SAARC CCI Electronic News Bulletin
Compilation of Selected Economic News from SAARC Member Nations

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Issued by:
SAARC CCI Information Cell
SAARC Chamber of Commerce and Industry
397, Street No 64, I-8/3, Islamabad
Pakistan
Tel: 0092-51-4860612-3, 8316023
Fax: 0092-51-8316024
EM: info@saarcchamber.org
Web: www.saarcchamber.org

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## CONTENTS

<table>
<thead>
<tr>
<th>S. No.</th>
<th>News</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Afghanistan prepared to implement transit agreement: MOCI</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Cash incentives raised for leather item exporters</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>BB to ease repatriation of IT remittances</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>July exports post 28.7pc growth</td>
<td>3</td>
</tr>
<tr>
<td>5.</td>
<td>Equities still better choice: Experts</td>
<td>3</td>
</tr>
<tr>
<td>6.</td>
<td>Remittance contribution to capital formation low</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>Dairy entrepreneurs ask for incentives with government</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>FPCCI opposes gas, power, petroleum products hike in prices</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>Ministry of Commerce efforts for 72 items export to EU</td>
<td>4</td>
</tr>
<tr>
<td>10.</td>
<td>PRGM EA seeks textile industry’s help to avert future crisis</td>
<td>4</td>
</tr>
<tr>
<td>11.</td>
<td>Credit, collateral laws should help women gain access to capital</td>
<td>5</td>
</tr>
<tr>
<td>12.</td>
<td>ICCI urges govt to withdraw raise in gas prices</td>
<td>5</td>
</tr>
<tr>
<td>13.</td>
<td>Mango traders demand shipment through sea route to USA</td>
<td>5</td>
</tr>
<tr>
<td>14.</td>
<td>Prospects for cooperation in transport &amp; communication</td>
<td>5</td>
</tr>
<tr>
<td>15.</td>
<td>The business of India in Sri Lanka</td>
<td>7</td>
</tr>
</tbody>
</table>
Afghanistan prepared to implement transit agreement: MOCI

Officials in Commerce and Industries Ministry on Saturday said, the Afghan-bound trucks will be unloaded in its final destination inside Afghanistan.
For more details please visit: http://www.khaama.com/afghanistan-prepared-to-implement-transit-agreement-moci

Cash incentives raised for leather item exporters

Bangladesh Bank has decided to inflate the amount of cash incentive for the leather goods' exporters by 2.5 per cent with an endeavour to promote the leather export volume. A circular of the central bank released on August 7 directed all approved foreign exchange dealers to allow 15 per cent cash incentive in lieu of earlier 12.5 per cent to the exporters of leather goods for the current fiscal year 2011-12.
For more details please visit: http://www.theindependentbd.com/business/banking/64566-cash-incentives-raised-for-leather-item-exporters.html

BB to ease repatriation of IT remittances

The central bank on Monday offered Authorised Dealers (AD) banks the facility of repatriating remittances against small value service exports in areas such as data entry, data processing, offshore IT services and outsourcing. Remittances can be repatriated through the Online Payment Gateway Service Providers (OPGSPs).
For more details please visit: http://www.theindependentbd.com/business/banking/64564-bb-to-ease-repatriation-of-it-remittances.html

July exports post 28.7pc growth

The country's export earning during the last month stood at US$ 2,339.52 million showing a growth of 28.70 per cent driven by good performance of the RMG, jute, frozen food, leather and leather products. The figure is also 7.40 higher than the strategic target of $ 2178.30 million, according to the latest figures released by the Export Promotion Bureau (EPB). The export target for the current fiscal was set at $ 26.5 billion.

Equities still better choice: Experts

NEW DELHI: Indian stock markets will give better returns over a period of three years compared to other instruments like fixed deposits, debt-oriented funds and gold, felt bankers and consultants. However, they added that the global economy would enter a slow growth phase because of the US downgrade, which would also affect the Indian economy to some extent.
For more details please visit: http://timesofindia.indiatimes.com/business/india-business/Equities-still-better-choice-Experts/articleshow/9534777.cms
Remittance contribution to capital formation low

KATHMANDU: Remittance is widely spent on daily consumption, followed by loan repayment and household property instead of capital formation, according to third Nepal Living Standard Survey published today.
For more details please visit: http://thehimalayantimes.com/fullTodays.php?headline=Remittance+contribution+to+capital+formation+low&NewsID=298690

Dairy entrepreneurs ask for incentives with government

KATHMANDU: Dairy entrepreneurs have asked for incentives in livestock sector to fulfill the demand of milk and milk products in the market.
For more details please visit: http://thehimalayantimes.com/fullTodays.php?headline=Dairy+entrepreneurs+ask+for+incentives+with+government&NewsID=298689

FPCCI opposes gas, power, petroleum products hike in prices

KARACHI: Federation of Pakistan Chamber of Commerce & Industry FPCCI Monday opposed recent gas, power and petroleum products prices increase and said it would lead to high cost of production.

Ministry of Commerce efforts for 72 items export to EU

KARACHI: The Ministry of Commerce is taking steps to get approval for the export of 72 items to European Union and getting GSP Plus status for Pakistan.

PRGM EA seeks textile industry’s help to avert future crisis

LAHORE: Pakistan Ready-made Garments Manufacturers and Exporters Association (PRGMEA) has sought support from the textile industry stakeholders in generating demand for locally produced bumper cotton crop to avoid crisis ahead.
For more details please visit: http://www.dailytimes.com.pk/default.asp?page=2011\08\09\story_9-8-2011_pg5_3
Credit, collateral laws should help women gain access to capital

ISLAMABAD: President, Islamabad Women's Chamber of Commerce and Industry (IWCCI) Samina Fazil on Monday said women entrepreneurs should diversify their businesses to excel and play important role in the national development. Fazil said that majority of business women are too much focused on few sectors while few would venture in other areas, which show lack of confidence, she said. Fazil said this while speaking to women entrepreneurs at the beginning of a 3-month training programme organised by Pakistan Stone Development Company (PASDEC) and the United Nations Industrial Development Organisation (UNIDO).

For more details please visit: http://www.dailytimes.com.pk/default.asp?page=2011\08\09\story_9-8-2011_pg5_4

ICCI urges govt to withdraw raise in gas prices

ISLAMABAD: The Islamabad Chamber of Commerce and Industry (ICCI) on Monday urged the government to withdraw increase in gas prices to strengthen the industry and trade activities. “Industry could grow and become cost competitive in the regional and international markets, if government reduces gas prices,”

For more details please visit: http://www.dailytimes.com.pk/default.asp?page=2011\08\09\story_9-8-2011_pg5_12

Mango traders demand shipment through sea route to USA

Islamabad—The Private sector Mangoes traders have urged the United States and Government of Pakistan to allow shipment of commercial mango consignments through sea from Pakistan to USA to make the process profitable for the Pakistani exporters.

For more details please visit: http://www.pakobserver.net/detailnews.asp?id=108006

Prospects for cooperation in transport & communication

A Seminar on Regional Connectivity in South Asia jointly organized by the Federation of Chamber of Commerce and Industry of Sri Lanka (FCCISL) and the SAARC Chamber of Commerce and Industry (SAARC CCI) was held in Colombo on July 28. The seminar attempted to scrutinize the current state of regional connectivity, need for improved regulatory and physical infrastructure developments of the connectivity and suggestions for improving and addressing the current impediments and future challenges relating to the regional connectivity.

The seminar proceedings were stimulated by the ADB funded SAARC Multi-Model Transport Study conducted on the initiative of 12th SAARC Summit and the “Declaration of Decade of (2010-2020) Inter-Regional Connectivity in SAARC” at the sixteenth SAARC Summit held in Bhutan, 2010. The private sector apex trade and industry organizations in the SAARC region were somewhat disappointed due to slow progress of the implementation of the findings of the ADB study and the progress of the implementation of the Declaration. Hence, the seminar was
organized to provide concrete, specific and pragmatic inputs from the private sector stakeholders to the public sector policy formulators and trade negotiators to achieve the enhanced regional connectivity which is a sine-quo-non for better regional trade and investment interaction among the private sector business practitioners for the improvement of income, employment and the general living conditions of the people in the region.

It is encouraging and inspiring to note that Professor G.L. Peiris, Minister of External Affairs of Sri Lanka during his keynote address emphasized that the “10 Points Programme” proposed by the President of SAARC CCI “provides valuable materials for further reflections.” The private sector business community in the region earnestly looks forward for further reflection and concrete plan on this subject by the political authorities of SAARC at their next summit in Male. In this process, the SAARC CCI recognizing the pragmatic value provided for the business development by the regional connectivity selected the theme as “Peace and Prosperity through Regional Connectivity” for its flagship 04th Annual Business Leaders Conclave to be held in Kathmandu, 20-22 September, 2011.

Shortcomings

The Seminar found a number of short-comings and imperfections of network linkages and physical infrastructure facilities which act as impediments for business development in the region. With regard to insufficient passenger and cargo connectivity through modes of Air, some of the resource persons narrated their difficulties in arriving even to the seminar venue in Colombo due to non-availability of sufficient direct flights Dhaka-Colombo sector and Kathmandu-Colombo sector.

It is also cited that a container takes 35 days to move from New Delhi to Dhaka and vice-versa as the current maritime route is via Bombay or Singapore/Colombo to Chittagong Port and then by rail to Dhaka. However, the same container can be moved between Dhaka/New Delhi within five days if there is direct railway connectivity between Dhaka and New Delhi. Similarly, moving a container from Dhaka to Lahore required traveling 7,162 Kms by sea instead of 2,300Kms across India by rail or surface transport, because of overland movement across India is not allowed at present.

There were instances where the prevailing trade and transit agreements between some of the member countries encountered difficulties due to political compulsions. Naturally these types of impediments cause difficulties particularly for the Land-Lock countries in the region. It is also observed that the strategic location of Sri Lanka provides ample opportunities for the development of Ports and Air Port Hubs for the transit trade of goods and passengers, not only for the region, but also beyond the region. It is also noted that Sri Lankan Air Line flies more than hundred flights per week to Indian cities while Mihin Air serves Colombo-Dhaka sector. Sri Lankan Air Lines also have daily air connectivity to the Maldives. Mihin Air flies to Kathmandu mainly catering for Pilgrim passengers. It is suggested that more frequent air connectivity between Sri Lanka, Nepal and Maldives which are favoured foreign tourists destinations would be mutually beneficial if the countries involved can offer "Sandwich Tourist Packages."

Regional connectivity

The Seminar also attempted to address the current impediments of regional connectivity. The President of the SAARC CCI Annisul Huq proposed a “Ten Point Road Map” for further reflections, as follows:

01. Implementation of transit trade as per the provisions of GATT Article V and SAFTA Agreement and finalize proposed Agreement on Regional Motor Vehicles, Railways, Inland water transport and short shipping.
02. Development of infrastructural projects such as upgradation of Petropol-benepole corridor, Development of Bagdogra airport, Improvement of Wagha-Lahore Rail link and expansion of Colombo Port as a Trans-shipment hub.

03. Standardization, simplification and harmonization of custom documentations and proceedings, cross border charges and fees and testing and certification procedures, while introducing electronic cargo clearance and IT facilities at land and sea ports.

04. Introduction of green channels, fast track multi-model transport channel and corridors, integrated container terminals, feeder services, dry port and modern traffic control and tracking system.

05. Improve sub-regional land and internal water connectivity, particularly in the North-Eastern part of the sub-continent.

06. Implementation of Transit Trade Agreement between Bangladesh and India and between Afghanistan, India and Pakistan

07. Promotion and development of Afghanistan, Pakistan, India, Bangladesh and Myanmar (APIBM) Transport Corridor through the Asian Highway, Trans-Asian Highway and Land and Sea-Routes as corridors to ASEAN Countries, China, Central Asia and West Asia.

08. An open sky policy regime for aviation sector.

09. A Single SIM for mobile phones in South Asia.

10. A single energy Bank for South Asia.

In addition to the above 10 point road map, the seminar also identifies the following areas which have potential to provide impetus for enhancing the connectivity in the region.

01. In addition to improving physical connectivity, the strong linkages in the social, cultural and scientific fields should be encouraged.

02. Closer collaboration between Chambers of Commerce and Industry and private sector business practitioners of the South Asian Region.

03. Identification of priority areas of investment and trade where private sector of the region could create synergies in areas of mutual interest.

04. Implementation of resolutions already agreed upon by the SAARC on multi-mode transport systems.

05. Investments in establishing a South Asian re-insurance facilities and a fund to serve the growing insurance industry in the region.

06. Dismantle items which are highly tradable but now figured in the negative list in the SAFTA Agreement.

07. Providing facilities to increase issuance of SAARC Business Visa from hundred visas to thousand visas while keeping the validity period of the visa at least to one year for facilitating business interaction among the entrepreneurs of the region.

08. Open Air Aviation Policy along does not improve the connectivity in the region. The Open Air Aviation Policy will deliver the desired results provided that the countries should diversify their tourists’ products and services from the current traditional tourism products.

The apex body of the business practitioners in the region earnestly wishes that the proposals discussed at the seminar would be taken on board by the governmental policy formulators and trade negotiators while interacting with their counterparts in the region. Improved connectivity is no doubt would be mutually beneficial to all the parties.

(This note prepared by the Research and Policy Advocacy Unit of the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL). Notifications of this nature could be accessed by visiting our blog at www.blog.fccisl.lk)
The business of India in Sri Lanka

With the dawning of peace upon a nation that withstood 3 decades of terror, Sri Lanka is looking towards development and aiming at economic revival. While lobbying foreign investors to invest in Sri Lanka, it is no surprise to see India engage its neighbour – this time from the economic front.

For more details please visit:  http://print.dailymirror.lk/business/127-local/52537.html