Euro-SAARC Economic Cooperation
SAARC Chambers offers collaborative Partnerships

The SAARC Chamber of Commerce & Industry (SAARC CCI) has offered Eurochambers and International Chambers of Commerce & Industry (ICC) for collaborative partnerships in the mutually interested areas to enhance economic cooperation between SAARC and EU nations.

Mr. Anisul Huq, President, SAARC CCI who led a small delegation of SAARC CCI to France, gave detailed presentation during the World Chambers Federation (WCF) General Council held on 15th September 2010 at ICCI Headquarters, Paris. The other delegates included Mr. Thinly Dorji, Vice President, SAARC CCI (Bhutan) and Hadi Salahuddin, Life Member, SAARC CCI (Pakistan)

President, SAARC CCI also attended Transnational Chambers Board Meeting and offered partnership opportunities particularly in areas of institutional capacity-building of SAARC CCI, R&D based activities, awareness creation on issues impeding growth of business between EU and SAARC, promotion of ATA Carnet System, formation of EU-SAARC Business Council, B-2-B Meetings, exchange of commercial and business information, economic empowerment of Women and young entrepreneurs etc.

Over 20 representatives attended the meeting, which is hosted annually by the ICC World Chambers Federation since 2002. The meeting took place at ICC headquarters in Paris and provided a rare opportunity for participants to keep pace with developments on issues pertinent to chambers of commerce and their respective business communities. It was also an occasion to discuss the role of transnational chambers, highlight current collaborations and identify potential opportunities.

Meeting participants included representatives from the Chamber of Commerce of the Russian Federation, Junior Chamber International, Ibero American Association for Chambers of Commerce, Conference Permanente des Chambres Consulaires Africaines and Francophones, South Asian, World Chambers Network, China Chamber of International Commerce, Confederation of Asia Pacific Chamber of Commerce and Industry, Federation of the Gulf Cooperation Council Chambers, and Eurochambres.

SAARC countries have more than 22% trade with EU member states and form great deal of complementarities, which shows the potential for bilateral cooperation between Europe and SAARC nations. SAARC CCI had a permanent seat on Governing Body of ICC, WCF and had been involved in promoting economic cooperation between regions.

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 henceforward mainly covers the various events held in the region. This issue comprises activities of SAARC CCI during September 2010 coupled with other informative stuff. Your comments and feedback to further improve the contents of the bulletin are appreciated.
President SAARC CCI meets Dr. Amit Mitra, SG, FICCI

Mr. Annisul Huq, President SAARC CCI during his visit to Delhi met Dr. Amit Mitra at Headquarters of FICCI on Monday, the 20th September 2010 at New Delhi to exchange views on areas of mutual cooperation and sought enhanced role of FICCI to further promote SAARC CCI activities in the region. During course of discussion, President SAARC CCI informed Secretary General FICCI about some important initiatives of SAARC CCI undertaken during his tenure commenced from January 2010 and said that the leadership of SAARC CCI was keen to improve people-to-people interaction in the region. He said that since FICCI had a sound R&D set up, it can help SAARC CCI to initiate R&D based reports to help foster the regional economic cooperation.

He requested the management of FICCI to recommend to the Government of India to undertake flexible Visa policy particularly towards Bangladesh and Pakistan in the larger interest of the regional economic cooperation. He said that he was keen to lead a SAARC CCI delegation to call on Ministers for Interior and External Affairs of Government of India and Pakistan to seek their support for increase in SAARC Visa Stickers in the forthcoming SAARC Ministerial Meeting of Foreign Affairs. Dr. Amit Mitra, Secretary General, FICCI assured of all possible cooperation.

THE SCWEC DELEGATION AT JAIPUR ON 6TH AND 7TH AUGUST 2010

Leading thirty five women entrepreneurs from all seven South-Asian countries named India, Bhutan, Nepal, Pakistan, Bangladesh, Maldives and Sri Lanka Conglomerated in Jaipur to attend Executive Committee Meeting and parallel functions.

Ms. VL Indira Dutta, Chairperson SCWEC, MD KCP Limited presided the SCWEC Executive Committee Meeting. The renowned women delegates who participated in the meeting included Ms. Ayesha Zaheer from Pakistan, Ms. Nasreen Fatema Awal from Bangladesh, Ms. Pramila Rijal from Nepal, Ms. Damchae Dem from Bhutan and Ms. Ramya Weerakoorn from Sri Lanka. Ms. Namita Gautam Director of Sleepwell, Dr. Kusum Ansal entrepreneur, Mrs. Ghazala Sai fi from Pakistan and author Dr. Shehla Javed Akram, President of Central and North Women Chamber of Commerce and Industry also attended the international event.

SAARC Chamber Women Entrepreneur Council organized a one day seminar on Encouraging Innovative Entrepreneurship in India on 7th August 2010. The Chief Guest of the seminar was Ms. Dibal Goenka, the Executive Director, Welspun India Ltd. (WIL), part of the US$3 Billion Welspun group. Ms. Goenka while addressing pointed out those women, comprising 60 per cent of the population in the SAARC countries, should produce more “visionary entrepreneurs” with new solutions for creation of wealth for multiplicity of stakeholders.
Ms. V.L. Indira Dutt, Chairperson, SCWEC said while the single window system had not been very successful in different states, there should be special provisions for extra funds for innovative models of development. She also called for establishment of special cells at the district level for protection of consumers’ rights. Mr. N.K. Choudhary, Managing Director of Jaipur Rugs Company enthralled the audience with his presentation from the heart. He stressed for more and more gatherings like this promote mutual understanding as well as cooperation in various fields.

Ms. Goenka concluded her great entrepreneurship concept enlightenment journey by pointing out some very significant determinants of encouraging innovative entrepreneurship for a developing nation. Which were as follow:

- Benefits to business with Minority Enterprises
- Businesses run by Women or differently-abled staff
- Tax holidays for innovative ventures
- Easier and faster patenting process. Mrs. Premila Rijal, Vice Chairperson SCWEC (Nepal) offered vote of thanks.

**Region in Focus**

The 11th Meeting of Nepal-China Non-Governmental Cooperation Forum was held in Kathmandu, Nepal from 16th to 17th September, 2010. The inauguration program of the Forum Meeting started with the welcome remarks by Mr. Kush Kumar Joshi, President of FNCCI. His Excellency Mr. Qiu Guohong, Ambassador of People’s Republic of China to Nepal delivered their remarks, followed by remarks of Mr. Quan Zhezhu, the leader of the ACIFIC delegation. Rt. Hon’ble Mr. Subash Chandra Nemang, Chair of the Constituent Assembly of Nepal was the Chief Guest of the seminar and gave his keynote address. Mr. Rajesh Kazi Shrestha, President of Nepal-China Chamber of Commerce & Industry delivered vote of thanks. After the inaugural session, a Seminar with two Business Sessions was held. With the friendly consultations and negotiations between the two parties, the 11th meeting of the Forum agreed to adopt the following:

Both sides agreed to work together for the development of the hydropower and energy sector of Nepal, through mutual cooperation and investment. Focus will be on expanding cooperation, by providing good opportunities, to accelerate bilateral trade, tourism and investment. It was also agreed work for further exchange of business and professional delegations, trainings for Nepalese entrepreneurs, more communications and exchange of business and economic information, and assistance to the entrepreneurs from respective countries to conduct businesses. The 12th Meeting of the Forum will be held in China through mutual consultation between FNCCI and ACIFIC.

**Bhutan:**

There’s good news for those living in rural communities as many of the villages will soon be connected to the cellular network. It is the government’s target to provide basic communication services in all unconnected villages by June next year. More than 353 villages will be part of the Bhutanese cellular network by next June. The project to connect these villages was handed over to Tashi Info Com after a tendering process by the government.

**India:**

Food inflation rose for the third week running as flood disrupted supplies, but most economists see food prices easing soon. Inflation in food articles in the new series with 2004-05 base was 15.1% for the week ended September 4, compared with 14.6% in the week before, data released on Thursday showed. The central bank chose to lift rates in its policy review on Thursday saying inflation is still a big concern. RBI lifted repo rate, or the rate at which it lends money, by 0.25 percentage point and reserve repo rate, or the rate at which banks park their surplus, by 0.50 percentage points to combat high inflation.

**Maldives:**

The cabinet in a meeting has decided to develop luxury villas in Thossalafushi of Faadhhippolhu atoll under the government’s housing scheme. The cabinet makes this decision after discussing a paper submitted by the Ministry of Housing and Environment and in

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Pakistan-India Textile Industry Synergies

Misfortune of devastating floods in Pakistan may open a window between the Pakistan textile industry and the Indian cotton exporters in the immediate future. This is nothing new but this time Pakistan's demand would be higher.

Reports are that almost 20 per cent of the cotton crop in Punjab and Sindh has been washed away by the floods. Pakistan Textile industry cotton demand is estimated to be around 14 to 16 million bales. In 2009-10 Pakistan produced 12.7 million bales and had to import about 2 million bales to meet the industry's demand.

This year the market Pundits were hoping that the country would produce 14 million bales. But now with the flood damage reports they have slashed the forecast to around 10 to 11 million bales leaving a wide demand gap of around 3 to 4 million bales at least. On the other hand our neighbour India, according to AFP, is expecting a bumper crop of about 32 million bales, as against a 28 million bales harvest of last year.

Leading businessmen who met last week to form the 'Aman Ki Asha Textile Forum', following up on the Pakistan-India Business Meet in Delhi this May said they would need to buy cotton towards the end of the season after having bought the local stocks. I asked them if they would be interested to buy Indian cotton in the future. All agreed that this option would be explored but were wary that like April this year Indian government might pull the plug by banning export of cotton. However, expecting a bumper crop India has now lifted the ban. This is one good example where it is important that Pakistan Textile Industry can work with Indian cotton exporters to get an assurance from Delhi that there would be no last minute surprises. At present the Indian yarn industry cannot consume all the cotton produced by the country. Hence there would be exportable surplus.

If both the countries' leaders want trade and industry to play a role in building a peace bridge then cooperation in textile and its auxiliary industry and trade should be encouraged. On Pakistan's side, textile industrialists said the land route facilities should be developed for the benefit of both countries. They confided that it is also not easy on our side to get the imported cotton and other things through the Wagah border.

Participants of the meeting were of the view that access to Indian cotton may decline gradually because their Indian counterparts are expanding their yarn spinning capacity rapidly. Even then they felt that Pakistan can import yarn, chemicals, textile machinery and spare parts and save about 20 per cent cost.

One view is that Pakistani leading textile brands should be allowed to open their outlets in India which has a large consumer market. This view is further substantiated by the fact that almost all the leading global brands have opened their outlets in India and are doing booming business. So where is the snags? The answer once again is that our businessmen are afraid that their doing business in India may be not approved by Pakistan's security managers. Being nationalists they do not want to do anything to upset this powerful lobby.

So what our establishment has to be convinced of perhaps by the Aman Ki Asha proponents is that there is a win-win situation here. Both the countries can benefit from increasing their direct business, instead of going through a third country like UAE at a higher cost. The ultimate sufferer is the common men in whose interest Pakistan and Indian governments claim they are working for. Former Karachi Chamber of Commerce and Industry (KCCI) President Majyd Aziz is reported to have said in an interview to Central Asia Online that 'trade liberalisation with India would end dependence on indirect trade through Dubai and would benefit the businessmen and people of the two countries'. Direct import by sea from India costs US $7 to $8 per ton, as against US $18 to $20 per ton cost from Dubai.

Talking of South Asian business synergies, Executive Director of Centre for Enterprise, Trade and Development, Khalid Mehmood had underlined in his paper that 'Pakistan is well poised in cotton yarns and fabrics and is a leading supplier to the world. Bangladesh is a leading garment exporter and simultaneously has developed sizable backward spinning linkages. Sri Lanka is engaged in high end fashion garments and is the only country in the region with higher foreign direct investment and joint ventures. India has a diverse raw material supply chain with global economies of scale with large production capability of other textiles and clothing products. It is also an emerging supplier of textiles spinning machinery, chemicals and dyes for textiles processing'.

Pakistan:

Pakistan is facing the worst natural disaster of its history due to the current unprecedented floods, causing invaluable human and infrastructure losses, which have plunged a swath of destruction more than 1,000 km long from northern Pakistan to the south, killing more than 2,000 people. Around 20 million people in 75 districts have been affected, leaving 4 million people homeless.

Pakistan has suffered damages worth Rs 350 to Rs 500 billion to infrastructure, livestock and standing crops by the devastating floods. About 20 percent of Pakistan's irrigation infrastructure, livestock and crops have been destroyed and perish by the recent floods. GDP will decline to 2.5 percent, from projected 4.5 percent, for the current fiscal year (2010-11) as a result of damage to various sectors of the economy by floods. Budget deficit might touch 6 to 7 percent of GDP for the ongoing fiscal year and inflation 15 to 20 percent. The overall losses have been estimated at $ 40 billion, putting the country in a huge fiscal deficit and foreign debt.

Pakistan:

Islamabad Capital Territory (ICT) administration has decided to launch a pilot project in the rural areas of Islamabad and approved Local Government and Rural Development Department's six water supply schemes, which would be run by the solar energy.
Director Marketing, Guard group of Companies, younger brother of Mr. Iftikhar Ali Malik, Vice President, SAARC CCI (Pakistan) and Life Member of SAARC CCI, has been elected “unopposed” President of Lahore Chamber of Commerce & Industry for the term ending September 2011. Mr. Shahzad has a great deal of experience of working with international companies and has played an important role important in expansion and innovation of Guard Group, which is a symbol of quality and reliability all over the World. Mr. ShahzadAli Malik joined family business GUARD GROUP as Marketing Director in 1978.

He started the business career with automobile spare parts including filters, brake fluid, brake lining, engine oil etc. and in 1989 ventured into Rice business. In 1997, he was awarded the Best Businessman of the year Gold Medal by the FPCCI. He took over as the President of LCCI in a prestigious ceremony held in Lahore Chamber of Commerce & Industry and presided over a AGM on 28th September 2010. Prior to this position he also served LCCI as a Vice President.

Continued...

The Aman ki Asha supported Pakistan Textile Industry Forum has resolved to study the opportunities and obstacles in the way of promoting trade and investment between the two countries.

In July 2005, the Federation of Indian Export Organizations, a 43-year-old body of exporters and related organizations, released an internal study specifying impediments to bilateral trade relations and remedies that included: (1) Pakistan reciprocating India in granting most-favored nation (MFN) status to India, in accordance with World Trade Organization rules. The MFN status ensures that all trading partners of a country receive equal trade benefits such as low tariffs; (2) A multiple-entry business visa with two-year validity instead of the current six-month validity that India and Pakistan offer; (3) Increasing overland trading routes; and (4) Trading carried out in local currencies at a mutually accepted exchange rate rather than in international currencies, and traders being spared paying exorbitant higher currency rates per business transaction. But the Pakistani exporters to India complain about the non-tariff barriers in India and feel that while their country has liberalized trade to a great extent, India has still protective policies. Above all businessmen on both sides that I have had an opportunity to talk to say that beyond the rules, regulations and tariff, the need is to change the mindset of the governments in Pakistan and India. Many studies have put the direct business potential between the two countries to range from $6 to $10 billion a year.

Amin Hashwani who has been struggling to normalize the business relation between the two countries is optimistic and says the realization that we have to live in peace is gaining strength in both countries. Some of the leading business houses in India, Pakistani businessmen say are interested to invest here in a big way. Our establishment is however afraid of this and looks at such moves with suspicion. Here, I am reminded of Malaysia’s success leader Mahathir Mohammad who was asked once about the negative implications of rapid foreign investment in the country. He said that don’t forget who invests in Malaysia has to live here under our laws and under our control. Investment in each other’s country can only strengthen peace between Pakistan and India. The investors would be our lobby in India as they would like to have a stable and prosperous Pakistan in their self-interest. This is the point which Aman Ki Asha Initiative has to drive-in in Islamabad and Delhi.

Source: Mr. Baber Ayaz, Editor, The News.
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How Will Globalization Impact South Asia's Economic Recovery?

Many economists are beginning to see signs of an end to the global economic crisis, talk has turned now to how long the recovery will take. But there is another concern about how this crisis may have reshaped the global economy and how it may have changed globalization in ways that will hinder recovery in many countries. World Bank Economic Advisor for the South Asia Region, Ejaz Ghani addresses some of the emerging questions about what the global economy might look like for this region.

According to Ghani, globalization has accelerated growth in South Asia and contributed to poverty reduction over the last three decades. But the current global crisis may potentially change globalization itself, as developed countries adjust to global imbalances that contributed to the crisis. “The three aspects of globalization - capital flows, trade flows, and economic management - may not be the same in the future,” said Ghani, “Some Finance Ministers are concerned whether changes in globalization will help or hinder the pace of economic recovery.”

So, how will these changes in globalization impact South Asia’s recovery?

Ghani said South Asia’s recovery will be determined by a number of factors, including the three aspects of globalization: Capital flows, trade flows, and economic management.

Capital Flows
Foreign capital inflows remittances, international syndicated bank lending, private capital investments, and bond issues to South Asia had surged in recent years, but collapsed in the aftermath of the crisis. “With the ongoing global financial restructuring, it will take time for private foreign capital flows to recover. Even then the capital flows will be less accessible in a new risk-averse environment, and the cost of capital will be higher. This will slow the economic recovery.”

Ghani believes, however, that South Asia, even with lower capital flows, will suffer less compared to other regions because of its particular features. First, South Asia’s investments are largely driven by domestic savings. A high level of domestic saving enables a country to cope better with reduced capital inflows. Most South Asian countries have a large and significant positive savings rate compared to other developing countries.

Second, South Asia is unique in attracting capital flows that are less volatile. The region relies more on remittances inflows than for example portfolio flows and bank loans. “Remittance inflows in South Asia are more stable and persistent compared to portfolio flows,” There are both benefits and risks associated with global financial integration. Benefits include access to capital, technology transfer, knowledge, and risk sharing. The risks are that countries will be exposed to the problems and volatilities of developed economies. “Given the high domestic savings and less dependence on volatile capital inflows, South Asia is likely to bounce back faster.

Trade
South Asia’s foreign trade has grown considerably over the last decade, which has contributed to rapid growth. Many countries in crisis have accelerated their recovery with the help of expanding exports. The recovery of East Asian countries following the crisis in the 1990s was achieved by exporting to developed countries. “Given that the current crisis is synchronized and global in nature, there is less room for an export led recovery.”

Global discussion is now focused on how reduced trade will limit the pace of recovery in developing countries. Other roles performed by trade in promoting growth in developing countries have been overlooked. These include knowledge spillover and externalities generated by trade that

Region in brief
months of the year. “The influx began in June after the LTTE was defeated in May. The end of the three decades old war has brought many tourists from all parts of the globe to the country,” Minister of Tourism Promotion Fayaz Mustapha said.

Pakistan:
Islamabad Capital Territory (ICT) administration has decided to launch a pilot project in the rural areas of Islamabad and approved Local Government and Rural Development Department’s six water supply schemes, which would be run by the solar energy. Under the project, in the second phase all water supply projects will be switched over from electricity to solar energy.

According to the sources, the conversion of six schemes to solar energy will not only save Rs 14.4 million per year being paid as electricity bill of the district administration, but it will also contribute to energy saving campaign.

Pakistan:
The government is likely to set wheat production target as 25 million tonnes for (October to March) Rabi Season 2010-11. Last year, the government also set wheat production target of 25 million tonnes but actually achieved 23.87 million tonnes wheat production over 9.042 million hectares sowing areas.

The officials claimed that 25 million tonnes wheat production would be achieved over 9.045 million hectares sowing areas in Rabi Season 2010-11. The wheat crop, 2009-10 targets were fixed in line with Task Force on Food Security recommendation (4% per annum growth in wheat production) the target for 2010-11 crop are being proposed as of
are vital to growth. The current global crisis has not reduced the stock of knowledge available in developed countries, which developing countries can use to benefit.

He said unlike East Asia, South Asia’s economy is largely service driven. Service exports are less volatile compared to goods exports. Globalization of services is still at an early stage. South Asia’s service export has experienced faster growth compared to its goods exports. It is even faster than East Asia’s goods growth rate. A service-led export growth strategy will likely enable South Asia to recover quicker and sustain high growth over the medium term. But not all countries will benefit as there is tremendous diversity within South Asia. Countries need to focus on their competitive advantages, he said.

**Fiscal Stimulus**
The speed of recovery will also be determined by related subsidies. Such savings could be used to finance discretionary fiscal stimulus. "South Asia spends too little on education, health, roads, power, and water compared to the rest of the world. Increased and better expenditure with a greater focus on improved outcomes in social and physical infrastructure, and safety nets will speed up the recovery consistent with long-term growth."

### Will the changes in globalization accelerate or restrain recovery?

Recovery will depend on the composition of capital flows, trade, and economic management. "New trends in globalization will create new challenges but will also provide new opportunities. Increased trade from globalization of services and increasing South-South trade will provide new opportunities for South Asia."

There are substantial opportunities for developing countries to catch-up with developed countries, he said. South Asia will continue to benefit from its demographic dividend and productivity growth will remain on an upward trajectory. As South Asia undergoes structural transformation from agriculture to manufacturing and service sectors, the region will be well positioned to bounce back with global economic recovery.

Source: World Bank
BANGLADESH - INDIA RELATIONS

India’s links with Bangladesh are civilisational, cultural, social and economic. There is much that unites the two countries - a shared history and common heritage, linguistic and cultural ties, passion for music, literature and the arts; with Bangladesh, India shares not only a common history of struggle for freedom and liberation but also enduring feelings of both fraternal as well as familial ties. This commonality is reflected in multi-dimensional relations with Bangladesh at several levels of interaction. High-level exchanges, visits and meetings take place regularly alongside the wide-ranging people-to-people interaction.

India’s Missions in Bangladesh issue about half a million visas every year and thousands of Bangladeshi students study in India on self-financing basis and over 100 annual GOI scholarships. These exchanges and interactions serve as an important adjunct to the official-level interaction. India’s land border with Bangladesh - nearly 4,096 km - is the longest that India has with any of its neighbours.

Recent High Level Contacts
Prime Minister of Bangladesh Sheikh Hasina accompanied by a 123-member delegation that included Ministers of Foreign Affairs and Water Resources, Advisers and a 50-member strong business contingent paid a State visit to India from January 10-13, 2010. The visit was very successful and gave both countries a historic opportunity to build a new and forward-looking relationship. On January 12, 2010 Bangladesh Prime Minister Sheikh Hasina was conferred the prestigious Indira Gandhi Prize for Peace, Disarmament and Development for 2009 at the Rashtrapati Bhawan.

Three agreements on mutual legal assistance in criminal matters; transfer of sentenced persons and combating international terrorism; organised crime and illegal drug trafficking; a Memorandum of Understanding on cooperation in power sector and a cultural exchange programme were signed. The Prime Ministers of the two countries agreed to put in place a comprehensive framework of cooperation for development of the two countries based on their mutually shared vision for the future. A Joint Communiqué issued during the visit outlined various initiatives. Among others, India announced a line of credit of US$ 1 billion for a range of projects pertaining to railway sector, procurement of buses and dredging of rivers. India agreed to supply 250 MW electricity from its grid and support Bangladesh in dredging of rivers. India agreed for making Rohanpur-Singabroad gauge railway link available for transit to Nepal. Both sides agreed to declare Ashuganj and Silghat as ports of call; operationalise land customs stations at Sabroom-Rangarh and Demagiri-Thgamukh and organise border haats on a pilot basis at selected areas. Shri Pranab Mukherjee, Finance Minister visited Dhaka on August 7, 2010 to witness the signing of the US$ 1 billion Line of Credit Agreement between EXIM Bank of India and Government of Bangladesh.

After the new Government took office following General Elections in Bangladesh on December 29, 2008, Shri Pranab Mukherjee, EAM paid an official visit to Dhaka on February 9, 2009. Two agreements on trade and bilateral investment promotion and protection were signed. Shri Somnath Chatterjee, Hon‘ble Speaker, Lok Sabha visited Dhaka from February 21-23, 2009 to address the Members of Bangladesh Parliament at the opening ceremony of ‘Parliamentary Orientation Program for 9th Jatiya Sangsad’.

Prime Minister Dr. Manmohan Singh had a bilateral meeting with Bangladesh Prime Minister Sheikh Hasina on July 15, 2009 at Sharm El Sheikh (Egypt) on the sidelines of NAM Summit. The two leaders again met on April 29, 2010 at Thimphu on the margins of the 16th SAARC Summit and discussed issues of mutual concern. Bangladesh Foreign Minister Dr. Dipu Moni met EAM and Finance Minister on July 9, 2009 during a stopover in New Delhi and discussed a range of bilateral issues. This was followed by her official visit to India from September 7-10, 2009. Several key decisions in areas of water, connectivity, infrastructure development, power, trade, security and land boundary were taken during the visit. Other bilateral exchanges include meetings between Foreign Ministers/Ministers of State on the sidelines of various regional and multilateral conferences/summits; visits of Minister of Agriculture & Consumer Affairs, Food & Public Distribution Shri Sharad Pawar (January 2010), Minister of Youth Affairs & Sports Shri MS Gill (January 2010) and Minister for Health & Family Welfare Shri Ghulam Nabi Azad (February, 2010) to Bangladesh and visit of Bangladesh Minister for Water Resources to India (March, 2010). Foreign Secretary Smt. Nirupama Rao visited Dhaka on November 14-15, 2009 and held discussions with her Bangladesh counterpart.

Bilateral Trade
Bangladesh is an important trading partner for India. In FY 2008-2009, Bangladesh’s imports from India were US$ 2,841 billion and exports to India were US $ 276.58 million. Total bilateral trade in FY 2008-2009 stood at US $ 3,117 billion.

Important Bilateral Fora
Some of the important bilateral fora that meet periodically to discuss bilateral issues include Joint Rivers Commission (JRC) and Joint Economic Commission (JEC) at Ministerial level, Foreign Office Consultations, Home, Commerce and Water Resources Secretary level talks, BSF-DRG DG level border coordination conferences, Joint Working Group on Security (JWG), Joint Boundary Working Group (JBWG), Joint Working Group on Trade (JWG), Joint Group of Customs Officials (UGC), Protocol Renewal Committee and Standing Committee to review implementation.
of Protocol on Inland Water Transit and Trade, and Inter-Governmental Railway Meeting.

Important Agreements / MoUs for Facilitating Trade and Economic Cooperation
The first Trade Agreement between India and Bangladesh was signed in 1972. The India-Bangladesh Trade Agreement has been renewed for a period of three years up to March 31, 2012. It governs the present trading arrangements between the two countries. Other Agreements/MoUs for facilitating trade and economic linkages include: (i) Protocol on Inland Water Transit and Trade (IWTT); (ii) Bilateral Air Services Agreement between India and Bangladesh; (iii) Bilateral Agreement on the Establishment of Joint Economic Commission (JEC); (iv) India-Bangladesh Convention for the Avoidance of Double Taxation; (v) India-Bangladesh Agreement for the Regulation of motor vehicle passenger traffic; (vi) Agreement on Revised Travel Arrangements between India and Bangladesh; (vii) Rules for Interchange of Traffic between India and Bangladesh; (viii) MOU between BIS and BSTI for cooperation in the area of standards; (ix) MOU for cooperation in the field of agriculture; (x) MOU for cooperation in the field of science and technology; (xi) Protocols for operation of passenger bus service between Dhaka & Kolkata, and Dhaka and Agartala; (xii) Bilateral Investment Protection and Promotion Agreement (BIPPA). Discussions are also underway for concluding agreement on regulation of passenger and cargo vehicular traffic; (xiii) Agreement on Bulk Power Transmission between Power Grid Corporation of India Limited and Bangladesh Power Development Board.

India’s Economic Assistance to Bangladesh
On the economic assistance side, India has extended a line of credit of US$ 1 billion to Bangladesh for a range of projects, including railway infrastructure, supply of BC locomotives and passenger coaches, procurement of buses, and dredging projects. The Line of Credit Agreement was signed in Dhaka on August 7, 2010 between EXIM Bank of India and Government of Bangladesh. India has stood by Bangladesh in its hour of need with aid worth over Taka 250 crore (over US $ 37 million) to help it cope with natural disasters and floods in 2007-08 including supply of 1,000 MT of skimmed milk powder, and 40,000 MT of rice. India is constructing 2,800 core shelters in the affected villages in Bagerhat district in southern Bangladesh.

Technical Cooperation
Bangladesh is an important ITEC partner country, and a number of participants from Bangladesh have availed of training courses under the ITEC programme. India offers 100 slots under ITEC and 35 slots under Technical Cooperation Scheme of Colombo Plan every year to Bangladesh. In the last three years (2006-07 to 2009-10), 414 participants from Bangladesh have undergone training in India under ITEC Programme and Technical Cooperation Scheme of Colombo Plan.

Cultural Exchanges
Given the shared history and commonality of language, cultural exchanges form an important bond of friendship between the people of two countries. Government has laid special emphasis on promotion of exchanges in the fields of music, theatre, art, painting, books, etc. In this context, Indian Council for Cultural Relations (ICCR) has been playing a prominent role by sponsoring visits of artists from and to India. A bilateral Cultural Exchange Programme (CEP) 2009-2012 provides the framework for such exchanges. To promote bilateral cultural exchanges, the Indira Gandhi Cultural Centre (IGCC) of Indian Council for Cultural Relations was inaugurated at Dhaka on March 11, 2010 by President, ICCR Dr. Karan Singh.

In order to promote people to people exchanges, hundred (100) scholarships are being granted by ICCR every year to students from Bangladesh for pursuing general courses in arts, sciences, engineering and also specialised courses for culture, drama, music, fine arts and sports, etc. During Bangladesh PM Sheikh Hasina’s visit in January 2010, India has offered to provide 300 more scholarships annually for five years to students from Bangladesh for studying and training in Universities and training institutions in India.

Source: India High Commission in Bangladesh.

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Fax: 0092-51-8316024
EM: info@saarchamber.org
URL: www.saarchamber.org

Region in brief
Sri Lanka:
With the tremendous growth in the tourism sector after ending the three-decade’s long war against terrorism, the Ministry of Tourism targets a 35 percent growth in the sector before the end of 2010. The tourism sector has achieved a 28 percent growth during the past few months.

Over 229,952 tourists had arrived Sri Lanka during the first seven months of the year. “The influx began in June after the LTTE was defeated in May. The end of the three decades old war has brought many tourists from all parts of the globe to the country,” Minister of Tourism Promotion Faizel Mustapha said.

“Sometimes its good to change your walking routine. Try walking around the block instead of wandering around the kitchen.”

Indian Council for Cultural Relations, Kolkata
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. Iftekhar 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 Muave 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 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. Iftekhar 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**  
**Permanent Headquarters:**  
House No. 397, Street No. 64, I-8/3, Islamabad, Pakistan.  
Telephone: +92 51 4860611-3, Fax: 92 51 8316024  
Email: info@saarcchamber.org, Website: www.saarcchamber.org