

About SAARC

South Asian Association for Regional Cooperation (SAARC) is an economic and geopolitical organisation of eight countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) that are primarily located in South Asia.

More than 1.6 billion people, about 23 per cent of the world population, live in the SAARC region. Despite huge potential and resources, the region has a very high percentage of poor people and its share of the world's gross domestic product is only 2.3 per cent.

To promote the welfare of the people of South Asia and to improve their quality of life through accelerated economic growth, social progress and cultural development, SAARC was established in 1985 with Afghanistan joining in 2007.

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Reducing NTMs Crucial to Strengthen Intra-Regional Trade

By 2016, economic growth in South Asia is expected to increase to 6.4 per cent making it the 2nd fastest growing region in the world after East Asia and the Pacific (*South Asia Economic Focus; 2014. The World Bank Report*). Across countries in the region, exports are not only growing faster than GDP, and growing in volumes rather than just in prices: they are also becoming more diversified in terms of traded products and trading partners. However, intra-regional trade in South Asia is still low and is a matter of deep concern in trade policy-making circles. Despite a gradual reduction in tariff under the Agreement on South Asian Free Trade Area (SAFTA), in 2013, intra-regional trade in South Asia is just about four per cent of their total world trade.

Some recent studies argue that low intra-regional trade in South Asia is mainly caused by the existence of a plethora of policy-related as well as procedural non-tariff measures (NTMs). A 2014 study titled '*NTMs in South Asia: Assessment and Analysis*', carried out on behalf of the SAARC Trade Promotion Network (SAARC-TPN), brings some interesting insights about the current state of affairs on this subject.

It reveals that there are a high number of products produced however not traded within the South Asian region. For instance, in 2011, Bangladesh imported milk and cream powder worth of US\$142.63mn, out of which there was no import from South Asian countries. However, among the South Asian countries, Pakistan exported the same product worth US\$6.20mn globally in that year. The intra-regional trade potential is also not been utilised in South Asia to the extent possible.

Likewise, India's total export was US\$300bn in 2012-2013 but only US\$14.80bn worth of export was within the SAARC region. The import of India from its regional trading partners was not even one per cent of its total import. Statistics show the similar trend for other large economies of South Asia, viz. Bangladesh, India, Pakistan and Sri Lanka. Their share in intra-regional trade is strikingly low as compared to other South Asian countries. This reflects that South Asian

countries have enormous potential for trade with each other but that is yet to be utilised. In order to mobilise this potential, NTMs – which are one of the major reasons for low intra-regional trade – need to be reduced.

Global competition, supply side constraints and focus of countries to reach the markets beyond South Asia have been hindering the promotion of intra-regional trade. The bureaucratic hassles, non-tariff barriers (NTBs),

rules of origin as well as four per cent special additional duty imposed on an arbitrary basis are issues that have created such problems. The prevalence of NTMs has posed tremendous challenges for South Asian entrepreneurs willing to trade within the region.

Furthermore, there are hidden barriers due to lack of transparency, procedural delays and inefficient administrative procedures or red-tape. They cause unnecessary delays in the movement of consignments and increase the cost of transaction across borders.

In order to unleash the true potential of intra-regional trade in South Asia, it is time for the SAFTA Committee of Experts and respective government of member states to address these barriers promptly. Other than focusing on a tariff liberalisation agenda, there should be regional agreements on mutual recognition of standards, customs cooperation along with the establishment of an automated system for handling custom data in all countries and an agreement for transport and transit facilitation.

Country	Regional Export as % of a Country's Total Export	Regional Import as % of a Country's Total Import
Afghanistan	85.05	15.9
Bangladesh	2.75	14.13
Bhutan	51.85	72.92
India	4.68	0.54
Maldives	46.21	16.14
Nepal	59.45	63.88
Pakistan	9.95	4.48
Sri Lanka	9.04	24.01

NTM Study Report Launched

The study report 'NTMs in South Asia: Assessment and Analysis' was launched on July 20, 2014 on the eve of the 9th SAFTA Committee of Experts (CoEs) meeting.



The study on NTMs was initiated by SAARC-TPN Working Group Regional Trade Facilitation (WG-RTF) in 2012 and conducted by Metropolitan Chamber of Commerce and Industry (MCCI) and South Asian Network on Economic Modeling (SANEM).

The study provides a different view on NTMs and how they give rise to NTBs, which is an outcome of an extensive exercise with

private and public sector organisations and enterprises, which are facing problem arising from NTMs.

(http://www.saarctrade.info/beta/pubs/saarctpnpubs/NTM%20report_SAARC_TPN.pdf)

Bangladesh Launched NTM Report

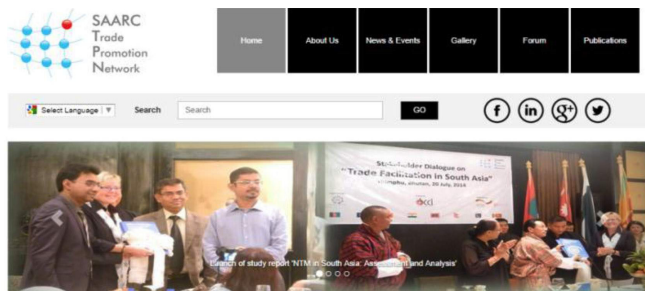
Under the leadership of Metropolitan Chamber of Commerce and Industry (MCCI)-SAARC-TPN partner, Bangladesh Commerce Minister Tofail Ahmed officially launched the NTM study report on September 11, 2014. The Minister said that Bangladesh is also opening up its market through regional connectivity.

"We are liberal. We are highly connected with India. We like to open our economy and our doors. Our friend India should come forward to take the business opportunity," Ahmed said.

Beta Version of Trade Portal

www.saarctrade.info beta version (final stage of portal testing) of SAARC Trade Information Portal has been officially launched on September 29, 2014. The redesigned portal will be managed by the Lahore Chamber of Commerce and Industry (LCCI).

With the new corporate look and effective communication approach, the trade information portal aims to become the communication and information hub not only for TPN partners but also for those potential users seeking information about the intra-regional trade in SAARC region.



Study on Cross-Border Trade

The Federation of Indian Micro and Small and Medium Enterprise (FISME) of India prepared a study 'Deepen Trade and Economic Cooperation among SMEs between India and Pakistan'. The study was conducted to identify impediments and NTBs to bilateral trade.

The study has identified focussed items which can substantially enhance export from Pakistan to India as well as out of basket products for export from India and Pakistan. One of the major findings of the study is that as India and Pakistan move to normalise and liberalise their trading relations, there are significant gains to be achieved by both countries.

India and Pakistan trade has the potential to increase by 10-15 times and reach US\$20-30bn provided that NTBs and other impediments to trade are removed.

(http://saarctrade.info/beta/pubs/saarctpnpubs/FINAL_Indo-Pak.pdf)

Exposure Visit to ASEAN

SAARC-TPN members paid an exposure visit to Association of Southeast Asian Nations (ASEAN) and other relevant institutions in Jakarta during June 16-20, 2014. The objective of the visit was to provide an opportunity to the representatives of the TPN members, particularly private sectors, to provide insights on mechanisms for policy advocacy, structure, process which could be recommended in SAARC for replication.

The idea was also to learn about good practices and negotiation strategies adopted by the private sector in ASEAN that have contributed to the overall economic development of the region. One of the major recommendations is to first strengthen and make the SAARC Chamber of Commerce and Industry (SCCI), a regional apex body representing the private sector in South Asia, more inclusive.

In addition, development of effective communication mechanism within the SAARC-TPN and between SAARC and ASEAN is another major recommendation. The learning from this exposure visit is taken as an eye opener in many areas and therefore similar but specific tailor-made programmes will be planned for future.



SAARC CCI Delegation Meeting with CII

Noted dignitaries – Ismail Asif, President; Annisul Huq, Former President; and Iftikhar Ali Malik, Vice President, SAARC CCI – visited Confederation of Indian Industry (CII), New Delhi on August 04, 2014 to meet its President Ajay S. Shriram.

During the meeting it was revealed that the role of CII should be enhanced to further promote economic cooperation in South Asia. Both sides agreed to work closely on sectors, such as energy, environment and transport.

CII offered to arrange meetings of SAARC CCI with Ministers of External Affairs and Commerce, India in the near future and assured cooperation to carry out joint activities in important areas like power and energy sector, and investment convention on South Asia.



L-R Muhammad Iqbal Tabish, Ismail Asif, President, Iftikhar Ali Malik, Ajay S Shriram and Annisul Huq

(http://www.saarcchamber.org/index.php?option=com_content&view=article&id=230:saarc-cci-delegation-meeting-with-confederation-of-indian-chamber-of-commerce-industry&catid=25&Itemid=180)

Trade Facilitation: Giving Impetus to Trade

The Federation of Indian Chambers of Commerce and Industry (FICCI) in partnership with the Ministry of Finance, Government of India, organised a seminar on 'Trade Facilitation' in Gorakhpur on August 24, 2014.

The seminar was organised with an objective to streamlining of procedures, elimination of unnecessary bureaucratic and administrative burdens to foster the trade chain in SAARC Region. S K Agarwal, President, Gorakhpur Chamber of Industries, reiterated that Gorakhpur is the main centre of business for India connected with Nepal.



Satish Reddy, Director, Ministry of Finance, said that Government of India is taking strong steps to increase foreign trade. He also said that to increase foreign trade, entrepreneurs will soon be able to avail online registration.

Venugopal Ravindran from CUTS International highlighted infrastructure issues prevalent at Raxaul by citing examples, which he experienced during the mapping study which CUTS International undertook from Kolkata to Kathmandu. Kishori Lal, Manisha Narayan, D K Tomar, Brijendra Chaudhary and others also presented their views.

(<http://www.ficci.com/past-Events-page.asp?evid=22066>)

Pakistan to Go Green!!

For a city as large and diverse as Karachi, one of the major problems is the proper disposal of its waste. Over the years, the city has struggled to cope with the millions of tons of waste the residents produce each day.

The Federation of Pakistan Chambers of Commerce and Industries (FPCCI) have come up with an ingenious solution

to the problem. The Federation has offered the Sindh government to set up combined effluent treatment plants in industrial areas of Karachi and generate electricity from solid waste management schemes with the help of international donor agencies.

The offer was put before the government by a four-member delegation of FPCCI led by the chairperson of its Standing Committee on Environment, Gulzar Firoz. The FPCCI delegation explained that combined effluent treatment and solid waste management had become essential for industries after Pakistan was accorded the GSP plus status.

"The untreated industrial effluent not only pollutes the sea but also creates serious health hazards for the city's residents", said Firoz.

(<http://tribune.com.pk/story/749677/think-green-fpcci-offers-to-set-up-effluent-treatment-plants-to-cope-with-karachis-waste/>)

Entrepreneurs Assess Business Prospects

With a view to assess the business prospects in the small and cottage industries in Bangladesh, a 19-member business delegation from Federation of Association of Cottage and Small Industries (FACSI), India visited Small and Medium Enterprise Foundation (SMEF) of Bangladesh for exchanging information.

The delegation members shared technology, marketing strategies, prospects for setting up new industries, especially textiles for *Jamdani sari*, handicrafts, jute, leather, garments, agricultural products, light engineering, electrical and electronics and many other sectors.

The business team arrived in Bangladesh to assess the investment viability in the said sectors, according to information. The delegation members also signed several bilateral business agreements with their Bangladeshi counterparts. The delegates assessed the prospects of business and they were likely to invest in small and cottage industries in the country.

(http://www.daily-sun.com/details_yes_20-08-2014_Indian-entrepreneurs-assess-prospect-in-small-industries_952__3_1_1.html)

CCC Releases Book on Apparel Sector

The Ceylon Chamber of Commerce (CCC), the oldest and one of the leading business chambers in Sri Lanka, has published a book on the important topics about the current status of the global and local apparel industry.

The book entitled, "Apparel Sector 2013", contains important information, which will help industrial leaders and interested stakeholders to know vital details of the apparel sector, including current trends in the market.

Among the contents of the publication is a chapter on Global Apparel Sector Insights, which has details about the top 25 global markets for apparel exports and imports. The other chapters include the European market for apparel, Product-wise leading exporters and importers in the global market, Sri Lanka's apparel sector's export and import markets and Product-wise exports and imports of apparel from Sri Lanka.

The latest publication can help Sri Lankan apparel players in identifying the potential and profitable areas in the global apparel market, to help them secure their future, along with other important information.

(http://www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news_id=167512)

Gas Price Plummets

Afghanistan Chamber of Commerce and Industry (ACCI) Board of Directors, General Union of Oil & Gas Companies of Afghanistan and Union of Oil & Gas Companies in Western Zone were invited by Shaker Kargar, Minister of Commerce and Industry, Afghanistan to discuss on the sudden soaring of gas prices in Kabul and provinces and find out a solution for.

Finally, three parties agreed on the appropriate gas prices, 48 AFN as wholesale price in the western and northern border provinces and 54 AFN as wholesale price in Kabul and also 60 AFN as retail price in Kabul. Otherwise,

governments will pursue the profiteer traders and retailers.

Since August, 2014 end, gas prices in Afghanistan have soared to a record high, 120 AFN from 50 AFN a few months ago. Azarakhsh Hafizi, President of the General Union of Oil & Gas Companies of Afghanistan said that the unclear political situation in the country has caused the sudden soaring of gas price by a few dishonest and profiteer traders.

(<http://www.acci.org.af/component/content/article/38-news/518-gas-price-plummets-in-local-market.html>)



Trade Fair to Attract FDI

Bhutan Chamber of Commerce and Industry (BCCI) organised a trade fair in Bhutan with the objective to draw more foreign direct investment (FDI) into the country and to help local companies learn from international participants. It was a five day long fifth Bhutan International Trade fair.

Foreign Minister, Rinzin Dorje said that there is a lot of room for engagement between his country and Taiwan, whether in economy or culture. Dorje also pointed that there is nothing similar between the two countries except that they are approximately of the same size. He further said that the liking for Bhutanese people by the Taiwanese as per his knowledge will help both of them to understand each other better as compared with some other countries.

The trade fair includes exhibitions of handicrafts, textiles, furniture, wood particle boards, household items, electronics, handlooms, health and fitness items, health and education services and many others.

(<http://www.bhutannewsnetwork.com/2014/09/bcci-trade-fair-begins-in-thimphu/>)

Infrastructure Key to Development

Infrastructure is key to Nepal's economic development, said Indian Prime Minister Narendra Modi to the Nepali business community. It was Modi's last official engagement with a select group of Nepali businessmen in Nepal, in which he impressed the private sector leaders with his vision and willingness to support Nepal's economic development.

17 representatives from the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Confederation of Nepalese Industries (CNI), Nepal India Chamber of Commerce and Industry (NICCI), Nepal Chamber of Commerce (NCC) and Non-Resident Nepali Association (NRNA) had around 25 minutes interaction with the Indian Prime Minister, who is also known for his pro-business image.

CNI President Emeritus Binod Chaudhary said it was a very well structured team of the private sector that met Modi. As Nepal's export to India often facing barriers from India, the Nepali businessmen urged Modi for an easy access to the Indian market for Nepali products.

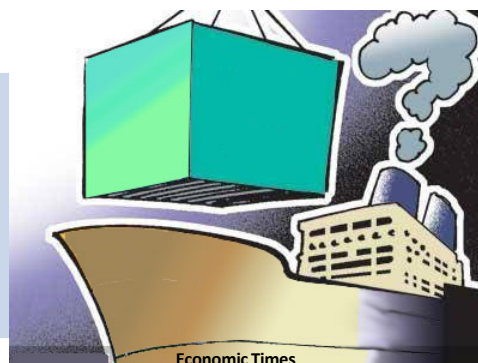
(<http://www.ekantipur.com/2014/08/05/buisness/modi-to-nepal-inc-infra-key-to-development/393166.html>)



Indian Prime Minister Narendra Modi meets Nepali businessmen in Kathmandu

Remove Non-Tariff Barriers by Involving the Business Community

Given that systemic problems are undermining the current approaches to NTB reforms, a participatory approach involving the business community is needed.



Trade costs in South Asia are very high compared to other regions of the world, rendering the exchange of products with high trade potential between South Asian countries difficult. Though the overall cost of intra-regional trade in South Asia has tariff and non-tariff components, non-tariff trade barriers (NTBs) pose a bigger threat.

There are two important reasons behind the urgency of bringing about effective NTB reforms in the context of South Asia's regional trade liberalisation programme. First, because of the fast-changing external market environment, South Asia's traditional export markets are increasingly becoming difficult to access. Deepening regional trade integration in other parts of the world is unsettling expansion of market access of South Asian countries in those regions, forcing the region to look for new markets.

Secondly, because of insufficient attention paid by SAARC member countries in the past, the policy tools, systems and institutions created for regional trade liberalisation in South Asia remain underdeveloped and far less prepared than other similar policy tools, systems and institutions that exist elsewhere in the world.

The system of NTB reforms followed by the Agreement on South Asian Free Area (SAFTA) is roughly modelled upon the GATT/WTO (the General Agreement on Tariffs and Trade, 1947, which was followed by the establishment of the World Trade Organisation in 1995) system *albeit* without the expanse of policy tools that the multilateral body has.

At the WTO level, two different streams of approaches towards NTB reforms are adopted. The first one deals with non-tariff measures (NTMs) or policy-induced obstacles to trade, some of which are adopted on illegitimate grounds. There are several specific legal disciplines that exist under the WTO to regulate such trade-distorting policies. But many NTBs hardly get addressed through the enforcement of such disciplines.

The second one deals with barriers resulting from deficits in trade infrastructure. Remedies to such barriers

fall under trade facilitation measures, which are addressed through Aid for Trade as well as other capacity-building and technical assistance programmes.

In the SAFTA context, elaborate legal disciplines to streamline NTMs, dispute settlement mechanisms and funds for trade-related infrastructure development to help member countries with trade facilitation measures are scarcely present. Because of these shortcomings, the system is inadequate to tackle NTBs.

Besides these systemic challenges, the current approaches are found to suffer from a number of inherent problems, such as lack of clarity in definition, fragmented policy responses towards inter-related NTBs, unavailability of data, difficulties in quantifying costs and benefits of reforms, etc.

Furthermore, mismatch of interests, inadequate incentive structure, weak enforcement powers and non-inclusiveness of relevant stakeholders in the process of trade policy reforms have affected the progress to NTB reforms. As a result, many NTBs even fail to get notified in the formal review process.

Given that systemic problems are undermining the current approaches to NTB reforms, a participatory approach involving the business community is needed. It should be based on a comparative principle that compares current trade conditions to possible cheaper alternatives.

A simple dictum can be adopted to identify barriers: if it can be found that there is a cheaper alternative to a particular condition which influences trade, then that condition may be judged as a barrier to trade.

A greater level of involvement of the private sector in the formal system of NTB reforms is necessary for the success of this approach. This is because businesses possess data – quantitative as well as qualitative – on trade costs and they regularly undertake cost assessments, consider all potential alternatives and explore possible cost-saving avenues.

Slump in Exports to India

Bangladesh's exports to India witnessed a decline in FY 2013-14 to a level far below that of 2010-11. Though, exports to India increased from US\$305mn in 2009-10 to US\$512.5mn in 2010-11. But this trend did not continue. Exports slumped the next year, followed by a rise the year after and a sharp fall in the next, i.e. in 2013-14 to US\$456.60mn.

This proved the concept wrong that withdrawal of quantitative restrictions or liberalising the trade regime through expansion of duty free product list boosts the export.

The fall of Bangladesh's export to India in the last fiscal is due to the paucity of well-directed government initiatives and faltering diplomatic efforts for not doing the needful to eliminate a number of NTBs and trade-impeding practices allegedly pursued by India.

(<http://www.thefinancialexpress-bd.com/2014/08/12/49962>)



Highway Projects Cleared

Mamata Banerjee, Chief Minister, West Bengal has announced two road projects in North Bengal that will connect three SAARC countries with each other, i.e. Bangladesh with Nepal and Bhutan. The total cost of the project will be ₹1,434 crore and be funded by the Asian Development Bank.

Work on first road project, Asian Highway 2, will commence from Panitanki at Nepal border and crossing Bagdogra will reach Fulbari at Bangladesh border. This will be developed at an estimated cost of ₹602 crore.

The second road project, Asian Highway 48, will start from Joygaon near Bhutan border and end at Changrabandha bordering Bangladesh, will be developed at an estimated cost of ₹832 crore.

The State Public Works Department (PWD) has already submitted files related to the project before the Cabinet Committee on Economic Affairs for getting the approvals.

(<http://indianexpress.com/article/cities/kolkata/to-boost-saarc-ties-mamata-clears-two-highway-projects/>)

Potential for Pakistan-Sri Lanka Trade

Prime Minister of Pakistan Muhammad Nawaz Sharif said that there was significant potential for trade between Pakistan and Sri Lanka particularly after the Free Trade Agreement 2005 became operational. Sharif was talking to Sri Lankan Secretary for External Affairs Kshenuka D Senewiratune.

He emphasised the importance of relations between Pakistan and Sri Lanka, particularly in the fields of trade and economy. "We need to address impediments and deepen bilateral economic relations between the two countries."

Senewiratune said that Pakistan and Sri Lanka had always supported each other on various international fora. She also expressed the resolve that this cooperation in the realms of trade and investment would continue between the two countries in the future as well.

(<http://www.news.lk/news/business/item/2183-pakistan-sri-lanka-have-significant-potential-for-trade-pm-sharif>)

SAARC to Trim Sensitive List

The eighth meeting of the South Asian Free Trade Area (SAFTA) Ministerial Council held in Thimpu, Bhutan reached to an understanding to slash the sensitive list under SAFTA by 95 per cent by 2020 to increase intra-regional trade. Products of special interest to individual member countries are kept in the sensitive list. These products are exempted from low SAFTA tariffs.

In the first phase (2009-12), member countries agreed to reduce sensitive list by 20 per cent. In the second phase (2012-15) they have agreed to reduce it by another 20 per cent. Now, it has to be reduced by another 45 per cent within 2020.

The meeting also reached to a conclusion on reduction of NTBs and establishment of regional connectivity to boost intra-regional trade.

(http://www.myrepublica.com/portal/index.php?action=news_details&news_id=79701)

SAARC Bank in the Pipeline

Continuing with its South Asia initiative, India will propose a SAARC Development Bank in the lines of BRICS bank at the regional grouping's ministerial council in Bhutan.

It is expected that this Bank will go a long way in facilitating regional integration through financing of infrastructure for trade. The proposed bank would focus exclusively on the eight-nation SAARC, unlike the BRICS bank which will operate across the developing world.

While SAARC members will contribute to the equity and get voting rights according to their contribution, funding will also be invited from other countries to ease financing the venture; agencies like Asian Development Bank and World Bank would be asked to join in as observers.

(<http://www.thehindubusinessline.com/industry-and-economy/banking/india-to-propose-setting-up-of-south-asian-development-bank/article6238562.ece>)

Travel with a Single Permit

The SAARC nations are mulling over a single permit system for the regional block to facilitate easy movement of goods and people, and are likely to finalise a draft terms and conditions soon.

According to the plan, permits would be issued after verification of all the required documents and these would be issued by the competent authority of the respective government, the report said.

Protocols which would be discussed among the member nations include details of vehicles, certificates the vehicles should carry and pre-verified "jumbo passport" of the crew of each vehicle.

(<http://indiatoday.intoday.in/story/saarc-countries-single-permit-jumbo-passport-immigration/1/381313.html>)

India-Pakistan Trade to Rise

Trade between India and Pakistan has been continuously rising despite recurring border tensions but is yet to tap its estimated potential of US\$12bn, according to a study compiled by the SAARC CCI.

According to the SAARC Chamber's research report, the two nations have been trade partners since the beginning but the trade potential has remained under-utilised due to conflicts. The study shows that bilateral trade was just US\$132mn till 1995 but increased in the coming years after India granted the Most Favoured Nation (MFN) status to Pakistan in 1996.

Pakistan responded by increasing the tradable items list to 600 but has refused to give MFN to India due to political and economic reasons.

(http://articles.economictimes.indiatimes.com/2014-08-13/news/52768100_1_bilateral-trade-trade-potential-informal-trade)

Afghanistan-Pakistan Expands Trade

A delegation of the Pak-Afghan Joint Chambers of Commerce and Industries and senior government officials met in Kabul to discuss ways on enhancing bilateral trade between the two nations.

Afghan and Pakistani officials underscored the need for taking practical measures to enhance the bilateral trade between the two nations from US\$2.4bn to US\$5bn in the years ahead.

Syed Abrar Hussain, Pakistan's Ambassador to Afghanistan insisted on the importance of regional trade enhancement and said Pakistan would like to construct a motorway and railway lines from Peshawar to Jalalabad and Chaman to spin Boldak in a bid to improve regional connectivity and trade.

(<http://www.khaama.com/afghanistan-and-pakistan-mull-expansion-of-trade-up-to-5-billion-6116>)

Nepal-Bangladesh Power Trade Deal

Nepal is ready to sign an agreement with Bangladesh to spur power trade between the two countries. Nepal has 83,000-megawatt hydro-power potential, but the country suffers from a severe power crisis as it is able to generate barely 800MW and imports electricity from India during winter.

The country is expected to become power surplus by 2016, and signing of the power trade agreements will allow Nepal to export electricity to India and other countries.

Bangladesh, which has doubled its power generation in the last five years, is also struggling to meet its electricity demand, although only half of the population is connected to grid power.

(<http://www.thedailystar.net/business/nepal-keen-to-sign-power-trade-deal-with-bangladesh-36088>)

Diversifying Trade in SAARC

The SAARC Secretary General, Commerce Ministers and heads of delegation from the SAARC member countries who attended the eighth SAFTA Ministerial Council Meeting made a joint call on to Prime Minister of Bhutan Lyonchhen Tshering Tobgay.

During the call on, Lyonchhen and the heads of delegations discussed the need for more economic integration, ensuring regional connectivity, increasing competitiveness and diversifying trade opportunities within the SAARC member countries.

Lyonchhen said that having reliable neighbours assured trustworthiness among the nations and SAARC would go a long way in conscientiously accomplishing common aspirations of the region.

(http://bhutanobserver.bt/8358-bo-news-about-pm-meets-commerce_ministers_of_saarc_countries.aspx)

SAARC Programming Committee Meeting

The SAARC's Secretariat at Kathmandu was the venue for the 47th Meeting of the SAARC Programming Committee held from August 31-September 01, 2014.

The objective of the meeting was to review and analyse the existing engagements and experiences of the Association with Observer States with a view to establish Dialogue Partnerships with them. SAARC Member States agreed to create a platform for more interactive engagement with Observers, targeting to intensify project based cooperation.

The meeting was preceded by the 46th Meeting of the SAARC Programming Committee. The meeting was held on August 29-30, 2014 at the SAARC Secretariat. It discussed the modalities of closure/merger of SAARC regional centres. Maldives is the current Chairperson of the SAARC.

(<http://www.miadhu.com/2014/09/local-news/maldives-chairs-saarc-programming-committee-deliberates-on-making-saarc-more-effective/>)

SAFTA Ministerial Council

Speaking at the eighth meeting of the SAFTA Ministerial Council in Thimphu, Bhutan, Commerce Minister of Nepal Sunil Bahadur Thapa urged member states of the SAARC to develop transit and transport connectivity. This could ensure free flow of goods and people across the region to boost intra-regional trade.

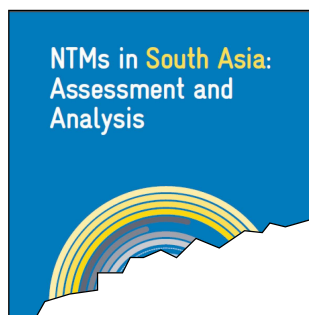
He also emphasised the need to speed up the process of intra-regional economic cooperation by maintaining



balanced trade in SAARC and also reducing sensitive lists and eliminating non-tariff and para-tariff barriers.

LDCs, like Nepal have been facing a shortage of physical and technical infrastructure, weak legal instruments and poor human resources to facilitate their foreign trade. In this context, Thapa sought the help of other member countries to develop trade-related infrastructure and simplify transfer of goods.

(<http://www.ekantipur.com/2014/07/25/business/improved-connectivity-urged-to-boost-trade-within-saarc/392685.html>)



NTMs in South Asia: Assessment and Analysis

The study initiated by the SAARC TPN Working Group on Regional Trade Facilitation (WG-RTF) includes an inventory of NTMs for each SAARC country, specifying country-specific lists of products for which the country has export capacity but actual regional export is limited or non-existent due to possible NTM-related reasons. Using the GTAP model, the report also presents a simulation of possible gains from reduction in transaction costs in bilateral trade in South Asia. A monitoring and reporting template for NTMs have been developed and a framework for monitoring and reporting of NTMs has been proposed using the template as a tool.

(http://www.saarctrade.info/beta/pubs/saarctpnpubs/NTM%20report_SAARC_TPN.pdf)

The Merits of Regional Cooperation: The Case of South Asia

This book highlights various cutting-edge topics and approaches to cooperation and regional integration in South Asia. The book is divided into four parts: *Peace and Stability* focuses on how to combat terrorism and ideologies of hate, looks at governance in the context of cultural diversity, and examines the role of education in achieving traditional and human security; *Economic Cooperation* deals with potential EU-India trade relations as well as the issue of how to transform the SAARC into an effective and coherent economic space; *Efficient Use of Resources* analyses how the region can achieve more development; *EU-South Asia relations* elaborates on potential areas of cooperation between the two regions.

(www.springer.com/social-sciences/political-science/book/978-3-319-02233-8)



Estimating the Benefits of Cross-Border Paperless Trade

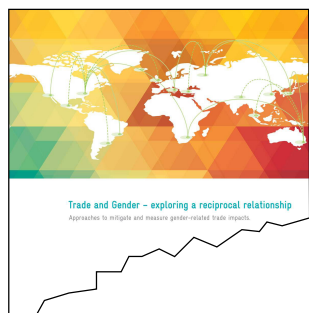
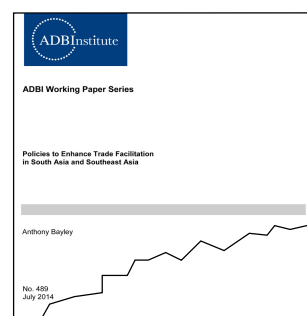
This report shows that cross-border paperless trade has significant potential to reduce trade costs and boost trade in the Asia-Pacific region. Concretely, partial implementation of cross-border paperless trade measures would be associated with an export increase of US\$36bn annually. Under a more ambitious scenario of full region-wide implementation of cross border paperless trade, the export gain would be of the order of US\$257bn annually. The time required to export would fall by 24 per cent to 44 per cent, and the direct costs by 17 per cent to 31 per cent, depending on the reform scenario considered.

(www.unescap.org/sites/default/files/Benefits%20of%20Cross-Border%20Paperless%20Trade.pdf)

Policies to Enhance Trade Facilitation in South Asia and Southeast Asia

This paper discusses trade facilitation in the context of enhancing trading links between South and Southeast Asia. The paper identifies the scope of trade facilitation and profiles the current overall situation in the two regions. It highlights the key issues and constraints, often referred to as non-trade barriers, in terms of both “soft” and “hard” infrastructure, and highlights ongoing initiatives designed to promote change, especially through the application of new approaches and procedures.

(www.adbi.org/working-paper/2014/07/09/6354.trade.facilitation.south.southeast.asia/)



Trade and Gender – Exploring a Reciprocal Relationship

The paper, developed under the responsibility of SAARC TPN, is mainly directed at development practitioners and development organisations as well as partners in developing countries working in the area of economic development, specifically in trade and gender. The paper hypothesise that due to existing gender inequalities, which are based in gendered norms and roles in economic and social systems, trade policy and trade policy related instruments do not automatically generate gender-neutral results.

(<http://www.saarctrade.info/beta/blog>)

Prepared by



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