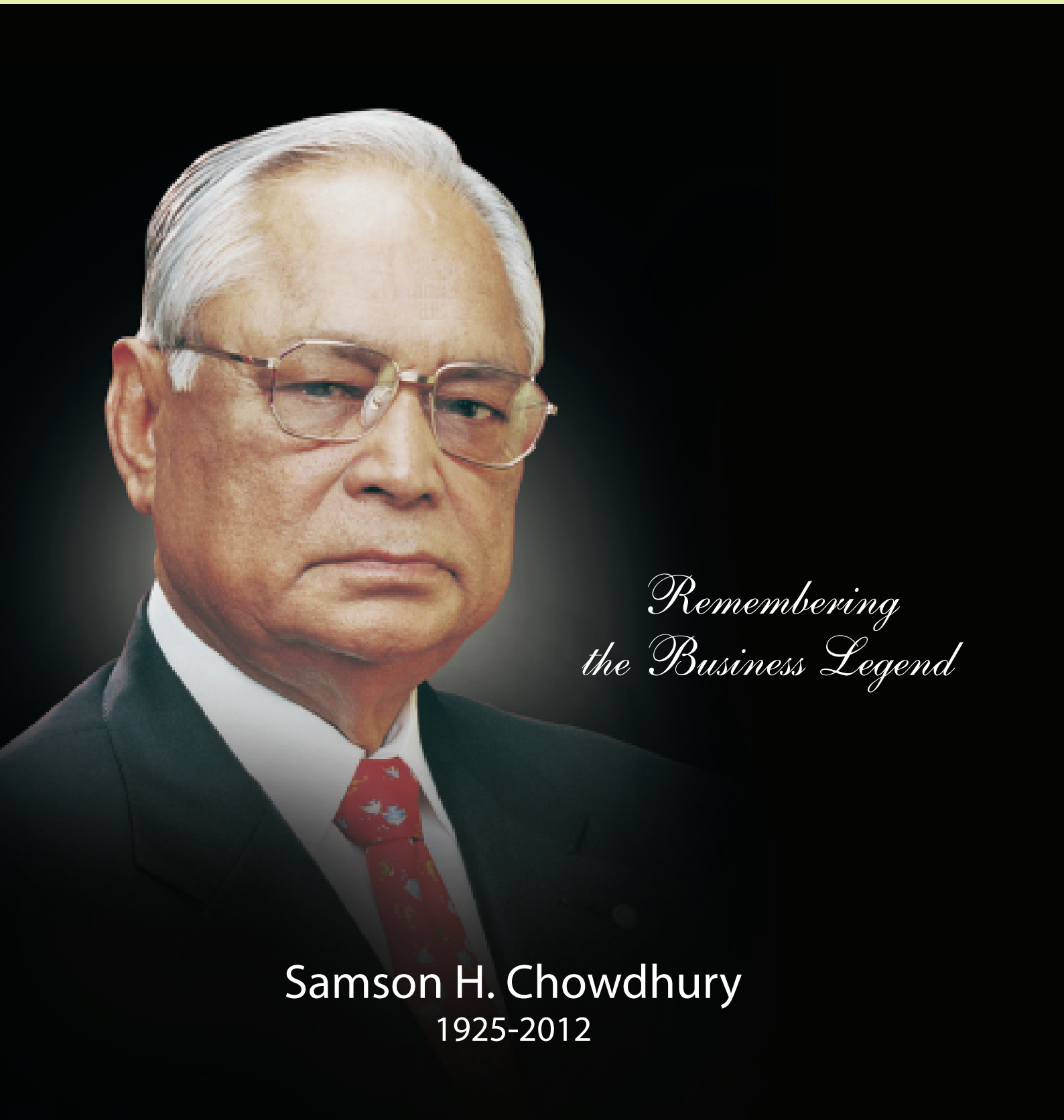
ICC Bangladesh
The world business organization

January-March 2012

NEWS BULLETIN

A Quarterly Newsletter of ICC Bangladesh

Volume 15 > Issue 57



Remembering the Business Legend

Samson H. Chowdhury
1925-2012

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.

ICC Bangladesh
International Chamber of Commerce Bangladesh
The world business organization
National Secretariat:
Suvastu Tower (6th Floor), 69/1, Panthe Path
Dhaka- 1205, Bangladesh, Fax:+880-2-8621007
Tel: +880-2-8621742, +880-2-967 66 88
E-mail: iccb@bdmail.net, Website: www.icc-bd.org
International Headquarters
38, Cours Albert 1er
75008 Paris, France
Tel: +33 1 49 53 28 28, +33 1 49 53 28 49
Fax: +33 1 49 53 28 42

ICC Bangladesh
The world business organization

The Executive Board

President
Mahbubur Rahman

Vice President
Latifur Rahman

Members
A. S. M. Quasem
Aftab ul Islam
Annisul Huq
Kutubuddin Ahmed
Mahbub Jamil
Prof. Mamun Rashid
Md. Fazlul Hoque
Md. Shafiul Islam (Mohiuddin)
Muhammad A. (Rumee) Ali
Murshed Murad Ibrahim
R. Maksud Khan
Barrister Rafique-ul Huq
Sheikh Kabir Hossain
Syed Ershad Ahmed
Syed Manzur Elahi
Waliur Rahman Bhuiyan, OBE

National Secretariat

Secretary General
Ataur Rahman

Contents

ICC Bangladesh News 02
Bangladesh Economy 14
Regional News 22
ICC HQs News 28
WTO News 33

Editor's Note

Capping inflation: crucial for growth

In 2011, Bangladesh economy faced wide range of risks and pressures, including soaring inflation, hefty bank borrowings, rise in government subsidies and low foreign aid disbursement, which may harden the macro-economic management of the country in 2012. Besides, the economy also witnessed a fall in the private sector credit flow, depreciation of Taka against dollar, higher import of products other than capital machineries and raw materials as well as current account balance deficit. All these are going to be the main challenges for the current year as well.

All we know, inflation, unemployment and growth trend are the major factors of macro economies. Over the past few decades, the nexus between inflation and economic growth have drawn extensive attention of macroeconomists. However, according to experts, inflation and growth rate have both positive and negative relationship depending on situation; but inflation and unemployment have a negative relationship.

Inflation in India and China affected long term growth rates since 1979 to 2009. Today, both the countries are fastest-growing economies in the world, having one-third of world's population as well as facing the related problems such as unemployment, environmental degradation, poverty and non-performing loans, institutional frailties and structural problems. Macro-economic parameters clearly confirm that both the Chinese and Indian economies are against inflationary capacity constraints. In China, inflation impacts on growth rate meanwhile in India it was inverse relationship.

Bangladesh's inflation rate has maintained double digits since March last year. In the outgoing year, a major reason behind the galloping inflation was the depreciation of local currency against US dollar. The value of Taka, which fell by over 15 percent during the outgoing calendar year (2011), was another threat to the economy as it had inflated the cost of imported goods having a knock-on-effect at the consumers' level and thus increasing inflation rate.

The average inflation during FY2011 increased to 10.70 percent from that of 8.13 percent in the previous year; reaching almost the 1987 inflation rate of 10.82 percent after 25 years. The double digit inflation which is likely to continue during remaining period of FY2012 ending in June, 2012 will hurt the poor and erode their purchasing power. In addition to higher inflation, there are some other concerns for the country's economy like high bank borrowings by the government that already exceeded the target of the current fiscal; dwindling remittance inflow, higher fuel import and lower disbursement of fund by development agencies that are not only causing depreciation of Taka but also reducing foreign exchange reserve. All these are also creating pressure on the balance of payment.

Against all of these backdrops, Bangladesh economy performed reasonably well in Q2 (October-December) of FY12, when most of the developed world has been in the midst of a recession. On the other hand, after a superb performance of 41 percent growth of export in the last fiscal year, even though the export growth in first six months of FY12 dropped to 14.7 percent is still considered to be a respectable figure by any measure. However, the outlook for exports during the remaining period of FY12 is subdued by adverse developments in the Eurozone and a rather anemic recovery in the US economy.

The central bank's monetary policy for the second half of the current FY12 (January-June 2012) is designed to support the government's revenue policies in pursuit of "inclusive economic growth" and binding the inflation rate at 7.5 percent, but according to experts it is very unlikely to be achieved.

Bangladesh could follow monetary policy strategy of some of the Asian economies, in particular of the China and India, which revised interest rates 12 times in the last 18 months; Bank of China revised two types of loan interests nine times.

The country needs to pursue drastic measures in controlling the inflation rate in order to achieve its budgetary goals and economic growth rate of 7 percent above.

ICC Bangladesh News

Businesses pay homage to Samson H. Chowdhury
The Business Legend of our time

Mr. Samson H. Chowdhury, Chairman of Square Group died on January 5, 2012 around 10:20 a.m at Raffles Hospital in Singapore from old-age complications. He was 87. To pay homage to the Business Legend, ICC Bangladesh together with Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, The Dhaka Chamber of Commerce and Industry (DCCI), The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Chittagong Chamber of Commerce and Industry (CCCI) arranged a Memorial Meeting on January 14 at Bangabandhu International Conference Centre (BICC), Dhaka.



Finance Minister AMA Muhith M.P. (3rd from right) is seen along with ICCB President Mahbubur Rahman(3rd from left), DCCI President Asif Ibrahim (extreme left), MCCI President Maj Gen (Retd) Amjad Khan Chowdhury(2nd from left), FBCCI President A K Azad (2nd from right) ,CCCI Senior Vice President Mahbubul Alam(extreme right).

The Memoriam was attended by Finance Minister Mr.A.M.Muhith, M.P., Business leaders, leading industrialists. Lawyers, civil society members. All the guests present stood in solemn silence for a minute at the start of the Memorial to pay homage to late Samson H. Chowdhury.

The event was addressed by a number of guests. To his followers he was a hero, to his contemporaries he was a business icon and to young entrepreneurs, he was a guide and mento. Even to the regulators, he was spotless. Ethics, honesty and integrity of legendary entrepreneur late Samson H. Chowdhury will be remembered by the present and future generations as source of inspiration, said speakers. They said that Samson Chowdhury had proved how honesty, dedication and commitment could put a person at the highest peak of success. He had also contributed a lot to alleviating poverty as well as employment generation in the country. They also suggested to the family members of late Samson H Chowdhury to form an institute after him so that the new generation and businessmen in the country could know about his ideology and ethics.

Mahbubur Rahman, President, ICC Bangladesh in his opening remarks said Samson Chowdhury had always put people's welfare at the centre of entrepreneurship. "Throughout his career, he remained above controversy of any kind. It is difficult for businessmen in Bangladesh to be out of any controversy. It is also a rare example of a businessman being the Chairman of Transparency International Bangladesh (TIB) from 2004 to 2007." Samson Chowdhury also did a lot of philanthropic work, both at his ancestral home in Pabna and in Dhaka, he added. At the memorial, Mahbubur Rahman also read out messages from ICC and ICC World Chambers Federation. "We, the businessmen, consider that nation has lost the business legend of our time. Samson Bhai was one of those very rare individuals who touched many hearts and souls he came across for his fatherly and friendly loving care," he said. Late Chowdhury was always down to earth and never gave a feeling to his friends and colleagues that he was a giant in his own right. ICC Bangladesh is deeply shocked and grieved at the sad demise of Mr Samson H. Chowdhury, who has been associated with ICC Bangladesh since it started its journey in the 90s," he said. Rahman further observed that Samson Bhai did a lot of philanthropic works outside the glare of the spotlight. He has built Square Group, with an annual turnover of US $ 781 million (2009-10) or over Tk 60 billion.

Professor Rehman Sobhan, Chairman, Centre for Policy Dialogue (CPD) said "Samson H Chowdhury was undoubtedly one of the greatest businessmen in the country who has demonstrated entrepreneurship despite a modest start". Prof. Sobhan said that with sheer energy and entrepreneurship, he has established one of the largest conglomerates in the country, which enabled him to stand out." He served as the TIB chairman, but it is not a convention that an eminent businessman will be invited to lead TIB. It was the recognition for his acceptability, Sobhan said. He urged businessmen, entrepreneurs and industrialists to take lessons from his life and build businesses without

violating rules. Late Samson H. Chowdury did not only contribute a lot to the country's businesses but also in the country's civil society. "He was one of the greatest businessmen of the country who had demonstrated his ethics, honesty and integrity in achieving the successes that he earned," Prof.Sobhan said.

Finance Minister Mr.A.M.A. Muhith, M.P. said Late Samson Chowdhury helped shape the country's pharmaceuticals industry. "He started off in Pabna and brought his venture to Dhaka. He did not stop there. He took his company to the international stage. It was not easy to do all these in just one life," Muhith said. The Minister said Samson Chowdhury was one of the 48 largest taxpayers in the country. Lauding the services of Square Group Muhith said, "The services of Square Hospital are comparatively good and it should be maintained at any cost". He reminisced about the late business leader, saying, 'I met him while in government service. He played a significant role in implementing the 1982 National Drug Policy. He has a great contribution in taking this industry to the international sphere.' The Minister expressed hope that Chowdhury's successors would take Square to an international height. His unique contribution is that 99 per cent of the drugs consumed in the country are produced locally and as a result we now export drugs to 84 countries, the Minister observed.

Barrister Rafique-ul Huq said most businessmen in the country have some sort of legal problems. "But Samson Chowdhury had never come to me for any legal problem." Barrister Huq said that late Samson H. Chowhury was a businessman of integrity and honesty which is very rare in the country.

MCCI President Maj.Gen (Retd.) Amjad Khan Chowdhury said he was a business icon, visionary leader and entrepreneur. "He made an enormous contribution to creating employment with high professionalism." He had encouraged many to set up businesses and repress poverty and hunger, said Khan, also the Managing Director & CEO of Pran-RFL Group. Recalling bold entrepreneurial leadership of late Samson, he said, "Samson H. Chowdhury was a true icon of entrepreneurial leadership who had employed fourty thousands people at his different business establishments". Late Chowdhury was an amiable man who treated all his employees with respect, observe MCCI president.

Syed Manzur Elahi, a former adviser to the caretaker government and chairman of Apex Adelchi Footwear Ltd, said Late Chowdhury had never compromised on business ethics and never earned money through short-cuts. Elahi urged the children of Samson Chowdhury to try hard to continue the successes of their father. "Your father has left very big shoes for you to fill." he observed and added that Late Samson H. Chowdhury did not show any pride in his life despite having wealth. Mr Elahi said the ethics, honesty and dedication of late Samson will be a source of inspiration for the country's businessmen. His business honesty is what earned him this respect across the spectrum,' he added.

ICC Bangladesh Vice Prrsident and Chairman of Transcom Group Latifur Rahman said Samson Chowdhury has contributed tremendously to businesses. "He set standards of ethics and values. We hear that many businessmen directly or indirectly compromise on ethics and standards in business, which ultimately damages society and financial institutions. But I have never heard he was involved in any financial scandal directly or indirectly." he observed. Latifur Rahman, who worked with the business legend in MCCI and ICC Bangladesh for years, said through Square Pharmaceuticals, Samson Chowdhury established business ethics and marketing practices. "He had maintained high standards at Square, which came through hard work," said Rahman.

Prof Mohammad Farashuddin, former governor of the central bank, said Samson Chowdhury was not only a business icon, but also a champion in the corporate world.



Guests observe one-minute silence paying rich tributes to Business Legend Samson H Chowdhury at a Memorial Meeting at Bangabandhu International Conference Centre on Saturday, 14 February.

"He never fell short on ethics, honesty and transparency. As a former regulator, I can say he was spotless." Dr.Farashuddin suggested formation of a Samson H. Chowdhury Memorial Council so that the new generation of the country could know about him.

FBCCI President AK Azad said: "A few days ago, Samson Chowdhury came to FBCCI regarding a licence issue of a herbal association. I told him that things would have been done, if he had just called me or sent someone else. In response, he said if a farmer does not go to his fields, he cannot expect a good crop." For him, Samson Chowdhury was an example of honesty, ideals and ethics in business. Azad said the apex trade body would publish in its next bulletin the life and success stories of late Samson H. Chowdhury elaborately so that the people and businessmen could know him and get inspiration to move forward. He called upon chambers and business bodies' members and people to send their writings on late Samson H. Chowdhury.

DCCI President Asif Ibrahim said "Late Samson Chowdhury was well-known for his good behaviour with his workers and farsightedness. He was never a loan defaulter and never used the stockmarket for the benefit of his companies. Let us promise to follow the ethics of late Saman H Chowdury. He had given us a glowing example on how to do businesses through merit, integrity, dedication and honesty that can ensure success". Asif Ibrahim remarked that the present generation of businessmen had much to learn from his example. 'Let us take the lesson from Samon H Chowdhury, so that we are not called loan defaulters anymore, we are not blamed for destroying the share market and we are not held responsible for inflation,' Asif said.

Former MCCI President and Chairman of ACI Group Anis Ud Dowla said the man behind Square always believed that there is no short-cut to success. "His death is a personal as well as national loss.", he observed.



ICC Bangladesh President Mahbubur Rahman (3rd from Left) is seen at the Memorial Meeting along with MCCI President Maj. Gen (Retd) Amjad Khan Chowdhury(2nd from left), FBCCI President A K Azad (2nd from right), DCCI President Asif Ibrahim (extreme left), CCCI Senior Vice President Mahbubul Alam (extreme right) and Tapan Chowdhury (3rd from right) second son of late Samson H. Chowdhury .

President of Bangladesh Aushad Shilpa Shamity (Bangladesh Association of Pharmaceutical Industry) and Vice Chairman of Beximco Group Salman F Rahman said Bangladesh meets 99 percent of its medicine requirement through domestic production and exports drugs to 84 countries and all theses have been possible because of Late Chowdhury's incredible hard-work and leadership.

CCCI Senior Vice President Mahbubul Alam described Late Samson Chowdhury as an institution by himself. "Late Samson did a lot for the welfare of the country's people", he added.

President of SAARC Chamber of Commerce and Industry Annisul Huq said that late Samon had patiently listened to others. "I call upon the family members of late Samson H. Chowdhury to publish his biography," he said.

Dennis Dilip Datta, a retired development and church activist, who had followed Late Samson Chowdhury like a shadow for 40 years, said: "I read out business news from newspapers to him in the last nine months up to his death. Despite being bed-ridden he always took care of the economy."

Among others former FBCCI President Mir Nasir Hossain, President of Bangladesh Insurance Association Sheikh Kabir Hossain, former president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Md. Fazlul Hoque, AmCham President Aftab ul Islam, former President of BTMA (Bangladesh Textiles Mills Association) MA Awal, Barrister Rokanuddin Mahmud, former Secretary Chowhudy M. Mohsin, Dean of Brac Business School Prof. Mamun Rashid also spoke about their interaction

Mr. Tapan Chowdhury, second son of late Samson H. Chowdhury and a former adviser to the caretaker government expressed gratitude to the businessmen and people of the country. "I, and other members of our family express our heartfelt gratitude to you (businessmen and people) as you paid tribute to our father late Samson H. Chowhury," he said.

The other two sons of Late Samson H. Chowdhury, Mr. Samuel S Chowdhury and Mr. Anjan Chowdhury and only daughter Ms.Ratna Patra were also present.

Condolence messages from ICC and WCF

ICC Chairman, ICC WCF Chairman, ICC Bangladesh President, ICC Secretary General and ICC Asia Director sent separate condolence messages to Mrs. Anita Chowdhury , wife of Late Samson H. Chowdhury. The messages were as follows:

ICC Chairman
Gerard Worms



"The reputation of Mr. Samson Chowdhury was indeed a great one within the entire ICC family. The unfailing support he provided to Mr. Mahbubur Rahman in his capacity as vice-chairman of ICC Bangladesh all these years, explains why this national committee has played such a prominent role in the region and beyond.

A man with a great vision and a true commitment to ICC such as his will be hard to find and will be sorrowfully missed.

On behalf of the ICC Chairmanship I would like to extend to you and your family our most sincere condolences."

Chair of ICC World Chambers Federation Rona Yircali



"On behalf of all my colleagues in ICC's World Chambers Federation, we extend our condolences to you and your family on the passing of Mr Samson H. Chowdhury.

Across his wide scope of his interest areas, Mr Chowdhury was passionate about the work undertaken by chambers of commerce, the voice of the business community.

During his time as the President of the Metropolitan Chamber of Commerce & Industry as well as with the Federation of Bangladesh Chambers of Commerce (FBCCI), he was conscience of the importance for chambers to work together cross borders, to learn from each other on the types of services they offer business and to remind us all on the vital role this network plays every day in the economic development of their local communities.

His contribution towards creating a dynamic and fruitful chamber network is greatly appreciated. His efforts have helped the World Chambers Federation fulfil its mission of strengthening chambers by reaching out and building relationships between them, to share experiences and best practices, as well as to address the current business issues affecting their local communities.

He has left us an important legacy not only to the chamber network in Bangladesh but around the world. We trust that this energy and spirit to serve business will continue in those that he has touched and worked with so closely, not only in Bangladesh but worldwide.

Our thoughts and prayers are with you all at this difficult time."

ICC Secretary General
Jean –Guy Carrier



"We are deeply saddened by the news of the passing of Mr. Samson H. Chowdhury.

I was honoured to meet him and we all know how well –respected he was.

Please accept our sincerest condolences at this difficult time and know how that the ICC family's thoughts are with you."

ICC Bangladesh President
Mahbubur Rahman



"I am deeply shocked and grieved at the sad demise of your very illustrious husband and our very beloved Samson Bhai. With him, we have not only lost our mentor, guide and well wisher but also the only Business Legend of our time.

Samson Bhai was one of those very rare individuals who touched many hearts and souls he came across for his fatherly and friendly loving care.

I, on behalf of ICC Bangladesh, *The world business organization* and on my own behalf extend our deepest condolence at this great bereavement. May God Almighty give enough strength to you and members of your family to bear this irreparable loss with courage and fortitude.

May God forgive him & rest his soul in eternal peace.

With profound regards."

ICC Asia Director
Mrs Lee Ju Song



"We are saddened to learn of the sudden demise of Mr. Samson H. Chowdhury, ICC Bangladesh Vice President. During his tenure, he was brought with him experience and has made invaluable contributions to the development of ICC Bangladesh. He would be badly missed by his colleagues.

May we hope that you will be comforted by the warm memories of Mr. Chowdhury. Deepest sympathies and condolences."

In Memoriam Samson H. Chowdhury
The Business Legend

The statement made by ICC Bangladesh President Mahbubur Rahman at the Memorial Meeting

Dear guests and friends,

With deep sorrow, I, on behalf of FBCCI, MCCI, DCCI, CCCI and ICC Bangladesh thank you all for joining us this afternoon at the Memorial Meeting to pay our homage to Mr. Samson H. Chowdhury, Chairman of Square Group- the Business Legend of our time

We all know that our beloved Samson Bhai died on January 5, 2012 around 10:20 a.m. at Raffles Hospital in Singapore, from old-age complications. He was 87.

Born on February 25, 1925 in Pabna, he was the eldest child of a medical officer EH Chowdhury.

He had his schooling in Mymensingh and Kolkata and completed his Senior Cambridge from Kolkata. Later he obtained a diploma in management from a Harvard University school.

He started a small pharmacy in Ataikula village of Pabna in 1952. Late Mr. Chowdhury left behind an unmatched legacy of entrepreneurship and industrialization.

He has built up from scratch the Square Group, one of the largest conglomerates of Bangladesh over a span of five decades. He has set an example of ethical business that is certain to inspire many others in the years to come.

He named the company as Square in 1958, started by four friends and the name signifies accuracy and perfection, meaning quality.

He also established other industries -- from textiles to consumer goods, banking, insurance, housing finance, agro vet products, information technology, media and herbal medicine to help the country grow with local products.

The Square Group has at present an annual turnover of $781 million (2009-10) or over Tk 6,000 crore and employs over 33,000 people.

He has received awards from the National Board of Revenue for being one of the highest taxpayers and recognized as VIP.

Samson Bhai is considered to be different from other businessmen in the country and in his approach to business he has always put people's welfare at the centre of entrepreneurship. Throughout his career, he remained above controversy of any kind.

In order to share the profits of his companies with the people and to make the capital market more attractive, he listed the Square Pharmaceuticals in stock market in 1995 and Square Textile in 2002.

Besides being presidents of a number trade bodies, he served as the Chairman of Transparency International Bangladesh in 2004-2007.

He was adjudged the Best Entrepreneur of the Country for the Year 2000-2001 by The Daily Star and DHL. The American Chamber in Bangladesh honoured him as Business Executive of the Year in 1998.

Mr. Chowdhury was founder president of Bangladesh Association of Publicly Listed Companies and Vice-President of International Chamber of Commerce, Bangladesh – the National Committee of *The world business organization*. He was also the Chairman of CDBL (Central Depository Bangladesh Ltd.).

Samson Bhai served as Presidents of Metropolitan Chamber of Commerce and Industry, Bangladesh Aushad Shilpa Samity, Bangladesh Herbal Products Manufacturing Association, Chairman of Mutual Trust Bank and a Member of FBCCI, among others.

During the Liberation War in 1971, Samson Bhai sheltered freedom fighters and supported them with medicines. After liberation of the country, he concentrated in setting up industries so that Bangladesh can meet most of its demand locally.

He did lot of philanthropic work, both in his ancestral home in Pabna and Dhaka. But he is someone who did all these outside the glare of the spotlight.

ICC Bangladesh is deeply shocked and grieved at the sad demise of Mr. Samson H. Chowdhury, our Vice President and Chairman of Square Group. Mr. Chowdhry and his Square Group has been associated with ICC Bangladesh since it started its journey in the 90s. ICC Bangladesh was fortunate to have his continuous guidance and support in carrying out its activities. He attended and actively participated in various ICC Conferences and Congresses held in different capitals of the world.

In his passing, we the businesses consider that the Nation has lost the Business Legend of our time.

Samson Bhai was one of those very rare individuals who touched many hearts and souls he came across for his fatherly and friendly loving care.

May God in His infinite mercy forgive him & rest his soul in eternal peace.

He left behind his wife Mrs. Anita Chowdhury, three sons, Samuel H. Chowdhury, Tapan Chowdhury and Anjan Chowdhury, daughter Ratna Patra, grand children and a very large number of admirers to mourn his death.

May God Almighty give enough strength to Mrs. Anita Chowdhury and members of her family to bear this irreparable loss with courage and fortitude.

We want to assure Mrs. Chowdhury and the family members as well as Square Group that we will always be beside them as we were Samson Bhai.

Participation of Late Mr. Samson H. Chowdhury at a few selected ICC Bangladesh activities



Mr. Samson H. Chowdhury is seen at the ICC Bangladesh Annual Council 2010 held in Dhaka on April 16, 2011



ICCB Vice President Samson H. Chowdhury (extreme right) with Finance & Planning Advisor Dr. A. B. Mirza Md. Azizul Islam (3rd from Left), ICCB President Mahbubur Rahman (3rd from right), BOI Executive Chairman Kamal Uddin Ahmed (2nd from left), ICCB Vice President Latifur Rahman (extreme left), FBCCI President Annisul Huq (2nd from right) at the Launching Ceremony of ICCB Business Directory held in Dhaka on April 02, 2008



Mr. Samson H. Chowdhury is seen attending ICC Bangladesh Executive Board Meeting held on Januray 10, 2010



Mr. Samson H. Chowdhury (6th from left) attended a Meeting with ICC Chairman Dr. Victor K. Fung (6th from right) during his visit to Dhaka on April 12, 2010

ICCB President attends SME Fair 2012

High lending rates and collaterals nipping many potential SMEs

The SME Foundation arranged a 3-day SME National Fair 2012 in Dhaka during February 14-16. Industries Minister Mr. Dilip Barua, M.P., was the Chief Guest and ICCB President Mr. Mahbubur Rahman was Special Guest at the inauguration of the Fair. SMEs from 19 districts showcased their handicrafts, leather goods and footwear, agro-processed products, herbal and cosmetic stuff, boutiques, designs and fashion wears, light engineering and electronic goods at the 110 stalls of the Fair.



ICC Bangladesh President Mahbubur Rahman addressing as Special Guest at the SME Fair 2012 which was inaugurated by Chief Guest Industries Minister Dilip Barua, M.P., (3rd from Left).

High lending rates and collaterals are nipping many potential small and medium enterprises in the country, said Industries Minister Barua while inauagurating the SME Fair. "The lack of necessary finance is a key problem for SMEs. Many do not feel encouraged to take loans due to high interest rates. Offering collaterals also pose real problems. As a result, many enterprises fall flat following inception," he said. "Therefore, I have been demanding loans for the small and medium sized entrepreneurs at lower interest rates and on easy conditions since the government came to power three years ago" said the Minister. Barua said that the SME sector is a major driving force for economic development and that sustainable development of the sector ensures heavy industries of the future.

The Minister said Bangladesh Bank has taken steps under its refinancing scheme to assist entrepreneurs with loans at lower interest rates. "Under the programme, banks and financial institutions are providing loans to women entrepreneurs at 10 percent interest rates. Besides Bangladesh Bank, the Asian Development Bank and the World Bank have jointly formed a revolving fund. Under the fund, Tk. 1,925 crore has been lent so far. The amount of the fund will go up for the sake of entrepreneurs in future," the Minister said.

Barua said the financial institutions should be further flexible in providing women entrepreneurs with loans between Tk 7 lakh and Tk 25 lakh without any collateral. He said steps should be taken to set up industries in various parts of the country considering the available advantages and potential a region has for industrialisation. "Besides, initiatives have been taken to expand the 40 old industrial towns of BSCIC (Bangladesh Small and Cottage Industries Corporation). Once implemented, the new entrepreneurs will get plots there. Women entrepreneurs will also get plots on priority basis." He asked the SME Foundation to organise fairs at district and upazila levels.

ICC Bangladesh President Mahbubur Rahman said the SME could play an important role in creating jobs and eradicating poverty. He said that global wealth has almost doubled since 1990, but nearly half of the world's population subsists on less than US$ 2 per day. Poverty remains a major challenge to sustainable development, environmental security, global stability and a truly global market. Improving the performance and sustainability of local entrepreneurs and SMEs, which represent the backbone of global economic activity, can help achieve the desired growth and alleviate poverty, Mahbbur Rahman said.

He mentioned that SMEs are an important source of export revenues in almost every developing economy. SMEs contribute a larger share of manufactured exports in more industrialized East Asian economies with Chinese Taipei 56%, China more than 40% and India 31.5%. In Bangladesh, contribution of SMEs to export earnings ranges from 75 percent to 80 percent, according to a recent economic census. The development of SMEs, which contribute almost 25 per cent of our GDP, can be considered as a vital instrument for the economic growth, poverty alleviation and rapid industrialization. Bangladesh has approximately 27,000 medium sized enterprises and about 150,000 small sized enterprises contributing almost 25 percent of GDP. These SMEs directly employs 1.5 million people and indirectly supports employment of up to 15 million persons, he said.

"Though the SME sector is becoming gradually a rising industrial sector of our country and

contributing more and more to our export, this sector faces several common problems, although government of Bangladesh has taken some initiative to ensure the growth of SMEs. Bangladesh government should continue to give more focuses on some areas, such as arrangement of finance, provide infrastructure facilities, frame appropriate legal framework, establish national quality policy etc.", said Mahbubur Rahman

Speaking on the occasion, Akter Hossain Khan, an entrepreneur from Syedpur who has set up a stall at the fair, said lack of adequate capital is a major problem for small entrepreneurs. "We want loans at lower interest rates." Mollika Chakma, who came from Rangamati, said they do not get bank loans as they cannot provide collaterals. "We will be able to do more if we receive assistance."

The objective of the exposition is to expand the markets of SME goods at home and abroad, and help build bridges among the SME entrepreneurs, said Syed Rezwanul Kabir, managing director of SME Foundation.

ICC Workshop on Credit Risk Management

Manzur Elahi called for better management of fund by banks

Bangladesh economy presently stands at about US$ 100 billion and this could have been doubled to US$ 200 billion with better management of fund for investment by the commercial Banks. Therefore, the Credit Risk Management by the Banks are significantly important as they are utilizing public money for proving credit for investment, observed Syed Manzur Elahi, former Adviser to the Caretaker Government & Chairman, Apex Group while speaking at the inaugural session of the Workshop on Credit Risk Management organized by ICC Bangladesh at a local hotel in Dhaka on March 24.

He mentioned that the rate of Non-Performing Loans (NPL) of the state owned banks are the highest followed by Private Commercial Banks and Foreign Banks. As a result, the liquidity gets affected which ultimately hamper investment in projects financed by the Banks.

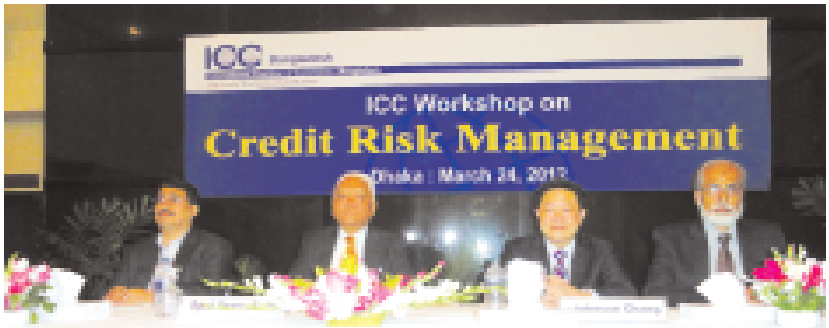
Mr. Elahi appreciated the Bangladesh Bank Manual of Credit Risk, which is very comprehensive and if properly followed will definitely reduce Credit Risk, he noted. It will also help better management of fund, he added. In this regard Mr. Elahi suggested that Bangladesh Bank should build up more professional capacity and increase manpower to monitor the risk provided by the Banks. He however apprehended that it will be difficult for the Central Bank to monitor liquidity closely of the existing as well as new banks that are likely to approved soon.

Prof. Mamun Rashid, Dean, Brac Business School & Chairman, ICC Bangladesh Standing Committee on Banking, Technique & Practice emphasized the need for appropriate tools & mechanism to mitigate the Credit Risk Management, as it is not possible to eliminate credit risk totally. He also urged to ensure proper management of credit as well as best utilization of resources. Prof. Rashid thanked the HSBC Bank for their cooperation in organizing the workshop in Dhaka as well as in Chittagong.

It may mentioned that the workshop provided participants with an overview of best practices in credit risk management, how to avoid unexpected losses, benchmark their institution against industry best practices and on corporate credit risk management.

Mr. Johnson Chang, Credit Risk Officer, HSBC Bangladesh who is also the resource person of the workshop and ICCB Secretary General Ataur Rahman also spoke at the inaugural session.

A total of sixty six senior and mid-level officials from different commercial banks, financial Institutions, national and multi-national companies attended the first workshop held in Dhaka on March 24. The second workshop held in Chittagong on March 25 was attended by thirty participents from commercial banks.



ICCB Executive Board Member & Former Adviser to the Caretaker Government Syed Manzur Elahi (2nd from left) is seen at the inaugural session of the ICC Workshop on Credit Risk Management on March 24. Prof. Mamun Rashid, Dean, Brac Business School & Chairman, ICCB Standing Committee on Banking Technique & Practice , Johnson Chang, Chief Risk Officer, HSBC, Bangladesh and Ataur Rahman, Secretary General ICCB are also seen on the Dias.

ICCB President Moderates Seminar on Business Opportunities

Canada urged to invest in Bangladesh

Canada Bangladesh Chamber of Commerce and Industry and the Canadian High Commission arranged the Second Canada Show Case 2012 in Dhaka during March 4-5. On this occasion, a seminar on Business Development Opportunities was organized jointly by Dhaka Chamber of Commerce and Industry (DCCI) and Saskatchewan Chamber of Commerce of Canada organized at Hotel Sonargaon on March 5. ICCB President moderated the Seminar. Canadian High Commissioner, MCCI President, Amcham President, DCCI President spoke at the Seminar. Senior Research Fellow of CPD Dr. Khondaker Golam Moazzem presented the keynote paper on Canada-Bangladesh trade and investment situation.



Canadian High Commissioner Ms. Heather Cruden is seen delivering inaugural address at the Business session moderated by ICC Bangladesh President Mahbubur Rahman (3rd from right). Also seen in the picture are: AmCham President Aftab ul Islam (extreme right), Saskatchewan Chamber of Commerce CEO Steve McLellan(2nd from right), DCCI President Asif Ibrahim (3rd from left), MCCI President Maj. Gen (Retd.) Amjad Khan Chowdhury (2nd from left) and Senior Research Fellow of CPD Dr. Khondakar Golam Moazzem (extreme left).

Canadian High Commissioner Ms. Heather Cruden in her introductory remarks thanked ICC Bangladesh President Mahbubur Rahman for agreeing to moderate the session and thanked the keynote speaker, MCCI President, DCCI President, Am Cham President and CEO Saskatchewan Chamber of Commerce for participating at the Session. She mentioned that the main purpose of organizing the Canada Showcase is to increase trade between the two countries. She hoped that she will be able to increase the trade volume to over $2billion within this year. The High Commissioner assured the business community of both the countries of the fullest cooperation of the Canadian Mission in Dhaka. President of Canada Bangladesh Chamber of Commerce and Industry Masud Rahman also spoke.

The speakers suggested that Canada should explore more business opportunities and invest in Bangladesh as the country offers the most liberal trade regime in South Asia. They said Bangladesh has adopted many business-friendly policies in the last four decades. All of them cater to private businesses, both local and foreign.

Although the relation between Canada and Bangladesh dates back to 1971, the North American country has invested US$300 million only so far. Last year, Canada invested $2.5 million in Bangladesh, which is 0.5 percent only of its total foreign investment, although the FDI regime in Bangladesh is one of the most liberal in South Asia, said key note speaker Dr.Moazzem. The two-way trade however increased sharply in recent years, more than doubling to $1.6 billion in 2011 from $648 million a year before, with the balance tilted towards Bangladesh, he said. Bangladesh's policies meet the demands and needs of investors especially foreign ones. "The country has the most liberal trade regime in South Asia region. It offers incentives and supports for investment in priority sectors" he said. The analyst said investment in terms of GDP in Bangladesh has been stuck at 25 percent for a decade, which offers Canada immense opportunity to invest in Bangladesh, having one of the lowest tariff rates in the region in raw material and intermediary goods imports. Besides, Bangladesh's domestic market is also equally important. The export-import activities of Bangladesh have doubled from $16 billion in 2002 to $43 billion last year," he said.

MCCI President Maj. Gen. (Retd) Amjad Khan Chowdhury said Bangladesh offers a competitive production base due to its geographical position. "Bangladesh's middle class is growing fast, offering a market for producers. In the same way, surrounded by India, it also offers market opportunity for countries like Canada", he observed.

Saskatchewan Chamber of Commerce of Canada CEO Steve McLellan said they want to cross the $2.0 billion trade milestone between Bangladesh and Canada soon. He said sharing knowledge about each country is important to boost trade. "We need to know what you offer and know the products you are good at. The link between people is also important to accelerate bilateral trade," he said adding that the chamber should explore business opportunities.

DCCI President Asif Ibrahim in his remarks said Bangladesh offers an

unparallel investment climate compared to the other South Asian economies. "Bangladesh is a place for investment. As the future lies with Asia, the country will be an economic tiger in the future." Bangladesh offers broad non-partisan political support for market-oriented reform and the most investor-friendly regulatory regime in South Asia. "We have trainable, enthusiastic, hard-working and low-cost (even by regional standards) labour force suitable for any labour-intensive industry," he said. Ibrahim said the geographic location of Bangladesh is ideal for global trade, with very convenient access to international sea and air routes. "Though on a limited scale, Bangladeshi products have already found their access with lower duty in the markets of Thailand, India and Pakistan. Talks are underway with China, Russia, Malaysia and other neighbouring countries in this regard " observed DCCI President.

Aftab ul Islam, President of American Chamber of Commerce in Bangladesh, said many investors have admitted that Bangladesh offers the most return on investment.

ICCB President Mahbubur Rahman in his concluding remarks said "We need FDI and investment. Bangladesh also needs to produce more to export to countries like Canada," he said. Canadian businesspeople can invest in Bangladesh's energy, agro-processing industries, food, transportation, paper and pulp from Jute, fertilizer, textiles, leather and leather goods, ceramics, pharmaceuticals, electronics, light engineering, steel, hospitals, education, tourism and hotels and shipbuilding, suggested Mahbubur Rahman.

The Canadian High Commissioner and Canada Bangladesh Chamber President presented memento to the speakers at the end of the session.

DFID officials call on ICC Bangladesh President
Discusses on areas of collaboration

Ms. Catherine Martine, Senior Private Sector & Market Development Adviser and Ms. Shahnila Azher, Private Sector Adviser, DFID Bangladesh called on ICC Bangladesh President Mahbubur Rahman at National Secretariat on February 13. They discussed on investment and development issues. Ms.Martin thanked ICCB President for taking active part as Member of the Technical Advisory Committee of IFC BICF (Bangladesh Investment Climate Fund) in formulating its various programme for promotion of trade and investment in Bangladesh. Mahbubur Rahman thanked the DFID for financing the activities of IFC BICF together with EU.

ICCB President briefed the team about the global activities of ICC including in Bangladesh. He mentioned that ICC formed a G-20 Advisory consisting of top business leaders from around the world, including Bangladesh, in view of the ongoing economic crisis. The objective of the ICC G-20 is to interact and advice the G-20 leaders on issues including global economic growth and stability, promoting open trade and investment, job creation, reforming the financial sector, addressing the threat of climate change, fighting corruption and closing the development gap. The G-20 leaders have already demonstrated their willingness to reach out to business and to listen to its advised, said Mahbubur Rahman.

Ms. Martine expressed her keen interest in working jointly with ICC Bangladesh in promotion of trade and investment in Bangladesh.



Senior Private Sector & Market Development Adviser of DFID Catherine Martine (extreme right), Private Sector Advisor of DFID Shahnila Azher (2nd from left) are seen with ICCB President Mahbubur Rahman (2nd from right) and Secretary General Ataur Rahman (extreme left) during their visit to the ICC National Secretariat.

Enrollment for CDCS Examination and IFC FIT programme

This year the CDCS (Certified Documentary Credit Specialist) Examination of ***ifs*** School of Finance, UK conducted worldwide including Dhaka will be held on April 13. A total of 89 candidates will be appearing at the Examination. It may be mentioned that ICC Bangladesh started holding CDCS Examination in Dhaka since 2008. So far, 132 candidates appeared out of which 52 were successful.

38 bankers have registered for participating at the 'FIT' Initiative

(Finance of International Trade) e-learning programme, developed by eBusiness School of International (eBSI) Ireland jointly with ICC Bangladesh with support from International Finance Corporation (IFC), a private arm of the World Bank Group. Bangladesh has been chosen by IFC as the first country for this innovative programme, which started in 2007 provide beneficiary countries with structured training in best practice in international trade, access to international network of trade finance professionals, an ongoing infrastructure for professional development, net-working and global trade facilitation. Candidates are given ICC Certification and Certification from Institute of Export, UK and. So far, 250 bankers and other professional have successfully completed this programme.

51st ICCB Executive Board meeting held

Reviews activities and decides on date for Annual Council 2011

The 51st meeting of the ICCB Executive Board was held on March 21. The Board Members stood in one minute silence to pay homage to ICC Bangladesh Vice President Late Samson H. Chowdhury. The members recalled with gratitude the continuous guidance and unqualified support extended by him to ICC Bangladesh in carrying out its various activities.



51st Meeting of the ICCB Executive Board in progress.

The Executive Board reviewed the activities of ICC Bangladesh during first quarter of the year. The Board decided to hold the Annual Council 2011 on April 28, 2012 as well approved the Executive Board Report and Auditors Report for placing before the Annual Council.

The Board also accepted the applications of M/S. GE Bangladesh and M/S. Expeditors to be members of ICC Bangladesh under corporate category.

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, Aftab ul Islam, Kutubuddin Ahmed, Mahbub Jamil, Mamun Rashid, Md. Fazlul Hoque, Barrister Rafique-ul Huq. Maksud Khan, Syed Ershad Ahmed, Syed Manzur Ealhi and Waliur Rahman Bhuiyan, OBE.

Saskatchewan Chamber of Commerce CEO calls on ICCB President

Mr. Steve McLellan, CEO of Saskatchewan Chamber of Commerce from Canada called on ICC Bangladesh President Mahbubur Rahman on March 6. They discussed on areas of cooperation and promotion of trade and investment between the two countries.

ICCB President thanked Mr. McLellan and hoped that on his return home, he will be able to appraise his Chamber Members for enhanced investment in Bangladesh.

The CEO thanked the President for giving him the opportunity of meeting him and discussing on areas where Canadian investors may be interested to invest in Bangladesh. He was pleased and encouraged to see the overall development that is taking place in Bangladesh despite the global crisis.



Saskatchewan Chamber of Commerce - Canada CEO Steve McLellan (2nd from left) is seen with ICCB President Mahbubur Rahman (2nd from right) during his visit to the ICCB Secretariat. Also seen are Managing Director of Novo Aviation Services Ltd. Syed M. Rahman (extreme left) and ICCB Secretary General Ataur Rahman (extreme right).

New Members

M/S. GE International Inc.- Bangladesh and M/S. Expeditors (Bangladesh) Ltd have joined ICC Bangladesh in March as members under Corporate Category.

M/S. GE International Inc.- Bangladesh has been in operation in Bangladesh since June, 2008. Mr. John Flannery is the President and CEO of the Company. The US based company is generating US$150 billion revenue in more than 110 countries around the world. Its interest in Bangladesh include energy, healthcare and transportation segment.

M/S. Expeditors (Bangladesh) Ltd. a leading US supply chain management company has been in operation in Bangladesh since July, 1996. The CM and Managing Director of the company is Syed Ershad Ahmed.

ICCB bids farewell to General Manager



Mr. M Fazlur Rahman Bhuiyan completed his tenure as the General Manager of ICC Bangladesh on December 31, 2011. Mr. Bhuiyan joined ICC Bangladesh on August 2, 2008. He was given a farewell by the ICC Bangladesh President Mahbubur Rahman which was attended by Secretary General Ataur Rahman and other Staff members. President Mahbubur Rahman thanked Mr. M Fazlur Rahman Bhuiyan for his services to the National Secretariat and wished him good health and long life.

ICCB Forthcoming events

17th ICCB Annual Council 2011
Date: April 28
Venue: Dhaka Chamber of Commerce & Industry (DCCI), Auditorium
Motijheel C/A, Dhaka-1000

Seminar on Enabling Environment for the Successful Integration of SMEs in Global Value Chain
Date: May 13
Venue: Hotel Ruposhi Bangla, Dhaka

Seminar on APTA in collaboration with UNESCAP
Date: Mid-June

For further information please contact:

Secretary General, ICC Bangladesh,
Tel : +88-02-8621942, 9676698, e-mail: iccb@bdmail.net

Bangladesh Economy

International Tribunal for Law of the Sea decides on Bangladesh-Myanmar Maritime Boundary Dispute

The International Tribunal for the Law of the Sea on March 14 issued its judgment in the Dispute concerning Delimitation of the Maritime Boundary between Bangladesh and Myanmar. The dispute concerned the delimitation of the territorial seas, exclusive economic zones and continental shelves of these two states in the Bay of Bengal.

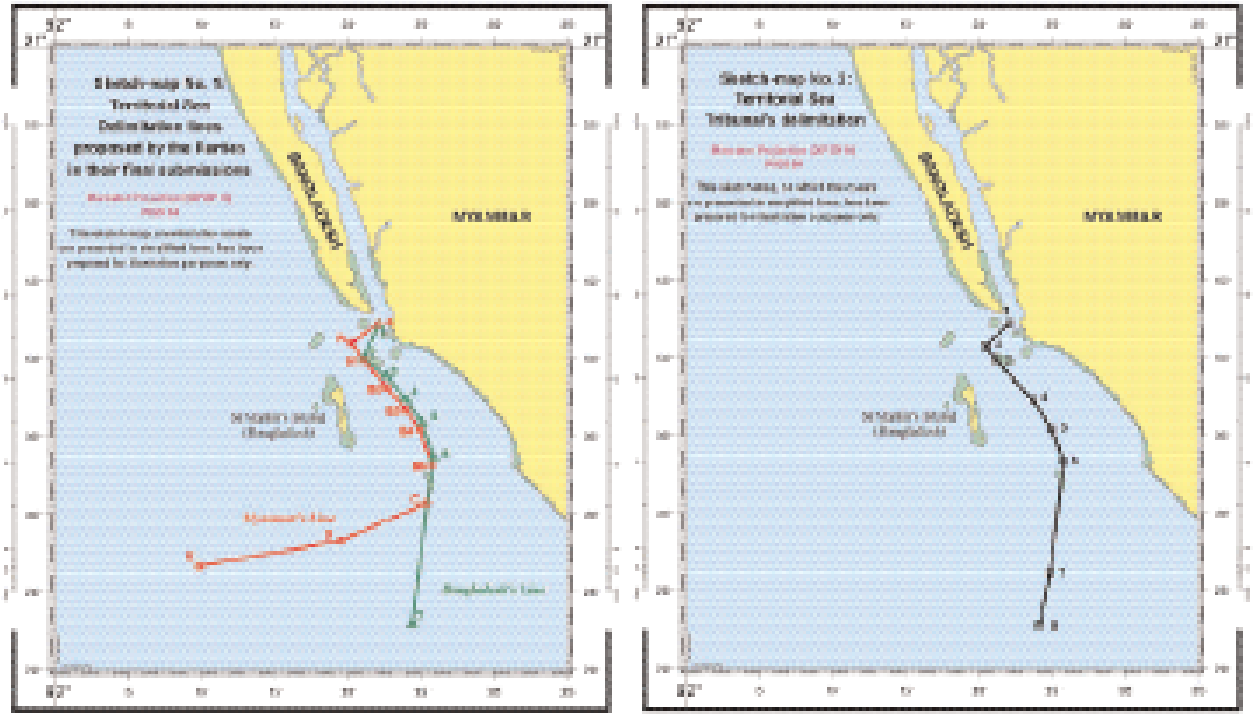
In relation to the territorial sea, the Hamburg based Tribunal drew an equidistance line from baselines identified by the parties in accordance with Article 15 of the 1982 United Nations Convention on the Law of the Sea. It found there were no special circumstances which called for moving this equidistance line.

Article 15 of the Convention, which is the applicable law, reads as follows: Where the coasts of two States are opposite or adjacent to each other, neither of the two States is entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured. The above provision does not apply, however, where it is necessary by reason of historic title or other special circumstances to delimit the territorial seas of the two States in a way which is at variance therewith.

The Tribunal observed that Myanmar and Bangladesh agree that the law applicable to the delimitation of the territorial sea in the present case is provided by article 15 of the Convention.

In relation to the exclusive economic zone and continental shelf within 200 nautical miles, the tribunal had been asked to draw a single maritime boundary by the parties. The Tribunal identified that it was required to draw the maritime boundary in order to achieve an equitable result in accordance with Articles 74 and 83 of the 1982 United Nations Convention on the Law of the Sea. The Tribunal decided to draw a provisional equidistance line but it then adjusted this line to take into account the concavity of the Bangladeshi coast.

The Tribunal also decided that "the delimitation method to be employed in the present case for the continental shelf beyond 200 [nautical miles] should not differ from that within [200 nautical miles]." (Para. 455 of the Judgment). As the concavity of the coast continued to have an effect beyond 200 nautical miles, the Tribunal held that the adjusted equidistance line should continue in the same direction beyond the 200 nautical mile limit of Bangladesh until it reaches as area where the rights of third States may be affected (Para. 462 of the Judgment)



Source : International Tribunal for the Law of Sea

Throughout its judgment, the Tribunal stressed that the goal of maritime boundary delimitation (beyond the territorial sea) was an "equitable solution." Thus, the outcome of any decision is unlikely to be a "winner takes all" scenario.

This is perhaps clearest in relation to the single maritime boundary drawn for the exclusive economic zone and continental shelf within 200 nautical miles. Bangladesh had argued that the Tribunal should use the angle-bisector method in drawing the boundary, as the equidistance line would, in its opinion, lead to inequitable result. This argument was rejected by the Tribunal which accepted that the equidistance/ relevant circumstances method was appropriate in this case, as had been argued by Myanmar. Yet, the Tribunal did not fully accept all of the arguments of Myanmar put forward by Myanmar on this point. The Tribunal stressed that it was not bound by the base points suggested by Myanmar in its proposed equidistance line and the Tribunal added its own base point to lead to a more equitable provisional equidistance line. Moreover, the Tribunal also rejected the argument of Myanmar that there were no relevant circumstances. Bangladesh had identified several possible relevant circumstances. The Tribunal accepted that it was necessary to adjust the equidistance line to take into account the concavity of the coast. But it did denied the relevance of the other circumstances, put forward by Bangladesh, including the position of St. Martins Island (subject to the sovereignty of Bangladesh) which was given no effect in the delimitation. (Para. 319 of the Judgment) The adjustment of the line is largely done at the discretion of the Tribunal, with the Tribunal itself noting that "there are no magic formulas." (Para. 327 of the Judgment) Arguably, the final delimitation line for this part of the boundary gives something to both parties.

The equitable nature of the solution is also apparent in relation to the settlement of the boundary beyond 200 nautical miles. On this point, Myanmar had argued that the Tribunal should not exercise its jurisdiction, but the Tribunal was clear that it had the right to decide on the delimitation, regardless of whether the extension of the outer continental shelf had been approved by the Commission on the Outer Limits of the Continental Shelf. The tribunal also rejected Myanmar's argument that Bangladesh has no continental shelf beyond 200 nautical miles. At the same time, the tribunal rejected the argument of Bangladesh that there was no natural prolongation from the coast of Myanmar because of the geological discontinuity where the Indian tectonic plate meets the Burma tectonic plate about 50 nautical miles from the coast of Myanmar. In an important clarification of the law, the Tribunal held that natural prolongation refers to the extension of the continental margin and there was therefore no need for geological continuity (Paras. 437 and 460 of the Judgment). Nor did the Tribunal accept that the geographic origin of the sedimentary rocks had any relevance for the delimitation of the outer continental shelf. (Para. 447 of the Judgment) In the end, the Tribunal simply extended the adjusted equidistance line that it had already drawn for the exclusive economic zone and continental shelf within 200 nautical miles. Again, this solution can be seen as giving something to both parties, but it certainly does not give either of them everything they had asked for.

It may be mentioned that the Judgment is important in a number of respects. Firstly, it is the first dispute concerning maritime boundary delimitation decided by the International Tribunal for the Law of the Sea. It therefore gives an indication of the approach of the Tribunal to maritime boundary delimitation compared to other international courts and tribunals. Secondly, it is the first judgment of an international court or tribunal which directly addresses the delimitation of the continental shelf beyond 200 nautical miles. The tribunal therefore had to deal with some novel legal issues in its judgment. The judgment will also be an important point of reference in the on-going dispute between Bangladesh and India concerning their maritime boundaries on the other side of the Bay of Bengal. The tribunal dealt with the delimitation of the maritime boundary in three different parts: the territorial sea; the exclusive economic zone and continental shelf within 200 nautical miles; and the continental shelf beyond 2oo nautical miles.

Source : International Law Ovserver

WB projects 6% GDP growth for FY12

The World Bank in its latest world economic outlook has projected that the Bangladesh's gross domestic product (GDP) growth this fiscal year would be 6%, well below the government's target of achieving a 7% growth.

The bank in its Global Economic Prospects 2012 released on January 17 said that growth in developing countries including Bangladesh would slow down in the FY12 because of continued deceleration in investment growth and deterioration in international investor sentiment, heightened uncertainty and weaker external demands from high-income Europe and developing countries.

It showed that Bangladesh's GDP growth which was 6.7% in FY11 would come down to 6.0% in FY12 and climb up to 6.4 per cent in FY13. The government in the budget for the current fiscal year had projected that the country's economy would grow by 7.0% but in recent months leading economists expressed doubt

about achieving the growth target because of strains on economy and global economic crisis.

The WB report warned deepening of the Euro crisis would lead to weaker exports, worker remittances and capital inflows to South Asia. 'Bangladesh, the Maldives and Sri Lanka are particularly exposed to a downturn in European demand for merchandise. However, there could be some countercyclical benefits for goods exporters for some sectors.

It warned that workers' remittances inflows — which were equivalent to 9.6% of the GDP in 2010 in Bangladesh —could slow markedly through second round effects of weakened domestic demand in migrant host-countries, largely located in the Arabian Gulf. It said while export activities of Bangladesh in the past year surged, strong import growth (from a higher base) contributed to a deterioration in the trade deficit and the current account surplus narrowed markedly.

In South Asia, Bangladesh will have over 6.0% growth only after Sri Lanka where the gross domestic product (GDP) this year will be 6.8%. Pakistan will have 4.0% and Nepal 3.5% growth this year, the report said. The WB report noted that the regional growth exceeded the long-term average of 6.0 per cent, reflecting above trend activity in Bangladesh, India and Sri Lanka. It also pointed out some risks and vulnerabilities, which require special attention to accelerate growth.

The report also said while South Asia is relatively insulated from international financial market turbulence compared to other more integrated regions, the weak global economic trajectory will nonetheless likely to have an adverse impact on the region.

Given the lack of fiscal space in South Asia, inflationary pressures and consequent limited room for monetary policy easing, fiscal consolidation through greater revenue mobilization, particularly in Pakistan, Sri Lanka, Bangladesh and Nepal could play a key role in helping to protect critical social programmes, it said.

Projecting lower global growth which would be 3.4 per cent in 2012 and 4.0 in 2013, the WB advised developing countries to evaluate their vulnerabilities and prepare for facing further shocks, while there is still time.

Balance of payments: Recent developments, implications

Trade balance recorded a higher deficit of US$5029 million during July-January, 2011-12 compared to the deficit of US$4269 million during July-January, 2010-11.

Despite this the large inflow of workers' remittances contributed to a current account surplus of US$462 million during July - January, 2011-12 (against the surplus of US$815 million during July-January, 2010-11).

Inspite of a capital account surplus of US$290 million, a financial account deficit of US$1038 million resulted in a deficit of US$813 million in overall balance during July-January, 2011-12 against a deficit of US$711 million during July-January, 2010-11.

The main driving factor behind the financial account deficit is the EPZ exports which can be repatriated and as such the net exports shown in the trade balance are counter-balanced by the equivalent amount in the financial account

Balance of payments
(2010-2012)

(In million US$)

	@FY 2010-11R	@@July-January 2010-11R	@@July-January 2011-12P
Trade balance	**-7328**	**-4269**	**-5029**
Exports f.o.b(including EPZ) 1/	23008	12220	14017
Imports f.o.b(including EPZ)	-30336	16489	19046
Services	**-2398**	**-1388**	**-1607**
Credit	2570	1480	1602
Debit	-4968	2868	3209
Primary income	**-1354**	**-806**	**-1006**
Credit	119	63	104
Debit	-1473	869	1110
Of which:Official interest payment	-220	183	232
Secondary income	**12075**	**7278**	**8104**
Official transfers	127	98	63
Private transfers	11948	7180	8041
of which : Workers' remittances	11650	6521	7290
Current account balance	**995**	**815**	**462**
Capital account	**600**	**361**	**290**
Capital transfers	600	361	290
Others	0	0	0
Financial account	**-1584**	**-1914**	**-1038**
Errors and omissions	**-936**	**27**	**-527**
Overall balance	**-925**	**-711**	**-813**

Source :Statistics Department, Bangladesh Bank. @= Considering BPM-5 @@= Considering BPM-6

1/ Excludes local sales reported by EPB. Some adjustments necessiated by BOP considerations have been made.

2/ Excluding supplier's credit, reclassified as trade credit below.; P= Provisional. R= Revised

ICCB President at NBR launching of ADR System

The National Board of Revenue (NBR) launched the Alternative Dispute Resolution (ADR) System in Dhaka on March 14 to settle tax disputes out of court. The system aims to boost revenue collection and clear the backlogs of thousands of tax related cases pending at courts. The ADR System will help resolve the disputes between the tax administration and the tax payers – both companies and individuals – relating to income tax, value added tax and custom duty. Law Minister Barrister Shafique Ahmed inaugurated the launching of the ADR. NBR Chairman, ICCB President, FBCCI President, Mrs. Rokia Afzal Rahman and Former Bangladesh Bank Governor Dr. Mohammad Farashuddin also spoke at the launching ceremony. It may be mentioned that ICCB President Mahbubur Rahman has been designated as one of the 13-member panel of facilitators for settling tax, VAT and custom disputes. As part of the introduction of the ADR, the tax administrator, in consultation with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), has formed the 13-member panel of facilitators, which comprised of officials of judicial services, chartered accountants, cost and management accountants, tax lawyers and representatives of the apex trade body, FBCCI.

The Minister said delays and backlogs are ruining the country's judicial system. “You never know how much time you will need to see the settlement of a case at a court.” Ahmed said the ADR is not the alternative to the existing judicial system. It is a form of arbitration in which disputes are settled based on consensus, said the minister. The ADR will be beneficial to you. You will not need to pass days at courts seeking to settle the cases, he added

FBCCI President AK Azad said no businessman wants to go to court because it involves a lot of hassles. "We have to remain tensed if we have cases at the court," he said, adding that delays in settlement of cases badly impact bank guarantee of businessmen. At the same time, businesses need to pay monthly fees for lawyers, he added. "That's why we don't like to go to court."

The FBCCI chief wanted increased power of the facilitators so that they can play a role in decision making at the ADR. "We also want to see that the NBR has ensured accountability of the tax officials," he said. Azad said the taxpayers are more conscious now and pay more taxes than before. But still many potential taxpayers remain out of the tax net.

International Chamber of Commerce Bangladesh President Mahbubur Rahman said before a case starts at the ADR, there should be a consensus between taxpayers and the NBR about who will be the facilitator. "The ADR is very much helpful to attract foreign investment. Foreign investors don't want to invest in those countries where there is no ADR system," said Rahman.

The NBR launched the ADR for large taxpayers unit for income tax and VAT in tax zone-1 in Dhaka. The system was introduced to settle VAT related disputes in Dhaka south zone. The tax collector that had earlier launched the ADR to resolve customs related disputes at Chittagong customs will gradually introduce the system in other areas of the country.

East West University, a private university, has become the first institution that has shown interest to go to the ADR to settle its disagreement with the tax administrator. The ADR will resolve disputes on the basis of consultation with the taxpayers and the tax authority, not by force.

The tax administration introduces the ADR, widely practised abroad to resolve disputes, as it finds that around 20,000 cases involving Tk 12,000 crore worth revenue for VAT and income tax remain unresolved at courts.

The ADR will also reduce legal and procedural complexities and require less formalities compared to other existing systems. If a dispute is already at High Court, the taxpayer will have to come to the ADR by postponing the appeal at tribunal or at the Supreme Court based on permission from the court.

BD's first bio-fertiliser plant goes into production from April

The country's first bio-fertiliser plant, located beside Carew and Co (BD)'s sugar-mill, will go for trial production from this April. In 2010, the government took the project at a cost of Tk 60 million to set up a large bio-fertiliser plant beside Carew and Co at Darshana in Chuadanga to produce organic fertiliser from the by-products of the sugar-mill. The project, first of its kind in the country, with a yearly production capacity of 9,000 tonnes, would contribute to meet the country's growing demand for organic bio-fertilisers.

The country's 15 state-owned sugar-mills produce 50,000 to 60,000 tonnes of press-mud each year while crushing sugarcanes for producing sugar. Bangladesh, one of the largest agro-based economies in the world, uses more than 3.0 million tonnes of chemical fertilisers per year, which reduces fertility of soil in the long run.

According to data, the country's crop-fields lack organic elements, as among other elements, they possess only 1.7 per cent of such elements, whereas the ideal is about 3.5 per cent.

Shipbuilding to 'supersede RMG in a decade': says Danish Ambassador

The Danish Ambassador in Dhaka has said Bangladesh maritime sector is likely to supersede readymade garments (RMG) in foreign exchange earning in a decade or two. He urged the government to come forward with proper strategies and necessary supports for its rapid growth. The textile sector is now the single largest export earner for Bangladesh, which alone makes up over 70 per cent of total exports, with a net income of nearly 17.5 billion in 2011.

Cambridge Maritime College (CMC), a private institute to develop seafarer, arranged the roundtable, where eminent lawyer Dr Kamal Hossain attended as the chief guest.

Danish Ambassador Mr Olling said Bangladesh has a number of competitive advantages in the field of shipbuilding and it should grab it immediately in order to diversify exports, multiply foreign exchange earnings and re-brand its name in the world. He said the maritime sector has remerged in Bangladesh, which has a long tradition of shipbuilding between 15th and 17th centuries.

Industry insiders say riverine Bangladesh has over 200 shipbuilding units and repair yards, but only a handful of them topped the list, with exporting ships to many European and Asian countries. The sector has earned nearly half a billion US dollar in 2010, but exports can reach as much as 2 billion US dollars in next three years.

WTO DG Lamy addresses Dhaka University Convocation

Conferred Honorary Doctor of Laws Degree

World Trade Organisation's Director General Pascal Lamy has encouraged Bangladesh to continue its leadership among the least developed countries (LDCs). He also pledged to continue to help Bangladesh achieve its development goals in his keynote address at the 46th convocation of the University of Dhaka on March 31. Lamy, also a member of the French Communist Party, received 'Doctor of Laws' (Honoris Causa) degree from the President of Bangladesh and Chancellor of the University Mohammad Zillur Rahman.

Praising Bangladesh's efforts in economic development and leadership role among LDCs, Lamy said: "A vibrant private sector, active civil society and profound social transformation means Bangladesh is poised to make the next leap to integrate into the global economy." He encouraged and urged the graduates to deliver "on the vision of a 'golden Bengal' through your individual and collective efforts".

Lamy said, one challenge for Bangladesh is to expand the progress in the garment sector to other sectors of the economy. Insisting on the need to diversify, he said, it is necessary so that economic shocks like the one experienced recently in US and Eurozone do not negatively affect the Bangladesh's trade and development outlook. He extolled Bangladesh's Vision 2021 and said it provides a compelling image of how Bangladesh sees itself going forward. The government is well on track to meet many of these time-bound targets, including achieving middle-income status by 2021.

During his two-day visit to Bangladesh, also attended a discussion meeting on recent development and role of WTO arranged by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). "Macroeconomic development is not looking very good, especially for countries like Bangladesh, whose two-thirds of exports are to Europe. For the moment, the European economy has a major problem -- it will grow very slowly in the year to come," Lamy observed. Finance Minister AMA Muhith, M.P. and Commerce Minister G.M Quader, M.P. also spoke at the programme Chaired by FBCCI President AK Azad and attended by businessmen, economists and trade analysts.

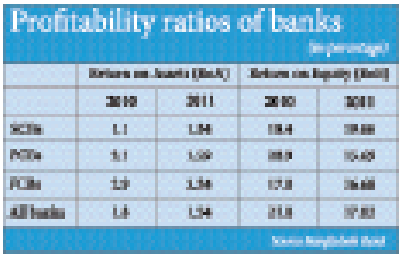
The WTO chief said expansion of world trade depends on four major factors growth of the developed economies, availability of trade finance, countries' openness to a trade regime and changes in technology, such as internet. Lamy feared that the volume of world trade this year would be below the level in 2011 because of sluggish growth of the world economy.



Banks' profitability declines in 2011

The average profitability of the country's commercial banks witnessed a modest decline in 2011 as the quality of the trading portion of their assets deteriorated mainly because of the stock market debacle, according to sources. The earnings of banks, in terms of both return on assets (RoA) and return on equity (RoE), came down to 1.54 per cent and 17.02 per cent respectively in the last calendar year from the corresponding levels at 1.8 per cent and 21.0 per cent in 2010, according to the latest central bank statistics.

The profitability of four state-owned commercial banks (SCBs) increased marginally through improvements in their positions in relation to RoA and RoE in 2011 when the profitability of the private commercial banks (PCBs) recorded a decline, the central bank said in its report on profitability positions of banks on December 31 last.


Profitability ratios of banks

The operating foreign commercial banks (FCBs) in the country showed improvements in their RoA - from 2.9% in 2010 to 3.24% in 2011 - but their RoE witnessed a modest decline - from 17.0% in 2010 to 16.58% in 2011. All the nine FCBs, having their operations in Bangladesh, earned an aggregate amount of Tk 22.97 billion as operational profits in 2011.

The contributions of FCBs to the exchequer, in the form of taxes, are expected at Tk 8.81 billion in 2011 when their requirement for provisioning against bad debts would stand at Taka 1.67 billion, according to the BB report. Total operating profits of all commercial banks stood at Tk 197.38 billion by the end of December 31 last year, the BB data showed.

67% increase in RMG exports to Russia

Bangladeshi readymade garments (RMG) export to Russia marked 67 per cent increase in the last seven months of the current fiscal year (FY), the Export Promotion Bureau (EPB) data reveals. The business insiders expressed their hope that export of Bangladesh apparels to Russia would be more than $2.0 billion in next three years.

The Russian importers buy mainly men, boys, women and girls' jackets, blazers, knitted and crocheted, trousers, bib and brace overalls, breeches and shorts, under wears and briefs, nightdresses and pajamas, T-shirts, sweater, polo shirts, socks, suit fabrics and accessories from Bangladesh. For its quality as well as cost effectiveness, the demand for Bangladeshi RMG is increasing significantly in the Russian market.

According to the EPB, apparels worth more than US$38.51 million were exported to Russian market which was 67 per cent higher than that of $21.48 million exports of the last corresponding period. The production cost in China is high, but Bangladesh produces the same at a lower cost, which has created an opportunity for Bangladesh appeals sector to avail.

According to a research, the total demand for clothes in Russian was estimated at 21.4 billion euros in 2008 while the total demand for clothes has been projected about 29 billion euros in 2012. Currently, Russia buys most of its clothes from Turkey and China.

Bangladesh's Investment outlook stable : Standard & Poor's

The S&P rated Bangladesh to "BB-" with a stable outlook, said the US-based company in a statement released on March 6. The leading credit rating agency Standard & Poor linked the rating for the third straight year, to the country's strong growth prospects, adequate external liquidity and donor support. The S&P however identified polarised and adversarial political setting as a potential risk to the country's stability.

Bangladesh had started to conduct sovereign ratings since 2010 in a bid to showcase the country accurately and avoid arbitrary rating by different entities. "The stable outlook reflects strong growth prospects and ongoing donor support, which ensures low-cost and long maturity external debt that minimises refinancing risk," maintained the statement.

Bullish about the government's measures to stabilise the economy, the rating agency said exchange rate flexibility is a key plank of this response, with the central bank allowing the taka to depreciate 15 per cent over the past year to January, keeping foreign reserves loss to a minimum. It further pointed out that the planned three-year IMF extended credit facility programme of $1 billion would make funds available on a concessional basis for Bangladesh. "A planned maiden sovereign bond issue in conjunction with the IMF programme would also boost the reserve cushion and market confidence." Bangladesh can have its rating upgraded if it can expand revenue base and improve administrative and collection efficiency, observed the firm.

Bangladesh: next hotspot for outsourcing business

Can earn US$ 5 billion and create 200,000 jobs

Local big business players should follow the examples of companies like GPIT and Samsung and enter the information technology business in Bangladesh, said a top analyst in software services on March 5. The country's business-people could also follow in the footsteps of Tata or Birla, Indian business giants that came to the IT and outsourcing business a long ago, said Mahboob Zaman, president of Bangladesh Association of Software and Information Services (BASIS).

Zaman spoke at a seminar on "Outsourcing outlook for Bangladesh" on the sidelines of Canada Showcase 2012 at Sonargaon Hotel in Dhaka. Outsourcing, also known as business process out-sourcing, is a way of doing business through a third party. Different companies, including financial institutions, banks, telecom companies and airlines, offer such services. There is no other sustainable employment than outsourcing business for Bangladesh, said Gurujot Singh Khalsa, chief executive officer of US-based WorldBridge Global Inc.

The country has the potential to create over 200,000 direct and 50,000 indirect jobs and earn $5 billion a year in the next decade through outsourcing, experts said. The Indian market was a 'zero' when it started outsourcing business there, but the country earned $50 billion from the business last year, according to the sources. There is a market for around $500 billion in the US. India, Philippines, Sri Lanka, Brazil, South Africa and Pakistan are doing good outsourcing business with the US.

WorldBridge plans to invest $150 million in Bangladesh in the next five years, which will create 10,000 direct and 3,000 indirect jobs and help people earn $100 million a year. The investment will draw attention of other global companies to invest in Bangladesh. The Bangladesh government should facilitate tax holiday in the sector for the next 10 years, business visas for five years to the foreigners and provide quality internet at competitive prices comparing with the neighbouring countries.

The government also should build well IT and communication infrastructure and backup international submarine cable to let outsourcing business grow in Bangladesh. The country failed to perform well in outsourcing although the business began in Bangladesh in 2008. Outsourcing business is struggling in Bangladesh for a backup cable. The kind of outsourcing business Bangladesh provides with the help of voice or call centres occupies only 10 percent fields of the business. IT will be the lifeline of Bangladesh economy in the next five to seven years, according to analyst.

Half Yearly (January-June 2012) Monetary Policy announced

This ex-ante announcement of the monetary policy stance is intended to anchor inflationary expectations and provide households and firms sufficient information to plan their savings and investment decisions. This MPS (Monetory Policy Finance) was preceded by productive consultations with a range of key stakeholders including the Parliamentary Standing Committee on the Economy and comments were solicited and received through the BB website.

In FY10 and FY11 the global economy was reeling from the effects of the 2009 global financial crisis and in order to limit the impact on the Bangladesh economy, BB eased monetary policy. As a consequence of this stance, and other pro-active measures, the Bangladesh economy emerged largely unscathed from this global crisis, averaging over 6% growth between FY2009 and FY2011. In FY12 the economy faces a different set of challenges related to both global and domestic factors and as such BB's monetary stance has been adjusted accordingly while keeping in mind the key goals of BB – inflation management and supporting equitable growth.

Global growth prospects in 2012 remain highly uncertain in key trading partner countries, particularly in Europe due to the unfolding sovereign debt crisis in several countries and the increasing related risk of a global recession. The United States is showing fledgling signs of recovery but overall the growth prospects for 2012 in advanced economies remain weak and there have also been downward growth adjustments for developing countries (from 6% in 2011 to 5.4% in 2012) including India and China. Global commodity prices remain volatile. Current oil prices are close to the 2011 peak. While overall global food prices have been on a downward path over the past six months, the benchmark international (Thai) rice price rose by 30% between May and November 2011.

Domestic growth was projected at 7% in the FY12 Budget assuming stable domestic and global economic conditions. Data for the first half of FY 12 on agricultural output as well as indicators of industrial and service sector performance suggest that if there is no change in the global environment this growth rate could be achieved. However due to the fact that in recent months global economic conditions have significantly dete - riorated Bangladesh's

export and remittance growth may slow down, as is the case with other countries. Moreover weak aid inflows, slowing imports and moderating credit growth will limit aggregate demand. As such BB is projecting growth in the range of 6.5-7.0%.

Inflation, averaging 10.7% in December 2011, is higher than the 7.5% average projected in the 2011/12 Budget speech.

This is due to a number of factors including the lagged transmission of higher global food prices, high domestic credit growth in FY2011 and recent upward adjustments in energy and petroleum prices. In recent months overall (point to point) inflation has declined from a peak of 11.97% in September to 10.63% in December. However the fact that non-food inflation is still steadily increasing – partly due to energy and petroleum price adjustments – suggests that the focus on curbing inflation to single digit levels needs to continue.

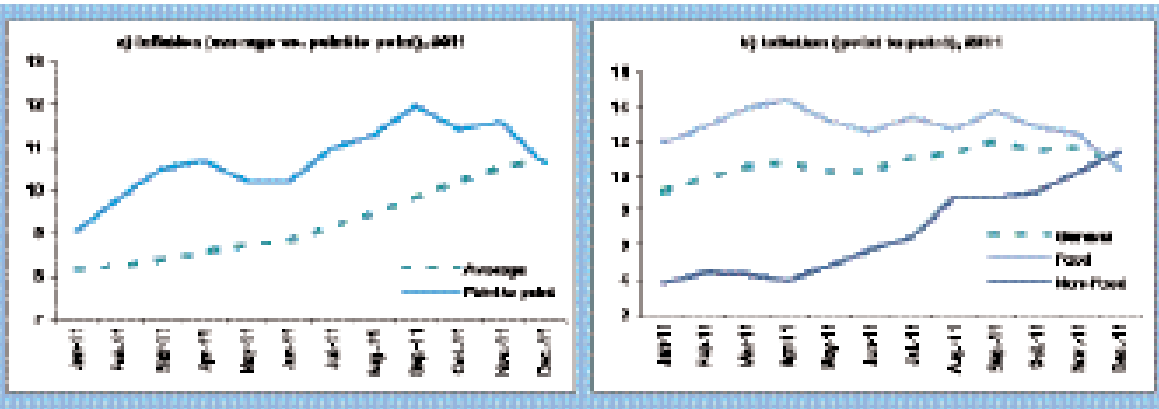


Chart : Inflation

Monetary policy stance for H2FY12

The monetary stance in H2 FY12 will take these recent economic developments into account and pursue a restrained monetary growth path in order to curb inflationary and external sector pressures, while ensuring adequate private sector credit to stimulate inclusive growth. This stance, which aims to bring inflation to single digits and stem foreign reserve depletion, is being closely coordinated with the Ministry of Finance as a prudent fiscal stance is essential for achieving these objectives.

Ensuring government borrowing from the banking system does not crowd out available liquidity for commercial banks will remain a key area of focus for BB. Specifically we aim to contain reserve money growth to 12.2% and broad money growth to 17.0% by June 2012. Credit to the private sector is envisaged to remain at a healthy 16.0% well in line with growth targets and similar to other countries in the region – however this private sector credit growth rate could rise if government borrowing from the banking system is less than anticipated. Ensuring positive real interest rates will strengthen monetary transmission channels, curb non-essential imports, stabilize external reserves and lead to an equilibrium exchange rate. At the same time interest rate spreads will be closely monitored, and apart from specific sectors such as SME and consumer lending, BB has advised banks to keep these in lower single digits (below five percent).

Monetary policy stance for H1FY12

Domestic credit growth at rates well over 25 percent y-o-y prevailing in FY11 clearly was out of line with the modest 13.42 percent nominal GDP growth of the economy estimated by BBS, even assuming that some output from FY11 investments will show up later rather than in the same year.

Monetary policies in FY 12 will therefore need to continue in a restraining stance in respect of domestic credit expansion; as before selectively bearing down on unproductive and high risk uses of credit while also ensuring adequate credit flows for productive pursuits in manufacturing, agriculture, trade and other services. BB will adopt such further policy steps in consultation in lending banks as are found necessary to discourage credit flows to unproductive and high risk uses. BB's financial inclusion drive will continue spearheading widening of credit access for underserved productive sectors. Steps redressing constraints in activation of secondary markets in Treasury and corporate securities will be hastened.

Regional News

5th SAARC Ministers Meet in Dhaka

Prime Minister Sheikh Hasina for joint action to fight recession

Prime Minister of Bangladesh Sheikh Hasina M.P. on January 30 stressed the need for a concerted action by the member states of SAARC to deal with the problems that arose due to the global financial turmoil. Our economic capability has gradually squeezed and it has become difficult to sustain the expansionary economic policy for long when the levels of public debt have also risen significantly, she observe at the inaugural ceremony of the Fifth Meeting of SAARC Finance Ministers in Dhaka.

Hasina said the regional economies are facing serious strains due to the current crisis in North America and Europe, the strong global inflationary pressure and volatility in foreign exchange rates. In addition, she said, "We have our persistent problem arising from climate change phenomenon and environmental degradation." Such a situation, there is a need for a concerted action by the SAARC and, where necessary, bilateral coordination to facilitate regional action, she told.

"We need to adjust our policies collectively. We want economic growth, social progress and collective self reliance," Hasina said and added that trade cooperation and integration of the region is the ultimate objective of the SAARC. In this context, she said the SAARC was launched "on our belief in togetherness" and on the premises of mutual benefit and shared prosperity.

Today in SAARC, we see the potential of South Asia graduating from just neighbours to a family of nations based on a set of values, common aspirations and initiatives."

The Prime Minister said increasing interests of outside actors in the SAARC also demonstrate potential which the region possesses. However, she said, "It is also a fact that realisation of a South Asian Economic Union and eventual instilling of a sense of South Asianness in our thinking, approaches and actions, remain still a lofty goal."

Hasina said the inter-governmental expert group that the finance ministers established has already looked at the costs and benefits of integration and they have considered facilitation of trade as well as capital market development. "We are presently dealing with liberalisation in trade in services. This will surely require intra-regional investment. Simultaneously, we have to work on a system of mutual action in the stock markets in the region."

While undertaking all these actions, we must not forget that special consideration should always apply to the Least Developed Countries, she said. The Prime Minister said though under SAFTA there are some progress, but the process of cutting down the sensitive lists is rather slow and must be recast to include major goods of export interest.

She said there must be quicker dismantling of non-tariff and para-tariff barriers, and the progress on harmonisation of product standards must also be expedited. She also noted her satisfaction as the South Asian Regional Standard Organization (SARSO) has already been set up with its office in Dhaka.

Laying emphasis on connectivity for cooperation and for a South Asian Economic Union, she said regional connectivity is not only crucial for greater trade among the South Asian nations but also for optimum reaping of benefits and potentials for ensuring prosperity of the peoples.

Presided over by Bangladesh Finance Minister AMA Muhith, M.P., the inaugural ceremony was also addressed by Bhutanese Finance Minister Lyonpo Wangdi Norbu and Secretary of the Finance Division Mohammad Tareque.



Prime Minister Sheikh Hasina, M.P. with the finance ministers of the South Asian Association for Regional Cooperation (SAARC) member states at the inaugural ceremony of the Fifth Meeting of SAARC Finance Minister in Dhaka.

UNESCAP holds 3rd Business Advisory Council (BAC) Meeting in Bangkok

The 3rd Meeting of the UNESCAP Business Advisory Council (BAC) was held in Bangkok on March 19. The Meeting among other things, discussed on the finalization of the terms of reference of BAC and deciding on the future direction, structure and modalities for organization, theme of APBF, venue, dates and tentative programme of APBF 2012.

Convened at the United Nations Conference Centre in Bangkok, the meeting co-chaired by Dr. Noeleen Heyzer, Under-Secretary General of United Nations and Executive Secretary of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and Dato' Mohamed Iqbal Rawther, Chair of the ESCAP-BAC was attended by business leaders from Asia and the Pacific.

Dr. Noeleen Heyzer presented three principle objectives for the BAC. First is building partnerships between key business leaders and ESCAP to achieve inclusive, resilient and sustainable development. Second is advancing regional economic cooperation and integration, especially in the commitment of ASEAN to establish the ASEAN economic community by 2015. Third, there is a need to forge and mobilize an Asia-Pacific regional voice in multilateral forums.

The meeting discussed a number of specific issues, focusing on collaboration between ESCAP and BAC, including (a) future APBFs including the APBF 2012 which was decided to be held in Kuala Lumpur in October 2012; (b) opportunities to promote regional economic integration, especially in the less developed countries; (c) business perspectives on achieving energy security, including modalities for private sector involvement; (d) collaborative activities between ESCAP and the BAC members; and (e) adoption of the new terms of reference for the BAC.

Mr. Mahbubur Rahman, President of the ICC Bangladesh and Chairman & CEO, ETBL Holdings Ltd, who attended the meeting as an ESCAP-BAC member proposed two joint seminars to held jointly with ESCAP in Dhaka. First is the subregional seminar on SME development in the South Asian region and their effective penetration into regional and global markets (13 May 2012). The second seminar to be organized in Dhaka is on the Asia-Pacific Trade Agreement (APTA) sometime in mid-June 2012.



Dr. Noeleen Heyzer, UN Under-Secretary General of & ExecutiveSecretary of ESCAP (5th from right) and ICC Bangladesh President Mahbubur Rahman (5th from left) are seen with BAC Members. Among others Rokia Afzal Rahman (extreme left) and DCCI President Asif Ibrahim (standing 7th from left) from Bangladesh are also seen.

The BAC Meeting was also attended by Mr. Peter Charlton, Chairman, First Charlton Communications, Australia; Mr. Asif Ibrahim, Vice Chairman, Newage Group of Industries and President, Dhaka Chamber of Commerce and Industry (DCCI); Ms. Rokia Afzal Rahman, Chairperson, Arlinks Group of Companies, Bangladesh; Dr. Sok Siphana, Principal, Sok Siphana & Associates, Attorneys & Legal Consultants, Cambodia; Mr. Chandran Nair, Founder and Chief Executive, Global Institute For Tomorrow, Hong Kong, China; Mr. James R.F. Shipton, Managing Director, Executive Office, Goldman Sachs (Asia) L.L.C. Hong Kong, China; Dr. Sailendra Narain, Chairman, Centre for SME Growth & Development Finance (CESMED), India; Mr. Narayana NR Murthy, Founder, Infosys Technologies Ltd., Infosys Limited, India; Mr. Mohan Suresh, Managing Director, Technospark Industries India (P) Ltd., India; Mr. Ruben I Hattari, Executive Director, ASEAN BAC, Indonesia; Mr. Mirzan bin Mahathir, Chairman and CEO, Crecent Capital Sdn Bhd, Malaysia; Dato' Mohamed Iqbal, Group Executive Director, Falim Group, Malaysia; Mr. Kit Chan, Director, K-Farm, Malaysia; Mr. Win Aung, President, Union of Myanmar Federation of Chambers of Commerce (UMFCCI), Dagon Group of Companies, Myanmar; Mr. John Cann, Senior Regional Business Development Manager, Microsoft Operations Pte Ltd, Singapore; Mr. Thomas Thomas, Executive Director, Singapore Compact for CSR, Singapore; Mr. Cecil Leong, CEO, Bryan Cave International Consulting (Asia Pacific) Pte Ltd., Singapore; Dr. Jingjai Hanchanlash, Chairman, Loxpac Company, Thailand; Mr. Chote Sophonpanich, Executive Chairman, Krungdhep Sophon Public Company Ltd., Greenspot (Thailand) Ltd., Thailand; Mr. Isara Vongkusolkit, Chairman, Mitr Phol Sugar Corp. Ltd., Thailand; Ms. Barbara Meynert, Senior Advisor, Li & Fung Group, Hong Kong, China; Ms. Kobkarn Wattanavrangkul, Chairperson, Toshiba Thailand Co. Ltd., Thailand; and Mr. Chen Namchaisiri, Vice Chairman, Federation of Thai Industries.

Asia Pacific Chambers Congress concludes

Opposes trade protectionism and suggests conducive environment for international trade

The Fourth Meeting of the ICC Regional Consultative Group (RCG) for Asia Pacific & Task Force Meetings and First Asia Pacific Chambers Congress was be held in Kunshan, Jiangsu, China on March 29-30. The Meetings were hosted jointly by China Chamber of International Commerce (CCOIC) and ICC China. ICC World Chambers Federation (WCF) Chairman, ICC Secretary General, Chairman/Vice Chairman and Secretary Generals from ICC Bangladesh, China, Indonesia, India, Japan, Korea, Macao, Malaysia, Sri Lanka and Thailand attended. ICC Bangladesh President Mahbubur Rahman along with ICCB Executive Board Member Rashed Maksud Khan and ICCB Secretary General attended the events.



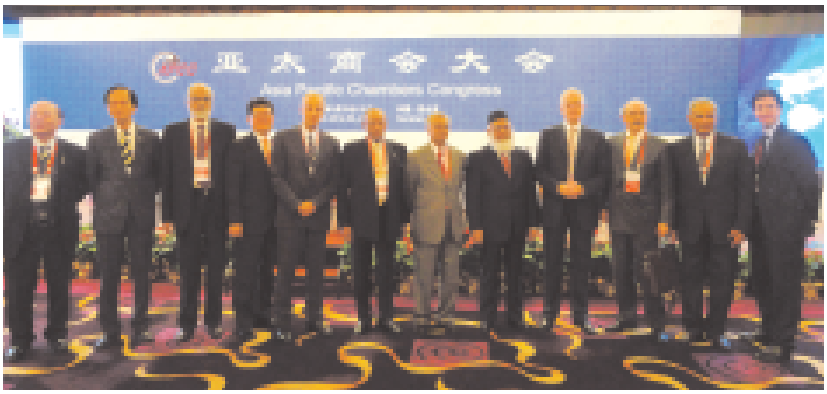
Partial view of the inaugural session of the Asia Pacific Chambers Congress

The First Asia Pacific Chambers Congress held on March 29 was moderated by Mr. Zhang Wei, Vice-Chairman, China Council for Promotion of International Trade (CCPIT) & China Chamber of International Commerce (CCOIC). Mr.Wan Jifei, Chairman of CCPIT & CCOIC, Dr. Zhang Wei Guo, Vice Governor of Jiangsu Provincial Government and ICC Secretary General Jean-Guy Carrier delivered welcome addresses while ICC WCF Chairman Rona Yircali delivered the key note speech.

Vice Governor Zhang is his address highlighted the achievement made by China, in particular Jiangsu Province. He mentioned that China has prepared a five year plan under which it plans to increase country's import in order to reduce the exiting trade imbalance. He emphasized on the need for collaboration for better future and sustainable development of the Asia Pacific Region. The Congress has been attended by a large number of business leaders and professionals from around the world.

It may be mentioned that in 2010, China's total retails of consumer goods reached RMB 15.6998 trillion; China's consumption of luxury goods accounted for over 20% of the global market; China became the second largest import country worldwide In 2010 having cargo trade reaching US$ 1.39 trillion (counting for 1/10 of the total world cargo trade). In the past ten years, the average tariff level of China has declined from 15.3% to 9.8%; by 2013 China will offer zero tariff treatment to 41 least developed countries for more than 95% of their exporting products. Chinese government encourages the expansion of import In the forthcoming ten years, especially in the "12th-five-year-plan" period, China will attach equal importance to import and export, and pay more attention to the expansion of import while stabilizing export.

With the theme of expanding domestic demand and balancing trade by exporting to China, the first Asia Pacific Chambers Congress concluded that this event has attracted representatives from international organizations, chambers, business institutions and companies from both Asia Pacific Region and other parts of the world. The Consensus reached in this congress is as follows: (a) carry along the spirit of free trade advocated by ICC , oppose trade protectionism and create a sound and harmonious environment for international trade; (b) actively facilitate the balanced development of trade in our own country and region; (c)against the background of



ICC Bangladesh President Mahbubur Rahman (5th from right) is seen along with ICC World Chambers Federation Chairman Rona Yircali (4th from right), ICC Secretary General Jean –Guy Carrier (3rd from right), ICC Director for National Committee Francois Gabriel Ceyrac (5th from left), ICCB Executive Board Member Rashed Maksud Khan (6th from left) and ICCB Secretary General Ataur Rahman (3rd from left) along with other delegates at the Asia Pacific Chambers Congress held in Kunshan, China on March 29.

a slow global economic growth, we should advocate to expand domestic demand to push the economic growth, making our due contribution to the full recovery of the world economy and (d) deepen relationship and reciprocal cooperation and serve as a business platform for companies all over the world.

Mahbubur Rahman moderated a session on the Impact of China's Import Expansion on Economies in the Asia Pacific Region. The panelist at the session were: Mr.Jin Baisong, Research Fellow, Chinese Academy of International Trade and Economic Cooperation; ICC Secretary General Jean-Guy Carrier; ICC Sri Lnak Chairman Tissa Jayaweera; Mr. Stephen Cartwright, CEO, Australia Business Chamber, Director ICC Australia & Councillor, WCF; Ms. Sarah Kutulakos, Executive Director, Canada China Business Council; and Mr. Bavaresco Matteo, CEO, Danieli China. They discussed on the benefits for the counties of the Asia Pacific Region on import expansion policy of China. Mahbubur Rahman in his concluding remarks mentioned that China, during the period of Twelfth-Five Year Plan, will accelerate the transformation of its economic development mode, develop its balanced economy with equal emphasis on import and export, and actively promote and expand imports, thus reducing the trade surplus and promoting the international balance of payments and balanced foreign trade.

He suggested that the Chinese companies may consider investing in different countries of the region for manufacturing of various products that are needed in the Chinese markets and then import those to China.

This will help both China in ensuring smooth supply of commodities and goods as well as export earnings of the countries where such investments are made.



ICC Bangladesh President Mahbubur Rahman (extreme left) moderating the session on Impact of China's Expansion Policy on Asia Pacific Region. The panelists are : Mr. Jin Baisong, Research fellow, Chinese Academy of International Trade and Economic Cooperation (3rd from left) ; ICC Secretary General Jean-Guy Carrier (centre); ICC Sri Lanka Chairman Tissa Jayaweera (2nd from left) ; Mr. Stephen Cartwright, CEO, Australia Business Chamber, Director ICC Australia & Councillor, WCF (extreme right) ; Ms. Sarah Kutulakos, Executive Director, Canada China Business Council (2nd from right) and Mr. Bavaresco Matteo, CEO, Danieli China (extreme left)

Fourth ICC RCG Meeting held in Kunshan
Agrees to organize CEO Forum for business development

The Fourth Meeting of ICC Regional Consultative Group (RCG) was held in Kunshan on Macrh 30. The Meeting Chaired by ICC RCG Coordinator Mr.Mustafa Mansur resolved to have biennial meeting of the Asia Pacific CEO Forum for development of business which was recommended by the Task Force Meeting prior to the ICC RCG Meeting. The first CEO Forum will be held in New Delhi in 2013 to be followed by 2nd and 3rd meetings in Beijing and Bangkok in 2015 and 2017 respectively. Mr. Zhang Wei, Vice Chairman of China Council for the Promotion of International Trade (CCPIT) and China Chamber of International Commerce (CCOIC) welcomed the delegates at the meeting hosted jointly by CCOIC & ICC China and informed about the Chinese policy for import expansion and trade relations with the region. ICC Secretary General Jean-Guy Carrier in his address briefed about the activities of ICC and appreciated the role played by RCGs, in particular of the Asia Pacific as well as the activities of ICC G-20 Advisory Group. World Chambers Federation (WCF) Chairman Rona Yircali presented an update on WCF.

The Meeting discussed on a number of issues related to promotion of



ICC Asia Pacific Regional Consultative Group Meeting being presided over by Coordinator Mustafa Mansur (second from left) , Also seen from left to right are: ICC China Deputy Secretary General Xiong Xunlin, , CCPIT and CCOIC Vice Chairman Zhang Wei, ICC Secretary General Jean-Guy Carrier and WCF Chairman Rona Yircali.

trade among the member countries, business development of ICC to generate fund to meet ICC's expenditure as well as reviewed the activities of the National Committees (NCs) and the membership contribution to ICC HQs by NCs.

It may be mentioned that the setting of ICC Asia Pacific RCG, like other ICC RCGs, is aimed to be a forum for the exchange of ideas, best practices and experiences amongst NCs in the region as well as to make the RCG a more relevant forum for its members because of Asia's becoming a centre of gravity of the economic world of today. It was also decided to have the next meeting of ICC RCG in Jakarta sometime in October this year.

The meeting was also attended by ICC Bangladesh: President Mahbubur Rahman, Executive Board Member R Maksud Khan and Secretary General Ataur Rahman; CCOIC and ICC China: Secretary General Zhao Xiaodi and Deputy Secretary General Xiong Xunlin; ICC Indonesia Vice Chairman Sugihono Kadarisman; ICC India: President Raghu Mody, Executive Director Ashok Ummat and Assistant Director Pallavi Mishra; ICC Japan Secretary General Kiyoshi Yamada; ICC Korea Deputy Secretary General Andrew Lee Hoen-Bae; ICC Macau Executive Director Vong Kok Seng; ICC Malaysia: Chairman Yong Poh Kon and Senior Manager Esther Boey; ICC Sri Lanka: Chairman Tissa Jayaweera and Chief Executive Officer Gamini Peiris; ICC Thailand: Chairman Kasemsit Pathomsak and Vice Chairman Chainant Ukosakul; and ICC Hqs: Director-Business Development Philip Kucharski; Director- NC + Membership Francois-Gabriel Ceyrac and Deputy Director – Policy Carlos Busquets.

World Bank to tackle global economic crisis
Suggests roadmap for future preparedness

The World Bank Group has responded to the global economic crisis effec-tively, but it will face difficulties to address similar levels of crisis response in future, said a report sponsored by the global lender. The group, therefore, has to develop a roadmap for future crisis preparedness, said the World Bank's Independent Evaluation Group Report.

According to the report, the roadmap should contain a systemic analysis of stress factors and a decision-making process for blending country-level responses within a global strategy. The World Bank responded to the crisis that started in 2008 with an unprece-dented volume of lending and with accelerated disbursements, the report said.

It said financially, the response was unprecedented. Average new commitments of the bank and International Finance Corporation (IFC) combined were $63.7 billion a year in fiscal 2009-10, compared with less than half that amount each year over the pre-crisis period in 2005-07. Of this amount, the bulk ($45.4 billion, compared with $18.7 billion pre-crisis) represented IBRD and IFC financing in middle-income countries.

Partly as a result of the magnitude of its lending response, the International Bank for Reconstruc-tion and Development (IBRD) the part of the World Bank now has less headroom to accommodate similar levels of expanded crisis response were it to become necessary in future. The report said the sharp decline in headroom was driven by declining global interest rates, a precrisis reduction in IBRD's lending spreads and its predominant use of traditional instruments.

Under these conditions, the rapid increase in lending with a limited increase in capital and reserves has led to a decline in the bank's equity-to-loan ratio, from a peak of more than 37.5 percent before the crisis well above the long-term target to around 28.5 percent at the end of FY10.

The evaluation showed that the bank extended support to the majority of severely crisis-affected countries, usually in the context of broader donor support packages, where its financial contribution was relatively small.

World faces a 600-million jobs challenge: ILO

The world faces a daunting challenge of creating 600 million productive jobs by the next decade to generate sustainable growth and maintain social cohesion, according to the International Labour Organisation (ILO). The report Global Employment Trends 2012: Preventing a deeper jobs crisis was released globally on January 23.

The report said more than 400 million new jobs will be needed over the next decade to absorb the estimated 40 million growth of the labour force each year. The UN agency also said the world faces the additional challenge of creating decent jobs for the estimated 900 million workers living with their families below the $2 a day poverty line, mostly in developing countries.

The report said the recovery that started in 2009 has been short-lived and that there are still 27 million more unemployed workers than at the start of the crisis. The fact that economies are not generating enough employment is reflected in the employment-to-population ratio, which suffered the largest decline on record between 2007 (61.2%) and 2010 (60.2 %).

At the same time, there are nearly 29 million fewer people in the labour force now than would be expected based on pre-crisis trends.

Global Outlook for GDP Growth
1996-2012 (January 2012)†

		1996 - 2005		2006 - 2011		2011		2012	
	Distribution of World Output 2011	GDP Growth	Contribution to World GDP growth****	Projected GDP Growth	Contribution to World GDP growth****	Projected GDP Growth	Contribution to World GDP growth****	Projected GDP Growth	Contribution to World GDP growth****
US	18.6%	3.3	0.7	0.9	0.2	1.8	0.3	1.8	0.3
EU-15*	17.9%	2.3	0.5	0.8	0.2	1.4	0.3	0.2	0.0
Japan	5.7%	1.0	0.1	0.2	0.0	-0.5	0.0	1.5	0.1
Other advanced**	8.2%	3.8	0.3	2.9	0.2	3.2	0.3	2.8	0.2
Advanced Economies	50.4%	2.7	1.6	1.1	0.6	1.6	0.8	1.3	0.7
China	15.8%	8.1	0.6	10.9	1.3	9.2	1.4	8.0	1.2
India	5.7%	6.5	0.2	8.3	0.4	7.5	0.4	6.9	0.4
Other developing Asia	5.1%	3.9	0.2	5.1	0.2	5.1	0.3	5.0	0.3
Latin America	7.8%	2.8	0.2	3.8	0.3	4.1	0.3	3.6	0.3
Middle East	3.5%	4.5	0.1	4.8	0.2	4.8	0.2	4.0	0.1
Africa	3.3%	4.5	0.1	4.9	0.2	3.8	0.1	4.8	0.2
Central & Eastern Europe	3.9%	3.8	0.1	3.3	0.1	4.2	0.2	2.5	0.1
Russia and other CIS***	4.4%	4.0	0.2	4.0	0.2	4.4	0.2	4.2	0.2
Emerging Market and Developing Economies	49.6%	4.9	1.9	6.5	2.9	6.2	3.0	5.6	2.7
World	**100.0%**	**3.6**		**3.5**		**3.9**		**3.5**	

**EU-15 refers to states that joined the European Union before 2004.*

***Other advanced economies include Canada, Switzerland, Norway, Israel, Iceland, Cyprus, Korea, Australia, Taiwan Province of China, Hong Kong, Singapore, New Zealand and Malta.*

****CIS is Commonwealth of Independent States which includes all former republics of the Soviet Union, excluding the Baltic states.*

*****The percentage contributions to global growth are computed as log differences and therefore do not exactly add up to the percentage growth rate for the world economy. Source: The Conference Board Global Economic Outlook, January 2012.*

Source: The Conference Board Global Economic Outlook, January 2012

ICC HQs News

ICC takes home three awards for arbitration accomplishments

ICC came away with no fewer than three accolades from the 2nd Global Arbitration Review (GAR) Awards, presented at an official charity dinner in the first week of March in Stockholm. The ICC International Court of Arbitration and individual members of its leadership received recognition for contributions made to the development of international arbitration, including the launch of ICC's new Rules of Arbitration, which came into effect in January, and other enhancements to ICC Arbitration practice.

ICC took the prize for "sustained contribution to best practice in international arbitration" – which GAR's general editor compared to a lifetime achievement award for an organization –while ICC's new Rules of Arbitration received the award for "best development of 2011". Peter Wolrich, Chairman of the ICC Commission on Arbitration, and Jason Fry, Secretary General of the Court, collected the awards on behalf of ICC.

John Beechey, Court President, and Mr Fry also picked up a joint award for innovation by an individual (arbitrator, counsel or 'other'). Initiatives, for which they were nominated, included the statement of availability for arbitrators, securing new premises for ICC in Paris, recently announced plans to open an office of the Court in New York and closer policing when awards are delivered.

Amendments to the ICC Arbitration procedure, including emergency arbitrator and new rules on joinder arbitration, took second place in the innovation by an organization or institution category.

The Global Arbitration Review (GAR) awards recognized achievements in 11 categories, plus a lifetime achievement award.

ICC World Business Women launched by staff on International Women's Day

ICC celebrated International Women's Day on March 8 with the launch of an enterprising initiative to improve gender balance both within the secretariat of the world business organization and in its representative bodies.

Speaking to a packed room of participants at a launch breakfast meeting, ICC Secretary General Jean-Guy Carrier said that he was honoured to champion the staff-driven initiative.

Under the working title ICC World Business Women, the initiative will look not only to influence gender balance at ICC through management practices but also improve gender balance in ICC policymaking and governance bodies to better reflect



the population of the global business community it represents.

Aiming to improve gender balance in ICC's representation, leadership and positioning to better serve as a guide and advocate for global business, the initiative will undertake two key projects. One is the establishment of a network or experts bank of high level professionals and business women to serve as a resource pool for ICC activities and the other is to set up an internal diversity think tank.

The think tank will study and make recommendations to management on remuneration, training, promotion, work/life balance and other issues that affect diversity and advancement of staff into leadership roles.

Business executives gather in Istanbul to prepare G20 Summit input

The International Chamber of Commerce (ICC), under the umbrella of its G20 Advisory Group, held consultations with local business leaders on G20-related policy issues on March 5. The meeting gathered policy priorities from CEOs operating in the Eastern Europe and Middle East region for contribution to the June 2012 G20 Summit in Los Cabos, Mexico. The meeting was hosted by Rifat Hisarciklioglu, a leading member of the ICC G20 Advisory Group and President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

Participants suggested that the G20 must focus on practical measures to stimulate economic growth and employment. They also urged G20 countries to reduce global imbalances so as to stabilize exchange rates and fund flows in order to contain the adverse effects on countries such as Turkey.

Participants were appreciative of the opportunity to engage in the G20 process, noting that countries like Turkey, Korea, Mexico and Australia – which are not BRIC countries or

G8 members – should have a greater role in the G20's agenda. Mr Hisarciklioglu participated in the G20 Business Summit last year in France and he will be among leading CEOs attending the B20 Summit this year in Los Cabos.

Much of the discussion centred on the importance of keeping trade and investment open, especially because they are key contributors to job creation. Participants stressed the value of multilateralism especially for trade and investment liberalization and the need for the G20 to show political leadership in the face of growing inclinations towards protectionist measures.

The meeting also called upon the G20 to concentrate on its core mission of providing strategic direction and setting norms and standards for themselves, non-G20 governments and the many intergovernmental agencies responsible for specific project implementation and funding.

Participants also put forward suggestions for battling against unemployment, and called for G20 leadership that concentrated on incentive-based programmes for entrepreneurs and training for youth.

The regional consultation in Istanbul is the first in a series of meetings in preparation for the G20 and B20 Summits in Los Cabos, with upcoming locations including Doha, Moscow, Washington DC, and Beijing.

ICC-Ifo survey reveals slight brightening in world economic climate

After two quarters of successive decline, the global economic climate has begun to improve, although it still remains significantly below its long-term average, according to the latest World Economic Survey (WES), published on February 16 by ICC and the Munich-based Institute for Economic Research (Ifo).

The January survey polled 1,129 economic experts from business and academic institutions in 120 countries to assess current and expected economic developments. Their answers were analyzed to reach a quarterly figure representative of the current global economic climate.

While appraisals of the current situation were even poorer than the last ICC-Ifo survey in October 2011, falling from 86.0 to 84.1, overall improvement was driven by a more optimistic six-month outlook among experts, rising from a year-end low of 71.9 to 80.7.

Lingering scepticism in Western Europe

The economic climate in Western Europe changed little. While the current economic situation deteriorated further compared to the last quarter of 2011, the six-month outlook brightened slightly but nevertheless continued to signal scepticism.

However, the prevailing view in Western Europe, as in other parts of the world, is that the collapse of the Eurozone and a return to national currencies can now be avoided, Mr Nerb said.

Positive drive from US offsets Asia

Signs from North America mark a clear improvement over 2011, the



report indicates, especially from the US, where both the current economic situation and the six-month,outlook are more positive.

This offsets the economic climate in Asia, which is pointing to an economic slowdown, after significantly worse appraisals of the current situation further pushed the climate indicator below its long-term average, Mr Carrier said.

Decreased inflation expected

The inflation estimate for the beginning of 2012 decreased significantly over the end of 2011, dropping from 4.0% to 3.5%, the report shows. Experts expect the short-term interest rates to remain unchanged and/or decrease slightly over the next six months.

In terms of currencies, the report indicates that the yen, in particular, remains over-valued. Experts also expect the dollar exchange rate to rise slightly on a worldwide average over the next six months.

Effects of potential Eurozone collapse

In response to the ICC special question about possible damage to the world economy and global business should the Eurozone collapse and all member countries return to national currencies, the vast majority of surveyed experts see danger of great damage in the short-term, i.e. one to three years.

While the majority of the surveyed WES experts in the Eurozone (57%), Western Europe (53%), and Eastern Europe (47%) would still expect great damage to the world economy in the mid-to-long term, a moderately higher number in all other regions believe a collapse would cause only "moderately damaging" effects instead of "very damaging" effects in the same time frame.

The great majority of participants agree, however, that a political solution could prevent any such collapse from happening.

Business calls for accelerated joint action for green growth

ICC green economy leaders advocated principles required for a transition towards a green economy at several ministerial roundtables and multi-stakeholder dialogues in Nairobi, Kenya, to provide input to the Rio+20 UN Conference on Sustainable Development in June 2012.

Environment ministers and senior policymakers from more than 80 countries assembled for the 2012 United Nations Environment Programme (UNEP) Special Session of the Governing Council/Global Ministerial Environment Forum and Global Major Groups and Stakeholders Forum, which took place from 17-22 February.

Held in conjunction with UNEP's 40th anniversary celebration, the meetings set out to prepare input on a range of issues, including a green and inclusive green economy, options to strengthen international sustainable develoment governance, sustainable con-sumption and production, and several sectorial topics such as chemicals and waste.

At a ministerial roundtable discussion focusing on Asia, Andrea Bacher, Policy Manager of the ICC Commission on Environment and Energy, stressed that in order to become a functional economic system, a green and inclusive economy needs to become ingrained



in international and global markets and operationalized in the market and business balance sheets.

ICC's conditions for a transition towards a green economy received positive recognition during a joint ICC United Nations Environment Programme (UNEP) discussion with stakeholders from trade unions, local governments, youth delegates and the science community.

The side event re-emphasized that a green economy requires social, environmental, and economic pillars reinforced with cross-cutting elements, including integrated policy-making, governance and collaborations.

Steven Stone, the United Nations Environment Programme (UNEP) lead on green economy, stressed the importance of efficient markets and Greg Bond, Corporate Director Product Responsibility at Dow Chemical, showcased, through examples of innovative partnerships and management approaches, best practice and experiences demonstrating how the chemical industry enables products and services for green growth.

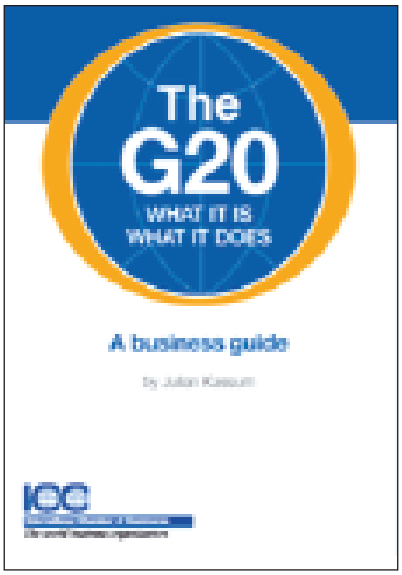
The ICC Green Economy Task Force will take dialogue outcomes into account when finalizing its green economy roadmap to be launched at Rio+20.

ICC publishes business guide to the G20 process

Business around the world has an increasingly influential role to provide input to G20 decisions regarding economic growth, job creation and open trade and investment. But what is the G20 and what exactly does it do? A new business guide published by the International Chamber of Commerce (ICC) sets out to help business leaders and policymakers better understand the G20 process and identify the impact that G20 developments may have on global business.

The guide traces the origins of the G20 and explains its transformation into the world's leading economic forum for international cooperation.

It highlights the principal outcomes of the five summits that have taken



place since 2008 and takes a targeted look at issues of particular interest for business. Such issues include restoring global economic growth and stability, promoting open trade and investment, reforming the financial sector, addressing the threat of climate change, fighting corruption, and closing the development gap.

Written by Julian Kassum, an expert on global economic governance and one of ICC's leading experts on the subject, the guide is essential reading for anyone with an interest in the future of the world economy and the evolving policy framework for today's globalized markets.

Rio+20 must promote green growth, says ICC Chairman

ICC Chairman Gerard Worms on January 31 told conference attendees that private sector engagement can help make the upcoming 'Rio+20' conference in Brazil a launching ground for widespread global action in support of sustainability and green growth.

ICC, as the world business organization, has begun to help businesses, large and small, in more than 120 countries address these environmental challenges by integrating them into their business practices.

Green economy, in the context of sustainable development, has been declared a priority theme for the United Nations Conference on Sustainable Development in 2012 (Rio+20). "Rio +20 is an opportunity to embed the green economy concept in the broader sustainable development concept," Mr Worms said. To move forward, it is crucial to green all sectors in all countries, and advance resource efficiency and life cycle approaches."

Through content generated by its Commission on Environment and Energy and its Task force on Green Economy, ICC has outlined 10 conditions for a transition to a green economy, focusing on innovation, the need for economic growth and innovative collaborations.

Other undertakings by ICC on the road to Rio include a green economy roadmap, featuring case studies and best practices, as well as a series of regional forums to facilitate green growth through trade and investment that demonstrate how open trade and investment frameworks are critical accelerators for green growth.



ICC, in collaboration with Business Action for Sustainable Development 2012 partners, is also mobilized to provide a unified and constructive voice in the official Rio+20 negotiations.

International Court of Arbitration Secretary General to step down

ICC announced on January 30 that Jason Fry is stepping down as Secretary General of the ICC International Court of Arbitration to return to private practice at the law firm Clifford Chance, where he was a partner until he joined ICC in 2007. He will join the firm's Paris office in September 2012.



Mr Fry is a highly respected arbitration specialist with experience as counsel, arbitrator and as the head of the ICC Court Secretariat, the world's most prestigious arbitral institution. During his years at ICC he has played a key role leading a number of important strategic initiatives, notably establishing the ICC Secretariat's presence in Hong Kong and Singapore, the creation of the ICC Hearing Centre in Paris and most recently, the revision of the ICC Rules of Arbitration, which came into effect earlier this year. He is also co-author of a book on the new ICC Rules of Arbitration.

A statement from President of the ICC Court John Beechey said: "I am delighted to learn of Jason Fry's decision to accept Clifford Chance's invitation to return to the firm for two reasons. First, I hope that others of similar standing and calibre will be encouraged by Jason's demonstration that it is possible to move from a senior position in private practice to a prestigious post such as that of Secretary General of the ICC Court and back again and to excel in both. Second, I hope that the degree of confidence in their practice manifest in Jason's return, together with the arrival of Simon Greenberg, will encourage Clifford Chance to take full advantage of this opportunity to restore and consolidate the firm's standing as an international arbitration practice of the first rank. Jason has done an outstanding job for ICC. It is he whom ICC has largely to thank, along with Carl Salans, for seeing the Court through a difficult period in 2008. For that alone, he deserves the thanks and appreciation of this institution. It has been an enormous pleasure to work with him (again!) over the last three years. I wish him and his new (some, not so new) colleagues every success."

Jason Fry is a Solicitor of the Supreme Court of England and Wales and a Barrister and Solicitor of the High Court of New Zealand. He is a Fellow of the Chartered Institute of Arbitrators and was the Member for New Zealand of the ICC International Court of Arbitration from 1999 until 2007.

Sanders of Microsoft appointed new Chair of ICC Marketing Commission

ICC has appointed Brent Sanders, to serve as new Chair of its Commission on Marketing and Advertising, according to ICC press release issued January 20. Mr. Sanders leads the advertising, promotions and retail legal team at Microsoft. He is also the primary legal counsel to Microsoft's Chief Marketing Officer. As Associate General Counsel, he is responsible for the legal management of Microsoft's global advertising and marketing campaigns, making Mr Sanders and his team trusted advisors to several thousand marketers and retail professionals at Microsoft.

Mr Sanders is a member of the Association of National Advertisers Legal Affairs Committee and the Children's Advertising Review Unit Supporters Council of the Better Business Bureau. He most recently served as Vice-Chair of the ICC Marketing and Advertising Commission and as Chair of the committee that mirrors it in the US.

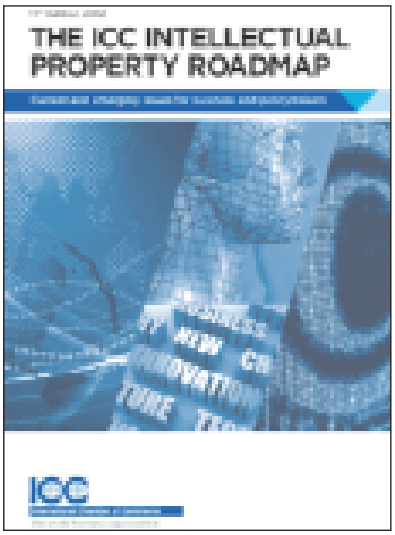
ICC has been a major rule-setter in international advertising self-regulation since 1937, when the ICC Commission on Marketing and Advertising first issued the ICC Code on Advertising Practice – one of the most successful examples of business self-regulation ever developed.



ICC launches 2012 IP Roadmap for business and policymakers

ICC has launched the 11th edition of its flagship intellectual property (IP) publication ICC Intellectual Property Roadmap: Current and Emerging Issues for Business and Policymakers on January 24.

Containing contributions from ICC experts and members from around the globe, the popular Roadmap is a useful reference tool to help business, policy and legal professionals worldwide keep pace with the rapidly evolving intellectual property landscape. Published every two years, it is translated into several languages including Arabic,



Chinese, German, Portuguese, Russian, Spanish and Ukrainian.

Most sections of the 11th edition Roadmap have been extensively updated to highlight IP developments arising from technological, economic, political and social changes. These include the decision to open up the generic Top Level Domain name space, measures to control copyright and trademark infringement on the Internet, and efforts to address the high costs and lengthy proceedings necessary to obtain patents in multiple.

Majority piracy attacks in East and West Africa says IMB world report

Pirate attacks against vessels in East and West Africa accounted for the majority of world attacks in 2011, signalling a rising trend, the International Chamber of Commerce (ICC) International Maritime Bureau's (IMB) global piracy report revealed on January 19. Of the 439 attacks reported to the IMB in 2011, 275 attacks took place off Somalia on the east coast and in the Gulf of Guinea on the west coast of Africa.

The report showed a slight drop in the total number of recorded incidents of piracy and armed robbery worldwide, comparing the 439 recorded incidents of piracy and armed robbery in 2011 to 445 in 2010. The falling numbers come after four consecutive years of increased piracy and armed robbery worldwide.

The 802 crew members taken hostage in 2011 also marks a decrease from the four-year high of 1,181 in 2010. Overall in 2011, there were 45 vessels hijacked, 176 vessels boarded, 113 vessels fired upon and 105 reported attempted attacks. A total of eight crew members were killed throughout the year, the same number as 2010.



WTO News

A growth plan for Europe to exit the crisis-Lamy

Director-General Pascal Lamy, in a speech at the Bruegel Institute in Brussels on 29 February said: "If Europe wants to exit the current crisis, it has to restore economic growth by finding its full place in the global economy. This requires two complementary reforms. First, the EU needs to become a real policy actor, with independent fiscal resources. Second, the EU's public policies should focus on improving the competitiveness of European firms in global markets." This is what he said:

Thank you very much for your invitation to discuss Europe in the global economy. The good thing about getting old is that you can look back and see how good concepts become realities. This is what I have seen with Bruegel under the able leadership of Jean and his team.

The epicentre of the global financial crisis that started in 2008 was not Europe. But Europe is the place where the crisis moved to in 2010. Since then, the key policy issue has been how the European Union could find its way out of the problems. What public policies should national governments and the EU implement? What reforms of the economic governance of the EU would promote the adoption of these policies?

I would like to put these questions in the broader context of the long-term forces shaping the global economy. My view is that a successful path of reform in Europe cannot be dissociated from the fast-pacing changes characterizing the current phase of globalization.

Long-term changes in the global economy: Shifts in comparative advantage

What forces are shaping the global economy? The first force is the rise of emerging economies. Developed economies' exports are expected to underperform in 2011 compared to the rest of the world. This would mark the 20th consecutive year that exports of developing economies have grown faster than those of developed ones. The share of advanced economies in world trade stood at 55% in 2010, down from 75% in 1990.

Changes in the regulatory environment, technology, and transportation costs have opened new markets, altering trade patterns and forcing countries to adjust. The shift in comparative advantage that the world economy is facing today mirrors past experiences in the 19th and 20th centuries.

But what is unique about the current transformation is the fast pace at which change is taking place and the immense number of people involved. China and India today account for 11% of the world economy and according to some projections are likely to be more than double that in 20 years. These swings in economic weight have profound geopolitical consequences and can lead to political backlash, trade tensions or worse. Sometimes the international community has dealt with these pressures in a peaceful and successful way, others not. But the structural changes that were set in motion will hardly be reversed in the foreseeable future.

Internationalisation of production

The second force transforming the global economy is the international fragmentation of the production process, with technological innovations at the root of this structural transformation. Falling communication costs allow different manufacturing stages and the provision of specialized inputs to be performed in locations far from each other. The boundaries of production often cross multiple political borders.

Whereas in the past international trade mostly involved finished goods, today it is increasingly the case that "tasks" — those activities that add value to a good or service — are traded internationally. The import content of exports has grown from an average 20% twenty years ago to around 40% today.

This international fragmentation of production is caused by comparative advantage, but at the task level rather than at the final product. As for the traditional form of trade, the emergence of international production networks is good news. It is essentially equivalent to a technological breakthrough: it creates opportunities to improve firms' productivity by reallocating tasks where they can be performed more efficiently.

Seizing these opportunities does require adjustment for firms and workers. Public policies have an important role to play here. First, opportunities can be hard to get. Public action should focus on the competitiveness of firms; that is, on the conditions that promote the participation of firms in international markets. Second, adjustment is painful. Labour market reform, education and training programmes should accompany and facilitate adjustment. Safety nets should be in place so that gains from new opportunities will be shared.

How is Europe responding to these changes?

Shifting our attention to Europe in the global economy, the picture is brighter than what is generally perceived. The EU share in world exports has not changed much in the

past ten years, hovering just below the 20% mark. A performance definitely superior to that of other advanced economies like the United States and Japan, whose market shares have substantially shrunk. This suggests that European firms — or, at least, some of them — are taking advantage of the transformation in the global economy.

International production is a reality for many European firms. The European Union's total exports of parts and components were worth $850 billion in 2010, of which 60% was intra-EU trade. This indicates the importance of intra-European production networks.

The share of intermediate goods in EU trade with the rest of the world has been remarkably stable, but interesting new trends have emerged. North America's share fell sharply, from 29% to 22% on the import side between 2000 and 2010. On the other hand, EU imports of parts and components from China grew more strongly in the last ten years than imports of goods overall, producing a sharp rise in the share of intermediates from 13% to 21%. Incidentally, this runs counter to the usual story that China imports high value components from more advanced trading partners and exports finished goods with limited value added and points to the rapid evolution of the trading relationship of the EU with China.

Aggregate trade statistics mask important variations in trade performance of European countries. Some of these differences obviously depend on country-specific features. But as Bruegel's excellent report on the "Global operations of European firms" correctly points out, it is firms that are at the heart of European competitiveness. More than country-specific features, it is the characteristics of firms that explain their success in international markets. Size, productivity, skill intensity of the workforce, ability to innovate, participation in international production networks and strong distribution networks are all features related to firms' export performance –particularly in emerging markets.

Why do these characteristics matter? Essentially, because they allow European firms to compete on quality rather than price. The exceptional export performance of German firms, 29% of which sell in distant markets in China and India, is rooted in the know-how of their workforce and the quality and innovation of their products — in a word, it lies in their non-price competitiveness. Other important characteristics, in particular salary levels and the broader regulatory infrastructure of labour markets, are not much dissimilar between Germany and other European countries such as France with inferior export performance.

Europe and the euro crisis

As these slow-moving and long-term changes in the global economy unfold, Europe is facing the more immediate challenge of the euro crisis. Why did the crisis come here? The immediate target of speculation was the solvency of some member countries of the euro area. But the ultimate target was — and still is — the Union itself, as markets doubt that the current European institutions have the instruments to manage and exit the crisis. Markets are right and wrong at the same time. They are right in seeing the limits and the contradictions of the current economic governance of the EU, but they are mistaken in their belief that a solid post-Westphalian order in Europe cannot and will not be built.

Many have criticized the EU's response to the crisis, but let me start by stressing what has been achieved. First, Europe has so far successfully rejected the dangerous temptation of reversing the integrationist path.

Some call for a break-up of the euro area. They argue that the single currency is the problem, a return to flexible exchange rates the solution. This option will only throw Europe into a deeper crisis. As Tommaso Padoa-Schioppa taught us almost 30 years ago, free trade, free capital movements, fixed exchange rates, and autonomous national monetary policies form an "inconsistent quartet". A break-up of the euro area will, over time, erode the single market. I will let you imagine what this would mean for European firms that find in this quasi-domestic space the initial area to produce, grow and reinforce their competitiveness.

Others advocate a return to European protectionism. Europe, the argument goes, will find its way out of the crisis by redirecting domestic demand towards a domestic production that has experienced unfair competition from its trading partners. This reasoning is based on an erroneous premise and a false hope. The first is that Europe has porous trade borders. This is plainly wrong, as trade policies in Europe are not very different from trading partners with a comparable level of development. The false hope is that European protectionism will not be matched by the erection of similar barriers elsewhere. This strategy will only foreclose profitable opportunities for European firms in rapidly expanding emerging markets.

While rejecting these temptations, the EU has also managed to move from initial ad hoc emergency measures to structural corrections. The "fiscal compact" treaty signed at the end of January has many limitations, but also much to commend it. The institutional framework of the Economic and Monetary Union suffered several original sins. One was that member governments did not accept thorough monitoring of their fiscal policies by the European Commission. Another was the lack of clear enforcement mechanisms in the case of fiscal misbehaviour. The

treaty is a step forwards in increasing the fiscal discipline of the members of the monetary union.

Critics, however, have argued that the current approach is too narrow and will ultimately fail. They make the compelling argument that the austerity measures embedded in the treaty will trigger a vicious circle, lowering growth and worsening fiscal conditions. One bailout package will necessarily follow the other, "firewalls" will continue to be deemed insufficient and the euro crisis will remain on the front page of international media. In the process, uncertainty will damage the competitiveness of European firms, pain and resentment towards the EU will rise, particularly in affected countries. Trust in the European project will be at risk.

Ending the crisis: a growth plan for Europe

To exit the crisis, Europe needs a common growth plan. The goal of this plan should be to allow Europe to find its full place in the evolving global economy. But growth is also the essential ingredient to keep European solidarity. Not because of some sort of altruistic dream, but because it is redistribution that anchors the marriage between national and mutual interest which is at the heart of the European project.

This means, first and foremost, that the EU should adopt those policy and institutional reforms that will improve the ability of European firms to compete in global markets.

Much of the current debate in Europe is focusing on the need for a fiscal union with its own resources, including direct EU taxes, project bonds, euro bonds. You, at Bruegel, have been very vocal on this point, which I fully share. The new treaty, with its stringent rules on national fiscal policies, will create a demand for an extended EU budget. But what should the priorities of the common fiscal policy be?

I can see three broad target areas for the EU budget that relate to the conditions that underpin the competitiveness of European firms.

— First, invest in common infrastructure, particularly in the energy sector, that weighs heavily on manufacturing costs and affects price competitiveness.

— Second, promote R&D policies, education and innovation systems, which are at the core of non-price competitiveness.

— Third, assist countries in adapting their production structures, social security systems, and labour markets to the new challenges created by globalization and the internationalization of the production process. This has to be done "the European way", the "Sozialmarktwirtschaft way", which recognizes that strong social protection systems have a proven track record in improving competitiveness.

Beyond fiscal policy, completion of the internal market should be the other priority. Services are indispensable for the smooth functioning of cross-border production processes. European firms still live in a fragmented services market. This puts them at an obvious disadvantage compared to their competitors in the US and, increasingly, in China that are embedded in a continental-wide services market. In a nutshell, what Europe needs is a "Stability, Growth and Competitiveness Pact".

Let me conclude with a word on the institutional reform of the EU. A growth plan can be translated into action only if the EU is a real policy actor. This means four things.

— First, return to the Community method and re-establish the central role of the Commission. Directorates or other forms of inter-governmental bargaining are unlikely to properly respond to the trans-national interests created by European production networks and are too easily captured by local special interests. We have to accept a reality: the credibility of the EU in the world scene is directly correlated to the Community method, both positively and negatively.

— Second, the EU's powers should be limited but effective. The growth strategy of the EU, the Lisbon Agenda, relied excessively on the concept of the Union and its Commission as a coordinator of national policies. We should recognize that this political model, based on inter-governmentalism and peer pressure — the so-called "open method of coordination" — has failed to enhance growth.

— Third, the increased EU's power should be matched by stronger democratic legitimacy. Notre Europe circulated a policy note back in 1998 with the suggestive title "From the single currency to the single ballot-box". Start by linking the choice of Commission president to the results of European elections, with each political grouping proposing a candidate during the campaign.

— Fourth, institutional reforms cannot wait. Some of these steps do not require amendments of the treaties, others do. The European Union today has a variable geometry. If no broader agreement can be found, further institutional progress will have to move on through forms of enhanced co-operation as we saw with the negotiation of the new treaty.

Conclusions

If Europe wants to exit the current crisis, it has to restore economic growth by finding its full place in the global economy. This requires two complementary reforms. First, the EU needs to become a real policy actor, with independent fiscal resources. Second, the EU's public policies should focus on improving the competitiveness of European firms in global markets.

WTO chairpersons for 2012

The WTO General Council on February 24 noted the consensus on a slate of names of chairpersons for WTO bodies.

Dispute Settlement Body	H.E. Mr. Shahid BASHIR (Pakistan)
Trade Policy Review Body	H.E. Mr. Eduardo MUÑOZ GÓMEZ (Colombia)
Council for Trade in Goods	H.E. Dr. Tom MBOYA OKEYO (Kenya)
Council for Trade in Services	H.E. Mr. Joakim REITER (Sweden)
Council for TRIPS	H.E. Mr. Dacio CASTILLO (Honduras)
Committee on Trade and Development	H.E. Dr. Anthony Mothae MARUPING (Lesotho)
Committee on Balance-of-Payments Restrictions	H.E. Mr. Md. Abdul HANNAN (Bangladesh)
Committee on Budget, Finance and Administration	H.E. Mr. Albinas ZANANAVIâIUS (Lithuania)
Committee on Trade and Environment	H.E. Mr. Krisda PIAMPONGSANT (Thailand)
Committee on Regional Trade Agreements	Mr. François RIEGERT (France)
Working Group on Trade, Debt and Finance	H.E. Mr. Hisham BADR (Egypt)
Working Group on Trade and Transfer of Technology	Mr. Carlos ROSSI COVARRUBIAS (Peru)

The General Council also agreed on the appointment of the following chairs of the bodies under the Trade Negotiations Committee :

Special Session of the Committee on Trade and Development	H.E. Mr. Kwok Fook Seng (Singapore)
TRIPS Council in Special Session	H.E. Mr. Yonov Frederick Agah (Nigeria)

These chairpersons are to serve until the next Session of the Ministerial Conference.

General Council elects new chair



The General Council, on 14 February elected Ambassador Elin Johansen (Norway) as chairperson for 2012.

The outgoing chair, Ambassador Yonov Frederick Agah (Nigeria), informed members that consensus had not been achieved on the slate of names for the appointment of officers to WTO bodies. The General Council agreed that the new chair should continue consultations, and that it would reconvene as soon as possible to continue its consideration of this matter.

Director-General Pascal Lamy and many delegations paid tribute to the leadership of Ambassador Agah during the past year. They especially commended his efforts leading to the success of the Eighth Ministerial Conference held last December.

The General Council adopted the two waiver decisions: "Cuba — Article XV:6 — Extension of the waiver", and "European Union — Additional autonomous trade preferences granted by the EU to Pakistan". Pakistan expressed gratitude to members and the EU in particular for the decision.

The outgoing General Council chair reported on his consultations on a proposal by the Arab Group on improving the guidelines for granting observer status to intergovernmental organizations in the WTO. He urged continued engagement of members to address this issue.