

4th SAARC Business Leaders Conclave REPORT



SAARC CHAMBER OF COMMERCE & INDUSTRY



Peace and Prosperity through
REGIONAL CONNECTIVITY



September 20 - 22, 2011
Kathmandu, Nepal

SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION



Afghanistan

Bangladesh

Bhutan

India

Maldives

Nepal

Pakistan

Sri Lanka



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We would like to acknowledge our distinguished delegates, participants and all support staff.

Muhammad Iqbal Tabish
Secretary General





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EXECUTIVE SUMMARY

The 4th SAARC Business Leaders Conclave on “Peace and Prosperity through Regional Connectivity”, held in Kathmandu, Nepal on 20th - 22nd September, 2011 was aimed at the generation of policy recommendations promoting economic activity in SAARC to be presented to highest levels of polity.

While SAARC countries continue to strive for economic development and intra-regional integration, progress is curtailed by a continuing sub-set of systemic issues and challenges common to all member nations.

Policies, although formulated to foster economic growth, still face increasing difficulty in being implemented, in entirety or otherwise. There were also calls for political will to be exhibited for peace and prosperity in the region. More positively, there was agreement that there continues to be commitment towards ensuring that SAARC countries work together for stronger economic development through regional partnerships owing to common economic goals and challenges.

Key issues that hinder regional economic growth include lack of trust-building initiatives between member nations, political mindsets and non-resolution of political issues, food security and access to clean drinking water, limited regional integration in all sectors, poor transport network to facilitate trade, over-regulation, non-tariff barriers, climate change, underutilization of renewable energy, restrictions on movement of persons across borders, discrimination against women, poverty and socio-religious conflict.

Policy recommendations identified comprise greater cooperation between member Governments for better intra-regional economic prosperity, greater involvement of private sector in guiding Government policies, empowering women entrepreneurs through institutional reforms by removing legal and cultural barriers, reducing barriers and other formalities pertaining to movement of persons, adopting food security strategies, legislation and finally, promoting socio-cultural values for peace and respect among nations.

The SAARC Business Leaders Conclave concluded with the adoption of the Kathmandu Declaration, that was sent to the SAARC secretariat for further action.





CONCLAVE INTRODUCTION

The 4th SAARC Business Leaders Conclave was organized in Collaboration with Federation of Nepalese Chambers of Commerce & Industry and in partnership with Friedrich Naumann foundation in Kathmandu, Nepal from 20th to 22nd September 2011. It was fourth in the series after success of the first three conclaves held prior to this. The objective was to drive an action plan of the private sector in the region to foster the process of regional integration in South Asia.

SAARC Business Leaders Conclave's was organized under the theme "Peace and Prosperity Through Regional Connectivity" focusing on topics of immediate concern and priority such as Food Security, Energy, Climate change and Water Resources, Regional Economic Integration, Women Empowerment, Trade and Investment, Entrepreneurship and Youth Development.

Dr. Ram Baran Yadav President of Nepal was the chief guest who inaugurated 4th SBLC and stated that South Asian nations have common economic goals and common economic challenges and that we can move towards prosperity by placing stronger emphasis on regional partnerships.

On this occasion, Hon'ble Mr. Ratnasiri Wickramanayake, MP and Ex-Prime Minister, Sri Lanka said that the business community with dynamic role of the respective Government in South Asia could bring about revolutionary changes and further foster the pace of regional integration in South Asia.

Mr. Annisul Huq, President of SAARC Chamber of Commerce and Industry in his keynote address, lamented that many important policies that are supposed to boost South Asian trade are forwarded but implementation and execution is time consuming and therefore policy effectiveness is lost by the time it comes in to effect.

He added that "better trust and connectivity among South Asian nations makes movement within the region freer," pointed Mr. Huq and urged upon the political leaders of South Asia to exhibit political will to bring peace and prosperity to the Region, which homed ¼ of the World population, possessing unlimited potential but still is least integrated in the world.

Mr. Suraj Vaidya, President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in his address said that the intra regional trade among the SAARC member states is marred by the issues of non-tariff barriers and sensitive list that need to be addressed effectively for rapid expansion of intra regional trade while pointing out intra-regional trade as one of the important measure to alleviate and improve the economic condition of the people of this region.

The inaugural session was followed by seven working sessions including valedictory session. The conclave concluded with the adaptation of Kathmandu Declaration.





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DELIBERATIONS

Different issues encompassing various themes and issues were raised throughout the two-day conclave. These included:-

MINISTERIAL ROUND: GENERATING POLITICAL WILL FOR REGIONAL ECONOMIC INTEGRATION

The day started with session “Ministerial Round: Generating Political will for Regional Economic Integration” which was chaired by Mr. Tariq Sayeed, immediate Past President and Former Prime Minister of Sri Lanka. Mr. Ratnasiri Wickramanayake was the guest of honor in this session.

This session was addressed by incumbent and former Minister's of SAARC countries which included Hon'ble Mr. Sarat Singh Bhandari Minister of Defense, Government of Nepal, Mr. Sartaj Aziz, Former Finance & Foreign Minister Government of Pakistan and Dr. Hasan Mahmud MP, Hon'ble Minister of Environment and Forest, Government of the People's Republic of Bangladesh while Deshbandhu Macky Hashim, Past President, SAARC CCI, Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce & Industry and Ms. Ambica Shrestha, Chairman, Dwarika's Hotel spoke as the panelists.

Speakers of the session regarded political mindset as a big hindrance in achieving the objectives of SAARC. They urged upon the political leaders of South Asia to take bold initiatives and exhibit greater political will if they wanted economic integration of SAARC and to foster the regional cooperation mechanism.

It was further mentioned that the private sector of South Asia was already involved in promoting economic cooperation in the region and also demanded from all the regional governments to provide a business enabling environment to foster the pace of economic development and cooperation within the region.

Confidence and Trust Building

Confidence and trust building efforts amongst SAARC member states was regarded as an issue of seminal importance, attributable to various causes including on-going border disputes and misunderstandings. Greater economic cooperation would serve as a pivot in strengthening trust initiatives between member countries.

The relationship between Afghanistan and Pakistan was highlighted as an example of mistrust and although both countries have been struggling to reach various agreements for the past two years,





limited progress has been achieved. The issue of Pakistanis and Afghans having dual nationality is a major concern, leading to difficulties in identifying a home country. Furthermore, the on-going negotiations around the gas pipeline connecting Pakistan and Afghanistan with the Central Asian Republics (CARs) remains an unresolved issue.

It was acknowledged that citizens of SAARC member countries encountered difficulties in traveling from one country to another. The prevalent visa regime and SAARC Visa Exemption sticker scheme came under strict censure of the speakers and was termed detrimental to trade development and regional integration and needs re-visitation by the respective SAARC Governments and SAARC Secretariat.

Economic Ties

A demand was made by member nations to connect all SAARC countries through one single economy for regional integration of resources, including the possibility of a single passport, which would minimize visa requirements and facilitate the free movement of persons.

Focus was made on improving quality of goods produced and for the establishment of a fully competition driven market with non-limited access and for this to materialize, technology, human resources and infrastructure was required that would lead to strengthened regional as well as economic integration and sustainability.

The private sector was invited to use persuasion, power and influence to lobby Governments in formulating and adopting policies, which would enhance business opportunities among all SAARC countries.

Connectivity, both physical and otherwise, among nations was termed essential for economic as well as social growth, which would lead to reduced levels of poverty. Intra-regional trade, primarily through efficient and effective transport linkages would play a vital role in ensuring this connectivity.

Given the economic disparity between SAARC countries, coupled with inter-regional trade being at fewer than 6 percent, integration of small economies with large ones would forge stronger economies in the region and that efforts were needed by SAARC member countries to work towards a single integrated economy.

It was agreed that although the EU model of a single market could not work for SAARC per se, instead, member nations needed to build on their own achievements and to work towards the revival of SAFTA. Furthermore, the business community in all member nations needed to be developed and strengthened to engage in trade with other Asian nations collectively.

The potential of tourism in South Asian countries was seen as an important contributor to regional





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economic growth and integration. There was a call for the leadership to work towards a flexible visa regime, as it was fundamental in promoting tourism, which would yield revenue since only 1 percent of total revenue generation through tourism was being achieved. Regional tourism would invariably integrate South Asia and vintage social amalgamation and economic benefits.

WATER, ENERGY, CLIMATE CHANGE & FOOD SECURITY

This Session was moderated by Secretary General Iqbal Tabish and addressed by Dr. Hasan Mahmud, MP, Hon'ble Minister of Environment and Forest, Bangladesh, Mr. Sartaj Aziz, Former Finance and Foreign Minister, Govt of Pakistan, Mr. Gyanendra Lal Pradhan, Chairman-Water, Energy and Environmental Council, FNCCI & SAARC CCI, Mr. Raghuvveer Y. Sharma, Principal Investment Officer, IFC, World Bank Group, and Mr. Balananda Poudel, Secretary, Ministry of Energy, Nepal who urged the need for evolving Regional Mechanism to overcome challenges posed by climate change. It was also agreed to establish Food Security Group with overall responsibility of oversight.

Climate Change and Environment

There was agreement that climate change was a current issue, placing the poorest populations in South Asia at the greatest risk due to potential of increased natural disasters and weather extremities affecting livelihoods and causing significant internal displacement.

The need to respond to and address climate change induced calamities through adjusting existing policies and creating new ones was regarded as being central. Additionally, the intrinsic link between climate change and its impact on food security and energy availability was regarded as crucial in understanding its negative effects.

The responsibility of the global community in tackling climate change was underscored, as South Asian countries were unable to address this issue without the willful support of western and developed countries in particular.

It was accepted that rising temperatures which have caused extreme weather events including earthquakes, flooding and cyclones, are already having major impacts on the economic performance of South Asian countries and on the lives and livelihoods of millions of poor people.

The dire consequences of these environmental changes due to rapid economic growth have resulted in decreased water regulations and availability, lowered agricultural productivity and an increased risk of flooding and incidence of waterborne diseases, as well as, overall adverse effects on fisheries and ecological systems. Additionally, such changes may hamper achievements in many of the Millennium Development Goals (MDGs), notably those on poverty eradication, child mortality, malaria, and other





diseases, and environmental sustainability.

Much of this damage would come in the form of severe economic shocks while also impacting existing social and environmental problems leading to migration within and across national borders.

To address the above, there was unanimity that action is needed at two levels; Personal and Government; the latter being supported by greater coordination among SAARC nations including a Regional Disaster Management Cell.

Energy

Energy security, especially renewable energy sources such as solar and wind power were deemed as vital for the economic growth and sustainability of South Asian nations. India, for example, has some 25000MW of wind power, one of the cleanest forms of energy, which can be exported to other SAARC countries.

The huge potential of hydropower among SAARC countries was acknowledged as being a fundamental source of energy to power the heavily energy dependent South Asian economies. With an estimated 38000MW of power in the region, it was believed that this would provide an opportunity for creating a regional SAARC 'electricity market'. There was concern that only 10 percent of all hydropower potential in the region was being utilized, and commitment was made to tap into remaining sources through infrastructure development, investment, an integrated investment promotion policy and government pledges.

It was highlighted that member nation's Governments need to establish frameworks for intra-regional trade within SAARC countries particularly power and gas and the private sectors importance in achieving this was underscored, since it had strong implementation capacities to strengthen economic and business opportunities along with trade in the region. Additionally, it was mentioned that the role of the government be expanded to establishing regional cooperation and entering into public-private partnerships where possible as the private sector was effective in bringing in a commercial orientation and operating in a non-political way.

Food Security

Considering that the estimated population of South Asia will rise by 25 percent to 2000 million in 2025, food security was held to be a tangible threat to all SAARC member countries, a threat that cannot be mitigated by a variable increase in the production of food alone, but by efforts to drastically improve access to food sources and clean drinking water.

A coherent policy framework in the form of a Food Security Strategy was thought to be necessary in





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creating a realization of food security and initiatives to address its issues. This could be further supported by pro-agriculture policies, legislation on food security to make access to food a fundamental right and market strategies for highly perishable agricultural goods.

Five pillars were identified which would strengthen food security efforts in South Asia; increasing annual agricultural growth by at least 4 percent, a paradigm shift in development strategies to ensure better access to food, a pro-agricultural policy framework, an effective system of social safety nets and closer links between food systems and human health.

Two main challenges were discussed; firstly, the multi-diversion water crisis that requires a policy to be adopted allowing for optimum management of actual and potential water resources and secondly, increased energy intensity of the green revolution that has resulted in higher fertilizer and petroleum prices. To mitigate the effect of the latter, less energy intensive cropping patterns be used in addition to increasing productivity was proposed.

It was felt that the livestock sector also required special attention, in the form of a paradoxical shift, involving the conceptualization and formulation of efficient strategies to change the institutions and power structure. Additionally, it was thought that productive assets be increased along with access to education strengthened by land reforms and political stability.

To ensure that the above strategies be effectively managed, it was agreed that a Food Security Group be established, which would have the overall responsibility of oversight to see implementation, monitoring and evaluation of food strategies in SAARC countries.

WOMEN LEADERSHIP FOR REGIONAL BUSINESS OPPORTUNITIES

The session on “Women Leadership for Regional Business Opportunities” at the 4th SAARC Business Leaders Conclave was chaired by Ms. Pramila Acharya Rijal, Chairperson, SCWEC and addressed by Mr. Berthhold Hoffman, Senior Project Manager, GIZ, Ms. Bibi Russell, Founder, Bibi Productions, Textile Sector, Bangladesh, Ms. Kinlay Tshering, Chief Horticulture Officer, Ministry of Agriculture & Forests, (Agro Sector), Bhutan, Ms. Ranjana Kumar, Former Chairperson, NBARD, Banking sector- India, Dr. Arzu Rana Deuba, Former First Lady and Hon'ble Member of Constituent Assembly (Advocacy and Policy maker), Nepal, Ms. Shireen Arshad Khan, Member National Assembly of Pakistan and Designer & CEO-Shireen's Designer World, Ms. Manisha Koirala, Nepali-Indian Actress, Entrepreneur and Social Activist Nepal and Moderated by Mr. Ashutosh Tiwari.

On conclusion of the session, speakers were of the opinion that empowering women in South Asia has always been a challenging issue and it was time to realize that institutional reforms are necessary for removing legal and cultural barriers for regional business opportunities.





Some Identified Issues Faced by Women Entrepreneurs

Women's access to finance was identified as a major impediment to women empowerment especially access to credit which undermined women's right to entrepreneurship. Less than 10 percent of commercial credits were given to women, the reason being a general unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers.

Gender discrimination was seen as further exacerbating the suffering of women entrepreneurs in the form of poor enforcement of financial rights and the existence of unequal inheritance rights and consequently reduced access to community and social resources. These obstacles were linked, either directly or indirectly, to conventional thinking, cultural and social values.

Access to markets for women entrepreneurs was also regarded as a barrier to their empowerment since women often lack access to training and experience on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. Furthermore, their access to international markets is hampered by complicated paperwork and the difficulty in obtaining different licenses and quality control and this is further complicated by fear of prejudice and sexual harassment.

Women's access to vocational and technical training was identified as being seriously constrained owing to their limited education base. Furthermore, women entrepreneurs are generally not members of professional organizations or part of other networks which are male dominated and therefore are deprived of awareness and exposure to good role models. Additionally, few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or sub sectors.

Women's access to policy makers and limited representation on policymaking bodies was cited as a cause of concern since they were unable to advocate and lobby for policy change.

There was consensus that women entrepreneurs needed to be encouraged and pro-women policies including a comprehensive policy framework be introduced to strengthen their empowerment and rights.

The current socio-cultural system furthered by gender discriminatory attitudes and policies were identified as conditioning South Asian women to be socially and economically dependent and that this attitude change was imperative for change to take place. Unanimous commitment was made unlike in the past and the current set of recommendations would be taken forward and implemented.





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In terms of the way forward, it was stated that initiatives be undertaken aimed at personality development, awareness programmes and trainings.

BUSINESS LEADERS SESSION CONTEMPORARY ISSUES & COMMERCIAL CONNECTIVITY IN SOUTH ASIA

This session on “Business Leaders Session Contemporary Issues & Commercial Connectivity in South Asia” was chaired by Honorable Mr. Padma Jyoti, Past President, SAARC CCI & FNCCI and Chairman - Jyoti Group of Companies, Nepal and was addressed by Mr. S. M. Muneer, Chairman, Din Group of Industries, Former President FPCCI and President India-Pakistan Chamber of Commerce and Industry, Pakistan, Mr. Mohamad Daood Moosa, Senior Advisor of Afghanistan Chamber of Commerce & Industry, Hon'ble Mr. Rajendra Khetan, Industrialist and Member of Constituent Assembly of Nepal, Mr. Mahesh K. Saharia, CEO, Saharia Group of Companies, India, Mr. Madhukar SJB Rana, Former Finance Minister of Nepal and Professor, South Asian Institute of Management, Kathmandu on Trade Issues, Nepal, Mr. Shankar Prasad Koirala, Secretary, Ministry of Industry, Nepal.

The speakers regarded South Asia as the least integrated region with the lowest commercial bonds. They were of the opinion that South Asia had poor connectivity in almost every sector and urged South Asian governments to overlook political differences to build better trade and investment relationships.

TRADE & INVESTMENTS IN SOUTH ASIA: CHALLENGES & OPPORTUNITIES

The session on “Trade and Investments in South Asia: Challenges and Opportunities” was addressed by Mr. Purushottam Ojha, Secretary, Ministry of Commerce and Supplies, Nepal, Dr. Saman Kelegama - Executive Director – IPS, Sri Lanka, Mr. Amer Z. Durrani, Sector Coordinator and Senior Specialist, The World Bank, Mr. Paramita Dasgupta, Senior Private Sector Development Specialist, Mr. Mujeeb Khan, Head WTO Cell and Research & Analysis Directorate, Dr. Badar Alam Iqbal, Professor- Department of Commerce, Mr. Om Rajbhandary, Coordinator, Urban Development Forum, FNCCI and GA member SAARC CCI–Nepal.

Speakers identified services such as telecommunications, banking, energy, transport and software services as among the main drivers of FDI in the region. They agreed that South Asia has been plagued by over regulation and urged uniformity in training and standards within the countries, which are leading to deficiencies and considerable divergence in the quality of services providers.

For trade related integration of South Asian countries, three models were presented. These included SAFTA seeking trade complementarities, SAGQ / SASES seeking production complementarities through infrastructure integration and lastly, financial integration.





There was also agreement that SAARC observer nations, such as China, Japan, South Korea and Iran be invited not only to trade, but also to invest and create supply chain clusters to speed up regional integration.

Considering that South Asia is the second fastest growing region in the world, significant challenges and barriers still exist which continue to restrict economic growth and integration in the region.

Major challenges identified included uneven and polarized growth patterns, poverty, low intra-regional trade and negligible cross border investment, while opportunities included services in telecommunication, banking, energy and transport. Barriers to trade and investment were recognized as NTB's, weak land and road networks across borders, inefficient and complicated administrative procedures and lack of transparency and biased trade regimes aimed at exports. Additionally, underdeveloped physical infrastructure along with human resource constraints was also regarded as being a hindrance to trade.

There was demonstrable concern that SAARC was being characterized by an extreme imbalance of power among member states with India enjoying nearly three fold advantage over other states in growth flow, FDI flow, export flow and import flow.

YOUTH DEVELOPMENT & LEADERSHIP: PROMISING PROSPEROUS FUTURE OF SOUTH ASIA

The second session of Youth Development and Leadership: Promising prosperous Future of South Asia was chaired by Mr. Shahrukh Malik, Chairman SAARC CCI Young Entrepreneurs Forum and was addressed By Mr. Saurabh Jyoti, VC-SYEF, Nepal, Arif Dowla, Managing Director, Advanced Chemical Industry Ltd., Bangladesh, Hon'ble Mr. Gagan Thapa, Member of Constituent Assembly of Nepal, Mr. Suhas Gopinath, CEO & President, Globals ITeS Pvt.Ltd. India, Mr. Abrar-ul-Haq, Chairman-Youth Parliament of Pakistan, Mr. Anil Shah, CEO Megha Bank, Nepal, Mr. Jawad Ahmad, CEO, One World Entertainment- Pakistan, Ms. Saima Khan, CEO –School of Leadership and Project Manager, Young Leader's Conference, Pakistan and vote of thanks by Mr. Anuj Shrestha, President, NYEF, Nepal.

While concluding the session, Mr. Shahrukh Mailk, Chairman, SAARC Chamber Young Entrepreneurs Forum said that there was agreement that the region as a whole has tremendous potential and can play an important role in bringing down cost of goods and services for South Asian export markets.

It was underscored that the core objective of the forum was to bring together young business leaders to inform and prepare them as the next generation of business leaders for South Asia and to identify their role in the formation of an integrated future business community.

Youth entrepreneurship efforts by SAARC were lauded, especially the Young Entrepreneurs Forum,





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launched in November 2009 to share ideas amongst the youth of the region and to bring together like-minded young entrepreneurs to one platform and work collectively for the socio-economic development of the region.

A strong need was expressed for youth empowerment and focus on business leadership for South Asian economic development.

CONNECTIVITY THROUGH TOURISM, CULTURAL EXCHANGE & MEDIA

The session was chaired by Mr. Kumar Mallimaratchi, President, Federation of Chambers of Commerce & Industry of Sri Lanka and was addressed by Dr. Ganesh Raj Joshi, Secretary, Ministry of Tourism and Civil Aviation, Nepal, Begum Salma Ahmed, ex-parliamentarian, Pakistan, Mr. Nurul Kabir, Editor, New Age "Bangladesh", Mr. Yogendra Shakya, coordinator, Nepal Tourism Year 2011, Ms. Reema Khan, renowned Lollywood film Actress, Director, Producer and Social Activist -Pakistan, Ms. Poonam Dhillon, Film, TV & Stage Actor & Social Worker – India, Ms. Ritu Singh Vaidya, Entrepreneur, Model and former Ms. India, Nepal and Ms. Manisha Koirala, Nepali-Indian Actress, Social Activist - Nepal.

The session concluded with the opinion that there has always existed an implicit assumption that greater regional integration should have been easy to achieve because of shared history and common cultural, linguistic and ethnic ties. Hence, the challenge today for South Asia is to promote unity and build interdependence, which not only integrates the region but also creates a vested interest in each other's stability and prosperity.

The SAARC Business Leaders Conclave came to close with Valedictory Session & Adoption of Kathmandu Declaration, which was chaired by Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI and Chairman 4th SBLC Steering Committee. The valedictory session was also addressed by Mr. Annisul Huq, SAARC CCI President, Mr. Vikramjit Singh Sahney, Senior Vice President, SAARC CCI, India, Mr. Suraj Vaidya, President, Federation of Nepalese Chambers of Commerce & Industry, Mr. Tariq Sayeed, Immediate Past President, SAARC CCI.

Mr. Iqbal Tabish, secretary General, SAARC CCI presented Kathmandu declaration for adaptation. Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI (Nepal) delivered vote of thanks.

Social and Cultural Values

It was underscored that the diverse social and cultural values of South Asia should be used to resolve cross border issues and disputes, as the commonality of all these socio-cultural values are for the promotion of peace, respect and friendship.





Politics and Peace

Political will of SAARC countries was regarded as crucial for ensuring regional peace and that principles of SAARC be implemented in their entirety.

Poverty, religious and social conflict, arms race and global warming were identified as major threats to the region, which invariably affect political direction and peace building efforts.

There was consensus for the need to work together to overcome all obstacles, and in ensuring that this be done, SAARC declarations be implemented to their fullest potential. A coordinated comprehensive plan and body be established whose mandate would be to ensure and oversee implementation and monitoring and evaluation.

Aspiration was shown that there be a General Secretary of SAARC Secretariat that would meet all heads of state to share future plans of action and mobilize their support accordingly. Additionally, SAARC should not be pressed for making unanimous decisions but rather each country be allowed to implement whatever declaration is in its interest and which does not undermine its sovereignty.

Governments should cooperate with each other and business communities should compel their respective governments to move forward towards economic integration and development. It was mentioned that there is a dire need for the private sector to work closely with government so that political stability can be achieved for the prosperity of the entire region.





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KEY ISSUES IDENTIFIED

- 1 - Amplify trust-building efforts between SAARC nation states, some of which have been strained due to political and/or border conflicts;
- 2 - Climate change is affecting all South Asian countries and the largest group at risk is the poor. Climate change is causing and will continue to cause weather extremities in the near future putting the lives of hundreds of millions at risk of flooding and other natural disasters;
- 3 - Food security and access to clean drinking water is a major challenge, as the population of South Asia will increase by 25 percent in 2025;
- 4 - South Asia has enormous potential in Energy especially hydropower, but only 10 percent of this potential is currently being utilized. Renewable energy options such as solar and wind power need to be seriously considered;
- 5 - Stringent visa requirements and other restrictions to movement of persons within SAARC member countries is obstructing connectivity and regional integration;
- 6 - Lack of integration of natural resources;
- 7 - Women face continued discrimination, which impedes their ability to pursue entrepreneurship opportunities by limiting their access to finances;
- 8 - South Asia is facing poverty, religious and social conflict, arms race and global warming;
- 9 - There needs to be economic integration and competitive market access of quality goods originating from SAARC member nations;
- 10 - There needs to be greater political will to implement SAARC declarations and SAFTA commitments in their entirety;
- 11 - Trade and investment face problems including polarized growth patterns, high poverty rates and negligible cross border investment, which has resulted in intra-regional trade being at fewer than 6 percent;
- 12 - Underdeveloped infrastructures such as telecommunications, road and land networks, which would normally facilitate trade are instead, proving to be a significant barrier;
- 13 - SAARC is being characterized by an extreme imbalance of power among member states along with an uneven growth in trade and FDI flows attributed to small individual country markets and failure of regional integration.





RECOMMENDATIONS

- 1 - SAARC should not be pushed for making unanimous decisions. Instead, member nation's Governments should be allowed to implement (and till that extent) what is in their nations national and best interest;
- 2 - Alternative and clean forms of energy such as solar and wind should be fully utilized;
- 3 - There should be greater cooperation between Governments of all SAARC member nations for intra-regional economic growth;
- 4 - Private sector needs to be more involved in guiding Government policies through lobbying and advocacy efforts while also strengthening political stability;
- 5 - There should be a General Secretary in the SAARC Secretariat endowed with meeting heads of Government to discuss plans and mobilize support;
- 6 - Women entrepreneurs need to be encouraged by removing socio-cultural pre dispositions and introducing policies that will create an enabling environment for them to pursue their ambitions;
- 7 - A flexible visa regime should be introduced for tourism purposes, which will greatly enhance revenue generation;
- 8 - SAFTA should be revived along with business integration across borders. SAARC member nations should trade with other Asian states collectively;
- 9 - Pro agriculture policies should be introduced along with marketing strategies for highly perishable agricultural goods;
- 10 - Adopt a coherent Food Security Strategy for 2012 along with food security legislation granting access to food as a fundamental right. Such initiatives need to be supported by a Food Security Group to ensure effective implementation and monitoring and evaluation;
- 11 - Create a single market driven SAARC electricity market based primarily on hydropower;
- 12 - Socio-cultural values should be used to promote peace, friendship and respect.





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CONCLUSION

The Conclave, which was attended by a multitude of participants from Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka including business leaders, international experts, academia, media and social scientists, provided candid yet valuable inputs into the process.

The main issues addressed comprised generating political will for regional integration, access to and conservation of water and renewable sources of energy, climate change and its devastating and impending effects, food security, tourism, cultural exchanges, women, youth and trade. This fourth SAARC Business Leaders Conclave adopted a Policy Reform Agenda with a consensus known as the Katmandu Declaration.

The Conclave aimed at providing policy recommendations for the SAARC Summit scheduled in November 2011 in Male, Maldives for promotion of economic activities in SAARC to policy makers at the highest level.





CONCLAVE DECLARATION

The fourth SAARC Business Leaders Conclave (SBLC) with its theme “Peace and Prosperity through Regional Connectivity” was held on September 20-22, 2011 at Kathmandu, Nepal. This Conclave was organized by SAARC Chamber of Commerce and Industry (SAARC CCI) in collaboration with the Federation of Nepalese Chambers of Commerce and Industry of Nepal (FCCISL) and National Federations/ Chambers of SAARC member nations and was supported by Friedrich Naumann Foundation (FNF) & The World Bank Group- as the knowledge Partner.

The Conclave aimed at providing policy recommendations for the SAARC Summit scheduled in November 2011 in Male, Maldives for promotion of economic activities in SAARC to policy makers at the highest level.

The Conclave witnessed the congregation of large business delegations from Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Over 500 leading business leaders and eminent International experts, Academia, Media and social scientists from across the region deliberated for two days on various pertinent issues of regional economic cooperation.

The Conclave was inaugurated by Rt. Hon'ble Dr. Ram Baran Yadav, President of Nepal. The Conclave was addressed by Hon'ble Ratnasiri Wickramanayaka, Ex-Prime Minister; Democratic Socialist Republic of Sri Lanka. Mr Annisul Huq, President, SAARC CCI delivered keynote address at the inaugural session. It was also addressed by Hon'ble Mr. Sarat Singh Bhandari, Minister of Defense, Government of Nepal also former Commerce Minister and Minister for Tourism, Dr. Hasan Mahmud, MP, Hon'ble Minister of Environment and Forest, Government of the People's Republic of Bangladesh, Mr. Sartaj Aziz, former Finance & Foreign Minister of Pakistan, Mr. Madhukar SJB Rana, former Finance Minister of Nepal.

Senior officials from Members States addressed the issues like generating political will for regional integration of South Asia, some contemporary issues like Water, Energy, Climate Change and Food Security, Tourism, cultural exchange and media, trade and investment. The Conclave organized special sessions on Women Economic empowerment and Young Entrepreneurs in South Asia, while recommending the Governments of South Asia to provide business enabling environment to foster the process of regional integration.

The fourth SAARC Business Leaders Conclave adopted the following Policy Reform Agenda with a consensus:

1 - The Conclave representing the entire private sector through the National Federations of each 8 Countries unanimously adopted to emphasize on the Governments of the Member Countries to engage seriously on regional connectivity to achieve “Peace and Prosperity” in the region and further





SAARC CHAMBER OF COMMERCE & INDUSTRY

requested to take appropriate urgent measures to implement the action plan envisioned under the doctrine “2010-2020 as decade of Regional Connectivity”;

2 - The connectivity encompasses physical connectivity like connectivity through road, rail, air and sea/river, communication, connectivity through exchange of people, connectivity through cooperation in the area of tourism, health, culture, education, and connectivity through mind and heart;

3 - The Conclave deliberated on generating political will for regional economic integration, and recommended resolution of core issues through bold initiatives and exhibiting greater political will to augment socio-economic cooperation in the region;

4 - The Conclave urges for full utilization of benefits of geographical proximity, land/ sea/river cognitively for massive expansion of trade and intra-investment. The Conclave further emphasized upon implementation of Trade Facilitation Mechanism as urgent necessity to promote intra-regional trade and demands for creation and up gradation of infrastructure of international standard and scale, cooperation in energy and proposes signing/implementation of SAARC Transit Agreement, shipment agreement, Logistics Agreements. ICT Agreement to make SAFTA a workable expeditiously mechanism, leading to Customs Union;

5 - Realizing enormous potential in trade and investment in the region, the business community recommends signing of Regional Investment Treaty and up-gradation of SAFTA into a Comprehensive Economic Partnership Agreement for the Region;

6 - The Conclave recognized Water, Energy, Climate Change and Food Security as the priority concerns and pledges for adoption of necessary collective measures to address these challenges and urgent implementation of Regional Environment Treaty; activation of SAARC Food Bank and proposed setting up SAARC Disaster Management Institute to minimize the impact of natural calamities and climate changes;

7 - To foster socio-cultural ties in South Asia, the Conclave recommends the Governments to take appropriate measures to augment cooperation in Tourism, Media and cultural exchanges;

8 - The conclave focused on economic empowerment of the women in South Asia and recommends to the Governments to take proactive initiatives to encourage and promote women entrepreneurs and young business leaders for sustainable economic cooperation;

9 - To foster the process of regional cooperation in South Asia, the Conclave urged for immediate and adequate measures for the following:

- Harmonization of customs procedures and mutual recognition of Standards and Certifications;





- Finalize and expeditiously implement Regional Motor Vehicle Transport Agreement;
- Truly implement Open Sky policy in the region - linking not only directs flights between capitals but to all other major cities of South Asia;
- The Conclave strongly recommends a common SAARC Energy policy and identify and implement power production units with definite plan and intension for trans border transmission and trade in energy;
- The Conclave regretted retrospective step in the matter of issuance of Visa and strongly recommended issuance of SAARC Visa Exemption Stickers (SVES) from 100 to 500 for each member country and to increase the period from one year to two year;
- The Conclave further recommends relaxation in rules for issuance of Multiple Visas for business purposes to all bona-fide members recommended by national Federations;
- The Conclave recommends allowing not only broadcasting of TV Channels (Government and Private) of all SAARC Countries in the entire region; allow content sharing and co-production in entertainment sector but also to encourage joint sector project in ITES sector;
- The Conclave recommends formation of South Asian Integration and Promotional Agency, protecting/ promoting SAARC common Cultural Heritage.

In order to deepen this process, it was decided to hold the next SAARC Business Leaders Conclave in 2012.



“ Peace and Prosperity through REGIONAL CONNECTIVITY ”

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