IN THIS ISSUE

- SAARC Investment Forum “Turning point in South Asian Tourism”
- Climate Change & Sustainable Development
- SCWEC Conference “Best Practices in Intra-Regional Business among SAARC countries”
- SAARC CCI Capacity Building Workshop, Kathmandu, Nepal
- SAARC Investment Forum “Turning point in South Asian Tourism”
- Pictorial View
- Region in Focus
- Cover Story

SOUTH ASIA GROWS STRONGLY BUT FISCAL, FINANCIAL WEAKNESSES REMAINS

IN THIS ISSUE

Disclaimer: The SAARC BIZ is a monthly publication of SAARC Chamber of Commerce & Industry, which mainly provides snapshot of the activities undertaken. The other informative material, articles/reports etc published therein are solely to keep members abreast with latest development and don’t necessarily reflect the viewpoint of the organization.
SAARC Investment Forum “Turning point in South Asian Tourism”

30th September to 2nd October 2015, Colombo, Sri Lanka

The SAARC Investment Forum themed as “Turning point in South Asian Tourism” organized by SAARC Chamber of Commerce and Industry (SAARC CCI) in collaboration with the Federation of Chamber of Commerce and Industry, Sri Lanka (FCCISL) and in partnership with Fried Naumann Foundation was held at Colombo from September 30th to October 2nd, 2015.

The conference was addressed by renowned business figures, Aviation and Tourism Sectors players, experts, practitioners and government officials. The sessions attended by representatives of the Private Sector of South Asia held extensive discussions on important areas with the prime objective to encourage and promote tourism sector by engaging private companies and industrial players in the regional economic integration process. In addition to Inaugural Round, three business sessions were organized, which discussed scope of cooperation in Aviation Industry under the theme of Open sky policy, business prospects of Tourism and hospitality Industry and possible investment opportunities to forge new business alliances amongst.

Technical Session-I:
During the course of discussion in at least flight operations, connecting capital cities need to be initiated as priority concerns and can be extended to other commercial cities. To facilitate passengers, all airlines from South Asian countries should provide code sharing facility to make travel easy within SAARC.

Technical Session-II:
Technical session on “Business prospects of Tourism and hospitality Industry” focused on areas of cooperation amongst organization involved in promotion of tourism. The experts and stake holders were of the opinion, that Tourism and hospitality sector has enormous potential that could be harnessed in bringing South Asian countries closer together while terming it as a driving
force for regional integration in South Asia. They also identified lack of information about Tourism Potential and inadequate traveling facilities as the basic hurdles, the experts recommended for putting in place an accessible information mechanism by creating dedicated websites, having inter-linkages and ensuring access to updated information about incentives for tourists. They also recommended setup SAARC Tourism Trade and Investment Board under the SAARC mechanism, composing of all Tourism Development Authorities and local brand hotels. Non-availability of Tourist Visa (particularly in three major economies India, Pakistan and Bangladesh) was termed as first and foremost challenging factor, hampering tourism promotion in the region, on account of which the South Asian Tourists prefer travelling outside the region despite enormous attraction for tourism within the region.

Technical Session-III: Technical session on “Investment Opportunities in Tourism Sector”, made an attempt to identify investment opportunities in the Tourism Sector to enhance regional tourism. The importance of private public partnership in development of tourism and usage of this cooperation was suggested as a model to attract investment within and outside the region was discussed. The experts were of the opinion that the businessmen from all South Asian member countries should be allowed investment through direct channels under the sovereign guarantee of the member states. They emphasized for streamlining the policies and relaxation of regulations in the country to attract potential investors and investments.

Valedictory session: Hon’ble Minister of Finance, Mr. Ravi Karunanayake and Hon’ble Minister of Petroleum Industries Mr. Chandima Weerakody, Govt of Sri Lanka graced the Valedictory session of the conference as Chief Guest and Guest of honor respectively. In his speech Mr. Karunanayake said that “I think we have won the hearts and minds by ensuring that Sri Lanka is a nice destination for tourism. To ensure proper investments coming in, we will have the necessary requirements of getting you all into that investment-safe mode. That’s the way we intend developing our tourism industry. We can see a rapid movement and we will open the markets up. The declaration today is very timely and we intend opening many of them up in the next budget that is going to take place on November 20 but unfortunately the previous political activities did not put Sri Lanka in good state but those have been corrected.

Earlier to his speech the guest of honor, Hon’ble Minister Mr. Weerakody said that Sri Lanka has had a difficult past and in achieving our goals, Sri Lanka is committed to work as friends of the entire world but very especially as friends of our neighbours, the SAARC countries.

Mr. Suraj Vaidya, President SAARC CCI urged upon the Governments of SAARC member nation to consider very seriously the recommendation made by SAARC Chamber of Commerce & Industry at the conclusion of three days deliberations. He was of the opinion that it’s time we should move forward as SAARC nation. We have to build confidence among our nations ensuring that our every step will benefit our nation. He added that SAARC seeks to promote the welfare of the peoples of South Asia, strengthen collective self-reliance and promote active collaboration and mutual assistance in various fields.

Mr. Iqbal Tabish Secretary General presented Colombo Deceleration. The conference concluded with vote of thanks offered by Mr. Ajith Wattuweha, President FCCISL.

Climate Change & Sustainable Development: Emerging Business Opportunities in South Asia:

1st October, 2015 in Colombo, Sri Lanka


Hon. Gamin Jayawicrama Perera, Minister of Sustainable Development and Wild Life, Sri Lanka was the Chief Guest of the conference and addressed the inaugural session. Honorable Dr. Mohan Munasinghe, Founder Chairman MIND Institution, Nobel Laureate also graced the occasion with his presence. The inaugural session was followed by a technical session entitled “Climate Change & Emerging Business Opportunities” moderated by Prof. M.J.S. Wijeyaratne, Senior Lecturer, University of Kelaniya and addressed by Engr. Basanta Shrestha, Director Strategy Partnership, International Centre for Integrated Mountain Development (ICIMOD)- Nepal, Mr. Prashant Singh, Secretary General, Himalayan Climate Initiative, Nepal, Mr. Khalid Rasool, Director Trade Development Authority of Pakistan, Ministry of Commerce, Government of Pakistan and Mr. K. S. Venkatragiri, Executive Director, Energy and Green Co, India.

The discussant of the session included Mr. Prasad Galhena, Chairman Sri Lanka Sustainable Energy Authority, Mr. M.M.R. Pathmasiri, Director General Sri Lanka Sustainable Energy Authority, Ms. ChamilaJayasekara, Director (Strategy) Sri Lanka Sustainable Energy Authority, Mr. Sanathkithsiri Director (Renewable Energy) Sri Lanka Sustainable Energy Authority.
SAARC Chamber of Commerce and Industry www.saarcchamber.org

October 2015

SAARC CCI Activities

(TBC), Dr.R.D.S.Jayathunga Director Climate Change Secretariate (TBC), Dr. Manoj Thimbottuwawa Research Economist Institute of Policy Studies, Mr. Chandralal President Nature Conservation Society, Mr. ChaturaWelivitiya Chairman Human Environmental Links Progressive Organization, Mr. Peter C.D.Rezel Managing Director GLIDE Energy (Pvt) Ltd, Mr. Nuwan D. Rezel Director Operations GLIDE Energy (Pvt) Ltd.

The speakers and discussant were of the opinion that the linkages between climate change and sustainable development are strong. While climate change knows no boundaries, poor and developing countries, particularly the LDCs, will be among those most adversely affected and least able to cope with the anticipated shocks to their social, economic and natural systems. The session noted the dual relationship between sustainable development and climate change. On the one hand, climate change influences key natural and human living conditions and thereby also the basis for social and economic development, while on the other hand, society’s priorities on sustainable development influence both the GHG emissions that are causing climate change and the vulnerability.

They experts were of the opinion that Climate policies can be more effective when consistently embedded within broader strategies designed to make national and regional development paths more sustainable. This occurs because the impact of climate variability and change, climate policy responses, and associated socio-economic development will affect the ability of countries to achieve sustainable development goals. Conversely, the pursuit of those goals will in turn affect the opportunities for, and success of, climate policies. Its adverse impacts will be most striking in the developing nations because of their dependence on natural resources, and their limited capacity to adapt to a changing climate. Within these countries, the poorest, who have the least resources and the least capacity to adapt, are the most vulnerable.

It was elaborated by the speakers that climate change increases the costs of development in the poorest countries by between 25 and 30 percent. For developing countries, the annual cost of infrastructure that is resilient to climate change is around $1.2 trillion to $1.5 trillion, resulting in a yearly $700 billion gap in financing. The experts proposed that it will take combining efforts of development banks, financial institutions, export credit agencies, institutional investors, and public budgets to meet the climate and development challenge.

The session proposed for making contingency plans to deal with natural disasters such as flooding. The building of larger water reservoirs and other facilities for sufficient storage of water in the case of drought is needed, in addition to dikes against surges of flooding and seawater. The session also called upon efforts to increase knowledge of the consequences of climate change and the development of related adaptation responses in South Asian countries will render governments better able to cope with and respond to climate risks. Improving energy efficiency of buildings and construction: This measure will help reduce the heating and cooling demands of offices, dwellings, and other buildings.

MOU between SAARC CCI & ICIMOD:

An MoU between SAARC Chamber of Commerce and Industry and ICIMOD was signed during the seminar. The MOU aims at pledging support cooperation in creating awareness, Knowledge sharing, Sustainable Business Solutions, to develop network and linkages with National Chambers of commerce & Industry, mutually interested areas, joint events and contribution in policy dialogue. From SAARC CCI, Mr. Iqbal Tabish, Secretary General, SAARC CCI signed the document while on behalf of Dr. David Molden, Director General, ICIMOD, Mr. Basantha Sharestha, signed the MoU.

SAARC Chamber Women Entrepreneurs Council under the umbrella of SAARC CCI and in collaboration with FICCI Ladies Organization ( FLO) organized one day conference on “Best Practices in Intra-Regional Business among SAARC countries” followed by two days exhibition under theme “ SCWEC Market”.

The conference and exhibition were organized at FICCI Lawns, New Delhi, with the objective of developing and promoting women entrepreneurship in the South Asian region. The event turned out as a success and helped exchange of ideas, networking and establishing linkages amongst participating organization and the women entrepreneurs of the SAARC region.

Hon’ble Jitendra Singh, Minister of State for Prime Minister Office Personnel, Public Grievances & Pensions, Govt of India was the Chief Guest of the conference. In his inaugural address, Honble Minister said that ability to innovate and experiment irrespective of distinctions of gender or religion would be the yardstick for entrepreneurship in a world that is undergoing a paradigm shift. He added that tomorrow belongs to innovative entrepreneurs regardless of age, sex, religion or even country as we have a global market now. One does not need to be confined to India in South Asia and increasing female entrepreneurship and partnership. She was of the opinion that lack of connectivity between countries, was visible as such there existed no normal telecommunication links between Pakistan and India. She demanded for increasing frequency of flights between the two countries while adding that India as a elder brother should take confidence building measures among SAARC nations and to move SAARC forward. At this occasion the best women entrepreneurs from each SAARC Country were awarded with certificates. From Afghanistan Ms. Rabia Muradi, from Bangladesh Ms. Tauhida Haider, from Bhutan Ms. Gyem Lham, From India Wandana Parnami, From Maldives Ms. Shaira Saleem, From Nepal Ms. Reeta Simha and from Pakistan Mrs. Faiza Samee (Pakistan). A SCWEC medical facility was also launched on the occasion that will focus on the medical needs of women in SAARC countries and also promote medical tourism in the country. The SCWEC Market Place Exhibition showcased Premium Jewellery, Clothing, Footwear, Handicrafts etc. under one roof from all the SAARC Countries.
The SAARC Chamber of Commerce and Industry organized “Institutional Capacity Building Workshop” on 3rd -4th Nov, 2015, Kathmandu, Nepal in partnership with Friedrich-Naumann-Stiftung für die Freiheit, Regional Directorate, New Delhi.

The Institutional Capacity-building Workshop was organized as a regular annual feature of the activities of the SAARC Chamber of Commerce & Industry, which aims at creating network & enhance the 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 moderated by Mr. Iqbal Tabish, Secretary General, SAARC CCI The officials of National chambers/Federations working as associates to SAARC desks exchanged views to enhance cooperation between SAARC CCI and their respective organizations.

The participants includes Mr. Zia Azizi, International Organization & MOU Manager, Afghanistan CCI, Mrs. Isha Shamina Manna, Assistant Secretary, FBCCI, Mr. Tenzin Kelzang, Secretary, Business Support Department-BCCI, Mr. Rakshit Chopra, Assistant SAARC Desk-CII, Mr. Goutam Ghosh, Head South Asia, FICCI, Mr. Anup Kumar Shrestha, Deputy Director, FNCCI, Mr. Ahmed Zaman, Director, Economics Affairs & NTM Desk, FPCCI, Ms. J. B Premila, Assistant Manager, International Affairs & SAARC-NTM Desk Officer, FCCISL.

Mr. Suraj Vaidya, Acting President, SAARC CCI also graced the occasion with his presence and addressed the workshop. The Secretary General, SAARC CCI briefed the participants about the role of National Chambers/ Federations in respect of SAARC CCI. However the participants appreciated the gradual progress in the functioning of SAARC CCI and hoped for further improvement in future.

The participants includes Mr. Zia Azizi, International Organization & MOU Manager, Afghanistan CCI, Mrs. Isha Shamina Manna, Assistant Secretary, FBCCI, Mr. Tenzin Kelzang, Secretary, Business Support Department-BCCI, Mr. Rakshit Chopra, Assistant

**Business Quotes**

“One of the tests of leadership is the ability to recognize a problem before it becomes an emergency”.

Arnold H. Glasow

“Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all”.  Dale Carnegie

“Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon”.  Winston Churchill
SAARC Investment Forum “Turning Point in South Asian Tourism”
30th September to 2nd October 2015, Colombo, Sri Lanka

(L-R) Mrs. Monowara Hakim Ali, Vice President (Bangladesh), Mr. Macky Hashim, Former President, SAARC CCI, Representative from Embassy of Afghanistan, Lt. Col. Muhammad Faruk Khan (Retd.), Chairman Standing Committee on Ministry of Civil Aviation and Tourism, Bangladesh, H.E Maj Gen (R) Syed Shakeel Hussain, The High Commissioner of Pakistan in Sri Lanka, Mr. Suraj Vaidya Acting President of SAARC CCI, Hon. John Amaratunga, Minister of Tourism, Government of Sri Lanka, Mr. Ajith Wattuhera President FCCISL, Hon. Eran Wickramaratne Deputy Minister of National Enterprise Development, Govt of Sri Lanka, Hon. Harsha De Silva Deputy Minister of Foreign Affairs, Sri Lanka, Mr. Ibrahim Ghafoori, Director, SAARC Secretariat, Mr. Kartik Pande First Secretary Economic and Commercial High Commission of India in Sri Lanka.

Hon. John Amaratunga, Minister of Tourism, Government of Sri Lanka
Hon. Lt. Col. Muhammad Faruk Khan (Retd.), Chairman Standing Committee Ministry Of Civil Aviation And Tourism, Bangladesh.
Hon. Mr. Rohantha Athukorala, Chairman of Sri Lanka Tourism Promotion Bureau.
Hon. Harsha De Silva Deputy Minister of Foreign Affairs, Ministry of Foreign Affairs, Sri Lanka.
Hon. Eran Wickramaratne Deputy Minister of National Enterprise Development.
Mr. Ajith Wattuhera President, FCCISL
Mr. Suraj Vaidya Acting President, SAARC CCI.
Hon. John Amaratunga, Minister of Tourism, Government of Sri Lanka Lunched a web portal on “Destination South Asia” Mr. Suraj Vaidya Acting President, SAARC CCI is also seen in the picture.
Pictorial View

Mr. Shibly Aziz, Chairman, Civil Aviation Authority of Sri Lanka and Capt. Rameswor Thapa, President, Airlines Operators Association of Nepal

Manoj Gunawardena Chief Commercial Officer Sri Lanka Airlines Limited,

Mr. Sugath Rajapakse Consultant, Air India Ltd

Capt. Rameswor Thapa, President, Airlines Operators Association of Nepal

Mr. Johann Wijesinghe, Chief Executive Officer – Leisure and Aviation Hayles Group

Mr. Hakim Ali, Chairman, Intraco Group Ltd and CEO, Hotel Agraba, Bangladesh

Mr. S. Paramanadan, Chairman of Travel Agents Association of Sri Lanka

Mr. F. Ibrahim Chief Executive Officer – The Bottom Line Holidays (Pvt) Ltd GSA for Pakistan International Airways.

Mr. A.M. Jaufer, President Chamber of Tourism and Industry (SL)

Ch. Kabir Ahmed Khan, MD/CEO, Pakistan Tourism Development Corporation (PTDC)

Mr. Paddy Withana Chairman, The Sri Lanka Tourism Development Authority (SLTDA)

Mr. Qasim Jafri, CEO, Nishat Hotels and Properties Pakistan
Mr. Saurav Rimal,
Communication Officer,
Investment Board,
Government of Nepal

Ms. Champika Malalgoda,
Acting Executive Director –
Research and Policy Advocacy
Board of Investment, Sri Lanka

Mr. Dilip Samarasinghe
Director Media and Publicity
Board of Investment, Sri Lanka.

Hon. Sujeeva Senasinghe,
State Minister of International
Trade Ministry of Development
Strategy and International
Trade, Sri Lanka.

Mr. Ibrahim Ghafoori,
Director, SAARC

Hon’ble Chandima
Weerakkody, Minister of
Petroleum Industries.

Hon Ravi Karunanayake,
Minister of Finance, Govt of
Sri Lanka.

Ms. Piumee Vithanage, D
irector, M&S, Bloomberg

Group photo of Hon’ble Mr. Sujeeva Senasinghe State Minister of International Trade Ministry of Development Strategy and International Trade with (L-R) Mr. Ajith D. Perera, SG, FCCISL, Mr. Tissa Jawayaweera, Vice President (Sri Lanka), Mr. Ramesh Kumar Mutha, Vice President, (India), Mrs. Monowara Hakim Ali, Vice President (Bangladesh), Hon’ble Minister, Mr. Suraj Vaidya, Acting President, Mr. Hameed Akhtar Chadda, EC Member (Pakistan) and Mr. Iqbal Tabish, Secretary General of SAARC CCI.
Climate Change & Sustainable Development: Emerging Business Opportunities in South Asia: 1st October, 2015 in Colombo, Sri Lanka

Group photo taken at the conclusion of Inaugural session with FCCISL Team with President SAARC CCI and Hon. Lt. Col. Muhammad Faruk Khan (Retd.), Honourable Member Of Parliament also the Chairman Standing Committee Ministry Of Civil Aviation And Tourism & Former Minister of Commerce of Bangladesh.

Honour Dr. Mohan Munasinghe, Founder Chairman MIND Institution- Sri Lanka

Prof. M.J.S.Wijeyaratne – Senior lecture, Science Faculty University of Kelaniya


Mr. Prashant Singh, Secretary General, Himalayan Climate Initiative, Nepal,

Mr. Khalid Rasool, Director Trade Development authority of Pakistan, Ministry of Commerce

Engr. Basanta Shrestha, Director Strategy Partnership, ICIMOD

Mr. K. S. Venkatragiri, Executive Director, Energy and GreenCo Department of the Centre, CII, Hyderabad, India.

Mr. Kosala Wikramnayake, Former Vice President SAARC CCI (Sri Lanka)

Group photo of Hon’ble Jitendra Singh, Minister of State for Prime Minister Office Personnel, Public Grievances & Pensions, Govt of India with Vice Chairperson, SCWEC and entrepreneurs awarded during seminar on the basis of best performance from their respective country.
Hon’ble Jitendra Singh, Minister of State for Prime Minister Office Personnel, Public Grievances & Pensions, Govt of India while inaugurating the Exhibition and visiting the stalls.

SAARC CCI Capacity Building Workshop, Kathmandu, Nepal:
3rd -4th Nov, 2015, Kathmandu, Nepal

Group photo of participants of SAARC CCI capacity Building Workshop with Acting President Mr. Suraj Vaidya. 1st Row (L-R) Ms. J. B Premila, Assistant Manager – International Affairs-FCCISL, Mr. Iqbal Tabish, SG-SAARC CCI, Acting President, Mrs. Isha Shamina Manna, Assistant Secretary, FBCCI, Mr. Ahmed Zaman Khan, Director-FPCCI. 2nd Row (L-R) Mr. Kelzang, Officer, BCCI, Mr. Zia Azizi, International Organization & MOU Manager-Afghanistan CCI, Mr. Rakshit Chopra, Executive-CII and Mr. Bader Munir, Deputy Secretary- SAARC CCI.
Mr. Iqbal Tabish, Secretary General, SAARC CCI Calls-on Hon. Mr. Faizer Mustafa – Minister of Local Government and Provincial Councils, Govt of Sri Lanka in his office on 30th October, 2015. Mr. Tabish is presenting a set of SAARC CCI publication to Hon’ble Minister. Mr. Zulfiqar Butt, DSG, SAARC CCI can also been seen in the picture.
Infrastructure is the backbone of a growing economy, underpinning its competitiveness and self-sufficiency. However, consistent apathy and deep funding gaps have crippled India’s infrastructure over time, especially in crucial sectors such as airports, ports, roads and railways. Furthermore, the rising urbanization and expanding trade have put immense pressure on the existing infrastructure. This has had a negative multiplier effect on the economy, hampering trade, efficient logistics, connectivity and business operations.

Keeping in view of Public Private Partnership, Federation of Indian Chamber of Commerce & Industry organized 4th edition of Public Private Partnership Summit, in Federation House, New Delhi. Hon’ble Union Minister Mr. Nitin Gadkari graced the occasion with his presence as Chief Guest.

Speaking at the Summit Hon’able Minister said that after a rough patch, highway building through PPP mode is set to take a leap with government planning to launch 100 such projects next year.

The Road Transport and Highways Minister said all problems pertaining to the mode have been addressed and this year seven projects worth Rs 11,500 crore have already been awarded in contrast to a nil last year. He added that the government will award 100 projects on PPP mode next year. “Under the hybrid model, we will give you on platter projects with land acquisition and environment clearances” he added.

He said that forty per cent cost will be borne by Govt of India while 60 per cent will be funded by the private sector, of the 60 per cent, banks will provide 30 per cent of the requirement. He said investors need not worry at all and just “change their perception about PPP” as in the present hybrid model even the toll collection will be done by the government adding PPP has received good response this year.

Mr. Vijay Chhibber, Secretary, Ministry of Road Transport and Highways, in his address, pointed out that 90 per cent of passengers and 70 per cent of all freight in the country was transported by road and this skewed overdependence on the road sector was getting enlarged. The one corrective measure that needs to be done is to seriously look at inland waterways as a means of transportation, he added. He said that India has taken a number of initiatives towards creating a PPP eco-system involving institutions, developers, financiers, tieup for project financing, etc.

Mr. Harish Mathur, CEO, IL&FS Transportation Networks Ltd, in his remarks, said the critical role of PPP model for creation of infrastructure in the country is well recognized. Besides bridging the deficit in financing of infra-projects, PPPs also bring new and cost-effective technology. They improve efficiency for operation and maintenance of the infrastructure assets. He said that India has taken a number of initiatives towards creating a PPP eco-system involving institutions, developers, financiers,
Accelerate South Asian economic re-integration: CII’s first ever South Asia Economic Conclave

The South Asian region is the least economically integrated and that has placed all the regional economies at a competitive disadvantage. Today, the process of South Asian economic re-integration has begun, albeit slowly, with gradual phasing out of tariffs. Stating this in her address in the session on ‘The power of 1.6 billion: A blueprint for prosperity’ at the South Asia Economic Conclave, was organised in New Delhi by Confederation of Indian Industry (CII) in cooperation with the Ministry of Commerce and Industry, Government of India and the World Bank, Ms Nirmala Sitharaman, Minister of State for Commerce & Industry, Government of India, said in her address that the re-integration will gain traction as the regional economies do away with the negatives lists for bilateral trade.

Ms Sitharaman noted that after India extended the Duty Free Quota Free facility to the least developed countries in South Asia region, exports from these countries to India has increased. To accelerate intra-regional trade and regional economic integration, the Minister underlined the need for the region to establish free trade areas. She also said that due efforts need to be taken to conclude the SAARC Motor Vehicles Agreement which will provide significant impetus to regional trade and movement of goods.

Ms Sitharaman urged the regional governments to prepare a roadmap for establishing a South Asian Development Bank. She also said that a part of the Indian outbound FDI should be directed to the South Asian economies. Currently, 95% of India’s outbound FDI goes to markets well beyond South Asia.

Ms Sitharaman also laid emphasis on the promotion and development of regional value chains, with focus on certain sectors. She added that tourism is another area where the South Asian economies can achieve significant dividends through joint initiatives and cooperation endeavours.

Earlier, Mr Tofail Ahmed, Commerce Minister, Government of People’s Republic of Bangladesh, said that countries of the region should take active measures to bring down tariff and non-tariff barriers that limit the expansion of regional trade. He also spoke about how the Bangladesh economy overcame challenging economic circumstances in the past decades to emerge as a robust economy.

Mr Sunil Bahadur Thapa, Minister of Commerce and Supplies, Government of Nepal, said in his address that if the European Union could achieve deep economic integration, so can the South Asian economies.

Mr Lyonpo Norbu Wangchuk, Minister of Economic Affairs, Government of Bhutan, said the road to regional prosperity lies in facilitating seamless movement of goods, capital and people across the entire region.

Mr Abdulla Jihad, Minister of Finance, Government of Maldives, pointed out that although intra-regional trade has not picked up although duty concessions have been extended by India to some of the regional economies. He urged the SAARC governments to find ways to accelerate regional trade flows.

Mr Sanjay Kathuria, Lead Economist, South Asia Regional Integration, World Bank, spoke about the steps needed for the region to achieve intra-regional trade target of $100 billion in the next 5 years.

Mr C. Raja Mohan, Head – Strategic Studies and Distinguished Fellow, Observer Research Foundation, provided a historical perspective as well as a political background to the regional trade scenario.

Mr Chandrjit Banerjee, Director General, CII, spoke about the key role that private sector has assumed in furthering South Asian intra-regional trade and economic integration.
the wheel history....

IT’S ALL ABOUT SERVING

GENERATION TO GENERATION

Guard Head Office  80 - Badami Bagh Lahore, P.O.Box # 465 (Pakistan) Tel: 92 42 772 5616-18, www.guardfilter.com.pk
2-DAY MOBILE PHONE EXHIBITION HELD IN KABUL:
Afghanistan’s first-ever mobile phone exhibition was inaugurated at the Daudzai business center in Kabul city. Organized by Modern Method Company, the event was held to expand mobile phone market inside Afghanistan. Zia-ul-Haq Zia, Manager at the Modern Method Company, said 15 companies importing mobile phones are participated in the exhibition.

According to Zia, about 10,000 people attended the exhibition within the first three hours. "We are expecting to have a turnout of over 30,000 people in the two days of the exhibition," said Zia. The organizer plans to hold such exhibition.

Afghanistan is a huge importer of mobile phones and does not produce mobile phones itself. According to figures from the Ministry of Communication and Information Technology, over 23mn people use mobile phones in Afghanistan and over USD 2.4bn has been invested in the telecommunication sector of Afghanistan. The telecommunication sector is one of Afghanistan’s major success stories in the past decade.

ELECTRONIC DUTY PAYMENTS REPLACE RISKY CASH DELIVERIES IN AFGHANISTAN
Imports of expensive, high-tech equipment and large boxes of pre-paid phone cards by Afghanistan’s five major telecommunications companies account for half of all customs duties collected at Hamid Karzai International Airport in Kabul. Until recently, paying duties on those imports presented a huge security risk. Major telecommunications companies such as the Afghan Wireless Communication Co., Roshan and MTN previously paid their customs duties with hefty amounts of cash. The companies hired armed guards to protect armored vehicles filled with plastic bags bulging with Afghan currency. The vehicles drove to the customs site and the bags were hauled into an office so officials could count the bills.

In May 2015, the Afghanistan Customs Department and Da Afghanistan Bank, with support from USAID’s Afghanistan Trade and Revenue project, launched an electronic payment, or E-Pay, system for customs duties on all imports. The system began in Kabul and will roll out to customs sites nationwide. It has transformed the payment of duties from a high-risk logistical challenge to a simple electronic transaction. With E-Pay, an importer can pay customs duties electronically through any commercial bank. Following electronic notification of a trader’s payment from a commercial bank, the Da Afghanistan Bank branch at each customs office issues a payment confirmation for each transaction and submits it to the customs office. Customs then issues an order to release the goods.

BAMIYAN TO BE OFFICIALLY DECLARED AS SAARC CULTURAL CENTER
Afghanistan’s historical city of Bamiyan will be officially declared as the Cultural Center of the South Asian Association for Regional Cooperation (SAARC) in a ceremony. The Ministry of Information and Culture is in full swing to prepare for the ceremony. Mohammad Amin Bawari, spokesperson to the Ministry, said senior officials from Afghanistan and representatives from the SAARC countries will attend the ceremony. The historic city of Bamiyan was officially selected as the s First SAARC CULTURAL CAPITAL for 2015 last year in June.

This declaration was made at the conclusion of a visit by a delegation of the SAARC Cultural Centre, Colombo, to Kabul and Bamiyan last week. Mr. G.L.W. Samarasinghe, Director of the Centre led the 3-Member delegation, comprising Dr Sanjay Garg, Deputy Director, and Mr K.K. Gunathilake, Administrative Officer. A Declaration Certificate to this effect was handed over to Dr. S.M. Raheen, Hon’ble Minister for Information and Culture, Government of the Islamic Republic of Afghanistan, in Kabul on 21 June 2014. While thanking the SAARC Cultural Centre, Colombo, Dr. Raheen stated that preparing for being a SAARC CULTURAL CAPITAL will provide an opportunity for Bamiyan to generate considerable cultural, social and economic benefits and it can help in fostering urban regeneration, boosting the city’s image and raising its visibility and profile on a regional and international scale.

AFGHANISTAN 3RD LARGEST IMPORTER OF PAKISTANI PRODUCTS
Despite strained relations between the neighbours, Afghanistan has become the third largest importer of Pakistani products. Bilateral tensions notwithstanding, the landlocked country’s imports from Pakistan stood at $1.69 billion in 2014-15, Dawn reported. In import terms, only the US and China were ahead of Afghanistan. Although its war-battered economy remains fragile, Afghanistan’s imports from Pakistan increased sharply over the last three years, the newspaper reported. Its exports to Pakistan were limited to $37 million during the year. “Pakistan’s exports to Afghanistan were more than its exports to South-east Asia, including Indonesia, Malaysia, Singapore and Thailand, which collectively stood at $1.298bn while imports were at $6.795bn in 2015,” the report added.

Independent economists believe the trade volume between Afghanistan and Pakistan would significantly soar if their political relations are normalised, confidence-building measures stepped up and business barriers dismantled.
BANGLADESH TO SET UP TEXTILE PARK IN INDIA:

After China, Bangladesh has also jumped on to Gujarat's textile park bandwagon.

The neighbouring country, which heavily relies on Indian cotton for its garment industry, proposes to set up a textile park in the state. Bangladesh has zeroed in on Kadi near Ahmedabad for the project which involves an initial investment of Rs 240-300 crore. To begin with, the park will have spinning units with cumulative capacity of 1 lakh spindles. Bangladesh has sought around 100 acres of land from the state government for the project. Last month, a high level trade delegation comprising representatives of the Federation of Bangladesh Chambers of Commerce and Industry, Bangladesh Cotton Association and Bangladesh Garment Manufacturers and Exporters Association visited Gujarat. These apex trade bodies have now approached the state government with a proposal to set up a textile park.

BANGLADESH CLAIMS EXPORTS WILL REACH $60 BN BY 2021

Bangladeshi Commerce Minister Tofail Ahmed has said that the country’s exports would reach $60 billion by 2021 which will also be the country’s 50th year of independence. He added that Bangladesh had diversified its exports and its export basket was no longer limited to readymade garments. "Today Bangladesh also exports pharmaceuticals, cement, toiletries, electronic equipment, leather goods and IT services," said the minister.

The country’s commerce minister, Tofail Ahmed, announced the plan last week, including the creation of a "garment village" in the southeastern port city of Chittagong—a major export hub—to help the country hit its goal. That village follows on one already under construction in the city of Bausia, being funded by a state-owned Chinese firm. The Bausia village is expected to house more than 200 factories and contribute up to $5 billion in export value.

BANGLADESH IS BUILDING “GARMENT VILLAGES” TO DOUBLE CLOTHING EXPORTS:

The rapid growth of Bangladesh’s garment industry has been a blessing and a burden to the country. Even as it has provided jobs to millions and helped Bangladesh cut its poverty rate, it has also exploited the nation’s poorest and most desperate, leading to the gratuitous and preventable deaths of thousands.

So invaluable is the industry to Bangladesh that the country is doubling down on the business, despite the repercussions. Already the world’s second largest exporter of clothing by some estimates, Bangladesh intends to double its apparel exports to $50 billion by 2021.

The country’s commerce minister, Tofail Ahmed, announced the plan last week, including the creation of a "garment village" in the southeastern port city of Chittagong—a major export hub—to help the country hit its goal. That village follows on one already under construction in the city of Bausia, being funded by a state-owned Chinese firm. The Bausia village is expected to house more than 200 factories and contribute up to $5 billion in export value.

BANGLADESH TRADE IMPEDES BHUTAN-BANGLADESH TRADE

Bangladesh levying a five percent duty on gypsum imported from Bhutan was one of the main issues for discussion in the first meeting of customs officials from Bhutan and Bangladesh yesterday in Thimphu.

Under the bilateral trade agreement between the two countries, gypsum falls under the exempted category.

“The Bhutanese delegation requested Bangladesh delegation to address the matter on the priority basis with appropriate authorities, to which Bangladesh delegation agreed to the request,” a press release from the finance ministry stated.

The two countries treat each other as important trading partners, whose bilateral trade agreement allows 90 products from Bangladesh free of duty. Bangladesh allows 18 products from Bhutan free of duty.

The meeting also discussed removing of barriers that impede the bilateral trade.

In his opening remark, revenue and customs director Yonten Namgyal said if there is no proper understanding and interpretation of the rules and regulations framed by the government, a lot of non-tariff barriers to trade come into play.

Yonten Namgyal said if non-tariff barriers are removed, business people could move their goods faster, which would enhance trade.

The meeting agreed to hold frequent interactions in the spirit of cooperation and assistance between the customs administrations of the two countries.

The meeting comes at a time when Bangladesh has undertaken a number of customs reform initiatives.

FIRST TRADE DEFICIT WITH BANGLADESH IN 10 YEARS

For the first time in 10 years, Nepal recorded a trade deficit with Bangladesh in 2014-15, thanks to a fall in the export of lentils. Nepal had been enjoying a surplus in trade with Bangladesh since 2004-05. According to Nepal Transit and Warehousing Company, Nepal exported goods worth Rs1.15 billion, against imports of Rs2.53 billion last fiscal year. "The trade deficit more than doubled last fiscal year, and it was Nepal’s trade deficit with Bangladesh for the first time in 10 years," said Yadav Siwakoti, chief of the company. The government-undertaking company provides warehousing facilities at Haldia Port in Kolkata, and conducts all the transit-related activities. When Nepal and Bangladesh had just begun, the latter enjoyed a trade surplus for few years. During 1996-97, export from Bangladesh used to be at Rs13 million, while Nepal used to export goods worth Rs1.1 million.
BCCI PRESIDENT ANNOUNCES RESIGNATION OVER LACK OF PROGRESS IN PRIVATE SECTOR

The Bhutan Chamber of Commerce and Industry (BCCI) president Ugen Tsechup Dorji has announced that he would be resigning by the end of November 2015, a good four months before his three year term ends in March 2016. Ugen Tsechup said that he is stepping down because in spite of his position as the BCCI President he feels that he has not been able to be effective enough.

“The private sector has been given several assurances that it is a priority but apart from verbal assurances not much has been done to address several issues,” said the President. The President, however, was at pains to point out that he was not blaming the elected government per say but the entire system which includes autonomous agencies, Royal Monetary Authority, departments, bureaucrats, red tape etc.

He said that despite several efforts and proposals from the side of BCCI to strengthen the private sector and business environment there has been little or no response and progress on important issues.

BHUTANESE UNIVERSITY GRADUATES SEE A BRIGHT FUTURE IN AGRICULTURE:

It has been seven months since three aspiring commerce graduates formed a start-up organic agriculture business. They have managed to change the stereotypical notion that farming is only meant for uneducated people in rural areas. In fact, their educational background is only helping them to enhance agricultural works and output.

One of the founders of the start-up, Kinzang Duba said the commercial farming venture is an outcome of a research work titled “Exploring the Viability of Pool Farming for Accelerating Food Self-Sufficiency in Bhutan” which was funded by UNU-IAS, Japan and guided by the host researcher Dr Singye Namgyel.

Since 2014, an area covering 5 acres of fallow arable land in Tshimasham, Chukha is pooled for the cause and has employed 3 people and few interns till date. The start-up venture strives to encourage the educated youth to opt for agro-farming as a recognized lucrative self-employment opportunity.

HELIQUERT COMPANY’S FOCUS IS TO KEEP COSTS LOW:

The first H 130 helicopter which is being designed and manufactured by Airbus helicopters will arrive in the country on November 3, 2015.

The other helicopter is expected to arrive in May or June next year. RBHSL (Royal Bhutan Helicopter Service Limited) will be going about with a lean-start up philosophy, where most of the employees will have to take multi-tasking roles and work accordingly.

“This is primarily done because the initial operation cost will be very high because of the high fixed cost and the salary that we have to pay to the expatriate pilots and the engineers,” said Chhewang Gyeltshen, newly appointed CEO of RBHSL.

He also added that although it is a government owned company, RBHSL will have to be mindful from the initial stages when it comes to financial usage.

RBHSL primarily will consist of flight operators, engineers, ground operators, and quality assurance team among others. Since RBHSL is regulated by Bhutan Civil Aviation Authority (BCAA), it is mandated to establish the management structure as per the rules enforced by BCAA.

LOW TRADE WITH BUTAN IN LACK OF TREATY

Lack of any bilateral treaty on trade between Nepal and Bhutan has directly affected trade. Private sectors of both the countries have taken initiative for treaty but bilateral trade has not increased with no effort at the government level. There was some initiative a few years back but the process has not moved forward now.

Entrepreneurs in both the countries say there is boundless potential in bilateral trade between the countries with many geographical and cultural similarities. Diplomatic relationship between the countries, frigid for over a decade due to the issue of Bhutanese refugees, is improving in recent times. Bhutanese Prime Minister Tshering Tobgay himself had arrived with relief materials after the earthquake on April 25. Private sector of both the countries say trade relation should also be improved along with improvement in diplomatic relationship.

NTBS IMPEDE BHUTAN-BANGLADESH TRADE

Bangladesh levying a five per cent duty on gypsum imported from Bhutan was one of the main issues for discussion in the first meeting of customs officials from Bhutan and Bangladesh in Thimphu. Under the bilateral trade agreement between the two countries, gypsum falls under the exempted category.

The two countries treat each other as important trading partners, whose bilateral trade agreement allows 90 products from Bangladesh free of duty. Bangladesh allows 18 products from Bhutan free of duty.

The meeting also discussed removing of barriers that impede the bilateral trade and agreed to hold frequent interactions in the spirit of cooperation and assistance between the customs administrations of the two countries.
STARTUP INDIA
The government will soon announce measures to promote start-ups in the country, a move that is expected to give a leg up to employment generation. Prime Minister Narendra Modi, in his Independence day speech, had announced a new campaign ‘Start-up India- Stand up India’ to promote bank financing for start-ups and offer them incentives to boost entrepreneurship and job creation in the country.

“In early to mid-December the Prime Minister is going to make a series of very important announcements on start-up India where we will bring together the work that we are doing and make some important announcements about how we are going to take forward India’s entrepreneurial ecosystem,” Jayant Sinha, Minister of State for Finance, said while delivering the keynote during C K Prahalad Memorial Lecture at the TiECon Delhi 2015.

EXPORTS SHRINK FOR 10TH MONTH IN A ROW TO $21.84 BN:
Exports contracted for the tenth month in a row, tumbling around 25 per cent in September, pulled down by abysmal performance of export of engineering products, petroleum products, gems and jewellery amid slowdown in the global demand. According to the data released by the commerce and industry ministry, India’s merchandise exports dipped 24.33 per cent in September to $21.84 billion while the imports shrank 24.33 per cent to $28.86 billion, resulting in a trade deficit of $10.47 billion. The trade deficit stood at $14.47 billion in the corresponding month in last financial year. Exports in September 2014 were valued at $35.22 billion. Further, cumulative exports during the first half of 2015-16 also contracted by 17.36 per cent to stand at $132.93 billion as compared to $161.39 billion during the same period last fiscal.

INDIA ECONOMIC GROWTH:
India’s GDP grew by 7% year on year in the first quarter of fiscal year 2015/16 (April-March), slowing from a 7.5% expansion during the same period in the last fiscal year. According to the data, weak expansion in output in the agricultural and mining sectors dragged down overall output. The BJP government will struggle to realise its much-touted plans to boost growth and widen the social security net. Further, containing the threat of widespread mass protests will be a challenge for Mr. Modi.

RENEWABLE ENERGY: GREEN PUSH NEEDS A BALANCING ACT:
While steady ramping up of green power goes a long way in ensuring some leverage for India at climate talks, the integration of large amount of fluctuating renewable energy in the grid remains a serious technical challenge and requires closer monitoring. At over 36,000 Mw, renewable energy contributes nearly 15 per cent of the country’s total installed electricity generation capacity. If the capacity addition of renewable projects such as solar and wind were to happen as per plans, this number is expected to go up to 1,75,000 MW by 2022.

NEW REFORM AGENDA HAS STRENGTHENED INDIAN ECONOMY:
Amid weaker outlook across emerging market economies, India’s recovery has strengthened under a new reform agenda, but it is not yet a “major driver” of global growth, a US treasury department report has said.

Buoyed by savings of USD 44 billion from drop in prices of oil imports, India’s total foreign exchange reserve has reached an all-time monthly average high of USD 328 billion - thus making it the eight country from the top in terms of foreign reserve - the US department of treasury said on its semi-annual “Report to Congress on International Economic and Exchange Rate Policies.” In its report, the Treasury said weaker outlook is evident across emerging market economies, which exerts a growing influence over global economic prospects. The slowdown in domestic Chinese investment and Chinese demand for imported commodities and components is having wide-ranging implications for other economies, it said.

FACTORY GROWTH IN INDIA NEARS 3-YR HIGH IN AUGUST:
The country’s factory output growth accelerated to a near three-year high in August, led by a rebound in manufacturing and mining sectors, while retail inflation inched up in September but remained within the comfort level of the policy makers. The strong data adds to the optimism in Asia’s third largest economy, which is seen as a bright spot against the slowing global economy.

Overall economic growth is expected to be in the 7.5-8% range in the current financial year and experts say the reform measures unveiled by the government to step up approvals and the RBI’s rate cut should help sustain the momentum in the months ahead.

CULTURAL GOVERNANCE BINDS INDIAN DIAMOND INDUSTRY: IIM STUDY
Cultural governance has helped the Indian diamond industry to succeed in shifting the global landscape of diamond business, says a study by Indian Institute of Management.

Praising India’s diamond industry for being highly organized, it says the sector has its unique cultural governance, where the smaller cutting and polishing diamonds' units have been flourishing like a “close-knit community”.

Despite little formal education, professionalism exists where verbal commitments are honoured and met, and a high order of integrity is exhibited, it said.

INDIA
MALDIVES-INDIA SHARES AN ‘UNBREAKABLE’ BOND, PRESIDENT SAYS

Highlighting the generous assistance to the Maldives by India, President Yameen heaped praise on the regional giants at a time when Indo-Maldives relations have picked up.

Speaking during the ceremony to inaugurate the new Fenaka Corporation office in Noonu Atoll Landhoo Island, President Yameen stressed that his government would always welcome Indian investments in the Maldives. He also highlighted the close relations and assistance to the Maldives’ development by India.

“We share an unbreakable friendship with India. This relationship has always existed in all our governments,” president said.

President noted that during his half brother and former President Maumoon Abdul Gayoom’s 30 year tenure, Maldives’ relations with India had been at its peak. President also noted that his government has been trying to strengthen relations with India.

“The Indian government continues to assist us in so many ways,” he added.

He also pointed out the Indian government’s assistance in times of dire need, referring to the military aid from India to thwart the attempted armed coup in 1988.

NEGOTIATIONS LAUNCHED FOR CHINA-MALDIVES FREE TRADE AGREEMENT

Maldives and China signed a memorandum of understanding (MoU) yesterday to launch negotiations to establish a free trade agreement between the countries.

In a brief statement after the signing ceremony at the Kurumba Resort, Economic Development Minister Mohamed Saeed described the Sino-Maldives relationship as “central to the quick realisation of the broad economic vision of President Abdulla Yameen.”

Saeed announced that official negotiations to determine the terms of the free trade agreement will begin in October.

If the negotiations succeed, the agreement would become the first of its kind for the Maldives with any bilateral partner. The regional South Asian Free Trade Agreement (SAFTA) is the only free trade agreement the Maldives has signed.

MALDIVES TO LAUNCH NEW CURRENCY SERIES

The Maldives Monetary Authority (MMA) is set to unveil a new currency series termed “Ran Dhiha Faheh” on November 1, the media reported on Tuesday.

According to sources, the new currency series was introduced during the 50th anniversary of the Maldives independence.

The MMA had previously planned to release the notes into public circulation in December. The authorities had earlier disclosed plans to exchange their old notes for the new series.

MMA Governor Azeema Adam had also declared that following the series’ unveiling, the current notes in use can be utilised until May 2016, with a period of five years allocated for the public to exchange their old notes for the new series.

Adam added that the series is printed on polymer paper and are state-of-the-art, impossible to produce counterfeit notes.

The currency series will be circulated in Maldivian rufiyaa 10, 20, 50, 100, 500 and the brand new 1,000 notes.

The series also introduced Maldivian rufiyaa 5 as coins instead of the current cash note.

BRITISH COMPANY TO INVEST US$10M IN ‘HISTORIC’ AGRICULTURAL PROJECT:

Four islands in a Southern Atoll have been leased to UK-based Hummingboy Farms (HBF) for what the Agriculture Ministry says will be “the largest agricultural project in Maldivian history.” A contract was signed with HBF on Monday to lease Dhooonirehaa, Golhaalaa, Hulhuvaarulaa and Menthandhoo – a cluster of uninhabited islands in GaafDhaal atoll – for 21 years. The company said in a statement that it intends to invest in excess of US$10 million for the project, which represents “the largest single investment in agriculture in the Maldives to date.”

“The purpose of the project is to develop controlled environment protected cropping. Temperature controlled greenhouses will be used to grow European variety salad crops and various berries,” HBF said. The goal of the project is “import substitution and additional food security for the Maldives,” it added.

WHAT IT’S LIKE TO EAT DINNER AT A RESTAURANT BENEATH THE SEA

In Maldives, The Ithaa Undersea Restaurant lets you experience a meal nearly 16 and half feet under water. The restaurant, in the Conrad Hotels and Resorts in the Maldives, serves both lunch and dinner while diners are surrounded by fish, stingrays and even snorkelers.

The room can also be converted to a bedroom for patrons to sleep under the sea over night.
GOVT POSITIVE ON SLASHING CUSTOMS ON AUTO PARTS

The government seems positive to reduce customs duty on spare parts of vehicles. Inaugurating the Auto Show 2015 organized by the National Automobile Dealers Association (NADA), Finance Minister Dr Ram Sharan Mahat said the government is ready to address the demand to reduce customs duty on auto parts by entrepreneurs citing smuggling from India due to the high customs rate in Nepal. Vehicle importers have long been demanding for cut saying that spare parts are being smuggled and duplicate spare parts being imported due to the high rate.

Minister Mahat added that while the government is ready to reduce customs duty on spare parts of public transportation vehicles, that will not be applied in case of expensive luxury vehicles. “Those who make use luxury vehicles. Customs duty, therefore, will not be reduced on that but the government only imposes customs duty of five percent on big public transportation vehicles,” he elaborated. He argued that the tax imposed on expensive vehicles does not affect the commoners.

ECONOMIC GROWTH RATE OF 4.4%

The International Monetary Fund (IMF) through the World Economic Outlook 2015 has projected that Nepal’s economic growth will be limited to 4.4 percent in the year 2015/16. The government had set a target of six percent for the current fiscal year.

Preliminary survey of the Asian Development Bank (ADB) earlier had projected a growth rate of 4.5-5.5 percent for the current year. The IMF report has said growth rate of 5.4 percent was achieved in the preceding year. But the government says it was 5.2 percent that year. The IMF says Nepal will achieve a growth rate of 3.8 percent in 2020. The IMF, that has classified Nepal as a rising and developing country in Asia, has projected an inflation rate of eight percent for the current year. The Nepal Rastra Bank (NRB) has targeted to keep it within 8.5 percent. But inflation is expected to rise significantly due to the continuous strike after promulgation of the new constitution and the recent Indian blockade. Economic growth also looks set to be affected as strike and Indian blockade has stalled development works, and post-earthquake reconstruction has yet to start. Nepal will manage to limit inflation rate to 6.1 percent in 2020, according to the IMF.

NEPAL UP BY 20 PLACES IN ECONOMIC FREEDOM

Nepal’s situation in economic freedom has improved with the country climbing 20 places to 106th among 157 countries, as per the Economic Freedom of the World Report prepared by the Fraser Institute and the Economic Freedom Network. Nepal was 126th among 152 in the preceding year.

Nepal’s index has improved by 0.40 points to 65.6 points out of 10 even as the overall index of countries studied has increased to 68.6 from 68.4 in the last year. This, however, does not reflect the current economy of the country as it is based on the data of 2013. Nepal has fallen in the index for rights to individual property as per the report published in Nepal by Samriddhi, The Prosperity Foundation, one of the co-publishing institutes and a member of the Economic Freedom Network for the last eight years.

Nepal has improved on all indicators used for measuring economic freedom apart from that. The indicators used include size of government, safeguard of judicial rights and rights to personal property, access to healthy currency, freedom in international trade and the state of regulation.

ROAMING CHARGE WITHIN SAARC TO BE CUT

The regulatory body for telecommunication in Nepal, Nepal Telecommunications Authority (NTA), is preparing to reduce roaming charge to make telecommunication service with the SAARC countries cheaper. It says roaming charge will be reduced within the current fiscal year after conducting field study in all the SAARC countries. India has the largest number of Nepalis in SAARC including those who have gone for employment, holiday and visit. Assistant Spokesperson at the NTA Achyutananda Mishra said the study report will be prepared by appointing independent consultant and it will be implemented accordingly. “Call rate will be cheap when Nepalis go to any SAARC country or when citizens from those countries come to Nepal once roaming charge and inter-connection fee is reduced,” he reasoned.

The NTA will select consultant in the first four-monthly, receive draft report in the second, and hold discussion on the final report in the third. He said the amended rate will be imposed by preparing requisite documents to reduce roaming charge and inter-connection fee within the SAARC countries. Service-providers set roaming charge on the basis of mutual agreements, and the NTA says roaming charge is beyond regulation now. It has been saying that a study is necessary to set a single roaming charge or set certain standards for roaming charge inside the SAARC region.

99% NEPALIS USE TELECOM SERVICES:

A staggering 99.12 percent (26,261,108) of Nepalis use mobile and telephone service, according to the report published on Wednesday by the Nepal Telecommunications Authority (NTA). The data is of mid-February and around one million more customers are estimated to be using the services now. The NTA has published the data of expansion of access considering the population of the Census 2011.
PAKISTAN RATIFIES WTO PACT TO FACILITATE BORDER TRADE

Pakistan has ratified WTO’s Trade Facilitation Agreement (TFA) which contains provisions for expediting the movement, release and clearance of goods, including goods in transit.

After ratification, Pakistan has become the 51st World Trade Organisation member, first from South Asia, to accede to the treaty. “We have deposited instrument of acceptance of the TFA to the Geneva-based WTO secretariat,” a senior official of the commerce ministry told.

Before leaving for US, Prime Minister Nawaz Sharif has approved the summary despite reservations from the Customs Department over the TFA. The premier also asked the Federal Board of Revenue (FBR) to complete all other formalities within 15 days of the ratification of the treaty.

PAKISTAN BECOMES FIFTH LARGEST REMITTANCES RECIPIENT COUNTRY:

Pakistan has become the fifth largest remittances recipient developing country in 2011, witnessing a strong growth of 25.8 per cent during the last year in 2011 compared to the 10.1 per cent growth in South Asia remittances.

The upward trend in remittances, during the period under review, was derived from a per annum average growth from UAE of 32.2 per cent followed by United Kingdom 30.1 per cent, Saudi Arabia 27.3 per cent, European Union countries 25.3 per cent, other GCC countries 15.1 per cent and United States of America 9.5 per cent from 2007-08 to 2010-11, states a document issued in Economic Survey of Pakistan.

During July-April 2011-12, workers remittances grew by 20.2 per cent and stood at $1.83 billion 10.9 billion. The cumulative increase of $1.83 billion during July-April 2011-12 over the July-April 2010-11 is largely attributed to the government efforts to divert remittances from the informal to the formal channel.

SAARC FINANCE MEMBER CAN BRING COUNTRIES CLOSER:

State Bank of Pakistan (SBP) Governor Asaf Mahmood Wathra has expressed optimism that SAARC FINANCE can play an important role in fostering closer relationship and building human capability in the fields of economic and finance amongst SAARC partners.

He was addressing to the meeting of 51st SAARC FINANCE Group held on 8th October 2015 at Lima, Peru, alongside the IMF/World Bank annual meetings. The SBP governor and SAARC FINANCE chairman presided over the meeting.

The meeting was attended by SAARC central bank governors and finance secretaries. In his opening remarks, Ashraf Mahmood Wathra thanked all the members for entrusting SBP the chairpersonship as well as for extending full support to fulfill such responsibility during the last one year. He highlighted some of the recent initiatives undertaken by the network and urged member countries to further fortify regional cooperation, especially in the area of banking and finance.

PAKISTAN’S FOREX RESERVES CLIMB TO $20.05402 BLN:

Pakistan’s total liquid foreign exchange reserves have risen to $20.05402 billion dollars, said State Bank of Pakistan (SBP). According to SBP, the foreign reserves held by the SBP on October 2 amounted to 15.202 billion dollars while the net foreign reserves with other banks stood at 4.85202 billion dollars.

During the week ending October 2, SBP’s liquid foreign exchange reserves increased by 1.794 billion dollars to 15.202 billion dollars compared to 13.408 billion dollars in the previous week. During the week, the SBP received 505 million dollars from International Monetary Fund (IMF) under EFF, 500 million dollars as proceeds of Pakistan International Bonds, 376 million dollars under Coalition Support Fund (CSF) and 263 million dollars as syndicate financing for Government of Pakistan.

TRADE THROUGH LAND ROUTES:

The convention on the International Transport of Goods signed up by Pakistan will open the way for traffic-in-transit of goods across borders with countries in the region, entailing no payment of customs duties and taxes. It will become effective from January 21, 2016.

The United Nations has accepted Pakistan’s instrument of accession to the Customs Convention on the International Transport of Goods (TIR). As many as 68 countries have acceded to the TIR convention so far.

Commerce Minister Khurram Dastgir Khan said the matter had been held up for long owing to some reservations from a few stakeholders, but the government finally approved the TIR.

“"This is a great step for facilitating trade with neighbouring countries on our western borders and beyond, and the trucks carrying goods to the neighbouring countries would not pass through the checking process,” the minister said, adding that this would also ensure uninterrupted flows of trucks.

Besides the implementation of trade agreements, infrastructure development is also a prerequisite for enhancing regional connectivity via land.
SRI LANKA

SRI LANKAN PRIME MINISTER WICKREMESINGHE AND INDIAN PRIME MINISTER MODI SET TO DEEPEN ENGAGEMENT:

Sri Lanka Prime Minister Ranil Wickremesinghe has extended an invitation for Indian Prime Minister Narendra Modi to visit Sri Lanka in May or June 2016 to sign an agreement on economic and technological cooperation. In a report to the Sri Lankan Parliament, Prime Minister Wickremesinghe said he and Indian Prime Minister Modi, along with other leaders, held discussions on enhancing economic ties between India and Sri Lanka during his visit to New Delhi, India on 14-16 September 2015.

Prime Minister Wickremesinghe expressed hope that Sri Lanka and India could agree in principle on the framework for the economic cooperation agreement by the end of 2015. Speaking to the media, he said this is essential for development.

FOREIGN INVESTOR LAND OWNERSHIP LAWS TO BE RELAXED:

Sri Lanka will seriously look at relaxing land ownership laws to encourage more foreign investors, Finance Minister Ravi Karunanayake said. Speaking at the Sri Lanka-Malaysia Business Council organized ‘Sri Lanka vision for 2020’ event he said that this will come into effect only for large investment projects.

Karunanayake said Sri Lanka needed foreign investments to bridge the domestic savings gap. He said that this is something that prevailed before 2012. He also said that the government is to collect between Rs 65 to 70 billion from the Super Gains Tax imposed through 35 big corporates in Sri Lanka.

Meanwhile Board of Investment Chairman Upul Jayasuriya, speaking at the Sri Lanka German Business council organized event said that too said they will abolish the 15% stamp duty on foreigners leasing land. “This is to encourage foreign investment to Sri Lanka and fall in like some other countries that do so. The imposition of unequal treatment to foreigners on land lease was not a step in the right direction.”

NON-TARIFF BARRIERS HAVE AFFECTED INDO-LANKA TRADE:

Trade between India and Sri Lanka has been very low despite the Free Trade Agreement (FTA) between the two countries. Non-tariff barriers have been identified (NTBs) as the main cause for this situation. NTBs have been highlighted as a key factor that undermines trade between India and Sri Lanka.

The India Sri Lanka FTA (ISFTA) removed tariff barriers for most traded products, but does not have provisions to address NTBs. As a result, despite having duty free access, trade between the two countries remains far below potential a research compiled by Verité Research with the support of Lanka Fruit and Vegetables, Producers, Processors and Exporters (LFVPPEA) and the National Chamber of Exporters (NCE) states.

FINANCE MINISTER APPOINTED AS CHAIRMAN OF G-24:

Finance Minister Ravi Karunanayake has been appointed as the Chairman of the Intergovernmental Group of 24 countries on International Monetary Affairs and Development – meets twice a year, preceding the spring and Annual meetings of the International Monetary and Financial Committee and the Joint Development Committee of the World Bank and the International Monetary Fund (IMF). Following the Annual Meeting of the World Bank and IMF from 9 to 11 October in Lima, Peru the two international lenders have agreed to extend unconditional support for Sri Lanka’s development initiatives.

On the sidelines of the meeting, the Finance Minister attended a number of discussions in addition to the main conference. At this occasion, Minister Karunanayake assured that Sri Lanka will also contribute for strengthening of G-24.

INDIA-SRI LANKA TO INITIATE ROAD PROJECT:

Keen on fostering ties with neighbours, India is set to engage in high-level talks with Sri Lanka by October for an ambitious US$5.19bn road project to connect both the nations through a sea-bridge and an underwater tunnel.

The development follows Road Transport and Highways Minister Nitin Gadkari meeting Sri Lankan Prime Minister Ranil Wickremesinghe with plans to expand the existing motor pact with Bangladesh, Bhutan and Nepal to other neighbouring countries.

Secretary-level talks between India and Sri Lanka have been decided by October in the island nation to take forward the project involving the construction of a sea bridge and under-water tunnel linking 22 km stretch between Talaimannar, Sri Lanka and Dhanushkodi, India.
Led by a resilient India, South Asia is expected to maintain its lead as the fastest-growing region in the world, with economic growth forecasted to accelerate from 7 percent in 2015 to 7.4 percent in 2016, a World Bank report said.

According to the twice-a-year South Asia Economic Focus, this positive performance hinges on solid growth in services, domestic consumption, and a gradual rise of investments. Limited exposure to the financial turmoil and an improved external position have given most South Asian countries important policy space.

Given India’s weight in the region, its performance greatly influences the projections for South Asia as a whole. Improved investor sentiment and resilience to external shocks are expected to increase India’s growth rate to 7.5 percent in fiscal year (FY) 2015 and further to 7.8 percent in FY2016. Thanks to low food and commodity prices, as well as a slowdown in the growth of administered prices, inflationary pressures have eased markedly in South Asia. Yet the pace of disinflation varies depending on the price index considered. Revisions to national accounts, together with new comparable data on purchasing power around the world, also raise questions regarding the measurement of prices in the region. According to the report, South Asia could actually have cheaper prices, faster growth and bigger economies than previously thought.

“While the region is now in a position of strength, structural constraints holding back export and investment growth do persist. To keep the momentum and accelerate job creation, governments should enact reforms easing infrastructure bottlenecks and paving the way to greater competitiveness,” World Bank South Asia Chief Economist Martin Rama said. “Fiscal space remains limited while financial sector vulnerabilities persist.”

��和 growth has not yet translated into significantly higher government revenue generation and improved fiscal balances. Budget deficits are expected to remain at 6.5 percent of Gross Domestic Product (GDP) in 2015, the highest among all developing regions. Tax collection remains well below estimates, and has even deteriorated across major South Asian economies.

“Mobilizing revenue is critical for the region to develop its infrastructure and deliver better social services, while creating a financial cushion to address potential shocks in the future.” said Annette Dixon, World Bank South Asia Vice President. “In some cases introducing and rolling out modern tax instruments holds the key to higher revenue, but containing exemptions and special regimes are crucial across most of the region.”

**Factsheet: Most South Asian Countries Show Potential to Accelerate Growth**

Many South Asian countries show potential for accelerated growth in the short to medium term. However, the transition in Afghanistan, the earthquakes in Nepal, and revisions to national accounts in Sri Lanka, have resulted in all three countries experiencing slower growth than previously expected.

In Afghanistan, the political and security transitions have led to a weaker outlook, with growth estimated at 1.9 percent for 2015. Fiscal vulnerabilities remain high and will require a large revenue effort and sustained levels of aid. Future prospects hinge critically on improvements in security and forceful implementation of reforms.

Bangladesh has seen an increase in domestic economic activity since April 2015. GDP is expected to grow by 6.5 percent in 2015 and next year, supported by healthy agricultural production along with a recovery in services and domestic demand. But instability, depressed export growth, an only modest rebound in remittances, and continued weakness in private sector credit growth, remain matters for concern.

Economic activity in Bhutan is expected to gain momentum with real GDP growing at 6.7 percent in 2015. This solid performance is driven by new hydropower construction and innovative tourism measures, such as “Visit Bhutan 2015.” Private sector development is key to reduce the country’s vulnerability to donor finance and address rising youth unemployment.

In India, GDP growth is expected to
Trade as a Tool for Inclusive and Sustainable Growth in South Asia

There is an old axiom that peace precedes economic prosperity. As time has progressed, however, research has indicated that peace and economic prosperity tend to reinforce each other. There is increasing evidence that economic prosperity can also, in turn, contribute to peace and tranquillity.

Today, trade is widely acknowledged as an effective instrument for economic growth. Increased trade results in higher levels of economic activities which contribute to employment generation. Prosperity achieved through income generation often affects peace-building. As a result, trade can play a significant role in achieving South Asia’s twin challenges: peace and prosperity.

The findings of a recently published report entitled South Asia Development and Cooperation Report 2015 by the Research and Information System for Developing Countries, showed that intra-regional trade in South Asia can play a vital role in deepening regional economic integration in the region and as such, contribute to peace and stability in the South Asian context.

In order to do this, however, the report highlighted that there is a need to strengthen regional economic integration initiatives through greater exchange of goods and services among the member countries of the South Asian Association for Regional Cooperation (SAARC). Empirical studies have estimated that if all member countries further integrated and moved towards full tariff liberalisation and improved trade facilitation, the amount of formal trade in the region could increase by estimates ranging between US$44bn to US$60bn by 2018.

More importantly, however, trade-led development can also help countries achieve more balanced and sustainable growth in the region. If South Asia were to enhance its regional integration, the distribution of the trade gains that would result from these efforts would be tilted in favour of the least developing countries (LDCs) and smaller economies like Nepal, Bangladesh and Sri Lanka. Their access to larger markets such as India and Pakistan would provide them with access to cheaper imports and more lucrative markets for their exports. As such, trade also offers a means to address development challenges such as poverty and regional inequalities.

Free flow of goods and services has the potential to create additional regional demand and allow firms to scale up their activities by mobilising the resources such as raw materials or labour that are available in neighbouring countries. Scaling up economic activities with the help of economic integration is particularly important as it helps increase opportunities for productive employment. Without these opportunities, economies tend to see a growth in informal trade. This is particularly evident within the South Asian region where informal trade between India and other SAARC countries has been estimated at US$25bn. This figure is significant particularly when juxtaposed against the total volume of South Asian formal trade which stood at US$20bn in 2012.

It is important to find ways to harness the potential that lies within the informal trade sector because if it remains unaddressed, informal trade could significantly distort the economic benefits of trade in the region and contribute to more uneven development amongst countries. It is therefore important for South Asian countries to adopt an integrated approach for developing trade and investment policies. This can be achieved by increasing the level of cooperation under the agreement on South Asia Free Trade Area (SAFTA) framework and giving special focus to addressing concerns related to informal trade. In order to achieve this there is a need to focus on key enabling factors such as sound economic policies and fostering a business-friendly environment in order to improve the overall economic and business environment of South Asia as a region. These enabling factors will facilitate greater exchange of goods and services and pave the solid foundation for deeper economic integration in the region.

SAARC members need to change their approach to regional institution and economic integration rocesses if they hope to change the dynamics in Asia in general, and South Asia in particular. Members need to come together and address the perception gaps among the SAARC member countries and concentrate their efforts on pushing forward the agenda for regional integration to achieve inclusive and sustainable growth for all.
Established in December 1992, South Asian Chamber of Commerce & Industry (SAARC CCI) serves as apex organization of South Asian Association for Regional Cooperation, mandated to promote economic cooperation in the region.

The year 2014 will be a landmark in the history of SAARC CCI, bringing in its fold the commencement of SAARC CCI Headquarters Building Project to further strengthen and upgrade its permanent Headquarters at Islamabad—the capital city of Pakistan. The project is supported by all National Chambers of South Asia region and boasts of excellent contribution made by corporate houses from across South Asia particularly from Pakistan, Bangladesh and India and from other countries.

After accomplishment of pre-construction phase, this architectural masterpiece of the 21st century is ready for construction at its location Plot No. 26, Mauve Area, G-10/4, Islamabad. The project is well equipped of Energy efficient systems, spaces, security and safety features and have been well planned to execute the start of construction.

Mandated by SAARC CCI Building Trust, the leadership of FPCCI, Mr. Tariq Seyeed, founder and former President SAARC CCI and Mr. Iftikhar Ali Malik, Vice President of SAARC CCI, is making earnest endeavours to accomplish this task.

### 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.
- World class parking facilities will be available.

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

SAARC CCI welcomes any offer regarding the completion of the project from any interested organization 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.