Trade and Development Monitor

Monthly E-Newsletter of South Asia Watch on Trade, Economics and Environment (SAWTEE)

Volume 9, Issue 5, June 2012

CONTENTS

OPINION IN LEAD

Rio+20 ends with weak outcome; follow-up actions key

Even as the urgency of taking strong actions for sustainable development is greater than ever, there was no breakthrough in the Rio+20, the United Nations Conference on Sustainable Development. The summit, held from 20-22 June 2012 in Rio de Janeiro, Brazil, adopted a document titled “The Future We Want”, which met with public disappointment, including of civil society, for a lack of ambition in terms of specific commitments and targets.

The outcome document mostly reaffirmed or recalled what had been agreed at the first Rio Summit in 1992 and the Johannesburg Summit that produced a Plan of Implementation in 2002, as well as other agreements such as the Millennium Declaration, the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action), and the Almaty Programme of Action: Addressing the Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries.

Heads of state and high-level representatives from almost 200 countries were unable to add ambition to a weak outcome document prepared by officials ahead of the arrival of heads of state/government or ministers. Developing countries had to contend with a deteriorating global cooperation environment and especially United States opposition to many of their demands right since the time of the preparatory process of the summit. Key weaknesses of the document included a lack of action on phasing out fossil fuel subsidies, controlling the high seas, improving women’s reproductive health, and mitigating conflict and disasters such as the Fukushima nuclear disaster in Japan; failure to decide to convert the United Nations Environment Programme into a full-fledged specialized United Nations agency; and absence of meaningful actions on technology transfer and finance. During the summit, many non-governmental organizations went so far as to argue that the final outcome text laid the groundwork for “The Future We Don’t Want”. However, it would be unfair to call the summit a total failure, as a few important decisions were taken.

The document in paragraph 15 reaffirms the 1992 Rio principles, including the principle of “common but differentiated responsibilities”. This was finally agreed to by developed countries, including the US, after vehemently opposing to it for much of the negotiations. The common but differential responsibilities and equity are also “recalled” as a basis for action on global climate change, principles that were absent in the decision at the climate talks last December on starting negotiations on a new Durban Platform under the United Nations Framework Convention on Climate Change. The document also “recalled” the technology text in the 2002 Rio+10 summit in Johannesburg, including technology transfer on favourable terms to developing countries. Not only was there no concrete commitment on finance, developed countries also refused to the phrase “new and additional financial resources.” However, it was agreed that an intergovernmental committee will prepare a report by 2014 proposing options on an effective sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives.

A key decision that went beyond reiteration of or watering down of past commitments was to launch sustainable development goals (SDGs). A 30-member UN working group with members nominated by governments will prepare a proposal for SDGs, covering all three aspects of sustainable development—economic, social and environmental. It has been specified that the development of these goals should not divert focus or effort from the achievement of the Millennium Development Goals. Another important decision was to set up a high-level political forum on sustainable development, to replace the existing Commission on Sustainable Development. The forum is to follow up on the implementation of sustainable development and should avoid overlap with existing structures, bodies and entities in a cost-effective manner. Although the proposal to convert the UNEP into a specialized agency was not endorsed, it was agreed that UNEP would be strengthened and upgraded, including through universal membership of its governing council and increased financing.

It was agreed in Rio that green economy in the context of sustainable development and poverty eradication is one of the important tools available for achieving sustainable development and that it could provide options for policymaking but should not be a rigid set of rules. There was agreement on a set of 16 principles to govern green economy policies, including avoidance of trade protection and aid conditionality.

At the closing plenary, Brazilian President Dilma Rousseff said the outcome document was a “starting point” and not a “threshold or ceiling”. Indeed, the ultimate outcome will depend upon follow-up actions and implementation of whatever has been agreed upon, since weak implementation has afflicted “historic” decisions taken in the past, dating back to the first Rio meet.

ANALYSIS

Regional energy trade key to resolving South Asia’s power woes

Most South Asian nations, including Pakistan, India, Bangladesh and Nepal, are facing severe energy deficits in recent years, which are going to further deepen in the next five to eight years till 2020. There has been growing recognition of the fact that regional integration in energy trade is among the viable options to find a solution to end the load shedding that is negatively impacting growth as well as basic human wellbeing, especially in seasons when the temperatures are severe.

Pakistan is making plans to import 500 megawatt (MW) electricity from India. The World Bank has been asked to prepare a feasibility study to give shape to the project to make it a reality. Experts of the energy sector, both in the South Asian states as well as in the multilateral donors’ agencies, believe that the dream of achieving integration in the energy sector by ensuring connectivity through grid stations could not be achieved without New Delhi’s initiative to come out from its restrictive regime in the import of electricity.

Currently, electricity is classified as a “restrictive item,” in accordance with India’s import policy as it requires a certification from the Ministry of Foreign Affairs, the Ministry of Commerce and the Ministry of Power. This makes it clear that New Delhi has in effect imposed a ban on importing electricity from all South Asian Association for Regional Cooperation (SAARC) states for practical purposes. Without India’s participation, no country in South Asia could interconnect its electricity with other countries; hence New Delhi would have to relax its restrictive regime if the dream of regional integration is to materialize in the next few years.

At present, electricity trading is taking place between India and Bhutan in which India is the net importer, and between Nepal and India, in which Nepal is the net importer.

Energy deficit is projected to double in the next eight years till 2020 in the SAARC region as projected demand would go up to 2.9 million gigawatt hour (GWh) per year. Demand in Bangladesh would go up to 71,990 GWh, Bhutan 3,703 GWh, India 2.5 million GWh, Maldives 2,447 GWh, Pakistan 261,523 GWh, Nepal 8,990 GWh and Sri Lanka 22,040 GWh.

The peak demand in South Asian countries is projected to increase manifold in the next eight years as in the case of Pakistan it would go up to 46,000 MW, India 280,000 MW, Bangladesh 14,000 MW, Nepal 5,000 MW in the case of high growth, and Sri Lanka 5,000 MW till 2020.

Most SAARC member states are facing a severe peak and energy deficit, which would further deepen and in the case of an aggravated situation, it would have a serious impact on economic growth and ultimately poverty. There are enough reserves in the region which, if harnessed, should solve the regional problem. Hence, SAARC member states would do well to join hands to interconnect their grids, trade electricity and harness their reserves for their own and common benefit.

The 15th SAARC Summit held in Colombo on 2–3 August 2008 stressed the need to develop regional hydropower potential, grid connectivity and gas pipelines. The possibility of evolving an appropriate regional intergovernmental framework was also noted. The third meeting of the SAARC energy ministers in Colombo in January 2009 decided to form Expert Groups on different commodities and services. The Roadmap for Development of the “SAARC Market for Electricity (SAME)” was prepared and discussed in the Second Expert Group meeting on 19–20 January 2011. A study has been initiated by the Asian Development Bank to establish a Regional Power Exchange in South Asia. The possible roadmap includes interconnections at the bilateral level, energy transactions at the bilateral level, bilateral trading, bilateral interconnections to facilitate multilateral transactions, and development of exchange and market rules and regulatory framework for trading.

(Adapted from Mehtab Haider's article in The News, 24 June 2012)

NEWS

Sri Lanka seeks to leverage FTAs with India and Pakistan to get FDI

Companies based in the Association of Southeast Asian Nations (ASEAN) economies, including Thailand, looking to enter the lucrative Indian and Pakistani markets are being encouraged to set up operations in Sri Lanka to make use of the favourable free trade agreements it has with the two countries.

"Sri Lanka is well poised to be a safe and sound investment destination," Sri Lankan President Mahendra Rajapaksa told a gathering of business leaders during his official visit to Thailand. He said the country was a great destination for investors, noting that investor protection provisions were enshrined in the constitution. He said the areas of interest to investors from Thailand and other ASEAN countries in Sri Lanka include infrastructure, knowledge-based economy, and tourism.

M.M.C. Ferdinando, chairman of the Board of Investment (BoI), told his Bangkok audience that unlike many countries, investing in Sri Lanka was very easy. The BoI took care of everything from the procurement of land to the basics of handling tax issues once companies are set up. "We do not have limits on foreign ownership and/or repatriation of earnings," he said.

Constitutionally protected safety of investment, coupled with no duties on 4,232 categories of goods exported to India and 4,686 to Pakistan, "offer huge potential for investors", he said. Unlike, India, Sri Lanka also offers a continuous power supply and boasts new communication infrastructure, including a 4G mobile network.

Source: Bangkok Post, 11.06.12.

No breakthroughs in regional trade meet on services

The Group of Experts (GoE) meeting in Kathmandu in June on the SAARC Agreement on Trade in Services (SATIS) ended without any breakthrough as participating countries refrained from making clear commitments on opening up services trade among the eight member countries of the South Asian Association for Regional Cooperation (SAARC).

“Apart from Bhutan and India, it seemed that other countries attended the meeting without doing any exercise at home to make their commitment to facilitate regional trade liberalization,” said an official attending the meeting. The two-day meeting (19-20 June) was supposed to garner commitments from all eight member countries to boost regional services trade. “The meeting ended with a decision to meet in Kathmandu again in September with the hope to garner concrete commitments from member countries,” the official said.

The meeting also decided to submit proposals and requests to the SAARC Secretariat by August for further liberalization in services trade. The proposed meeting in September will discuss the proposals and requests made by member countries. SATIS was signed in the 16th SAARC Summit in Thimpu in April 2010.

Source: Republica, 20.06.12.

Plea for cheaper phone calls within SAARC

It is ironic that telecommunication rates within the South Asian Association for Regional Cooperation (SAARC) region are higher than the rates for countries outside the region.

Intra-regional fixed or mobile calls should be cheaper than calls made outside the region, said Prof Rohan Samarajiwa, Chairman and CEO of LIRNEasia, a Sri Lanka-based information and communication technology policy and regulation think tank which is active across South and South East Asia.

"This stands for roaming charges too. Roaming is currently a complex process involving making a local call in the roamed-in country, calling home from the roamed in country, receiving a call while roaming and sending an SMS in the roamed in country," Prof Samarajiwa told a panel discussion at a Journalism Workshop on Regional Cooperation in South Asia held in Kathmandu, Nepal with the participation of journalists from SAARC nations.

Roaming charges within the South Asian region for citizens of SAARC countries should be lower than when roaming outside the region and the policies should also be simpler and more transparent, he said. "Although roaming may affect less people, the ones who are affected are those that knit the region together," he said.

Source: Sunday Observer, 24.06.12.

Bangladesh to produce 5,000 MW electricity from nuclear energy by 2030

Bangladesh will produce 5,000 megawatts (MW) of electricity from nuclear energy by 2030, Finance Minister Abul Maal Abdul Muhith told parliament while presenting the budget for the fiscal year to June 2013.

Listing a number of plans to augment electricity production in this energy-starved country, he said that to meet the growing demand for power, Bangladesh will import 250 MW electricity from India by 2013. "In addition, (the) import of electricity from Myanmar, Nepal and Bhutan is also under consideration," Muhith said.

He said steps had been taken to construct coal-based power plants with a capacity to produce 2,938 MW electricity, under joint-venture investments, by 2016. The demand for electricity in the country now stands at 7,518 MW while it produces 6,066 MW, leaving 1,452 MW shortage a day. Bangladesh will allocate 5 percent of its total expenditure for power and energy, the minister said.

Source: Reuters, 07.06.12.

Sri Lanka's Chinese-built port opens for business

Sri Lanka's first Chinese-built port, a strong symbol of Beijing's investment in South Asia, opened for international shipping on 6 June with the handling of 1,000 cars from India. The US$1.5 billion deep-sea port in southern Hambantota, the home constituency of President

Mahinda Rajapakse, straddles a major east-west shipping lane used by 200 to 300 international vessels daily.

The idea of the project, which was delayed by just over a year, is to create a new logistics hub to handle trans-shipments from the Asian region and provide a boost to Sri Lanka's economy as it recovers from decades of civil war.

China has agreed to build a second port in Sri Lanka's capital Colombo and Chinese firms have pledged investments amounting to US$50 billion spread over the next 10 to 15 years, according to Sri Lanka's trade ministry.

Elsewhere in South Asia, China has funded port facilities in Pakistan and has plans for rail projects in Nepal. Bangladesh has asked for Chinese help to build a port and Beijing recently opened an embassy for the first time in the Maldives.

According to Charu Lata Hogg, an analyst at Chatham House, a London-based think-tank, India has come to terms with China in its backyard. "There seems to be a tacit understanding that their commercial interests can be complementary," Hogg told AFP. "Indian cars going through a Chinese-built port in Sri Lanka reveals a lot about this relationship."

The first shipment of cars in Hambantota, 240 kilometres (150 miles) south of Colombo, came from the south Indian port of Chennai and is destined for Algeria.

Source: AFP, 06.06.12.

India, Pakistan account for 71% of female migrants from South Asia

India and Pakistan together account for 71% of international female migrants from South Asia. While 2.7 million were from India, about 1.9 million female migrants came from Pakistan. Widespread poverty, unemployment at home and wage differences at the destination have triggered international labour migration from India to Gulf countries, according to a study “Migration of Women Workers from South Asia to the Gulf”.

The study by UN Women and the V V Giri Labour Institute analysed the current situation in five major sending countries of South Asia—Bangladesh, India, Nepal, Pakistan and Sri Lanka—and six major receiving countries of the Gulf region—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Women are half of international migrants, comprising 49.6 percent of 190 million migrant workers. A majority of these women migrate alone as domestic workers to make more money or to support their families with an ever-increasing proportion of migrants from South Asia migrating to the Gulf region, where the demand for domestic workers, especially female workers, is high.

In 2010, about 6.45 million international female migrants originated from South Asia. Of these, 71 percent came from India and Pakistan. Saudi Arabia was the Gulf country that received the highest proportion of Indian migrant workers. "Most of the low-skilled women migrants are caught in a web of marginal existence, on account of being women and low-skilled migrants working in the confines of the households where the piercing eyes of labour law do not reach," Anne F Stenhammer, regional programme director of UN Women South Asia, said.

The report recommends making policy discourse more sensitive to the needs of women migrant workers, coordinated regional interventions by sending countries and countries of employment, standard operating procedures for gender-sensitive labour migration management and joint response by UN agencies and intergovernmental bodies.

Source: Time of India, 05.06.12.

Bhutan towns ban cars on Tuesdays

The Himalayan kingdom of Bhutan has made Tuesdays "pedestrian's day" with motorists banned from town centres.

"Tuesdays will be a day when Bhutanese citizens would seize the opportunity to contemplate the fragile nature of our precious Himalayan mountain ecology and make a small contribution," the cabinet said in a statement.

"This will also be a day Bhutanese all over will walk for their health and promote [the] joy of walking, together with friends, family and colleagues, and thereby promote interaction and community vitality," it added.

Driving is banned in town centres on Tuesdays between 8:00 am local time and 6:00 pm local time.

Electric and hybrid vehicles will still be allowed to use the roads, as will emergency vehicles such as ambulances and police cars.

The first day of forcing car owners to walk, cycle or take public transport was 5 June to coincide with World Environment Day.

Bhutan has few large urban areas, with its population mostly spread in poverty-stricken villages across the soaring and pristine Himalayan peaks that dominate the country. But traffic has steadily increased in the capital Thimphu, where a sharp increase in SUVs and other cars has led to unprecedented traffic jams on its narrow streets.

Source: News.com.au, 01.06.12.

ACTIVITIES

Regional Seminar on Emerging Issues on Trade, Climate Change and Food Security

SAWTEE, the Institute of Policy Studies of Sri Lanka and Oxfam Novib organized a South Asia-level regional seminar on “Emerging Issues on Trade, Climate Change and Food Security: Way Forward for South Asia” on 31 May-1 June 2012 in Colombo. The programme was inaugurated by Hon’ble Anura Priyadharshana Yapa, Minister of Environment, Government of Sri Lanka. South Asian academics, experts, civil society members, policy makers and media persons, among others, deliberated on issues such as the outcomes of the Durban Climate Conference in relation to climate finance and technology transfer, the SAARC Food Bank, SAARC Seed Bank, issues of competition policy and food price inflation, liberalization of trade in environmental goods and services, and South Asian intra-regional liberalization of trade in services. Discussions took place over six technical sessions. The meeting also came up with a way forward on these issues.

Dialogue on Green Economy Trade Opportunities

SAWTEE participated in the “Multi-stakeholder Dialogue on Trade Opportunities in the Context of a Green Economy Transition” in Rio de Janerio, held on the sidelines of the Rio+20, on 18 June. The event was jointly organized by the United Nations Environment Programme (UNEP), the International Centre for Trade and Sustainable Development (ICTSD) and the International Trade Centre (ITC). The meeting discussed trade opportunities for developing countries in the context of the transition to a green economy in order to enhance development opportunities, poverty eradication and social equity. SAWTEE was represented in the panel discussion on policy lessons that also saw the participation of Mr Ib Petersen, State Secretary for Development Policy, Denmark. SAWTEE strongly raised the issue of the need to enhance the effectiveness of Aid for Trade (AfT), highlighted the potential to leverage AfT for exploiting green-economy export opportunities by targeting it at alleviating supply-side constraints facing developing countries in general and least-developed countries in particular, and emphasized the need to establish coherence and synergy between AfT and climate finance. SAWTEE was represented by Paras Kharel, Research Coordinator in the panel, who made the presentation on “Aid for Trade: Issues and way forward in the context of sustainable development”.

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