SAARC CCI organized a one day Seminar on
“Trade Facilitation: Catalyst for workable SAFTA”

in collaboration with Federation of Indian Chambers of Commerce & Industry supported by Friedrich Naumann & Furthfreheit on August 04, 2010 at Goa, India.

H.E. Dr. Shivinder Singh Sidhu, Governor of Goa, was the chief guest of the seminar. While addressing to the inaugural session he urged upon the respective governments in the South Asia to take adequate and compatible measures to facilitate Trade in South Asia, regarding it a crucial element for Economic well being of the region. He reiterated the need for adoption flexible visa regime to encourage and promote people to people contacts, which was vital for promotion of Economic Cooperation in the region. He ensured that he would request the Govt. of India to promote tourism through flexible visa policies.

Mr. Annilsul Huq, President SAARC CCI in his keynote speech identified core issues hindering free flow of goods and services, through tangible trade facilitation mechanism and said that without a unified and integrated trade facilitation mechanism the SAFTA would not be workable document.

He regarded inflexible visa regime as a serious hurdle towards promotion of trade in South Asia. He urged upon the political leadership of South Asia to resolve such sensitive issues which are impeding the growth of the whole region.

Earlier, Mr. Vikramjit Singh Sahney, Sr. Vice President, SAARC CCI in his welcome address demanded the Government of Pakistan to grant MFN status to India, which will help not only increase the level of bilateral trade but also foster the process of economic integration process.

Mr. Iqbal Tabish, Secretary General, SAARC CCI in his introductory remarks said that the trade under SAFTA rule of origin was insignificantly $682 million in the year 2009, which was due to absence of workable Trade facilitation mechanism “The lessons of other regional trade agreements make it clear that the hope of benefits from these agreements itself will not be realized until and unless Trade Facilitation measures are rigorously implemented.”

Mr. Ashutosh Bajpai, Chairman Trade Facilitation Council of SAARC CCI said that the council would soon formulate a strategy, suggesting policy measures to the Governments of South Asia and urged for the coordinated efforts to make SAFTA a success.

On Behalf of Mr. Vikramjeet Singh Sahney, Sr. Vice President (India) H. E Dr. Shivinder Singh Sidhu, Governor of Goa presented a memento to Mr. Annilsul Huq, President SAARC CCI and Mr. Tariq Saeed, Immediate Past President, SAARC CCI for assuming the office of the Vice President of Confederation of Asia Pacific Chambers of Commerce and Industry respectively.

The inaugural session was followed by technical session “Is SAFTA useless without Tangible Trade Facilitation Mechanism”, Chaired by Mr Arvind Mehta, Joint Secretary, Ministry of Commerce, Government of India and addressed by Mr. Shahabuddin, former Secretary, Govt. of Bangladesh, Mr. Pradeep Kumar Shrestha, VP-SAARC CCI, Engr. M.A. Jabbar, member FICCI-ADB Advisory Board and Life Member, SAARC CCI-Pakistan, Mr. Madhukar SJB Rana, Former Finance Minister, Government of
SAARC CCI organized a one day seminar on “Economic Freedom in South Asia: A catalyst for socio-economic development” in collaboration with the Federation of Indian Chambers of Commerce and Industry supported by Friedrich Naumann Foundation on 3rd August 2010, at Goa, India. Mr. Anisul Huq, President SAARC CCI was the Chief Guest of the Seminar and Mr.

Madcukar SJB Rana, Former Finance Minister, Nepal graced the event as guest of honour. The inaugural session of the seminar was followed by a technical session i.e. “Economic Freedom: Socio-economic implications on South Asian Society” which was chaired by Mr. Pradeep Kumar Shrestha, Vice President from Nepal.

Mr. Anisul Huq, President SAARC CCI in his keynote address demanded of the respective Governments of South Asia to remodel their economic policies in line with roadmap provided under SAFTA and liberalize trade through elimination of Non-tariff Barriers, which were hampering the process of economic integration in South Asia. “Since SAARC with 22% of the world population forms the biggest Economic Grouping of the World, the success of economic freedom movement in the region will help unleash its true potential” said President SAARC CCI and added that the efforts for economic liberalization in South Asia have started with the signing of SAFTA since July 2005. He hoped that the trade liberalization program to be concluded by 2016 would provide a level play field to all member states and usher them towards right direction in achieving the ultimate goal of a South Asian Economic Union.

Mr. Tariq Sayeed, the Immediate Past President SAARC CCI said that the countries having high score of Economic Freedom Index (EFI) had better rating in Human Development Index (HDI), poverty alleviation, job creation, export growth, Gross Domestic product and Investment and hence contributed overall growth of Society. Presenting a brief comparison between SAARC and ASEAN countries he said that only one country of ASEAN i.e. Singapore had more exports ($ 267 billion) as compared with all eight nations of South Asian Trade bloc with $ 224 billion. “Maldives was the only nation falling amongst first 100 countries in HDI while none of the South Asian nations had any position in the EFI of first 100 nations. He asserted the need for undertaking compatible measures to improve Economic Freedom Index to have the multiplier effect on Socio Economic development of the society.

Mr. Madhukar SJB Rana, Former Finance Minister, Nepal said that the role of government in pursuing economic friendly policies was crucial. Although, the countries in South Asia have opened up economies policies, there is dire need to educate the masses about economic freedom and their socio-economic rights.
Mr. Ifikhar Ali Malik, Vice President, SAARC CCI (Pakistan), while concluding inaugural session said Economic Freedom creates positive social and economic dynamics. In economically free nations, people succeed by creating goods or services that others want to buy. He urged for coordinated efforts of the public and Private sector, Civil Society Organization, NGOs, Media and particularly educationists to promote economic freedom in Society.

The inaugural session was also addressed by Mr. Subodh Kumar, Program Executives FNF, Mr. Iqbal Tabish, Secretary General, SAARC CCI and during Technical session Mr. Abdul Haque, Director FBCCI-Bangladesh, Mr. Thinley Palden Dorji – VP SAARC CCI – Bhutan, Engr. M.A. Jabbar, member FICCI-ADB Advisory Board and Life Member, SAARC CCI-Pakistan, and Dr. Athula Ranasinghe, Head of the Department, Department of Economics, University of Colombo, Sri Lanka made the presentations and highlighted core issues in respect of Economic Freedom related endeavors by the respective government of South Asia. The Conference was attended by large number of representative from Private sector of South Asia, Journalist, and Civil society representatives.

50th Executive Committee Meeting of SAARC CCI was held in Goa, India on 4th August, 2010 under the chair of Mr. Annisul Huq, President SAARC CCI. The main agenda items of meeting includes amendment in Constitution of SAARC CCI, proposal for formation of Advisory Council of SAARC CCI, approval of SAARC CCI response paper to 16th SAARC Summit and update on 4th & 5th SBLC.

The Meeting was attended by all Vice Presidents, Sr Vice President, Immediate Past President and Executive Committee Members of SAARCCCI.
Glimpses

Seminar on
Economic Freedom in South Asia: A catalyst for socio-economic development
Goa India - August 3, 2010

(L-R) Mira Shenoy Simpson, Economic and Commercial Officer, American Consulate Mumbai, Mr. Fazal Qedi-Shahani, MC Member, FPCCI, Mr. Shahid ur Rehman, MC Member FPCCI, and Mr. Fazal Ehsel, EC Member SAARC CCI.

(L-R) Mr. Shafquat Haider, Chairman SAARC CCI Council on ICT, Mr. Thinley Palden Dorji, Vice President SAARC CCI - Bhutan, Mr. Subodh Kumar, Programs Executive, FNF.

Mr. S J B Madukar Rana, Former Finance Minister, Govt of Nepal addressing at the inaugural session of seminar.

(L-R) Mr. Abdul Haque, EC Member, Mr. Mahbob Islam Rana, GA Member, Mr. Md. Hosen Ali, EC Member of SAARC CCI, Dr. Attaullah Rana, Head of Economic Departments, University of Colombo, Mr. Nareem Anwar, Trade Minister, Pakistan High Commission in India.

(L-R) Mrs. Hosen Ali, Mr. Abdul Rashem Ahmed, Vice President - SAARC CCI, Mrs Abul Kashem, Mrs. Ayesha Zahira, Vice Chairperson SCWEC (Pakistan), Mr. Shafquat Haider, Chairman SAARC CCI ICT Council, Mr. Bijoy Kumar Kapoor, GA Member SAARC CCI.

(L-R) Ahfo Shamsul Haque, Director, FBCCI, Mr. Manish Mohan, Joint Director, FICCI, Mr. Mahomedur Rahim Ali Taha, Life Member, Mr. M. A. Momtaj, EC Member, Mr. Gazi Golam Mostafiz, BP, MD, EC Member, Mr. Abdul Momin Chowdhury, EC Member of SAARC CCI.

Mr. Anisul Huq, President SAARC CCI & Mr. Kosala Wickramanayake, Vice President SAARC CCI (Sri Lanka) exchanging their views.

Mr. Iqbal Tobish, Secretary General SAARC CCI, while addressing at the inaugural session.
Seminar on Trade Facilitation: A catalyst for workable SAFTA
August 4, 2010, Goa - India

Mr. Anisaul Huq, President SAARC CCI & Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC CCI welcomes Dr. Shivinder Singh Sidhu, Hon'ble Governor of Goa, India on his arrival.

Mr. Vikramjeet Sahney, Secy. Vice President, SAARC CCL Dr. Shivinder Singh Sidhu, Hon'ble Governor of Goa, India, Mr. Aftikhar Ali Malik, Vice President SAARC CCI (Pakistan) and Mr. Tarig Sayeed, Immediate Past President, SAARC CCI, at the lighting ceremony.

Mr. Ashutosh Bajpai, Chairman, SAARC CCI Trade Facilitation Council, while addressing at the inaugural session.

Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC CCI (India), while addressing at the inaugural session.

(L-R) Mr. Taher Malik, MC Member; FPCCI, Mr. Hameed Akhtar Cheeda, Vice President SAARC CCI. Mr. Aftikhar Ali Malik, Vice President SAARC CCI (Pakistan).

Group photo of SAARC CCI delegates along Dr. Shivinder Singh Sidhu, Hon’ble Governor of Goa, India & Mr. Anisaul Huq, President SAARC CCI.

(L-R) Mr. Abu Alam Chowdhury, Executive Committee Member, Mr. Farid Ali Khan, Life Member: SAARC CCI. Mr. Safiul Islam, Executive Committee Member, Mr. Anisaul Huq. President SAARC CCI

Mir Shahabuddin Mohammad, Secretary General, FBCCI while making presentation.
Glimpses

August 2010

Mr. Annisul Huq, President SAARC CCI, presenting SAARC CCI official crest to Dr. Shivinder Singh Sidhu, Honble Governor of Goa, India. Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC CCI (India) is also seen.

Mr. Cesar Menezes, President, Goa Chamber of Commerce and Industry, while addressing at the inaugural session.

Mrs. Rashida Dhawan, General Manager, Sun Group, Mr. Zakria Usman, Vice President, FPCCI and Mr. Usman Ghani, Businessman from Pakistan.

Mr. Kosala Wickramanayake, Vice President, SAARC CCI (Sri Lanka), Mr. Pradeep Kumar Shrestha, Vice President, SAARC CCI (Nepal), Mr. Subases Kumar, Program Executive, FNF.

Dr. Shivinder Singh Sidhu, Honble Governor of Goa, India presents a souvenir to Mr. Annisul Huq, President SAARC CCI.

Mr. Siegfried Herzog, Regional Director, FNF, while addressing at the inaugural session.

Engineer Jabbar, Life Member, SAARC CCI, while making presentation.

(L-R) Muhammad Idrees, Partner, Novamed Pharmaceutical Pakistan, Mr. Ifrih Kar Ali Malik, Vice President SAARC CCI (Pakistan) and Mr. Shafique Ahmed Abbasi, CEO Novamed Pharmaceutical Pakistan.
Unflinching Supporter & Providing Impetus to the Aims & Objective of SAARC for Achieving Common Trade Objectives of the Region.

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E-mail: info@gudia.com
Web: http://www.gudia.com

Lahore Office
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Islamabad Office
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Exclusively engaged in promotion of sales of Pharmaceutical Rawmaterials Packing Materials, Machinery, Equipments:

Region in brief

as the present ‘installment budget’ has started adversely effecting all major sectors of the economy.

Nepal:
Pakistan Tanners Association (PTA) has demanded that the government ban export of live animals and keep an eye on smuggling of livestock. Chairman PTA, Gulzar Firoz asked the government to exercise immediate check on smuggling of animals, especially from Balochistan. He added that it is feared in the coming years there will be acute shortage of hides and skins and even those animals who have survived may cause spread of diseases and therefore more animals will likely die and quality of material will be deteriorated. He said if the government failed to impose ban on export of live animals, the leather sector would suffer further losses as currently the export of leather and leather products was already on decline. More than one million domestic animals were taken away by devastating floods and millions of animals saved are suffering from starvation in flood-affected areas in the country.

Sri Lanka:
Import duty on vehicles slashed by 50%: The government has slashed import duty on motor vehicles by 50% and a 15% surcharge on imported goods has also been removed, the Finance Ministry announced a short while ago. Under the new amendments tax on mobile
SAARC Chamber Women Entrepreneur Council organized a Training of Trainees Programme on “Food Processing and Eco friendly Handmade paper manufacturing” on 23rd July, 2010 in Hyderabad, India. The program was sponsored by Mrs. V. L. Indira Dutt for 15 days from 23rd July 2010, focusing on Food Processing and Eco friendly hand made paper manufacturing and value addition product making at the Association of lady entrepreneurs of Andhra Pradesh (ALEAP), Hyderabad. The goal of this programme is to foster economic growth and generate employment locally by developing entrepreneurship with special focus on women, for their social and economic empowerment. Women and women entrepreneurs from all SAARC countries participating in this programme.

SAARC Chamber Women Entrepreneur Council in association with Smt. Vallabaneni Aruna Memorial Trust, who totally sponsored this 90-day training programme in "Italian Lace making" for the rural women on 3rd July, 2010. The entire theme of Empowerment of Women revolves around action to provide skill based training and access to resources and knowledge. It is the firm belief of SCWEC that gender equality and women's empowerment are human rights that lie at the heart of development.

A holistic approach to the subject should ideally include basic training in some skills suited to individual abilities which will inculcate in them the value of economic independence and empower them to be useful citizens. SCWEC has always enjoyed wholesome co-operation from the respective region. Mrs. Indira Dutt thanked Mrs. Pankaja Sree Vamsi for having sponsored this programme and Mrs. Padma Rajagopal, Executive Committee Member of SCWEC who has initiated this Training Programme.

**SAARC CCI Calender of Events**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundup on 16th SAARC Summit</td>
<td>30th September 2010</td>
<td>Colombo, Sri Lanka</td>
</tr>
<tr>
<td>SAARC Institutional Capacity Building Workshop</td>
<td>20th, October, 2010</td>
<td>Pakistan</td>
</tr>
<tr>
<td>SAARC Chamber Yong Entrepreneurs Forum*</td>
<td>28th, October, 2010</td>
<td>Kathmandu, Nepal</td>
</tr>
<tr>
<td>SAARC Trade Fair*</td>
<td>29th Oct - Nov 2, 2010</td>
<td>Kathmandu, Nepal</td>
</tr>
<tr>
<td>51st Executive Committee Meeting *</td>
<td>Nov, 2010</td>
<td>Male, Maldives</td>
</tr>
</tbody>
</table>

Tentative

**Region in brief**

Phones, cameras, wrist watches, electronics and motor vehicles have been withdrawn.

A statement from the Ministry declared that the new tax cuts are a result of President Mahinda Rajapaksa's decision to provide a boost to the rapidly recovering post conflict economy. In his capacity as the Minister of Finance, President Rajapaksa has abolished the 25% import duty on most raw materials, plants and machinery. According to the Ministry, the multiplicity of the custom duty structure has been simplified with a four-band structure of 0, 5, 15 and 30 percent.

Nepal:

Pakistan Tanners Association (PTA) has demanded that the government ban export of live animals and keep an eye on smuggling of livestock. Chairman PTA, Gulzar Firoz asked the government to exercise immediate check on smuggling of animals, especially from Balochistan. He added that it is feared in the coming years there will be acute shortage of hides and skins and even those animals who have survived may cause spread of diseases and therefore more animals will likely die and quality of material will be deteriorated. He said if the government failed to impose ban on export of live animals, the leather sector would suffer further losses as currently the export of leather and leather products was already on decline. More than
### Bangladesh

- **Agro Bangladesh**
  - **Date:** 05-OCT-10 to 07-OCT-10
  - **Venue:** Bangabandhu International Conference Centre, Dhaka, Bangladesh

- **PV Power Bangladesh**
  - **Date:** 14-OCT-10 to 16-OCT-10
  - **Venue:** Bangabandhu International Conference Centre, Dhaka, Bangladesh

- **E-Power Bangladesh**
  - **Date:** 14-OCT-10 to 16-OCT-10
  - **Venue:** Bangabandhu International Conference Centre, Dhaka, Bangladesh

### Garmentech Bangladesh

- **Date:** 12-JAN-11 to 15-JAN-11
  - **Venue:** Bangabandhu International Conference Centre, Dhaka, Bangladesh

- **PV Power Bangladesh**
  - **Date:** 14-OCT-10 to 16-OCT-10
  - **Venue:** Bangabandhu International Conference Centre, Dhaka, Bangladesh

- **Website:** [http://www.biztrakadeshows.com/bangladesh/](http://www.biztrakadeshows.com/bangladesh/)

### Bhutan

- **India & International Premier Schools Exhibition Thimphu**
  - **Date:** 26-MAR-11 to 27-MAR-11
  - **Venue:** Nekki Higher Secondary School, Thimphu, Bhutan

  - [Website](http://www.biztrakadeshows.com/bhutan/)

### India

- **UpperCrust Show - Bangalore**
  - **Date:** 24-SEP-10 to 26-SEP-10
  - **Venue:** The Lalit Ashok, Bengaluru, Karnataka, India

- **Luxury Homes Chennai**
  - **Date:** 02-OCT-10 to 03-OCT-10
  - **Venue:** Chennai Trade & Convention Centre, Chennai, Tamil Nadu, India

- **India Com**
  - **Date:** 06-OCT-10 to 07-OCT-10
  - **Venue:** Mumbai J.W. Marriott, Mumbai, Maharashtra, India

- **India Knit Fair**
  - **Date:** 06-OCT-10 to 08-OCT-10
  - **Venue:** IIFL complex, Tirupur, Tamil Nadu, India

- **SIRTEX**
  - **Date:** 07-OCT-10 to 08-OCT-10
  - **Venue:** Chintan Bhawan, Gangtok, Sikkim, India

  - [Website](http://www.biztrakadeshows.com/India/)

### Maldives

- **Maldives Hotel & Trade Exhibition**
  - **Date:** 21-SEP-10 to 23-SEP-10
  - **Venue:** Dhanubasagar Exhibition Hall, Male, Maldives

  - [Website](http://www.biztrakadeshows.com/Maldives/)

### Nepal

- **Education Worldwide India-Kathmandu**
  - **Date:** 27-NOV-10 to 28-NOV-10
  - **Venue:** Everest Hotel, Kathmandu, Nepal

- **Nepal Property Expo-Kathmandu**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** BHIRKHUTI MANDAP EXHIBITION HALL, Kathmandu, Nepal

- **Indie & International Premier Schools Exhibition Kathmandu**
  - **Date:** 07-JAN-11 to 08-JAN-11
  - **Venue:** Everest Hotel, Kathmandu, Nepal

  - [Website](http://www.biztrakadeshows.com/Nepal/)

### Pakistan

- **IGATEX Pakistan**
  - **Date:** 22-OCT-10 to 24-OCT-10
  - **Venue:** Expo Centre Lahore, Lahore, Punjab, Pakistan

- **Chemex Pakistan**
  - **Date:** 03-NOV-10 to 05-NOV-10
  - **Venue:** Karachi Expo Center, Karachi, Sindh, Pakistan

- **Intertrans Pakistan**
  - **Date:** 10-NOV-10 to 12-NOV-10
  - **Venue:** Karachi Expo Center, Karachi, Sindh, Pakistan

- **Machine Tools & Automation Pakistan**
  - **Date:** 11-NOV-10 to 13-NOV-10
  - **Venue:** Karachi Expo Center, Karachi, Sindh, Pakistan

- **Pakistan Chrome, Copper and Manganese ore Export Trade Exhibition**
  - **Date:** 25-NOV-10 to 27-NOV-10
  - **Venue:** PW Marriott Hotel Pakistan, Karachi, Sindh, Pakistan

  - [Website](http://www.biztrakadeshows.com/pakistan/)

### Sri Lanka

- **ADYAPANA Expo**
  - **Date:** 15-OCT-10 to 17-OCT-10
  - **Venue:** Sirimavo Bandaranaike Memorial Exhibition Center, Colombo, Sri Lanka

- **Apparel Industry Suppliers Exhibition**
  - **Date:** 25-NOV-10 to 27-NOV-10
  - **Venue:** Sri Lanka Exhibition & Convention Centre, Colombo, Sri Lanka

- **Office Today Sri Lanka**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka

- **Gift Today**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka

- **Screen & Textile Printing Expo-Sri Lanka**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka

- **Image Today-Sri Lanka**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Tiba, Colombo, Sri Lanka

- **Photo Today Sri Lanka**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka

- **Sign Today-Sri Lanka**
  - **Date:** 03-DEC-10 to 05-DEC-10
  - **Venue:** Bandaranaike Memorial International Conference Hall, Colombo, Sri Lanka

- **Santastic Fair**
  - **Date:** 14-DEC-10 to 23-DEC-10
  - **Venue:** Sri Lanka Exhibition & Convention Centre, Colombo, Sri Lanka

  - [Website](http://www.biztrakadeshows.com/sri-lanka/)
Can South Asian Leads to the World?

South Asia in the twenty-first century has an opportunity to lead the world by addressing the challenges of poverty, peace, and environmental degradation through cooperation in a region where these challenges are manifest in their most intense form. Regional cooperation in South Asia could enable a new form of equitable and sustainable economic growth. This would involve new initiatives for restructuring the growth process to make it pro-poor and accelerating the process of peace and economic cooperation. Innovative initiatives are required to develop new institutions and technologies for use at the regional, national, and local levels in the fields of water resource management, energy production, heat-resistant seed varieties, reduced soil depletion, and reduced greenhouse gas emissions. Equally important, this process of achieving sustainable development could be catalyzed by capitalizing on South Asians’ rich cultural tradition of seeking unity in diversity, human solidarity, and harmony with nature.

Never before in history was the choice between life and comprehensive destruction as stark as it is today. The question is, can we grasp this moment and together devise a new path toward peace, freedom from hunger, sustainable development, and regional cooperation? There is Peace and Economic Cooperation in South Asia an urgent need to move out of the mind-set that regards an adversarial relationship with a neighboring country as the emblem of patriotism that views affluence of the few at the expense of the many as the hallmark of development, that sees nature as an exploitable resource, and that embraces individual greed as the basis of public action. We have arrived at the end of the epoch when we could hope to conduct our social, economic and political life on the basis of such a mind-set.

Peace: A Question of Life and Death

South Asia today stands suspended between the hope of a better life and fear of cataclysmic destruction. The hope emanates from its tremendous human and natural resource potential: the rich diversity of its cultures that flourish within the unifying humanity of its civilization. The fear arises from the fact that South Asia is not only the poorest region in the world but also one whose citizens live in constant danger of a nuclear holocaust. At the same time, the structures of state and the fabric of society are threatened by armed extremist groups who use hate and violence to achieve their political goals.

It can be argued therefore that interstate peace in the region rather than enhanced military capability is the key to national security, indeed, to human survival. We will propose in this chapter that peace between India and Pakistan not only is necessary for sustaining economic growth but also is vital for building pluralistic democracies and thereby sustaining the integrity of both states and societies in the region.

The Constraints and Drivers of the INDIA–PAKISTAN Peace Process

Let us start with the strategic dimension of the political economy of India and Pakistan, respectively, within which both the constraints to and the drivers of the peace process can be examined. India’s economic strength lies in the fact that having established a heavy industrial base during the Nehru period in the 1950s, and reconfi gured India’s policy framework in the 1990s to play a role in a globalized economy. India’s economy has been launched on a high-growth trajectory. With a domestic technological change capability, international competitiveness in selected cutting-edge sectors like software and electronics, and large capital inflows, India has achieved impressive GDP growth over the last two decades. Yet it has been predominantly based on the home market, with India’s exports as a percentage of world exports still less than 1 percent. Continued growth in the future will require acceleration in export growth. To sustain GDP growth, India will need to establish (a) markets for its manufactured exports in South Asia and abroad and (b) an infrastructure for the supply of oil, gas, and electricity. It is in this context of sustaining GDP growth that three strategic imperatives for India become apparent:

(a) Achieving a regionally integrated economy through an
early implementation of the Islamabad South Asian Association for Regional Cooperation (SAARC) Summit Declaration on the South Asian Free Trade Agreement (SAFTA) in January 2004;
(b) Securing oil and gas pipelines and rail and road transportation routes from Central Asia to India through Pakistan.
(c) Overcoming political disputes with Pakistan and other South Asian neighbors to establish a political framework of lasting peace that would be integral to economic union. Peace and economic cooperation with Pakistan are necessary for India not only to secure its strategic economic interests but also to maintain its secular democratic polity. A high-growth, open economy framework for India today is inseparable from a liberal democratic political structure.

Therefore, the existing social forces of Hindu nationalism, intolerant of minorities, will undermine India’s secular democratic structure as much as its economic endeavor. Continued tension between India and Pakistan will only fuel extremist religious forces in both countries, to the detriment of their economy and polity.

Pakistan, by contrast, is faced with an economic crisis whereby it is unable to sustain high GDP growth due to an aid-dependent economic structure, inadequate export capability, and recurrent balance-of-payments pressures. The persistent high levels of poverty and continued tension with India fuel the forces of religious extremism. Armed militant groups have now emerged as rival powers to that of the state within its territorial domain, thereby threatening the structure of the state as well as the fabric of society. Peace with India will mean a substantially improved environment for the much-needed foreign and domestic investment. This could play an important role in accelerating and sustaining GDP growth and poverty reduction in Pakistan.

It is clear that through peace, both India and Pakistan can reap economic benefits for their people and secure their respective democratic structures against the forces of religious extremism. The national security of both countries is threatened not by the neighbor across the border but by internal social forces of intolerance, violence, and poverty. A new structure of peace would reduce the danger of cataclysmic destruction from nuclear war and also provide the two nations with economic and political stability. Thus, by providing increased security of life and livelihood to both countries, national security in their respective nations will be enhanced.

Trade and investment historically has been both the cause and consequence of institutional change. So it can be for Pakistan, India, and indeed South Asia as a whole. Thus, with respect to SAFTA, implementation of the Islamabad SAARC Declaration (SAARC 2004) would be another strategic step toward achieving regional economic integration and peace and strengthening the institutional structures of democracy in the region.

Pursuant to SAFTA, Pakistan ought to quickly establish free trade and investment with India and other South Asian countries, together with an easing of travel restrictions within the region for the people of South Asian countries. Free trade and investment within South Asia and particularly between India and Pakistan could be a driver of change in the institutional structure of the economy, polity, and society: (a) it would be a powerful economic stimulus; (b) it would create stakeholders for peace and the Demilitarization of the polity in Pakistan, which would strengthen the struggle for civilian supremacy in Pakistan; and (c) it would help build a tolerant and pluralistic democratic culture.

Writer: Dr. Akmal Hussain
Source: World Bank

### Region in brief

one million domestic animals were taken away by devastating floods and millions of animals saved are suffering from starvation in flood-affected areas in the country.

**Sri Lanka:**

Import duty on vehicles slashed by 50%. The government has slashed Import duty on motor vehicles by 50% and a 15% surcharge on imported goods has also been removed, the Finance Ministry announced a short while ago. Under the new amendments tax on mobile phones, cameras, wrist watches, electronics and motor vehicles have been withdrawn.

A statement from the Ministry declared that the new tax cuts are a result of President Mahinda Rajapaksa's decision to provide a boost to the rapidly recovering post conflict economy. In his capacity as the Minister of Finance, President Rajapaksa has abolished the 2.5% import duty on most raw materials, plants and machinery. According to the Ministry, the multiplicity of the customs duty structure has been simplified with a four-band structure of 0, 5, 15 and 30 percent.
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.

After taking over the Presidency of SAARC CCI in 2008, the Business Leadership in Pakistan has proactively undertaken the assignment for completion of this state-of-art Project at a piece of land already acquired by SAARC CCI.

The Executive Committee of SAARC CCI has already established SAARC CCI Headquarters Building Trust under the chair of Mr. Tariq Sayeed, immediate Past President and comprises members from all member nations of SAARC. The current Vice President, SAARC CCI (Pakistan), Mr. Iftikhar Ali Malik has been assigned the responsibility to accomplish this task as the Chairman of Building Committee.

The SAARC CCI Permanent Headquarters Building will be constructed on its designated Plot No. 26 at Muslim Area, G-10/4 in Islamabad. The technical requirement has been fulfilled and the Capital Development Authority in Islamabad has allowed for construction, the process of which will soon be accomplished.

**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 basement + ground + mezzanine + 1st Floor to 9th Floor for office use.
- 9th Floor will have an auditorium with seating capacity of 250 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 160'ft x 70'ft, having covered area of about 1,60,000 sq. ft.
- The maximum grid/column spacing is 25'ft x 24'ft. 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. Iftikhar Ali Malik, Vice President SAARC CCI or Mr. Iqbal Tabish, Secretary General, SAARC CCI at our official address and contact Numbers.

**SAARC Chamber of Commerce and Industry**

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