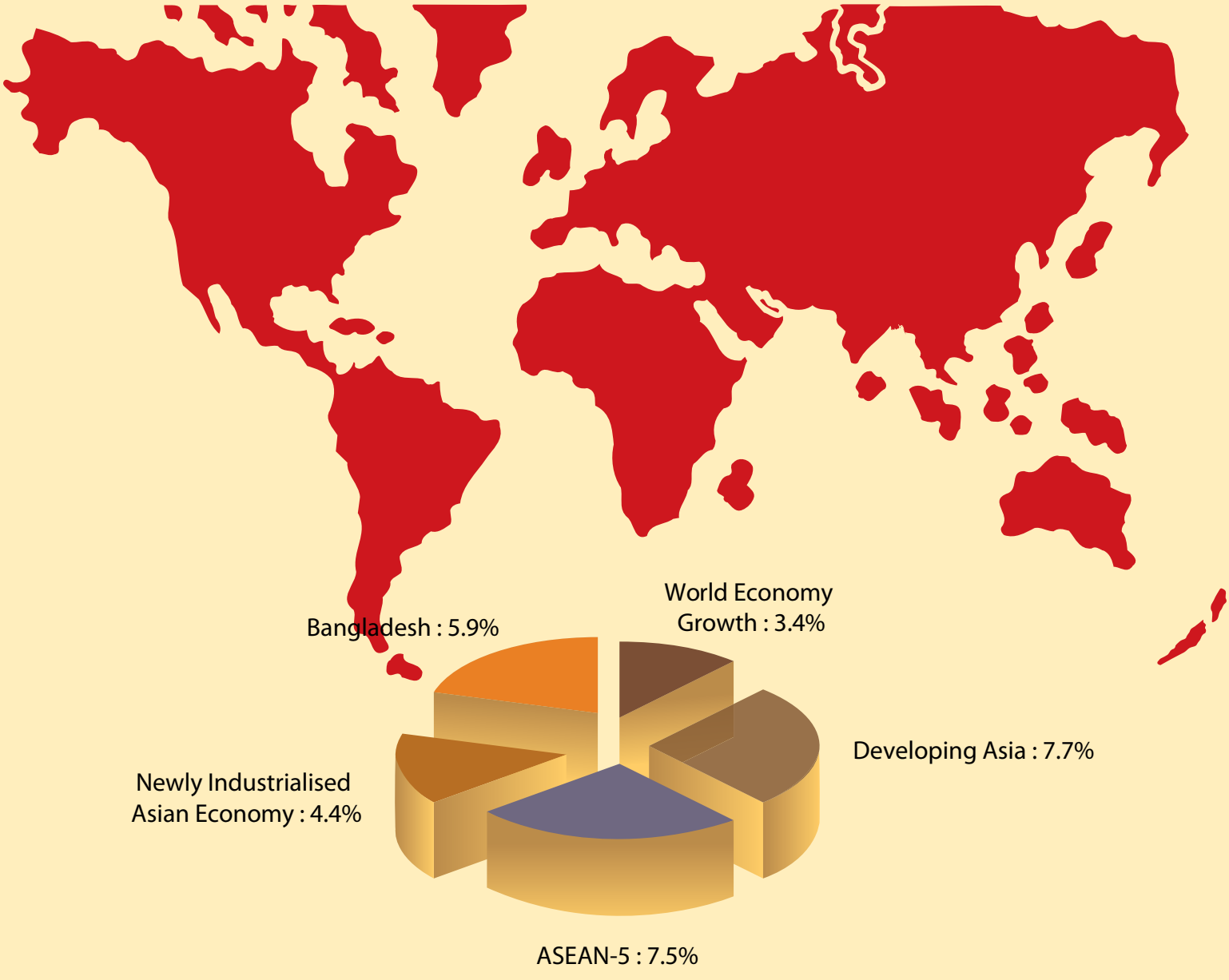
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The world business organization

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World economy slowing Asian Growth

ICC Bangladesh
The world business organization

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Editor's Note

Slowdown of world economy : Can Asia face the Challenge ?

The global economy has reached a critical juncture, and is facing the arduous task of overcoming major difficulties standing in the way of recovering and ensuring steady growth. Europe's debt crisis has festered for more than three years now. Analysts said Europe's sovereign debt crisis, high commodity prices, the legacy of the financial collapse and tension between the world's three biggest economies had soured the economic environment since the start of 2012.

In the past three months, the global recovery, which was not strong to start with, has shown signs of further weakness. The scenario of a synchronized recession across the world loomed larger since the breaking news of shrinking in China's factory output as well as intensified recession in Europe and the weakest quarter performance of the US manufacturing sector. In addition lower GDP growth in a number of major emerging economies has further aggravated the situation.

According to IMF latest World Economic Outlook (WEO) projections, global growth will be 3.5 percent in 2012 and 3.9 percent in 2013, marginally lower than its April forecast. The World Trade Organization (WTO) has also warned about deteriorating global trade and has slashed its growth forecast from 3.7 to 2.5%, less than half of the previous 20-year average. According to WTO Director General Pascal Lamy, there is more risk of things getting worse than better.

Similarly, the Organization for Economic Co-operation and Development (OECD) predicted shrinking of UK economy by 0.7%, compared with its previous forecasts of 0.5% growth. Even though the US economy is expected to grow due to improvements in the housing market and some progress on tackling its debt : still, the OECD has reduced US growth forecast from 2.4% to 2.3%.

Meanwhile, a European Commission report showed eurozone consumer confidence falling for the fourth consecutive month in September to a 40-month low amid signs that activity across the 17-nation single currency zone is heading for a second quarter of decline. The EC's consumer confidence index sank to -25.9 in September from -24.6 in August.

On the other hand, Asia remained the brightest spot in the global economy but the global slowdown has been reflected in Asian exports, which JP Morgan calculates have fallen at a 15.7 percent annualized rate in the June-August period. Chinese growth slowed to a three-year low of 7.6 percent in the second quarter. A slowdown in China's economy is perceived as being the biggest risk to Asia's economic growth, according to a survey of powerbrokers in the region. Further, the involvement of Japan in a territorial row with China over disputed islands will also affect the Asian economy.

Then again, the IMF down-graded its growth forecast for Bangladesh, India, South Korea and ASEAN-5 nations :Indonesia, Malaysia, the Phillipines, Thailand and Vietnam due to Euro Zone crisis. Growth in emerging nations is expected to moderate to 5.6 percent this year before picking up to 5.9 percent next year, according to IMF. Both forecasts were lower from April estimate. The 2012 growth estimate for the Indian economy will be lower by 0.7 percentage points to 6.1 percent, the sharpest revision for any of the countries included in the IMF report.

According to IMF, Bangladesh growth may slow down to 5.8 percent in 2012-13 FY due to sluggish exports and investment, though the government set its target at 7.2 percent. Given the global context coupled with basic deficiency in infrastructure and utilities such as gas and power, it appears the target to be unachievable. However, experts opined that Bangladesh may maintain its 6% plus growth by accelerated export performance in readymade apparels, leather products & increased expatriate remittance which is expected to be around US$ 14 billion in current FY.

Asia has shown rapid economic and social development over the past decades and has significantly boosted its share of global output and forged strong links with the global economy. Currently, Asia accounts for one third of the world's exports and imports. Since the onset of the 2008 global financial crisis, developing Asia has proven its resilience. However, from early 2012, Asia is feeling the pinch of world economic slowdown and need to focus on ways to contain risks emanating from trade and financial transmission channels, which we believe Asia can like in the past.

ICC Bangladesh News

Mahbubur Rahman attends Celebration of Indonesian Independence as Presidential Friends of Indonesia 2012

ICC Bangladesh President Mahbubur Rahman participated in the 5th "Presidential Friends of Indonesia" Programme 2012 in celebration of 67th Independence Day of Indonesia. The Independence Day of Indonesia was 17th August. Mr. Rahman was invited as a Special Guest of the President of the Republic of Indonesia at this national celebration in Jakarta.



ICCB President Mahbubur Rahman is being received by H.E. Dr. H. Susilo Bambang Yudhoyono, President of Indonesia at the Presidential Palace in Jakarta at the Reception of the 67th Indonesian Independence Day Celebration. Also seen in the picture are : First lady Madam Ani Herrawati, Vice President Prof. Dr. Boediono and Madam Boediono.

The 5th Presidential Friends of Indonesia Programme 2012 organized by the Ministry of Foreign Affairs of the Republic of Indonesia invited 10 Special Guests from ten different countries representing parliament, former minister, business leader, university professors and civil society representatives. Countries invited are: Australia, Bangladesh, Egypt, Fiji, Japan, Mongolia, Myanmar, Republic of Korea, Tunisia and Vanuatu.

Mahbubur Rahman was the only business leader in the group. The others included: Hon'ble MP Hilton Dunstan, Speaker of Parliament of Vanuatu, Maj-Gen Nyunt Tin (Retd.), Former Minister of Agriculture And Irrigation, Myanmar; Mr.Imed Taktak, Chairman, Insurance and Reinsurance Brokering, Tunisia; Prof. David Hill, Professor of South-East Asian Studies of Murdoch University, Australia; Mr. Geoffrey Smith, Team Leader, News and Current Affairs, Fiji TV. Mr. Mohamed Tharwat, Journalist from Egypt; Prof. Yang Seung-Yoon Hankuk University of Foreign Studies, Korea and Dr. Yo Nonaka. Senior Visiting Researcher Research Institute at SFC ,Keio University, Japan.

ICCB President Mahbubur Rahman and other special guests called on the President of Indonesia H.E. Dr. H. Susilo Bambang Yudhoyono, Former President of Indonesia H.E. Mr.B.J.Habibie, Foreign Minister Dr. R.M. Marty M. Natalegawa and Governor of Central Java Mr. Bibit Waluyo and exchanged thoughts and ideas on topical issues including current economic situation and political developments in the region as well as elsewhere in the world.

The seven-day programme from 12-18 August for the visiting friends of the President included presentation of the reformed electoral system of democratic Indonesia and the dialogue on "Democracy and Economic Development: lndonesia's Lessons Learned and Best Practices". It may be mentioned that the Independent General Election Commission has its organizational structures at the national level, 33 Provincial and 497 Regency/City level. There are three general elections in Indonesia which are organized directly: first Members of the Parliamentary (National, Provincial and Regional/City) Elections and Regional Representative Council, second General Election to elect

President and Vice President and third General Elections of Head and Vice Head of Regions for Provincial, Regional/City level. In 2009 election there were about 171.3 million registered voters for parliamentary election and 176.4 million voters for Presidential and Vice Presidential elections. The next election is due in 2014 for which the Election Commission has already started its necessary preparation and drawing up schedules of events.

Indonesia is the largest Muslim country and today it is an emerging economy and has become the 16th world economic power. In a middle income country of 245 million people it is not without problems of poverty and unemployment; which is being addressed by the Yudhoyono Government in a manner showing signs of gradual decline.

In order to alleviate poverty, the government has launched programmes through four clusters. The first cluster: is the direct aid of affordable rice for underprivileged people (Raskin), School Operational Support (BOS) and Aspiring Family Programme. The second cluster: developing the Self Supporting National Community Empowerment Programme (PNPM Mandiri). The third cluster: small, micro, and medium enterprise-based programmes through the Small holder Business Gredit (KUR) and Corporate Social Responsibility (CSR). The fourth cluster: through inexpensive houses, affordable public transportation, more equally distributed clean water and electricity, and the improvement of the livelihood of fishermen and poor urban citizens.

Sustainable development for all-humans and environment has become their common commitment as citizens of the world. With a view to garnering global solidarity, three years ago, Indonesian President conveyed their voluntary commitment to reduce greenhouse gas emissions by 26 percent of the projected emissions of their country in 2020. As an elaboration of that commitment, the Government has adopted the National Plan of Action for the Reduction of Greenhouse Gas (RAN-GRK) that they apply to five main sectors, namely forestry and peat lands, agriculture, energy and transportation, industry, and waste. In addition, in order to enhance environmental supporting capacity, one billion trees have been planted annually.

It may be mentioned that the Government of President H.E. Dr. H. Susilo Bambang is continuously working to deal with six major agenda: Corruption Eradication; Bureaucratic Reform and Good Governance; Ethnic Violence and Social Clash; Investment Climate and Law Certainty; Infrastructure Development and a Fiscal Policy in facing the global economic crisis.

When Indonesia was proclaimed 67 years ago, Bung Karno, Bung Hatta and the Founding Fathers of the Republic had set the goals for the establishment of an Indonesia which is independent, united, sovereign, just, and prosperous, namely a country that protects all people of Indonesia and their homeland, and to advance the public well-being, to enlighten the nation's life and to participate in the establishment of a world order based on independence, abiding peace and social justice. The Unitary State of the Republic of Indonesia is established over the foundation of Pancasila and the 1945 Constitution, and is inspired by Bhinneka Tunggal Ika - unity in diversity.

In a span of 67 years of Indonesia's history, governments have been present and carried out responsibilities alternately. Every government, since the government of President Soekarno, President Soeharto, President Prof. B.J. Habibie, President K.H. Abdurrahman Wahid, and President Megawati Soekarnoputri, has arduously worked and determined to build this country towards a better future.

It may also be mentioned that Indonesia considers Bangladesh as one of its major trade partners in South Asia because of its unique geographical location, which links the South Asia region with South East Asian nations. Indonesia's export to Bangladesh was US$1.36 billion against its import of only US$ 39.46 million. The bilateral trade between the two countries stood at US$ 1.05 billion in 2010 and US$ 900 million in 2009.



Former President of Indonesia H.E. Mr. B.J. Habibie (5th from right) and ICCB President Mahbubur Rahman (7th from right) are seen in a group picture with the 5th "Presidential Friends of Indonesia 2012" .



Foreign Minister of Indonesia H.E. Dr. R.M. Marty M. Natalegawa (6th from right) and ICCB President Mahbubur Rahman (8th from right) are seen in a group picture with the 5th Presidential Friends of Indonesian 2012 at the Ministry of Foreign Affairs, Jakarta.

Enabling Environment for Integration of SMEs in Global Value Chain

experts emphasize on market access of local non-traditional products

Business leaders and experts suggested for promotion of SMEs by ensuring market access of non-traditional items to global market, access to capital at lower interest rate and enabling environment, among others are important in order to achieve desirable growth.



Bangladesh Bank Governor Dr. Atiur Rahman(3rd from right) is seen delivering his inaugural address at the SME Seminar presided over by ICC Bangladesh President Mahbubur Rahman (3rd from left). Also seen in the picture from left to right are : ICCB Vice President Rokia Afzal Rahman, BRAC Bank MD Syed Mahbubur Rahman, Dr.Masato Abe of UNESCAP and ICCB Vice President Latifur Rahman.

Bangladesh can offset falling RMG exports, the country's main shipment, by adding SME products to the export basket, experts said on July 3 at a seminar was organized by ICC Bangladesh in collaboration with United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) and BRAC Bank, to discuss further opportunities for SMEs in Bangladesh as well as integration of SMEs in global value chain.

"SMEs are an important source of revenue in most developing economies," said ICC President Mahbubur Rahman, in his opening remarks, citing examples of Taiwan, China and India where the sector contributed 56 percent, 40 percent and 31 percent, respectively, to exports.

Mahbubur Rahman said that to attain of targeted growth 7.2% for FY13 and to become a middle income country by 2021, development of SMEs is most vital and crucial to achieve the growth objective. He also strongly urged the SME Foundation to ensure that the resources provided to them are prudently utilized to promote SMEs. He suggested that SME Foundation should undertake programme for promoting market access of our non-traditional products, which are otherwise excellent, to enter into the global value chain.

"We all know that our readymade garment industries (RMGs), considered to be SMEs, have made tremendous progress and account for almost 80 per cent of our total export and second largest exporter of RMGs in the world. Unfortunately, we are yet to see any other SME making considerable headway in entering into export market. However, in the recent past, we have seen a few products including plastic are making their mark in the domestic and thus became an import substitute enterprises. The SME sector is gradually being recognized as a major thrust sector for industrial growth of our economy. Yet, given their potential, much more can and should be done in areas such as credit facilities, infrastructure, market access, quality and standards as well as training etc.", observed Mahbubur Rahman.

"Today, it is important to remind ourselves of the enormous progress of our human race in the last few decades. In the twenty years since 1990, global wealth has almost doubled. Yet, nearly half of the world's population i.e., 3 billion people, live on less than $ 2.50 a day', said ICCB President.

"As we know that it is vital to strengthen SMEs for overall economic development of our country, I am very happy that Bangladesh Bank has introduced several schemes and programme to flourish and expand SME Enterprises. Refinance scheme funded by Bangladesh Bank, IDA and ADB has been facilitating for the development of SMEs," Mahbubur Rahman said.

While SMEs account for more than 90 per cent of all private enterprises and employ roughly 60 per cent of the domestic workforce in South Asia, relative share of SMEs production in total domestic output is much smaller, approximately 35 per cent and direct contribution of SMEs to merchandise export earnings is around 25 percent.

Another important challenge facing SMEs in South Asia is creating new business opportunities to foreign markets and establishing effective linkages with global and regional markets including China and India. However, SMEs could access international markets through global and regional value chains (GVCs). They could build efficient networks by establishing linkages with large enterprises or even with other SMEs. Such integration in global value chain is expected to help boost SMEs' value added activities in international trade, in particular, countries like Bangladesh, Nepal and Sri Lanka.

In Bangladesh, these enterprises are the largest employers. The key factors that constrain the growth of SMEs in Bangladesh are access to capital, high interest rate, weak marketing and lack of diversified products for export etc, observed speakers.

Besides, to ensure institutional financing facilities under easy conditions, Bangladesh Bank has taken various steps; like opening of 'Dedicated Desk' for SME, 'Women Entrepreneurs' Dedicated Desk' and 'SME Service Centre' in the commercial banks as well as setting up of a new department namely 'SME and Special Programme Department' in Bangladesh Bank which is solely responsible for policy formulation, facilitating fund, monitoring and development of entrepreneurship in the SME sector, said ICCB President.



Bangladesh Bank Governor Dr. Atiur Rahman(3rd from right) launched ESCAP country studies on SMEs on Bangladesh, Nepal and Sri Lanka. Also seen in the picture are (from left to right) : ICCB Vice President Rokia Afzal Rahman, BRAC Bank MD Syed Mahbubur Rahman, ICCB President Mahbubur Rahman, UNESCAP Economic Affairs Officer Masato Abe and ICCB Vice President Latifur Rahman.

Bangladesh Bank Governor Atiur Rahman, the chief guest at the seminar, echoed Mahbubur Rahman's views regarding export diversification through SME products to achieve sustainable growth. Apart from tangible goods, significant scope lies in export of IT-enabled services, he said.

Bangladesh Bank will launch e-commerce service in a few months' time to facilitate international trade, the Governor said. "It will create a new window of opportunity for local small enterprises to sell their products online to the international market, including non-resident Bangladeshis," he said. Non-resident Bangladeshi entrepreneurs would be able to promote e-commerce of local SME entrepreneurs as they

are familiar with both the worlds, he observed. Banks, too, can play a defining role in developing the online marketing platform. Accounting and legal services from SMEs, too, can be served as exports. Thanks to the e-commerce platform, as Indian entrepreneurs' great success in this field shows, Rahman added.

The Governor also termed disbursement of SME loans by the banks as the social responsibility and gave all the credit to the nourishment of SME and agriculture sector by the banks that saved the country from economic depression during the global crisis.

Dr. Rahman also said there is no other substitute to technology developments for SMEs and enabling environment and infrastructure development are also essential for integration in global value chain. SME financing is a major thrust area of BB's ongoing financial inclusion campaign participated enthusiastically by all banks, on their own as well as in innovative partnerships with Micro Finance Institutions (MFIs) and mobile phone/smart card based IT platforms for cost effective service delivery. "Besides our government, external development partners like ADB and JICA have come forward in aiding the SME financing initiatives with refinance support lines for lending banks," said the Governor.

The inaugural session was also addressed by Dr. Masato Abe, Economic Affairs Officer, Private Sector and Development Section, Trade and Investment Division, UN ESCAP and Syed Mahbubur Rahman, Managing Director & CEO, BRAC Bank Limited.

Dr. Masato Abe said SMEs have played an important role in creating jobs in south Asian countries, including Bangladesh. "Most countries are now focusing on export-led SME growth due to regional integration," said Dr. Abe, citing opportunities presented by the increasing tendency of Western firms to outsource their activities offshore. Dr. Abe explained the importance of the SMEs integration in global value chain as well as its impact on Asian economies at the seminar.

Syed Mahbubur Rahman, Managing Director of BRAC Bank, said the prospects for SMEs are immense, thanks to the opportunity to export innovative products. The local marketers, however, are not exploiting the opening presented by international markets due to lack of awareness, he said. Syed Mahbubur Rahman, said 92% of the 2.2 billion dollars loan BRAC Bank has disbursed to SMEs as collateral free and has financed close to 400,000 small and medium entrepreneurs.



Sub-Regional Seminar on Integration of SMEs in Global Value Chain in progress.

Governor Dr. Atiur Rahman launched the Report of UNESCAP Study Report Enabling Environment for the Successful Integration of Small and Medium-sized Enterprises in Global Value Chain: Country Studies on Bangladesh, Nepal and Sri Lanka.

In the first working session chaired by ICC Bangladesh Vice President Rokia Afzal Rahman, Dr. Masato Abe introduced the UNESCAP study on SME value chain for development and export promotion. The study covered plastic industry in Bangladesh, ginger and coffee production in Nepal and rubbers and electronic in Sri Lanka. Those products were identified based on the following criteria: export potential, value addition, job creation, linkages with other sectors, supply capacity, impact on gender empowerment, accessibility and government priority. "The structure of the value chains is becoming more complex with off shoring and outsourcing, as more individual production nodes and distribution links are involved across borders. While streamlining production networks, supplier consolidation and production agglomeration have increased the importance of certain suppliers and locations by concentrating physical assets and production facilities", said Dr. Abe.

According to the study, the key guidelines for effective policymaking include: the reduction of entry barriers (and thus costs) for new businesses, the importance of cash flow to SMEs (the major reason most new and small businesses fail is not a lack of profits but a lack of cash), the strengthening of entrepreneurship through training and education, and the strengthening of networking and information dissemination (a lack of networks and information hinders effective deployment of technology and business development services as well as collaboration with other firms). The major challenges identified in the study are: unknown market, lack of network, internationalization process, different culture, intensified competition, poor management skills and lack of financing

Mr. Asif Ibrahim, President of Dhaka Chamber of Commerce and Industry (DCCI), in his remarks as a panelist, stressed the need for developing a stable SME policy that entails

removing administrative barriers. He recommended employment of a 'clustering approach' to develop SMEs, with special attention shed on the engineering sector.

Syed Rezwanul Kabir, Managing Director of SME Foundation, also a panelist, stressed the need for export-led SME growth. "Time has come to devise ways to upgrade the technology on hand as it will help local SMEs produce quality products, and thus enabling them to gain competitive edge at the international market."

ICC Bangladesh Vice President Rokia Afzal Rahman in her concluding remarks said the plastic industry has a vast market abroad. She cited increasing popularity of recycled plastic goods globally, giving example of recycled plastic bottles which are currently being exported to China.

Prof. Mustafizur Rahman, Executive Director, Centre for Policy Dialogue (CPD) chaired the second working session where the three sectoral studies of Bangladesh, Nepal and Sri Lanka - their prospect of integration and international market access were presented.

Sheikh Morshed Jahan, Associate Professor, Institute of Business Administration (IBA), University of Dhaka, the lead researcher presented the Bangladesh Study. He mentioned that the domestic market size of plastic industry is about US$ 714 million with per capita consumption of around 2 - 4 kg / year. There are some 3,000 small, medium and large plastic manufacturing units operate across the country, 300 small recycling units around Dhaka city which recycle about 138 tons/ day. The export earnings is US$ 30 million direct export & US$ 110 million deemed export (Deemed Export: RMG Accessories Plastic industry earns more than 10% of its earnings from RMG export). The industry expanded its fixed assets, employment, and output by over 20% per annum during the 1990s About half-a-million workers are directly and indirectly employed in the sector. A total of about 2 million people depend on the industry.

Sheikh Morshed observed that according to study findings the plastic industry can reach a market size of US$ 2 billion by 2015 and US$ 4 billion by 2020 from the current level of US$1 billion (approx.) provided the following three things are addressed immediately: (a) Infrastructural Support: Power, park (SEZ) & central mould making facility; (b) Waste Management & Recycling Infrastructure: Facilitating and promoting 'green plastic' for sustainability by assisting both producers and users and (c) Human Capital Development: Technical (maintenance and trouble shooting) & business skills (entrepreneurship & marketing).

Dr. Masato Abe presented a brief report on Nepal and Sri Lanka studies. He mentioned that there is high and increasing demand in the northern cities of India for Nepalese ginger. The Government has identified ginger as one of the priority products for developments and committed to provide facilities/ services to the farmers/traders. The rate of return in ginger production is higher compared to the production of other cereal products and the market access condition in export market is favourable, and Nepal enjoys high tariff preferences in Indian markets. Private sector institutions, e.g. Agro Enterprise Center, provides market/ price information to the farmers/ traders and there exists well established coordination mechanism with government agency, e.g. Agro-business and Marketing Development Directorate.

In his presentation on the Sri Lanka electronic study Dr. Abe highlighted some strength of the industry. They include: low-cost, skilled workforce, preferential access to major overseas markets, such as EU, US, India, relatively low international transportation costs due to a proximity to maritime corridors, high productivity levels when compared to other key export sectors (i.e., apparel and rubber/ plastic industries), ample duty-free supply of natural resources (iron, oil, etc.) from India and foundation of the Government supported microfinance institutions. The study suggested to undertake development strategies such as attracting foreign MNC subsidiaries, exporting quality electronic components to ASEAN and Japan and developing designated industrial parks and export processing zones

Mr. Shahedul Islam (Helal), Past President, Bangladesh Chamber of Industries and Dr. Nazneen Ahmed, Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS) in their remarks mentioned that there is need for appropriate policy support to promote SMEs for increasing export of non-traditional items. Integration into global value chain is essential, but it is necessary to develop mechanism to ensure that the incremental benefit goes to local producers and profit is distributed down the line as at present the middlemen in the global value chain are deriving the maximum benefit. It was also suggested to cover women entrepreneurs in future studies to find out how they can be integrated into global value chain.

Prof. Mustafizur Rahman in his concluding remarks mentioned that there is ample opportunity for Bangladeshi products in the regional market of India and China. He emphasized the need for proper policy, regulatory framework, infrastructure including uninterrupted supply of electricity, financing and marketing for forward linkages.

Dr. Sailendra Narain, Chairman, Centre for SME Growth & Development Finance (CESMED) discussed on the financing of SMEs and regional countries' integration of SMEs in value chain development.

The Seminar was attended by over 150 business leaders, SMEs, bankers and experts.

ICAB Conference on Entrepreneurship and Business Ethics

Law Minister assures of no incongruity in proposed financial reporting Act

Law Minister Barrister Shafique Ahmed on July 9 assured chartered accountants that nothing would be included in the proposed Financial Reporting Act contradicting the existing chartered accountancy law. Mr Ahmed gave the assurance while speaking as chief guest at the Members' Conference on "Entrepreneurship and Business Ethics", organized by The Institute of Chartered Accountants of Bangladesh (ICAB). Law Minister Shafique Ahmed said the cabinet adopted the proposed financial reporting act in principle. Terming the role of chartered accountants very important for the society, he laid stress on playing their role with integrity, honesty and sincerity. He urged the entrepreneurs to do their business ensuring rights of consumers while earning profits.



Law Minister Barrister Shafique Ahmed, (third from right) and ICAB President Md. Syful Islam (third from left), presenting a crest to Transcom Group Chairman & ICCB Vice President Latifur Rahman (centre), for receiving the Oslo Business for Peace Award 2012, ICC Bangladesh President Mahbubur Rahman(2nd from left), A. K. M. Rafiqul Islam, FCA (2nd from right) are also seen in the picture.

ICC Bangladesh President Mahbubur Rahman and ICC Bangladesh Vice President Latifur Rahman were special guests at the Conference, which was conducted by Past ICAB President A.K.M Rafiqul Islam, FCA. ICAB President Md. Syful Islam delivered the welcome speech while Md. Humayun Kabir, past president of ICAB, presented the keynote paper.

Mr. Mahbubur Rahman strongly urged the ICAB to extend all out support to the council to be formed after enactment of the law so that it becomes an effective financial regulatory body. Mahbubur Rahman said: "I understand that the Financial Reporting Act 2010 is almost at the final stage. This act is of utmost importance for businesses to ensure transparency in audits and accounts." "A Financial Reporting Council will be formed after the act is passed. I would strongly urge the ICAB to extend all support to the council so that it becomes an effective financial regulatory body." He further observed that the ICAB members should play a big role in helping the entrepreneurs and guide them in following a set of internationally-accepted business rules.

ICCB President said that business ethics reflects the philosophy of business, one of whose aims is to determine the fundamental purposes of a company. If a company's purpose is to maximize shareholder returns, then sacrificing profits to other concerns is a violation of its fiduciary responsibility. Corporate entities are legally considered as persons in most nations. The 'corporate persons' are legally entitled to the rights and liabilities due to citizens as persons.

"When we the business people speak about "business ethics" we usually mean one of three things: (1) avoid breaking the criminal law in one's work-related activity; (2) avoid action that may result in civil law suits against the company; and (3) avoid actions that are bad for the company image. Businesses are especially concerned with these three things since they involve loss of money and company reputation", said Mahbubur Rahman.

ICAB President Islam said ethics have an enormous role to play in business as they give a guideline as to which business practices are socially and morally acceptable and which are not. In cases, where there are no laid-down rules on the right and wrong ways of doing business, ethics fill the gap and give the much-needed direction, he said.

It is through awareness of ethics that entrepreneurs abstain from engaging in business practices that lead to the violation of human rights or bring about gain at the unfair cost of the public interest, ICAB President said. Islam also congratulated Latifur Rahman, Chairman and CEO of Transcom Group & ICCB Vice President for receiving the internationally acclaimed Oslo Business for Peace Award 2012.

"In today's free market global economy, it is necessary for our entrepreneurs to maintain certain business norms in line with international business," observed ICCB Vice President Latifur Rahman. Keeping an eye on one's profit motif and the interests of consumers might in fact generate some morally-responsible business decisions, he added. Mr Latifur Rahman requested the government to give due importance to the views of ICAB in formulating the financial reporting law.

Mr. Mahbubur Rahman and Mr. Latifur Rahman were presented crests at the function for their outstanding contribution to the business sector.

ICC Workshop on Treasury Management
Mahbubur Rahman suggests better management of limited fund

Banks are currently going through serious liquidity crisis and as a result, the private sector is not getting the required credit facilities to meet their investment and working capital fund. "Therefore, it is essential that the bankers learn more about the treasury management for proper utilization of limited fund". said ICCB President Mahbubur Rahman while inaugurating the Workshop on Treasury Management organized by ICC Bangladesh and supported by Standard Chartered Bank in Dhaka on July 14.

The inaugural session of the Workshop was also addressed by Muhammed A (Rumee) Ali, BRAC Bank Chairman and Vice - Chairman of Bangladesh Association of Banks and Jim McCabe, CEO of Standard Chartered Bank.

Despite world recession developing Asia's growth in 2011 was recorded at 9.5%. Asia, with a solid global market and a large pool of foreign exchange reserves, has proven to be the shining light in a gloomy and uncertain world economy. Asia's prospects are likely to be affected by the West. However, it is opined that the rising Asia appears to be able to help save the world from the shrinking economy. In line with Asian economies, Bangladesh's performance has so far been quite resilient to global economic meltdown. Its macroeconomic performance was better than expected and regionally its performance had been one of the best, Mahbubur Rahman added.

ICCB President Mahbubur Rahman mentioned that Treasury Management is the management of cash, fund, currency, bank and financial risk. So, it is an imperative tool of finance. It handles actual cash management at companies, and one of its main functions is to establish the optimum cash level so that payments can be made and received as necessary for the proper operation of the company. Besides, another main function of treasury management is to maintain the liquidity of business. Without proper liquidity, it is risky for business to operate smoothly. It is also the function of treasury management to minimize the currency risk. For this, treasury managers touch with currency market of world. They analyze the reason of crisis in currency market. Sometime this crisis will be benefited for them because they have to pay less to other country for getting their service at cheap rates.



Jim McCabe, Chief Executive Officer of StanChart Bangladesh seen speaking at the inauguration of the Workshop on Treasury Management chaired by ICCB President Mahbubur Rahman (2nd from left). Also seen in the picture from left to right are: Samiran Chakraborty, Head of Research at Standard Chartered Bank, Mumbai; Muhammad A (Rumee) Ali, Chairman of BRAC Bank & Vice President, Bangladesh Association of Banks(BAB) and Ataur Rahman, Secretary General of ICCB.

BRAC Bank Chairman Muhammed A. (Rumee) Ali in his address said recently in UK manipulation of London Interbank Offered Rate (LIBOR) created panic among the consumer of the banks and its ultimately spreading all over the world. He also mentioned that recent change in provisioning requirement by Bangladesh Bank for the commercial banks may compel banks to draw upon their capital to meet their requirements. He suggested the central bank to make details study on it. The central bank should also train the central bank officials for providing exact information, Rumee Ali added.

Standard Chartered Bank CEO Jim McCabe in his speech said "global economic turbulence has lead to realignment and changed in global financial architecture. Standard Chartered has weathered this storm much better than most of theour peers worldwide. This gives us a vantage point in guiding financial innovation in a manner which is sustainable by combining our global capability, deep local knowledge and creativity." In this current period of global uncertainty, it has become imperative to develop a clearer understanding of the global economy and its impact on Bangladesh, observed McCabe and said "We remain bullish on Bangladesh and have categorized Bangladesh as potential member of the 7% growth club. However with western economies mired in recession, and prospects of slowdown in key growth economies, there are real risks".

The workshop was jointly conducted by Dr. Samiran Chakraborty, Head of Research, Standard Chartered Bank, Mumbai, Alamgir Morshed, Head of Global Markets, Standard Chartered Bank Bangladesh and Biswajeet Sengupta, Head of Financial Market Sales for Bangladesh and Eastern India.

A total of 85 participants attended the workshops held in Dhaka and Chittagong on July 14 and July 15.

ICCB bids farewell to Indonesian Ambassador

ICC Bangladesh hosted a farewell lunch for Ambassador of the Republic of Indonesia to Bangladesh H.E. Mr. Zet Mirzal Zainuddin in Dhaka on September 13. ICCB President Mahbubur Rahman thanked the Ambassador for accepting the invitation and recalled his role during his tenure in Bangladesh to promote bilateral trade between Bangladesh and Indonesia. ICCB President also thanked the Ambassador for taking the initiative to invite him to attend the 5th Presidential Friends of Indonesia Programme 2012 and 67th Independence Day of Indonesia in Jakarta during 12-18 August as a Special Guest of the President of the Republic of Indonesia.

ICCB President Mahbubur Rahman mentioned that Indonesia, the largest Muslim country in the world, today is an emerging economy and has become the 16th world economic power. He said in a middle income country of 245 million people it is not without problems of poverty and unemployment; which is being addressed by the Yudhoyono Government in a manner showing signs of gradual decline. Mahbubur Rahman appreciated the system of conducting elections of peoples' representative to various bodies from local to the national levels. This is something which Bangladesh could learn and practice he observed.

On the bilateral trade relation, ICCB President mentioned about huge trade gap between the two countries which needs to be addressed. Bangladesh's import is US$ 1.36 billion as against its export of only negligible amount of about US$39.46 million.

Ambassador of Indonesia Zainuddin thanked the ICCB President for arranging the farewell lunch for him. He appreciated the support extended to him by the business leaders in promoting trade between the countries. He also said that during his tenure he has not tried to promote import from Indonesia but also increase export from Bangladesh to Indonesia. He mentioned that he found Bangladeshi people very hard working and the businesses are continuously trying to open up new markets and new products for increasing export from Bangladesh. He tried to make Bangladesh known to Indonesian business communities to increase more trade between the two countries. He assured that he would continue to promote Bangladesh even when he is back to Indonesia. He invited the business leaders to visit and arrange trade fair in Indonesia.

The farewell lunch was attended, among others by the High Commissioners of Malaysian and Sri Lanka, Ambassadors from the Netherlands, the Philippines, Myanmar, Russia Federation and Turkey; Former Foreign Secretary Ambassador Faruq A. Choudhury, The Daily Star Editor Mahfuz Anam, ICCB Vice Presidents Latifur Rhman and Rokia Afzal Rahman; FBCCI President A K Azad, DCCI President Asif Ibrahim, A. K. Khan & Company Ltd Managing Director Salahuddin Kasem Khan, Newage Garments Limited Chairman & CEO, A. S. M. Quasem, IOE (Bangladesh) Limited President & CEO, Aftab ul Islam; Bengal Fine Ceramics Limited Chairman, R. Maksud Khan, Barrister Rafique-ul Huq, BIA Chairman Sheikh Kabir Hossain,FICCI President Syed Ershad Ahmed, Apex Adelchi Footwear Limited Chairman Syed Manzur Elahi, Linde Bangladesh Limited Adviser Waliur Rahman Bhuiyan, OBE, Bangladesh Int'l Arbitration Centre (BIAC) CEO Dr. Toufiq Ali, ETBL Securities & Exchange Ltd. Managing Directorr Rizwan-ur Rahman and ICCB Secretary General, Ataur Rahman.



H.E. Mr. Zet Mirzal Zainuddin, Ambassador of the Republic of Indonesia to Bangladesh (13th from right) was given a farewell by ICC Bangladesh President Mahbubur Rahman (12th from right) at a Hotel in Dhaka on September 13.

53rd ICCB Executive Board Meeting held reviews activities of National Committee.

The 53rd Meeting of the ICCB Executive Board was held on September 13. At the very outset of the Meeting, ICCB President Mahbubur Rahman welcomed Mrs. Rokia Afzal Rahman on her being elected as a Vice President of ICC Bangladesh representing the Organization Group Members of ICC Bangladesh. Mrs. Rahman thanked the Board Members for electing her as a Vice President and assured her full commitment in upholding the activities of the National Committee. ICCB President informed the Board about the activities of ICC Bangladesh during the second quarter of the year (July-September) and also about the forthcoming events of the National Committee as well as the ICC.



53rd Meeting of the ICC Bangladesh Executive Board in Progress.

He briefed the Board about participation as a special guest of the President of Indonesia H.E. Dr. H. Susilo Bambang Yudhoyono in the 5th "Presidential Friends of Indonesia" Programme 2012 in celebration of 67th Independence Day of Indonesia in Jakarta on 17 August. The 5th Presidential Friends of Indonesia Programme 2012 organized by the Ministry of Foreign Affairs of the Republic of Indonesia invited 10 ten Special Guests from ten different countries representing parliament, former minister, business leader and university professors and civil society representatives. Countries invited are: Australia, Bangladesh, Egypt, Fiji, Japan, Mongolia, Myanmar, Republic of Korea, Tunisia and Vanuatu.

The Board Members were requested to participate at the World Business Leaders Conference in Beijing on September 28 and the ICC Regional Consultative Group Meeting in Jakarta on 15-16 October.

Presided over by ICC Bangladesh President Mahbubur Rahman, the Meeting was attended by ICCB Vice Presidents Latifur Rahman, Rokia Afzal Rahman and the following ten Board Members: A.K. Azad, A. S. M. Quasem, Afatb-ul Islam, Md. Shafiul Islam (Mohiuddin), Rashed Maksud Khan, Barrister Rafique-ul Huq, Sheikh Kabir Hossain, Syed Ershad Ahmed, Syed Manzur Elahi and Waliur Rahman Bhuiyan, OBE.

51 bankers new Documentary Credit Specialists in 2012

The worldwide Examination of the Certified Documentary Credit Specialists (CDCS) was held on April 13, 2012. This year 97 bankers from 25 banks appeared at the Examination held at British Council, Dhaka. Out of which 51 from 15 banks passed the examination. The enrollment as well as percentage of pass was the highest since the ICC Bangladesh has been arranging the CDCS Examination in Bangladesh from 2008.

The Certificates were distributed among the successful Certified Documentary Credit Specialists of 2012 at a simple ceremony at a local hotel in Dhaka on 14 July. The certificates were handed over by ICC Bangladesh President Mahbubur Rahman, BRAC Bank Chairman & Vice Chairman of Bangladesh Association of Banks (BAB) Muhammad A (Rumee) Ali and Chief Executive Officer of Stan Chartered Bangladesh Jim McCabe.



51 CDCS Specialists are seen with ICCB President, BRAC Bank Chairman & StanChart CEO at the ICCB Workshop on Treasury Management.

While speaking on the occasion, ICCB President congratulated the qualified bankers on their becoming the CDCS Specialists. Mahbubur Rahman mentioned

that CDCS is an international standard qualification expert for documentary credit specialists. It is a professional certification that enables documentary credit practitioners to demonstrate specialized knowledge and applica-tion of skills required for competent practice. He hoped that the new CDCS experts would be able to contribute substantially to provide professionally skilled and improved services to their clients.

Mr. Ali and Mr. McCabe congratulated the bankers for successfully passing the CDCS Examination. They thanked ICC Bangladesh for arranging the CDCS Examination in Bangladesh.

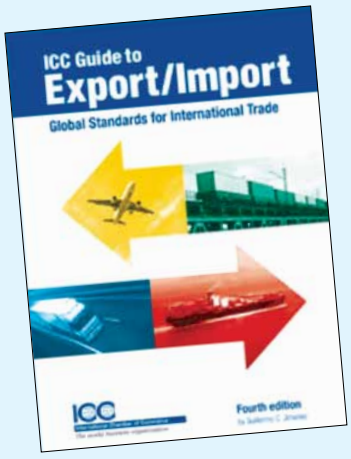
It may be mentioned that a total of 103 candidates have so far passed out of 221 who appeared at CDCS examinations since ICC Bangladesh started hosting CDCS Examination in Bangladesh from 2008. The ***ifs*** School of Finance, UK and ICC Hqs, Paris hold the CDCS Examination worldwide every year. This year a total of 97 (including 17 who appeared second time) registered and 51 came out successful. Some of the successful candidates of the 2008 batch have even completed their re-certification by obtaining necessary PDUs required.

CDCS Examinations 2008-2012

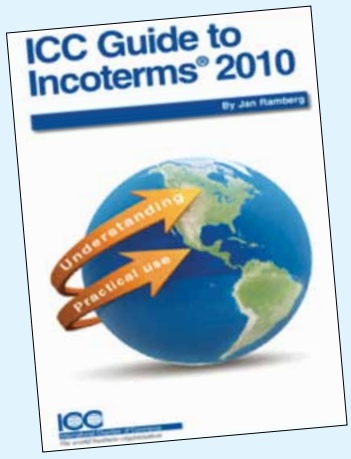
Name of Banks	2008	2009	2010	2011	2012	Total
AB Bank Ltd.		01[01]			02	03[01]
Al-Arafah					04	04
Bank Asia Ltd.		01[01]		07 [03]	06[03]	14[07]
Bangladesh Commerce Bank					01[01]	01[01]
BASIC Bank Ltd.			01	02[02]	-	03[02]
Citibank N.A.				01[01]	-	01[01]
The City Bank Ltd		01[01]		02	02[02]	05[03]
Commercial Bank of Ceylon		01[01]			-	01[01]
Dhaka Bank Ltd				01[01]	04[04]	05[05]
Dutch Bangla Bank Ltd			01		-	01
Eastern Bank Ltd.	06[05]	13[05]	09[04]	03	03	34[14]
EXIM Bank			01[01]		02[01]	03[02]
HSBC Ltd.			05[02]	01	01	07[02]
IFIC Bank					01	01
Islami Bank Bangladesh		07[02]	06[01]	10[02]	26[21]	49[26]
Jamuna Bank Ltd.					02[02]	02[02]
Janata Bank Ltd.			01	01	01	03
JP Morgan Chase Bank					01	01
Mutual Trust Bank		01	01[01]	10[03]	12[6]	24[10]
NCC Bank					01	01
One Bank Ltd.	01[01]				02[01]	03[02]
Premier Bank Ltd.				01	01	02
Prime Bank Ltd.		01	05[01]	03	03[03]	12[04]
Shahjalal Islami Bank					01	01
Sonali Bank					02[01]	02[01]
Southeast Bank Ltd.				02[01]	01[01]	03[02]
State bank of India	01					01
Standard Chartered Bank	04[04]	05[02]	05[01]	08[04]	07[03]	29[14]
Trust Bank Ltd				01	01[01]	02[01]
UCB Limited		01[01]			02[01]	03[02]
Total	**12[10]**	**32[14]**	**35[11]**	**53[17]**	**89[51]**	**221[103]**

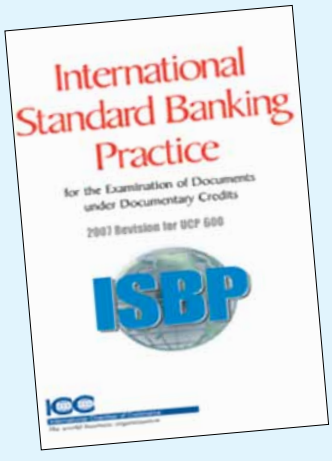
(Figures in brackets indicate number of candidates passed)

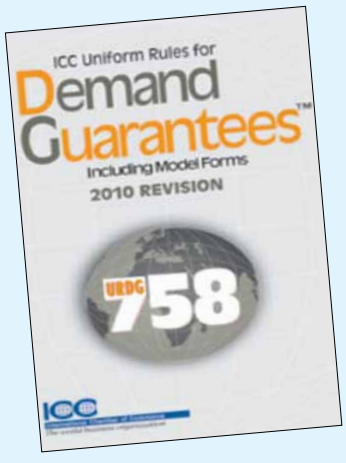
Selected ICC Publications

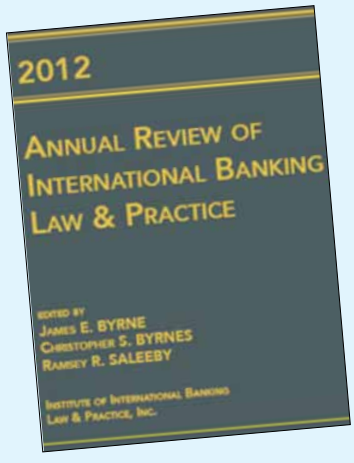












To order your copy, please contact ICC Bangladesh Secretariat

ICCB Upcoming events

ICC Interactive Workshop on

Financing SMEs: Demystifying Myths and Realities
Chittagong : Wednesday, 10 October, 2012
Dhaka : Thursday, 11 October, 2012
Deadline for Nominations: Thursday, 4 October, 2012

Certified Documentary Credit Specialist (CDCS)

Examination Date: April, 2013
Registration Closing: December, 2012

Workshop on International Trade Fraud

Prevention, Control & Remedies
Dhaka: Monday, 11 February, 2013
Chittagong: Tuesday, 12 February, 2013

For further information and registration please contact

Secretary General, ICC Bangladesh, Tel : 8621942, 9676698
E-mail: arahman@icc-bd.org, iccb@bdmail.net

News in Picture



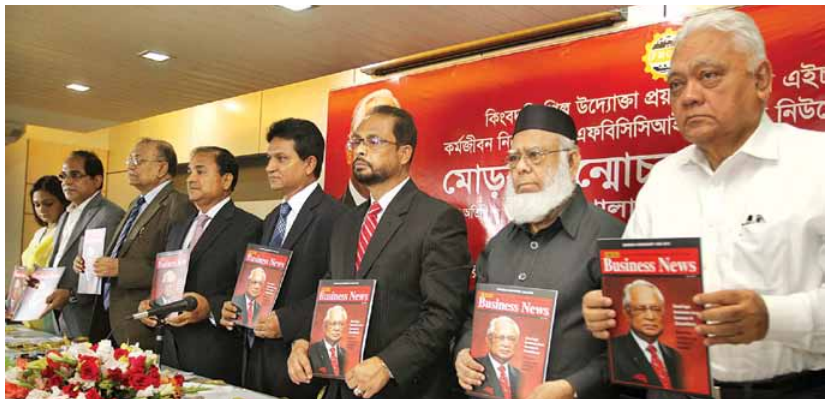
Group picture of the 5th "Presidential Friends of Indonesia" with H.E. Dr. H. Susilo Bambang Yudhoyono, President of Indonesia at the Presidential Palace in Jakarta during Reception of the 67th Indonesian Independence Day Celebration. Also seen in the picture: Mr. Mahbubur Rahman, President, ICC Bangladesh ; Hon'ble MP Hilton Dunstan, Speaker of Parliament of Vanuatu, Maj-Gen Nyunt Tin (Retd.), Former Minister of Agriculture And Irrigation, Myanmar; Mr.Imed Taktak, Chairman, Insurance and Reinsurance Brokering, Tunisia; Prof. David Hill, Professor of South-East Asian Studies of Murdoch University, Australia; Mr. Geoffrey Smith, Team Leader, News and Current Affairs, Fiji TV. Mr. Mohamed Tharwat, Journalist from Egypt; Prof. Yang Seung-Yoon Hankuk University of Foreign Studies, Korea and Dr. Yo Nonaka. Senior Visiting Researcher Research Institute at SFC ,Keio University, Japan



ICCB President Mahbubur Rahman (3rh from right) and Governor of Central Java Mr. Bibit Waluyo (Centre) are seen at a group picture taken during their meeting.



Ambassador of Sweden H.E. Ms. Anneli Lindahl Kenny (2nd from left) poses for photograph with ICC Bangladesh President Mahbubur Rahman during her visit to National Secretariat. Also seen Second Secretary of Sweden Embassy Ludvig Bontell (extreme right) and Secretary General of ICCB Ataur Rahman on their right.



Commerce Minister G M Quader, M.P. along with the country's top business leaders holding the copies of the special issue of the FBCCI quarterly - Business News - dedicated to Square Group Founder Samson H Chowdhury, at its unveiling ceremony .

Bangladesh Economy

WB revives much debated $1.2b Padma Bridge loan

The World Bank has finally decided to revive its $1.2b loan deal for the Padma bridge project as the government has fulfilled all the pre-requisites for the project. According to the WB statement from its headquarters in Washington, the Bangladesh government agreed to a series of measures as a pre-requisite for any renewed implementation.

These include new procurement arrangements with enhanced oversight, to ensure transparency and clean construction of the bridge, investigations proceeding in a full, fair and expeditious manner and an independent External Panel to review the government's investigation and report their findings to the government and the World Bank, it said.

The World Bank, however, said that it will remain vigilant to any signs of corruption in the Padma Bridge project, and its determination to take a strong line against wrongdoing will never waver. For the first time in its 65-year history, the bank has completely withdrawn its cancellation of a loan deal. There are instances of the bank withdrawing its loan cancellation order partially in some projects, but reviving a loan deal in its entirety is unprecedented, according to WB.

On June 29, the WB cancelled the loan deal after the government had failed to meet two of the four conditions set by the bank to release the fund. The conditions were (i) placing all public officials suspected of involvement in the corruption scheme on leave from government employment until the investigation is completed; (ii) appointing a special inquiry and prosecution team within the Bangladeshi Anti-Corruption Commission to handle the investigation; (iii) agreeing to provide full access to all investigative information to an external panel of internationally recognised experts so that they can give guidance to the WB and co-financiers on the progress, adequacy, and fairness of the investigation, and; iv) agreeing on new implementation arrangements that gives the bank and co-financiers greater oversight of project procurement processes.



The Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA) will propose forming a task force for new procurement arrangements for speedy and clean implementation of the Padma Bridge project. Officials of the ADB and Jica co-financiers of the project said they will also propose to the World Bank to ensure completion of the pre-procurement process in the shortest possible time. The proposals will come in the context of the usually lengthy process of approval by the WB, the principal financier of the project. The ADB and JICA have already discussed the proposals.

Originally, the construction was to be completed by 2015. Now it will take a year more if the work starts next year. The cost of the Padma bridge project would increase by $145.75 million due to a year's delay in starting construction, experts say. The project, earlier estimated to cost $2.91 billion, would now need $3.06 billion. The bridge project has been divided into five packages.

$50m research institute to accelerate Bangladesh's pharma exports
world's total generic drugs market projected at $246 billion in 2017

A new international clinical research institute will be set up in Bangladesh within a year, paving the way for further research in medical science and increased exports of pharmaceuticals. Bangladesh Clinical Research Organisation (BCRG) will help develop innovative life-saving drugs and give globally-accepted certification to exportable medicines. Bangladesh currently exports drugs after paying for expensive certification abroad. The BCRG that will cost $50 million in four years promises to ensure the quality of generic health products manufactured locally, speakers said these at a seminar on "Bioequivalence studies in Bangladesh opportunity for investment" co-organised by Canadian High Commission in Dhaka, Canada Bangladesh Chamber of Commerce and Industry and ICDDR,B at Ruposhi Bangla Hotel on August 29.

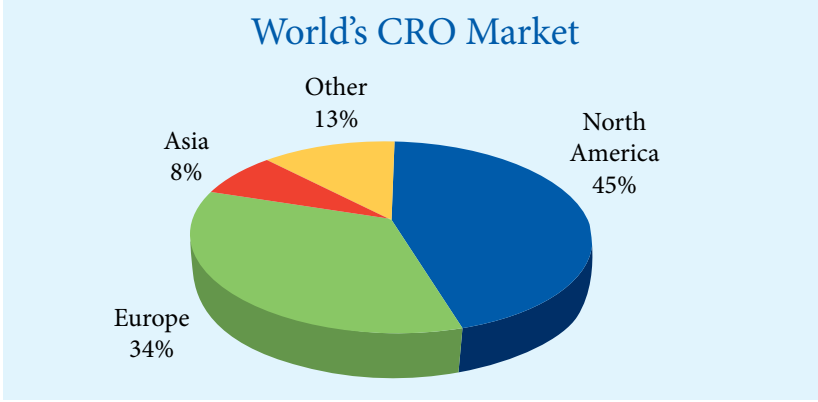
Global Health Expansion (GHE), an initiative of McGill University

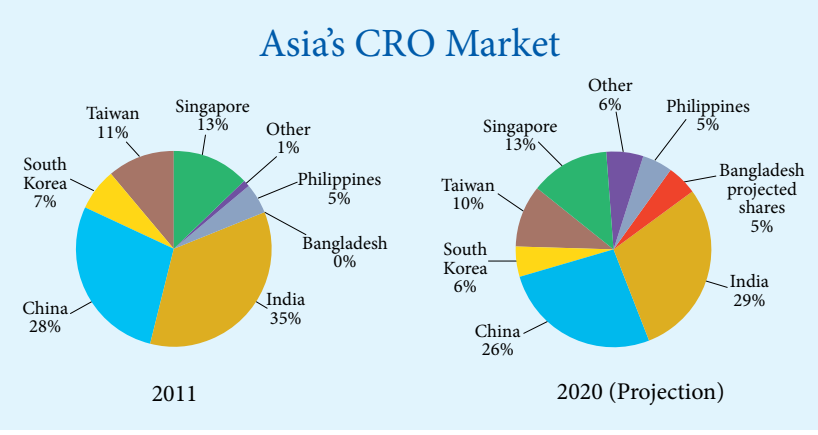
in Canada and Centennial Group International in the US, will be a major shareholder in the new organization. The International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), an international health research institution located in Dhaka, will be a partner in the project.

The seminar discussed that the global health sector is rapidly growing particularly in the fast growing developing world. Bangladesh's pharmaceutical exports market is also growing. According to the Pharmaceutical industry, in 2011, about 39 Bangladeshi companies exported over US$50million of pharmaceutical products. A major portion of these exports went to less regulated markets, which do not always require evidence of rigorous testing. In order to expand to larger, more highly regulated markets, Bangladesh needs to develop accredited laboratories and clinical setups with strong ethical review boards to ensure their products meet globally accepted standards.

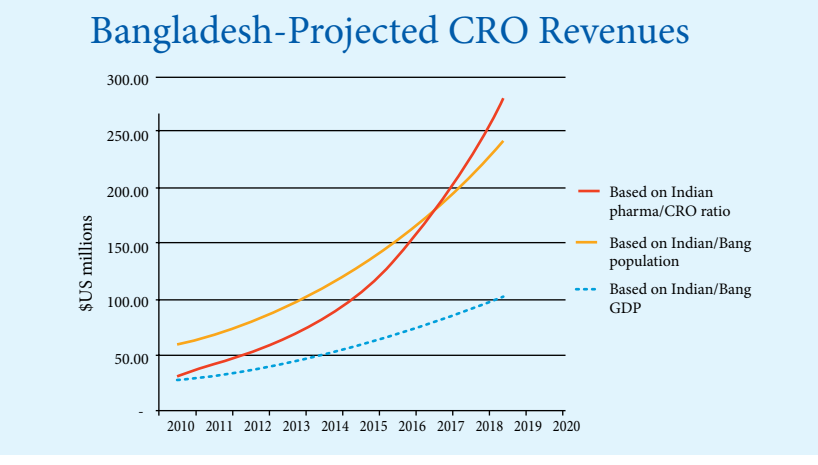
Prof. Moshe Szyf, Senior Faculty Member of McGill University, Montreal presented a paper at the seminar on Bioequivalence Studies in Bangladesh and the Future of its Pharma Industry. He said there are several elements for clinical research to flourish in the country. These include dense health care infrastructure, a cadre of trained health professionals, educated young people and a large population base.

According to Global Clinical Research Organization (CRO) world pharmaceutical estimated at more than $20 billion in 2011 is going to expand to more than $50 billion in 2020. At present, Asia is having only 8% of the total CRO market, out of which India and China have the majority share. In the last decade there has been a rapid expansion in the CROs in Asia in view of the lesser cost involved. Bangladesh has not yet entered into this area Szyf added and observed that Bangladesh has the potential to grab at least 5 percent of the total CRO market by 2020.









Though Bangladeshi companies have produced an impressive number of generic drugs, most are consumed domestically. The overall export of generic drugs covers a miniscule fraction of the global generic drugs market and focuses mostly on deregulated or loosely regulated markets. Bangladesh's exports are stunted because of a lack of world-class CROs and standards for generic drug bioequivalence in the country. The global market is huge and Bangladesh is well positioned to take a share of this market, said the professor of McGill University.

The global generic market is growing at almost 6%, with double digit growth in Asia. More than 80% of all prescription drugs in the US are dispensed as generic (branded and unbranded). The world's total generic drugs market is estimated at $170 billion in 2010 and it is projected at $246 billion in 2017, Szyf said, citing a market research in 2011.

Consolidating strengths in garments accelerating exports needs diversification : WB



Accelerating Bangladesh's overall exports will require not only consolidating existing strengths in basic garments but also diversifying gradually into higher-value garments and other exports. This is one of the key messages that has been emphasised, once again, in one of the latest studies of the World Bank (WB), titled "Consolidating and Accelerating Exports in Bangladesh".

In seeking to suggest ways about how Bangladesh can address the issue and achieve diversification of its exports, the WB report, on the basis of available research, identifies the infrastructure deficit, especially energy, lack of appropriate skills and the weak regulatory environment as factors that continue to deter exports.

Complement existing research, the WB report explores a few critical areas in some depth, focusing particularly on the role that trade logistics, skills and compliance with labor standards can play in consolidating existing strengths in exports and moving to higher value products. In doing so, it uses the garment sector as a lens and examines prospects for diversifying into Information Technology (IT)-enabled services a sector that is growing fast worldwide and can provide high-quality jobs.

Noting that while the exports of Bangladesh's garments have grown impressively, the report states that the rest of its export industry has lagged, at least in terms of volume and value of exports, while noting it as a concern. The report states that exports of basic garments, Bangladesh's strength, will continue to be important in the near and medium-term but the role of policy-makers have to look beyond the immediate future.

The WB report points out that Bangladesh's competitive advantage in this area of exports of basic garments could erode over time. It underlines the importance of making accelerated efforts for diversification of export growth of Bangladesh to enable it to become a middle-income country. In this connection, it highlights the case for diversifying gradually into other products such as higher value garment and service exports.

The WB study underscores the need for overcoming the problems of infrastructure deficit, especially energy, as well as lack of appropriate skills and the weak regulatory environment as expeditiously as possible, besides focusing on the role of trade logistics, skills and compliance with labour standards in consolidating existing strengths and moving to higher value products, using the garment sector as a lens.

In addition, given the growing importance of services in world trade, the report also examines prospects for diversifying into a "reach sector" such as IT-enabled services that can provide high-quality jobs. It mentions the evidence from garment-exporting countries that suggests that there is a "threshold" level of per capita GDP, after which per-capita garment exports begin to decline.

While the current steep trajectory of Bangladesh's success in garments with its per capita GDP of US$482 (in constant 2000 US$) well below the threshold can be sustained for a while, Bangladesh will lose its competitive edge to other countries with lower wages as its per capita income grows and reaches closer to the threshold level, the WB study says.

This "edge' will, according to the WB report, be lost first in basic, and later in higher value garments. "Therefore, to ensure continued overall export growth, Bangladesh would need more contributions from other sectors even before reaching the threshold per capita income. But to do this, apart from dealing with the usual constraints to business, Bangladesh needs to focus on improving its trade logistics, skills, and compliance with labor standards", it adds.

Efficient logistics, the report says, will give Bangladesh a competitive edge in exports of basic-and-medium value garments. "So far, low wages in the garment sector have partially compensated for poor logistics. To ensure continued fast growth of basic garments and consolidation

of existing strengths and slowly move up the value chain, logistics in Bangladesh would need to improve considerably. Even if wages remain competitive, as Bangladesh moves up the value chain, this low cost advantage may not be enough to compete globally. Thus, Bangladesh needs to improve logistics to ensure that exports as well as imported inputs are shipped on time, cost effectively and reliably".

The WB study report says: "Strengthening multimodal connections between the Chittagong port and the hinterland, improving customs procedures, enhancing air shipment capacity, and improving rail services by adding new physical capacity and introducing commercial management would be crucial elements of better logistics for the garment sector of the country. Improvements in trade logistics will also increase overall external competitiveness of the country and will have spillover benefits for other existing and potential merchandise export sectors."

Lack of skills, the WB report notes, is becoming a key constraint to growth in exports, and this gap will become more acute as Bangladesh moves into producing higher-value garments.

"Although there is no recent hard data to point to a skills gap, the available indirect evidence on wages suggests that the gap between the demand and supply of skilled workers in garments is growing. The lack of skilled workers could increase the overall costs of production through the high rates of rejection of final products for defects. Despite the reported unmet demand for skilled labor, firms seem reluctant to incur training costs to raise skill levels because workers change jobs frequently", it says.

Mentioning that the publicly-funded Technical and Vocational Education and Training (TVET) is the main vehicle in Bangladesh for training workers, the report notes that it could "improve its relevance to better meet the needs of garments and other sectors. Trainee and employer-targeted financing and increased coordination between academia and industry could help improve overall skills in Bangladesh."

About compliance with internationally acceptable labor standards, the report observes that the issue "is becoming increasingly important for consumers in the US and EU the main markets for garment exports from Bangladesh. Among other reasons, compliance with labour standards is important because it involves externalities experience in Bangladesh has shown that even if one firm fails to comply with labor standards, the resulting public attention can have negative repercussions for the entire industry".

Highlighting the need for diversifying into non-factor services, the WB report takes a particular note of the case for Information Technology (IT) enabled service exports.

Bangladesh climate project gets 'Earth Care Award'

The Ministry of Environment and Forests has won the "Earth Care Award 2012" for pioneering Community-Based Adaptation to Climate Change through Coastal Afforestation Project. The $10 million project is being implemented by the UNDP under Least Developed Countries Fund (LDCF) of the Global Environment Facilities (GEF) to reduce climate vulnerability in four coastal districts -- Barguna, Bhola, Noakhali and Chittagong. The Times of India sponsored this year's award given in the category of "Community-based Adaptation and Mitigation", according to a GEF release.

"The project has a strong community-based adaptation component, and benefited a total of 18,269 households by involving them in afforestation, agriculture, livestock, and fishery-based livelihood adaptation," the statement said. One of the significant adaptation response measures used in this project is development of FFF (Forest-Fish-Fruit) model that comprises short and long-term resource and income generation, as well as livelihood diversification.

Moreover, the model is being used in barren lands, located behind coastal mangrove forests. By using a combination of protective and productive vegetation, mound and ditch land structures, the FFF model has prevented land encroachment and ensured water security through rainwater harvesting in ditches. The project offers multiple livelihood opportunities such as fish cultivation, irrigation for crops, and conversion of barren land into productive land. This model accommodates families in the community with at least $1,000 additional income a year, according to the statement.

This innovative project also received "Knowledge Competition" award of the Fifth International Conference on Community Based Adaptation (CBA5) held in Dhaka last year.

IDCOL to install 40 lakh solar home systems by 2015

The Infrastructure Development Company Ltd (IDCOL) plans to set up 40 lakh solar home systems across Bangladesh by December 2015, buoyed by the faster rate at which the earlier targets were met. Previously, the company resolved to install 25 lakh solar home systems (SHS) by 2014, but that target looks to be achieved by June 2013.

Once completed, the combined capacity of the SHSs will be 225 megawatts, sufficient to fully serve 2 crore homes, which is about 12.5 percent of the country's 16 crore

population. IDCOL are installing more than 50,000 SHSs on average a month, in May, 62,470 SHSs were set up by IDCOL.

IDCOL, with financial support from the World Bank, started the programme in 2003 with the aim of providing access to electricity in the off-grid rural areas of the country. Initially, five partner organisations were selected to set up 50,000 SHSs in the off-grid areas by 2008. But the target was achieved in 2005, three years ahead of the schedule and $2 million below the estimated cost.

38 percent increase in earnings of insurance companies due to low spending on agents

Earnings of listed insurance companies went up in the first half of this year as the insurers spent less on commission paid to their sales agents. Earlier the companies used to pay 40 percent commission on average to rope in clients, but the regulator set the highest ceiling at 15 percent in March and ensured strict compliance, according to Insurance Association report published in The daily Star on August 31.

Half-yearly profits of 28 general life insurance companies, out of 34 listed, saw a rise by 38 percent on average in comparison to the same period last year. Industry people credit the good fortune to the presence of the regulator Insurance Development and Regulatory Authority (IDRA) which came into effect in January last year. Prior to that, in a bid to boost their client portfolio, the insurance companies would resort to offering agency commission beyond the maximum ceiling of 17.5 percent.

Net profit of insurens	In croers of taka	
Company	Net profit Jan-Jun'12	Net profit Jan-Jun'11
BCIC	5.75	4.47
United	3.77	3.67
Peoples	4.80	4.12
Eastern	4.91	4.34
Janata	1.76	1.03
Phoenix	9.52	6.62
Eastland	9.82	8.69
Gentral	3.81	3.73
Pupali	6.27	4.29
Federal	2.60	1.32
Reliance	10.96	9.02
Prgati	8.03	7.64
Prime	3.06	2.92
Pioneer	12.59	5.95
Mercantile	4.29	3.51
Agrani	1.31	1.22
Global	2.39	2.31
Nitol	2.85	2.69
Asia Pacific	5.61	4.56
Sonar Bangla	2.28	1.72
Paramount	0.85	0.73
City General	6.09	2.18
Continental	3.77	2.42
Takaful Islami	3.14	2.55
Standard	3.25	1.73
Northerm General	5.59	3.57
Republic	4.00	2.61
Provati	1.78	1.48
Green Delta	6.2	15.15
Karnaphuli	3.72	4.65
Purabi General	0.42	0.47
Asia	3.07	4.03
Islami	1.16	1.19
Dhaka	6.54	9.15

The agency commission is a fee paid to an agent or an insurance salesperson as a percentage of the policy premium.

The average commission rate afforded to the agencies stood at 40 percent, but in some cases it went up as high as 60 percent. But in March the IDRA set the agency commission rate at 15 percent and demanded strict adherence to it.

Earnings of insurance companies that had exposure to the stockmarket, however, were saddled by the market volatility during the period. Although they recorded profits in the January-June period, the profit ratio was lower in comparison to the same period last year. There are 62 insurance companies in Bangladesh, of which 44 are general and 18 life insurers. Of the 44 general insurance firms, 34 are listed on the stock exchange; while nine out of the 18 life insurance firms are listed.

10 percent expatriate increase in remittance in FY 2012

Remittance inflow increased by 10.26 per cent to $12.84 billion in the 2011-12 financial year from that of the FY 2010-11 due to appreciation of the dollar against the Taka for a few months of that year. Bangladesh Bank data released on July 3 showed that the migrant Bangladeshis in FY 2011-12 had sent about $ 12.84 billion in remittance against $ 11.65 billion during the last financial year. BB data showed that the expatriates had sent $ 10.98 billion in FY 2009-10, which was 6.03 per cent higher than that of the previous FY 2008-09.

There was a relatively sluggish remittance inflow from March to June compared to that of the previous three months as the local currency had reached at a stabile condition against the greenback during the period. The inflow in June stood at $ 1.07 billion against $ 1.03 billion in June last year. The remittance inflow was $1.10 billion in March, $ 1.08 billion in April and $ 1.15 billion in May.

Migrant Bangladeshis had sent a record amount of foreign currency from December to February in the last financial year as the local currency had continuously declined against the US dollar at that time, according to Bangladesh Bank. The remittance inflow was $ 1.14 billion in December, $ 1.22 billion in January and $ 1.13 billion in February.

Another important reason for the amount of inward remittance had increased in the current financial year as a large number of people went abroad in the year and they sent more money through legal channels as banks opened numerous oversees windows to attract remittance inflow, said BB.

Remittance inflow		
Financial year	Amount ($ in billion)	Year-on-year growth (in per cent)
2011-2012	12.84	10.26
2010-2011	11.65	6.10
2009-2010	10.98	13.42
2008-2009	9.68	22.37
2007-2008	7.91	32.05
2006-2007	5.99	24.79
2005-2006	4.80	25
2004-2005	3.84	13.94
2003-2004	3.37	10.13
2002-2003	3.06	22.4

Experts call for policy coherence for trade growth

Ministers, bureaucrats and experts on September 8 called for coordination among all government agencies over trade policies for the sake of economic growth. Business and chamber leaders, however, urged the government to put more emphasis on the implementation of a new policy; if not, the policy becomes a headache for all concerned. The observations came at a consultative workshop on the "Comprehensive Trade Policy of Bangladesh", held at Ruposhi Bangla Hotel in Dhaka.

With support from the European Union (EU), the commerce ministry is preparing a comprehensive trade guideline such that different policies of various ministries and government agencies are in sync with one another and do not disrupt growth of trade. Finance Minister AMA Muhith said coordination among all related government agencies on trade policies is very important but it appears to be very much lacking. He said since trade and investment go hand in hand, any comprehensive trade policy should take care of investment as well.

Muhith further said the fiscal policy should be kept in mind when drafting any trade policy, while asking for medium-term trade policies for long-term targets. The minister asked for added attention on the manufacturing sector, apart from agriculture and industry, environment measures and labour standards, services sector comprising construction, health and IT, product standardisation and manpower export, while formulating the comprehensive trade policy.

Furthermore, the minister advised fixing the target volume of trade for the next five years at 70 percent of gross domestic product. He also called for increased attention to devising ways for attracting foreign direct investment, public-private-partnership initiatives and small-and-medium enterprises. With regards to thrust sectors, he suggested they be picked, after market research, for a timeframe of three years rather than for an unlimited period.

Commerce Secretary Ghulam Hussain said the ministry is trying to prepare a comprehensive, integrated and coherent trade policy. In his keynote presentation, Amitava Chakraborty, director general of the World Trade Organisation Cell at the commerce ministry, mentioned a lack of coherence among government policies. "But trade policy should transcend the traditional thinking of only export and import. The challenge will be whether it will be legally binding or just a mere policy document."

Mahbubur Rahman, president of the International Chamber of Commerce, Bangladesh, said every ministry and department in the country has policies but they work in isolation. "There is no coordination between them. If the new policy is formulated and still there is no coordination, it will be harder for trade. Besides, no policy will be effective if it is not backed by laws."

Khondaker Golam Moazzem, a senior research fellow at the Centre for Policy Dialogue, said trade liberalisation has a limited impact on the economy when compared to domestic industries and the rise in per capita income. He said any comprehensive trade policy should not be export-led as it will lead to a very narrow policy then. "The new policy will have to take into account the potential sectors of the economy that can cater to both domestic and export markets."

The economist further said that industries would have to be given better trade governance, supportive macroeconomic policies and linkage with global supply chain rather than only tariff support to help local industries grow. AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, said if policies are not properly implemented they would be of no help. He stressed the need for the government and the private sector to collaborate if a comprehensive trade policy is to be drafted.

Commerce Minister GM Quader said the basic challenge for the comprehensive trade policy is its implementation. He added that the government is relying on trade to generate jobs, increase per capita income and boost overall growth, and propel the country to league of middle-income nations by 2012. He, too, emphasised the need for consistency and coherence among policies of all government agencies.

Sohel Ahmed Chowdhury, a former commerce secretary, supported the concept of a comprehensive trade policy. Shahab Ullah, chairman of Bangladesh Tariff Commission, said there is a gap in communication among government agencies when it comes to policies. Mostafa Abid Khan, a member of Bangladesh Tariff Commission, said Bangladesh needs to develop a policy framework to promote the service sector. Andrew Barnard, charge de affairs of the EU delegation to Bangladesh, and Toufiq Ali, Bangladesh's former ambassador to WTO, also spoke.

Global competitiveness index : Bangladesh slips 10 slots down

Bangladesh has the recorded steepest fall in its competitiveness since 2003-04 in a global survey due to a weakening of public sector institutions' performances, poor infrastructure, deteriorating economic stability and financial sector efficacy. The country lost 10 positions to touch 118 out of 144 countries in the Global Competitiveness Index (GCI) 2012-13, said the World Economic Forum (WEF) in its annual Global Competitiveness Report published on September 5.

Last year, Bangladesh ranked 108 in GCI. The report was unveiled in favour of the WEF at the CPD office in the capital.

The report has been prepared on the basis of a survey among 14,000 industrialists and businessmen and included 87 medium and large companies of Bangladesh. This is the third year in a row that Bangladesh has lost its competitive edge since 2009-10, when the country jumped five positions. In 2003-04, Bangladesh's rank slipped by 24 steps.

Citing local entrepreneurs, the CPD said businesses found inadequate infrastructure, corruption and lack of access to finance emerging as the top three problematic factors in doing business here. Rising worries about political instability was another problematic factor for doing business. Businesses, however, saw lesser threats of terrorism and organized crime when there was deterioration in the business environment.

The findings also state that 75 percent of the respondents felt the judiciary was being influenced by members of the government, citizens or firms. As many as 67 percent respondents believed that bribing for favourable decisions was common. Business perceptions about the economic growth in 2012 also weakened compared to 2011 due to falling confidence, the report said.

On electricity, the report said though supply improved marginally despite huge investment and tariff revisions, it remained at a "less than expected level". Inflation also pushed up the production cost of factories.

Citi doubts 7.2pc GDP growth prospects

Bangladesh has done well in maintaining growth momentum: report

Bangladesh has so far kept up its growth momentum but may not achieve 7.2 percent economic growth set for fiscal 2012-13, Citibank said on July 9 in its first half-yearly report on Bangladesh's economy, citing the 6.32 percent growth rate in fiscal 2011-12. Achieving 7.2 percent growth that the government set for fiscal year 2012-13, Citi said, would be highly unlikely if a sharp rise in investments and improvement in infrastructure, power and the economic situation in Europe do not take place.

The inflation rate, the report noted, fell down to single digits in the first half of 2012. Total exports in the 11 months of fiscal year 2011-12 were $22.0 billion, while the government target for the entire fiscal year was $26.5 billion. Of exports, RMG experienced noteworthy underperformance, unsurprising given the precarious economic situation in its major markets of USA and Europe since January 2012. Export earnings from non-traditional markets, however, were impressive, but insufficient to pull up the overall export figures, the report said.

Imports, conversely, did not go down much; instead, it went up, by 36.5 percent in July-April 2012, owing to increasing demand for petroleum products. Total remittance inflow in May was $11.75 billion, 10. 54 percent higher than the same period a year ago, owing to an increase in migrant workers to the Middle East countries and depreciation of the taka against currencies of major migrant destinations. Gross foreign exchange reserves stood at $9.52 billion in May 2012, a decrease of 8.72 percent from May 2011.

Aiming to lower inflation to single digits and arrest foreign reserve depletion, Bangladesh Bank adopted a prudent fiscal stance but kept adequate private sector credit, according to the report. The depreciation of the taka against the dollar since the beginning of 2011 was controlled in the first half of 2012, stabilising at 81.70 in the middle of February, Citi said. "A recent slowdown in import payments, coupled with a rise in remittance and the inflow of the first tranche of the IMF-ECF fund of $141 million helped arrest the taka depreciation to a certain extent."

The depressing performa-nce of Dhaka Stock Exchange from 2011 lingered onto the first half of 2012. By the middle of June 2012, the benchmark index, DGEN, fell in excess of 13 percent. Market capitalisation, which was about $53 billion at its peak in December 2010, nosedived to $30 billion in the first half of 2012. Average daily turnover was $51 million in the six months of 2012, when it stood at $89 million in 2011. "The capital market performance was dismal."

BASEL III Preparation

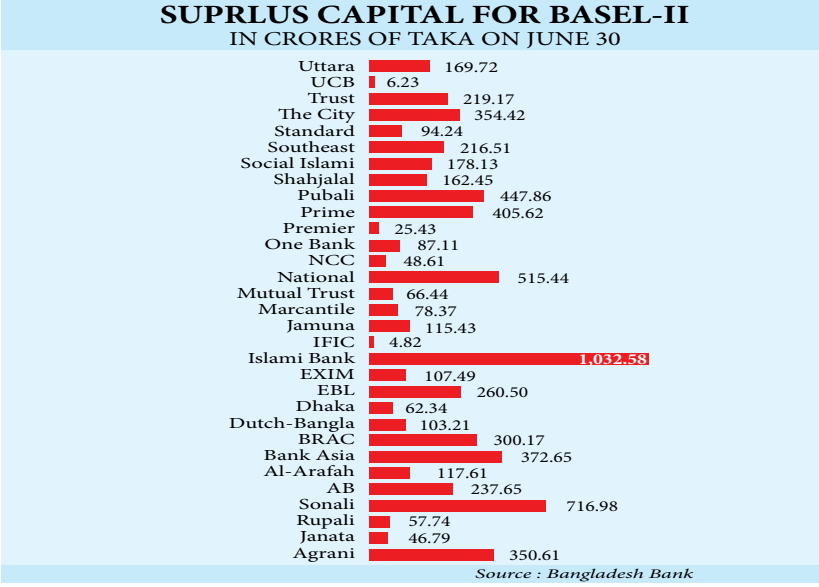
Banks' surplus capital at adequate levels

The surplus capital in banks stands at Tk 4,218 crore, setting them at good stead for the Basel III preparations starting next year. Of the country's 47 banks, all except five have surplus capital as per the international Basel II standards, which stipulate, as a rule of thumb, a capital base of 10 percent of the bank's liabilities.

As of June 30, the banks had a total capital of Tk 56,201 crore, whereas the capital requirement was Tk 51,983 crore, according to central bank statistics. Of the 30 private commercial banks, three have a capital deficit: Bangladesh Commerce Bank of Tk 177 crore, First Security Islami of Tk 136 crore and ICB Islami Bank of Tk 1,192 crore.

Of the specialised banks, Krishi Bank and Rajshahi Krishi Unnayan had capital deficits of Tk 4,100 crore and Tk 359 crore respectively. From 2015, the banks will have to maintain capital as per Basel III requirements, preparation of which will start next year. The Basel Committee, named after the city of Basel in Switzerland, consists of central banks of 27 countries, including India, and sets the international standard for capital requirement.

Given the rise in loan defaults in Bangladesh, Bangladeshi banks would face many challenges to meet the Basel III requirements, experts think.



BB announces half yearly (July-December 2012) Monetary Policy

This issue of the Bangladesh Bank (BB) half yearly Monetary Policy Statement (MPS) outlines the monetary policy stance that BB will pursue in H1 FY13 (July-December 2012), based on an assessment of global and domestic macro-economic conditions and outlook. BB's monetary policy has two major objectives: (i) maintaining inflation at moderate levels and (ii) supporting inclusive growth objectives of the Government. This MPS was preceded by productive consultations with a range of key stakeholders and web-based comments were also received.

In FY10 and FY11 the global economy continued languishing in the aftermath of the 2009 global financial crisis and BB eased monetary policy in order to limit the impact on the Bangladesh economy. Due to this and other pro-active measures, the Bangladesh economy emerged largely unscathed from this global crisis, averaging over 6% growth between FY09 and FY11. In FY12 the economy faced a different set of challenges related to rising inflation and balance of payments pressures. In order to address these challenges BB's monetary stance was more restrained than earlier years and yet able to accommodate a private sector credit growth rate which was more than sufficient to meet the initial GDP growth target. The monetary growth targets set in January 2012 were met and the key outcomes – falling inflation and containment of external sector pressures – were achieved.

In several respects FY12 was a 'year of two halves'. The first half (H1FY12) witnessed significant balance of payments pressures due to high global oil prices and low aid disbursements, forcing significant depreciation of the Taka and some foreign reserve depletion. Government's borrowing from the banking sector also rose sharply during this period and inflation rose to double-digits levels. In the second half of the fiscal year (H2FY12) external pressures eased due to monetary tightening, lower import demand and pro-active steps to secure alternative sources of external financing. Government borrowing from the banking sector in H2FY12 was also more conservative and by end June 2012 it amounted to around Taka 219.83 billion, well short of the revised budget figure of Taka 291.15 billion. The more restrained monetary stance, adequate domestic foodgrain output and moderate global commodity prices contributed to point-to-point inflation falling to single digits. The Taka/US dollar exchange rate stabilized and external reserves rose to 10.3 billion USD in June 2012 from 9.4 billion USD in January 2012.

In 2012, global growth is expected to be 2.5% while the average for developing countries is projected at 5.3%. In this uncertain global context the provisional estimate of 6.3% GDP growth for Bangladesh in FY12 is impressive, though lower than the FY12 Budget target of 7%. The lower growth figure is primarily due to significantly slower agricultural growth, although this may be revised upwards once the final rice output figure is included. Industrial growth in FY12 was higher than FY11 suggesting that the relatively more restrained monetary stance in FY12 had little or no adverse impact on overall growth. This is also supported by the fact that capital machinery and industrial raw material imports registered double-digit growth between June and May FY12 even though overall import growth slowed to around 7%. The Government has set a real GDP growth target of 7.2% for FY13. However given the on-going global economic slowdown there are significant downside risks for Bangladesh's export and remittance growth, and therefore for this GDP growth target. The last several months of FY12 have seen moderating inflation pressures as

point-to-point inflation has declined from a peak of 11.97% in September to 8.56% in June. This decline has largely been due to lower food price inflation though of late non-food inflation has also declined, from a peak of 13.96% in March to 11.72% in June 2012. While these recent trends are positive, average annual inflation remains 10.6% and it is important to bring inflation down further to meet the 7.5% target set out in the FY13 Budget. As such containing inflation will remain a core focus of the monetary program.

Monetary targets for FY12 are on track establishing the credibility of the stance taken in the previous Monetary Policy Statement. In June 2012, broad money growth (M2), on a year-on-year basis, was an estimated 17.2% and growth of Net Domestic Assets was 20.1%, compared to the targets set in the January MPS at 17% and 21.9% respectively. This stance was achieved through active liquidity management, raising repo rates by 100 basis points in FY12, lifting all but two rate caps and tightening consumer credit through administrative measures. Private sector credit growth was a healthy 18.5% in June 2012, higher than the 'emerging Asia' regional average of 15%. Analysis of the outstanding loans to the private sector indicates an increasing share of SME loans and a virtually unchanged share of industrial term loans in total outstanding credit. In addition inflow of foreign private loans, mostly of longer term tenor, was also nearly one billion US dollars in FY12.

Monetary policy stance for H1 FY13

The monetary stance for H1 FY13 takes these recent economic developments into account and targets a monetary growth path which will further curb inflationary pressures, while ensuring adequate private sector credit to stimulate inclusive growth. Specifically BB's monetary program for FY13 aims to contain reserve money growth to 14.5% and broad money growth to 16% by December 2012. Credit to the private sector is envisaged to remain at a healthy 18%, above other countries in the region, and enough to accommodate the FY13 GDP growth targets. BB's monetary policy stance for FY13 thus ensures that attaining the GDP growth target is not constrained by access to credit for productive purposes, while limiting domestic credit growth to levels consistent with the FY13 CPI inflation target. This stance is being closely coordinated with the Ministry of Finance.

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. The monetary program is currently structured to ease the pressure on Primary Dealer banks. Call money rates have declined steadily since end June suggesting an easing of liquidity pressures. Average interest rate spreads for the banking sector have come down slightly since the recent BB circular to limit these spreads and BB expects these to decline further in FY13 especially for Foreign Commercial Banks, whose current spreads are the highest in the industry. In order to strengthen the financial system, new loan classification and provisioning guidelines are being introduced. Banks will have to implement these by H1FY13, and while these may make a one-off difference to bank profitability they will not affect access to credit.

This monetary policy stance also aims to preserve the country's prevailing external sector stability. In light of the subdued outlook for global trade BB expects a modest growth in foreign reserves in FY13. BB will continue to support a market-based exchange rate while seeking to avoid excessive foreign exchange rate volatility.

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).

Regional News

APEC Leaders' Declaration 2012

Vladivostok Declaration - Integrate to Grow, Innovate to Prosper

APEC-2012 Leaders' Week was held in Vladivostok from September 2 to 9 as part of Russia's tenure as APEC Chair. Russian President Vladimir Putin hosted the 20th Asia-Pacific Economic Cooperation (APEC) Forum and Leaders' Summit, opened the two-way gathering with a call for a renewed joint commitment to open up regional trade. The 21 members of APEC, which accounts for nearly half of world trade, meet every year to build goodwill in their effort to break down trade barriers, with the bloc's rules decided by consensus. Several functions were held during the week: Concluding Senior Officials' Meeting (September 2-3), APEC Business Advisory Council Meeting (September 3-6), APEC CEO Summit (September 7-8) and APEC Economic Leaders' Meeting (September 8-9)

APEC Leaders' Week resulted in a final declaration revealing pathways to strengthen the Asia-Pacific region prosperity and leadership in the global economy.

Salient features of the Declaration :

We, the Leaders of the Asia-Pacific Economic Cooperation (APEC), gathered in Vladivostok, Russia on 8-9 September 2012 for the 20th APEC Economic Leaders' Meeting under the APEC 2012 theme of "Integrate to Grow, Innovate to Prosper" to reveal the pathways to strengthen the region's prosperity and leadership in the global economy.

APEC economies have made enormous progress over the past two decades and are looking forward to continuing to grow and prosper in the coming years. Since the first APEC Leaders' Meeting in 1993 in Seattle, USA, our trade has grown four times and foreign direct investment in the Asia-Pacific region has been growing at an annual rate of more than 20 percent. We are looking forward to building on this success by taking additional steps to promote our shared economic growth and prosperity in the coming years.

We recognize that robust international trade, investment, and economic integration are key drivers of strong, sustainable, and balanced growth. With all APEC economies now being members of the World Trade Organization (WTO), we strongly reaffirm our commitment to trade and investment liberalization and facilitation in the Asia-Pacific region.

Since we last met, the global economy has continued to face a number of challenges and is subject to downside risks. The financial markets remain fragile, while high public deficits and debts in some advanced economies are creating strong headwinds to economic recovery globally. The events in Europe are adversely affecting growth in the region. In such circumstances, we are resolved to work collectively to support growth and foster financial stability, and restore confidence. We are committed to strengthening domestic demand where appropriate, facilitating job creation, reducing high public deficits and debts, and implementing structural reforms to boost growth in our economies.

We welcome the European Leaders' commitment to take all necessary measures to safeguard the integrity and stability of the Euro area. We remain committed to reducing imbalances by strengthening deficit economies' public finances with sound and sustainable policies that take into account evolving economic conditions and, in economies with large current account surpluses, by



strengthening domestic demand and moving toward greater exchange rate flexibility. We reaffirm our commitment to move more rapidly toward market-determined exchange rate systems and enhance exchange rate flexibility to reflect underlying fundamentals, avoid persistent exchange rate misalignments, and refrain from competitive devaluation of currencies. While capital flows can be beneficial to recipient economies, we reiterate that excess volatility of financial flows and disorderly movements in exchange rates have adverse implications for economic and financial stability.

Fiscal sustainability remains an important element of sustained economic growth, but it was negatively impacted by recent financial crises. Under these circumstances, we remain committed to ensuring the long-term fiscal sustainability of our economies while recognizing the need to support their recoveries within the available fiscal space. Expenditures related to aging population should be taken into account in fiscal projections. Fiscal sustainability can be at risk from high private indebtedness and vulnerable banking sectors, which need to be closely monitored.

We welcome the outcomes of the G20 Los Cabos Summit. We support the G20 commitment to pursue strong, sustainable and balanced growth, which we are convinced will promote higher job creation and increase the welfare of people around the world. We will continue to take coordinated and collaborative efforts to reach these common goals.

We note the review of APEC's work undertaken to support the APEC Leaders' Growth Strategy, welcome the steps taken to implement the APEC Growth Strategy and appreciate the progress made, especially towards sustainable and innovative growth in 2011 and 2012. We encourage Ministers and officials to continue working to promote growth elements in advance of their 2015 report to Leaders on APEC's progress in promoting the Growth Strategy.

We strongly commit to fight against corruption to ensure openness and transparency in APEC. Acknowledging that corruption fuels illicit trade and insecurity and is a tremendous barrier to economic growth, the safety of citizens, and to the strengthening of economic and investment cooperation among APEC economies, we endorse commitments on fighting corruption and ensuring transparency.

Trade and Investment Liberalization, Regional Economic Integration

We reiterate the importance of international trade to economic recovery, job creation and development, and the value and centrality of the multilateral trading system as embodied in the WTO.

We reaffirm our commitment to strengthen this system. In working towards the successful multilateral conclusion of the Doha Development Round, we reaffirm the instructions to our officials in Geneva to continue exploring different, fresh and credible negotiating approaches while respecting the Doha mandate, the principles of transparency, the importance of the multilateral trading system, and development. We remain firmly committed to advancing the technical discussions actively taking place in Geneva on trade facilitation and other development-related issues as mandated by the 8th WTO Ministerial Conference. We direct our Ministers to continue to work to advance these objectives, and to comprehensively and realistically review the progress achieved in the WTO by the next meeting of APEC Ministers Responsible for Trade in 2013.

In view of the rise in protectionist trends and continuing uncertainties in the global economy, we reaffirm our pledge to refrain through the end of 2015 from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures in all areas, including those that stimulate exports.

We welcome the ongoing work to expand the product coverage and membership of the WTO Information Technology Agreement (ITA) and instruct our officials to work in earnest in order to swiftly achieve a good outcome of the negotiations.

We recognize the importance of information and communication technologies (ICT) as a crucial driver for further integration in the APEC region. We believe it is possible and necessary to be more active in promoting confidence and trust in electronic environments globally by encouraging secure cross border flows of information, including electronic documents.

We reaffirm the importance of structural reforms to raise productivity and growth potential in our economies and welcome progress on the APEC's New Strategy for Structural Reform (ANSSR) endorsed in 2010. We instruct our officials to provide a mid-term assessment report in 2013 to track progress towards ANSSR implementation and encourage collaboration and capacity building among developed and developing economies to expedite the achievement of structural reform objectives.

Strengthening Food Security

We recognize growing challenges to regional and global food security in the risks facing the world economy. Given the growing world population, reducing the number of undernourished people by raising food production, improving the individuals' or households' economic access to food and improving the efficiency and openness of food markets will require more concerted effort by and cooperation among all APEC economies. APEC has given its efforts to strengthen food security

through the implementation of the Niigata Declaration and progress made in the Kazan Declaration on Food Security. To advance this work, we are committed to increasing sustainable agricultural production and productivity, considering the diversity of environmental conditions world-wide and positive externalities of agriculture, further facilitating trade and developing food markets, enhancing food safety, improving access to food for vulnerable groups and improving farmer's welfare. We will implement measures to help ensure sustainable marine ecosystems management and combating illegal fishing and associated trade.

We will also take the following steps to promote our food security goals:

- Supporting the effective and multi-faceted work of the Food Safety Cooperation Forum;
- Encouraging further cooperation and dialogue among the economies on understanding, recognition and capacity building regarding the benefits of harmonizing domestic regulations on food safety and quality with international standards consistent with the WTO Agreements on Technical Barriers to Trade and on the Application of Sanitary and Phytosanitary Measures;
- Striving to improve domestic food safety systems by implementing preventive control measures, building information sharing networks, strengthening laboratory capacity, and building regional capacity to respond to high priority food safety hazards and minimize food safety incidents;
- Exploring ways to improve economic and physical access to food for vulnerable groups, including those facing an emergency due to natural and anthropogenic disasters; encouraging exchange of best practices on the provision of food for vulnerable populations, including through social and school feeding; strengthening sustainable social protection and social safety nets;
- Enhancing cooperation to combat illegal, unreported and unregulated fishing and associated trade; working towards sustainable management of marine ecosystems; improving capture fisheries management and sustainable aquaculture practices; and facilitating sustainable, open and fair trade in products of fisheries and aquaculture.

Establishing Reliable Supply Chains

We reaffirm our commitment to achieving an APEC-wide target of a ten percent improvement in supply-chain performance by 2015, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. We welcome the adoption of a more systematic approach to addressing existing chokepoints in supply chains through targeted capacity-building and concrete steps towards making supply chains more reliable, resilient, safe, efficient, transparent, diversified and intelligent, and direct officials to advance this work in 2012 to be completed by 2014.

Intensive Cooperation to Foster Innovative Growth

Recognizing the importance of innovation to our shared goals of economic growth, prosperity, and job creation, in 2012 APEC economies took important steps towards the development of effective, non-discriminatory and market-driven innovation policies and refinement of our vision of innovation cooperation and networking in the region.

This year we have advanced these objectives by transforming the Industrial Science and Technology Working Group into a Policy Partnership on Science, Technology and Innovation (PPSTI) to bring together the three key groups of innovation stakeholders – business, government, and academia – to address common challenges, enhance innovation capacity. The PPSTI will also organize Innovation Technology Dialogues - a mechanism to explore and identify how emerging innovative technologies and related policies and instruments can address current challenges faced by APEC economies and what are the prospects for their application. We welcome the results of the first ever Innovation Technology Dialogue on nanotechnology for energy efficiency.

Looking Forward

We believe that the work that has been done in APEC in 2012 to build a more integrated society and ensure innovation-based economic growth will contribute to our common goal of achieving prosperity for APEC economies. We endorse in full the Joint Statement of Ministers at the 24th APEC Ministerial Meeting.

We support the increasing engagement of the APEC Business Advisory Council which contributes significantly to greater collaboration between the public and private sectors. We remain fully committed to facilitate the role of APEC's business community and to provide more opportunities for its participation in APEC's work.

We reaffirm our commitment to provide effective economic and technical cooperation (ECOTECH) activities outlined in the Osaka Action Agenda and to assist APEC members in accordance with the Manila Framework.

Facing threats to growth and financial instability, we will continue to take necessary and concrete actions to mitigate negative effects, build resilience of APEC economies and reach new heights in the development of our region.

We welcome the offer of the People's Republic of China, the Philippines and Peru to host APEC in 2014, 2015 and 2016 respectively.

Indonesian President outlines his vision for overcoming challenges of Corruption, Poverty & Un-employment in his address to the Joint Session of Indonesian Parliament : Jakarta, August 16



H.E. Dr. H. Susilo Bambang Yudhoyono

Indonesian President H.E. Dr. H. Susilo Bambang Yudhoyono in his address to the joint session of the House of Representatives of the Republic of Indonesia and the Regional Representatives Council of the Republic of Indonesia on August 16 on the occasion of the 67th Anniversary of Independence of the Republic of Indonesia deliberated on the achievement of Indonesia and the challenges that the country has to overcome to continue to prosper. Highlights of his Address are:

For the last one year, I noted that there have been a number of issues that have drawn the attention of the public. It becomes our homework to overcome and manage those issues. In facing the issues that I am going to mention, the government will continue to work hard in order to fulfill its duties and obligations.

There are six important and actual issues that I am going to explain in this occasion. The six issues are, namely, Corruption Eradication; Bureaucratic Reform and Good Governance; Violence and Social Clash; Investment Climate and Law Certainty; Infrastructure Development; and Fiscal Policy in facing the global economic crisis.

The first issue is Corruption Eradication. Corruption is an extraordinary crime that have undermined the foundation of the development. Education, health, and infrastructure that are supposed to improve significantly and could benefit the society, face some obstacles because of this unsavory practice. In an unequivocal and explicit language, I have once said there should no longer be any connivance between the government, the House of Representatives, law enforcement officers, and the business community in draining the state's coffers, both in the State Budget and the Regional Budget. I have to admit there remain a large number of perpetrators of the criminal act of corruption, whether from the ranks of the government, regional governments, the House of Representatives (DPR) and the Regional Representatives Council (DPRD), up to the law enforcement officers.

We must also admit, the domination of these corruptive practices tend to spread and swell to the regions, from the recruitment of civil servants in the bureaucracy, in the procurement of goods and services, until in several public services. The modus operandi are also diverse, starting from a simple bribery and gratification, until the most complex that leads to the criminal act of money laundering.

This is the reason why we must continue to eradicate corruption. The National Police of the Republic of Indonesia, the Attorney General's Office, and the Corruption Eradication Commission (KPK) as the law enforcement institutions must truly be mutually supportive and reinforcing. In addressing this issue, my position is clear and firm: law must be enforced indiscriminately, unselective and give a deterrent effect, as well as guarantee justice and impartiality before the law.

In every occasion, I have asked BPK (Role of the Audit Board), KPK (Corruption Eradication Commission), Polri, Attorney General, and BPKP (Indonesian National Internal Audit Agency) to completely prevent corruption that misappropriate the APBN and APBD's funds. Our country works hard to increase economic growth and the state revenue, so that we have bigger budget to finance the development. Imagine if the fund provided in the APBN (National Budget) and APBD (City Budget), that we get through hard work, were corrupted.

The war drum against corruption should not slacken. We must eradicate corruption. Eradicating corruption as an extraordinary crime should be carried out with extraordinary measures as well. There should not be intervention to the law enforcing institutions in the fight against corruption. Such intervention, in fact, will trigger a sense of injustice. Let the law work with its own mechanism and way in finding justice.

My position is crystal clear, there must be a joint cooperation between the law enforcement agencies, instead of competing in an unhealthy manner and undermining each other. Upholding the law indiscriminately is the key. Should there be any divergence of views, the legal due process should take its normal course, in compliance with the prevailing legislations. For this reason, therefore, law enforcement lies in the impartiality of revealing any improprieties, instead of concealing them.

In this regard, the role of the Corruption Eradication Committee is extremely important. We truly thank the Committee for its firm acts and hard work. Certainly, we also encourage the Police Force, the District Attorney, and the Supreme Court of Justice to do the same.

The second issue on bureaucracy reform and good governance has become essential, considering that to govern this great and vast country we need serious efforts from all governmental apparatus from the centre to the regions. We all share roles and responsibilities. The success of what we have decided in Jakarta is also determined by the governments in the regions.

The regional governments, starting from the province, regency, municipality, district, up to the village and sub-district, have become the spearheads of public service in all corners of the country. Those who provide services morning and noon, day and night, they are the development heroes who devote themselves unselfishly.

In managing the government, I have always emphasized all bureaucratic ranks must be able to improve their roles and functions more optimally and maximally. Public service must become one of the fundamental parts in bureaucratic reform. The acceleration of bureaucratic reform is non-negotiable. The acceleration of the bureaucratic reform is crucial in creating a reliable, professional, and clean government apparatus, based on the principles of good governance and clean government.

We must complete the management of government by the expansion of public participation, starting from the participation of development until opening up public access in order to participate in the control of government management. This is an essential part of the government involving public participation. This is the essence of open government.

Even though we continue to intensify the bureaucratic reform we still find bureaucratic ranks that have yet to be responsive, tend to be negligence, and even hinder the course of development. These attitudes and behaviours should be changed and terminated.

The third issue is regarding social harmony and social clashes. This issue becomes a serious problem. We have to prevent ourselves from horizontal violence, whether it is triggered by land dispute, the excess of regional election, or the difference in views and believes. We have to prevent ourselves from selfish acts and to impose one's will on others. Our country should indeed become the window of harmony and tolerance, not conflict and horizontal violence.

Actually these acts of violence and the communal conflicts could be prevented when all parties care, are responsible and constantly secure harmony and tranquility of the life of our society. When all parties concerned care and continue to work, starting from the regents or mayors and its apparatus, the police and the TNI territorial command, community and religious prominent leaders, certainly these violent acts would not have taken place, nor the taking the laws into their own hands as well as communal conflicts.

However, when the violent acts have taken place, including horizontal conflicts, the state police must immediately take a quick, firm and appropriate action. Delays and incomplete tasks cannot be tolerated. Nor do we tolerate any impression that the police has turned a blind eye. What is important is to avoid and prevent any fatalities from any party. A tranquil environment is essential for the serene life of the community. Including the serenity and tranquility of the religious community to practice their respective religious rites.

The fourth issue is related to the investment climate and legal certainty. We realize that we still experience a number of obstacles in the investment climate and legal certainty, which are complained by many parties. Those two aspects have the potential for creating uncertainty, high-cost economy, and the loss of opportunity to achieve a higher and more qualified growth. There are also complaints when the matters on the central government level have been taken care of, the obstacles eventually come from the regions. We need to work hard to reduce the high-cost economy. We have and are in the process of evaluating 13,520 Regional Regulations, and annulled 824 Regional Regulations.

Moreover, in order to boost the flow of investment, both Foreign Investment (PMA) and Domestic Investment (PMDN), we need to balance it with the speed and ease of getting business licences. We have pressed and accelerated the issuance of business licences from 60 days to 17 days. Of equal importance, law enforcement efforts are crucial in instilling a greater sense of security and stability in investment.

The fifth issue on infrastructure building, which is closely related to the fourth issue I mentioned previously. Because when investment climate is considered conducive and legal certainty is in appropriate place, there will be great opportunities for us to build more infrastructures all across the country. The potentials and wide open opportunities in our country will certainly attract investors to invest. This is the golden opportunity that we cannot afford to miss.

In order to further optimize upon the 'golden opportunity', the availability and quality of the infrastructure is a necessary condition. We need to support the national effort in accelerating the development of infrastructure in order to guarantee the sustainability of growth and equity of economic development, expansion of job opportunities, and the creation of new business sectors.

The biggest challenge in building infrastructure today is the high demands from all across Indonesia, while our state budget is relatively

limited. Although in the last few years we have increased our capital expenditure and infrastructure building budget, our state budget remains limited. Therefore, I asked regional governments to also allocate its regional budget for capital expenditure instead of spending it on personnel expenditure and routine expenditure. God willing, in 2013, the financial transfer to the regions will account for more than Rp. 500 trillion ($53 billion). I also call for the participation of state owned enterprises and private sector to cooperate with the government to accelerate and expand infrastructure building. Otherwise, Indonesia's economy with 6 percent average growth today and a great investment opportunity, will not reach the highest possible rate.

Finally, the sixth issue is on fiscal health. In the midst of the uncertainty surrounding the global economic environment, we have become more challenged to be able to maintain fiscal health. Striking a better balance between a fiscal policy that is able to provide a development stimulus while also prioritize the spirit of prudence needs to be conducted.

I would like to emphazise the importance for us to have a sound fiscal policy. The ongoing crises befelling many developed countries were primarily caused by their unhealthy fiscal state. The high defict, as well as the debt ratio vis-à-vis GDP. Let us see to it that our fiscal state does not become unhealthy and vulnerable like experienced by many countries.

The problem on subsidies rate that is too high also reduces our fiscal space. Let us with full awareness and responsibility recalculate the amount of subsidies to make our economy in better condition that at the end the subsidies are correctly targeted and allocated.

I also would like to express that our nation today emerges as a nation not only enjoying an extremely great freedom, but also a nation endowed with a more democratic state institutional system. Some of the most important are, that our country has changed in a very fundamental manner; from an authoritarian and centralistic government to a government which respects the freedom of expression, of association and of assembly and of union, and adopts decentralization and regional autonomy.

We have chosen democracy as the means towards prosperity. It is a process of democracy that gives priority to cleanliness in its execution and the impartial legal certainty when a dispute occurs. It would be impossible for us to reduce democracy that will separate us from unity, cohesion and integrity as a nation. Neither can we afford to downgrade democracy that would conversely lead us away from the people's interest and well-being.

Democracy should be devoid of evil traits. We believe democracy without freedom will turn into a tyranny, but an excessive democracy and not supplemented with a responsibility in making expression, will turn into anarchy. A number of excessive elections of the regional heads in several places-which ignore sound and mature democratic principles-quite often become anarchist in nature. This is the reason why we have to minimize the impact of such improper democracy.

It is time for us to prepare for a new role in the 21st century. The challenges we face in this century are not lighter. However, if we keep on working and continue working, we shall overcome them. We need to organize our perspective in managing change and development. Should we join hands together in all seriousness and make corrections and improvements, we could achieve even greater achievements.

We can learn from experiences, errors, past mistakes, so that they are not repeated. We also have a conception about the things that we need to make right, today and in the future. What we may still possibly need is self confidence that we ourselves are the ones who shall determine our own future that we will create. We are the ones who will determine the future that we wish to realize.

Four years ago, in 2008, we commemorated the 100th anniversary of the national awakening. The spirit of the national awakening that was kindled by Budi Utomo, more than one hundred years ago, reminds us all that in the second hundred years after the national awakening, our country can emerge as an advanced country. The condition is that we must have self reliance, competitive edge, and advanced civilization. God willing, with our unity, togetherness and hard work all of those noble ideals shall be a reality.

When this country was proclaimed 67 years ago, Bung Karno, Bung Hatta and the Founding Fathers of the Republic had set the goals for the establishment of an Indonesia which is independent, united, sovereign, just, and prosperous, namely a country that protects all people of Indonesia and their homeland, and to advance the public well-being, to enlighten the nation's life and to participate in the establishment of a world order based on independence, abiding peace and social justice. The Unitary State of the Republic of Indonesia is established over the foundation of Pancasila and the 1945 Constitution, and is inspired by Bhinneka Tunggal Ika - unity in diversity.

In a span of 67 years of Indonesia's history, governments have been present and carried out responsibilities alternately. Every government, since the govern-ment of President Soekarno, President Soeharto, President Prof. B.J. Habibie, President K.H. Abdurrahman Wahid, and President Megawati Soekarnoputri, has arduously worked and determined to build this country towards a better future. My predecessors had

struggled to improve the people's welfare and the progress of our nation and homeland. We all should express our sincere appreciation for their services and devotion. At the moment, we should be grateful that our country continues to advance, while overcoming challenges and trials. As a token of our gratitude to our "founding fathers" and our former leaders, let us continue to remain united and work even harder.

In this 21st century, our big mission is to continue the development of the nation towards a developed and prosperous, Indonesia. In 2045, at precisely the centennial anniversary of Indonesia's independence, we are determined to establish a robust and just economy; a stable and qualified democracy; and to create an advanced and superior nation's civilization.

In the Southeast Asia and Asia Pacific region, we are still faced with traditional challenges, such as potential conflicts due to border disputes and territorial claims. We also still face a variety of non-traditional challenges that have a direct bearing on the safety and welfare of the peoples in the region. We are aware those issues could trigger new tensions and affect the common efforts to realize the ASEAN Community and cooperation in the Asia Pacific region.

Our country is strongly committed and continuously contribute to ensure the implementation of various agreements reached by ASEAN and the East Asia Summit. We must materialize what have been agreed upon during Indonesia's chairmanship in 2011. The realisation of the ASEAN Community by 2015 constitutes an important aspiration that has become our priority in the Southeast Asian region towards one vision, one identity, and one community.

As we continuously support the democratization and "Nation Building" in Myanmar, in particular, we pay serious attention to the settlement of the humanitarian issue of the Rohingya ethnic community in Myanmar. With good intentions, I have sent a letter to President Thein Sein and urged the issue that originated from an inter-communal conflict be settled speedily, wisely and accurately.

As one of the members of the G-20, Indonesia consistently lends her support to the collective effort to achieve a global growth that is more robust, equitable, inclusive, and sustainable. We also continue to demonstrate our commitment to advancing the interests of developing countries in the G-20 forum. Consequently, we continue to encourage the coordination of the G-20 for the creation of food and energy security, infrastructure development social protection, financial inclusion, fair trade, and job creation. All these efforts are undertaken not only to bolster our national interests in the international fora but also for the common interests of the nations of the world.

Moreover, in coping with the global economic crisis in the G-20 framework, Indonesia supports the connectivity of three arenas in the national, regional, and global spheres. In the national sphere, each country should endeavour to make its economy healthy. In the Eurozone region, we expect an immediate solution to be found for the economic crisis. Meanwhile, the Southeast Asia and East Asia regions are expected to be able to support the growth of the world's economy. In the global sphere, it is obviously needed a collective cooperation, accurate policies, supported by trade and investment, and the careful strengthening of the financial sector.

As a member of the United Nations, we are also committed to creating a sustainable global development. In order to address future post-2015 development challenges, new commitment is demanded. During the Rio+20 Summit Conference, we have submitted a post-2015 development agenda, namely sustainable growth with equity. It is an agenda of development which is sustainable and equitable. It is a development agenda that ensures the well-being and prosperity for all mankind without having to cause damage to the environment.

In order to formulate and provide recommendations on the global development agenda in the post- 2015 MDGs, the UN Secretary-General has appointed the President of the Republic of Indonesia, the Prime Minister of the United Kingdom, and the President of Liberia as Co-Chairs of the UN High-Level Panel of Eminent Persons on Post-2015 Development Agenda. Through this forum and in Indonesia's capacity as one of the Co-Chairs we will contribute our thoughts and views in formulating the new global development concept and agenda which is Sustainable Development Goals (SDGs), as a continuation of the MDGs.

Thanks to God, our country today presents itself as an emerging economy and has become the 16th world economic power. We have become a middle income country, with poverty and unemployment levels that are gradually declining successfully. We must be confident and have faith, when the time comes, God willing, we shall become a strong and developed country in Asia and held in esteem by the world.

However, today we ought to be vigilant to the fallout of the financial crisis instigated by developments taking place in Europe. A valuable lesson learned we can draw from the crisis in the European region is that fiscal management that places emphasis on prudent principles needs to be applied. The government has taken, and will take, appropriate and calibrated measures. We have gained an indispensable experience when we managed to safely weather out the 2008 crisis.

This achievement was attributed to the collaboration and synergy between the central government, regional governments, business

community, banking institutions, and other institutions, so the real sector continues to operate normally. We have provided a prudent fiscal stimulus. We exercised control to prevent any new wave of unemployment. We have also provided protection to cover, assist and alleviate the burden of the lower and middle class segment of society who were impacted by the economic downturn. It is precisely through such a combination that our economy remained solid, without any unemployment explosion, inflation was under control and other economic indicators remained in check.

We have gone through the reform era for nearly fifteen years. It is in such a process that we have changed the tide of history by bringing to light a new order in the life of the nation and state. In a far safer situation, praise be to God, we have managed to boost economic growth even higher.

We also continue to monitor closely the high price of world oil. The goal is obvious, namely to avoid the fuel oil subsidies from getting bigger and bigger and we can take anticipatory measures. We have to adopt policies that are not detrimental to the people. The government has to continue to make efforts to bring the fuel oil subsidies into a more sound basis through restrictions and austerity, so the burden to the state budget can be gradually reduced. In such a way, the fuel oil subsidies can be allocated to the intensification of infrastructure development. The Government also continues to explore, develop and utilize new and renewable energy as alternatives. Barring any dramatic changes in fuel oil prices, which is the soaring prices of fuel oil, we cannot simply raise our fuel oil prices. On the contrary we must do our best in finding the best possible solution to ensure efficient use of our fuel oil and a healthy state budget. The idea of gradually decreasing fuel subsidies is entertained solely for ensuring our country's Energy Resilience in the future.

Apart from the dynamism of global oil prices, the international food prices have also become increasingly difficult to predict. The era of inexpensive food prices seems to be over. The high food prices are projected to take place for quite a long time. This is the reason, therefore, we have to provide adequate food supply through the optimum use of domestic resources. We have to secure the provision of staple food supply, especially rice. We must reach the rice surplus target of 10 million tons by 2014, even if it requires our hard work. We have to expand and intensify food self sufficiency.

In order to alleviate poverty, the government has launched programmes through four clusters. The first cluster is the direct aid of affordable rice for underprivileged people (Raskin), School Operational Support (BOS), and Aspiring Family Programme. The second cluster, developing the Self Supporting National Community Empowerment Programme (PNPM Mandiri). The third cluster, small, micro, and medium enterprise-based programmes through the Small holder Business Gredit (KUR) and Corporate Social Responsibility (CSR). And the fourth cluster through inexpensive houses, affordable public transportation, more equally distributed clean water and electricity, and the improvement of the livelihood of fishermen and poor urban citizens.

The Government continues to consider and endeavour in enhancing the welfare of the workers, both with regard to an increasingly adequate pay and any other forms of allowances. We wish the business community to grow and develop, and this growth also brings along an improvement to the welfare of their workers. Therefore, the tripartite integration and cooperation need to be further encouraged and invigorated.

The development framework and the Pro-People programmes, I have launched since the beginning, remain based on four main pillars: pro-growth, pro-job, pro-poor, and pro-environment. It is in this basic framework that the equitable distribution of development benefits to accelerate the creation of social justice and poverty alleviation continues to be a main priority.

We have brought about significant changes and progress to this country. Our country is regarded as a country with a bright future. Despite the numerous shared progress that we have achieved, we obviously cannot turn a blind eye to the problems and challenges that we are still facing.

The challenge to the Indonesia of today and of the future is how our nation is able to adapt to the changing times. How we should expand infrastructure. We must ensure that the investment climate and legal certainty do not become obstacles. We also still have to lower the levels of poverty and unemployment. The equitable distribution of development should continuously be carried out. These are the challenges we must address ahead.

This is an abridged version of the address of the Indonesian President His Excellency Dr. H. Susilo Bambang Yudhoyono at the joint session of the House of Representatives and the Regional Representatives Council of the Republic of Indonesia on August 16 on the occasion of the 67th Anniversary of Independence of Indonesia.

APEC region outperforms world trade

The APEC Region continues to outperform the rest of the world, weathering global economic uncertainty, according to new APEC Policy Support Unit (PSU) research that was presented to APEC Ministers during their meeting in Vladivostok on September 6.

Growth in the nominal USD value of merchandise trade for APEC economies moderated to 4.6 percent in May 2012, down from 12.1

percent growth in December 2011 due to weak global economic activity and deflated traded good prices. But it was enough to remain at the top of the heap, by comparison. The rest of the world contracted by 5.6 percent in May 2012.

Economic activity in the APEC region is expected to remain relatively robust in the medium-term, despite trimmed growth forecasts caused by increased uncertainty abroad. Based on International Monetary Fund data, member economies' real GDP growth is on pace to accelerate from 4.1 percent in 2011 to 4.2 percent in 2012 and 4.5 percent in 2013, keeping ahead of the rest of the world.

APEC members' economic growth and their trade and investment flows could be significantly impacted by downside risks related to the external environment. However, there are steps that can be taken to help mitigate the risks, the report suggests. Proposed steps, supported by the business community, include reiterating the pledge to maintain free and open markets, and renewing the pledge to withdraw existing restrictive measures and resist new protectionist measures to bolster the global economic recovery process.

Such issues are being constructively addressed by APEC Leaders, Ministers and Senior Officials during the 2012 APEC Economic Leaders Week here in Vladivostok. The APEC Policy Support Unit, APEC's independent research arm, regularly produces trade and economic analysis based on wide-ranging data sourced for all 21 APEC member economies.

Risks to global growth rising: IMF



The International Monetary Fund (IMF) stepped up its warnings on July 16 on risks to the global economy, especially coming from Europe, as it trimmed its growth forecast for the rest of the year. The IMF said the world economy appeared weaker since its assessment just three months ago, and while growth was only slightly off the expected pace, "downside risks continue to loom large," especially from inadequate or slow policy reactions in major economies.

"In the past three months, the global recovery, which was not strong to start with, has shown signs of further weakness," the fund said in its quarterly revision of economic forecasts. "Financial market and sovereign stress in the euro-area periphery have ratcheted up," it said, while growth has fallen below expectations in a number of major emerging-market economies. It pointed to renewed deterioration in the markets for European sovereign debt as a sign that eurozone leaders need to move fast on pledged reforms.

The IMF also singled out the overhanging risk from US political stasis that could send the country over a "fiscal cliff" due to laws that, if not changed, will force massive government spending cuts coupled with automatic tax hikes on January 1 that would severely crunch the world's largest economy.

"Avoiding the fiscal cliff, promptly raising the debt ceiling, and developing a medium-term fiscal plan are of the essence," the global crisis lender said in recommendations for the United States. After forecasting in April that the global economy would expand by 3.5 percent this year, the IMF said it had cut 0.1 percent off the forecast, but that the number remained at 3.5 percent because of rounding. For 2013, the forecast is 3.9 percent, down from 4.1 percent.

The change in the worldwide outlook mainly came from sharp cuts to growth forecasts for the large emerging economies like China, India, Brazil and newly industrialized Asia. But in addition the IMF saw slower-than-expected growth in the United States, Britain and France, among the major industrialized nations. The US forecast dropped 0.1 point to 2.0 percent; France was down 0.1 to 0.3 percent; and Britain was projected to grow at just 0.2 percent, compared with 0.8 percent forecast three months ago.

The bank also said Spain's recession would persist through 2013, after having forecast in April that the country's economy would return to growth next year. On the bright side, forecasts for this year for Germany and Japan were revised higher -- to 1.0 percent and 2.4 percent, respectively, though the 2013 prediction for each was also trimmed slightly.

Also getting an upgrade was the Middle East and North Africa region, much of which has been struggling through deep political turmoil in the past two years. The IMF said the region would grow about 5.5 percent this year, much better than the 4.2 percent predicted in April. The IMF said that major economies were making progress on cutting their fiscal deficit burdens, but that doing so remained hampered by more volatility and risk aversion in debt markets, which have sent the borrowing costs of the troubled eurozone periphery countries skyrocketing.

ICC HQs News

Global business launches trade agenda to provide growth amid the economic crisis

The International Chamber of Commerce (ICC) on September 28 unveiled the initial recommendations of its Business World Trade Agenda initiative, aimed at stimulating the global economy by helping to move the World Trade Organization's (WTO) multilateral trade negotiations out of an 11-year deadlock.

ICC is mobilizing international business – representing small, medium and large enterprises that produce the goods and services traded daily throughout the world – to define a practical and forward-looking multilateral agenda.

Global trade has dropped sharply in 2012 and volumes are not expected to rise without restructuring multilateral trade negotiations and salvaging as much as possible from the WTO's Doha round of trade negotiations. Business is therefore providing its recommendations for governments to address the urgency of declining trade, which has been further hampered by the shortage of trade finance and the rising threat of protectionism.

Initial recommendations from this process – which will culminate in the World Business Summit, being hosted by the Qatar Chamber of Commerce and Industry in April 2013 back-to-back with the ICC World Chambers Federation 8th World Chambers Congress – were launched on the occasion of the World Business Leaders Conference in Beijing.

"Resolving the current trade deadlock is a priority for global business. International trade and investment are the engines of economic growth and job creation, which will ultimately pull the global economy out of recession," said ICC Honorary Chairman Victor K Fung. "It is crucial that governments work now to find a solution to unleash the benefits of trade and investment."

ICC has been leading the global business community with initiatives



– including the ICC Business World Trade Agenda and the ICC G20 Advisory Group – that encourage dialogue between business and government, in a bid to establish practical policies for opening trade and investment. The World Trade Organization supports ICC's trade agenda, and global business will continue to provide input to governments in the lead up to the next WTO Ministerial Conference in Bali, Indonesia in December 2013.

"Business is uniquely placed to suggest innovative ways for overcoming obstacles in the ongoing trade negotiations," said ICC Chairman Gerard Worms. "The potential impact of failed trade talks on business and job creation has moved us to take action. Without a stronger multilateral trading system, business will face an even more difficult environment for trade and investment."

"The evidence shows that all countries and peoples will benefit from greater international trade and investment, because this drives economic growth and jobs based on a level playing field, innovation and inclusion", said Harold McGraw III, ICC Vice-Chairman, and Chairman and CEO of The McGraw-Hill Companies.

ICC Business World Trade Agenda priorities include a call on governments to: Conclude a stand-alone trade facilitation agreement; Advance the multilateral process under the WTO framework; Liberalize trade in services; Lower barriers to trade in information technology products and services; Work towards a multilateral framework on international investment.

A WTO agreement on trade facilitation is expected to deliver gains of at least US$130 billion per year worldwide and millions of new jobs, which will particularly benefit developing economies.

The ICC Business World Trade Agenda initiative will hold regional consultations in various parts of the world to gather further input on its recommendations before presenting them to governments in Doha in April 2013.

ICC launches the International Certificates of Origin Chain

ICC World Chambers Federation (WCF) has officially launched its International Certificates of Origin (CO) Chain, in response to members' requests to reinforce the global integrity of Certificates of Origin issued by chambers of commerce.

An official note has been sent to all World Customs Organization Customs administrations, notifying them of the implementation of the ICC WCF International Certificates of Origin Accreditation Chain. This initiative aims to assist chamber leaders to harmonize CO certification standards and processes, to the benefit of chambers of commerce, traders and customs administrations. It also reinforces the unique position of chambers as the competent, trusted third party in the delivery of COs.

Millions of COs are issued every year by chambers of commerce, facilitating trade worldwide. With the strong support of members, the ICC WCF International Certificates of Origin Guidelines, establishing international best practice for issuance procedures, have been implemented by chambers around the world.

Based on these international guidelines, ICC WCF has created its International Certificate of Origin Chain, to which chambers can adhere on a voluntary basis. By joining the accreditation chain, chambers agree to follow these internationally applicable and widely accepted standards. This gives assurance of independent, transparent, responsible and accountable issuance.

Chamber members will benefit from the use of an instantly recognizable international quality label, which will reinforce their integrity and credibility as competent trusted third parties in the issuance of COs. The Certificates of Origin Accreditation Chain brings chambers the recognition that they are mutually responsible and globally interconnected with their peers, bringing reassurance to business, traders, bank and customs administrations that COs are issued according to internationally accepted best practices.

As the Certificates of Origin Chain will reinforce the trust and integrity of the CO network, it will facilitate WCF's efforts in providing support for chambers to address pertinent issues of concern in their communities, including the recognition of electronic certificates of origin (eCOs) and the liberalization of the issuance of preferential certificates of origin (PCOs).

This ICC WCF initiative was presented this year during the origin workshop, organized by World Customs Organization (WCO) in Brussels on 18 January, attended by customs representatives from almost 30 countries. The event was took place immediately after WCO's 30th session of the Technical Committee on Rules of Origin, of which ICC has observer status. A second intervention at the last WCO Knowledge Academy in July allowed ICC WCF to inform attendees about ICC WCF's leadership in establishing the global standard for the issuance of certificates of origin, sharing with customs and traders present, the International CO Accreditation Chain.

"No other organization is more qualified than ICC WCF in setting international CO standards for the accreditation of Chambers of Commerce," said Ju Song Lee, Chair of the ICC WCF CO Task Force.

"Chambers have been issuing COs since as early as April 1898, thus they not only have the creditable track record, but also the expertise built over the years. As the World Chambers Federation, representing chambers of commerce worldwide, we have the unrivalled authority to undertake this initiative."

In addition, several chamber members of the ICC WCF CO Task Force underscored the opportunity that the International CO Accreditation Chain could provide in bringing the additional surety for the successful deployment and acceptance of eCOs.

Updated framework helps industry navigate responsible food and beverage marketing

The International Chamber of Commerce (ICC) on September 27 released a revised Framework for Responsible Food and Beverage Marketing Communications, intended to provide an updated and relevant self-regulatory tool at a time when pressure on industry is increasing, particularly with respect to marketing to children and growing concerns regarding obesity.

The framework presents a standard, uniformed approach to encourage responsible food and beverage communication and has been used as a foundation for aligning industry efforts and self-regulatory commitments in response to the World Health Organization's agenda on reducing obesity. The framework requires that responsible



food and beverage marketing should be legal, decent, honest and truthful, and clarifies that marketing communications must not undermine the importance of healthy lifestyles. Responsible marketing can help consumers make appropriate choices about products and to understand the role of nutrition, diet and physical activity in healthy lifestyles.

Prepared by the ICC Commission on Marketing and Advertising, the framework has been revised to align with the relevant revisions of the Consolidated ICC Code on Marketing and Advertising Communication Practices (ICC Code). It sets out business positions regarding: the role of commercial communication in our information-focused society, responsible marketing to children, and the importance of marketing to a competitive economy and consumer choice, while offering practical guidance on applying the general code principles specifically to food and beverage marketing.

"The ICC framework was first developed in 2004 at industry's request and has subsequently been updated twice to keep current with the changes to the general ICC marketing code," said Brent Sanders,

Chair of the Commission on Marketing and Advertising. "It provides a tool industry can apply through effective self-regulation within a legal framework that protects consumers from false and misleading claims."

World economic recovery suffers fresh setbacks, ICC/*Ifo* survey shows

Results of the ICC-***Ifo*** World Economic Survey, released on August 16, reveal declining optimism over global economic recovery as fear continues to spread about the unsolved debt crisis in Europe. The Survey, which received responses from 1,079 experts in 123 countries, showed that the world economic climate indicator fell to 85.1 in Q3 2012 after two successive increases. These results are significantly below the long-term average of 96.7 (1996-2011) for the Survey, conducted by the Munich-based Ifo Institute for Economic Research and the International Chamber of Commerce (ICC).



These findings imply a setback in the recovery of the world economy due to unfavourable assessments of the current economic climate and a less positive six-month outlook than in previous quarters, particularly in Europe. The climate indicator for Europe sunk to 88.9 for the current quarter, down 20 points from its long-term average of 109.0.

While the experts downgraded their evaluation of the economic climate from previous quarters – standing at 82.4 and 95.0 in Q1 and Q2 of this year respectively – they implied that the global economy is still in recovery and has not fallen back into recession.

Brighter days ahead for Asia

There is cause for some optimism, however, according to the Survey findings, which revealed that economic sentiment is improving in China, where experts anticipate further stimulus from the Chinese central bank and inflation seems to be under control. In Western Europe and North America, the economic climate indicator fell compared to the second quarter, mainly due to far less positive expectations for the next six months. While in Asia, less favourable assessments of the current economic situation were primarily responsible for the indicator's decline, after a strong upturn in the previous quarter.

Debt crisis takes a toll on Europe

The outlook among experts in Europe dampened, according to Survey results, because of the worsening debt crisis that has been hampering economic activity in the euro area. In Greece, Italy, Portugal, Spain and Cyprus, assessments of the current economic situation remained at recession level. Assessments of the situation in Belgium, France, Ireland, The Netherlands and Slovenia were only slightly better. While in Germany, Estonia and Finland, the majority of participants continued to assess the current economic situation positively, although to a lesser extent than in the previous quarter.

Ireland and The Netherlands are the only countries where expectations have risen and are pointing to modest recovery in economic activity.

Inflation fears abate

World average inflation estimates for 2012 dropped to 3.4% in Q3, down from 3.6% in the previous quarter, according to the Survey. Weakening global demand has led to lower raw material prices and has been forcing companies worldwide to maintain stable selling prices or even to reduce them in order to be competitive. The experts polled on average expected short-term interest rates to fall over the next six months, but forecast that long-term interest rates would increase slightly.

WCF Director Anthony Parkes recognized for commitment to chamber profession

ICC World Chambers Federation (WCF) Director Anthony Parkes, has been awarded Certified Chamber Executive (CCE) status to become one of only 517 chamber executives to have received the certification in the past 39 years. CCE is the only certification programme available for chamber professionals and is designed to assess an executive's knowledge of the four core chamber management areas: management, planning and development, membership and communications, and operations.

CCEs exemplify:

- Commitment to the chamber of commerce profession;



- Dedication to managerial and leadership excellence; and
- Leadership in state, regional, and national chamber professional associations

The CCE process is a six month-intensive programme of assessment, presentations and exam.

The CCE status marks another milestone in Mr Parkes' work and commitment to the chamber industry which includes a Winston

Churchill Fellowship. The award also reinforces Mr Parkes' dedication, as head of the ICC World Chambers Federation, to help fulfill the organization's mission to strengthen the capacity and services of chambers all around the world.

The award was presented by the American Chamber of Commerce Executives (ACCE) Chairman and President of the Metropolitan Milwaukee Association of Commerce Tim Sheehy and ACCE Certification Commission Chair L. John MacMartin, President, Minot Area Chamber of Commerce (ND) on Thursday 2 August in Louisville, Kentucky at ACCE's Annual Convention.

ICC global network reaches Albania and Kenya

ICC's global network of national committees is set to expand with the addition of ICC Albania and ICC Kenya. Located in more than 90 countries worldwide, national committees work with ICC members in their countries to voice the interests of business to national governments and provide input to ICC's policy work.

ICC national committees and groups form the global network that makes ICC unique among business organizations. The inauguration of offices in Albania and Kenya highlights the growing importance of these countries in the global economy.

ICC's global network of national committees ensures influence at the national level while ICC's privileged links with major intergovernmental organizations, including the World Trade Organization, enable the voice of business to be heard at the international level.



ICC responds to the EC proposal on third-country access to internal procurement markets

ICC's Task Force on Public Procurement has responded to the European Commission's (EC) proposed changes and updates to procurement rules for approval by the European Parliament and Council. ICC's response aims to promote discussions and foster further evaluations of the potential consequences of the proposal made on 21 March 2012. For the EC, the proposal should be urgently passed by the European legislative bodies due to the reluctance of some non-European Union (EU) countries to open up their markets further in the course of on-going multilateral or bilateral trade negotiations.



The task force reasserted that ICC, in accordance with its mandate, cannot support any instrument purporting to limit access to markets, irrespective of the developments in trade policy that may have prompted its introduction. Parts of the EC proposal might lead to such limitations, the task force concluded. Regarding procurement agreements, the task force infers from the proposed text that the EU and the EC will be given powers to determine which countries' bidders are admissible to the EU markets and which are not. A possible corollary of the new logic established in the EC proposal is that, even if there are, at present, no issues with trade access with the third country concerned, it would introduce a presumption of access.

The ICC Task Force on Public Procurement also raised issues pertaining to the reality and complexities of procurement markets, which it feels the EC and the European legislative bodies should investigate further. The proposed text, ICC says, might go against the EC's own goal of curtailing red tape, since the intricacies of rules of origin for goods and for services will likely result in long and costly procedures, if not trade conflicts and distortions of competition.

Practically, ICC suggests (1) a clarification of the rules on "abnormally low tenders" in public procurement, (2) the production of significantly more guidance for contracting authorities and bidders in the EU, and (3) it urges concerned actors to consider the increase of "anti-dumping" instruments that also cover the provision of services, before adding the EC proposal as such to the body of regulations.

Young business leaders called to action on global economic issues

ICC Secretary General Jean-Guy Carrier urged young people to unite with leaders of business, civil society and government to craft sustainable solutions for the future of the global economy, during his keynote address at the Junior Chamber International's Global Partnership Summit in New York. Junior Chamber International (JCI) President Bertolt Daems focused his opening remarks on the Summit's theme, "JCI taking on the future", underscoring the important role young people play in this partnership.

Mr Carrier drew particular attention to the G20, and the role of the International Chamber of Commerce (ICC), as a crucial interlocutor for business in today's rapidly evolving world. Issues being addressed by business in the G20 process are relevant to young people and their role in the future of business, he said.

Many ideas shared by JCI's leadership and members at the Summit were developed at JCI regional conferences in Brazil, Germany, Morocco and Hong Kong in recent months. At these events, JCI members gained a greater awareness of the G20 process from ICC representatives. Young business leaders and entrepreneurs in turn gave their perspectives on youth employment and entrepreneurship, development issues and green growth, all of which are being addressed within the G20 dialogue.



ICC and JCI leaders reminded delegates of their role as young active citizens. They encouraged them to bring their new ideas and perspectives back to their communities across the globe. JCI and ICC have worked closely for more than a quarter of a century of cooperation on a variety of projects and joint initiatives to foster responsible entrepreneurship.

JCI is a worldwide federation of young leaders and entrepreneurs with a mission to contribute to the advancement of the global community. It aims to achieve this by providing the opportunity for young people to develop the entrepreneurial and leadership skills needed to generate positive changes in their communities, their countries and the world. Its network comprises approximately 6,000 communities in more than 100 countries worldwide.

This global network connects JCI members from around the world, empowering them to run international projects, exchange ideas and work together to develop new ways to create positive change in their communities.

JCI is a permanent member of the ICC World Chambers Federation (WCF) General Council, and a member of its Transnational Chamber Board. Through its partnership, JCI Local Organizations collaborate with local chambers of commerce and ICC national committees to collaborate on projects to advance global economic progress and encourage entrepreneurship.

ICTs and the Internet can strengthen economic growth and recovery

Investment in Information and Communication Technology (ICT) and the Internet has the potential to boost job creation and economic growth during the current economic crisis, according to the ICC Commission on the Digital Economy, but opportunities for these technologies must be appropriately harnessed for this to take place.

The International Chamber of Commerce (ICC) released ICTs and the Internet's impact on job creation and economic growth, a tool designed to help policymakers seize opportunities to improve economic conditions.

Findings from studies – collected in the paper by the Commission on the Digital Economy – show a positive correlation between investment in the Internet and other ICTs, and an increase in economic activity. High speed networks and ICT services not only create a platform for this activity, but also improve the competitiveness of an economy.



The studies show that this potential for growth is even more substantial in developing countries. For each 10 percentage-point increase in high speed Internet connections there is an increase in economic growth of 1.38 percentage points for developing countries, according to research from the World Bank.

Business supports policies that promote market entry and investments for ICTs and the Internet. Its aim is to attain greater geographic coverage of networks in order to seize the opportunities presented by increasing use of these technologies. ICC's Commission on the Digital Economy recommends that governments establish a regulatory framework that enables investment and that realises the full potential of high speed mobility, broadband Internet and cloud computing.

ICTs and the Internet also have a critical role to play in building a more sustainable green economy,

according to the Commission on the Digital Economy. Use of ICTs accounts for around 40% of recent overall productivity growth among OECD countries. While ICTs are responsible for approximately 2-3% of current global carbon dioxide emissions, their application has real potential to reduce energy consumption in the remaining 97-98% of carbon emissions, according to findings in the paper.

The ICC urges policymakers to maintain a commitment to policies that will promote investment in the Internet and ICTs, which in turn will support sustainable economic growth and recovery.

Registration opens for 8th ICC International Mediation Competition

Applications to participate in what promises to be the most lauded mediation event of 2013 are now being accepted, as ICC announced on July 23 the opening of registration for the 8th ICC International Mediation Competition.

University students from law and business schools worldwide are invited to participate in the Competition to put their negotiation and mediation advocacy skills to the test by applying the ICC Amicable Dispute Resolution (ADR) Rules in mock cases conducted by some of the world's leading professional mediators.

Mediation is a non-binding, relatively low-cost and quick technique that helps parties find common ground for resolving disputes amicably. The ICC International Centre for ADR, which organizes and hosts the Competition, is one of the world's leading institutions in the field of international commercial mediation.



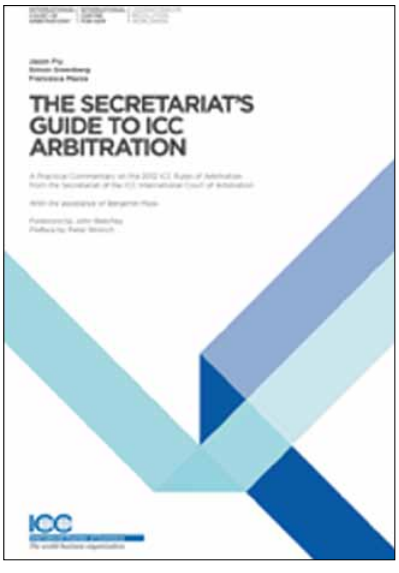
The Competition is ICC's biggest educational event attracting around 500 participants from all around the world every year. Participants include competing university student teams along with their coaches as well as professional mediators who participate in the Competition on a voluntary basis. To highlight the importance of dispute resolution as a management issue, the Competition was opened to business students for the first time in 2011.

As well as a proving to be a valuable learning experience, the Competition also offers participants a chance to visit ICC headquarters and the premises of some of Paris' most prestigious law firms and provides an opportunity to participate in related training and social events.

The 8th ICC International Mediation Competition will take place from 8 - 13 February 2013 as part of ICC's Mediation Week, commencing with the 4th ICC Mediation Conference on 7 February 2013. University teams wanting to take up the challenge and professional mediators have until 21 October 2012 to apply online.

ICC publishes authoritative guide to new Rules of Arbitration

The International Chamber of Commerce (ICC) has released "The Secretariat's Guide to ICC Arbitration", an invaluable companion to the recently revised ICC Rules of Arbitration. Written by present and former senior members of the Secretariat of the ICC International Court of Arbitration, the Guide describes the innovations and changes introduced in 2012 and provides easily accessible, article-by-article commentary on the Rules in their entirety.



In his foreword to the Guide, President of the Court John Beechey welcomes the unique publication. "The Guide is an indispensable work of reference for all involved in ICC Arbitration, whether they come new to such proceedings or are 'old hands', and whether they do so as a party, counsel or arbitrator," he said.

The Guide owes its authority and instructiveness to the experience and insight of its authors. Not only were they involved in the drafting of the new 2012 Rules, but have intimate knowledge of the practices of the Court gained from their daily work within the Court and its Secretariat.

In addition to offering a detailed article-by-article commentary on the 2012 Rules, the Guide also:

- Elucidates the practices of the ICC Court and its Secretariat
- Give tips on how to conduct proceedings effectively
- Provides statistics on many aspects of ICC arbitration
- Lays out a road map for ICC arbitration users
- Compares the contents of the 2012 Rules and their predecessor, the 1998 Rules.

"The purpose of the book is to provide readers with a helpful and accessible guide to ICC Arbitration from the practical perspective of persons involved in its daily operation," said co-author Jason Fry, Secretary General of the ICC Court, in the Guide's introduction.

The Guide stands out also for the breadth of its appeal. It will be of interest not only to arbitrators, lawyers, in-house counsel, business executives and government officials but also to academics and students, as well as anyone seeking an informative insight into the ICC arbitral process.

Six month drop in world piracy, IMB report shows

The number of pirate attacks have fallen sharply in the first half of 2012, led by a drop in Somali piracy, the International Chamber of Commerce (ICC) International Maritime Bureau's (IMB) global piracy report revealed on July 16, but warned that these numbers were offset by a worrying increase of attacks in the Gulf of Guinea.

Overall, 177 incidents were reported to the IMB Piracy Reporting Centre (PRC) in the first six months of 2012, compared to 266 incidents for the corresponding period in 2011. The report showed that 20 vessels were hijacked worldwide, with a total number of 334 crew members taken hostage. There were a further 80 vessels boarded, 25 vessels fired upon and 52 reported attempted attacks. At least four crew members were killed.

Somali piracy down but still a threat

The decrease in the overall number is primarily due to the decline in the incidents of Somali piracy activity, dropping from 163 in the first six months of 2011 to 69 in 2012. Somali pirates also hijacked fewer vessels, down from 21 to 13. Nonetheless, Somali piracy continues to remain a serious threat.

The report, in part, has attributed the noticeable decline in Somali piracy to the pre-emptive and disruptive counter piracy tactics employed by the international navies. This includes the disruption of mother vessels and Pirate Action Groups. The effective deployment of Best Management Practices, ship hardening and, in particular, the increased use of Privately Contracted Armed Security Personnel (PCASP), has also contributed to the falling numbers.

As of 30 June 2012, Somali pirates were still holding 11 vessels and 218 crew, 44 of whom were being held ashore in unknown locations and conditions.

Disproportionate increases in Gulf of Guinea

The decline in Somali piracy, however, has been offset by an increase of attacks in the Gulf of Guinea, where 32 incidents, including five hijackings, were reported in 2012, versus 25 in 2011. In Nigeria alone there were 17 reports, compared to six in 2011. Togo reported five incidents including a hijacking, compared to no incidents during the same time last year.

The IMB report emphasized that high levels of violence were also being used against crew members in the Gulf of Guinea. Guns were reported in at least 20 of the 32 incidents. At least one crew member was killed and another later died as a result of an attack.

In Nigeria, three vessels and 61 crew members were taken hostage. Seven vessels were boarded, six fired upon and one attempted attack was reported. The report further showed that attacks by armed pirates in skiffs were occurring at greater distances from the coast, suggesting the possible use of fishing or other vessels to reach targets. On 30 June 2012 alone, three vessels were fired upon, including a tanker and a container vessel within a five-minute period, approximately 135 nautical miles from Port Harcourt.



The increase in pirate activity off Togo has also been attributed to Nigerian pirates. The five reported incidents all occurred in April, culminating with the hijacking of a Panamax product tanker by the month's end.

Armed robberies on the rise in Indonesia

Attacks elsewhere in the world have mainly been armed robberies. Indonesia accounts for almost 20% of the global numbers, with 32 reported incidents compared to 21 over the same period in 2011. Twenty-eight of the vessels targeted were boarded, including 23 anchored vessels, two berthed and three that were underway. Guns have been reported on one occasion. IMB further noted that many other attacks may also have gone unreported.

2013 World Biz Law Institute Prize opens

The ICC Institute of World Business Law has launched the 2013 contest for its bi-annual prize rewarding outstanding legal writing and contributions to international commercial law. The winner will receive a €10,000 cheque. In 2011, 34 theses competed and ICC named Claire Debourg, of France, laureate of the third ICC Institute Prize for her thesis: "Contradictions in international arbitration decisions"

("Les contrariétés de décisions dans l'arbitrage international").

The first edition of the prize, launched in 2007, saw 11 entries from six countries. Among the topics covered were the Vienna Convention, international contract negotiations, international global disputes at the World Trade Organization and a variety of global issues in arbitration. The award went to Vincent Chantebout for his submission: "The prohibition of the review on the substance of the arbitral award."

Contestants for the next round of the competition must enter by 1 April 2013. The award will be given in Paris at the end of November 2013 on the occasion of the annual meeting of the Institute of World Business Law.



The competition is open to any person except members and former members of the ICC Institute of World Business Law, members of the ICC International Court of Arbitration and its Secretariat, employees or colleagues from jury members' companies. Candidates cannot be older than 40 years on the closing date for entries.

The works must be written in English or French, the two official languages of ICC. Authors will retain the copyright of their works and are free to publish them once the jury's decision has been announced.

ICC announces ground-breaking Executive Board shift

ICC has achieved an objective, securing representation from all five BRICS countries (Brazil, Russia, India, China and South Africa) in the election of seven new members to its Executive Board.

Meeting at ICC headquarters in Paris, ICC governing body approved the seven new members along with renewed terms for four other members.

The new members are: Sebastian Escarrer Jaume, Vice-Chairman, Melia Hotels International (Spain); Joaquim Falcao, Dean of Law School of Fundacao Getulio Vargas (Brazil); Karen van Gennip, General Manager, Private Banking & Investments, ING (Netherlands); Rifat Hisarciklioglu, President, The Union of Chambers and Commodity Exchanges of Turkey (Turkey); Alexander Izosimov, Director of East Capital AB, LM Ericsson, EVRAZ Group, Transcom WorldWide and Dynasty Foundation; Zola Tsotsi, Chairman, Eskom Holdings (South Africa); and Zhang Yanling, Executive Vice-President, Bank of China, 2002-2010.

The shift in Board composition sees a majority of 14 out of the 26 members coming from countries outside the so-called "old" industrial countries of Western Europe, North America and Japan and also includes the addition of two women. Comprising 27 CEOs and other corporate executives, the Executive Board is ICC's senior governing body responsible for overseeing ICC's strategy, policy and



programme of action as well as the financial affairs of the world business organization.

Registration opens for 2012 ICC Rules of Arbitration training in Paris

Registration has opened for a two-day training session on the 2012 ICC Rules of Arbitration, hosted by the International Chamber of Commerce (ICC) on 8 and 9 October 2012 in Paris. The training – held in English and French – will help lawyers, in-house counsel and arbitrators to understand new elements of the 2012 ICC Rules of Arbitration, which came into force on 1 January 2012, replacing the ICC Rules that had been in force since 1998.



Participants will learn from some of the world's leading experts in arbitration, including members of the group that drafted the new Rules.

Organized under the auspices of the ICC International Court of Arbitration, the training will give arbitration professionals theoretical and practical knowledge of the main changes to the Rules. Key topics include disputes involving multiple contracts and parties, updated case management procedures and the appointment of an emergency arbitrator.

Participants will work in small groups to practice applying the new provisions in a series of mock cases.

The ICC International Court of Arbitration is handling an increasing number of cases, with a total of 795 arbitration cases filed in 2011. The ICC Rules of Arbitration were

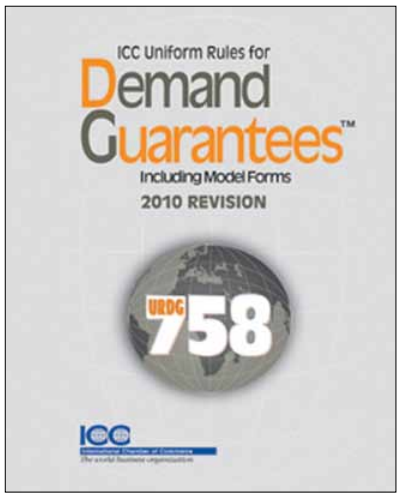
updated to improve efficiency, and to take into account the increasing complexity of business transactions, as well as state interests in disputes subject to investment laws, bilateral treaties and free trade agreements.

ICC Demand Guarantee Rules URDG 758 celebrate two years of rising popularity

The International Chamber of Commerce (ICC) Uniform Rules for Demand Guarantees URDG 758, which on July 2 celebrate their two-year anniversary, are increasingly being incorporated into international trade contracts, where they provide a welcome element of financial security and trust in a precarious economic climate. The World Bank's update of its model guarantee forms to include URDG 758 last week is the latest step towards ICC's rules becoming the international standard for demand guarantee practice.

As well as replacing the previous URDG 458 in commercial transactions, URDG 758 are now being applied more widely, for example in procurement contracts, and in deals where demand guarantees or counter-guarantees were previously not subject to rules, according to a survey compiled by the Guarantees Department of Raiffeisen Bank International based on contributions from the 46-member ICC Task Force on Guarantees.

Endorsed by the United Nations Commission on International Trade Law in 2011, the revised ICC Demand Guarantee Rules are also used in the International Federation of Consulting Engineers model construction contracts. Around the world, banks are promoting URDG guarantees and counter-guarantees, with leading European banks offering them in their standard forms. Bank regulators and lawmakers, including the Organisation for the Harmonisation of Business Law in Africa, approved the new rules and used them as a model for national statutes now in force in 16 countries.



The 35 articles in URDG 758 set out the liabilities and responsibilities of each party, the process to present a demand, the expiry conditions and how to deal with amendments and transfers of guarantees and counter-guarantees. The rules are clear and concise, and exist in 21 languages. They are Shari'a-compliant, and can govern Islamic finance-related guarantees.

One new feature of URDG 758 is a rule proposing a substitution of currencies when payment in the currency specified in the guarantee becomes impossible. This rule is getting heightened attention in today's sovereign debt crisis and does away with the need to draft and negotiate more complicated political risk clauses.

Mr Affaki puts this wide acceptance down to a number of factors. If an international commercial transaction falls through and occasions a breach in a delivery or payment obligation, URDG 758 are reliable in ensuring that an agreed third party, usually a bank, pays up. This is reassuring for risk-averse companies, and allows their cash-strapped business partners to avoid putting down a cash-deposit. As far as the banks are concerned, devising their internal processing system on the basis of standard rules decreases the likelihood of an operational failure, so reducing internal costs. The hope is that this lowering of banking costs will be passed on to customers, whether they are large multi-nationals or small businesses.



WTO News

DDG Yerxa says APEC has become "forerunner" on new trade issues

Deputy Director-General Rufus Yerxa, in a speech at the APEC Ministerial Conference in Vladivostok, Russia, on 5 September 2012, said that "APEC has asserted itself as a premier forum for championing open talks on some of the most recent, pressing and often controversial challenges facing the multilateral trading system". This is what he said:

The roles and missions of the WTO and APEC are complementary. Both organizations advocate free and open trade within a non-discriminatory, rule-based framework as a tool to effectively contribute to economic growth, development and poverty reduction.

APEC has asserted itself as a premier forum for championing open talks on some of the most recent, pressing and often controversial challenges facing the multilateral trading system. This has made it a forerunner in many areas of interest to the broader WTO membership. These areas include the following.

Global value chains

The expansion of global value chains has changed the face of trade and how businesses and policy-makers measure it and understand it. A better understanding of the dimension of this phenomenon can contribute to the design of appropriate policies to regulate its effects and reap its benefits. Calculating trade flows on an added-value basis would be an important first step to help explain the complexity of international transactions and move trade policies and trade politics in the right direction.

The value addition that occurs along international value chains has a number of implications for businesses. A company's competitiveness depends not only on its own productivity but also on the competitiveness of its suppliers, access to services, efficient infrastructure and measures that facilitate the cross-border exchange of goods and services.

In this scenario, policy-makers have to make a few considerations. First, imports matter as much as exports and protectionist measures have the potential to do serious harm to a country's competitiveness. Second, there is an enhanced complementarity between goods and services; therefore, promoting the competitiveness of infrastructure and support services — especially in the area of transport, logistics, communication and business services — can have positive impacts on production costs and overall industry competitiveness. Third, a proliferation of non-tariff measures can constitute serious impediments to trade, as the recent WTO World Trade Report dedicated to this issue has shown. APEC work in this area can be complementary to that undertaken at the WTO.

Fourth, harmonised trade facilitation measures that ensure smooth and speedy customs procedures are of great systemic value for the well-functioning of regional and global value chains. In this area, multilateral co-operation is important. In the context of the Doha Development Agenda (DDA), WTO members are negotiating a trade facilitation agreement, which could guarantee freer and more efficient trade flows at the global level. Trade facilitation has long been identified as a possible short-term deliverable, despite some diverging views amongst members on how to deliver it. In light of APEC's work in this area and its track record in reducing the cost of business transactions across the region, APEC can support the WTO membership in translating this regional success into a multilateral one.

Food security

Food security is another area that can contribute to economic growth, development and poverty reduction and that can be addressed through open and predictable international trade.

The issue has come to the forefront since the 2007-08 food crisis, when governments' unilateral and uncoordinated responses often accentuated global food price increases, especially through the imposition of export restrictions. These restrictions had a domino, market-closing and price-spiking effect, with one restriction bringing about another, as the world started to anticipate a global food shortage.

Food prices are expected to spike again this year, following the drought that has hit a number of large grain producers. Although the present situation cannot be labelled as a crisis, it is important that governments undertake transparent and multilateral responses and seek to address the negative consequences of food price increases on net-food importing developing countries and on the poorest in our societies. In this sense, it is crucial to keep trade flows open and allow market forces to fulfil their role. This is the time to avoid making things worse. This is the time to avoid making export restrictions. By working as a transmission belt between supply and demand, international trade can serve as a mechanism to shift supplies from surplus to deficit areas.

APEC economies have given much attention to this issue by promoting productivity and growth in agriculture, encouraging the development and adoption of new agricultural technologies and supporting regional food. At the multilateral level, the DDA agriculture negotiations can benefit

greatly from APEC's experience and the lessons learnt in this area. Addressing the trade distortions that continue to exist in agriculture, whether through subsidies or through tariffs, must be a priority if we want trade to work for food security.

Doha Development Agenda

At the latest General Council meeting in July, the WTO Director-General called on members to fully operationalize the guidelines on the DDA provided by Ministers at the Eighth Ministerial Conference (MC8) last December. Six months later, it is necessary to change gears and to explore specific steps to move forward.

Indeed, Ministers at MC8 recognized that not all elements of the DDA can be concluded simultaneously in the near future. The suggested way forward includes a gradual and pragmatic approach that would advance those areas where progress can be made in the short-term, while engaging in more serious and creative thinking about how to bridge gaps in other areas where convergence appears elusive.

Here as well, APEC can make a contribution to fast-forwarding the negotiations. As a forerunner on many trade-related issues at the regional level, such as on environmental goods and services, APEC members all of which are now also WTO members can make a valuable contribution to exploring different negotiating approaches and innovative ways forward by bringing their regional experience to the multilateral level.

Multilateral co-operation

The current deteriorating economic situation creates an urgent need to reinforce international co-operation. The root-causes of the global economic crisis as well as the new issues on the global agenda — such as food security, energy, climate change, trade and exchange rates — are global challenges whose impacts are not limited to a country's territorial jurisdiction but are felt across borders. Unilateral action is not sufficient — and at times it might be counterproductive. Collective action is needed to strengthen multilateral co-operation and find global solutions to avoid further tensions.

The multilateral trading system is an example of how international cooperation on trade matters has guaranteed a certain level of stability and predictability, especially in times of crisis, by preventing excessive recourse to protectionism. Multilateral liberalization has proven more efficient than unilateral trade liberalization. Regional liberalization of the sort pursued by APEC demonstrates an appetite for trade opening and can act as the forerunner for further liberalization at the multilateral level.

Trade and development Aid for Trade

The multilateral trade opening fostered by the WTO also aims at ensuring that the benefits of open trade are distributed more broadly, while catering for the needs and interests of the poorest. The Aid for Trade initiative is an important complement to trade opening. By addressing supply-side constraints, it allows poorer countries to take advantage of market access opportunities. Recognizing the need to support integration of developing country suppliers into regional and global value chains, the Fourth Global Review of Aid for Trade, which is scheduled for 2013, will focus on global value chains and private sector development.

Indeed, economic growth per se cannot be the sole objective of trade opening. As APEC members themselves know too well, there cannot be development if the benefits of economic growth are not sustainable and fail to create opportunities for the poorest. Trade, by fostering employment and higher incomes, can provide, directly and indirectly, those sorts of opportunities for the poorest in our societies.

Russia's accession

The accession of the Russian Federation to the WTO, after 18 years of negotiations, is a concrete sign of confidence in the Organization and the multilateral trading system. With Russia's formal accession on 22 August, the WTO now covers around 97 per cent of world trade and is closer to universal membership. The accession of Russia to the WTO is a win-win deal, which opens new trade opportunities and cements the integration of the Russian Federation into the global economy through ensuring greater certainty and stability to business operators and trading partners.

As APEC host economy this year, given its weight in international trade and as a new WTO member, Russia can play a vital role in addressing new challenges surrounding the multilateral trading system.

WTO agrees to hold 9th Ministerial Conference in Bali, Indonesia

The General Council, during its meeting on 25-26 July 2012, agreed that the 9th WTO Ministerial Conference would be held in Bali, Indonesia in the first week of December 2013.

The chair of the General Council, Amb. Elin Johansen (Norway), warmly thanked Indonesia for its "kind offer", which she said was "a clear sign of its commitment towards this organization." She added that members would discuss the precise dates of the 9th Ministerial Conference after the summer break.

Indonesia, in thanking members for the decision, said: "In the situation

where crisis is still hampering the global economy, Indonesia continues to believe that the multilateral trading system has a significant role in fostering a fair global trade, sustaining the world economic growth, eradicating poverty and creating job opportunities. In this regard, the next MC9 will therefore be very important to re-energize the negotiation process and the progress achieved so far, and to strengthen the multilateral trading system. Finally, Indonesia fervently hopes that the exotic ambiance of the land of the gods and goddess, the warm weather and the hospitality of the people of Bali, will rejuvenate and renew the constructive spirit of the Doha Development Agenda negotiation in the WTO."

The Ministerial Conference is the highest decision-making body of the WTO. It usually meets every two years. The 8th WTO Ministerial Conference was held last December in Geneva.

China announces next step in joining Government Procurement Agreement

At the meeting of the WTO Committee on Government Procurement on 18 July 2012, China announced that it will make a new revised offer of market access by the end of this year, a new step in its process of acceding to the plurilateral Government Procurement Agreement.

China said it would take into account all the requests made by the parties to the GPA for an improvement of its previous offer, submitted in November 2011, which had been considered insufficient.

The Committee invited Malaysia to become an observer to the GPA and elected Bruce Christie, of Canada, to be the next chairman of the Committee to replace Nicholas Niggli, of Switzerland, who had held the post for the past five years.

The Government Procurement Agreement is a plurilateral agreement with 42 members (including the EU and its 27 states). Of the 23 observers, nine are negotiating to become full parties, and 14 others have not yet started negotiations.

WTO's Advanced Trade Policy Course concludes in Geneva

Twenty-four government officials from developing and least developed countries concluded a three-month intensive training course on 5 July 2012 at the WTO. The Advanced Trade Policy Course (ATPC), held in French at the WTO Headquarters in Geneva, was organized by the Institute for Training and Technical Cooperation (ITTC). The diploma ceremony was held with the presence of ITTC's director, Ms Bridget Chilala, and the Head of ITTC's Training and Capacity Building Section, Mr. Serafino Marchese.

In her address to the participants, Ms Bridget Chilala congratulated the participants on successfully completing the training programme and encouraged them to use the knowledge and skills acquired during the course to defend their countries' interests and reap the fruits of the multilateral trading system.

On behalf of the participants of the ATPC, Mr. Hamadou KARIDIO from Niger thanked the WTO Secretariat for all the support provided in the context of this course and highlighted the need to conclude the negotiations particularly in light of the potential benefit this could have for developing and least developed countries.

The ATPC is a "level 3" training activity implemented within the WTO progressive learning framework and, as such, represents the highest level of learning among WTO training activities. Due to its advanced nature, the course is targeted at participants who already possess a sound knowledge of the general features of the WTO system and the WTO Agreements. The learning approach of the course is multidisciplinary in that it considers both legal and economic aspects of WTO rules and disciplines. The training methodology is conceived to encourage the active involvement of participants through a series of interactive modules comprising lectures, exercises and simulations, covering most of the areas of work of the WTO. More specifically, participants are expected, by the end of their three-month stay, to complete a project relating to a trade topic of their choice. This encourages critical thinking about trade policy formulation by consolidating participants' understanding of the linkages between WTO rules and disciplines and their respective country's interests in the multilateral trading system. The course also includes visits to other international organizations active in trade-related matters as well as attendance at selected meetings of WTO bodies. Contacts with WTO Secretariat officials and representatives from Missions and other international organizations are also a common feature.

The 2012 programme of training activities comprises two three-month Advanced Trade Policy Courses, of which the second one will be held from September to December in English, several advanced thematic courses covering areas such as intellectual property, trade and environment, agriculture, SPS and dispute settlement and one Introduction Course on the WTO for least developed countries. Along with these training activities in Geneva, the ITTC also organizes regional and national technical assistance activities in other parts of the world, including regional trade policy courses in cooperation with local and regional partner institutions.

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 HQs. 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 formulate 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, Ministers from Indonesia, Sri Lanka, Sweden, Turkey, Vietnam, Zimbabwe, Governor of Japan Bank for International Cooperation (JBIC), Executive Secretary of UN-ESCAP, Executive Director UN ITC, 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 in 2012 has organized two workshops on Credit Risk Management in Dhaka & Chittagong in March with support from HSBC; National Seminar on the Asia-Pacific Trade Agreement (APTA) in collaboration with the Ministry of Commerce, UNESCAP & ICC Bangladesh in Dhaka in June; Sub-Regional Seminar on Integration of SMEs in Global Value Chain organized jointly with UNESCAP in July and two Workshops on Treasury Management in Dhaka & Chittagong in July with support from Standard Chartered Bank.

Bangladesh
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