Dear Readers,

SAARC-Biz is an official newsletter published monthly by SAARC CCI Secretariat to keep members abreast with the latest activities of the SAARC CCI. It mainly covers events held in the region during a month the calendar year. Your comments and feedback to further improve the contents of the bulletin are highly appreciated.

Agriculture: backbone of South Asia's development.

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The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) hosted the 26th Conference of the Confederation of Asia Pacific Chambers of Commerce & Industry on October 3-5, 2012 in Kathmandu, Nepal. Mr. Pradeep Kumar Shrestha, Vice President of SAARC CCI (Nepal), who is also the Executive Committee Member of CACCI facilitated the Conference supported by FNCCI. The conference was attended by 300 delegates composed largely of leading businessmen from 22 Asia-Pacific and South Asian countries i.e. Bangladesh, India, Nepal, Pakistan and Sri Lanka. Mr. Tariq Sayeed, former President of SAARC CCI also attended the conference in capacity of his present portfolio of Vice President of CACCI.

The conference was inaugurated by Dr. Ram Baran Yadav, Prime Minister of Nepal. Eminent personalities of region including Ambassador Benedicto Yujuico, President, CACCI, Mr. Supachai Panitchpakdi, Secretary General United Nations Conference on Trade and Development (UNCTAD), Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Mr. K. K. Modi, President emeritus of CACCI, Mr. Tariq Sayeed, Vice President of CACCI & Mr. Pradeep Kumar Shrestha also addressed the conference.

Established in 1966, CACCI serves as a forum for promoting the vital role of the businessmen in the region, increasing regional business interaction, and enhancing regional economic growth. On the sideline of the Conference, CACCI delegation called on Prime Minister of Nepal and other important dignitaries.

**SAARC CCI Sign MOU with CACCI:**

During the 26th CACCI Conference, SAARC CCI and CACCI inked a Memorandum of Understanding (MOU). The both organizations expressed their willingness to extend cooperation to promote economic cooperation including exchange of trade delegations, participation in conferences, exhibitions and business related activities and exchange of information about trade, economy and investment on reciprocal basis. Mr. Tariq Sayeed, former President signed MoU in behalf of President Vikrmajit Singh Sahney and Executive Committee of SAARCCCI with President CACCI Amb. Benedicto Yujuico.

Mr. Tariq Sayeed, Former & Founder President, SAARC CCI, presents SAARC CCI Official crest to CACCI President Amb. Benedicto Yujuico on the occasion of signing MoU. (L) Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI (Nepal) and Mr. Suraj Vaidya, President, FNCCI also present at the occasion.
Mr. Tariq Sayeed, Former President SAARC CCI and Mr. Pradeep Kumar Shrestha, Vice President, SAARC CCI (Nepal) have been unanimously re-elected as Vice President and Executive Committee Member of CACCI respectively for a period of two years. The decision was taken during 81st CACCI Council Meeting held in Kathmandu, Nepal. President CACCI Amb. Benedicto V. Yujuico was also re-elected as the President of CACCI for two year term along with other office bearers. SAARC CCI felicitates Mr. Tariq Sayeed and Mr. Pradeep Kumar Shrestha on assuming the offices of President, Vice President and Executive Member of CACCI.

The CACCI delegation led by Ambassador Benedicto Yujuico, President, CACCI, called on H.E Asif Ali Zardari, President of Pakistan on 9th October, 2012. The call on was facilitated by Mr. Tariq Sayeed, the former President of FPCCI whose represents Pakistan business community of Pakistan as the Vice President of CACCI.

Mr. Iftikhar Ali Malik, Vice President, SAARC CCI, Haji Fazal Qadir Sheerani, President FPCCI, Senator Haji Ghulam Ali, Former President, FPCCI, Mr. Aamir Atta Bajwa, Former Vice President, FPCCI Mrs. Teresita M Yujuico, Li Kwok Ming of Kowloon Chamber of Commerce, Dr Webster W Kiang, Adviser CACCI, Amador R. Honrado, Jr, Deputy Director-General of CACCI and Ms. Thea Berandette De Mesa, Special Assistant to the President CACCI included the delegation.

President of Pakistan appreciated the CACCI for its role in and stressed greater coordination among the business entities of the regional countries to help persuade the respective governments in adopting business-friendly policies.

President CACCI Ambassador Benedicto Yujuico noted that situation in Pakistan was contrary to the report of the Western Media and assured his fullest cooperation for image-building pfPakistan.

The CACCI delegation also called on H.E. Dr. Ishratul-Ibad, Governor of Singh Province and H.E. Sardar Abdul Latif Khosa, Governor of Punjab Province, Pakistan.

Mr. Ifti harsh Ali Malik hosted dinner in honour of CACCI delegation in Lahore which was attended by a large number of businessmen from across the country.
Deputy Chief Minister of Indian Punjab visits Pakistan:

Deputy Chief Minister Indian Punjab Sukhbir Singh Badal, led 45-member delegation to Pakistan via Wagha border. Speaker Punjab Assembly Rana Muhammad Iqbal, Provincial Law Minister Rana Sanaullah and other officials warmly welcomed Singh Badal at Wagha. In his visit he attended various meeting with Pakistani Businessman. During his visit to Lahore Chamber of Commerce & Industry, Deputy Chief Minister of Indian Punjab has urged both the government of Pakistan and India to ease out all issues coming in the way of two-way trade, as it is the only way to break barriers. He said that the trade between Pakistan and India could go up to $10 billion from only $2 billion in shortest possible time provided both the sides take sector-specific measures.

Mr. Jehangir Badar, Secretary General, PPP informed the participants of the media conference that the existing negative list for India would come to an end by December. He also brief the house that the modalities of issuance of visa to senior citizens at the entry point in the two countries would be soon settled.

Speaking in the same context on the occasion, Mr. Iftikhar Ali Malik, Vice President, SAARC CCI said that media should play a significant role in creating an enabling environment where the two governments could take decisions without taking pressure in the interest of both the countries. He added that peace between the two countries meant peace in South Asia and peace in South Asia would ultimately lead to global peace.

Chandigarh Press Club President Sukhbir Singh Bajwa said that media interaction should improve further and misunderstandings on both the sides should be removed. He said that the young people from Pakistan and India, who were undertaking studies in the media, should be provided with opportunities to interact with each other.

Mr. Arshad Ansari, President, and Mr. Zulfiqar Mehtu General Secretary Lahore Press Club were also addressed on the occasion.

Reviving Indo- Pakistan Relation:

PAKISTAN - INDIA Peace Media Conference:

Hon'ble Federal minister for information & Broadcasting Mr. Qamar Zaman Kaira, Govt of Pakistan addresses Pakistan India Peace Media Conference. Mr. Iftikhar ali Malik, Vice President, SAARC CCI (Pakistan) and Mr. Jehangir Bader, Secretary General, Pakistan People Party, Pakistan are also present at the occasion.

A 31-member delegation of Indian Journalists came to Lahore on invitation of the Lahore Press Club, to attend the Pak-India Peace Media Conference held at the Lahore Press Club. While addressing the conference Federal Minister for Information and Broadcasting Hon'ble Qamar Zaman Kaira stressed the need for establishing strong trade links between India and Pakistan, stating that the volume of trade among countries determined the strength of their relations. He said economies of both the countries were growing proportionally and there was need to remove barriers in the way of enhanced trade like other countries had done. He further added that Pakistan government had given relief to Indian TV channels and India should also reciprocate by showing flexibility for Pakistani channels. Sports activities should be promoted between the two countries to further ease tensions.

Mr. Iftikhar Ali Malik, Vice President, SAARC CCI in his address said that flexible visa
The SAARC Chamber of Commerce and Industry organized “Institutional Capacity Building Workshop” on 1-2nd Nov, 2012, Sri Lanka in partnership with Friedrich Naumann Stiftung fur die Freiheit, Regional Directorate New Delhi. The Institutional Capacity-building Workshop is a regular annual feature of the activities of the SAARC Chamber of Commerce & Industry, which aims at creating network & enhance cooperation between National Chambers of Commerce & Industry from South Asian countries and the Secretariat of the SAARC Chamber of Commerce and Industry permanently located in Islamabad.

The workshop was jointly conducted by Mr. Iqbal Tabish, Secretary General, SAARC CCI and Mr. Subodh Kumar, Snr. Program Executive, FNST, regional office, New Delhi.

Regime is the need of the hour. The business community has to wait for many days on both sides of the borders for obtaining visas. Amritsar and Lahore immediately require consulate offices of both the countries to process visa applications because it is quite cumbersome for the residents of Central Punjab to access Islamabad and Delhi. He stressed the need for special relaxation in order to increase the frequency of trade talks and deals. He called for a win-win start for the greater benefit of all. There are many possibilities, which can lead our economies to supplement each other for growth. We need to identify areas of economic cooperation. Joint ventures, outsourcing and sharing of technology etc will further pave the way for trade expansion.

Speaking on the occasion, LCCI President Mr. Farooq Iftikhar said that the non-tariff barriers being faced by Pakistani exporters are creating enormous problems. At present, almost equal quantum of trade is going on between Pakistan and India from third destinations like Dubai and Colombo etc. Some kinds of bans are also coming in the way. It increases the cost for nothing in the form of freight, taxes and loss of time.

Convener of the LCCI Standing Committee on Pak India Trade Promotion Mr. Aftab Ahmad Vohra on the occasion called for establishment of an Industrial Park to overcome the visa issue. Earlier, the LCCI and Punjab Haryana Delhi (PHD) Chamber of Commerce and Industry inked Memorandum of Understanding in the presence of Punjab Chief Minister Shahrabz Sharif and Deputy Chief Minister Indian Punjab Sukhbir Singh Badal at the Chief Minister’s House.

There are many possibilities, which can lead our economies to supplement each other for growth. We need to identify areas of economic cooperation. Joint ventures, outsourcing and sharing of technology etc will further pave the way for trade expansion.

The representatives of the Chambers/Federations made presentations during the workshop and suggested various ways and means to bridge the gap. In addition to that, a senior official from the Customs of the Government of Sri Lanka Mr. G. A. L. Gamini, Director of Customs (Social Protection), Sri Lanka Customs, was invited to deliver lecture on Customs rules and regulations applied in general and in context of SAFTA in particular.

To involve more officials of the National chambers’ in the affairs of SAARC CCI, two representatives from each National Chamber were invited to attend the Workshop.

Besides Mr. Bader Munir, Assistant Secretary & Mr. Mahmood Habib Mir, Chief Accountant from SAARC CCI, other officials who attended the workshop included Mr. Hashem Rasouli, Public Relation Director Mr. Ali Zaki, Regional & International Organization's Desk Manager-ACCI, Ms. Prabina Pandey, Officer, Ms. Kreeti Khatriwada, Senior Assistant-FNCCI, Mohammad Mizanur Rahman Mukul, Joint Secretary, FBCCI, Ms. Sonam Choden, Business Support Department, Ms. Sonam Wangmo, Personnel Officer, BCCI, Ms. Anjali Taneja, Senior Assistant Director - International Affairs, FICCI, Ms. Mehreen A. Razzak, Senior Executive Officer, Ms. Sehrish Jamil, Executive Officer-FPCCI.

“There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”

Sam Walton
Kaghan is a jewel among the many beautiful valleys in the Mansehra District of Hazara in the North West Frontier Province of Pakistan. This 160 kilometer long valley is most popular summer holiday spots for both Pakistanis as well as foreigners.

The valley features pine forests, alpine meadows, crystal clear lakes and cool mountain streams. Kunhar River, the main feature of the valley, is famous for its trout. Nestled along the banks of the river are the towns of Balakot, Paras, Mahandari, Kaghan and Naran. The local people are friendly and simple. Gujar nomads are one of the most interesting features of the Kaghan Valley. They take their herds of cattle to the high pastures of the upper Kaghan Valley in spring and bring them down again in autumn. While going to Kaghan you will find them camped along the road in their traditional tents or moving up and down the valley with their herds of pack animals, sheep and goats.

Saiful Muluk is the top attraction of Kaghan Valley, most visitors to Naran pay a visit to this legendary lake. Along the side valley to the east of Naran, a 10 km jeep track leads through a picturesque valley. You can also walk up the eight km trek in about three hours. But this option is only for those who are fit enough to climb about 3000 feet in eight kilometers. Lake Saiful Muluk has a touch of the unreal about it, nestling 3,206 metres high in the shadow of the Malika Parbat (Queen of the mountains - 5,291 m). You can go fishing or boating in the lake and hear the local legend about Prince Saiful Maluk who fell in love with a fairy. Further up are quaint woodland villages, Battakundi, Burawai, Basal, Gittidas and Lalazar. At a distance of 19 km from Naran, Lalazar is unique place for a day excursion.

Lake Saiful Muluk is situated at 3000+ m, about 40 minutes jeep ride from Naran. Best time to visit is early in the morning when the air is cool, resulting in a picture perfect reflection on the lake. Camping facilities are also available, but you will have to check with the hotel that you will stay at. Nice view of Malaka Parbat (the Naked Mountain) glistening at 8,126 m.

The Land of Fairies " Five mile away another 3000 feet above the Naran is Fairy Tale Lake.Local legend relates that Prince Saif-ul-Muluk fell in love with a fairy from the mountains. One day, he saw her bathing in the stream and crept up and stole her clothes. To preserve her modesty the not-so-reluctant fairy promised to be his wife. The fairy's demon lover appeared in time to see the happy pair together, and in a fit of jealous rage flooded the entire valley. Saiful Maluk the lake is accessible by jeep or by trekking because there is a mere trek to reach the lake. It is almost impossible to describe the beauty of this lake, which is like mirror at the altitude of 3200 meters. The Queen of the Mountains is standing in the east and looking her image in the mirror of Lake Saiful Maluk. You can spend few days here to monitor the guards of lake, which are towering peaks and spread all around the lake.

How to get there?
Kaghan Valley is accessible by road from Rawalpindi/Islamabad and Peshawar. PTDC runs its seasonal coach service between Rawalpindi and Naran from 1st June till 31st August. For bookings, please contact any of PTDC Tourist Information Centres. The Kaghan Valley is blocked at the end by high mountains but a pass lets the jeepable road snakes over into Chilas Valley. This is 4,173 m high Babusar Pass, which commands the whole Kaghan panorama as well as gives you, on a clear day, glimpses of Nanga Parbat (the Naked Mountain) glistening at 8,126 m.

Where to stay?
There are many moderately priced hotels, motels in Kaghan Valley at Balakot, Shogran, Kaghan, and Naran. More over, the comfortably furnished PTDC Motel Complex at Naran and Balakot, welcome the visitors to Kaghan Valley.

What to Buy?
Kaghan is noted for its artistically carved walnut handicrafts, embroidered shawls, shirts, woollen blankets and “Namdas” (woollen felt rugs).
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Email:
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HEAVY DUTY CONSTRUCTION MACHINERY AND GENERATORS

ORIGINAL EQUIPMENT MANUFACTURERS (OEM) ISO 9001-2000 & ISO 14001-2004 CERTIFIED
In view of the agriculture sector still being the largest employer in South Asia, there is a need to scale up both public and private investment in the sector. Historically, the agriculture sector has been the backbone of South Asia's development. It has contributed to alleviating poverty and hunger, while also acting as a catalyst for industrial development and economic growth.

South Asian economies rely heavily on the agriculture sector. For instance, in 2000, the share of value added of agriculture in gross domestic product (GDP) was approximately 25 percent in South Asia. However, the region has seen a steady decline in this figure in the last decade. The share of value added of agriculture in GDP was only 18 percent in 2009. This is a result of structural changes as countries have transitioned into more manufacturing- and service-friendly economies.

The agriculture sector has also been an important source of livelihood, especially for the poor, in South Asia. In 2008, it employed about 60 percent of the labour force in the region, contributing 22 percent of the regional GDP. A World Bank report has shown that agriculture is at least twice as effective in reducing poverty as compared to GDP growth originating outside agriculture. Therefore, enhanced agriculture growth can lead to the creation of more employment opportunities and substantial reduction in poverty in South Asia.

During 2002–2006, agriculture accounted for 7.8 percent of total merchandise exports of South Asia. It is worth noting that Asia's share in tea exports was about 50 percent of the total world exports of tea during 2002–2006, and India and Sri Lanka were the two major contributors.

Challenges
Numerous challenges have restrained the development of the agriculture sector. First, in most South Asian countries, agriculture farming is dominated by small land holdings. The average size of holding is below 0.5 hectare (ha) in Bangladesh, 1 ha in Sri Lanka and Nepal, and 1.41 ha in India. This leads to low land-to-labour ratio, which significantly decreases labour productivity. Second, South Asian countries are predominantly reliant on rain-fed agriculture. Area under irrigation as a percentage of arable land is around 33 percent in India, 39 percent in Sri Lanka, 47 percent in Nepal and 56 percent in Bangladesh. Dependency on monsoon has rendered their agriculture sector vulnerable to erratic climate patterns. Other general challenges the sector faces include weak government policies, inefficient loan schemes and socio-economic backwardness.

For the past couple of decades, the agriculture sector has been neglected in South Asia. In 2008, its growth rate was less than 3 percent, which is far below the growth rates of other sectors. This can be attributed to underinvestment in agriculture by both public and private sectors. In addition, the share of official development assistance in the agriculture sector has also been falling continuously.

One of the reasons for the apparent neglect of agriculture is that most of the economies in South Asia are in the transition phase such that the relative importance of the agriculture sector has declined vis-à-vis manufacturing and service sectors.

Lower investment is also a result of declining commodity prices over time which has led to stagnant or low rates of growth and investment capacity in commodity-exporting countries. Some countries have also suffered from policies that favour rapid industrialization and urbanization, diverting investment from agriculture. Within South Asia, the contribution of the agriculture sector varies from country to country. Some countries rely on agriculture more heavily than others. Countries such as Afghanistan and Nepal are considered to be agriculture-based countries with agriculture being the main source of economic growth; hence, higher agriculture productivity becomes critical to ensuring economic sustainability.

Countries such as India, Sri Lanka, Pakistan and Bangladesh are...
considered to be transforming countries. These countries rely mostly on manufacturing and service sectors as the major source of economic growth. However, these countries do have a majority of the population residing in rural areas. According to the World Bank, 98 percent of the rural population in South Asia is in transforming countries.

Since the majority of South Asian countries are net food importers, rising food prices have been a major disadvantage for them. There are additional consequences. South Asia has the largest concentration of impoverished people. Substantial portions of their incomes are spent on food. Thus, the rise in food prices has particularly affected this population. South Asian governments have tried short-term fixes only to exacerbate the problem at hand. For instance, they imposed price controls on agriculture products, which have created food shortages and ultimately have hurt the poor. Governments have also used unregulated subsidies. These subsidies have put a lot of pressure on governments because they have been taken directly from already low budgets.

Bangladesh, a net importer of basic grains, is most affected by rising food prices. Being prone to constant floods and cyclones, food shortages have been almost unavoidable in the country. This has led Bangladesh to rely on its neighbours, India and Myanmar, to overcome the shortages. Although this is convenient in the short run, it is hard to sustain due to, inter alia, increase in export prices. Therefore, the long-term fix to food shortages and high prices, like in Bangladesh, is via investment diversification. First, it is important to take advantage of the technological revolution. Technology has proved to be a major source of economic growth. By investing in newer technologies, agriculture productivity can be maximized with limited resources. This high agriculture productivity will not only help solve the food shortage problem, but will also put a downward pressure on food prices in the long run. Second, as pointed out by SAARC Agriculture Vision 2020, there exists a large gap between “what can be attained at farmers’ field with adoption of improved technology and what is obtained with the existing practices followed by farmers”. This gap can be attributed to the absence of or weak research-extension-farmer linkages with marketing of technology being the primary reason. As the Vision points out, since “the public extension system is proving increasingly inadequate for dissemination of technology, there is an extreme need of the private sector in marketing and disseminating of technology”. This is only possible through public-private-partnership with incentives and returns for innovators and disseminators.

Impact of climate change
Impacts of climate change have already been felt in South Asia. Changes in temperatures, extreme weather patterns, and sea-level rise have major economic consequences for agriculture, affecting the livelihoods of millions of poor people. These irregular climate patterns have caused increased...
floods and droughts. Decreased water availability and poor water quality have been incessant problems. Additionally, there has been a reduction in water availability in mountain habitats and a decrease in the reliability of hydropower and biomass production. They can also be taught what crops would be resilient in the long run. Furthermore, the problem of climate change can be solved by giving a much-needed emphasis on agriculture investment. Another source of investment in agriculture is foreign direct investment (FDI). Governments of South Asian countries need to encourage FDI in agriculture infrastructure by giving various economic incentives. This could provide a much-needed boost to the declining agriculture sector.

Other policy recommendations

As discussed above, the region’s agriculture sector is facing a host of challenges, including a reduction in productivity, declining share of agriculture in GDP, and increasing competition for scarce natural resources. The majority of the causes of these problems stem from declining public and private investment in the agriculture sector. These challenges can be addressed through different economic policies. First, transforming countries need to invest more in the production of high-value products such as fruits, vegetables and dairy products for which there is a growing demand due to a rise in urban incomes. Investing in these high-value products will increase the employment opportunities significantly in rural areas. Additionally, this will help

Therefore, it is safe to conclude that climate change is not only an environmental problem, but also one that has severe socioeconomic consequences in South Asia. The most affected sector, however, has been the agriculture sector. Changes in climate patterns have led to a decrease in agriculture productivity. With low production, there have been food shortages. A country like India, where agriculture represents a fourth of total national income, can face severe consequences due to disruption in agriculture production. Since millions of people rely on this sector for their livelihoods, it is critical that effective measures are taken to tackle this problem. One way to fight climate change is through a variety of adaptive actions. Countries need to be prepared for different climatic factors they might face during the year.

This expectation can be backed up by necessary adaptation techniques. For instance, by knowing the weather pattern, farmers can be taught about new cropping sequences, water conservation, late/early sowing, etc.

Therefore, countries need to invest in the right infrastructure to take advantage of this rising urban income. Since, high-value agriculture products are more perishable, they need to be transported to urban areas rather quickly. Hence, it is crucial that proper roads are built that will enhance the trade process. In addition to increased road efficiency, other basic infrastructures such as telecommunication and electricity are needed. It is also important to note that these high-value agriculture products are very income elastic. Therefore, farmers need to produce goods that are highly desired by consumers. Effective market research and telecommunication will help achieve this goal as it brings market information back to the farmers. Moreover, countries need to invest in human capital to educate rural people in different production techniques. For agriculture-based countries like Afghanistan and Nepal, the main goal should be to increase productivity, especially among smallholders whose livelihoods depend strongly on agriculture.

“A cardinal principle of Total Quality escapes too many managers: you cannot continuously improve interdependent systems and processes until you progressively perfect interdependent, interpersonal relationships”

Stephen Covey

Business, more than any other occupation, is a continual dealing with the future; it is a continual calculation, an instinctive exercise in foresight.

Henry R. Luce
Worker Migration from South Asia:

South Asia is a remittance economy. South Asian countries send out a significant number of migrant workers annually and remittances sent by migrant workers become a significant source of funds for economic development of the countries. Most governments in South Asia view worker migration as helping to curtail unemployment, reduce poverty, and earn foreign exchange through remittances, and make worker migration as one of the key economic policy priorities.

Historically, South Asian migrant workers are categorized into two types. The first group includes the immigrants and permanent residents to industrialized countries in the 1950s and 1960s, mostly professionally qualified persons such as medical doctors, academicians and engineers, migrated to the more developed countries, especially western countries. The second type of group includes short-term semi-skilled or unskilled migrant workers. The number of the second group has increased especially in the 1970s when the surge in oil prices led to the oil-producing Middle East countries heavily investing in infrastructure development. The second group of migrant workers is found predominantly in Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Qatar, Oman, Iraq, and Libya. Since the mid-1980s, such migration expanded to the newly industrialized countries in East and South East Asia, such as the Republic of Korea, Malaysia, and Singapore.

Overall, worker migration from South Asia has been continuously on the rise until 2008, when the number of total worker migration from the four countries (Bangladesh, India, Nepal, and Sri Lanka) reached over 2 million (Figure 1.1). The global financial crisis in 2008 has affected worker migration in South Asia and the number of outgoing migrant workers decreased by 30% from 2008 to 2009. However, the crisis did not fundamentally alter the migration trends in South Asia and the number of outgoing migrant workers significantly surpasses the number of returning migrant workers. The oil exporting Middle East countries, i.e., Dubai, Qatar, UAE, and Saudi Arabia have been less affected by the crisis due to the reserves accumulated during the time of high oil prices which enable them to finance the infrastructure projects even after the crisis. In 2009, nearly 80% of migrant workers from South Asia work in the four Middle East countries: UAE, Saudi Arabia, Qatar, and Oman (Figure 1.2). This high concentration of South Asian migrant workers in the Middle East countries is expected to continue at least foreseeable future, especially because the industrialized South-East and East Asia were more severely affected by the global financial crisis. Malaysia, for example, took direct measures to curb migrant workers from abroad by deciding not to recruit foreign migrant workers in the manufacturing and service sectors from January 2009 and doubled the levy for hiring them in order to increase the salaries of local workers.

Bangladesh:
According to the government estimates, the stock of migrant workers from Bangladesh will exceed 5 million, or about 3% of the total population in 2011. The annual average outflow of migrant workers between 2000 and 2010 is around 6 million persons. Around 80% of all migrants are located in oil exporting countries, and a large component, or about 40% are based in UAE. Other major destinations among the Middle East countries are Oman and Kuwait which host 12% of the migrant workers, respectively. Other major destinations outside of the Middle East include Singapore, which account another 11%.

India:
A total of 6 million migrant workers went abroad from India from 2000 to 2010, growing on average at the rate of 16% annually. UAE, Oman, Qatar, and Kuwait are the top four destination countries and absorb approximately
It is estimated that 1.5 million Nepali nationals are working in India. However, they are not officially accounted for by the Indian authorities due to the no visa policy upon their return. To support the Indian Emigration Act 1983, the Ministry of Overseas Indian Affairs is responsible for monitoring migrant workers’ welfare. The Protector-General of Emigrants at the Indian Emigration Act Office manages the welfare of the migrants and ensures the transferability of their social security contributions. Among the countries in South Asia, Bangladesh has the most significant potential, and facilitating reintegration upon their return is a key focus of the migration policies.

SAARC Chamber of Commerce and Industry

Regulations:

Bangladesh has the most significant potential, and facilitating reintegration upon their return is a key focus of the migration policies.
Promotion has the responsibility for registering foreign employment recruiting agencies, issuing recruitment licenses to recruiting agencies, and promoting programs of foreign employment and collecting overseas employment information and initiating training and welfare activities for migrant workers.

Like any other South Asian countries, Sri Lanka also has a proactive policy on worker migration, and is the only country that promotes female migration. Migration and remittances are looked after by the Ministry of Employment and Labour, along with its implementing machinery, the Sri Lanka Bureau of Foreign Employment. While the Ministry has responsibility for formulating policies and monitoring the administration of foreign employment, the Sri Lanka Bureau of Foreign Employment implements a wide range of workers’ welfare programs, both at home and in host countries. Those include mandatory pre-departure skill and awareness training, compulsory registration of workers, free insurance coverage, pension scheme, low interest pre-departure loans, low interest housing loan, scholarship for migrant children, and health camp for migrant workers’ families.

**Author:** Mayumi Ozaki is financial sector specialist (rural and microfinance), South Asia Department, Asian Development Bank.

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SAARC Chamber of Commerce and Industry

October 2012

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Sitara Chemical Industries Ltd. has registered a massive upward surge in Domestic sales as well as a phenomenal increase in Exports. This milestone of success is a testament to the commitment of the company of maintaining pristine quality as well as a timely supply to its industrial customers. The figures achieved reflect not only Sitara’s commitment to quality but serves as a symbol of the strong bond that the company shares with its local and international customers, with the support of FPCCI, FICCI, SAARC CCI and Government Functionaries.
ENERGY TRADE IN SOUTH ASIA

OPPORTUNITIES AND CHALLENGES

Introduction

In 2010, total intra-regional trade in energy was less than 5% of the total trade taking place among the SAARC member states (SMSs). This indicates larger untapped potential for energy trade within the region. The successful example of electricity trade between Bhutan and India and the resultant benefits to both economies are well appreciated and could be emulated by other countries in the region. Discussions are underway to develop additional electricity transmission interconnections within the region and with neighboring regions. The first ever transmission interconnection between Bangladesh and India is being constructed and this project should provide additional impetus for other, similar interconnections. Some of the prominent projects proceeding to implementation at this stage are the additional power transmission interconnections from Bhutan and Nepal to India, between India and Sri Lanka, and between Bangladesh and India.

A brief discussion on intra-regional energy trade prospects and existing and past initiatives being taken is given below. Existing Trade of Petroleum Products India supplies the entire demand of petroleum products in Nepal and Bhutan. The governments of India and Nepal have recently agreed to proceed with the construction of an approximately 40 kilometer (km)-long pipeline to transport petroleum products from India to Nepal (about 20,000 barrels a day are transported by road in tankers). India also exports petroleum 38 Energy Trade in South Asia products to Bangladesh. Lanka IOC, Indian Oil's subsidiary in Sri Lanka, is the only private oil company other than the state-owned Ceylon Petroleum Corporation (CPC) that operates retail outlets in Sri Lanka. Lanka IOC has been incorporated in Sri Lanka to (i) carry out retail marketing of petroleum products, (ii) provide bulk supply to industrial consumers, and (iii) build and operate storage facilities at the Trincomalee Tank Farm, thereby not only providing energy security and supply stability for Sri Lanka but also upgrading the overall standards of service, particularly in petroleum retailing in the nation. As a result, the smaller economies benefit from existing trade infrastructure in India, broadening their energy supply options at lower resource costs than would be possible if they operated independently. India benefits from the expanded economies of scale in its petroleum operations, enjoying access to the markets of the smaller economies in addition to its own domestic market.

India–Bhutan Electricity Trade:

The first major initiative for collaboration on large hydropower development in Bhutan was the bilateral agreement signed in 1974 for the construction of the Chukha Hydroelectric Project (HEP) with 336 megawatts (MW) installed capacity, as a joint venture. The Government of India agreed to finance the total cost of the project on the basis of 60% grant and 40% loan funding. The first 84 MW unit was commissioned in 1986 and by 1988 the remaining three units were commissioned. The Royal Government of Bhutan agreed to sell the surplus power generated by the project to India after meeting its internal requirement. Power is sent to India through three 220-kilovolt (kV) transmission lines, one single-circuit 220 kV Chukha (Bhutan)-Birpara (India) line and one double-circuit 220 kV Chukha–Birpara line. The successful completion of the Chukha HEP, coupled with its sustained performance after commissioning, gave added confidence to the governments of Bhutan and India to construct similar large hydroelectric projects as joint ventures. This led to the construction of the 60 MW Kurichhu HEP and the 1020 MW Tala HEP. This regional cooperation in electric power generation and transmission provides additional electricity supply to SMSs that are experiencing costly electricity shortages—cooperatively expanding regional energy supplies.

Further, the crucial element of financing by India of projects in neighboring countries allows relatively small economies, such as Bhutan and Nepal, to undertake otherwise prohibitively expensive projects: the financing cost is thus borne by India, appropriately sharing the costs, risks, and benefits from a cross-border project. The Tala HEP, a run-of-the-river scheme downstream of the Chukha HEP, was conceived as a joint venture with Government of India funding (60% grant and 40% loan). It was commissioned on 30 March 2007 and has an Current Regional Energy Trade and Its Prospects 39 underground powerhouse with six 170 MW power generating units. Two 400 kV direct current (DC) transmission lines carry power from the Tala HEP to India through two different locations on the India-Bhutan border. The project will generate 3,900 gigawatt-hours (GWh) of electricity in an average year and fetch a revenue of approximately $120 million. The Power Trading Corporation (PTC) of India signed a 35-year power purchase agreement (PPA) with the Government of Bhutan in 2006. The total expected annual electricity export to India from Bhutan from the three projects mentioned above is 5,620 GWh (3,900 GWh from Tala, 1,470 GWh from Chukha, and 250 GWh from Kurichu).

On future development, the governments of Bhutan and India signed an agreement in 2006 to further facilitate the development and construction of hydropower projects in Bhutan and associated transmission systems, as well as trade in electricity between the two countries, through public and private sector participation.
The Government of India has agreed to a minimum import of 10,000 MW from Bhutan by 2020. One of the important features of the agreement is that the two countries would be cooperating to develop projects under the Clean Development Mechanism (CDM) of the Kyoto Protocol, using India’s carbon emission baseline. This context, it is relevant to note that the $200 million Dagachhu HEP (114 MW) funded with loans from Asian Development Bank (ADB), Japan, and Austria is expected to reduce carbon dioxide emissions in India by about 500,000 tons per year. The governments of Bhutan and India signed an agreement in 2007 to implement the Punatsangchu-I HEP (1,095 MW) in Bhutan. The two parties have also agreed to cooperate on the Punatsangchu-II (1,000 MW) and the Mangdechhu (720 MW) HEPs. The Detailed Project Reports are being prepared. In addition, investigations and Detailed Project Reports for the Bunakha (180 MW) and Wangchu (900 MW) projects have been completed. To move to full operation of these plants, the present power transfer capacity between the two countries of approximately 2,500 MW would have to be suitably augmented or new capacity created. Technological and economic feasibility is being examined for high-voltage interconnection at voltages up to 765 kilovolts (kV). Although due to environmental concerns and the need for sustainable development, the hydropower projects developed in Bhutan so far have been run-of-river schemes, there could be the possibility of the development of two major storage-based HEPs—the Sankosh Dam (4,600 MW) and the Manas Dam (2,800 MW). These projects have the potential to significantly contribute toward meeting the energy demand in the region and beneficiary member states could consider participating in them. The development of export-oriented hydropower projects in Nepal, principally for consumption by India, is potentially the biggest area for cooperation. The 750 MW West Seti storage HEP exemplifies a project being developed under this model. It is already underway through an independent power producer (IPP) arrangement in Nepal with an initiated PPA. The focus on private sector participation, through IPP structures, recognizes that private sector financing can greatly ease the demands on limited public sector financial resources.

In addition, private sector design and management can bring to a sector international best practices, improving implementation and operational efficiency. The Government of Nepal is also pursuing with developers other export-oriented hydropower projects including the Budhi Gandaki (600 MW), Upper Karnali (400 MW), Kali Gandaki (660 MW), Arun-III (800 MW), and Tamakoshi (880MW).

In terms of present operations, Nepal has a hydro-dominated power system whereas India’s is primarily thermal. Nepal’s power generation comprises mainly of run-of-river schemes. With reduced local demand during the wet season (April–October) these hydropower projects have to reduce generation and spill energy. This spill energy could potentially be exported to India, which faces acute power shortages during this period. During the dry season (October–March), Nepal faces shortages of power in excess of 100 MW, which could partly be met by import from India. However, this trade of power is currently constrained due to a lack of adequate interconnection between the two countries. There is a clear need for strong interconnections.

The present power transfer capacity between Bhutan and India is around 2,500 MW. Expansion of this capacity to serve the future development of hydropower projects in Bhutan is being planned and developed, including investment in transmission along the right-of-way in the chicken-neck area between Bhutan, India, providing jointly for the evacuation of power from future projects in Sikkim and the northeastern region of India. It is envisaged that connectivity with the power generation projects in Bhutan could be through high-capacity 400 kV lines up to pooling points in India. Onward power transmission from those pooling points would be through a hybrid transmission line system.

**Nepal-India Electricity Trade:**

India-Nepal power exchange began in 1971 with about 5 MW, and by 2001–2002 the trade had grown to about 150 MW. Figure 13 gives the details of electricity trade in the recent past. At present, power exchange is taking place at 21 interconnections through 11 kV, 33 kV, and 132 kV transmission lines, but these are not adequate to accommodate the transfer of summer surplus power generating capacity from Nepal to India is about 600 MW and its annual electricity demand growth rate is about 10%. (Some estimates put the growth closer to 8%–8.5% per annum.)

Even at 10% growth, domestic demand will reach only 3,500 MW by 2025 and its large undeveloped hydropotential presents Nepal with a major commercial opportunity to develop hydropower for export to India and to other SMRs. The experience of Bhutan provides a clear indication that the benefits accruing to Nepal from hydropower exports can be substantial.
between the countries to deal with this problem, and more importantly, to export the large amount of power from the export-oriented hydropower projects under development. The joint, intercountry provision of transmission facilities to allow seasonal trade in power would reduce the overall need to finance and build generation capacity—optimizing country-specific systems within a regional market.

Four alternatives have been considered for enhancing India–Nepal power exchange: interconnections between Butwal (Nepal) and Gorakpur (India), Duhadi and Purnea, Dhalkebar and Muzaffarpur, and Anamani and Siliguri. Of these links, considering the level of power transfer, only the Dhalkebar–Muzaffarpur link has been identified and finalized at this stage for construction as a 400 kV DC line initially charged at 220 kV. The PTC has been identified as the nodal agency for trade between the two countries. The difference in weekly and festival holidays and the 30-minute time difference can also provide opportunities for exchanging power. In this context, Bangladesh and India are examining the modalities for mutually beneficial mechanisms to share the benefits from their respective generation assets, considering also the importance of the energy security of both countries. The possible routes for the exchange of power are between (i) the eastern region of India and the Western Grid of Bangladesh, and (ii) the northeastern region of India and the Eastern Grid of Bangladesh. The detailed analysis done so far shows that the interconnection between the northeastern region of India and the Eastern Grid of Bangladesh. The interconnection between Bangladesh and India in the near term is through the route between the Western Grid of Bangladesh and the eastern region of India. This can take place with a high voltage direct current (HVDC) back-to-back asynchronous power link between the two countries. Power transfer can be controlled in either direction up to the capacity of the HVDC unit, depending upon the availability and demand on either side. Any fluctuations or disturbances of one grid would not affect the other side.

The proposal to connect Bangladesh and India (on the western side) through an HVDC back-to-back link of 500 MW capacity has been approved, and construction will commence shortly. It is expected that this interconnection will be upgraded to around 1,000 MW in the longer term. For the establishment of this asynchronous interconnection between the eastern region of India and the Western Grid of Bangladesh, the interconnecting terminal alternating current (AC) substations need to meet the local technical requirements. On the Pakistani side, the substation identified for this purpose is Bheramara, close to Ishurdi in the Western Grid of Bangladesh, and an appropriate facility needs to be established. On the Indian side, one 400 kV substation is to be created at Baharampur using one circuit of the Farakka–Jeerat 400 kV line. The back-to-back HVDC converter will be located at Bheramara to complete a Bahrampur–Bheramara 400 kV AC double circuit line.

**India–Bangladesh Electricity Trade**

Bangladesh has a predominantly gas-based electricity generation while India has substantial amounts of coal and hydro-based electricity generation. There is daily and seasonal diversity in electricity demand between the two countries. The difference in weekly and festival holidays and the 30-minute time difference can also provide opportunities for exchanging power. In this context, Bangladesh and India are examining the modalities for mutually beneficial mechanisms to share the benefits from their respective generation assets, considering also the importance of the energy security of both countries. The possible routes for the exchange of power are between (i) the eastern region of India and the Western Grid of Bangladesh, and (ii) the northeastern region of India and the Eastern Grid of Bangladesh. The detailed analysis done so far shows that the interconnection between the northeastern region of India and the Eastern Grid of Bangladesh. The interconnection between Bangladesh and India in the near term is through the route between the Western Grid of Bangladesh and the eastern region of India. This can take place with a high voltage direct current (HVDC) back-to-back asynchronous power link between the two countries. Power transfer can be controlled in either direction up to the capacity of the HVDC unit, depending upon the availability and demand on either side. Any fluctuations or disturbances of one grid would not affect the other side.

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**India–Pakistan Electricity Trade**

There is a dense power transmission grid on the Pakistani side along the northwestern border of the Indian Punjab. The nearest grid substation on the Indian side of Punjab is Patti, located close to the Lahore Ring in Pakistan. In the late 1990s, when Pakistan had surplus power generation, mainly in the form of IPP take-or-pay power generation, there was a proposal to erect a 500 MW HVDC double circuit transmission line to carry power from the Dinanath substation near Lahore to the Patti substation in Indian Punjab. However, this proposal was not realized due to the relatively wide gap between the price offered by the Indian side (approximately $0.023 per kWh) and the price sought by the Pakistani side (approximately $0.072 per kWh). Given the severe power shortages in Pakistan, and the open access power transmission possibilities in India, there is now renewed interest in pursuing mutually beneficial cross-border power transfer between the two countries.
India-Sri Lanka Electricity Trade

Electricity generation in Sri Lanka is currently dominated by oil-fired sources supplementing hydropower, but serious efforts are being made to meet the electricity demand growing at about 7% per year, with greater diversification of fuel resources. The average cost of electricity supply is as high as $0.15 per kWh, although the average selling price is around $0.10 per kWh. Accordingly, the Ceylon Electricity Board has entered into a memorandum of understanding with the National Thermal Power Corporation of India to set up a 2 x 500 MW coal-fired thermal power station in northeast Sri Lanka. This would be in addition to the 900 MW of generating capacity now under construction in the west of Sri Lanka with assistance from the People’s Republic of China (PRC). The use of coal, helping to diversify the energy resource base of the country, would reduce the heavy dependency upon petroleum fuels. As noted above, this would improve the general energy security and also reduce the cost of generation.

In this context, another possibility that is being evaluated between India and Sri Lanka is a transmission interconnection between the two countries through a 50 km long HVDC submarine cable and 335 km of HVDC overhead transmission (185 km in India and 150 km in Sri Lanka). An HVDC connection needs strong electrical terminal stations, and Madurai on the Indian side and New Anuradhapura on the Sri Lankan side have been identified as strong substations for this purpose. Technically, the best option would be an interconnection with double circuit HVDC overhead transmission and a double circuit HVDC submarine cable with 500 MW of power planned for exchange in the short term and 1,000 MW in the longer term. In view of the difficulty in laying the transmission system it would be technologically and economically advantageous to build the transmission system for the ultimate capacity of 1,000 MW. An inter-governmental agreement is in place to proceed with this interconnection.

The project is estimated to cost $430 million ($248 million for the HVDC transmission and $182 million for the HVDC terminal stations). In the short term, if required, the HVDC line could be operated as a mono-polar HVDC line with ground return for the transfer of 500 MW power. In this case, there would be no saving in the HVDC transmission, but the system would provide for revenue savings of $90 million with provision for doubling capacity to 1,000 MW. A high-capacity HVDC link would later open the possibility for Sri Lanka to gain access to hydropower generation in Bhutan and in Nepal through the Indian power system, and also to bulk liquefied natural gas (LNG)-based power generation planned for installation in India.

Potential Areas for Cooperation in Regional Energy Trade:

Improving regional cross-border energy exchange requires integrating local energy markets, including developing regional energy markets through adequate electricity or gas interconnections. Transparent open access to transmission infrastructure and agreeing to common protocol and harmonized legal, regulatory, and economic rules are essential.

Member countries need to work toward this by standardizing the rules and procedures and simplifying of transaction mechanisms to reduce costs. Some of the SMSs have put in place regulatory mechanisms and regulators are discharging their responsibilities effectively. Others have yet to proceed to this stage. SMSs can also cooperate among themselves in developing projects under the clean development mechanism (CDM). By 2010, India was one of the leading CDM destinations, and CDM activity in India is second only to that of the PRC. India’s carbon base line is such that prospective hydropower projects in the neighboring countries can become viable by supplying power to India to replace some of its thermal base generation and help in greenhouse gas (GHG) mitigation. Bhutan and India are already cooperating in this respect. This is again, an example of a regional (if not global) public good, which requires cooperative, governmental initiatives to achieve the goal of slowing climate change due to GHG emission. In this case, the CDM provides some short-term incentives, but still requires considerable efforts by the governments of participating countries in any specific project.

The member countries may also jointly promote strategic reserves of crude oil and petroleum products and encourage joint stock holdings with partner countries, where appropriate. India is in the process of establishing a strategic oil reserve to insulate itself against disruption of supplies and international oil price fluctuations. Creating such infrastructure requires huge investment and since Bhutan and Nepal are heavily dependent on India for the supply of petroleum products, they too could become part of this venture. Other neighboring countries like Bangladesh, Pakistan, and Sri Lanka, which are heavily dependent on the Middle East for crude oil, could join such a project to address short-term market fluctuations. However, the costs involved, including those for crude oil storage facilities, are large at about $2,500 million for a strategic crude oil storage of around 5 million tons.

Interregional Energy Trade Opportunities:

The current interregional energy trade regimes between South Asia and other parts of the world primarily cover the importation of petroleum and its products, liquid natural gas, coal, and limited electricity imports (by Afghanistan and Pakistan from central Asian republics and Iran, respectively). However, additional interregional energy trade options are being explored by the SMSs to procure energy supplies from outside the region. Significant among them are Iran–Pakistan–India Natural Gas Pipeline.

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TRADE LIBERALIZATION AND FOOD PRICES:

In principle, intra-regional trade liberalization could mitigate food price inflation. Discussions regarding the food crisis in South Asia have largely ignored the regional dimension of food price inflation and the possibility of improving food security by liberalizing trade. In countries that traditionally rely on food imports, regional trade liberalization might increase confidence in international markets.

During the food crisis most countries in South Asia increased their trade barriers instead of facilitating trade. While in an effort to control domestic food prices, most South Asian countries reduced import taxes, several of them also introduced export control measures or even banned imports of certain staples. These “beggar-thy-neighbor” type policies aggravated price increases elsewhere, as seen in Afghanistan where wheat prices shot up after Pakistan introduced an export ban, and in Bangladesh where India’s restrictions on rice exports contributed to rice price inflation. Export bans also encouraged smuggling while lowering economic returns for domestic farmers.

The South Asian Free Trade Area (SAFTA) agreement aims at increasing intra-regional trade via partial trade liberalization. Based on formal trade flows, South Asia is one of the world’s least integrated regions. The SAFTA agreement is an attempt to increase intra-regional trade through the gradual dismantling of some tariff barriers, but it leaves out a large number of products denominated as sensitive, and it does not address non-tariff trade barriers. Chapter 3 of this report uses a world-wide recursive dynamic computable general equilibrium trade model to analyze SAFTA’s potential for increasing intra-regional trade and mitigating food price increases in South Asia.

The findings show that SAFTA’s potential for influencing domestic food prices in South Asia is limited. The model simulations indicate that global restrictions on cereal exports had a much smaller impact on domestic prices in South Asia than the global average, mainly because of South Asia’s relatively limited dependence on international markets. They also suggest that SAFTA hardly dampens domestic price increases, mainly because of the large number of “sensitive products” (negative list) and the absence of agreements regarding non-tariff trade barriers and subsidies in SAFTA.

Tariff reductions under SAFTA will not be enough to reduce informal trade in South Asia. Official trade data are widely believed to greatly underestimate the “true” size of intra-South Asian trade, given the substantial informal trade flows. Indeed informal imports of wheat and wheat flour from Pakistan ensured a more or less continuing supply in Afghanistan during 2007-08 despite the official export ban imposed by Pakistan. An initial attempt to model informal trade suggests that SAFTA has limited impact on informal trade flows across all countries. Tariff reductions, in the absence of other institutional reforms and enforcement, would most likely have little impact on illegal cross-border trade, especially between Pakistan and Afghanistan.

THE WAY FORWARD:

The food crisis is by no means over. Domestic prices of both wheat and rice remain high throughout South Asia. There is growing agreement that a two track approach is required, combining increased investments in safety nets with measures to stimulate broad-based agricultural productivity growth, with major emphasis on the major food staples.

The degree of price transmission is an important determinant of consumer welfare. For obvious political and social reasons, most South Asian governments are likely to continue to seek to protect consumers against price variability. This requires careful management of price transmission through trade, pricing, and stockpiling policies, supplemented by social protection programs.

Policies and programs for managing price transmission need to be appropriately designed. Trade policies should encourage the operation of the private sector and not restrict exports. Pricing policies may include limited subsidies targeted to the poor, but general control measures should be avoided. Public grain reserves should be limited in size, and an international coordinated global food reserve—in which countries’ own reserves would become part of a larger global reserve—deserves consideration. Protecting consumers’ welfare and maximizing food security in a sustainable and fiscally affordable way is only possible if simultaneous attention is given to appropriate supply response measures that protect producers’ welfare as well.

These simulation results do not mean that export restrictions imposed by individual countries do not matter. By restricting supplies, export restrictions can seriously augment food price inflation in importing countries that import a large portion of their food supplies from the countries that imposed the ban. Higher food prices are not unequivocally bad and may provide new opportunities. Besides the potential benefits to net selling households and their effects on supply, higher food prices could generate a number of other benefits. In South Asia, they provide an opportunity to policymakers to reexamine the complex system of input-output pricing interventions; reduce spending on input subsidies and instead refocus public spending on investments to raise farm productivity (irrigation, rural roads, electricity) as well as on improved social protection measures. Higher food prices may also stimulate innovative developments in food aid, in particular a shift from traditional food aid to food assistance through local food purchases combined with cash transfers and vouchers. Sustained higher food prices could also help the implementation of responsible international trade policies that benefit low-income countries, and help to reform developed countries’ agricultural support programs in a way that may remove the remaining barriers to progress on the WTO Doha trade negotiations.

The long-term challenge to produce enough food has not disappeared. The underlying problems remain of low stockpiles, rising demand mainly fuelled by continuing population growth in developing countries, and flattening yield growth. These problems are particularly relevant for South Asia, given the region’s high population growth. Raising productivity is necessary to ensure South Asia’s food security. Given that most productive land is already under cultivation, future increases in agricultural production in the region will need to be based on yield increases. Because world prices of energy and fertilizer are expected to remain substantially higher than before, yield increases are the only sustainable way to reconcile higher input costs and farmers’ incentives with low and stable consumer prices of wheat and rice.

Yield increases seem entirely feasible given the substantial yield gaps in South Asian agriculture. Despite a few important exceptions, the impact of higher prices on crop yields has been limited so far. To raise yields requires a combination of technical interventions and socioeconomic policies and measures. But besides technology transfer, policymakers should ensure that the global economic crisis does not jeopardize public investment in agricultural research and rural infrastructure. Governments might also allow price incentives to reach farmers. They should ensure that adequate mechanisms are in place for supplying quality inputs at accessible prices and that farmers have appropriate marketing opportunities. In this context public spending on irrigation, rural roads, and electricity is crucial.

Source: World Bank
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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