

Introduction to South Asia

A-4: South Asia, Foreign Investment and International Trade

Duration: Fridays, 11 am - 1 pm; 20 January – 24 February 2017

Credits: 1

Course Instructor: Dr Prabhash Ranjan

Note: The course is limited to a maximum of 25 students on a first- come-first-served basis. The course will not be offered if a minimum of ten students have not opted for it.

Rationale

South Asia is one of the most poorly integrated regions both within and with the outside world. This is notwithstanding, the existence of international trade and international investment treaties that south Asian countries have signed amongst themselves and with rest of the world. Trade and investment treaties play a significant role in deepening economic integration. Deepened economic integration could play a major role in providing numerous opportunities for economic growth and development.

In view of this, this course will study the trade and investment treaties signed by South Asia for its economic integration. The course is divided in two parts. In first three weeks, the course will focus on the trade and investment treaties signed amongst south Asian countries for deeper regional economic integration. Here the focus will be on trade treaties such as the South Asian Free Trade Agreement (SAFTA) signed in 2006, aimed at liberalisation of trade in goods, and the SAARC Agreement on Trade in Services (SATIS) in 2012, aimed at liberalisation of trade in services. The course will also study the bilateral investment treaties (BITs) that south Asian countries have signed amongst themselves. The focus will be to assess critically the contribution that these treaties have made in deepening economic integration in South Asia.

The course in its second part (in the next three weeks) would focus on integration of South Asia with rest of the world using trade and investment treaties. The focus here will be the membership of the South Asian countries in the World Trade Organization (WTO) and the other

free trade agreements (FTAs) that individual south Asian countries have signed. The focus will also be on economic integration via foreign investment inflows in South Asia from rest of the world. The foreign investment inflows to South Asian countries have increased over a period of time particularly since 2000. For example, the FDI inward stock in South Asia in 1990 stood at US\$ 4756 millions. This increased by more than seven times to US\$ 27237 million in 2000. In 2014, the FDI inward stock in South Asia stood at US\$ 307924 millions, an increase of more than 11 times from 2000 and an increase of more than 64 times from 1990. The course will study the implications of this increased foreign investment inflows in South coupled with the increasing number of BITs that individual south Asian countries have signed.

Evaluation

The evaluation will be a two-hour exam at the end of the course and will be a mix of objective and essay type questions.