.3	16.1	150.0	25.1	87.6	20.4	158.8	23.4	85.9
Latin America & Caribbean	106	69.1	55.3	516.3	35.7	100.3	55.6	628.4	43.2	107.3
Middle East & North Africa	117	61.8	52.5	441.8	66.4	240.7	94.2	512.5	72.5	262.6
South Asia	109	65.3	53.4	310.6	73.7	157.9	85.7	472.9	93.7	261.7
Sub-Saharan Africa	140	53.6	97.1	603.1	71.9	172.5	126.2	690.6	96.1	287.2

Source: World Bank, Doing Business Database (https://www.doingbusiness.org/en/data/exploretopics/trading-across-borders)

Similarly; the cost of exports in terms of documenting compliance is also very high in the South Asian region. South Asia has a burden of $ US 157 which is relatively high as compared to East Asia & Pacific, Europe & Central Asia and the Middle East & North Africa. Whereas; it incurs $USD 472 and in cost of import in terms of border and documentary compliance in South Asia which is very high, compared to East Asia & Pacific and Europe & Central Asia. Implementing trade facilitation measures ensure to reduce the time and cost of trading across borders which is almost high in South Asia which are also restricting intra-regional trade among South Asian countries.

Table 10. Trading Across Border – SAARC Countries

SAARC Countries	Rank	Score
Afghanistan	177	30.6
Bangladesh	176	31.8
Bhutan	30	94.2
India	68	82.5
Maldives	157	55.9
Nepal	60	85.1
Pakistan	111	68.8
Sri Lanka	96	73.3

Note: The most recent round of data collection for the project was completed in May 2019.
Source: World Bank, Doing Business Database

Within the South Asian region as seen in table 10; Bhutan, India, and Nepal have high scores in trading across the border, whereas; Afghanistan and Bangladesh have a low score. This score shows that both countries need to take more significant steps to lower down constraints on the border and increase the flow of trade across the region. South Asia undergoes unnecessary time delays with the requirements of a few signatures for the same transaction, complicated documentation requirements, outdated custom producers and longer time for border clearance generates higher transaction cost. It has been evident South Asia has been worsened by customs regulation, hence; two-third companies have faced major and moderate trade constraints in their business (Weerahewa, 2009).

Table 11: Time and Cost Associated with Trade in South Asia.

Countries	Time to Export(hours)		Time to Import (hours)	
	Border compliance	Documentary compliance	Border compliance	Documentary compliance
Afghanistan	228	228	96	324
Bangladesh	147	147	216	144
Bhutan	9	9	5	8
India	12	12	65	20
Maldives	48	48	100	61
Nepal	43	43	11	48
Pakistan	55	55	120	96
Sri Lanka	48	48	72	48
	Cost to Export (USD)		**Cost to Import (USD)**	
	Border compliance	**Documentary compliance**	**Border compliance**	**Documentary compliance**
Afghanistan	453	344	750	900
Bangladesh	408	225	900	370
Bhutan	59	50	110	50
India	212	58	266	100
Maldives	596	300	981	180
Nepal	103	110	190	80
Pakistan	288	118	287	130
Sri Lanka	366	58	300	283

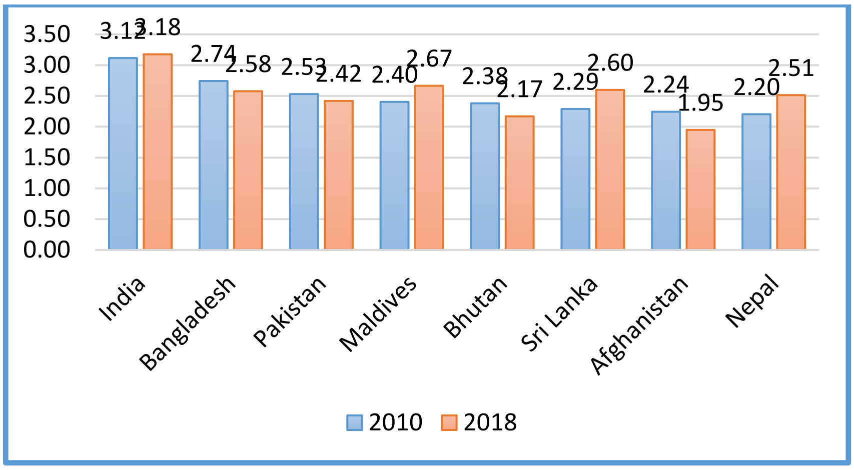
Source: World Bank, Doing Business Database

Table 11 highlights that the Maldives, Bangladesh and Afghanistan are facing more delays in terms of required time and high costs related to import and exports as compared to other South Asian countries. Through making substantial efforts trading cost and time can be reduced through trade facilitation particular focusing on cross-border paperless trade measures. It is expected that the full implementation of cross-border paperless trade would export costs by up to 31 per cent and time by over 40 per cent from current levels (Davul et al., 2019).

Logistic Performance of SAARC Countries

It has been studied by Hoekman and Nicita (2011) that improving Logistic Performance Index (LPI) proves a significant impact on the flow of trade in developing countries. If the logistic performance level is improved through policies in low-income countries their exports would increase by 15.5 per cent. Proper logistic and infrastructure system is an important factor of national competitiveness which has strong effects over the facilitation of goods transportation between countries (Mustra, 2011). Conversely; inefficient and poor infrastructure and logistic would lead to higher costs in terms of money and time that also reduce the turnover of the companies as explained by Hausman et al. (2005). Therefore; trade facilitation measures can be analysed through LPI of World Bank ranging from 1 to 5 were near 1 indicates low performance whereas; near 5 indicates good performance.

Figure 3: Logistics Performance Index (Range 1=Low, 5=High)



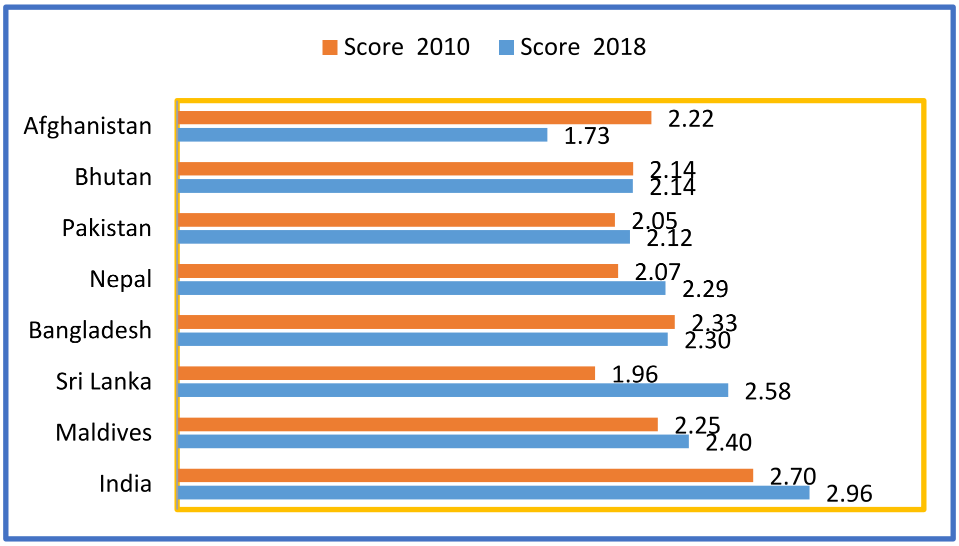
Source: World Bank Database

Figure 3 shows that logistic performance varies particularly in terms of quality of trade and transport-related infrastructure. India has made significant improvement in the Logistic Performance Index with a score of 3.18 in 2018; whereas; the Maldives has also slightly improved their Logistic Performance with a score of 2.67. However; Afghanistan has worse performance in the entire region with 1.95 scores in 2018, and it indicates that Afghanistan needs to adopt significant policies. Nepal and Sri Lanka have also improved their performance and received an LPI score of 2.51 and 2.60 in 2018 respectively. However; the LPI Score has shown that Pakistan, Bangladesh, and Bhutan scores have slightly declined with 2.42, 2.58 and 2.17 respectively. In detail; the LPI allows the differences between countries through providing customs procedures, logistic costs and quality of infrastructure for land and seaport. Improved indicators show a greater impact on reducing transportation costs.

Customs

The component of customs measures shows the efficiency and effectiveness in terms of speed, simplicity and predictability of customs agencies.

Figure 4: LPI Customs Effectiveness and Efficiency (1=low, 5=high)



Source: World Bank Database

Figure 4 shows that customs efficiency and effectiveness in South Asian countries. Again, Afghanistan, Pakistan and Bhutan are less behind as compared to other countries in customs efficiency and effectiveness which emphasizes on implementing customs measures to avoid unnecessary delays of trade flows. India and Sri Lanka have an average score of 2.96 and 2.58 in 2018 respectively, which shows significant policy implementation in this area. Customs environments have been found significant factors in explaining trade flow and It has been proved that increase in custom efficiency by one per cent could lead to increase trade flow by more than one per cent between countries (Kumar and Felipe, 2010; Wilson, Mann and Otsuki, 2003). Furthermore; efficiency of customs procedure is essential for security concern because; long delays increase the risk and loss of time-sensitive products such as agricultural, products. Moreover; improvement in customs efficiency has a more significant impact on importing countries as compared to improvements in logistics or infrastructures (Kumar and Feipe, 2010; Hassan et al, 2017).

Infrastructure, International Shipment and Quality of Logistic Service

These three components are related to improvements in telecommunication and infrastructure of the country for moving of final goods.

Table 12: Logistic and Infrastructure Performance Index (LPI)

Country	Infrastructure		International Shipments		Quality Logistics Services	
	2010	2018	2010	2018	2010	2018
India	2.91	2.91	3.13	3.21	3.16	3.13
Bangladesh	2.49	2.39	2.99	2.56	2.44	2.48
Pakistan	2.08	2.20	2.91	2.63	2.28	2.59
Maldives	2.16	2.72	2.42	2.66	2.29	2.29
Bhutan	1.83	1.91	2.44	1.80	2.24	2.35
Sri Lanka	1.88	2.49	2.48	2.51	2.09	2.42
Afghanistan	1.87	1.81	2.24	2.10	2.09	1.92
Nepal	1.80	2.19	2.21	2.36	2.07	2.46

Source: World Bank Database

Although; the infrastructure score of India is high in the region, however; it has shown no improvement with a constant score of 2.19 in 2010 and 2018 whereas; Pakistan, Maldives and Sri Lanka have improved their score with 2.20, 2.72 and 2.49 in 2018. However; the infrastructure score of Bangladesh and Afghanistan have slightly declined in 2018. It has been proved that improving infrastructure in terms of ports; road, railroads and information technology have a significant impact on exporting countries (Felipe and Kumar, 2010). The quality of infrastructure can have a positive impact on trade through multiple dimensions such as costs, reducing the time of delivery and vagueness (Nordås and Piermartini, 2004). India, Maldives, Sri Lanka and Nepal have improved international shipment arrangement with the score of 3.21, 2.66, 2.51 and 2.36 in 2018 respectively (See Table 12). Whereas; Afghanistan, Bhutan, Pakistan and Bangladesh score have declined, which require more policy measures in this area to make the fastest and easy way to arrange the shipments of goods for trade. The quality of logistic service always facilitates trade that is associated with increasing trade particularly exports. Inefficient logistic service hinders trade due to extra costs in terms of time and money and hurts the competitiveness of the exporting country. All countries except Afghanistan and Maldives; have significant improvement in terms of quality of logistic service. India has performed well as compared to other countries, whereas; the Maldives have recorded no change in their score and Afghanistan score has declined. It has been estimated that improvement in trade logistic would improve the export situation as it is also related to trade facilitation reforms (Korinek and Sourdin, 2011).

Timeliness, Tracking and Tracing

It is necessary to detect the correct position and routes of each shipment. Moreover; due to the high level of competition in global markets; failure to deliver on time is unacceptable. Therefore; the country needs to increase the sophisticated computerization process.

Figure 5: LPI Timeliness (1=low , 5=high)

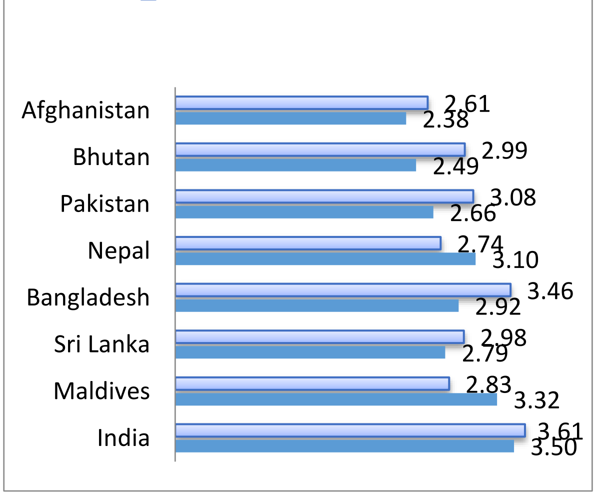
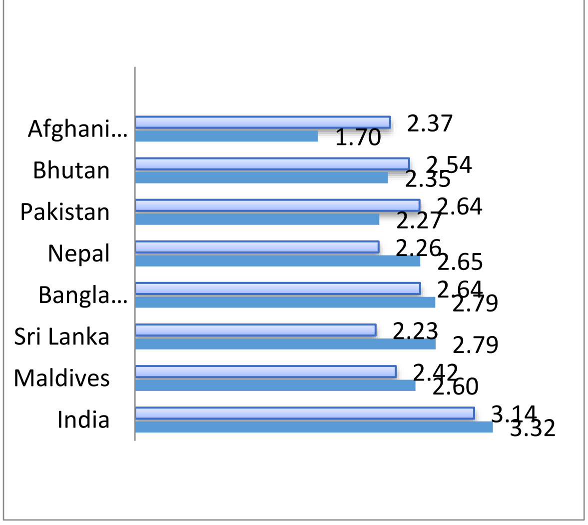


Figure 6: LPI Tracking and Tracing (1=low , 5=high)



Source: World Bank Database

In figure 5; India, Maldives, Sri Lanka, Bangladesh, and Nepal has improved tracking and tracing performance with an increasing score of 3.32, 2.60, 2.79, 2.79 and 2.65 in 2018 respectively. Whereas; Pakistan; Afghanistan and Bhutan have declined with 2.27, 1.70 and 2.35 in 2018. The analysis highlights the importance of using an electronic tracking system and computerization to monitor all transit trade. This will lead to a significant reduction in cost, efforts and time in movements of goods domestically and crossing though another region (AL-Shboul, 2016). Although the score of India has the highest in the region, it has shown a slight decline in the score to 3.50 in 2018 as compared to 3.61 in 2010. On the other hand; the score of timeliness for Sri Lanka, Bangladesh, Pakistan, Bhutan and Afghanistan have declined with the score of 2.79, 2.29, 2.66, 2.49 and 3.81 in 2018 respectively, whereas; the performance of Nepal and Maldives have improved with the score of 3.10 and 3.32 in 2018 respectively. Most of the South Asian countries must make significant efforts to enhance their performance for the use of modern tracking systems and time delivery. Because of the delivery time matters for explaining the differences in trade pattern between a trade of final and intermediate. The better performance in these areas ensures the quality of institutions and their ability to deliver on time (Gamberoni, Lanz and Piermartini, 2010).

Logistic facilities are usually considered a top priority of trading nations as facilitation of trade and transportation is core elements for stimulating economic growth. Improved logistic performance help the physical movement of goods through transportation, customs clearance, terminal operations and another service. SAARC countries need effective policies to improve logistic performance, particularly regulatory environments.

CONCLUSION AND POLICY IMPLICATIONS

Since; 2014; South Asia is considered as fastest growing sub-region, but the least integrated bloc. This trend of inter-trade indicates the willingness to trade outside the region, hence, the trade potential of this region has not been realized due to lack of market integration. Moreover; high transaction costs, complicated trade barriers and lack of connectivity are also restricting South Asian countries to integrate within the region. Hence; promoting intra-regional trade requires trade facilitation measures to reduce trading cost and improve connectivity.

The study has found that trade facilitation measures are better with fewer constraints in Nepal, Sri Lanka, Bhutan and Somehow, in India whereas; Pakistan and Bangladesh have more constraints in cross border trading. Moreover; the SAARC region has the highest cost which is equivalent to 121 per cent average tariff. Implementing trade facilitation measures have a significant impact on enhancing regional trade in the SAARC region. All SAARC countries (except Bhutan) are WTO members and have signed FTA, however; developing countries have not taken significant attempts to implement trade facilitation measures. Although trade facilitation is entirely a national level policy which is complicated to standardize however; international agencies have provided some guideline as a benchmark. Although; implementation has a cost, however; there is a need to set priorities to maximize benefits. As the analysis shows that more than 50 per cent of trade facilitation measures have been implemented in other areas such as institutional arrangement and cooperation, formalities and transparency, however; South Asia needs to work for the improvement of cross border paperless trade and paperless trade.

Despite SAFTA agreement; the presence of a sensitive or negative list is limiting the scope of intra-trade in South Asia. Moreover; due to poor logistics infrastructure and transportation, complicated documentation procedures and inefficient trade facilitation measures, trading costs are high. Thus; TF can help to increase trade across the border faster, cheaper and whilst ensuring safety and security. South Asia suffers more due to unnecessary time delays, requirements of several signatures for the same transaction, complicated documentation, outdated customs producers and longer time for border clearance which raises the transaction cost across the border.

Conversely; inefficient and poor infrastructure and logistic also lead to higher costs in terms of money and time. Logistic performance varies particularly in terms of quality of trade and transport-related infrastructure. India has made significant improvement in logistic performance, whereas; the Maldives have also slight improved logistic and infrastructure performance. However; Afghanistan has the vilest performance in the entire region, indicating the need for serious efforts to improve their logistics and infrastructure facilities. Nepal and Sri Lanka have also improved their performance, however; Pakistan, Bangladesh, and Bhutan have not made any significant improvement. The implementation of trade facilitation has significant impacts on inter-trade through customs formalities and cross border requirements. There is a need to formulate unified and standardize policies to improve all trading procedures. Computerized and simplified customs procedures can also ensure paperless cross border trading that would reduce time and unnecessary delays. The study focuses on developing the framework to analyze the role trade facilitation on intra-regional trade and implementation of WTO Trade Facilitation Agreement measures. However; this study does not cover other dimensions of trade facilitation such as the impact of non-tariff barriers and trade restrictiveness of regional trade, regional connectivity between South Asian countries through road, ports and airlines, and political dispute among countries which also impede regional trade in the region.

REFERENCES

AL-Shboul, M. (2016). Enhancing Transit Trade, Facilitation System and Supply Chain Security for Local, Regional and an International Corridor. *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering*, *10*(10), 3477-3487.

Asian Development Bank (ADB). 2015. Technical Assistance for Promoting Gender Equality and Women's Empowerment. Manila.

Bayley, A. (2014). *Policies to enhance trade facilitation in South Asia and Southeast Asia*. ADBI Working Paper Series No. 489 July 2014. Retrieved from http://unohrlls.org/custom-content/uploads/2013/09/Policies-to-Enhance Trade-Facilitation-in-South-Asia-and-Southeast-Asia.pdf

De, P. (2014*). Trade facilitation measures for South Asian Economic Union*. Background paper. Manila: Asian Development Bank and SAARC Secretariat.

Duval, Y., & Utoktham, C. (2009). *Behind the border trade facilitation in Asia-Pacific: cost of trade, credit information, contract enforcement and regulatory coherence* (No. 67). ARTNeT Working Paper Series.

Duval, Y., & Utoktham, C. (2011). *Trade facilitation in Asia and the Pacific: Which policies and measures affect trade costs the most?* . Working Paper Series Asia-Pacific Research and Training Network on Trade (ARTNeT), Bangkok. Retrieved from https://www.econstor.eu/bitstream/10419/64283/1/656433183.pdf

Economic and Social Commission for Asia and the Pacific (2010). *Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific*. United Nations Publications.

Economic and Social Commission for Asia and the Pacific (2019). Framework *Agreement on Facilitation Of Cross-Border Paperless Trade In Asia And The Pacific*. United Nations Publications. Retrieved from: https://www.unescap.org/sites/default/files/UNESCAP%20Framework%20Agreement%20e-book.pdf

Ferrantino, M., Geiger, T., & Tsigas, M. (2013). The benefits of trade facilitation–a modelling exercise. In *World Economic Forum (ed.), Enabling Trade-Valuing Growth Opportunities Online Appendix, Bain & Company, and World Bank, World Economic Forum, Geneva*.

Gamberoni, E., Lanz, R., & Piermartini, R. (2010). *Timeliness and contract enforceability in intermediate goods trade* Working Paper, No. ERSD-2010-14. World Trade Organization (WTO), Geneva

Gautrin, J. F. (2014). *Connecting South Asia to Southeast Asia: Cross-Border Infrastructure Investments*. ADBI Working Paper 483. Asian Development Bank

Ghani, E., & Din, M. U. (2006). Regional trade integration in South Asia: rationale, impediments and the way forward (No. 7). United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

Grainger, A. (2007). Trade facilitation: A review. Surrey: Working Paper Trade Facilitation Consulting Limited.

Grainger, A. (2008). Customs and trade facilitation: from concepts to implementation. *World Customs Journal*, 2(1), 17-30.

Hassan, A. A., Malik, M. I., Khan, H. H., Anwar, M., & Director, P. E. R. I. (2017). *Getting Our Act Together: A Case of Improving Trade Facilitation in South Asia*. PIDE Papers and Proceedings pp. 367–384

Hirantha, S. W. (2004). From SAPTA to SAFTA: Gravity analysis of South Asian free trade. *European Trade Study Group (ETSG).*

Hoekman B.,M and Shepherd. B (2013). Who profits from trade facilitation initiatives? European University Institute. Working Paper No. 2013/49.

Hoekman, B., & Nicita, A. (2011). Trade Policy, Trade Costs, and Developing Country Trade. *World Development*, *39*(12), 2069-2079.

Hossain, M. M., & Vousden, N. (1996). *South Asia: Welfare Effects of a Discriminatory Trading Area in South Asia*. Research School of Pacific and Asian Studies, The Australian National University.

Huh, H. S., & Park, C. Y. (2018). Asia-Pacific regional integration index: Construction, interpretation, and comparison. *Journal of Asian Economics*, *54*, 22-38

Ikenson, D.(2008).*While Doha Sleeps Securing Economic Growth through Trade Facilitation*. Center for trade policy studies.37.

International Trade Centre (2017). Charting *a roadmap to regional integration with the WTO Trade Facilitation Agreement*. ITC, Geneva.

Islam, R. (2012). *Economic integration in South Asia: charting a legal roadmap* (Vol. 10). Martinus Nijhoff Publishers.

Islam,R., and Dasgupta,S.,(2009). Towards an Employment Strategy for India. Interntioanl Labour Organization Publication.

Jean-Christophe ,M., (2008). *Regionalism and Trade Facilitation: A Primer*. World Bank Policy Research Working Paper Series No. WPS 4464. Washington: World Bank

Kathuria, S. 2018. A Glass Half Full : *The Promise of Regional Trade in South Asia*. South Asia Development Forum;. Washington, DC: World Bank. © World Bank. https://openknowledge.worldbank.org/handle/10986/30246 License: CC BY 3.0 IGO."

Kemal, A.R. (2004), "The Prospects of Regional Economic Cooperation in the Perspective of South Asian Free Trade Area." *South Asian Journal,*

Korinek, J. and P. Sourdin (2011), "To What Extent Are High-Quality Logistics Services Trade Facilitating?", OECD Trade Policy Working Papers, No. 108, OECD Publishing. http://dx.doi.org/10.1787/5kggdthrj1zn-en

Kraay, A., & Dollar, D. (2001). *Trade, growth, and poverty*. The World Bank.

Kumar, U., & Felipe, J. (2010). *The Role of Trade Facilitation in Central Asia: A Gravity Model* (No. 628, pp. 12504-5000). Working paper.

Lipsey, R. G. (1960) The theory of customs unions: A general survey. *The Economic Journal*, *70* (279) 496-513.

Mel, Deshal de 2011, *Trade Facilitation Issues in South Asia*, Kathmandu: South Asia Centre for Policy Studies (SACEPS).

Mikesell, R. F. (1965) The theory of common markets as applied to regional arrangements among developing countries. In International Trade Theory in a Developing World, edited by Harrod and Hague. New York: St. Martin's Press

Nordås, H. K. and R. Piermartini (2004) Infrastructure and Trade. WTO Staff Working Paper No. ERSD-2004-04 retrieved from http://dx.doi.org/10.2139/ssrn.923507

OECD (2015). Trade facilitation indicators simulator. Available at sim.oecd.org/default.ashx?ds=TFI (accessed 1 December 2015).

Park, C. Y., & Claveria, R. (2018). Does Regional Integration Matter for Inclusive Growth? Evidence from the Multidimensional Regional Integration I Index (October 19, 2018). Asian Development Bank Economics Working Paper Series, (559).

Perera.S., Siriwardana.M., and Mounter.S.,(2017). Trade Facilitation, Economic Development and Poverty Alleviation: South Asia at a Glance. Retrieved from http://dx.doi.org/10.5772/intechopen.69948

Sirohi, S (2018). South Asia: High costs of not trading with neighbors retrieved from 26 November, 2015. Retrieved from https://www.orfonline.org/expert-speak/south-asia-high-costs-of-not-trading-with-neighbours-45195/

Sultana, S., & Asrat, J. (2014). South Asian Countries in Regional Integration Perspective: A Critical Review. *Journal of Business and Technology*, 9(2), 43-59.

United Nations Conference on Trade and Development (2017), Next steps upon the entry into force of the WTO Agreement on Trade Facilitation. Retrieved from https://unctad.org/en/PublicationsLibrary/TN24_NextSteps.pdf

Waqif, A.A. (1987), "*South Asian Cooperation in Industry, Energy and Technology*. New Delhi: Sage Publications.

Weerahewa, J. (2009). Impact of trade facilitation measures and regional trade agreements on food and agricultural trade in South Asia (No. 69). ARTNeT Working Paper Series.

Wilson, J. S., & Ostuki, T. (2004). Trade Facilitation and Regional Integration in South Asia: Accelerating the Gains to Trade with Capacity Building. World Bank, Washington DC.

Wilson, J. S., C. L. Mann, and T. Otsuki (2003) Trade Facilitation and Economic Development: A New Approach to Quantifying the Impact. *The World Bank Economic Review 17*(3), 367–389.

World Bank (2007), *South Asia: Growth and Regional Integration*, Washington D.C

World Bank Report (2018). South Asia Regional Trade Integration Program Completion Report 2012-2018. Retrieved from http://documents.worldbank.org/curated/en/549641540462368652/pdf/131314-24-10-2018-11-29-20-SARTIPCompletionReportFINAL.pdf

World Economic Forum (2014). The Global Enabling Trade Report 2014. Geneva

World Economic Forum. (2013). Enabling Trade: Valuing Growth Opportunities. World Economic Forum, Geneva, Switzerland, 2013 Retrieved from: http://www3.weforum.org/docs/WEF_SCT_EnablingTrade_Report_2013.pdf

World Trade Organization (2015). World Trade Report 2015: Speeding Up Trade – Benefits and Challenges of Implementing the WTO Trade Facilitation Agreement. Geneva.

Younus, U. (2019). What does the future of Regional Trade in South Asia look like? Prims. Retrieved from https://www.dawn.com/news/1456677/what-does-the-future-of-regional-trade-in-south-asia-look-like