

Trade Buzz



Promotion of Intra-Regional Trade in the SAARC-Region

E-Newsletter, Issue 6, March-May 2016

Current Facts on SAARC

- "South Asia should leverage its comparative advantage and invest more in labour-intensive industries, such as apparel to employ millions of youth entering into the job market every year and attract more women into the workforce" states a World Bank report.
- A recent Global Competitiveness Report 2015-16 shows that Pakistan ranked 117, Bangladesh 123, India 81, Bhutan 92 and Nepal 131 out of 140 countries in a quality of overall infrastructure index.

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SAARC-Trade Promotion Network (TPN)

The SAARC-TPN is a network of 27 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)

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Let's talk investment: An interview with Suraj Vaidya

Suraj Vaidya is the newly elected President of SAARC Chamber of Commerce and Industry (SCCI), the President of Vaidya Organisation of Industries and Trading Houses (VOITH) and the Past President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI). Being a member of the business community and leading change agent, Vaidya has been a pertinent promoter of economic growth in South Asia. Representing Trade Buzz, Meghna and Manuel recently spoke to Vaidya.



As the theme for your inauguration you chose: *Unleashing South Asia*. Can you elaborate on this?

South Asia has tremendous potential and I think we are wasting it. We have some of the best brains and a huge youth population, basically all the right ingredients to unleash the potential that exists out here. We need to act in a proactive manner: Getting our policies and investment climate correct and capacitating entrepreneurs to create more job opportunities.

What role do you think can the SCCI play in this regard?

Businesses have waited too long for governments to set policies for them. The SAARC Chamber as the Apex body of the private sector needs to take the leadership and create an environment for doing business.

I came up with a six-point agenda including branding South Asia, creating entrepreneurs, meeting the challenges of the youth and making climate change a priority. The latter will be extremely important since South Asia is extremely vulnerable for climate change.

You were given the opportunity to present SCCI at the recent SAARC Ministerial Meeting in Pokhara. How was your agenda received there?

My number one priority with the ministers was mobility within South Asia. I got my point across quite well that **'terrorists don't need visas'**. When we restrict the movement of people, money and goods cannot move. Let us start by enabling simple business families to cross borders. We are willing to work with the governments on this.

Secondly, doing business in South Asia is extremely expensive. That is why I introduced to them the concept of launching a SAARC Commercial Zone in Pakistan, with special privileges for SAARC countries, thus reducing the costs for investments.

Does this SAARC Commercial Zone have a regional or a global focus?

At the moment, the focus rests on the region. The trade between SAARC is so little – at barely 5 per cent – and the only way to increase regional trade is by investment. **We want to change the focus. Let's talk investment, rather than only trade.**

You mentioned the low intra-regional trade figures in South Asia at 5%. What is the most promising remedy?

Indian products go to Pakistan via Dubai in huge quantities. If that trade was direct, intra-regional trade would automatically go up a couple of points. We have created these artificial barriers ourselves. Unless we improve political agreements that help trade to flourish, these numbers are not really going up.

.../...

What are the challenges in forging these regional political agreements?

Among the biggest problems of South Asia are frequent changes of governments. We all seem to be in a transition forever rendering this larger issue of regional politics as secondary. National priorities have been more important for many people. Additionally, we have two nuclear powers in this region and it is extremely crucial that we start looking at the region in a much different way, because we all know the destruction nuclear weapons can create. Also, people need to see the real benefits from SAARC.

The SAARC-TPN is projected to be integrated into SCCI. What will be the synergies and challenges?

The SAARC-TPN has done some wonderful work, for example, on public-private partnerships. My worry always has been that a project-based programme will not sustain itself. **If we provide free hotels everybody will go. If we provide free food everybody will eat. But that is not sustainable.** We will make sure that the vision that was started by the SAARC-TPN will continue, but in a sustaining way. I would like it to run as an independent body within the SAARC-Chamber so that we don't confuse where this started out from.

One wish for SAARC – what would it be?

Really, to travel freely within South Asia

SAARC-TPN'S ACTIVITIES

SMEs of the RVC project participate in International Trade Fair

10 Small and Medium Enterprises (SMEs) in the fruit juices sectors from Bhutan, Nepal and Sri Lanka participated in the Aahar International Fair, held in New Delhi from March 15-19, 2016. The SMEs are being supported by the SAARC-TPN's Regional Value Chain (RVC) project to improve their regional trade prospects.

The trade fair participation was intended to increase the market exposure and intelligence of participating SMEs. A dedicated SAARC-TPN pavilion in the fair helped the SMEs to showcase their products and link with important players in the Indian fruit juices market. The pavilion also provided opportunity to promote the work of the SAARC-TPN and the Working Group-Small and Medium Enterprise (WG-SME).

A side event, a workshop on 'Regional Trade Development in Juice and Juice Products in SAARC countries: Opportunities and Challenges' was also organised by FISME, the lead implementing partner of the RVC project. As an outcome of the event the Food Safety and Standards Authority of India (FSSAI) agreed to take forward the case for acceptance of laboratory certification for fruit juices from Nepal, Bhutan and Sri Lanka.



Participants at the SAARC-TPN pavilion during the trade fair

Policy Advocacy Group in action

Under the leadership of NTM desk host organisations, Policy Advocacy Groups (PAGs) have been formed in Bangladesh, Bhutan and Nepal. The groups have met to decide on steps to take forward the country specific action plan.

The advocacy groups were established as per the recommendation of the Policy Advocacy Strategy initiated by the SAARC-TPN and Working Group Regional Trade Facilitation (WG-RTF).

The main focus of the PAG is to identify trade barriers and to advocate on reducing such barriers at the national level. This further promotes trade facilitation and strengthens regional integration in South Asia.

The group brings the relevant stakeholders together such as policymakers, business associations, think tanks and media. The main role of these members is to use the formal and informal channels and meetings to convey the message on trade barriers and advocate to the policymakers.

The PAG, in this regard will take an active role in implementation of the strategy in 2016 with the support from SAARC-TPN members and other relevant stakeholders.



Policy Advocacy Group Meeting in Bhutan

Promoting Trade in BBIN

The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, the SAARC Chamber of Commerce and Industry (SCCI), and The Asia Foundation jointly organised the sub-regional public-private dialogue on promoting trade in Bangladesh-Bhutan-India-Nepal (BBIN) at the MCCI auditorium in Dhaka on April 02, 2016.

The experts in the dialogue also said due to the hostilities between India and Pakistan, the South Asian Association for Regional Cooperation (SAARC) has failed to play its due role. 'The SAARC is hostage to India and Pakistan. We will have to make the SAARC more effective and we do not want to adopt isolated policy in the region,' said Zubair Ahmed Malik, former President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI).

Malik said the regional countries would have to work collectively as no country can grow alone. He further stated promoting intra-regional trade by creating strong linkage among the network members, enterprises and SMEs and strengthening individual and institutional capacities of the members were the key objectives of the SAARC Trade Promotion Network.

(<http://newagebd.net/217287/south-asian-economic-integration-2/>)



NTMs Hamper Intra-Regional Trade

A raft of non-tariff measures (NTMs) imposed by South Asian countries has been hindering the expansion of intra-regional trade in South Asia. The intra-regional trade of South Asia stands at just five per cent of the overall trade in the region.

Weak infrastructure, rules of origin criteria, lengthy documentation process, delays in clearance of goods and border security perspectives are widely considered to be the major barriers for enhancement of trade within region.

Along with these, various NTMs of individual nations have created obstacles in trade of goods despite the commitment of the South Asian nations to develop the region as a free trade area since 2006. The member states have not been able to make substantive progress and speaking about similar issues since the last decade, as per experts.

Speaking at a programme entitled 'Non-Tariff Barriers in SAARC Region: Issues and Challenges', organised by the Confederation of Nepalese Industries (CNI), former Commerce Secretary Purushottam Ojha said that NTMs in trade contradict the principle of transparency and simplification of trade procedures.

(<https://thehimalayantimes.com/business/ntms-hamper-intra-regional-trade/>)

Establishing Industrial Park

There is huge potential in South Asia to boost intra-regional trade and SAARC is all set to establish an Industrial Park to promote investment and trade among regional countries, said SAARC Chamber of Commerce and Industries (SCCI)'s newly-elected President Suraj Vaidya.

Addressing the business community at the Islamabad Chamber of Commerce and Industry (ICCI), he said the proposal had already been discussed with the Afghanistan president and his team along with Pakistan's Federal Minister for Commerce Khurram Dastgir and other relevant

high government officials. Land for the park would be obtained and other SAARC members be consulted for the materialisation of the plan, he added.

"This industrial park would be an export-oriented venture to give boost to investment and trade among SAARC member countries. The key focus would be on investment because despite the establishment of SAARC 30 years ago, the region still remains the least integrated. The member SAARC countries will have to decide whether they want to lead or be led by others," he said, adding that it was time for SAARC countries to take lead in economic integration and growth.

(<http://tribune.com.pk/story/1086255/export-oriented-venture-saarc-looks-to-establish-industrial-park/>)

Strengthening the Process of Mediation

The Lahore Chamber of Commerce & Industry (LCCI) and SAARC Arbitration Council (SARCO) signed Memorandum of understanding (MoU) to further strengthen the process of mediation in the region.

The LCCI Vice President Nasir Saeed said that by way of developing close liaison with each other we can greatly add to present arrangements available to the representatives of business community for resolving their trade disputes through conciliation and arbitration. He said that the Lahore Chamber has already taken a positive step through establishing a Mediation Centre in collaboration with IFC in August 2012.

The Director General SARCO Thusantha Wijemanna urged the LCCI members to avail the services of SARCO to settle their disputes out of the court with their counterparts in SAARC member states. He said that SARCO is acting as a quality alternative dispute resolution forum, that would act on behalf of governments and the people of SAARC Member States on its panel of arbitrators and conciliators.

(<http://pakobserver.net/2016/04/02/lcci-inks-mous-with-saarc-arbitration-council/>)

Hurdles along the Free Trade Route

Despite a free trade agreement between Bhutan and India, the ground realities are different, and not always favourable for the Bhutanese. This is according to business leaders.

The business sector sought the help of the Indian government to remove NTMs and NTBs on exports to India and beyond at an event the Embassy of India and Bhutan Chamber of Commerce and Industry (BCCI) organised on March 22, 2016.

BCCI Deputy Secretary General, Kesang Wangdi said the NTMs and NTBs are the major factors affecting trade between the two countries. For instance, when Bhutanese export fruit juice, the Indian customs in Jaigaon do not accept the product certification from Bhutan Agriculture and Food Regulatory Authority (BAFRA) and demand a certificate from their certified laboratory in Kolkata under the Food Safety and Standard Regulation of India.

There are huge implications for the exporter: sample testing fee, demurrage cost, product damages, and the time lost in doing business. The problem could be resolved if there is mutual recognition of the certificate issued by BAFRA.

(www.asianews.network/content/hurdles-along-bhutans-free-trade-route-india-12516)

Goa BizFest 2016

Goa BizFest 2016 was inaugurated by Defence Minister Manohar Parrikar and Federation of Indian Micro, Small & Medium Enterprises (FISME) President Sangam Kurade on April 09, 2016 at Dr Shyama Prasad Mukherjee stadium, Bambolim, Panaji. It was organised by Business Network International and GEMS with FISME, the 6th edition of Goa Bizfest focussed on start-ups and entrepreneurship.

While speaking at the function Kurade said start-ups could be the real job creator for Indian youth. He also mentioned that while high end technology driven start-ups in service sector will continue to have important role in creating newer business models, widespread spawning of

ICT based start-ups hold the key in providing quality jobs and creating healthy domestic demands, a *sine qua non* for upscaling the Indian economy.

Again these start-ups need not be hi-tech entrepreneurs, he said. He also opined that with basic knowledge in ICT and an orientation towards new business models, they can launch highly scalable ventures in the widest economic spectrum starting from agro – horticulture to financial operations.

(http://fisme.org.in/pastevents_details.php?event_id=329)

Trade Opportunities for Afghanistan

Afghanistan Chamber of Commerce and Industries (ACCI) in collaboration with SCCI hosted a conference on 'Trade and Investment Opportunities for Afghanistan' at Afghanistan on April 13, 2016.

A business delegation of SAARC Chamber of Commerce from Nepal, Bhutan, India, Pakistan, Sri Lanka led by Suraj Vaidya the President of SCCI came to Afghanistan.

Having private sector members and foreign business delegation in attendance this key event was officially inaugurated with welcome remarks from Atiqullah Nusrat CEO of ACCI.

Nusrat said that currently the greatest portion of our foreign trade is being done with neighbouring countries such as Pakistan and India, but unfortunately our trade volume with other member countries of SCCI is intangible.

He termed the transit problems and lack of facilities in visa processing as main causes of reduction in trade turnover, and urged the ministry of foreign affairs to spare no efforts for providing SARCC Visa stickers for Afghan private sector.

Meanwhile he hoped that with discussing several aspects of joints economic goals, the trade turnover among members of this South Asian organisation would be increased.

(www.acci.org.af/component/content/article/38-news/644-trade-and-investment-in-south-asia-opportunities-for-afghanistan.html)

Promoting Micro, Small and Medium Enterprises

SAARC Development Fund (SDF) and Small Industries Development Bank of India (SIDBI) signed a memorandum of understanding (MoU) to collaborate for the growth and strengthening of Micro, Small and Medium Enterprise (MSME) sector in SAARC member states.

SDF and SIDBI will agree to work together for providing funding in India as well as other SAARC member states for MSMEs, co-funding of projects in MSMEs, planning and implementing of joint programmes wherever required, extending lines of credit to SIDBI and development of suitable financial products for MSMEs of the SAARC region.

SIDBI is among the top 30 development banks in the world. SDF was established by the eight SAARC member states in April 2010 to promote the welfare of the people of SAARC region, improve their quality of life, and to accelerate economic growth, social progress and poverty alleviation in the region.

The Fund is to serve as the umbrella financial institution for SAARC projects and programmes which are in fulfilment of the objectives of the SAARC Charter.



(www.kuenselonline.com/mou-to-promote-micro-small-and-medium-enterprises/)

A Policy Advocacy Strategy for the SAARC region – to what end?

The SAARC-TPN has recently adopted and published a Policy Advocacy Strategy¹ propagating the inception of national and regional policy advocacy groups (PAGs) in South Asia. Most people active in business have heard of the term ‘Policy Advocacy’. Yet, what are the challenges and remedies for the current state of trade-related policy advocacy within SAARC?

Policy advocacy involves different tools of non-violent activism and lobbying which try to influence policies and practices through various channels: raising awareness among the wider public by simplifying complex and technical issues and their inherent benefits; rallying popular support in order to levy pressure onto policymakers; building alliances among influential stakeholders for issues affecting society at large; and linking stakeholders and technical experts with policymakers. In fact, writing this article even raises awareness and can be understood as a means of advocating for policy advocacy.



How is Policy Advocacy Relevant for Trade in the SAARC Region?

The Indian Prime Minister Narendra Modi conceded during the 18th SAARC Summit in Kathmandu in November 2014 that trade impediments in the region are proliferating: “Today goods travel from one Punjab to another Punjab through Delhi, Mumbai, Dubai and Karachi, making the journey eleven times longer and the cost four times more.”² For most firms within SAARC, regional trade remains a costly and timely endeavour – and the lack of standardisation of cross-border procedures, political malice, as well as other trade barriers pose an additional nuisance resulting in intra-regional trade languishing at just five per cent. If, for example, shipping products from Europe to the Subcontinent is cheaper than to simply source them from a SAARC neighbour, something seems wrong: Why should lentils imported from Canada³ be less expensive than similar lentils from neighbouring India?

Adequate policy responses can redeem situations like these. Especially in the trade context, good policies and even more so their implementations are based on sound information and solid ideas. They require enthusiastic proponents, drivers and promulgators so as to ultimately be put into practice. Good trade policies, however, are not just closed door discussions, they only excel when the business community is involved at large, for example through public-private dialogues.

Hitherto, the challenges of policy advocacy have been manifold. In the trade context of Nepal alone, decision makers encounter a jumble of interest groups propagating their own agenda. Actors, even within a given industry, push for increased protection of their products, manifested for instance in South Asian Free Trade Area’s (SAFTA) sensitive list⁴ containing nationally produced goods that are safeguarded from regional competition. Other stakeholders active in the same sector may benefit from more liberalisation and simultaneously advocate in their favour. With no systematic strategy in sight, policymakers, understandably, have trouble retaining the overview of what is genuinely important.

A Coherent Policy Advocacy Strategy is Key

In the context of intra-SAARC trade, it is high time for a coherent advocacy strategy to channel trade needs in the right direction. With the formation of the PAGs consisting of businessmen, chambers and think tanks, the first of many steps is currently undertaken to advocate for the mitigation and elimination of trade barriers within SAARC. The long-term benefits are potentially huge: With an estimated additional volume⁵ of over US\$1.2bn of trade in goods, tremendous numbers of jobs will be in need and hence created. The livelihood of people in this region would significantly increase. However rocky the road to more regional integration be, a properly established policy advocacy mechanism will help pave the way.

1 The publication is available under: www.saarctrade.info/files/member_documents/56e26164-83b0-4515-ad42-49dc0a000004.pdf

2 www.business-standard.com/article/news-ani/pm-modi-urges-saarc-nations-to-do-away-with-bottlenecks-114112600581_1.html

3 http://trademap.org/Product_SelProductCountry.aspx

4 http://saarc-sec.org/areaofcooperation/detail.php?activity_id=35

5 Raihan, S. - Policy Advocacy Strategy for intra-regional trade – Dealing with NTMs in South Asia, p. 7

Chittagong Port Access to India Soon

Addressing a long pending demand by India, Bangladesh will “soon” grant India direct access to its Chittagong port even as both sides work on forward linkages. Bangladesh is working on a Standard Operating Procedure (SOP) which will ensure India direct access to the port, which is significant in boosting bilateral and intra-regional trade.

Recently, Bangladesh Prime Minister Sheikh Hasina suggested creation of a joint consortium between both the countries in an effort to ensure better use of the port. India had been asking for a direct access to the Chittagong Port for nearly five years.

Once approved, this will help Indian industry and exporters save millions of dollars by sending direct shipments to Bangladesh and by using the Chittagong port as a transit hub to access other Southeast Asian destinations.

www.thehindubusinessline.com/news/world/bangladesh-to-soon-grant-india-access-to-chittagong-port/article8184735.ece



Bangladesh's Focus on Indian FDI

In June 2015, when the Bangladeshi Prime Minister Sheikh Hasina announced the creation of two special economic zones (SEZs) for Indian companies, it marked a major policy shift by Dhaka, which had for long been tepid towards Indian FDI.

Mashiur Rahman, Hasina's Economic Adviser, feels Bangladesh should take a more focussed approach to attract Indian FDI and take full advantage of the recent cooperation overdrive between the two nations.

Rahman stated, “We expected Indian FDI but to do that, our industry-related policies, including taxation, duty, etc. needed to be fine-tuned. But, it could not be done to protect interests of local (small) industries. That strategy cost Dhaka. It fared poorly when compared to a Sri Lanka, in attracting Indian investments. Even tiny Nepal did relatively better”.

<http://m.thehindubusinessline.com/economy/policy/time-for-bangladesh-to-take-more-focussed-approach-to-indian-fdi/article8476289.ece>

Slow Pace of Standards' Harmonisation

Complying with the standards of products in international trade is becoming increasingly difficult. Developed countries and multinational corporations are gradually setting complex set of standards.

Though there is no way to ignore the importance of standards to ensure quality and safety of products, excessive rigidity turns standards into barriers to trade. Thus, trading partners in different regional trading blocs have identified a set a regional standards as a tool to deal with the problem.

In line with this approach, members of the SAARC also agreed to frame a set of SAARC or South Asian regional standards. Thus, the body named South Asian Regional Standards Organisation (SARSO) was established with its secretariat in Dhaka.

www.thefinancialexpress-bd.com/2016/04/07/25087/Regional-trade:-Harmonisation-of-standards-progresses-at-a-snail's-pace

Reviving India-Pakistan Relationship

The India-Pakistan relationship is one of the world's most important. Bad politics have dominated and the economic relationship is trivial despite its potential.

India is looking and acting East. The highly integrated production networks in East Asia are attractive to join, as Indian manufacturers and service suppliers seek opportunities to tap into existing supply chains to realise their comparative advantage.

But the massive unrealised potential in South Asia remains a drag on India and Pakistan both. If living standards in Pakistan and elsewhere in South Asia do not rise, the challenges of poverty and extremism will continue to stalk regional stability.

www.eastasiaforum.org/2016/03/21/breaking-the-deadlock-between-india-and-pakistan/

AIIB to Unlock South Asia's Potential

South Asia's economic potential has long been constrained by low levels of economic integration. Despite being closely linked geographically, culturally and historically, intra-regional trade is very low.

An important, and overlooked, barrier to greater economic integration is the poor quality and inadequate investment in infrastructure in the region. The newly established Asian Infrastructure Investment Bank (AIIB) can play a pivotal role in fixing this problem.

For a long time, infrastructure bottlenecks have been recognised as a barrier to regional trade and economic integration. Access to infrastructure in South Asian countries is limited and the quality of available infrastructure is also poor.

www.eastasiaforum.org/2016/03/09/aiib-to-unlock-south-asias-economic-potential/

Three-Year Business Visa by 2016

A three year valid business visa will be introduced to the SAARC region by the end of 2016. The newly appointed Senior Vice President of the SAARC Chamber of Commerce, Ajith Wathuhewa said that currently SAARC Business Visa is being offered for six months.

Wathuhewa said that tourist visa too was discussed and it was proposed to offer visa free short visit travel among the region. This will be a reality from 2018 once again helping to increase travel among the region.

Currently only Sri Lanka, Maldives and Nepal offer visa of arrival facility without prior registrations.

www.dailynews.lk/?q=2016/04/20/business/79291

Hydroelectric Power in Bhutan

According to the Secretary of India's Ministry of Power, Pradeep Kumar Pujari, there is a huge demand in India for hydroelectric power generated in Bhutan. Published reports indicate the Government of India has announced it will provide electricity to every village and household by 2021 and for this to become reality, transmission lines from Bhutan hydro projects would have to pass through India's territory.

The SAARC is also in favour of a framework for inter-regional grid connectivity resulting from the greatly increasing installed hydroelectric capacity in Bhutan.

According to SAARC, Bhutan has the potential to generate as much as 30 GW of hydropower.

(www.hydroworld.com/articles/2016/04/india-and-saarc-in-favor-of-bhutan-s-hydroelectric-activity.html)

SAARC Youth Meet in Nepal

The first-ever SAARC meet aimed at bringing together youth representatives from the eight member countries and promoting their participation to implement the Sustainable Development Goals (SDGs) in South Asia.

The Dialogue on 'Promoting Youth Participation in the Implementation of SDGs' aims at exploring ways to promote effective youth engagement mechanisms at national and sub-national levels, that would serve as guiding framework for each country's development between now and 2030.

The dialogue was hosted by the Nepal government in collaboration with SAARC Secretariat, and with technical and financial support of United Nations Population Fund.

(<http://www.newindianexpress.com/world/SAARC-Youth-Meet-Begins-in-Nepal/2016/03/24/article3344467.ece>)

Pakistan-Afghanistan Enhancing Trade

Pakistan considered Afghanistan a brotherly country and remained engaged in efforts for deepening and strengthening the relations. The Foreign Affairs Ministry of Pakistan said issues being deliberated in the bilateral interaction.

The government believed that promoting high-level exchanges with Afghanistan could strengthen mutual cooperation in diverse areas. It, therefore, continued to take measures to address delays in transit of Afghan goods through Pakistan under the Afghan-Pakistan Transit Trade Agreement of 2010.

A committee called Afghanistan Pakistan Transit Trade Coordination Authority was working to tackle transit trade issues.

(<http://www.thenews.com.pk/print/114003-Pakistan-striving-to-strengthen-ties-with-Afghanistan>)

India, Maldives Move to Cement Ties

Moving to cement ties after a period of unease, India and Maldives inked six agreements, including on defence cooperation, as Prime Minister Narendra Modi held talks with Maldivian President Abdulla Yameen and affirmed that the strategic Indian Ocean archipelago nation is among India's closest partners.

Modi said: "The Maldives is among India's closest partners. The stability and security of the Maldives are in

the strategic interest of India." He said the prompt implementation of a concrete action plan in the defence sector would strengthen security cooperation between the two countries.

He also said that India was ready to be partner for the Maldives in its iHaven project, one of the most important projects in President Yameen's economic vision, and is being developed under the new laws of the Special Economic Zone.

(www.business-standard.com/article/news-ians/india-maldives-move-to-cement-ties-roundup-116041101112_1.html)

Proposal for SAARC Cultural Centre

Sri Lankan President Maithripala Sirisena said that the proposed SAARC Cultural Centre to be set up in Sri Lanka will be a great opportunity to enhance strong cultural links among the people of South Asia. Sirisena made the remarks when SAARC Secretary General Arjun Bahadur Thapa called on him at the Presidential Secretariat to discuss the progress of the project.

Thapa informed Sirisena about the possibilities available for Sri Lanka to obtain financial assistance of US\$1mn for any project from the SAARC Development Fund.

Thapa said the Secretariat plans to launch publications on Buddhist Trail shortly and it would be followed by publications on religious worship trails of Hindu, Muslim and Christianity too.

(www.sify.com/news/proposed-saarc-cultural-center-will-enhance-south-asian-cultural-ties-says-lankan-president-news-international-qexoMGdaegaje.html)

Setting up SAARC Food Bank

Bangladeshi Prime Minister Sheikh Hasina stressed on the need for speedy implementation of initiatives taken for setting up SAARC Food Bank and SAARC Seed Bank. She called upon the policymakers to take steps to formulate policies to ensure the participation and empowerment of farmers in seed areas.

Hasina hoped the ministers and experts attending the conference will make recommendations that would help eradicate poverty from this region through increasing agri-production in a sustainable manner.



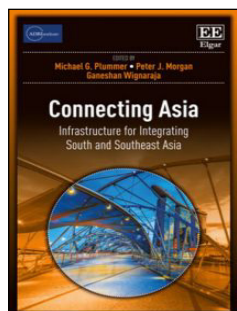
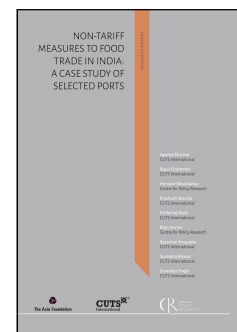
Emphasis should be put on ensuring improved seeds at reasonable price, proper water management in agriculture, fair prices of agricultural produces at farmer level, introducing organic farming and reducing the use of chemical fertiliser, she observed.

(www.thedailystar.net/backpage/hasina-pushes-saarc-food-bank-1206049)

Non-Tariff Measures to Food Trade in India: A Case Study of Selected Ports

This study on reducing non-tariff barriers to food trade seeks to identify product and port specific non-tariff measures (NTMs) to imports of selected agricultural, food and processed food items from a specific group of countries into India. The broad objective of conducting such a study is to provide policy makers, government officials, and other relevant stakeholders a practical set of recommendations to remove or harmonise identified NTMs at their respective levels.

(www.cuts-citee.org/pdf/Non-Tariff_Measures_to_Food_Trade_in_India_A_Case_Study_of_Selected_Ports.pdf)



Connecting Asia: Infrastructure for Integrating South and Southeast Asia

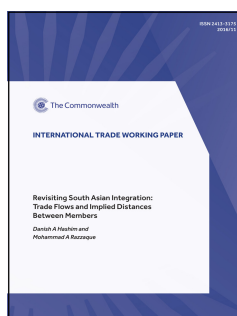
This Book analyses how closer regional connectivity and economic integration between South Asia and Southeast Asia can benefit both regions. With a focus on the role played by infrastructure and public policies in facilitating this process, it provides a detailed and up-to-date discussion of issues, innovations, and progress. Country studies of national connectivity issues and policies cover Bangladesh, India, Myanmar, Nepal, Sri Lanka, and Thailand, examining major developments in trade and investment, economic cooperation, the role of economic corridors, and regional cooperation initiatives.

(<http://www.adb.org/publications/connecting-asia-infrastructure-integrating-south-southeast-asia>)

Strengthening BBIN connectivity: Market signals for policymaking

While markets in the SAARC region have for long projected the need for increased integration, the policy frameworks in South Asia have failed to move in a parallel manner. This paper examines how markets in East South Asia are showing signs of readiness for integration, having in place significant demand and supply for goods and services from across the sub-region's borders. It proposes policy reforms aimed at instituting better border management, infrastructure development for easier movement of people and goods, and facilitating the movement of business and labour.

(www.orfonline.org/research/strengthening-bbin-connectivity-market-signals-for-policymaking/)



Revisiting South Asian Integration: Trade Flows and Implied Distances between Members

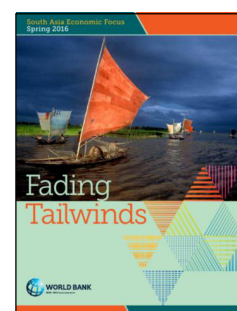
The paper undertakes the estimation of two alternative indicators of integration by estimating the Global Gravity Model. Empirical results show that South Asia utilises only 14 per cent of its intra-regional trade potential. Considering the global experience, this would indicate that implied average distance between South Asian trading pairs is 3,240 km, significantly higher than the actual geographical weighted distance of 1,872 km. Two pairs – India-Pakistan and India-Bangladesh – are found to be majorly responsible for low integration in South Asia.

(www.thecommonwealth-ilibrary.org/commonwealth/trade/revisiting-south-asian-integration_5jm2jfc58fr1-en)

South Asia Economic Focus, Spring 2016: Fading Tailwinds

South Asia by now has consolidated its position as fastest growing developing region in the world. Against the backdrop of relative external stability and some monetary policy space, growth is expected to continue a gradual acceleration on the back of strong investment performance and a return to solid contributions from export growth. India remains the motor of the region and on its way closer to 8 percent real GDP growth, though on a relatively more gradual path than previously anticipated. The focus section of this report will delve deeper into evaluating the quality of fiscal consolidation and policy, trying to assess short and longer term impact across major South Asian economies.

(<https://openknowledge.worldbank.org/handle/10986/24016>)



Prepared by

CUTS
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BMZ  Federal Ministry
for Economic Cooperation
and Development