

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:430
ANSWERED ON:23.07.2003
FORMATION OF SOUTH ASIAN UNION
A. VENKATESH NAIK

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether India has floated the idea of a South Asian Union on the lines of the European Union and ASEAN to create a common market for greater economic well-being of the region;
- (b) If so, the details thereof;
- (c) the reaction of the other South Asian Nations thereto; and
- (d) the efforts made by the Union government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PART (a) TO (d) OF THE UNSTARRED QUESTION NO.430 TO BE ANSWERED IN THE SABHA ON 23.7.2003 ON THE SUBJECT OF FORMATION OF A SOUTH ASIAN UNION

The idea of creating a South Asian Economic Union on the lines of the European Union was proposed by the Group of Eminent Persons appointed by the SAARC Summit, 1997 to draw up a vision for SAARC beyond the year 2000. The Group of Eminent Persons had proposed a step by step approach to create a South Asian Free Trade Area which should be fully operational by 2010, a South Asian Customs Union by 2015, and ultimately, a South Asian Economic Union by 2020. India has called on SAARC to initiate action to achieve this goal.

2. The report of the Group of Eminent Persons was considered by the SAARC Summit of Heads of State and Government in 1998. The Summit directed the members to study the report in details. The SAARC Standing Committee in its 27th Session in December 2002 had felt that it was important at this stage to focus on each incremental step leading to the South Asian Economic Union including SAPTA (SAARC Preferential Trading Arrangement), SAFTA (South Asian Free Trade Area) and other trade facilitation measures. This was endorsed by the SAARC Council of Ministers and by the 11th SAARC Summit in January 2002, in which a SAARC Member States participated.

3. India has called for the implementation of the recommendations made in the report, and as a first step, is pushing for the early creation of a free trade area in South Asia through SAFTA.

4. Recently, EAM has advocated the idea of a South Asian Union. This is not a formal proposal but simply an expression of a desirable long term goal.