

ASEAN 5 founding nations and SAARC nations: A comparison

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This paper intends to compare intra- ASEAN's (of the 5 founding nations) exports and income with intra-SAARC's (of the 7 founding nations) performance. Intra- ASEAN's three different historical policy interventions are: the introduction of Preferential Trade Agreement (PTA) in 1977, the unilateral liberalization following the severe recession of the mid-1980s and the ASEAN Free Trade Area (AFTA) formation in 1992. Intra-SAARC's three different historical policy interventions are: the adoption of South Asian Association of Regional Cooperation (SAARC) in 1985, the introduction of South Asian Association for Regional Cooperation Preferential Trading Agreement (SAPTA) in 1995 and the South Asian Free Trade Area (SAFTA) formation in 2004. Findings indicate that the ASEAN-5 countries' economies are moving together through time and emerged as a powerful integrated area as a consequence of all of the above three interventions, but not those of SAARC member countries.

Key words: ASEAN-5; SAARC; Exports; Export-GDP nexus; Trade liberalisation

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