ICC Bangladesh
The world business organization

April - June 2013

NEWS BULLETIN

A Quarterly Newsletter of ICC Bangladesh

Volume 16 > Issue 62



Congratulations Bangladesh for combating poverty

Speaking about ICC Bangladesh

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

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 activities of ICC Bangladesh (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 ICCB was inaugurated by the Hon'ble Prime Minister Sheikh Hasina, M.P. and 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, a 2-day International Business Conference on "Global Economic Governance and Challenges of Multilateralism" organized by ICCB was inaugurated by the Hon'ble 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 and 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 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 2012, ICC Bangladesh has organized workshops on Credit Risk Management; National Seminar on the Asia-Pacific Trade Agreement (APTA)-Business Implications for Bangladesh in collaboration with the Ministry of Commerce & UNESCAP; Sub-Regional Seminar on Enabling Environment for Integration of SMEs in Global Value Chain in collaboration with UNESCAP; workshops on Treasury Management; workshops on Financing SMEs and seminar on Trade Fraud in Bangladesh.

During the first quarter of 2013, the National Committee has organized two workshops on International Trade Fraud: Prevention. Control and Remedies for the bankers in Dhaka and Chittagong on 11-12 February and Interactive Session on the same subject which was attended by the Bangladesh Bank Governor and MDs/CEOs of commercial banks.

Besides, ICCB also arranges three regular professional training programme for bankers & other professionals: e-Learning programme on 'FIT Initiative' (Finance of International Trade) supported by ICC, Paris, eBSI (eBusiness School International, Ireland), International Finance Corporation (IFC) & Institute of Export, UK; CDCS and CITF Examinations conducted worldwide every year by ***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 held every two years and WTO Ministerial Meetings as well as ICC Regional Consultative group Meetings.

Bangladesh

International Chamber of Commerce-Bangladesh

The world business organization

National Secretariat
Suvastu Tower (6th Floor), 69/1, Pantha Path
Dhaka- 1205, Bangladesh, Fax: +880-2-8621027
Tel: +880-2-86219 42, +880-2-967 66 98
E-mail: iccb@bdmail.net, Website: www.icc-bd.org

International Headquarters
38, Cours Albert 1er
75008 Paris, France
Tel: +33 1 49 532828, +33 1 49 532849
Fax: +33 1 49 532942

ICC Bangladesh
The world business organization

The Executive Board

President
Mahbubur Rahman

Vice Presidents
Latifur Rahman
Rokia Afzal Rahman

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

National Secretariat

Secretary General
Ataur Rahman

Contents

ICC Bangladesh News 02
Bangladesh Economy 16
Regional News 26
ICC HQs News 31
WTO News 39

Editor's Note

Apparel industry needs strategic planning for sustainability

The tragic incident of the Rana Plaza collapse at Savar that killed some 1,127 people last April shocked the entire world. The collapse came five months after 112 garment workers who died in a fire in another factory, Tazreen Fashion.

This has put Bangladesh apparel industry in a very dire situation for the irresponsible action of both factory and building owner. Such failure must be tried quickly according to law and should act as a deterrent.

The Savar incident was widely covered worldwide largely because of Bangladesh's position as the number two apparel exporter in the world. The buyers are now pressing for safe work places, higher wages, right to trade union and other conditions for compliance. Following the event, many international NGOs as well as consumers campaigned for restricting purchase of Bangladeshi garments until the factories ensure workers' safety and labour rights.

In view of the pressing demand, the situation has been improving everyday but it needs comprehensive attention on the part of the owners, regulators as well as buyers in order to achieve the desired results. However, to bring about the changes to the required standard it will take some time where the owners, buyers and workers must work in close cooperation. .

The apparel manufacturers and experts are suggesting a set of reform roadmap for a sustainable apparel sector broadly dealing with: factory classification, factory health & safety standards, compliance monitoring, responsibilities of trade associations, new RMG Economic Zones, relocation of unsafe factories, financing the RMG reforms, minimum wage increase linked with efficiency & productivity, trade unions for better worker representation, formation of Workers' Welfare Fund and branding through international public relations engagement.

The strength of the country's apparel sector is well understood through its ability to supply high-end items to famous global brands. Currently, more than 30 per cent of total RMG export is high-end products. The sector generates a total of $21.5 billion in exports, employing more than 4 million workers dispersed among 5,400 factories, most of whom are rural poor women. Currently, the sector accounts for 80 percent of exports and contributes 16 percent to GDP.

After the recent shock, the garment manufacturers hope that instead of deserting the Bangladesh's apparel sector, the Western buyers should provide resources and financial support and work together to make Bangladesh factories more compliant. Bangladesh is one of the few places in the world that has enough workers, manufacturing capacity and experience to provide what retailers demand: high volume, low prices and good quality etc. Thus, it is of immense hope that most retailers will stay and work for changing working conditions and ensuring safety; the factory owners' must come forward and take the initiative too.

According to McKinsey & Company, Bangladesh's apparel exports will reach $36 billion by 2020. Analysts believe that the country's potentials are even greater as the present yearly global apparel export is US$412 billion and Bangladesh's share is only 4.8 per cent. The EU and the US are the two largest importers of Bangladeshi garments, which accounts for 86 percent of the total exports representing only 6 percent of their total apparel demand. Whereas, China meets 30 percent of total apparel demand of EU and US.

Therefore, the four main stakeholders — the government, suppliers, buyers and workers — must work together to develop a long-term implementable strategy to realize the potentials of Bangladesh's readymade-garments market.

The owners and the government, on the other hand, may consider setting up a foundation to provide support to the garment workers and their children for education, health care including the victims who are otherwise incapable of earning their living. The exiting 5,400 factories could make yearly contribution of Tk.100,000 for the Foundation.

Nobel Laureate Professor Mohmmad Yunus said the Social Business Team has suggested that if the buyers agree to pay a little extra for a "HAPPY WORKERS TAG"; the proceeds could be utilized for ensuring workers' health, dormitory, pension, provident fund, children's care facilities etc. The idea deserves serious attention of the buyers.

ICC Bangladesh News

18 Member ICCB Delegation led by President Mahbubur Rahman joined 8th World Chambers Congress in Doha

ICC Bangladesh President Mahbubur Rahman led a 18-Member ICC Bangladesh Delegation to the 8th World Chambers Congress (WCC) of ICC-WCF (World Chambers Federation) held at Qatar National Convention Centre (QNCC) in Doha on 22-25 April. The 8th WCC, the first ever Congress held in the Middle East, brought more than 2000 delegates from chambers of commerce, as well as from multinational and small- and medium-sized companies.

Several hundred business leaders and trade experts attended the ICC World Trade Agenda Summit held on 22 April, the first day of the 8th WCC. ICC on behalf of global business finalized a set of recommendations for World Trade Organization (WTO) member countries to salvage parts of on-going Doha trade negotiations that could boost global GDP by US$960 billion.

It may be mentioned that ICC and the Qatar Chamber of Commerce and Industry in March 2012 launched the ICC Business World Trade Agenda in response to calls from WTO



The first plenary session of the 8th World Chamber Congress in progress.

The Congress is a unique opportunity for Chambers of Commerce from around the world to share, learn and build new networks of business opportunity. During the four days, the Congress featured an exciting programme including plenary and working sessions and networking opportunities, all designed to build a stronger global chamber community, fostering economic development and prosperity for all.

Among others, the ICC Bangladesh delegation included DCCI President Md. Sabur Khan, DCCI Sr. Vice President Nessar Maksud Khan, Managing Director of Prime Textile Spinning Mills Ltd. M. A. Awal and ICCB Secretary General Ataur Rahman.

Delegates at the Summit gave their stamp of approval to a final set of business priorities that would provide a debt-free stimulus to the global economy at a time when governments are struggling to inject growth into their economies.

It was observed that by simplifying customs procedures – through trade facilitation measures – alone, member countries would deliver global job gains of 21 million, with developing countries gaining more than 18 million jobs and developed countries increasing their workforce by three million. It is estimated that the payoff from liberalizing trade in services could generate world trade gains of US$1.1 trillion, which would translate into global employment gains of nine million jobs. At the same time, a meaningful WTO agreement on liberalizing trade in environmental goods, even on a plurilateral basis, could deliver US$10.3 billion of additional exports.

members and from G20 leaders for fresh approaches following a 12-year impasse in multilateral trade negotiations.

The initiative has developed five recommendations that could achieve tangible outcomes by the end of 2013, to harvest gains from the WTO's Doha Development Round. These are: conclude a trade facilitation agreement, implement duty-free and quota-free market access for exports from least-developed countries, phase out agricultural export subsidies, renounce food export restrictions and expand trade in IT products and encourage growth of e-commerce worldwide.

ICCB President and Secretary General attended ICC World Council
Council elected new Chairman and Vice Chairman

ICCB President Mahbubur Rahman and Secretary General Ataur Rahman attended ICC World Council and Meeting of the Permanent Heads of National Committee held on 20 April in Doha. The Council elected the new ICC Chairman, Vice-chairman and future Executive Board Members and Chairman & Deputy Chairman of WCF.

The incumbent ICC Vice Chairman Harold McGraw III, Chairman of the United States Council for International Business and President and Chief Executive Officer of The McGraw-Hill Companies and Sunil Bharti Mittal, Founder, Chairman and Group CEO of Bharti Enterprises and the Chairman of Bharti Airtel were elected by the Council as Chairman and Vice-Chairman respectively for a two-year term from 1 July, 2013.

On the recommendation of the ICC Executive Board, the World Council also elected the following five as members of the Executive Board for a three-year term commencing from 1 July 2013: Esko Aho (Finland), Milos Barutciski (Canada),Frederico Curado (Brazil),Eduardo Eurnekian (Argentina) and Cherie Nursalim (Indonesia)



The newly elected ICC Chairman Harold McGraw III (2nd from right) and ICC Vice Chairman Sunil Bharti Mittal (extreme right) are seen on the dais after the election along with ICC Chairman Gerald Worms (3rd from left), ICC Honorary Chairman Dr. Victo K. Fung (2nd from left) and ICC Secretary General Jean-Guy Carrier (extreme left).

The Council approved the audited accounts for 2012, National Committee quotas for 2014, setting up of New York office of the International Court of Arbitration, ICC Action Plan and headquarters relocation.

Update on ICC Business World Trade Agenda initiative, report on the activities of International Court of Arbitration, preparations for 8th World Chambers Congress, progress report on activities of the Regional Consultative Groups, report on the ICC and the G20 on the path to the G20 St. Petersburg Summit and update on the work programme of ICC Research Foundation were also presented during the Council.

ICCB felicitates First Billionaire of Nepal
Binod K. Chaudhary

ICC Bangladesh held a reception in Dhaka on 28 June to felicitate Mr. Binod K. Chaudhary, President & CEO, Chaudhary Group, Nepal, the first billionaire of the Himalayan country, as announced by US Business Magazine 'FORBES' in its 2012 list of Billionaires. The Nepalese business tycoon came to Bangladesh on a three-day trip to attend the programmes of the Social Business Day on 28 June organized by the Yunus Centre.



ICCB President Mahbubur Rahman along with ICCB Vice Presidents Latifur Rahman and Rokia Afzal Rahman presenting a memento to Mr. Binod K. Chaudhary during the reception.

Welcoming and introducing Binod to eminent personalities present in the programme, ICC Bangladesh President Mahbubur Rahman said "We are proud to honour Binod Chaudhary". He mentioned that Binod's grandfather Bhuramull Chaudhary was a small trader in Rajastan way back in 1933 from where, now the group owned nearly 45 companies, diversifying its businesses into banking, food, real estate, hotel, power, electronics,

construction and many other sectors. The group, however, is familiar for its Wai Wai brand of instant noodles. Binod, 57, who was also an elected member of the Constituent Assembly and Parliament of Nepal from 2008 to 2012, built much of his estimated $1 billion fortune overseas through his Singapore-based arm Cinnovation. Binod has set an example on how to survive in a challenging environment, Rahman said.

Mr. Chaudhary hails from a business clan with Indian roots. His grandfather Bhuramull Chaudhary migrated to Nepal from Rajastan and opened a small textile store that used to supply goods to the erstwhile rulers. Binod's father, Lunkaran Das, converted that into Arun Emporium, Nepal's first departmental store. The eldest of 3 siblings, Binod Chaudhary joined the business at the age of 18, giving up his plan to study accounting in India when his father developed a heart ailment, said Mahbubur Rahman .

"He has an elaborate corporate social responsibility programme, where a large number of people are benefiting. I like their slogan of Triple Bottom Line – socially responsible, environmentally sound, and economically viable. For several schools, the contribution was to their infrastructure or as scholarships to meritorious students. Support for women and youth, in the form of skill development, are also key components of his programmes", added ICCB President.

It may be mentioned that last December the Confederation of Nepalese Industries (CNI), where Mr. Binod Chaudhary is the Chairman Emeritus, organized a series of high-level meetings on social business and microfinance in Kathmandu. Nobel Laureate Prof. Muhammad Yunus attended as Guest of Honour and was the Keynote Speaker at series of meetings.

The Nobel Laureate on behalf of Yunus Centre and Mr. Binod K. Chaudhary, President of Chaudhary Group, announced a collaboration to create a $ 1 million seed money for social business fund in Nepal for creative social businesses that will tackle the problems faced by Nepal in the areas of energy, healthcare, women's empowerment and environmental protection. Chaudhary Group and other businesses will invest in the fund where Yunus Centre will provide technical support. ICCB President Mahbubur Rahman and Vice President Rokia Afzal Rahman also attended the function as Special Guests.



Partial view of the guests present at the reception to Mr. Binod K. Chaudhary.

In order to share his life story with the people Mr. Chaudhary has written his Autobiography "Atmakatha". The book 'Atmakatha' written by Chaudhary, in collaboration with writer Sudeep Shrestha, was released on February 2 by Nepalaya and distributed by Educational Book House. In his book he has openly written about his experiences and issues related to Nepali business and politics. He portrait his modest childhood days, taking the readers to a flash back of Kathmandu 50 years ago.

Mr. Binod K. Chaudhary, in response, thanked ICCB President for arranging such a grand reception for him. "I am considering this felicitation very special due to my relationship with some people of this country. We have a long-standing relationship with Bangladesh".

He called upon the businessmen of South Asia, particularly of smaller countries, to bring the economy at the centre stage of politics. "We all have to work together not only in businesses, but also, perhaps,

through participation in politics in our own way as everything revolves around politics with economies at the centre stages. If that doesn't happen, we will continue to struggle and our opportunities and our resources will remain unexploited," he said. Political stability is the key to accelerating economic growth in South Asian countries, said Binod Chaudhary.

Explaining his 20-year relationship with Bangladesh that began with the formation of the SAARC Chamber of Commerce and Industry in 1994 and becoming the founding Vice Presidents with Mahbubur Rahman, Binod described Bangladesh as his second home.

"Despite the presence of decades-old SAARC and 19 years of engagement of SAARC chamber, the region has not been able to really evolve let alone as common market or introducing common currency, not even as free trade regime," he said. "I firmly believe that entrepreneurs with strong skills and caliber of smaller countries under SAARC can shine anywhere in the world in any fields" observed Binod Chaudhary.

Among other distinguished guests and business persons, the reception was attended by Prime Minister's International Affairs Adviser Dr. Gawher Rizvi; Former Chief Justice and Chief Adviser of the Caretaker Government Justice Latifur Rahman; Justice K M Hasna, Former Chief Justice; Justice Md. Awlad Ali, BRAC Chairman Sir Fazle Hasan Abed, ICC Bangladesh Vice Presidents Latifur Rahman and Rokia Afzal Rahman, Former Adviser to the Caretaker Government Dr. Hossain Zillur Rahman, Senior Supreme Court lawyer Rafiq-ul Huq, Mrs. Biond Chaudhary and Mrs. Hameeda Rahman.

The reception was also attended by diplomats, former Presidents of FBCCI, DCCI, FICCI, BGMEA and BKMEA, Members of ICCB Executive Board, think-tank professionals, former Secretaries, ICCB Members, Business Leaders and a host of dignitaries.

ICCB Annual Council emphasized the need to address political challenges investments pre-requisite for higher economic growth

To achieve the Sixth Five Year Plan (SFYP) target, share of total investment to GDP needs to be 29.6 per cent of GDP in FY2013. In other words, an additional investment of Tk. 754,600 million will be needed; of which more than 81 per cent should come from the private sector. Certainly this will be a challenging target to chase when the private sector investment is stuck at around 19 percent of GDP over the past few years observed ICC Bangladesh Annual Council held in Dhaka on May 11.

The Council Session began by observing one minute silence to pay respect to those who died during the tragic building collapse in Savar. The Council also offered prayer for the departed souls and prayed for early recovery of the injured.

Despite significant odds, according to the Executive Board Report, Bangladesh has maintained a reasonable macroeconomic stability and a good growth momentum. Fiscal discipline has improved and a robust growth in remittances despite slow export growth has ensured a comfortable foreign exchange reserves. The current economic trends thus bring both opportunities and challenges for the Bangladesh economy for the remaining period of FY2013.

The Report pointed out that Bangladesh has attracted global attention due to its economic potential, competitive strength and its big domestic market. Overall, there is a sense that Bangladesh has potential to flourish. But the overall economic management will be challenging in the year 2013 as there will be a number of tensions in economic management. Another challenge will be to stimulate agricultural production and to find a balance in protecting the interests of crop producers and consumers. Bangladesh economy might overtake western countries by 2050, according to a forecast made by the global economists' report published by "The Guardian" on December 18. No doubt, performance of the economy in FY2013, and also beyond, will critically hinge on how the political challenges that Bangladesh facing at the moment are addressed. Any prolonged uncertainty in this context will have serious implications for the performance of the economy.



ICC Bangladesh President Mahbubur Rahman (4th from left) presenting report of the Executive Board at the Annual Council 2012 in the city on Saturday. Also seen in the picture (from Left to Right) are : Singer Bangladesh Limited Chairman Mahbub Jamil, FICCI President Syed Ershad Ahmed, ICCB Vice Presidents Latifur Rahman and Rokia Afzal Rahman, CCCI President Mahbubul Alam, BIA President Sheikh Kabir Hossain and Square Group Managing Director Tapan Chowdhury.

Hopefully, the year 2013 is going to be a remarkable economic period of the country, the Report added.

According to Report of The Economist published in its November 1 issue between 1990 and 2010, Bangladesh has made extraordinary improvements in almost every indicator of human welfare. Bangladesh has done better than most countries at improving the basic standard of living of its people, according to the report. So that is the puzzle: Bangladesh combines economic disappointment with social progress.



Group picture of ICCB Members during the Annual Council

The Executive Board Report mentioned that 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.

On the other hand, 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, the Report observed.

In line with Asian economies, Bangladesh's performances has so far been quite resilient to global economic meltdown; achieving 6.3% GDP in FY12. Its macroeconomic performance was better than expected and regionally its performance had been one of the best.

On the ICC Bangladesh activities, the report mentioned that during 2012, the NC organized various Seminars and Workshops. These are: National Seminar on Asia-Pacific Trade Agreement (APTA) Business Implications for Bangladesh jointly organized by the Ministry of Commerce, UNESCAP & ICC Bangladesh; Seminar on Enabling Environment for Integration of SMEs in Global Value Chain organized by ICC Bangladesh in collaboration with UNESCAP; and Seminar on Trade Fraud in Bangladesh: Challenges and Remedies. The National Committee also organized six workshops on Treasury Management, Credit risk Management, Financing SMEs: Demystifying Myths and Realities in Dhaka and Chittagong for bankers and other international trade professionals.

Besides, ICC Bangladesh has continued its 3 yearly 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 (Certificate in International Trade and Finance) Examination conducted worldwide by the ***ifs*** School of Finance, UK incorporated by Royal Charter and supported & endorsed by ICC Paris.

The Council adopted the Report of the Executive Board and the Audited Financial Statement for 2012 together with Auditors Report thereon as well as the appointment of the Auditor for 2013. The Council also approved the proposal of the Executive Board to increase the Annual Membership fees with effect from 2014.

Among others, ICCB Vice Presidents Latifur Rahman and Rokia Afzal Rahman; ICCB Board Members A.S.M. Quasem, Mahbub Jamil, R. Maksud Khan, Aftab ul Islam, A.K.Azad, Prof. Mamun Rashid, Muhammed Hatem, Syed Ershad Ahmed, Sheikh Kabir Hossain, CCCI President Mahbubul Alam, Bangladesh Employer's Federation President Fazlul Haque, Association of Bankers Bangladesh President & NCC Bank MD/CEO Md. Nurul Amin, Dr. M. Zahir, Senior Advocate, Bangladesh Supreme Court; Tapan Chowdhury, Managing Director, Square Group; Nasir A. Choudhury, Managing Director & CEO, Green Delta Insurance Co. Ltd.; Ragib Ali, Managing Director, The Sylhet Tea Company Limited; M. Ghaziul Haque, Chairman, Transmarine Logistics Ltd.; as well as MDs/CEOs and senior officials of ICCB member banks, insurance companies, national and multinational companies also attended the Council.

ICCB President attended ESCAP Business Council in Bangkok

Council reviewed activities and financing of EBAC

The Fifth Session of the ESCAP Business Advisory Council (EBAC) was convened on 28 April at Green Spot in Bangkok. The meeting was attended by twenty-five prominent leaders of the business community in the Asia-Pacific region, as well as experts from ESCAP and the World Association for Small and Medium Enterprises (WASME). ICC Bangladesh President Mahbubur Rahman and Mr. Asif Ibrahim, Former President of Dhaka Chamber of Commerce and Industry (DCCI) attended the Council as members.

The meeting was co-chaired by Mr. Datuk Seri Mohamed Iqbal Rawther, Group Executive Director, Farlim Group Malaysia and Mr. Shun-ichi Murata,Deputy Executive Secretary, ESCAP.

Mr. Shun-ichi opened the session by delivering remarks on behalf of ESCAP Executive Secretary Dr. Noleen Heyzer. He reiterated the ongoing importance of EBAC in assisting ESCAP's engagement with the private sector.

The Deputy Executive Secretary indicated that in the context of economic growth and development in Asia-Pacific, an era of unprecedented cooperation between government, business, civil society and international organizations was anticipated. Mr. Shun-ichi reaffirmed ESCAP's commitment to ensuring that Asia-Pacific is an open, vibrant, prosperous, business-friendly and secure place in the world. He expressed continued optimism concerning the contributions of EBAC in this regard. Mr. Datuk Seri Mohamed Iqbal Rawther noted with encouragement that the number of EBAC Members was increasing. He also stated the importance of restoring confidence in the private sector while encouraging the adoption of sustainable business practices. EBAC has the potential to make relevant contributions to this goal.

The Council deliberated on the activities of the various task forces constituted by EBAC, namely Task Force on Green Business, Task Force on MSMEs & Entrepreneurship in Business & Development, Task Force on Regional Integration and Connectivity, Task Force on Banking and Finance and Task Force on Inclusive Trade and Investment.

ICC Bangladesh President Mahbubur Rahman elaborated on the connections between ESCAP and Myanmar. He recalled the ESCAP Executive Secretary's efforts to engage Myanmar, including the pending establishment of an ESCAP office in the country. He mentioned about his recent visit to Myanmar on 20-22 January along with a 28-strong business delegation led by ICC Honourary Chairman Dr. Victor K. Fung. The mission was to explore investment opportunities as well as help Myanmar in setting up a ICC National Committee. Dr. Ravi Ratnayake described the Myanmar Business and Development Week in more detail. Some EBAC Members are active on this, but the need to expand participation was emphasized. He also mentioned that as regards the Asia and the Pacific Trade and Investment Report, case studies from different national contexts are welcome. Dr. Masato Abe, Economic Affairs Officer, ESCAP Trade and Investment Division, Business and Development Section indicated that two EBAC Members were participating in the Business and Development Week. He underscored the need for wider participation.

Mr. Asif Ibrahim, Vice Chairman, Newage Group of Industries, Bangladesh identified that it was important to convert the sentiments and intentions to assist Myanmar's development into actions. Mr. Ibrahim that he has been in conversation with many officials, business leaders, and others in Myanmar, for example to help improve the country's garment and textile industry. More access and better sustainability as regards financing is needed in these contexts, and that is an area where the Task Force may expand its energies, he observed.

On the present and planned activities of EBAC and Asia-Pacific Sustainable Business Network, Dr. Ravi Ratnayake mentioned the willingness of ESCAP to cooperate with businesses in financial and non-financial partnerships. He laid out the itinerary for the discussions, including a review of the Asia-Pacific Business Forum ('APBF') 2013, the implications of the Rio + 20 outcome, a capacity development event at the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) in Yangon,



Group picture of EBAC Members.

the ESCAP-Sasakawa Award for Disability-Inclusive Business in Asia and the Pacific 2013, and the modalities and priorities of EBAC as they related to funding.

The Council discussed future funding strategies. Mr. Ananda Kalutantiri, Consultant, ESCAP Trade and Investment Division made a presentation concerning the establishment of the Global One Foundation ('GOF'). He presented the technical details of GOF and explained how GOF may be used to fund EBAC activities and concrete technical assistance projects going forward. GOF will be governed by a board of at least seven trustees. The board of trustees will be generally responsible for overseeing the Foundation's programmes and grant making and investment strategies; including fund raising, budgeting, policy making, monitoring and evaluation. There will be four Malaysian members of the GOF board of trustees, including two permanent trustees (Datuk Mutalib and Datuk Seri Mohamed Iqbal). Five non-permanent members must be elected as follows: (a) three non-Malaysian members of the Board of Trustees will be nominated by EBAC from its members, and (b) two Malaysian members will be selected by the two permanent trustees, in consultation with the EBAC Secretariat, so that two or more Malaysian trustees will hold current EBAC membership. Also, elected trustees must not be related to permanent trustees. The Global One Foundation shall be an incorporated entity registered under Companies Act 1965 of Malaysia as a company limited by guarantee and without a share. After having signed a trust fund agreement, EBAC and SBN-related ESCAP activities could receive funds from GOF. In response to the presentation, Mr. Datuk Seri Mohamed Iqbal Rawther noted that the GOF is currently looking for one more trustee of Malaysian nationality. It is requested that the EBAC Secretariat develop a simple funds management template, which should be used for the purposes of tracking any movement of funds, as well as monitoring use of the fund.

The Members addressed the outstanding issue of the expiration of the terms of the current EBAC Chair and Vice Chair. Dr. Ravi Ratnayake indicated that the present terms of Mr. Datuk Seri Mohamed Iqbal Rawther and Mr. Chote Sophonpanich as Chair and Vice Chair respectively of EBAC will end in May 2013. He requested that the EBAC Members nominate candidates for these positions. In response, Mr. Asif Ibrahim supported by a consensus of the EBAC Members, move to extend the terms of the current Chair and Vice Chair. In response to this expression of support, Mr. Datuk Seri Mohamed Iqbal Rawther and Mr. Chote Sophonpanich accepted the request to continue in their current roles. However, Mr. Datuk Seri Mohamed Iqbal Rawther indicated that he would serve in this role for one more year, as he wanted to ensure that the Chairship benefits from different EBAC Members.

Before the closing statements were presented, EBAC Chair Mr. Datuk Seri Mohamed Iqbal Rawther announced that the next EBAC meeting will be held on 24 November, 2013 in Sydney, Australia at the APBF 2013. The topic for the upcoming Sixth EBAC meeting will be decided in the near future. In their closing statements, Mr. Iqbal, Mr. Chote Sophonpanich and Dr. Ravi Ratnayake expressed their sincere thanks for a successful meeting. Several EBAC Members, as well as the EBAC Secretariat, conveyed their special thanks and gratitude to the Vice Chair Mr. Chote Sophonpanich, the host of the Fifth EBAC Meeting, for the excellent facilities provided.

ICCB team joined ESCAP Asian and Pacific Regional Implementation Meeting on Rio+20 Outcomes in Bangkok

Asia-Pacific government, civil society and private sector representatives ended three days of discussions at a United Nations forum held in Bangkok on 24 April laying out regional priorities for the future they want for the region with the well-being of people, planet and the economy at its core.



Group picture of the delegates at the Asian Pacific Regional Implementation Meeting on Rio+ 20 Outcomes. Mr. Asif Ibrahim(2nd from left sitting on the chair) attended as one of the representatives of ICC Bangladesh.

Over 170 participants representing 35 governments as well as 41 civil society and private sector organizations took part in The Asian and Pacific Regional Implementation Meeting on Rio+20 Outcomes to review regional priorities in implementing the global sustainable development vision endorsed by world leaders at the landmark June 2012 United Nations Conference on Sustainable Development (Rio+20). ICC Bangladesh was represented by ICCB Executive Board Member Rashed Maksud Khan and Asif Ibrahim, Immediate past President of DCCI and Vice-Chairman, Newage Group of Industries. Mr. Ibrahim was the facilitator of Business and Industry Group discussion.

"With the economic rise of Asia and the Pacific, we have an unprecedented opportunity to show that the region is both able and willing to take a lead in contributing solutions to the challenge of creating a more economically stable, environmentally sustainable and socially equitable and inclusive world, in line with the Rio+20 outcome," United Nations Under-Secretary-General and Executive Secretary of ESCAP Dr. Noeleen Heyzer told the meeting.

"Realizing the future we want requires economic, social and environmental concerns to be integrated in all policymaking, at all levels, and with the close involvement of all key stakeholders … to arrive at truly sustainable development pathways that can meet the needs of both present and future generations," the ESCAP Executive Secretary said.

Organized by ESCAP in collaboration with the Asian Development Bank (ADB) and the United Nations Environment Programme (UNEP), the Regional Implementation Meeting also reviewed regional priorities for sustainable development goals as mandated by Rio+20.

Over three days, discussions focused on key challenges and opportunities for ensuring more economically, socially and environmentally sustainable development in the region, and the role of the United Nations and other stakeholders in that regard. The meeting called for urgent attention to poverty reduction; climate change and related impacts; sovereign debt; and to address shortcomings in gender equality, health and food insecurity.

The meeting discussed priority areas and guiding principles for giving shape to the SDGs, and ways to ensure universal access to cleaner technologies and mobilize additional funding from both domestic and foreign sources for sustainable development in the region.

Asia-Pacific civil society and other stakeholders' proposals for inclusion in a sustainable development agenda ranged from the need for decent work opportunities and social protection to human rights, gender equality, environmental and social justice. The regional perspectives expressed in the meeting will be communicated to global processes established to take Rio+20 outcomes forward.

A side event "Sustainable Development of Asia-Pacific SIDS" highlighted the role of sustainable and equitable management of ocean resources in poverty reduction in the Small Island Developing States (SIDS).

Asia-Pacific countries gathered in Vladivostok, Russian Federation to set path for enhanced energy security

The Business Forum of the Asia-Pacific Energy Forum (APEF) 2013 was held at the Far Eastern Federal University in Vladivostok, the Russian Federation on 29 May. The Business Forum was co-organized and sponsored by the Ministry of Energy of the Russian Federation, the ESCAP Secretariat and the ESCAP Business Advisory Council (EBAC) as a special event of the Asia-Pacific Business Forum.

The overarching theme of the APEF 2013 Business Forum, "Shaping the Future of Sustainable Energy in Asia and the Pacific," was discussed in two business dialogue sessions and one high-level multi-stakeholder roundtable, which featured a number of energy experts from various fields. The Business Forum highlighted key issues, particularly related to public-private sector partnerships in the energy sector and its sustainable development and was attended by over 100 people from business, government and civil society, mostly working in the energy sector throughout the region,



EBAC Member Asif Ibrahim chaired the Energy Business Forum at Vladivostok.

particularly from North-East Asia, South-East Asia and South Asia.

The Business Forum consisted of two business dialogue sessions and one high- level round table. The Chairperson of the Business Forum, EBAC Member Mr. Asif Ibrahim who is also Chair of the Task Force of Inclusive Trade and Investment and Vice Chairman of Newage Group of Industries, Bangladesh presented the outcomes of the Business Forum at the Ministerial Segment of the Asia-Pacific Energy Forum (APEF) 2013, which was organized at the same venue on 30 May 2013. Selected recommendations at the Business Forum were categorized into (1) future direction; (2) trade and investment; (3) technology development commercialization; (4) role of the governments; and (5) regional cooperation.

British High Commissioner visited ICC Bangladesh

H. E. Mr. Robert Winnington Gibson, High Commissioner of Britain to Bangladesh called on ICC Bangladesh President Mahbubur Rahman at the National Secretariat on 18 June. ICCB President briefed the High Commissioner about the activities of ICC Bangladesh as well as its Hqs in ICC. He thanked the High Commissioner for the continued support being extended to Bangladesh in various fields including promotion of trade and investment between the two countries. ICCB President also mentioned about the support received from UkAid and EU in the establishment of Bangladesh International Arbitration Centre (BIAC) by ICC Bangladesh, DCCI and MCCI.

At the invitation of BIAC, the British High Commissioner earlier visited the Centre and was appraised of its programme being undertaken since 2011 with support from UkAid and EU through IFC BICF (Bangladesh Investment Climate Fund). He was also shown the most modern facilities set up for conducting arbitration as well as training of arbitrators.

High Commissioner Gibson thanked ICCB President for inviting him and appraising about the activities of ICC Paris and ICC Bangladesh. He mentioned that Britain is committed to continue its support and assistance to Bangladesh in achieving its development goals. He mentioned that he has been visiting Bangladesh for the last 12 years and observed how Bangladesh has been making progress. The United Kingdom has recently made a number of improvements to its visa services to support genuine visitors from Bangladesh. Migration is an important part of the bilateral relationship between Bangladesh and the UK. "We are reducing net migration but people to people contacts are important and we welcome genuine visitors and students to the United Kingdom", the High Commissioner said.



British High Commissioner H.E. Mr. Robert Winnington Gibson is seen with ICCB President Mahbubur Rhaman and ICCB Secretary General Ataur Rahman during his visit to ICC Bangladesh.

Dutch Ambassador discussed with ICCB President on trade promotion

ICC Bangladesh President Mahbubur Rahman discussed with the H. E. Mr. Gerben de Jong, Ambassador of the Kingdom of the Netherlands to Bangladesh on areas of cooperation during the latter's visit to the National Secretariat on 3 June. The Ambassador expressed his deepest condolence at the death of workers at the collapse of Rana Plaza in Savar. He mentioned that the Netherlands will do everything that is possible to help Bangladesh in ensuring workers safety in apparel factories.

Ambassador informed that investors from the Netherlands are very keen in investing in Bangladesh and in this regard he mentioned about the forthcoming visit of H.E. Mrs. Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation for the Netherlands to Bangladesh during 16-17 June. The main focus of her visit will be the working conditions in the RMG sector.

The garment sector is the backbone of Bangladesh' exports representing close to 80% of the overall export earnings. The industry is facing challenges in terms of human resources, skilled labor force and awareness of the importance of corporate social responsibility. Together with the private sector, associations such as BGMEA

and knowledge institutes in the Netherlands as well as ILO, the Netherlands wants to support the industry to grow in a responsible manner. The Netherlands will contribute 9 million euro for the improvement of the working conditions in the garment industry, the Ambassador mentioned. According to Minister Ploumen, it is time to improve the working conditions and "all involved parties the textile sector, manufacturers, consumers and governments must now take responsibility to break the vicious circle".

Together with Minister for Commerce, H.E. Ghulam Muhammed Quader M.P., Minister Ploumen is expected to chair the Consultative Meeting on donor support in the RMG sector which will take place on 16 June, the Ambassador said. The International Chamber of Commerce Bangladesh Executive Board Member Mahbub Jamil and Secretary General Ataur Rahman were present during the meeting..



Dutch Ambassador H. E. Mr. Gerben de Jong with ICCB President Mahbubur Rhaman, ICCB Executive Board Member Mahbub Jamil and ICCB Secretary General Ataur Rahman during his visit to ICC Bangladesh.

Ambassador of Indonesia visited ICC Bangladesh

Ambassador of the Republic of Indonesia to Bangladesh H.E. Mr. Iwan Wiranaba-atmadja made a courtesy call on ICC Bangladesh President Mahbubur Rahman on 21 May. They discussed about the possible areas of cooperation for increasing trade and investment between the two countries. ICCB President appraised the Ambassador about his last visit to Indonesia as a Special Guest of the President of the Republic of Indonesia in the 5th "Presidential Friends of Indonesia" Programme 2012 in celebration of 67th Independence Day of Indonesia. He also mentioned about his subsequent visit to Indonesia to attend the ICC Regional Consultative Group Meeting hosted by ICC Indonesia. Mr. Rahman mentioned that he was amazed to see the development that has taken place in Indonesia over the last few years and said that Bangladesh has lot to learn from the Indonesian experience.



Indonesian Ambassador H.E. Mr. Iwan Wiranaba-atmadja called on ICCB President Mahbubur Rahman. DCCI President Sabur Khan (left) and ICCB Executive Board Member Rashed Maksud Khan (right) were also present.

The Ambassador thanked the ICCB President for accepting the invitation and joining as the Special Guest of the Indonesian President. He mentioned that Bangladesh serves as one of major non-traditional markets for Indonesian products. In 2012, trade value between Indonesia and Bangladesh was recorded at US$ 1.17 billion.

ICCB President requested the Ambassador to encourage more export from Bangladesh by the Indonesian importers of different items, like pharmaceutical, plastic goods, jute goods etc. in order to reduce the trade gap between the two countries. In this regard he suggested that single country trade fair would be helpful.

The Ambassador thanked the ICCB President for inviting him to visit ICC Bangladesh and assured full cooperation of his Embassy for promotion and expansion of trade between Indonesia and Bangladesh. ICCB Executive Board Member Rashed Maksud Khan and DCCI President Sabur Khan were present during the meeting with the Ambassador.

Global Currency Union Chief called on ICCB President discussed about the benefit of GCU for cross-country trade

Mr. Josef Toft, Founder & CEO of the Global Currency Union (GCU) called on ICC Bangladesh Mahbubur Rahman at ICCB Secretariat on 6 June. Mr. Toft mentioned that GCU has been established as a Danish association in November 2008 through an independent initiative, with the objective of developing and implementing a global, a political and non-geographically-based unit of settlement; which would serve the common goods by facilitating increased global trade, investment, creation of wealth and prosperity. The GCU will be better way to manage exchange rate risks in cross-country transactions, he mentioned. Mr. Toft mentioned that during visit to Dhaka he has discussed and briefed Bangladesh Bank officials, DCCI and MCCI about the operation and benefit of GCU.



Mr. Jesper Toft, CEO of Global Currency Union briefing ICCB President Mahbubur Rahman about its operation. ICCB Executive Board Member Mohammad A (Rumee) Ali, Chief Executive of BIAC Dr. Toufiq Ali and ICCB Secretary General Ataur Rahman were also present.

About the launching of GCU, Mr.Toft mentioned that GCU has decided to prioritize launch of the system in the UK, Germany, Denmark, Sweden and Norway, in which markets users should be offered access to the service in 2013. Following implementation in these countries, further launches will be coordinated in other markets as the Union prioritizes based on interest and entry-barriers. Individual countries which desire potential users within their territories to have access to the system before implementation there is planned by the Union will have the option to cover the cost related to technical-national adjustments and in this way make the service available sooner within their home market. The system is designed in such a way that individual countries can be connected to the system in a parallel process, he said.

Mr. Toft explained that the system for creating and managing the GCU will be fundamentally different from the purpose, objectives and framework under which the SDR-system is operated. This will facilitate a quicker and more flexible approach in several respects: GCU will serve only as a electronic settlement unit for denomination and settlement, it will be "created" and settled for each transaction taking place; the value of the GCU will be derived by factoring in the values of appropriate available currencies and so will not be limited to referencing a limited number of currencies as does the SDR; the GCU will be available only as a unit of settlement for transactions, and thus will not become an alternative to existing currencies or to the SDR as a means for the storage of value; the GCU will be issued by an organization which will provide a permanent platform for a public-private partnership on exchange rate issues; and the GCU will be operated through a new, neutral and apolitical organization, specializing in and having only one focus: the GCU's successful implementation and operation.

The GCU's exchange rate relative to already-existing currencies will be based upon an index-key in which various currencies are weighted. The new exchange rate structure between two currencies through the GCU will be based on weighing already-existing currencies. So, as an example, the exchange rate between the Euro and any other given currency, mediated through the GCU, will reflect the exchange rate between the Euro and each of the currencies in the index-key proportional to their weighting.

By spreading the risk of fluctuation from one exchange rate to the highest possible number of appropriate available exchange rates/underlying currencies related in a weighted balance, such risk of fluctuation can be reduced.

Mr. Toft thanked ICCB President Mahbubur Rahman for giving the opportunity to meet him and his colleagues at such a short notice. ICCB President appreciated the initiative taken by Mr. Toft in developing such a system and hoped that the businesses and countries will benefit from it. The meeting was also attended by ICCB Executive Board Members Rashed Maksud Khan and Muhammad A. (Rumee) Ali, Chief Executive of Bangladesh International Arbitration Centre (BIAC) Dr. Toufiq Ali and ICCB Secretary General Ataur Rahman.

Singapore Consul General called on ICCB President

Mr. Darryl Lau, Consul General of the Republic of Singapore made a courtesy call on ICC Bangladesh President Mahbubur Rahman on 6 June. The Consul General appraised the ICCB President about the trade relations between Singapore and Bangladesh. He said that Bangladesh is considered to be one of the most important trade partner of his country. Bangladesh is Singapore's 36th largest trading partner in 2012 with total trade amounting to S$2.7 billion. He also praised the efficiency of the Bangladeshi immigrant workers. ICCB President suggested for offering highly technical and professional degrees by the universities of Singapore for the development of professional skills in Asian countries.

The Consul General referred to the recent visit to Bangladesh by Mr. Zulkifli Masagos, Senior Minister of State for Foreign and Home Aaffairs of Singapore. During his visit the Minister called on the Prime Minister Sheikh Hasina, M.P. He mentioned to the Bangladesh Prime Minister that Bangladesh is gradually becoming a preferred destination for Southeast Asian investors due to its cost competitiveness and a suitable geographical location. "Everyone is now looking beyond China for investment due to the rising production cost there, and Bangladesh could be such a place," said the Minister.

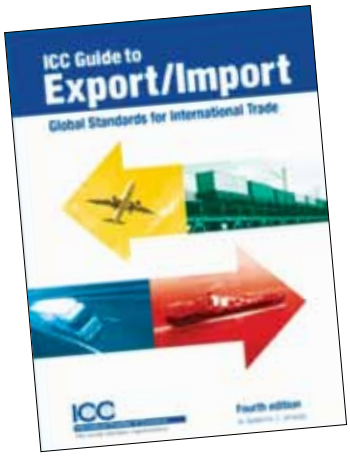


Singapore Consul General Mr. Darryl Lau (2nd from right) called on ICCB President Mahbubur Rahman. ICCB Executive Board Members Rashed Maksud Khan (extreme left) & Mohammad A (Rumee) Ali and ICCB Secretary General Ataur Rahman were also present.

Mahbubur Rahman appraised the Consul General about the activities of ICC Hq as well as ICC Bangladesh. ICCB President requested the Consul General to take more professional manpower from Bangladesh and offer scholarships to talented Bangladeshis to pursue higher studies in IT and technical areas in Singapore universitties. He also requested the Consul General to promote more export from Bangladesh to Singapore. Mr. Lau thanked ICCB President Mahbubur Rahman and assured full cooperation of his country in all areas.

ICCB Executive Board Members Rashed Maksud Khan and Muhammad A (Rumee) Ali and ICCB Secretary General Ataur Rahman were present during the meeting with the Consul General.

Selected ICC Publications







To order your copy, please contact ICC Bangladesh Secretariat

News in Picture



ICCB President Mahbubur Rahman is seen along with other chamber leaders attending the ICC World Council in Doha on 20 April.



ICC Chairman Gerald Worms (3rd from right) is seen with ICC Bangladesh President Mahbubur Rahman, ICC Vice Chairman Harold McGraw III (extreme left), ICC Secretary General Jean-Guy Carrier (2nd from right) and ICCB Secretary General Ataur Rahman (extreme right) during the ICC World Council held in Doha on 20 April.



ICCB President Mahbubur Rahman, Mrs. Hameeda Rahman and ICC Asia Director Ms. Lee Ju Song attending the 8th World Chambers Congress in Doha on 23 April.



ICCB President Mahbubur Rahman is seen with DCCI President Sabur Khan, DCCI Sr. Vice President Nesar Maksud Khan and ICCB Secretary General Ataur Rahman at the 8th World Chambers Congress in Doha on 23 April.

News in Picture



ICC Chairman Gerald Worms is seen with DCCI President Sabur Khan and ICCB Secretary General Ataur Rahman at the 8th World Chambers Congress in Doha on 23 April.



ICCB President Mahbubur Rahman hosted a lunch to bid farewell to Ambassador of the Philippines H. E. Mr. Bahnarim Abu Guinomla at Ruposhi Bangla Hotel on 11 May. ICCB Vice Presidents Latifur Rahman & Rokia Afzal Rahman, among others were present.



Ambassador of the Philippines H.E. Bahnarim Abu Guinomla along with newly formed Office Bearers of Bangladesh Philippines Chamber of Commerce and Industry (BPCCI): Engr. Rashed Maksud Khan (Convener), Mohammed A. Awwal, Abul Kasem Khan and Asif Ibrahim. Mahbubur Rahman, President, ICC Bangladesh was present as a Guest of Honour.



Mr. and Mrs. Binod K. Chaudhary were presented with bouquet by Mrs. Aneeta Azad Rahman during the reception held at Ruposhi Bangla Hotel on 28 June to felicitate Mr.Binod K. Chaudhary as the first billionaire from Nepal.

Bangladesh Economy

Parliament approves Tk. 2.22 trillion Budget for FY 2013-14



The parliament approved Tk. 2.22 trillion (18.7 per cent of the GDP), budget for FY14 including non-development expenditure of about Tk. 1.57 trillion and development expenditure of Tk. 658.7 billion on 30 June.

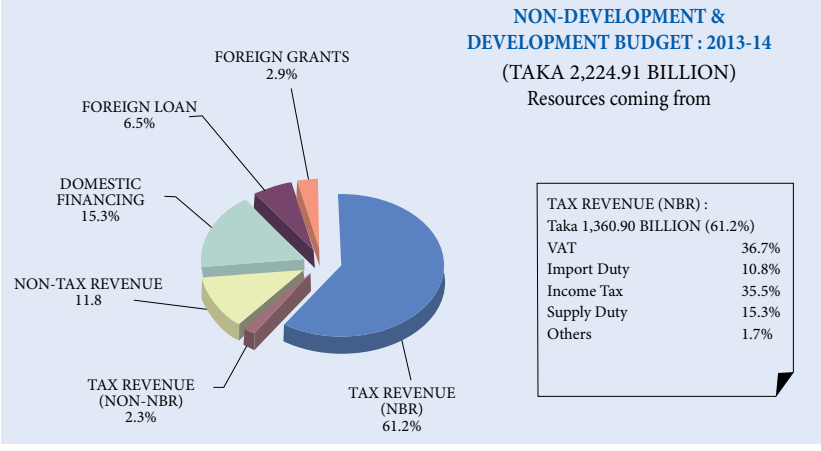
The total revenue receipt in the upcoming fiscal has been estimated at Tk. 1.68 trillion where as tax revenue is Tk. 1.36 trillion, non tax revenue 262.4 billion and Non NBR sources revenue Tk. 51.29 billion.

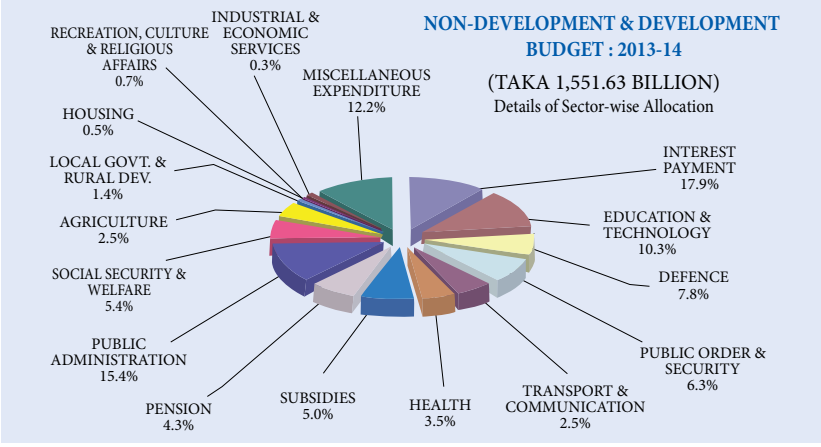
Therefore, the overall budget deficit will be Tk. 550.3 billion which is 4.6 percent of GDP. Of this amount, Tk. 210.7 billion will be financed from external sources and Tk. 339.64 billion from domestic sources. Of the domestic financing, Tk. 259.93 billion will come from the banking system and Tk. 79.71 billion from savings certificates and other non-banking sources.

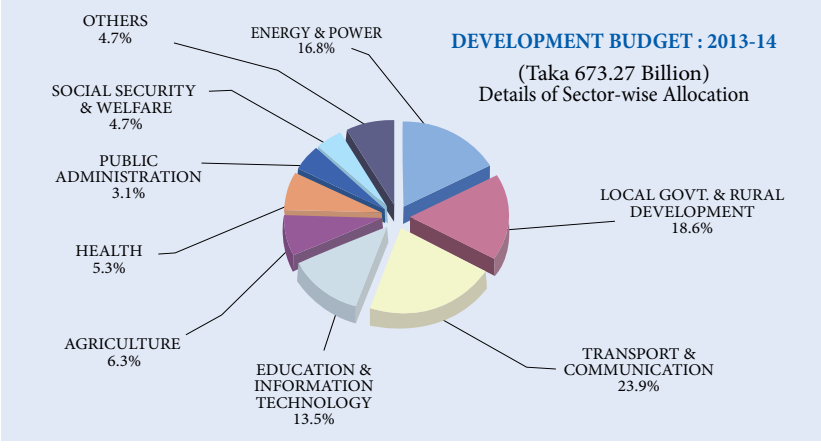
GDP growth target has been set at 7.2 per cent in the 2013-14 Budget against the backdrop of a lower-than-projected growth (6.0 per cent) in the outgoing fiscal and an uncertain political climate prevailing in the country. Finance Minister also expect the inflation rate to come down to 7.0 per cent in the next fiscal despite the fact the same was 8.37 (point-to- point) in April last.

In the budget, 23.17 per cent of the overall resources have been allocated to social infrastructure sector, mainly to human resources, 30.18 per cent to physical infrastructure sector and 22.45 per cent to general services. The government has set aside 3.29 per cent of the budgetary resources for the public-private partnership (PPP) initiative, financial assistance to different industries, subsidy and equity investment in nationalized banks and financial institutions.

The government will have to spend in the next fiscal 12.47 per cent of the budget resources or Tk. 277.43 billion on interest payments. The subsidy expenditure in the outgoing fiscal will be Tk. 23.63 billion more than the amount (Tk.Tk.144.45 billion) estimated originally. However, the government has estimated the subsidy expenditure in the next fiscal on the lower side at Tk.154.43 billion.







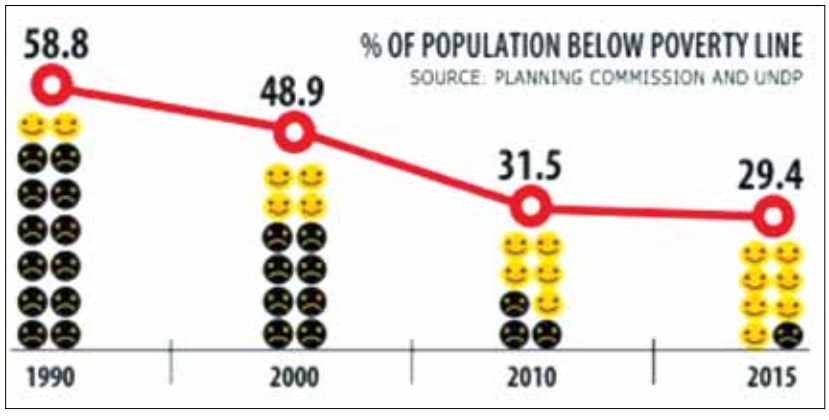
UN Award to Bangladesh for reaching poverty reduction goal

Bangladesh received a UN award on June 16 for its outstanding progress in fighting hunger. The UN Food and Agriculture Organization (FAO) gave the special "Diploma Award" to Bangladesh in recognition of the country's reaching a key millennium development goal (MDG-1) well ahead of the target year 2015.

MDG-1 sets targets for countries to halve the incidence of hunger and the number of ultra-poor in the target year 2015 from that in the base year 1990. Bangladesh along with 19 other countries received the FAO award at the UN body's 38th conference held at its headquarters in Rome with participants from 194 countries. Food Minister Mohammad Abdur Razzaque received the award from FAO Director General José Graziano da Silva.

During the period from 1990 to 2012, Bangladesh's population below the poverty line dropped to 29 percent from over 58 percent and the percentage of ultra-poor dropped to a little over 16 from 37. The number of ultra-poor in Bangladesh was 3.72 crore in 1990 and it dropped to 2.53 crore in 2012.

Earlier, in a press release issued from Rome on June 12, FAO declared that 38 countries have met internationally-established targets in the fight against hunger, achieving successes ahead of the deadline 2015. Bangladesh is among the 20 countries which have reached MDG-1, it said. Eighteen other countries were congratulated for reaching both MDG-1 and the 1996 World Food Summit (WFS) goal, having reduced by half the absolute number of undernourished people between 1990-92 and 2010-2012.



Poverty-cut rate rare, remarkable
WB sees Bangladesh well on track to reach MDG

Poverty rate in Bangladesh will drop between 23.34 and 26.51 percent of the total population by 2015 provided that the country maintains its current pace of poverty reduction, according to World Bank estimates. The projected cut in poverty rate would be a remarkable achievement for Bangladesh, as the country's target under the Millennium Development Goals is to bring down the poverty rate to 28.5 percent by the globally accepted deadline.

The Washington-based lender on June 20 released a poverty assessment report on Bangladesh, which says the country is on track for reaching its poverty reduction target under the MDGs. And the country would halve the poverty headcount to 28.5 percent sometime in 2013. "Against the odds, Bangladesh lifted 16 million people out of poverty in the last 10 years, and also reduced inequality; that is a rare and remarkable achievement," Johannes Zutt, WB Country Director for Bangladesh, said at the launching of the WB report at Ruposhi Bangla Hotel in Dhaka.

The lender has made six assumptions, which show that the poverty rate will be between 26.31 and 28.40 percent in 2013 with an annual average reduction of 1.73 percentage points. According to a survey of Bangladesh Bureau of Statistics, poverty declined 1.78 percentage points a year between 2000 and 2005. In the next five years, the reduction rate averaged 1.7 percentage points taking the number of poor people down to 31.5 percent of the population.

Riding on the growth in labour income and changes in demographics, the number of people getting out of poverty reached 47 million in 2010 from nearly 63 million in 2000. Despite a growing population, the number of poor people declined by 26 percent in 10 years. "The series of external shocks that affected Bangladesh in 2007 and 2008 did not significantly slow down the speed of poverty reduction," said the WB report titled "Bangladesh



Poverty Assessment: Assessing a Decade of Progress in Reducing Poverty, 2000-2010.

The WB country director said Bangladesh now needs to help a growing population of young adults obtain the skills and education required to find productive work, and participate fully in Bangladesh's social and political life.

However, poverty continues to be a daunting problem, as nearly 47 million people still live in poverty and another 26 million in extreme poverty. Poverty in rural areas is more pervasive and extreme than in urban areas, whereas urban areas remain relatively more unequal, said the WB.

The economist said the country would have to give more attention to healthcare, as medical costs put a huge burden on people desperately trying to extricate themselves from poverty.

Bangladesh could become "the next China": WB

The country has the potential to capture at least 15 million jobs in the next ten years, said the World Bank. "Recent reports (e.g., McKinsey/ USAID) have shown that the productivity of Bangladeshi workers is on par with Chinese workers in well-managed firms with their wages being five times lower than those of their Chinese counterparts (half those in Vietnam)," said the WB.

The country's unique competitive position comes at a time when China is in the process of outsourcing 80 million jobs from labour-intensive industries. "This historical opportunity will not last for infinite period — it is time-bound. So to avail the opportunity we have to start working to that end right now," said Zahid Hussain, WB's lead economist, on April 13.

Accordingly, the multilateral financial institution suggested four tangible actions for the government.

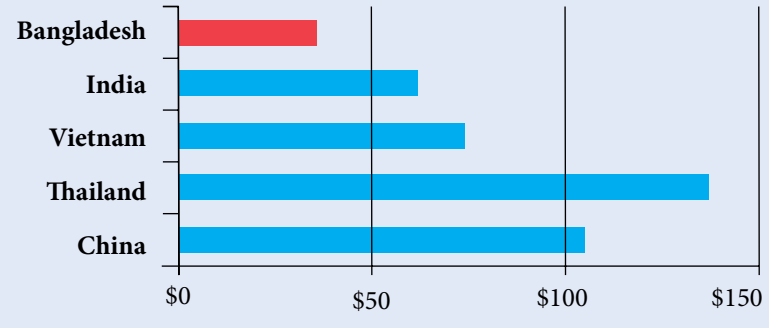
Based on its calculations on Bangladesh's export processing zones (EPZs) and those of other countries, it said around 40,000 acres of land is needed, to be dedicated to EPZs, for the purpose of creating 15 million jobs. "Economic zones will provide the private sector with easy access to land and an improved infrastructure and streamlined administrative procedures." Some of the land could come from rejuvenating idle state-owned enterprises (following the successful model of the Adamjee Jute Mills) and moribund tea estates, it said.

The public-private partnership office need to manage the tendering for needed infrastructure such as power and transport that the zones will need to operate. An additional 5,000 megawatt of electricity will be needed for the creation of 15 million jobs, according to WB. "This does not need to be a drain on public finances as the private sector would be eager to pay the full market price for quality power and transport infrastructure."

The Bangladesh Bank (BB) needs to put in place the conditions to reduce the cost of trade finance, currently limited and very expensive. "In addition to removing regulations that are an impediment, the finance ministry and BB should explore the feasibility of creating an Exim Bank to kick start a competitive trade finance market in Bangladesh, following the successful formulas of other countries, including India and China."

The WB also called for a more proactive role of the Board of Investment in promoting the country to investors from high-growth economies, particularly to those

Most Competitive Labour Rates
Minimum Wages From Selected Asian Countries



from China who are looking for more convenient locations for outsourcing their manufacturing. "East Asia is more expensive, Pakistan too risky, India too regulated, and Africa — which also has a competitive labour force — does not yet have the production capacity and track record to be a major competitor. With the right moves, Bangladesh should top foreign investors' list."

The WB also said Bangladesh could become "the next China" if it can more properly utilise its large pool of underemployed labour and effectively implement the four action plans needed to break the infrastructure, energy and land bottlenecks.

Macroeconomic tightening, domestic constraints slow down BD's growth : WB

Macroeconomic tightening and intensified domestic constraints, combined with disruptions caused by political unrest, contributed to Bangladesh's slowdown in growth in fiscal year (FY) 2012 -13, says the latest World Bank (WB) report. According to Washington-based World Bank forecast, Bangladesh's economy will grow at 5.8 per cent in the current FY, at 6.1 per cent in the next FY and at 6.3 per cent in 2014-15 FY.

However the WB's newly-released Global Economic Prospects (GEP) report said growth was projected to pick up modestly in the next two years as external demand would strengthen gradually, and agricultural output returned to more normal levels. The flagship report released on June 12 said several domestic weaknesses, including infrastructure gaps (electricity, roads) and social unrest were expected to hold back a firmer recovery.

The WB report said spending pressure associated with elections could boost fiscal expenditure, adding to inflationary pressure and both internal and external imbalances in Bangladesh and other regional countries entering electoral cycles (India and Nepal). The risks in the post-election period included the possibility that past reforms were reversed or implementation delayed, it added.

The reserve position of Bangladesh has improved in the most recent period, from robust remittance inflows and a recent improvement in trade. Bangladesh's export volume growth accelerated as a result of strengthening demand for its garment exports although recent factory accidents could moderate the pace of increase going forward.

Bangladesh's relatively fast growth during 2010-12, together with international commodity price increases and expansionary macroeconomic policies, resulted in inflationary pressure. Bangladesh's exports have benefited in part from preferential access to European Union and US markets, while domestic demand and its current account position were partly cushioned by remittances.

In Bangladesh, although exports declined in 2012 in line with the regional trend, imports fell even faster -in part due to a 10 per cent depreciation of the Taka relative to the US dollar, compared with the previous year-causing its trade deficit to narrow during the 2012 calendar year. Besides, robust remittance inflows bolstered current account positions in Bangladesh.

A worsening external environment amid intensification of Euro Area debt tensions in mid-2012 caused a severe weakening of exports across the region including Bangladesh. Regional exports fell by 4.0 per cent (year-on-year basis) in US dollar terms in 2012.

The Euro Area economy, South Asia's largest export market, contracted by 0.5 per cent in 2012, and although policy actions in high-income countries stabilised financial markets, global trade only began firming in the fourth quarter.

Available data show industrial production rose even more decidedly in Bangladesh -at a 21.3 per cent annualised pace in the three months ending in January in Bangladesh. By the first quarter of 2013, industrial production was rising at different paces in Bangladesh, India, and Pakistan, while in Sri Lanka, it stabilised in the fourth quarter of 2012.

ADB spurs Bangladesh to use green technology

Bangladesh could cut greenhouse gas emissions by around 22 percent within 2020 by introducing a number of clean technologies, according to a study by the Asian Development Bank. The amount of carbon dioxide emissions is estimated to rise by 5.8 percent a year to reach 168.3 million tonnes by 2030, from 41.3 million tonnes in 2005, the lender said the report released on April 21.

Replacement of all conventional lamps in the residential sector with efficient compact fluorescent lamps alone could reduce about 4.7 million tonnes of carbon dioxide in 2020. Greenhouse gas such as carbon dioxide, ozone, or water vapour contributes to the warming of the earth's atmosphere by reflecting radiation from the earth's surface. At the country level, carbon tax would reduce cumulative greenhouse gas emissions by 9.4 percent in Bangladesh and 21.8 percent in Sri Lanka, the Manila-based bank said.

The study conducted in five South Asian countries — Bangladesh, Bhutan, the Maldives, Nepal and Sri Lanka — said the total energy-related greenhouse gas emissions would be 3.2 times higher in 2030 than in 2005 if the countries do not make efforts to curb emissions. The cumulative emissions from the power sector would decrease by 18.4 percent during 2005-2030, with additional nuclear, wind and municipal solid waste-based power plants, the report added.

The wind power potential is estimated at 4,614 megawatt, but only 2 percent (92.3 MW) is considered technically exploitable in the country because of limited grid access and scattered wind power sites, the ADB said citing another study. The high import duty and value added tax on all raw materials (except solar panels) increase the cost of solar accessories manufactured in Bangladesh, the ADB report said.

Greenhouse gas emissions from industrial processes would rise by 138 percent during 2005-2030, most of which would come from ammonia production. Direct and indirect fuel subsidies should be phased out or made more targeted, the study said. Ministries and countries should work more closely to better plan and develop cross-border energy markets and launch green initiatives. The annual energy-related greenhouse gas emissions in the five countries are set to rise from 58 million tonnes in 2005 to 245 million tonnes in 2030.

The report said primary energy use in the five nations is likely to be almost 3,600 petajoules by 2030, 2.4 times higher than in 2005, largely due to rising consumption from industry and transport. Clean and low-cost technologies include replacing fossil fuel generation with renewable or cleaner energy such as solid waste or gas; upgrading to more fuel-efficient technologies; or using greener products.

Introducing a carbon tax that rises along with the global carbon price could slash greenhouse gas emissions by a fifth in 2030 in the five countries.

India, the biggest energy consumer and largest emitter of greenhouse gases in the region, though not covered by the study, will increase its energy consumption to about 63,000 petajoules in 2030, an increase of more than five times from 2005, the study said.

Bangladesh economy to grow by 6pc: ESCAP

Bangladesh economy will grow at the rate of 6.0 per cent and the inflation rate will remain at 7.5 per cent in the current fiscal year (FY), 2012-13, said the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Economic and Social Survey of Asia and the Pacific 2013. "It is more likely that growth may be about 6.0 per cent in line with the country's growth performance in recent years. The high inflation rate will persist," according to the report released on April 18.

The ESCAP report said the economy of Bangladesh emerged largely unscathed from the effects of the global financial and economic crises. GDP grew by more than six per cent during 2009-12. Growth marginally slowed to 6.3 per cent in 2012 from 6.7 per cent in 2011, mainly due to slower growth of the agricultural sector.

The report also said higher inflation in 2012 was due to multiple factors, including the lagged effect of high domestic credit growth in 2011, exchange rate depreciation and upward adjustments in energy and petroleum prices. A restrained monetary policy was launched in 2012 to contain inflationary pressures and import growth. At the same time, well-targeted support programmes, such as selected rationing and fair price supply and open market sale of essentials for poor households, are being pursued by the government, the report said. About budget deficit it said the budget deficit fell to 4.4 per cent of the GDP in 2012 from 4.1 per cent in 2011.

The ESCAP survey report suggested improvement in tax revenue by introducing reforms in tax policy and administration, including modernisation and automation of tax administration, expansion of tax-net and coverage, reduction of tax exemptions, and increasing awareness among citizens about paying taxes.

About current account it said there was a sharp slowdown in the growth of both exports and imports in 2012 due to the global financial crisis. But growth in workers' remittances helped maintain a current account surplus in 2012 despite the crisis.

The report forecasted that Bangladesh will have to face many challenges along with other South Asian countries which include large concentrations of poverty and hunger, rising inequality, poor

levels of human development, wide infrastructure gaps, lack of a diversified base for high value added products and exports, widespread food and energy insecurity, and high risk of disasters.

It suggested Bangladesh to maximise growth through productive job creation and appropriate structural change to reduce poverty, hunger and inequalities. The report said forward-looking macro-economic policies for inclusive and sustainable development can play a vital role in reorienting the region towards a more inclusive and sustainable growth path - a high priority of its post-2015 development agenda.

Unrest affecting Bangladesh's economic growth: IMF

The International Monetary Fund (IMF) has said the ongoing political instability is affecting the economic activities of Bangladesh. "Unrest in recent months is affecting economic activity, with real GDP growth now expected to moderate to below 6 percent in fiscal year 2013 (July 2012-June 2013)," said a statement of an IMF Mission published on April 2.

The mission came to Dhaka on a 14-day visit from March 20 to conduct discussions on the second review under a three-year Extended Credit Facility (ECF) arrangement and made the statement after concluding the visit. The ECF was approved on April 11, 2012 in a total amount equivalent to Special Drawing Rights (SDRs) 639.96 million.

"To safeguard growth performance and consolidate macro-economic stability gains, the authorities reaffirmed their commitment to undertaking prudent policies and building external buffers. They will also advance critical structural reforms aimed at expanding tax revenues, improving public financial management, and ensuring a stable, well-governed financial system," the statement added.

It also appreciated the enhancement of the country's economy saying, "Despite global uncertainties, economic developments have been broadly as envisaged. Exports are picking up, remittances remain strong, reserves continue to rise, and inflation pressures have eased, supported by restrained fiscal and monetary policies."

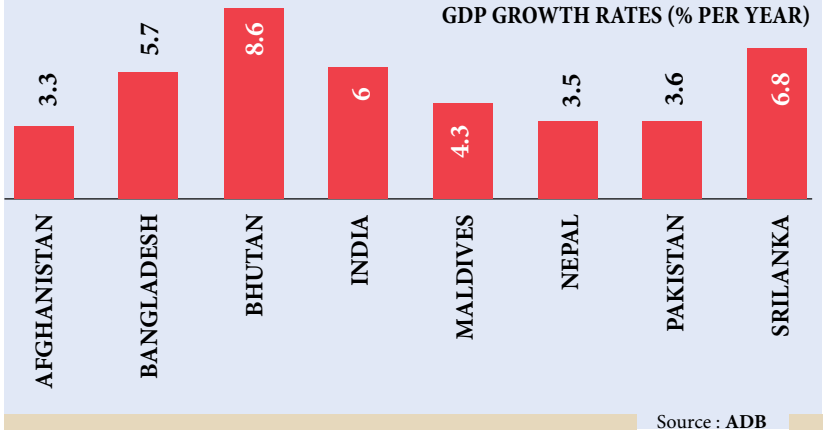
During its Dhaka visit, the members of the mission met with the finance minister, Bangladesh Bank governor, finance secretary, and other senior officials, and development partners. The mission welcomed the authorities' continued commitment to the implementation of their reform program, which is being supported by the ECF. At the conclusion of the visit, David Cowen, the outgoing mission chief for Bangladesh, and Rodrigo Cubero, the incoming mission chief, made the statement.

GDP growth will dip to 5.7pc this fiscal : ADB

The Asian Development Bank has said Bangladesh's GDP growth in the current fiscal year will edge down to 5.7 percent due to global economic crisis and political turmoil at home. However, Bangladesh will be able to maintain the average growth rate among the South Asian countries, the lender said. "Though political activities are expected to be volatile, social stability will be sustained," the ADB said in its Asian Development Outlook, the organization's annual economic publication, released on April 9.

Despite higher remittances, growth in demand for private consumption is expected to weaken, the ADB said. Households adopt a cautious approach to spending because of political uncertainties, depressing production in industries oriented to domestic markets, it said. Export demand, a major contributor to GDP growth, is expected to slacken slightly, reflecting the Outlook baseline assumptions that the euro area economy stagnates and the US recovery remains frail. The lender also forecast that the GDP growth would be 6 percent in the next fiscal year.

South Asia's Economic Outlook 2013



Source : **ADB**

Moody's again rates Banladesh outlook : STABLE



The global credit rating agency Moody's Investors Service rated Bangladesh's outlook on April 25 as stable for the fourth consecutive year with reference to financial and political risks. The agency said Bangladesh's Ba3 rating and the stable outlook reflect the Moody's assessment of four factors: 'low' economic, institutional and government's financial strength as well as "low" susceptibility to risks from financial, economic and political events. The outlook for Bangladesh is 'Ba3' with stable foreign and local currency bond ratings, according to the Moody's latest analysis.

The country's strong and stable growth supports its rating, the Moody's said, adding that macroeconomic stability was regained in 2012 with the current account reverting to surplus and the decline in inflation. However, persistent labour disruptions and bank stability pose risks, the Moody's said in a statement.

The rating also incorporates economic, financial and institutional weaknesses of the government, it said. The fiscal imbalances constrained the government's financial strength, mainly because of its extremely low revenue-GDP (gross domestic product) ratio of 13 per cent resulting not from a policy of low taxation, but from a low tax base and poor compliance, it added.

"Bangladesh's governance weaknesses became more apparent in the past year, as seen in the World Bank's suspending funding for the Padma Bridge Project in June 2012 and a state-owned bank's (Sonali) misappropriation of funds a few months later," it noted. The US-based Moody's also said the incident involving Sonali Bank highlighted the weak governance structure of state-owned banks (SOBs) and prompted the government to significantly tighten the regulatory framework to prevent recurrence of such incidents.

Moreover, escalating political tensions in the run-up to parliamentary elections -- due between October 2013 and January 2014 -- are a deterrent to investment and are disruptive to economic growth, according to the Moody's. Although political strife is unlikely to spiral out of control, the Moody's would view any prolonged unrest as 'credit negative'.

"Bangladesh's' Ba3 sovereign rating is mainly supported by the strong and stable growth. Government's financial performance is mostly in line with that of its rating peers and progress has been made recently on fiscal reforms," the credit analysis said. The Balance of Payment (BoP) pressure has eased since last year and inflation has stabilised, the analysis said.

The low-to-moderate financial strength reflects a manageable external financing position and a debt service burden, it noted. "Official access to concessional external financing limits the exchange rate and sovereign debt rollover risks," it also noted.

The International Monetary Fund's (IMF) Extended Credit Facility (ECF) approved in March 2012 is supporting prudent policies. The government has passed two major pieces of legislation the Bank Companies Act (BCA), which aims to enhance the mandate of Bangladesh Bank, the country's central bank, and the landmark revisions to the Value Added Tax (VAT) law, it said.

In the fiscal year (FY) 2011-12, pressure on the BoP, coupled with an uptick in inflation and a slowing global environment, resulted in growth slowing to 6.3 per cent year on year, from 6.7 per cent in the previous year, it said. It also said a combination of proactive central bank measures, the IMF's approval of the US$ 958 million ECF in March 2012, and lower global oil prices eased pressure on the BoP.

The current account reverted to a small surplus, while inflation slowed to 7.7 per cent in March 2013 from a high of 12 per cent in September 2011, according to the Moody's analysis. At the same time, remittance inflows continued to be strong, growing by 16.6 per cent during the first three quarters of FY 2013, and supporting private consumption, it noted.

The Moody's said the political scenario in Bangladesh is strongly polarised between the ruling Awami League (AL), led by Sheikh Hasina, and the main opposition, Bangladesh Nationalist Party (BNP), led by Khaleda Zia. "A strong anti-incumbency sentiment has resulted in government alternating between the two parties," the analysis said. Similar to previous election cycles, tensions already began escalating in the run-up to the next parliamentary elections. "It will likely be a closely contested battle."

But the political situation this time around has been further complicated by two key issues-the lack of a neutral caretaker government to oversee elections and the judgment meted out by a war crimes tribunal, it mentioned. "These primary issues have been manifested in the frequent occurrence of strikes, or 'hartals'. Apart from undermining Bangladesh's democratic institutions and distracting the government from effective policymaking, strikes also send a negative signal to foreign investors, which is reflected in Bangladesh's low ratio of foreign direct investment to GDP," it mentioned further. The Moody's, however, said the risk of any destabilising event stemming from the strikes appeared remote, for now.

"A strong entrepreneurial class, which is most impacted by such disruptions, is likely to lobby for political consensus; and increasing international involvement from other stakeholders/investors could also play a role in limiting political tensions. Nonetheless, we would view prolonged unrest as credit negative," the Moody's noted.

"Bangladesh's rating is higher than Sri Lanka ('B1') and Pakistan ('Caa1'), but one notch below India. The sovereign credit rating is a strong tool for positioning Bangladesh in the global financial arena by providing relevant information and related indicators about the country's overall economic situation, experts said. Citibank N.A. worked as an adviser for the Moody's rating. The Moody's last revealed ratings on Bangladesh on September 18, 2012. Then also the country was rated 'Ba3' with a stable outlook.

S&P reaffirms long-term sovereign rating for Bangladesh : BB-



Bangladesh managed to keep its outlook intact despite a spell of violent political unrest and deadly factory accidents that caused a huge international uproar of late, according to Standard & Poor's. However, the rating agency also said the real per capita GDP growth of about 5 percent a year and a stronger external profile are weighed against the vulnerabilities of a low-income economy, fiscal and monetary constraints and heavy development needs.

S & P said the ratings encompass the country's low level of economic development and limited fiscal and monetary flexibility. The ratings also reflect the country's significant infrastructure and services shortfalls and a large subsidy regime, it added. It also said a volatile and adversarial domestic political setting is an additional source of vulnerability.

"These constraints are balanced by strong economic growth, and an external profile that benefits from ongoing donor and multilateral engagement." Bangladesh's low per capita gross domestic product, which S&P projects at $850 in 2013, is partly a function of evolving institutions and weak governance, which deter investment and hamper development. The country's sometimes volatile politics also detracts from legislative efficiency and harbours the potential for instability, the agency said.

"We estimate government revenues at 13.8 percent of GDP this year, inclusive of grants, among the lowest of similarly rated sovereigns." On the expenditure side, various subsidies totalling about 3.5 percent of GDP further limit fiscal flexibility, despite some progress in curtailing fuel and electricity subsidies, it said.

Years of under-investment have resulted in pervasive energy and infrastructure deficiencies. These factors, combined with administrative and bureaucratic weaknesses, prevent Bangladesh from achieving higher growth, it added. Also, the country's low ranking in international surveys and its limited attractiveness for foreign direct investment reflect its difficult investment environment, S&P said.

"We expect the main pillars of the economy — agriculture, remittances, and the garment export sector — to continue growing strongly in 2013-2016 as global demand recovers." Substantial bilateral and multilateral donor support improves policy formulation and provides direct budgetary assistance, it added.

STANDARD & POOR'S

Hopes And Drawbacks

Stable outlook balances strong growth prospects and a better external profile

Infrastructure shortfalls and a large subsidy regime are key challenges

A volatile political setting is an additional source of vulnerability

Political unrest to badly affect economy, foreign trade: FMR

The economy of Bangladesh and its overseas trade are likely to be badly affected in the coming months as the ongoing political unrest is showing all signs of intensification on different grounds, predicted a leading economic think-tank of the United States Fast Market Research (FMR). The FMR is doubtful that the government of Bangladesh will be able to build Padma Bridge with local resources after it has withdrawn its request for a US$ 1.2 billion loan for the project from the World Bank (WB), the forecast said

"The unrest is unlikely to aggrevate as both the ruling and opposition parties continue to confront each other regarding the restoration of the caretaker government system," said the think-tank FMR in its forecast on Bangladesh business in the second quarter of 2013. The ruling Awami League has been adamant to hold the next general election under the government while the main

opposition Bangladesh Nationalist Party (BNP) says elections must be held under a non-partisan caretaker government as it was held since 1991.

"In addition, unrest stemming from the ongoing war crimes trials is unlikely to dissipate in the near term as the tribunals are still in the early stages of handing out their verdicts," said the report titled Bangladesh Business Forecast Report Q2 2013. The forecast said the growth of the gross domestic product (GDP) in Bangladesh may be lower than 6.1 per cent as estimated earlier by the FMR for the fiscal year 2012-13 (July-June), as political unrest aggravated.

Opposition parties including Bangladesh Jamaat-e-Islami started holding anti-government campaign enforcing general strikes, stoppages and blockades across the country since January last after ICT began convicting detained leaders of Jamaat.

The clashes intensified and turned violent since late February following the death sentence pronounced by the ICT against Moulana Delwar Hossain Sayedee, a vice president of Jamaat for his involvement in crime against humanity during Bangladesh liberation war in 1971, the report added. However, forecasting for the upcoming FY 2013-14, the FMR predicted Bangladesh GDP still to grow by 6.5 per cent if an upturn in economic activity takes place following easier credit conditions and improved exports. After two-and-a-half years of holding a hawkish stance towards monetary policy, Bangladesh Bank (BB) has finally decided to reverse its posture, cutting its policy rates by 50 basis points (bps) in January, said the think-tank. "Considering the central bank's ambitious targets for credit growth, we expect an additional 50bps worth of further easing in the months ahead," the FMR report said.

Lifetime achievement awards goes to Yunus and Buffet by Forbes

Nobel Laureate Prof. Muhammad Yunus and US billionaire investor Warren Buffett were honoured before the world's wealthiest business leaders at the second annual Forbes 400 Summit on Philanthropy in New York on June 5. More than two hundred of the Forbes 400 billionaires gathered at the UN to recognise microcredit pioneer Dr Yunus and business tycoon Buffett with the lifetime achievement awards.

UN Secretary General Ban Ki-moon welcomed the billionaires and invited them to play a role in addressing global problems of poverty, poor health care and environmental issues, said a statement. The gathering of the wealthiest people in the world was organised by Forbes magazine. Steve Forbes, chairman of Forbes magazine, said the total wealth of the people in the room was about half a trillion dollars.

Prof. Yunus addressed the gathering to invite the richest businesses to be involved in social business, a concept he introduced to address social problems. He also proposed that 10 percent of philanthropy money from each person attending the Summit could be invested each year in social business. Other participants included Bill Gates, Bill Ackman, famous rock musician Bono, Ray Chambers, Paul Tudor Jones, Peter G Peterson, Stephen Schwartzman, and Jeff Skoll. Dr Yunus addressed the plenary session along with eBay co-founder Jeff Skoll and Robin Hood founder Paul Tudor Jones.



Nobel Laureate Prof. Muhammad Yunus is seen with US Billionaire Warren Buffett at the Forbes 400 Summit on Philanthropy.

Steve Forbes in his speech gave a glowing tribute to Dr Yunus before he presented the award for lifetime achievement to the social entrepreneur. He called Yunus and his work "an extraordinary catalyst for reducing poverty …a remarkable, remarkable man… who has done so much in defining the best in human nature."

Bono introduced Buffett before giving him the lifetime achievement award for philanthropy. Buffett in his speech jokingly referred to Steve Forbes' announcement of Muhammad Yunus as Buffett's successor as the CEO of the famous investment company Berkshire Hathaway. He said: "Well, tomorrow the Berkshire Hathaway stock will skyrocket because Muhammad Yunus has been announced as my successor by Steve Forbes. Even Bill Gates doesn't know that piece of information although he is on my board of directors." All the high networth people of the world who assembled at the Summit gave a standing ovation to Prof. Yunus and Buffett on receiving the awards.

Internationally renowned companies sourcing Bangladeshi handicrafts

Internationally renowned companies are increasingly making their foray into sourcing Bangladeshi handicrafts as their promotional items raising the hope for a new wave of business to the faltering industry, sector insiders said. The companies like Toyota, Kick, Ross, Aldi and other well known companies of the USA, UK, France, Germany, Italy, Spain and many countries of the European Union (EU), the Middle East and Japan are now importing Bangladeshi handicrafts giving a boost to the export of local handicrafts, they added.



According to Export Promotion Bureau (EPB) data, handicraft industry gained 28.47 per cent export growth in the July-May period of the current financial year (FY) 2012-13 after a continuous downward trend for the last five fiscal years. The country earned US$8.16 million in 2006-07 which came down to $4.78 million in FY 2011-12, the EPB data showed.

Exporters said there are huge demands for handicrafts in the global markets, but for lack of adequate support from the government, the industry failed to flourish in the international arena for a long time.

They said that setting up of a design house, modern craft village, common service centre, and bulk warehouse can give a big boost to handicraft export in a couple of years. Many internationally reputed companies are also knocking the local exporters but in absence of a modern design centre and other associated facilities, we cannot avail the opportunities according to Bangladesh Handicrafts Manufacturers and Exporters Association (BHMEA).

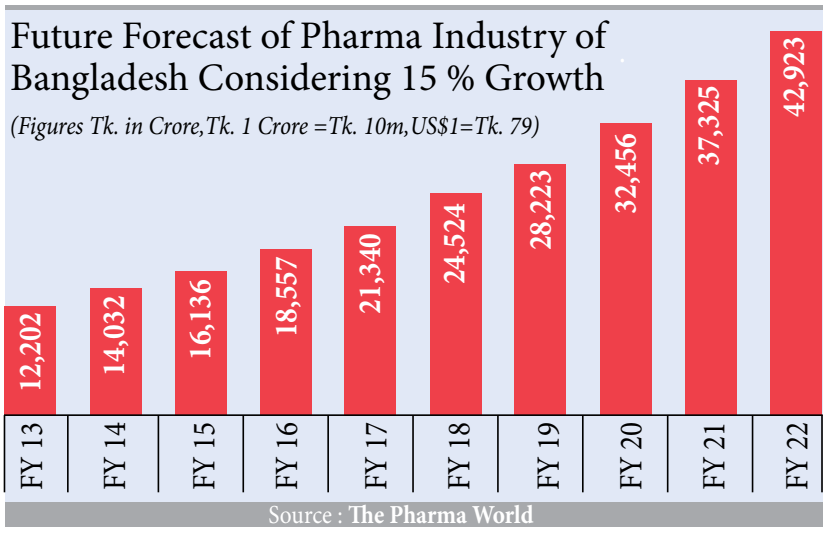
Exporters claimed that top handicrafts exporting nations like India, China, Thailand, Taiwan, and Vietnam, consider the sector as a booster of their economy as well as an example of national pride. But unfortunately Bangladesh is neglecting the sector. However, EPB record showed that Vietnam earns $900 million per year by shipping handicrafts due to integrated efforts of their government and private sector. According to the BHMEA, most of the exported handicrafts are made of low-cost waste paper and waste jute, and other commonly found raw materials like palm leaf, date leaf, sea grass, bamboo etc.

Pharma companies to widen global reach

Bangladeshi pharmaceutical companies plan to strengthen their global footprint as they target to take their products to 30 new destinations within 2013-14. At present, Bangladesh exports pharma products to 87 countries, including the US and a few European nations, after meeting 98 percent of the local demand. State-owned Essential Drugs Company Ltd (EDCL) has recently entered the Sri Lankan market with nine products under a government-to-government (G2G) agreement.

According to EDCL during 2008-2012, EDCL's production rose fourfold to Tk 400 crore. The government's increased spending on the health sector has given a boost to production. The government will soon sign another G2G deal with the Maldives to export medicines. The EDCL now plans to export condom to different Asian markets and EU and the USA.

According to expert the pharmaceutical sector is highly developed in Bangladesh and contributes significantly to the country's economy and the sector has the potential to flourish like garments. Sales of pharmaceutical products, both in the domestic and world markets, are expected to reach Tk 12,000 crore this year, up from Tk 10,610 crore a year ago.



Regional News

G8 leaders strike deal to share information and fight tax evasion 'scourge'

Leaders of the G8 major economies struck a deal on June 18 to crack down on the "scourge" of illegal tax evasion and fight corporate tax avoidance that rob government coffers of billions. As countries across the world labour to cut deficits with deeply unpopular austerity measures, the G8 leaders signalled a radical change towards automatically exchanging tax data in a bid to ferret out cheats.

Gathered in Northern Ireland for a two-day summit, they also targeted legal tax avoidance by multinationals such as Google, Amazon and Starbucks that costs taxpayers billions in lost revenues. Campaigners welcomed the deal, but said it did not go far enough.



"Tax authorities across the world should automatically share information to fight the scourge of tax evasion," the G8 leaders said in a statement. They pledged to make this the new global standard by developing a "multilateral model which will make it easier for governments to find and punish tax evaders."

Much of the concern over tax avoidance has focused on big companies that operate legally within the tax system to minimize what they pay. "Countries should change rules that let companies shift their profits across borders to avoid taxes, and multinationals should report to tax authorities what tax they pay where," said the statement.

The declaration, which came after talks on financial policy on June 18, also called for greater transparency on corporate ownership. "Companies should know who really owns them and tax collectors and law enforcers should be able to obtain this information easily," it said. Cameron had made tax, trade and transparency -- the so-called "Three Ts" -- a key focus of the G8 summit, which was otherwise dominated by the conflict in Syria.

In their final summit statement, the leaders agreed measures to share information internationally and to each publish national "Action Plans" on corporate ownerships and trusts used to avoid taxes. The White House published its action plan at the summit, committing it to push for "comprehensive legislation" on identifying company ownership information.

The G8 push follows an initiative last year by the United States and five European countries to begin moving in this direction by drafting a model agreement on sharing banking information based on a 2010 US law. It obliges all banks automatically to provide US authorities with all information they hold concerning all assets owned by US taxpayers, instead of upon request as was previously the practice.

In a setback for transparency efforts however, Swiss lawmakers on June 18 refused to bow to pressure to approve a deal with the United States exposing US tax dodgers with assets in Swiss banks. Lawmakers refused for the second time to hold an emergency debate on the "Lex USA" deal, which Washington has demanded must come into force by July 1.

The deal is seen as crucial if Swiss banks are to escape the threat of a raft of lawsuits in the United States, as well as being barred from the profitable American market. Campaign group Global Witness hailed the agreement but said more needed to be done. The G8 brings together the world's leading industrialised countries -- Britain, Canada, France, Germany, Italy, Japan, and the United States -- and Russia.

US favours Indo-Pacific corridor linking India, Bangladesh & Southeast Asia

The United States (US) has called for creation of an Indo-Pacific corridor linking India, Bangladesh and Southeast Asia for greater trade and cooperation in the region and for a long-term multilateral and bilateral partnership. The corridor is to spur economic development, regional growth and prosperity through closer economic cooperation, increased trade and investment, and better energy, transit and communications links, a senior US official told a meeting of the Asia Society Global Forum in Washington DC on June 12, according to a statement issued by the US State Department.

"No discussion of engagement in the Asia-Pacific region would be complete without a reference to the Indo-Pacific Economic Corridor," the statement quoted US Under Secretary for Economic Growth, Energy, and Environment Robert D. Hormats as saying at the meeting. He, however, said efforts to improve bilateral relations made by the governments of India and Bangladesh through landmark high-level visits in 2010 and 2011 set the examples of how the region is moving ahead, the statement added.

Despite trade among the South Asian Association for Regional Cooperation (SAARC) countries remaining far below its potential, the regional economic cooperation has enhanced the economic prosperity of Bangladesh, Myanmar and India through enhanced economic engagement with other Southeast Asian neighbours, said the under secretary.

"As everyone in this (meeting) room knows, we live today in a world where economic vitality in many sectors of the U.S. economy depends increasingly on the ability of U.S. firms to tap opportunities in the growing Asia-Pacific region," said Dr Hormats. The markets in this region provide the US with unprecedented opportunities for investment and trade, as well as a growing demand for cutting-edge US technology, he continued.

The US continues to support strengthening institutions of the Asia-Pacific region and continues to engage in trade and investment multilaterally through the Trans-Pacific Partnership (TPP), he added. "The TPP is the highest trade priority of the US, as it offers a high-quality platform for deepening regional economic integration - not only by lowering tariffs, but also by addressing the 21st-century trade and investment issues," said the under secretary.

In addition, the US has made strides in its bilateral relationships in the region - particularly in its relationships with China, South Korea, and Myanmar - and sees great potential and new opportunities in connecting India to Southeast Asia.

"The U.S. government looks forward to forging closer multilateral and bilateral partnerships with the Asia-Pacific region not just this year, or the next, but in the long term as well," said Mr Hormats.

Strong US trade and investment ties with the dynamic Asia-Pacific region will continue to be critical for our economic recovery and our long-term economic strength, he added. "And only by committing ourselves in the long term to the Asia-Pacific region we will be able to promote successfully the economic prosperity of the United States and the world as a whole.

"The development of trade and transit links between South, Southeast, and East Asia have been hampered for decades by poor regional infrastructure connectivity and the isolation of Myanmar," he continued. However, he maintained recent political and economic reforms in Myanmar, especially after the visit of former Secretary of State Rodham Clinton in late 2011.

Asia-Pacific growth better than expected: ADB

Growth in the Asia-Pacific region following the global financial crisis has been better than expected, Takehiko Nakao, President of Asian Development Bank (ADB), said on May 4. "Although Asia is making the transition to growth led by domestic and regional demand, it cannot be complacent, given that more than 800 million in the region still live in absolute poverty," he said at the inauguration of ADB's 46th annual general meeting in New Delhi.

ADB President said the region has to continue to be innovative, inclusive and integrated, while emphasizing the need for an enabling environment in which the private sector can grow, innovate and create jobs. "Critical elements include conducive regulatory systems, support for start-ups, broad-based financial systems and infrastructure development," he said, adding that the governments must also invest more in their people, by way of education and health services. Good governance,



he said, is imperative in building a better climate for investment and innovation.

Indian Prime Minister Manmohan Singh, who inaugurated the event, said the 21st century can rightly be spoken of as the Asian century."In a proper perspective, this should be seen as a process of resurgence of Asia regaining the position it had on the global stage some 250 years ago."

The premier said as the world moves towards one where consumption and investment shift towards emerging markets, especially in Asia, several opportunities and challenges arise.

"They include accommodating different models of growth, ensuring that growth is inclusive and providing Asian countries with a voice in international forum that is commensurate with the aspirations and needs of their people."

Singh said the Manila-based lender is uniquely positioned to facilitate this change and work with governments to make the world order "more inclusive, fair and stable".

While it is true that Asia-Pacific, growing at more than 8 percent annually over the last two decades,

is the "most dynamic" region of the world, there are still stark differences across and within countries in the region, he added.

"Though there has been a significant reduction in poverty in many countries, inequalities have not fallen, and some social indicators, including the extent of malnutrition, have not improved significantly." "Deficiencies also exist in the delivery of public services, health, education, infrastructure development and the protection of environment. It is time Asian economies step up their efforts to address common challenges by investing resources in areas that help empower all sections of our people," said Manmohan Singh.

AMA Muhith, the finance minister of Bangladesh, said the country is one of the few least developed ones on course to achieve almost all of the targets under the United Nation's Millennium Development Goals initiative. "Partnerships are very important in achieving development goals, and the Bangladesh government has closely worked with donors, civil society, private sector and various stakeholders to achieve that," he said, adding that the country offers a model in donor coordination.

Muhith also said, in an integrated global economy a crisis in the developed countries makes life very difficult for the poorer countries, although they have no or very little role in origination of the crisis.

"The Eurozone debt crisis, US recovery and overall macroeconomic stability must be boldly tackled in a coordinated fashion. The point is emphasised particularly because it is feasible to undertake appropriate action in the economic or financial sector, unlike in cases of political turmoil."

OECD predicted 'robust' growth in emerging economics

Growth in China and other major emerging economies should be robust and outperform developed countries, the Organisation for Economic Cooperation and Development (OECD) said on May 29, although it trimmed its forecasts for this year and next.

In its latest Economic Outlook, OECD said that while many of its 34 members will continue to be constrained by fiscal consolidation and weak credit markets, "a moderate cyclical upturn is getting underway in China, while a more hesitant pick-up in growth is seen to take place in India".

Nevertheless it now expects China- the world's second largest economy and which is not an OECD member- to post in 2013 growth that is "subpar for the second consecutive year" at just 7.8 per cent. China's economy grew by 7.8 per cent in 2012, its slowest pace in 13 years, in the face of weakness at home and in key overseas markets.

Recent data has pointed to weakness in the Chinese economy with manufacturing activity contracting in May for the first time in seven months, according to a key survey. The new forecast is a sharp cut from the 8.5 per cent the OECD had in its previous semi-annual Outlook report in November.

But "given strong credit growth and the support provided by higher public social and infrastructure spending, a return to robust, albeit unspectacular, growth appears likely during the rest of this year and the next," said the OECD.

For next year, it revised down its estimate for China's gross domestic product growth to 8.4 per cent from 8.9 per cent. It added that "with low inflation and substantial slack there may be room for some monetary relaxation" to support growth. Chinese inflation is projected to remain steady 2.5 percent this year and 2.6 percent in 2014, down from five per cent in 2011.



While India last year recorded its weakest growth in a decade at 3.8 per cent on slumping demand, the OECD said the economy there is expected to gradually pick up pace.

This will be in part due to moves to make it easier for foreigners to make direct investments in the country as well as signs that large investment projects may soon get underway as approval procedures are sped up.

The OECD now expects India's GDP to grow by 5.3 per cent, down from its previous forecast of 6.5 per cent. The 2014 projection was revised down to 6.4 per cent from 7.1 per cent.

Adding in Brazil and Russia as well, the report concluded that growth in the world's major emerging economies "will remain much more robust than in the OECD economies" and said this trend is "expected to strengthen modestly" through the end of next year. Brazil's economy is forecast to grow by 2.9 per cent this year 3.5 per cent in 2014. Russia is seen as growing by 2.3 per cent this year 3.6 per cent in 2014.

IMF sees mixed Asian outlook for 2013

The IMF painted a mixed picture for Asia's top economies on April 16, trimming its Chinese growth forecasts but predicting Japan's fiscal stimulus will help end years of stagnation and Indian growth will accelerate. For the region as a whole, it predicted growth will "pick up modestly" to about 5.75 percent this year, boosted in part by a recovery in demand from outside the region and firm consumption and private investment within.

But the IMF's World Economic Outlook also cautioned that possible dangers inside and outside the region could upset the positive scenario. "The potential impact of external risks on Asia remains considerable," the report said. "In the event of a severe global slowdown, falling external demand would exert a powerful drag on Asia's most open economies."

It cited financial imbalances and rising asset prices as risk factors and also warned of potential "disruptions to trade from territorial disputes", an apparent reference to ongoing rows China has with Japan and some Southeast Asian nations over maritime claims. For China, Asia's largest economy, the Washington-based International Monetary Fund lowered its growth forecast for this year to 8.0 percent, a day after Beijing announced a shock downturn in the first quarter.

The IMF cut its prediction for growth in China, Asia's largest economy, from the 8.2 percent it had given in January. It did not give a reason for the reduction, but said expansion would pick up slightly from last year's actual 7.8 percent, citing "continued robust domestic demand in both consumption and investment and renewed external demand".

Beijing's January-March figure compared with a median 8.0 percent forecast in a poll of economists by AFP and marked a slowdown from 7.9 percent in the previous quarter. China's 2012 economic growth of 7.8 percent was its slowest in 13 years amid weakness domestically and in overseas markets. Authorities last month kept their growth target for this year unchanged at a conservative 7.5 percent. The fund also cut its forecast for China's growth in 2014 from 8.5 percent to 8.2 percent.

The IMF was more optimistic about Japan, tipping its economy to grow 1.6 percent in 2013 and 1.4 percent in 2014, up from its January forecast of 0.4 percent and 0.7 percent. It also said consumer prices will edge up 0.1 percent on-year in 2013, but rocket 3.0 percent in 2014, against 0.0 percent in 2012, thanks to the Bank of Japan's fresh monetary easing announced this month.

"After many years of deflation, and little or no growth, the new government has announced a new policy, based on aggressive quantitative easing, a positive inflation target, fiscal stimulus, and structural reforms," the IMF said.

IMF: The global economic outlook

Change in GDP *in percent*	2012	Forecast 2013	Forecast 2014
World	3.2	3.3	4.0
Advanced economies	1.2	1.2	2.2
United States	2.2	1.9	3.0
Japan	2.0	1.6	1.4
Eurozone	-0.6	-0.3	1.1
Germany	0.9	0.6	1.5
France	0.0	-0.1	0.9
Italy	-2.4	-1.5	0.5
Spain	-1.4	-1.6	0.7
United Kingdom	0.2	0.7	1.5
Canada	1.8	1.5	2.4
Emerging and developing economies	5.1	5.3	5.7
Central and Eastern Europe	1.6	2.2	2.8
Russia	3.4	3.4	3.8
Developing Asia	6.6	7.1	7.3
China	7.8	8.0	8.2
India	4.0	5.7	6.2
L. America and Caribbean	3.0	3.4	3.9
Brazil	0.9	3.0	4.0
Mexico	3.9	3.4	3.4
Middle East and N. Africa	4.7	3.1	3.7
Sub-Saharan Africa	4.8	5.6	6.1
South Africa	2.5	2.8	3.3

Source : IMF *AFP*

Prospects of Myanmar-Bangladesh-India gas pipeline

Indian Commerce and Industry Minister Anand Sharma recently led a delegation to Myanmar to revive the Myanmar-India gas pipeline project. According to source, the Indian Minister proposed to revive an old proposal to set up a gas pipeline from Myanmar's western coast to eastern India through Bangladesh. It may be recalled that India proposed to build the gas pipeline through Bangladesh in 2004 but it did not materialise because Bangladesh finally refused to cooperate. It is reported that India later attempted to build the pipeline

through the troubled north-eastern states to supply gas to Paschmibanga but abandoned the idea due to economic reasons and security concerns.

According to the Times of India on June 7, the Minister discussed the possibility of setting up the pipeline along a land route, bypassing Bangladesh, to benefit the underdeveloped regions of both northern Myanmar and the north-eastern states of India.

The net beneficiary of the failure of the Myanmar-Bangladesh-India pipeline project was China. Myanmar waited for some time but later signed contracts with China to build not only a gas pipeline but also an oil pipeline along the same route. While the gas pipeline will transmit 12 billion cubic metres of natural gas annually from western Myanmar, the oil pipeline will transport crude oil from the Middle East to China bypassing the US controlled narrow strait between Malaysia and Sumatra through which about 80% of the country's total oil imports now pass.

The 800-km pipelines costing $2.5 billion are almost ready. Natural gas from the off-shore reserves is due to flow from July 1. The oil pipeline is 97% complete. It may be mentioned here that China is planning to have an access to the Bay of Bengal by both road and rail links through Myanmar. To many observers, it is like discovering a "western coast" for China!

It is difficult to comprehend why Bangladesh rejected the Indian proposal in 2005. The estimated cost of the project was $1 billion, most of which would have been borne by India. In addition to receiving $125 million annually as transit fees, Bangladesh had the option of sharing the gas with India.

According to experts Bangladesh should have the access to the utilization of Gas being export to India from Mayanmar through Bangladesh.

The reported proposal to revive the Myanmar-Bangladesh-India gas pipeline is most encouraging. If India so desires, it is possible to serve the north-eastern states of India, Bangladesh and eastern India by the same gas pipeline. There are, however, doubts whether Myanmar would have enough gas left for export after meeting the demands of China and Thailand to whom Myanmar also supplies gas.

According the CIA Factbook, Myanmar has a proven reserve of 283 billion cubic metre and an annual production of 12 billion cubic metre. Its annual production is likely to double when China receives its full quota. If local consumption increases at the same time, the proven reserves of Myanmar are unlikely to last more than a decade.

The good news is that there had been very little exploration of gas and oil in Myanmar during the last two decades due to UN imposed sanctions which were lifted only recently. Several major oil companies of the world, including some from India, are now investing heavily in both onshore and offshore exploration for hydrocarbons in Myanmar.

Many experts predict a dramatic rise in hydrocarbon reserves of the country in the near future. Moreover, the Indian oil companies with interests in exploration in Myanmar are in favour of exporting gas to India.

Taking these factors into consideration, the prospect of building the Myanmar-Bangladesh-India gas pipeline appears to be promising. Both Bangladesh and India should, therefore, take the proposal seriously and try to implement it as early as possible.

Eurozone crisis is over: Hollande

The crippling debt crisis that has ravaged Europe for years is finished, France's President Francois Hollande has declared, despite high unemployment and lingering recession on the continent. Hollande's comments on June 8 came just a week after thousands of people took to the streets of European cities to vent their anger at the "troika" of international powers whose insistence on austerity is blamed for worsening their economic hardship.

There were angry scenes in Frankfurt near the European Central Bank, and in Spain and Portugal -- two of the countries that have received bailouts to help them plug fiscal holes. The troika of international lenders -- the International Monetary Fund (IMF), the European Union (EU) and the European Central Bank (ECB) -- have imposed strict conditions on countries such as Greece and Portugal in exchange for bailout funds.

In Greece and Spain the unemployment rate has reached 27 per cent, while Portugal's is forecast to climb to a record 18.2 per cent this year. The figures for youth unemployment are much higher.

Hollande, who was in Tokyo on the first state visit by a French president in 17 years, said Japan and Europe needed to cooperate to forge an economic partnership that would be good for both. A Japan-Europe partnership "would be economically good for Europe and good for Japan."

In the six months since Abe came to power, Japan's stock market has boomed and the value of the yen has slid, giving hope to the country's beleaguered exporters and sending his approval ratings soaring. For some in austerity-weary Europe, Abe's recipe seems much more appealing than more of the same budget-cutting that Germany -- the continent's paymaster -- insists on.

French President On June 8, Hollande said Japan and Europe face the same challenges and must follow the same path to regain confidence and boost growth.

ICC HQs News

Harold McGraw elected Chairman of ICC, Sunil Mittal elected Vice-Chairman

ICC is pleased to announce it has elected Harold McGraw III to become Chairman of the International Chamber of Commerce, and Sunil Bharti Mittal to become Vice-Chairman, effective 1 July. The current ICC Chairman, Gerard Worms, will become ICC Honorary Chairman.



Harold (Terry) McGraw has been the Vice-Chairman of ICC since January 2011. He is also Chairman, President and CEO of The McGraw-Hill Companies, soon to be named McGraw Hill Financial, one of the leading financial intelligence companies in the world with iconic brands like Standard & Poor's Ratings Services, S&P Dow Jones Indices, S&P Capital IQ, Platts and JD Power. Mr McGraw is also Chairman of the US Council for International Business, and Chairman of the US President's Advisory Committee for Trade Policy and Negotiations.

Appointed by US President Barack Obama to the US-India CEO Forum in November 2009, Mr McGraw also serves on the boards of United Technologies and Phillips 66, and chairs the Emergency Committee for American Trade.

Sunil Bharti Mittal is the Founder, Chairman and Group CEO of Bharti Enterprises and the Chairman of Bharti Airtel. Bharti Enterprises is one of India's leading business groups with interests in telecoms, retail, realty, financial services and agri-products. Bharti Airtel is the flagship company of Bharti Enterprises, which is among the leading global telecom companies with operations in India, South Asia and Africa. Bharti has joint ventures with several global leaders: Singtel, Wal-Mart, AXA and Del Monte.

In addition to these appointments, ICC also named five new members to the Executive Board: Esko Aho (Finland), Milos Barutciski (Canada), Frederico Curado (Brazil), Eduardo Eurnekian (Argentina), and Cherie Nursalim (Indonesia). They will also begin their terms on 1 July 2013.

ICC: Global trade deals would generate exports creating 21 million jobs

The International Chamber of Commerce (ICC) on April 22 on behalf of global business finalized recommendations for World Trade Organization (WTO) member countries to salvage parts of on-going Doha trade negotiations that could boost global GDP by US$960 billion.

Several hundred business leaders and trade experts met for the ICC World Trade Agenda Summit, held on the first day of the ICC WCF 8th World Chambers Congress. The four-day Congress in Doha, Qatar were gathered 1,000 delegates from chambers of commerce, as well as from multinational and small- and medium-sized companies.

By simplifying customs procedures – through trade facilitation measures – alone, member countries would deliver global job gains of 21 million, with developing countries gaining more than 18 million jobs and developed countries increasing their workforce by three million.

ICC and the Qatar Chamber of Commerce and Industry in March 2012 launched the ICC Business World Trade Agenda in response to calls from WTO members and from G20 leaders for fresh approaches following a 12-year impasse in multilateral trade negotiations.

It is estimated that the payoff from liberalizing trade in services could generate world trade gains of US$1.1 trillion, which would translate into global employment gains of nine million jobs. At the same time, a meaningful WTO agreement on liberalizing trade in environmental goods, even on a plurilateral basis, could deliver US$10.3 billion of additional exports.



ICC Honorary Chairman Dr. Victor K. Fung addressing at the ICC World Trade Agenda Summit in Doha on 22 April.

ICC grants Merchants of Peace Awards in Doha

ICC has presented Victor K. Fung, ICC Honorary Chairman and Chair of the ICC Business World Trade Agenda, and Adnan Kassar, former ICC Chairman, with the ICC Merchant of Peace Award, established by the world business organization to recognize members of the business community who have made a significant contribution to advancing ICC's mission to promote peace and prosperity through international trade and investment.

Playing an active role in the ICC Chairmanship since 2006, Mr Fung has continued to oversee the improvement and expansion of ICC. As an international businessman, Mr Fung shares the ideals of the ICC founders that trade is the life blood of the global economy and underscores the importance of promoting world trade on a level playing field. He has undertaken this mission as his own and leads the ICC Business World Trade Agenda initiative, which will harvest elements of the Doha Round of trade negotiations. Mr Fung is also Chairman of the Board of Trustees of the ICC Research Foundation, an independent research body that contributes to public knowledge, education and debate on the benefits of global trade and investment.

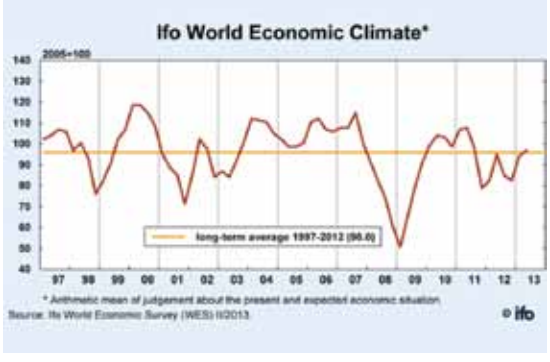


In 1973, Mr Kassar established ICC Lebanon and remained at the helm of this national committee until 2005. He also served as ICC Chairman from 1999-2000, during which time he strengthened links with China, East Asia, Eastern Europe, and some Arab and African countries. Mr Kassar succeeded in advancing ICC ties with organizations such as the United Nations, the G7, the World Trade Organization and the World Bank with the aim of promoting ICC's mission. During his term he was instrumental in establishing 14 national committees, including ICC Qatar, and played an important role in meeting the challenge of the UN Global Compact.

The recipients of the ICC Merchants of Peace Award are chosen by the ICC leadership. The nominations of candidates to be honoured by the Merchant of Peace Award are encouraged from the ICC global network of national committees, the World Chambers Federation, individual companies and the ICC Secretariat.

World economic climate improves slightly

The Ifo World Economic Climate Indicator continued to rise, even if only slightly. Both assessments of the current economic situation and the six-month economic outlook improved marginally compared to the previous quarter. There are a growing number of signs that the world economy is stabilizing.



Conducted in co-operation with the International Chamber of Commerce (ICC), the Ifo World Economic Survey (WES) assesses worldwide economic trends by polling transnational and national organizations worldwide on current economic developments in their respective countries. Its results offer a rapid, up-to-date assessment of the economic situation prevailing around the world. In April 2013, 1,178 economic experts in 125 countries were polled.

While the economic climate indicator rose only slightly in Western Europe and North America, it increased sharply in Asia. Thanks to much brighter assessments of the economic situation and expectations, the indicator for Asia reached its highest mark since the end of 2010. In North America, assessments of the current economic situation are somewhat better, but remain below the satisfactory mark.

The experts surveyed remain positive about the six-month economic outlook, but to a somewhat lesser degree than last quarter. In Western Europe the economic situation remains unfavourable. Economic expectations for the next six months, on the other hand, are slightly more positive, leading to a moderate overall improvement in the economic climate.

The results point to the fact that the world economy seems to be falling into step. There might be an increasing trend towards higher growth rates, although business cycle dynamics remain moderate. Monetary policy in advanced economies remains strongly expansionary. Central banks in the US and Japan have announced plans to leave interest rates at their currently low level and to continue to implement quantitative easing measures until the economy stages a clear recovery. In Europe, restricted fiscal policy in many countries is constraining any stronger upswing. In emerging countries, business

cycle dynamics look set to gain momentum.

World average inflation estimates for 2013 fell somewhat from 3.3% to 3.2%. WES experts on average expect short-term interest rates to remain largely unchanged over the next six months, while long-term interest rates are expected to increase slightly. On worldwide average, economic experts expect moderate increase in the value of the US dollar over the next six months. ICC Secretary General Jean-Guy Carrier was pleased with the survey results, but cautioned against overconfidence. He stated: "The continued trend of quarter over quarter economic growth is cause for optimism, but governments and businesses must continue to sustain this positive momentum."

ICC wins Best Non-Bank Trade Services Provider award

The International Chamber of Commerce Banking Commission has won the Trade and Forfaiting Review (TFR) 2013 Excellence Award for Best Non-Bank Trade Services Provider.

With 80 years of experience and more than 600 members in over 100 countries, the commission is ICC's largest commission and has gained a reputation as the most authoritative voice in the field of trade finance.

The ICC Banking Commission rules and related services include rules and guidelines on documentary credits, UCP 600 – the most successful privately drafted rules for trade ever developed – and Bank Payment Obligation rules on supply chain finance.

The award follows the commission's recent launch of new standards in the field of trade finance, including Uniform Rules for Forfaiting and Bank Payment Obligation and International Standard Banking Practice.

The ICC Banking Commission strives to be the most reputable and reliable provider of market intelligence for the banking industry and in recent years has been leading the drive to bridge the information gap on trade finance. The commission's most prominent publications Global Risks – Trade finance – presenting data and analysis from the ICC Trade Register – and the annual global survey series entitled Rethinking Trade and Finance, both provide timely, accurate and comprehensive data that contributes to an accurate portrait of the trade and export finance sector.



ICC Merchant of Peace Award presented to former ICC Marketing Commission Chair

John Manfredi, former long-serving Chair of the ICC Commission on Marketing and Advertising, was presented with the ICC Merchant of Peace Award at the 4 June meeting of the ICC Commission on Marketing and Advertising held in New York. ICC Chairman-elect, Harold McGraw III, presented the award to Mr Manfredi, Managing Partner, Manloy Associates, previously an executive with Proctor and Gamble, Gillette and Nabisco, recognizing him for his commitment to the mission of ICC and his service of exceptional leadership to ICC's work on marketing and advertising.



Under Mr Manfredi's leadership the commission developed and revised a list of codes and guidance resources. The commission pioneered codes on topics such as environmental advertising, and marketing and advertising on the Internet. It also responded to market needs by producing a food and beverage framework and electronic product codes principles that set out how to implement more general code provisions to specific issues, giving the ICC Code more adaptability while maintaining its ability to serve as the global gold standard.

The ICC Merchant of Peace award is granted to individuals who continue to draw inspiration from ICC's founders, known as the "Merchants of Peace", and whose dedication and hard work have assisted ICC in promoting world peace through world trade for over 90 years. The Merchant of Peace Medal is a representation of a bust by the artist August Rodin of the founding President of ICC Etienne Clementel. On the back it bears the inscription "ICC Merchant of Peace." The recipients' names will be included on the Wall of Honour in the new ICC headquarters and in the official ICC Merchants of Peace book.

The recipients of the ICC Merchants of Peace Award are chosen by the ICC leadership. The nominations of candidates to be honoured by the Merchant of Peace Award are encouraged from the ICC global network of national committees, the World Chambers Federation, individual companies and the ICC Secretariat.

ICC launches 2013 edition of International Standard Banking Practice



ICC on June 20 introduced the 2013 edition of International Standard Banking Practice (ISBP), the most up-to-date guide for examination of documents under documentary credits.

This revised guide details banking practices to be applied when working with documentary credits that are subject to Uniform Customs and Practice for Documentary Credits, UCP 600 - ICC's most recent rulebook on documentary credits used for letter of credit transactions worldwide.

This new edition of ISBP does not amend UCP 600 but moreover demonstrates how its principles and content should be integrated into day-to-day practice. It achieves this by providing readers with detailed practices to be considered and applied when working with different trade documents including invoices, transport documents, insurance documents, and certificates of origin.

It also provides coverage of documents which are not specifically mentioned in UCP.

The 2013 edition of ISBP covers, among others, practices identified from Opinions approved by The International Chamber of Commerce (ICC) national committees since 2007, and also features the following documents which were not previously covered: Packing list; Weight list; Beneficiary certificate; Non-negotiable sea waybill Analysis; Inspection; Health; Phytosanitary; Quantity and Quality certificates.

ICC G20 Scorecard shows improvement

The G20 is responding to business concerns, but needs to further improve its performance in order to maintain momentum in the global economic recovery, according to a new report from the International Chamber of Commerce (ICC).

Produced halfway through the current Russian G20 Presidency, the second annual ICC G20 Business Scorecard assesses four policy areas that the ICC G20 Advisory Group considers priorities for G20 attention: trade and investment, financing for growth and development, energy and environment, and anti-corruption.

Overall, the Scorecard rates G20 responsiveness to business priorities as 'fair', indicating that G20 leaders are making progress but at a somewhat protracted pace. This is an improvement on the score from the 2012 Scorecard, which rated overall progress as 'poor'.

The Scorecard – which examines developments on business recommendations through to the end of the 2012 Mexican G20 Presidency – measures progress on business priorities on a scale of: 'inadequate', 'poor', 'fair' or 'good'. It indicates that progress has been steady but limited, partially due to an unavoidable but distracting focus on responding to the on-going Eurozone crisis.

Despite the 'fair' overall score, the Scorecard marks good performances in some policy areas. Notable areas of progress include a strengthened dialogue between business and the G20 on anti-corruption and steps taken under the Mexican G20 Presidency to improve financial inclusion.

Although ICC was encouraged by the Mexican G20 Presidency's increased focus on trade and investment, the Scorecard rates the G20's performance in this area as 'poor'. This score reflects the continued lack of progress towards completing the World Trade Organization (WTO) Doha Development Round of trade negotiations, and the G20's poor performance on rolling back protectionist measures, despite recurring pledges to do so.

According to a recent report by the Peterson Institute for International Economics (commissioned by the ICC Research Foundation), the conclusion of the current WTO trade negotiations would have a significant impact on jobs and growth globally. For instance, an agreement on trade facilitation alone would translate into more than US$1 trillion in world export gains and more than 21 million jobs.

Of the four sets of business priorities, financing for growth and



development was the G20's strongest performance with a score of 'good', due largely to the favourable treatment given to trade finance under Basel III, as well as efforts to increase SME's access to finance, and strong programmes created to improve financial education, protection and inclusion.

Performance relating to both energy and environment and anti-corruption was rated as 'fair'. The mixed result on energy and environment issues comes as a result of encouraging progress on G20 support for clean energy technologies and steps taken to phase out fossil fuel subsidies, tempered by a lack of progress towards eliminating barriers to trade in environmental goods and services. The score of 'fair' for anti-corruption indicates a good level of progress made on the G20's anti-corruption agenda (notably the extension of the G20 Anti-Corruption working group's mandate to 2014), but with plenty of work still to be done, such as universal ratification across the G20 of the UN Convention on Anti-Corruption.

Compilation of the annual Scorecard reflects ICC's belief that direct feedback from the business community will help the G20 set priorities, honour commitments, measure its own progress over time and identify deficiencies that deserve greater attention.

In parallel, ICC and the international business community are committed to working closely with the G20, collectively and individually, to promote economic growth and job creation.

World Chambers Competition winners announced

The 2013 World Chambers Competition concluded on April 25 with the announcement of five winning projects.

Winners of the 2013 World Chambers Competition Winners of each category are as follows:

Best corporate social responsibility project, Dubai Chamber of Commerce and Industry (United Arab Emirates); Best international project, Bristol Chamber of Commerce (United Kingdom); Best small business project, New South Wales Business Chamber (Australia); Best unconventional project, Greater Durham Chamber of Commerce (United States); Best youth entrepreneurship project, Estonian Chamber of Commerce and Industry (Estonia)

The 2013 Competition received entries from 65 chambers of commerce and industry from 42 countries. The 25 finalists presented their innovative projects to an international judging panel during dedicated Congress sessions.

Winning projects were announced during an award ceremony held in Doha on the closing day of the 8th World Chamber Congress. Each winning project takes home €3,000, generously donated by Competition sponsors MK Sanghi Group, Sydney Chamber of Commerce and Torino Chamber of Commerce.



ICC welcomes new WTO Director-General ahead of Bali Conference

ICC warmly congratulates Ambassador Roberto Carvalho de Azevedo of Brazil on his selection as the new Director-General of the World Trade Organization (WTO).

ICC and the Qatar Chamber of Commerce and Industry launched the World Trade Agenda initiative at the WTO in March 2012. Its aim is to mobilize the business community in support of harvesting results on trade facilitation and other elements of the Doha Round negotiations at the 9th WTO Ministerial Conference in Bali this coming December.

ICC has undertaken an intensive programme of consultations over the past year, reaching out to ICC's network of 6.5 million companies in 130 countries.



The Peterson Institute in Washington DC recently quantified the potential benefits from ICC's recommendations in a report entitled Payoff from the World Trade Agenda 2013. It found that by simplifying customs procedures – through trade facilitation measures – alone, member countries would deliver global job gains of 21 million, with developing countries gaining more than 18 million jobs and developed countries increasing their workforce by three million.

The World Trade Agenda was launched in response to calls from WTO members and from G20 leaders for fresh approaches following an 11-year impasse in multilateral trade negotiations. Business recommendations from this initiative will be delivered to G20 leaders and WTO ministers ahead of both the G20 Summit in Saint Petersburg and the Bali WTO Ministerial Conference.

ICC appoints new Chair of the Digital Economy Commission



The ICC Banking Commission, ICC UK and the International Forfaiting Association (IFA) on January 30 officially launched the ICC Uniform Rules for Forfaiting (also known as URF 800) at SNR Denton Headquarters in London. Produced in partnership with the International Forfaiting Association (IFA), the URF is the first set of global rules for the primary and secondary forfaiting markets.

International Chamber of Commerce (ICC's) new Uniform Rules for Forfaiting (URF) came into effect on 1 January 2013 after more than three years of intensive drafting. The rules, which were approved at the last the International Chamber of Commerce (ICC) Banking Commission meeting in Mexico City in November 2012, will govern a market estimated at more than US$300 billion a year.

Encompassing the entire field of trade finance, entry into this new field signals the expanding role of ICC Banking Commission. With more than 600 members in over 100 countries, the commission has gained a global reputation as the authoritative voice in the field of trade finance.

ICC publishes latest book in best-selling series on Incoterms® rules

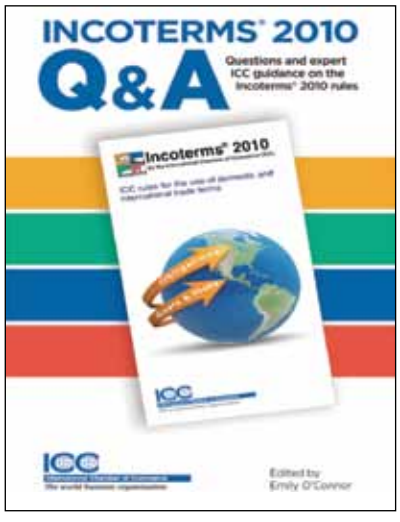
ICC has published its much awaited Incoterms® 2010 Q&A : Questions and expert ICC guidance on the Incoterms® 2010 rules, the latest in a series of best-selling books helping readers understand and use the Incoterms® rules to their strategic advantage.

ICC publishes Incoterms® 2010 Q&A Incoterms® 2010 Q&A comprises more than 80 new and historical questions with expert guidance on using and choosing the correct Incoterms® 2010 rules.

This helps readers avoid costly mistakes arising from dangerous mismatches between the contract of sale and related documents, such as letters of credit and contracts of carriage.

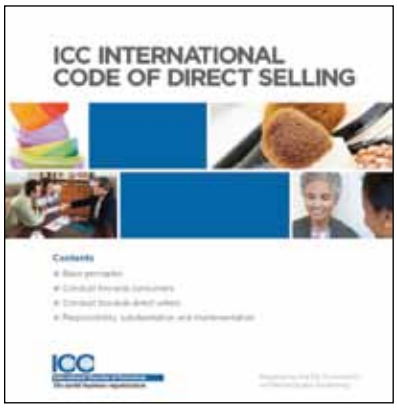
The book includes 44 real-life users' questions on the Incoterms® 2010 rules with responsive guidance by world-renowned ICC experts, and another 39 questions and answers on the Incoterms 1990 rules, providing a rare perspective on the evolution of these broadly used rules.

The new publication also offers comprehensive flowcharts and checklists to help readers choose the correct Incoterms® rule and manage documents in an Incoterms® sale or purchase transaction, a glossary of



commonly used trade terms, and the text of the Incoterms® 2010 rules in full.

ICC releases revised International Code of Direct Selling



ICC released its newly revised International Code of Direct Selling which was developed in close co-operation with the World Federation of Direct Selling Associations (WFDSA), representing the basis for direct selling governance worldwide.

Direct selling, as defined by the ICC Code, "refers to the selling of products directly to consumers, generally in their homes or the homes of others, at their workplace and other places away from permanent retail locations, where the direct seller may explain or demonstrate products." Some well-known direct selling companies include Dell, Amway, Unilever, Tupperware and Avon.

Recent changes include a section on referral selling stipulating that consumers should not be induced to make a purchase based on the assumption of a reduced price for customer referrals. The ICC Code also requires that direct selling companies communicate the contents of the Code with their direct sellers and that compliance with the standards of the Code should be a condition for membership in the company's distribution system. In keeping with the principle of truthfulness, the ICC Code specifies that "descriptions,

claims, illustrations or other elements relating to verifiable facts should be capable of substantiation."

The document will replace the existing ICC Code and will be made available to direct sellers through the ICC and the World Federation of Direct Selling Associations (WFDSA) networks.

UNICRI and ICC BASCAP release new report on Proceeds of Crime legislation

The United Nations Inter-regional Crime and Justice Research Institute (UNICRI) and the International Chamber of Commerce (ICC) Business Action to Stop Counterfeiting and Piracy (BASCAP) released a new report advocating the confiscation of the proceeds of crime as an effective tool which governments can implement against the infiltration of transnational organized crime into the illicit business of counterfeiting and piracy.

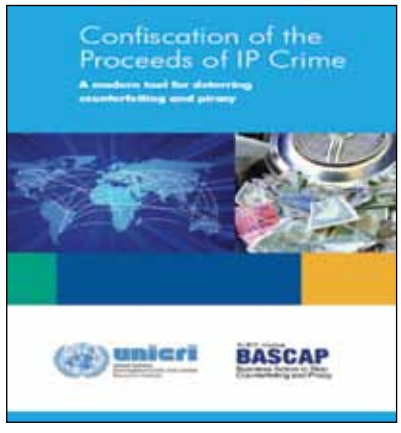
The report is being presented at the Seventh Global Congress on Combating Counterfeiting and Piracy held in Istanbul, Turkey from 24 to 26 April 2013.

The report examines legislation dealing with confiscation of Proceeds of Crime in the United Kingdom, Australia, Italy and Switzerland, highlighting the best practices from these countries and providing a detailed set of recommended legislative provisions. The report provides a model for governments to establish effective Proceeds of Crime regimes against a growing global concern.

While the report recognizes that laws providing for the confiscation of Proceeds of Crime have been in place and used effectively to deal with other organized criminal activities, it reveals that not all countries have adopted and implemented Proceeds of Crime laws to address intellectual property crimes.

The report advances that the emerging role of organized crime is helping to accelerate the globalization of counterfeiting and piracy, which in turn helps to fund other criminal activities such as extortion, illegal drugs and human trafficking, and generates money laundering which compromises the international financial system.

In addition, the report highlights that the confiscated proceeds of crime can be reinvested in further law enforcement activity, defraying the related public costs and supporting the protection of intellectual property rights often compromised by competing demands and overburdened government budgets.



Recipients of Oslo Business for Peace Award announced



ICC and the Business for Peace Foundation have announced the five recipients of the 2013 Oslo Business for Peace Award, the highest form of recognition given to business professionals for efforts to foster peace and stability.

World Chambers Federation Chairman Peter Mihok announced the five honourees during a plenary session on small business taking place on Day 3 of the 8th World Chambers Congress taking place in Doha this week from 22-25 April. The honourees were selected by an independent committee comprising Nobel Prize winners in peace and economics.

The 2013 honourees are:

Nadia Al-Sakkaf – Editor-in-Chief of the Yemen Times (Yemen); Dean Cycon – Founder and CEO of Dean's Beans Organic Coffee Company (USA); Margaret Mussoi L. Groff – Chief Financial Officer of ITAIPU, the world's largest power station. (Brazil); Connie Hasemann – CEO and owner of Telehandelshuset (Denmark); Arif Naqvi – Founder and Group Chief Executive of The Abraaj Group (Pakistan); They will be celebrated on 14 May at Oslo City Hall, as the highlight of the Business for Peace Summit.

The Business for Peace Foundation was established in 2007, to identify and recognize businesspeople who ethically and responsibly show the way in creating economic value that also creates value for society.Supporting partners of the Business for Peace Foundation, which is headquartered in Oslo, are the City of Oslo, ICC, the United Nations Development Programme, and the Oslo Chamber of Commerce, among others.

ICC launches first-ever rules for open account trade

The International Chamber of Commerce (ICC) on April 17 launched the Uniform Rules for Bank Payment Obligation (URBPO), a 21st century standard in supply chain finance that will facilitate

international trade. The rules were developed by the Banking Commission of the International Chamber of Commerce (ICC), with a partnership established with financial messaging provider SWIFT to take into account the legitimate expectations of all relevant sectors.

ICC launches URBPO set to revolutionize trade finance transactions, BPO is an irrevocable commitment made by one bank to another that payment will occur on a specified date after a specified event has taken place. It is an alternative instrument for trade settlement, designed to complement existing solutions and not to replace them. Reflecting consensus of the industry, the rules were unanimously adopted at 100% during a meeting of the ICC Banking Commission meeting taking place in Lisbon this week.

Responding effectively to meet market needs on a global scale, the rules were carefully prepared over a period of 18 months, and are the result of a collective effort by a number of ICC constituent groups, in particular the ICC Banking Commission who led this project and its members who made pertinent suggestions on the text. URBPO will be implemented on 1 July 2013.

ICC unveils Antitrust Compliance Toolkit

The International Chamber of Commerce (ICC) on April 22 launched the ICC Antitrust Compliance Toolkit, a practical tool for both small- and medium-sized enterprises and larger companies. The ICC Commission on Competition presented the toolkit during the 5th ICC Roundtable on Competition Policy being held on the sidelines of the annual International Competition Network (ICN) conference in Warsaw.

Produced by the ICC Task Force on Antitrust Compliance and Advocacy, the toolkit is a practical response to suggestions by the Office of Fair Trading of the United Kingdom, the



Directorate General for Competition of the European Commission and other antitrust agencies. Designed for companies of all sizes wishing to build or reinforce a robust antitrust compliance programme, it seeks to complement materials produced by antitrust agencies and other sources of guidance, by focusing on practical steps companies can take internally to embed a successful compliance culture.

The toolkit does not delve into the complexity of the laws in each jurisdiction, but sets out a pragmatic approach to antitrust compliance – with practical tips and issues to consider – that companies can use globally in any country, whether a jurisdiction has sophisticated or less sophisticated antitrust laws.

ATA Council announces new leadership

The World ATA Carnet Council (WATAC), the body responsible for managing the international guarantee chain for ATA Carnets that allow for temporary duty- and tax-free export and import of goods, on April 22 announced the election



of new Chair Cindy Duncan, Senior Vice President of Carnet and Trade Services at the United States Council for International Business (USCIB).

Ms Duncan takes over the leadership role from current Chair Peter Bishop Receiving the support of World Chambers Federation (WCF) Chair Peter Mihok, Ms Duncan takes over the leadership role from current Chair Peter Bishop, who steps down after nine years at the helm.

Managed jointly by the International Chamber of Commerce WCF and the World Customs Organization, the ATA Carnet system enables duty-free and tax-free temporary import of goods of professional equipment, commercial samples, and goods for trade fairs and exhibitions for up to one year. Today the Carnet system is in force in 73 countries.

Ms Duncan has served as head of USCIB Carnet and Trade Services since February 2000. She also serves on the Steering Committee of World Trade Week, New York City and on the New York District Export Council. She is a former member of the Board of Directors of the Organization of Women in International Trade, New York and previously served in a number of other capacities at USCIB, including as Vice-President for membership.

Ms Duncan's election took place during a WATAC meeting being held in Doha on the sidelines of the ICC WCF 8th World Chambers Congress taking place from 22-25 April.

WTO News

General Council appoints Azevêdo as next Director-General, Lamy pledges smooth transition

At a special meeting on 14 May, the General Council approved the appointment of Ambassador Roberto Carvalho de Azevêdo (Brazil) as the next Director-General of the WTO. He begins his term of office on 1 September 2013. Director-General Pascal Lamy pledged to work closely with Ambassador Azevêdo in ensuring a smooth transition.

Statement by the Chairman

In keeping with the Procedures for the Appointment of Directors-General adopted in December 2002 (WT/L/509), the process for the appointment of the next Director-General started in October 2012 when delegations were provided with information on the nomination phase of the process. Following the close of the one-month nomination period on 31 December, the nine candidates nominated by their Governments were invited to meet with Members at a formal General Council meeting held on 29-31 January this year. At that meeting, each candidate made a brief presentation, including their vision for the WTO, followed by a question-and-answer period. In line with the procedures, the Candidates also had a three-month period, i.e. until 31 March, to make themselves known to Members and to engage in discussions on the pertinent issues facing the Organization.

Before the beginning of the consultation process I, together with my colleagues in this exercise — Amb. Jonathan Fried (Canada), Chair of the Dispute Settlement Body, and Amb. Joakim Reiter (Sweden), Chair of the Trade Policy Review Body, acting as Facilitators — convened an informal meeting of Heads of Delegation on 13 March, respecting the principles of transparency, inclusiveness and full participation. Guided by the views expressed by Members at that meeting, I announced at a subsequent meeting of Heads of Delegation on 19 March the organization of work for the further process, as well as the start of the consultation process stipulated in the Procedures. The statement I made at the meeting on 19 March can be found in document JOB/GC/39.

In accordance with the process outlined on 19 March and the 2002 Procedures, three rounds of consultations were conducted by the Facilitators and myself, starting on 2 April. The organization of work for these three rounds was the same. In each round, Members were asked to come forward to express their preferences. We consulted Heads of Delegation in their capacity as representatives of Members, and arrangements were made to consult non-resident Members directly, including meeting in person with those present during the Geneva week. All the information we received from Members was treated by us in strict confidence.

The facilitators and I have reported back to the membership at informal HODs meetings at each successive stage of this consultation process. My statements at each of these three informal HODs meetings — on 12 April, 26 April and 8 May — were circulated to all Members in documents JOB/GC/40, 45 and 50, respectively. Let me say at this point that the Facilitators and I were gratified by the high level of engagement shown by Members, and I wish to thank all Members for their constructive participation in this process.

As you will recall, consistent with the organization of work outlined in JOB/GC/39, the clear preference expressed by Members was to have only two candidates in the final Round. In this regard, I wish to thank Mr. Herminio Blanco and the delegation of Mexico for having paved the way for the decision the General Council is about to take, as set out in their statement at the HODs meeting last Wednesday which was circulated yesterday in JOB/GC/51 and which will also be included in the minutes of this meeting. The Facilitators and I appreciated their commitment to this institution and to the multilateral trading system, and their readiness to join a consensus.

I also wish to formally pay tribute to all nine candidates in this process. I am sure all Members agree that we have had nine exceptionally qualified candidates who have, throughout this process, demonstrated their high regard for and commitment to the multilateral trading system, and their faith in the operation of its rules and procedures. I pay tribute to their respective Governments and Geneva representatives for the dignified manner in which they have conducted themselves in this process.

Let me now say a few words about my two friends and colleagues in this exercise — Ambassador Jonathan Fried and Ambassador Joakim Reiter. They were selected by you, the Members, by consensus when they were appointed to chair their respective bodies, and in accordance with the 2002 Procedures, they took on the role of Facilitators in this process. Throughout, they have worked with dedication on your behalf, at the expense of the other activities which they must undertake as Permanent Representatives of their countries. Let us now turn to the business of today's meeting.

As you will recall, at an informal HODs meeting last Wednesday, 8 May, I said that, in keeping with the provisions of paragraph 19 of the 2002 Procedures, I, supported by the Facilitators, would submit the name of Mr. Roberto Carvalho de Azevêdo as the candidate most likely to attract consensus and recommend his appointment by the General Council as the next Director-General of the WTO for a period of four years, following the expiry of Mr. Pascal Lamy's term of office on 31 August 2013.

Accordingly, I would like to recommend formally that the General Council agree to appoint Mr. Roberto Carvalho de Azevêdo as the next Director-General of the WTO for a period of four years as from 1 September 2013.

(The General Council so agreed.)

Today, we have sent out a strong message that the WTO can take decisions by consensus and follow intricate processes seamlessly. We need to carry this momentum further. I am confident that we can work together for a positive outcome at our Ministerial Conference in Bali.

On behalf of the General Council, I wish to extend our warm congratulations to Mr. Azevêdo on his appointment as next WTO Director-General. I have no doubt that Members will work with him positively and constructively during his tenure as Director-General, especially this year as we prepare MC9. I am sure I speak on behalf of all delegations in wishing him well as he prepares to take up his post.

I will end my statement by reiterating my appreciation for the constructive approach taken by all Members in developing consensus in the appointment process. When I was elected Chairman of the General Council in February, I said that there were two major challenges facing us in the year ahead. We have just successfully met the first challenge, and we must now put all our energies into the second one — a successful meeting in Bali.

WTO adopts new work programme for least-developed countries

An updated work programme for least-developed countries (LDCs), adopted on 28 June by the WTO Sub-Committee on LDCs, mainstreams the United Nations' Istanbul Programme of Action for LDCs for 2011-20 into the WTO mandate.

The programme also incorporates the streamlined accession process for LDCs adopted in 2012 and introduces periodic reviews of the work programme.

The LDCs work programme deals with issues such as market access for LDCs, trade-related technical assistance and capacity-building initiatives, agencies assisting with the diversification of LDCs' exports and other issues relating to LDC participation in the multilateral trading system.

Discussions on the update of the work programme were chaired by Ambassador Steffen Smidt (Denmark), who held two informal consultations in April and June.

Nepal, on behalf of the LDCs, thanked the Committee for providing inputs and updates to the programme. It said that although the new text does not fully meet their expectations, they were willing to join the consensus.

Other delegations, such as the European Union, the United States and Turkey, thanked the Committee for its engagement in the updating process and gave their full support to the adoption of the work programme.

WTO extends TRIPS accord for 8 more yrs to facilitate trade of LDCs

The World Trade Organisation (WTO) has extended the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) for eight more years to facilitate trade of the Least Developed Countries (LDCs), a high trade official said on June 13. "The TRIPS Council meeting in Geneva held on June 11-12, last decided to extend the time until July 1, 2021. Bangladesh will be highly benefited due to the time extension of TRIPS," Commerce Secretary Mahbub Ahmed told a group of journalists at his office on the day.

He said Bangladesh as a member of WTO-established in 1995-has been playing a key role in protecting the interests of LDCs. The main objective of the TRIPS agreement is to protect the Intellectual Property Rights such as trade mark, copy rights, patent design without hampering the international trade.

Earlier on June 7, 2013 the WTO members in Geneva endorsed a decision taken by LDCs to extend the period during which they will not be required to comply with international rules in respect of intellectual property rights protection. As per decision, LDCs can benefit from an extension of eight more years. The decision was approved during the WTO Council on the Agreement on TRIPS that took place on June 11-12 last in Geneva. LDCs, which are under a transition period for getting waiver for general products until July 1, 2013 asked the WTO that the transition period ending this year be extended and remain in force as long as a country remains an LDC.

The current tenure of TRIPS waiver for patent rights for general products- except pharmaceuticals- will come to an end on June 30 next. The new waiver will start from July 01, 2013 and will continue until July 1, 2021. The tenure for waiver for pharmaceutical patents for LDCs will continue until 2016.