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ICC Bangladesh

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Editor's Note

Realizing homegrown development agenda: key challenge for new Government

The new government begins its journey with a new vision of change amid huge expectations from the people for easing their economic and social woes. The people of Bangladesh have voiced that they keenly look forward to put an end to corruption and misrule of the past.

The December 29 election has been a milestone achievement for Bangladesh. Probably, for the first time in the history of the country and for that matter in the region that such a credible, free and fair election has been held. The country has experienced a model election with voters using ID cards, transparent ballot boxes, registering of all eligible parties, declaration by candidates, no colour poster messing up walls, strictly following the election rules etc. Casting of vote by some 87 per cent of around 81 million voters, majority of whom are women and younger generation, reflect the commitment of a Nation for a secular-democracy. Judged by all yardsticks, the Election Commission and the people deserve to be congratulated for making the election a historical success and a model for future.

The election results clearly show that the electorates were totally disappointed with the performance of the last elected government as well as political instability coupled with price escalation of essential commodities during the last two years. The voters have set five priority agendas for the new government to address: inflation, corruption, food security, law and order, and education.

The new government, therefore, has to turn its words into works - uprooting corruption, improving governance, and bolstering the economic activities. While expectations are high, realizations are obviously very challenging, especially in the wake of global rescission. The positive side is that the government has started with a lower inflation rate in the domestic front and downward trend in international oil and commodity prices. The government should utilize this advantage properly.

It is also important to note that democracy cannot survive, not to speak of thriving, if there is no mutual accommodation and trust among the winner and the looser. Democracy has suffered for long in the absence of such co-operation and mutual respect. Needless to say, a repetition of the same will have dangerous effect on democracy, stability and prosperity of the country.

Therefore, with the absolute majority, it is highly desirable that the government makes all out efforts for strengthening of the democratic institutions as a priority and ensures the independence and proper functioning of the bodies that have been created over the past two years, such as the anti-corruption commission, regulatory reforms commission, election commission, independent judicial system, better business forum and others.

The new cabinet of Sheikh Hasina is pleasantly small and composed of fresh faces, many of whom are first-timers not only in the government but also in the Parliament. This is a clear signal of her mission and will to bring about changes. A Cabinet with clean image and good track record, leaving aside most of the bigwigs, also shows the Prim Minister's firmness.

Finally, the national parliament should be effective, functional and centre of national decision making process. Political parties must do away with politics of confrontation and develop a healthy political culture.

With all these expectations, the Business Community's demand is a business friendly environment. This requires no destructive political activities (strike), reduction of red tapes and adequate infrastructure support. There are no alternatives of uninterrupted supply of gas and electricity; dynamic port facilities; and smooth communication with revamped railway service.

In fact, the great chance that the Nation now has to change the fate of millions of people should be capitalized with the help of homegrown development policy agendas and action plans. Bangladesh's ultimate destination is poverty and hunger free equitable society where balanced state-market paradigm will prevail. Riding towards the destination will be vibrant when homegrown initiatives can be worked out effectively. There is high hope that the new government has the ability to deliver with the necessary support from different stakeholders including businesses.

International Chamber of Commerce-Bangladesh

The world business organization

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ICC Bangladesh News

DCCI International Business Conference

South Asian economic growth vis-à-vis global financial melt-down

In the backdrop of severe global economic crisis the Dhaka Chamber of Commerce & Industry (DCCI) organized an International Business Conference in Dhaka on October 31-November 1. The two day International Business Conference was arranged to celebrate 50 years of DCCI and the theme of the conference was 'The next Fifteen Years, A Vision for Growth'. Chief Adviser Dr. Fakhruddin Ahmed was present in the inaugural session of the conference as Chief Guest. While speaking on the occasion the Chief Adviser called for joint efforts of the Asian countries to advance their common development goals to create a more cohesive and productive matrix of the economies of the region. He also said that economic linkages across countries were a reality and stressed the need for economic integration to promote greater stability. He mentioned that benefit of integration could be seen in the successes of several such moves as European Union and the free trade block NAFTA.

UNCTAD Secretary General Supachai Panitchpakdi, Export Development and International Trade Minister of Sri Lanka G L Pairis, Indian State Minister for Commerce Jairam Ramesh joined the inaugural session. More than 200 foreign delegates and business leaders from about 25 developing and developed countries also participated in the conference.

Finance Adviser Mirza Md. Azizul Islam, Commerce Adviser Dr. Hossain Zillur Rahman, ICCB President Mahbubur Rahman and DCCI President Hossain Khaled also spoke on the occasion.

ICCB President Mahbubur Rahman, who was also the Chairman of the Golden Jubilee Celebration Steering Committee stated that in context of the time when the world is facing the fallouts of a financial meltdown, three issues are significant i.e. *the current financial crisis and its impact on the real economy, the emerging role of Asia, and the possible niches for countries such as Bangladesh*.



Chief Advisor Dr. Fakhruddin Ahmed (3rd from right) in the inaugural session of the International Business Conference. ICCB President Mahbubur Rahman (3rd from left), UNCTAD Secretary General Supachai Panitchpakdi (2nd from left), Finance Adviser Mirza Md. Azizul Islam (extreme left), DCCI President Hossain Khaled (2nd from right) and Commerce Adviser Hossain Zillur Rahman extreme right) are also seen in the dais.

It has been told that globalization has the potential to benefit all people, not just a fortunate few and that it can provide a conduit to a better life, and deliverance from poverty and despair but regrettably, the reality of the international system today does not match the rhetoric, Mahbubur Rahman opined.

He added that the global rules are negotiated by a select few, with too much protection for special interests, underpinned by too many broken promises. Weakly regulated financial markets have become prey to the self-serving actions of a limited few and the lives and livelihoods of hundreds of millions around the globe are adversely

affected. Consequently, the real economy has received a tremendous systemic shock. The credit crunch has hit both manufacturers and consumers. Businesses can no longer rely on so-called sophisticated financial instruments. Reduced spending by consumers will depress demand and create a vicious cycle in which manufacturers cut back even further, with consequent job cuts.

He said that Asia is the new centre of gravity of the global economy and Bangladesh with its economy in transition has weathered many challenges, emerging even stronger from each experience. During last year alone, the country faced two major floods, and cyclone Sidr. Many predicted food crises and famines but we were able to recover from those natural disasters, and achieved growth rates that have been commendable. Against all odds, and despite inadequate supportive infrastructure, our private sector has matured and has become globally competitive. Entrepreneurs have been investing in new industries, while strengthening existing product lines. They have taken risks with their capital, and have gone *boldly* forward in the "brave new world".

Mahbubur Rahman expressed his high aspiration that Bangladesh would be able to overcome the challenges of eminent man-made financial crisis and its consequences also. He expressed his belief that destiny has given a role to Asia in this turning point of the world financial and trading regime and within this broad canvas, countries such as Bangladesh will have to secure their *niches*.

UNCTAD Secretary General Dr. Supachai Panitchpakdi presented the keynote address at the Plennary held immediately after the inaugural ceremony. The theme of his address was 'Next Fifteen Years- A Vision for Growth'.

Dr. Supachai in his presentation mentioned that this conference, intended to build a vision for growth for the next 15 years, was being held at one of the most crucial moments in the era. The world economy was being shaken to the core and the global financial crisis was threatening to drag the world into protracted recession and the prospect for growth- the key to employment and social development- are deteriorating fast. He apprehended as unfortunately often the case, the poorest countries are likely to be among the worst affected. He pointed out a few challenges and opined that addressing all those challenges would undoubtedly require significant development assistance. But even in times of rapid economic expansion, donors have been falling behind on their commitments and pledges. However, he cautioned and said that we must be careful not to swing the pendulum too far in the other direction : under an appropriate regulatory framework, markets continue to be one of the most powerful allocative mechanism. He expressed optimism that we would be succeeded in building a global economic governance structure within the next 15 years.

During the Conference, two parallel roundtables were conducted on the themes: Business Strategies in a World of Change and Impact of WTO on SMEs. The keynote speaker in the first roundtable was Patricia Francis, Executive Director, International Trade



ICCB President Mahbubur Rahman is seen speaking in the concluding plenary of the International Business Conference. Sitting in the dais are: Editor of the Daily Star Mahfuz Anam (Extreme right), ITC Executive Director Patricia Francis (2nd from right), Nobel Lorette and Chair of the UN Intergovernmental panel on Climate Change Dr. Rajendra Kumar Pachauri (3rd from left), FBCCI President Annisul Huq (2nd from left) and Chairman of the Global Brand Forum Kartik Siva (extreme left)

Centre, Geneva which was moderated by MCCI President Latifur Rahman. The keynote speaker in the other roundtable was Harsha V. Singh, Deputy Director General, WTO, Geneva which was moderated by A. S. M. Quasem, Past President, DCCI. Both the roundtables had a number of learned panel Speakers from home and abroad.

The conference continued for the second day on November 1 with a Ministerial Roundtable on Global Economic Shift to Asia- Regional Synergies. The keynote discussant in the roundtable was the State Minister of Commerce, India Jairam Ramesh. A number of dignitaries from home and abroad participated as discussants while Dr. Hossain Zillur Rahman, Adviser for Commerce and Education, Bangladesh moderated the session. The theme of the second Roundtable of the day was 'Does Bangladesh Have a Niche in Asia?' The keynote speaker of the session was Ifty Islam and moderated by Ambassador Farooq Sobhan, President, BEI. The theme of the concluding plenary was ' The Next Fifteen Years- The Way Forward'. Keynote speech in the concluding plenary was presented by the Nobel Lorette and Chairman of Intergovernmental Panel on Climate Change Dr. Rajendra Kumar Pachauri and moderated by Mahbubur Rahman, President, ICCB.

The Conference adopted at the concluding session a declaration Titled 'Dhaka Vision' having hopes and aspirations to achieve middle income status within the next fifteen years.

Workshop on International Trade Payment

ICCB critical of World Bank's lower growth projection

ICCB President Mahbubur Rahman expressed his concern at the interference of the international agencies, particularly the IMF, trying to influence Bangladesh Bank to rein in private-sector credit growth to reduce inflationary pressure and the projection of IMF on RMG sector which might slide to a single digit against Bangladesh Bank's observation that the garment sector is unlikely to take a hit from the global financial meltdown.

Mahbubur Rahman made the above observations while presiding over the inaugural session of a day-long workshop on "International Trade Payments: Management & Options" organized by the International Chamber of Commerce-Bangladesh held at BCFCC on December 3. The workshop was organized in cooperation with the United Commercial Bank Ltd. A total 108 participants from Bangladesh Bank, commercial banks, multinational and national companies attended the Workshop.



ICCB President Mahbubur Rahman is seen speaking at the certificate award ceremony and inaugural session of the ICC Workshop on International Trade Payment. Bangladesh Bank Governor Dr. Salehuddin Ahmed (3rd from left) was present as Chief Guest. Workshop Resource Person O'Brien (extreme left), ICCB Vice President Latifur Rahman (2nd from left), Chairman of ICCB Standing Committee on Banking Technique & Practices Mamun Rashid (2nd from right) and ICCB Secretary Ataur Rahman (extreme right) are seen sitting in the dais.

ICCB President also echoed his views with the observations made by the Finance Advisor, Bangladesh Bank Governor and distinguished Chamber leaders on the just announced projection by the World Bank that GDP of Bangladesh would be around 4.8% as against

the Bangladesh Bank's projection of 6.2%-6.5%. ICCB President mentioned that the International Financial Institutions should be careful in making such projections public without having consultation with our policy makers, business community and other stakeholders.

In this regard he urged upon the Central Bank Governor to arrange interaction with the World Bank together with government policy makers, business leaders and others to have a threadbare discussions on World Bank vis-à-vis our projections before making any statement on the country's economy. "We must strongly oppose such kind of negative public statement without providing relevant facts and figures" said Mahbubur Rahman.

The workshop was inaugurated by the Bangladesh Bank Governor Dr. Salehuddin Ahmed. Chairman of ICCB Standing Committee on Banking Technique & Practices, Mamun Rashid and visiting expert from Europe Vincent O'Brien also spoke at the inaugural session.

The Governor in his inaugural address congratulated the participants who successfully completed the IFC "FIT" Initiative programme and hoped that the participants as well as the country would be benefited out of this programme. He mentioned that risk and complexity are two major issues in international trade which could be reduced and minimized by creating awareness among the bankers. This type of training programme will be very useful and helpful for the bankers. Replying to the observation made by ICCB President regarding international agencies he said that Bangladesh Bank is very much cautious about their comments and is strictly monitoring the impact of their views on the economy. Regarding exchange rate the Governor told that the exchange rate is not only one criteria for being uncompetitive other factors such as productivity, improving quality etc. are needed to be competitive.

It is true that till now the global recession has not hit our export industries or threatened the wage earners' remittances but there is no room for complacency, said Mahbubur Rahman. He also emphasized the need for competitive exchange rates to keep our exports competitive and to reduce interest rate to create more economic activities. He mentioned that our interest rate is already very high and we should examine the matter very seriously in order to be competitive.

ICCB President welcomed several initiatives taken by the Central Bank to tackle any immediate impact of the global turmoil on the financial sector. "To minimize exchange losses, Bangladesh Bank immediately revised currency benchmark of its reserves, substantially protecting the real value of the reserves", he added.

Mamun Rashid, Chairman of ICCB Standing Committee on Banking Technique & Practices while speaking on the occasion mentioned that one of the major challenges, our country will be facing is the growing demand for open account transactions, which is still missing in the current import policy order. He observed that in Bangladesh scenario, open account transactions are still restricted to Type-A industries in EPZ, which should be gradually and selectively liberalized specially towards RMG concerns in the face of growing demand from their buyers.

ICCB Vice President Latifur Rahman, ICCB Executive Board Member R. Maksud Khan, CEOs of Banks and



Bangladesh Bank Governor Dr.Salehuddin Ahmed is seen distributing certificates among the successful participants of IFC-FIT Initiative Programme.

Financial Institutions and ICCB Secretary Ataur Rahman among others attended the inaugural session.

At the end of inaugural ceremony Bangladesh Bank Governor Dr. Salehuddin Ahmed distributed certificates among 43 successful candidates of IFC "FIT" Initiatives programme launched by ICC Bangladesh in collaboration with International Finance Corporation (IFC) of World Bank Group and e-Business School of Ireland (eBSI). The recipients of the FIT Initiative Certificates are: 11 from Eastern Bank Ltd., 10 from Islami Bank Bangladesh Ltd., 8 from Mutual Trust Bank Ltd., 2 from Bank Alfalah, 2 from NCC Bank, 2 from One Bank Ltd., 1 from Bank Asia, 1 from Bangladesh Bank, 1 from Babylon Garments Ltd., 1 from Citibank N.A., 1 from Green Delta Insurance Co. Ltd., 1 from Khushi Apparels Ltd., 1 from Premier Bank Ltd. and 1 from Standard Bank Ltd.

It was also mentioned that the second batch of the FIT Initiative programme would start toward the end of December. ICCB President hoped that the banks would encourage their potential officers to register for this world renowned e-learning programme as well as for the forthcoming CDCS Examination scheduled to be held in Dhaka on April 16, 2009 to develop their professional skill at the international level.

ICCB President at ICAB Seminar

Stressed for transparent corporate accounts and accountable auditing standard

Under the present upsurge of globalization uniformity of accounting and auditing standards through convergence is all the more essential to ensure preparation of transparent and accountable financial statements relating to classification of insurance contracts and disclosure in financial statements of entities issuing insurance contracts. ICCB President Mahbubur Rahman stated this while speaking as Special Guest at the Seminar on International Financial Reporting Standard-4: Insurance Contract organized by Institute of Chartered Accountants of Bangladesh (ICAB) held on 28 October. He apprehended that IFRS- 4 should apply to contracts in which an entity takes on insurance risk either as an insurer or a re-insurer. The Commerce Secretary Feroz Ahmed was present in the seminar as chief guest and spoke on the occasion.



ICCB President Mahbubur Rahman is seen speaking as special guest in the Seminar on International Financial Reporting Standard-4 organised by Institute of Chartered Accountants of Bangladesh (ICAB).

ICCB President Mahbubur Rahman expressed his happiness to note that the Institute of Chartered Accountants of Bangladesh (ICAB), the national body regulating the accountancy profession in the country, has organized today's Seminar on International Financial Reporting Standard- 4: Insurance Contracts, at this very critical time when the whole world facing the worst financial crisis.

He also stated that the Insurance business in Bangladesh, as measured by the annual premium income, has almost tripled in the last six years reflecting greater demand and potentiality of the sector. The private sector players are gaining their foothold in the business especially in the life insurance

segment. Rise in premium income of private sector life insurers was the result of expansion of life insurance business in the country through introduction of micro insurance among rural and urban low and middle income people. He disclosed that currently, a total of 43 privately owned general insurance companies and 17 life insurance companies are operating in the country. He stressed utmost importance to have proper accounting standards to ensure transparency, accountability and proper management to safeguard the interest of all concerned stakeholders.

ICCB President also said that Insurance Accounting in a developing country like Bangladesh has extra ordinary importance as this involves the risk factors of the insured, the insurers and the re-insurers. He opined that the seminar on Insurance Accounting on IFRS-4 would be very helpful for the Members of the Institute and Accountants involved with the Insurance Accounting.

The recently issued International Financial Reporting Standard-4 which provides inter alia the latest mechanism for preparing Insurance accounting; plays a paramount role. It has the guiding principle to prepare Insurance Accounting Method and the Insurance Accounting Standards which are now under convergence to frame a single set of Standards for application around the globe, Mahbubur Rahman added.

He mentioned that International Chamber of Commerce (ICC), *The world business organization*, has a number of committees including one on the Financial Services and Insurance. The mandate of the Committee is to promote liberalization of Financial Services and Insurance, and to contribute to the elaboration of sound self-regularity and supervisory framework.

Mahbubur Rahman termed this seminar as a nationally important one and suggested ICAB to organize on a regular interval workshops on Insurance Accounting with participation from the Insurance companies operating in the country.

ICCB Executive Board meeting

Review ICC Stockholm business summit 2008

The 37th ICC Bangladesh Executive Board Meeting was held on October 16 in the Board Room of the National Secretariat. Presided over by ICCB President Mahbubur Rahman the meeting was attended by its Vice Presidents Latifur Rahman and Samson H. Chowdhury and Board Members, namely A. S. M. Quasem, Aftab ul Islam, Kutubuddin Ahmed, Mamun Rashid, Mashih ul Karim, Mohammad A (Rumee) Ali, R. Maksud Khan and Waliur Rahman Bhuiyan, OBE. The Board reviewed the activities of ICCB during April-September 2008. The important events included holding of the 13th Annual Council of ICCB, Launching of ICCB Business Directory in April, participation at 7th UNESCAP BAC Meeting in Bangkok in April, participation at ICC World Business Summit in Stockholm in June, participation at a Dialogue on Public-Private Partnership for Economic



37th Executive Board Meeting Chaired by ICCB President Mahbubur Rahman is in progress.



38th meeting of the Executive Board of ICCB is in progress.

Development: Bangladesh Perspective held in Dhaka in September and holding of two workshops on International Trade Fraud in Dhaka and Chittagong in July, starting of IFC "Finance of International Trade (FIT)" e-learning Programme in April and Certificate Award Ceremony for the successful CDCS candidates in August.

Beside this the meeting also discussed about the status of the project proposal of Bangladesh International Arbitration Centre titled "Capacity Building of Bangladesh Dispute Resolution System for Arbitration and ADR" submitted to IFC- BICF. The meeting also accepted two new applications for membership of Grameenphone and M/S. Abdul Monem Ltd. as members of ICCB under corporate category.

The 38th Meeting of the ICC Bangladesh Executive Board was held on December 30, which was presided over by ICCB President Mahbubur Rahman. Vice President Latifur Rahman and seven other members, namely A K M Rafiqul Islam, FCA, A S M Quasem, Aftabul Islam, Annisul Huq, Anwarul Alam Chowdhury Parvez, Kutubuddin and Md. Fazlul Hoque attended the meeting. The meeting reviewed the activities of ICCB and had deliberations on business related issues like DCCI International Business Conference, ICC Workshop on International Trade Payment, FBCCI-SAARC Seminar on Trade Facilitation in South Asia, ICAB Seminar on International Financial Reporting Standard-4 (IFRS-4) and FBCCI Business Convention. The Board also discussed about invitation to ICCB President to attend "The Climate Game Change- innovations and solutions for climate change adaptation" organized jointly by UNESCAP and Sida on January 22, 2009 at Bangkok and participation at the 6th World Chambers Congress in Kuala Lumpur, Malaysia on 3-5 June, 2009.

FBCCI Business Convention 2008

21 point agenda proposed for the next govt.

The Business leaders urged the major political parties to put economic agenda in their election manifestos on priority basis for achieving desired development of the country. Terming private sector the engine of growth, the business leaders at a convention for formulating macroeconomic agenda demanded a congenial business atmosphere from the next elected government. FBCCI organized the Convention in Dhaka on November 15. The convention set 21 point recommendations in the macroeconomic agenda involving 52 sectors to submit to the leaders of political parties. In the agenda the business leaders urged the next political government to address the recommendations within the first 100 days of assuming Office. Presided over by the FBCCI President Annisul Huq, the business leaders called upon the political parties to avoid the politics of hartals and demonstrations. More than 2,000 businesspeople gathered at the convention from across the country and also from abroad to give inputs to the macroeconomic agenda.

ICCB President Mahbubur Rahman also attended the Convention. He said that the economic woes of the developed nations would leave an indirect and direct

impact on what he called the 'nascent' economy of Bangladesh. He also stated that the private sector has not been properly prioritized yet, although it is the engine of growth. Former FBCCI Presidents Mir Nasir Hossain, Abdul Awal Mintoo and Yussuf Abdullah Harun, former MCCI President Shamson H Chowdhury and BKMEA President Fazlul Hoque also addressed the convention.

Seminar on Trade Facilitation in South Asia

ICCB President emphasized on the effective role of SAARC

A Seminar on Trade Facilitation in South Asia was held on October 19 in Dhaka. The Seminar was jointly organized by SAARC Chamber of Commerce & Industry (SCCI) and Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The Inaugural Session was graced by the presence of Commerce and Education Advisor Dr. Hossain Zillur Rahman as Chief Guest. Mir Nasir Hossain, Sr. Vice-President SCCI and Immediate Past President, FBCCI, Annisul Huq, President FBCCI and Iqbal Tabish, Secretary General, SCCI also spoke on the occasion.

Commerce Advisor in his address stressed the need for greater collaboration and sharing of experience among South Asian Nations, as the global economic hurricane threatens to hit the region. He mentioned that the regional Governments have to pool together their thought process on the strategy to cope with the current global financial crisis that has pummelled stock markets financial institutions of the United States and top economics of Europe.

The Commerce Adviser said trade facilitation is needed to expand our local trade and commerce after coming to power by an elected government and country's return to original political track. He said our trade and commerce will have to be expanded to whole South-Asia. We are trying to make out plan how such expansion can be expedited. In the past we spoke so many words but now it is time to implement the task with momentum. He also said visa system, banking sector, customs, harmonization of standards, transportation of goods and infrastructure will have to be improved in order to expand the trade. Non-tariff barriers among the South Asian countries should be removed. And to improve the overall business and trade, our political leaders and businessmen will also have to change their mindset. Instead of sitting with the Government high officials, the real businessmen will have to sit with other real businessmen for promoting export and import. However, he admitted that coordination among the SAARC countries is yet to reach a convenient level. The progress so far is not sufficient. He also laid emphasis on talks between businessmen of the SAARC countries to find out the problems, possibilities and potential of trade in the region. He advocated for finding specific and prioritized issues in the region to deal with trade, which is not gaining momentum.

Commerce Secretary Feroz Ahmed addressed the function as Special Guest. While addressing he said,



2nd working session of the Seminar on Trade Facilitation in South Asia organized jointly by FBCCI and SAARC Chamber of Commerce is in progress. ICCB President Mahbubur Rahman chaired the session.

Regional Economic Cooperation is on the top priority now in the light of renewed momentum in the recently held SAARC Summit to achieve new breakthrough in trade and economic cooperation.

Annisul Huq, President, FBCCI said intraregional trade potential became a much talked about issue but less worked out subject, so SAARC region suffers economically. He pointed out significant numbers of NTBs still hinders potentials in SAARC intraregional trade and bureaucracies in the countries are greatly responsible for that. He reiterated the demands for quick removal of the non-tariff barriers saying it is a must to increase the intra-regional trade.

Mir Nasir Hossain, Senior Vice President, SCCI said, increased SAARC trade may help alleviation of poverty in the region, but strict visa regime, poor infrastructure and fewer communications among the stakeholders hold the potentials.

Working session on 'Trade Facilitation-Bangladesh and Pakistan perspective' was chaired by Syed Manzur Elahi, Former Advisor to the Care taker Government of Bangladesh. In the session Syed Saifuddin Hossain, Sr. Research Associate, Center for Policy Dialogue (CPD) presented paper on 'Trade Facilitation-Bangladesh perspective' and Huma Fakhar, Partner, Fakhar Law Associate, Pakistan presented paper on 'Trade Facilitation-Pakistan perspective'.

While summing up Syed Manzur Elahi stressed the need to facilitate movement of goods, services and people across the SAARC region, remove non-tariff barriers, establish regional transportation network, develop infrastructure. SCCI should play more active role to implement the recommendations of the seminar.

Working session on 'Trade Facilitation India, Sri Lanka and Nepal perspective' was chaired by Mahabubur Rahman, President, ICC Bangladesh & Past President, FBCCI. In the session 3 papers were presented. Dr. Sachin Chaturbedi, Fellow, Research and Information System for Developing Countries presented paper on 'Trade Facilitation-India perspective', Kumar Mallimaratchi, Managing Director, Associate Hotels Lanka Ltd. Sri Lanka presented paper on 'Trade Facilitation-Sri Lanka perspective' and Dr. Posh Raj Pandey, President, South Asia Watch on Trade Economics and Environment (SAWTEE), Nepal presented paper on 'Trade Facilitation-Nepal perspective'.

Mahbubur Rahman in his concluding remarks emphasized the need for harmonization and simplification of trade procedures, making trade and transit more efficient in order to facilitate trade in the region. SAARC should play its due role in real speed and spirit for trade facilitation in the region, he added

Implementation of WTO Agreements on Customs Valuation, Import Licensing, Pre-shipment Inspection, Rules of Origin, Technical Barriers to Trade and that of SAFTA Agreement to reduce the sensitive list; remove NTBs and regularize and liberalize trade in service sector is essential for promoting regional trade, he stressed.

The Seminar formulated a number of recommendations for consideration of SAARC. The major recommendations are as follows:

- South Asian Association for Regional Cooperation (SAARC) during last 23 years has not been able to address properly the issues of the simplification and harmonization of trade procedures, to make trade and transit more efficient, in order to facilitate trade in the region. It is recommended that SAARC should play its due role in real speed and spirit for trade facilitation in the region.
- SAARC countries should make efforts for implementation of WTO Agreements on Customs Valuation, Import Licensing, Pre-shipment Inspection, Rules of Origin, Technical Barriers to Trade, which are the integral components of any trade facilitation regime.
- The high cost of formal trade due to poor trade facilitation only promotes informal trade with its own adverse consequences of loss of revenue for the Governments and criminalization of our borders. In order to generate revenue for the government and protect the boarder from informal trade and criminalization, it is recommended to go for trade facilitation.
- There is tremendous potential for developing regional and sub-regional energy resources in an

integrated manner and strengthen regional cooperation in capacity development, technology transfer and the trade in energy. It is therefore needed to develop the regional hydro potential, grid connectivity and gas pipelines. The possibility of evolving an appropriate Regional Inter-Governmental Framework may be explored to facilitate such an endeavour.

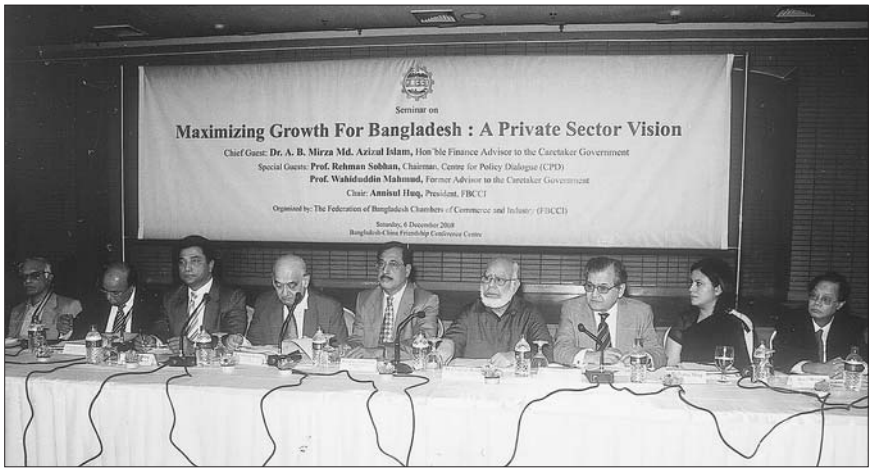
- An efficient multimodal transport system in the region for integration and for sustaining the region's economic growth and competitiveness may be implemented in a gradual and phased manner as per proposals of the SAARC Regional Multimodal Transport Study.
- Close regional cooperation in Information and Communication Technology (ICT) along with enhanced Digital Connectivity among the Member States to be continued and completion of the ongoing works to upgrade the regional telecommunication infrastructure to be expedited.
- The impact of SAPTA on generating trade in the region has been negligible. This has largely been due to the limited number of concessions, the irrelevance of much of the concessions that have been offered, limited depth of tariff cuts, failure to deal with non-tariff issues and restrictive Rules of Origin. Political tensions in the region, particularly between India and Pakistan have only served to undermine regional economic cooperation. United efforts of all the member states are required to strengthen SAPTA.
- Given the limited achievements of the SAPTA process, bilateral trade agreements are now being pursued more vigorously among the SAARC member countries, offering far more liberal and substantial concessions than anything under the regional framework. The Indo-Lanka Free Trade Agreement (ILFTA), signed in December 1998 came into operation in March 2000. More such agreements are in pipeline, posing a threat to further fragmentation of a common South Asian goal towards regional integration. A consensus among the member states should be attained to save the region from fragmentation.
- Implement SAFTA Agreement and to reduce the sensitive lists; remove NTBs and regularize and liberalize trade in service sectors.
- Integration of regional infrastructure to facilitate the movement of goods, services, and people across the SAARC region.
- Adopt open sky policy in South Asia - improve air connectivity by ensuring direct flights between capital and other major cities and giving access to private airlines in all countries to operate in the region.
- Provide easy and long term multiple entry visas to businessmen and tourists.
- Promote and facilitate SAARC countries owned shipping Vehicles to have priority berthing at each other's ports; create special facilities for land-locked countries.

FBCCI Seminar on Growth Maximization

Business leaders reiterated enabling environment

The ability of the next government to attain 8 percent economic growth depends on efforts to tackle the power crisis, increased private-sector investment, greater foreign direct investment inflows and an effective strategy to brand Bangladesh, said business leaders and economists in a seminar on 'Maximising Growth for Bangladesh: A Private Sector Vision' organized by the Federation of Bangladesh Chambers of Commerce and Industry held on December 6 in Dhaka.

Finance Adviser AB Mirza Azizul Islam was present in the seminar as chief guest. The adviser said there is no alternative to rental power plants to generate electricity within a short time. This is the reason the government has made agreements with several companies to buy electricity, he added.



A partial view of the Seminar on Maximising Growth for Bangladesh: A Private Sector Vision organized by FBCCI. Former Adviser to the Care Taker Government Dr. Wahiduddin Mahmud (extreme left), Finance Adviser A B Mirza Azizul Islam (2nd from left), FBCCI President Annisul Huq (3rd from left), CPD Chairman Dr. Rehman Sobhan (4th from left), FBCCI Vice President Abu Alam Chowdhury (centre), ICCB President Mahbubur Rahman (4th from right) among others are seen in the picture.

The economists, chamber leaders, political leaders, development experts and CEOs of reputed companies attended the seminar and stressed the need for skill development, more access to finance and an effective diaspora strategy. They underscored efforts to create a dynamic SME sector, increase exports of high value-added products, improve the legal system, focus on environmentally-sustainable growth and improve regional infrastructure. They also agreed that economic issues should be priority task of the next elected government.

Advisor to the former caretaker government Dr Wahiduddin Mahmud, moderated the seminar. He said, Bangladesh is the only nation in South Asia, which maintained 5 percent GDP growth rate in five successive years, despite some major obstacles. Latifur Rahman, President of the Metropolitan Chamber of Commerce and Industry, said the country should be free from hartals and blockades. Workers have every right to strike, but hartals or blockades are unacceptable.

Centre for Policy Dialogue Chairman Dr Rehman Sobhan attended the seminar as special guest and said that measures to develop the skills of the workforce should be taken. ICCB President Mahbubur Rahman, FBCCI Vice President Abu Alam Chowdhury, Former Minister M K Anwar, Workers' Party President Rashed Khan Menon, Communist Party of Bangladesh President Monjurul Ahsan Khan, Finance Secretary Mohammad Tareq, Economist Zaidi Sattar and Abu Ahmed, BGMEA President Anwarul Alam Chowdhury and CPD Executive Director Mustafizur Rahman also attended among others and spoke on the occasion. Ifty Islam, managing partner of Asian Tiger Capital Partners, presented the keynote paper at the seminar. FBCCI President Annisul Huq chaired the seminar.

ASIA PHARMA EXPO-2009

International Exhibition on Asian Pharmaceutical Industries

Bangladesh Association of Pharmaceutical Industries (Bangladesh Aushad Shilpa Samity) organized an International Exhibition on Asian Pharmaceutical Industries 'ASIA PHARMA EXPO- 2009' in Dhaka during January 22-24. Companies from more than 26 countries across the world are expected to exhibit their products in the exhibition.

The best event of the exhibition is the latest modern machineries with the state-of-the-art technology, and ingenuous expertise in services would be exhibited in this mega event.

For clarification and further information: website: www.asiapharma.org

Global recession and its challenges for Developing Economies

Mahbubur Rahman, President, ICC Bangladesh

The *"financial Tsunami"* originating in the United States has plunged the world economy into its worst crisis since the great depression of the 1930s. What started as a sub prime mortgage crisis in the USA has now gone global. The damage to economic growth, incomes and jobs is already being felt sharply in every corner of the world. The crisis has created a downward spiral of loss of confidence and trust on the free market system.

In this backdrop, the three challenges to be addressed are: *the current financial crisis and its impact on the real economy, the emerging role of Asia, and the possible niches for countries such as Bangladesh*.

It has been disseminated that globalization has the potential to benefit all people, not just a fortunate few and it can provide a conduit to a better life, and deliverance from poverty and despair. Regrettably, the reality of the international system today does not match the rhetoric.

The global rules are negotiated by a select few, with too much protection for special interests, underpinned by too many broken promises. Weakly regulated financial markets have become prey to the self-serving actions of a limited few. And, the lives and livelihoods of hundreds of millions around the globe are adversely affected.

Consequently, the real economy has received a tremendous systemic shock. The credit crunch has hit both manufacturers and consumers. Businesses can no longer rely on so-called sophisticated financial instruments. Reduced spending by consumers will depress demand and create a vicious cycle in which manufacturers cut back even further, with consequent job cuts.

International cooperation on a global scale is essential to build a consensus on what needs to be done to reduce the potential depth and duration of the global slowdown and to ensure coherence among national policy responses. Many countries have taken unprecedented steps to address this problem; the successes will remain to be seen. The vast sums of liquidity pumped into the banking system have not found their way into the real economy. It would appear that any funds the banks now receive are used to increase the reserve margins. In contrast, what is now essential is for banks to restore confidence by extending credit to consumers and to businesses, which was exactly the point of the government intervention in the first place.

For any consensus, a vital element for countries will be to resist any temptation to isolate themselves from the global crisis through protectionist measures to restrict imports. Parallels are being drawn between the crisis of today and the Great Depression-the last crisis of comparable proportions. Almost 80 years ago, many nations reacted to the Great Depression by raising border tariffs and ended up making matters worse-for themselves included. Beggar-my-neighbour protectionism ended up beggaring everyone. That is one of the most unambiguous lessons of the 1930s.

Perhaps this crisis will also lead to modification of global economic power structures. What will be Asia's role in the changing global financial landscape? Asia with its huge markets will clearly have a role in this changing global financial landscape and should not be a passive bystander. It should project its influence on any initiative to give shape to a new global financial architecture. They have skilled, cost-effective labour. And, they are quick in acquiring and developing technology and the know-how that is required to compete in a globalize world. In the financial world, their reserves built on oil revenues or export earnings, estimated at over US$ 3 trillion plus, have created a new player on the global stage: Sovereign Wealth Funds. These funds are eagerly sought by investors, and quiet

deals are being made. This gives them a potential that they must exploit for the good of humankind.

The G-20 Summit in Washington on November 15 agreed on certain key issues including reform of international financial institutions (IMF and World Bank), agreement for a successful free-trade deal before the year ends, improvements to financial market transparency and ensuring complete and accurate disclosure by firms of their financial conditions, preventing excessive risk taking by the banks and financial institutions, finance ministers to draw-up a list of financial institutions whose collapse would endanger the global economic system and strengthening countries' financial regulatory regimes and taking a "fresh look" at rules that govern markets manipulations and fraud.

The questions of reforming the Bretton Woods Institutions have now come up. One may wonder about the effectiveness and necessity of such institutions in the wake of the financial crisis. During the debt crisis of 1980s and 1990s it became amply clear that there was something deeply wrong with the architecture of the IMF's facility regime. The East Asian states also remember what they consider a 'hostile' role the IMF played in 1997 financial crisis. Instead of bailing them out under its $95 billion loan package, what the IMF did was to bail out their western lenders. The IMF itself had at that time "become a part of the problem rather than part of the solution." Since the west was not affected by the Fund's way of fixing an economy, it did not feel the need for seriously looking into its functioning and improving its governance in the light of complaints, nor took measures to change its methods. Now that it is the west itself which is at the centre of the storm, it is showing urgency not only in reforming the IMF but also in strengthening the Fund itself instead of reviewing the necessity of such an institution!!

However, for all the talks of actions and changes, some analysts and campaigners said the outcome was disappointing. The immediate impact of the outcome of the Summit has not been encouraging as has been evident from the downslide in stock market all over the world as well Japan joining the countries facing recession. It is predicted the US economy will be in recession beyond 2009.

Bangladesh and other vulnerable economies must cautiously watch the impact of actions taken and to be taken by the world leaders representing 85% of the world economy to restore the global growth. These countries should also take appropriate actions in time to face the consequences of the fall out.

If there is a silver lining to the current crisis, it may be that it is delivering a painful message that governments must develop more effective ways of governing an interdependent world in order to maximize the good effects of globalization and minimize the bad. The global economy is in increasing need of better governance-and that implies deeper and wider cooperation between nation states than they have shown themselves capable of to date. The global financial turmoil due to the collapse of big financial corporate houses has proven the lack of good governance and transparency, which the developed economies have so long been preaching for adoption by the developing economies.

However, for smaller countries, such as Bangladesh, challenges from a protracted global recession may be serious. Many have opened up their economies to a remarkable degree, and will face all the consequences that are associated with this. Where exports were important, there will be reduced export earnings; where workers' remittance was important, there will be declines; where FDI or foreign investment was important, foreign investors may seek to take their funds out or demand extraordinarily high returns.

In Bangladesh, the newly elected government will inherit a more challenging set of tasks than any of its predecessors in decades and Bangladesh has to be managed towards having a politically and economically stable nation to achieve its full potential in the wake of the global financial crisis.

The article is based on the current world financial situation, deliberations and opening statement made by the Author at the Plenary Session of DCCI International Business Conference held on October 31,2008

DCCI International Business Conference 2008

'Dhaka Vision' Statement

This year, the Dhaka Chamber of commerce & Industry (DCCI) is celebrating its 50th anniversary. As part of the Golden Jubilee celebrations, a two-day International Business Conference was organized ending on 1st November 2008.

The International Business Conference was held at a turning point of the world financial and trading regime. The world is confronted by the worst economic and financial crisis since the 1930s. The turmoil in the financial world has affected all parts of the globalized world. We need to reflect on the stakes, how we arrived here, who is responsible, and what happened. And, we must draw lessons from it. The world must change.

Where once we took the free market principles as granted, and hoped that it would create limitless opportunities for all, we now find that the self-serving policies of a limited few have adversely affected the lives and livelihood of hundreds of millions around the globe, and have placed at risk the structures built over years of toil.

The bursting of the housing bubble has ravaged the US economy, leading to the global financial crisis. The fallout from the crises is not over. Stocks in major exchanges are experiencing wild swings. Bank chiefs face a backlash, and many wonder how those who had created this mess are allowed to retain their millions in bonuses. Every few days, we hear of fresh job losses as a result of the turmoil. Unemployment has grown across Europe and the United States with key sectors such as car-makers badly hit. Analysts forecast worsening economic conditions in most advanced economies.

Developed countries have taken unprecedented steps to address this problem, but the success of these policies remains to be seen. Any funds the banks now get seem to be used by them for increasing their reserve margins. In contrast, what is now essential is for banks to restore confidence by extending credit to consumers and to businesses.



Historic Lalbag Fort

The question that has not been addressed adequately is what impact the meltdown on the financial side will have on the real economy. Traditionally, manufacturing companies have deployed capital, along with labour and know-how, as a factor of production. They have produced real output, which they have marketed. This link between the financial instruments and the real outputs was lost, however, when securities became the primary objective of the financial world.

The credit crunch has hit manufacturing and consumers alike. Businesses that have relied on credit for operating capital or for expansion plans can no longer rely on banks to provide the funds. Consumers will not get credit easily, depressing demand. Reduced demand, in turn, will create a vicious cycle in which manufacturers cut back even further. To address this, many economists have called for government expenditures for infrastructure spending that can provide employment and also generate demand for consumer durables.

The impact of the credit crunch on international trade is uncertain. On the one hand, it has been reported that many banks have been refusing to

open or honour L/Cs as they are not sure that funds will be available to honour the L/Cs. Simultaneously, with reduced consumer spending in the developed countries, their import of consumer items will decrease rapidly. The impact on the exporting countries has already begun to be felt.

For some time, countries have been gazing more seriously at the Asia-Pacific region, where the world's economic center of gravity has been shifting. Primarily, this has been on account of the tremendous economic growth, including export expansion, in this region. For instance, the IAEA has estimated that by 2010, over 30.5% of world's total oil demand will come from this region; a similar prediction has been made for commodities as well. The reserves built up in this region, as a result of the rise in oil prices and from exports, have created a new source interest. The sovereign funds from this region are now eagerly sought after, and quiet deals are being made.

The small and medium enterprises (SMEs) are particularly vulnerable in this environment. Those that are unable to get operating capital, or find that they do not have adequate sales in the reduced consumer demand environment, will soon have to close down. Larger firms would normally have acquired many of these smaller firms, but may not be able to do so if they do not get access to capital. Firms that rely on exports will find reduced demand in the importing countries a major disincentive for continuing production.

Countries in Asia are also feeling the impact. As foreign investors withdraw, the impact on the foreign exchange markets can be considerable. Where local banks have taken risks in the global money markets, the brunt would be severe. Where the economies have relied on exports, there are uncertainties. Clearly, we see a future of increasing unemployment and depressed demand.

What will be Asia's role in the changing global financial landscape? Asian countries have already demonstrated that they have an edge in production at competitive prices. They have the labour. And, they are quick in acquiring and developing technology and the know-how that is required in a globalized world. In the financial world, their reserves built on oil revenues or export earnings, estimated at over US$ 2.5 trillion, give them a potential that they must exploit for the good of humankind.

There are attempts, spearheaded by the developed countries, to coordinate world financial policies. There is no doubt that Asia will be invited to participate, given the potential influence of their reserves. Yet, Asia should not be a passive bystander. It should lay its stamp on any new financial architecture, commensurate with its increasing importance in the world of finance.

Smaller countries, such as Bangladesh, have serious challenges ahead if global recession is protracted. They have opened up their economies to a remarkable degree, and will face all the consequences that are associated with this. Where exports were important, there will be reduced export earnings; where workers' remittance was important, there will be declines; where FDI or foreign investment was important, foreign investors may seek to take their funds out. SMEs will typically be he hardest hit. Perhaps the gravest concern will be the impact of all this on employment.

Policy measures must address the domestic front, as small countries can have little influence on the global scene. Government spending on labour-intensive infrastructure is always to be recommended in times of recession. Credit should be made available to SMEs, particularly for their operating expenses. Spending on non-productive purposes should be drastically cut. Measures should be found to dampen the shocks to the exporting forms. They may scale back their activities, but retain readiness to expand production at the earliest signs of improvement. Of course, the banking sector would follow prudent banking practices, given the unfavourable environment.

Bangladesh Economy

10 economic challenges for next government: CPD focuses on food security, tamed inflation

The Centre for Policy Dialogue (CPD) sees ten economic challenges for the newly elected government, which include farm input costs cut for a better boro harvest to ensure food security and tamed inflation, CPD Executive Director Mustafizur Rahman told a press briefing in Dhaka on December 23.

CPD, which usually conducts a review of the state of Bangladesh economy in every six months, said it had unveiled its analysis to alert the next elected government about the challenges it would face from the first day of assuming power. Taking notes of the manifestos placed by the political parties to woo voters in the December 29 elections, it also expressed its desire for a continued monitoring of the pace of implementation of these manifestos.

The CPD's analysis made at a time when the global economic turmoil causes massive joblessness and slump in consumption spending. But Bangladesh is yet to be hit, as its exposure to global financial market is low, it said, adding that Bangladesh focuses on low-end products, so its main export item apparels remain uptick.

The global crisis would also make the fight against inflation easier because of a downturn in the prices of almost all commodities like fuel, fertilizer and edible oil. On point-to-point basis, inflation sank to 6.12 percent in November from 7.26 percent in October.

"But global economic crisis will deepen and the situation will be critical in 2009. We need to prepare ourselves to counter any knock-on effects of the crisis," warned Rahman.

The CPD also recommended measures to address the energy crisis including diversification of sources and framing of a coal policy. It also suggested a cut in inflation, continuation of the current accommodative monetary policy and maintenance of the pace of institutional reforms.

The CPD observed that some economic indicators, such as growth in agricultural output are favourable. Driven by buoyant credit expansion, industrial production, which lost momentum in FY 2007-08, has also regained.

"But the low level of investment is going to be a major concern for achieving the required level of growth," said Rahman, although he observed that both local and foreign investment proposals have rebounded during the January-October period of 2008.

Referring to the power sector, the CPD executive director said power problem will worsen in the coming boro and summer season despite the fact that the generation of electricity has marked a marginal rise since the last fiscal. He suggested that the new government should prioritize the framing of a National Coal Policy that addresses both investment and environmental concerns. He also felt it urgent to resolve the offshore block issue with neighbouring India and Myanmar.

On FY 09 growth projection, Mustafizur Rahman said macroeconomic performance will depend on how the economic scenarios evolve in the second half of the current fiscal and how financial crisis and recession impacts on export, remittance, domestic resource mobilization etc are tackled. "But considering the on-going trend of the economy, achieving 6.0 percent growth rate target will be a pragmatic one," he said.

Impact of global financial crisis on Bangladesh economy: World Bank predicts fall in export & remittances!

The World Bank projected that the GDP growth in Bangladesh might come down to 4.8 per cent in the current fiscal year from the government's projection of 6.5 per cent and the Bangladesh Bank projection

ranging between 6.2- 6.5 percent as readymade garments export and remittance inflow suffered due to the global financial crisis. Bangladesh's export growth might fall by 4.3 percentage points and remittance by 20 percentage points this fiscal year over the last year due to global economic meltdown, according to views expressed at a press briefing by the world Bank officials on Global Financial Crisis and its likely impact on Bangladesh at its Dhaka office. Country Director of the WB Xian Zhu spoke at the briefing where the Bank's economist Vinaya Swaroop made the keynote presentation.

Annual trends in exports and remittances from FY 03 to FY 2009

(in million US$)

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 (July-Oct.)	2007-08 (July-Oct.)
Exports (Growth)	7602.99 (+16.10)	8654.52 (+13.83)	10526.16 (+21.63)	12177.86 (+15.69)	14110.80 (+15.87)	5251.49 (+30.68)	4018.67 (-3.46)
Remittances (Growth)	3371.97 (+10.12)	3848.29 (+14.13)	4801.88 (+24.78)	5978.47 (+24.50)	7914.78 (+32.39)	2985.32 (+36.05)	2187.78 (+21.64)

Source : Monthly Economic Indicators, Bangladesh Bank

The multi-donor agency projected two possible scenarios for export, import and remittance. In the first scenario the export is projected at $16 billion with a 13.1 percent growth while in the worse case it is $15.7 billion with an 11.6 percent growth. In the last fiscal year the export was worth $14.1 billion with a 15.9 percent growth. This time the projection was $16.4 billion with a growth of 16.3 percent.

According to the WB projection, in the first scenario import in current fiscal year would be $ 22.2 billion with a 14.1 percent growth, while in the worst scenario it would be $22.7 billion with 9.8 percent growth. Last year the import was worth $19.5 billion that posted a 25.6 percent growth. This year's import target is $23.2 billion with a 19.2 percent growth.

In the current fiscal the WB projected remittance at $9.2 billion with a 16.8 percent growth. In worse case the figure is 8.9 billion dollars with 12.4 percent growth. Last year the remittance inflow was $7.9 billion with a 32.4 percent growth.

In the current fiscal year additional 800,000 people were projected to go abroad. But in the worst case scenario the figure may come down to 200,000 to 300,000. According to worst case scenario, current account balance may fall short of $303 million this fiscal, which was $672 million surplus in last fiscal year.

The global crisis may also have an impact on the government's budget in different ways. Although the government budget fixed total revenue target at Tk 693.8 billion, in the worst case scenario it may drop to Tk 684.6 billion. In the government expenditure, the target for current fiscal year was Tk 999.6 billion. In worst case, it would fall to Tk 963.2 billion. The world fuel and food prices would minimise expenditure subsidy, for the same reason the budget deficit may fall to Tk 278.7 billion from Tk 305.8 billion.

However, according to Bangladesh Bank, the present world financial crisis would not hurt RMG as exporters sell low-end products with demand expected to be elastic, the central bank made the observation at its management board meeting earlier of the same month.

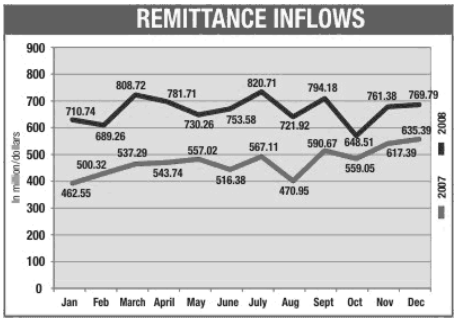
The International Monitory Fund (IMF),on the other hand, has predicted that the growth of the RMG sector may slide to a single digit. In a report to the government, the IMF mission said that the RMG growth rate may come down to 9 percent. The growth rate was between 14 percent and 21 percent over the last five years.

Remittance inflows from the Middle East countries may fall if oil price continues to fall. The central bank report also mentioned that loan defaults in banks might increase due to the global crisis. Exporters may not be able to pay back their loans if they fail to earn enough money, according to officials with the central bank.

Bangladesh Bank's foreign exchange reserve is not likely to be affected adversely either, as the taka is not freely convertible for capital account transactions, a BB official said. Withdrawal of funds by foreign investors would not have a significant impact, as the foreign investors' share in the equity market is only 2.48 percent.

Bangladesh Bank took up several initiatives to tackle any immediate impact of the global turmoil on the financial sector. To minimize exchange losses, Bangladesh Bank immediately revised currency benchmark of its reserves, substantially protecting the real value of the reserves. Presently, 50 percent of the BB's total reserves are held in the US dollar and the rest in other currencies. To avoid default risks, BB immediately withdrew funds at or before maturity from a number of its banks that were merged or taken over, or likely to be merged or taken over soon.

According to Bangladesh Bank (BB) statistics, in the just-concluded calendar year remittance worth $8.22 billion came into the country marking a 25.36 percent growth. In 2007 remittance inflow was $6.55 billion.



The figure was $769 million last December. The central bank hopes the remittance inflow would cross $10 billion this year although there is a fear that global recession might cast a shadow on remittance. Except for one month, the average monthly remittance earning in the last 11 months was more than $700 million.

Capital market ends a topsy-turvy year

While the region's capital markets suffered sharp declines as the fallout of the financial crisis, Bangladesh's equities with relatively thin capital markets experienced much more muted declines than those experienced in other regional markets. Heavy inflow of liquidity and entry of fresh investors in the first half of 2008 helped Bangladesh's stock market sustain the bull run it witnessed in 2007, surpassing all the records in market indicators made during a boom from January 14 in the previous year.

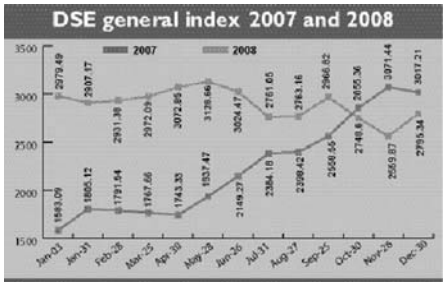
The year 2008 also touched the milestone in terms of turnover and capitalization. The market remained overheated in the first half due to the short supply of shares while the second half saw correction. The daily average turnover recorded a whopping 228.24 per cent rise in the year over the previous year.

The Dhaka Stock Exchange (DSE) benchmark index, DGEN, declined 7.35 per cent to 2795.33 on December 30, the last trading day of 2008. This compares with 3017.21 on this day last year. The turnover was Tk 4.30 billion on last trading session of 2008 compared with Tk 1.31 billion in 2007. The market capitalization rose 20 per cent to Tk 1.04 trillion at the end of 2008 from Tk 742.19 billion, recorded on December 30, 2007.

The stock market passed the year with huge fund flow in 2008 raising the total market capitalization to the GDP ratio to 18.28 per cent against 15.88 per cent of 2007. Turnover at the prime bourse surged to the all-time high of Tk 5.90 billion on October 12. The year's lowest turnover was Tk 744.0 million on January 7.

A large number of brokerage houses began operations across the country during the year to lure investment, causing large amount of fund flow into the market. The benchmark DSE General Index crossed 3200-mark for the first time and closed at 3207.89, the highest since June 1, from the previous high of 3167.99 in May 29. The DGEN sank to its lowest on November 27 to finish at 2459.48.

The DGEN's single-day biggest rise was 100.88 points on November 23 while its single-day biggest fall since 2005 was 100.38 points on November 27. The market was swamped by IPOs of 15 companies worth Tk 5.60 billion in 2008 against 14 IPOs worth Tk 4.63 billion in 2007(general public portion). But most of the IPOs hit the market in the later part of the past year.



Regional News

BIMSTEC Summit in New Delhi decides to fight crisis together

The BIMSTEC member countries on November 13 decided to put in place a joint mechanism to combat terrorism. The call came in a joint declaration adopted at the daylong second summit of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) in New Delhi. They also vowed to step up cooperation to tackle the challenges posed by global financial meltdown and food and energy security as well as accepted Bangladesh's offer to host a poverty alleviation centre in Dhaka



BIMSTEC Heads of States attending Summit in New Delhi

According to the declaration, the BIMSTEC members will hold the second ministerial conference on poverty alleviation in Nepal next year. It called for strengthening regional cooperation in poverty alleviation in the context of ensuring food security for vulnerable people in the region. The declaration said the BIMSTEC member countries agreed to initiate short and long-term joint research programmes to increase productivity and yields in the region. The countries also agreed to enhance connectivity and speed up talks on the proposed free trade agreement.

Indian Prime Minister Manmohan Singh, who chaired the second summit of BIMSTEC countries, told reporters that leaders had agreed on putting in place a convention on combating terrorism, which is ready and can be signed anytime. The leaders of the member countries expressed concern over the "threat terror poses" to member countries and their development, Manmohan said.

"There was a common desire among all leaders to work together to meet these challenges," he said after the summit attended by Sri Lankan President Mahinda Rajapaksa, Nepalese Prime Minister Pushpa Kamal Dahal Prachanda, Bangladesh's Chief Adviser Fakhruddin Ahmed, Myanmar Prime Minister Thein Sein, Bhutanese Prime Minister Jigmi Y Thinley and Thai Premier Somchai Wangsawat. The summit also discussed the challenge posed by the global financial crisis and ways to deal with it collectively. The BIMSTEC countries decided to enhance collaborative efforts face the global financial crisis.

The Joint Declaration said the member countries decided to set up a permanent secretariat of the BIMSTEC but left unspecified the place.

Indian Prime Minister Manmohan Singh in his speech said new trans-national challenges like climate change, energy and food security "threaten our development efforts and terrorism and threats from the sea continue to challenge the authority of the state." He said globalization and economic interdependence offer opportunities for growth and prosperity, but the recent global economic and financial crisis has shown that they have their downside as well. He said the summit provided an opportunity for the member countries to give a new strategic thrust to BIMSTEC in the background of these changes.

"We need to coordinate on issues of maritime transport such as construction of a deep-water port to service the region, inter-modal connectivity,

cooperation among our port authorities and our shipping and logistics networks", said the Indian premier. He proposed to share with other BIMSTEC countries information and data from India's Tsunami Early Warning Centre. Manmohan offered additional 150 scholarships to member countries to encourage greater exchange of technical know-how in areas of mutual benefit.

"I feel that we should do something visible in the area of trade and economic cooperation as a manifestation of our ability to do something big together," he said. Manmohan said early conclusion of the BIMSTEC free trade agreement would be "a shining symbol of our cooperation".

Stressing the need for stronger regional cooperation, Chief Adviser of the Bangladesh caretaker Government Dr. Fakhruddin Ahmed called on BIMSTEC countries to craft an institutional mechanism for building food security and place climate change high on their agenda. He said the grouping should explore all possible options of renewable sources of energy including solar power, hydropower and biofuels, and called for a target date for the BIMSTEC Free Trade Agreement to come into effect.

The Chief Adviser said rising food prices again highlights the importance of development of agriculture for poverty alleviation in countries like Bangladesh. He said the 21st century belongs to Asia, but that the continent cannot truly tap the potential without dealing with the problems of high food prices and energy shortage.

Dr. Ahmed proposed the institutional mechanism for food security as short-term measures, after the fashion of the SAARC Food Bank. Calling for more South-South cooperation, the CA said the global financial meltdown has posed a threat to the developing countries. On climate change, he said even a one metre rise in the sea level would inundate one-fifth of Bangladesh, rendering 25-30 million people homeless. "I, therefore, propose that climate change be included as a priority area of the BIMSTEC", he said. He emphasized sorting out tariff and non-tariff barriers to usher in free trade in goods among the BIMSTEC countries. The Chief Adviser offered to host the permanent secretariat of BIMSTEC in Dhaka.

Bhutanese Prime Minister Lyonchhen Jigmi Y Thinley, Myanmar's Prime Minister Gen Thein Sein, Nepalese Prime Minister Pushpa Kamal Dahal 'Prachanda', Sri Lankan President Mahinda Rajapaksa and Thai Prime Minister Somchai Wangsawat addressed the plenary session in alphabetical order.

It may be mentioned that the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) evolved from its original formation 'Bangladesh, India, Sri Lanka, Thailand Economic Cooperation' (BIST-EC) established on 6 June 1997, issued at the meeting of the Foreign Ministers of the four countries in Bangkok.

Myanmar attended the Meeting as an observer and joined the sub-regional grouping as a full member at a Special Ministerial Meeting held in Bangkok on 22 December 1997. The name of the grouping was consequently changed to 'Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation' (BIMST-EC).

Nepal was granted observer status by the second Ministerial Meeting in Dhaka in December 1998. At the 6th Ministerial meeting in Phuket February 2004, Bhutan and Nepal were welcomed as new members. The first Summit Meeting of the Heads of State and Government was held in Thailand on 31 July 2004 in Bangkok. The decision to hold BIMSTEC Summit followed a proposal made by the Prime Minister of Sri Lanka in his opening statement at the 5th Ministerial Meeting in Colombo in December 2002. In view of the admission of Nepal and Bhutan, the name of the grouping was changed to 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC).

BIMSTEC provides a unique link between South Asia and Southeast Asia bringing together 1.3 billion people - 21 percent of the world population, a combined GDP of US$750 billion, and a considerable amount of complementarity given geographical contiguity, differing levels of development and resource endowments.

Asian Development Bank projects lower regional economic growth in 2009



The economic growth of developing Asia will slow down to 5.8 per cent in 2009 as the impact of the global financial crisis spreads to emerging markets, the Asian Development Bank (ADB) warned in its Report released on December 11. According to the Asia Economic Monitor of the Manila-based ADB, Asia's economic resilience will be tested by weakening exports and a sharp slowdown of private capital flows due to the global slump.

"The coming year will be a difficult one for developing Asia but it will be manageable if countries respond decisively to restore confidence in the financial system and real economy, and collectively to avoid the effects of contagion," the report said. "The deteriorating external environment will hurt developing Asia's immediate growth prospects," it added.

Aggregate gross domestic product (GDP) growth is forecast to fall to 5.8 per cent in 2009, down from this year's estimated 6.9 per cent. In 2007, developing Asia's GDP expanded 9 per cent, the ADB report said. GDP growth in emerging East Asia - which includes the 10 members of the Association of South-East Asian Nations, China, Hong Kong, Taiwan and South Korea - will slow down to 5.7 per cent in 2009, down from 6.9 per cent in 2008.

China, the region's growth engine, is expected to see its GDP growth go down to 8.2 per cent in 2009 from 9.5 per cent in 2008 even as the government has undertaken measures to spur domestic demand to offset a slowdown in experts and private investment growth. The report said Asia's economic outlook faced major risks including a sharper or prolonged global recession, persistent financial stress with volatile capital flows and further tightening of external and domestic funding conditions.

The ADB urged the region's policymakers to move swiftly to reduce the risk of a regional credit crunch. It recommended that policymakers step up their monitoring of local financial markets and have clear policies to deal with stressed institutions, as well as provide adequate provisions of foreign and domestic liquidity so that credit continues to flow into the economy.

It also urged the region's authorities to continue to improve regulation and oversight of financial systems to strengthen transparency and accountability, broaden financial markets to enhance resilience, and reinforce cross-border cooperation.

ADB Projection of GDP for developing Asia

Region/Country	2008	2009
Developing Asia	6.9	5.8
China	9.5	8.2
Hong Kong	3.3	2.1
Indonesia	6.1	5.0
Malaysia	5.0	3.5
Philippines	4.5	3.5
Singapore	2.3	1.2
South Korea	4.2	3.0
Taiwan	2.4	1.7
Thailand	4.0	2.0
Vietnam	6.3	5.0

Source: ADB Report through internet

News from ICC Hqs. in Paris

ICC experts discuss the financial crisis and its implications

The ICC Corporate Economists Advisory Group and Commission on Financial Services and Insurance held a joint meeting on 25 November to discuss the current financial crisis and its implications. The meeting brought together business experts who provided accounting, credit agency, industry and regulatory perspectives on how to restore confidence in global financial markets.

As financial turbulence reached unprecedented levels worldwide amid a global credit crunch, the ICC panelists addressed the implications of the financial crisis for financial regulation, corporate governance, accounting standards, remuneration, including the risk profile of hedge funds and the investment strategies of sovereign wealth funds.

The meeting was attended by 50 economic and financial experts from 19 countries, including Czech Republic, France, Germany, Netherlands, Norway, Russia, Saudi Arabia, South Africa, Thailand, Turkey, United Kingdom and the United States. Guy Sebban, ICC Secretary General, opened the meeting.

"This is a breakthrough event, a first of its kind, where ICC experts from different horizons are brought together to offer analysis and suggestions on the implications of the financial crisis", said Mr Sebban. "What are the driving forces behind the breakdown in financial markets? What are the consequences for today and what lessons must be drawn for the future? These are key issues for ICC," he added.

The experts agreed that short-term speculation dominated for many years. A downturn combined with a low level of trust in the system led to this major crisis. They agreed that the recovery would take time, with credit markets still frozen. Slowdowns in consumer spending, business investment and the job market would cause further economic hardship.

From an accountancy perspective, it was recognized that more transparency was needed. Nicolas Véron, Research Fellow at Bruegel, mentioned that the "regulatory framework (Basel 2) should be redesigned to become less procyclical. This can and should be done without changing the accounting standards, which provide transparency which is crucial for investors' trust: removing transparency would cause market conditions to deteriorate."

In a discussion on the role of rating agencies, Pierre Cailleteau, Moody's Chief International Economist, explained that "more regulatory supervision is unlikely to be the magic solution for rating agencies in terms of "getting the rating right". He indicated that rating agencies have certainly to improve their capacity to deal with complex financial interactions and convince investors that their practices are sound. "Even a well-thought out regulatory framework per se is not sufficient. It is more important that agencies build the right analytical tools and metrics and contribute to market transparency rather than comply with more complicated regulations," he added.

Key economists then discussed the development of the crisis with an outlook on the months to come. Adrian Blundell-Wignall, Deputy Director of Financial and Enterprise Affairs at OECD raised the following question: " Now we have to ask: can the effectiveness of markets as an allocator of capital amongst competing ends be relied upon in the future, when the trade-off between risk and return is now so asymmetric and banks know they are too big to fail?" Many argued that Basel principles may need to be reviewed. " Basel 1 and Basel 2 favour mortgages and off balance sheet expansion and encouraged investment bank cost of capital," said Mr Blundell-Wignall .

Thorsten Weinelt, CFA Global Head of Research & Chief Strategist at Unicredit, discussed major weaknesses: poor underwriting standards; weaknesses in risk management practices; poor investor "due diligence"; incentive distortions for originators and investors; conflict of interest with rating agencies; and weaknesses in regulatory frameworks.

Also addressing the meeting were Guillermo de la Dehesa, Chairman of the Centre for Economic Policy

and Research and member of the Board of Banco Santander; Jacques Le Cacheux, Director of Research for the French Economic Observatory (OFCE); Nils Terje Furunes, Group Corporate Economist, DnB NOR Bank;; Joseph Quinlan, Managing Director and Chief Market Strategist, Bank of America; Herbert Oberhänsli, Head of Economics for Nestlé; Sureyya Serdengeçti, Director of TEPAV Economic Stability Institute and former Governor of the Central Bank of the Republic of Turkey; Gérard Worms, Vice-Chairman of Rothschild Europe and Chairman of REXECODE; and James Zhan, Officer-in-Charge of the Division on Investment and Enterprise at UNCTAD.

All participants agreed that the crisis was in some ways predictable. There was excessive abundance of capital in the system with a business model much more focused on earnings and incentives. Experts were fearful that "as the memory of this current crisis fades, we will be straight back into a process that leads to the next one".

The meeting included participation by videoconference and teleconference from Saudi Arabia and the US. Follow-up meetings are already being scheduled and global scenarios for financial markets are being developed for publication in the first half of 2009.

Lowest global economic index in 20 years



The world economic climate index, compiled by ICC and the Ifo Institute for Economic Research, has dropped for the fifth consecutive quarter in a row, hitting its lowest level since 1988.

The ICC/Ifo index for the fourth quarter fell steeply, dropping 13.4 points to 60.0 from 73.4 the previous quarter. The index is based on a poll of 1,001 economic experts in 91 countries in October, before US elections were concluded.

"On the whole, the survey data point to the danger of a global recession," said Hans-Werner Sinn, President of Ifo. "A scenario where the index will remain in a recessionary period in the first half of 2009 appears realistic," he added.

The decline is largely due to economists' unfavourable assessments of the current economic situation, but also their expectations for the next six months.

In the US, the economic outlook fell to the lowest level since the ICC/Ifo index was created in 1983. Lack of confidence in the US government's economic policy was cited as the most important problem. The index also dropped sharply in the euro area and Russia, and fell to the lowest level since 2001 in Asia.

ICC is however encouraged by the recent G20 leaders' rejection of protectionism and their pledge to reach agreement this year on modalities leading to a successful conclusion to the Doha trade negotiations.

"Leaders of the world's major economies signalled their willingness to bring the Doha round of multilateral trade talks to a rapid and successful conclusion. This is as powerful as any economic stimulus programme ," said Guy Sebban, ICC Secretary General.

Economists surveyed expect a global inflation of 5.4% for 2008, slightly higher than the rate predicted in the previous quarter of 5.2%.

The experts polled said the US dollar is no longer undervalued but has reached a fair level, and they anticipate a moderate strengthening in the value of the dollar almost worldwide in the next six months.

The economists' outlook for economic growth for the next three to five years dropped markedly to 2.5% from 3.3% recorded a year ago.

Economists were also asked whether they thought the difficulties in the Doha Round of multilateral trade negotiations would have an impact on concluding inter-governmental agreements on climate change.

A strong majority of economists surveyed said a failure in international trade talks will have negative

consequences for striking a global agreement on climate change. They were worried that the lack of a climate agreement would lead to trade sanctions by governments to deal with competitiveness concerns brought on by variances in national climate change policies.

Doha Round agreement all the more vital in global economic crisis

Yet again, ICC must register its disappointment and concern that publicly-stated goals for the Doha Round trade negotiations agreed by countries at heads of government level fail to be translated into reality.

When the G20 leaders met in Washington on 15 November last, they promised to strive to reach agreement this year on modalities for agriculture and industrial goods that would be a major step to successfully concluding the Doha Round. This now looks a vain hope since trade ministers will not after all be meeting in Geneva this week as previously anticipated.

Pascal Lamy, Director General of the World Trade Organization (WTO), has attributed this situation to a continuing "lack of political will" on the part of some governments, including members of the G20, to make the moves necessary to tie up a modalities accord before year end.

That a ministerial meeting will not take place this week does not mean that the Doha Round has collapsed. It is another setback and it will mean a further delay. But ICC will continue to campaign strongly for the negotiations in the hope that, against the background of a global economic crisis, a new administration and Congress in the US and developments in what Mr Lamy calls "the political agenda" in other parts of the world will during the course of 2009 prove favourable to an end-result that ICC has long fought for.

As 2009 approaches, we urge WTO member governments to push ahead with negotiations on the



basis of the texts already on the table. We underline again the huge benefits of a deal to lock in the market access that countries have already achieved, as well as the new market access that a successful Round will offer. Most of all, a successful completion of the negotiations in 2009 will provide a huge insurance policy against protectionism in the midst of a global economic crisis where bogus short-term fixes are much in demand.

ICC has welcomed the influential role given to the G20 forum in the current crisis since we believe that countries with big emerging markets must be brought more actively into the international decision-making process in order to effectively address problems of global proportions. However, more influence brings with it more responsibility. At the Washington summit the G20 leaders gave a firm undertaking to refrain, during the following 12 months, from "raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures to stimulate exports". In 2009, ICC will be holding the G20 countries to account to fulfill that undertaking.

We therefore applaud the current work within the WTO to put in place a monitoring mechanism to give encouragement and transparency to the progress the G20 countries make in living up to their commitments.

ICC Chairman praises G20 leaders rejection of protectionism and commitment to conclude WTO's Doha Development Agenda

Victor K. Fung, ICC Chairman,has welcomed the statement from the G20 Summit held on 15 November in Washington, DC for the significant initiatives agreed by the attending leaders to achieve "an ambitious and balanced outcome" for the WTO's Doha Development Agenda.

In a statement issued on November 17, ICC, which has vigorously campaigned for a rules-based multilateral trading system, said it was particularly encouraged by the G20 leaders' rejection of protectionism and their pledge to reach agreement this year on modalities leading to a successful conclusion to the Doha trade negotiations.

"The successful conclusion of Doha is as powerful as an economic stimulus programme," said Mr Fung. He stressed that the benefits of a rules-based multilateral trading system will be felt by all economies, freeing the supply chain of the global production system to operate efficiently and cost effectively.

"We also welcome the spirit of international cooperation shown by the G20 leaders to help emerging and developing economies and small and medium enterprises gain access to finance in the current difficult financial conditions, including through liquidity facilities , " said Mr Fung. "It is important to ensure the immediate availability of trade finance, which is the lifeblood of trade," he added.

Mr Fung concluded: "To instill confidence, it is critical to minimize the impact of the financial crisis on the real economy and allow trade and investment to continue unhindered."

In a statement from November 15 Summit on Financial Markets and the World Economy, the G20 leaders said: "We underscore the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty. In this regard, within the next 12 months, we will refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports. Further, we shall strive to reach agreement this year on modalities that leads to a successful conclusion to the WTO's Doha Development Agenda with an ambitious and balanced outcome. We instruct our Trade Ministers to achieve this objective and stand ready to assist directly, as necessary. We also agree that our countries have the largest stake in the global trading system and therefore each must make the positive contributions necessary to achieve such an outcome."

First ICC Regional CEO Forum for Asia Pacific calls for unlocking of liquidity to spur global trade



The first Regional CEO Forum for Asia-Pacific held by ICC in Hong Kong on November 22 called for an immediate response to the financial meltdown by unlocking liquidity and getting trade flowing again.

Victor K. Fung, Chairman of ICC, said: "One immediate step that the Forum identified was the need for governments to provide additional guarantees to government-backed export credit insurance agencies, such as the scheme that the Hong Kong SAR Government has implemented with the Hong Kong Export Credit Insurance Corporation. This will encourage banks to finance trade transactions with minimum risk."

The two-day conference involved more than 150 CEOs and senior executives from major corporations across 10 countries in the region as well as ICC directors from across the world. They urged Asian business leaders to play a greater role in addressing the current financial crisis and called on the global business community to make itself heard on issues of international finance, regulation, trade and improved governance.

"The Forum sought to identify some longer-term global issues but it was clear that these regional business leaders were convinced of the need for urgent and decisive action on key points," Mr Fung said. "We agreed that the crisis represents an opportunity for business and government to work together on new initiatives to restore confidence and stability," he added.

The Forum, titled "Looking at the Global Economy

from Asia-Pacific Perspectives," provided a platform for CEOs in the region to meet and debate challenges and prospects facing the global economy.

The Forum also endorsed the need to reshape the global regulatory system to better address the changed global financial environment. "There is a compelling case for a rules-based financial regime supported by a dispute resolution system similar to how global trade is conducted," Mr Fung said.

The Forum warned sharply against the increasing risk of protectionism which threatened long-term global peace and prosperity. Members were united in calling for the successful conclusion of the Doha Round and the promotion of multilateral trade.

ICC will step up its efforts to respond to the financial crisis, to support multilateral trade, and to voice the concerns of business worldwide. ICC, which has members in over 130 countries, is uniquely placed to advocate on behalf of business at both the local and international level.

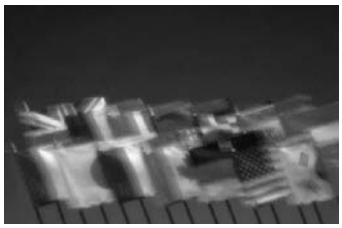
ICC hails 60th anniversary of Universal Declaration of Human Rights

ICC is honoring the occasion 60 years ago on December 10, when the Universal Declaration of Human Rights was voted unanimously by the United Nations.

The celebration caps a year-long series of events by the United Nations to help people everywhere learn about the Declaration. Considered one of the most influential documents in history, the Declaration was the first international recognition that all human beings have fundamental rights and freedoms, and has served as the foundation for many international treaties and national laws to protect and promote human rights.

Addressed to "every organ of society", the Declaration is increasingly used by companies around the world as a basis for defining their own responsibilities regarding human rights, including political and civil rights, as well as economic and social rights.

Coinciding with its support for this momentous occasion, ICC has issued a policy statement developed by the ICC Commission on Business in Society. The statement, which describes the role and responsibilities of business in relation to human rights, highlights the positive steps companies have taken to act as good corporate citizens and respect human rights in the context of their business activities.



Companies all over the world during the past decade have been developing human rights policies and practices, and have made efforts to increase transparency and improve governance to be more sensitive to their impact as producers, employers, and customers.

The ICC policy statement points out that the most pressing issue today for the full respect of human rights worldwide remains the failure or inability of governments to protect human rights.

To draw attention to the proactive stance of business on human rights, ICC sent the policy statement to UN permanent missions in Geneva, in addition to ICC member companies, and to ICC national committees for them to share with their governments.

ICC, together with other business organizations, furnishes business input to the mandate of John Ruggie, Special Representative of the UN Secretary General on business and human rights.

ICC highlights urgent need for clarity to UNFCCC

As United Nations Framework Convention on Climate Change (UNFCCC) negotiations intensify, ICC underscored of the UN climate change conference that business urgently needed clear rules and frameworks for the investments required to address climate change.



Speaking during the Business Day, organized by ICC and the World Business Council for Sustainable Development at the UNFCCC's 14th Conference of the Parties (COP) in Poznan, ICC Secretary General Guy Sebban called for a strong signal that negotiations were on track and governments were committed to reaching an agreement next December at COP 15 in Copenhagen.

The Poznan Business Day, held on 9 December, provided insight and ideas from over 35 experts and was attended by over 150 participants.

Mr Sebban said business needed the right institutional, regulatory, and legal frameworks to invest in research, development, and deployment of existing and breakthrough technologies to meet the climate change challenge.

Mr Sebban also said the financial crisis posed an opportunity, not an obstacle, to financing and disseminating technology to support a low carbon economy. "Open trade and economic growth provide the best conditions in which technology can be disseminated," he added.

During his address at the closing ministerial-level segment, Jean-Yves Caneill, from ICC's climate change task force and a Sustainable Development Project Manager for EDF, enumerated other conditions that business needs to deploy the full gamut of advanced technologies to tackle climate change: protection of intellectual property rights and their market-based deployment, innovative funding mechanisms such as the G8 Clean Technology Fund to fast-track promising technologies, and the removal of trade barriers.

By midyear 2009, negotiators are widely expected to produce a draft text that will be used to arrive at a final framework agreement during COP 15.

ICC has been providing input to the elaboration of the Bali Action Plan, stressing the need to recognize the importance of markets in any cost-effective response, to keep all energy options open, to create frameworks and governance structures to attract resources; and to strengthen multilateral trade and investment to support the widespread diffusion of technologies.

Yvo de Boer, UNFCCC Executive Secretary, attended the Business Day and challenged participants to provide additional clarity in several areas, including: adaptation to climate change; structuring climate-related institutions after 2012; public funding that would unleash more private funding; and improving market-based mechanisms to attract more private-sector involvement.

Business backs Internet Governance Forum

Business has shown support for the continuation of the multistakeholder Internet Governance Forum (IGF) beyond its mandate of 2010 in its current format.

Speaking on behalf of the International Chamber of Commerce initiative Business Action to Support the Information Society (BASIS), Art Reilly, Senior Director of Cisco Systems and BASIS member, underscored the benefits of the annual gathering. "Those with seemingly incompatible views have found common ground through greater understanding," he said. "This approach ensures movement on substantive issues and is progress."

Mr Reilly made his observations during the closing



ceremony of the 2008 IGF on 6 December in Hyderabad, India.

This year's Internet Governance Forum was convened by UN Secretary-General Ban Ki-moon to address issues such as: affordable access, the creation of a multilingual Internet and international domain names, free flow of information, the balance of security, privacy and openness, child protection, and critical Internet resources. The IGF included four days of discussions and workshops.

The Internet Governance Forum is an outcome of the Tunis phase of the World Summit on the Information Society which took place in 2005. In the Tunis Agenda for the Information Society, governments asked the United Nations Secretary-General to convene a new forum for policy dialogue. The aim of the forum was to discuss issues related to key elements of Internet governance in order to foster the Internet's sustainability, robustness, security, stability and development.

The importance of the IGF was also reflected in participant attendance. Close to 1,300 participants from more than 90 countries attended the event despite terrorist attacks in Mumbai just one week before.

ICC International Court of Arbitration opens first Asia office in Hong Kong

The International Court of Arbitration of the International Chamber of Commerce (ICC) and the Secretariat of the ICC Court have opened an Asia office of the ICC Court's Secretariat in Hong Kong. The office is the ICC Court Secretariat's first branch outside Paris and has a case management team to administer cases in the region under the ICC Rules of Arbitration.

The move was made in recognition of the growing importance of Asia-Pacific to the International Court of Arbitration as well as the increasing demand for arbitration services in the region.

ICC's mission is to promote international trade and investment. Arbitration is one of the organization's three main activities along with rules-setting and policy.

The Hong Kong branch of the Secretariat is expected to house six staff and will be fully operational by the beginning of next year. It is located at Suite 2, 12/F Fairmont House, 8 Cotton Tree Drive, Central. The branch will operate in the same way as other case management teams of the Court's Secretariat in Paris, with a dedicated video link. By operating in the same time zone, the Asia office will be able to provide effective and timely dispute resolution services for the region.



"The Asia-Pacific region is of significant importance to the future of ICC Dispute Resolution Services," said Jason Fry, Secretary General of the ICC Court. "The decision to open the Hong Kong office is a response to market demand to provide ICC's renowned high-quality service locally. We anticipate that demand in the region will grow."

As a neutral forum for conducting China-related arbitration and dispute resolution between Chinese and non-Chinese entities, Hong Kong is a logical choice for ICC. The office will also have a much wider focus on Asia, including important economies such as India, Korea and Japan as well as emerging economies like Vietnam.

Registration opens for 6th World Chambers Congress



Registration is now open for the 6th World Chambers Congress, which will be held in Kuala Lumpur, Malaysia, on 3-5 June 2009. By registering online at www.KL2009.com , delegates can also secure accommodation and book tours in one easy visit.

Under the umbrella theme, "Leading sustainable growth and change", the Congress will address the major challenges businesses face today, including: the impact of globalization on small- and medium-sized enterprises, the economic implications of climate change, shifting corporate governance rules, empowering women in business, and developing

young entrepreneurs.

The Congress is set to break new records in 2009 as more than 1,600 chamber leaders and senior executives from over 100 countries are expected to attend.

For a more prominent role in the Congress, delegations are encouraged to take advantage of the exhibition area and other sponsorship opportunities available. The exhibition area provides a central space where participants can showcase their products and services to decision-makers from all sectors and all regions of the world.

As the Congress comes to Southeast Asia for the first time in 2009, exhibitors will gain direct access to delegations from leading economies such as China and India.

World Chambers Congress sponsorship provides advertising opportunities and exposure while reflecting support for new market opportunities worldwide. Sponsorship associates brands with business leadership and enables Congress participation for least developed country delegations and innovative competition participants.

The 6th World Chambers Congress is organized by the International Chamber of Commerce's World Chambers Federation, and the Federation of Malaysian Manufacturers.

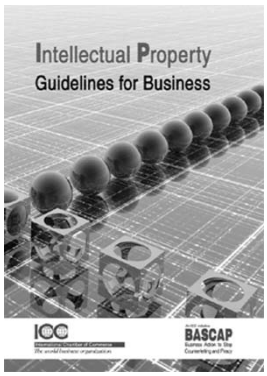
ICC's BASCAP launches Intellectual Property Guidelines for Business

The International Chamber of Commerce's BASCAP group on October 21 released its Intellectual Property (IP) Guidelines for Business in the Middle East during a special session of the First Arab Consumer and Brand Protection Forum, Arab Protect 2008.

The IP Guidelines help businesses manage copyright and branded materials and deter trade in counterfeit and pirate goods by outlining practical steps that businesses can take to protect their own innovation and creativity in IP-based products and services, as well as to protect against the risk of using counterfeit materials or infringing other companies' IP rights.

An Arabic-language version of the IP Guidelines was released for the first time on October 21. English and French versions were released on 17 October during a special session at the EU Conference on Industrial Property Rights in the Internal Market, in Strasbourg, France.

Copyright and branded goods are an important part of every modern economy. The most innovative and advanced sectors rely heavily on IP to support innovation in their own products and services. Nearly every enterprise today uses or produces some form of IP in its business - from its own trademarks on products, to copyrighted publications, music, video or software, to branded goods or services of all types.



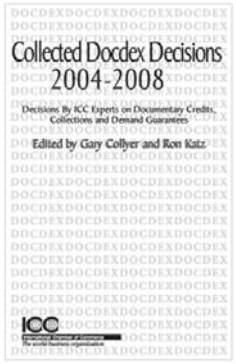
The ICC/BASCAP IP Guidelines will help companies to assess the effectiveness of their IP management policies, and to consider new options for improving performance and managing the risks associated with counterfeiting and piracy. The IP Guidelines deal with IP management in all its forms within companies, from IP development to component sourcing, manufacturing, wholesaling, retailing, relations with intermediaries and handling of third parties' IP.

ICC Secretary General Guy Sebban explained, "The IP Guidelines are designed to be useful to a wide range of businesses in different sectors, and are suitable to be tailored to deal more specifically with particular industries or sectors. We hope the launch of the ICC-BASCAP IP Guidelines will introduce Forum participants and government officials to the Guidelines and encourage the adoption of good IP management practices as part of corporate and public policies."

New edition available on DOCDEX Decisions

With more than a trillion US dollars in annual trade conducted using the International Chamber of Commerce rules on documentary credits, a new ICC edition on DOCDEX decisions, released on November 3, is aimed at streamlining dispute resolution on these credits and facilitating their even more widespread use.

Now in its second edition in e-book format only, Collected DOCDEX Decisions 2004-2008 was edited by Gary Collyer and Ron Katz. It comprises 40 decisions on ICC's rules on documentary credits, from Uniform Customs and Practice for Documentary Credits (UCP 500 and UCP 600), to Uniform Rules on Collections (URC 522) and Demand Guarantees (URDG 458). This compendium is aimed at showing how these rules are applied on a daily basis.

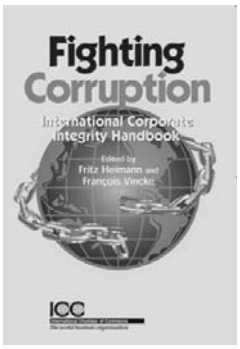


Decisions in the new edition cover typing errors and whether they constitute a discrepancy; amendments in standby credits; expiry date on a transferred letter of credit; and applying paragraphs in the International Standard Banking Practice (ISBP).

The UCP, which concerns letters of credit, are widely considered the most successful trade rules ever developed.

DOCDEX, established in 1997, is designed to help parties avoid lengthy and costly court proceedings. Decisions are typically rendered in 30 to 60 days. While these decisions do not have the force of law, the evidence can be used if the parties later decide to go to court.

Revised Handbook on Fighting Corruption



To offer guidance on corruption in its many guises and assess new ways to combat it, ICC has introduced a revised edition of Fighting Corruption, International Corporate Integrity Handbook.

Addressing new techniques and practices to tackle corruption, the third edition of Fighting Corruption has been thoroughly updated, including a new chapter on the United Nations Convention against Corruption. The latest publication was edited by two world-renowned experts on anti-corruption: François Vincke, Chair of the ICC Commission on Anti-Corruption with a distinguished career in the oil and gas industry, and Fritz Heimann, Vice-Chair of the ICC Commission on Anti-Corruption and one of the founders of Transparency International.

Divided into three parts, the 2008 edition of Fighting Corruption details the international legal framework necessary for self-regulation; management initiatives, including whistleblowing and compliance by small to medium-sized enterprises; and a range of the thorniest issues, from money laundering and extortion to compliance with customs regulations.

In these pages, readers will also find expert recommendations on how to deal with other domains where corruption often distorts trade and governance: corporate gifts, political contributions, and "facilitation payments," that have long plagued international commerce. The last chapter provides a five-year outlook of the priorities to tackle corruption.

The publication of Fighting Corruption comes at a time of unprecedented scrutiny of the global financial system in the fallout from the sub-prime credit crisis, and calls for greater transparency, accountability, and international cooperation.

Fighting Corruption is a must-have reference in for corporate managers, controllers and consultants worldwide. It arms business executives with clear guidance and practical advice on how to protect companies and shareholders.

The handbook also contains important documents, including the Organization for Economic Cooperation and Development Convention and the ICC Rules of Conduct on Extortion and Bribery, as well as a survey of national laws.

ICC appoints new Chair of Commission on Trade and Investment Policy

Rajya V. Kanoria, Chairman and Managing Director of Kanoria Chemicals & Industries Ltd. and President of ICC India, has been appointed Chair of the ICC Commission on Trade and Investment Policy, ICC's main working body on multilateral trade and investment policy issues.

Mr Kanoria, a long-standing member of the Commission and its Vice-Chair since 2007, was appointed Chair of the Commission by ICC Chairman Victor Fung for a three year term. Mr Kanoria succeeds Lars Anell, Senior Advisor to the CEO of AB Volvo, who has chaired the Commission since 2002. The appointment was announced at the Commission's meeting in the last week of October in Paris.



"I have enjoyed chairing the Commission over the years and am delighted to have Mr Kanoria succeed me as Chair," said Mr Anell.

Mr Kanoria congratulated Mr Anell on his tenure as Chair and thanked the Commission for its confidence in him.

"I am looking forward to the support of all Commission members for pursuing ICC's work in favour of the rules-based multilateral trading system," said Mr Kanoria.

Montenegro joins the ATA carnet system



The southeastern European country of Montenegro will become the 66th country to join the ATA Carnet System on 1 December 2008.

The ATA Carnet is a 'passport for goods'. It allows goods temporarily transported across borders to be exempt from customs duties and taxes. ATA Carnets account for billions of US dollars in goods every year.

The addition of Montenegro to the ATA Carnet System is an important part of the mission of the International Chamber of Commerce to facilitate trade across borders. ICC manages the system in cooperation with the World Customs Organization. Its operation is monitored by the ICC World Chambers Federation World ATA Carnet Council. One of the Council's missions is to make sure that the number of member countries will continue to grow all over the world.

ICC expands online trade training suite

ICC has expanded its online trade training services with the launch of DC-Master. This new online training service, developed with technology partner Coastline Solutions, is aimed at experienced documentary credit professionals who wish to augment their knowledge in key areas of documentary credit work.

"Our online trade training suite has been used to train thousands of practitioners globally in the basics of Documentary Credits and Collections. DC Master can build on this success to meet the more advanced training needs of experienced trade professionals," said Regina Prehofer, Chair of the ICC Banking Commission.

DC Master includes 12 hours of online instruction and training in documentary credit practice.

The course examines areas of documentary credit work that often cause difficulty such as silent confirmation, assignment of proceeds, financing,

transferable credits and revolving and reinstatement credits.

DC Master uses interactive work simulation case studies to allow practitioners to hone their skills while learning the latest opinions and practices for handling and checking documents. The course assessment also allows users to test their ability to apply the key areas of practice learned within the course.

As the training is delivered online it can be taken at any time and from any location with Internet access.

The course content is written by Gary Collyer, Technical Adviser to the ICC Banking Commission, and is consistent with ICC's published rules, guidelines and opinions on documentary credits.

Each trainee also receives an ICC Certificate of Achievement on completion of the course and qualifies for 12 Professional Development Units towards Certified Documentary Credit Specialist re-certification.

Macau joins WCF

The Macau Chamber of Commerce last month became the newest member of the ICC World Chambers Federation (WCF). In addition, the chamber is the first ICC member from the region of Macau, thus growing its network to over 130 countries.

The chamber's membership was announced during the WCF General Council held on 19 November 2008 in Beijing to celebrate the 10th anniversary of the implementation of the ATA Carnet System in China

While Macau is a relative 'newbie' to the ICC WCF network, the chamber has a hallowed 95-year history, with 3,000 members in practically all business sectors, and an influential voice in commerce in the region.



The Macau Chamber is busily making preparations to implement the ATA Carnet system, which permits goods temporarily transported across borders to be exempt from customs duties. The chamber aims to start up ATA issuance in June of next year and will serve as the national guaranteeing organization while World Trade Center Macau will be appointed issuing organization.

News from WTO, HQ, Geneva

Lamy says at Doha Meeting : "Aid and trade are the Doha twins"

Director-General Pascal Lamy, in his address to the Follow-up International Conference on Financing for Development in Doha, Qatar on 29 November, said "Aid for Trade is important but the big prize lies in the success of the Doha Development Round". He urged participants to send "a signal of urgency in delivering on trade and on aid". This is what he said:

One could say that the World Trade Organization has been the best promotion agency of the city of Doha and the State of Qatar. No need to place an expensive advertisement on Al Jazeera, CNN or the BBC. The new round of global trade talks that was launched in this same city about seven years ago was dubbed the Doha Development Round. The names of Doha and the WTO are now tightly linked.

It is therefore no wonder that you are working hard, together with many other WTO members, to ensure that Doha is associated with a successful outcome. One that delivers on the aspirations of developing countries to achieve better standards of living through a more open and fairer trading system.

The launch of the Doha Round was based on the shared belief that trade can be an engine for development and that a more open, more transparent, more equitable rule-based global trading system, more sensitive to the challenges of its poorer members, was necessary to realize this potential.

The WTO was simply translating in its field of activity the aspirations contained in the United Nations Millennium Development Goals adopted in 2000. World leaders recognized their collective responsibility in laying the foundations of a more peaceful, prosperous and just world. They pledged greater cooperation to address global economic challenges, trade being part of them. Concluding the Doha Development Round is, therefore, delivering on the Millennium Development Goals.

While trade can be an enabler, a new realization has



emerged during the last decade. For trade to fully contribute to sustainable development, growth and job creation, it has to be accompanied by financial resources to address infrastructure and supply-side constraints. It requires Aid for Trade. Making trade possible is one of two twins. Making trade happen is the other twin.

We have all heard the old debate about trade and not aid, later turned into aid and not trade. The United Nations Millennium Declaration established a new consensus: yes to a more open and fairer global trading system, but also yes to financing for the development of the members of our global family with limited resources. It is trade for development and it must be Aid for Trade.

Since 2005, we have been working closely with our partners in the United Nations, with the World Bank, regional development banks, the OECD, the IMF, regional economic communities and national governments to mobilise resources and political support for a comprehensive Aid for Trade package to complement the results of the Doha Development Round.

In 2007 we all gathered in Geneva for the first global Aid for Trade Conference. A clearer view emerged of national and regional needs and priorities and a process was started to develop projects on the ground.

In 2008 we have seen progress in implementation of trade capacity-building projects on the ground. Major development partners, such as the World Bank, the Inter-American Development Bank, the Islamic Development Bank and many others, have set up Aid for Trade programmes which have started connecting

the dots. UNDP and many UN agencies are helping developing countries mainstream trade into their development strategies. And we have also worked on improving the monitoring and evaluation of these projects to measure progress and the multiplier impact that the projects are having on the ground.

All this work will feed into the Second Global Aid for Trade Review which the World Trade Organization will host in June 2009.

But this will not be possible if resources are not mobilized, if financing does not flow. If promises are not kept. And this is why this conference comes at the right time to remind us that, despite the dire economic situation, we must keep our focus in our global solidarity endeavour.

But if Aid for Trade is important, the big prize lies in the success of the Doha Development Round. It will address the distortions in agricultural trade caused by unfair agriculture subsidies, an issue of vital importance for many developing countries. Let us not forget that over two-thirds of the world's poor live in rural areas. Let us not forget African cotton producers who have in the WTO their only chance of disciplining subsidies given by the US and EU to their producers.

It will reduce tariffs and barriers in industry, in clean technology and services and thus create new trade opportunities in particular in sectors of interest to developing countries. It will deliver on the promise of duty-free and quota-free access for the exports of the world's poorest.

It will facilitate trade by addressing customs red tape that imposes a huge burden on small and medium-sized traders. It will for the first time discipline fishery subsidies which are contributing to the depletion of our oceans. And I could continue the list.

After seven years of continuous negotiations, many of these elements are already on the table, but they will not materialize unless we conclude the whole package. And in the meantime the potential benefits of the Round remain in limbo.

Any good negotiators would want to maximize the results. A 2 per cent more here and a 5 per cent more there. The question we have to ask ourselves today is: would this be worth it if we have to wait for three, four or five years? As the saying goes: "a bird in the hand is worth two in the bush".

In recent months we have witnessed unprecedented fluctuations in oil and commodity prices. We have witnessed a severe food crisis. And if all of this was not enough, we are facing one of the worst financial crises since the 1930s. We are faced with policy challenges of a scale not seen since the end of the Second World War.

A major difference between the unfolding economic crisis and past ones is that the world is today more globalized. Today we are all in the same boat. Big countries and small. Rich and poor. Strong and weak. There is also a growing consensus that only multilateral solutions can address these challenges.

A few days ago, during a visit to Cambodia I learned that the majority of their textiles and clothing companies that export to rich country markets do not have contracts from buyers beyond February 2009. This is an industry that currently employs 300,000 people. Now imagine what the impact to the Cambodian economy will be if these people lose their jobs.

But there are also growing difficulties in servicing existing contracts due to the lack of availability and affordability of trade finance. Roughly 90 per cent of international trade is financed with short-term credit and therefore any drying up of this financing channel will have a serious impact on developing countries. The WTO recently hosted regional and financial institutions, together with export credit agencies, to address this problem. And we are starting to see responses, including the recent World Bank announcement of the tripling of the ceiling for its trade finance guarantees, action by the OECD and by export credit agencies. This issue needs to remain high on our list of priorities to cushion the impact of the current financial crisis on developing countries.

In the current economic conditions there may be a tendency to embrace inward-looking policies that put domestic interests ahead of international cooperation. In tough times, it is too easy for politicians to blame the foreigner for the nation's ills, shutting foreign

products out of the market and slashing foreign aid budgets.

The community of the United Nations meeting this weekend in Doha can send a powerful message to the world.

That we stand united to address global challenges.

That we will strive to find multilateral solutions.

That we will avoid unilateral, beggar-thy-neighbour responses.

That we will maintain our commitment to help the poorest and weakest among us.

This weekend Doha must send a signal of the urgency in delivering on trade and on aid. There is no better place to reaffirm your commitment to ensuring that development is placed at the heart of the global trading system than here in Doha, where it all began.

Excellencies, ladies and gentlemen, please, keep the Doha promises alive.

World trade slipped to 6 per cent growth in 2007, WTO report confirms

Weakening demand in developed countries, realignments in exchange rates and fluctuations in the prices for commodities, such as oil and gas, introduced uncertainties into the global markets in 2007. As a result, growth in world merchandise trade slipped to 6 per cent in real terms, down from 8.5 per cent in 2006, according to statistics published by the WTO on 5 November.

These latest figures come in the official comprehensive compilation for 2007, "International Trade Statistics 2008". The 6 per cent trade growth is slightly higher than the preliminary assessment of 5.5 per cent announced in April but still a considerable decline from the 2006 figure.

The slowdown "is due to a deceleration of import demand, mainly in the United States, but also in Europe and Japan," the report says.

"Trade remained strong in most developing countries. Regions such as Africa, the Middle East, the Commonwealth of Independent States (CIS), developing Asia and South and Central America showed sustained growth in their economies in 2007.

"While higher commodity prices helped to improve the financial situation of certain countries, higher energy and food prices also increased inflationary pressures worldwide."

Higher commodity prices induced a 19 per cent rise in the total value of agricultural exports, a higher increase than for trade in manufactured goods, fuels and mining products.

In value terms, for the first time in five years, commercial services trade rose faster than trade in goods at 18 per cent compared with 15 per cent. This was mainly due to the expanding international supply of many financial, computer, and miscellaneous business, professional and technical services and the increase in the price of transportation.

A comprehensive overview

International Trade Statistics 2008 offers a comprehensive overview of the latest developments in world trade, covering the details of merchandise trade by product and trade in commercial services by category. Each chapter is introduced by a highlights section that identifies the most salient trends in the data and illustrates them with numerous charts and maps. There is also a methodological chapter (Chapter IV Metadata) that explains essential concepts and definitions used in compiling the statistics, and an appendix with detailed data on trade by region up to 2007.

This year's edition expands the coverage of merchandise trade, including new tables on exports and imports of food and fuels by selected economies. All data used in the publication, as well as additional charts not included in the book, can be downloaded from the WTO web site at stat.wto.org. With these additions, International Trade Statistics 2008 serves as an invaluable reference for researchers, policy makers, and anyone interested in international trade.

Negotiating Group on Rules issues new negotiating texts

The Chair of the Negotiating Group on Rules, Ambassador Guillermo Valles Galmés, on 19 December circulated new negotiating texts on anti-dumping and horizontal subsidies disciplines, and a conceptual "roadmap" on fisheries subsidies.

On fisheries subsidies, instead of a new draft text, the Chair issued a conceptual roadmap for further discussions. The Chair's view is that all participants recognize the global crisis of overcapacity and overfishing, with its consequent negative economic and environmental effects, and are committed to ensuring that the disciplines ultimately developed, whatever their form, must be effective in fulfilling the negotiating mandate from Ministers. The Chair explained that to that end the roadmap identifies the key questions that the Negotiating Group will need to address to reconcile participants' different approaches to disciplining subsidies that contribute to over-capacity and overfishing while formulating appropriate and effective special and differential treatment that addresses the interests and concerns of developing Members.

The Chair stated that these new documents are intended to provide a platform for further discussions, to which end he will convene an intensive series of meetings in 2009, the first of which is scheduled

WTO Director-General Lamy to seek a second term

General Council chairperson Bruce Gosper informed WTO members on 4 November 2008 that Director-General Pascal Lamy has announced he will seek a second term in office when his current term expires in 2009.

Ambassador Gosper said he had received a letter from Mr Lamy telling him about the decision. The Australian ambassador, who presides over the selection, had reminded members of the selection procedure (WT/L/509) at the General Council Meeting on 14 October.

The procedure requires the incumbent to declare he is a candidate for a second term by the end of November. After that, the election is open until the end of December for additional nominations. If there are additional candidates, they will then have three months until the end of March to "make themselves known" to members, followed by two months of a selection process, ending at the end of May.

Intellectual property negotiators pick new chairperson

Ambassador Trevor Clarke of Barbados has been elected as the new chairperson for the negotiations on a multilateral register for geographical indications for wines and spirits. In the first meeting he chaired, on 29 October, members discussed how to move forward in the talks.

This was a meeting of the "special session" of the WTO's Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council, which is the forum for negotiating the multilateral register within the Doha Round. Ambassador Clarke had previously chaired the "regular" TRIPS Council, which oversees the implementation of the present TRIPS Agreement. He currently chairs the World Intellectual Property Organization's Development and Intellectual Property Committee.

Once his election was confirmed, members turned to "other business", which is where they discussed next steps in the talks. Here, they also debated the proposed link between the multilateral register negotiations, the "extension" of higher-level protection for geographical indications to all products, and a "disclosure" proposal for patent applications involving genetic resources and associated traditional knowledge.

New edition of World Tariff Profiles issued

The 2008 edition of World Tariff Profiles presents a comprehensive and updated compilation of the main tariff indicators for the WTO's members as well as for other countries and customs territories.

Numbers play a fundamental role in key areas of trade negotiations. Perhaps more than in any previous multilateral round of negotiations, tariffs and formulas are at the core of the Doha negotiations.

World Tariff Profiles provides detailed data on the bound and applied tariffs of WTO members. Information on each country's market access is presented in summary tables - allowing cross-country comparisons - and in country pages. These detail the levels of protection for domestic markets and the protectionism encountered in the major export markets.

This year's edition includes more detailed information on "exports to major trading partners and duties faced", with data provided for agricultural and non-agricultural products. There are also two new technical annexes. The first discusses the new Harmonized System and its impact on WTO members' schedules while the second covers concessions on other duties and charges for all WTO members.

World Tariff Profiles is a joint publication of the WTO, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC).

623 officials participate in WTO online courses

The aim of the courses is to provide online training on matters related to international trade and WTO agreements to government officials from developing countries and LDCs. The courses - which are in English - will last six to eight weeks. Tutors and trainers from the WTO will monitor the progress of online participants throughout the course.

The new session includes the following three courses: Introduction to the WTO (six weeks), Trade Remedies and the WTO (six weeks),Trade-Related Aspects of Intellectual Property Rights (TRIPS) (eight weeks). During the courses, live chat sessions and discussion forums are organized on various WTO issues with experts and representatives from the WTO.

46th Trade Policy Course participants end 3 months of intensive training

Twenty-five government officials from developing countries, least-developed countries and economies in transition after three months of intensive traning, on 5 December, received their diplomas at the WTO headquarters from the Director of the Institute for Training and Technical Cooperation and Ambassador Mounina Mint Absdellah, Permanent Representative of Mauritania to the WTO.

On 5 December, twenty-five government officials completed three months of intensive training at the headquarters of the World Trade Organization in Geneva. The closing ceremony was presided over by Mr Hakim Ben Hammouda, Director of the Institute for Training and Technical Cooperation (ITTC), in the presence of Mr Abdallah Ould Ishaq Ould Cheihk Sidia, counsellor at the Permanent Mission of Mauritania to the WTO and representative of the official sponsor of this 46th Trade Policy Course.

Throughout the three months of training, officials had the opportunity to familiarize themselves with all the issues addressed within the WTO framework, through lectures, debates, WTO meetings, visits to other organizations, and simulation exercises.

The final day of the 46th Trade Policy Course marks the end of the programme of training activities organized in Geneva this year as part of the 2008 WTO Technical Assistance and Training Plan. The 2009 programme is currently being finalized.