Quest Journals
Journal of Education, Arts, Law and Multidisplinary
Volume 16 ~ Issue 3 (May. – June. 2026) pp: 174-182
ISSN(Online): 2347-2895
www.questjournals.org

Research Paper

Assessing Economic Growth in SAARC Nations: A Comparative Analysis of GDP Sustainability pre and post covid pandemic.

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ABSTRACT
In an accelerating global economy, the COVID-19 pandemic has created a state of uncertainty, severely impacting economies worldwide. While the global economic recovery is still unpredictable, nations are gradually adjusting to the new normal proceeding with caution and focusing on adapting to post-pandemic realities. In this context, the SAARC (South Asian Association for Regional Cooperation) nations, a prominent regional association in Asia, are facing unique challenges and opportunities in their economic recovery.

This paper aims to explore and compare the GDP growth rates of the SAARC nations, focusing on the economic repercussions of the pandemic and the varied recovery trajectories within the region. The analysis will include a review of pre-pandemic economic trends, the impact of COVID-19 on key sectors, and the measures taken by governments to mitigate the crisis. Special attention will be given to how each nation's GDP has been affected by changes in consumption, investment, and external trade.

Through a comparative analysis, the paper will assess the long-term prospects for GDP growth, national income, and economic stability within these nations. The study provides critical insights into the economic dynamics of one of Asia's most significant regional groups in the aftermath of the pandemic.
Keywords: SAARC nations, GDP growth, post-pandemic recovery, regional cooperation.

I. Introduction

The South Asian Association for Regional Cooperation (SAARC) was established on 8 December 1985 with the signing of the SAARC Charter in Dhaka. Comprising eight Member States—Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka—SAARC aims to foster regional cooperation and development. The SAARC Secretariat was set up in Kathmandu on 17 January 1987. The organization's creation was the result of collaborative efforts from politicians and diplomats across the region in the late 1970s and 1980s, with the idea of regional cooperation first proposed in May 1980. Since then, SAARC has grown to encompass a wide range of cooperative areas, including agriculture, telecommunications, health, science, culture, and more. Afghanistan became a member in 2007, further expanding the regional alliance.

During the COVID-19 pandemic, SAARC took several key steps to support its member countries' economies. It established a COVID-19 Emergency Fund to provide financial aid for health responses. Member countries shared resources and best practices to manage public health crises, aiding economic stability. SAARC promoted the continuation of intra-regional trade and connectivity to support economic activities. It encouraged SMEs through financial packages, helping to sustain local businesses. The organization coordinated with international bodies like the WHO and IMF to secure additional support. It also advocated for digital transformation and e-commerce as recovery tools. Additionally, SAARC facilitated exchanges of recovery strategies among member nations, strengthening their economic resilience.

This study will focus on the economic performance of these countries, particularly in terms of their GDP growth and sustainability before and after the global health crisis. By analyzing key economic indicators and comparing pre-pandemic and post-pandemic GDP trends, this research aims to provide insights into the economic resilience and recovery patterns of the SAARC nations during a period of unprecedented disruption.

Objectives of the Study

1. To analyze the trends in GDP growth and sustainability in SAARC nations before and after the COVID-19 pandemic.
2. To assess the economic resilience and recovery patterns of SAARC countries by comparing key GDP indicators before and after the pandemic.

Research Methodology

The research is based on secondary data collected from a variety of credible sources, including official websites, government publications, magazines, scholarly journals, articles, and newspapers. This data spans the period from 2016 to 2024, offering a comprehensive view of the topic. Secondary data collection provides a robust foundation for the analysis by leveraging existing, authoritative resources to identify trends, patterns, and insights. These sources not only ensure reliability but also help in building a broad understanding of the subject matter, offering a historical perspective on the topic over the last eight years. Data is collected on SAARC Nation on GDP rate.

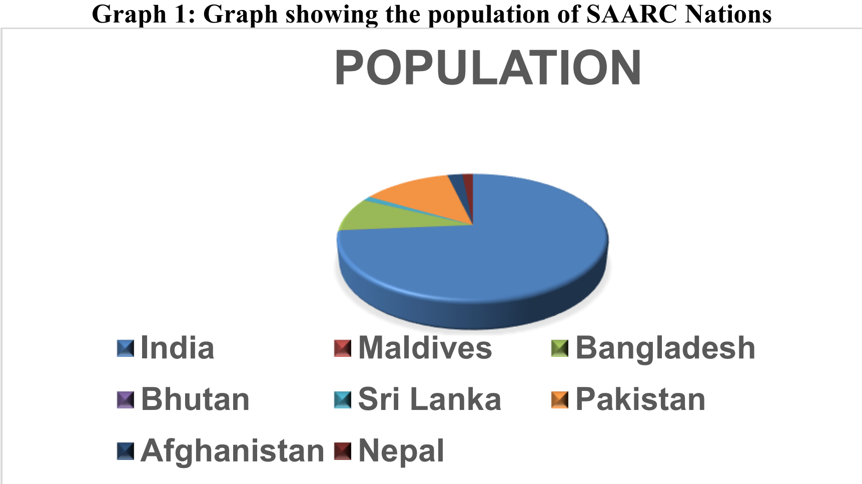
Analysis and Interpretation

Table 1: General Demographical Information

Country Name	Population	Comparison of Currency Rate with INR
INDIA	1,458,059,816	1 INR
MALDIVES	528,831	12.85 Rufiyaa
BANGLADESH	171,466,990	1.40 BDT
BHUTAN	794,355	1 Bhutan Ngultrum
SRI LANKA	23,172,711	3.42 LKR
PAKISTAN	253,427,707	3.22 PKR
AFGHANISTAN	43,300,635	0.85 AFN
NEPAL	29,632,816	1.60 NPR

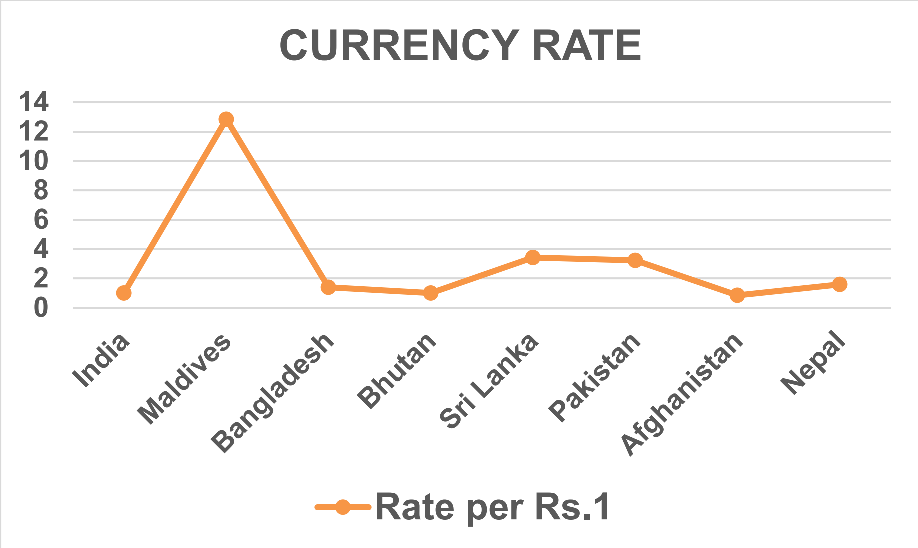
Analysis: This data highlights the population, and currency dynamics of SAARC countries, which are critical factors in understanding the region's economic landscape and regional cooperation. The disparity in currency values also hints at the varying economic conditions among the member countries.

Graph 1: Graph showing the population of SAARC Nations



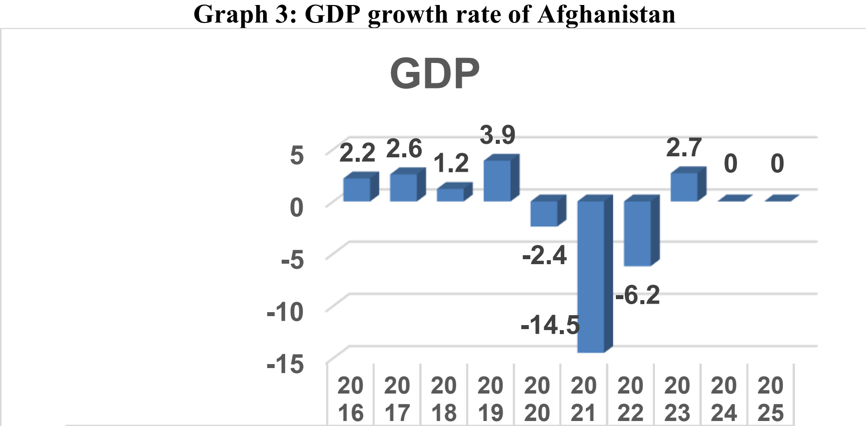
Interpretation: The populations of the SAARC countries vary widely, reflecting the region's demographic diversity. India has the largest population by far, with over 1.45 billion people. Following India, Pakistan has a population of approximately 253 million, making it the second most populous country in the region. Bangladesh ranks third with around 171 million people. Nepal and Sri Lanka have populations of 29.6 million and 23.2 million, respectively, while Afghanistan has 43.3 million people. Bhutan and the Maldives have the smallest populations, with Bhutan having around 794,000 people and the Maldives just over 528,000. This population hierarchy highlights the significant differences in the demographic scale across the SAARC nations.

Graph 2: Graph showing the Currency value compare to INR



Interpretation: The exchange rates of the currencies in SAARC countries, when compared to the Indian Rupee (INR), show a significant range of values. Bhutan's Ngultrum is pegged at par with the INR, meaning both currencies are equivalent. In contrast, the Maldivian Rufiyaa is much weaker, with 1 INR equal to 12.85 MVR, indicating a substantial difference in value. Similarly, the Bangladeshi Taka (BDT), Sri Lankan Rupee (LKR), and Pakistani Rupee (PKR) are all weaker than the INR, with 1 INR equating to 1.40 BDT, 3.42 LKR, and 3.22 PKR, respectively. Afghanistan's Afghani (AFN) has the lowest value, with 1 INR being worth only 0.85 AFN, reflecting a notably weaker currency. The Nepalese Rupee (NPR) also has a lower value, with 1 INR equivalent to 1.60 NPR. Overall, this data highlights the varied strength of currencies within the SAARC region, with significant differences in their value relative to the Indian Rupee.

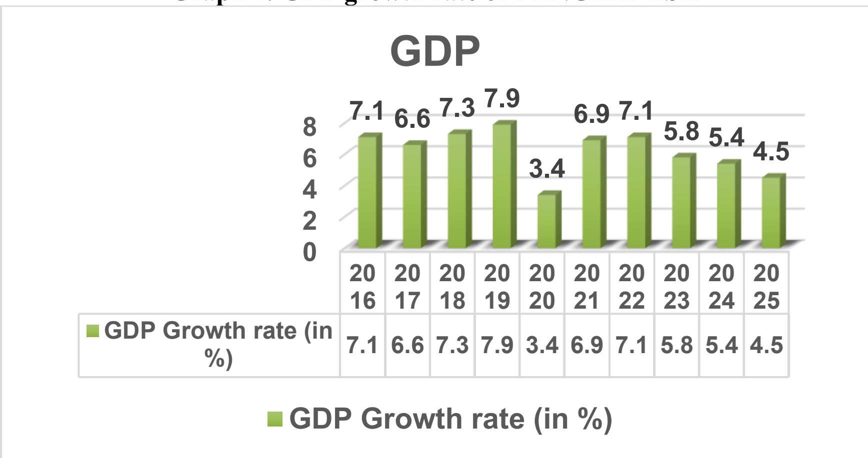
Graph 3: GDP growth rate of Afghanistan



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GDP Growth rate (in %)	2.2	2.6	1.2	3.9	-2.4	-14.5	-6.2	2.7	0	0

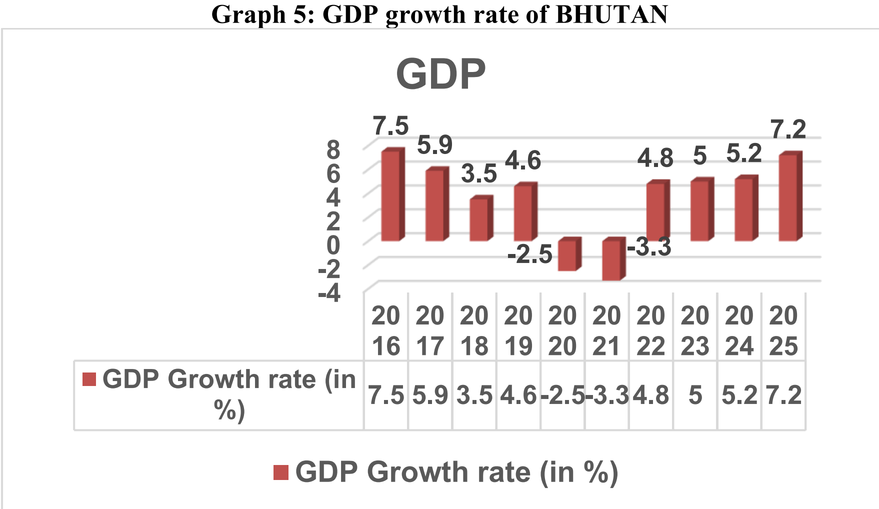
Interpretation: Afghanistan's GDP growth from 2016 to 2024 shows significant volatility. After moderate growth in 2016 (2.2%) and 2017 (2.6%), it slowed in 2018 (1.2%) and improved in 2019 (3.9%). However, the economy contracted sharply in 2020 (-2.4%) and worsened in 2021 (-14.5%) due to political instability. The negative trend continued in 2022 (-6.2%), but recovery began in 2023 with a 2.7% growth. Projections for 2024 and 2025 remain uncertain due to ongoing instability.

Graph 4: GDP growth rate of BANGLADESH



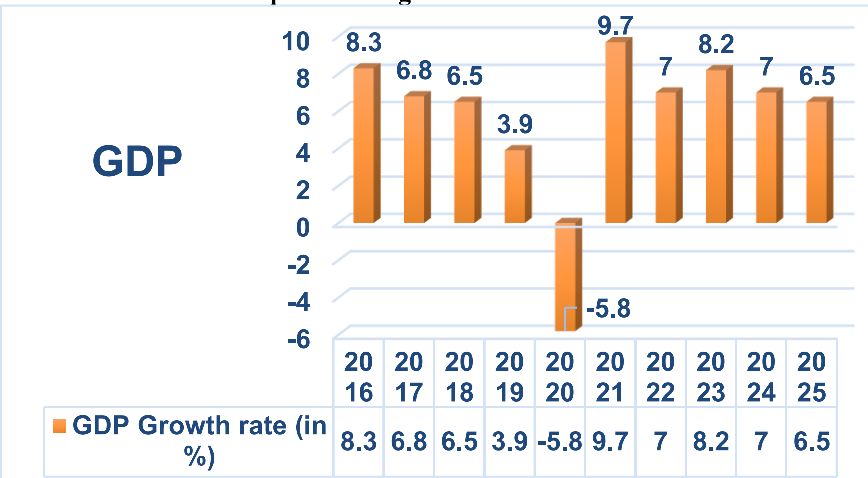
Interpretation: Bangladesh's GDP growth from 2016 to 2025 shows overall positive performance, with consistent growth until 2020. The economy grew at 7.1% in 2016, followed by slightly lower growth rates in 2017 (6.6%) and 2018 (7.3%). Growth peaked at 7.9% in 2019. The pandemic caused a slowdown in 2020, with GDP growth falling to 3.4%. However, Bangladesh quickly recovered with a 6.9% growth in 2021 and continued strong growth in 2022 (7.1%). In 2023, growth slightly decreased to 5.8%, and projections for 2024 (5.4%) and 2025 (4.5%) suggest a gradual slowdown, but still positive growth overall.

Graph 5: GDP growth rate of BHUTAN



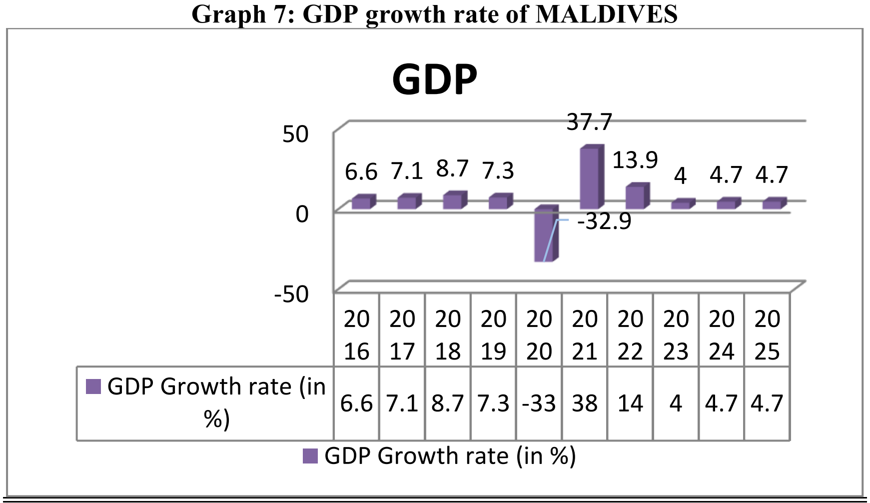
Interpretation: Bhutan's GDP growth from 2016 to 2025 shows fluctuating performance with a significant dip during the pandemic years. In 2016, the economy grew by 7.5%, followed by a slower growth of 5.9% in 2017 and 3.5% in 2018. Growth improved to 4.6% in 2019 but sharply contracted in 2020 (-2.5%) and further declined in 2021 (-3.3%) due to the impact of the COVID-19 pandemic. However, Bhutan's economy rebounded in 2022 with a growth of 4.8%, and continued positive growth in 2023 (5.0%) and 2024 (5.2%). Projections for 2025 show a strong recovery with an expected growth of 7.2%. Overall, Bhutan's economy is showing signs of recovery and growth after the pandemic downturn.

Graph 6: GDP growth rate of INDIA



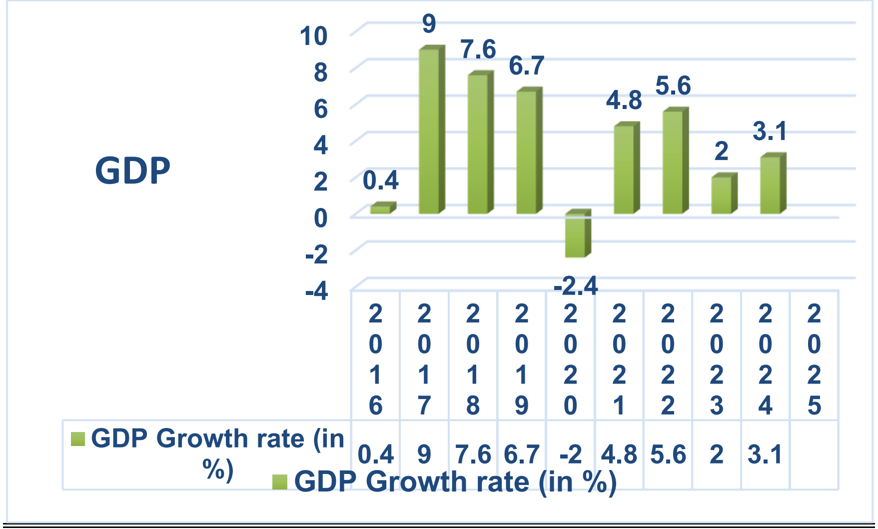
Interpretation: India's GDP growth from 2016 to 2025 demonstrates a mix of strong performance and setbacks. In 2016, India experienced robust growth at 8.3%, followed by a slight decline in 2017 (6.8%) and 2018 (6.5%). Growth dropped further to 3.9% in 2019, and the pandemic caused a sharp contraction of -5.8% in 2020. However, India's economy rebounded strongly in 2021 with a growth of 9.7%. In 2022, growth slowed slightly to 7.0%, while 2023 saw a recovery to 8.2%. Projections for 2024 (7.0%) and 2025 (6.5%) indicate continued, though slightly slower, growth, reflecting a stable but moderating economic trajectory post-pandemic.

Graph 7: GDP growth rate of MALDIVES



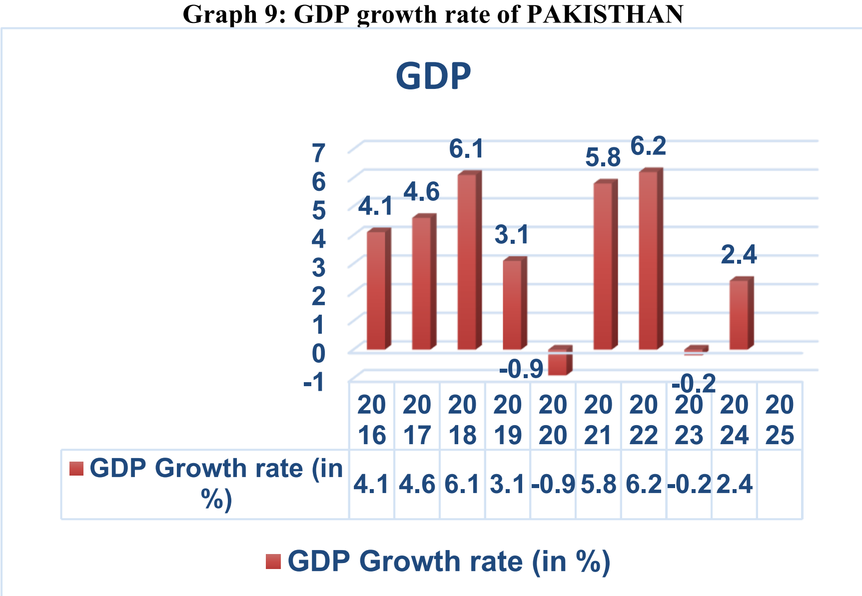
Interpretation: The GDP growth of the Maldives from 2016 to 2025 shows significant volatility, particularly due to the impact of the COVID-19 pandemic. In the years leading up to the pandemic, the economy grew consistently with 6.6% in 2016, 7.1% in 2017, 8.7% in 2018, and 7.3% in 2019. However, the pandemic caused a massive contraction in 2020, with GDP falling by -32.9%, reflecting the severe impact on tourism and other sectors. In 2021, the economy rebounded dramatically with a growth of 37.7%, as tourism and other industries began recovering. The growth rate then slowed to 13.9% in 2022, and further moderated in 2023 to 4.0%. Projections for 2024 and 2025 indicate a steady but moderate recovery, with expected growth rates of 4.7% for both years, showing signs of stabilization post-pandemic.

Graph 8: GDP growth rate of NEPAL



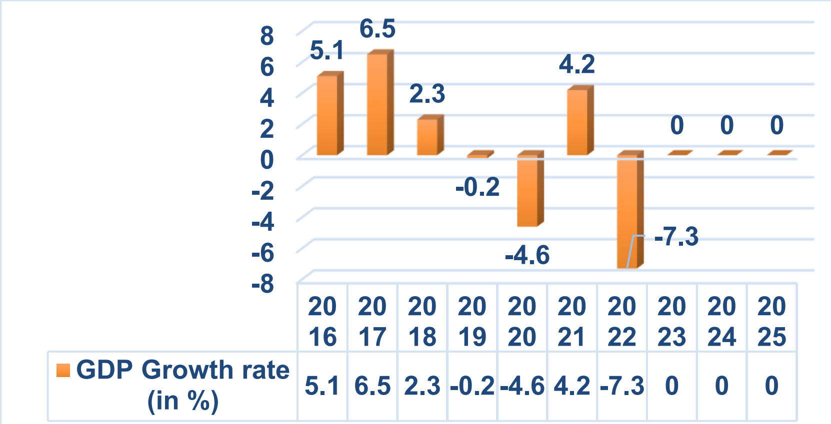
Interpretation: Nepal's GDP growth from 2016 to 2025 reflects fluctuations, with a strong recovery in some years and setbacks during others. In 2016, the economy grew by a modest 0.4%, but in 2017, it surged to 9.0%. Growth slowed in 2018 (7.6%) and 2019 (6.7%), before the COVID-19 pandemic caused a contraction of -2.4% in 2020. Nepal's economy gradually recovered in 2021 with a growth of 4.8%, and further growth was seen in 2022 (5.6%). However, the recovery slowed down in 2023 to 2.0%. Projections for 2024 (3.1%) and 2025 (4.9%) indicate a modest yet steady recovery as Nepal continues to navigate the post-pandemic economic environment.

Graph 9: GDP growth rate of PAKISTHAN



Interpretation: Pakistan's GDP growth from 2016 to 2025 shows a pattern of fluctuation, with periods of growth followed by economic setbacks. In 2016, the economy grew by 4.1%, and growth slightly increased in 2017 (4.6%) and 2018 (6.1%). However, growth slowed in 2019 to 3.1%, and the COVID-19 pandemic caused a decline of -0.9% in 2020. In 2021, Pakistan's economy rebounded with a growth of 5.8%, followed by a stronger growth of 6.2% in 2022. However, in 2023, the economy faced another downturn with a slight contraction of -0.2%. Projections for 2024 (2.4%) and 2025 (3.2%) suggest a modest recovery, with gradual growth expected in the coming years.

Graph 10: GDP growth rate of SRI LANKA



Interpretation: The GDP data for the unspecified country from 2016 to 2025 shows notable fluctuations, including severe downturns. In 2016, the economy grew by 5.1%, followed by a stronger performance in 2017 at 6.5%. However, growth slowed significantly in 2018 (2.3%) and turned negative in 2019 (-0.2%). The economy then faced a major contraction in 2020, with a decline of -4.6% due to the COVID-19 pandemic. A modest recovery of 4.2% occurred in 2021, but the country faced another sharp downturn in 2022, with GDP falling by -7.3%. Data for 2023 and 2024 is unavailable, and projections for 2025 remain uncertain, indicating continued economic challenges ahead.

II. Findings

Pre-COVID (2016-2019):

- **India:** India maintained relatively strong growth, with a peak of 8.3% in 2016, followed by steady growth in 2017 (6.8%), 2018 (6.5%), and 2019 (3.9%). India was a strong performer in the region during this period.
- **Bangladesh:** Bangladesh's GDP growth was strong, with a peak of 7.9% in 2019. It performed similarly to India, reflecting positive economic development with growth rates of 7.1% in 2017 and 7.3% in 2018.
- **Maldives:** The Maldives had strong pre-COVID growth, with 8.7% in 2018 and 7.3% in 2019, showing a relatively robust economy before the pandemic.
- **Bhutan:** Bhutan's GDP grew well, particularly in 2016 (7.5%) and 2017 (5.9%), but slowed slightly in 2018 and 2019 (3.5% and 4.6%, respectively), performing slightly below India's rates.
- **Pakistan:** Pakistan's GDP growth in 2018 was notable at 6.1%, but the country struggled in 2019 (3.1%), underperforming compared to India.
- **Afghanistan:** Afghanistan had modest growth, with 2.2% in 2016 and a peak of 3.9% in 2019, showing weaker growth compared to India.
- **Nepal:** Nepal saw robust growth in 2017 (9.0%) and 2018 (7.6%), outperforming India in those years but slowed in 2019 (6.7%).
- **Sri Lanka:** Sri Lanka's growth rates were relatively stable pre-COVID, with 5.4% in 2017 and 3.3% in 2019, generally lower than India's growth rate during this period.

Post-COVID (2020-2025):

- **India:** India's GDP contracted by -5.8% in 2020 due to the pandemic but rebounded strongly in 2021 (9.7%) and maintained positive growth in 2022 (7.0%) and 2023 (8.2%). Projections for 2024 (7.0%) and 2025 (6.5%) suggest moderate growth.
- **Bangladesh:** Bangladesh was relatively resilient, with a smaller dip in 2020 (3.4%) and strong recovery in 2021 (6.9%), followed by continued growth in 2022 (7.1%) and 2023 (5.8%). Its post-COVID growth has generally been positive, though slightly below India's recovery rates.
- **Maldives:** The Maldives faced a severe contraction in 2020 (-32.9%) but saw an exceptional recovery in 2021 (37.7%) due to the revival of tourism. However, growth slowed in 2022 (13.9%) and remained moderate in 2023 (4.0%). Projections for 2024 and 2025 indicate steady growth at 4.7%.
- **Bhutan:** Bhutan experienced a contraction in 2020 (-2.5%) and further decline in 2021 (-3.3%), but recovery began in 2022 (4.8%) and continued into 2023 (5.0%). The country is expected to maintain stable growth, with projections of 5.2% in 2024 and a strong 7.2% in 2025.

- **Pakistan:** Pakistan's economy contracted in 2020 (-0.9%) but showed a recovery in 2021 (5.8%) and 2022 (6.2%). However, in 2023, it faced another downturn with a slight contraction (-0.2%), and projections for 2024 (2.4%) and 2025 (3.2%) suggest moderate growth.
- **Afghanistan:** Afghanistan experienced severe contractions in 2020 (-2.4%) and 2021 (-14.5%) due to political instability and the pandemic. The economy began to recover in 2023 (2.7%), but overall growth has been much weaker compared to India.
- **Nepal:** Nepal's economy contracted in 2020 (-2.4%) but saw recovery in 2021 (4.8%) and 2022 (5.6%). The growth slowed in 2023 (2.0%), with projections for 2024 (3.1%) and 2025 (4.9%) indicating a gradual recovery, although still behind India's growth rates.
- **Sri Lanka:** Sri Lanka experienced severe setbacks, with a contraction in 2020 (-3.9%) and a further dip in 2022 (-7.3%) due to political instability and economic challenges. There is no data for 2023 and beyond, but the country is expected to face a difficult recovery, lagging behind India's growth.

III. Conclusion

India led the region in terms of GDP growth before the pandemic and has shown a strong recovery post-pandemic, particularly in 2021 and 2023. Bangladesh, Maldives, and Bhutan also showed resilience and recovery, though Maldives experienced extreme fluctuations. Pakistan, Nepal, and Afghanistan struggled more during the pandemic, with Afghanistan and Pakistan showing slow recoveries. Sri Lanka faced significant setbacks and has yet to fully recover. Overall, while India's growth trajectory remains strong, most other SAARC nations have faced setbacks, with varying rates of recovery, and India continues to outperform its neighbors in the post-pandemic period.

Scope of the Study

The scope of the study focuses on analyzing GDP growth trends in SAARC nations before and after the COVID-19 pandemic, comparing the sustainability of economic recovery across member states. It also examines the role of regional cooperation and government policies in mitigating economic disruptions caused by the pandemic. The study further explores sector-specific impacts on economic performance, such as agriculture, manufacturing, and services.

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