

# Trade Buzz

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

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## Current Facts on SAARC

- TAPI – a long discussed gas pipeline – covering Turkmenistan, Afghanistan, Pakistan and India was formally launched in December 2015. Once operational, this pipeline will integrate abundant gas fields of Central Asia with the huge markets of the Indian subcontinent.
- Regional transformation of South Asia will depend upon how respective governments formulate policies to tackle urban planning challenges. According to a World Bank study, "At least 130 million South Asians live in informal urban settlements characterised by poor construction, insecure tenure and underserviced plots".

## INSIDE

- SAARC-TPN'S Activities
- SAARC-TPN Members' News
- Special Article
- From the Media
- Publications

## 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

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## Focus on Corridors for Boosting Intra-regional Trade

South Asian countries are undertaking a number of initiatives at their border posts in order to facilitate cross-border trade. They are necessary but not sufficient to boost intra-regional trade, as argued by a CUTS study.<sup>1</sup> It is necessary to take a corridor-wide approach because while problems are getting resolved at border posts, many others remain behind-the-border and, as a result, cross-border traders are incurring substantial cost of transportation.

There are eight designated SAARC trade corridors, and the following three of them are most important, connecting: India and Pakistan: Islamabad-Lahore-Attari/Wagah-Ludhiana-Delhi; India and Nepal: Kathmandu-Hetadua-Birgun/Raxaul-Kolkata; and Nepal and Bangladesh via India: Kathmandu-Kakarvitta/Panitanki-Phulbari/Banglabandha-Hatikumrul-Dhaka. They cover a large portion of their bilateral trade and have huge potential to integrate India, Pakistan, Bangladesh and Nepal. The CUTS study finds the key factors that restrict the development of regional transport system including specific physical and non-physical barriers hindering the modes of transportation.

India-Pakistan corridor requires massive storage facility at the Attari-Wagah border. Since they do not have transit agreement trucks are not allowed to go beyond the land port on either side. Also, the absence of banks on both sides of the border creates complexities for financial transaction and they need to approach foreign banks for financial settlements. This increases the cost of trade transaction and causes unnecessary delays.

India-Nepal corridor originates from Kathmandu to an Inland Container Depot at Birgunj in Nepal, followed by rail connectivity to Kolkata. On both sides of the border, there are high incidences of unauthorised toll collection.

As Nepal is a landlocked country, the Nepal-Bangladesh corridor via India is not only important for trade between Nepal and Bangladesh but is also heavily relied upon by Nepal for its overall trade, as, other than Dhaka, Kathmandu to Hatikumrul sector further extends to Mongla and Chittagong ports in Bangladesh. At Kakarvitta/Panitanki and Phulbari/Banglabandha border posts, cargo is required to be trans-shipped from Bangladeshi/Nepali registered vehicles to Indian registered vehicles. This activity adds to costs and causes delay.

This corridor-wise analysis of cross-border trade has underlined the need for creating an effective regional transport network. Hopefully, the recently agreed sub-regional motor vehicles agreement among Bangladesh, Bhutan, India and Nepal will be a stepping stone for the initiation of this network.

### Recommendations

- In order to reduce different procedural barriers, a proper 'cargo containerisation' process must be developed
- A single-window system for clearance of goods with online documentation and a nodal officer at border posts to manage that system
- Vehicle scanners at Integrated Check Posts for speedy clearance
- An agreement to facilitate financial transactions by opening more number of banks at border posts
- Better coordination between central and local agencies in order to prevent unnecessary repetition of formalities
- Strict administration to stop illegal activities like extortion
- Need for a comprehensive multi-modal transport facilitation agreement to address issues like traffic congestion

A number of agencies including local government bodies such as customs, land port authorities, border management authorities, transport authorities are to take forward these recommendations in a coordinated and coherent manner.

1. CUTS (2015), 'Trade Consignment Mapping in South Asia: A Study of Three SAARC Corridors', available at: [www.cuts-citee.org/TCMSA/pdf/Report-Trade\\_Consignment\\_Mapping\\_in\\_South\\_Asia-A\\_Study\\_of\\_Three\\_SAARC\\_Corridors.pdf](http://www.cuts-citee.org/TCMSA/pdf/Report-Trade_Consignment_Mapping_in_South_Asia-A_Study_of_Three_SAARC_Corridors.pdf)

## SAARC-TPN'S ACTIVITIES

### SAARC-TPN to be Integrated with SCCI

The SAARC-TPN member organisations have given their consent in favour of integration of TPN into the SAARC Chamber of Commerce & Industry (SCCI) structure. MDF, the consultant team appointed to undertake the organisational development process for the SAARC TPN, together with SCCI are now preparing a three-year transition plan including a business model for the SAARC TPN under SCCI.

The decision for the integration into SCCI was based on voting by the SAARC TPN member organisations on two options. The first option entailed the SAARC TPN's integration into the existing SCCI structure. In the second option TPN would be discontinued after the end of the German support in June 2017.

The options were proposed and deliberated by the Steering Group (SG) members during the 2nd SG meeting held in Kathmandu on November 17-18, 2015. The proposal for the integration of TPN into their structure has also been accepted by the Executive Committee of SCCI.

The MDF team will be presenting the plan for the transition phase and the future business model of SAARC TPN for discussion in the third SG meeting to be held on January 25, 2016. The business model and transition plan will be shared with TPN members before the next General Assembly on February 24-25, 2016.

### Good neighbourhood in SAARC as a universal aspiration

*"In the life of an individual or a nation, a good neighbourhood is a universal aspiration".*

These were the words addressed by the Prime Minister of India Narendra Modi in the inaugural session at the 18th South Asian Association for Regional Cooperation (SAARC) Summit, in Kathmandu, Nepal, on November 26, 2014. In Modi's view, India's and every single SAARC country's prosperous future cannot be ensured unless prosperity of the entire South Asian region is not ensured. Here, a strong relation to trade in the region can be seen. Despite significant reduction in customs duty, the intra-SAARC trade accounts for only 5% of total SAARC trade. Nowadays, the popular hypothesis is that limited intra-region trade is not caused by the high customs duty or tariff, but is the result of prevailing Non-Tariff Measures (NTMs) and the resulting trade barriers, i.e. Non-Tariff Barriers (NTBs).

With the same spirit in mind, the SAARC Trade Promotion Network (SAARC TPN) was set up in 2012 with the support of the SAARC Secretariat in Kathmandu, Nepal, and with the objective to deliver suggestions, recommendations and lobby for the reduction of NTMs and impediments for the development of cross-border value chains in SAARC. It consists of 28 key public and private sector organisations from all eight SAARC countries, including public trade departments, apex bodies and



Chambers of Commerce. GIZ has been supporting the SAARC TPN since its inception on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). In its efforts to meet its objective, the SAARC TPN facilitates the availability of Human Capacity Development (HCD) measures, amongst others, for the SAARC TPN members and enterprises in the region.

As part of a regional HCD programme, the network, in association with an Indian training provider, offers a Training of Trainers (ToT) Module on the NTB and NTM Environment in SAARC. Participants are trained on the subject and respective methodologies aiming to increase expertise of being a trainer for government officials, researchers, trade bodies and private sector

representatives directly working with NTMs and/or who want to strengthen their understanding of NTMs while being involved in the negotiation of related policies. This includes expert inputs, case studies, role plays, peer group discussions as well as presentation and negotiation skill development. High-potential future trainers identified during the training are subsequently supervised to conduct the module themselves in a second round on national level.

The national roll-out is currently facilitated by selected network member organisations in Bangladesh, Bhutan and Sri Lanka. In December 2015, the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) in Colombo kicked-off the process. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka followed in mid-January 2016. Further rounds of ToT are planned during the course of 2016 in Bhutan (BCCI) and Pakistan (SCCI) to contribute to the aspired prosperous SAARC neighbourhood. *"There is much to learn from each other; even more – to do together".*

### Policy Advocacy Strategy Ready

The Policy Advocacy Strategy initiated by the SAARC-TPN and Working Group Regional Trade Facilitation (WG-RTF) has been finalised and endorsed by the members of SAARC-TPN.

The strategy is aimed at the reduction of non-tariff measures (NTMs) and promotion of intra-regional trade in the SAARC region. It outlines a framework for executable action plans at both the national and regional level, including stakeholder mapping of relevant actors and suggested tools for advocacy. The strategy is intended to serve also as a reference document for organisations and institutions working in the area of trade promotion in the region. The implementation of the strategy by members of SAARC-TPN and other relevant stakeholders has been planned for 2016.

The NTM desk host organisations along with the national TPN members will play an integral role in implementation of the policy advocacy strategy at the national level. The NTM desk activities have also been aligned with the policy advocacy strategy to make consolidated efforts for the reduction and elimination of NTMs in the region.

## Building Capacities of Select MSMEs

On the side lines of regional meeting of SAARC Trade Promotion Network (SAARC TPN) held in New Delhi, India's premier MSME body **Federation of Indian Micro and Small & Medium Enterprises (FISME)** and **National Chamber of Commerce of Sri Lanka (NCCS)** signed a mutual cooperation agreement to facilitate trade between member MSMEs.

The MoU was signed by President FISME (India), Sangam Kurade, and President, NCCS (Sri Lanka), Thilak Godamanna. With return of normalcy in Sri Lanka, business is on boom. Sri Lankan entrepreneurs are interested in importing capital goods plants and machines from India. Many Sri Lankan MSMEs also look at India as a big market but find it difficult to access. The cooperation between FISME and NCCS would address these problems.

FISME's experts have been working to build capacities of select MSMEs in Nepal, Bhutan and Sri Lanka enabling them export fruit juices to India. Similarly, it has been working with Indian manufacturers of yarns and textiles to export their products to Bangladesh.



**Signing of MoU between Sangam Kurade and Thilak Godamanna**

## Waiving off Visa Fees to Boost Tourism

The private sector has asked the government to waive visa fees temporarily to keep Nepal's tourism industry alive.

Bhawani Rana, Senior Vice-President of the **Federation of Nepalese Chambers of Commerce and Industry (FNCCI)**, speaking at an interaction entitled 'Tourism in the Present Context' said that a visa fee exemption for at least six months would be an important move to boost tourist arrivals at a time when tourism, one of the major contributors to the economy, has been on a downhill course.

The FNCCI has also recommended making Kathmandu's Tribhuvan International Airport (TIA) cost-effective or a free port to encourage international airlines to pass through here.

TIA is known as one of the world's most expensive airports. Besides, the government should think of bringing in the private sector to manage the country's sole international airport amid worldwide criticism over its poor services.

The FNCCI has also asked the government to introduce separate incentive packages for tourism entrepreneurs and schemes to attract domestic and foreign investment during this time of crisis.

[www.aarthiknews.com/en/nepalese-economy/fncci-asks-government-to-waive-visa-fees-to-boost-tourist-arrivals/4355](http://www.aarthiknews.com/en/nepalese-economy/fncci-asks-government-to-waive-visa-fees-to-boost-tourist-arrivals/4355)

## Facilitating Gems and Jewellery sector

The **Federation of Pakistan Chambers of Commerce and Industry (FPCCI)** Standing Committee on Gems and Jewellery Producers, Manufacturers and Exporters Chairman Kashifur Rahman has urged the Ministry of Commerce to approve and notify the proposals of gems and jewellery sector pending with it. The recommendations were meant to remove hurdles and facilitate production and trade of gems and jewellery.

"There lays great potential for gems and jewellery exports that needs to be duly explored," he said, emphasising the need for maximum facilitation and

support to the industry to make it compatible in the regional and international markets.

"The sector needs new machinery and equipment for modernisation and expansion. The government should also allow their duty free import besides providing soft-term easy financing to the industry," he added.

<http://tribune.com.pk/story/1014624/gems-and-jewellery-fpcci-calls-for-facilitating-sector/>

## Ensuring Power and Gas Connections

The **Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)** has urged the government to ensure power and gas connections for rapid industrialisation.

The general members of the apex trade body have also underscored the need for the country's infrastructural development and banking sector reforms for overall industrialisation.

The general members of the FBCCI also voiced their opinions on reform of trade bodies, establishment of technical training centres for building skilled manpower, development of female entrepreneurs and boost the investment.

The meeting also endorsed the FBCCI annual report and the audit report for the year 2014-15. Addressing the AGM, FBCCI President Abdul Matlub Ahmad said, "Country's economy now stands at a strong position through joint initiative by government and the private sector."

Regarding the hike of trade license fees, he said: "The government has formed a revisit committee to rationalise the fee hike and it has extended the renewal deadline till December 31, 2015."

"The matter is now at a final stage and waiting for approval from the minister. A gazette notification will be issued soon just after his approval," he added.

Capacity of FBCCI will be increased further and general members will get modern facilities as the apex trade body is recruiting new members in the vacant posts of its secretariat, Matlub said.

[www.dhakatribune.com/business/2015/dec/21/fbccci-power-gas-connections-industrialisation#sthash.MibWthKv.dpuf](http://www.dhakatribune.com/business/2015/dec/21/fbccci-power-gas-connections-industrialisation#sthash.MibWthKv.dpuf)

### Business Matchmaking Conference

Afghanistan Chamber of Commerce and Industries (ACCI) and Afghan Business Association in Turkey (AIAD) in collaboration with other business organisations of both countries organised the First Afghan-Turk Business Matchmaking Conference at Istanbul Turkey on October 21-22, 2015.

The purpose of this conference was to encourage the business and investment opportunities in Afghanistan and give ample information to Turkish entrepreneurs on greater potentials in various sectors of the Afghan economy.

The conference specifically looked to promote Afghanistan as a viable and realistic destination for Turkish businesses and explore the tremendous business opportunities exist in Agriculture, Mines, Construction, Health, Education, Energy, Infrastructure and different other sectors.

Ezatullah Sadat, Head of Afghanistan Business Association while welcoming all the delegates stated that this conference will be held annually in Turkey and in Afghanistan to facilitate promotion of business-to-business relationships between the private sector representatives of the two countries.

([www.acci.org.af/component/content/article/38-news/602-1st-afghan-turk-business-matchmaking-conference-held-in-istanbul.html](http://www.acci.org.af/component/content/article/38-news/602-1st-afghan-turk-business-matchmaking-conference-held-in-istanbul.html))

### Bhutan India Business Conclave

'Bhutan India Business Conclave' was organised by Bhutan Chamber of Commerce & Industry (BCCI) and Indian Chamber of Commerce (ICC) with support from Embassy of India to Bhutan.

The main objective of the Conclave was to promote India-Bhutan Economic Relation with focus to Bhutan-West Bengal trade and commerce. It will give an opportunity to the business person of both Bhutan and West Bengal to share their views on Strengthening bilateral trade and commercial relation.

The Conclave was opened by Chief Minister of West Bengal Mamata Banerjee and Lyonpo Norbu Wangchuk, Minister of Ministry of Economic Affair, Royal Government of Bhutan along with senior government officials from West Bengal and Bhutan and leading businessman from both the countries – India and Bhutan.

Banerjee said that out of 1.3 lakh tourists to Bhutan, 68,000 are Indians. She informed that the Bengal government has started leave travel concession programme for government employees to visit Bhutan. The West Bengal Chief Minister urged that a tourism corridor be started.

(<http://aitcofficial.org/aitc/wb-cm-attends-the-india-bhutan-business-conclave-at-thimphu-in-bhutan/>)

### Small Business Loan Scheme in Action

The Ministry of Economic Development (MoED), Maldives announced its plan to launch a new scheme to disburse loans for small and medium enterprises (SMEs).

Ibrahim Firshan, Consultant, SMEs with the MoED stated that the government had decided to manage the loan scheme under the guidance of the SME Council, which SME is created under the Small and Medium Enterprises Act.

President Abdulla Yameen Abdul Gayoom reconstituted the SME Council on January 09, 2014. He had then appointed Economic Minister Mohamed Saeed as the President of the Council.

Firshan noted that loans have already been disbursed under the Get Set programme aimed at youth entrepreneurs. Statements of eligibility were granted to 72 individuals who submitted proposals for loans under the government launched Get Set programme. The objective of this programme is to produce youth entrepreneurs in the Maldives.

The recently launched 'Faseyha Madhadhu', is an Islamic financing loan programme to facilitate SMEs in Maldives.

([www.haveeru.com.mv/news/64243](http://www.haveeru.com.mv/news/64243))

### Promoting Women Empowerment

The Federation of Indian Chambers of Commerce and Industry (FICCI) and UN Women sign an Memorandum of Understanding (MoU) to advance gender equality and women empowerment

The strategic partnership between the two organisations will help achieving the common goal of realising the rights of women and girls as critical preconditions for effective and sustainable development.

Rebecca Tavares, Country Representative, UN Women India MCO and Jyotsna Suri, President FICCI signed the MoU on behalf of their respective organisations. Suri said that FICCI is upbeat about its partnership with UN Women.

This MoU will enable to identify, facilitate and influence business practices that promote gender equality and women empowerment, the two vital components for advancing development and enhancing representation of women across all sectors and levels of economic activity.

The strategic partnership between FICCI and UN Women is another significant step towards advancing equal opportunities and rights for women in the workplace, marketplace and communities.

This proposed collaboration between UN Women and FICCI, the largest and oldest apex business organisation in India will inform policies of India's businesses and industries to design and implement gender responsive practices.

([www.business-standard.com/article/news-ani/ficci-and-un-women-sign-mou-to-advance-gender-equality-and-women-empowerment-115121500457\\_1.html](http://www.business-standard.com/article/news-ani/ficci-and-un-women-sign-mou-to-advance-gender-equality-and-women-empowerment-115121500457_1.html))



(L-R) Dr. Rebecca Tavares, Dr. Jyotsna Suri and Dr A Didar Singh

## Regional Integration for Sustainable Development in South Asia

*Regional integration can facilitate common policies that address environmental and social aspects of sustainable development*

A growing environment of bilateral, sub-regional and regional agreements among SAARC countries is a response to the imperative of intra-regional trade and integration. Regionally integrated markets of SAARC can drive sustainable development through linkages such as:

- creation of more job opportunities through efficient use of resources;
- lower production costs resulting from the economies of scale and scope;
- rise in variety and quality of already available products and services; and
- opportunities for mutual use of natural resources and energy.

Regional integration can facilitate common policies that address environmental and social aspects of sustainable development. This was the call of the recently concluded Eighth South Asia Economic Summit, held in Islamabad, Pakistan on December 07-08, 2015. Its theme was *Regional Integration for Sustainable Development in South Asia*. Among other regional and international agencies, SAARC TPN participated at this annual event.

Other than participants from eight SAARC countries, this Summit was attended by a number of experts from other parts of the world. Over a period of two days, more than 100 participants participated in two plenaries and 16 concurrent sessions to deliberate on trade cooperation, cooperation on investment and technology, climate change, agriculture and food security, women's economic empowerment, infrastructure and connectivity, energy and water security, disaster risk management, agenda for peace and prosperity in South Asia and role of media in regional cooperation, among others.

The Summit highlighted why greater integration through trade, investment and knowledge sharing among the South Asian countries can play an important role to promote sustainable development. It underlined that through these three pillars of integration there can be increased flows of environmental goods, services and technologies leading to the creation of regional value chains for sustainable production and consumption.

Furthermore, it was underlined that improved intra-regional trade, investment and knowledge sharing will not only promote integration of economies through a single common market but will also result in higher economic gains for least developing countries and smaller economies of the region. In other words, all of them will be able to enjoy improved market access to larger markets such as India and Pakistan which in turn, would contribute to their economic growth. More importantly, enhanced regional integration can help them to better address development challenges such as poverty, food security, which are key to sustainable development.

In order to do this, once again, this Summit discussed why it is necessary for South Asian countries to accelerate the process of regional integration through greater exchange of goods, services and technologies through policy and regulatory coherence. Secondly, there was discussion on why it is vital to increase intra-regional investment by developing and strengthening value chains, with a special emphasis on knowledge sharing of innovative ideas for sustainable development.

Therefore, it is time for South Asian countries to undertake radical changes in their economic and trade policies to achieve a greater degree of regional economic integration. It can be achieved by expanding the scope of the Agreement on South Asia Free Trade Area (SAFTA) with the inclusion of services and investment in its framework.

Moreover, they should stress on improving the overall business environment by creating better opportunities for private players. Improved regional economic environment will promote greater exchange of goods, services and technologies, and will lay a solid foundation for deeper economic engagement among the SAARC member countries. As it was argued at this Summit, without that the other two pillars of sustainable development – that is, social equity and environmental sustainability – will remain sub-optimally addressed.

As of January 01, 2016, the comity of nations has started implementing the Sustainable Development Goals, which were adopted by world leaders in September 2015. They pledged to achieve them by 2030. The achievement of many of the 17 Goals are directly related to how economies, particularly geographically contiguous regions, are integrated with each other. South Asia can do it provided regional economies consider trade, investment and knowledge sharing as regional public goods so that nobody is excluded from their benefits.



## FROM THE MEDIA

### Sea Bridge Connecting India-Sri Lanka

**India** is set to build a sea bridge and tunnel connecting **Sri Lanka** while a pact has been inked with Bangladesh, Bhutan and Nepal for seamless flow of traffic and passenger vehicles, Road Transport and Highways Minister Nitin Gadkari said.

The Asian Development Bank is ready to fully finance a bridge-building project connecting Rameshwaram to Sri Lanka. The project was also discussed by Prime Minister Narendra Modi with his counterpart during the latter's recent visit.

The India-Sri Lanka connectivity project cost is pegged at about ₹24,000 crore. A major milestone was the signing of the Bangladesh Bhutan India Nepal (BBIN) Motor Vehicles Agreement (MVA) in Thimphu to facilitate seamless movement of passenger and cargo vehicles in the region.

([www.thehindu.com/news/national/india-to-build-sea-bridge-tunnel-to-connect-sri-lanka/article7996560.ece](http://www.thehindu.com/news/national/india-to-build-sea-bridge-tunnel-to-connect-sri-lanka/article7996560.ece))

### Hydropower to Reduce CO<sub>2</sub> in India

Hydropower supply from **Bhutan** would reduce carbon dioxide in **India** by about 10 million tonnes in 2016-17 and could be as high as 40 million tonnes annually by 2020-21.

This is because the hydropower generation from Bhutan would replace thermal plants in India where coal is the main raw material. Currently half of India's total power generation is sourced from coal.

Large-scale hydropower import from Bhutan coupled with grid reinforcement structure could minimise the risk of a severe electricity shortage in India as its power demand is expected to grow to 1,390B units by 2016.

([www.kuenselonline.com/bhutans-hydropower-to-reduce-co2-in-india](http://www.kuenselonline.com/bhutans-hydropower-to-reduce-co2-in-india))

### India-Bangladesh Coastal Shipping

Improved connectivity in the South Asian region, both through road links and waterways, is being leveraged by India as a means to enhance regional co-operation and foster intra-regional trade.

The latest among these measures is the standard operating procedure (SOP) **India** and **Bangladesh** signed to operationalise an agreement on coastal shipping. The pact

is aimed at promoting bilateral trade and brings down the transportation cost of export-import cargo.

According to the India-Bangladesh SOP, both countries will have to treat each other's vessels as per international sea transportation norms. Besides, the two sides have also agreed on using river sea vessels, which are smaller in size, for Indo-Bangladesh coastal shipping.

(<http://indianexpress.com/article/business/business-others/new-economic-corridors-india-on-road-to-redefine-trade-ties-with-south-asian-neighbours>)

### Bhutan-Sri Lanka Strengthens Relations

The first annual bilateral consultation between **Bhutan** and **Sri Lanka** in Colombo on November 16, 2015 discussed several issues from political relations, trade, investment, tourism, human resource development, to cultural exchanges, and cooperation in regional and multilateral forums.

Foreign Secretary Tshering Dorji and Sri Lankan Foreign Secretary Chitranganee Wagiswara welcomed the institution of the annual bilateral consultations as a valuable bilateral forum to further enhance and strengthen friendly cooperative relations between the two countries.

The meeting welcomed the deepening of cooperation in the field of education and human resource development and the potential that exists in this area including the opportunity for Bhutanese to pursue higher education in Sri Lanka.

([www.kuenselonline.com/bhutan-sri-lanka-strengthens-relations](http://www.kuenselonline.com/bhutan-sri-lanka-strengthens-relations))

### Pak-Afghan Discuss Trade Initiatives

Finance Minister of Pakistan Ishaq Dar has stressed on the need for ensuring implementation of decisions taken between **Pakistan** and **Afghanistan** for betterment of both the countries.

He said serious efforts are needed to achieve the declared trade volume of US\$5bn till 2017. Facilitation is issuance of visas to businessmen is necessary for promotion of trade between the two countries.

Dar urged the Afghan side to expedite the process of activation of Joint Business Council as it will help facilitate investors of both the countries in a big way.

([www.newsone.tv/business/pak-afghan-joint-economic-commission-discuss-trade-initiatives/](http://www.newsone.tv/business/pak-afghan-joint-economic-commission-discuss-trade-initiatives/))

### SAARC Fix Standards on Six Products

**T**he South Asian Regional Standards Organisation (SARSO) has finalised the harmonisation of standards on six products including refined sugar and biscuits. After a final nod from the SAARC countries, the process will begin for SAARC standards to be followed in the case of these products in regional and international trade.

It has also finalised a general code of hygiene for products of South Asian countries. This will remove bottlenecks and facilitate smooth regional trade among South Asian countries.

SARSO has received recognition from the International Organisation for Standardisation (ISO). This will give SARSO the scope to follow ISO procedures in determining the regional standards for various products. It will also open doors for products following SARSO standards to enter international markets.

([www.en.prothom-alo.com/economy/news/91647/SA-countries-fix-standards-on-six-products](http://www.en.prothom-alo.com/economy/news/91647/SA-countries-fix-standards-on-six-products))



## Nepal, Bangladesh to Boost Trade Ties

Nepal and Bangladesh have agreed to complete all bilateral trade-related agreements to boost trade. Nepal's Minister for Commerce and Supplies Ganeshman Pun and his Bangladeshi counterpart Tofail Ahmed agreed to boost trade ties at the ongoing WTO ministerial conference in Nairobi of Kenya.

Minister Pun recalled Bangladesh's support to the earthquake victims of Nepal following the tremor and extended sincere thanks to the Government of Bangladesh for the gesture of friendship and cooperation.

Bangladeshi Minister Ahmed described Nepal as Bangladesh's good friend from the SAARC region and assured Minister Pun that Bangladesh would be ready to cooperate with Nepal at all times.

(<http://thehimalayantimes.com/nepal/nepal-bangladesh-agree-to-boost-trade-ties/>)

## Open-Sky Policy on the Anvil

The Indian Civil Aviation Ministry's proposed open-sky policy for European and SAARC countries might be limited to discretionary negotiations on domestic airports.

The open-sky policy would come into effect from April 01, 2016. Open-sky brings tremendous competition. The idea is to open the domestic market to competition in a graded manner.

At present, countries sign air service agreements, through which they decide the flights or seats per week to be allowed. Either there are various terms associated with the agreement, arrived at through bilateral negotiation, or no restrictions on flights, seats or landing points, also known as 'open sky'.

([www.business-standard.com/article/economy-policy/open-sky-policy-leaves-out-landing-freedom-115110700023\\_1.html](http://www.business-standard.com/article/economy-policy/open-sky-policy-leaves-out-landing-freedom-115110700023_1.html))

## New Currency Series Launched

Maldives Central Bank has announced January 26 as the public release date for the new currency series 'Ran Dhiha Faheh', which were introduced on the occasion of the Maldives' fiftieth Independence Day in 2015.

Maldives Monetary Authority (MMA) added that the software for cash deposits and withdrawals from bank ATMs need to be adapted for the new series. 'Ran Dhiha Faheh' currency series includes MVR 10, 20, 50, 100, 500 and the brand new MVR 1000. The series also introduced MVR 5 as coins instead of the current cash note.

According to MMA, after the introduction of the new currency series to the public, the current notes can be utilised until May 2016. The authority has also allocated a period of five years for the public to exchange their old notes for the new series.

([www.haveeru.com.mv/business/65044](http://www.haveeru.com.mv/business/65044))

## India to be Included in APTTA

India has urged Pakistan to make it a member in the Afghanistan Pakistan Transit and Trade Agreement (APTTA) that was signed in 2011. This would allow the entry of containers from Afghanistan into Attari through the Wagah border land station.

## SAARC Centres Reduced To 5 From 11

Three regional centres of SAARC have been shut down and four are in a merger process as per the earlier decision of the member states. The decision was taken keeping in a view of avoiding duplication of works and to cut down expenses.

The meeting decided to shut SAARC Information Centre of Nepal, SAARC Human



Resource Development Centre of Pakistan and SAARC Documentation Centre of India. As per the decision, the mandates of SAARC Information Centre and SAARC Documentation Centre have been transferred to the SAARC Secretariat in Kathmandu.

The member states are also mulling upgrading the laboratory of SAARC Tuberculosis and HIV/Aids Centre into 'a supranational laboratory'.

(<http://kathmandupost.ekantipur.com/news/2016-01-12/saarc-centres-reduced-to-5-from-11.html>)

This will help India expand trade ties with Afghanistan through seamless connectivity and enable New Delhi have a greater say in the trading system of the region.

At present, trucks and containers from Afghanistan are not able to send their exports seamlessly to India through the land border. They have to drop the goods, meant for India, at the last checkpoint at the Wagah border which is then picked up by the Indian authorities. But, India is not able to send any goods to Afghanistan.

([www.thehindubusinessline.com/economy/macro-economy/india-wants-to-be-included-in-afghanistan-pakistan-trade-pact/article8014712.ece](http://www.thehindubusinessline.com/economy/macro-economy/india-wants-to-be-included-in-afghanistan-pakistan-trade-pact/article8014712.ece))

## 12<sup>th</sup> SAARC Trade Fair

Pakistan was playing a positive role for regional integration, peace and prosperity of the South Asian region, and other neighbour countries should do the same for the larger interests of this region, Federal Commerce Minister Khurram Dastagir said while addressing the opening ceremony of the 12<sup>th</sup> SAARC Trade Fair.

The minister said that the 12<sup>th</sup> SAARC Trade Fair was one of the prestigious events in South Asia to promote regional trade within the SAARC countries, thus creating business and a good rapport among the SAARC nations. The platform provides opportunity to showcase the finest collection of member country's export merchandise and services along with cultural beauty.

Exhibitors from member countries were invited not only to promote their product potential but also to avail the opportunity of trade promotion and cultural exchange among themselves.

([www.thenews.com.pk/print/79595-saarc-trade-fair-a-peace-initiative-minister](http://www.thenews.com.pk/print/79595-saarc-trade-fair-a-peace-initiative-minister))

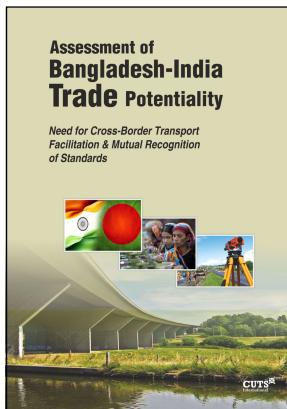
## PUBLICATIONS

### Assessment of Bangladesh-India Trade Potentially: Need for Cross-Border Transport Facilitation & Mutual Recognition of Standards

India and Bangladesh share cultural, historical and linguistic commonalities with each other, having been one country before 1947. Therefore and given the present era of growing competition, it is important for them to make collective efforts towards promoting greater economic integration by adopting a broader trade connectivity framework.

This Study has assessed what needs to be done for addressing transport-related infrastructural bottlenecks and for harmonising standard-related measures for the betterment of cross border trade.

[\(http://www.cuts-citee.org/IBTA-II/pdf/Assessment\\_of\\_Bangladesh-India\\_Trade\\_Potentiality.pdf\)](http://www.cuts-citee.org/IBTA-II/pdf/Assessment_of_Bangladesh-India_Trade_Potentiality.pdf)



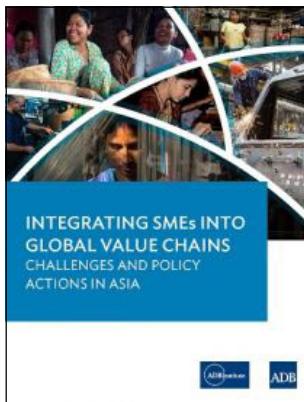
### Integrating SMEs into Global Value Chains: Challenges and Policy Actions in Asia

The opportunities for Small and Medium Enterprises (SMEs) in global value chains are enormous. Participation in value chains exposes them to a large customer/buyer base, as well as opportunities to learn from large firms and from engaging and surviving in the hotly contested sectors of the global marketplace. This process can enhance SME competitiveness, create more jobs, and promote inclusive growth in developing Asia.

The penetration of global value chains, however, also presents huge and often daunting challenges for SMEs. They may fail to gain a foothold and have to forgo large market development expenditures as a result. With global opportunities come global risks.

This study examines ways of encouraging participation in value chains, and explores policy solutions to address the financial and nonfinancial barriers faced by these enterprises.

[\(www.adb.org/publications/integrating-smes-global-value-chains\)](http://www.adb.org/publications/integrating-smes-global-value-chains)

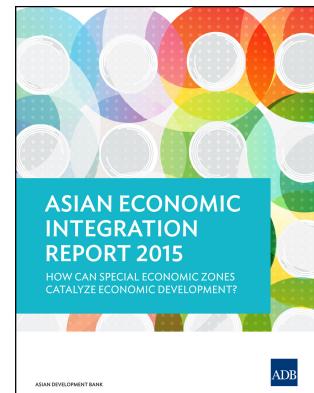


### Asian Economic Integration Report 2015: How Can Special Economic Zones Catalyze Economic Development?

Special economic zones (SEZs) can play a catalytic role in economic development, provided the right business environment and policies are put in place. In Asia, SEZs can facilitate trade, investment, and policy reform at a time the region is experiencing a slowdown in trade and economic growth.

The Asian Economic Integration Report is an annual review of Asia's regional economic cooperation and integration. It covers the 48 regional members of the Asian Development Bank. This issue includes Special Chapter: How Can Special Economic Zones Catalyze Economic Development?

[\(www.adb.org/sites/default/files/publication/177205/asian-economic-integration-report-2015.pdf\)](http://www.adb.org/sites/default/files/publication/177205/asian-economic-integration-report-2015.pdf)



### Leveraging Urbanization in South Asia: Managing Spatial Transformation for Prosperity and Livability

Urbanization in South Asia remains underleveraged in its ability to deliver widespread improvements in both prosperity and livability. Leveraging Urbanization in South Asia is about the state of South Asia's urbanization and the market and policy failures that have taken the region's urban areas to where they are today – and the hard policy actions needed if the region's cities are to leverage urbanization better.

This publication provides original empirical and diagnostic analysis of urbanization and related economic trends in the region. It also discusses in detail the key policy areas, the most fundamental being urban governance and finance, where actions must be taken to make cities more prosperous and livable.

[\(https://openknowledge.worldbank.org/bitstream/handle/10986/22549/9781464806629.pdf?sequence=17\)](https://openknowledge.worldbank.org/bitstream/handle/10986/22549/9781464806629.pdf?sequence=17)

