Dear Readers,

SAARC Biz is an official newsletter published monthly by SAARC CCI Secretariat to keep our members abreast with the latest activities of the SAARC CCI. It mainly covers events held in the region during the month of May. Your comments and feed back to further improve the contents of the bulletin will be highly appreciated.

SAARC Chamber of Commerce & Industry

May 2012

SAARC CCI demands creation of Climate Change Fund for Environment Protection

SAARC Chamber of Commerce & Industry (SAARC CCI) in association with Bhutan Chamber of Commerce & Industry (BCCI) Supported by Friedrich Naumann Foundation, Fur Die Freiheit, organized two-day Conference on “Climate Change and Energy Cooperation in South Asia” in Paro, Bhutan.

Hon’ble Prime Minister of Bhutan, H.E. Lyonchen Jigmi Y Thinley was the chief guest and inaugurated the conference in presence of H.E Lyonpo Khandu Wangchuck, Hon’ble Minister, Ministry for Economic Affairs, Royal Govt. of Bhutan, Hon’ble Patali Champika Ranawaka, Minister for Power and Energy, Govt of Sri Lanka, H.E Lyonpo Dr. Pema Jamtsho, Hon’ble Minister, Ministry of Agriculture & Forest, Royal Govt. of Bhutan, Mr. Vikramjit Singh Sahney, President, SAARC CCI, Mr. Iftkhar Ali Malik, Vice President (Pakistan) and Mr. Pradeep Kumar Shrestha, Vice President (Nepal) of SAARC CCI, The Guest of Honour, Dasho Topgayl Dorji, President BCCI, Mr. Iqbal Tabish, Secretary General, Mr. Subodh Kumar, Executive Programs FNF and other dignitaries present at the occasion.

In his inaugural address Hon’ble Prime Minister stated that “Shared vision and collaborative efforts at Public and the Private sector level can mitigate the impact of climate change and cooperation in energy can help south Asia in its transformation from energy constraint to energy surplus region.” He asked the policy makers and SAARC Secretariat at Kathmandu to work together to formulate doable action plan for users of power generated through hydroelectric and non conventional energy sources. He shared that investors from India have considerable interests in investing and transferring skills and technology in the energy sector of neighbouring countries.

Mr. Vikramjit Singh Sahney, President, SAARC CCI in his keynote address urged upon the need for collaborated efforts to devise out mechanisms to tackle the adverse effects of natural calamities due to climate change for instance, sharing knowledge and technology. He also recommended that all the SAARC nations should articulate common positions on climate change. For this, he said, a SAARC Climate Change Fund could be created to finance projects directed towards climate and environment protection.

Mr. Vikramjit S. Sahney, President SAARC CCI presenting official crest to Hon’ble Prime Minister of Bhutan, H.E. Lyonchen Jigmi Y Thinley.

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Mr. Iftkhar Ali Malik, Vice President, SAARC CCI (Pakistan) and Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI (Nepal), Mr. Subodh Kumar, Executives Programs FNF Mr. Iqbal Tabish, Secretary General, SAARC CCI and the guest of honour, Dasho Topgayl Dorji, President BCCI, also shared their views on this occasion.

The First Technical session on Climate Change chaired by Dr. Pema Jamtsho, Minister for Agriculture & Forest while H.E. Lyonpo Khandu Wangchuck, Minister for Economic Affairs Bhutan chaired session on Energy, which was addressed by prominent academicians, experts from Bhutan, Bangladesh, India, Nepal and Sri Lanka and Pakistan including Speakers from Pakistan included Ms. Raina Khan, environment expert, Engr. G.R. Bhatti, and former GM, KESC. The Conference suggested policy framework for Energy cooperation and addressed various challenges faced by SAARC countries as a result of Climate Change.

SAARC CCI Youth Convention: “Light Tomorrow with Today”

SAARC Chamber of Commerce & Industry in collaboration with Bhutan Chamber of Commerce & Industry organized a Youth Conference under the theme “SAARC CCI Youth Convention: Light Tomorrow with Today” Supported by Friedrich Naumann Foundation.

In Paro, Bhutan, HRH Ashi Sonam Dechen Wangchuck, Hon’ble President, Bhutan National Legal Institute graced the seminar with her presence as the Chief Guest. Mr. Thinley Palden Dorji, Vice President, SAARC CCI (Bhutan) deliver the Welcome address while Mr. Iqbal Tabish, Secretary General, SAARC CCI moderated the inaugural session.

The seminar was organized with an objective to broaden scope of the SAARC Chamber's Young Entrepreneurs Forum by inviting the leading personalities from various walks of life who can add value and share their knowledge and expertise and compliment the efforts of the forum towards making SAARC a more vibrant region.

HRH Ashi Sonam Dechen Wangchuck, Hon'ble facilitated SAARC Chamber of Commerce for establishing SCYEF which will not only, help to develop dynamic young entrepreneurs in our region through exchange of education, idea generation, information & experience sharing but also embark on enriching SAARC CCI programs. During her address she also shared her country experiences of young entrepreneurs of world smallest economy. She was of the opinion that our region needs youth excited for innovation with enabling environment provided by the governments. She also highlighted few constraints which our entrepreneurs of today are facing as compared to other parts of world.

She said since 1960 Bhutan has undergone rapid economic development. With the introduction of democracy, arrival of television, Internet and the impact of rural-urban migration have all contributed to the erosion of the ancient traditional way of life. Bhutanese youth are at a crossroads, facing choices and responsibilities their parents never faced. His Majesty the king is a source of inspiration for the youth. We being a small country participated in establishment of SAARC and recently contributed a paradigm of community in world nations. She concluded her speech with best wishes to the young entrepreneurs and prayed for the success of this program.

Mr. Vikramjit S. Sahney, President SAARC CCI while delivering his key note address said that South Asia has the largest percentage of young population as compared to the other blocks of the world. He urged upon the like-minded young entrepreneurs of South Asia to come forward and work together for the prosperity of this region. He said that the value of entrepreneur's lies in the fact that they not only create job for the themselves but also for hundreds of other people and thus contribute positively towards the country's economy.

He was of the opinion that this platform has given entrepreneurs a platform where they can collectively work together for socio-economic development of the nations. While concluding his speech Mr. Sahney also announced to establish a vocational training institute for women in Bhutan which will be funded by Sun International.

The inaugural session ended with vote of thanks by Mr. Phub Tshering, Secretary General, BCCI. The inaugural session was followed by technical session which was chaired & moderated by Mr. Pradeep Kumar Shrestha, Vice President, SAARC CCI (Nepal) and addressed by Ms. Saba Gul, Co-Founder and Executive Director, Business and Life Skills School (BLISS), Pakistan, Mr. Saurobh Jyoti, VC- SYEF, Nepal, Mr. Korvi Rakshand, Bangladesh, Mr. Zulfiqar Ali Bader, Vice Chairman, SYEF, Pakistan, Mr. Suhash Gopinath, India, Ms. Dechhen Pelden, Bhutan and Mr. Kinlay Wangchuk, Managing Director, Radio Valley 99.9.F.M.
The speakers of this session identified the most common challenges faced by entrepreneurs to enter the market includes absence of Incubation centers in South Asian countries, lack of funding institutes, negative approach towards Mentoring and Coaching, political hassles, lack of Sustainability and Transparency of business in the region. They were of the opinion that demographic structure of South Asia has more than 60% of its population below 30 years of age. This demographic structure represents a high potential for markets of Motorbikes, cell phones, play stations, fashionable garments and so on. More than 50 speakers and delegates from SAARC region have reached Paro to participate in this Youth conference and allied activities of SAARCCI.

**SAARC Chamber Women Entrepreneurs Council (SCWEC) Convention “Empowerment through Entrepreneurship**

The SAARC Chamber of Commerce and Industry (SAARC CCI) organized a SAARC Chamber Women Entrepreneurs Council (SCWEC) Convention under the theme “Empowerment through Entrepreneurship” in collaboration with Bhutan Chamber of Commerce & Industry (BCCI) and Bhutan Association of Women Entrepreneurs (BAOWE) supported by Friedrich-Naumann-Stiftung für die Freiheit.

Hon’ble Dasho Sonam Tshering Honorable Secretary, Ministry of Economic Affairs was the chief guest of the seminar. While giving her inaugural address she said that Empowerment of women in the economic and social fields constitutes one of the fundamental objectives of all development efforts in the region. The emergence of women entrepreneurs and their contribution to the national economy is quite visible. Women’s entrepreneurship has been recognized during the last decade as an important untapped source of economic growth.

She was of the opinion that the Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living condition of the poor masses. She also highlighted few constraints severely faced South Asian Entrepreneur includes access to finance, gender discrimination, access to women entrepreneur markets and Lack of vocational training facilities. She also raised the concern of women access to public policymakers.

The seminar was also addressed by Dasho Kinley Dorji, Thimphu Thrompon, Aum Deki Choden and concluded by Aum Damchae Dem, Vice-Chair person SCWEC/ and CEO, BAOWE. On conclusion of the session, speakers were of the opinion that empowering women in South Asia has always been a challenging issue and it was time to realize that institutional reforms are necessary for removing legal and cultural barriers for regional business opportunities.

**55th Executive Committee Meeting of SAARC Chamber of Commerce & Industry:**

The 55th Executive Committee Meeting of SAARC Chamber of Commerce & Industry was held on 21st April 2012 in Paro, Bhutan under the chair of Mr. Vikramjit Singh Sahney, President, SAARC CCI. Snr Vice President Mr. Ahmed Mujuthaba (Maldives), Vice Presidents including Mr. Iftikhar Ali Malik (Pakistan), Mr. Pradeep Kumar Shrestha (Nepal) and Mr. Thinley Palden Dorji, (Bhutan) and Secretary General, Mr. Iqbal Tabish, were also present during the meeting.

The main agenda items of the meeting included mechanism for broadening the scope of representation for the Private Sector in SAARC CCI, mechanism regarding fund generation for managing day to day affairs of SAARC CCI, adoption of LEADS forum as an annual event of SAARC CCI, Constitution of Steering Committee for 5th SAARC Business Leaders Conclave and Formation of Committee on promotion of “Made in SAARC Exhibition”.

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**Quotes:**

- The world is on a bumpy journey to a new destination and the New Normal.
  - Mohamed El-Erian

- The best and most beautiful things in the world cannot be seen or even touched - they must be felt with the heart.
  - Helen Keller

- When a thing is done, it’s done. Don’t look back. Look forward to your next objective.
  - George C. Marshall
SAARC CCI Conference on Energy, Climate Change and Water Management

The SAARC Chamber of Commerce & Industry (SAARC CCI) in collaboration with Sustainable Development Policy Institute (SDPI) supported by Freidrich Naumann Foundation, Fur Die Freiheit, Regional office, New Delhi organized a Conference on Energy, Climate Change and Water Management in South Asia on 30th April 2012.

The Conference was inaugurated by Dr, Zafar Iqbal Qadir, Chairman, National Disaster Management Authority (NDMA), Government of Pakistan. Senator DR. Mohammad Azam Khan Swati, former Federal Minister for Science and Technology addressed the Conference as guest of honour along with other speakers including Mr. Hilal A. Raza, Director SAARC Energy Centre (Pakistan), Dr. Abid Qaiyum Suleri, Executive Director, SDPI. Mr. Iftikhar Ali Malik, Vice President, SAARC CCI (Pakistan) offered welcome address while Muhammad Iqbal Tabish, Secretary General, SAARC CCI moderated the session and Zubair Ahmed Malik Fmr.Vice President FPCCI summed up the session with his concluding remarks.

Mr. Azam Khan Swati and Mr. Abid Qaiyum Suleri were of the opinion that developed countries were responsible for polluting the global environmental and developing countries like SAARC nations are paying the price as they are facing the impact of melting of glaciers. The Developed countries have made tremendous economic development by consuming fossil fuels, which contributed to global warming and now they are influencing the developing countries particularly Pakistan not to use coal for electricity purposes. They were of the opinion that Pakistan need to utilize indigenous resources to meet the energy needs instead of depending upon oil imported commodities i.e. oil and diesel. Therefore the Government of Pakistan and South Asian nations should revisit their policies in terms of energy mix, depending more on national resources.

Mr. Hilal A. Raza, Director SAARC Energy Centre (Pakistan) said that Trade in Energy provides win-win- situation for South Asian countries and can foster economic cooperation. He appreciated the role of SAARC CCI and offered joint initiatives to promote Public-private partnership stating that the leadership of South Asia was giving particular importance for promoting regional cooperation to make South Asia an energy efficient region.

Mr. Iftikhar Ali Malik, Vice President, SAARC CCI was of the opinion that climate change was one of the priority areas on which shared vision and exchange of best practices were required to addressed the consequential effects in form of Food Security. He emphasized for the adoption of policies that could provide enabling environment and facilitation to the Private Sector to play its role as the Governments alone would not be able to meet growing energy demands. Zubair Ahmed Malik in his concluding remarks summed up the session proceedings and vote of thanks to all speakers and participants.

The inaugural session was followed by a technical session which was chaired by Mr. Olaf Kallerhoff Resident Representative FNF, Pakistan. The session was addressed by Mr. Arshad H. Abbasi, Advisor on Water and Climate Change SDPI, Mr. Ravan Ekanayake, IPDSs Sri Lanka while Mr. Kanwer Javed Iqbal, research fellow SDPI shared the finding of SAARC CCI Conference on Energy and Climate Change held in Bhutan on April 22-23, 2012, which was inaugurated by Prime Minister of Bhutan in Paro. The speakers were of the opinion that the developed countries of the World are responsible for making the World polluted and should extend technical support to address the challenges posed by Climate Change. The Governments of South Asia need to revisit their policies to make South Asia an energy efficient region through shared vision and common stance on issues pertaining to energy and climate change.
SAARC CCI CONFERENCE ON ENERGY, CLIMATE CHANGE AND WATER MANAGEMENT IN ISLAMABAD, PAKISTAN, 30th April, 2012

Group photo taken at the occasion (L-R). Dr. Abid Qayyum Suleri, Executive Director, SDPI, Mr. Zubair Ahmed Malik, Former Vice President, FPCCI, Dr. Azam Khan Swatti, Former Federal Minister for Science & Technology, Govt of Pakistan, Mr. Iftikhar Ali Malik, Vice President, SAARC CCI (Pakistan), Dr. Zafar Iqbal Qadir, Chairman, National Disaster Management Authority (NDMA), Mr. Yawar Ali Khan, CEO, Nestle Pakistan, Mr. Hilal A. Raza, Director SAARC Energy Centre (Pakistan) Mr. Haroon Rasheed, Vice President, FPCCI and Mr. Iqbal Tabish, Secretary General, SAARC CCI.

Climate Change and Energy Cooperation in South Asia
Paro, Bhutan, 22-23 April, 2012

Group Photo of the session: (L-R). Mr. Iqbal Tabish, Secretary General, SAARC CCI, Mr. Iftikhar Ali Malik, Vice President, SAARC CCI(Pakistan), Mr. Olaf Kellerhoff, Resident Representative FNF, Pakistan, Mr. Arshad H. Abbasi, Avisor on Water and Climate Change, SDPI & Mr. Ravan Ekanayake, IPDS, Sri Lanka.

H.E. Lyonpo Khandu Wangchuck, Hon’ble Minister, Ministry for Economic Affairs, Royal Govt. of Bhutan

Mr. Pradeep Kumar Shrestha, Vice President (Nepal), Mr. Iftikhar Ali Malik, Vice President(Pakistan), Mr Vikramjit S. Sahney, President of SAARC CCI jointly presenting SAARC CCI official crest to Hon’ble Patali Champika Ranawaka, Minister for Power and Energy, Govt of Sri Lanka.
SAARC CCI Youth Convention: “Light Tomorrow with Today”
Paro, Bhutan, 21 April 2012

(L-R) Mr. Vikramjit S. Sahney, President, Mr Ahmed Mujuthaba, Snr.VP-SAARC CCI (Maldives)

Group Photo taken at the occasion of Youth Convention: Mr. Kinlay Wangchuk, Managing Director, Radio Valley 99.9.F.M, Mr. Saurobh Jyoti, VC- SYEF, Nepal, Ms. Dechhen Pelden, Bhutan, Mr. Zulfiqar Ali Bader, Vice Chairman, SYEF, Pakistan, Mr. Pradeep Kumar Shrestha, Vice President SAARC-CCI (Nepal) Mr. Vikramjit S. Sahney, President, SAARC CCI, Ms. Saba Gul, Co-Founder and Executive Director, Business and Life Skills School (BLISS), Pakistan, Mr. Iftikhar Ali Malik, Vice President, SAARC CCI (Pakistan) and MS Bhutan 2012.

55th Executive Committee Meeting of SAARC CCI

A view of member during 55th Executive Committee Meeting of SAAC CCI
the wheel history....

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Direction of Trade Flows from India and Pakistan

Textiles and Clothing:
The textile and apparel sector continues to be the driving force for economic growth in both India and Pakistan. This sector contributed 18.8 percent in India and 65.6 percent in Pakistan, of the total value of exports in FY04. In both countries, the textile and apparel sectors exhibit different degrees of specialization. India is regarded as a major alternative source to China for apparel and high-value added textile products. Pakistan, although a supplier of a limited range of products, is considered a competitive supplier of cotton goods, particularly men’s apparel, home textiles, and fabrics.

Currently, trade in textiles and clothing between India and Pakistan is almost non-existent. The comparison of exports of both countries identifies 176 common items which have comparable unit values. Out of these 176 items, India has a price advantage (i.e., lower realized export unit value) in 48 textile products, while Pakistan has a price advantage in 128 textile products.

Since other factors—such as quality, production, and design of products, etc. are also important, it is hard to conclude on the basis of just export unit value that the granting of MFN status would result in a unidirectional flow of textile products, meaning Indian textile products would flood the Pakistani market. Although Pakistan ranks above India in both the textiles and clothing sectors in terms of the revealed comparative advantage (RCA), this should be interpreted cautiously.

The higher magnitude of RCA index in the case of Pakistan shows the vulnerability of the export earnings of Pakistan to sector-specific events. Pakistan’s economy is far less diversified as compared to the Indian economy, and depends heavily on the textile industry. Garry Pursell’s study shows that there would be some gains for both countries, but that the scope for penetrating each other’s domestic use markets (in contrast to supplying inputs to the export industry) would be limited.

High-quality products such as bed linens and cotton-lawn fabric from Pakistan are in demand in India.

Iron and Steel:
In FY04, India was the major supplier of raw material (iron ore) to this vital industry, and accounted for 69.2 percent of the total imports of iron ore in the world, followed by Australia (19.9 percent) and Iran (10.9 percent).

Unlike Pakistan, India has a well-established steel industry, and is a net exporter of steel and steel products. The Indian steel industry produces a wide range of steel products. On the back of abundant raw materials, highly skilled technical manpower, and competitive labor, India is the eighth-largest crude-steel producer, and the largest producer of sponge iron in the world. Pakistan’s iron and steel-product imports from India account for just a small fraction of its total imports. In FY04, Pakistan imported $662 million worth of iron and steel products (326 items), of which India supplied only 25 items, worth $7.1 million. About 46 items are identified as potential imports that are cheaper to import from India on the basis of lower unit value of Indian exports, compared to the import unit value of Pakistan’s imports from the rest of the world.

Chemicals and Pharmaceuticals

Pakistan’s chemical industry has by and large developed on a fragmented and ad hoc basis, motivated by a combination of the existence of a small local market and traditionally high tariffs. As a result, it suffers from the lack of economies of scale, national integration, and subsequent lack of competitiveness. As a result, the country is highly dependent on imported chemicals to cater to the needs of its agriculture and industrial sectors. During FY04, imports of chemicals stood at $2.8 billion, an increase of 29.5 percent over the previous year.

Compared to Pakistan, the Indian chemical industry is well established and has shown impressive growth over the years, contributing about 6.7 percent to the Indian GDP. In terms of volume, it is the twelfth largest in the world, and third largest in Asia. With a current turnover of about $30.8 billion, it accounts for 14 percent of the total manufacturing output in India.

The pharmaceutical industry in Pakistan plays an important role in the economic development of the country. Total local production/consumption of pharmaceuticals is currently estimated at $2 billion. There are about 316 pharmaceutical manufacturing companies, including 30 multinationals (47 percent share), which are meeting around 80 percent of the country’s requirement. Almost 95 percent of the basic raw materials used for the manufacturing of medicines are imported from China, India, Japan, the United Kingdom, Germany, the Netherlands,
Compared to the pharmaceutical industry of India, the size of Pakistani companies is relatively small, and hence uncompetitive. The Indian pharmaceutical industry has become a net exporter and is now putting up US Food and Drug Administration–approved plants, and is exporting to advanced economies. Indian companies are the only suppliers worldwide for some pharmaceutical raw materials.

The country ranks fourth worldwide, accounting for 8 percent of the world's production by volume and 1.5 percent by value. India is also among the top twenty pharmaceutical exporters, and among the top five manufacturers of bulk drugs in the world.

During FY03 and FY04, Pakistan imported 4.3 percent and 6.8 percent of its total imports of chemicals and pharmaceutical products, respectively, from India. Out of its total imports of $2.9 billion (1,105 items) in FY04, India supplied 353 items worth only $196.8 million. Out of the total imported chemicals and pharmaceutical products from India, 166 items had a lower unit value compared to the unit value of the same items imported from elsewhere.

These items have the potential for enhancing imports from India. Pakistan already imports raw materials for its pharmaceutical products from India, and the scope for finished-product imports from India is substantiated by these unit-value comparisons.

Automobiles:
The automobile industry in Pakistan operates under franchise and technical-cooperation agreements with leading world manufacturers, and can be broadly categorized into various segments, i.e., cars and light commercial vehicles (LCVs), two- and three-wheelers, tractors, trucks, buses, and vendor industry vehicles. The automotive industry contributed over 30 billion rupees (US $659.96 million) to the government exchequer in the form of duties and taxes in FY03, with a contribution of 17 billion rupees (US $373.98 million) from the top four manufacturers alone.

From the late 1980s to the early '90s, the demand for automobiles in Pakistan was on the rise, setting the stage for a decade of robust growth. The industry had achieved phenomenal growth of 50.2 percent in FY04, and increased competition led to the introduction of innovative automobile products, such as larger-capacity sedan cars and pickup trucks, as well as a decline in financing costs. Compared with Pakistan, India has a strong engineering base, and has successfully created a sizable capacity for production of vehicles. It enjoys a clear edge over Pakistan in the automobile sector. Indian auto companies are highly cost-competitive due to appropriate levels of mechanization and low-cost automation, and have achieved a high level of productivity by embracing Japanese concepts and best practices. India is already the second-largest two-wheeler manufacturer, second-largest tractor manufacturer, and fifth-largest commercial vehicle manufacturer in the world, and has the fourth-largest car market in Asia.

The automobile industry in India is now gradually evolving to replicate those of developed countries. Pakistan can import automotive components and spare parts from India at a lower price than Thailand. On the other hand, India is expected to benefit from free trade due to its relatively low raw-material, electricity, and labor costs. This would make imports of automobiles from India much cheaper for Pakistan than those from other countries, such as Japan or Korea. Joint ventures between the firms from two countries located near the industrial clusters would lower the unit costs of production and distribution.

Information Technology:
In India, the IT industry has made tremendous progress and has emerged as one of the fastest-growing sectors. In 1998, the IT sector accounted for only 1.2 percent of GDP. By 2009, its contribution had jumped to 5.8 percent of a much larger GDP. The annual growth rate of the industry has been simply phenomenal. The revenues earned in 2000 were only $4 billion. Ten years later they had surged to $62 billion. Infosys, for example, employed 10,000 people in 2001, which multiplied twelfeold, to 125,000 by 2010. A majority of the multinational IT companies operating have either software development centers or research development centers in India. India’s expertise in emerging technologies has actually helped the country to attract new customers, and IT and services companies in Europe and Japan are outsourcing to India. Although the IT industry in Pakistan is in its infancy, it is growing at a fast pace, even as it struggles to catch up with the regional and global industry. Officially recorded IT exports increased from US $46 million in 2004–05 to US $250 million in 2009–10, showing a 40 percent annual growth rate. As per the World Trade Organization (WTO) prescribed formula, the size of the IT industry in Pakistan is currently in the range of $2.8 to $3 billion, and IT-related exports are around $1.6 billion.

However, most of the companies are small- to medium-sized, with few entities concentrating on the export of software- and IT-enabled services. Pakistan has lagged behind other regional countries in using IT as a catalyst for economic revival. This is one of the potential areas which could be exploited. India, with its wider software industry, can extend help to Pakistan to promote IT through the establishment of joint ventures. The wages of IT professionals in India are rising fast, and it is losing the labor-cost advantage. Hence, a joint venture between a Pakistani IT company, supplying skilled professionals of comparable quality at lower wages, and an Indian company, procuring international contracts in its name, would be a win-win situation for both the countries and the industry. The above SBP study is corroborated by another study on Pakistan-India trade, carried out by the World Bank, which concluded that Pakistan stood to gain from liberalization of trade.
TAXILA (Pakistan): Alexander was here in 327 BC

Taxila, 35.40 km from Rawalpindi. It is located 31 Kilometers Northwest of Islamabad on Museum Road, which takes off from the Grand Trunk (G.T.) Road at the roundabout (chowk) marked with a board for Heavy Industries Taxila (HIT). Drive another 7 Kilometers along the Museum Road and you will arrive at the Museum. The Museum Road is also known as Khanpur Road among the locals. The present day town of Taxila is a couple of kilometers further along the G.T. Road, from the turning (i.e. roundabout).

Taxila is the one of the famous archaeological site in the world. At sometime it was center of Buddhism, worlds famous Gandhara sculpture and the center of learning and culture. At Taxila, you can see the great Buddha. His eyes gaze at you till you find yourself gripped by the feeling of awe. The other people you can meet at Taxila are Alexander of Macedonian, Asoka the famous Buddhist king and Kanishka. You'll find their imprints all over the place. In 327 BC Alexander conquered the Taxila which was Achaemenian Empire. Later it came under Mauryan dynasty and reached a great level of development under the rule of great Asoka. The next step in the Taxila history was the Indo-Greek descendents of the Alexander's warriors and the final period is called Gandhara. The great Kushan Dynasty was then established in 50 AD, and in these 200 years Taxila became the most renowned center for philosophy, art and learning. Taxila is the great attraction for the pilgrims and tourists from China and Greece. The final period of the Taxila in the fifth century AD when white Huns snuffed out the most successful and great Gandhara civilization of last several centuries. Taxila is the one of the famous archaeological site in the world. At sometime it was center of Buddhism, worlds famous Gandhara sculpture and the center of learning and culture.

Exploring Taxila is a multi-dimensional experience. The richness and variety of the famed Gandhara sculpture will attract you. There are many images of Buddha, in stone and stucco and numerous panels depicting all the important stages of the great sage’s life. Exquisitely times of one of the world’s most impressive men of peace Gautama Buddha. Each carved bit of sculpture, from the colossal to the miniature and there are literally thousands of them is the items of collection. To find difference between the Greece-Roman counterparts and the Gandhara masterpieces will be a great challenge for you. To welcome you there are stone men and women who will receive you opened armed in Taxila. Then there are three distinct cities, which are in very good state of preservation. With your imagination sided by the carved people who inhabit these cities, you will have little difficulty in picturing crowds on the well laid out streets, families in the spacious houses, priests in the towering stupas and royalty in the great palaces. The earliest city of these is known as Bhir Mound. Which was established somewhere in sixth century BC, whose irregular streets, cramped houses and mediocreo public buildings indicate its primitive origins. Then comes the Sirkap city which is on the opposite side of Tamara Stream, is much younger and it was built somewhere around 2nd century BC, and you'll find the difference between these cities because this one is well planed.

And as you will stroll down its streets you can call at the houses of the affluent and go slumming, as it were, in the more crowded sections where dwelt the common man of the dim and misty past. Note the fortification of wall, the long, straight and impressive main street, the Royal palace, an Apsidal Temple and the shrine of the double headed eagle. Sirkukh the most modern city of these is known as Bhir Mound. Which was established somewhere in sixth century BC, whose irregular streets, cramped houses and mediocreo public buildings indicate its primitive origins. Then comes the Sirkap city which is on the opposite side of Tamara Stream, is much younger and it was built somewhere around 2nd century BC, and you'll find the difference between these cities because this one is well planed.

In addition to these cities, there are many monasteries and stupas have been excavated all along the Taxila valley. Dharmarajika stupa, which is 2 miles from Taxila museum is a must see stupa. It comprises main building, a monastery area where the monk lived and a series of small chapels. A wealth of gold, silver coins, gems, jewelry and the other antiques were discovered at Dharmarajika.

Jaulian another marvelous complex of chapels, stupas, quadrangles, and a monastery with assembly hall, store rooms, refectory, kitchen and bathrooms. At five small stupas you will see beautiful stucco relieves of Buddha and Bodhisattvas supported by rows of stone elephants and lions.

Two miles west of Jaulian is an other well preserved monastery at Mohra Moradu. In one of the monk's cells here was found stupa with almost all the details intact. At Jandial, a mile-and-a-half from Sirkukh, is an imageless temple in the classic Greek style, with sandstone columns and cornices.

Attraction for climbers is Glen of Giri, which is about three-and-half miles from Dharmarajika stupa. Atop the highest peak of the range of hills are two stupas and a fortress built in a cleft near a spring of pure, sweet water. The stucco decorations of the stupas are well worth of the climb.

Visit to Taxila is a good worth of your money. To feel and understand the importance their full importance you'll have to visit Taxila by your self. The men 3000 years ago knew that what they are doing when they choose Taxila to built there cities here.
Maldives

The economy grew fast in 2011 owing to continued strong growth in mainly Asia-sourced tourism, but still has to grapple with hefty fiscal and external imbalances. A devaluation of the local currency in April 2011 should help, over the longer term, counter dollar shortages, though it has pushed inflation higher. The resignation in February 2012 of the president—succeeded by the vice president, from the opposition was met with unrest and has raised uncertainty for the outlook. The impact on tourism, however, is expected to be limited.

Economic performance

The economy grew by 7.5% in 2011, supported by continued buoyant growth in tourism and related sectors such as construction, transport, and communications. Tourism, accounting for about 30% of GDP, saw a second year of strong recovery with arrivals up by 17.6%. An influx of visitors from the People’s Republic of China (up by 67%) and elsewhere in Asia (up 13%) again drove the expansion, while growth of European tourists slowed to 6%. Asian visitors now make up a third of the market. Fisheries, the main source of employment in the outer atolls, has steadily declined from its peak in 2006. He total catch declined by about 5% in 2011, although the value of fish exports posted a strong gain on increases in price and volume of sales. He volume of the ish catch is not expected to improve, given the continued decline of fish resources in the Indian Ocean.

Inflation in 2011 moved to double digits, reflecting a steep rise in prices of fish, a staple, and increases in global food and oil prices, exacerbated by a 16% devaluation of the local currency against the US dollar (Figure 3.18.3). The budget deficit remained at 38.9% in 2010. Although further tax reform was delayed, the Tourist General Service Tax (T-GST) that came into effect during the year helped limit revenue by 38.9%. Growth in expenditure was kept to 12.4% in line with the expansion in nominal GDP, holding expenditure to just over 40% of GDP. Broad money supply (M2) increased by about 20%, driven by the rise of government claims and expansion of private sector credits. Credit to the private sector grew by 6%, largely owing to an increase in wholesale and retail trade and investment in resort development.

The current account deficit is estimated to have widened to $647 million from $463 million the previous year, reflecting the economic recovery, much higher commodity prices, and improved tourism receipts. Preliminary estimates indicate that in financing fell short of the deficit and gross international reserves went down by about $15 Million to $335 Million.

Policy challenge reducing the budget deficit

Since 2009, the government has sought to implement an economic program aimed at reducing the large fiscal deficit, but with Parliament and presidency in the hands of different political parties, progress has been slow. It looks set to remain that way in the medium term, too, because, although an initial voluntary redundancy plan for government staff and the first phase of a detailed plan for staff reduction has been carried out, the second phase (or raising taxes) faces strong political resistance.

Expanding the tax base could be one outcome of creating regional economic and commercial centers in larger islands outside Malé, with the right policy incentives for population consolidation.

Such moves would also help diversify the economy from tourism fourths of the economy is directly or indirectly related to the industry and create a more inclusive growth model other than expanding resorts. He new centers could help bring forward myriad opportunities for trade, construction, and transport, and creating jobs for locals (tourism relies heavily on expatriate workers).

Economic prospects

The economic outlook is of course tightly interwoven with developments in tourism. He political instability and unrest in the capital Malé and other atolls in early 2012, which were widely reported in the foreign media, caused some cancellations and will likely hold back the growth in bookings in 2012. Still, the Maldives has an established reputation as a high-quality destination and has traditionally strong marketing links with Europe and demand is fast growing among Asia’s increasingly fluent middle class.

Assuming no major incidents of unrest in the lead-up to the presidential election (the date has yet to be set) tourism should stay robust. With the outlook underpinned by a sizable expansion in government expenditure, economic growth is expected to moderate to 3.5% in 2012 and then pick up to 4.5% in 2013.

The budget deficit for 2012 is set to ease slightly, but remains heavy at 9.7% of GDP. Total budget revenue in 2012 is expected to rise substantially despite reduced import tariff rates provided in the 2012 budget. Large deficits have been financed both domestically, mainly by issuance of Treasury bills and privatization of state-owned assets over the past several years, and externally by borrowings. But the privatizing approach is reaching a limit, and Treasury-bill enhancing cannot be sustained in the long term.

A more immediate complication for the budget is that already programmed multilateral enhancing could be postponed due to the delays in completing the program because of unmet performance criteria. He GST Act that was approved by Parliament had a lower T-GST rate for 2013 and beyond.

On the expenditure side, the second phase of the redundancy plan of further downsizing the civil service will be difficult to implement in 2012 due to political conditions.

Inflation is expected to moderate in 2012 and then move higher in 2013 on domestic demand pressures, pacing global commodity prices. Pressure from the persistently large fiscal deficit remains, though tightening of monetary policy will be partly offsetting.

With likely slower growth in tourist arrivals, earnings are expected to moderate. Slower growth and an expected modest fall in global oil prices will ease the import bill a little, although the current account deficit will widen and as a share of GDP climb to about 38.0% in 2012 and 2013.

Source: Asian Development Bank

May 2012
SAARC Chamber of Commerce and Industry Building
A State of Art Project

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 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. Iftikhar Ali Malik, Vice President SAARC CCI or Mr. Iqbal Tabish, Secretary General, SAARC CCI at our official address and contact Numbers.

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