ICC Bangladesh
The world business organization

20 Years of ICC Bangladesh 1994-2014

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WTO

Bali trade deal:
Will LDCs benefit in real terms!

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, ICC Bangladesh has so far organized four regional & international conferences

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 Seminar, inaugurated by the President of the People's Republic of Bangladesh Professor Dr. Iyajuddin Ahmed was attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.

In 2010, ICCB 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. and 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. Some 800 delegates from home and abroad including energy experts, power developers, gas exploiters, coal miners, international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA.

During 2013, the National Committee has organized a total of seven workshops: International Trade Fraud: Prevention. Control and Remedies (two); New ISBP 2013 and URBPO (two); Credit Risk and Trade Finance Management (one) for trade professionals and UCP 600 and Incoterms (two) for HSBC clients,. Besides, an Interactive Session on Trade Fraud: Prevention and Control and Remedies, organized by ICC Bangladesh was attended by the Bangladesh Bank Governor and MDs/CEOs of commercial banks.

ICCB arranges three regular professional training programmes: 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

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ICC Bangladesh
The world business organization

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National Secretariat

Secretary General
Ataur Rahman

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Editor's Note

Action Plan for realising potential of the Bali outcome

The Ninth Ministerial Conference (MC9) of the World Trade Organization (WTO) which was held in Bali on 3-6 December has created a new benchmark for the faltering Doha Development Round (DDR). Since the launch of the DDR in 2001, the international economy has undergone significant changes. This has happened due to volatile food and commodity prices, shocks emanating from global financial and economic crisis, proliferation of regional and bilateral free trade arrangements and weak commitment to the Aid for Trade programme. As a result, least developed countries (LDCs) have suffered trade preference erosion and poor productive capacity development, while duty-freequota-free (DF-QF) market access for all products from all LDCs have remained a far cry. Thus, the Bali outcomes may come as a welcome relief for the low-income countries as they try to trade out of poverty.

The Bali package adopted at the MC9 has three important components, viz (i) Agriculture and Cotton,(ii) Trade Facilitation,and (iii) Development. The third component, i.e. Development contains three sets of decisions having direct relevance for the LDCs. These are DF-QF, Rule of Origin (RoO) of exports, and operationalisation of the waiver accorded to export of services from the LDCs. The proposed monitoring mechanism regarding implementation of Special and Differential Treatment (S&DT) provisions is another decision of the Development component of the Bali package which may have important consequences for the LDCs.

Decisions on account of Agriculture and Cotton stipulate that the developing countries would not be challenged legally even though a country's limits of the trade distorting domestic support were violated. However, the proposed solution is provisional, and the Members are committed to set up a work programme to find a permanent negotiation outcome within four years period. In addition, the MC9 outcome document reaffirmed commitments to the parallel elimination of all form of export subsidies and disciplines on all export measures. Moreover, discussion should encompass all forms of export subsidies for cotton, domestic support for cotton, and tariff and not-tariff measures applied to cotton exports from LDCs.

Notwithstanding all its limitations, the Bali outcomes opened up critically important possibilities for the LDCs in general and Bangladesh in particular. Implications of the decisions relating to Trade Facilitation should be examined in right earnest and teased out the potential for Bangladesh. To make preferential RoO LDC-friendly, the domestic value addition requirement criteria should be defined in a manner that takes into account the domestic supply-side and productive capacities of the LDCs, and are easy to comply with.

Agreement on Trade Facilitation incorporates 13 articles which covers a wide range of issues, such as testing procedure at border points, expeditious shipments, border agency cooperation, single window, pre-shipment inspection, common border procedures and uniform documentation requirements, etc.This might pose an opportunity to develop our trade infrastructure and improve our export competitiveness. Access to financial and technical resources from international sources has to be sought out in this regard.

However, operationalization of the LDC Service Waivers holds the maximum potential for Bangladesh as it may radically change the employment situation in the country and finally lead to movement of service providers (natural person) from Bangladesh to the preference giving countries. A high-level meeting dealing with requests from the LDCs regarding opening up certain Service Sector to the LDCs on a priority basis is to be convened soon. Bangladesh has to be ready for that with its request proposals by then. In this connection, one has to do in-depth studies so as to identify the supply-side capacity of the country, and prepare necessary plans and programmes for human resource development.

Streamlining of the RoO of manufactured exports deployed by the preference giving country had been a longstanding demand of the LDCs. The Bali decision in this regard will save Bangladesh from a lot complications associated with accessing preferences and improve costcompetiveness of its exports. However, the decision on DF-QF as articulated in the Bali outcomes will not help Bangladesh to gain access to US markets for its clothing and textiles products.

Realization of the potentials of the Bali package will largely depend on the steps to be taken by the Bangladesh Government and the county's private sector in the near future. It is to be seen how fast and how efficiently our government and private sector draw up an Action Plan to take advantage of Bali Package of the MC9 of the WTO. One should not forget that our competitors are already doing it, if not has already done it.



To celebrate 20th Anniversary ICC Bangladesh invites you to join at

International Conference on Global Economic Recovery: Asian Perspective

25-26 October, 2014
Dhaka, Bangladesh

ICC Bangladesh News

Over cautious steps by commercial banks hampering credit flow to the private sector : ICCB President

The much needed credit flow for the private sector is very low and depressing due to over cautious steps by the commercial banks said ICCB President Mahbubur Rahman while inaugurating the ICC Workshop on Credit Risk & Trade Finance Management organized by ICC Bangladesh at a local hotel in Dhaka on December 7.

Mahbubur Rahman mentioned that ICC has been globally campaigning for trade facilitation deals. To avail of trade facilitation opportunities and also to become a middle income country within the next few years, Bangladesh must create a congenial environment for development of a sustainable private sector. For this, credit to the private sector as well as investment to the infrastructure is of utmost importance, he added. However, to provide credit to the private sector the commercial banks and financial institutions must develop sound and accountable credit management system to avoid risks, he cautioned.

ICCB President said "a number of state-owned and private commercial banks are faced with huge loan default due to fraudulence practices by some officials of few commercial banks (both public and private) in connivance with some ill-motivated unscrupulous clients. More than Tk.40 billion have been siphoned out from two state-owned banks alone. In not too distant future, you may have equally alarming news about such siphoning in private commercial banks. These have raised serious question as to the efficiency of the bank managements including the board as well as the Central Bank's failure to take drastic and timely action to stop such practices".

Bangladesh Bank has recommended to the government to provide fund amounting to Tk.88.03 billion in phases to fix capital deficit of four NCBs (Nationalized Commercial Banks). The Central Bank has emphasized on credit risk management policy in its recommendation on the business plans of these banks, he added.

All these are good steps, but to achieve the desired goal, the NCBs must be treated like any other commercial banks by the Bangladesh Bank. The management and Board of these NCBs must be accountable to the Bangladesh Bank without any interference of the Banking Division of the Finance Ministry, ICCB President observed.

Prof. Mamun Rashid, Chairman, ICCB Standing Committee on Banking, Technique & Practices said that ICC Bangladesh has been organizing workshops on trade finance in order to help build up professional bankers. He hoped that in the not too distant future Bangladeshi Trade Finance Managers will be able to take international assignments as global Trade Finance Manager Positions. The bankers attending the workshop will be able to learn how to better manage their fund and ensure that fraudulence practices are contained. The NCBs are phased with serious liquidity crisis and capital shortfall due to lack of experienced officials, lesser control by the Central Bank and continuous interference in the operations of these banks by various influential quarters, he observed.

Mr. Johnson Chang, Chief Credit Risk Officer, HSBC Bangladesh observed that Bangladesh has very competent and devoted bankers and with proper training they can ensure safe and proper fund management. Mr. Mohammed Hossain, Former National Fraud Risk Detection and Mitigation Adviser of Bangladesh Bank in his address mentioned that after completion of the workshop the participants will be able to solve many of the problems regarding credit in their day to day banking operations.



ICC Bangladesh President Mahbubur Rahman (Centre) inaugurated the ICC Workshop on Credit Risk & Trade Finance Management. Also seen in the picture from left to right are : Mohammed Hossain, former CEO and Managing Director of Sonali Bank, Prof. Mamun Rashid, Chairman, ICCB Banking Committee; Johnson K. Chang, Chief Credit Risk Officer of HSBC, Bangladesh and ICCB Secretary General Ataur Rahman.

ICC Bangladesh Secretary General Ataur Rahman thanked the sponsoring banks for nominating their officials for attending the workshop. He also mentioned about various on-going programme conducted by ICC Bangladesh, including Certified Documentary Credit Specialist

(CDCS) Examination and Certified International Trade Finance (CITF) conducted worldwide by ifs School of Finance of UK, e-learning IFC FIT (Financing International Trade) programme conducted by ICC Bangladesh and eBSI (eBusiness School of International), Ireland with support from IFC (international Finance Corporation). All these courses are very useful for the bankers to improve their professional skills, he said.

The workshop was conducted by Dr. Toufic Ahmad Choudhury, Director General, Bangladesh Institute of Bank Management (BIBM); Mr. Chang, Chief Risk Officer, HSBC and Mr. Mohammed Hossain, former CEO & Managing Director, Sonali Bank. A total of 88 senior and mid-level executives from banks and financial institutions attended the workshop.

ICC Bangladesh at the Commonwealth Business Forum in Colombo

The Commonwealth Business Forum (CBF) was held in Colombo as scheduled on 12-14 November. attended with participation from more than 95 countries. Over 1,600 business and government leaders



Chittagong Chamber of Commerce & Industry (CCCI) President Mahbubul Alam (second from left) and Barrister Rafique ul Huq (third from right) are seen with some delegates at CBF in Colombo.

ICCB Executive Board Members, Barrister Rafique-ul Huq, Rashed Maksud Khan and Mahbubul Alam attended as ICC Bangladesh Delegation. It may be mentioned that a big-delegation from DCCI and FBCCI also attended the CBF.

CBF 2013 has been the first Commonwealth Business Forum held in Asia and most widely participated during the three days. CBF was organized jointly by the Government of Sri Lanka, the Board of Investment of Sri Lanka and the Commonwealth Business Council (CBC).

The focus of the Forum has been the development of new ideas and models for creating more sustainable and inclusive growth through stronger partnerships between business and Government. The Forum was addressed by more than 100 global business leaders and experts, and there were ten country investment windows, five led by Heads of Delegation or their Ministers.

The Commonwealth Business Forum is a vital part of the Commonwealth Heads of Government Meeting. It provides the opportunity to ask big questions and seek solutions to the major economic issues impacting the Commonwealth.

The Forum provides Heads of Government and their Ministers with an unrivalled opportunity to interact with the private sector and devise ways of generating employment, inward investment and sustainable development.

As a very high profile business event, the Commonwealth Business Forum also saw the signing of a number of high value investment projects, underscoring the economic benefits the CBF represented to the national economy and indirectly to the people of Sri Lanka.

UNESCAP Business Council and APBF held in Bangkok
connecting the Pacific with Asia was emphasized

The ESCAP Business Advisory Council (EBAC) and the Asia-Pacific Business Forum (APBF) were held in Bangkok on 25-26 November. Due to some unavoidable circumstances UNESCAP moved the venues of both the events to Bangkok from Sydney and were held at the Royal Princess Hotel Larn Lung, Bangkok.

The 6th Meeting of the EBAC was held on Monday, 25 November. Dr. Ravi Ratnayake, Director, Trade and Investment Division, ESCAP delivered his introductory statements. Datuk Seri Mohamed Iqbal Rawther, Chairperson of EBAC chaired the Meeting. A number of EBAC members attended the Council. ICCB President Mr. Mahbubur Rahman and Mr. Asif Ibrahim, Vice-Chairman of Newage Group attended as members of EBAC. ICC Bangladesh Secretary General also attended EBAC and

APBF. The Council decided to hold the next meeting in Bangkok sometime in April, 2014.



Under-Secretary-General of the United Nations and Executive Secretary of ESCAP Dr. Noeleen Heyzer (4th from left) was the chief guest at the 10th UNESACP Asia Pacific Business Forum (APBF) held in Bangkok on 25-26 November presided over EBAC Chairperson and Datuk Seri Mohamed Iqbal Rawther (3rd from left). Dr. Ravi Ratnayake, Director, Trade and Investment Division, ESCAP, of the UNESCAP (extreme right) is also seen among others.

Policy makers, business leaders and experts from Asia-Pacific countries ended the two days of discussions calling for Asian businesses to take up business opportunities in the Pacific.

The tenth Asia-Pacific Business Forum (APBF), a regional multi-stakeholder business conference convened by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) this year, focused on Connecting the Pacific with Asia, identifying the challenges and opportunities for connecting business in the Asia-Pacific region, within the context of achieving inclusive and sustainable development.

Dr. Noeleen Heyzer, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP inaugurated the APBF on 25 November. Datuk Seri Mohamed Iqbal Rawther, Chairperson of the EBAC delivered his welcome address. Mr. Thapana Sirivadhanabhakdi, President and CEO of Thai Beverage Public Company Limited delivered his keynote address on "Entrepreneurship for Regional Development in Asia and the Pacific."

ESCAP Executive Secretary Dr. Noeleen Heyzer set the stage for discussions by highlighting the importance of regional integration, connectivity and collaboration: "Through enhanced cooperation between governments and businesses we can unlock the economic and development potential of all parts of Asia-Pacific – forging greater connectivity and integration."

"The business community needs to lead from the front in the wise stewardship of resources and concern for the common good, including staying cost-competitive by conserving land, water, energy and minerals, as well as by reducing waste and encouraging reuse and recycling," said Dr. Heyzer. "It also means ensuring the highest labour standards, industrial safety and environmental protection."

Challenging forum members to aim to mentor 10,000 SMEs in the next ten years, Dr. Heyzer also stressed: "The SME sector plays a key role in job creation, innovation and economic growth. We need more leadership by established business in mentoring these entrepreneurs, especially women and youth, many of whom are working in the informal sector."

Dr. Heyzer closed with a call for APBF in the next ten years, "to build on a decade of dialogue and engagement, and prepare for a decade of action and achievement in building a more inclusive, resilient and sustainable region for all the people of Asia and the Pacific."

In the concluding session, Dr. Ravi Ratnayake, Director Trade and Investment Division of UNESCAP and Datuk Seri Mohamed Iqbal Rawther, Chairman of EBAC led the closing discussion with participants, speakers and session moderators which highlighted the outcomes of the Forum and presented overarching recommendations to both the public and private sectors.

Key conclusions of the forum included the importance of ICT and trade facilitation for improving connectivity between the Pacific region and Asia. The meeting also addressed issues related to the importance of the private sector in providing disaster relief, as well as sustainability and corporate responsibility, and the importance of direct business mentoring of small and medium enterprises (SME).

The APBF was organized by ESCAP, with financial support from the Joint



ICC Bangladesh President Mahbubur Rahman (centre) moderating Plenary Session 3 at APBF

Standing Committee on Commerce Industry and Banking (JSCCIB). Pacific Islands Trade & Invest, the Joint Foreign Chambers of Commerce in Thailand (JFCCT), Bali Business Forum (BBF), the Moscow Annual Business Partnerships Matchmaking Forum, the India-Thai Chamber of Commerce (ITCC), International Trade Centre (ITC), and Asia Connect also provided in-kind support to the Forum.

ICCB President moderated the Plenary Session 3: Trade facilitation, finance and transport for inclusive business development. The objective of the session was to discuss the relevant international tools, instruments and facilities aimed at increasing the efficiency of regional and global cross-border trade; and to assess the current state of SME financing in the region, identifying the challenges and opportunities to enhance financing for SMEs in Asia and the Pacific generally and the Pacific sub-region in particular.

Mr. Asif Ibrahim, EBAC Chair of Inclusive and Sustainable Business and Vice Chairman, Newage Group of Industries, Bangladesh spoke on Bangladeshi Garment Sector: The role of the private sector in promoting workers' rights.

The Forum was attended by approximately 120 people from various industries, including 40 from the private sector, 38 from the public sectors, 12 from non-government organizations, 16 from international organizations, 2 from academia or research institutions and 12 from others. The next APBF is likely to be held in Colombo during late 2014.

ICC participation at 9th WTO Ministerial Meeting in Bali

ICC led an international business delegation to the World Trade Organization's 9th Ministerial Conference in Bali. Through ICC's World Trade Agenda initiative, the ICC global network rallied to help secure agreements including the deal on trade facilitation which, according to an ICC-commissioned study, could inject up to $US 1 trillion into the global economy and create 21 million new jobs.

ICC Bangladesh was represented by Mr. Md. Fazlul Hoque, Immediate Past President of Bangladesh Employers Federation (BEF) and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) as a member of the Bangladesh Official Delegation to the 9th WTO Ministerial Meeting held in Bali on 3-6-December.

Congratulating ministers and WTO Director-General Roberto Azevedo for their tireless efforts to reach consensus, ICC said that the agreement reached on trade facilitation at the 9th World Trade Organization Ministerial Meeting in Bali was expected to reduce cross-border transaction costs for companies by 10-15% and was significant for businesses in all sectors and of all sizes around the world.

Sri Lankan High Commissioner called on ICCB President

High Commissioner of Sri Lanka H.E. Mr. W.A. Sarath K. Weragoda called on ICC Bangladesh President Mahbubur Rahman on October 9. The High Commissioner conveyed the personal invitation from H. E. Prof. G.L. Peiris, M.P. Minister of External Affairs, Sri Lanka to ICCB President for attending the Commonwealth Business Forum scheduled to be held in Colombo from 12-14 November. ICCB President thanked the High Commissioner and requested him to convey his thanks to the Hon'ble Minister and informed that ICC Bangladesh, FBCCI and DCCI will be sending a big delegation to attend this important event.



High Commissioner of Sri Lanka H.E. Mr. W.A. Sarath K. Weragoda (3rd from left) presenting a memento to ICCB President Mahbubur Rahman. Also seen in the picture from right to left are: ICCB Executive Board Member Rashed Maksud Khan; A. G. Abeysekara, Minister, High Commission of Sri Lanka and ICCB Secretary General Ataur Rahman

They also discussed bi-lateral trade issues between Sri Lanka and Bangladesh and expressed their hope for further strengthening and expansion of trade between the countries. In FY 2013 Bangladesh's export to Sri Lanka was US$ 23.69 million as against import of US$ 39.82 million. The High Commissioner mentioned that his government is very keen to have Free Trade Agreement (FTA) with Bangladesh, which according to him will help in increasing trade between Sri Lanka and Bangladesh. In this regard, he said that Sri Lanka has already signed FTA with India and Pakistan. ICC Bangladesh President

assured full support of the business community for increasing bilateral trade between the two countries.

Major exports from Bangladesh to Sri Lanka are frozen food, agri products, chemical products, raw jute, jute goods, knitwear and woven garments. Major imports from Sri Lanka to Bangladesh are live animals; animal products, vegetable products, animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes, prepared foodstuffs; beverages, sprits and vinegar; tobacco and manufactured tobacco substitutes, mineral products, products of the chemical or allied industries, plastics and articles thereof; rubber and articles thereof, raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers etc.

Lunch hosted by ICC Bangladesh for US Ambassador Mr. Dan W Mozena

ICC Bangladesh hosted a lunch at Westin on 19 October to discuss and review US-Bangladesh trade with US Ambassador H.E. Mr. Dan W Mozena. The meeting was attended by a number of ICC Bangladesh Members.

During the lunch discussion American Ambassador said that Bangladesh is a rich country, blessed with fertile soil, ample water, perfect climate for growing three crops, significant reserves of coal and gas, and a key geographical location as the nexus of the 21st century's great trade route, the Indo-Pacific Economic Corridor. Of course, Bangladesh's greatest asset is the people -the most energetic, dynamic, hard-working, creative, generous, entrepreneurial, and resilient people Ambassador Mozena observed. Truly, Bangladesh could be and should be Asia's next economic tiger, which would lift millions out of poverty into middle income status, he added.

The achievements that Bangladesh has made during the last decade in many areas, in particular, in the RMG sector, agriculture and health sectors. He opined that Bangladesh can easily become the number one readymade garment exporter. With regard to man power export, he suggested that Bangladesh should provide institution based vocational and technical training in different employable trades in order to send skilled manpower abroad. He mentioned that there is huge demand for skilled manpower in different countries, including, USA, EU, Japan, Singapore and Middle-East countries. He suggested that the bigger readymade garment factories should support the smaller factories to overcome the difficulties and become compliant. He was hopeful that Bangladesh will soon sign the TICFA (Trade and Investment Cooperation Agreement). According to him this will facilitate in attracting more investment from US companies in Bangladesh.



Ambassador of the United States of American H. E. Mr. Dan W. Mozena (5th from right) discussing with ICC Bangladesh Members during the Lunch.

He also mentioned that Bangladesh has achieved a lot during the decade. It has slashed child-under-five mortality and maternal mortality. It has built from nothing a massive apparel industry that is now the second largest apparel exporter in the world. Once dubbed a "bottomless basket," Bangladesh in fact has become an overflowing basket of agricultural bounty as the nation has already become rice self-sufficient and is well on its way to becoming food self-sufficient. These are amazing achievements, he observed.

Regarding bi-lateral trade between USA and Bangladesh, in FY13 he said that export from Bangladesh to USA was US$ 5021.87 million as against import of US$ 574 million. Major export Items from Bangladesh to USA are woven garments, knitwear, frozen foods, agri products, chemical products, leather, raw jute, jute goods while major import items from USA to Bangladesh are electrical machinery and equipment; iron and steel; cotton; nuclear reactor, boiler, machinery and mechanical appliances; pulp of wood and other fibres and scrap of paper or paperboard; optical, photographic and surgical instrument; fertilizer etc.

America is keen to help Bangladesh develop its much needed infrastructure, including energy, Ambassador Mozena said. A number of big US companies are keen to invest in Bangladesh, he added.

Mr. A.S.M. Quasem, thanked the Ambassador, on behalf of ICC Bangladesh President Mahbubur Rahman, for joining the lunch. He appreciated the suggestions made by

Ambassador Mozena about helping the smaller RMG factories by the bigger and more established ones.

He hoped that bigger readymade garment importers from USA and EU will work together with Bangladesh factories to overcome the present problems and that US authorities will reconsider its decision about GSP facilities for RMG export to USA. The lunch was attended by ICC Bangladesh Members A. S. M. Quasem, Aftab ul Islam, Mahbubul Alam, Mahbub Jamil, Muhammad A. (Rumee) Ali, Rashed Maksud Khan, Barrister Rafique-ul Huq, Waliur Rahman Bhuiyan, OBE, Tapan Chowdhury, Mir Nasir Hossain, Asif Ibrahim, Md. Fazlul Hoque, Md. Sabur Khan, Dr. Toufiq Ali, Chief Executive of Bangladesh International Arbitration Centre (BIAC) and the International Chamber of Commerce (ICC) Bangladesh Secretary General Ataur Rahman

ICC Bangladesh Banking Committee Meeting
reviewed activities and recommended Action Plan for 2014

A Meeting of the ICC Bangladesh Standing Committee on Banking Technique and Practice was held at ICCB on 15 December. Prof. Mamun Rashid, Chairman of the Banking Committee presided over the meeting.

The Committee reviewed the activities during 2013 and recommended the Action Plan for 2014 for consideration and approval of the Executive Board. The Committee also discussed about the present situation of the banking sector and the possibility of preparing a local L/C Rules based on UCP 600 for consideration of the Central Bank and commercial banks. The Banking Committee also recommended to the ICC Bangladesh Executive Board for co-opting the following two bankers as members of the Committee: Mr.Tawfiq Ali, Sr. Representative, Commerzbank AG Bangladesh Representative Office and Mr. Muhit Rahman, Director & Head of Financial Institutions, Standard Chartered Bank.



Meeting of ICC Bangladesh Standing Committee on Banking Technique and Practices in progress.

57th ICCB Executive Board Meeting decided to celebrate
20th Anniversary of ICC Bangladesh

The 57th Meeting of the ICCB Executive Board was held on 19 December. The Board reviewed the activities of the National Committee during the fourth quarter of the year (October-December).

ICCB President informed the Board that ICC Bangladesh will be completing 20 years of its establishment in Bangladesh in 2014. ICCB celebrated 10th and 15th anniversary by organizing international events. The Board endorsed the proposal of ICCB President for celebrating the 20th anniversary by organizing a 2-Day International Conference in Dhaka on Saturday-Sunday, 25-26 October, 2104.



57th Executive Board meeting of ICC Bangladesh in progress.

The Executive Board approved the Action Plan for 2014 as proposed by the ICCB Committee on Banking Technique and Practice and co-opting of two new members by the ICC Bangladesh Committee on Banking Technique and Practice.

Presided over by ICC Bangladesh President Mahbubur Rahman, the Meeting held in the Board Room of Transcom was attended by ICCB Vice Presidents Latifur Rahman & Rokia Afzal Rahman and the following ten Board Members A.K.Azad, Aftab ul Islam, Md. Shafiul Islam (Mohiuddin), Mahbub Jamil, Mamun Rashid, Muhammad Hatem, Rashed Maksud Khan, Barrister Rafique-ul Huq, Syed Ershad Ahmed and Waliur Rahman Bhuiyan, OBE.

Plan of Action for 2014

Workshops

- Workshop on Basel III
- Workshop on Trade Fraud Detection and Mitigation
- Workshop on Fraud Management
- Workshop on electronic UCP 600
- Workshop on Credit Risk including Environmental Risk Menegement
- Workshop on URBPO/Automation of Int'l Trade Operation

Business Dialogues/Seminars

- Annual Conference for CDCS Experts
- Trade Policy
- Dialogue on Regional Connectivity for Trade and Investment

Certificate Courses

- Certified Documentary Credit Specialist (CDCS) Examination
- IFC 'FIT Initiative'(Finance of International Trade)
- Certificate in International Trade and Finance (CITF) Examination

Publications

- Quarterly News Bulletin
- Media Blitz
- Annual Report



International Conference on
Global Economic Recovery: Asian Perspective
to Celebrate 20th Anniversary of ICC Bangladesh

25-26 October, 2014, Dhaka, Bangladesh
For further details please contact:
ICC Bangladesh Secretary General
E-mail: arahman@icc-bd.org or iccb@bdmail.net

News in Picture



Group picture of the UNESCAP Business Advisory Council (EBAC) Members with Dr. Noeleen Heyzer, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP during the Business Council Meeting held in Bangkok on November 25.



Group picture of the UNESCAP Business Advisory Council (EBAC) Members during the Business Council Meeting held in Bangkok on November 25.



Participants at the 10th UNESACP Asia Pacific Business Forum (APBF) held in Bangkok on 25-26 November.



ICCB Executive Board Member and Chittagong Chamber of Commerce & Industry (CCCI) President Mahbubul Alam is seen with Chairman of Commonwealth Business Forum (CBF) Dr. Mohan Kaul (right) during the CBF in Colombo on 12 November.

Bangladesh Economy

Legatum Prosperity Index
Bangladesh overtakes India in overall prosperity

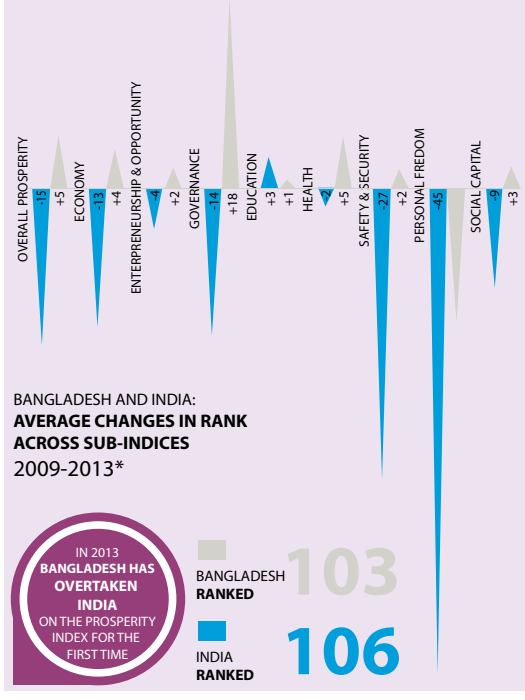
Bangladesh has overtaken India on the prosperity index for the first time this year on the back of its successful development policies. "At present, the grand South Asian leader might learn a trick or two from its more nimble regional compatriot," said the 2013 Legatum Prosperity Index, an annual ranking of 142 countries based on a variety of factors including wealth, economic growth, personal wellbeing and quality of life. Bangladesh is leading the way in terms of development in South Asia, exposing the failing of its gigantic neighbor.

India, Bangladesh and Pakistan are three countries united by geography, divided by history, and on very different paths to prosperity. At first glance the comparison may seem unusual. India is a giant (encompassing 3.2 million square kilometres and with a total GDP of $1.8 trillion) relative to Bangladesh, which covers only 147,000 square kilometres and has a GDP of $116 billion. Pakistan sits between the two, covering 796,000 square kilometres with a total GDP of $231 billion.

Highlights of the Report

In the index compiled by London-based Legatum Institute, Bangladesh came in at 103, three spots above India, who slipped 5 spots down to 106, and nearly 30 spots above Pakistan, who came in at 132. "For Bangladesh, surpassing India is quite an accomplishment considering that the country's gross national income per capita at purchasing power parity amounts to just half that of its larger neighbor," according to the Legatum Prosperity Index 2013, report launched at the last week of October.

In recent decades, India has been championed as an economic powerhouse and an economy on the rise. Indeed, it is one of the original BRIC countries and in the six-year period of 2005–2011 grew at an annualized rate of 8.2%. Predicted to be the world's most populous country in the next 15 years--making it the home for nearly 20% of the earth's total population-the status and trajectory of India's development is hugely important for global prosperity. It is notable, therefore, that India's progress has slowed recently. A closer look at India and its South Asia neighbours provides an interesting case study in progress and development, one which suggests that development can occur in the absence of rapid economic growth.



Throughout their shared histories, India's economy has, on more than one occasion, been enthusiastically promoted, while Bangladesh has been viewed in a less positive light. However, the country once referred to as a "basket case" by Henry Kissinger is now a "development star" according to Rob Vos, Director of UN Department of Economy and Social Affairs. This year, for the first time, Bangladesh has overtaken India on the Prosperity Index. The country is now ranked 103rd (and rising), while India is 106th (and falling). Over the past five years, India has slid down the rankings in seven of the eight sub-indices and in overall Prosperity, while Bangladesh's performance over this period is the complete opposite rising in seven sub-indices and overall Prosperity.

While comparing Bangladesh and India, it is also worth reflecting on Pakistan. In many respects Pakistan is distinct from Bangladesh and India. Pakistan (132nd) is ranked nearly 30 places lower than India on the Prosperity Index and faces distinct security challenges that affect "all aspects of life and impede development". As a result, Pakistan's rank in the Prosperity Index has remained relatively unchanged over the last five years, showing neither a big increase nor a decline.

For Bangladesh, surpassing India is quite an accomplishment considering that the country's GNI per capita at purchasing power parity amounts to just half that of its larger neighbour. The Prosperity Index reveals that despite this Bangladeshis not only live 3.5 years longer than their Indian counterparts, but fewer are undernourished, a lower number die in infancy, and more have access to sanitation. Furthermore, the average Bangladeshi worker has more secondary years of education (1.8 years) than his or her Indian counterpart (1.2 years).

Perhaps as a result, more respondents in Bangladesh reported being satisfied with the quality of education they receive and more felt that children were learning in their society. Such achievements explain why

Bangladesh's success in improving the lives of its people has begun to generate substantial public interest. These impressive achievements suggest that development and progress are not solely reliant on rapid economic growth.

While Bangladesh's economic growth has not attracted the same attention as India's, its work on microfinance--the provision of small loans to poor recipients without access to financial services--certainly has. Microfinance originated in Bangladesh in the 1970s and is now viewed as an important way of tackling poverty.

One study of households in Bangladeshi villages over time found that, on average, an increase in borrowing of Tk. 100 increased future household consumption by Tk.15, or 15%. Furthermore, the study found that borrowing had a particularly positive effect when targeted at women and that female borrowers were more likely to invest in schooling and healthcare for their families. Microfinance in India has not had the same effect on poverty as in Bangladesh.

Although microfinance in Bangladesh is no panacea, it would appear that in this area too India has been outperformed by its neighbour. Despite all these successes Bangladesh still has acute problems, particularly in terms of governance: the country has been under military rule three times in the past three decades.

While Bangladesh's performance in many respects is encouraging, by contrast India's development progress has slowed considerably over the last five years, particularly in terms of the economy and governance. The slowdown in India's economic growth in 2012, to 3.2%, is surprising when compared with the 8.2% average annual growth that the country recorded between 2005 and 2011.

Even more worrying is the fact that this fall has been mirrored by declines in other economic indicators. Since 2009, un-repaid (or 'non-performing') loans in India's banks have increased to a reported 4.4% in mid-2013, the rupee has fallen, and foreign direct investment has shrunk. In addition, inflation remains worryingly high at 6.1%.

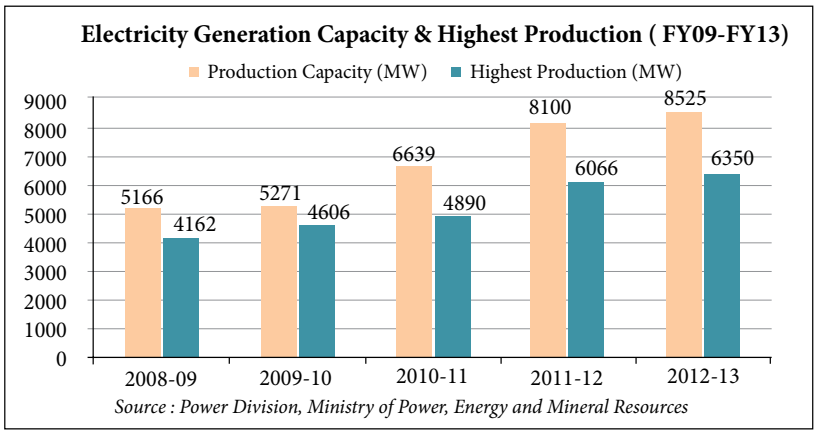
The deterioration in all these indicators mirrors the decline in the country's score on our Economy sub-index, which has caused India to fall from 43rd to 62nd in ranking since 2009. India's democratic system of governance has always been highlighted as fundamental to its future success. Despite many failings, it is, at least, a democracy. It would appear, however, that India's economic problems have been compounded by governance failures. Since 2009, India has fallen 14 places on the Governance.

Bangladesh now having 10,213 MW installed capacity

In November, Bangladesh achieved generating in 10,213 megawatts of electricity, with public sector having capacity of 5962 MW, private sector 3751 MW and import from India provides 500 MW. This was expected to reach 10,979 MW by December.

However, as some of the power plants are outdated and some are running on inadequate fuel supply, the highest single-day power generation still stands at 6,675MW, which was recorded on July 12 this year.

Noting that the newly achieved power generation capacity was still not enough for a country of 160 million people, though the power generation was expected to reach 24,000MW by 2021 as the government had undertaken short, medium and long term plans for the power sector. Since taking office in 2009, the present government had signed agreements on setting up 70 power plants, 37 of which are already in production, according to the government sources.



Source : Power Division, Ministry of Power, Energy and Mineral Resources

The increased power generation contributed Tk 1000,000 million to the national economy at the economic value which also resulted in 41 percent export growth. People's access to electricity has increased by 15 percent.

During 2009, per capita electricity generation was 183 kWh, which has been enhanced to 321 kWh per annum (including captive generation). Presently, 62% of the population have been brought under power supply coverage.

As the installed power generation facilities are now able to generate 6,000 MW of power consistently, regular power outage for prolonged periods has been reduced significantly. If fuel supply could be secured, additional 1,000 plus megawatt electricity could be generated. According to Bangladesh Power Development Board (BPDB) reports it received 790 million cubic feet of gas on November 10 but, despite having capacity, it had to generate 642 MW less power due

to short supply of gas. At the same time, 470 MW power could not be generated due to supply shortages of diesel and furnace oil.

Natural gas-based power generation capacity has come down to nearly 68% (6,587 MW). On the other hand, imported fuel oil based power generation has been enhanced to nearly 26%. The share of hydroelectricity and coal-fired power generation remains limited within 5%. Under agreement with India, Bangladesh was connected with Indian power transmission line for the first time from October 5, and 500 MW power has been imported and added to the grid.

The government is planning to secure uninterrupted supply of electricity for all the citizens within 2021 at an affordable price. Implementation of the plan is significantly dependant not only on installations of new power plants but also on supply security of primary fuels. Developing adequate transmission and distribution systems commensurate with the generation capacity and consumers' need would also be a major challenge. It is estimated that around US$ 18 billion investment would be required by 2017 to secure power generation capacity of 16,000 MW, which according to experts would be difficult to arrange.

Bangladesh Power Sector at a Glance (November, 2013)		
Generation Capacity	:	10,213 MW
Highest Generation	:	6675 MW
Per Capita Generation	:	321 kWh
Transmission line	:	9322 ckt. km
Distribution Line	:	2,90,000 km
Distribution Loss		12.03%
Total consumers	:	14.2 Million
Access to Electricity	:	62%
Source : Power Division, Ministry of Power, Energy and Mineral Resources		

ADB to help Bangladesh 'import power from Bhutan'

The Asian Development Bank (ADB) would help Bangladesh import power from hydro-power-rich Bhutan, with the setting up of a regional power transmission line for cross-border electricity trading, an energy expert at the Bank's headquarters said on October 9. If both Bangladesh and India are linked through the Indian power market, power trading opportunities can be explored in the South Asia region, Len V. George, Energy Specialist, South Asia Department of the ADB, told The Daily Financial Express (FE), Dhaka.

Following the Bangladesh-India cross-border power transmission grid operation, the ADB expert was interviewed by the FE as the agency had helped in installing the 400-kilovolt (kv) transmission line to import electricity by Bangladesh from India. The ADB has financed the cross-border transmission line aimed at expanding a regional power transmission grid in the near future under the South Asian Sustainable Economic Cooperation (SASEC) programme.

Dhaka has already signed a 1000-megawatt power import deal with New Delhi, as Bangladesh has a huge electricity shortage, which has been affecting its economic growth over the years. Initially India is supplying 175 megawatt (mw) of power that has begun early October. Gradually, the neighbouring country will supply 500 mw of electricity by the year-end and another 500 mw from 2014, she said.



When asked on ADB's possible help in Bangladesh-Bhutan power trade, Len V. George said: "Setting up of the regional grid connecting Nepal, India, Bangladesh, Bhutan, Sri Lanka, Pakistan and Myanmar over the medium term allows greater investment and more optimal utilization of regional energy resources, e.g. hydropower resources in the region."

The ADB energy expert said variations in weekly or seasonal demands between the countries of the Region encourage power trading and more optimal use of resources. Bhutan and Nepal have huge hydropower potential as the countries have a prospect of 23,000 mw and 42,000 mw of electricity generation from water resources respectively. Bangladesh government has already sought corridor from India to install a cross-border transmission line to import power from Bhutan and Nepal. But New Delhi is yet to allow Dhaka to construct the transmission grid.

About the viability of power import from India, Ms George said the cost of HFO (oil) or diesel power projects coming up in Bangladesh is several times higher. "This is replaced with cheaper power. Setting up of a regional grid benefits India, Bangladesh and other countries in the region allowing optimal investments and power flows. India will recover its costs from tariff on sale of power," she said.

On the price of Indian power, the ADB energy expert said the first power purchase agreement (PPA) is a government-to-government negotiated contract, while the second one will be commercially priced.

"The present weighted average cost of electricity generation in Bangladesh is low due to dependence

on domestically produced gas for the power sector with significant subsidies compared to the rest of the South Asian region. This, among other reasons, is causing gas shortages resulting in capacity addition using HFO and diesel at several times this price since the cost of not having electricity for the economy is even higher," she added.

About the criticism of Indian power import by some Bangladeshi experts, she said: "India has some short-term surpluses and will add in the region of 90,000mw-100,000mw over a five-year period. Bangladesh also has its own plans to add significant power generation capacity to its existing base in the medium term.

Bangladesh moving forward for a mid-income status : ADB Country Chief

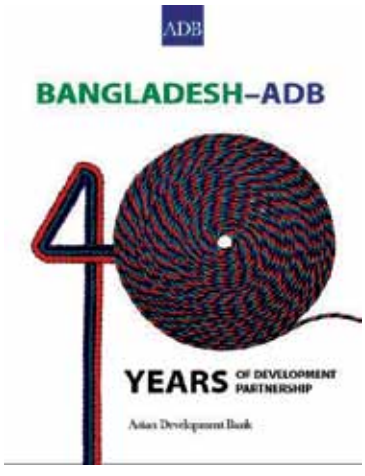
40 years of Bangladesh-ADB development partnership

Bangladesh needs to grow rapidly through massive investment in infrastructure, skills development and trade logistics to become a middle income nation by 2021, the Asian Development Bank's country head Ms. Teresa Kho said on October 4 ahead of ADB's celebration of 40th year in Bangladesh. The Bank celebrated its 40th year in Bangladesh on October 5.

ADB has become a long-standing development partner of Bangladesh. ADB has always stood by the country and its people — whether during natural disasters as seen in 1991 and 1998 or global food price shock of 2008 or in the height of the recent global economic crisis. ADB has always structured its activities in line with the needs of the country. In the 1970s, the bank was involved in rehabilitation and infrastructure restoration, following devastation of the Liberation War. Programmes in agriculture and rural investment dominated its activities in the following decade.

In the 1990s, the bank ventured into power and transport, along with industrial development and the financial sector. In 2000, the bank entered in primary education and health sector and undertook investment in rural infrastructure. By the mid-2000s, the bank made a foray into the financial and capital market reform process.

From June 1973 till the end of 2012, ADB provided 234 loans worth $14.1 billion and 389 technical assistance projects to support project design and capacity enhancement worth $221.7 million. The bank's latest successes include implementation of the most successful solar home system in Bangladesh. With an initial target of 50,000 solar home systems, IDCOL's (Infrastructure Development Company Ltd) programme installed more than two million by the end



of March 2013. ADB provided $78 million to the programme, which financed the installation of 330,000 systems.

In another major development, an ADB-supported project helped bring electricity from India — the first-ever power trade in South Asia. The bank lent $100 million on concessional terms to finance the transmission lines and high-voltage direct current substation components under the project worth $158.6 million. Since Bangladesh joined ADB in 1973, the power sector has received 32 public sector loans and one private sector investment, totalling about $2.9 billion, to improve the capacity and quality of power supply.

Although ADB could not get involved in the construction of the Padma Bridge project the bank helped set up the existing largest bridge project in Bangladesh nearly two decades ago.

ADB's funding accounting for 22 percent of the cost of $962 million for the Bangabandhu Multipurpose Bridge has lifted a million of people out of poverty and improved road and railway links connecting the impoverished northern part with the capital, according to an impact study.

The bank's assistance to education accounts for 9.32 percent of ADB's total assistance to Bangladesh from 1973 to 2012, amounting to $1.28 billion.

The country successfully coped with the challenges and as a result, growth rates steadily moved upward. Economic growth has also been largely inclusive and broad based, with notable progress in poverty reduction. Food production kept pace with the population growth. Population control programmes helped in slowing down population growth, income per capita rose significantly in real terms, and poverty fell sharply coupled with improved life expectancy, higher literacy, and lower mortality.

The ADB country chief is also impressed by Bangladesh's achievement in most of the millennium development goals. "Bangladesh's achievement in the economic and social indicators has been quite remarkable. More importantly, the proportion of population living below the poverty line has gone down below 31.5 percent," she observed

ADB has finalized its priorities for the country from 2014 to 2016,

the Country Director said. In the three years, the bank would invest more in energy efficiency, railway connectivity, secondary education skills, and furthering capital market reforms. Kho said Bangladesh would have to enhance the business climate, improve trade logistics and infrastructure and address skills shortage in order to grow rapidly. She says about two million people enter the country's job market a year. ADB Country Director made a list of challenges for the country. Climate change would pose a risk for the country. It will require more resources and capacity to address the climate change risks.

The use of land and its planning have become very critical for the country because of a shortage of land, which is needed for industrial development. Urban congestion is going to be a challenge for the country, as people seek better opportunities, they will move to urban areas and stretch the capacity of the cities to provide services for them.

She however assured Bangladesh of continued ADB's support. She said Bangladesh would require heavy investment in order to solve some of its major challenges. The government can work with development partners, civil society organizations and private sector so that both public and private resources can be brought together to address the challenges.

Bangladesh steps up on Ease of Doing Business Index: WB

Doing business in Bangladesh has eased further over the past one year, according to the "Ease of Doing Business (EDB) 2014" index issued by the World Bank (WB), which ranked Bangladesh in the 130th position among 189 countries. The 2014 Doing Business Report, an annual survey on business environment around the world, was released on October 25. Bangladesh went up by two steps in EDB 2014 index from the 132nd on the previous index.

The index comprising all economies was finalized on the basis of individual benchmarks in June 2013. A higher place on the index means the regulatory environment is more conducive to the start and operation of a local firm. The index averaged the countries' percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic, said the annual survey of the World Bank.

In South Asia, Sri Lanka, the Maldives and Nepal were more business-friendly than Bangladesh as the countries were placed at 85th, 95th and 105th places on the EDB index 2014. The three countries were, however, placed at 83rd, 81st and 103rd places respectively on the EDB 2013 index.

Georgia, Malaysia and eight other high-income economies remained the 10 most business-friendly countries on the globe. But the gap between the developed and developing worlds is narrowing as countries such as Rwanda, the Philippines and the Russian Federation improve regulations to foster entrepreneurship and trade, according to the WB survey.

According to the Organisation for Economic Co-operation and Development (OECD) high-income economies continue to perform the best across most areas measured by the index, Eastern Europe and Central Asia is narrowing that gap.

The Doing Business 2014, a World Bank Group flagship report, covers 189 economies and 10 indicator sets: starting a business, dealing with construction permits, getting electricity, registering property, paying taxes, trading across borders, getting credit, protecting investors, enforcing contracts, and resolving insolvency.

Rankings | Distance to Frontier

TOPICS	DB 2014 Rank	DB 2013 Rank	Change in Rank
✓Starting a Business	74	83	↑ 9
Dealing with Construction Permits	93	80	↓ -13
Getting Electricity	189	189	No Change
Registering Property	177	177	No Change
Getting Credit	86	82	↓ -4
Protecting Investors	22	21	↓ -1
Payeing Taxes	100	98	↓ -2
Trading Across Borders	130	126	↓ -4
Enforcing Contracts	185	185	No Change
Resolving Insolvency	119	121	↑ 2

✓=Doing Business reform making it easier to do business.
✗ =Doing Business reform making it more difficult to do business.

95 percent Nordic companies mull expanding business in Bangladesh

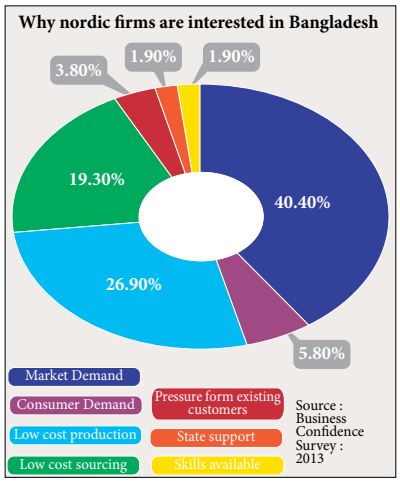
Around 95 per cent Nordic companies doing business in Bangladesh are contemplating to increase their activities in the country in the coming three-year period, said a recent survey. Part of the reason for the plans to increase activities in Bangladesh could be that they experience higher profit opportunities in Bangladesh compared to other markets they are currently active. Other reasons are the growing demand from the middle class as well as increasing costs in other markets where the companies are active such as China, according to a Business Climate Survey among Nordic companies in Bangladesh. The Nordic Chamber of Commerce and Industry in Bangladesh together with the Sweden Bangladesh

Business Council and the three Nordic embassies here — Embassy of Sweden, Royal Norwegian Embassy and Royal Danish Embassy — conducted the survey.

About 67 per cent respondents consider the business climate in Bangladesh as favourable despite political instability, erratic power supply, poor transport infrastructure, legal barriers and bureaucratic norms that impede growth. Almost half (47 per cent) of the respondents have a very favourable outlook whereas not one single respondent reported an unfavourable business outlook for the coming three-year period.

The picture that Nordic companies portray when doing business in Bangladesh is not only solely, but there are certain areas that need to be looked into by decision makers for Bangladesh in order to remain an attractive business destination. The survey suggested that telecom and IT/ITES are the biggest sector for Nordic companies in Bangladesh (32 per cent of respondents) while RMG/ textiles account for 25 per cent.

Of course in terms of volume/ turnover, RMG is most likely the biggest sector but the large number of relatively young IT companies show that the Bangladesh economy is evolving towards more high-tech industries. About one million jobs are created as a result of Nordic businesses in Bangladesh.



Lack of adequate infrastructure is one of the major problems in Bangladesh. Some 66 per cent of the respondents identified lack of power supply as a major deterrent while 61 per cent of the respondents identified clean water and proper waste management as one area that needs huge improvement. The survey also revealed the dissatisfaction among the companies due to scarcity of land and offices for commercial purposes.

In relation to the business confidence survey, NCCI has jointly organised a panel discussion, titled 'opportunities and challenges in Bangladesh: perspective of Nordic businesses' with the three Nordic embassies Embassy of Sweden, Royal Norwegian Embassy and Royal Danish Embassy at a hotel on October 29.

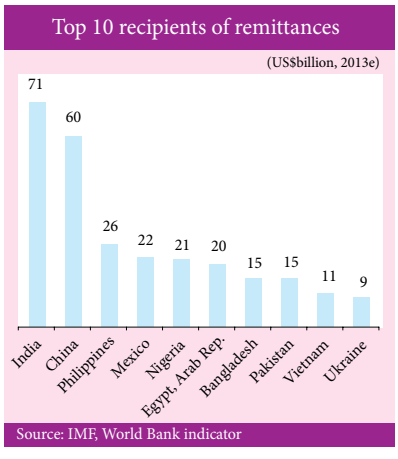
Bangladesh Bank Governor Atiur Rahman participated as the chief guest in the panel. Swedish Ambassador Anneli Lindahl Kenny and John McKenzie, head of SEDF, International Finance Corporation, participated as special guests. NCCI President Shamim Ul Huq also took part in the panel discussion.

The main objectives of the survey were to monitor the business confidence of Nordic companies in Bangladesh, to assess Bangladesh's future role among the emerging Asian economies, to gather the joint experience and knowledge of Nordic companies in order to facilitate for future establishment of Nordic companies in Bangladesh and to be able to better understand trends in the Bangladeshi business environment as the survey will be repeated yearly.

The survey was sent to a total of 55 companies, of which 46 are NCCI members and 9 non-members. Out of the 55 invited companies, 37 responded corresponding to a response rate of 74 per cent among members of the NCCI and 33 per cent from non-members. The survey was conducted from December 1, 2012 to January 15, 2013.

Remittance : Bangladesh among top 10 earners

Bangladesh is among the top 10 recipients of officially recorded remittances for 2013, which is larger than the national foreign exchange reserve, says a World Bank report. In the last several years, Bangladesh's foreign exchange reserve continued to swell crossing the $16-billion mark. Meanwhile, the country's forex reserves stood at $18.7 billion on 30 December, according to Bangladesh Bank.



The developing world is expected to receive $414 billion in migrant remittances in 2013, an increase of 6.3 percent over the previous year which is projected to rise to $540 billion by 2016.

The top recipients of officially recorded remittance for 2013 are India (with an estimated $71 billion), China ($60 billion), the Philippines ($26 billion), Mexico ($22 billion), Nigeria ($21 billion), and Egypt ($20 billion). The other large recipients are Pakistan, Bangladesh, Vietnam, and Ukraine, according to a feature report of the World Bank.

Globally, the world's 232 million international migrants are expected to remit earnings worth $550 billion this year, and over $700 billion by 2016, says the latest issue of the World Bank's Migration and Development

Brief which was published on October 2. As a percentage of Gross Domestic Product (GDP), the top recipients of remittances, in 2012, were Tajikistan (48 percent), Kyrgyz Republic (31 percent), Lesotho and Nepal (25 percent each), and Moldova (24 percent), the report said.

Bangladesh, Myanmar coastal vessel service to start in February

Plying of coastal vessels between Bangladesh and Myanmar to carry goods will start in February 2014, according to officials of Shipping Ministry. Officials of the two countries finalised in October the draft of the Standard Operating Procedure (SOP) for plying the vessels.

A 10-member Bangladesh technical committee, headed by Joint Secretary of the Ministry of Shipping Md. Alauddin, visited Myanmar in October to see the ports of call which the Bangladeshi vessels will touch during plying along the neighbour's coast.

A senior delegation member told that out of six ports of call primarily selected in Myanmar, Bangladesh initially will use Mongdu, Sittwe, Pathein, and Yangon ports for coastal vessel operation. He said during the visit the team members saw the facilities available at the ports of call. They found that the existing facilities in the ports were good enough to start plying of the coastal vessels.

Sources said a technical committee from Myanmar will visit Bangladesh in January to see the ports of call they have selected. Myanmar wants to use Chittagong, Teknaf, and Narayanganj ports as ports of call for their vessels. Officials said only non-conventional small-sized vessels, having capacities of carrying below 6,000 tonnes of goods, will be allowed under the arrangement.



They said 20 to 25 Bangladeshi small sized vessels are ready to start sailing towards Myanmar once the necessary formalities are done. But the frequency of vessels plying will depend on the volume of cargo available for transportation. The bilateral trade between Bangladesh and Myanmar stood at $79 million in fiscal year 2011-12.

During the fiscal year Bangladesh exported goods to Myanmar worth $13.45 million and imported goods worth $65.55 million. Bangladesh mainly exports steel products, light engineering machinery, cement, dry foods, medicines and cosmetics to Myanmar. On the other hand, it imports timber, fish, spices and synthetic footwear from there.

Chinese firm to invest Tk 14b for garment village
BGMEA and BKMEA set to form joint company

A Chinese firm has shown interest to invest Tk 14 billion for land and infrastructure development of the proposed garment industrial park at Bausia in Munshiganj, sources said. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) will jointly form a company to sign a deal with the Chinese company. Negotiation is going on to set the terms and conditions of memorandum of understanding for Tk 14 billion fund with the company. The BGMEA and the BKMEA leaders held a meeting in this regard at BGMEA on November 14.

Sources said the Chinese company has sought guarantors of their fund. The apparel leaders too held several rounds of talks with the leaders of the Bangladesh Association of Banks (BAB) and the Association of Bankers Bangladesh (ABB) and they have agreed. Some seven to ten commercial banks are likely to take the responsibility. The loan will be available at a rate of four per cent.



The two apex trade bodies will formulate a guideline regarding allocation of plots. The guideline says a garment factory that annually exports more than $12 million needs to pay 40 per cent of the total price of plot as down payment with three years of repayment period. Manufacturing units with annual exports less than $12 million have to pay 20 per cent of the plot's price with a repayment time of four years. Priority will be given to those factories located in shared or rented buildings in allocating plots.

In June last, the BGMEA and the BKMEA invited expression of interest from apparel makers to know about their willingness in shifting factories to the Park. They

got applications for allocating plots on 2,200 bighas of land while the capacity is 577 plots totalling 1,100 bighas.

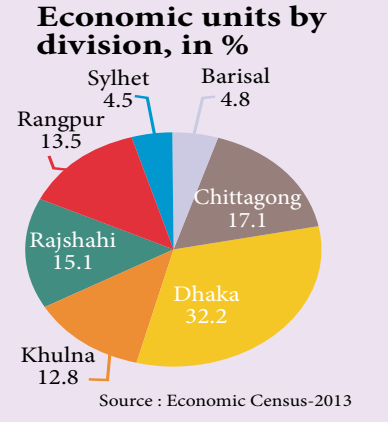
The demand for setting up the garment village for relocation of the rented and vulnerable garment units has become strong after the Tazreen fire incident. Later, the Rana Plaza collapse that killed more than 1100 workers, highlighted the need for speedy relocation. These incidents drew extensive local and global attention and the global buyers asked for ensuring health, fire safety and other compliant issues.

Buyers' demand for proper working environment with Bangladesh's emergence as the second largest RMG exporter after China and the surging export demand also forced the government to think about the garment village. The government has finally allocated 500 acres of land for the garment palli at Bausia.

The process of land acquisition has been completed by the government authority concerned. The BGMEA and the BKMEA have been asked to pay the amount which is about Tk 7.77 billion. The two associations are expected to pay the amount within two months. The garment industrial park will have plots with infrastructural facilities, utility services, medical facilities, CETPs (central effluent treatment plants), day-care centres, roads, drainage facilities, waste-dumping yards, fire-fighting equipments, banks, insurance offices and IT (information technology) parks.

Economic units up 118pc in past decade

The last ten years saw an accelerated growth of economic units on the back of rapid expansion of the service sector, the preliminary report of Economic Census 2013 revealed on November 17. An economic unit



is any player that contributes to the country's gross domestic product, starting from rickshaw-pullers to large garment factories. Agriculture has been excluded from the survey as the statistical agency conducts a separate census for it.

Conducted by the Bangladesh Bureau of Statistics between March 31 and May 31 this year, the survey found the number of economic units to be 8.075 million up 118 percent from the previous edition of the survey published in 2003. The total number of economic units in 2003 was 3.708 million, an increase of 71 percent from 1986, when the first edition of the survey came out. The purpose of the study is to investigate the nature of structural change that has occurred in the economy over the last decade and to provide comprehensive statistical information for economic and social development planning as well as policy making.

For the survey, a complete list of all establishments and households of the country was prepared. But only economic units, except agriculture, were separated from the list and enumerated in the census. The survey covered temporary and permanent establishments and economic households. The study defined temporary establishment as an economic unit organized in a temporary structure and permanent establishment as having fixed location and permanent structure. Households with non-agricultural economic activities such as cottage industry, shop or workshop are defined as economic households.

The data released at an event attended by Planning Minister AK Khandker and Finance Minister AMA Muhith shows that 72 percent of the total economic units are in rural areas, compared with 62 percent in the earlier edition. The remaining 28 percent of the economic units are in the urban areas. Particularly encouraging were the figures from the once poverty-prone Rangpur division, which has experienced substantial growth at micro-level economic activities over the past decade. The total number of economic units in this division in 2013 was 1.088 million, up significantly from 406,000 in 2003 survey.

At the division level, large variation still exists in economic activities. The highest number of economic units was in Dhaka, of 2.599 million, followed by Chittagong 1.385 million, Rajshahi 1.218 million, Rangpur 1.088 million, Khulna 1.035

Distribution of Economic Units by three Economic Censuses.

Census Years	Unit/ Percentage	Permanent Establishement	Temporary Establishemnt	Economic Household*	Total Economic Unit
2013	*Unit*	4534616	501690	3039398	**8075704**
	Percentage	56.2	6.2	37.6	100.0
2001 & 03	*Unit*	2991238	335851	381055	**3708144**
	Percentage	80.7	9.1	10.3	100.0
1986	*Unit*	1561949	62041	545429	**2169419**
	Percentage	72.0	2.9	25.1	100.0

**Economic Census(EC) 2013 includes premise based economic activities as well as floating economic activities taking place outside the households without having any structure but operated by households, while EC 2001 & 03 coveredonly premises based economic activities by housholds.*

million, Barisal .038 million and Sylhet .036 million. The study found that permanent establishments in Bangladesh have been increasing over the past decade. The number was 1.562 million in 1986, which rose to 2.991 million in 2003 and 4.534 million in 2013, meaning growth over the last ten years is higher than that occurred over the preceding 17 years. "It implies that Bangladeshi economy is getting sustainable and moving towards formalisation," the preliminary report said.

As for household-based economic activities, the findings of Economic Census 2013 reveal that they have expanded "tremendously" during the study period. The number of economic households is 3.039 million in 2013, which was .038 million in 2003 and .054 million in 1986. Meanwhile, the service sector activities like wholesale and retail trade including pair of motor vehicles and motorcycles occupy the highest share of 45.91 percent, followed by transportation and storage 13.65 percent, manufacturing 11.76 percent and other service activities 8.48 percent.

Mobile banking crosses 10 million milestone

The number of mobile banking subscribers has crossed the 10 million mark. The number of mobile banking accounts has nearly doubled to 12.4 million in seven months from 5 million in April, according to Bangladesh Bank (BB).

Mobile banking subscribers increased 11.79 percent to 9.98 million in October, rising from 8.93 million in September, BB data shows. Transactions through mobile banking stood at Tk 5,090 million in October. As part of the government's financial inclusion programme, the central bank has allowed 27 banks to provide mobile-banking; to date, 19 have launched the service.

A lot of enthusiasm is centering around mobile banking as BB is promoting commercial banks to develop their mobile-based financial services, the central bank said in a statement. Launched in 2011 by two private banks, mobile phone-based financial services have became popular in the country, it said. Using a mobile phone and without making a visit to a bank branch, a customer can transfer money, receive salaries or pay bills from their accounts through mobile banking.

The central bank has allowed mobile banking systems to provide almost all services from disbursement of inward remittances to cash in and out, person to business payments, business to person payments, person to government payments, government to person payments and person to person payments. Customers are also allowed to make some other payments such as microfinance, overdrawn facility, insurance premiums and deposit schemes.



Study sees good potential for Bangladesh mobile finance service

Bangladesh is a good potential market for the mobile finance service and smartphone penetration is also growing here because of the affordable prices of devices and services, the Telenor Group has said in a study. "Particularly for young, working-aged Asians, mobile payment options show strong trial and overall interest, and we're continuing to find new ways to serve them," said Executive Vice President and Head of Asia Operations, Telenor Group, Sigve Brekke on December 4.

The TNS (Taylor Nelson Sofres), a London-based leading market research and market information group, made the study on global Mobile Life which uncovered major mobile connectivity differences in countries across emerging Asia. Mobile wallet services could be a major source of revenue for retailers and mobile service providers, according to the TNS global study. More than 35 million mobile internet users are connected with the six mobile phone operators in Bangladesh. However, smartphone penetration is less than 10 per cent of the total users.

The study also mentioned that paying for products and services via SMS, mobile phone app or by touching mobiles to in-store sensors would become a common practice in emerging Asia in the coming years. Purchasing mobile air time, paying bills and buying gas and fast food have the most growth potential. The study highlights strong challenges of mobile data in developing markets. The tangible benefits of mobile data - applications, mobile Internet - are available primarily on smartphone platforms, and their high cost has been the main obstacle to widespread ownership in the recent years in Telenor Asia's markets - Pakistan, India, Bangladesh, Thailand and Malaysia. Drawing 38,000 people from 43 countries, the surveyed were asked in online and face-to-face interviews to provide information and answer a series of questions related to the role of mobile technology in their lives.

Western Marine secured contract to build vessel for New Zealand

Western Marine Shipyard has signed a US$6.6 million agreement with the New Zealand government to build an oceangoing ship, boosting the country's shipbuilding industry. This is the sector's first agreement with a government, said Md Sakhawat Hossain, Managing Director of Western Marine Shipyard.

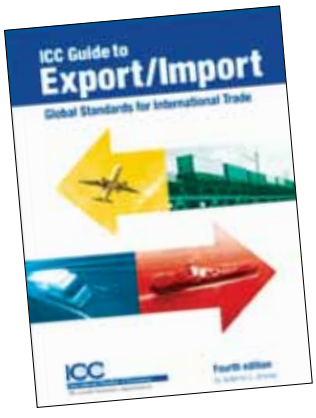


The deal was signed between Western Marine and Ministry of Foreign Affairs and Trade of New Zealand for building a passenger ship, which will comply with the highest safety measures under the SOLAS (Safety of Life at Sea) convention. Western Marine won the project work through an international tender that was called on September 2013 by New Zealand. A total of 12 shipyards were selected from Australia, Bangladesh, China, New Zealand, Poland and Singapore for the tender.

British classification Society, Lloyd's Register Group, will oversee the construction of the ocean going vessel. The ship has been designed by Danish firm Knude E Hansen. The 43-metre long ship will be spacious and able to comfortably carry 60 passengers in addition to 50 tonnes of cargo and supplies. Considering the risks in open waters and the long duration of voyage, passenger conform will be given the highest priority in vessel design.

The ship will be built for Tokelau, a territory of New Zealand in the South Pacific Ocean. The Tokelau administration will use the ship to carry passengers from Tokelau to Samoa Islands, which is a voyage spanning a few days. The ship will be delivered by December 2014.

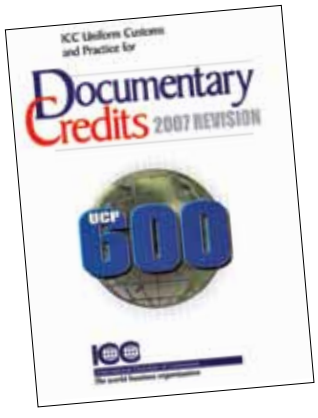
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Regional News

Global Social Business Summit in Kuala Lumpur ends with renewed focus to eradicate social ills

Social business, Nobel Laureate Professor Muhammad Yunus's latest area of passion, not only generates lasting social impact, it can also lead to tangible business benefits, a study by Boston Consulting Group (BCG), a leading management consultancy firm, found. "A charity dollar has only one life. A social business dollar can be invested over and over again," said Yunus, also the co-author of the report titled 'The Power of Social Business'.

Launched formally on the second day (November 08) of the fifth edition of Global Social Business Summit in Kuala Lumpur, the report took a closer look at ten social businesses operating in Bangladesh from the perspective of a corporate organization. According to the corporations surveyed, the most important business benefit that social businesses can provide is the potential for learning and innovation.



All along the value chain, companies have found that approaches and innovations aimed to better reach those most in need in fact can also have broader commercial applications and can be a source of competitive advantage for the core business. A less tangible but equally important business benefit is providing a sense of purpose and personal and professional development opportunities to employees, the BCG study found.

Companies engaging with social businesses can provide their employees experiences particularly valued by today's "Millennial" generation—thereby strengthening employee engagement, job satisfaction and retention. "Social business can be a powerful vehicle for corporate social engagement as it allows companies to directly use their skills, expertise and business network," Ulrich Villis, European leader of BCG's Social Impact practice and co-author of the report, said while presenting the report at the Global Social Business Summit in Kuala Lumpur.

"By aligning social activities with the core business in this way, they can also become a source of innovation and competitive advantage. Beyond the social benefit, also the partnering corporations can benefit from the social businesses." While several of the social businesses are still in the learning stages, others—such as Grameen Shakti and Grameen GC Eye Care Hospital—have already achieved social impact, significant scale and financial self-sufficiency, he said.

A social business is a company created for social benefit rather than private profit. It has a social or environmental mission, but like a business, it generates revenues to, at a minimum, cover its cost, the combination of which is a "tough task". "But in Bangladesh, social businesses have been very creative in reaching their goals." The three-day summit ended November 9 in the Malaysian capital with a renewed focus to rid the world of its most pressing social ills through the new business model.

Malaysian Prime Minister Mohammad Najib Razak, who graced the closing ceremony of the three-day event attended by more than 600 delegates from over 40 countries, declared himself a follower of social business and went on to shower praises on Professor Muhammad Yunus "for coming up with the idea that can change the world for the better". "It has struck me as a very workable model because it complements the traditional business model," he added.

On the third and final day, a panel discussion on how culture and arts can support social business took place, where Yunus and Hans Reitz, head of Global Social Business Summit, also spoke. As in the previous four occasions, the summit also saw signings of a number of agreements. Yunus Social Business (YSB), a German-based organization which helps create social businesses around the world, signed a memorandum of understanding with the government of Veracruz in Mexico for the purpose of setting up a social business fund in the Mexican port city.

Under the deal, the government of Veracruz will invest $4.5 million into a social business fund for the state of Veracruz and to start a Holistic

Social Business Movement, which includes an incubation centre. This investment will help create a supportive environment within which social businesses can thrive.

YSB also penned another agreement with Florida Ice and Farm Company (FIFCO), a Costa Rican food and beverages company, to set up a social business called Nutrivita. Nutrivida will launch four nutritional (fortified) products—baby cereal, powdered chicken soup, powdered drink and a complete meal called nutripack—to fight poor nutrition in Costa Rica and other Central American countries.

The Grameen Creative Lab, organiser of the annual summit, also announced that a Social Business Climate Innovation Fund, a cooperation between Yunus Social Business (YSB) and my Climate, a Swiss non-profit dedicated to voluntary carbon offsetting measures, has been set up to develop sustainable climate innovations.

It also signed a partnership agreement with the city of Berlin.

Trade growth prospects dismal for Asia-Pacific
ESCAP launches trade and investment report

Export growth will stay below its historical rates of just over 5 percent in 2013 and 6 percent next year, due to overdependence on large countries outside and inside the Asia-Pacific region, the latest Asia Pacific Trade and Investment Report revealed on November 18. Since 2011, trade growth has been continuously slowing down, with the import growth lingering around 1 percent per annum, the report said.

The Asia-Pacific region continues to face the risks and uncertainties associated with sluggish economic recovery in developed countries and rebalancing in China and other large emerging economies, according to the report. Jobless growth and worsened inequalities may lead to increased vulnerabilities of the poor and heightened social instabilities, the report said.

"So, we need re-shaping the export-led growth model to inclusive economic growth model to reduce rising inequalities in income among the Asia-Pacific nations," said Ravi Ratnayake, director of the trade and investment division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), at the launch of the report in Bangkok. Two economic powerhouses—China and



India—have benefited greatly from the export-led growth model, while other countries of the region faced inequalities as it was not "inclusive of them", he said.

Ratnayake went on to urge the countries to identify trade policies that will create more jobs for them. "We need a sustainable growth model for the region." He said the intra-regional cost is higher in the Asia-Pacific region than in other regions. "We need a more liberalised trade policy for this region to boost trade ties among the nations of this trade bloc," the ESCAP director said.

The report emphasised that the answer is not to abandon trade-and investment-led growth, but to base it on principles of inclusive trade and investment.

"We are trying to escape from one recipe for all," said Mia Mikic, chief of trade policy and analysis section of ESCAP. Three key driving forces—access to education, access to information labour forces—are focused for inclusive economic growth, she said. The third trade and investment week will continue until November 22.

Performance of South Asian countries in EIU Global Food Security Index Survey

Bangladesh has retained its position at the 81st place among 107 countries in the global food security index (GFSI) 2013 prepared by the Economist Intelligence Unit (EIU). In the GFSI 2012, Bangladesh was placed at the same position among 105 countries while other South Asian countries, namely, Sri Lanka, India, Myanmar and Pakistan have been placed at 60th, 70th, 74th and 75th positions respectively in GFSI 2013. Bangladesh is in the group of low-income countries --- those having per capita income of US$ 1,025 or less .

However, Sri Lanka, India, Myanmar and Nepal lost their food security over the last one year. Pakistan also retained its position this year while Sri Lanka was downgraded by two steps and Nepal, India and Myanmar by four steps each over the previous GFSI, said the EIU in its report published on its website on November 8. Afghanistan, Bhutan and Maldives, however, were not included in both the indices.

Bangladesh has upgraded one step to 4th position among 24 low-income countries in the GFSI 2013, in which Myanmar was placed at the top position. Nepal was at the 6th position, according to the index.

Myanmar was at the 3rd position among the low-income countries in GFSI 2012. However, Sri Lanka, India and Pakistan have been placed at 5th, 14th, and 17th places among the 26 countries of the lower middle-income group, each having per capita income between $1,026 and $4,035.

Sri Lanka and Pakistan upgraded their positions from last year's 9th and 19th positions in the chart of middle-income group of countries, whereas India was downgraded one step from 13th in the group as listed in GFSI 2012.

In the GFSI 2013, there are 28 countries in the upper middle-income group, each having per capita income between $4,036 and $12,475. Each of the high-income group of countries has annual per capita income of more than $12,476. Two new countries, Ireland and Singapore, were added to the index this year.

Countries that experienced remarkable improvement in political stability and democratic rights in the past year, such as Myanmar and Sri Lanka, also improved their food security ranking. Democratic reforms, as captured by the EIU's

The Economist Intelligence Unit

Democracy Index, also correlate well with food security. Countries with high levels of corruption are also likely to be less food secure.

The EIU said more than 870 million people globally do not have a secured source of food. In 1996 leaders at the World Food Summit in Rome set a goal of reducing the number of food-insecure people to 400 million by 2015. With an average of just 2.5 million people a year emerging from food insecurity during the last two decades, this target clearly will be missed.

But although the scope of the problem, particularly in the developing world, remains vast, gains have been made, largely through poverty alleviation and innovations that improve market access, increase a household's ability to purchase food and boost the availability of more nutritious crops. The Global Food Security Index 2013, an annual measure of the state of global food security, is the second edition of an Economist Intelligence Unit study, the index said.

LDCs failing to create enough quality jobs despite years of economic progress: UNCTAD

Since 1971, only three LDCs—Botswana, Cape Verde and the Maldives—advanced to the group of developing countries, with Samoa expected to join them in December next year, according to the release of the United Nations Conference on Trade and Development (UNCTAD)'s Least Developed Countries Report 2013. Bangladesh is well-placed to graduate from the league of least developed countries (LDCs) in a decade's time, thanks to the significant progress made in key areas over the past ten years To graduate, Bangladesh needs to have per capita income of $1,190 for three successive years on average. Recently, the government put the per capita income figure at $1,044.

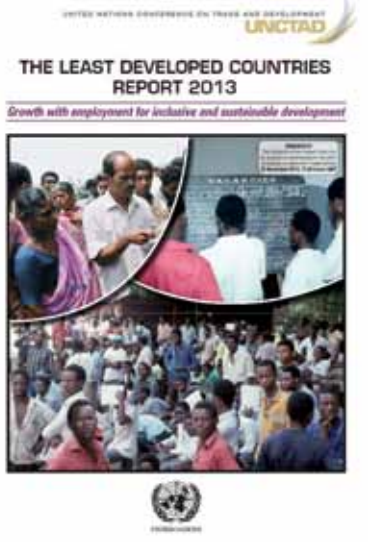
The report said the LDCs have failed to create enough quality jobs for their growing population despite more than 10 years of economic growth. Creating employment opportunities is "critical" because it is "the best and most dignified" pathway out of poverty, it said.

The UNCTAD report calls for a break with "businesses as usual" policies and a shift towards ones aimed at spurring inclusive growth and creation of more and better quality jobs. Noting that 130 million people will enter the labour force in LDCs by 2020, the report put greater emphasis on job creation as a central development objective. Otherwise, international migration or social and political stability may rise, it said.

The central premise of the report is that employment creation on a large scale is intrinsically linked to the development of productive capacities. Between 2000 and 2012, the LDC unemployment rate was 5.5 percent. In most LDCs, youth unemployment is higher than the average LDC unemployment rate for both men and women, and in most cases is almost twice the rate.

The population of LDC, which has the highest population growth rate of 2.2 percent annually, is forecast to grow to 1 billion by 2020 and 1.7 billion by 2050 from 858 million in 2011. The expected working age population is likely to increase by an average 15.7 million per year between 2010 and 2050. Although more women are part of the LDC labour force than ever before, this has not translated into better jobs or less gender discrimination, the report found.

The study proposed a three-pronged approach to job creation which addresses subsistence activities,



tradable and non-tradable, while urging LDC governments to provide solid infrastructure to connect the producers with major centres of consumption. The UNCTAD report recommended that macroeconomic policies need to be reoriented away from a single-minded focus on price stability and budget balance and towards a strategy that is more focused on growth with sustainable employment creation. It also called for financial policies that take the services to the micro, small and medium enterprises and the excluded groups.

Although LDCs' fixed investment hit the highest in 40 years in 2010-11, at 21.8 percent of GDP it was still short of the 25 percent considered necessary to sustain continuous economic growth. The report said the recent slowdown in global trade will have further negative impact on the outlook for LDCs.

Singapore, Hong Kong best for business: World Bank Survey

Singapore and Hong Kong rank the world's best places to run a business, while mainland China remains far down the list, according to the World Bank's annual competitiveness survey released on October 29. The Southeast Asian entrepots and finance centers topped the survey for the eighth straight year, with New Zealand, the United States and Denmark rounding out the top five, as a year ago.

The lower ranks of the 189-country list was populated with African countries like Chad, the Central African Republic and Libya holding. But a rising African country, Rwanda, took honors as the most improved since 2005, praised for its efforts to boost property registration and for simplifying trading and tax procedures.

China, which was furious to receive a ranking of 91 last year and has pressured the World Bank to drop the 11-year-old study, fell five notches this year to 96th place and was leapfrogged by Russia.

The "Doing Business 2014" report said many countries are making it easier for people to start and run a local business, with low-income economies moving more quickly than larger ones to improve.



"Regulation is a reality from the beginning of a firm's life to the end," the report says. "Navigating it can be complex and costly." But in many areas, it added, "there has been remarkable progress in removing some of the biggest bureaucratic obstacles to private sector activity." The rankings focus on what a small or medium-sized business faces in its home country, as opposed to how a multinational giant would fare in the same environment.

The data was based on surveys of more than 10,000 professionals, mostly people who routinely help administer or give advice on legal and regulatory issues in a country.

The countries are scored on a range of issues, from how many days and procedures does it take to start a business, to the length of time to get a power hookup, to the ease of credit and the cost of exporting or importing a container.

Countries credited with progressing the most in the past five years include Rwanda (ranked 32), Russia (92), Ukraine (112) and the Philippines (108). Russia and Rwanda both jumped 20 places from last year, Ukraine gained 25 and the Philippines 30 places.

China is likely to remain unhappy with its rating. It scored particularly poorly on the challenges of starting a business, dealing with construction permits, making tax payments and protecting investors.

Even in trade, the mainstay of the world's second largest economy, it ranked only 74 on the list.

Gas boom to reshape US role in Asia: Study

A boom in gas production will reshape the US role in Asia and could fuel new tensions with a growing, energy-hungry China, a recent new report says. US foreign policy has historically been based largely on demand for outside energy, with Washington closely allying itself with oil-rich Arab monarchies.

But a major increase in gas production — in part through the controversial practice of "fracking" deep underground — has given the United States the prospect not just of energy independence but of playing a Middle Eastern-style strategic role as an exporter, according to industry forecasts.

A report by the Seattle-based National Bureau of Asian Research predicted soaring demand from the continent — led by China — for imported gas. Despite rapid growth, Asia relies on natural gas for just 11 percent of its energy use, far lower than the 30 percent global average, the study said.

Four Western nations — the United States, Canada, Australia and Norway — could control 40 percent of the world's natural gas supply by 2020, said Nikos Tsafos, an expert at consultancy PFC Energy who contributed to the report. Tsafos expected that China's suspicions of US intentions would grow, pointing

to the backlash in Beijing when US lawmakers' concerns about national security led China to drop a bid to acquire former US oil giant Unocal in 2005.

If its worries about the United States mount, China may increasingly look to neighboring Russia for energy or farther afield to countries such as Sudan, Venezuela or Iran, the report said. Amy Myers Jaffe of the University of California-Davis said that China — traditionally focused on Taiwan and other nearby interests — may calculate that it needs to develop its military to secure far-flung oil and gas installations.

Mikkal Herberg of the University of California-San Diego noted that the rise in US energy security comes as the war-weary country cuts its military budget. Asian nations, however, still rely on oil and liquefied natural gas from the Middle East. A reduction of the US role in the region "would have important implications for Asia, since much of its imported oil and LNG comes from the Middle East and is secured by US power in the region and protection of sea lanes from the Middle East to Asia," he wrote.

US President Barack Obama has already declared a "pivot" strategy of putting a greater focus on Asia, which he has said is key to the US future. China has been seeking in the medium-term to reduce its overwhelming dependence on coal, one of the dirtiest forms of energy which is linked to the country's notoriously poor air quality as well as climate change.

China has been pursuing renewable energy such as solar, but gas has grown more attractive as prices drop. Japan, Asia's second largest economy and a US ally, has also been on the prowl for foreign energy after the Fukushima disaster in 2011 led it to shut down nuclear reactors.

China, Singapore to allow direct trading between currencies

China and Singapore have agreed to allow direct trading between each other's currency, Singapore's central bank said on October 22. The move, along with other agreements on financial cooperation, is expected to bolster Singapore's status as a leading offshore trading centre for the Chinese yuan, officially called the renminbi (RMB).

"China and Singapore will introduce direct currency trading between the Chinese yuan and Singapore dollar," the Monetary Authority of Singapore (MAS) said in a statement, adding that details will be announced separately. The statement was issued after a meeting between senior officials from both countries led by Singapore Deputy Prime Minister Teo Chee Hean and visiting Chinese Vice Premier Zhang Gaoli.

China will also grant Singapore-based investors a 50 billion yuan ($8.2 billion) investment quota under its Renminbi Qualified Foreign Institutional Investor programme, MAS said. This would allow investors based in the city-state to use the yuan to invest in Chinese stocks and bonds. The programme "will help to diversify the base of investors in China's capital markets and promote adoption of the RMB for investment", MAS said.



S Korea, Malaysia sign $4.7b currency swap deal

South Korea and Malaysia on October 20 signed a currency swap agreement worth $4.7 billion, Seoul's central bank said, in a move to encourage bilateral trade and help curb currency swings. The latest agreement allows the two Asian nations to purchase and repurchase each other's currency of up to 5 trillion won ($4.7 billion), or 15 billion ringgit, the central Bank of Korea said in a statement.

The deal -- valid for three years and renewable upon agreement -- will allow greater flexibility for businesses



to use local currencies for trades that have been commonly settled in US dollars, the two countries' central banks said in a joint statement. The latest agreement is the third currency swap deal South Korea has signed this month in a move to guard against financial turmoil and encourage trade with other emerging markets. Asia's fourth-largest economy earlier this month struck currency swap deals worth $10 billion and $5.4 billion with Indonesia and the United Arab Emirates (UAE) , respectively.

Myanmar-to-China gas pipeline fully open

A pipeline pumping natural gas from Myanmar to energy-hungry China has gone fully operational, state-run



Chinese media said on October 21. The project, stretching more than 2,500 kilometres (1,600 miles) from western Myanmar to southwest China, will help the world's second-largest economy feed its growing energy needs.

It comes as close political ties between the two nations have weakened, after Myanmar's quasi-civilian regime took office in 2011 and brought in sweeping reforms that have led to the scrapping of most Western sanctions. The pipeline, first launched in July after three years of construction, "has gone into full operation on October 21", the Global Times reported.

It runs from Kyaukpyu on the west coast of Myanmar and will deliver gas to Myanmar and China's energy-deprived southwest, including Yunnan, Guizhou, Chongqing and Guangxi. But critics say the project saw land confiscated from local residents and carries environmental risks. The pipeline also passes through the Chinese border town of Ruili, where fighting erupted earlier this year between Myanmar government forces and the rebel Kachin Independence Army.

The added delivery of 12 billion cubic metres (420 billion cubic feet) a year will cut gas prices and reduce coal use, the Global Times said, while limits on industrial gas consumption will be raised. The pipeline will help China diversify its energy imports, it quoted Lin Boqiang, a professor with the China Centre for Energy Economics Research at Xiamen University, as saying.

Developing East Asia slows, but continues to lead global growth at 7.1% in 2013 : World Bank

Developing East Asia is expanding at a slower pace as China shifts from an export-oriented economy and focuses on domestic demand. Growth in larger middle income countries including Indonesia, Malaysia, and Thailand is also softening in light of lower investment, lower global commodity prices and lower than expected growth of exports, says the East Asia Pacific Economic Update released on October 07.

According to the report, the growth forecast for developing countries in the region is 7.1 percent for 2013, and 7.2 percent for 2014. While this is a slight downward revision from World Bank projections in April 2013, developing East Asia is leading other regions.

Growth in China is expected to meet the official indicative target of 7.5 percent this year. Growth in 2014 is projected to be 7.7 percent, but risks remain related to the restructuring of China's economy – a greater than expected slowdown of investment could have an adverse effect on the region, especially on suppliers of capital goods and industrial raw materials to China.

Excluding China, the region is expected to grow at 5.2 percent in 2013 and 5.3 percent in 2014. While domestic demand continues to drive growth, investment growth is moderating in the larger economies of ASEAN, including



Indonesia, Thailand, and Malaysia. Consumption and resilient remittances helped boost the Philippine economy. Growth in the region's smaller economies was more encouraging: Cambodia benefited from expansion in garment exports and tourism. As the recovery picks up in the US, Japan and the Eurozone, with growth accelerating in the second quarter of 2013, developing countries in East Asia stand to benefit because of their high trade shares in the economy. But they need to be better prepared for potentially disruptive adjustments.

The expansive fiscal and monetary response to the global economic crisis has also built up vulnerabilities in many countries. Authorities need to be ready to respond to a steady increase in interest rates in advanced economies, and redouble their efforts to restore and maintain financial stability.

In the long term, as higher global interest rates are likely to affect investment, accelerating growth and poverty reduction depends critically on advancing structural reforms. Countries need to improve their investment climate and invest more in infrastructure, while making public investment more efficient.

ICC HQs News

ICC hails Bali agreement as welcome news for the world economy

The International Chamber of Commerce (ICC) has hailed on December 7 historic agreement at the 9th World Trade Organization (WTO) Ministerial Conference in Bali as a result that will not only restore confidence in the multilateral trading system but also generate a much needed stimulus of $US1 trillion and 21 million jobs to the world economy. Congratulating ministers and WTO Director-General Roberto Azevedo for their tireless efforts to reach consensus, ICC said that the agreement reached



on trade facilitation was expected to reduce cross-border transaction costs for companies by 10-15% and was significant for businesses in all sectors and of all sizes around the world.

ICC is confident that impetus from the agreement reached in Bali will drive further negotiations at the World Trade Organization (WTO) in Geneva to complete other important elements of the Doha Development Agenda.

World economy edges closer to recovery as Asia regains confidence, ICC-*Ifo* survey reveals

The world's economic climate is brightening, restoring hopes for global recovery after a cautious third quarter, reveals a World Economic Survey published on November 13 by the International Chamber of Commerce (ICC) and the Munich-based economic research institute *Ifo*.



Carried out in partnership with ICC, the latest Ifo World Economic Survey of more than 1,000 economists in 120 countries shows a slight improvement in the current global economic situation and a significantly brighter outlook for the six months ahead. The poll's economic climate indicator has risen to 98.6 for the fourth quarter of 2013, despite dropping to 94.1 in the third quarter.

Upbeat Asia

Following a shaky third quarter, confidence in Asia's economy show a marked recovery, mainly driven by positive expectations in Japan and China. With the region's current economic situation back to "satisfactory", and expectations buoyant for future economic developments, the Ifo economic climate indicator for Asia has risen above its 15 year average.

North America dips

Recent improvements in North America's economic climate stalled slightly as World Economic Survey experts became more critical of the economic situation during the US government's partial shutdown last month. However, the dip in confidence was small and six-month expectations remain positive.

Eurozone lagging but hopes remain high

Confidence in the eurozone has grown markedly, even though economic recovery is lagging behind other world regions. The divide is widening between northern and southern euro economies and although the economic situation has improved overall it remains unfavourable. High unemployment, public budget deficits and weak demand continue to plague several countries.

However, six-month expectations are at their highest for almost three years. Experts are also more confident about economic perspectives for the next 3-5 years. Only one country – Cyprus – expects continued decline. Particularly high optimism in Germany has helped the eurozone's economic climate indicator rise above its long-term average for the first time since 2011.

The ICC-Ifo survey shows Greece, Italy, Portugal, Spain and Cyprus remain in crisis. Germany and Estonia are still the only economies to be scored as "satisfactory to good".

Inflation outlook unchanged

Globally, WES analysts expect a 3.2% increase in prices for 2013, unchanged from the previous two quarters. Estimates for the euro area remain at 1.7% for 2013. Short-term interest rates, set by central banks, are expected to remain largely stable on average over the next six months. However, a growing number of analysts expect a rise in long-term interest rates, which are affected mainly by the capital market. Despite

a slight increase forecast in long-term interest rates over most of the eurozone, decreased or unchanged rates are expected in crisis-afflicted countries. WES economists expect the value of the US dollar to grow moderately over the next six months, and the US dollar to appreciate against the euro. Most believe the euro is overvalued against the US dollar and the Japanese yen.

Spotlight on trade facilitation

In the run-up to the World Trade Organization's meeting of ministers in Bali, two special ICC questions in the survey focused on trade facilitation.

WES economists were asked if governments should conclude an agreement on trade facilitation to simplify customs procedures. In every world region, at least 94% answered that they "agree" or "strongly agree". Consent is particularly pronounced in North America, where 100% of respondents would like to see customs processes simplified. Support is lower in countries specializing in goods such as agricultural products, steel and lumber, where trade facilitation is perceived to bring less substantial gains.

Most respondents also believed governments should agree to employ alternative, pragmatic negotiating approaches to liberalize world trade within a multilateral framework. Support was highest in North America where 94% of respondents agreed with this approach, most of them "strongly". Consent appears slightly lower in the Near East, Africa, Eastern Europe and the CIS countries.

ICC Executive Board looks forward to post-Bali agenda

Meeting at ICC headquarters in Paris just days after the World Trade Organization (WTO) approved agreements – including a deal on trade facilitation – in Bali, ICC Executive Board members applauded the ICC global network for the influential role it had played in pressing governments to reach agreement and bring multilateral trade negotiations back to centre stage.

Through the ICC World Trade Agenda initiative, the ICC network – representing approximately 6.5 million companies in 130 countries – has spent the last two years calling for the deal, which is expected to inject up to US$1 trillion into the global economy annually and create 21 million jobs.

The ICC Executive Board said that such agreements, including mega-regionals, should now be considered to shape a policy approach that is both comprehensive and centred on multilateralism. The ICC Board further expressed support for plurilateral agreements under a WTO framework, such as an agreement on trade in services, which would remove barriers to global exports of tradable services, adding as much as another US$1 trillion annually to the global economy and creating up to nine million jobs. They also called for expanding the Information Technology Agreement and moving forward on a multilateral framework on investment.



Not only have achievements in Bali rekindled confidence in the WTO as the most inclusive forum for negotiating trade liberalization and new rules, they also mark a new era in multilateral trade negotiations and an opportunity for business, with a new drive to open markets globally under a renewed post-Bali multilateral trade and investment policy agenda.

The ICC Executive Board reconfirmed ICC commitment to further business input to the WTO as it moves forward post-Bali, and agreed that the time had come for the organization to consider alternatives to the "single-undertaking" approach to negotiations – a rule from the 1980s whereby everyone must agree to everything before there can be agreement.

ICC's contribution to achieving the Bali Package and in reinvigorating trade negotiations at the WTO are at the centre of the ICC mission to promote cross-border trade and investment as a means of fostering peace and prosperity. Success in Bali has highlighted how the voice of world business can make a difference in the world, not only for business but for everyone dependent on the global economy.

World Chambers Federation announces Council election results

ICC World Chambers Federation

The World Chambers Federation (WCF) has announced the results of elections in which 46 chamber leaders from around the world stood to fill 20 seats on the WCF General Council. More than one third of ICC WCF chamber members, from over 125 countries, submitted votes for their 20 preferred representatives using an online election platform. The Council comprises 50 members with representation from transnational, national, regional, local, public and private law chambers, large and small.

The final composition of the Council sees representation from all parts of the membership worldwide, comprising 10 representatives from the Americas, 10 representatives from the Africa/Middle East region, 12Asia representatives and 18 representatives from Europe.

The Council will be responsible for determining the policies and programmes of WCF and each elected member will serve for a period of three years. Seven transnational chambers, holding memorandums of understanding and cooperation agreements with ICC also have positions on the Council.

Certificate of Origin experts meet in Paris to strengthen trade documentation

Trade experts from Chambers of Commerce in more than 30 countries have met at the ICC Hearing Centre in Paris for the latest in a series of dialogues on recent developments in Certificates of Origin (CO), including electronic certificates of origin (eCOs), the issuance of preferential certificates of origin (PCOs), and Self-Certification. The



talks help strengthen cooperation between chambers of commerce, reinforcing the central role of trade documentation in global trade facilitation.

Discussions were chaired by Peter Bishop, Deputy Chair of ICC World Chambers Federation (WCF) International CO Council, and Deputy Chief Executive of the London Chamber of Commerce.

He said: "It was encouraging to see such an impressive array of participants representing over 30 countries, all aiming to improve trade facilitation for global businesses of all sizes in meeting origin requirements."

With the ninth ministerial meeting of the World Trade Organization (WTO) in Bali, a presentation by Darlan Fonseca Marti, Economic Affairs Officer at the WTO, was especially significant. Mr Marti showcased recent developments in the WTO regarding Rules of Origin (RO), including the latest work on preferential rules of origin for least developed countries, and on harmonizing non-preferential RO. He also highlighted the importance of the WTO ministerial conference, which took place in Bali, and the hope for a trade facilitation agreement, sharing insight into the opportunities for the business community should an agreement be reached.

Chamber representatives also heard a report from Accreditation Committee Chair, Nigel Rudd, on the status of potential International CO Chain members, together with an overview of the application process to become a CO Chain member.

During the meeting, ICC WCF announced the coming launch of the CO verification website, which will provide Customs authorities the unique opportunity to verify online the authenticity of Certificates of Origin issued by participating chambers. The platform's official launch date is 21 January 2014, timed to coincide with ICC WCF's presence at the next World Customs Organization (WCO) Technical Committee on Rules of Origin (TCRO) meeting in Brussels.

Ethics and compliance Training Book responds to global need

The International Chamber of Commerce (ICC) has released a new Ethics and Compliance Training Handbook. This invaluable reference tool offers practical solutions for business to attack corruption at its source. The handbook will be particularly useful for professionals working in compliance in both small structures and large organizations, in OECD countries as well as emerging countries.



The global business community, as represented by the B20, has identified the need to develop training materials and provide concrete practical training on anti-corruption compliance. The new Ethics and Compliance Training Handbook is a direct response to this call. This Training Handbook will serve as the cornerstone of a global training programme, which ICC will develop and deliver jointly with its network of national committees and chambers of commerce around the world.

Each chapter has been conceived as a training session module on a key compliance topic. Among the 17 subject areas covered are risk assessment, training and education, whistle blowing, internal investigations, resisting solicitation, joint ventures, and the ICC anti-corruption clause.

Through this Handbook and the training sessions based on its

successive chapters, the compliance officers of today and tomorrow will benefit from the hands-on expertise of some of their distinguished fellow practitioners in the field of corporate integrity and compliance.

Each of the contributing authors are either past or present compliance officers from a leading ICC-member companies, many of who are also long-serving members of the ICC Commission on Corporate Responsibility and Anti-corruption.

The handbook will be particularly useful for professionals working in compliance in both small structures and large organizations, in OECD countries as well as emerging countries.

As the largest international business network, bringing together millions of companies worldwide, ICC takes a leading role in advocating high standards of corporate governance based on ethical business practices. In 1977, ICC became the first international organization to issue a set of Rules and Recommendations prohibiting all forms of bribery in business transactions.

New ICC Mediation Rules unveiled at global launch event

The new ICC Rules of Mediation were unveiled on December 4 at a global launch conference attended by some of the company representatives set to benefit from the new Rules, together with leading experts in mediation and dispute resolution.

Coming into force on 1 January 2014, the new ICC Rules will replace the ICC ADR Rules that have been used for amicable dispute resolution worldwide since 2001. The new Rules have been adapted to help parties resolve even the most complex cross-border disputes quickly and reliably. Changes include the setting of mediation as the default technique, as well as increased support from the ICC International Centre for ADR, the body administering the new Rules.

Available in eight languages, with further languages ready soon, the Rules are accompanied by a new publication for users, the ICC Mediation Guidance Note. They were revised by a taskforce of 90 specialists from 29 countries – made up of mediation users, mediators, counsel and other dispute resolution experts – and validated by ICC's Commission on Arbitration and ADR, whose members represent some 100 countries.

Chris Newmark, who is Vice-Chair and incoming Chair of the ICC Commission on Arbitration and ADR, and Partner, Spenser Underhill Newmark (UK), chaired the specialist taskforce and was part of a smaller drafting group that made initial revisions to the ICC ADR Rules

Why the new name? When the ICC ADR Rules were drafted some thirteen years ago, they were tailored to fit all amicable dispute resolution techniques, including mediation, conciliation and other techniques. Now, with more than 90% of ICC's cases filed since 2001 reverting to mediation, the new Rules set mediation as the default approach to reflect this reality, while still allowing parties to use other dispute resolution techniques if they prefer.

Under the new ICC Mediation Rules, the role of the ICC International Centre for ADR will be strengthened in a number of ways. It will help disputing parties to consider using mediation as an efficient way to settle their disputes, and support them in overcoming procedural hurdles before they reach the table. This includes setting the language and place of the mediation meeting, even without previous agreement.



Mediation is usually considerably faster and cheaper than other dispute resolution procedures, taking just one or two meetings with a trained mediator for parties to overcome the stalemates often encountered in direct negotiations. It also allows parties to decide the exact terms of their settlement, to help reach an outcome that respects their financial, legal, reputational and future-business interests.

Since 2001, the ICC International Centre for ADR has mediated cases worldwide involving more than 70 nationalities. Over 75% of the cases transferred to the mediator concluded with a settlement.

Sylvia Tee appointed as Director of ICC Arbitration and ADR, Asia

The International Chamber of Commerce (ICC) welcomes Sylvia Tee as its new Regional Director for ICC Arbitration and ADR in Asia. Ms Tee will took up the position, based in Singapore, on 12 November 2013. Currently Senior Associate in the Litigation Department at Allen & Gledhill, Singapore, Ms Tee will bring a diverse working experience of international arbitration to her new ICC role.



As one of ICC's four Regional Directors, Ms Tee's main task will be to promote, throughout Asia, ICC's

range of dispute resolution services for the resolution of domestic and international disputes. She will promote ICC Arbitration, other ICC dispute resolution services and the ICC Young Arbitrators Forum (YAF) activities across the region.

Ms Tee has handled a range of commercial litigation and arbitration cases in recent years, including shareholders' disputes, banking disputes, claims for breaches of directors' duties and professional negligence claims. While on secondment to the Legal Policy Division of Singapore's Ministry of Law in 2012, she was involved, among other things, in the amendment of the International Arbitration Act.

Ms Tee succeeds Kim Kit Ow, who has held the position since 2009.

Ms Tee's appointment in Asia comes at an eventful time for ICC dispute resolution worldwide with the International Court of Arbitration® of the International Chamber of Commerce celebrating its 90th anniversary this year and significant developments being made including the opening of an office in the heart of New York City to administer ICC arbitrations in North America.

ICC urges governments to show bolder steps for a globally effective climate agreement in 2015

The UN Climate Change Conference in Warsaw ended third week in November keeping governments on a pathway towards a universal climate agreement in 2015. While



ICC has welcomed the decision to cut emissions from deforestation, high levels of uncertainty still remains around ambitions for emissions reductions, how they would be applied and how an agreement would work in practice.

While the Warsaw climate compromise keeps hope for a global climate agreement, ICC said that longer-term predictability and clear market signals were vital to managing the impacts of climate change and to unlocking the role of the private sector as solutions innovator, financier and investor.

However, in order to tackle climate change with the required urgency, more must be done to facilitate the transition towards a lower emitting economy, such as more innovative investment channels in mitigation and adaptation initiatives.

But accelerating and scaling up climate solutions at a faster rate also requires more clarity and the right enabling frameworks to level the global playing field, ICC said on behalf of global business. Lack of trust and confidence in the multilateral system has had a detrimental effect on these efforts.

ICC also welcomed UN Secretary General Ban Ki-moon's invitation to governments, private sector leaders, local government and civil society, to a climate summit in New York in late September 2014. With a global network reaching 6.5 million enterprises, ICC was a key representative of the business sector in Warsaw.

Chair of the ICC Commission on Environment and Energy Kersten-Karl Barth, actively participated in a number of panel discussions to promote business views while ICC also contributed to dialogue between business, government and the inter-governmental system by hosting and supporting several events which included discussions ranging from energy efficiency investments, technology cooperation and energy transition towards viable low carbon infrastructures to practical business solutions for a global deal in Paris in 2015.

New ICC institute dossier tackles third party funding in international arbitration

The International Chamber of Commerce (ICC) Institute of World Business Law has published Dossier X: Third-party funding in international arbitration, the 10th Dossier in its renowned series on new practices in international arbitration.

Third-party funding, is a relatively new - and controversial - solution for helping parties to access costly international arbitration proceedings. While it has been embraced by Anglo-Saxon countries, others remain suspicious. ICC analysis of this controversial topic draws on debates between leading international arbitrators and practitioners, and major third-party funding corporations.

Co-editors, Bernardo M. Cremades and Antonias Dimolitsa, hope Dossier X will not only contribute new understanding to the ever-



evolving debate on the risks of third-party funding, but also clear the picture for anyone working in the increasingly complex field of international arbitration.

Dossier X: Third-party funding in international arbitration gives insight into the latest third-parties funding techniques, the range of legal issues raised and the potential reactions of international arbitration practitioners.

The Dossiers are the outcome of the International Chamber of Commerce (ICC) Institute of World Business Law's annual meetings, where experts from around the globe converge to debate salient issues of international commercial law. They are inspired by the wish to see international arbitration practices develop in a way that is compatible with the basic principles that ensure all parties' rights.

This year, the Institute's 33rd Annual meeting will focus on International Arbitration and Substantive Applicable Law and is set to take place on 5 December in Paris.

ICC announces new appointments to Banking Executive Committee

ICC has announced three appointments to its Banking Commission Executive Committee to provide technical direction to the leading global policy and rule-making body for the banking industry. Announced October's last week during an ICC Banking Commission Meeting in Vienna, the evolution has taken place as part of planned growth of the leadership structure, which was initiated less than one year ago. Since 2012, the Banking Commission has been seeking new members, with the required expertise, to ensure that new areas of expertise are fully covered.

The new appointments are as follows:

Neil Chantry, Global Head of Policy and Compliance, Global Trade and Receivables Finance at HSBC is appointed as new Head of the Executive Committee.

Mathieu Le Brigand, Global Head of Supply Chain Management at BNP Paribas joined the Executive Committee and will supervise the development of new projects on supply chain financing and open account.



Andrea Hauptmann, Head of Guarantees at Raiffeisen Bank International also joined the Executive Committee. In addition, Andrea Hauptmann will retain her position as Head of the ICC Banking Commissions Guarantees Task Force.

The ICC Banking Commission Executive Committee comprises nine officers, each supervising a specific line of service. Changes at the top of the commission triggered an opportunity to add new officers in order to align the commission's resources to new mandates and meet the aspirations of the renewed membership.

This structural growth is in line with the commission's objective to remain a relevant and recognized authority within the ever-evolving trade finance industry.

In July 2013, the ICC Banking Commission appointed three new Technical Advisors to consolidate its advisory function for newly-established industry standards and put itself in a position to develop ICC's standard-setting initiatives ever further.

New qualification launched for demand guarantee specialists

ICC and the Institute of Financial Services (IFS) on October 24 launched a new level-4 qualification for demand guarantee specialists. The Certificate for Specialists in Demand Guarantees (CSDG) will be delivered and examined by the Institute in partnership with ICC, who will provide content and source material for the qualification.

The launch of CSDG marks another important step in the provision of a key set of professional standards for international trade professionals, following the renewal of the partnership between the Institute and ICC in relation to the Certificate for Documentary Credit Specialists (CDCS®). CSDG will provide a globally-recognized qualification for demand guarantee specialists - the professionals who manage and oversee the often complex processes relating to international trade guarantees - and will be available for registrations from January 2014.

CSDG will cover all of the key areas and aspects that demand guarantee specialists are expected to understand and practice. This includes the main features of a demand guarantee, the industry rules, standards and guidelines that govern guarantees and standby letters of credit, the processes and challenges involved in demand guarantee transactions



and the roles, and obligations of the parties to a standby letter of credit and the relationships between them.

Anne Kiem, CEO of the Institute said: "The launch of CSDG by the UK's leading professional financial services body, in partnership with the world's foremost business organization represents an important step in strengthening and enhancing the governance of international trade. It also provides significant global recognition of the highly technical work that demand guarantee specialists undertake in an increasingly complex area."

Thierry Senechal, Senior Policy Manager of the ICC Banking Commission said: "The Certificate for Specialists in Demand Guarantees is a positive development for those wishing to achieve a recognized qualification in this often complex discipline. Its introduction, in partnership with ICC, alongside the long established and respected CDCS qualification is welcomed and strongly supported. I am delighted that the core text to be used for this qualification is our Guide to ICC Uniform Rules for Demand Guarantees URDG 758."

New ICC contracts training triumphant

ICC's newly launched advanced training programme on drafting international contracts has proved successful, drawing a full house of legal practitioners, corporate counsel, sales managers and businesspeople involved in international trade to the inaugural session in Paris in the



second week of October. Organized under the auspices of the ICC Institute of World Business Law, the practical training, held 7-10 October, attracted 40 participants from 22 countries.

Basil Odigie, Project Manager and independent arbitrator, FCIArb, PMP, (US) said: "As an engineer, it is good for me to know how lawyers actually look at different international contracts and it was interesting to discover how lawyers look at the obligations of different parties." Training attendees took part in intensive working group sessions focused on negotiating and drafting a pre-contractual confidentiality agreement, specific clauses outlined in the term-sheet and negotiating and drafting a dispute resolution clause.

The new advanced training Negotiating and drafting key clauses, dispute resolution, cultural and legal approaches, responds to demand for high-level contracts training taking an in-depth look at specific clauses. As well as imparting knowledge on how to manage cross-border contracts and finance international contracts, the training's dynamic plenary sessions also aim to alert participants to common and potentially calamitous drafting mistakes while coaching them on how to recognize fraud and money laundering attempts.

Led by international experts and held in an international and multicultural environment, the training culminated in a three-hour brainstorming session for participants to ask questions and seek recommendations on the problems they encounter in their daily work. ICC Institute Council Member Kristine Karsten chaired and moderated the training with brio. Ms Karsten also wrote the mock case and elaborated the training programme.

Anyone interested in attending the ICC International Contracts training are advised to mark their diaries for future trainings scheduled to take place on 23-27 June 2014 (basic level) and 29 September - 2 October 2014 (advanced level).

Piracy at sea falls to lowest level in seven years, reports IMB

The International Chamber of Commerce's International Maritime Bureau (IMB) has revealed that piracy on the world's seas is at its lowest third-quarter level since 2006, but warns of the threat of continuing violent attacks off the East and West coasts of Africa.

The latest IMB Piracy Report, published on October 17, shows 188 piracy incidents in the first nine months of 2013, down from 233 for the same period last year. Hostage-taking has also fallen markedly, with 266 people taken hostage this year, compared with 458 in the first three quarters of 2012.



In the first nine months of 2013, IMB's global figures show pirates hijacked 10 vessels, fired at 17, and boarded 140. A further 21 attacks were thwarted. In total 266 crew were taken hostage and 34 kidnapped. One seafarer was killed, twenty were injured, and one is reported missing.

IMB Director Pottengal Mukundan urged caution: "Although the number of attacks is down overall, the threat of attacks remains, particularly in the waters off Somalia and in the Gulf of Guinea. It is vital that ship masters continue to be vigilant as they transit these waters."

Attacks in seas around Somalia continued to fall dramatically, with just 10 incidents attributed to Somali pirates this year, down from 70 in the same nine months of 2012. IMB attributes this improvement to the actions of naval forces engaged in anti-piracy operations, security teams on board vessels, ships complying with the industry's best management practices, and the stabilizing influence of the Central Government of Somalia.

As of 30 September 2013, suspected Somali pirates held two vessels for ransom with 15 crewmembers on board. In addition, 49 kidnapped crewmembers are held on land, 37 of whom have been held for over two years. With fewer attacks off Somalia, attention has moved to the Gulf of Guinea, a hotspot for violent piracy and ship hijacking for many years. The region recorded more than 40 piracy attacks in the first three quarters of 2013, with 132 crew taken hostage and seven vessels hijacked - six tankers and an offshore supply vessel. The Gulf of Guinea accounted for all crew kidnappings worldwide, 32 of them off Nigeria, and two off Togo.

Nigeria, the main source of piracy in the region, accounted for 29 piracy incidents, including two hijackings, 11 ships boarded, 13 vessels fired upon and three attempted attacks. Pirates, often heavily armed and violent, are targeting vessels and their crews along the coast, rivers, anchorages, ports and surrounding waters. In many cases, they ransack the vessels and steal the cargo, usually gas oil.

Co-ordinated patrols by Benin and Nigerian Authorities have helped reduce attacks in parts of the Gulf of Guinea. However, IMB warns that pirates move around the region if left unchecked, citing the hijacking of a tanker off Port Gentil, Gabon in July 2013, by suspected Nigerian pirates.

Elsewhere in the world, one area of rising armed robbery attacks is Indonesia. Here, IMB recorded 68 low-level attacks to vessels, nearly all at anchor. Robbers boarding the vessels were usually armed with knives or machetes. Detailing the most attacked anchorages in its piracy report. IMB calls for increased patrols, and warns ships to stay alert in these waters.

Bahrain on way to joining global ATA Carnet network

Aiming to raise awareness about the benefits and the procedures for the implementation of the ATA Carnet system in the Kingdom of Bahrain, the Bahrain Chamber of Commerce and Industry (BCCI) hosted a two-day workshop on 24-25 September for Customs, chamber staff and business.

The ATA Carnet, the so-called passport for goods, is an international customs document that facilitates the temporary admission of goods into other countries without the need for normal customs procedures. Administered by the World Chambers Federation (WCF) of the Paris-based International Chamber of Commerce, (ICC), the ATA Carnet System is currently applied in over 70 countries worldwide. They are soon to be joined by Bahrain which ratified the International Convention for the Temporary Admission of Goods, more commonly known as the Istanbul Convention, in 2012.



Conducted by Lee Ju Song, Director of ICC Asia and Chair of the ICC WCF International Certificate of Origin Council, the workshop followed a similar event held in coordination with the Dubai Chamber of Commerce and Industry (DCCI) in August.

More than 175,000 ATA Carnets are issued yearly for thousands of customs transactions worth over US$ 25 billion. Goods covered include professional equipment, commercial samples and material for trade fairs and exhibitions. Some examples of note include: a prototype solar car, World Cup yachts, Giorgio Armani apparel, McLaren Grand Prix cars, Munich Symphony Orchestra instruments, Australian Olympic horses, Harley Davidson motorcycles and equipment for the Bolshoi Ballet, Cirque du Soleil, BBC and CNN.

New ICC book demystifies world of international commercial contracts

ICC has published a new ICC guide to drafting and negotiating international commercial contracts. It will help lawyers and business people worldwide avoid the most common pitfalls of cross-border deals. Drafting and negotiating international commercial contracts - A practical guide provides a thorough understanding of the institutional and legal frameworks for cross-border business contracts. Using real examples to clarify the main issues, it analyses the negotiating process and sets out the basic requirements of a well-drafted contract.

According to Yves Derains, Chair of the ICC Institute of World Business Law, international commercial contracts are being used more and more, but remain confusing for many business people and their lawyers. To write such a realistic, practical guide, Fabio Bortolotti, who

is Chair of the ICC Commission of Commercial Law and Practice and a world-renowned expert on contract law, drew on his own experiences of helping companies and lawyers in their first attempts to do business internationally.

Written in plain English, the guide demystifies developments such as the consequences of substituting the 1980 Rome Convention with the Rome I Regulation in 2009. Readers will find authoritative analysis of the new 2012 ICC Rules of Arbitration, and international standards such as UNIDROIT's Principles of International Commercial Contracts 2010. Drafting and negotiating international commercial contracts also covers Incoterms® 2010 and relevant ICC model contracts, such as the ICC Model International Sale Contract which was reviewed and updated in 2012.



ICC set to move Paris headquarters

ICC announced on October 4 that it will move its Paris headquarters on 18 October 2013 from 38 cours Albert 1er in the 8th arrondissement to a larger, more modern facility on



avenue du President Wilson, just over one kilometre away in the heart of the French capital. ICC, including the secretariat of the International Court of Arbitration, is leaving the historic building that has housed it since 1926, shortly after ICC's establishment as the world's business organization in 1919.

Close to 200 staff members, representing more than 30 nationalities, work at ICC headquarters. The international secretariat develops and carries out the ICC work programme and remains in close contact with the extensive ICC network of members and regional offices in 130 countries. There are about 6.5 million companies in the ICC network.

With improved conference facilities and a larger selection of meeting rooms, ICC's new headquarters will set the organization apart as a venue of choice for a range of ICC trainings, conferences, and meetings. The Palais Wilson has been entirely renovated and modernized. The seven floors provide office space, meeting rooms and other facilities. ICC will remain conveniently located and easily accessible for visitors from near or far.

The new headquarters is located at 33-43 avenue du President Wilson, 75116 Paris, with the first working day scheduled for 21 October. Mail can be sent to the new address beginning at that time. Mail sent to the old ICC address will be forwarded to the new address for several months after the move.

Telephone numbers and email addresses for all ICC personnel will remain the same.

ICC appoints new Digital Economy Vice-Chair

The ICC Commission on the Digital Economy is pleased to announce new Vice-Chair Kaisa Olkkonen, who is also Nokia Corporation's Vice President of Government Relations, responsible for policy and regulatory work globally. Ms Olkkonen - who is also a member of the Executive Board of Digital Europe, the Board of ICC Finland and the Board of Finland - China Trade Association - will officially join the Commission on the Digital Economy's leadership team on 1 October 2013.

Ms Olkkonen previously led Nokia´s EU Representative Office in Brussels, being responsible for Nokia´s regulatory work in Europe. She also held several leadership positions in Nokia´s legal and IP branches, and headed a team providing legal support to Nokia´s Internet Services businesses. "I believe strongly in



ICC's aim to encourage the free flow of information in cross border trade by means of the Internet and ICTs," Ms Olkkonen said. "ICC is doing some very important work in helping to build an infrastructure for global online trade."

Ms Olkkonen brings to ICC more than 20 years of professional experience in a broad range of legal matters, including technology law, intellectual property, as well as consumer protection and marketing law. She has led various multinational teams of lawyers located around the world. In addition to working at the Nokia headquarters in Finland, she spent a period in Singapore heading a regional legal team, as well as in Brussels, where she managed the interest representation team.

WTO News

Ninth WTO Ministerial Conference
Days 3, 4 and 5: Round-the-clock consultations produced 'Bali Package'

The WTO's Bali Ministerial Conference concluded a day later than scheduled on 7 December 2013 with agreement on a package of issues designed to streamline trade, allow developing countries more options for providing food security, boost least developed countries' trade and help development more generally.

In addition to the Bali Package, ministers formally adopted a number of more routine decisions at the end of a five-day meeting opened by Indonesia's President Susilo Bambang Yudhoyono, which also saw Yemen accepted as a new member. The Bali Package is a selection of issues from the broader Doha Round negotiations. Echoing calls from many delegations, Mr Azevêdo, said members' attention should now turn the rest of the round, known semi-officially as the Doha Development Agenda.



Group picture of Delegation at 9th WTO Ministerial Confernce

The deal on the Bali Package was struck after intensive consultations almost round the clock from Wednesday 4 December until the early hours of Friday 6 December, followed by overnight meetings of heads of all delegations the following night.

Happiness and sadness

Ministers and other delegates greeted the agreement enthusiastically, with repeated clapping and cheering. But the conference was also tinged with sorrow at the news of the death of former President Nelson Mandela. Mr Azevêdo, Mr Gita, and numerous ministers and delegates paid tribute to Mr Mandela as an inspiration for all, including in the pursuit of the WTO's difficult goals. Mr Gita quoted him: "It always seems impossible, until it's done."

'Flexible time'

Mr Azevêdo had worked with ministers on a handful of sticking points individually and in small groups, before revised drafts were circulated for all members to consider. These were finally agreed by consensus on 7 December after meetings were scheduled and rescheduled. During those final critical hours, almost all members said the package should be adopted in full, even if they were not completely happy with some parts of it.

They said the package was needed because of the benefits it would give directly, but also because it would reinvigorate the WTO and its trading system, and provide the momentum to conclude the Doha Round, which was launched in 2001 and has seen little progress since 2008 until work intensified on the Bali Package this year.

However a small group of countries — Cuba, Bolivia, Nicaragua, Venezuela recorded serious reservations about what they considered to be imbalances in the package in favour of richer countries, and the absence of provisions barrng discrimination in the form of trade embargoes on goods in transit.

Their concern about embargoes delayed consensus on the package until a compromise was struck in the form of a sentence upholding the principle of non-discrimination in goods in transit was added to the final declaration.

The Bali Package has sometimes been described as the first major agreement among WTO members since it was formed in 1995 under agreements from the 1986-94 Uruguay Round negotiations. The most significant for global commerce is the trade facilitation part of the package, which is about cutting red tape and speeding up port clearances.

Much of the rest of the package focuses on various issues related to development, including food security in developing countries and cotton and a number of other provisions for least developed countries.

The package also includes a political commitment to reduce export subsidies in agriculture and keep them at low levels, and to reduce obstacles to trade when agricultural products are imported through quotas.

Trade facilitation

The trade facilitation decision is a multilateral deal to simplify customs

procedures by reducing costs and improving their speed and efficiency. It will be a legally binding agreement and is one of the biggest reforms of the WTO since its establishment in 1995 — other agreements struck since then are on financial services and telecommunications, and among a subset of WTO members, and agreement on free trade in information technology products.

The objectives are: to speed up customs procedures; make trade easier, faster and cheaper; provide clarity, efficiency and transparency; reduce bureaucracy and corruption, and use technological advances. It also has provisions on goods in transit, an issue particularly of interest to landlocked countries seeking to trade through ports in neighbouring countries.

Part of the deal involves assistance for developing and least developed countries to update their infrastructure, train customs officials, or for any other cost associated with implementing the agreement.

The benefits to the world economy are calculated to be between $ 400 billion and $1 trillion by reducing costs of trade by between 10% and 15%, increasing trade flows and revenue collection, creating a stable business environment and attracting foreign investment.

The text adopted in Bali is not final, although the substance will not change. It will be checked and corrected to ensure the language is legally correct, aiming for the General Council to adopt it by 31 July 2014.

Agriculture and cotton

Agreement on the agriculture part of the Bali Package required sorting out two issues. Much of the focus was on shielding public stockholding programmes for food security in developing countries, so that they would not be challenged legally even if a country's agreed limits for trade-distorting domestic support were breached.

The proposed solution will be interim, and much of the discussion was about what would happen at the end of the interim period. The outcome of consultations was for the interim solution to exist until a permanent one is agreed, with a work programme set up aiming to produce a permanent solution in four years.

The other issue was about "tariff quota administration", how a specific type of import quota (a "tariff quota" where volumes inside the quota have a lower duty) is to be handled when the quota is persistently under-filled. Members have agreed on a combination of consultation and providing information when quotas are under-filled. The one remaining issue to be settled was which countries would reserve the right not to apply the system after six years: they will be Barbados, Dominican Republic, El Salvador, Guatemala and the US.

Meanwhile, three texts remained unchanged from the versions negotiated in Geneva. One is on adding some development and land-use programmes to the list of general services that are candidates for being allowed without limit because they cause little trade distortion.

Another is a strong political statement to ensure export subsidies and other measures with similar effect are low. A third deals with improving market access for cotton products from least developed countries, and with development assistance for production in those countries.

Development issues

Four documents remained unchanged from their Geneva versions. Duty-free, quota-free access for least developed countries to export to richer countries' markets. Many countries have already implemented this, and the decision says countries that have not done so for at least 97% of products "shall seek to" improve the number of products covered.

Simplified preferential rules of origin for least developed countries, making it easier for these countries to identify products as their own goods, and qualify for preferential treatment in importing countries. A "services waiver", allowing least developed countries preferential access to richer countries' services markets. A "monitoring mechanism" consisting of meetings and other methods for monitoring special treatment given to developing countries.

Decisions on the WTO's regular work

The Ministerial Conference adopted five decisions on the WTO's regular work. They can be found here. They are the following:

In intellectual property, members agreed not to bring "non-violation" cases to the WTO dispute settlement process — "non-violation" is shorthand for the technical question of whether there can be legal grounds for complaint about loss of an expected right under the WTO's intellectual property agreement, even when the agreement has not been violated.

A similar extension was agreed in electronic commerce, members agreed not to charge import duties on electronic transmissions. The Work Programme also encourages continued discussions on electronic commerce in relation to commercial issues, development and new technology.

Ministers decided to give special consideration to issues of small economies. Ministers instructed the Committee on Trade and Development to consider proposals on small economies and make recommendations to the General Council.

Ministers reaffirmed their commitment to Aid for Trade, an initiative that assists developing countries, and in particular least developed countries, trade. They

welcomed progress on Aid for Trade since its launch in 2005 and mandated the Director-General to continue support of the programme.

Ministers directed their Geneva delegations to continue examining the link between trade and transfer of technology and make possible recommendations on steps that might be taken to increase flows of technology to developing countries. The mandate was given at the 2001 Doha declaration.



The concluding remarks

Chairman Gita Wirjawan, Indonesia's trade minister: 'We did it!' Fellow Ministers, ladies and gentlemen — we did it! We achieved what many said could not be done.

President Susilo Bambang Yudhoyono told us on Tuesday that the mystique of Bali would have a positive effect on our negotiations. This is the place where deals get done. I am delighted that Bali has not let us down.

Congratulations to you all. Congratulations on focusing not only on national interest, but also on the common good.

Congratulations on persevering through long hours of negotiations to reach this historic deal. Congratulations on not only keeping the Doha Development Agenda alive, but giving us all new energy and new confidence to conclude the Doha Round.

What we have done here in Bali is truly extraordinary. We have negotiated a package that will bring food security to billions of the world's poorest. We have delivered an Agreement on Trade Facilitation that will inject up to a trillion dollars into the world economy. And we have agreed a ground-breaking suite of initiatives to help Least Developed Countries benefit more from the multilateral trading system.

After many long hours of negotiation, we the ministers of the WTO, have agreed to provide flexibility for developing countries to implement vital food security programs. We have agreed there is a need to change the WTO's Agreement on Agriculture, which will take time. In the interim period, the decision we have taken here in Bali will allow developing countries to avoid disputes over their legitimate food security programs.

The trade facilitation agreement is the first ever multilateral agreement negotiated in the WTO. It will reduce the cost of trading, smooth the flow of goods across borders and provide more certainty for business.

It will benefit all members, but particularly developing countries, which will have access to assistance to improve their systems and procedures. Most of the economic benefit from trade facilitation will flow to developing countries.

Least developed countries will also benefit from increased access to markets for goods and services in developed countries. Preferential rules of origin will make it easier for LDCs to export their goods. And other outcomes in the areas of cotton and monitoring of special and differential treatment will also bring significant benefits and lay the groundwork for further gains in these areas.

These are historic achievements. We have crossed the finish line in Bali, but the race is not yet over now we must complete the Doha Round. We must take the energy and optimism we have gained here and apply it in Geneva.

There is still much to do. Some of the issues we have discussed here in Bali remain to be solved. In this regard, we have instructed our negotiators to prepare a clearly defined work program on the remaining Doha Development Agenda issues.

This plan will build on the decisions taken in Bali, particularly on trade facilitation, agriculture, development and LDC issues.

Through our actions here in Bali, we have reaffirmed the WTO's role as the pre-eminent forum for multilateral trade negotiations.

It is only through multilateral agreements that many of the poorest and most vulnerable countries can truly benefit from international trade. So what we do in the WTO is vital.

Allow me to offer again my sincere thanks to the Ministers who have assisted me so ably as Vice-Chairmen, the Chairman of the General Council, the World Trade Organization (WTO) Secretariat, and each of the Ministers and delegations representing their Governments at this Ministerial Conference for their hard work over these past four days.And thank you most of all to Roberto Azevedo, Director-General of the World Trade Organization (WTO).

It is your vision and leadership that has made the Bali package possible. The energy you have brought to these negotiations has made all the difference. Please join me in thanking Roberto.

Trade restrictive measures increase as trade flows slow down

Summary of WTO Report on G-20 Trade Measures

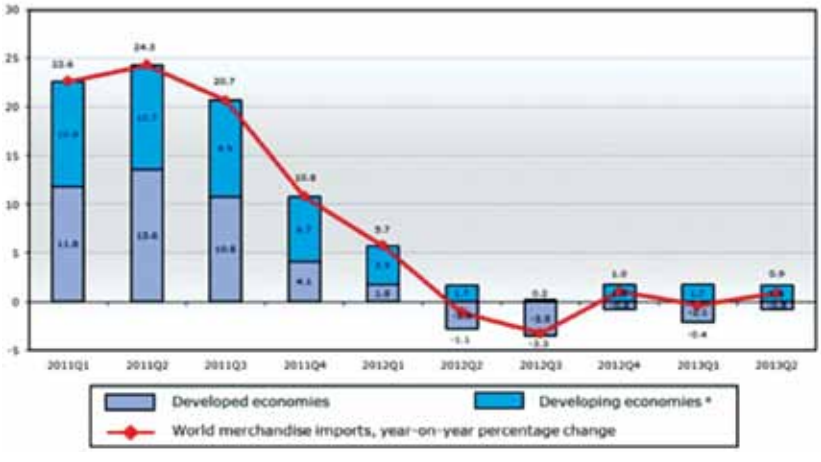
(Mid-May 2013 to mid-November 2013)

World trade growth in 2013 is slower than expected

Global economic growth remains slow and uneven, not only in most developed economies but also in major emerging markets. The shortfall in activity has weighed heavily on world trade flows. Trade growth this year is expected to register only a slight increase over 2012, and although prospects are improving the forecast for next year is still below the historical trend. The volume of world merchandise trade is expected to grow by 2.5% in 2013 and 4.5% in 2014.

Contributions to year-on-year growth in world merchandise imports, 2011Q1 - 2013Q2

(percentage change in US$ values)



The number of new trade restrictions has increased

In the last six months, most G-20 members have put in place new trade restrictions or measures that have the potential to restrict trade. The trend is towards more restriction. 116 new trade restrictive measures were identified since the last WTO report, up from 109 measures recorded for the previous seven-month period. These were mainly new trade remedy actions, in particular the initiation of anti-dumping investigations, tariff increases and more stringent customs procedures. New measures affect around 1.1% of G-20 merchandise imports, equivalent to 0.9% of world merchandise imports.

The trade restrictive or distorting effects of behind-the-border measures, such as subsidies, public procurement activity and goods and services regulations, are more difficult to measure. These are more varied than border measures, their effects on trade are usually more indirect, and they are harder to monitor, particularly those applied at sub-federal levels and where implementation involves administrative discretion. All of these measures can affect trade, but for the purposes of this Report the key question is whether they are being used deliberately to restrict or distort access to domestic markets. In the case of new TBT and SPS regulations, where data is more available, 2 to 3% of the thousands that are notified each year to the WTO are taken up by Members for closer scrutiny on the grounds that they raise specific trade concerns, and that proportion has not significantly changed over the past six years. Better transparency and more evidence are needed to evaluate properly the trade impact of behind-the-border measures.

Fewer trade liberalising or facilitating measures were taken than in the past

Some G-20 members also took measures that facilitate trade, although fewer than in the period covered by the last report. Around 33% of the total recorded measures can be considered as trade facilitating, compared with 40% at the time of the previous trade monitoring report. Facilitating measures are mainly in the form of termination of trade remedy actions and tariff reductions. These measures cover around 0.8% of G-20 merchandise imports and 0.6% of world imports.

Trade restrictions continue to accumulate

The accumulation of trade restrictions continues. This is a result of more new measures being taken during the most recent period. This time the rate of removal of restrictions put in place since the outbreak of the global crisis is slightly higher than in the previous period. Around 20% of the total number of trade-restrictive measures taken since October 2008 has so far been eliminated; this compares with 19% at the time of the previous report in June 2013.

All import-restrictive measures adopted since October 2008, excluding those that have been reported as terminated up to mid-November 2013, are estimated to cover around 3.9% of world merchandised imports, and around 5% of G-20 imports.

G-20 economies should show leadership in reinvigorating the multilateral trading system

Strong leadership by the G-20 economies is crucial for the world, in particular to move forward on the positive momentum generated by the adoption of the Bali package. The success in the WTO's 9th Ministerial Conference should not be the end of the road, but the beginning of the process towards conclusion of

Trade restrictive measures						
Type of measure	**Mid-Oct 10 to Apr 11 (6 months)**	**May to mid-Oct 11 (6 months)**	**Mid-Oct 11 to mid-May12 (7 months)**	**Mid-May to mid-Oct 12 (5 months)**	**Mid-Oct 12 to mid-May13 (7 months)**	**Mid-May to mid-Nov 13 (6 months)**
Trade remedy	53	44	66	46	67	70
Import	52	36	39	20	29	36
Export	11	19	11	4	7	8
Other	6	9	8	1	6	2
Total	**122**	**108**	**124**	**71**	**109**	**116**
Average per month	**20.3**	**18.0**	**17.7**	**14.2**	**15.6**	**19.3**

the Doha Round. The multilateral trading system must be reinforced and strengthened to help global trade liberalization continue and so that trade rules are updated to reflect the issues of the 21st century.

The multilateral trading system remains the best defence against protectionism and the strongest force for economic growth, sustainable recovery and development. The system has proved its usefulness as an insurance policy against protectionist tendencies. Protectionist pressures are bound to remain in a context of slow uneven economic recovery and persistent high levels of unemployment. In this period, it is all the more important to put the spotlight on trade as a source of growth, employment creation and development.

The EIF partnership welcomes UNWTO as new observer agency

The Enhanced Integrated Framework (EIF) Executive Board, comprising representatives of least developed countries (LDCs), donors and partner agencies, accepted on December 17 the World Tourism Organization (UNWTO) as new observer agency to the EIF. The UNWTO becomes the eighth organization to join the partnership, and the second being granted an observer status. As a result, LDCs are increasingly developing tourism-related projects under the EIF. Examples include the support to country rebranding and the development of five ecotourism sites in Sierra Leone as well as the organization of a study to identify and classify tourist sites and address the basic strategic requirements for the expansion of the tourism sector in Burundi.

Collaboration between UNWTO started in 2010 when the EIF became an observer of the Steering Committee for Tourism Development (SCTD), an innovative Delivering as One mechanism to provide integrated technical assistance on tourism to LDCs.

The EIF is a partnership among 49 least developed countries (LDCs) and recently graduated countries, 23 bilateral Donors and 8 key agencies that supports LDCs and recently graduated countries to be more active players in the global trading system by helping them tackle supply-side constraints to trade.

Appellate Body member re-appointed and Chair re-elected

The WTO Dispute Settlement Body (DSB) re-appointed on 25 November 2013 Mr Peter Van den Bossche for a second term of office as member of the Appellate Body. Mr Ricardo Ramírez-Hernández, of Mexico, has been re-elected as Chair of the Appellate Body by members of the Appellate Body.

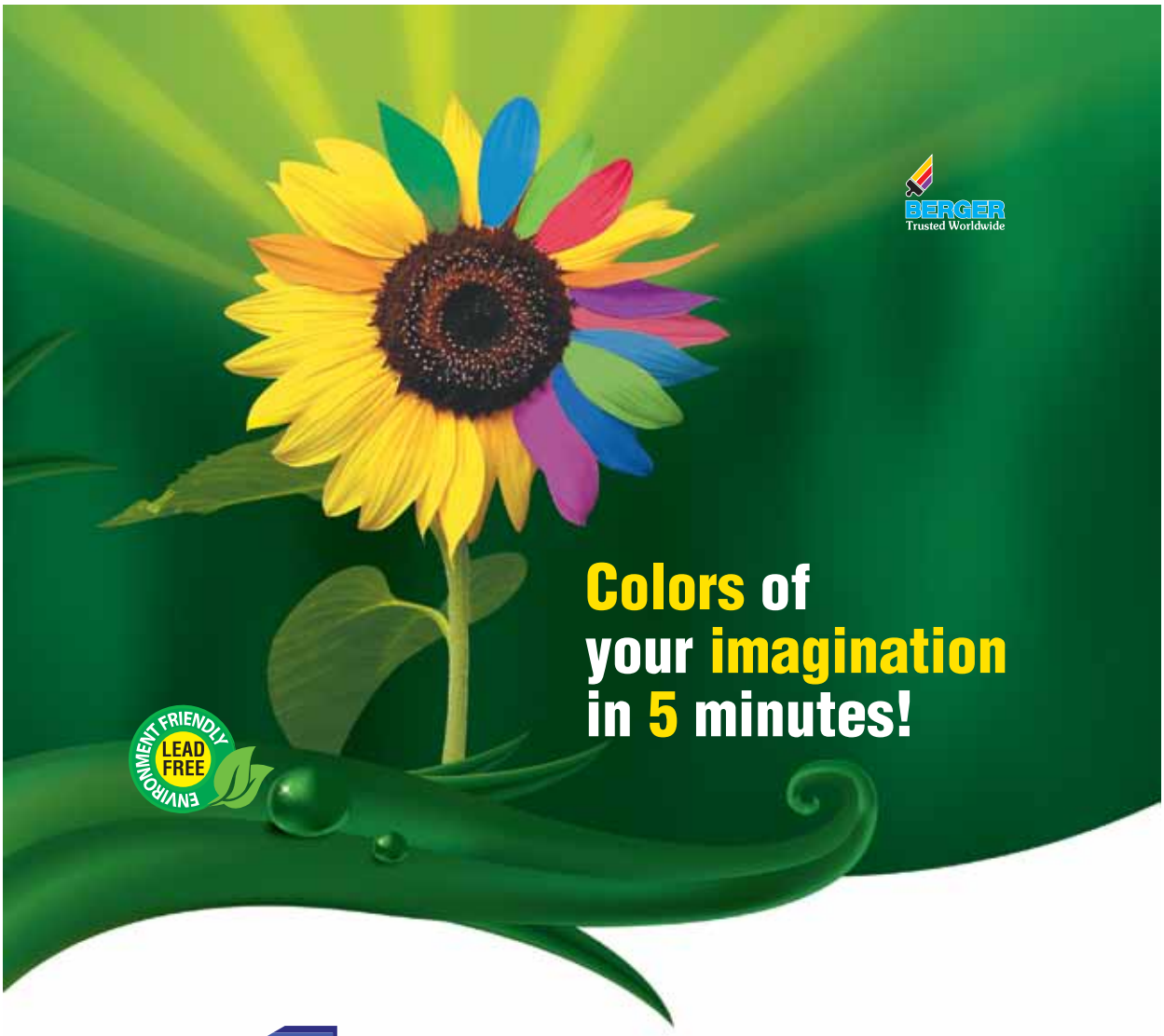
Mr Van den Bossche, of the European Union, was re-appointed to serve a second term of four years commencing on 12 December 2013. He was appointed to serve his first four-year term commencing on 12 December 2009.

The appointment was made according to Article 17.3 of the Dispute Settlement Understanding (DSU) which stipulates that the Appellate Body shall "comprise persons of recognized authority, with demonstrated expertise in law, international trade and the subject matter of the WTO agreements generally." The DSU also requires that the Appellate Body membership be broadly representative of the WTO membership.

Mr Ramírez-Hernández will serve as Chair from 1 January 2014 to 31 December 2014, having been re-elected to serve a second term as Chair of the Appellate Body. He served his first term as Chair from 1 January to 31 December 2013.

The Appellate Body is composed of seven members who elect the Chair of the Appellate Body. An Appellate Body Chair cannot serve for more than two consecutive terms. The Appellate Body hears appeals from dispute settlement panel reports on issues of law covered in the panel report and legal interpretations developed by the panel. Three members of the Appellate Body hear and determine any one appeal.

The Appellate Body can uphold, modify or reverse the legal findings and conclusions of a panel. Appellate Body reports are adopted by the Dispute Settlement Body, and unconditionally accepted by the parties to the dispute, unless there is a consensus against adoption. Since its establishment in November 1995, the Appellate Body has issued 119 reports and every report has been adopted.



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