



Report of the Seminar on
**Economic Freedom &
Business Environment
in South Asia**

Organized by:
SAARC Chamber of Commerce and Industry
(SAARC CCI)

May 18, 2011 Bangladesh



In collaboration with



Federation of Bangladesh Chambers of
Commerce & Industry (FBCCI)

In Partnership with

Friedrich Naumann
STIFTUNG **FÜR DIE FREIHEIT**



SAARC CCI organized a Seminar on “Economic Freedom & Business Environment in South Asia” at Dhaka, Bangladesh on May 18, 2011 in collaboration with the Federation of Bangladesh Chambers of commerce & Industry (FBCCI) and in partnership with Friedrich-Naumann-Stiftung fur die Freiheit.

The Seminar was well attended by cross section of people, noted business personalities of SAARC national chambers, leading academicians and public sector trade policy practitioners of South Asia. The inaugural session was chaired by Mr. A K Azad, President, FBCCI while Mr. Muhammad Faruk Khan, MP, Honorable Commerce Minister, Government of Peoples Republic of Bangladesh was the Chief Guest of the Seminar.

The proceedings of the Seminar were moderated by SAARC CCI secretary General Muhammed Iqbal Tabish who, in his opening remarks, made a short introduction of seminar. He also highlighted the importance of objectives of seminar in brief.



Mr. Iqbal Tabish, Secretary General, SAARC CCI



Mr. A K Azad, President, FBCCI

Mr. A.K. Azad, in his welcome address, stressed that Economic Freedom is a pre-requisite for socio-economic development of any country. He dealt at length on the beneficial effects of freedom to produce, consume and trade of any goods and services acquired without restrictions and discriminations. According to him, the major reasons behind the slow growth of the SAARC region include tariff and non-tariff barriers, lack of appropriate level of trade facilitation, and slow progress towards the development of connectivity, infrastructure & communicational linkages.

He urged upon the SAARC Governments to undertake business friendly liberal trade facilitation policies focusing on integrating with regional trade in goods, services, invest-



ments, development of linkages & infrastructure for regional connectivity to expedite and foster socio-economic uplift of South Asian countries. Mr. Azad remarked that declaration on energy as endorsed by the 16th SAARC Summit should serve the launching pad for initiating the most promising energy drive in the sub-Himalayan region to meet the ever-growing needs of Bangladesh, India, Nepal and Bhutan. In this regard, he strongly urged the Governments of Bangladesh, Bhutan, India and Nepal to expedite serious talks on regional energy cooperation framework and conclude a regional energy trade. He hoped that after the conference is over the participants would be able to come out with a roadmap for regional trade integration through increased and strengthened economic freedom and enabling business environment in the SAARC region and beyond.

In his address, Mr. Subodh Kumar, Programme Executive, Friedrich-Naumann-Stiftung für die Freiheit made his remarks on the Economic Freedom & Business Environment in South Asia and presented the role of his organization in this regard. He mentioned that democracy is a reflection of the freedom exercised by individuals - rich or poor, educated or not, urban or rural - in choosing their leaders. Similarly, Economic Freedom is also an essential component of human life. The freedom to trade is not limited within the narrow confines of political boundaries of a nation. But, the



Mr. Subodh Kumar, Executive Programme FNF



Mr. Tariq Sayeed, Immediate Past President, SAARC CCI

freedom to trade beyond borders is an indicator of the overall freedom enjoyed by individuals and whole societies. He also mentioned the concept of Economic Freedom in details and expressed the business environment in South Asia.

Mr. Tariq Sayeed, Immediate Past President of SAARC CCI, stressed on enhancing people to people contacts to foster better business understanding and regional development.



*Mr. Annisul Huq,
President, SAARC CCI*

Thereafter, Mr. Annisul Huq, President, SAARC CCI addressed audience. He said that the economic freedom is a pre-requisite for creating business-friendly environment, particularly in the region of South Asia, which has been a victim of circumscribed policies and practices. He cited from the World Bank report that it takes 34 days and requires 8 documents on an average to complete export procedures and 42 days and 13 documents to import, making South Asia the second least trade-friendly region in the world. He blamed bureaucratic tangles for the time-consuming process. He also said that the South Asia presently facing several socio-economic challenges which has the potential to be transformed into opportunities by improving the level of economic freedom.

Mr. Annisul Huq also suggested some measures for the South Asian countries to promote Economic Freedom for creating business friendly environment in their respective countries. His suggestions included adoption of a transparent mechanism to lessen corruption and bribes involved in business regulations; encouragement and promotion of Good Governance and rule of law to curtail bureaucracy costs, cost of tax compliance, etc; lowering of taxes on imports and exports, reducing preferably removing Para-tariff and Non-tariff barriers; easy access to affordable finance to operate/expand business; protection to business, assurance of property rights & promotion of intellectual property rights; and reduction/elimination of licensing restriction, etc.



*Hon'ble Muhammad
Farrukh Khan,
Minister of Commerce,
Government of Bangladesh*

After the address of Mr. Annisul Huq, the chief guest of the occasion, Mr. Muhammad Faruk Khan, MP, Hon'ble Commerce Minister, Govt. of Bangladesh, delivered his inaugural speech. While endorsing the demand of business community for an increase in SAARC visas, he agreed to raise the matter in the forthcoming ministerial level meeting to be held in Male on June 15, 2011. Identifying connectivity problem as a big stumbling block to utilizing region's enormous potential, Mr. Faruk Khan said the SAARC region has not yet achieved congenial business environment. He said none of the SAARC countries can claim economic freedom in their respective countries as the countries are dependent on foreign aids.

He lamented that despite enormous potential, we haven't been able to improve business environment in our respective countries.

The Inaugural Session was concluded with a vote of thanks by Mr. Abul Kashem Ahmed, Vice President SAARC CCI (Bangladesh Chapter).



WORKING SESSION:

The inaugural session was followed by Technical Session on ‘Evaluating Impact of Economic Freedom on Economic Climate in South Asia’. The session was chaired by Mr. Madhukar SJB Rana, Former Finance Minister of Nepal. After his opening remarks, he invited the audience to participate in the discussion on two Topics: (1) Economic Freedom: Role of Stakeholders in Regulation of Credit, Labour and Business Environment- country perspective, and (2) Economic Freedom and Legal Structure : Safeguarding Intellectual Property Rights- country perspective.

The chair took up the first topic and invited the speakers to make their presentations on the topic with their respective country perspectives. Dr. Najmul Hossain, Economist, FNF(Bangladesh); and Ms. Ashani Abayasekara, Research Assistant, Institute of Policy Study, Sri Lanka presented their papers on the topic of ‘Economic Freedom’ with their respective country perspectives.

Dr. Najmul Hossain presented his paper on “Economic Freedom: Role of Stakeholders in Regulation of Credit, Labor and Business Environment”. To discuss Business Environment in South Asia, he divided his presentation into two parts; 1) Bangladesh Compared to its South Asian Neighbors, and 2) Is the Business Environment in Bangladesh getting better or worse? He relied heavily on studies/surveys conducted by IFC and the World Bank for his presentation and he covered quite extensively wide array of topics in his paper such as finance, regulatory regime, infrastructure and how their availability or lack of them could impact the business in Bangladesh.

Thereafter, Ms. Ashani Abayasekara, Research Assistant, Institute of Policy Study, Sri Lanka made her presentation on the topic of: Economic Freedom: The Role of Stakeholders in the Regulation of the Business Environment - A Sri Lankan Perspective. She also relied heavily on secondary source-data, surveys, and works of noted researchers/academics done on behalf of well known organizations. Her presentation covered such topics as Economic Freedom- Its Definitions and various Measures taken to strengthen it;



*Mr. Abul Kashem Ahmed,
Vice President SAARC CCI (Bangladesh)*



*Mr. Madhukar
SJB Rana,
Former Finance
Minister of Nepal.*



*Dr. Najmul Hossain, Country Representative,
Friedrich Naumann Stiftung-Bangladesh*



Significance of Economic Freedom-Linkages to Inclusive Growth; Reliability of Economic Freedom Measures; Economic Freedom and Business Environment with special reference to Sri Lanka. Her papers also included chapters on Recent Business Reforms in respect of Labor Market, Transparency Laws in Sri Lanka.

Then the chairman of the session Mr. Madhukar SJB Rana invited the Speaker of the next topic Engr. M.A. Jabbar, Chairman FPCCI



Ms. Ashani Abayasekara, Research Assistant, Institute of Policy Study, Sri Lanka.



Engr. M.A. Jabbar, Chairman FPCCI Standing Committee on WTO and Expert, Pakistan.

Standing Committee on WTO and Expert (Pakistan). His topic was: Economic Freedom and Legal Structure: Safeguarding Intellectual Property Rights- country perspective.

His presentation covered all the relevant topics including 'Economic Freedom & Legal Structure , and Safeguarding Intellectual Property Rights-Country Perspective' in detail.

After the presentation of Engr. M.A. Jabbar the chairman of the session Mr. Madhukar SJB Rana also presented a paper, titled: Safeguarding Intellectual Property Rights: Nepalese Perspective.

The main features of his presentation included 'Economic Freedom and Intellectual Property Rights, IPR Index and South Asia, Nepal Constitution Conundrum, Nepal Case'.

After the Open Discussion, the Chairman of the session ended the seminar with his concluding remarks and thanks to all.



Seminar in Pictures



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