Dear Readers,

The SAARC-Biz is published as a monthly venture to keep our members abreast with the latest activities of the SAARC CCI and henceforth mainly covers the various events held in the region. This issue comprises activities of SAARC CCI during April-09 coupled with other informative stuff. Your comments and feed back to further improve the contents of the bulletin are appreciated.

Vice-President Message

The present crisis has enveloped the whole world but is unique in nature. No one is blaming the other. Every country is trying hard to get rid of it. The efforts so far made have not proved result oriented. Countries with modest means are the worst sufferers. They are looking forward to the international agencies or the advanced countries having meaningful resources at their end for the rescue. SAARC region consists of the countries with modest means, besides are very populous and dominant with poverty, under employment or un-employment.

To combat with the present crisis the essentials seem to be uniformity of the views and willingness to resolve the problems and mutual cooperation through gathering synergies. Unfortunately the present crisis is accompanied with recession and it is being predicted that the year 2009 could witness fall in global food production, rainfall and water shortage. The SAARC countries are already facing these shortages and all the efforts of the governments to take corrective steps are foiled by the extremists. By & large, all the SAARC countries are subject to threat of extremism. It is therefore pertinent that the governments of SAARC countries should shun the differences and determine to work closely to face this menace.

On the economic front, SAARC region could do a lot despite having competing economies which affect the exports. The private sector could play the key role in resolving this issue. They can operate jointly or avoid competition. They should also exchange goods among themselves which they usually import from outside. It will reduce the cost of transportation due to proximity or common borders and advantage of promoting regional trade.

SAARC countries are short of energy. India is successfully generating energy from coal whereas other countries having coal so far could not explore this source. India in capacity as the biggest country in SAARC Region should share its experience with neighbour countries to help them out of energy crisis which is eating into the vitals of industrial sector. In agriculture similar cooperation could be triggered. SAARC countries could guide all the neighbour countries on improving the yields per hectare, raise animals, by-products like dairy farming, horticulture and development of other agro-based industry. Similarly, the members should be helped by the member countries in exploration of their natural wealth.

To increase trade wherever, possible border trade should be encouraged. The low duties do work as an incentive but lose advantage if common border is not available. It necessitates to enhance mutual contacts, understanding about the potentials of neighbour countries and knowledge about the items that could be mutually traded. This process could be further strengthened through joint investment, exchange of skills and production techniques necessary for the development of HR.

Youth when trained will prove the most valuable asset to the respective countries.

Being a representative of regional business community I believe that business and industry can play critical role to take out South Asia economies from such hazardous security and economic crisis. It is true that without ensuring peace in the region the economic relations cannot gain momentum at desired pace but we have learnt from history that process of economic integration has been taken as cure for conflicts that we can opt to ensure prosperity of the region.

I am certain the SAARC Chamber will play a dynamic and positive role in improving economic cooperation and socio-economic relations among the member countries.

Ifkhar Ali Malik
Vice President, SAARC CCI
SAARC CCI Activities

SAARC CCI organized Lecture Series- Creation of Common Stock Market in South Asia prerequisites and concerns, in collaboration with Federation of Pakistan Chambers of Commerce & Industry at Federation House Karachi on March 30, 2009 supported by Friedrich Naumann Foundation. Mr. Tariq Sayeed President SAARC CCI who was a keynote speaker at the program said, Creation of Common Stock Exchange in South Asia will help foster integration process in the region and develop required linkages between institutions to strengthen financial sector. President SAARC CCI specifically touched upon the technical and pragmatic aspects which were required to be compiled by respective governments of South Asia. He emphasized that SAARC countries should enhance cooperation in services sector like education, health, tourism, financial sector including banking, insurance and capital market, which had a quantified potential of $20 billion per annum in South Asia.

President SAARC CCI was of the firm opinion that formation of common stock market will help develop people to people contact, forge alliances between the institutions, create employment opportunities, and serve as a confidence building measures. He urged upon the respective governments of South Asia to harmonize the compatible variables particularly the monetary and fiscal policies required to transform the idea of common stock market in South Asia with a reality. Mr. Sultan Ahmed Chawla, President FPCCI said that until today, despite the cooperation in various areas of the economy among the SAARC member states, there have not been any serious attempts to bring together their stock exchanges. Therefore, SAARC member states should forge regional alliances and cooperation in view of the effects of globalization on financial markets. He emphasized that Stock exchanges are instruments aiming to mobilize financial resources to facilitate their optimal utilization in profitable investment projects. Hence through the creation of Common Stock Market in SAARC member countries, the existing stock exchanges could coordinate and standardize their policies, rules, regulations and market techniques and procedures.

He proposed the Establishment of a Data Center which should include the data of the respective stock exchanges; Creating a common index for member countries’ stock exchanges; Promoting the creation of the common Depository Receipts; Cross-listing and cross-membership; Creating a Common Trading Platform; Promoting the harmonization of market rules and procedures; and Best practices for stock exchanges for the creation of common stock market in South Asia. The lecture was delivered by Dr. Ayub Maher DG R&D FPCCI and professor Karachi University Business School. Mr. Aftab Ahmed Chaudry SAFE & MD Islamabad Stock Exchange. Prof. Iqbal Ismail, former Director KSE, Mr. M.A.Lodhi Secretary General FPCCI and former MD Karachi Stock Exchange concluded the working session of the lecture. The vote of thanks was delivered by Mr. Zakaria Usman Vice President FPCCI.

SAARC CCI Calendar of Events:

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<th>Name</th>
<th>Venue</th>
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<tr>
<td>Seminar on Regional Connectivity: Potential for Infrastructure Development &amp; Energy in South Asia</td>
<td>Dhaka Bangladesh</td>
<td>Third Week of May 2009</td>
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<td>SAARC Government's Commitment to Economic Freedom in South Asia</td>
<td>Islamabad, Pakistan</td>
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Third Meeting of the SAARC Working Group on Tourism was organized by SAARC from 7-8th April in Colombo. Mr. Macky Hashim, ex-President, SAARC Chambers of Commerce & Industry (SCCI) made a brief presentation highlighting the activities carried out by the SAARC CCI for the promotion of tourism during the years 2007-2008. In his presentation, he underscored the importance of tourism in the SAARC Region and its contribution in economic development. He referred to a number of recommendations made earlier by the SAARC CCI towards promotion of tourism in the region. He reiterated that those recommendations which include relaxation in visa regime, air and land connectivity may be implemented by the SAARC Member States in order to tap potential of tourism promotion.

Mr. Tariq Sayeed, President SAARC CCI, invited as keynote speaker to address the inaugural session of 4th China-South Asia Business Forum. Four member delegation led by Mr. Li Jiajshou, Chairman, CCPIT, Yunnan Sub Council on behalf of Mr. Wan Jifei, Chairman CCPIT (China Council for the Promotion of International Trade) & organizing Committee of China-South Asia, visited Pakistan to invite Mr. Tariq Sayeed, President SAARC CCI as key not speaker to address the inaugural session of the 4th China-South Asia Business Forum which is scheduled to be held by CCPIT and the People's Government of Yunnan in Kunming, China in June 5th to 7th, 2009, simultaneously with the 17th Session of China Import & Export Fair, Kunming and the 2nd South Asian Countries Commodities Fair. Mr. Tariq Sayeed hosted a dinner in honor of Chinese Business delegation. The meeting was attended by Ms. Tan Yut, VSG CCPIT, Yunnan Sub-Council, Ms. Fan Juanjuan, IRBMA, CCPIT, Yunnan Sub Council, Mr. Itukhar Ali Malik, V. President SAARC CCI, Mr. Zubair A. Malik, EC Member SAARC CCI, Mr. Zubair Tufail, former Vice President FPCCI and Mr. Kanwar Qutubuddin khan, MD Enecon Marketing Services (Pvt.) Ltd., Chaudhry M. Sayeed, Former President FPCCI were also present in the meeting.

Yunnan sub council, mentioned that the China's Trade is about 600 billion USD with the region and with Pakistan its 6 billion USD only. Mr. Sayeed said it's absolutely imbalance of trade and balance of payment is in favor of China. He asked the Chinese delegation for cooperation to get market access to China and asked them to invest in Pakistan. Mr. Itukhar Ali Malik, Vice President SAARC CCI said that they are already importing hybrid rice seeds from China which has increased their yield hundred percent. He said that time has come that China should transfer its technology to Pakistan. Mr. Sayeed called upon the business community to take interest in this business forum. Mr. Syed is expecting to lead a maximum businessman delegation to China from Pakistan.

Presently, Pakistan has to import raw materials of steel and iron, machinery and engineering-based equipments, chemicals, consumer goods from far-flung markets like Australia, Brazil, Mexico, Europe and South East Asian countries, which are also available in India at a compatible quality and competitive rates, there was no harm if we buy these products from India.

Mr. Itukhar Ali Malik, Vice President SAARC CCI said that allowing of trade through wagha-border and increase in the importable items from India will help promoting Pakistan trade with the largest Market of the region and eventually have multiple impacts in terms of saving of huge foreign exchange of the country.

Mr. Tariq Sayeed urged upon the need for promoting intra-regional investment stating that since these days investment had taken over trade strategy due to its multiplier effects like innovation in technology, value addition, and surplus production for quantum leap in exports etc. While citing the exemplary increase in Chinese imports, he said that FDI had a major role in increasing the size of exports from China, attracting more than $10 billion per annum FDI for last one decade. He said that countries where inflow of FDI had been consistent, had a huge size of exports, therefore, he stressed for the need of promoting intra-regional investment as a multiplier effect to regional trade.

Ministry of Commerce has reportedly taken over the power to allow requests from importers desirous of importing different permissible goods from India via land.

Earlier, such powers were vested with Prime Minister, who took decisions on case-to-case basis but were later delegated to the Commerce Ministry by the Economic Co-ordination Committee (ECC) of the cabinet in its meeting on 19 March 2009. Sources said that when the matter was put before the ECC in its meeting on March 3, 2009, a consensus emerged that due to prevalent political and security scenario, the composite dialogue under economic and commercial co-operation is likely to be held in the near future, and the issue be deferred till the situation improves.

Commerce Ministry, eager to have the power of No Objection Certificate (NoC)
Prime Minister Syed Yousuf Raza Gilani ordered to set up a Rs 20 million Revolving Fund under the umbrella of South Punjab Women Chamber of Commerce and Industry (SPWCCI)

to provide small loans to skilled women to help them get raw material and manufacture export-oriented products, at the launching ceremony of SPWCCI, the first ever chamber of commerce and industry of female business entrepreneurs at the auditorium of State Bank of Pakistan (SBP) on 11th April, in Multan. The Prime Minister advised to Trade Development Authority of Pakistan (TDAP) to provide 100 per cent subsidy to women business entrepreneurs for their participation in foreign trade fairs to market Pakistani products and enhance exports. PM was speaking.

PM Gilani told the big gathering of women business entrepreneurs that government was committed to empowerment of women and bringing them to the mainstream as per vision of martyred PPP leader Mohtarma Benazir Bhutto. He said that Pakistan is signatory to Beijing Declaration and Millennium Development Goals and is committed to engage women in the economic circle of the country. PM said that Pakistani women are intellectually mature and aware of responsibilities for nation building. He added that no nation can make sustainable progress while ignoring the womenfolk of society.

He said that presently share of Pakistani business women entrepreneurs in exports is as low as 3 per cent and their overall contribution to economic activity is 20 per cent. This huge potential gap should be filled by empowering women entrepreneurship and government was committed to achieve its objective, PM asserted. He emphasized the need for training of women entrepreneurs for market access plans.

President SAARC CCI, Mr Tariq Sayeed invited the attention of Prime Minister of Pakistan towards such economic issues encountered by the Private Sector of Pakistan as the result of current economic policies pursued by the current Government. He requested the Prime Minister to play his effective mediatory role as he played in resolving political matters. “In wake of the current global economic recession and unfavourable business policies, the Private sector of the country was under huge pressure and its survival both in domestic and international markets has become convoluted” said President SAARC CCI and urged for immediate resolution of economic issues before they become part of upcoming fiscal and trade policy. He said that the business community was expecting business friendly budget and trade policy for the next fiscal year.

He also suggested to the Government to encourage participation of Women Entrepreneurs in the International Fairs and Exhibitions to be fully supported by the Government, which will not only promote value-add products but also bring enormous foreign exchange for the country.

During his address Mr. Itikhar Ali Malik-Vice President SAARC CCI said that the economic empowerment of Women in Pakistan would have multiplier effect on Pakistan economy and the Government ought to promote women entrepreneurs in the country as its priority concern” this was stated by Mr. Tariq Sayeed, President SAARC Chamber of commerce & Industry (SAARC CCI) during his special address at the launching ceremony of South Punjab Women Chamber of Commerce and Industry (SPWCCI) inaugurated by Prime Minister Syed Yousuf Reza Gilani at Multan on Saturday, the 11th April 2009.

He said that Women in Pakistan constituted about 50% of the total population; however, their share in the total labour force of 50.5 million was only 20%, as compared with 35% in Bangladesh, 34% in India, 32% in Sri Lanka, which clearly indicates serious issue of gender gap prevalent in the labour market of Pakistan. “Government should make sincere efforts to mainstreaming the female through targeted programs, which will ensure empowerment of women and help achieving sustainable economic development of the country” He further added that Pakistani women were second to none of the World provided they are facilitated with adequate education, vocational training, and skills development provisions by Government of Pakistan

Chief Executive TDAP Syed Mohibullah Shah, President SPWCCI Mrs. Anila Itikhar, Begum Farrukh Mukhtar, and Incharge PM’s secretariat in Multan Syed Ahmad Mujtaba Gilani were present were present at the launching ceremony.

Prime Minister Syed Yousuf Raza Gilani at Launching ceremony of South Punjab Women Chambers of Commerce and Industry (SPWCCI), Syed Mohibullah Shah ,Chief Executive TDAP, Mrs. Aneela Itikhar, Begum Farrukh Mukhtar & Mr. Itikhar Ali Malik Vice President SAARC CCI also seen.

Insisted on an urgent decision. However, the same day the Sri Lankan cricket team was attacked in Lahore and the Commerce Ministry insisted that the matter should only be deferred till the next meeting.

According to official documents, President Asif Zardari during a meeting with Indian Prime Minister in New York on September 24 2008 had decided to open the Wagah-Attari road link for all permissible items of trade. Ministry of Foreign Affairs had communicated the decision to all the concerned Ministries.

SAARC CCI Responses:
The leadership of SAARC Chamber of Commerce & Industry (SAARC CCI) has hailed the Government of Pakistan for its decision to promoting bilateral trade between India and Pakistan by allowing trade through Wagah-Attari road link and increasing number of tradable items with India.

Mr. Tariq Sayeed, President and Mr. Itikhar Ali Malik, Vice President, SAARC CCI while responding to the decision of the Economic Coordination Committee (ECC) of the cabinet have regarded it as an encouraging development. The decision allowed the Ministry of Commerce to start bilateral trade with India through a proposal that had been backed by President Asif Zardari and Indian Prime Minister Manmohan Singh during a meeting in New York last September.

They said that the decision reflected positive and proactive approach of the current Government towards India and added that it would help defusing political tension between the two major players of South Asia and will have positive impact on the regional economic cooperation. They hoped the Government of India would also extend a welcoming reciprocation.

Mr. Tariq Sayeed, President SAARC CCI also a former President of FPCCI was of the opinion that trade through Wagha-Atari border will not only foster the trade process but also save more than half of the freight charges. He said that permitting the Ministry of Commerce to increase the number of items traded between the two countries from the present 1938 in a phased manner will commensurate with parallel development of infrastructure on both sides of the border.
Mr. Topgyal Dorji of the Tashi group of companies was elected the new president of the Bhutan chamber of commerce and industry (BCCI).

The election, on April 2, for the first time in BCCI’s history, was carried out using an electronic voting machine. Nominations were made from the business community through respective thromdhey thuems of 20 dzongkhags and the secretariat of 12 business sector associations.

Of the four nominated presidency candidates, Topgyal Dorji won by 34 votes against Tobgye S Dorji (12 votes), Karma Wangdi (3 votes) and Ugyen Rabten (1 vote). Altogether 50 of the total 54 eligible voters, consisting of members of the executive committee, thromdhey thuem and yongchab thuemi, including the former president and vice president, turned out at the BCCI conference hall in Thimphu.

“The new elected president said, it’s a difficult post to fill, keeping in mind the past presidents and also a huge responsibility given by my peers. It means a lot to me because my late father (Dasho Ugen Dorji) started this chamber and now it’s my turn to do something. Two vice-presidents of BCCI, Chen Chen Dorji of the Rigsum Institute and Thinlay Palden Dorji of Bhutan Marble were also elected. “With democracy, the chamber needs to function in a different manner so as to have impact on not just a few individuals but the private sector as a whole,” said Thinlay Palden Dorji.” The chamber needs to be actively involved in government policies.

President SAARC CCI, Mr. Tarig Sayeed extended congratulation to Mr. Topgyal Dorji on being elected as new President of BCCI and wish BCCI will continue its efforts for economic cooperation to make SAARC as a prosperous region.

Federation of Indian Chamber of Commerce & Industry organized two day conference to present the recent advancements in Medical Electronics. The underlying focus would be to deliberate on how can product design & development and manufacturing can be promoted in India.

The conference agenda includes discussions on Manufacturing in India and how inadequate demand as well as a skewed fiscal environment in the form of tax and duty anomalies is acting as barriers. In fact, in some cases, import of the fully finished equipment is cheaper than importing components for assembly in India. The inaugural and plenary sessions will deliberate on these issue, and delve on identifying methods for market enlargement, creating and enlarging scope of possibilities. Union Minister of Science & Technology and Earth Sciences, Shri Kapil Sibal inaugurated Exhibition. The exhibition has leading companies like GE, Texas Instruments, Zimmer, UL, Vepna, Innovative Prosthetics, and Maestros Mediline etc. showcasing the recent advancements made in this field.

Hon’ble Mr. Shri Kapil Sibal, Union Minister of Science and Technology and Earth Sciences said science and technology has helped to create the possibility for healthcare to be taken closer to the people.

In opening remarks Mr. Onkar S Kanwar, CMD Apollo Tyres, who now has interest in healthcare and has the Artemis Hospital highlighted how technology convergence has been revolutionizing healthcare. Mr. V Raja, President and CEO South Asia, GE healthcare and chairman FICCI Medical electronics Forum highlighted how technology is being adapted in India eg. GE Healthcare has developed cathlab in AIIMS. Technology adaption comes with the support of design and development of products, and this requires incentivisation to ensure local manufacturing and cost effective solutions without compromising on quality.

Several issues, one of which aims affordable and quality products like the Cardiac and Neurostents, Cardio and Neuro Cathlab, latest imaging products and radio pharmacy, which can profoundly impact the cost of modern healthcare and improve the working quality of life and productivity of modern India will be discussed. Public private participation in enhancing infrastructure eg. Installation of Automated External Defibrillators (AEDs) in public places for life saving and reducing opportunity costs from loss of productive human resources will be discussed. Issues will be addressed by the fraternity from science and technology and healthcare deliverers CEOs and Country Heads from global companies like GE Healthcare, Boston Scientific, Phillips, Texas Instruments, etc. including Government and private specialty hospitals, R&D organizations (AIIMS, Gangaram Hospital, Manipal Hospital, BARC) will be presenting in this Conference. The FICCI Medical Electronics Forum organized this international conference, the only one of its kind in Asia for the second time. Mr. V Raja, President and CEO of GE Healthcare has recently taken over as Chairman of FICCI MEF (Medical Electronics Forum).

Mr. Iftikar Ali Malik, Vice President of SAARC CCI and former President of FPCCI said that the promotion of bilateral trade with India will not only facilitate the business community of Pakistan but also manage sizeable revenue for the Government coupled with discouraging illegal or third country trade.

They also appreciated the decision of Federal Board of Revenue for allowing 208 importable items on 100% duty free from Sri Lanka under the Free Trade agreements operational since June 2005.

Sri Lanka

According to Central Bank of Sri Lanka its cumulative deficit in the trade balance increased to US dollars 5,871 billion during the year 2008, compared to the deficit of US dollars 3,656 billion recorded in the previous year. Sri Lanka cumulative exports earnings during 2008 recorded a growth of 6.5 percent, amounting to US$ 8,137 billion despite declining in the month of December.

Exports earning fell sharply by 19.1 percent in December 2008 to US$ 681 million compared to the same month in 2007, although the value was the highest since September. The decline in commodity prices due to the global economic meltdown has affected the performance of agricultural and industrial exports although the trade volumes of some agricultural exports, such as rubber, and coconut, increased in December, despite the lower prices.

Earnings from tea exports in December fell 22.5 percent mainly due to price reductions in the international market, although prices at the Colombo Auction remained higher than most other auction centers around the world, the Central Bank noted. Cumulative expenditure on imports during 2008 increased by 24.0 percent to a total of US$ 14,008 billion despite a decline in import expenditure by 9.7 percent in December for the second consecutive month.

Central Bank reported that the total reserves of US$ 3,799 billion with and US$ 2,992 billion without Asian Clearing Union (ACU) funds by end of 2008 are equivalent to 3.3 and 2.6 months of imports, respectively. The Bank however, expects the low import growth witnessed during the last two months to prevail throughout a greater part of 2009.
The chairperson-SCWEC participated in training, dialogue and networking for business intermediaries in the SADC and SAARC regions in Berlin, Germany. The development has been a very keen interest in Capacity Building among women entrepreneurs as a key feature in their overall growth as such and this has been taken up as a special subject in a networking programme being brought up in collaboration with INWENT/Chance of Germany.

At the recent presentation meeting in Berlin, SCWEC had the privilege of participating and showcasing its abilities and track record in the conduct of the many programmes over the last two years and has been accepted as a partner in association with InWent. SCWEC has identified that the importance of maintaining quality and bench marking of the same against global best practice should be considerably stressed among Women Entrepreneurs.

The following programmes which are being organized to focus the attention on women entrepreneurs and their development in the year 2009, SCWEC signed an MOU with InWent, Germany on taking approval from SAARC CCI President, Mr. Tarig Sayeed and from SAARC CCI, Vice President, India, Mr. K. N. Agarwal to conduct programmes on Capacity Building of Women Entrepreneur Associations of SAARC countries. This programme was named as ‘CHANCE’- Chamber and Advisory Network and co-operation for Women Entrepreneurs.

The kick-off programme was organized by InWent at the International Training Centre at Berlin, Germany. The participants were SADC from South Africa, Enablis, SCWEC, NEPAD Business foundation from South Africa, ALEAP from Hyderabad, Chamber of Commerce and Industry, Johanesburg. JCCI. SCWEC had a brainstorming session for three days on how to help women entrepreneur associations on Capacity Building and transfer of technology for empowering women, opportunities and challenges within regional co-operation.

The main stress of this programme is to take forward capacity building for individual women entrepreneur associations from SAARC and SADC regions. Representatives from SADC and the SCWEC will have the opportunity to jointly engage in an exchange with women entrepreneur associations of Germany and Europe. To take the programme forward, ALEAP at Hyderabad is organizing a two day conference for SCWEC as well as for South African and Indian women entrepreneur associations on Capacity Building on 14th and 15th March, 2009. To take this programme forward, ALEAP at Hyderabad is organizing a two day conference for Indian women entrepreneur Associations on Capacity Building on 14th and 15th March, 2009. Chair person of SCWEC would be attending this conference. The entire project would be within the scope of the main theme of SCWEC, namely, “Empowerment of Women through Entrepreneurship”.

A ban on the sale of all tobacco products has come into effect in the remote Himalayan kingdom of Bhutan. The Bhutanese government ordered shops, hotels, restaurants and bars selling tobacco products to dispose of existing stocks ahead of the ban. The tobacco ban will not apply to foreign tourists, diplomats or those working for NGOs. The country is thought to be the first country in the world to impose such a ban. All smoking in public places has also been banned. These moves are part of government efforts to make Bhutan a smoke-free nation. “We want no pollution and good health for our citizens,” said Bhutanese minister, Jigme Thinley.

The Pendam cement authority limited (PCAL) in Gomtu (Bhutan) will reduce supply to the Indian market to meet a growing demand. “Around 15 percent of sales to India will be reduced to meet domestic demand, which is always given priority,” said PCAL sales manager, Shrestha Tenzing. Domestic demand, officials have insisted, has increased with more development work taking place in the country, especially the hydroprojects.

The Bangladesh is likely to experience 1500-2000 megawatts (MW) of load shedding at the time of the summer with its full heat. At present, the country generates about 3,600-MW-plus-minus electricity against a demand for over 4,700MW, though the demand is not officially recognized. Power ministry officials claimed the demand is to be about 4,350 megawatts. The Power Development Board (PDB), however, said the demand would be growing faster with the hot summer starting from May-June. From their previous experience, they said that the demand would cross 5,500 this year in the peak period of summer.

Ashok Kumar agrawal has been elected unopposed president of the Nepal Foreign Trade Association, according to a statement issued by the association. In the association’s 32nd annual general meeting, a 20-member executive committee was also elected unopposed.
Miss Aisha Zaheer, newly elected Vice-Chairperson of SCWEC Pakistan called on Mrs. Namita Jautam, ex-president, FiCCI Lady Organization, during her Visit to Delhi, on 27th March. The agenda of the meeting was on women development in 3 different steps which are:

1. Training in small business at grass root level and up skillling.
2. Supporting them through market research.
3. Linking them to micro finance providers.

The meeting between the Mrs. Jautam & Mrs. Zaheer last for two hours in which they exchanging their views on above mentioned agenda. During meeting Mrs. Namita Jautam inform her about FiCO works on women empowerment such as personal grooming, self defense, time management. Mrs. Zaheer said she will organize such kind of seminar in Pakistan as well. They also decided to have exchange programme on how to start business, communication skills, encouraging peace through common public.

During her Visit to India Mrs. Aisha Zaheer also met Miss Tina Vachani, founder of an NGO: Routes 2 Roots and exchange their views. They appreciated her research work of Vice Chairperson Pakistan regarding Buddhists, and Hindus.

“Lost wealth may be replaced by industry, lost knowledge by study, lost health by temperance or medicine, but lost time is gone forever” (Samuel Smiles)
Bhutan

Bhutan, the 'Land of the Thunder Dragon' offers a host of attractions to tourists from all around the world. From its stark and striking mountains, to its lush green forests, fertile valleys, ancient ruins and uncorrupted ancient culture, Bhutan is an esoteric delight that holds everybody in its thrall. The only existing theocracy in the world, the tourist sites and attractions of Bhutan are an experience unlike any other in the world.

Paro, a beautiful valley of Bhutan, is a place full of legends and history and events which marked the beginning of great cultural heritage of the country. According to legends, Guru Rimpoche (Padmasambhava) came on the back of a tigress to Paro in AD 761, bringing with him the teachings of Buddha from Tibet. Guru Rimpoche established the most important religious site in Bhutan, the Taktshang Lhakang or Tiger's Nest near Paro. Religious leaders of Paro controlled Western Bhutan for quite a long time and Nyingmapa School established by Guru Rimpoche gave great monks and able leaders (the present monarchy also belong to same school). Spabdrung Ngawang Namgyal arrived in Bhutan in 1616 from Tibet and established the dual system of governance here that remained in place till the beginning of last century. At the end of 19th century Penlop of Paro was defeated by Penlop of central and eastern Bhutan, who later became the first king of the country.

Paro is the part of a country that displays more climatic changes in a small area than any other part of the world. While the day temperature in this region can go up to 15.50°C, night temperature can go below the freezing point. Spring, mid - December to mid - January, is a beautiful experience here with clear blue sky and dry climate. Summer (May - August) is warm and wet and visibility is very low during this season. Autumn, October through November, is very mild with clear skies. The best time to visit Paro is spring when weather is at its best and blooming colours of nature makes it an unimaginable destination.

Gateway to the Bhutan and its one of the most important places, Paro is a pleasant experience. With a total length of only one mile and just one street, Paro can be considered as one of the smallest town on earth with an international airport. Most of the residents here live in the beautiful valley that surrounds the town.

WHERE TO STAY
Paro has only one good hotel run by Bhutan Tourism Corporation Limited. Most of the rooms are done in traditional Bhutanese style that gives you a feeling of living in a Dzong. Tariffs are almost equal everywhere, irrespective of facilities available or services provided. You should remember that Bhutan is not a cheap country and government has set a minimum expenditure of US$200 per tourist per day.

WHERE TO EAT
Most of the good restaurants in Bhutan are located in the hotels only, as the standard of food outside is bad to pathetic. Buffet is the preferable way of eating in these restaurants. Local cuisine is combination of north Indian and Tibetan cuisines mixed with red-hot chilly rich dishes of Bhutan.

TRANSPORT RESOURCES
Air Travel Resources:
Paro International Airport is the gateway to the country connected by national carrier Druk Air with Calcutta, Kathmandu, New Delhi, Dhaka, and Bangkok. The airline has only two aircraft with 72 seats each.

Land:
Paro is connected to Thimphu, the capital, with an all weather road. Public transport is served by the buses which are often crowded and you are advised not to use them. More often than not, you will visit Bhutan through a travel agency recognised by government of Bhutan. Make sure that your guide is waiting for you at the airport with the transport.

TRAVEL RESOURCES
Banks and Money Exchange
Bhutan has two banks that exchange all the foreign currencies and traveller's cheques. Important foreign currencies like US$ and UK£ are accepted in towns but outside it is difficult. Make sure that you have enough local currency or Indian rupee before you venture out for excursion.
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2-Indus Dyeing & Manufacturing Co. Ltd
Pakistan trade is likely to suffer a major setback in the coming months with total trade, presently at a little over US$ 2 billion, likely to see a 60 per cent decline in the year 2009-10 with the overall figure nose-diving to US$ 900 million. This is revealed in a quick survey conducted by FICCI amongst exporters and importers doing business with Pakistan.

Companies that participated in the survey reported that there is great unwillingness on the part of Indian exporters to travel to Pakistan to conclude even the firmed up deals. The tumultuous situation in Pakistan has created a ‘fear psychosis’ amongst Indian exporters and importers who say that cross border travel has been a major casualty following the recent developments in the neighboring country. Since conclusion of business deals require multiple two-way visits and no prospects of direct visits being foreseen in the near future, generating fresh business will become an onerous task according to many companies.

‘Wait and Watch’ is the preferred strategy for many as developments in Pakistan have become quite dramatic and unprecedented, according to the survey.

While in the current situation bilateral trade is going down, some of the Indian exporters and importers may take advantage of third country channels. Notable amongst these channels are Dubai and Singapore. According to survey participants, businesses in Pakistan have a good degree of comfort level in doing trade through these channels and therefore Indian companies may leverage these alternatives to maintain some economic linkages with their counterparts in Pakistan.

In fact, some of the companies have already increased their stock of inventories at Dubai and Singapore to service the Pakistani market.

According to the survey participants the key sectors that would see a significant dip in cross border trade with Pakistan include textile and apparel, textile machinery, cotton, agricultural products particularly cereals, steel and chemicals.

It is interesting to note that in the case of textile machinery, companies have reported that as export of equipment is normally followed by trips by support staff for installation and maintenance, trade volume would see a dip in the ensuing months. Already, many Indian companies from this sector have taken a guarded approach by placing employee security as their prime concern over other matters.

In case of textiles, particularly cotton yarn, trade is easing between the two countries. In fact, Indian importers have already initiated talks with producers and manufacturers from countries like Egypt and Italy as these are considered as good replacements for import sources from Pakistan. Some representatives also opined that following the recent terror attack on Sri Lankan cricket team, trade between Pakistan and other nations from the SAARC region would also take a hit. It is also likely that companies from Sri Lanka may start sourcing more quantity from Indian companies instead of Pakistani companies.

The present state of economic relations between India and Pakistan finds a parallel with the situation that prevailed during the Kargil war in 1999. Even during those days, it was seen that cross border travel and business movement was a major casualty following the freezing of relations between the two South Asian countries. In fact, trade volumes had declined significantly during that period from US$ 318 million in 1998-99 to US$ 161.02 million in 1999-00.

While a major decline in trade volume between the two sides during the coming months is now a certainty, there are a few areas where exchange may continue though at a slower pace. Notable items in this list include leather and cement.

Participants from the leather industry have said that leather sourced from Pakistan is of excellent quality and is very competitively priced. Leather sourced from other countries cannot match the same quality and pricing as offered by sources from Pakistan. As an example one can consider the case of cow-finished leather, which if sourced from Pakistan costs 5-10 cents per square foot as compared to 50-80 cents per square foot if sourced from European countries.

Similarly, in case of cement, we again see companies reporting not much impact on imports from Pakistan. According to survey participants, demand for cement in India is still growing at a good pace and Pakistan with its surplus capacity in cement production is in a good position to cater to this rising Indian demand at very competitive prices.

**Note:** The report published is research work of Federation of Indian chamber of Commerce & Industry and Do not reflect SAARC CCI views.
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SAARC Chamber of Commerce and Industry
Research to Enhance Agricultural Yield per Hectare in Pakistan

Rice Division of GUARD GROUP of Industries

Guard Agricultural Research and Services (Pvt.) Ltd., established in 1989 is a company of Guard Group with following departments for research and development:

- Seed Division
- Crop division
- Machinery & Plants
- Food and Marketing
- Export

The prime objective of this organization is to conduct research on the development of Basmati Rice varieties and rice production technology. The company provides technical services and pure seed of various rice varieties to the rice growers in Pakistan. Guard Supreme Basmati Rice is being exported to more than 40 countries.

Realizing the importance of increasing rice yields and improving its quality in terms of milling recovery, it introduced combined rice harvester/thresher. Guard Agri has gone beyond that to achieve a unique supply chain capability stretching from seed to plate, one of only three companies in the world have achieved this coveted milestone.

Rice Division is also working with Nath Biogene (India) giving access to extra long grain Indian Basmati Rice varieties. These will be available from Pakistan with full commercialization from 2010. It is good example of cooperation between Pakistan & India.

The International collaboration also includes International Collaboration with Yuan Longping (China) the world’s No. 1 Technology provider and inventor of Hybrid Rice. Hybrid Rice is being successfully cultivated in Pakistan.

Joint Venture with Biocentury (China No. 1) and world’s leading Bt Cotton technology provider is in progress.

Salient Achievements

Basmati Rice
- Seed multiplication of Super Basmati in the year 1989-90 and its acceptance in international markets.
- After market acceptance the production of Super Basmati increased manifold.
- At the time of approval of Super Basmati variety by the Government in 1996 it had covered 40% of the area under Basmati area.
- Developed an extra long grain Basmati variety under the name of MG Basmati having improvements like easy threshing, non breakage of tip and good cooking quality over Super Basmati.
- Introduced, tested and developed these aromatic rice varieties viz. 5010, 5012 and 5015 which are early maturing (100 DAT), high yielding (55-60 Mds/acre) and fine long grain (AGL > 7.7MM). The yield and grain length of these varieties is better than Super Basmati.

Hybrid Rice
- The yield of traditional coarse rice varieties is low and stagnant.
- Signed agreement with Inventor of Hybrid rice technology M/s Yuan Longping High Tech Agri Co. of China in 1999 and introduced rice hybrids in 2000.
- Our company is pioneer in introducing and commercialization of hybrid rice in Pakistan.
- Commercialized the hybrid rice in Pakistan from 2002 onwards.
- So far six hybrids have been developed and got cleared from Government system for general cultivation in Pakistan.
- Amongst these hybrids, two hybrids are extra long grain.
- The yield potential of these hybrids is more than 100 maunds per acre.
- We have successfully established hybrid rice seed production base for first time in Pakistan.

Cotton
- GARS started research work on cotton in May 2007 with import and subsequent field testing of 2 Chinese and 3 Indian Bt cotton varieties/hybrids.
- In 2008, a cotton breeding station was established at Multan where full time local and Chinese staff have been deputed. The field testing not only continued but expanded to a large extent in terms of germplasm and number of locations involved.
- Guard obtained approval for import and field trials of Chinese and Indian Bt cotton from the Ministry of Environment to become 1st and so far only National seed company.
- In 2009, besides continuation of aforementioned activities, Guard also entered into a joint venture with Biocentury China Company Limited to work in R&D and commercialization of various crops.
- A plan of 300 tons commercial seed production of 6-8 approved cotton varieties is under finalization.
- The preliminary results have indicated that there is great potential for introduction of Indian Bt cotton hybrids as such and development of our own varieties / hybrids containing Chinese Fusion Bt gene.

Maize Hybrids
- Made an agreement with Kelli Seed Company of China and introduced Maize Hybrid in 2007.
- 5-6 Maize hybrids have been tested in National Uniform Yield Trials for two years.
- Based on yield performance 1-2 promising maize hybrids will be imported for commercial cultivation in Pakistan.

Chillies
- Chillies hybrids introduced from China and India have been tested during 2007 and 2008 in Punjab and Sindh provinces.
- 1-2 promising chillies hybrids are selected as high yielding with good quality and will be imported during 2009 for commercial cultivation in Pakistan.
<table>
<thead>
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<td>PAKISTAN</td>
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<td>1 May 09</td>
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<td></td>
<td>18 July 09</td>
<td>Karachi Sheraton Hotel</td>
<td>Destination Pakistan</td>
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<td>20 July 09</td>
<td>Karachi Sheraton Hotel</td>
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The Fastest Growing Region in Export of Services:

South Asia is the fastest growing region in the export of services. Exports of services from South Asia grew at 14% per annum between 1995 and 2003 compared to less than 8% for East Asia. It is not only India that did well, but Pakistan and Sri Lanka, too, which have grown faster than East Asia in service exports. Bangladesh services exports have also grown fairly rapidly, averaging about the rate in East Asian economies. India and Bangladesh have performed well in the exports of computers and information communications and other commercial services, while Pakistan has done well in the export of transport services and Sri Lanka in travel services.

In South Asia the contribution of services' value added to GDP is 40% on an average and rising. This varies among Saarc countries from the lowest ratio of 38% in Nepal to the highest ratio of 57% for Sri Lanka. The service sector is the second most important sector (after agriculture) in providing employment for South Asian countries. The cultural and linguistic ties, and geographic proximity among countries in South Asia make it easier for trade in services to take place. Furthermore, countries with similar levels of development, like those in South Asia, are likely to find it easier to make the compromises required for negotiating agreements on trade in services.

South Asia now needs to take advantage of its geographical proximity and the strengthening relationships to build new partnerships in various sectors including the capital markets, banking, IT and telecommunications. The inclusion of services within Safta's framework is a necessity, if members are to realise the benefits of a free trading area. There are many reasons that demand for an immediate inclusion of services within Safta. First, the capacity of Saarc members, except India, in producing and trading manufactured goods is weaker while services are emerging as the most potential sector in all member countries and potential for intra-regional services trade are huge. Therefore members are more optimistic on the issue of trading services rather than manufactured goods.

Second, the availability of services (especially tourism, health, education, and labour) within the region will help to attract consumers from other parts of the world. So, an advanced services infrastructure within the region will boost the regions' share in global services trade. Safta may play an instrumental role in developing such an advanced services infrastructure within the region.

Third, in any economy, the competitiveness of producers largely depends on access to efficient services such as banking, telecommunications, and transport facilities (services). Moreover services are an integral part of other economic activities so their liberalization will produce strong and positive spillover effects on other economic activities.

In terms of composition of overall trade in services in South Asia, imports of services were higher than exports of services for the Saarc region until 2004, but since then total exports have become higher than the total imports of services in the region.

This is an important change in the composition of trade in services for the region; however this has been mainly led by India. In 2006, India had higher imports of services as compared to its exports across countries; exports are highest in computer and information services from India, followed by Sri Lanka and Pakistan. In terms of imports, India is the only country that has substantial imports of computer and information services. Travel services

Gwadar port declared tax-free zone for 20 years: Chief Minister Nawab Mohammad Aslam Khan and Federal Minister for Trade and Investment Mian Manzoor Ahmed Wattoo declared the Gwadar Deep Sea Port a tax-free zone for the next 20 years under the Gwadar Master Plan. This was announced after a meeting between Balochistan in Gwadar At the meeting, also attended by senior officials.

PIBC to set up information centres in Lahore, New Delhi to facilitate traders. Pak-India Business Council (PIBC) is going to set-up an information center at Lahore and Delhi to inform and facilitate the members on business opportunities between the two countries. Chairman of the PIBC Hafiz Noor Mohammad Kasuri said. He said PIBC would also manage a program of exhibitions at Delhi, Mamba, Karachi and Lahore to promote the business relations between both the countries. He said that PIBC has demanded setting up of Pak-India Joint Economic Zone to strengthen economic relations between the two countries.

Cement export to India comes to a halt: cement export to India has come to a complete halt following the imposition of 12 per cent duties (four per cent import duty and seven per cent countervailing duty) on its import by the Indian government, industry sources said on Friday. With the final shipment by a leading cement manufacturer on January 6, cement export to India has stopped, as the importers has refused to import cement from Pakistan due to high duties. The Indian cement importers have also sent requests to Pakistani exporters for the stoppage of already booked cement import orders, seeking not to dispatch the cement consignment till the settlement of duty issue.

Nepal has become self-reliant in potato with a production volume of 2,054,000 metric tonnes this year according to Harihar Dahal, spokesperson for the Ministry of Agriculture and Cooperatives (MoAC). Nepal has made rapid strides in potato production over the last 15 years. Potato production has tripled since 1993 till 2008. The total production was around 748,000 metric tonnes in 1993 which reached 2,054,000 metric tonnes in 2008. “Potato production has expanded by 75 per cent in the last one-and-a-half decade,” Dahal said. Last year 2008 was celebrated as ‘World Potato Year’.
are an important service in terms of exports, as almost all South Asian countries have positive net exports apart from Bangladesh and Pakistan. For countries like Nepal and Maldives travel services have the major share in their total exports of services. With respect to transport services, all the South Asian countries are net importers of transport services, with India being the biggest importer followed by Pakistan. India and Pakistan are also net importers of insurance, financial and other business services. Almost all South Asian countries are net exporters of communication services.

South Asian countries have a competitive edge in different categories of services. In transport services, Pakistan and Sri Lanka have a competitive advantage while India has a competitive advantage in construction services, computer and information services and other commercial services. Maldives and Nepal are more competitive in travel services while Bangladesh has a higher competitive edge in financial services. South Asia’s export interests lie in the area of labour-intensive and manpower-based services and import interests in the area of capital and technology intensive services. Construction, education, tourism and health services are of special significance both from export as well as import interests.

However, several issues need to be addressed to make liberalization of services a success. Since data and analyses of trade in services are very limited in South Asia, it is essential that this be improved in order to enable negotiators and stakeholders to make the best commitments in the interest of their respective countries. Regulatory capacity is also weak in the region, especially in terms of ensuring standards of service supply and adherence to rules. It is important to address this issue through greater cooperation between the regulatory bodies within the region and also learning from regulatory bodies in other countries that have entered into agreements on trade in services. There are also significant asymmetries in existing standards, and hence the qualifications of many services suppliers will not be recognized by fellow Members. Mutual recognition agreements (MRAs) will be required to harmonize standards in the region.

Ref: Mr. Arif Zaman
Advisor, Commonwealth Business Council and Saarc Chamber

Independent Power Producers’ Association-Nepal and Small Hydro Power Developers’ Association Nepal has urged the government to re-adjust the new Power Purchase Agreement rates. Nepal Electricity Authority in December had fixed two different PPA rates for dry and monsoon seasons for projects generating up to 25 MW. As per the agreement with NEA, the producers are supposed to supply at least 80 per cent of the energy generated. This is one of the driest winters without rainfall for more than five months, resulting in decreased power generation.

Federation of Nepalese Chambers of Commerce and industries (FNCCI) and China Council for the Promotion of International Trade-CCPIT-Yunnan sub-Council have expressed willingness here today to boost mutual economic relations. FNCCI and the CCPIT-Yunnan Sub-Council delegation discussed Nepali participation in three business fairs—4 th China-South Business Forum, 17 th Session of China Export & Import Fair and 2nd South Asian Commodities Fair—to be held in China. A business delegation led by U. Jassou is in Nepal at the invitation of FNCCI.

Sri Lanka to host SAARC Accreditation Workshop on World Accreditation Day June 9. Thilaka Jayaweera, Senior Vice President, Federation of Chambers of Commerce and Industry, Sri Lanka FCCI, said that World Accreditation Day, SAARC region will be celebrated in Colombo. Thomas Mackay, President, China International Accreditation Forum will attend function. The 3rd SAARC Accreditation Follow up workshop will be held on June 8, 9 & 10 to coincide World Accreditation Day in association with PTB Cooperation Germany, Ministry of Foreign Affairs, SAARC Secretariat, SAARC Chamber of Commerce & Industry coordinated by Sanath Mendis, Director & CEO Sri Lanka Accreditation Council of the Ministry of Science and Technology.
The SAARC Chamber of Commerce and Industry (SAARC CCI) was established in 1993, as the first recognized regional apex Business organization of SAARC, with its constituent units in all member states and its permanent headquarters in Islamabad, Pakistan. Since its very inception, SAARC CCI is based in Islamabad thus; a pressing need was felt for a permanent institutional building for the organization to enhance its role in the promotion of trade and economic cooperation through disseminating information about the content, scope and potential of SAFTA among the business community in the region.

In the light of the decision taken by SAARC CCI’s senior management and Executive Committee Members, the permanent building of the organization is being planned to be constructed at Plot No. 26, Mauve Area, G-10/4, Islamabad.

Hierarchy and the designs of the building have been done and will be sooner sent to Capital Development Authority, Islamabad for approval. This is project of worth Pak Rs. 650 million and will be completed in 36 months. The construction is likely to start in April 2009.

Mr. Tariq Sayeed, President and Mr. Iftikhar Ali Malik, Vice President of SAARC CCI who is the Chairman of SAARC CCI building committee have a strong desire to accomplish this project during their tenure as the Presidency of SAARC CCI has been handed over to Pakistan after 14 years after completion of rotation.

**Salient Features of the Building**

- The building will provide state of the art facilities, having central air-conditioning and heating system.
- The structure will be basements+Ground+Mezzanine+1st Floor to 9th Floor for office use.
- 9th Floor will have an auditorium with seating capacity of 256 participants and conference rooms.
- It is located at a central and ideal place of Islamabad surrounded by many important government and on the way to future Islamabad airport.
- The building will be RCC frame building.
- The size of the building is approximately 160ftx70ft, having covered area of about 1,60,000 sq. ft.
- The maximum grid/column spacing is 25ftx24ft. The loading on columns will be in the range of 2000-2400 Kips.
- The maximum height of the building is about 128 feet above natural ground level.
- The bottom of basement will be placed at 18 feet below N.G.L.
- World class parking facilities will be available.

This project offers tremendous opportunities for offices on rental for multinational, Banks, Insurance companies, corporate houses and members of SAARC CCI who wish to establish their offices in this magnificent building.

SAARC CCI welcomes any offer regarding the completion of the project from any interested organization in Pakistan and from the region based mutual consent. The interested parties may contact Mr. Iftikahr Ali Malik, Vice President SAARC CCI or Mr. Iqbal Tabish, Secretary General, SAARC CCI at our official address and contact Numbers.