



Trade Buzz

Promotion of Intra-Regional Trade Potentials in the SAARC-Region

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Current Facts on SAARC

- South Asia is home to around 570 million or 44 per cent of the world's poor. More intra-regional trade from the existing five per cent of total trade can significantly reduce poverty.
- Inhabiting the highest number of young people, South Asia has the potential to become world's economic powerhouse.

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SAARC-Trade Promotion Network (TPN)

The SAARC-TPN is a network of 28 key public (Department of Trade, Export Promotion Agencies) and private sector (Apex bodies, Chamber of Commerce) institutions working in trade related areas from all SAARC countries. It aims at the promotion of intra-regional trade in the SAARC region. The SAARC-TPN is supported by technical assistance of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which acts on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ)

GIZ Support Programme to SAARC-TPN

NTNC Building, Khumaltar
PO Box 1457, Kathmandu
Nepal
Tel: +977-1-5555289
Fax: +977-1-5521712
Email: info.saarc@giz.org.np
Website: www.saarctrade.info

Women-owned Small and Medium Enterprises and Regional Trade in South Asia

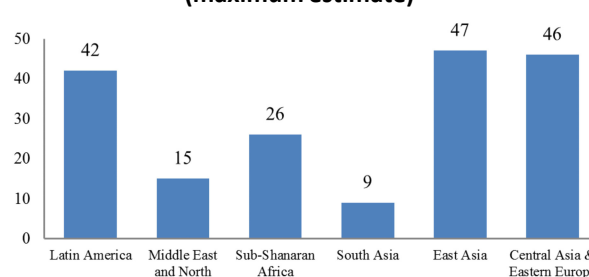
Small and medium enterprises (SMEs) are considered important engines of economic growth and a key source of poverty alleviation, especially for women. However, in spite of this, women-owned SMEs are primarily concentrated in the informal sector which is the part of an economy that is neither taxed, nor monitored by any form of government. South Asia, particularly, has some of the lowest statistics of formal women-owned SMEs in the world. Only eight to nine per cent of formal SMEs in the region are owned by women; compared to figures ranging as high as 47 and 46 per cent in East Asia, Central Asia and Eastern Europe.¹

Part of this is due to the fact that women entrepreneurship development is closely related to gender equality. This is particularly the case within the South Asian context as it has the lowest gender equality ranking in the world.

A number of factors have contributed to the significant gender gap in South Asia that has subsequently resulted in the slow growth of women-owned businesses in the region.

Domestically, these issues include factors that affect women's access to resources such as property rights as well as the lack of access to finance. Additionally, women's capabilities also hinder the growth potential of women-owned SMEs. These include factors such as low levels of skills, education and work experience; risk aversion; and the additional burden of household responsibilities.

Percentage of Women-owners of SMEs, by region (maximum estimate)



Source: IFC (2011), *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*

Percentage Gender Gap, by region²

Region	Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa
Gender Gap	13.4	5.7	6.2	3.7	17	13.3

Source: UNDP (2014) *Human Development Report*

While various goods and services that are produced by women-owned SMEs are traded across regional borders, very few of these businesses are directly engaged in formal trade. Due to the constraints they face, many women are forced to engage with costly middle-men and traders who serve as the link between their businesses and export markets. As a result, this tends to disadvantage women producers from fully engaging and benefitting from the value that their goods could attain from export markets. Many of these women find themselves with no option but to sell their goods at marginal prices imposed by traders.

Special attention needs to be paid to both domestic and trade barriers that prevent women-owned SMEs from tapping into existing and emerging regional value chains. Not only will this enhance the participation of women into trade activities in South Asia, but it will further help in contributing to poverty alleviation and achieving gender equality, both important aims under the recently adopted Sustainable Development Goals.

1. IFC (2011), *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Available at: www.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8969adcc27/G20_Women_Report.pdf?MOD=AJPERES
2. Gender Development Index, "Human Development Report 2014", UNDP (New York: 2014)

Shaping the Future of SAARC-TPN

SAARC-TPN has come a long way building and strengthening the network through major achievements in the area of regional trade promotion. Leaving this initial stage behind, the network is at a crossroad to steer its sustainable future that can only be ensured by a clearly defined vision, mission work and financial modalities. An analytical Sustainable Organisational Development (OD) process of SAARC-TPN has been initiated for the same.

To kick-off the process, the first Steering Group (SG) meeting took place at SAARC Secretariat, Nepal on September 01, 2015. The members of the SG, which represent the spokespersons of four working groups, and major stakeholders, i.e. SAARC Secretariat, the German Government, and SAARC Chamber of Commerce and Industry (SCCI), as well as the contracted experts for the OD process, MDF Consultancy, participated in the meeting.

The roles and responsibilities of the SG members were decided in the meeting. SG members will guide the decision-making process, ensure a substantial involvement of the network members in the process and be responsible to disseminate information to TPN members as well as helping them to find answers to questions related to the process in acting as a Sounding Board. A work and time plan for the OD process was also finalised.

In the completed *inception phase*, the consultants familiarised with the SAARC-TPN and prepared an inception report passed by SG members, which lays out the methodology and milestones of the process.

In the currently entered *design, consultation and analytical phase*, consultants will interact with a number of relevant stakeholders, including from within as well as outside the TPN. Different methods, such as an online survey, face-to-face interviews and sub-regional workshops are going to be undertaken to reach the relevant stakeholders and to bring out a balanced picture of collective perceptions and aspirations of SAARC-TPN.

The current phase will feed into the final *decision-making*, where the findings are analysed to make conclusions and recommendations by the consulting firm. SG members will be involved for further refinement. The next SG meeting with the MDF team is planned for November 2015, at SAARC Secretariat, Nepal.



Participants of the 1st Steering Group meeting of SAARC-TPN

Leading with Passion and Purpose

A successful leader knows how to shape a vision with concurrence of team members, how to listen to subordinates to build a trustworthy relationship and inspire them to do their best.

This insight was shared by participants attending the leadership workshop, 'Leading with Passion and Purpose – Serving others by leading self and others,' held at New Delhi in July 2015. As part of the regional Human Capacity Development (HCD) programme of SAARC-TPN, a three-day workshop was co-designed by GIZ India and Lal Bahadur Shastri National Academy for Administration (LBSNAA), a premier training and research institute of India.

The workshop's objective was to shape core leadership skills, such as driving innovative and responsible solutions in an age of disruptive changes and increasing volatilities. It aimed to enable a decision making culture inspired by

understanding trends and scenarios of the future, taking decisions accordingly and communicating them in line with the core values of organisations and larger social well-being.

To enhance the leadership abilities of each participant, the workshop used different didactical tools and methods, such as peer coaching, mapping key challenges to be faced while performing the leadership role in organisations, journalising own reflections and visioning exercises for the vision of SAARC as an economic region in 2030.

Further activities in the regional HCD programme are 'Training of Trainers Module on Non-Tariff Measure

(NTM) Environment in SAARC' to be implemented by SAARC-TPN member organisations at national level. The kick-off in 2015 will be made by the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Implementation in further SAARC countries is aimed in 2016. Furthermore, a Training of Trainers Module on 'Export and Import Procedures - Promoting Gender Equality in Trade' will be conducted under the direction of the SAARC Chamber Women Entrepreneurs Council (SCWEC).



Participants at the Leadership Workshop at New Delhi, India

ACCI Opens New Branch in Kapisa

The **Afghanistan** Chamber of Commerce and Industry (ACCI) opened its branch for the first time in central Kapisa province which would help resolve problems of businessmen there. The inauguration ceremony of the office was attended by Deputy ACCI head Khan Jan Alokozay, Kapisa Governor Sayed Khalid, members of provincial council and other local officials.

Kapisa ACCI Director Haji Zahir Hakimzada said that traders in the province had faced with problems due to the absence of an ACCI branch. Business and trade related affairs were not going smoothly and there was no source to manage them.

With the opening of ACCI branch, the economic situation would be improved and business affairs multiply. Kapisa was an agricultural province and its grapes, pomegranates, walnuts and other crops were exported to other provinces and abroad, he said.

Hakimzada said that Kapisa businessmen had facilitated now with a centralisation where they can arrange their economic and trade programmes. The ACCI branch costs 15 million Afghanis and was donated by the government's budget, he added.

(<http://www.pajhwok.com/en/2015/08/18/acci-opens-new-branch-kapisa>)



Enhancing Capacity of Energy Companies

The Small and Medium Enterprises Development Authority (SMEDA) of **Pakistan**, with the assistance of Japanese Energy Experts, initiated a comprehensive programme for capacity building of the Energy Service Companies in Pakistan.

While addressing the concluding session of a two-day training workshop held at SMEDA head office, Muhammad Alamgir Chaudhry, Chief Executive Officer of SMEDA said that most of the industrial sectors in Pakistan are energy intensive and vulnerable to high rate of energy losses across various production processes resulting in higher energy bills and productivity losses.

This problem has significant financial impact and severely affects the competitiveness of small and medium enterprises (SMEs), he said and lamented that the increased energy cost in different industrial sectors because of this problem ranges from 20-50 percent of total production cost.

Chaudhry further informed that several potential companies were selected to enhance their capacities based on Japanese Energy Efficiency Tools and Methodology through a comprehensive programme designed to effectively impart Japanese methodology and knowledge to local consultants and experts.

(http://www.smeda.org/index.php?option=com_content&view=article&id=419:press-release-smeda-jica-program-for-capacity-building-of-energy-service-companies-escos&catid=56:smeda-news&Itemid=258)

Trade Facilitation in South Asia

The growth of intra-regional trade in **South Asia**, fraught as it is with barriers, is slow. Although most of the barriers are already identified, removal of these becomes difficult due to lack of effective commitments. South Asian Association for Regional Cooperation (SAARC) to SAARC trade increased from US\$16.64bn in 2005 to US\$49.57bn in 2014.

Given the low base, this growth is not inspiring at all in the context of the growth of global trade during the period. Compared to global trade, SAARC intra-regional trade was only 5.11 per cent in 2014, while in 2005 it was 5.84 per cent. A reversal in terms of global trends!

Against this backdrop, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has formulated a set of proposals for effective regional trade facilitation mechanism under the framework of SAARC.

The idea behind proposals is to highlight and discuss the issues of non-tariff barriers (NTBs) and NTMs in the region besides removal of tariff barriers. FBCCI's proposal comes in preparation for the meeting of South Asian Free Trade Area (SAFTA) Committee on Experts scheduled to be held in Kabul in 2015.

(<http://www.thefinancialexpress-bd.com/2015/08/05/102729>)

Turning Point in South Asian Tourism

The SAARC Chamber of Commerce and Industry (SAARC CCI), along with the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) jointly hosted the SAARC Investment Forum at Colombo during September 30-October 02, 2015.

Tagged as the turning point of South Asian Tourism, the prime objectives of the conference include: identifying priority issues faced by public and private sector organisations involved in tourism promotion in South Asia.

The first session on 'Open Sky Policy in South Asia: Challenges and Prospects' focussed on challenges and scope of cooperation amongst aviation industry in the region as one of the possible measures to enhance regional connectivity.

The participants deliberated upon the commercial viability of SAARC Airline(s) under the vision 'Open Sky Policy' and explored the possibility of reaching destinations in the same day through air connectivity with single or multiple airlines option through sharing code.

The second session focussed on promotional and attractive packages for Intra SAARC tourists via intra tours operators and hospitality partners.

Although SAARC Tourism Council has been making all possible efforts to give impetus to tourism activities, tourism has not flourished to the extent of its potential.

(www.ceylontoday.lk/22-104382-news-detail-saarc-investors-forum-turning-point-in-south-asian-tourism.html)

Maldives Investment Forum

Maldives Minister of Economic Development H.E Mohamed Saeed visited Beijing to discuss Maldives Investment Forum (MIF) to be held in Beijing on October 19, 2015. MIF is the prime investment event of the Government of Maldives showcasing lucrative investment opportunities in the Maldives.

During his visit, the Minister met with the Vice Minister of Foreign Affairs, Vice Minister of Ministry of Commerce and the Vice Chairman of the China Council for the Promotion of International Trade to discuss partnership and cooperation to hold this flagship event in Beijing.

MIF 2015 will gather China's leading companies as well as global investors, local business professionals and key decision makers of the Government of Maldives to discuss investment prospects in the country.

A key highlight of MIF 2015 will be a high level panel discussion on 'Investment Climate Reform and Economic Diversification', featuring international legal experts, government ministers and professionals from the local private sector.

Alongside the panel discussion, an exhibition showcasing investment-ready projects on offer in the Maldives will be staged, combine with interactive presentations of key government agencies and businesses.

In addition a number of other opportunities in the health, education, tourism and real estate sectors will be featured. MIF will be the ideal platform to initiate investment leads, networks and enhance business prospects. (www.maldivesembassy.cn/maldives-minister-of-economic-development-med-concludes-a-two-day-visit-beijing-to-discuss-maldives-investment-forum-in-beijing-in-october/)

NRNs Partners in Nepal's Development

Nepalese President Ram Baran Yadav has urged the non-resident Nepali (NRN) to utilise capital, knowledge and skills acquired in foreign lands for the development of their motherland.

Lauding the contribution of Nepali diaspora in country's economic development, President Yadav also said the country is in need of more investment and support from

NRNs in the reconstruction process. "You (NRNs) have an important role for the reconstruction of the country devastated by the recent earthquake." He was addressing the inaugural session of the two-day 'NRN Global Conference 2015' organised jointly by the government, the Non-Resident Nepali Association (NRNA) and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

FNCCI President Pashupati Murarka also urged NRNA to help the country through economic diplomacy. "NRNs are the true envoys of the country abroad. They can help to boost Nepal's tourism industry and economy by promoting their motherland in the countries that they are working in," said Murarka.

(<http://www.myrepublica.com/economy/story/29863/prez-yadav-urges-all-to-unite-to-make-country-prosperous.html#sthash.ILhWJuxk.dpuf>)

Weavers Sign Pact with BCCI

The Bodoland Regional Apex Weavers and Artisan Co-operative Federation of the Bodoland Territorial Council signed an agreement with the **Bhutan** Chamber of Commerce and Industries (BCCI) for exports of handloom and handicraft products worth ₹3.9 crore in the 2015-16 fiscal.

The pact was signed between Federation Chairman Binod Narzary and BCCI President Dasho Ugen Tsechup Dorji in Thimphu after the inauguration of the Fifth Thematic Exhibition on Indian Handicrafts held at Thimphu.

Narzary said the Federation is looking forward to expanding regional trade with neighbouring countries and production of handloom and handicrafts which have potential demands in the market.

He said the Federation and the BCCI jointly organised the thematic exhibition in Thimphu to increase production and inspire weavers and artisans for boosting the economy.

Weavers and artisans of all the eight north-eastern states and neighbouring countries, including Nepal, Bangladesh and Bhutan participated in the exhibition.

(http://www.telegraphindia.com/1150909/jsp/northeast/story_41502.jsp#.VgjoLp97IU)

FISME Hosts Karnataka MSME Minister

Hon'ble Minister for Small Scale/ Micro, Small & Medium Enterprise (MSME), Government of Karnataka, **India** Satish Jarkiholi visited Federation of Indian Micro and Small & Medium Enterprises (FISME) on August 24, 2015. He was facilitated by FISME office bearers; Mohan Suresh, former FISME President and now Hon'ble Counsellor of Rwanda (Bangalore); C S Goel, Vice President of FISME and Pankaj Bansal, Treasurer.

Jarkiholi held discussions on wide range of issues pertaining to FISME's support in internationalising Karnataka-based MSMEs – both through trade and investment. FISME along with India China Economic and Cultural Council (ICEC) has also offered to provide space in 21st century Maritime Silk Road Expo 2015 being held at Dongguan, China during October 29-31, 2015.

Besides China, FISME also offered to assist the Government of Karnataka in facilitating business interaction of MSMEs of the State in Myanmar, Vietnam and Indonesia through its counterpart associations in these countries.

(http://fisme.org.in/viewdetails_ractivities.php?EventId=279)



Trade as a Tool for Inclusive and Sustainable Growth in South Asia

It is important for South Asian countries to adopt an integrated approach for developing trade and investment policies



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 processes 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.

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.

(<http://www.kuenselonline.com/non-tariff-barriers-impede-bhutan-bangladesh-trade/>)

Nepal's Trade Deficit with Bangladesh

Nepal, for the first time in 10 years, 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.

In 1997-98, Nepal's exports figure jumped ₹42.3mn, while imports were at ₹48mn. According to the Trade and Exports Promotion Centre, Bangladesh is the second biggest market for Nepali products. In 2012-13, Nepal exported lentils worth ₹2.71bn to Bangladesh.

In the last 18 years, total Nepal-Bangladesh trade stood at ₹37.92bn. Of the total, Nepal's exports amounted to ₹26.58bn.

(<http://kathmandupost.ekantipur.com/news/2015-08-06/first-trade-deficit-with-bangladesh-in-10-years.html>)

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.

As per the agreement, Pakistani goods will now be able to travel in customs-secure vehicles or containers. And throughout the journey, duties and taxes at risk would be covered by an internationally valid guarantee.

(www.dawn.com/news/1202356)

Low Trade with Bhutan 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 any 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.

Phub Tshering, General Secretary, BCCI said that there is huge potential in bilateral trade. "95 per cent of goods are imported from third countries in Bhutan. A few items come from Nepal but they are not getting facilities in lack of bilateral treaty, and have not been able to become competitive as a result," he reasons.

(www.karobardaily.com/2015/09/9739/)

Afghanistan-India to Invest in Energy

Afghanistan has a tremendous potential to produce energy from different clean sources and its doors are open for international investors to explore opportunities in this space, the country's Minister of Energy and Water Ali Ahmad Osmani said.

Engineer Nasir Ahmad Durrani, Minister of Rural and Rehabilitation and Development, Afghanistan, said that off grid energy was feasible and cost effective and 'there were opportunities for **Indian** companies to establish their capabilities in Afghanistan'.

Emphasising the importance of India-Afghanistan relationship, Osmani said that he wishes the name of Salma Dam is rechristened to 'Afghan-India Friendship Dam' to mark the special relationship between the two nations.

(http://articles.economictimes.indiatimes.com/2015-08-06/news/65281199_1_indian-embassy-energy-security-renewables)

7th SAARC Finance Ministers' Meeting

South Asian Finance Ministers agreed on allowing the **SAARC** Development Fund (SDF) to invest in infrastructure projects in a single country in an attempt to activate the infrastructure and economic windows under the SDF on August 20, 2015.

During the 18th SAARC Summit held in Kathmandu in 2014, SAARC leaders agreed to open infrastructure and economic windows of the SDF while its social window has remained operational currently. The existing social window offers grant and technical assistance to member countries in their poverty alleviation and social efforts.

The meeting also decided to increase the capital of the fund as current amount is very low to fund any big scale project. Currently, capital of the SDF is just US\$350mn.

(<http://kathmandupost.ekantipur.com/news/2015-08-20/saarc-dev-fund-to-invest-in-member-states-infrastructure-projects.html>)



SAARC to Boost Trade & Commerce

Suresh Chandra, Joint Secretary & Advisor, Ministry of Law & Justice of India stated that the **SAARC** countries can collectively work towards making this region a hub for international commercial arbitration at a seminar organised by Indian Council of Arbitration along with SAARC Arbitration Council.

He further stated that institutionalising of arbitration in SAARC is the key instrument to make arbitration a success story. He emphasised that stability, certainty and predictability of the arbitration system in this region can be introduced through adoption of best practices in the world.

L Savithri, Director, representing India at SAARC Secretariat, Kathmandu said that as SAARC region fast tracks movement towards South Asian Economic Union, free trade area in both goods and services will be the first building block.

(www.merineews.com/article/in-saarc-region-arbitration-will-boost-trade-commerce/15908983.shtml)

Maldives-India's 'Unbreakable' Bond

Maldives shares an 'unbreakable' bond with neighbours India, Maldives President Abdulla Yameen said. 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.

He 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.

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.

(www.haveeru.com.mv/news/61968)

Sri Lanka Customs to be Automated

Sri Lanka is in the final stages of its Customs automation process to ensure trade facilitation. Customs operations will be electronically processed and computer-based for a paperless environment that allows more interaction between trade and Customs.

Automation equipment orders have been placed and delivered to Sri Lanka – and the system is expected to be fully operational by March 2016. This new system aims to improve communication between Sri Lanka Customs and Department of Commerce, minimise unnecessary delays, and help build cooperation between importers and exporters.

The People's Bank in Sri Lanka has established a facility with Sri Lanka Customs for online payments. People's Bank is in the process of facilitating connection with other banks through their payment platform.

(<http://sasec.asia/index.php?page=news&nid=276&url=sri-lanka-customs-to-be-fully-automated-in-2016>)

Land Ports to Boost Regional Trade

The Government of **Bangladesh** will develop the country's land ports to spur regional trade, undertaking around US\$84.76mn worth of projects to improve land port infrastructure, warehouse facilities, trans-shipment and inspection systems, customs control procedures, and the institutional and regulatory framework.

This initiative will facilitate more efficient movement of goods by cutting border-crossing times to and from Bangladesh, toward Bhutan, India, and Nepal. The Bangladesh Government aims to begin work on Benapole and Burimari land ports.

While facilities at both ports are sufficient for trade between Bangladesh and India, expansion of Bangladesh's intraregional trade with Bhutan and Nepal will require increased capacity.

(<http://sasec.asia/index.php?page=news&nid=291&url=dev-of-land-ports-in-bangladesh-to-boost-regional-trade>)

India-Bhutan Review Development Projects

A comprehensive review of implementation of **India's** developmental projects worth over ₹4,000 crore in **Bhutan** was carried out during talks between the two countries.

In the fourth Annual India-Bhutan Development Cooperation talks, both sides noted with satisfaction overall progress of implementation of the projects.

India has committed ₹2800 crore as Project Tied Assistance (PTA), ₹850 crore for Programme Grant and ₹850 crore for Small Development Projects (SDPs) for Bhutan's 11th Five Year Plan from July 2013 to June 2018.

A total of 85 PTA projects and 485 SDPs have been broadly agreed for implementation during the current Plan period.

(http://articles.economictimes.indiatimes.com/2015-09-02/news/66143980_1_developmental-projects-worth-crore-11th-five-year-plan)

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.

(<http://economictimes.indiatimes.com/news/economy/infrastructure/talks-with-sri-lanka-on-5-19-billion-road-project-to-begin-by-october/articleshow/49032177.cms>)

Mainstreaming Sustainable Development: *A Quick Diagnostic of Key Challenges and Opportunities for Water, Energy & Food Security in South Asia*

Water, energy and food are interlinked and highly interdependent. This diagnostic study that draws on a range of interviews with key stakeholders, discusses key challenges around water, energy and agriculture in the South Asian subcontinent. It identifies and analyses challenges in access to these resources in three river basins (viz. Indus, Ganges and Brahmaputra) spread across five South Asian countries (viz. Pakistan, India, Nepal, Bhutan and Bangladesh). It also analyses the possible solutions to these challenges from the stakeholders' perspective.

The study finds that water is the most stressed resource across the three river basins and household access to energy has been improving gradually, through both grid-connected and off-grid initiatives, but it requires much more effort to achieve universal energy access.

www.cuts-citee.org/SDIP/pdf/Mainstreaming_Sustainable_Development-A_Quick_Diagnostic_of_Key_Challenges_and_Opportunities_for_Water_Energy_Food_Security_in_South_Asia.pdf



Mega Regional Trade Agreements and the Indian Economy: *An Analysis of Potential Challenges and Opportunities*

The study assesses the potential impact of the three mega regional trade agreements (RTAs) on the Indian economy, with particular focus on the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP). In detailing the forecasted implications, it provides a series of recommendations as to how India should adapt its trade policy and strategy, efficiently embrace the opportunities arising from this new international trade regime and minimise the potential negative impacts.

These recommendations include unilateral measures that India could carry out by changing its own domestic regulations and other bilateral, regional and multilateral measures that will include RTA members but also non-traditional markets which are also excluded from these mega RTAs.

www.cuts-citee.org/EPTAs/pdf/Mega_Regional_Trade_Agreements_and_the_Indian_Economy-An_Analysis_of_Potential_Challenges_and_Opportunities.pdf

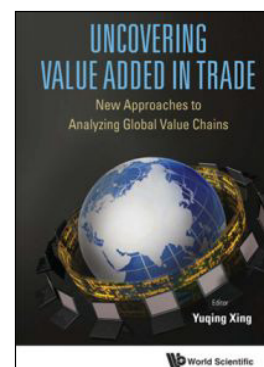


Uncovering Value Added in Trade: *New Approaches to Analyzing Global Value Chains*

Value chain trade has challenged economic implications of conventional trade statistics and transformed bilateral trade relationships into multilaterals. Conventional trade statistics exaggerate trade volumes and bilateral trade imbalances. It is imperative to measure trade in value-added and examine trade relations in the context of global value chains.

This book is a collection of research papers on new approaches to measure trade in value added and the role of global value chains in modern international trade. It introduces the input output method for measuring trade and a direct approach for measuring the domestic value added of the People's Republic of China — the centre of global assembly. In addition, it shows how to analyse trade relations in the context of global value chains.

<http://www.adb.org/publications/uncovering-value-added-trade-new-approaches-analyzing-global-value-chains>

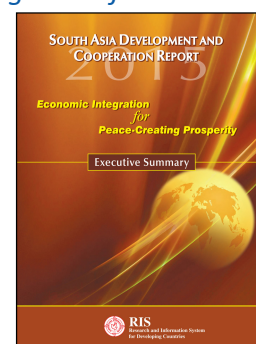


South Asia Development and Cooperation Report 2015: *Economic Integration for Peace- Creating Prosperity*

This South Asia Development and Cooperation Report 2015 is the fifth in the series of reports launched by Research and Information System for Developing Countries (RIS) since 1999. These reports have created a niche in the region and beyond, in terms of providing the conceptual and empirical basis for the South Asian economic integration process. It has focussed on the theme 'Economic Integration for Peace-Creating Prosperity' which is in consonance with the central theme of the 18th SAARC Summit, which was held in 2014 in Kathmandu, Nepal.

Rather than waiting for peace to descend in the region and holding back economic integration initiatives that have rich potential for achieving prosperity in the region, the Report argues for a reverse casualty by way of focusing on achieving prosperity in the region through economic integration which, in turn, could prove to be 'peace-creating'.

www.ris.org.in/images/RIS_images/pdf/RIS%20SADCR-2015%20Executive%20Summary.pdf



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