ICC Bangladesh
The world business organization

April-June 2012

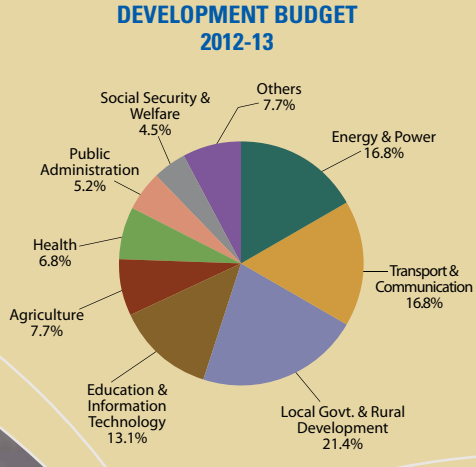
NEWS BULLETIN

A Quarterly Newsletter of ICC Bangladesh

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2012-13 BUDGET

Energy: Top most priority



Speaking about ICC Bangladesh

International Chamber of Commerce (ICC) - *The world business organization* was founded by a few visionary business leaders of Europe immediately after the First World War (1919) having its HQrs. in Paris. Over the decades, ICC extended its network outside Europe and now having its presence in 127 countries around the world.

Its mission was to formulaÏte rules for cross-border Business transaction, multi-model transportation, Arbitral Rules, model contracts and others; to promote free trade and free market economy; at a time when fortress like protectionism was the order of the global trade regime.

Bangladesh National Committee of ICC, established in 1994, is comprised of major Chambers of Commerce & Industry, Business Associations, Stock Exchange, Banks, Non-banking Financial Institutions, Insurance Companies, Trans-national companies, Law & Accounting Firms and large Corporate Houses having significant interest in international trade.

The national activities of ICCB include promotion of foreign trade and investment, trade policy reviews, business dialogues, seminars & workshops on related policy issues, harmonization of trade law & rules, legal reforms, updating businesses with the ICC rules & standards for cross border business transactions. As a part of its regional & international activities, it has organized four regional & international conferences during the year 2000, 2004, 2005 & 2010.

In the year 2000 a 2-day ICC Asia Conference on "Investment in Developing Countries : Increasing Opportunities" organized by the National Committee was inaugurated by the Hon'ble Prime Minister Sheikh Hasina, M.P. and also attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & Director General Designate of WTO Dr. Supachai Panitchpakdi, ADB President Tadao Chino, Under Secretary General and Executive Secretary of UN-ESCAP Dr. Kim Hak-Su and Chinese Vice Minister for Foreign Trade & Economic Cooperation Sun Zhengyu. More than 250 participants from 24 countries participated in this event.

Again, in 2004, ICC Bangladesh organized a 2-day International Business Conference on "Global Economic Governance and Challenges of Multilateralism" which was inaugurated by the Prime Minister Khaleda Zia, M.P. and the Prime Minister of Thailand Dr. Thaksin Shinawatra was the Keynote Speaker. A galaxy of global leaders including Director General of WTO Dr. Supachai Panitchpakdi, EU Commissioner for Trade Pascal Lamy, Minister for Industry & Trade of Indonesia, Minister for Commerce & Consumer Affairs of Sri Lanka, Minister for Industry & Trade of Turkey, Minister for Industry of Zimbabwe, Minister for Development Cooperation of Sweden, Governor of Japan Bank for International Cooperation (JBIC), Executive Secretary of UN-ESCAP, Executive Director UN ITC, Vice Minister of Trade of Vietnam, ICC Chairman Jean-Rene Fourtou, Vice-Chairman Y. S. Park, Secretary General Maria Livanos Cattaui, former ICC Chairman Rahmi M. Koc were present among others. More than 500 participants from 38 countries (3 continents) participated in this event.

In 2005, ICC Bangladesh organized a Regional Seminar on "Capital Market Development: Asian Experience". The Regional Seminar inaugurated by the President of the People's Republic of Bangladesh Professor Dr. Iyajuddin Ahmed were attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.

In 2010, the National Committee (NC) organized a Conference on "Energy for Growth" coinciding with the 15 years of ICC's presence in Bangladesh. The Conference was inaugurated by the Finance Minister Mr. A.M.A. Muhith, M.P. It was attended by ICC Global Chairman & Adviser to the Hong Kong Govt. on Strategic Development Dr. Victor K. Fung, Commerce Minister Mohammad Faruk Khan, M.P., Minister for Development Cooperation of Denmark Soren Pind, Adviser to the Prime Minister for Energy & Mineral Resources Dr. Tawfiq-e-Elahi, BB and participated by energy experts, power developers, gas exploiters, coal miners, international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA to address on Bangladesh energy crisis.

During 2011, the NC organized National Dialogue on Transit or Transhipment for India? which was participated by Ministers and Advisers to the Prime Minister, all concerned from the govt. business & civil society. ICC Bangladesh organizes every year 3 training programme for bankers & other professionals, such as i) e-learning programme on 'FIT Initiative' (Finance of International Trade) supported by ICC HQs. Paris, eBSI (eBusiness School International, Ireland), International Finance Corporation (IFC) & Institute of Export, UK ii) Certified Documentary Credit Specialist (CDCS) Examination and iii) CITF Examination (Certificate in International Trade and Finance) conducted worldwide by the ifs School of Finance, UK incorporated by Royal Charter and supported & endorsed by ICC Paris. ICC Bangladesh participates in most of the World Chambers Congress & ICC World Congresses and WTO Ministerial Meetings; every 2 years as well as ICC Regional Consultative Group Meetings.

In 2012 ICC organized a daylong workshop on Credit Risk Management in Dhaka & Chittagong in March and National Seminar on the Asia-Pacific Trade Agreement (APTA) - Business Implications for Bangladesh, jointly organized by Ministry of Commerce , UNESCAP & ICC Bangladesh in Dhaka in June

Bangladesh
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The world business organization

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ICC Bangladesh
The world business organization

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Editor's Note

Power Generation: Domestic coal and gas best option

The FY13 Budget of Tk. 1.91 trillion having a deficit of Tk 520.68 billion or 5% of GDP, which the government plans to meet either from external resources or from bank borrowing; is going to be extremely troublesome. During FY12, bank borrowing of Tk.291.15 billion created a liquidity crisis for the banks to meet private sector credit need. In FY13, bank borrowing is targeted at Tk. 230 billion, which is likely to increase manifold should the government ultimately go for local resources for construction of Padma Bridge; causing serious strain in productive economic activity.

Bangladesh faces an alarming situation in meeting the increasing demand for credit facilities by the private sector as well as energy to achieve the targeted growth rate of 7.2 percent in FY13. However, to achieve a respectable level of growth, if not 7.2%, power has to be ensured without any further delay.

According to available statistics, in January 2009, when the present government took over, maximum power generation was 4130 MW against installed capacity of 5464 MW and demand of 4600 MW i.e. demand-supply gap was 470 MW. More than three years hence, the installed capacity as of April this year has increased to 8625 MW, but maximum generation was 6066 MW against a demand of 7518 MW. Even though the government has been successful in adding additional installed capacity by 3161 MW, the actual maximum generation has increased by only 1936. Therefore, the demand-supply gap has increased from 470 MW to 1452 MW.

In FY13 Budget, government has allocated Tk. 95.44 billion for power and energy sector. The Finance Minister, in his budget speech, mentioned that due to increase in demand the government has revised the additional electricity production target to 8,294 MW from FY10 target of 5,000 MW by 2013, against which the installed capacity has been increased by about 2750 MW over a period of 22 months ending April this year. In other words, installed capacity has to be increased by 5,544 MW within the next 20 months to achieve the revised target. The question, therefore, arises as to how it is possible to achieve this production against the back drop of increasing installed capacity by 3161 MW in last three years or about 1000 MW per year.

Some steps like rental, quick rental and peaking plants were undertaken on a fast-track basis to address the troublesome power crisis. But these steps apparently did not produce desired result. Moreover, due to high per unit cost of rental power plants, the government has to bear huge burden for buying electricity and selling at a subsidized rate. According to the World Bank, the fuel subsidy during the last fiscal year (FY12) was Tk. 52-56 billion, about 0.6-0.7 per cent of GDP. Experts suggest that the government could have increased installed capacity by about 700 MW. In order to avoid monumental expenditure on subsidy, there is no alternative to go for gas and coal as fuel for power generation

According to experts, the age-old power plants should be totally replaced in phases instead of spending money for repair and renovation on an ad-hoc basis as these can no longer operate at desired level and thus remaining a constant headache.

It is well known that gas is the ideal fuel for Bangladesh. Currently, the country is producing around 2,100 million cubic feet (mmcfd) a day against demand of 2,600 mmcfd, having a shortages of around 500 mmcfd. Emphasis, should, therefore, be given on further exploration of gas from the un-tapped reserves, modernization and expansion of distribution channel on a war footing to meet the shortages as well as for establishing gas based power plants and supply to the industries.

The other alternative and most in-expensive fuel for Bangladesh is coal. The country till now discovered 2800 MMTPA capacity extractable high quality bituminous coal in 5 coalmines spread over an area of 100 SqKm in Rangpur and Dinajpur. If mined through applying modern technology as used elsewhere, the country can ensure generation of in-expensive power. According to Power Sector Master Plan (PSMP), local coal is considered as 60% of the total energy source for generating 20,000MW coal-fired electricity by 2030.

Countries that have coal use it for power generation. India produces 64% by using coal, China 81%, Australia 76%, USA 49% and South Africa 94%. Bangladesh is a rare example of a country that does not use its excellent coal for power generation. It is not known why?

Businesses would like to reiterate its earlier recommendation for setting up domestic coal and gas based power plants to meet the power crisis under a more realistic and achievable target.

ICC Bangladesh News

Transcom Group Chairman Latifur Rahman receives Oslo Business for Peace Award 2012



Mr. Latifur Rahman, Chairman of Transcom Group and Vice President of ICC Bangladesh received the Oslo Business for Peace Award 2012, the highest distinction given to a businessperson for outstanding accomplishments in the area of ethical business. This is the first time a Bangladeshi businessperson has received the prize, which is considered to be the most celebrated recognition in the business world. Mr. Latifur Rahman has won the prestigious 2012 Oslo Business for Peace Award for maintaining commitment to social responsibilities and ethical values.

The Award was presented as part of the "Oslo Summit on Peace through Trade" in Oslo City Hall on May 7. The summit Essences of Trust in Business Today featured keynote speeches by Alexandra Christina, countess of Frederiksborg, and Roberto Servitje Sendra, founder member and chairman of Grupo Bimbo. ICC Bangladesh President Mahbubur Rahman attended the Sumitt and the Business Award ceremony at the invitation of the Business for Peace Foundation.

"We congratulate you with the exceptional appreciation you have thus been given by the Award Giving Committee, and we are truly proud to have you in the exclusive group of Business for Peace Honourees," the Business for Peace Foundation said about Mr. Latifur Rahman. Transcom Group's growth has taken place under adherence to ethical and responsible business practices that serve as a guideline for other businesses in the region, according to a citation by the Oslo-based Business for Peace Foundation, which has been giving the award since 2009. The Group is one of the highest payers of corporate tax, VAT and import duty in Bangladesh, with a clean bank record, said the Foundation, adding that the companies in the Group also adhere to labour standards and industrial laws. "Other businesses in the region look up to Latifur Rahman for leadership and guidance for his integrity, ethical standards and business acumen well illustrated by Mr Rahman's re-election as the chairman of the Metropolitan Chamber of Commerce and Industry for a total of seven terms," read the citation.

This year the six Honourees, including Mr.Latifur Rahman have been selected from out of 90 candidates from 65 countries. The remaining five recipients of the Business for Peace Award 2012 are : Ibrahim Abouleish (Egypt), Eduardo Eurnekian (Argentina), Vladas Lasas (Lithuania), David W. Mac Lennan (USA) and Reginald A. Mengi (Tanzania). They adhere to the criteria for "being businessworthy" stipulated by the Foundation.

It may be mentioned that an independent committee of Nobel Prize Winners in peace and economics decide the recipients of the Award. They adhere to the criteria for Being Businessworthy stipulated by the Foundation. An independent committee of Nobel Prize winners selected the recipients. They are Prof Muhammad Yunus, winner of 2006 Nobel Peace Prize, and Prof A Michael Spence (winner of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for 2001). The third member was Prof Wangari Muta Maathai (Nobel laureate of 2004), who died on September 25, 2011.

Nobel Laureate H.E. Kofi A. Annan said "I think the idea behind the Oslo Business for Peace Award, and the potential impact it may have, is important and inspiring. It is important to encourage businesspersons to be conscious of the role they can play as individuals to foster stability and peace."



Business for Peace Foundation Chairman Mr. Per L. Sexegaard presenting the Award to Mr. Latifur Rahman in Oslo City Hall on May 7.

The supporting partners of the Business for Peace Foundation are International Chamber of Commerce (ICC), *The world business organization*, World Chambers Federation (WCF), The City of Oslo, The Oslo Chamber of Commerce

and the initiators of The Oslo World Trade Centre (OWTC).

The Business for Peace Foundation, Oslo has been awarding the Oslo Business for Peace Award since 2009. In 2009 and 2010 among others, who received the Award include world renowned business personalities. In 2010, Mr. Ratan Tata, Chairman of Tata Group of India, Mr. Francis Yeoh, Managing Director YTL Corporation, Malaysia (infrastructure, hotel chain, etc.) and in 2009, Mr. Jeffery R. Immelt, Chairman and CEO of General Electric (GE) of USA, Mr. Anders Dahlvig, CEO of IKEA, Sweden and Mr. Zhengrong Shi, Chairman and CEO of Suntech Power (the largest manufacturer of Solar Modules in the world) were among the recipients of the Award.



The Six Business for Peace Honourees are from left to right Ibrahim Abouleish (Egypt), Latifur Rahman (Bangladesh), Reginald A. Mengi (Tanzania), Vladas Lasas (Lithuania), Eduardo Eurnekian (Argentina) and David W. Mac Lennan (USA).

ICCB Press Briefing on Business for Peace Award

Chamber leaders praised Transcom Group Chairman Latifur Rahman as the pride of the business community as he won the prestigious Business for Peace Award 2012 at a Press Briefing of ICC Bangladesh held on April 17 at a local hotel to announce the names of the 2012 honourees. Co-sponsors of the prize Business for Peace Foundation, Oslo, and the International Chamber of Commerce (ICC) – also broke the news of the award globally on the same day.

ICC Bangladesh Presdient Mahbubur Rahman announced the award formally, "We are very honoured to announce with great pleasure that Mr. Latifur Rahman, Chairman of Transcom Group and Vice President of ICC Bangladesh has been selected as a recipient of Business for Peace Award 2012 by the Committee of Nobel Laureates: Prof. Muhammad Yunus (winner of the Nobel Peace Prize for 2006) and Professor A. Michael Spence (winner of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for 2001)" he said.

The aim of the Business for Peace Foundation is to increase the awareness of the businessperson as an individual about the strength of ethical business case, and thus inspire business people as individuals to help foster peace and stability through their work and what the Foundation calls "business worthy behaviour". ICC has entered into a formal agreement with the Business for Peace Foundation with the mutual goal of identifying business people worldwide who are showing the way to ethically responsible business practices.

The vision of the Foundation is to inspire and encourage business people, as individuals, to foster peace and stability to the benefit of humanity, through releasing the peace building power of Being Businessworthy.

The increasingly adversarial relationship between business and society has many causes, but can be generally ascribed to a breakdown of the trust-proposition between what should ideally be partners. Business has come to see society as hampering its growth through excessive regulation; and society tends to see business as prospering at the expense of the wider community. It has become important to explore how one can rebuild the trust that has been lost between business and society.

Some of the Chamber leaders present at the Press Briefing said that the achievement will inspire local entrepreneurs to do ethical and responsible business. Mr. Latifur Rahman has set an example that business is possible with ethics and integrity, said Aftab ul Islam, President of American Chamber of Commerce in Bangladesh, in his instant reaction. "We are extremely proud that a Bangladeshi businessman has won the award," said Asif Ibrahim, President of Dhaka Chamber of Commerce and Industry. It is recognition of Bangladesh's businesspeople that they can do business in an ethical manner, Ibrahim said. Mr. Latifur Rahman's enterprises have clean tax records and his Transcom Group is one of the highest payers of corporate tax, VAT and import duty. It has a clean bank loan record, at a time when many top companies became wilful defaulters, DCCI President added.

President of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka and Managing Director of Pran-RFL Group Maj. General (Retd) Amjad Khan Chowdhury said this global recognition would act as an inspiration for other businessmen. The business community looks up to Latifur Rahman for leadership and guidance. He held the presidency of the Bangladesh Employers Federation, the only body to represent employers in any government negotiation on industrial matters, for two terms. He has also led the most prestigious MCCI, the oldest chamber body of the country, as its president for seven terms, he said.

Managing Director of BRAC Enterprises and Chairman of BRAC Bank Mr. Muhammad A Rumee Ali termed this award a great honour for Bangladesh. "Mr. Latifur Rahman is a role model", Ali said and observed that people outside Bangladesh have a perception that the country's businesspeople lack governance and responsibility. "This recognition has proved that people here can do business ethically," he added.

President of Bangladesh Employers' Federation Mr. Md Fazlul Hoque said the award recognizes that business is growing in Bangladesh. "This recognition will help local business community to be known globally."

"I am very humbled and proud," Mr. Latifur Rahman said in his instant reaction. He said it has been proved that business and ethics can go side by side. "If you try business with some ethics, it is possible." He urged the local business community to be more disciplined, ethical and responsible.

The Transcom Group chairman also has high hopes of Bangladesh's business potentials. Businesses here are growing and will expand further in the next 10 to 15 years, he said. Transcom that started off with tea plantations in 1885 is now one of the country's largest conglomerates comprising 16 public and private companies. Having an annual turnover of more than $350 million (nearly Tk 2,800 crore), the group employs over 10,000 people. Transcom Group paid Tk 551 crore (over $60 million) as tax, duty and VAT in 2011. Rahman has set up new enterprises and worked them up through the ladder. All his enterprises



ICC Bangladesh President Mahbubur Rahman (Centre) announcing the selection of Latifur Rahman (4th from left),Chairman, Transcom Group & Vice President ICC Bangladesh as a recipient of Business for Peace Award 2012. Also seen in the picture (from Left to Right) Bangladesh Employer's Federation President Md. Fazlul Hoque, MCCI President Maj Gen (Retd) Amjad Khan Chowdhury, FICCI President Syed Ershad Ahmed, FBCCI President A K Azad, DCCI President Asif Ibrahim, CCCI President Murshed Murad Ibrahim and AmCham President Aftab ul Islam.

are now leaders in their own spheres be it newspaper, pharmaceuticals, printing, electronics or food industries. His group posts around 25 percent growth a year.

The Press Briefing was attended among others by FBCCI President A K Azad, MCCI President Maj Gen (Retd) Amjad Khan Chowdhury, DCCI President Asif Ibrahim, CCCI President Murshed Murad Ibrahim, FICCI President Syed Ershad Ahmed, Bangladesh Employers' Federation President Md. Fozlul Hoque and AmCham President Aftab ul Islam.

Bangladesh Business Community honors Latifur Rahman

Leading chambers and associations accorded a reception to Transcom Group Chairman Latifur Rahman on his receiving the prestigious Oslo Business for Peace Award for ethical business practices. Leaders of the country's top 17 chambers and associations gathered at Radisson Hotel in Dhaka on June 3 to honour Mr. Latifur Rahman. The recognition has included Latifur Rahman in the group of exceptional businesspersons such as Ratan Tata, chairman of Tata Group in India, who got the award in 2010, and Jeffrey R Immelt, chief executive of General Electric in the US, who won it in 2009 when the awards were introduced.

In a recorded interview presented during the reception, Nobel laureate Prof Muhammad Yunus said the winning of Business for Peace Award by Latifur Rahman is a matter of great pride for Bangladesh."Bangladesh appeared high on the Transparency International's list of corrupt countries. Latifur Rahman has won the award under these circumstances through competition," he said."It gives us comfort and a ray of hope. His achievement will remain as an example for the country's businesspeople."

ICCB President Mahbubur Rahman said "This award is not for Latifur Rahman only, but also for the whole community of the country." The ICCB chief said Transcom, considered to be one of the largest conglomerates of Bangladesh, had adhered to ethical and responsible business practices. The Group is one of the highest contributors to the state coffers in terms of corporate tax, VAT and import duty, with a clean bank record.

FBCCI President AK Azad said: "Following the achievement, Latifur Rahman is not only the chairman of Transcom Group, but also the leader of the entire business community." Azad urged the government to pass a motion in parliament, congratulating Mr. Latifur Rahman.

The Transcom chief said he was overwhelmed by accolades from his peers. Latifur Rahman said there was potential for Bangladesh to achieve one or two percentage points more growth in gross domestic product if the country can ensure stability in some sectors like infrastructure. "It is in our hands and the abilities are there" he said and added nurturing ethics and standards in business also makes a good business sense. "If you want to succeed in businesses, you will have to build your businesses on some certain foundations." He said Bangladeshi businesses would have to maintain the same standards of businesses as a global business maintains, no matter whether they operate in Bangladesh, Singapore, the United States or Norway. "We have to adhere to the global standards," Rahman said.

The event was attended among others by Former Chief Justices. Judges, Advisors, Senior Lawyers, Senior Civil Society members, diplomats, business leaders, Editors and a host



Latifur Rahman (8th from left) Chairman, Transcom Group is seen receiving Memento from ICC Bangladesh President Mahbubur Rahman (9th from Left) and FBCCI President A. K. Azad (7th from Left) at a Reception held on June 03 for being honoured with the Oslo Business for Peace Award 2012. Chamber leaders present from left to right are : Masudur Rahman, President, CanCham, Rashed Ahmad Ali, President, JBCCI, Ms. Nihad Kabir, Vice-President, MCCI, Dhaka, M. A. Momen, President, BTCCI, Asif Ibrahim, President, DCCI, Aftab ul Islam, President, AmCham, AKM Nurul Fazal Bulbul, Member Executive Committee, BAB, Tapan Chowdhury, Chairman, BAPLC, M. Azizul Huq, Committee Member, FICCI, Salmam F Rahman, President, BASS, Representative from BGMEA, Muhammad Hatem, Vice President, BKMEA, Alhaj Md. Nurun Newaz Salim, Vice President, CCCI, Sheikh Kabir Hossain, Chairman, BIA and Ashraf Hossain, Director BTMA.

of dignitaries. The Chamber Leaders presented a Memento to Mr. Latifur Rahman.

International Chamber of Commerce-Bangladesh (ICCB), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, Dhaka Chamber of Commerce and Industry (DCCI), Chittagong Chamber of Commerce and Industry (CCCI), Foreign Investors' Chamber of Commerce and Industry (FICCI), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Bangladesh Association of Banks (BAB), Bangladesh Insurance Association (BIA),Bangladesh Textile Mills Association (BTMA), Bangladesh Association of Publicly Listed Companies (BAPLC), Bangladesh Aushad (Pharmaceutical) Shilpa (Industry) Samity (Association) (BASS), American Chamber of Commerce in Bangladesh (AmCham), Canada Bangladesh Chamber of Commerce and Industry (CanCham), Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) and Bangladesh-Thai Chamber of Commerce and Industry (BTCCI) organized the Reception jointly.

Short Life-Sketch of Latifur Rahman
Chairman, Transcom Group



Mr. Latifur Rahman is the Chairman and CEO of Transcom Group, Vice President, ICC Bangladesh, Chairman, Nestlé Bangladesh, Holcim Bangladesh (world leader in cement) and National Housing Finance & Investments. Director, Linde Bangladesh (formerly British Oxygen) and Member, Governing Body of Brac, world's largest NGO.

Transcom, originated with tea plantations in 1885, is now one of the largest corporate houses in Bangladesh, comprising 16 public and private companies, having annual turnover of over Taka 2,750 crores and employing over 10,000 people. The Group paid Tk.551 crores as tax, duty and VAT in 2011.

Transcom is the sole franchisee of PEPSI, Pizza Hut & KFC, exclusive distributor of SAMSUNG mobile sets, international pharma brands – SK+F, NOVO NORDISK, SERVIER, ALLERGAN and consumer brands – Frito Lay, Heinz, Wrigley, Mars, Ferrero, Energizer, ConAgra Foods, Schick, L'Oreál, Garnier. Manufacturer of PHILIPS lighting products, Transtec brand consumer electronics and 175 pharma products under SK+F brand by Eskayef Bangladesh (formerly SmithKline & French).Group Companies own three tea plantations. The Group publishes country's largest circulated Bengali Newspaper- PROTHOM ALO and is a major stakeholder of the leading English Newspaper- THE DAILY STAR.

He was President of Metropolitan Chamber of Commerce & Industry, Dhaka for seven terms; President of Bangladesh Employers' Federation for two terms and Member of Executive Committee of Federation of Bangladesh Chambers of Commerce & Industry, Bangladesh Jute Mills Association and Bangladesh Tea Association. He was also Member of the Board of Director of Bangladesh Bank (Central Bank).

He was appointed by the government as Chairman for trade organizations reform committee and Member : Bangladesh Better Business Forum, Advisory Committee on WTO, National Committee on Export Promotion and Consultative Committee on Jute.

He was awarded "Business Executive of the Year 2001" by the American Chamber of Commerce in Bangladesh.

Address of Latifur Rahman
Chairman, Transcom Group
at the Oslo Business for Peace Honourees Dinner
held at Akershus Fortress, Oslo on Monday, May 7

It is indeed an outstanding privilege to have been selected by the committee of Nobel Laureates as an Honouree of the Oslo Business for Peace Award 2012. Thank you, Business for Peace Foundation. The criteria enumerated by the Business for Peace Foundation for receiving such an exceptional honour is somewhat daunting. It would be highly presumptuous on my part to say that I fit the bill of becoming "Businessworthy". However, let me attempt to briefly talk about my journey in business over four decades.

My family had been in business of Tea Plantations since 1885. Later in the 1960s, it branched into Jute Industry. Bangladesh had gone through its bloody freedom struggle and was finally liberated in December 1971. The frail infrastructure was in shambles and the country was groping to find its direction. In early 1972, Bangladesh went through a period of nationalization of various industries including Jute, which was the mainstay of the economy.

My family also lost its jute industry whilst the tea plantations went through a disastrous financial situation. For me, it was a hugely transformative period, from being financially well-off to suddenly finding oneself in an extremely perilous financial condition. I had to desperately look around to find some means of getting back on my feet, which by the grace of the Almighty, I was able to make a fresh start in 1973. On reflection, this period brought home to me that whilst money is both necessary and important, it is not the be-all or end-all of everything. In the intervening years, to date, the activities of Transcom have gone through its ups and downs but are now flourishing with a large number of relationships and tie-ups with globally renowned companies. I am particularly gratified that these business relationships have also been built and sustained over decades and are growing substantially.

In Bangladesh, we do not have the kind of citizen's welfare that is prevalent in Norway and many developed countries. I believe it becomes incumbent on employers to build, develop and nurture industrial and commercial enterprises in a manner that bears this in mind. Companies have to inculcate practices which must understand that if employees lose their jobs due to management inefficiencies or lack of corporate governance, it does not just affect the individual but can devastate the entire family. In a country where unemployment is high, getting a job is a precious privilege.

In order to build sustainable businesses, which brings benefits to the shareholders, its employees and the larger community, it is obvious that the management has to behave in a socially responsible and ethical manner if it wants to succeed in the long term. I do not wish to comment on moral values but just to say that there is no contradiction in being "Businessworthy" and at the same time achieving success in business, rather it is the sensible thing to do.

Of course, this is not to say that I have not made my share of mistakes in this journey. I believe that as long as one is conscious and tries to practice the values which every parent teaches a child, the socially responsible and ethical business practices become a part of one's day to day living. In today's world of instant global communication, the standards with which businesses are and will be assessed are no different whether one is operating in a developed or developing economy.

My being bestowed this unique and prestigious honour by the Business for Peace Foundation, in a sense, puts greater responsibility on myself and the Transcom Group to be even more conscious of its social responsibilities and ensure ethical business practices in the years to come in order to succeed and help Bangladesh find its rightful place in the global context.

I sincerely thank the organizers of this splendid occasion and event on behalf of myself, Transcom and most importantly the business community of Bangladesh, for honouring me with the coveted "Oslo Business for Peace Award 2012".

Oslo, Norway
Monday, May 07, 2012

The 2012 Oslo Business for Peace Honourees

The 2012 Oslo Business for Peace Honourees have been named by the Foundation's independent award committee. Their trailmaking contribution to a wider acceptance of Business worthy behavior are recognized during the Oslo Business for Peace Summit on May 7, 2012. The Oslo Business for Peace Award is ordinarily given to six outstanding nominees for their adding to a better understanding of the relationship between ethical business practices and peace.

Adam Smith has been wrongfully used to defend predatory business practices. It is particularly his "invisible hand" metaphor which has been misused. Unknown to many, and truer to his writings, is his statement that "Markets could not flourish without a strong underlying moral culture animated by empathy and fellow-feeling, by our ability to understand our common bond as human beings and to recognize the needs of others." The Foundation is confident that the 2012 Honourees are strong exemplars to others in proving the worth of that statement.

Ibrahim Abouleish (Egypt)



Dr. Ibrahim Abouleish is the founder of the comprehensive development initiative SEKEM, in Egypt. During a journey through Egypt in 1975, Dr. Abouleish was overwhelmed by his country's overpopulation, and its pollution, particularly from the use of chemical pesticides. SEKEM has been a leader in developing and spreading biodynamic farming methods in Egypt.

The organization's commitment regarding innovative development has led to widespread use of biodynamic methods in pest control and to the improvement of yields. SEKEM means "vitality from the sun," and remarkably Dr. Abouleish has stated that: "I had a vision of a three-fold project that would allow me to contribute to community-building, humanity, and healing the earth. The desert was like the canvas of a painting, but without a frame.

Eduardo Eurnekian (Argentina)



Eduardo Eurnekian is president of Corporacion America. Eurnekian has a strong commitment to peace and reconciliation, and advocates genuine restoration and reconciliation between Turkey and Armenia, with the consolidation of bilateral relations between the two countries.

He is a prominent advocate of ethical business practices, who sold all his media holdings when diversifying into other sectors of the Argentinian economy, in order not to have privileged access to the media, "in a manner that would imply unfair competition with other companies." As honorary chairman of the Raoul Wallenberg Foundation, and as Vice President of the Argentinian Chamber of Commerce, as well as a member of the B20 group that advises the G20 nations, he is able to spread his business wisdom globally and significantly.

Vladas Lasas (Lithuania)



Dr. Vladas Lasas, CEO/Founder of Skubios siuntos UAB Kaunas & UPS/Lithuania, is an inspirational business leader who is helping drive awareness of how technology, cooperation and synergy can provide important solutions to pressing, global problems. He is co-founder of the Carbon War Room, the global non-profit initiative by entrepreneurs to implement market-driven solutions to climate change. His numerous involvements and initiatives all have as a common goal to bring together resources from a number of fields and disciplines, across established boundaries, in order to find ways to make the world a better place. In a play on his last name, which means "drop of water" in Lithuanian, his business card declares "Every drop counts."

David W. MacLennan (USA)



Dave MacLennan is the President and Chief Operating Officer at Cargill, Inc. Under MacLennan's guidance, Cargill has developed management systems and policies to ensure environmental compliance, prevent pollution and continually improve performance on criteria relevant to their business and operations. The group's commitment in this area has led the way for others, in showing that it is possible to have a proven social responsibility record, and also be a leader in profitability and growth. The Ethical Guiding Principles developed for the group, under MacLennan's stewardship, can serve as a guideline for all businesses.

Reginald A Mengi (Tanzania)



Reginald A. Mengi is the founder and chairman of the IPP Group. From humble beginnings, Mr. Mengi's company today ranks amongst the largest private companies in Tanzania. Mr. Mengi has consistently advocated the need for business to actively engage with communities and take responsibility for their development. He promotes initiatives that assist the disadvantaged and infirm, and is seen to be in the forefront in fostering national unity as a leading advocate for peaceful coexistence. He indiscriminately contributes to all religious faiths, and helps finance the construction of schools. The examples of social responsibility set by Mr. Mengi are widely emulated in the Tanzanian business community. Mengi's business peers have shown their trust by voting him "most respected CEO in East Africa" for 3 successive years.

Latifur Rahman (Bangladesh)



Latifur Rahman is the Chairman and CEO of the Transcom Group. The group's growth has taken place under adherence to ethical and responsible business practices that serve as a guideline for other businesses in the region. The group is one of the highest corporate tax, VAT and import duty payers in Bangladesh, with a clean bank record. The companies in the group also adhere to labor standards and industrial laws. Other businesses in the region look up to Mr. Latifur Rahman for leadership and guidance for his integrity, ethical standards and business acumen – well illustrated by Mr. Rahman's reelection as chairman of the MCCI for a total of seven terms.

Source: Business for Peace Foundation

ICCB 17th Annual Council held
efficient infrastructure and capping inflation must for sustained growth

The country needs to ensure efficient infrastructure and pursue drastic measures in capping inflation rate in order to achieve its budgetary goals and economic growth rate of 7 percent, suggest ICCB Council at its 17th Annual Council held at Dhaka Chamber of Commerce and Industry (DCCI) Auditorium on April 28.



Group photograph of ICC Bangladesh Members during 17th Annual Council

Despite all hurdles, the Executive Board Report of ICC Bangladesh (ICCB) for 2011 expects that Bangladesh can emerge as the 'second China' in the next 15 years as the country marches ahead to become a global leader in areas such as readymade garments, medicine and shipbuilding. ICCB President Mahbubur Rahman while presenting the Report at the 17th Annual Council said that to achieve this there are some challenges to overcome; Bangladesh has to develop its communications sector, and the port facility will have to be upgraded.

The Council began by observing one minute silence to pay homage to Late Samson H. Chowdhury who was Vice President of ICC Bangladesh & Chairman of Square Group.

The Council also gave standing ovation to Mr. Latifur Rahman, Vice President of ICC Bangladesh and Chairman Transcom Group on his receiving the International Award "Business for Peace 2012' by the Oslo based Business for Peace Foundation.

The Report pointed out that despite some disturbing signs Bangladesh still holds a much better prospect. According to a study conducted by McKinsey & Company Bangladesh's RMG exports will double by 2015 and nearly triple in next 10 years, as well as create employment opportunities for additional 3.5 million workers by 2020 in RMG sector alone. According to industry experts, the target may be achieved by exploring new markets in the growing Asia, Latin America and Africa. Besides, there are bright prospects of increased export earnings from pharmaceuticals, shipbuilding, leather goods, jute etc. and also increased manpower export.

According to a report of UK Trade and Investment Department, the Bangladesh economy will come under some strong unfavourable pressures due to high inflation and heavy borrowings by the government from the banking sector, leading to a vicious downward spiral. The report highlighted the need for a bailout package by the government for the worst hit commercial banks due to their huge losses for investing in the stock market. The report, styled, "Bangladesh Quarterly Macro-Economic Updates (October-December 2011)", has suggested a four-point action plan that should include, among others, measures to tackle structural challenges to come out of the economic overheating and instability, added ICCB President Mahbubur Rahman.

Bangladesh economy was under pressure in the year 2011 due to soaring imports of fuel and fertiliser, skyrocketing inflation levels, rise in budget deficit and government borrowing, increase in subsidies,



Observing one minute silence to pay homage to Late Samson H. Chowdhury who was Vice President of ICC Bangladesh & Chairman of Square Group.

falling foreign aid and currency reserve, declining export earnings and depreciation of the currency. In this backdrop, for achieving the current year targeted 7 percent GDP growth, containing inflation rate at a tolerable limit is a prerequisite, Mr. Rahman cautioned.

ICCB President also observed that the world economy, as we all know, has entered a very difficult phase characterized by significant downside risks and fragility. The financial turmoil generated by the intensification of the fiscal crisis in Europe has spread to both developing and high-income countries, and is generating significant headwinds. As a result, and despite relatively strong activity in the United States and Japan, global growth and world trade have slowed sharply. Indeed, the world is living on the fringe of downside risk scenario, according to *Global Economic Prospects* (GEP) of The World Bank, and as a result GDP forecasts have been significantly downgraded.

The Annual Council adopted the Report of the Executive Board presented by ICCB President, adopted the Audit Report and Audited Accounts for 2011 as well as decided on the appointment of the Auditor for 2012 including remuneration of the Auditor. The Chairman of the Election Scrutiny Board announced the New Members of the ICCB Executive Board for the period from April, 2012 to March, 2014.

ICCB Vice President Latifur Rahman, Board Members as well as MDs/ CEOs and senior officials of banks, insurance companies, national and multinational companies attended the Council.

12th Bangladesh Business Awards: DHL The Daily Star

Lifetime Achievement Award to Mahbubur Rahman & Special Award to Latifur Rahman

The Daily Star, the country's most-read English newspaper, and DHL Express, the world's leading logistics company, jointly honoured the best companies and individuals who have shown the greatest flair and integrity in running businesses over the years. The Daily Star and DHL Express introduced the award in 2000 to honour the country's best businesses and the people behind them for their values of business excellence, sustainability and commercial success.



Finance Minister AMA Muhith, M.P. handed over the 12th Bangladesh Business Awards, regarded as the premier business award in the country, to six winners, including one posthumously, at a gala event held at Sonargaon Hotel in Dhaka on May 18.

Lifetime Achievement Award, introduced this years by DHL The Daily Star was awarded to ICC Bangladesh President Mr.Mahbubur Rahman. A special award went to Mr. Latifur Rahman, Chairman of Transcom Group who is one of the six Oslo Business for Peace Award 2012.

The Outstanding Woman in Business award was given to Ms. Sharmin Hossain. Prime Bank Ltd, one of the fastest growing private commercial banks in the country, received the award in the financial institution category. Prime Bank Managing Director Mr. Ehsan Khasru received the award. The Best



Finance Minister AMA Muhith, M.P. poses with award winners: from left, Towhid Samad, Chairman of Bangladesh General Insurance Company, Anwar Hossain, Chairman of Anwar Group; Ehsan Khasru, Managing Director of Prime Bank; M Anis Ud Dowla, Chairman of ACI; Mahbubur Rahman, President of International Chamber of Commerce Bangladesh; Latifur Rahman, Chairman of Transcom Group and Sharmin Hossain, Chairman of Fresh and Safe Agro also seen in the picture Desmond Quiah, Country Manager of DHL Express (extreme right) and Ramesh Natarajan, Vice-president of DHL Express, Rest of South Asia (second from right).

Enterprise of the Year Award for 2011 went to Advanced Chemical Industries, popularly known as ACI. Mr. M Anis Ud Dowla, Chairman of the group, received the award on behalf of the company. Mr. Anwar Hossain, Chairman of Anwar Group of Industries, won the "Business Person of the Year". Business leader Mahbubur Rahman, Presdient, ICC Bangladesh was given the Lifetime Achievement Award for his work to protect the interest of the country's businesses in numerous roles in national and international organisations over the last five decades. The posthumous Lifetime Contribution Award went to MA Samad for his contribution to the insurance industry. His Bangladesh General Insurance Company Ltd is the country's first private sector insurance company. Towhid Samad, Chairman of the company, received the award on behalf of his father.

At the awards ceremony, Mr. Latifur Rahman, Chairman of Transcom Group and ICC Bnagladesh Vice President, was recognised for making Bangladeshis proud on the global stage by winning the Oslo Business Award for Peace.

Short Life-Sketch of Mahbubur Rahman
President, ICC Bangladesh



Mr. Mahbubur Rahman, President, International Chamber of Commerce (ICC)–Bangladesh, *The world business organization* is the Chairman of ETBL Holdings Ltd., Eastland Insurance Company Ltd; International Publications Limited (Publishers : The Daily Financial Express).

Mr. Rahman is the Chairman of Bangladesh International Arbitration Centre (BIAC), Member of the Business Advisory Council (BAC) of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok and founder Member, Board of Directors of Bangladesh Foreign Trade Institute (BFTI).

Mr. Mahbubur Rahman born on July 10, 1942 entered into business, immediately after graduation, in early sixties and over the years he has promoted a number of commercial, industrial and financial undertakings of ETBL Holdings and its Associate companies: ETBL Holdings Limited, Eastern Trading (Bangladesh) Ltd., ETBL Development Construction Ltd., ETBL Securities & Exchange Ltd., Progressive Investments Limited (successors of : National Rubber Industries), Century Cold Storage Limited. He is also the Sponsor Director and former Chairman of National Bank Limited.

Apart from his business undertakings, Mr. Mahbubur Rahman has been active in various other fields. He represented Government of Sri Lanka in Bangladesh from 1972-79, prior to the establishment of their Resident Diplomatic Mission in Dhaka.

Mr. Rahman has been associated with a number of trade bodies, educational institutions and international bodies. He was member of ICC World Council and Executive Member of International Chamber of Commerce (ICC), Paris for 1997-99. He is member of the Board of Governors of the Institute of Business Administration (IBA), University of Dhaka. Mr. Rahman is Founder Member of Independent University, Bangladesh (IUB).

He was the President of The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) for 1992-94; Dhaka Chamber of Commerce & Industry (DCCI) for 1985-86 & 1991-92; Founder Vice President of SAARC Chamber of Commerce & Industry (SCCI) ; Vice President of Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE) for 1993-95. He was also Co-Chairperson of the Business Entry & Operations Group of Bangladesh Better Business Forum (BBBF) during 2007-2008, Member, Board of Directors of Biman Bangladesh Airlines Limited (2008-2009) and Member, Board of Directors of Dhaka Stock Exchange Ltd. (DSE) during 2007- 2010 and Member, Board of Governors of Bangladesh Open University (BOU) during 2007-2009, Mr. Rahman was the Chairman of National Bank Limited (NBL) during 1993-94 and Chairman, National Bank Foundation during 1993-2003. As President of Lions Club of Dhaka during 1987-88, Chief Adviser to the District Governor, Lions Clubs International, District-315A1 Bangladesh during 1995-2000 and National President in Bangladesh in 1980 of Junior Chamber International (JCI), USA, Mr.Mahbubur Rahman made substantial contribution in achieving the goals of these bodies.

12th Bangladesh Business Awards
Recipient of DHL The Daily Star

Lifetime Achievement Award



Mahbubur Rahman

If you meet Mahbubur Rahman for a chat, you will encounter a life rich with experience and insights in the world of business. His life in business spans five decades.

During the early 1960s, when the Dhaka city was a hotbed of political activity, Rahman stepped into business. As a young university graduate in political science, he joined the National Bank of Pakistan in 1962 only to leave it quickly. It was a blessing in disguise. He followed his own destiny entrepreneurship.

In 1962, Rahman set up Eastern Trading Company, an importer of consumer goods. After independence, the company was changed into Eastern Trading Bangladesh Ltd, which was later shortened to ETBL Holdings.

Now, the 50-year-old company, ETBL Holdings, has nine associated units operating in banking, insurance, housing, international trade and cold storage.

But Rahman is widely recognised for being more than just another successful businessman. He is regarded as a voice of reason and moral conscience among his friends. He spent most of his life making trade bodies professional and ethical.

As the President of the International Chamber of Commerce Bangladesh, Rahman, now 70, is still active in promoting good business practices: fair entrepreneurship and commitment to quality. These efforts define him as a man with a vision of building a business community around a strict code of conduct

Special Recognition



Latifur Rahman

Top entrepreneur Latifur Rahman is defined in Bangladesh by his phenomenal success in business, setting up new enterprises and working them up through the ladder.

All his enterprises are leaders in their own spheres be it media, phar maceuticals, printing, electronics or food industries. His ethical and responsible business practices won him the coveted "Business for Peace Award" in the Norwegian capital early this month.

The recognition has put Rahman in the group of exceptional business personalities like Ratan Tata, chairman of India's Tata Group, who got the award in 2010, and Jeffrey R Immelt, CEO of USA's General Electric, who won it in 2009."I hope the award will remain as an ideal and inspiration for Bangladesh's business community and our colleagues," he says.

"With this award our responsibility expands. These standards have to be maintained as individuals and a business organisation." Transcom Group led by Rahman is the best example of adhering to ethical and responsible business practices that serve as a guideline for other businesses in the region, according to a citation by the Oslo-based Business for Peace Foundation.

"In order to build sustainable businesses, it is obvious that the management has to behave in a socially responsible and ethical manner if it wants to succeed in the long term," Rahman says. His enterprises boast clean tax and bank loan records and are also one of the highest-payers of corporate tax, VAT and import duty in a country where many top companies are willful defaulters. As the leader of the business community, Rahman has always been vocal against unethical practices. As the leader of the Metropolitan Chamber of Commerce and Industry, he took a clear line opposing black money in industry.

In the business world, Rahman enjoys the trust of all for his integrity, ethical standards and business acumen. The business community looks up to him for leadership and guidance, the proof of which is his holding the presidency of the Bangladesh Employers Federation for two terms. Rahman has also led the most prestigious and the oldest chamber body of the country, MCCI, as its president.

Lifetime Contribution Award



MA Samad

It was 1984 when MA Samad retired as the managing director of state-owned Jibon Bima Corporation. With his previous expe-riences Samad was planning to set up a private insurance company. But it was a tough job at that time. He started exploring opportunities and looking for partners. The break-through came when the then government decided to allow a private sector insurance company in August in the same year. Samad, who joined the insurance sector in 1951, applied for a licence with some other entrepreneurs.

After a long negotiation with different stakeholders, the government approved Bangladesh General Insurance Company (BGIC) Ltd on July 29. A room at Hotel Purbani was made the temporary office room of the company. Samad was made managing director and chairman of the company, and he had been with the company until his death in October 2005. The Daily Star, the country's most-read English newspaper, and DHL Express, the world's leading logistics company, honoured this pioneer with a posthumous "lifetime achievement award" for a career that spanned more than five decades.

Samad worked for different insurance companies including Prudential Insurance Company, Commercial Union Insurance Company United Kingdom, Great Eastern Insurance Company, Federal Life General Insurance Company, Surma Jiban Bima Corporation and Jiban Bima Corporation.

Business Person of the year



Anwar Hossain

The 74-year-old chairman of Anwar Group of Industries still leads a busy life. Anwar Hossain runs a 175-year-old group that has business interests in different sectors, including garments, crockery, cement, jute and jute products, plastic, tea, automobiles and real estate and employs over 14,000 people.

The success story was not all smooth. Before he could reach seven, his father died. At the age of 12, he took the responsibility to carry on the family business. It took only five years for him to understand the nitty-gritty of the business. In 1953, he started garments business Anwar Cloth Store. In 1956, he set up Sunshine Cable and Rubber Industry, the first Bengali-controlled industry in Pakistan.

He did a good business until 1958, when General Ayub Khan declared martial law. He made a declaration about his wealth and opened an income tax file. He was only about 20 years old at that time. In 1966, he set up a factory, Anwar Silk Mills, to manufacture banarasi saris. Later, he started manufacturing cutlery spoon and crockery from enamel at Monowar Industries Private Ltd, his first venture in independent Bangladesh. Hossain also contributed to setting up the country's first private bank. He set up The City Bank and City Insurance.

Enterprise of the Year



M Anis Ud Dowla

M Anis Ud Dowla took over a small pharmaceutical unit of a foreign company and led it to a greater height of success. The story dates 20 years back when a multinational company, ICI (Imperial Chemical Industries), sold its Bangladesh business to the local management headed by Dowla.

The company was renamed ACI but it followed the best practices of ICI. ACI later branched out into agribusiness, food processing and organised retailing. ACI has 13 subsidiaries, with two firms listed on the Dhaka Stock Exchange. The company also teamed up with foreign companies, such as Tetley, Dabur and Godrej Agrovet.

In 2010, ACI posted Tk 21.6 crore net profit, up from Tk 6.41 crore in 2000, according to the DSE. "I kept the quality of our products constantly in mind so that we don't deviate," says the chairman of ACI.

Beginning with crop-care chemicals, ACI gradually entered a myriad business of hybrid seed, vegetables seeds, soil nutrients, power tillers and farm machinery. It signed up for making iodised salt and triumphed in the local salt market. Later it began processing flour, spices and other processed snacks. Today, ACI employs more than 7,000 people directly. Two decades ago, total employments were 150. Dowla has already handed over the key to his successor Arif Dowla.

Outstanding Woman in Business



Sharmin Hossain

Sharmin Hossain was scared to see random use of harmful chemicals for ripening and preserving fruits and vegetables.But household chores do not let the chairman of Fresh and Safe Agro Limited (FASAL) to even think of doing something to produce chemical-free foods for the society.

So, the agriculturist started growing the food items on a small scale. Later good production inspired her to go for commercial cultivation.Sharmin formed a company Fasal along with a group of professionals in 2010.

The 51-year-old said Fasal's fruits and vegetables are grown following global standards like integrated pest management (IPM) and good agricultural practices (GAP).The company has contract growers of fruits and vegetables in Manikganj, Narsingdi, Bogra and Dhaka and is currently working with more than 12,000 trained farmers.

Providing training to farmers is one of the core business activities of the company of Sharmin who graduated from Bangladesh Agriculture University in Mymensingh in 1983. A venture of around Tk 2.5 crore, it has around 100 employees now. It sells around 50 kitchen and food items through its eight sales centres and mobile vans in the capital. Fasal's monthly sales stand at around Tk 20 lakh.

Best Financial Institution of the Year



Ehsan Khasru

Success is simply a product of excellence, and Prime Bank Ltd with the slogan of "a bank with a difference" has proved it over the years. The bank brings professionalism, capital, technology and ideas together to render services to its clients. A commitment to integrity, team work and the pursuit of excellence is at the core of everything the bank does.

Established in April 1995 by a group of local entrepreneurs, the bank is now known for its service quality, brand image, strong corporate governance and professionalism. It is also considered as a top-tier bank in Bangladesh now.All these successes and achievements have made the bank the best financial institution for The Daily Star-DHL Business Award 2012.

Ehsan Khasru, managing director of the bank, says they have brought the success by serving their clients well and creating opportunities for economic growth. Success is quite evident in the bank's performance.

Its assets, deposits and loans and advances grew by 29.55 percent, 28.29 percent and 20.12 percent respectively in 2011 compared to 2010. Prime Bank focuses on a wide range of financial products and services that include commercial banking through both conventional and Islamic mode, merchant and investment banking. It has also a big presence in SME and retail banking, credit card and off-shore banking.

Roll of Honour: Bangladesh Business Awards by DHL-Daily Star (2000-2010)

2000
OUTSTANDING WOMEN IN BUSINESS
Salina Akhter (Aakor)

ENTERPRISE OF THE YEAR
Concord Engineers & Construction Ltd and Rahimafrooz(Bangladesh)Ltd

OUTSTANDING WOMEN IN BUSINESS
Samson H. Chowdhury(Square Group)

2001
OUTSTANDING WOMEN IN BUSINESS
Rehana Kashem(Saatrang)

ENTERPRISE OF THE YEAR
Otobi Limited

BUSINESS PERSON OF THE YEAR
Anisur Rahman Sinha (Opex Group)

2002
OUTSTANDING WOMEN IN BUSINESS
Geeteara Safiya Choudhury(Adcomm)

ENTERPRISE OF THE YEAR
Micro Electronics Ltd.

OUTSTANDING WOMEN IN BUSINESS
Syed Manzur Elahi (Apex Group)

BEST JOINT VENTURE ENTERPRISE OF THE YEAR
GrameenPhone Ltd.

2003
OUTSTANDING WOMEN IN BUSINESS
Monjulika Chakma (Bain Textile)

ENTERPRISE OF THE YEAR
MM Ispahani Ltd.

BUSINESS PERSON OF THE YEAR
Mohammed Mizanur Rahman (PHP Group)

BEST JOINT VENTURE ENTERPRISE OF THE YEAR
Coats Bangladesh Ltd

2004
OUTSTANDING WOMEN IN BUSINESS
Selina Quader(Agroconcern)

ENTERPRISE OF THE YEAR
Incepta Pharmaceuticals

BUSINESS PERSON OF THE YEAR
Kazi Zahedul Hasan (Kazi Farms Group)

SPECIAL ACHIVEMENT AWARD OF THE YEAR
Unilever Bangladesh

2005
OUTSTANDING WOMEN IN BUSINESS
Hasina Newaaz(Orchid Printers)

ENTERPRISE OF THE YEAR
BRB Cable Industries Ltd

BUSINESS PERSON OF THE YEAR
Fazlur Rahman(City Group of Industries)

SPECIAL ACHIVEMENT AWARD OF THE YEAR
Youngone Group

2006
OUTSTANDING WOMEN IN BUSINESS
Zinnet Fatema(Jahan Metal)

ENTERPRISE OF THE YEAR
ACME Laboratories

BUSINESS PERSON OF THE YEAR
Md. Nasir Uddin(Pacific Jeans Ltd.)

SPECIAL ACHIVEMENT AWARD OF THE YEAR
Dutch Bangla Bank

2007
OUTSTANDING WOMEN IN BUSINESS
Nilufar Farooq (Ikebana)

ENTERPRISE OF THE YEAR
Bengal Plastic Industries Ltd.

BUSINESS PERSON OF THE YEAR
KM Rezaul Hasnat (Viyellatex Group)

2008
OUTSTANDING WOMEN IN BUSINESS
Sabrina Islam, CEO of Reflections

ENTERPRISE OF THE YEAR
Meghna Group

BUSINESS PERSON OF THE YEAR
Abdul Monem
Abdul Monem Group of Companies

BEST FINANCIAL INSTITUTION
BRAC Bank

2009
OUTSTANDING WOMEN IN BUSINESS
Kaniz Almas Khan, CEO of Persona

ENTERPRISE OF THE YEAR
Square Pharmaceuticals

BUSINESS PERSON OF THE YEAR
Md. Saiful Islam, Chairman of Western Marine Shipyard

BEST FINANCIAL INSTITUTION
Pubali Bank

LIFETIME ACHIVEMENT AWARD
Nasir A. Chowdhury
MD, Green Delta Insurance

2010
OUTSTANDING WOMEN IN BUSINESS
Tanya Tazeen Karim
Partner of Tanya Karim NR Khan & Associates

ENTERPRISE OF THE YEAR
BSRM Group

Source: The Daily Star

Bangladesh's needs to assess gain from various Regional Trade Agreements observes ICCB President

Export and import data of Bangladesh with D-8 and BIMSTEC, SAFTA and APTA countries show that the trade with these blocks remains the same with total deficit increasing said ICC Bangladesh President Mahbubur Rahman while addressing at the National Seminar on Asia-Pacific Trade Agreement (APTA) Business Implications for Bangladesh jointly organized by the Ministry of Commerce, UNESCAP & ICC Bangladesh. He also reserved question to the seminar whether Bangladesh has derived the expected benefits from the various integrations?

According to the third round Ministerial Meeting of APTA a total of 4,270 products have been given concessions with Margin of Preference (MoP) 26.8%. Individual countries have offered concessions as follows : Bangladesh: 209 products and MoP 14.1%; China: 1,697 products out of which only 161 for LDCs and MoP 26.7% (77.9% for LDCs); India: 570 of which 48 for LDCs with MoP 23.9% (39.7% for LDCs); Rep of Korea: 1,367 products of which only 206 for LDCs and MoP 35.4% (64.6% for LDCs); Sri Lanka: 427 products of which 72 for LDCs and MoP 14.0% (12.0% for LDCs). These figures clearly indicate that the benefits are more for the developing APTA member states rather than for LDCs, mentioned ICCB President.

Although according to UNESCAP, APTA has great potential to play a major role in promoting regional integration but unfortunately, APTA is yet to become effective and beneficial agreement for the states, in particular for smaller countries like Bangladesh, stated ICCB President Mahbubur Rahman. According to ESCAP figures, the export share of Bangladesh of the total APTA member state is only 3.2 % as against its import share of 32.2 per cent, he added.

ICC Bangladesh President also pointed out that the 4th Ministerial Council of APTA could not be held last year as scheduled and it is still uncertain as to when it will be held. The meeting of the Standing Committee which has to decide the date of the Ministerial Council has not been held due to some Members' lack of interest. It is, therefore, apparent that some of the member states are not keen in making APTA operational and favorable to the member states more particularly the LDCs who need the support most.

Commerce Minister Mr. Ghulam Muhammad Quader, M.P. said undoubtedly trade among APTA members is upward but Bangladesh's gain is not clear to us. He emphasized to exploit the member states market on the basis of given concessions. He also mentioned that Commerce Ministry is trying to find out the problem and prospects into the agreement. He highly appreciated ICC President Mahbubur Rahman for leading this critical issue and as well as to organize the Seminar. He expressed his hope that from this Seminar we will get direction how to proceed?

The Minister also urged all the members to put in their best efforts to ensure a speedy conclusion of the fourth round. He expected that this will pave the way for expansion of negotiations to other areas such as service, investment, trade facilitations etc. This is how we can achieve win-win outcomes for all the Participating States and attract new members to the agreement, he added.

Director, Trade and Investment Division, UNESCAP, Dr. Ravi Ratnayake informed the Seminar about low awareness regarding the benefits of APTA among the relevant stakeholders, in particular the business sector. For this reason APTA Secretariat launched the network among the business sectors of APTA Participating States named 'APTA Business Network' in July last year and is planning for a series of national Seminars for APTA Business Sector such as this seminar for the Bangladesh business sector.

Dr. Ravi also mentioned that in this region trade dependency on USA and EU is very high. He emphasized the need to diversify export product and take full advantages from the APTA member states regarding concession. Utilization rate of APTA concession is very low and some cases concern countries do not have very clear concept about the concessions, he noted.



Minister for Commerce Ghulam Muhammad Quader, M.P. (2nd from left) is addressing at the National Seminar on Asia-Pacific Trade Agreement (APTA) : Business Implications for Bangladesh jointly organized by the Ministry of Commerce, UNESCAP & ICC Bangladesh on June 13. Mahbubur Rahman, President, ICC Bangladesh and A.T.M. Murtozza Reza Chowdhury, ndc, Additional Secretary, Ministry of Commerce are seen on his left and Dr. Ravi Ratnayake, Director, UNESCAP is seen on his right.

Mr. A. T. M. Murtozza Reza Chowdhury, ndc, Additional Secretary, Ministry of Commerce informed the seminar that in 2010 the share of APTA in world exports was 15%, while its share in world imports was 14.5%. He expressed his expectation that the robust economic growth in the APTA countries over the recent years and the presence of economic complementarities among the members will contribute to ensuring the generation of greater trade within the region thereby benefiting all the member countries.



Inaugural Session of the APTA Seminar in progress

In the seminar, papers were presented by Dr. Ravi Ratnayake, Director, UNESCAP; Dr. Mostafa Abid Khan, Joint Chief, Bangladesh Tariff Commission; Mr. Hu Wei, Third Secretary, Embassy of the People's Republic of China, Dhaka, Bangladesh; Mr. Jae Ho Jung, Deputy Director, Multilateral Customs Cooperation Division, Ministry of Strategy and Finance, Republic of Korea and Mr.Asif Ibrahim, President, DCCI.

It was observed that APTA is not so focused like other bilateral agreements and it is, therefore, a challenge to bring APTA into main focus. It is necessary to think as to how it could be developed in future and how APTA could be a platform for discussion on related service agreement like BCIM, K2K, and regional connectivity. APTA should also focus on non-tariff related issues and initiatives should be made to take up tariff and non-tariff issues at sub-regional level. It was also suggested to consider including Myanmar under this trade agreement as the country is opening up for outside world. It was observed that good progress has been made in APTA after joining of China and India. However, there is need for improvement in the scope of LDCs to take advantage of the huge market in these two emerging economies.

It was also suggested that there is need to find out the trade potential/ implication of Bangladesh in this APTA agreement as well as initiate tariff and non-tariff discussions with India. The experts also suggested that Bangladesh should diversify the production and improve technology. Export under APTA is not good compare to our total export, observed discussants. They suggested that Bangladesh entrepreneurs should be given the opportunities to show their talents to increase exports and for this there is need for product diversification, geographical diversification, quality diversification and infrastucture diversification.

The panelists at the seminar were: Dr. Khondaker Golam Moazzem, Senior Research Fellow, CPD; Dr. Monzur Hossain, Research Fellow, BIDS; Mr. Ashikur Rahman, Economist, Policy research Institute (PRI); Mr. R. Maksud Khan, Chairman, Bengal Fine Ceramics Ltd. & Member, Executive Board, ICC Bangladesh; Mr. M. A. Momen, President BTCCI & Director, FBCCI.

Among others H. E. Mr. Zhang Xianyi, Ambassador of the People's Republic of China to Bangladesh; H.E. Mr. Bahnarim Abu Guinomla, Ambassador of the Republic of the Philippines to Bangladesh; Mrs. Rokeya A. Rahman, former Adviser to the Caretaker Govt.; Masudur Rahman, President, CanCham; A. S. M. Quasem, former President DCCI & Chairman & CEO Newage Garments Limited; Fazlul Haque, President, BEF; Abdul Haque, Director FBCCI; Syed Ershad Ahmed, President, FICCI and delegates from China and Korea also attended the Seminar.

DU Finance Department honours Business icons
Mahbubur Rahman & Latifur Rahman

Department of Finance & Finance Alumni Association (FAA), University of Dhaka (DU) honoured Transcom Group Chairman Latifur Rahman for winning prestigious Oslo Business for Peace Award 2012 for ethical business practices and ICC Bangladesh President Mahbubur Rahman in recognition of his outstanding contribution in the field of business.

Vice Chancellor Prof. AAMS Arefin Siddique presented crests to the two Business icons during the Finamce Festival 2012 and 39th founding anniversary celebration programme of the Finance department and FAA at Teacher Student Centre (TSC) on June 29.

Mahbubur Rahman thanked FAA for inviting him at the Finance Festival 2012 and the 39th Foundation Day Celebration of the Department of Finance and also for honouring him and Latifur Rahman.

Mahbubur Rahman observed that despite all the obstacles, Bangladesh economy has been growing at around 6% over the last few years. "No other LDC, nor many developing countries, can boast such a consistent performance. The credit for this goes to the people of Bangladesh. There are very few nations that are able to operate under such trying adverse circumstances. We have shown that we are dynamic and can overcome challenges as they appear", he said.

If we had a more conducive environment, the progress would have been much greater. All that we need are power, efficient infrastructure, credit at reasonable rates, in an enabling policy environment. We are capable of so much more, but it is our misfortune that we lack the opportunity, he observed.



Dhaka University Vice Chancellor Prof Dr AAMS Arefin Siddique (3rd from left) was the Chief Guest at the 39th founding anniversary programme of the Department of Finance held at TSC Auditorium. Also seen in the picture from left to right are : Vice President of FAA Prof. M. Shahjahan Mina, ICC Bangladesh President Mahbubur Rahman, Transcom Group Chairman Latifur Rahman, Dean of the Faculty of Business Studies Prof Jamal Uddin Ahmed, Chairman, Department of Finance Chairman Dr.AA Mahboob Uddin Chowdhury and FAA President Prof.MA Baqui Khalily.

"We frequently say the future of Bangladesh will be determined by the youth of today. Yes, the graduates of the Finance Department will have a vital role in the financial structure that is now emerging. Whether in the financial institutions, in development organizations, in the government, or SMEs, or in businesses they create, they will be in key positions" said Mahbubur Rahman.

Latifur Rahman expressed his gratitude to Finance Department and FAA, DU for honouring him. Addressing the event, Latifur Rahman said morality and social responsibility should be given priority in business. Money is essential in our life but it is not everything, he said.

Latifur Rahman said, in Bangladesh, we do not have the kind of citizen's welfare that is prevalent in Norway and many developed countries. "I believe it becomes incumbent on employers to build, develop and nurture industrial and commercial enterprises in a manner that bears this in mind. Companies have to inculcate practices which must understand that if employees lose their jobs due to management inefficiencies or lack of corporate governance, it does not just affect the individual but can devastate the entire family. In a country where unemployment is high, getting a job is a precious privilege", he said.



Dhaka University Vice Chancellor Prof Dr AAMS Arefin Siddique presenting a crest to Transcom Group Chairman Latifur Rahman at the 39th founding anniversary programme of the Department of Finance at TSC Auditorium. Also seen in the picture are: ICC Bangladesh President Mahbubur Rahman (extreme left) and the Dean of Faculty of Business Studies Prof Jamal Uddin Ahmed (2nd from right).



Dhaka University Vice Chancellor Prof Dr AAMS Arefin Siddique presenting a crest to ICC Bangladesh President Mahbubur Rahman at the 39th founding anniversary programme of the Department of Finance held at TSC Auditorium. Also seen in the picture are :Transcom Group Chairman Latifur Rahman and Vice President of FAA Prof. M.Shahjahan Mina.

"My being bestowed this unique and prestigious honour by the Business for Peace Foundation, in a sense, puts greater responsibility on myself and the Transcom Group to be even more conscious of its social responsibilities and ensure ethical

business practices in the years to come in order to succeed and help our country find its rightful place in the global context", he added.

Vice President of FAA Prof. Shahjahan Mina launched the " Adopt a Student" programme under which students of the Department who are brilliant and need financial support are selected for receiving a monthly allowance of Tk.2,500 from a sponsor for completion of studies at the University. A total of 67 students have so far been included under the "Adopt a Student" programme.

Vice Chancellor Prof. AAMS Arefin Siddique thanked the FAA for launching such a programme and hoped that these should be considered as social responsibility rather than doing a favour or mercy. He also congratulated Mr. Latifur Rahman and Mr.Mahbubur Rahman and hoped that they will continue to provide guidance and help the new generation of businessmen in following ethical practices in carrying out their businesses.

Finance department Chairperson Prof AA Mahboob Uddin Chowdhury presided over the programme, while Dean of Business Studies faculty Prof Jamal Uddin Ahmed, and FFA President Prof MA Baqui Khalily and FFA Vice President Prof. M. Shahjahan Mina spoke on the occasion, among others.

Japanese Team calls on ICCB President
discusses on investment opportunities

Ambassador George Hara, Chairman of Board of Alliance Forum Foundation and Japanese Ambassador Shiro Sadoshima called on ICC Bangladesh President Mahbubur Rahman on June 17. They discussed on the possibilities of increasing Japanese investment in Bangladesh as well as export from Bangladesh to Japan. President Mahbubur Rahman thanked Ambassador Hara and Japanese Ambassador Sadoshima for their visit to ICC Bangladesh and explained to them about the role of ICC globally as well as in Bangladesh. He also appraised them about possible areas of investment that could be attractive to Japanese investors. He further suggested that Japanese investment could be in power and infrastructure as these are the most vital requirement for Bangladesh at this time.



Ambassador George Hara (3rd from left) and Mr. Shiro Sadoshima, Ambassador of Japan to Bangladesh (3rd from right) are seen in the picture along with ICC Bangladesh President Mahbubur Rahman during their visit to the National Secretariat. Also seen in the picture are: Ms. Kumiko Ogawa (2nd from Left), Mr. Yasuharu Shinto(extreme right) First Seretary and ICCB Secretary General Ataur Rahman (extreme left)

Japanese Ambassador assured ICCB President that his Mission will encourage increased Japanese investment in Bangladesh as well as work for more export from Bangladesh to Japan. In this regard, he also mentioned that he will be arranging visit to Japan by prospective exporters from Bangladesh and Ambassador George Hara and his Alliance Forum is working closely with Japanese big conglomerate to have a new look to Bangladesh.

52nd ICCB Executive Board Meeting held
elects a Vice President and reviews activities

The 52nd Meeting of the ICCB Executive Board was held on June 28. At the very outset of the Meeting, the Board Members congratulated ICCB Vice President Latifur Rahman for receiving the prestigious Oslo Business for Peace Award 2012 and ICCB President Mahbubur Rahman for the Life Time Achievement Award 2011 by the Daily Star and DHL 12th Bangladesh Business Awards.

The Board unanimously elected Mrs. Rokia Afzal Rahman as a



52nd Meeting of the ICCB Executive Board in progress

Vice President of ICC Bangladesh which fell vacant after the death of Late Samson H. Chowdhury. The Executive Board reviewed the activities of ICC Bangladesh during second quarter of the year (April – June) and also about the forthcoming events of the National Committee as well as ICC, The Board was informed about the upcoming UNESCAP Workshop in Yangon in July, ICC Regional Meeting in Jakarta in October and 8th World Chambers Congress in Doha in April, 2013.

Presided over by ICC Bangladesh President Mahbubur Rahman, the Meeting was attended by ICCB Vice President Latifur Rahman and Board Members, A. S. M. Quasem, Prof. Mamun Rashid, Muhammad A. (Rumee) Ali, Muhammad Hatem, Barrister Rafique-ul Huq. Rashed Maksud Khan, Sheikh Kabir Hossain and Waliur Rahman Bhuiyan, OBE.

Short Life-Sketch of Rokia Afzal Rahman
Vice President, ICC Bangladesh



Rokia Afzal Rahman was the first woman bank manager of Bangladesh. She was also the first woman on the board of the central bank.

In 1980 she went into business, setting up an agro industry. She has now diversified her business and is a shareholder director in insurance, Media, financial institution and real estate.

In business, she is currently the Chair of Mediaworld Limited, owning company of the largest English newspaper in Bangladesh The Daily Star. She is also the Chair of Midas Financing Ltd. Mrs. Rahman is the Chair of Arlinks group of companies, RR Group of companies, Aris Holdings and RR Estates ltd. She is a director in Reliance Insurance, ABC Radio and Mediastar Ltd.

She is an executive committee member of MCCI. She is the former President of the Bangladesh Employers Federation. Ms. Rokia Rahman has been involved with development work for the past 20 years which brings her to the boards of BRAC, Manusher Jonno Foundation, SME Foundation etc.

She is the founder President of Women Entrepreneurs Association in 1994, Women In Small Enterprises, 1996 and Bangladesh Federation of Women Entrepreneurs, 2006. Ms. Rahman is the founder Chair of Presidency University Foundation. She is the former Chair, currently board member of Asian University for Women.

ICCB Forthcoming Events

Certificate in International Trade and Finance (CITF)
Examination Date : October, 2012
Registration Closing : August, 2012

Certified Documentary Credit Specialist (CDCS)
Examination Date : April, 2013
Registration Closing : December, 2012

For further information and registration please contact
Secretary General, ICC Bangladesh,
Tel : 8621942, 9676698, E-mail: shakayet@gmail.com, iccb@bdmail.net

ICC Bangladesh bids farewell to Ambassadors and IFC official



H. E. Mr. Holger Michael Ambassador of the Federal Republic of Germany to Bangladesh (8th from left) was given a farewell by ICC Bangladesh President Mahbubur Rahman (9th from left) at a local hotel in Dhaka on June 20. The function was attended by Ambassadors from Denmark, Japan, Sweden and business leaders and other dignitaries.

ICC Bangladesh hosted a farewell lunch for H. E. Mr. Alphons A.J.A.J.M.G. Hennekens, Ambassador of the Netherlands (6th from left) at a local hotel in Dhaka on June 24. The farewell lunch was attended by Ambassadors of France, Indonesia, Japan, the Philippines, Russia, ICCB Executive Board Members and other dignitaries.





Ms. Paramita Das Gupta (6th from left), Senior Private Sector Development Specialist, Investment Climate Advisory Services, International Finance Corporation left Dhaka for Delhi as she will be based in IFC, Delhi and continue looking after Bangladesh progarmme. She was given a farewell by ICC bangladesh at a local hotel on June 4. The lunch was attended by ICC Bangladesh Members and Dr. M.Masrur Reaz, Programme Manager, BICF, IFC Advisory Services South Asia.

Selected ICC Publications



For further details please contact : The Secretary general
International Chamber of Commerce Bangladesh
Suvastu Tower (6th Floor)
69/1, Pantha Path, Dhaka-1205.

Bangladesh Economy

Parliament approves Tk. 1.91 trillion Budget for FY 2012-13

Growth Target : 7.2%

The parliament approved Tk. 1.91 trillion budget for the fiscal year (FY 13), which is 18.1 percent of Gross Domestic Product (GDP). The development expenditure is Tk. 601.37 billion and the non-development expenditure is Tk. 1116.75 billion and ADP allocation is Tk. 550 billion. The deficit of the budget is Tk 520.68 billion or 5% of GDP.

In the ADP, 25.5 percent of allocation for human resource sector (education, health, and other related sectors), 29.9 percent for agriculture sector (agriculture, rural development and rural institutions, water resources), 17.3 percent for power and energy sector and 14.8 percent for communication sector (road, railway, bridges and other related sectors) have been made.

In FY 2012-13, total revenue has been estimated to be Tk. 1457.14 billion in which tax revenue and non-tax revenue are Tk.1168.24 billion and Tk. 228.46 billion respectively; 22 percent higher than the outgoing fiscal year. To meet the deficit, the new budget proposes increasing net foreign borrowing by 69 percent which is 1.8 percent of GDP with a target of Tk 125.40 billion and domestic financing is 3.2 percent of GDP. The question is how the foreign funds will be made available. When there is a sluggish ADP implementation, foreign aid faces the major cut. Moreover, the government in the last FY failed to utilise half of the targeted foreign assistance.

8,294 MW electricity production target by next year

1.172 MW Surplus Power

In the budget speech the Finance Minister said according to the present govt. commitment made in the budget for FY2009-10, the govt. have laid an additional 523 km of transmission line and 22,857 km of new distribution line and set up 10 new sub-stations till April, 2012. A total of 1.30 crore subscribers have been brought under new connectivity network in the last three years. The percentage of population under the coverage of electricity supply has been raised from 47 percent to 53 percent. The govt. had added 3,300 MW of additional electricity to national grid from January, 2009 to April, 2012, according to the minister.

In the budget speech, the finance minister projected that within the next fiscal year, there will be huge surplus power as a result of implementation of dozens of power projects. He said there will be 1,172 megawatt surplus power by next year while there will be a deficit of 360 MW this year. The situation will continue to improve in the following years. Although in the past, the government had targeted 2011 to be a zero load shedding year. The Finance Minister also said that the govt. plan to add 1,285 million cubic feet per day (mmcfd) gas which should be enough to end the present gas crisis of around 500 mmcfd.

The minister also said the government has planned to produce 8,294 MW electricity by next year. Agreements have been signed for setting up 52 power plants, and many of them will begin operation next year. Besides, he hoped that by next year the country will be able to import 250 MW power from India. Moreover, finance minister said the installation of 30 power plants having capacity to produce 5,600 MW of electricity is

Power sector : Update on Comparative Data

Subject	Jan 2009	April 2010	April 2011	April 2012	Increase/ Decrease (from April, 2011 to April, 2012)
Installed Capacity (MW)	5464	5873	6658	8625	1967 (+)
Derated Capacity (MW)	4942	5376	6208	8005	1797 (+)
Generation (MW)	3500-4000	3700-4300	4000-4600	5000-5800	1000-1200 (+)
Maximum Generation (MW)	4130	4406	4699	6066	1367 (+)
Electricity Demand (Peak) (MW)	4600	5800	6500	7518	1000 (+)
Population under electricity coverage (%)	47	47	49	53	4 (+)
Per capita electricity consumption (KWH)	183	220	236	265	29 (+)
Load Shedding (MW)	1000-1300	1200-1500	1000-1200	500-800	400-500 (-)

Source : Power Division

in progress. These new power plants will come into operation by 2015-16.

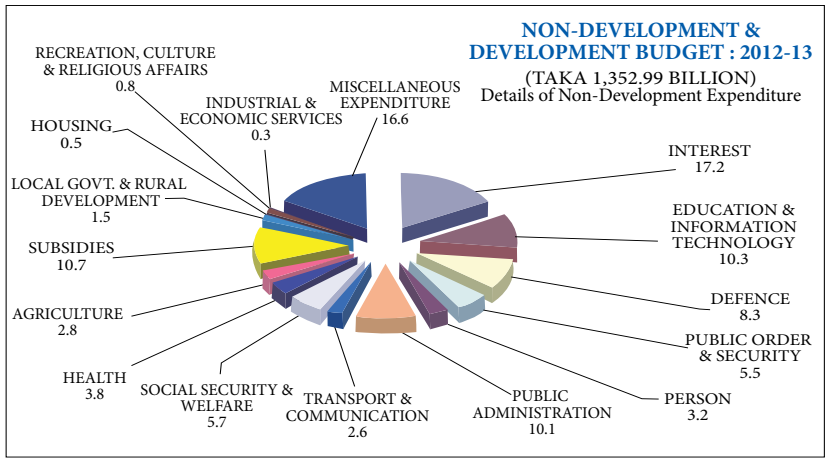
In addition to this, import of electricity from Myanmar, Nepal, and Bhutan is under way. Moreover, steps have been taken to construct coal based power plants with a capacity of 2,938 MW of electricity under joint venture investment by 2016. We also have taken initiatives to produce 5,000 MW of electricity from nuclear energy by 2030. . Besides, we have kept unhindered the process of diversifying energy sources, said minister.

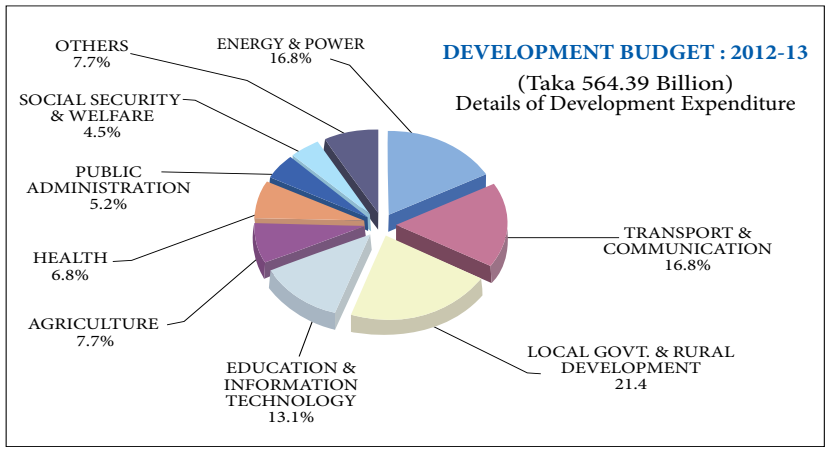
In the budget 2012-2013, power and energy sector allocation of Tk. 95.44 billion with most of the expenditures is set for power development. This allocation is 15.87 billion higher than the revised budget of the last fiscal year 2011-12.

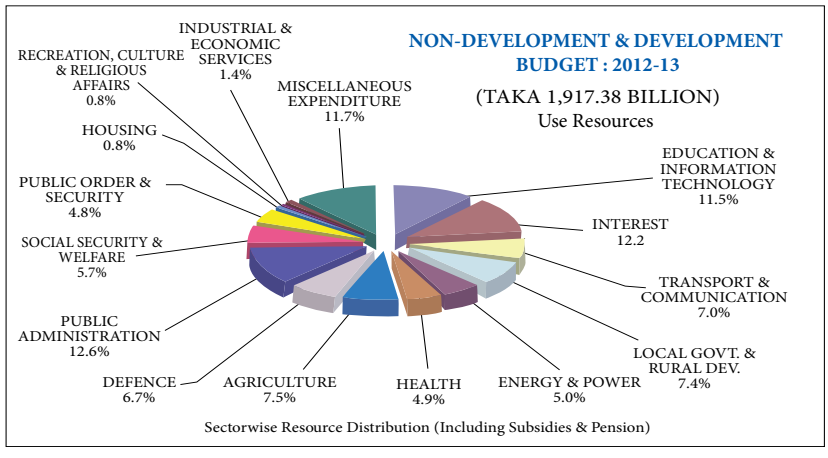
In the last FY the government allocated Tk 52 billion as fuel subsidy for power. This time, an updated road map on power and energy spelled out a subsidy of Tk 64 billion. The bulk price of power per unit rose to Tk 4.02 in March from Tk 3.74 while power is being sold at Tk 2 less than the generation cost. In the fiscal year 2013-14, fuel will produce 21.6 percent of the total power.

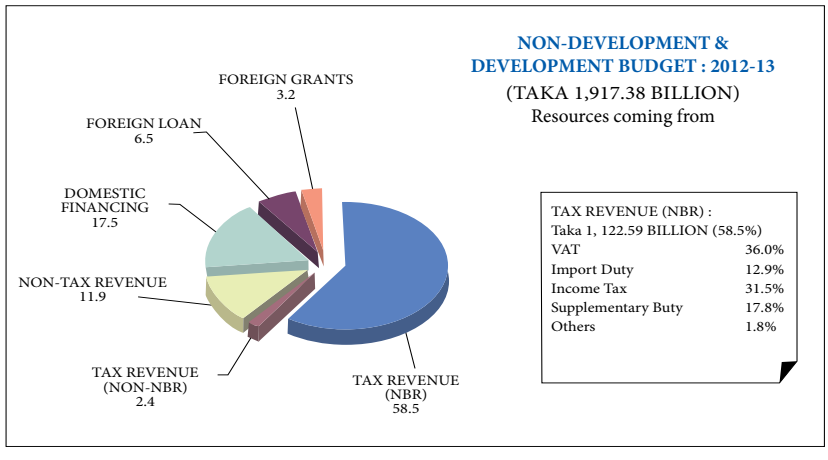
The gross domestic product (GDP) growth for FY 13 has been set at 7.2 percent expecting that trade and agriculture will continue to thrive and the global economy will turn around by 2013. The country's GDP grew by 6.7 percent in 2010-11 and the provisional estimate was set at 6.3 percent for the outgoing fiscal year. Bangladesh now targets to take the growth to 8 percent by 2014-15.

In the last three years, the country had an export growth of 21.2 percent. By April 2012, export grew by 8.4 percent compared to that of April last year. The government hopes this trend will continue due to the expansion of regional trade, surge in internal demand and bumper Boro harvest. On an average the country's import also increased by 22.2 percent in the last three years. Up to this April, import grew by 8.7 percent.









Budget Structure
(Year: 2008-09 to 2012-13)

(In billion Tk.)

Item	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
1	2	3	4	5	6	7
Total Revenue	**1396.70 (13.41)**	**1148.85 (12.56)**	**1183.85 (13.16)**	**929.91 (11.81)**	**759.05 (10.99)**	**645.68 (10.50)**
of which						
(a) NBR tax	1122.59 (10.78)	923.70 (10.10)	918.70 (10.21)	762.48 (9.68)	597.42 (8.65)	502.16 (8.17)
(b) Non-NBR tax	45.65 (0.44)	39.15 (0.43)	39.15 (0.44)	33.00 (0.42)	27.43 (0.40)	26.53 (0.43)
(c) Non-tax Revenue	228.46 (2.19)	186.00 (2.03)	226.00 (2.51)	134.43 (1.71)	134.20 (1.94)	116.99 (1.90)
Total Expenditure	**1917.38 (18.41)**	**1612.13 (17.62)**	**1635.89 (18.18)**	**1278.72 (16.24)**	**1009.79 (14.62)**	**893.14 (14.52)**
(a)Non-development Current expenditure	994.96 (9.55)	918.23 (10.04)	878.51 (9.76)	774.69 (9.84)	670.13 (9.70)	622.82 (10.13)
(b) Development Expenditure	601.37 (5.77)	456.51 (4.99)	506.42 (5.63)	357.33 (4.54)	281.15 (4.07)	216.84 (3.53)
of which ADP	550.00 (5.28)	410.80 (4.49)	460.00 (5.11)	332.84 (4.23)	255.53 (3.70)	194.38 (3.16)
(c) Other Expenditure	321.05 (3.08)	237.39 (2.60)	250.96 (2.79)	146.70 (1.86)	58.51 (0.85)	53.48 (0.87)
Budget deficit	**-520.68 (-5.00)**	**-463.28 (-5.06)**	**-452.04 (-5.02)**	**-348.81 (-4.43)**	**-250.74 (-3.63)**	**-247.46 (-4.02)**
Financing	520.68	463.28	452.04	348.81	250.74	247.46
(a) External	185.84 (1.78)	118.59 (1.30)	179.96 (2.00)	46.87 (0.60)	92.54 (1.34)	47.34 (0.77)
(b) Domestic	334.84 (3.22)	344.69 (3.77)	272.08 (3.02)	301.94 (3.83)	158.20 (2.29)	200.12 (3.25)
Of which Bank	230.00 (2.21)	291.15 (3.18)	189.57 (2.11)	252.10 (3.20)	-20.92 (-0.30)	137.93 (2.24)
GDP	10413.60	9147.84	8996.70	787495	6905.71	6149.43

(Numbers in parentheses are expressed in percentage of GDP)
Source: Budget Speech of the Finance Minister

Sector Wise Allocation of Annual Development Programme
(Year: 2008-09 to 2012-13)

(In billion Tk.)

Ministry/Division	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
(A) Human Resources						
1. Ministry of Primary & Mass Education	43.82 (8.0)	24.60 (6.0)	35.14 (7.6)	31.51 (9.5)	27.00 (10.6)	20.49 (10.5)
2. Ministry of Health and Family Welfare	38.25 (7.0)	30.36 (7.4)	35.62 (7.7)	25.51 (7.7)	24.68 (9.7)	19.32 (9.9)
3.Ministry of Education	25.54 (4.6)	19.76 (4.8)	21.43 (4.7)	15.98 (4.8)	13.52 (5.3)	9.37 (4.8)
4. Others	32.57 (5.9)	18.93 (4.6)	19.34 (4.2)	12.36 (3.7)	7.90 (3.1)	7.27 (3.7)
Sub-total	**140.18 (25.5)**	**93.65 (22.8)**	**111.53 (24.2)**	**85.36 (25.6)**	**73.10 (28.6)**	**56.45 (29.0)**
(B) Overall Agriculture						
5. Local Government Division	108.15 (19.7)	88.96 (21.7)	94.05 (20.4)	75.73 (22.8)	64.44 (25.2)	48.54 (25.0)
6. Ministry of Water Resources	21.76 (3.9)	15.44 (3.8)	15.07 (3.3)	13.49 (4.1)	11.38 (4.5)	8.55 (4.4)
7. Ministry of Agriculture	12.42 (2.3)	10.22 (2.5)	10.38 (2.3)	10.25 (3.1)	9.05 (3.5)	7.24 (3.7)
8. Others	22.04 (4.0)	19.17 (4.7)	17.18 (3.9)	12.46 (3.7)	8.07 (3.2)	8.00 (4.1)
Sub-total	**164.37 (29.9)**	**133.79 (32.6)**	**137.48 (29.9)**	**111.93 (33.6)**	**92.94 (36.4)**	**72.33 (37.2)**
(C) Overall Energy						
9. Power Division	78.90 (14.3)	71.86 (17.5)	71.53 (15.6)	60.28 (18.1)	20.98 (8.2)	23.06 (11.9)
10. Energy and Mineral Resources Division	16.08 (2.9)	7.26 (1.8)	11.14 (2.4)	9.87 (3.0)	12.60 (4.9)	2.14 (1.1)
Sub-total	**94.98 (17.3)**	**79.12 (19.3)**	**82.67 (18.0)**	**70.15 (21.1)**	**33.58 (13.1)**	**25.20 (13.0)**
(D) Overall Communication						
12. Ministry of Railways	33.10 (6.0)	22.66 (5.5)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
11. Roads Division	26.52 (4.8)	28.47 (6.9)	45.98 (10.0)	29.52 (8.9)	25.46 (10.0)	16.58 (8.5)
13.Bridges Division	11.61 (2.1)	6.88 (1.7)	22.45 (4.9)	3.84 (1.2)	331 (1.3)	0 (0.0)
14.Others	10.44 (1.9)	3.07 (0.7)	6.79 (1.5)	2.95 (0.9)	1.75 (0.7)	1.09 (0.6)
Sub-total	**81.67 (14.8)**	**61.08 (14.9)**	**75.22 (16.4)**	**36.31 (10.9)**	**30.52 (11.9)**	**17.67 (9.1)**
Total	**481.20 (87.5)**	**367.64 (89.5)**	**406.90 (88.5)**	**303.75 (91.3)**	**230.14 (90.1)**	**171.65 (88.3)**
15. Others	**68.80 (12.5)**	**43.16 (10.5)**	**53.10 (11.5)**	**29.09 (8.7)**	**25.39 (9.9)**	**22.73 (11.6)**
Total ADP	**550.00**	**410.80**	**460.00**	**332.73**	**255.53**	**194.38**

(Numbers in parentheses are expressed in percentage of total ADP)
Source: Budget Speech of the Finance Minister

S&P reaffirms Bangladesh's rating with stable outlook
rated second highest in South Asia

Standard & Poor's Ratings Services on May 31 affirmed its 'BB-'long-term and 'B' short-term foreign and local currency sovereign credit ratings on Bangladesh with stable outlook. The transfer and convertibility (T&C) assessment remains 'BB-'. The country got the same rating and outlook from this US-based rating agency for the third consecutive year. The first yearly rating was done in 2010.

With the latest one, Bangladesh is rated the second highest in South Asia behind India (BBB) and ahead of Sri Lanka (B+) and Pakistan (B-). Other countries in the BB category include Turkey, Philippines, Indonesia and Vietnam.

The stable outlook reflects strong growth prospects and ongoing donor support, which ensures low-cost and long-maturity external debt and minimizes refinancing risk. These factors are balanced against lingering inflation risk and balance of payments pressure as imports expand.

The rating agency also draws attention to limited fiscal flexibility due to low revenue generation capacity and expenditure rigidities stemming from significant physical and human capital development needs, and a large subsidy regime. Low economic development and an adversarial domestic political setting are also seen as major barriers to achieve further improvement.

The agency said Bangladesh's low wealth level at a per capita GDP of US$637 (2011) is a key rating constraint, but it believes that such low incomes afford minimal policy and political flexibility when responding to exogenous shocks, or if severe policy adjustments are needed to avoid default. It also said Bangladesh's weak institutions and governance hamper investment and development, while its volatile political setting detracts from legislative efficiency and harbors the potential for instability. These factors are additional rating constraints. The rating agency, however, said that these constraining factors are balanced against strong growth and external support.

The S&P observes that Bangladesh benefits from substantial bilateral and multilateral donor engagement as donors provide direct budgetary support, which, together with education and health services to the general population, eases the burden on the government.

"We could raise the ratings if the government succeeds in expanding the revenue base and improving collection efficiency, leading to a material improvement in its fiscal performance. We could also upgrade Bangladesh if alleviating energy, infrastructure, and administrative bottlenecks unlocks rising investment, leading to a sizable and sustainable increase in real GDP growth," it said. Conversely, it said we could downgrade the sovereign if fiscal slippages result in rising public debt and external donor support declines materially.

We could also lower the ratings in the event of a reversal of corrective policy actions taken so far to address fiscal and balance-of-payments pressures, or other substantial deviation from the policies required under the IMF Extended Credit Facility program.

Earlier on April 30 and May 3, S&P delegate visited Bangladesh and met with Bangladesh Bank (BB), the National Board of Revenue (NBR), economic and energy advisers to the prime minister, representatives of donors and chambers and think-tanks to prepare the rating.

Nobel Laureate Yunus among 12 greatest entrepreneurs

Nobel Laureate Prof Muhammad Yunus has been named by Fortune Magazine as one of the 12 Greatest Entrepreneurs of Our Time. This list published in the magazine's latest issue places Prof Yunus among the band of highly exclusive individuals, all of whom are known throughout the world for their innovation, vision and ability to get things done.

"His desire to do something to help the local citizens led to a simple but powerful gesture: Yunus loaned $27 to destitute basket weavers in a village next to his university's campus," the magazine says.

"He could not believe the excitement the small amount of money caused. For people living on pennies a day, just a few dollars could transform their lives and in many cases it did. The gift was used to support and expand these very small businesses, and that helped many overcome their poverty.

"Much to Yunus' surprise, the basket weavers actually paid off the loans and on time too. He then moved from one village to the next, finding all sorts of entrepreneurial projects to fund," Fortune says. While the bank could not eradicate poverty, it lifted many lives, the magazine adds.

"No less critical, Yunus' idea inspired countless numbers of young people to devote themselves to social causes all over the world."

The Fortune places the 12 individuals in the following order

1) Steve Jobs of Apple, 2) Bill Gates of Microsoft, 3) Fred Smith of FedEx, 4) Jeff Bezos of Amazon, 5) Larry Page and Sergey Brin of Google, 6) Howard Schultz of Starbucks, 7) Mark Zuckerberg of Facebook, 8) John Mackey of Whole Foods, 9) Herb Kelleher of SouthWest Airlines, 10) Narayana Murthy of Infosys, 11) Sam Walton of Wal-mart Stores, 12) Muhammad Yunus of Grameen Bank.

Ten of these entrepreneurs are American and one is an Indian

The list was prepared considering economic and social impact, world changing vision of the entrepreneurs, ability of the entrepreneurs to inspire and motivate their employees, their record of innovation and their actual results, Yunus Centre said in a statement on May 11. The companies that they have created have benefited hundreds and thousands of people and other businesses, while creating employment for millions of people, according to the statement.

Prof Yunus was chosen by Wharton School of Business for PBS documentary, as one of the 25 Most Influential Business Persons of the Past 25 Years. In 2006, Time magazine listed him under 60 Years of Asian Heroes as one of the top 12 business leaders.

In 2008, in an open online poll, Yunus was voted the second topmost intellectual person in the world on the list of Top 100 Public Intellectuals by Prospect Magazine of the UK and Foreign Policy of the United States. He was also voted second in Prospect Magazine's 2008 global poll of the world's Top 100 Intellectuals.

The news has enthralled leading economists and businessmen.

Bangladesh's economy emerging: New York Times

The New York Times says in a recent report that Bangladesh has a huge prospect of becoming one of the emerging economies with a strong promise of growth despite various challenges the nation of 160 million people is facing. Challenges are there, the newspaper said in an April 23 report, from weak infrastructure to natural disasters that often wreck havoc in rural Bangladesh, which is home to the overcrowded nation's 70 percent people.

Still, the report has said, Bangladesh is making progress as the nation's economy has managed "to grow more than 6 percent a year for much of the last decade". Thanks to expanding middle class, growing manufacturing sector and steady inflow of remittances remain the driving forces for economic growth in Bangladesh.

The newspaper has quoted economists at Standard Chartered Bank to say that Bangladesh could join what have been called the '7 percent club' of economies that expand at least 7 percent annually for an extended period, allowing their economies to double every decade. Current members of the "club" include China, Cambodia, India, Mozambique and Uganda, the influential newspaper said.

The report said HSBC has included Bangladesh in a group of 26 economies along with China, India and several Latin American and African countries where it expects particularly strong growth. The United States and much of Europe, by contrast, are likely to remain merely stable, according to HSBC's projections, the report said.

Expansion of the nation's middle class is a good news for Bangladesh, the report observed. The report maintained that the gradual shift in global production to low-cost countries, from developed economies in Europe and North America, is driving much of Bangladesh's growth. The trend, which began turning parts of Asia notably China into manufacturing hubs in the 1980s and 1990s, has started to take root in Bangladesh.

For now, Bangladesh's manufacturing primarily focused on the garment sector, which has grown into a multibillion-dollar industry that employs 3.6 million people and accounts for 78 percent of the country's exports, it said. Bangladesh has seen particularly strong growth in the last few years, partly because of rising labour costs in China, where manufacturing is moving into higher-margin activities like product design, it observed.

"For many years, China was almost always the hands-down answer to all buyers' needs," the newspaper quoted a recent report of the consulting firm McKinsey. Now, Western wholesale buyers of garments are looking for the "next China," and Bangladesh "is clearly the preferred next stop for the sourcing caravan." McKinsey forecast that Bangladesh's garment industry would grow by as much as 9 percent a year over the next decade, the report said.

Quoting BGMEA (Bangladesh apparel manufacturers' and exporters' association) statistics, the report said Bangladesh exported nearly $18 billion worth of garments in the 12 months through June 2011, $10.5 billion of that to the European Union and $4.6 billion to the United States.

Referring to sourcing company Li & Fung, a giant Hong Kong trading company that supplies retailers including Walmart with clothing mostly purchased from Asia, it said last year the company bought $1 billion worth of apparel from manufacturers in Bangladesh, 41 percent more than in 2010. Bangladesh overtook Vietnam and Indonesia in 2011 to become the second-largest source of such products for Li & Fung, after China, it said.

About Bangladesh's prospect in garment sector, the newspaper quoted Li & Fung chief executive Bruce Rockowitz as saying that despite bottlenecks the company intends to increase the business it does in Bangladesh. "The prognosis is good," Rockowitz was quoted as saying by the newspaper.

The report said the annual inflow of remittance is also expected to rise to $20 billion in five years' time while more than $11 billion worth of remittances flowed into Bangladesh

last year. Last year's figure is more than 10 times the amount the country got from foreign investment, it said. Attracting foreign direct investment still remains a big challenge, the report observed.

Foreign direct investment in Bangladesh has languished at about $1 billion a year—less than what Albania or Belarus each receive, and about one-tenth of foreign investments in Thailand or Malaysia, the report said. Inadequate power and trans-portation infrastructures, political infighting, bureaucracy, corruption and a shortage of skilled labourers contribute to a challenging invest-ment climate, the report said.

Bangladesh could be SE-Asian economic Hub: Blake

Bangladesh can be a hub of economic activities in south-east Asia if proper infrastructure is developed accordingly, US assistant secretary of state for South and Central Asia Robert O Blake has said. Sounding a high resonance about the country's economy, the US top official said Bangladesh has made substantial economic progress over the past two decades and is well positioned to accelerate its economic growth if it can address infrastructure constraints and other impediments to investment.

Although the pace of change is slow and challenges are substantial, Blake said dynamism, resilience and entrepreneurship of Bangladeshi people will help weather such challenges. He also pointed to the fact that Bangladesh has constantly grown at 6 per cent and remained almost unaffected by the 2008 global crisis and offers opportunities for increased US investment and exports.

Terming US the most important economic partner of Bangladesh, Blake said the two countries will celebrate 40 years of diplomatic relationships this year. "We are Bangladesh's largest single export market, its leading source of investment and third biggest sources of remittances."

US exports to Bangladesh roughly doubled to more than $1 billion in 2011 and helped support some 10,000 jobs at home." Addressing a luncheon programme Jointly organised by the US embassy in Dhaka and the American Chamber of Commerce (AmCham), the US high official said the two countries are now exploring ways to establish a formal mechanism for economic dialogue to tap business opportunities.

Dwelling on his government's economic activities, Blake said economic engagement with Bangladesh is designed to strengthen the American economy, create business opportunities in the region and advance stability and prosperity in South and Central Asia. Underlining a 'new silk road vision', he said establishing linkages in energy, trade, transit and among people between South and Central Asia with Bangladesh will play a key role in this regard.

When such vision comes into a reality, Blake said goods produced in Bangladesh would find their way to neighbouring markets in India and beyond Afghanistan and central Asia. This 'new silk road', like the historic Grand Trunk Road of the Sher Shah dynasty during the Moghal empire, would open the untapped potential for economic cooperation in the region.

He said US supports Bangladesh's efforts to strengthen regional economic ties, particularly with India. "Increasing trade will bring substantial benefits for the peoples of Bangladesh and India". On Indo-Bangla relations, he lauded both the governments for their efforts to improve bilateral relations and resolve outstanding conflicts.

Bangladesh economic future, he said, is not only about the future of South Asia but about its growing relationship with East Asia and the rest of the world. In this regard he pointed out President Obama announced a renewed focus on American engagement with East Asia. The region already generates more than half of global output and nearly half of global trade.

Asked about Padma Bridge, Blake said in the case of big project the government should maintain transparency and accountability and give attention to rule of law so that the shareholders can see there is no irregularity.

Bangladesh Economic Outlook and Policy in the Context of the Global Environment by World Bank

Key Messages : Global Environment

- Activity has been rebounding after second half 2011 slowdown
- First quarter of 2012 was generally positive, with reduction in financial uncertainty and firming activity outside of high-income Europe.
- Increased Euro Area jitters have reversed earlier improvements in market sentiment
- Financial turmoil adds to pre-existing headwinds
- High-income fiscal consolidation and deleveraging
- High oil prices
- Developing country capacity constraints
- Outlook for 2012-14: weak annual growth in 2012, followed by modest acceleration in 2013 and 2014
- Risk of a serious downturn persist, with potentially serious consequences for developing countries

Recent Economic Developments in Bangladesh

Key Messagaes :

- Healthy economic growth
- National saving and private investment rate have declined
- Macroeconomic vulnerability remains

Healthy GDP growth

- The 6.3% GDP growth in FY12 is higher than the developing country average (5.5%); lower than the South Asia average (6.5%).
- Industry, particularly construction and small scale manufacturing, have driven FY12 growth.
- Transport and financial intermediation have led growth in services.

Slower Agriculture Growth:

- Decline in crop growth from 5.7% in FY11 to 0.9 % in FY12.
- Positive Aman growth, but projected boro harvests lower than last year due to slightly lower acreage.
- Slower large scale manufacturing Growth:
- Significant reduction in export growth.

Private investment declined

- Private investment rate declined from 19.5% in FY11 to 19.1% in FY12.
- Investors in wait-and-see mode:
- volatilities in the global economic environment
- high variability in inflation
- tighter credit conditions
- energy shortages

National saving rate declined even more

- National saving rate declined from 26% in FY11 to 25.2% in FY12.
- Both private and public saving rates declined—private saving from 22.6% of GDP to 22.1% and public saving from 3.4% to 3.1% in FY11 and FY12 respectively.
- Slower revenue growth and increased subsidies contributed to decline in public saving
- Private saving hit by stock market problems, slower income growth
- Larger decline in saving relative to investment is estimated to result in an increase of 0.3% of GDP in the current account deficit.

Inflation volatile around double digit

- Good news: particularly for the poor--food price pressure has declined, from 13.8% in September 2011 to 8.1% in April 2012.
- Bad news: non-food prices rose 14% in March 2012, compared to 4.3% a year earlier.

Non-food inflation highest in last two decades

- Primarily driven by expansionary monetary and fiscal policies
- Expansionary policies sustained excess demand

Monetary policy correction underway

- Monetary policy remained accommodative for the most part of 2011 but gradual tightening is occurring.
- Money growth rate in the first nine months of FY12 is in line with the yearly target, but the composition of monetary growth is not.
- Credit to the public sector increased by 48.5% in the first nine months.

Little room for further credit expansion in FY 13

- Achieving the 17% broad money growth target will require credit growth to be no more than 11.5% in public and 2.1% in private sectors in the last quarter of FY12 from its end-March levels.
- Monetary policy actions take time to reduce inflation.
- Further decline in inflation will follow if the recent tightening is not reversed.

Tighter liquidity in the banking system

- Evident from the banks' persistent use of the repo window of the central bank.
- Tighter liquidity conditions have driven up deposit and lending rates.
- Private-sector credit flow may be restricted as the bankers adopt a wait-and-see attitude.
- The licensing of new banks will add to competition for deposits and challenge the supervisory capacity of BB.

Capital market recovers

- Bumpy ride with a generally declining trend through 2011--a recovery apparent since February 2012.
- The uptrend attributable to
- market entry by some overseas private equity funds,
- re-entry by some of the local institutional buyers, and
- reaffirmation of a stable outlook for Bangladesh by Moody's and S&P in January and February 2012 and now again by S&P in June 2012.
- Regulatory reforms to ensure a stable trading environment are underway, but need to accelerate.

Rising public expenditure with slower revenue growth

- Recurrent expenditures likely to exceed the budget target.
- Recurrent expenditure growth in the first seven months of FY12 was 36.8%, compared to a target of 12.4% growth for the entire year.
- ADP implementation rate declined in the first 10 months
- 49.4% in FY12 compared with 54.3% in FY11
- Tax revenue growth is robust, even if slower compared to last year largely reflecting base effects.
- 19.2% NBR revenue growth in July-April, FY12; compared with 27.1% the same period previous year

More fiscal correction needed

- Rapidly rising subsidies may cause the fiscal deficit to rise in FY12.
- Heavy bank borrowing raise concerns about crowding out of credit to the private sector.
- Significant (21% through March) monetization of budget deficit this year.

Pressure on the exchange rate and reserves

- Taka depreciated sharply
- Rose to Tk 84.46/USD on January 30, 2012 before stabilizing at around Tk83-84/ USD in March-May.
- From end-June, 2011 to end-May 2012, the taka has depreciated by almost 10 %.
- BB rightly refrained from intervention to stem the decline in reserves.

Outlook and Policy Options for Bangladesh

- Threats to Europe and the US, Bangladesh's main export destinations:
- High unemployment, low business- and consumer-confidence, and volatility in financial sectors
- Eurozone deeply mired in debt crisis while US is doing relatively better.
- Heightened uncertainty of last year affected remittance flows to developing countries.
- European and Gulf Cooperation Council (GCC)-dependent economies most affected.

Exports are vulnerable, Remittances less so

- Exports to EU 52% of total exports, and US 22%: total exports can suffer if downturn in EU occurs, even with market share gains. Is it already starting to happen?
- Negative growth of exports in March and April 2012 (-7 percent)
- FY12 export growth: Jul-Dec 14.7%; Jan-April 0.3%
- Remittances have better prospects, at least in the short-term (10.2% growth FY12, 10 months)
- 66 percent increase in manpower exports, Jul-Apr FY12
- 2/3rd of remittances originate in GCC countries
- Deepening of Euro debt crisis can affect oil prices, and oil prices can affect Bangladesh remittances with a lag

Little policy space to deal with possible global slowdown

- Domestic policies constrained by high inflation and foreign reserve situation.
- Not enough space for fiscal stimulus and monetary easing to respond to the likely impact of continued or further slowdowns in the international economy.
- Energy shortages pose risks to growth as much as global uncertainties.

Short and Long-term Growth

- To maintain its short-term growth rate, Bangladesh would need to tackle the crowding out of private sector borrowing, and sustain macroeconomic stability (assuming no further slowdown or spreading of debt crisis in the euro area– hence, downside risks persist)
- Longer-term growth depends on policy reforms to raise savings and investments rates, improve trade prospects and ensure BoP sustainability.

Stabilization Policies : hold ground on monetary policy

- Benchmark repo rate increased by 325 bps over the past 18 months.
- Treasury bill and bond yields have also risen to reflect market conditions.
- Interest rate of National Savings Certificates increased.
- All lending rate caps, except two, removed in December 2011.
- Near $1 billion IMF package under the ECF signals confidence in macro program and reforms.

Increase growth orientation of fiscal policy

These will help to address immediate macroeconomic concerns (stabilization)

- Smart subsidies to the poor, reduce other subsidies gradually
- Mitigate private sector crowding out risk.
- Utilize better concessional external financing.
- In addition, for short and medium-term, build on recent success in tax revenue mobilization: notable achievement of government.

Reforms for growth : accelerate infrastructure development

- Progress on the ground remains slow, despite staffing of PPP office and setting up of PPP cell in MoF
- Need to catch up on the time bound action plan for revamping the energy sector.
- Faster progress needed to meet gas shortages.
- Focus on maintaining and building roads, bridges and railways to enhance connectivity.

Gear up other growth-related reforms

- Restart trade liberalization and improve facilitation
- Build on banking sector reforms.
- Make doing business easier—facilitate contract enforcement, getting electricity connections, registering property, and trading across borders (DB rank 122 in 2012, vs. 118 in 2011)
- Build on tax reforms
- Provision of critical factors of production- land and skills–

Key Messages-growth cannot be taken for granted

- Uncertain global environment
- Growth healthy, but cannot be taken for granted (missing firepower)
- Onus on domestic policies
- Need two tracks- stabilization

and growth policies
- Stabilization policies to address vulnerabilities and reduce uncertainties for business:
- Fiscal policy – subsidies, taxes and government borrowing; reduce crowding out
- Monetary policy- hold ground
- Utilize better concessional external financing

Key Messages-Energize private sector investment for long-term growth

Overall Investment (including Foreign Direct Investment) very low. Needs to go up by 6-8 percentage points of GDP to accelerate growth. To enable this

- Power sector roadmap
- Trade reforms and facilitation
- Regulatory reforms
- Skills and training
- Access to land for investment
- Tax reforms to allow public provision of higher infrastructure services

Asian Development Outlook 2012
Policy challenge for Bangladesh

Bangladesh needs to reduce its growing fiscal and external imbalances. It needs to cut subsidies by adjusting fuel and electricity prices, creating space for more acutely needed outlays on infrastructure and human development, and reducing the budget's excessive domestic borrowing. The effort to expand the economy's productive capacity will also require higher domestic revenue, which could be raised by strengthening tax reforms and attracting more concessional financing.

Monetary policy tightening would need to continue to reduce inflation and eliminate pressure on reserves through reducing import demand. Exports need to be raised through broadening the export base and deepening access to new markets.

Over the long term, the government needs to substantially improve the business climate in order to scale up private investment, including FDI, as highlighted in the World Bank's Doing Business 2012. As shown in the World Economic Forum's Global Competitiveness Report 2011–12, Bangladesh lags far behind other countries in South Asia in infrastructure. To mobilize resources needed for closing these wide infrastructure gaps, greater private participation in infrastructure development, including public–private partnerships, is essential to supplement finite public resources. The capital market also needs to be developed as a source of long-term infrastructure financing.

Bangladesh has a raft of strategic advantages, including cheap labor and a location in a fast-growing region, which can help attract large FDI inflows into light industry. In several countries in Asia, labor costs are rising fast, opening up prospects for foreign investors to relocate investment to Bangladesh. To attract greater FDI, however, it is essential to remove infrastructure bottlenecks, make land readily available, upgrade skills of the labor force, and remove administrative delays and impediments.

Comparison of infrastructure quality, 2011

Country	Ranking	Overall Infrastructure	Electricity	Roads	Railroads	Ports	Air Transport
Bangladesh	129	2.8	1.6	2.9	2.5	3.4	3.5
China, Pepple's Rep. of	69	4.2	5.5	4.4	4.6	4.5	4.6
India	86	3.8	3.1	3.4	4.4	3.9	4.7
Pakistan	109	3.5	2.2	3.7	2.8	4.1	4.3
Sri Lanka	48	4.7	5.0	4.5	3.8	4.9	4.9

1 = extremely underdeveloped, 7 = extensive and efficient
(by international standards)

- Ranking out of 142 countries, 1=best
- Source : 2011 World EconomicForum, The Global Competitiveness Report 2011-2012

Regional News

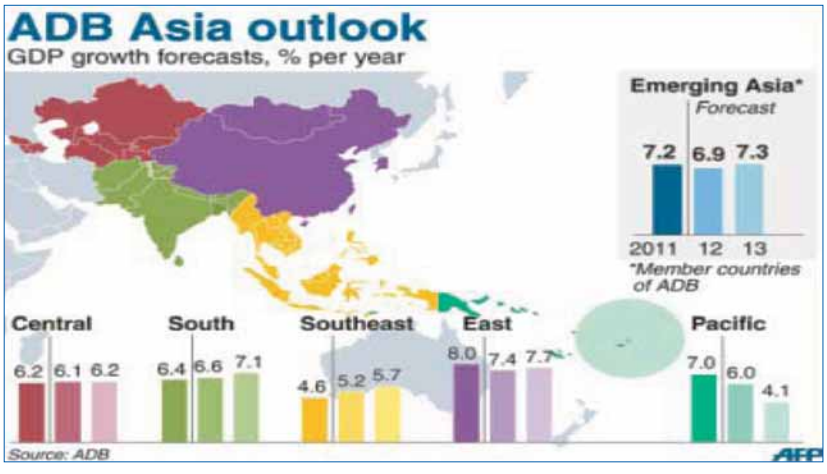
Asia to maintain growth despite global crisis: ADB

Asian economies will experience flat growth this year before recovering in 2013, the Asian Development Bank (ADB) said in a regional report released on April 11. The Asian Development Outlook report for 2012 said the region was shifting toward a "more sustainable long-run growth path" based on strong domestic demand instead of exports, which have been hit by wobbly Western demand.

But the study also warned that the region's rising wealth was fuelling inequality and income disparities, with the underprivileged at risk of being sucked into a "vicious circle" of poverty and neglect. The vast region's gross domestic product (GDP) growth will "cool somewhat" to 6.9 percent in 2012, down from 7.2 percent last year, before edging higher again to 7.3 percent in 2013.

"Despite the weak global environment, developing Asia's growth momentum continues," it said. "Strong domestic demand provided necessary support in 2011, and this will need to continue in light of the soft export demand expected from the major industrial economies of the United States (US), eurozone, and Japan."

Even with a slowdown this year, developing Asian economies would easily outshine Europe, the United States and Japan where output is forecast to grow only 1.1 percent this year and 1.7 percent in 2013, the report said. "Continued uncertainties in the eurozone and a further slump in global trade pose the biggest threats to the growth outlook," ADB Chief Economist Changyong Rhee said in a statement.



The report covers most economies in Asia except Hong Kong, Japan, Singapore, South Korea and Taiwan. The countries account for more than 80 percent of Asia's population.

Inflation was a concern for the region last year until the eurozone debt crisis and the patchy recovery in the United States sapped demand for exports, forcing policy-makers to worry more about growth. The ADB said prices had eased but remained a "potential threat", especially given the volatility of food and fuel costs.

China, the world's second biggest economy, would see growth moderate to 8.5 percent this year and 8.7 percent in 2013, compared with 9.2 percent in 2011. The region's other emerging giant, India, would post 7.5 percent growth in 2012. Southeast Asia's GDP would expand 5.2 percent this year from just 4.6 percent in 2011, thanks largely to Thailand's recovery from last year's devastating floods.

The report said Asia had "lifted people out of poverty at an unprecedented rate" over the past few decades, but its recent growth had been characterised by widening income disparities between the super-rich and the rest. If the spoils of growth had been more evenly shared and inequality rates had remained stable, another 240 million people or 6.5 percent of developing Asia's population would have moved out of poverty between 1990 to 2010.

Asian economies to weather global storms: IMF

The International Monetary Fund on April 17 raised its global growth forecast, with the US boosting the outlook but Asian emerging economies facing slower economic expansion. The world economy will expand 3.5 percent this year and 4.1 percent in 2013, the IMF said in its April 2012 World Economic Outlook ahead of the Spring Meetings of the IMF and the World Bank in Washington.

Prospects for the global economy are slowly improving again, but growth is expected to be weak, especially in Europe, and unemployment in many advanced economies will stay high, according to the IMF's latest forecast. US economic growth is projected at 2.1 percent in 2012 and 2.5 percent next year, reflecting ongoing fiscal consolidation and continued weakness in housing prices.

On Asia, the report said, weaker external demand has dimmed the outlook for Asia. But resilient domestic demand in China, limited financial spillovers, room for policy easing, and the capacity of Asian banks to step in as European

banks de-leverage suggest that the soft landing under way is likely to continue. Overall, growth in Asia will average 6.0 percent, with China slowing to 8.2 percent and India to 6.9 percent.

The region's emerging economies suffered spillover effects in 2011 from the euro zone crisis, which hit exports to Europe and also pinched trade credit and project finance as European banks were forced to retrench, the report said. An escalation of the Eurozone crisis could lower emerging Asia's output by 1.25 percent, said the IMF, which also warned of the risks of an oil price spike from tensions in the Middle East.

The report said many Asian economies could also advance their plans to boost social safety nets and increase investment in infrastructure if another round of fiscal stimulus is warranted. Another flare-up of the Eurozone sovereign debt crisis or sharp escalation in oil prices on geopolitical uncertainty could easily undermine confidence and disrupt the improving growth path for world economy, the IMF said.

The IMF said the most immediate concern is still that further escalation of the euro-area crisis would trigger a much more generalised flight from risk. "Geopolitical uncertainty could trigger a sharp increase in oil prices." A 50 percent increase in the cost of oil would reduce global output by 1.25 percent, according to the report. The report said that governments should strengthen policies to solidify the weak recovery and contain potential risks that can weigh on consumer and investor confidence.

Advanced economies should implement medium-term budgetary savings, but not in a way that could undermine the recovery. In developing countries and emerging markets, policies should be geared toward ensuring a soft landing for economies that have seen sustained, very strong credit growth, it said. The IMF also said Asian nations face elevated price pressures that will constrain monetary easing even as the growth outlook for the region dims.

IMF world growth forecasts

GDP growth (in %)	Forecast 2012	Change on previous forecast*	Forecast 2013	Change on previous forecast*
World	3.5	▲	4.1	▲
Developed economies	1.4	▲	2.0	▲
United States	2.1	▲	2.4	▲
Japan	2.0	▲	1.7	▲
Eurozone	-0.3	▲	0.9	▲
Germany	0.6	▲	1.5	=
France	0.5	▲	1.0	=
Italy	-1.9	▲	-0.3	▲
Spain	-1.8	▼	0.1	▲
Britain	0.8	▲	2.0	=
Canada	2.1	▲	2.2	▲
Newly industrialised Asia	3.4	▲	4.2	▲
Emerging and developing economies	5.7	▲	6.0	▲
Central, Eastern Europe	1.9	▲	2.9	▲
Russia	4.0	▲	3.9	▲
Developing Asia	7.3	=	7.9	▲
China	8.2	▲	8.8	=
India	6.9	▼	7.3	=
L. America, Caribbean	3.7	▲	4.1	▲
Brazil	3.0	▲	4.1	▲
Middle East, N. Africa	4.2	▲	3.7	▼
Sub-Saharan Africa	5.4	▼	5.3	=
South Africa	2.7	▲	3.4	=

Source: IMF *Forecast made in January 2012 AFP

Public Private Partnerships key for Asia's $8 trillion infrastructure needs: says ADB Study



Asia and the Pacific has seen a boom in public private partnerships (PPPs) in the past decade but it needs more effective public sector oversight agencies, and in some instances more political will, to advance the process even further, says a new study commissioned by the Asian Development Bank (ADB).

The 2011 Infrascope, conducted by the Economist Intelligence Unit, uses a benchmark index system to rank the readiness and capacity of a country to carry out sustainable, long term PPP projects. "In order to leverage the $8 trillion required over the next decade for physical infrastructure in Asia, public financiers like ADB must undergo a complete change of mindset and shift their focus from sovereign projects to PPPs," said Woochong Um, Deputy Director General of ADB's Regional and Sustainable Development Department. "Studies such as this one will help our developing member countries address the areas of PPPs that need to be strengthened."

The assessment, carried out on 11 developing economies in the region, along with four benchmark countries, and one state, Gujarat in India, shows an increasingly open environment for PPPs, though with individual countries at different stages of readiness. The Republic of Korea, India and Japan, are the top performing countries in Asia and the Pacific, reflecting their robust institutional and regulatory frameworks. Two benchmark countries, Australia and the United Kingdom, were the overall top scorers.

India came in slightly ahead of Japan, reflecting strong political will and rising capacity for PPPs, although problems with implementation remain a challenge. The People's Republic of China (PRC) also performed well with a mammoth 614 PPPs reaching financial closure between 2000 and 2009, despite a relatively underdeveloped institutional and regulatory environment. The strong willingness and capacity of provincial governments for carrying out PPP projects, a friendly investment environment, and the sheer scale of the PRC market for infrastructure drove activity.

Viet Nam, Mongolia, and Papua New Guinea were at the lower end of the index, due to a lack of experience with PPPs and underdeveloped

institutions and regulatory frameworks. However the study found that they, and other emerging economies such as Pakistan, Bangladesh, Kazakhstan, Thailand, Indonesia and the Philippines, are moving swiftly to put in place the necessary laws and structures to attract more private investment.

Asia to surpass Europe, US in wealth by 2030, says ADB

Southeast Asian nations, China and India together may surpass the US and Europe combined in terms of wealth by 2030 if the Asian economies take quick steps to overcome challenges and reduce risks, according to "Asean, the PRC, and India: The Great Transformation?" book released by the Asian Development Bank and Asian Development Bank Institute in Manila on May 2.

"The Asean is the hub of Asian regionalism. China is the world's most populous country and the second largest economy. India is rapidly catching up, and has the second largest population," the book says. The book envisions that realising this goal would require that each improve productivity through innovation and new technologies, establish knowledge-driven economies, build seamless infrastructure connectivity and reform the financial sector.

"These three region and countries are on a path to significantly improve the quality of life of their citizens -- in aggregate approaching half of the world's population by 2030," ADB President Haruhiko Kuroda said at the book launching ceremony.

The book said the three economies will have to depend increasingly on their own and regional markets, investments, and institutions to generate sustained growth. Without inclusive growth, widening income and social inequality are likely to persist and could undermine social cohesion and stability, according to the book.

Strengthening governance, accountability, institutional effectiveness and eradicating corruption are crucial for inclusive growth and better quality of life, it stated. The book predicted that unless the challenges of energy and water security and reduction of CO2 emissions are addressed, these could amplify global environmental risks and geopolitical tensions. To meet their potential, each economy will need to manage energy, food, and water effectively, balancing growth with environmental sustainability, it said.

GDP Growth of Asian Economies 2009-2013 (% per year)

Sub- Region/Economy	2009	2010	2011	2012	2013
Central Asia	**3.2**	**6.6**	**6.2**	**6.1**	**6.2**
Azerbaijan	9.3	5.0	0.1	4.1	3.5
Kazakhstan	1.2	7.0	7.5	6.0	6.5
East Asia	**6.7**	**9.8**	**8.0**	**7.4**	**7.7**
China, People's Rep. of	9.2	10.4	9.2	8.5	8.7
Hong Kong, China	-2.6	7.0	5.0	3.0	4.5
Korea, Rep. of	0.3	6.2	3.6	3.4	4.0
Taipei,China	-1.8	10.7	4.0	3.4	4.6
South Asia	**7.5**	**7.8**	**6.4**	**6.6**	**7.1**
Bangladesh	5.7	6.1	6.7	6.2	6.0
India	8.4	8.4	6.9	7.0	7.5
Pakistan	1.7	3.8	2.4	3.6	4.0
Sri Lanka	3.5	8.0	8.3	7.0	8.0
Southeast Asia	**1.4**	**7.9**	**4.6**	**5.2**	**5.7**
Indonesia	4.6	6.2	6.5	6.4	6.7
Malaysia	-1.6	7.2	5.1	4.0	5.0
Philippines	1.1	7.6	3.7	4.8	5.0
Singapore	-1.0	14.8	4.9	2.8	4.5
Thailand	-2.3	7.8	0.1	5.5	5.5
Viet Nam	5.3	6.8	5.9	5.7	6.2
The Pacific	**4.2**	**5.5**	**7.0**	**6.0**	**4.1**
Fiji	-1.3	-0.2	2.1	1.0	1.2
Papua New Guinea	6.0	7.4	8.9	7.5	4.5
Developing Asia	**6.0**	**9.1**	**7.2**	**6.9**	**7.3**

Inflation Rate of Asian countries 2009-2013 (% per year)

Sub Region/Economy	2009	2010	2011	2012	2013
Central Asia	**5.9**	**7.0**	**9.0**	**7.2**	**7.3**
Azerbaijan	1.5	5.7	7.9	9.0	8.5
Kazakhstan	7.3	7.1	8.3	6.5	6.8
East Asia	**-0.1**	**3.1**	**5.0**	**3.7**	**3.7**
China, People's Rep. of	-0.7	3.3	5.4	4.0	4.0
Hong Kong, China	0.6	2.3	5.3	3.8	3.3
Korea, Rep. of	2.8	3.0	4.0	3.0	3.0
Taipei,China	-0.9	1.0	1.4	1.5	1.6
South Asia	**5.2**	**9.4**	**9.4**	**7.7**	**6.9**
Bangladesh	6.7	7.3	8.8	11.0	8.5
India	3.8	9.6	9.0	7.0	6.5
Pakistan	17.0	10.1	13.7	12.0	10.0
Sri Lanka	3.5	6.2	6.7	8.0	7.0
Southeast Asia	**2.7**	**4.1**	**5.5**	**4.4**	**4.4**
Indonesia	4.8	5.1	5.4	5.5	5.0
Malaysia	0.6	1.7	3.2	2.4	2.8
Philippines	4.2	3.8	4.8	3.7	4.1
Singapore	0.6	2.8	5.2	3.0	2.5
Thailand	-0.9	3.3	3.8	3.4	3.3
Viet Nam	6.9	9.2	18.6	9.5	11.5

Notes: Developing Asia refers to 44 developing member countries of the Asian Development Bank and Brunei Darussalam, an unclassified regional member; East Asia comprises the People's Republic of China; Hong Kong, China; the Republic of Korea; Mongolia; and Taipei, China; Southeast Asia comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam;South Asia comprises Islamic Republic of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka;

ICC HQs News

ICC urges world leaders to scale up action towards a green and inclusive economy

The International Chamber of Commerce (ICC) said that the transition towards a "green and inclusive economy" must be scaled up and that the back-to-back meetings of two inter-governmental forums, the G20 and Rio+20, should build momentum to pave the way to a more sustainable future.



How best to accomplish this is laid out in the ICC Green Economy Roadmap, a comprehensive guide for business, policymakers and civil society, that was presented at the Rio+20 conference on June 20.

The 2012 G20 Mexico Summit in Los Cabos, unlike those that came before it, kicked off a week that will end with the UN Conference on Sustainable Development, commonly known as Rio+20. ICC delivered policy priorities on behalf of global business to the G20 on trade and investment, green growth, transparency and anti-corruption, and financing for growth and development. ICC has also been part of the official process at Rio+20, providing business input to the negotiations of a final text that is expected to come out of the conference.

To date, ICC has rated the G20 performance as "incomplete" across four important policy areas: trade and investment, green growth, transparency and anti-corruption, and financing for growth and development.

"We are all linked by a shared interest to increase prosperity, while dealing with environmental, social and economic challenges – and yet we have no appropriate tools to manage a globalized economy," said ICC Secretary General Jean-Guy Carrier. "What we need are strong coordinated solutions to the worldwide jobs crisis and action to avoid a new global recession. Governments should re-balance economic incentives and provide enabling policy frameworks to boost business confidence to do what it does best – deliver jobs and growth. World leaders in Los Cabos and Rio de Janeiro have an opportunity to send clear signals to re-launch the economic activity and deliver on 'green growth.'"

The two separate ICC delegations currently attending Rio+20 and the G20 include representatives from many of ICC's member companies around the world.

"The private sector is already delivering solutions to global sustainability challenges such as the growing population and limited availability of the earth's finite resources, but progress would be much faster with more collaboration between governments, civil society and business," said Neil Hawkins, Vice President, Sustainability/EH&S, Dow Chemical Company. "With the right policy frameworks, business can make the investments and create the business opportunities that the green transition promises. This is what the ICC Green Economy Roadmap is all about."

The ICC Green Economy Roadmap sets out 10 conditions needed to drive growth and calls for innovation, collaboration and governance. It serves as both a tool for integrating sustainability into business strategies and government policies as well as a platform to share and scale-up best practices and initiate new activities.

ICC delivers global business priorities to G20, rates progress as incomplete

The International Chamber of Commerce (ICC) presented policy priorities on behalf of global business on the eve of this year's Summit of G20 leaders in Los Cabos, Mexico.

"The G20's expanding agenda increasingly bears upon core business goals for trade, economic growth and job creation," said ICC Chairman Gerard Worms, who was heading a delegation of ICC leaders at the G20 Business Summit. "It's our responsibility to ensure that the G20 takes into account global business priorities in their deliberations. As the everyday practitioners of the global economy, we need to make sure that the voice of world business is heard."

Mr Worms was joined in Los Cabos by a CEO delegation that included ICC Vice-Chairman and Chairman and CEO of The McGraw-Hill Companies; Harold McGraw III, ICC Honorary Chairman and Li & Fung Group Chairman Victor K Fung; ICC G20 Advisory Group Chairman and SEB Chairman Marcus Wallenberg.

ICC has delivered business priorities to G7, G8 and now G20 Summits since 1990, and beginning with the Seoul Summit has partnered with host-country organizations to produce business policy recommendations for consideration by the G20. Currently, this work is conducted collaboratively between ICC, the World Economic Forum and principal host-nation business

associations so as to canvas broad business input into the policy development process.

Among ICC's top policy priorities are trade and investment. ICC contends that especially at a time when governments are struggling with excessive debt, multilateral trade liberalization would create jobs and drive economic growth.

While a successful conclusion of the Doha Round in its current form doesn't seem likely, there are alternative approaches to making progress on the multilateral trade agenda that can spur growth, foster economic opportunities, and create much-needed jobs.

ICC has called on the G20 to lead efforts to create a predictable and stable climate for global cross-border investment.

ICC is committed to establishing an ongoing policy dialogue between the G20 and global business. To do so, ICC has launched the ICC G20



Business Scorecard, a policy tool designed to gauge the G20's response to business recommendations.

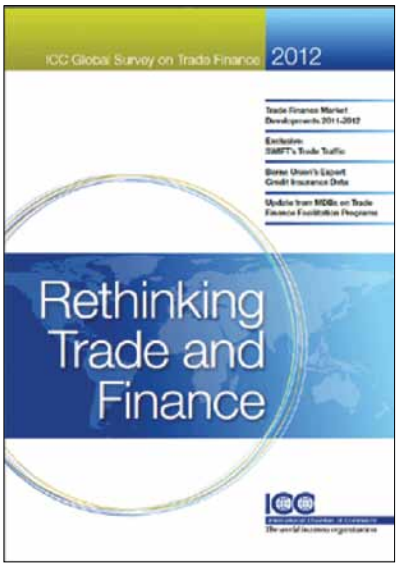
ICC upholds that the G20 will more effectively set priorities, honor commitments, measure its own progress over time, and identify issues that deserve greater attention, if it is better informed on how its actions are interpreted by the business community. In parallel, global business should work more closely with the G20 to promote economic growth and job creation.

The ICC G20 Scorecard was unveiled at a conference in Washington DC last week with US G20 Sherpa Michael Froman. It marked G20 performance as "incomplete" across the four policy areas evaluated: trade and investment, green growth, transparency and anti-corruption, and financing for growth and development.

The G20 Business Summit demonstrates just how useful increased collaboration between business and government can be.

Developing countries continue to lead trade growth, ICC survey reveals

Developing nations were the key drivers of growth in international trade for 2011, in spite of the volatility caused by the international financial crisis, according to a report published on May 17 by the International Chamber of Commerce.



This year's ICC Global Survey on Trade and Finance – titled "Rethinking Trade and Finance" – notes that after a year of upheavals, annual trade volume growth for 2011 was 6.6%, slightly above forecasts by the World Trade Organization. After positive growth prospects at the beginning of the year, a series of global shocks including the Arab Spring, the tsunami in Japan and the continuation of the global debt crises, resulted in an uneven performance for the year.

The survey, which provides some of the most important international data on trade finance, suggests the current environment is dampening prospects for 2012, with annual trade growth forecast at 5.2% this year, increasing to 7.2% in 2013, according to the report.

Developing countries continued to lead trade growth in spite of the slowdown towards the end of the year. South Asia exports, driven by soaring Indian trade with China, outperformed other developing regions in the first three quarters of 2011, but subsequently plummeted.

The report – in which representatives of 229 banks in 100 countries, a sharp increase on last year, took part – reveals that China's trade experienced particularly volatile growth throughout the year, and exports from East Asia have fallen. Many major developing countries in the region are experiencing a slowdown in growth due to a tightening of domestic policy initiatives introduced between late 2010 and early 2011 to combat high inflation.

The Eurozone meanwhile was strongly affected by the financial and economic crises, with the highest annual decrease in export traffic, of -5.85%.

Overall, the responses to the survey appear to confirm that the financial problems that were impacting trade as a whole in 2009 and the early part of 2010 have diminished to some extent, but a number of residual issues need to be addressed.

A total of 59% of respondents that had experienced an increase in demand noted that they had been able to satisfy their customers' needs to a large extent.

All the development banks increased their limits and resources last year,

and the report suggests this is likely to continue. Respondents, including many ICC Banking Commission members, underscored the importance of targeted temporary financing and, in some cases, agreements with international banks to address liquidity shortages and problems of risk perception.

Thierry Senechal, ICC Senior Policy Manager, Banking Commission said: "The ICC Global Survey 2012: Rethinking Trade and Finance will be a useful tool for both policymakers and senior executives in financial institutions worldwide, enabling them to better understand the broad challenges that must be tackled to ensure that trade finance continues to play a vital role in the financing of global trade."

World economic climate newly brightens, according to latest ICC-Ifo survey

Results of the ICC-Ifo World Economic Survey, released on May 16, showed a fresh rise in the climate indicator during the second quarter of 2012, reaching 95.0, up from 82.4 in the previous quarter, and confirmed a trend towards recovery in the world economy.

These results are only slightly below the long-term average of 96.7 (1996-2011) for the World Economic Survey, conducted by the Munich-based Ifo Institute for Economic Research and the International Chamber of Commerce (ICC).

Economic experts had an especially positive outlook for the next six months, as indicated in the report by a rise to 101.8 from 80.7. This was complemented by a somewhat warmer appraisal of the current situation, increasing to 87.9, from 84.1 in the first quarter of 2012.

Western Europe recovery, outlook for North America continues to improve

After a weak second half in 2011, Western Europe is now entering a recovery phase, climbing back from a steep fall at the end of 2011 (105.2 to 81.4) marking consecutive increases to reach 99.3. Results for North America also rose significantly for a



second straight quarter to 95.4, after a similar drop at the end of 2011, from 81.2 to 69.5.

Both regions enjoyed a significant upward revision of the economic outlook for the next six months, even if views on the current economic situation showed only a slight improvement. Overall, the economic experts surveyed in Western Europe and North America expect an increase on economic performance over 2012 of 0.4% and 2.4%, respectively.

Asia on upswing after four successive decreases

The economic climate indicator in Asia also started to rise, reaching 90.4, up from 74.6, after continuously falling over the previous four quarters. As in nearly all regions, appraisals in Asia of both the present economic situation and, to a greater extent, economic expectations were also upgraded significantly.

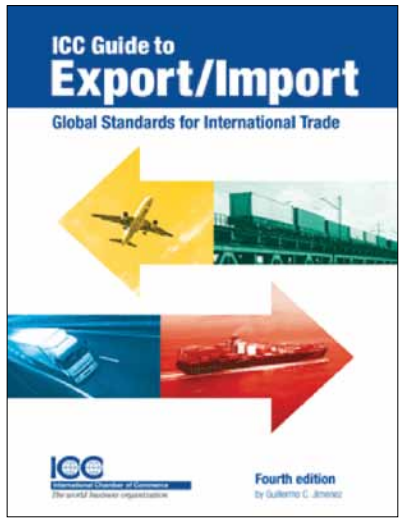
Inflation estimates for the second quarter of 2012 increased only slightly, from 3.5% to 3.6%. Experts also expect on average a slight increase in long-term interest rates over the next six months. In terms of currencies, the report indicates that the euro is slightly overvalued and the yen is even more overvalued. The dollar exchange rate is also expected to rise on a worldwide average over the next six months.

ICC releases new and improved Guide to Export-Import

ICC has published a new edition of its acclaimed Guide to Export-Import; an invaluable tool for traders worldwide. Completely updated, the new version of the guide will help international trade professionals better understand the risks and challenges of cross-border trading, while providing them with a practical handbook to enhance job performance.

The guide gives insight on every step to get goods across borders, from how to effectively negotiate international contracts to options for resolving disputes should they arise. It provides answers to questions such as:

- • How can I properly insure cargo for maximum coverage?
- How do I correctly use trade documents such as pro forma invoices, purchase orders and bills of lading?
- What do I need to know about electronic documentation?
- Which rules apply to letters of credit?
- What is the difference between



international litigation and international commercial arbitration?

- What can I do to protect my intellectual property?

Written by international business, law and policy expert Guillermo Jimenez, in consultation with leading ICC experts, the ICC Guide to Export Import is both an easy-to-understand introduction to international trade and a detailed handbook for the more-experienced practitioner.

Containing extended analysis of new and revised ICC rules, including Incoterms® 2010, the guide also gives the low-down on issues relating to customs, intellectual property, online documentation and e-commerce.

A concise learning and reference tool, it also provides an introduction to indispensable banking and trade finance tools such as letters of credit, UCP600, bank guarantees and more.

From students to trade professionals, the ICC Guide to Export-Import is a must for everyone involved in international business, helping them to understand and make the most of international markets.

One-year countdown to ICC WCF 8th World Chambers Congress begins

The ICC WCF 8th World Chambers Congress in Doha, Qatar is one year away and as preparations gear up, Rona Yircali, Chair of the ICC World Chambers Federation (WCF) met on April 30 with Sheikh Khalifa Bin Jassim Bin Mohammed Al-Thani, Chairman of the Qatar Chamber of Commerce & Industry (QCCI) and ICC Qatar, to mark the occasion.

To commence the countdown, WCF and QCCI announced the launch of a new Congress website. Providing the latest news on the Congress, the one-stop portal will also feature information on every aspect of the event, from the venue and programme to sponsorship opportunities.

Organized by the International Chamber of Commerce World Chambers Federation, the 8th Congress will be hosted by the Qatar Chamber of Commerce & Industry (QCCI), which will celebrate its 50th anniversary in April 2013.

The Congress has established an enviable reputation as the ultimate venue for chamber leaders to meet international peers and share



experience and best practice on issues that have a direct impact on their respective communities. So much so, bids have been submitted by chambers to host the event up to 2021.

More workshop than talk-shop, the Congress offers practical, hands-on solutions to support chambers in their role of serving the needs of small- and medium-sized enterprises. At the same time, it provides chambers of commerce with an opportunity to learn how to best deal with the myriad of challenges facing them in an ever-changing globalized world.

One of the most successful features of the World Chambers Congress is the exhibition area, which gives the exhibitors an ideal forum to promote their products and services, as well as trade and business opportunities in their region.

The Congress will feature a one-day, high-level World Business Summit, held on 22 April 2013 in Doha. "The Summit is designed to mobilize broad-based support for a proactive role of business in defining global trade priorities," said ICC Secretary General Jean-Guy Carrier. "It will make recommendations on business priorities for a 21st century agenda for world trade and I invite chamber leaders to be part of this important dialogue."

ICC launches new website

The International Chamber of Commerce (ICC) on June 26 unveils its new web portal, which has been entirely re-built and re-designed to bring it up to date with ICC's expansion as the world business organization.

A new era for ICC and the web

ICC, equipped with a website that can incorporate all modern web technologies to support its global mission, is now better positioned to boost its online presence. The aim of the web project has also been to present ICC's vast and diverse range of products and services in a clear, more user-friendly way.

The result is that some 20,000 pages of previously existing information have now been streamlined and organized into eight gateways that draw the user to ICC's various activities, such as rules-setting and advocacy for global trade, fighting commercial crime, and resources for international trade including arbitration, dispute resolution and chamber services.



ICC also plans to increase website traffic and draw further attention to its policy advocacy work, resources and services by stepping up its profile in social media. This will allow web users not only to receive pertinent information from ICC, but also to share it by means of social networks including Twitter, Facebook and Google+.

The ICC Communications Department which led the web redesign project – sought a new 'look and feel' for the website that would be in keeping with its institutional role.

ICC BASCAP wins high commendation award on World Anti-Counterfeiting Day

Business Action to Stop Counterfeiting and Piracy (BASCAP) an affiliate of ICC received the 2012 Highly Commended Award in the Association category at the 14th annual Global Anti-Counterfeiting (GAC) Awards ceremony on June 7th World Anti-Counterfeiting Day in Paris.



The awards are presented for outstanding achievement by individuals or organizations involved in combating counterfeiting and piracy, either to protect their own brands or products or in the development of an environment which encourages the combating of counterfeits and pirate products. The awards are given in five categories – individual achievement, national public body, international public body, company and association.

The 2012 GAC Awards were sponsored by Reconnaissance International's Authentication News and the Global Anti-Counterfeiting Group (GACG) Network. The winners were announced and awards presented in Paris on June 7 during a World Anti-Counterfeiting Day event hosted by the Union des Fabricants. The awards were made as a continuing recognition of special achievements by individuals, companies and organizations.

World Business and Development Awards announce winners at Rio 20 Fighting poverty can benefit businesses

Eleven companies received the 2012 World Business and Development Awards (WBDA) for their efforts to improve living standards in some of the world's most disadvantaged communities. Winners were recognized at a ceremony concluding the Business Action for Sustainable Development Business Day taking place during the UN Conference on Sustainable Development (Rio+20), where world leaders along with thousands of participants from governments, the private sector, NGOs and other groups, have convened.

The Awards recognize innovative business models that deliver both commercial success and help improve social, economic or environmental conditions—otherwise known as inclusive business models—with winning companies engaged in diverse initiatives such as providing affordable clean energy to low-income communities in Kenya and boosting reforestation in India to providing micro-credit in Brazil.

A panel composed of nine independent judges selected the winning initiatives, under the categories of small- and medium-sized enterprise and large organizations. The 2012 Awards attracted 115 applications from 38 countries showcasing a variety of inclusive business endeavours undertaken by associations, non-governmental organizations and individual companies.

The 11 winners of the 2012 World Business and Development Awards are:

Small- and medium-sized enterprise 2012 category:

- Bright Generation Community Foundation: Ghana Bamboo Bikes Initiative, Ghana
- Dream Light Solid Waste Cleaning and Recycling, Ethiopia
- Eight19: IndiGo, United Kingdom
- Sproxil®, Mobile Product Authentication™, United States
- ToughStuff, Kenya

Large organization 2012 category:

- Blue Skies: Joint Effort Enterprise, United Kingdom
- Grundfos LIFELINKTM, Denmark
- ITC: Social and Farm Forestry Programmes, India
- Nestle: The Nescafe Plan: Nestle's Visionary Coffee Development, China
- Unilever, United Kingdom

Winner of the special Brazil-based company category in honour of the Rio+20 host country:

Itau Unibanco S.A, Itau Microcredit, Brazil



The 2012 Awards have been awarded explicitly to companies delivering inclusive business models: sustainable, commercially-viable business initiatives that expand access for low-income people to goods and services, or improve their livelihoods by engagement in the business process as direct employees, suppliers or distributors, while also generating sales and profit growth.

Appointment of new ICC International Court of Arbitration Secretary General

The International Chamber of Commerce (ICC) is appointing Andrea Carlevaris as Secretary General of the ICC International Court of Arbitration, in replacement of Jason Fry who will leave the organization on 20 July 2012, it was announced on May 16 by ICC Secretary General Jean-Guy Carrier.

Having started his career with ICC working as Counsel between 1999 and 2003, Mr Carlevaris has been a member of the Court, representing Italy, for the last four years and was a partner at the Rome-based law firm Bonelli Erede Pappalardo Studio Legale.



ICC and China Chamber of International Commerce sign agreement to intensify cooperation

ICC is stepping up activities in the People's Republic of China, under the terms of a new memorandum of understanding between the world business organization and the China Chamber of International Commerce (CCOIC). The commitment aims to encourage international business leaders to meet and exchange with their Chinese counterparts and senior government officials as well as to develop ICC training programmes specially adapted for the Chinese market.

A formal declaration announcing the partnership was made during the opening ceremony of the China International Import Expo, which took place in Kunshan at the end of March. Secretary General Jean-Guy Carrier led the ICC delegation at the event and delivered a speech to over 600 participants attending the event.

Zhao Xiaodi, Secretary General of CCOIC said: "The MOU is the outcome of mutual trust and common efforts of ICC and CCOIC. It will open the way for CCOIC to strengthen cooperation with ICC through broader and deeper engagement into the activities of ICC, the World Chambers Federation and ICC's global network of national committees and members.

ICC Marketing Commission appoints Sheila Millar as Vice Chair



The International Chamber of Commerce (ICC) is pleased to announce the appointment of Sheila Millar, Partner, Keller and Heckman to the post of Vice-Chair, Commission on Marketing and Advertising.

Ms Millar has been leading the Commission's Working Group on Sustainability for five years and has played a critical role both in the development of ICC's Framework for Responsible Environmental Marketing Communications and the advocacy efforts undertaken to promote it. With vast experience counselling companies, regulators and government in the fields of sustainability and environmental claims, marketing and advertising to children and data protection, Ms Millar brings important technical understanding and legal expertise to the work of the commission.

ICC upholds potential of investment at UNCTAD forum

ICC promoted the role of business in global sustainable growth and economic recovery when it took part in the World Investment Forum (WIF) 2012, which ran 20-23 April in Doha. ICC Secretary General Jean-Guy Carrier took part in several high-level panels and gave opening remarks for the conference alongside United Nations Conference on Trade and Development (UNCTAD) Secretary-General Supachai Panitch-pakdi and Qatar Deputy Prime Minister Ahmad bin Abdullah bin Zaid al-Mahmoud.

ICC also reissued its Guidelines for International Investment at the WIF in order to adapt to new challenges of the international investment environment and to further promote investment as a driver of economic growth.

WTO News

World Trade value up by 5% in the first quarter of 2012

The value of world merchandise trade was 5% higher in the first quarter of 2012 compared to the same period of 2011, according to WTO figures released on 8 June. This modest performance follows a slowdown in trade during the second half of 2011.

Chart 1: Recent quarterly developments in the value of world merchandise exports

Percentage change

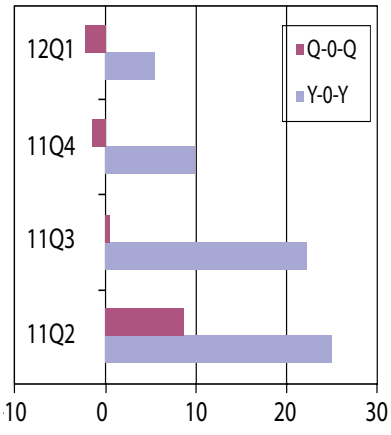
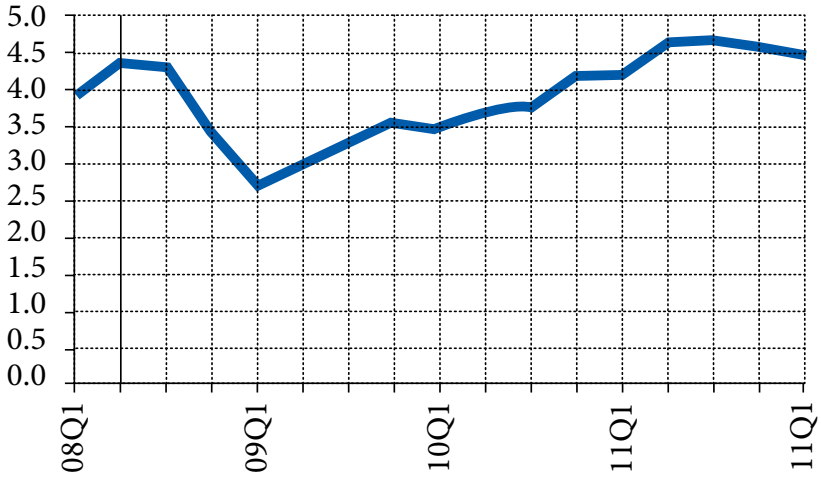


Chart 2: Value of world merchandise exports, first quarter 2008 to first quarter 2012

Trillion dollars



These short-term indicators are in nominal value and should not be confused with the annual trade growth forecasts headlined in the 12 April 2012 press release, which are "volume" data that do not take price fluctuations into account.

Moreover, these values are not seasonally adjusted. Seasonal patterns may considerably affect the comparison of quarter on quarter (Q-o-Q) and month on month (M-o-M) developments in world trade

Table 1: World merchandise trade by region and selected economies, January-March 2012

Percentage change in current US dollars, year-on-year and quarter-on-quarter

Exports		
Y-o-Y	Q-o-Q	
5	**-2**	**World (a)**
8	-1	North America
9	-1	United States
6	-1	Canada
11	-4	South and Central America
8	-17	Brazil
1	-1	Europe
0	-1	European Union (27) (b)
-2	0	intra EU
6	-3	extra EU
19	-6	Commonwealth of Independent States (CIS)
18	-8	Russian Federation
15	6	Africa and the Middle East
4	-6	Asia (a)
8	-15	China
2	14	India
2	-4	Japan
2	-1	Six East Asian traders (c)

a Includes significant re-exports or imports for re-exports.
b "Intra EU" is trade within the EU; "extra EU" is trade between the EU and non-EU economies
c Hong Kong, China (excluding re-export trade), Republic of Korea, Malaysia, Singapore, Chinese Taipei, and Thailand

Open trade can boost agricultural productivity, says new study

An interagency report published on 12 June recommends that G20 governments should "demonstrate leadership in multilateral negotiations to strengthen international disciplines on all forms of import and export restrictions, as well as on domestic support schemes that distort production incentives".

Early in 2012 Mexico, as G20 President, invited international organizations to examine practical actions that could be undertaken to sustainably improve agricultural productivity growth, in particular on small family farms. The preparation of this report, coordinated by the United Nations Food and Agricultural Organization (FAO) and the Organisation for Economic Co-operation and Development (OECD), is a collaborative undertaking by Bioversity International, the Consortium of International Agricultural Research Centres, the FAO, the International Fund for Agricultural Development, the International Food Policy Research Institute, the Inter-American Institute for Co-operation on Agriculture, the OECD, the United Nations Conference on Trade and Development, the UN High Level Task Force on the Food Security Crisis, the UN World Food Programme, the World Bank and the WTO.

The report, which was used as a key input in the discussions of the G20 Agricultural Group, states that "substantially reducing trade and production distorting domestic support, improving market access opportunities, eliminating export subsidies and strengthening the disciplines on export restrictions will improve the enabling environment for investment and productivity growth".

It also notes the critical role played by the WTO's Sanitary and Phytosanitary Agreement in contributing to the reduction of production losses due to pests and diseases, and the need to support capacity building in this field, including through the Standards and Trade Development Facility.

Rise in trade restrictions now 'alarming', Lamy tells WTO ambassadors

For the first time since the WTO started monitoring the protectionist reaction to the financial crisis in 2008, the scale of trade restrictions is a cause for "serious concern", Director-General Pascal Lamy told an informal meeting of heads of delegations to the WTO on 7 June. He also reported on latest developments in the Doha Round negotiations. This is what he said:

Thank you Madam Chair.

Since the May meeting of the General Council I have been consulting with Members on various occasions, including around the OECD Ministerial, during recent visits to Thailand and China, where I attended the LDC [Least-developed countries] accessions round table and the Global Services Forum, and this week in Kazan, Russia, where I held a number of bilateral consultations on the margins of the APEC [Asia-Pacific Economic Co-operation] Trade Ministers' meetings.

The central message I have heard is that, given the deterioration of the global economic and trade outlook, 2012 cannot be a wasted year and that it is important that progress is made across the entire spectrum of our activities.

Let me start with the recent publication of our monitoring report on trade and investment measures taken in the crisis, which we do ahead of the G-20 meeting [in Mexico, 18–19 June 2012]. A report concerning measures by the entire membership will be sent shortly to all of you too.

For the first time since the beginning of the crisis in 2008, this report is alarming. The implementation of new measures restricting or potentially restricting trade has remained unabated over the past seven months, which is aggravated by the slow pace of rollback of existing measures.

The accumulation of these trade restrictions is now a matter of serious concern. Trade coverage of the restrictive measures put in place since October 2008, excluding those that were terminated, is estimated to be almost 3% of world merchandise trade, and almost 4% of G-20 trade. The discrepancy between the commitments taken and the actions on the ground add to credibility concerns.

This situation is adding to the downside risks to the global economy and what is now a volatile global context

To strengthen multilateral co-operation redouble collective efforts important

In such a situation, it is important that we collectively and urgently redouble our efforts to strengthen multilateral co-operation to find global solutions to the current economic difficulties and risks and avoid situations that would cause further trade and investment tensions.

I hope that all Members can all live up to the commitment made by Ministers at MC8 [The eighth WTO Ministerial Conference in Geneva, December 2011] and elsewhere to keep markets open and resist protectionism in all forms. We also need to remain vigilant and begin to think about creative ways to improve our multilateral transparency and peers review. I would therefore urge that all Members engage in the consultations that the Chair of the

TPRB [Trade Policy Review Body] will be undertaking to improve the WTO peers review of the monitoring reports produced by the Secretariat.

The permanent existence of a market gap for poor countries requires long-term public involvement, without which crisis intervention would be meaningless. With respect to regulatory matters, there was consensus that the dialogue with the Basel Committee should be usefully pursued on elements of Basel III regulation. Finally, it would be useful to encourage data collection on trade finance by both public and private sector.

The LDC accession roundtable which took place in Beijing last week, which was superbly organized, stressed the importance of completing LDC accession guidelines by July. I do believe such a move would bring greater confidence and trust in the ability of Members to address the specific needs of LDCs. It also saw the conclusion of the last outstanding bilateral deal for the accession of Laos to the WTO. Efforts need to redouble now to conclude remaining outstanding steps towards the accession of Yemen to the Organization.

On the DDA [Doha Development Agenda negotiations] front, and following up on the conclusions at MC8, all Chairs have been consulting with members in their respective areas. Let me focus on the areas where technical work has been on-going since our last meeting.

On trade facilitation, negotiations are continuing constructively at the technical level in line with the work programme agreed in the Negotiating Group in January. This week we have the latest cluster of facilitator-led negotiations, and a number of capital-based officials are in town to consult informally on areas of the text where they feel progress can be made and can then be fed back through the facilitator process into the Negotiating Group. Another cluster of facilitator-led negotiations will take place at the end of this month, to prepare for the next Negotiating Group session in July and the 13th revision to the draft agreement.

Suggestions of launching another needs assessment programme for developing countries and LDCs

At the same time, suggestions have been made on the possibility of launching another needs assessment programme for developing countries and LDCs. This will of course need to be discussed in the Negotiating Group before any decision is taken, but it could help bring the element of resources needed for implementation into the equation in a concrete way and provide the basis for the essential matching up of S&D provisions [special and differential provisions for developing countries] with trade facilitation commitments in the new agreement.

In summary, progress is being made, it may not be as fast as some would like but given the technical nature of the work, and the importance all Members attach to the bottom-up, inclusive method of negotiations, there are no short cuts to be had.

On special and differential treatment, the CTDSS [Committee on Trade and Development special session] Chair has intensified the work and intends to hold weekly informal consultations for the next six weeks until the summer break, focussing on the three areas mandated from MC8 — the monitoring mechanism; the 28 Cancun Agreement-specific proposals; and the 6 Agreement-specific proposals. These informal consultations will be complimented by open-ended transparency meetings to take stock of work, including one such meeting to be held in July.

On the review of the Dispute Settlement Understanding, work has continued to progress — a sign that the Members value and understand the importance of dispute settlement to the System. The negotiating group has held four negotiating weeks since the beginning of the year, including this week. As a result, the group is close to completing the current phase of work, with a further set of meetings scheduled for mid-July. As part of the on-going work, a group of developing countries has recently presented a conceptual paper on issues of interest to them, which is a welcome development.

On the other DDA related issues, the level of activity has been lower, to say the least. While I believe that focusing on a number of development related areas is in line with the outcome at MC8, I believe it is time for the Members to also devote some attention to the other issues. And I do hope that today's session will bring some clarity on how to do that. Since MC8 I have heard a lot of "talk" about new ideas and approaches. Maybe it is time we see a bit of "walk".

Let me also briefly foreshadow the message that I intend to send at the upcoming Rio +20 meeting. I will stress, like I have in the context of food security that open trade is part of the solution to our collective sustainability challenges, not part of the problem. I will of course be reporting back to Members on these discussions at the General Council in July.

Developing members confirm commitment to open market for poorest countries

Four WTO members reported their commitment to opening their markets for products from least-developed countries at a meeting on 16 April, reflecting increased efforts by the developing economies to improve market access conditions for exports from the poorest countries.

The four members — India, China, Chinese Taipei and Korea — provided information on their duty-free schemes at a meeting

of the sub-committee on least-developed countries (LDCs) held on 16 April 2012. The sub-committee, a subsidiary body to the Committee on Trade and Development in which all WTO members may participate, is dedicated to discussing issues of particular importance to least-developed members.

The WTO's 2005 Hong Kong Ministerial Conference Declaration agreed that "developed-country Members, and developing-country Members declaring themselves in a position to do so, agree to implement duty-free and quota-free market access for products originating from LDCs".

The LDCs represent the poorest and weakest segment of the international community. The current list of LDCs, designated by the United Nations, includes 48 countries, 31 of which to date have become WTO members. The LDCs comprise about 12 per cent of the world's population, but account for less than 2 per cent of world GDP and about 1 per cent of global trade in products.

Currently, most of the WTO's developed-country members have set up arrangements to provide duty-free and quota-free market access for the LDCs. Increasing efforts are also being made by developing-country members to open their markets for products from the world's poorest countries.

For example, India's duty-free tariff preference scheme is operational with effect from August 2008, and since then duties are being gradually eliminated to bring 85 per cent of its tariff lines under duty-free coverage over a period of five years. China's duty-free and quota-free programme currently accounted for 60 per cent of all tariff lines and it intends to expand the coverage to 97 per cent in future. Chinese Taipei's duty-free access for LDCs covers nearly 32 per cent of its tariff lines at present. Korea expanded its coverage under duty-free and quota-free access in November 2011 by including 95 per cent of its tariff lines and has also made changes in the rules of origin.

The Ambassador of Haiti, on behalf of the LDCs, expressed deep appreciation to the members for their efforts to enhance market access opportunities for LDC exports. He also called for enhanced market access opportunities as well as improved rules of origin to further facilitate exports from the poorest countries.

Accession guidelines for the poorest countries

The chair of the sub-committee on least developed countries, Ambassador Steffen Smidt of Denmark, reported that nine informal consultations were held since the last meeting in January 2012. Members discussed the ways to "further strengthen, streamline and operationalize" current guidelines on the process for the poorest countries to become a member of WTO, as called for in a decision (WT/L/846) by the Eighth WTO Ministerial Conference in December 2011.

Negotiating membership, or "accession to" the WTO, involves complex technical work and the process can last for years. The poor countries often lack the human and institutional capacity to meet and negotiate regularly with other WTO members. The work on accession guidelines aims to provide benchmarks for the market opening commitments that a least-developed country should undertake to become a WTO member, taking into consideration the commitments made by LDCs which are already WTO members.

The discussions are structured around five pillars, which are (i) benchmarks in the area of goods; (ii) possible benchmarks in the area of services; (iii) increased transparency in the negotiations of accessions; (iv) special and differential treatment provided to least-developed countries including additional transition periods; and (v) technical assistance to help acceding LDCs to complete their accession process as well as to implement their commitments.

Progress has been made in starting to identify the benchmarks on goods, said the chair, while establishing benchmarks on services requires further reflections. Two sectors (telecom and financial sector) have been picked up with a view to enhance the understanding of members on the content of LDC commitments in those sectors. More consultations are also needed on the transparency of accession negotiations, on special and differential treatment and on technical assistance, but convergence on most of these elements would not seem to be difficult.

The chair intends to move towards more concrete discussion on all five pillars, so that the Sub-Committee could submit recommendations to the General Council meeting in July 2012.

WTO Appellate Body welcomes new member

The Chair of the Dispute Settlement Body, Ambassador Shahid Bashir and WTO Director-General Pascal Lamy both congratulated Mr Chang and welcomed him as a new Appellate Body member. They also thanked the out-going member, Mr Shotaro Oshima who was retiring after four years of dedicated service to the WTO.

The Appellate Body is responsible for hearing appeals of WTO panel reports. It is composed of seven members, each appointed for a four-year term, with a possibility to be reappointed once. The expiration dates of terms are staggered, ensuring that not all members begin and complete their terms at the same time. . The members of the Appellate Body are appointed by the Dispute Settlement Body. Since its establishment in November 1995, the Appellate Body has issued 114 reports.