

# South Asian Century: Progressing towards Regional Integration



## 5<sup>th</sup> SAARC Business Leaders Conclave

January, 16-17, 2014, New Delhi, India



SAARC CHAMBER OF COMMERCE & INDUSTRY

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Progressing towards Regional Integration

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January, 16-17, 2014  
New Delhi, India

Organised by:



SAARC CHAMBER OF COMMERCE & INDUSTRY

In collaboration with:



In partnership with

Friedrich Naumann  
STIFTUNG FÜR DIE FREIHEIT

In association with:



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# SAARC BUSINESS LEADERS CONCLAVE

## INTRODUCTION

After establishing its credentials as DAVOS of South Asia, the SBLC is the most prestigious private sector initiative in South Asia, which is supported by all National Chambers of Commerce & Industry from SAARC member countries.

The Heads of States, at the 11<sup>th</sup> SAARC Summit held at Katmandu, Nepal in 2002, renewed their commitment to encourage participation of the private sector and assured full support for their economic initiatives. Their reaffirmation of the commitment culminated into SAARC Business Leaders Conclave's. The idea of convening SAARC Business Leaders Conclave was put-forth by Mr. Mackey Hashim, former President of the SAARC CCI Chamber of Commerce & Industry and his team in the year 2004, which was materialized on November 17-18, 2005 when the First SBLC was organized in New Delhi, India. Attracted by more than 250 participants and 100 from India, the first SBLC emerged as the most prestigious event of the SAARC CCI and DAVOS of South Asian Community.

The 2<sup>nd</sup> SBLC was again hosted by FICCI at Mumbai on February 18, 2007. The First was inaugurated by Dr. Manmohan Singh, Hon' ble Prime Minister of Sri Lanka while the second by Mr. Pranab Mukherjee, Hon'ble External Affairs Minister of India. The event received 300 participants from the region and turned out to be a successful forum in bringing business house closer together.

Inspired by tremendous success of 1<sup>st</sup> and 2<sup>nd</sup> South Asian Business Leaders Conclave (SBLC), The third SBLC was co-hosted by the Federation of Sri Lankan Chambers of Commerce & Industry on November 22-23, 2009 at Colombo Sri Lanka and was inaugurated by Mr. Ratnasri Wikramanayaka, Hon'ble Prime Minister of Sri Lanka. More than 400 participants from the region, UAE and China participate in the event.

The 4<sup>th</sup> SBLC was co-hosted by the Federation of Nepalese Chambers of Commerce & Industry on 20-22<sup>nd</sup> September 2011, at Kathmandu, Nepal and was inaugurated by H.E Dr. Ram Baran Yadav, President of Nepal. The conclave was organized under the Peace and Prosperity through Regional Connectivity focusing on the topic of immediate concern. The event was another breakthrough in the series of SAARC Business Leaders Conclaves, wherein around 600-800 hundred people's remains till the conclusion of conclave.

The successful conclusion of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> SBLCs in 2005, 2006, 2009 and 2011 respectively persuaded SAARC CCI to once again reinforce the process of strengthening and deepening the Public-Private Partnership in the region.





Shri Vikramjit Singh Sahney, President, SAARC CCI.

The 5<sup>th</sup> SAARC Business Leaders Conclave (SBLC) was organized by SAARC Chamber of Commerce & Industry (SAARC CCI) in collaboration with Federation of Indian Chambers of Commerce & Industry (FICCI) and Ministry of Commerce and Industry, Govt of India, in partnership with Friedrich Naumann Foundation (FNF) on 16<sup>th</sup>-17<sup>th</sup> January 2014, in New Delhi, India. The objective of the fifth SAARC Business Leaders Conclave was to deliberate upon the key issues in the region and to deliver policy recommendations for SAARC summit, under the theme of “South Asian Century: Progressing towards Regional Integration”. The issues like regional integration, energy and Youth in the South Asian century were addressed by delegates of the member states.

Hon’ble Mr. Anand Sharma, Minister of Commerce and Industry, Government of India inaugurated the 5<sup>th</sup> SAARC Business Leaders Conclave. Addressing the occasion Hon’ble Mr. Sharma emphasized on establishing an eco-system of regional engagement for economic cooperation. He stated that despite of having greater economic growth rates of the member countries, the region is still

## Conclave Inaugural

home to one of the poorest population in the world, and asserted to adopt a mechanism of equitable resource and income distribution. He stressed upon development of infrastructure, to increase the connectivity between the people. He considered the interaction between the populace is the impetus of trust and harmony.

In his special address Secretary General, SAARC H.E. Mr Ahmed Saleem said that the world perceives South Asia as one of the most dynamic region of the world maintaining impressive growth rate. “Strongly integrated market chains are ensuring the free flow of goods, services and capital across the borders, however intra-regional trade has always been low despite of cultural similarities and geographical proximity” he added.

He said that SAARC has taken several initiatives to increase the regional cooperation. The SAARC Preferential Trade Agreement (SAPTA), South Asian Free Trade Agreement (SAFTA) and most recently Agreement on Trade and Services are land mark achievements in the pursuit of common objective of speedy regional integration. He admired the commitments from all the stakeholders including business community and said that their commitments and contribution is crucial in the journey to achieve regional integration and economic cooperation.

Addressing the occasion Mr. V. S. Sahney, President, SAARC CCI said that this summit is happening in the appropriate time, when South Asia is poised to take its rightful place in the Asian century. In order to attain their rightful place the South Asian countries have to deal with horizontal and vertical inequalities. Education, health, global climate change and terrorism are the challenges the member countries have to deal with, in order to achieve peace and prosperity in the region he added. He opined that trade and economic agreements between the South Asian nations require political will to be implemented to embody the vision of a South Asian Economic Union.

In welcome address, President, FICCI, Mr. Sidharth Birla said that together we stand with a dream of South Asian century that has been nurtured and cemented by the share vision of inclusive socio-economic growth. He also said that by bringing our nations closer in terms of economic engagement and by creating economic stake in each other’s progress we can promote overall welfare of our people.

Mr. Siegfried Herzog, Regional Director, Friedrich Naumann Foundation venerated the commitment and determination of the member countries and hoped that the conclave will be a mile stone in achievement of SAARC goals.





## Ministerial Panel Discussion

### Taking Stock of the South Asian Economic Integration Process

The Opening Session was followed by a Ministerial Panel Discussion on taking Stock of the South Asian Economic Integration Process moderated by Ms. Supriya Shrinete.

The panel was comprised of Hon'ble Mr. Anand Sharma, Minister of Commerce and Industry, Government of India, Hon' ble Mr. Tofail Ahmed , Minister, Ministry of Commerce, Government of Bangladesh Hon'ble Mr. Norbu

course of regional integration and prosperity of the people of the region. The panel urged to explore opportunities in investment, capacity enhancement and to create regional supply chains with a level playing field to grow together.

The panel called upon to increase the volume of trade between the countries of SAARC region, regarding trade as source of confidence building, an appropriate measure to reduce the political rifts and a way to synchronize the opportunities together to cope with the daunting



(Left to Right) Mr. Siegfried Herzog, Regional Director, Friedrich Naumann Foundation, Hon' ble Mr. Tofail Ahmed , Minister, Ministry of Commerce, Government of Bangladesh, Hon'ble Norbu Wangchuk, Minister of Economic Affairs, Bhutan, Shri Vikramjit Singh Sahney , President, SAARC CCI , Hon' ble Mr Anand Sharma, Hon'ble Minister of Commerce and Industry, Government of India, H.E Mr Ahmed Saleem, Secretary General, SAARC, Mr. Sidharth Birla, President, FICCI, Hon'ble Mohamed Saeed, Minister for Economic Development, Maldives , Hon'ble Shanker Prasad Koirala, Minister for Commerce and Supplies, Nepal, Hon'ble Engr. Khurram Dastgir Khan, Federal Minister for Commerce and Textile, Pakistan, Hon'ble Abdul Rishad Bathiudeen, Minister of Industry and Commerce, Sri Lanka joining hand together on the occasion of declaration passed on 5th SAARC Business Leaders Conclave 2014 on January 17 at New Delhi, India.

Wangchuk, Minister of Economic Affairs, Royal Government of Bhutan, Hon'ble Mr. Mohamed Saeed, Minister for Economic Development, Government of Maldives, Hon'ble Mr. Shanker Prasad Koirala, Minister for Commerce and Supplies, Government of Nepal, Hon'ble Engr. Khurram Dastgir Khan, Federal Minister for State for Commerce and Textile, Government of Pakistan, Hon'ble Mr. Abdul Rishad Bathiudeen, Minister of Industry and Commerce, Government of Sri Lanka, Hon'ble Mr. Ahmed Saleem, Secretary General SAARC and Mr. V. S. Sahney, President, SAARC CCI.

The speakers expounded on the economic and social impediments on the

demands of globalization.

It was acknowledged that now is the time to go beyond the nomenclature and to go to the core of openness, to embrace each other with non-discriminatory status for the economic development of the region and for the prosperity of the people of the region.



Acknowledging the significance of connectivity for the regional integration, the panel advocated free movement of capital, commodities and commerce through air, water and land. The panel proposed a network of transportation system from Afghanistan to Bangladesh connecting Pakistan, India, Nepal and Bhutan to eliminate the transaction cost and to reduce the cargo time.

It was also recognized that the cultural values incites interaction and integration, therefore there is a need to advance on the cultural connectivity that could stimulate the socio-economic connectivity resulting in greater economic development and cooperation within the region.

It was mentioned that despite of huge potential of hydro-energy generation, the SAARC region is one of the most energy hungry regions, therefore the member countries have to make efforts for cheap and sustainable generation of energy for the prosperity and welfare of the people of the region. The Energy connectivity and intra-regional energy trade are now the intimate needs of the SAARC.

Ascertaining the potential of tourism in the region, and its role in the economic growth and job creation the panel emphasized over ensuring helpful visa regimes and to reduce setbacks in the connectivity to ensure seamless flow of tourists into the region. The panel advocated formulating mechanisms to reduce the frontier formalities, to enhance the intra-regional tourism and to increase the influx of international tourist to the region.

### *Policy Recommendations:*

1. The member states should make efforts to increase the intra-regional trade, as trade is the only way forward for regional economic integration and is the mechanism to reduce and eradicate the conflict and political rifts. Besides trade, increased cultural integration and people to people interaction could strengthen the confidence and trust over each member states.
2. To reduce the transaction costs, cargo time and other formalities the member states should assist each other by providing shorter land routes.
3. In order to meet the daunting energy demand, and to intensify the economic growth, the region needs to develop an effervescent regional energy market. The member countries need to harmonize legal and regulatory frameworks dealing with cross-border energy transfer related investments and transactions.
4. There is need to develop least complicated visa policies and to reduce communication hurdles to enhance the influx of tourist from across the globe and to increase the intra-regional tourism.



## Technical - Business Session-I

### Public-Private Dialogue on Regional Integration of South Asia



Session-I, (L-R) Mr. Mozammel Shinwari, Deputy Minister of Commerce and Industry, Govt. of Afghanistan, Mr. Madhav Prasad Regmi, Secretary, Ministry of Commerce and Supplies, Govt. of Nepal, Mr. A. T. M. Murtozaa Reza Chowdhury, Additional Secretary, Ministry of Commerce, Govt. of Bangladesh, Mr. S. R. Rao, Commerce Secretary, Ministry of Commerce and Industries, Govt. of India, Mr. Kosala Wickramanayaka, Vice President, SAARC CCI, Sri Lanka, Ms. Rabiya Javeri Agha, Secretary, Trade Development Authority of Pakistan, Ms. Saroja Sirisena, Director General (External Relations), Ministry of Economic Development, Govt. of Sri Lanka.

The session on “Public-Private Dialogue on Regional Integration of South Asia” in the 5<sup>th</sup> Business Leaders Conclave was chaired by Mr. S. R. Rao, Commerce Secretary, Ministry of Commerce and Industries, Govt. of India. The session was addressed by Mr. Madhav Prasad Regmi, Secretary, Ministry of Commerce and Supplies, Govt. of Nepal, Ms. Rabiya Javeri Agha, Secretary, Trade Development Authority of Pakistan, Mr. Kosala Wickramanayaka, Vice President, SAARC CCI (Sri Lanka), Ms. Saroja Sirisena, Director General (External Relations), Ministry of Economic Development, Govt. of Sri Lanka and Mr. A. T. M. Murtozaa Reza Chowdhury, Additional Secretary, Ministry of Commerce, Govt. of Bangladesh.

The session intended to explore, to what extent the region requires private public dialogue, and what role the public private partnerships could play in the economic development and integration of the SAARC region. At the end of the session, the panel concluded that equitable resource distribution and inclusive economic growth is the only way of sustainable growth, and increased social cohesion and interconnectivity are vital for inclusive growth and for regional integration.

The panel considered private sector the pulse of people, and advocated institutional and constitutional arrangement indispensable for the involvement of

private sector in policy formulation, consultation in decision making and participation in the implementation of policies.

It was acknowledged that private sector is the key stakeholder in the region and global supply chains, therefore the participation and collaboration of private sector is vital to lay down strong foundation of regional integration and development.

The speakers emphasized over nurturing the role of private sector through dialogue, as it provides opportunity to exchange views on business creation, research and innovations by academicians and business leaders. The speakers suggested South Asia Foundation to be reactive for effective dialogue among all the stakeholders from both public and private sector.

The panel accentuated that though the intra-regional trade has increase, however the fact still remain that the intra-regional trade is miniscule 5% of the share of total trade with the entire world. To enhance the volume of intra-regional trade, the governments of member countries needs to work in tedium with the private sector rather than making efforts in isolation.

Addressing the session the speakers said that, the combine strength of South Asian region, with its driving force of 15 billion people, however it needs to be translated into economic progress, into decision making global market share and to endure the regional peace. The panel agreed that poverty, illiteracy and gender inequality has shackled the move to economic betterment, and felt that it is paramount to join hands together, to progressively remove the discriminations that hinder both the flow of people and goods across the borders.



The panel also identified role of SAARC to create synergies in science and technology to move from resource based agriculture to science based agriculture, considering advancement in technology necessary to for agricultural interconnectivity and to address complex challenges of natural resource constraints, increased natural resource degradation via innovations.

Concluding the session, it was agreed that private sector could play role for strengthening and construction of intra- country and inter-country transmission lines and could provide energy related sub-services with the private sector through Public Private partnerships.

### *Policy Recommendations:*

1. Constitutional and institutional arrangements to give the private sector opportunity to undertake its role in policy formulation, decision making and implementation.
2. Broadening the role of South Asia Foundation to foster the research and development in the region, and to exchange knowledge, research and innovation among business leaders and academia of the member countries.
3. Expansion of scope of SAARC Development Fund to SAARC Development Bank through a mechanism that could embrace the resources from both the governments and private sectors of the member states.
4. Bringing down the political barriers to regional integration and laid stress on cooperation in energy and sharing of knowledge to increase agricultural productivity.
5. To develop atmosphere of collective work towards removal of Non Tariff Barriers by making serious efforts to make common standards, particularly technical standards and address the issue of mutual recognition in order to lower transaction costs considerably and greatly facilitate the conduct the intra-SAARC business.





## Technical - Business Session-II

### The Entrepreneurs of South Asia: Sharing Experiences

The panel of speakers on the session “Thee Entrepreneurs of South Asia: Sharing Experiences” was comprised of Mr. Bandula Egodage, Chairman & Chief Executive, Sri Lanka Export Development Board, Mr Sunil Munjal, Chairman, Hero Corporate Services, India, Mr. Syed Yawar Ali, Chairman, Nestle Pakistan and former CEO, Lahore Electricity Supply Corporation, Mr. Ismail Asif, Vice President, MNCCI & Upcoming President, SAARC CCI and Mr. Annisul Huq, Immediate Past President of SAARC CCI and CEO Muhammadi Group. The session was chaired by Mr. V. S. Sahney, President, SAARC CCI, moderated by Mr. Pradeep Kumar Shrestha, Vice President SAARC CCI (Nepal) and Mr. Mahendra Parmar, Vice President SAARC CCI, (India) extended vote of thanks.



Session II: (L-R) Mr. Syed Yawar Ali, Chairman, Nestle Pakistan and former CEO, Lahore Electricity Supply Corporation, Mr. Sunil Munjal, Chairman, Hero Corporate Services, India, Mr. Vikramjit S. Sahney, President SAARC CCI, Mr. Pradeep Kumar Shrestha, Vice President (Nepal), Mr. Mahendra Parmar, Vice President (India), Mr. Annisul Huq, Immediate Former President, Mr. Ismail Asif, Upcoming President-SAARC CCI and Vice President, MNCCI

Addressing the session the speakers narrated their stories of achievements and shared the experiences of their successes and failures, they faced in the course of excellence. The panel underscored that there is no substitute of experience, and learning by doing. Experience is the only tool of entrepreneur that enables him to cope with the challenges, and envisages confidence in one to take risks.

Narrating the success stories the speakers said that no matter whatever business you do, how complex and technology oriented it is, eventually it is all about the people. If one can build a team of people around and in the organization, the suppliers, the customers, the dealers and the distributor he is the successful entrepreneur. The only way to grow and multiply any business is to build relationship with the people, the speakers added.

The panel agreed that a trade friendly regime in all the member countries is vital to explore the enormous socio-economic and natural resource potential of the region. The speakers said that our common social values, nomenclature and family value system provides us basis to come together, learn together, excel together and prosper together. The panel urged the member states to provide the people of the region with the opportunities to sit together and exchange ideas in order to learn from each other.

Addressing the session the speakers said that there is a reason the global institutions and academia across the world has concentrated their research upon South Asia. They know that this is the time for South Asia to rise and shine. It poses a great opportunity for us to help and support each other, for the larger benefit of one the poorest population that inhabits with us in the region.

The panel called upon development of comprehensive policy framework to create a healthy environment for intra- regional investment in order to boost the intra region trade and to bring about revolutionary changes in the socio-economic indicators and political environment of the region. The speakers agreed that investments across the counties will not increase the connectivity of member state rather it will invigorate the pace of regional integration by developing the regional partnerships.

The panel admired the efforts of Indo-Pak Joint Business Forum, actively attempting to bridge trade and investment to create a vested interest for peace in both sides, and giving opportunity to the stakeholders to discuss more difficult issues which seems intractable at this movement, the



panel suggested that this model should be expanded to the other parts of the region, and SAARC is the most appropriate forum to accomplish this tedious task.

The panel affirmed that the business community under the stewardship and enabling partnership of respective government in South Asia will bring about revolutionary changes. It was underscored that no doubt we have set ourselves a laborious journey, but as fellow travellers we must tackle the challenges on this tedious road, with the belief that a secure and prosper future depends upon our commitments.

### *Policy Recommendations:*

1. Initiatives to increase the intra-regional cooperation on terms of trade and investment, to build mutual trust and achieve objectives of establishing peace in the region, development through economic cooperation and poverty alleviation and enhancing the living standards of the people of the region.



## Technical - Business Session-III

### Youth in Asian Century: New Challenges and Dimensions



Session III (L-R): Mr. Suhas Gopinath, Chairman & CEO, Global Inc, Ms. Sadichha Shrestha (Miss Nepal 2010), Ms. Ruby Dhalla, a Canadian Politician, Ms. Kamila Siddiqi, CEO Kaweyan Business, Afghanistan, Mr. Saurabh Jyoti, Chairman, SYEF and Director, Jyoti Group (Nepal), Mr. Zulfikar Ali Bader, Vice Chairman SYEF (Pakistan) and CEO 5 Mangoz, Pakistan.

The session on Youth in Asian Century: New Challenges and Dimension was addressed by Ms. Sadichha Shrestha , (Miss Nepal 2010) and Brand Ambassador SAARC Business Association of Home Based Workers , Ms. Kamila Siddiqi, CEO Kaweyan Business, Afghanistan, Mr. Zulfikar Ali Bader, V.C SYEF, CEO, 5 Mangoz , Pakistan, Mr. Suhas Gopinath, Chairman & CEO, Global Inc and was moderated by Mr. Saurabh Jyoti, Chairman SYEF, Director, Jyoti Group- Nepal. The session was chaired by Ms. Ruby Dhalla, Canadian Politician of Indian origin.

The panel deliberated upon the issues, challenges and opportunities pertaining to youth in the region. The speakers undertook that the region is presently the most dynamic in the world in terms of economic development, however the young people still lack adequate opportunities and majority of unemployed labour force comprises of youth.

Addressing the session the speakers said that we need to motivate, channelize and coach the youth of the region and enable them to be an employer rather than an employee. The panel called upon states and private sector of the region to save the youth from the identity crisis by channelizing their power and by providing them opportunities of education and employment.

It was agreed that the entrepreneurial eco-system in the region is not mature enough to generate employment and opportunities for the youth. The academia and governments were urged to embody institutions to develop incubators and execute programmes to foster youth entrepreneurship, to develop mechanisms of provision of seed capital, loans, monitoring and mentorship

for the young entrepreneurs.

It was agreed that one of the reasons behind the underdevelopment, wide socio-economic disparities and poverty in the region are lack of opportunities for the talented and skilled youth. The talent and capabilities of youth of the region is acknowledged across the globe, and this talent is being brain drained. The panel called upon inclusive growth opportunities for women and youth and stressed over provision of access to interest free loans without any discrimination of gender and age in order to reduce the obstacles faced by young entrepreneurs.

Concluding the session Ms. Ruby Dhalla said that the youth of the region would be the impetus of success of the region. Today the voices of accountability and progress are in air, it is the enthusiasm and motivation behind it. We need to ensure that the young talented minds are nurtured irrespective of religion, language and gender; we need to envisage risk taking appetitive in them.

### *Policy Recommendations:*

1. Institutional reforms to remove cultural, socio-economic and legal hindrances for young entrepreneurs in order to encourage youth to use their talents and their capacity for action and creation.
2. Develop network of institutions to nurture and mentor young business leadership in collaboration with academia to contribute to youths social and professional development and integration into the labour market through experience.
3. Pro-youth policies, to increase opportunities of education and employment for the youth, to inhibit the brain drain from the region.



## Technical - Business Session-IV

### Prospects for Regional Energy Cooperation

This session was chaired by Mr. Hilal A. Raza, Director, SAARC Energy Center and Mr. R. V. Shahi, Chairman, Energy Infra tech Pvt. Ltd., India, Mr. Gyanendra L. Pradhan, Chairman, SAARC CCI Council on Climate Change, Energy and Water Resources and Mr. Md. Jashim Uddin, Vice President – SAARC CCI, (Bangladesh) were the speakers on the panel.

The speakers in the panel reflected upon the limited and dispersed energy endowments in the region with one of most large hydro-electric power potential in the region. It was agreed that the South Asian nations are posed to meet the challenge of growing energy demand in the coming decades. If the region has to progress it must add into its energy banks, it needs to ensure provision of sufficient, reliable and affordable energy to the people, for any worthwhile progress in the region.

It was agreed that intra-regional cooperation in the South Asia would be one of the major initiatives that will help in bringing more energy into the production sector. Considering the fact that in the last five years a number of initiatives has been taken, and given the political will of all the member states there is a good prospect of bilateral power flow, to grow into a regional power flow; since the geographical location is an advantage in this regard. The bilateral connectivity would facilitate large scale movement of power from one country to another, in the region.

The speakers believed that market forces will ultimately make the scope for intra-country investments in energy sector. To enhance the volume of intra-region energy investment, and to induce the private sector toward power trade, the member states needs to restructure the power sectors through legislative reforms,

bringing in the private sector for a major role to play.

It was agreed that in order to increase the energy connectivity, the member countries need give non-discriminatory access on energy transmission



Session IV (L-R). Mr. R .V. Shahi, Chairman, Energy Infratech Pvt. Ltd., India, Mr. Hilal A. Raza, Director, SAARC Energy Center, Mr. Md. Jashim Uddin, Vice President – SAARC CCI (Bangladesh), Mr. Gyanendra L. Pradhan, Chairman, SAARC CCI Council on Climate Change, Energy and Water Resources.

regulated by state. They also recommended the member nations to bring novel changes in the energy policies by encouraging private sector for optimal usage of energy in the larger advantage and benefits of consumers.

There was a consensus that the regional, bilateral and sub-regional cooperation will lead to efficient allocation of resources in the larger interest of the stakeholders. It was also agreed that to develop an energy market the member states need to enhance their energy supply ability, energy-trade infrastructure and harmonize legal and regulatory frameworks.

It was mentioned that under the SAARC umbrella, an intergovernmental framework agreement is already in consideration of all the governments. This non-discriminatory open access is one of cardinal points of this intergovernmental framework agreement will turn out to be basis for future regional energy grid.

The panel also suggested revision of regulatory systems by all member states is compulsory for development of infrastructure for the regional en-





ergy exchange. The speakers also emphasized on the need to identify the infrastructural needs for cross boarder energy trade and transfer and to conduct economical and technical feasibility studies, for intra-country connection based upon the criterion of cost effectiveness and sustainability for future interventions.

The panel concluded that the time is opportunity for the member countries, to graduate from bilateral approach to multilateral approach, to develop a regional power market, to benefit from the synergies in the integrated development of operation of the power system in the region. The member nations are needed to overcome the risks associated with intra-regional, cross-border energy projects by adopting a complementary national energy policy, with interconnectivity being an integral element.

The panel called upon the member states to harmonize policy, legal, and regulatory issues, which will create the enabling systemic conditions for a sustainable market for investment in energy. Similarly, for integrated power system operation, a harmonized framework for coordinated grid operation and operation protocols needs to be developed, to ensure the smooth, reliable, and safe operation of the regional grid, the speakers concluded.

### *Policy Recommendations:*

1. For the long term energy security and improvement in electricity access and its availability all the member nations needs to develop cross-border transmission interconnections and coordinated investment in energy generation.
2. Development of energy market and effective regional cooperation in the electricity sector can be achieved only if the member states recognize the long term benefits from the association and work together harnessing it.
3. In order to enhance cross-border electricity trade the member states needs to take conceivable initiatives to identify and harmonize key technical, commercial, economic and regulatory aspect.



## Technical - Business Session-V

### Emerging South Asia in the 21<sup>st</sup> Century

The session was chaired by Ms. Sujatha Singh, Foreign Secretary, Government of India and was moderated by Ms. Supriya Shrinete. The session was addressed by H. E. Mr. Shaida Mohammad Abdali, Ambassador, Embassy of Islamic Republic of Afghanistan, New Delhi-India, H. E. Mr. Tariq Ahmad Karim, High Commissioner, High Commission for the People's Republic of Bangladesh, New Delhi-India, H. E. Major Genl. V. Namgyel, Ambassador, Royal Bhutanese Embassy New Delhi-India, H. E. Mr. Salman Bashir, High Commissioner for the Islamic Republic of Pakistan, New Delhi-India, H. E. Mr. Prasad Kariyawasam, High Commission-

and music are our strengths to build on as we face the challenges of future.

The speakers said that in SAARC processes the governments have been in the lead to realize the vision of shared prosperity despite of limited capacity, however now it is the time for private sector to play the role and take the lead.

Addressing the session the speakers also said the role of governments should be limited to create such a framework that enable the real actors, the corporate sector, the business sector and more generally the people to play their role for progress and prosperity.



(L-R) Ms. Supriya Shrinete, TV Anchor-India, H.E. Mr. Shaida Mohammad Abdali, Ambassador, Embassy of Islamic Republic of Afghanistan, New Delhi-India, H.E. Mr. Tariq Ahmad Karim, High Commissioner, High Commission for the People's Republic of Bangladesh, New Delhi-India, H.E. Major Genl. V Namgyel, Ambassador, Royal Bhutanese Embassy, New Delhi-India, H.E. Mr. Salman Bashir, High Commissioner for the Islamic Republic of Pakistan, New Delhi-India, Ms. Sujatha Singh, Foreign Secretary, Government of India, H.E. Mohammad Naseer, High Commissioner of Maldives, New Delhi-India, Shri Vikramjit Singh Sahney, President, SAARC CCI, Mr. Thinley Palden Dorji, Vice President – SAARC CCI (Bhutan).

er, High Commission for the Democratic Socialist Republic of Sri Lanka, New Delhi-India and Mr. Thinley Palden Dorji, Vice President SAARC CCI (Bhutan).

Addressing the session, the panel recognized that democratic process is still nascent in the region, and is facing its own set of challenges. Our democratic systems would fail if it did not succeed to eradicate poverty from the region, and provide our people with the basic necessities of life and beyond that a peaceful environment where everyone has the chance and opportunity to realize his aspirations. It was agreed that the fascinating mix of shared and varied histories, languages, ethnicities, cuisines and cultures, names and nomenclature, affinity for each other's literature, poetry

The speakers also emphasized over nurturing ecosystem for businesses to thrive by lessening Para-Tariff, Non-Tariff Barriers and by decreasing political, legal, economic and social constraints.

Tourism in the region was seen as an important contributor to the regional economic growth and integration and, that the geography of SAARC that varies from lowest lying islands to the highest mountains in the world are providing us the opportunity to surpass the world in tourism. The panel called upon enhancement of communicational infrastructure for increased connectivity essential for seamless flow of tourists and for socio-economic growth. Moreover the panel demanded non-stringent visa regimes to increase regional tourism and influx of international tourists.

Concluding the session the speakers vowed that it is the time to work together for our prosper future and to seize the opportunities where they present themselves, for greater cooperation between the member states to realize the shared vision of removing both horizontal and vertical inequalities, for an environment where the individuals have equal opportunity to garner their aspirations.



## Valedictory Session

The valedictory session was chaired by Mr. Iftikhar Ali Malik, Vice President SAARC CCI Pakistan) & MD. Guard Group and address by Mr. V. S. Sahney, President, SAARC CCI, H.E. Mr. Ahmed Saleem, Secretary General, SAARC, Hon'ble Mr. Norbu Wangchuk, Minister of Economic Affairs, Govt. of Bhutan, Hon'ble Mr. Mohamed Saeed, Minister for Economic Development, Govt. of Maldives, Hon'ble Mr. Shanker Prasad Koirala, Minister for Commerce and Supplies, Govt. of Nepal, Hon'ble Engr. Khurram Dastgir Khan, Federal Minister of State for Commerce and Textile, Govt. of Pakistan, Hon'ble Mr. Abdul Rishad Bathiudeen, Minister of Industry and Commerce, Govt. of Sri Lanka, Hon'ble Mr. Tofail Ahmed, Minister for Commerce, Govt. of Bangladesh and Mr. M. Iqbal Tabish, Secretary General, SAARC Chamber of Commerce & Industry.

Addressing the session, the speakers believed that SAARC is one of the best things that have happened in this region, and trade is only thing that could build or break it. Trade elicits interaction among the people, which is indispensable for the peace, harmony and unity in the region.

The panel emphasized over easing the visa regimes to facilitate the seamless movement of people, to encourage the track two dialogues and specially to increase the intra region flow of investment to achieve the collective aim of prosperous SAARC region. The panel also advocated the member states to chuck out the all the impediments for free trade in the region including the barriers of transport and transit and reduce the frontier formalities. The speakers were of the view that the pragmatic cooperation requires a facilitative visa regime, in terms of national regulations and procedures, which enables the people of our region to synergize the complementarities that

exist between our economies to nurture regional supply chains to create extraordinary value addition.

It was agreed that the member states must overcome the barriers to intra-regional trade beyond the issues pertaining to tariff. We must ensure connectivity in our banking systems and enhance access to each other through transportation networks; we must harmonize customs and standards, develop dispute resolution mechanisms for stable and predictable economic and trade relations with each other the speakers agreed.

Concluding the session it was underlined that regional economic cooperation was no longer a choice, which individual countries could exercise, and all parameters indicated that the South Asian region can grow much faster if, the member countries come together to capitalize on their strengths and make the best use of their comparative advantages. The private sector of the region should look at cross border investments and therefore, the private sector and the governments should work together within time bound goals.



## Conclusion

The conclave was attended by business delegations from Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. It was a congregation of business leaders, academia, social scientists and international experts who deliberated for two days on various prospects and issues pertinent to the regional integration and economic cooperation.

The panel deliberated upon the contemporary and emerging issues like repositioning of South Asia in Asian Century, regional integration, Energy, water and Climate Change, Trade Facilitation, trade and investment etc'. The Conclave organized special sessions on Young Entrepreneurs in South Asia, while recommending the Governments of South Asia to provide business enabling environment to foster the process of regional integration.





## Conclave Declaration

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

- 1 We, at this 5th Conclave, representing the entire private sector through the National Federations of each 8 Countries unanimously adopt to emphasize on the Governments of the Member Countries to engage seriously on regional integration progress and to enhance its role in “Asian Century” and further request to take appropriate urgent measures to implement the action plan envisioned for deeper integration of South Asia.
- 2 To progress towards Regional Integration, we recommend for enhancing connectivity through road, rail, air, sea/river, communication, exchange of people and to facilitate the private sector for investment in the area of tourism, health, culture, education, banking and finance.
- 3 We perceive “lack of political will” as serious hurdle for regional economic integration, and recommend resolution of core issues through bold initiatives and exhibiting greater political will to augment socio-economic cooperation in the region; It will inspire and motivate entrepreneurs of South Asia to focus on Intra-regional trade and Investment
- 4 To fully exploit the benefits of geographical proximity and to boost trade and intra-investment creation of business enabling environment is essential. We request for implementation of a doable Trade Facilitation Mechanism in true spirit. We urge upon the Governments of South Asian countries to implement 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 cross border trade and investment in the region, we, recommend for ratification of South Asian Agreement of Trade, Investment and Services (SATIS) and up-gradation of SAFTA into a Comprehensive Economic Frame work Agreement.
- 6 We regard Energy, Water management , Climate Change and Food Security as major contemporary challenges, which need to be addressed through proactive and long-term measures at regional level. We urge upon the leaders of South Asia to adopt and implement Regional Environment Treaty; activation of SAARC Food Bank and SAARC Disaster Management centre to minimize the impact of natural calamities and climate changes.
- 7 Uninterrupted supply of energy is unavoidable to ensure sustainable socio-economic growth of the region. Governments of South Asia need earnestly, to build necessary infrastructure, lessen regulatory mechanism and encourage public-private- partnerships to foster cooperation in energy and to make SAARC Energy Grid workable. We strongly recommend 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.

- 8 We, consider socio-economic empowerment of the Youth in the region as important element of regional integration. The energy, dynamism and valued-added knowledge and expertise of youth can help augment the pace of regional development. We recommend to the Governments of South Asia to take proactive initiatives to engage young business leaders in futuristic development plans.

To foster the process of regional cooperation and carry forward the agenda of regionalism in South Asia, we urge for immediate and adequate measures for the following:

- To promote economic cooperation in the region, the free movement of the businesspersons needs to be ensured through flexible Visa Regime. We reiterate here the issuance of at least 500 SAARC Visa Exemption Stickers for businessmen from each country of South Asia with the validity period of one year and withdrawal of cumbersome policy procedures
- Harmonization of customs procedures and mutual recognition of Standards and Certifications and adoption of one-page document for clearance of goods.
- Finalization and expeditiously implementation of Regional Motor Vehicle Transport Agreement including Road, Rail and Shipping protocol and introduction of SAARC flag carriers, ensuring clearance of SAARC vessels on priority basis .
- Opening of SAARC bank with its branches in all member states to promote financial cooperation and



- to facilitate cross border trade and investment.
- Allow investment through direct channels instead of Government routes.
  - Truly implement Open Sky policy in the region - linking not only direct flights between capitals but to all other major cities of South Asia;
  - To promote trade through land borders and to place electronic data interchange mechanism as an effective tool to foster supply chain in the region.
- Allowing content sharing and co-production in entertainment sector and to encourage joint sector project in ITES sector in addition to broadcasting of TV Channels (Government and Private) of all SAARC Countries in the entire region; allow.
  - Formation of South Asian Integration and Promotional Agency, protecting/ promoting SAARC common Cultural Heritage.
  - Inclusion of private Sector representatives and technocrats in regional policy boards, group of eminent persons and allied organizations/centres of SAARC.







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