PREFACE

Regional cooperation as an instrument for rapid economic growth, has emerged as a new feature of development strategy adopted in different parts of the world. Asia is a vast continent comprising regions of varying economic background. Countries of South East Asia and the Gulf region have already grouped themselves to alleviate the sufferings of their teeming millions. From December 1985 South Asia countries have also got their first regional institution SAARC.

SAARC is an association of Seven South Asian Nations comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. South Asia is a region where 20 percent of world's population is living and occupying 3.3 percent of earth's surface. SAARC countries have many commonalities in their economic problems. The region is richly endowed with human and natural resources but all the countries suffer from wide-spread poverty, mass unemployment, higher population growth rate, low rate of economic growth, low per capita income, rural or agricultural base, lack of adequate industrialization, insufficient infrastructural facilities, massive balance of payments burden etc. Also intra-trade linkages amongst these countries are weak and irregular. Nature of competitive would economy is depriving them of their traditional markets. Their failure to seize a sizeable proportion of new markets and the looming fear of European fortress and probable protectionist policies from the developed countries has made it imperative for them to think in terms of greater regional cooperation.

In the sphere of economic cooperation without wider trade relationship cooperation will not gain the necessary economic substance. Trade
cooperation should be viewed as a means to end, the end being economic growth.

Trade cooperation can help divert there economies towards the countries of the region by expanding the size of their markets, reduction in transport costs and promotion of products etc. must South Asian states of SAARC are characterized by a dominance of complementary economies. Collective economic benefit has been the main rationale as well as driving force behind SAARC.

In this study, an attempt has been made to investigate the economic cooperation in South Asian region mainly in the context of India's foreign trade with these countries. The basic objective of this work is to study the state of existing economic cooperation and trade amongst SAARC nations with emphasis on dimensions of India's trade relation with these countries and scope of its future expansion.

Thus in this study the researcher has examined the development of India's trade and analyzed the economic relations with other SAARC countries.

This study has been divided in seven chapters. The first chapter is introductory, the second chapter is related with emergence of SAARC countries. In third chapter conceptual framework and methodology has been discussed. Chapter IV is devoted to India's Trade with SAARC countries. The pattern of trade amongst SAARC countries has been discussed in chapter V. Relationship between trade and Economic Relations has been analysed in Chapter VI. In last Chapter VII the summary and conclusions and policy prescriptions have been presented.