Statement

The South Asian Region hosts nearly 2 billion people and it is forecasted that the region will contribute nearly 30% of world GDP by 2050. The intra-regional trade represents only meager 5.3% (exports) and 4.8% (imports) of the total trade, which explains the low integration that exists in South Asia. In contrast, if we take the EU, 55% of the total trade comes from within the EU. ASEM, 6% of the total trade comes from within ASEM. I feel this is a significant area. I believe that Chambers in South Asia should lay attention to improve on. In contribution of this aspect the SAARC Trade Fair is being conducted under the aegis of SCCI.

The theme of this year’s event “Regional opportunities for Global Growth” will focus on the importance of harnessing strengths available within the SAARC region to jointly emerge as a regional force in seizing the global opportunities that could lead to socio-economic development in the region.

I believe the integration of SAARC Apex bodies which is a lacking fact at the moment could also be another element that would help enhance the wealth of human resources in SAARC Region. There is a clear vacuum which is felt by the citizens of this region and there lies the opportunity for a reputable professional body to set standards and lead the fight against these forces which prevent South Asian nations from developing at a much faster rate.

The integration of SAARC Apex bodies may address this fact as a satisfactory remedy. The Four SAARC Apex Bodies recognized by the SAARC Secretariat namely, SCCI, SAF, SAF and SAARC Law have been functioning in isolation in Sri Lanka hitherto. Now the negotiations are ongoing to integrate the SAARC Apex bodies in Sri Lanka under a united banner in the name of “Organization of SAARC Apex Bodies in Sri Lanka”, with an objective of improving transparency, accountability, and governance leading to poverty alleviation.

The immediate task that the committee has undertaken is to organize a conference for professionals of the region on “Strategic Enterprise Governance and Poverty Alleviation” to coincide with the SAARC Summit in August. It was felt that the chosen theme was current in and relevant to the region. Since the Conference is to precede the SAARC Summit, it is expected that there will be considerable foreign participation especially from the SAARC countries.

Energy crisis that is looming over our economies in the SAARC region is another burning issue that has to be addressed collectively; how we are going to share our resources and alternative sources for generation of energy that could cater to the needs of SAARC is open to be debated.

I firmly believe under the eminent leadership of its current President of SAARC Chamber of Commerce and Industry Mr. Tariq Saeed could make an effective contribution towards the economical growth of South Asia.

Dear Readers:
The SAARC-Biz published as a monthly venture to keep our members abreast with the latest activities of the SCCI and henceforth mainly covers the various events held in the region. This issue comprises activities of SCCI during June-July 2008 coupled with other informative stuff. Your comments and feedback to improve the contents of the bulletin will be appreciated.
Chambers Competition Award arranged by SCCI Sri Lanka: Mr. Tariq Sayeed, President SAARC SCCI inaugurated the in Colombo as Chief Guest of the ceremony. The Federation of Chambers of Commerce and Industry of Sri Lanka on 27th June 2008, Sri Lanka. These Awards are the first ever Chamber competition in Sri Lanka with the theme of ‘rising above rest’, which has been awarded to the best projects implemented by regional chambers in recognition of the services rendered under 7 different categories e.g. Best public private partnership project, Best Unconventional Project for SMES, Best CSR project, Best Skills Development Programme, Best New Membership Recruitment Programme, Best project for SME development and Best public private partnership project. In addition to these categories, individuals who have contributed to the regional chamber movement has also been awarded under other different categories i.e. Chamber pioneers, “Decade plus” and best services provider individual representing Public Sector. The idea of these Awards was inspired by winning the World Chamber award at the World Chambers Federation Competition, which is expected to create healthy competition in the country and fruitful to promote and enhance the confidence of businessmen and standards of Sri Lankan Chambers.

Mr. Tariq Sayeed, President SCCI met Sri Lankan Minister of Textiles and Industries Development: During his visit to Sri Lanka President SAARC CCI held meetings with Minister of Textiles and Industries Development Mr. Kanera Valgama and President Federation of Chambers of Commerce & Industry, Sri Lanka Mr. Nawaz Rajabdeen and discussed issues of mutual interest while emphasizing those two countries should effectively contribute to promote bilateral as well as regional trade. Sri Lankan Minister informed President SAARC CCI that the Government of Sri Lanka has offered special incentives for investment from Pakistan under SAFTA and FTA and added that there existed huge potential for Pakistani companies to export textiles items and cement to Sri Lanka and the construction industry in Sri Lanka was growing with a reasonable pace. The Government of Sri Lanka has a floating tender to import Cement. The President SAARC CCI while appreciating the liberal investment policy of the Sri Lankan Government towards Pakistan said that he would soon organize a delegation to explore trade and investment opportunities in Sri Lanka. Mr. Nawaz Rajabdeen, President the Federation of Chambers of Commerce & Industry, Sri Lanka who is also Vice President SAARC CCI appreciated the efforts of Mr. Tariq Sayeed for institutional development of SAARC CCI and assured his measure like the appointment of Secretary General to streamline the activities and transformation of quarterly news bulletins into a monthly venture.

Sri Lanka Economic Summit-2008 3rd July 2008, Colombo, Sri Lanka: Mr. Tariq Sayeed, President SAARC CCI was invited by Ceylon Chamber of Commerce as a Speaker on session “Trade and Investment Opportunities in SAARC” at Sri Lanka Economic Summit-2008 on 3rd July 2008. Colombo. During address Mr. Sayeed stresses that “Enhancement of trade and investment is inevitable for economic integration of SAARC, where enormous potential already exists in areas of trade, investment and services, which need to be tapped in true perspective through pooling up resources and synergizing efforts at Government and Public sector level” President regarded investment as a tool to develop trade and economy of the country, quoting example of China where FDI played a crucial role to transform China into an economic Giant. Revolutionary export growth from only $850 million in 1950 to over $1 trillion was the phenomenal out come of FDI in flowed in China. However, he said that intra-regional investment in SAARC can not be flourished until unless the member nations of SAARC do not sign bilateral investment treaties. The potential of intra-regional trade can be tapped by implementing SAFTA in letter and spirit, which is the only available document that provides a tangible road map to achieve the objectives for which SAARC was created. Earlier Hon’ble Professor G L Peiris, Minister of Export Development & International Trade, Sri Lanka inaugurating the session that the Government of Sri Lanka had embarked upon highly liberalized policy, which had helped in attracting FDI. He invited the private sector of the region to exploit the facility of Sri Lanka to have zero-rated access to European market and said that sectors like Textiles and Cement had great potential for exporters of the region.
Visit to FCCISL: Mr. Tariq Sayeed, President SCCI visited the Federation of Chamber of Commerce & Industry of Sri Lanka along with Mr. Nawaz Rajabdeen, President the Federation of Chambers of Commerce & Industry. President was awarded with shield by Mr. Nawaz Rajabdeen President FCCISL. Mr. Sayeed was briefed about the working of the federation. Past President FCCISL Mr. Macky Hashim was also present at the occasion.

Visit to Exhibition & Convention Centre: Mr. Tariq Sayeed President SCCI visited the Sri Lanka Exhibition and Convention Centre and met Ms. Shanti Outschoorn, Executive Director, Sri Lanka Exhibition & Convention Centre. He visited the various stalls at the exhibition and said that among the many bold initiatives taken towards achieving the long term objectives of SAARC is the organizing of the Trade Fair and Exhibition which has immensely contributed to economic cooperation among business, industry and entrepreneurial sectors of the member countries.

During visit Mr. Sayeed also held meeting with various personalities from different sectors and briefly discussed issues of SAARC region. These personalities include Miss Lilakshini De Mel-Senior Assistant Secretary General CCC, D.Eassuwaran-President, The National Chamber Of Commerce of Sri Lanka & Honorary Consul for Republic of Mauritius, Mr. Sumith Henry-Executive Pr & Events, FCCISL, Dr. Ayubur Rahman Bhuyan-Economic Adviser, Former Professor of Economics University of Dhaka, Pradip K. Mohapatra-Chairman Governing Board, Executive & Business Coaching Foundation India Ltd, Anuranga Ellawala Management Executive, The Ceylon CC, Chandrajit Banerjee-Director General, Confederation of Indian Industry, Pradip K. Mohapatra-Chairman Governing Board, Executive & Business Coaching Foundation India Ltd, Anuranga Ellawala-Management Executive, CCCI.

Mr. Tariq Sayeed called on Pakistan High Commissioner Mr. Shahzad A. Chaudary on 3rd July 2008: They exchanged their views to overcome problems impeding the growth of bilateral trade between Pakistan and Sri Lanka. Mr. Sayeed appreciated the views and ideas of Pakistani High Commissioner and work done by Pakistan High Commission in Sri Lanka under the guidance of Mr. Shahzad A. Chaudary. President SAARC CCI appreciating the role of High Commission wished that every High Commissioner should have similar approach for regional developments.

### SCCI Activities

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President SCCL presenting Best SME Development Project award to Matara District Women's Chamber of Commerce & Industry at Chambers Competition awards on 27th June, 2008, Colombo.

President SCCL along with Premal Cooray, Secretary General/CEO - The Ceylon Chamber of Commerce, Hildon Hamangoda - In-charge SAARC Desk and Mr. Mahen Dayananda - Chairman, The Ceylon Chamber of Commerce on 3rd of July, 2008, Colombo.

Group photo of President SCCL with Mr. Kanera Vulgam - Minister of Textiles & Industry and FCCISL Officials on 4th July, 2008, Colombo.

President SCCL, met with In-charge SAARC CCI desk at FCCISL, Mr. Hildon Hamangoda on 27th June, 2008, Colombo.

President SCCI along with Mr. Chandrakirte Banerjee, Director General, Confederation of India Industry at Sri Lanka Economic Summit-2008, 3rd July, 2008, Colombo.


President SCCI met with Mr. D. Eknawas, President , The National Chamber of Commerce of Sri Lanka on 4th July, 2008, Colombo.

President SCCI met with officials of FACCISL on 2nd July, 2008, Colombo.
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Mr. Arshad Riaz Fazail

A distinguished name in the world of business. Mr. Arshad Riaz Fazail is one of the leading personalities in business community and belongs to a well-known FAZAIL Family from Pakistan. Mr. Arshad Riaz Fazail did his graduation from Government College of Commerce & Economics, Karachi, while O’ levels from Karachi Grammar School, Karachi.

In addition to his responsibilities as Chief Executive Officer of ICPL, he is also:
- Life Member of the Federation of Pakistan Chambers of Commerce & Industry
- Life Member of SAARC Chamber of Commerce and Industry
- Life Member of Karachi Council on Foreign Relations, Economic Affairs & Law
- Life Member of Confederation of Asia Pacific Chambers of Commerce & Industry
- Life Member Defence Society Residents Association
- Honorary Member of the Islamic Chambers of Commerce & Industry
- Member Pakistan – India CEO’s Business Forum
- Associate Member of Gulf Petrochemicals and Chemicals Association
- Member Managing Committee of the Federation of Pakistan Chambers of Commerce & Industry (‘2005-06)
- Member of various Business Councils including Social and Welfare Organizations

International Chemplast (Pvt.) Limited, a leading organization in Pakistan – Representing a number of International Suppliers and Manufacturers from all over the world. ICPL is synonymous for “excellent services by professional management” and enjoys excellent reputation in business circles in Pakistan and all over the world. Activities are in Basic Chemicals, Intermediate Chemicals, Polymers, Fertilizer Allied Products and various others.

DEVELOPMENT PLANS

ICPL while maintaining its traditional role of Representation House - is actively planning to expand its role into Distribution of Chemicals, Plastics raw material and allied products to end-users - yet another service to the industry. The company is also directly or through their sister concern planning Chemicals + Plastics downstream projects. Major investments are being planned for further diversification including Bulk Chemicals Terminals and Plastic raw material warehousing centers. These projects are intended to help consolidate and improve the existing market share of the company as well as to meet the increasing demand of Industry.

AFFILIATED COMPANIES

ICPL affiliated companies are diversifying in various businesses per Real Estate, Telecommunications, Alternative Energy, Iron Steel and Other Sectors.
Federation of Nepalese Chamber of Commerce & Industry in association with European Commission & The Ceylon Chamber of Commerce is launching South Asia meets South Europe - "A Technological and Business Matchmaking event for SMEs in the IT & IT enabled services and Processed Food sector. The project is co-funded by Asia Invest Programme II of the European Commission (EU).

The focus area of the event include Information Technology & Information Technology enabled service (Travel & Tourism, bank and financial institutions, Trading and Export Business, Education Institutions, Hospitals, Research Organization, Call center, e-government etc) and Food processing Industries sectors (Honey, Tea, Coffee, Noodles, Biscuits, Dairy, Sugar, Fruits & Fruits Processing etc). The main objective of South Europe meets South Asia Event is to promote technological and business collaboration by facilitating one to one business meeting between the Asian SMEs from Nepal, Bangladesh, Sri Lanka and European SMEs from Greece, Italy, Spain and Slovenia.

Federation of Bangladesh Chamber of Commerce & Industry Business Delegation visited Turkey to attend the "Turkey-Pacific Foreign Trade Summit & Buyer Mission on 16th June 2008. A 28 member business delegation of Bangladesh led by Mr. Anisul Huq, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) visited Turkey recently to attend the Turkey-Pacific Foreign Trade Summit & Buyer Mission programme. Confederation of Businessmen and Industrialists of Turkey (TUSKON) organized the summit in Istanbul during 16 to 21 June, 2008 with a view to bringing together businessmen from Asia-Pacific countries. 465 businessmen from 20 countries of the Asia-Pacific region discussed joint business projects at the Summit.

During the visit the FBCCI President along with his team members called on Hon’ble President of Turkey H.E. Mr. Abdullah Gul. They have very warm and friendly discussion at the meeting. The FBCCI delegation also met the leaders of business community and dignitaries of Turkey. The Turkish businessmen expressed their interest to invest in Bangladesh and exporting Bangladeshi products. A Turkish delegation is expected to visit Bangladesh soon in this regard.

FBCCI has signed an agreement of mutual cooperation with TUSKON for the promotion of trade and business between Bangladesh and Turkey. Mr. Anisul Huq, President, FBCCI and Mr. Rizanur Meral, President of TUSKON on behalf of their respective Chamber signed the cooperation. Under the agreement both chambers will exchange trade missions, support or co-sponsor, trade and investment seminars, supply relevant market information, etc. The chambers will assist each other holding exhibition in the home market of the other and will cooperate exchanging trade and business enquiries & conducting research and training programs for human resource development.

The Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) has got the opportunity of hosting this prestigious SAARC event for the second time that will be held from 28th to 31st August 2008. Theme of the 8th Trade Fair will be “Regional opportunities for global growth". Along with the two Ministers, High Commissioners and Diplomatic Representatives of SAARC countries in Sri Lanka were also present at the launch.

Nawaz Rajabdeen, President, FCCISL and Vice President, SAARC Chamber of Commerce and Industry welcoming the guests said that among the many bold initiatives taken towards achieving the long term objectives of SAARC is the organizing of the SAARC Trade Fair which has immensely contributed to economic cooperation among business, industry and entrepreneurial sectors of the member countries. He said that this Trade Fair has now become a regular feature since 1996 when the first SAARC Trade Fair was held in New Delhi, South Asia is considered to be the most diversified culture and biodiversity of the world and the prospect of new product development, marketing of tourism in the region and sharing resources through joint strategies are some of the responsibilities of SAARC. The annual SAARC Trade Fair is the forerunner in achieving these goals.

The main goal of SAARC is to accelerate the process of economic and social development in the member states, through joint action in the agreed areas of cooperation. This Trade Fair is one such events which promotes the objectives of SAARC Charter such as: Promote the welfare of the peoples of South Asia and to improve their quality of life; Accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potential; Promote and strengthen collective self-reliance among the countries of South Asia; Promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields; Strengthen cooperation with other developing countries; Strengthen cooperation among themselves in international forums on matters of common interest and Cooperate with international and regional organizations with similar aims and purposes. The theme of the 2nd SAARC Trade Fair held in Colombo was “Opportunity for Regional growth". It was a stupendous success where 158 stalls were reserved by the six foreign countries in addition to the open area while Sri Lanka had more than 100 stalls on display. More than 100,000 foreign and local buyers visited the Trade Fair.
Upcoming Regional Fairs, Exhibition and Events

**BANGLADESH**
Asian International Trade Expo
(11-20 Aug 2008)
Venue: Bangladesh-China Friendship Conference Centre, Dhaka
http://www.biztradeshows.com/trade-events/asian-trade-expo.html

**INDIA**
Componex Nepcon 2008 Chennai
(15-17 Jul 2008)
Venue: Chennai Trade Centre, Chennai, India
http://www.biztradeshows.com/componex-nepcon-india/

INDIA International Garment Fair (IIGF)
(16-19 Jul 2008)
Venue: Apparel House, Gurgaon, Haryana, India
http://www.biztradeshows.com/trade-events/garment-fair.html

Times Property Expo 2008 - Hyderabad
(18-20 Jul 2008)
Venue: Hotel Taj Krishna, Hyderabad, Andhara Pardesh, India
http://www.biztradeshows.com/trade-events/times-property-hyderabad.html

Power Asia-India
(29-31 Jul 2008)
Venue: Pragati Maidan, New Delhi, India
http://www.biztradeshows.com/power-asia-india/

INDIA International Build Expo (IIBE)
(1-3 Aug 2008)
Venue: Chennai Trade Centre, Chennai, India
http://www.biztradeshows.com/india-international-build/

Fashionista fashion & Lifestyle Exhibition
(1-3 Aug 2008)
Venue: Raja Rani Banquet Hall, Meerut, Uttar Pradesh, India
http://www.biztradeshows.com/india-international-build/

Travel & Tourism Fair-Kolkata
(2-4 Aug 2008)
Venue: Pragati Maidan, New Delhi, India

INDIA Infrastructure Investment Conference 2008
(7-10 Aug 2008)
Venue: Grand Hyatt Hotel, Mumbai

INDIA Outside Megashow-Ludhiana
(14-17 Aug 2008)
Venue: Harshheelaa Resorts, Ludhiana

Renewable Energy India 2008 Expo
(21-23 Aug 2008)
Venue: Pragati Maidan, New Delhi
http://www.renewableenergyindiaexpo.com/Endorsements.html
Email: business.horizontal@gmail.com

ELCOMP India 2008; An Exciting Time for Electronic Industry
http://www.elcompindia.com

WIMAX India 2008
(22 Aug 2008)
Venue: InterContinental The Grand New Delhi, New Delhi
http://www.biztradeshows.com/trade-events/wimax-india.html

**NEPAL**
Security Expo 2008
(24-27 Jul 2008)
Venue: Direction Exhibition & Convention Centre, Kathmandu
http://www.biztradeshows.com/trade-events/security-expo.html

Office Expo- Kathmandu
(24-27 Jul 2008)
Venue: DECC, UWC, Triputeswor, Kathmandu
http://www.biztradeshows.com/trade-events/office-expo.html

Health & Fitness Expo 2008
(21-24 Aug 2008)
Venue: Direction Exhibition & Convention Centre, Kathmandu
http://www.biztradeshows.com/trade-events/health-fitness.html

**PAKISTAN**
Destination Pakistan
(18-20 Jul 2008)
Venue: Karachi Sheraton Hotel, Pakistan
http://www.biztradeshows.com/trade-events/destination-pakistan.html

Build Asia Exhibition
(27-29 Jul 2008)
Venue: Karachi Expo Centre, Karachi Pakistan

Wood & Furniture Asia
(2-4 Aug 2008)
Venue: Karachi Expo Centre, Karachi
http://www.biztradeshows.com/trade-events/wood-furniture-asia.html

Property Asia
(2-4 Aug 2008)
Venue: Karachi Expo Centre, Karachi
http://www.biztradeshows.com/trade-events/property-asia.html

Information Technology Commerce Network Asia (ITCN Asia)
(11-13 Aug 2008)
Venue: Karachi Expo Centre, Karachi

**SRI LANKA**
15th SAARC Summit
2nd-3rd August 2008
Venue: Colombo Sri Lanka.

Summer Fair
(25 Jul-3 Aug 2008)
Venue: Sri Lanka Exhibition & Convention Centre, Colombo
http://www.biztradeshows.com/trade-events/summer-fair.html

Construct Exhibition
(5-10 Aug 2008)
Venue: Bandaranaike Memorial International Conference Hall (BMICH), Colombo
http://www.biztradeshows.com/trade-events/construct-exhibition.html

1st South Asian Economic Summit
(28-30 Aug 2008)
Venue: BMICH, Colombo
http://www.1sas/1sas/index.html

8th SAARC Trade Fair
(28-31 Aug 2008)
Venue: Colombo
http://www.saarc-trade-fair.com/
Overview of Textile Industry in South Asia

The size of the world textile and apparel market is considered $350 billion to $400 billion, which is likely to expand to $800 billion by 2014, whereas the share of Pakistan is only 1.5% in world apparel trade conducted by developing economies. In post-quota regime China and India have emerged as major players in textile and garments and it is anticipated that by 2010 China may capture more than 50% share while India would be second with about 25% share in world’s textile and apparel market.

BANGLADESH Since independence, the economy of Bangladesh is dependent on agriculture as most of the people live in rural areas. The goal of the government policy is to reduce poverty by receiving the maximum output from agriculture and to attain self-sufficiency in food production. Besides agriculture, the development of export sector is under greater consideration. Exports from Bangladesh have both grown and changed substantially as time goes on. After the birth of Bangladesh, jute and tea were the most export-oriented sectors. But with the constant threat of flooding, declining jute fibre prices and a significant decrease in world demand, the contribution of the jute sector to the country’s economy has deteriorated. After that attention has been towards value addition, especially in garment industry. The garment industry in Bangladesh has become the main export sector and a major source of foreign exchange earning since 1980. It currently exports about $5 billion worth of products each year. According to available statistics the industry employs about 3 million workers of whom 90% are women. Two non-market factors have played a crucial role in ensuring the garment sector’s continual success namely (a) quotas under Multi-Fibre Arrangement (MFA) in the North American market and (b) preferential market access to European markets. The whole procedure is strongly related with the trend of relocation of production. Garment manufacturing industry, accounting for 80% of overall exports fetches 40% of the country’s industrial jobs estimated US $9.3 billion out of a total $12.18 billion export earnings in the last financial year to June 2007. Bangladesh’s garment exports grew strongly on the back of hefty exports to major markets in Europe and the United States, signaling a recovery by the vital industry, as the exports grew by 58% in January 2008 to $957 million from the same month a year earlier.

INDIA India is the world’s second largest producer of textiles and garments after China. It is the world’s third largest producer of cotton after China and the USA and the second largest cotton consumer after China. The textile and garment industry in India is one of the oldest manufacturing sectors in the country and is currently its largest. The textile and garment industry fulfills a pivotal role in the Indian economy. It is a major foreign exchange earner and, after agriculture, it is the largest employer with a total workforce of 35 million, including the production of natural raw materials such as cotton, jute, silk and wool, as well as synthetic filament and spun yarn. In addition an extensive range of finished products are made. The Indian textile industry accounts for about 23% of the world’s spindle capacity, making it the second highest after China, and around 6% of global rotor capacity. Also, it has the highest loom capacity including hand looms with 61% share. India accounts for about 12% of the world’s production of textile fibres and yarns. This includes jute, of which it is the largest producer. The country is the second largest producer of silk and cellulose fibre and yarn, and the fifth largest producer of synthetic fibre and yarn.

India’s current season cotton production was around 27 million bales while consumption was 23.5 million bales, leaving a surplus of 3.5 million bales, but India exported 4.5 million bales. According to Indian National Manufacturing Competitive Council (NMCC) it is expected that textile growth from a total value of US $36 billion to US $45 billion over the next 6 years. According to Indian Textiles Minister Shankarsinh Vaghela, the textile sector is expected to attract investments worth Rs. 1.5 trillion ($35 billion) by 2012, leading to creation of 17.37 million new jobs.

PAKISTAN Future of the textile industry in Pakistan seems bright as lots of opportunities are available in the wake of rising world demand for textiles. The rise in demand is estimated at around 2.5 per cent, thus creating greater opportunities for the fourth biggest cotton producer country of the world. In line with the world market situation, the Pakistan Ministry of Textiles has fixed an export target of $13 billion for the year 2007-08, giving the textile units in Pakistan the opportunity to expand their scope. There are number of other factors which can contribute to the growth of industry for instance the ban on cotton import from India has been lifted and spinners would be allowed cotton import from India.

According to recent official figures, the Pakistan textile industry contributes more than 70 per cent to the country’s total exports, which amounts to around 11.2 billion US dollars. The industry contributes around 46 per cent to the total output produced in the country. In Asia, Pakistan is the 8th largest

Continued ......
Overview of Textile Industry in South Asia

exporter of textile products. The contribution of this industry to the total GDP is 8.5 per cent. It provides employment to 38 per cent of the workforce in the country, which amounts to a figure of 15 million. However, the proportion of skilled labour is very less as compared to that of unskilled labour. The Pakistan textile industry is facing tough competition from the Indian, Bangladesh and Chinese textile industries. The cost of power in Pakistan is high as compared to that in other countries. On account of these reasons, the Pakistan textile industry is going through a critical condition. New textile policy is expected to help increase export of textile products. The proposed textile policy would help increase export of textile products, improve competitiveness and generate employment in the industry. Since textile was the backbone of the industrial sector and the government has to support the private sector in its efforts to modernize itself, increase the productivity and competitiveness of textile products. The proposed policy envisages building a new culture which would expedite the process of improvement in all the segments of textile sector.

However, there is still skills gap in all the entities of the textile sector as well as the concerned government organizations which has to be filled by professionals to cope with the challenges and the changing environment s of international marketing.

SRI LANKA
Development of the textile industry was encouraged by the Sri Lankan government during the 1960s and 1970s as a means of import substitution. The apparel industry, by contrast, developed as a dynamic and export-oriented sector. Growth accelerated during the 1980s on the back of Sri Lanka’s assured quotas, its relatively large, trainable and low cost workforce, and the quality of its infrastructure. Over the last two decades, the apparel industry’s export growth record has been remarkable and growth is expected to continue.

The textile and apparel industry occupies a prominent position in Sri Lanka’s industrial structure. It is the biggest employer in manufacturing industry, and Sri Lanka’s number one export earner. In 2001 it supplied 53% of the country’s total exports and accounted for 69% of its industrial exports. The industry has recorded a growth in the last few years. The export of handloom products has increased from Rs.104 mn. in 2000 to Rs.135 mn. in 2005. These export earnings are accounted by 10-15 enterprises although there are many handloom weaving units located in different parts of Sri Lanka. Export market account for a substantial quantity of soft toys made out of handloom fabrics, hand woven materials such as curtaining, bed and table linen, bath and kitchen linen, and cushion covers, etc.

However, the industry is highly reliant on Western developed markets95% of exports are directed towards the USA and the EU alone. Consequently, it has been badly affected recently by weak economic conditions in its two major markets. Another shortcoming is the fact that the apparel industry depends heavily on imported fabrics and accessories. As a result, the net benefit of apparel exports to the Sri Lankan economy is estimated at only 35%. The government of Sri Lanka has identified the apparel sector as vital to the country’s economy. It is fostering the sector’s development by providing an array of incentives to encourage new investors. The Sri Lanka handloom textile industry is highly labour intensive export oriented rural based industry generating high returns. It has gained high socio economic importance due to the significant employment generating potential especially among the rural women in Sri Lanka. Hand woven items are unique from other textile products because of the special characteristics they have. Being mostly cotton based, it demonstrates excellent fabric handling properties partly due to its weaving method.

SAARC-Biz is circulated to life members
SCCI, Leading Business Groups in
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