



private sector in South Asia and said that in the framework of SAARC CCI, business representatives from all SAARC States have come a long way to openly discuss their priorities and proposals. SAARC CCI has contributed significantly towards confidence building and respect among an important sector of civil society in South Asia, which in itself is achievement. In addition, SAARC CCI has made numerous concrete proposals to the governments in the regions of how to enhance trade and how to attract investment across borders. He regarded introduction of SAARC Visa Exemption Sticker as one of the successes of its constant lobby and advocacy work.

Dr. Safdar Sohail, Director General, Pakistan Institute of Trade and Development (PITAD) who was invited as a lead speaker to deliver lecture on the subject matter highlighted the constraints, which had been hampering regional integration and regional trade potential since long. He said that SAFTA was created with much hype, but it could not produce the desired results for the Region. South Asia is still considered as the least integrated region in terms of economic cooperation and trade. He mentioned that the Pakistan's percentage share in Global merchandise Trade was 0.13% in exports and 0.23% in imports and is on 45th number in exports and 34th number in imports in world ranking. Where as in commercial service Pakistan's percentage share in export is 0.07% and in imports is 0.27% and its ranking in export is on 57th number and in imports is on 35th number (Pakistan & World Trade-Year 2009).

The Global Trading System has presented the major development challenges which declared that widely prevalent NTBs, TBTs/Standards and Compliances can act as a barrier for trade for Developing Countries and many Market Access arrangements have many element of discrimination like Dumping Laws by EU.

Dr. Safdar was of the opinion that the regionalism could solve development problems by filling the Human capital, Technology and Investment deficits, promoting economies, transferring profits from global to regional firms, producing better blend of comparative and competitive advantage and by producing better balance between national identity and national development.

SAFTA is unfolding in a region, which is also struggling with historical prejudices and seemingly intractable inter-state, inter-ethnic, communal, sectarian and class conflicts. Almost all the states in South Asia also favoured import substitution thus creating more of a protectionist trade regime, with very low levels of intra-regional trade due to homological production structures. In this situation, the most important aspect for Pakistan in the SAFTA process is SAFTA's usefulness as an instrument to reduce historically rooted conflicts in the region, as was suggested by Indian themselves when they wanted trade to be given a chance over politics and make Trade a more effective tool of development.

Dr. Safdar stressed on the big countries of the region to play leading role in making SAFTA a successful experience as was done by France and Germany in making EU a thriving regional block. He urged upon the need for elimination of all trade barriers so that the region could benefit from a more liberal trading environment otherwise, the SAFTA could be a pessimistic venture.

Dr. Bashir Ahmad, Professor & Head of Economics Department, National University of Modern Languages-Islamabad and **Dr. Aliya H. Khan**, Professor- Economics Department- Quaid-i-Azam University- Islamabad. Who were invited as respondent to the lecture said that functional linkage was imperative to transform informal channels of trade into formal, which will give boost to generation of revenue, the contribution of which to GDP was insignificant. They proposed joint initiatives both on Government and Private sector level and appreciated the role of SAARC CCI towards promoting economic activities in the region.



Dr. Bashir Ahmad



Dr. Aliya H. Khan

Responding to the lecture **Mr. Zubair Ahmed Malik**- Chief Coordinator of EFN Pak and Former Vice President of FPCCI and Ex-EC Member of SAARC CCI and Former President of ICCI said

Enabling Trade Index 2009 (South Asia)

Index (out of 121 Countries)	Pakistan	India	Sri Lanka	Bangladesh
Market Access	111	102	64	57
Border Administration	63	34	67	104
Efficiency of Custom Administration.	56	69	71	115
Efficiency of Import-Export Procedures	57	43	55	82
Transparency of Border Administration.	80	20	75	119
Transport & Communication Infra.	80	42	69	108
Availability & quality of Transport Infra.	56	47	38	102
Availability & quality of Transport Services	80	60	81	105
Availability and use of ICTs	98	34	84	102

Source: WEF 2009

lethargic attitude of governments has hampered the private sector from fully implementing SAFTA depriving 1.5 billion people of the region of new economic opportunities. He urged that leadership of South Asia should extend full support to private sector to exploit untapped trade potential in the region.

Mr. Zahid Maqbool, President Islamabad Chamber of Commerce & Industry while offering vote of thanks to the chair and the participants said that if we look at intra-regional trade agreements in other parts of the world, the outcome is far better than SAFTA agreement. He said South Asia governments should sit together and talk to create new economic opportunities for the benefits of both larger and smaller economies in the region while private sector should be assigned the leading role in promoting B2B contacts in the region.

Major Challenges in South Asia:

During the course of discussion, some of the problems, impeding growth of Intra-SAARC Trade were identified, which are as follows:

- Adoption of protectionist policies i.e. more number of products in sensitive list under SAFTA as compared with bilateral arrangements
- Para-tariff and Non-Tariff Barriers, introduced as safeguard measures
- Absence of adequate trade facilitation mechanism, which has led to high trade cost involving transportation and port charges, documentation requirements, clearance delays at the border

- Poor governance and red-tapism
- Inadequate infrastructure
- Slow progress on critical issues like rules of origin, Special & Differential Treatment, compensation mechanism of revenue loss by small economies in wake of reduction in tariffs, sensitive list of items
- Political mindset as the biggest hurdle
- Lesser coordination between Governments and Private Sector
- Non-availability of business related information
- Low level of interest towards regional trade by leading players like India, Pakistan, Bangladesh and Sri Lanka
- Inflexible Visa regime i.e. Bangladesh, India and Pakistan
- Poor connectivity in terms of roads, railways, air and sea

Some suggestions and policy recommendations for deepening of SAFTA

The lecture series Program was concluded with set of policy proposals worked out as the result of discussion:

- Review of economic policies attuned to promotion of regional economic cooperation
- Harmonization of standards and procedures to facilitate intra-regional trade
- Promotion of people-to-people and B-2-B activities through flexible Visa regime i.e. multiple entry visas for businessmen
- Up gradation of infrastructure particularly in the border areas

- More trade through land routes and railways instead of by opening up borders
- Strengthening of SAARC Secretariat and its allied organization for effective follow-up and implementation of decision taken at the highest level
- Restoration of the confidence of smaller economies through resolution of problems encountered by them
- Promotion of public-private partnerships in mutually interested areas
- Reduction in number of items in Sensitive List
- Encouragement and promotion of intra-regional investment
- Availability of proper information about economic regime in respective countries and identification of true potential in mutually interested areas



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Mr. Muhammad Shanazar

A poem by **Mr. Muhammad Shanazar**, International recognized Poet from Pakistan, Award holder "Poet in Residence" (U.S.A.-2004) narrated in context of regional integration at the Lecture series program.

"The Real Victory"

Victory and defeat in war,
Are the childish justifications.
Colour not your hands,
With the precious substance of Man.
Whether you nourish your mind,
With the elating thought of victory,
Or loathe with a despising thought of defeat,
You kill fathers, brothers and sons,
You kill mothers, sisters and daughters,
Even the infants sleeping in cradles,
You kill them with their innocent dreams,
They hardly know the self-made conflicts,
Flourishing, booming in the world.

Discard devices that you carry in hands,
And think awhile
Whether you kill or you are killed,
You fight against humanity,
You fight against the divine laws,
You fight against the Kingdom of God.

Apply your strength if indispensable,
Wrench neck of the Ghost of Hunger,
Break teeth of the Vampire of Poverty,
Lance eyes of the Shark of Ignorance,
By connecting the hearts of humanity,
With the bonds of trust, faith and love.

For the sake of oil and reserves,
Make not the world a mess.
If you intend to defeat the rivals,
Defeat them in the race of good deeds,
Yes, defeat them in the race of good deeds,
You know not the real victory you may get,
But without bloodshed and with out making,
The world a storehouse of weapons.
