ICC Bangladesh
The world business organization

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Bangladesh: missing opportunities

Speaking about ICC Bangladesh

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

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

The activities of ICC Bangladesh (ICCB) include promotion of foreign trade and investment, trade policy reviews, business dialogues, seminars & workshops on related policy issues, harmonization of trade law & rules, legal reforms, updating businesses with the ICC rules & standards for cross border business transactions.

As a part of its regional & international activities, it has organized four regional & international conferences during the year 2000, 2004, 2005 & 2010.

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

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

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

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

During 2012, ICC Bangladesh has organized workshops on Credit Risk Management; National Seminar on the Asia-Pacific Trade Agreement (APTA)-Business Implications for Bangladesh in collaboration with the Ministry of Commerce & UNESCAP; Sub-Regional Seminar on Enabling Environment for Integration of SMEs in Global Value Chain in collaboration with UNESCAP; workshops on Treasury Management; workshops on Financing SMEs and seminar on Trade Fraud in Bangladesh.

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

Besides, ICCB also arranges three regular professional training programme for bankers & other professionals: e-Learning programme on 'FIT Initiative' (Finance of International Trade) supported by ICC, Paris, eBSI (eBusiness School International, Ireland), International Finance Corporation (IFC) & Institute of Export, UK; CDCS and CITF Examinations conducted worldwide every year by ***ifs*** School of Finance, UK incorporated by Royal Charter and supported & endorsed by ICC Paris.

ICC Bangladesh participates in most of the World Chambers Congress & ICC World Congresses held every two years and WTO Ministerial Meetings as well as ICC Regional Consultative group Meetings.

Bangladesh

International Chamber of Commerce-Bangladesh

The world business organization

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ICC Bangladesh

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Editor's Note

Political intolerance hindering growth and development

Bangladesh has been attracting positive attention globally, for its economic potential, competitive strength and its growing domestic market. Among investors, both foreign and domestic, there is a sense that the economy has come of age, and is on the march. The year ahead poses major challenges; many wonder if the political tensions that have emerged will damage our prospects.

Our track record has been impressive. During the past decade, the economy has maintained a steady growth of about 6 per cent despite all the obstacles. Human development indicators went hand-in-hand with economic growth, signaling a population base capable of sustaining the growth. Poverty dropped significantly, coupled with increased life expectancy, literacy, and per capita food intake. More than 15 million Bangladeshis have moved out of poverty since 1992. At the same time, although the population growth rate has declined, every year there are more than two million entering to the job market. Sustained growth has also led to an exponential increase demand for energy, transport, telecommunication and other services.

Bangladesh targets to become a middle-income country by 2021. This will require herculean efforts in many fronts, particularly in investment, macroeconomic governance, and tackling energy and infrastructure deficits. To achieve the desired objectives, we need to grow between 7.5 to 8 per cent per annum with a minimum investment of 25% of GDP. The Bangladesh Bureau of Statistics and the Bangladesh Bank have recently projected 6-6.2% growth during the current FY, whereas several agencies place the estimate below 6 per cent.

'The Economist' recently noted that between 1990 and 2010, extraordinary improvements have been observed in almost every indicator of human welfare. "Economic growth since the 1970s has been poor; the country's politics have been unremittingly wretched. Yet over the past 20 years, Bangladesh has made some of the biggest gains in the basic condition of people's lives ever seen anywhere," the magazine wrote in two reports published in its 1st November 2012 issue. The Guardian newspaper of 18th December 2012 was also extremely optimistic of the future.

The fundamental question is whether our political leadership recognizes the role that Government plays in economic development. Despite the enormous challenges, the people have taken the country forward on the economic front. The Government has to create an enabling environment that encourages individual initiatives to flourish and for economic activity to continue.

During the last several months, we have witnessed a remarkable heightening of political activity and agitation. It is expected that before the elections there will be increased political activity – that is only healthy in a democratic society. Yet, regular elections are still six to nine months away; it is too early for a rise of pre-election political activity.

The major political parties have a responsibility to the nation. Bangladesh is foregoing non-party government for national election whereas, Nepal and even Pakistan are opting for interim non-political government to conduct elections. This issue must be laid to rest: the form of government to conduct future elections and ensure stable government and an effective parliament. The two major political parties must settle this issue, and move ahead to confront the other challenges facing us.

What we are involved in now has the potential to engulf the country and society in clashes and polarization that we thought were behind us. Short-sighted policies, and lack of leadership and statesmanship, are leading us to what may soon be an inflection point for the country. Which way we will be headed will require sagacity and commitment from our leadership; so far, we have seen no evidence to give us hope.

The hard working common man must be given the chance to develop their potential and make Bangladesh a country that we all can be proud of.

ICC Bangladesh News

ICC Bangladesh joins 10-country ICC Trade and Investment Delegation to Myanmar

ICCB President Mahbubur Rahman joined the ICC Trade and Investment Delegation to Myanmar led by ICC Honorary Chairman Dr. Victor K. Fung. During their three day visit from 20-22 January they had meetings with Minister in Naypyithaw, capital of Myanmar and with Chamber Leaders at Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) in Yangon.



The ICC Business Delegation led by ICC Honorary Chairman Dr. Victor K. Fung (4th from left) is having meeting with H.E. Dr. Pwint San (center), Deputy Minister of Commerce of the Union of Myanmar in Naypyitaw on 21 January. The meeting was also attended by ICC Bangladesh President Mahbubur Rahman (second from left), ICC Secretary General Jean-Guy Carrier (third from left) among others.

The delegation also met informally with Aung San Suu Kyi, Nobel prize recipient and leader of the Myanmar opposition, who was attending Parliament.

The 28-strong business delegation also included ICC Secretary General Jean-Guy Carrier and business leaders from Bangladesh, China, Chinese Taipei, Israel, Japan, Hong Kong, Malaysia, Poland and Sri Lanka. Bangladesh team included ICC Bangladesh Executive Board Member Rashed Maksud Khan and Bangladesh Myanmar Business Promotion Council Chairman Syed Mahmudul Huq.

The delegation discussed with Myanmar government officials and business leaders including the Deputy Minister of Commerce H.E. Dr. Pwint San and the Minister of National Planning and Development on trade and investment which can benefit Myanmar. The discussions covered a wide range of areas including industry sectors, such as banking, finance, textiles and energy.

The potential of establishment of ICC Myanmar was agreed in principal at a meeting on 22 January with President of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) Win Aung and other Myanmar business representatives at the chamber's offices in Yangon. During the meeting, UMFCCI requested ICC's help as a matter of urgency to provide training on a range of ICC business tools that would go a long way to help Myanmar open its borders to trade and investment. These include arbitration and dispute resolution services, Incoterms rules and the use of ICC model contracts.

It may be mentioned that following the success of this visit, ICC is planning to arrange more such delegations to countries which would be of interest to ICC National Committees (NCs) and their members. The visits would include meeting with government officials and the business community in the country. The main purposes of such a delegation is for businesses to gain a better understanding of the investment climate and opportunities in the country.

ICC Asia Pacific CEO Forum agrees to develop business input to stimulate global economy

The International Chamber of Commerce India (ICC India) organized ICC Regional Consultative Group (ICC RCG), G-20 and First ICC Asia Pacific CEO Forum in New Delhi on 7-8 March. The meetings were a marvelous opportunity to firmly position the Asia-Pacific Region as a dynamic component of the ICC international network.

ICC Bangladesh President Mahbubur Rahman attended the meetings. More than 100 CEOs from 16 countries participated in the first ever ICC Asia Pacific CEO Forum. The two days of intensive meetings concluded with CEOs and senior government officials designed to discuss how the Asia-Pacific region can help stimulate the global economy and generate policy recommendations for G20 leaders.

Senior Ministers and officials from the Indian Government who addressed at different sessions included: Mr.Anand Sharma, Minister of Commerce, Industry and Textiles; Mr.Salman Khurshid, Minister of External Affairs; Dr. Chakravarthi Rangarajan, Chairman,

Prime Minister's Economic Advisory Council; Dr.Montek Singh Ahluwalia, Deputy Chairman, Planning Commission; and Mr.Ravi Shankar Prasad, General Secretary and Chief Spokesperson of Bhartiya Janta Party, Member of Parliament and Deputy Leader of Opposition in the Rajya Sabha.

The two-day ICC Asia Pacific CEO Forum featured discussion on topical subjects including the emerging financial architecture in the Asia Pacific Region, new ideas and approaches to sustainable growth, as well as emerging business opportunities and challenges. It was observed that the future of ICC is also linked with its ability to better integrate the various business communities of the Region as a historic shift in economic and political power is underway with Asia driving much of the world trade and economic development.

The ICC meetings also included a G20 policy consultation on 7 March, hosted by ICC India. This year, the primary business input to the G20 process is being orchestrated by Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs (RSPP), who has been appointed by Russian President Vladimir Putin to lead business policy task forces during the Russian G20 cycle.

The 6th ICC Asia Pacific RCG Meeting was also held on 7 March. The Meeting was attended, among others by, Harold McGraw, ICC Vice Chair and Chairman & President and CEO of The McGraw-Hill Companies, USA; Dr Victor Fung Fung, Honorary Chairman, ICC and Honorary Group Chairman, Li & Fung Group,Hong Kong; Harsh Pati Singhania, ICC RCG Coordinator and ICC India President; Jean-Guy Carrier, ICC Secretary General; Francois-Gabriel Ceyrac, ICC Director of NCs & Membership; Mahbubur Rahman, ICC Bangladesh President and Chairman and CEO of ETBL Holdings Ltd.; Lee Cheng Suan, ICC Malaysia Executive Director; Kasemsit Pathomsak, ICC Thailand Chairman and President & CEO of Merchant Partners Securities PLC. Noke Kiroyan, ICC Indonesia Chairman and President & Director of Kiroyan Partners, Wang Jinzhen, Vice Chairman of China Council For The Promotion of International Trade/China Chamber of International Commerce; Tissa Jayaweera, ICC Sri Lanka Chairman and Managing Partner of TJ Associates, Tariq M. Rangoonwala, ICC Pakistan Chairman and Chairman, Rangoonwala Group of Companies, Philip Kucharski, ICC Director of Business Development; Kiyoshi Yamada, ICC Japan Secretary General; and Mr Carlos Busquets, Deputy Director, Policy & Business Practices, ICC.



ICC Bangladesh President Mahbubur Rahman (3rd from right) is seen along with other delegates at first ICC CEO Forum organized by ICC India in New Delhi on 7-8 March.

Precautionary measures must to contain Fraud : BB Governor
recent scandal jolted banking industry observes ICCB chief

Bangladesh Bank (BB) has got a Material Loss Review (MLR) conducted covering the recent incidences of internal and external fraud at State-owned Commercial Banks (SCBs) and Private Commercial Banks (PCBs). The review revealed clear negligence in the affected banks in respect of mandatory control and bona fide verification routines like Know Your Customer (KYC), Credit Risk Grading (CRG), Anti Money Laundering Provisions and so forth; demonstrating major lapses and deficiencies in their credit administration, risk management and internal control and compliance functions said Bangladesh Bank Governor Dr. Atiur Rahman at the ICC Interactive Session on International Trade Fraud : Detection & Prevention held at MCCI, Dhaka on 13 February.

In supervisory response to these episodes, BB has considerably tightened its onsite and offsite vigilance on risk management, corporate governance, internal controls and internal audit functions in banks. Pursuant to BB reports on board level lapses in mandatory control and oversight functions, GOB has reconstituted the boards of directors in SCBs with persons meeting the fit and proper eligibility criteria, Governor added. He expressed his hope that these disciplines are adhered to in right earnest so that Banks will succeed in keeping themselves largely free of the stigma of insider abuses, fraudulence and losses attendant thereto.

The Governor mentioned that as part of its shored up supervisory vigilance on fraud risk management internal

control and fraud prevention practices in banks, Bangladesh Bank has lately been putting in place an on-line electronic 'supervision dashboard' that brings together a range of live transactions data from banks that can provide warning signs of potentially fraudulent transactions. The foreign exchange transactions modules of the supervision dashboard are already operational and in use by BB and the banks. He urged upon the MDs/CEOs to make sure that they monitor all L/C transactions by their respective branches so that they can immediately track any suspected fraud and take preventive measures.



Bangladesh Bank Governor, Dr. Atiur Rahman (3rd from left) is seen addressing at the ICC Interactive Session on International Trade Fraud : Detection & Prevention in Dhaka on 13 February 2013. Mahbubur Rahman (3rd from right) President, ICCB, P. Mukundan (2nd from right), Director & Chief of ICC- Commercial Crime Services, UK, Mamun Rashid (extreme right), Chairman of ICCB Standing Committee on Banking Technique & Practices, Mohammed Hossain (2nd from left) Adviser, Central Bank Strengthening Project Cell, Bangladesh Bank and Ataur Rahman (extreme left) Secretary General, ICCB are also seen in the picture.

The central bank governor advised all banks to open L/Cs (both foreign and local) through SWIFT [Society for Worldwide Interbank Financial Telecommunication] to prevent fraud.

Governor Dr. Rahman thanked ICC Bangladesh (ICCB) for arranging workshops/ seminars on different rules and regulations of international trade payment to train up bankers.

ICCB President Mahbubur Rahman said international trade has been a major driver of global growth and the world today is significantly more economically interdependent on international trade. But the commercial crime is growing faster than international trade. Frauds are more complex and involve larger sums than ever before.

Mahbubur Rahman mentioned that the recent scams that has occurred in different banks, in particular the largest state owned Bank and a most important one because of treasury operations, has shaken the entire banking sector of the country. "We have arranged this session with the MDs/CEO in presence of the Governor with the aim of discussing on the modalities for detection and prevention of such fraud. I must thank our Governor for taking serious interest to address the issue in its appropriate perspective both administrating and operationals" he added.

"I am happy to inform the august gathering that International Chamber of Commerce-Bangladesh has taken initiative to build partnership between Bangladesh Bank and IMB (International Maritime Bureau) for tackling such fraud', said ICCB President.

Now-a-days Internet has emerged as a blessing for the pace of life but at the same time also resulted in various threats to the consumers and other institutions. Various criminals like hackers, crackers have been able to pave their way to interfere with the internet accounts through various techniques. It is therefore, essential for the banks, in particular to protect its clients as well as depositors money, observed Mahbubur Rahman.

Bangladesh has been growing fast in the international trade. As the international trade is growing all parties involved in the trade are also getting exposed to the risk of international trade finance fraud. He, therefore, suggested that the parties involved in the trade need to get more conversant and acquainted with ICC rules, national and international laws/regulations guiding the international trade and they should also have ideas/ information about the fraudulent practices in international trade said ICCB President.

In order protect recurrence of fraud in SCBs, Mahbubur Rahman observed that the Bangladesh Bank must be given full autonomy for monitoring the activities state-owned banks as is done in case of private commercial banks and their should not be any interference of the Banking Division of the Ministry of Finance in the operating of the state-owned banks. The Bangladesh Bank as well as all the commercial (both public and private) banks should also develop modern fraud detection mechanism and take early action.

Prof. Mamun Rashid, Chairman, ICCB Standing Committee on Banking, Technique and Practices urged all bank executives specially the trade professionals to further review the existing trade undertaking, processing and settlement model, integrate information technology delivery platform, risk management model and overall trade documentation model.

Mr. P. Mukundan, Director & Chief, ICC-Commercial Crime Services made a presentation on the International Trade Fraud.

He explained about the various loopholes in the L/C transactions. He mentioned that International Maritime Bureau (IMB) can work closely with the Bangladesh Bank and commercial banks in developing s system for detection and prevention of fraud. He observed that it is of utmost importance that the banks check the balance sheet and have collateral before opening of any account of its clients as well for opening L/Cs.

Mr. Mohammed Hossain, National Fraud Risk Detection and Mitigation Adviser, Central Bank Strengthening Project Cell, Bangladesh Bank; Mohammed Nurul Amin, MD & CEO, National Credit & Commerce Bank & President of Association of Bankers Bangladesh; S. M. Aminur Rahman, MD & CEO Janata Bank; Pradip Kumar Dutta, MD & CEO Sonali Bank; Md. Shameem Ahmed Chaudhury, DMD, AB Bank; Yasin Ali, Deputy Managing Director, Prime Bank Ltd. among others also spoke during the session. They all assured about taking all preventive measures to avoid recurrence of fraud in L/C operations.

ICCB President suggests banks to develop appropriate mechanism for detecting and preventing future frauds

ICC Bangladesh President Mahbubur Rahman expressed his hope that Bangladesh Bank and commercial banks could develop appropriate mechanism for detecting and preventing future fraud. The recent scam in some of our state-owned banks have shaken the private commercial banks and have created a threat for the genuine companies to have financing from the banks for their operation. Besides, the commercial banks are also taking extra precautionary measures in opening of LCs, may be due to which we observe lesser import in the recent past. The recent scam is nothing but a straight cheating by some so-called companies in connivance with a group of bank officials and influential group, said ICCB President Mahbubur Rahman in his inaugural address at the ICC Workshop on International Trade Fraud : Prevention, Control & Remedies held in Dhaka on 11 February.

Bangladesh has been growing fast in the international trade. Both import and export are increasing at substantial rate. Bangladesh is now considered to be an emerging trading nation with a trade volume of USD 60 billion or so. As the international trade is growing all parties involved in the trade is also getting exposed to the risk of fraud. The more the market of import-export is expanding the more we are facing the risk of unknown events including fraud, ICCB President added.



ICCB President Mahbubur Rahman (2nd from left) was the Chief Guest at the inaugration of the ICC Workshop on International Trade Fraud : Prevention, Control & Remedies held in Dhaka on February 11. P. Mukundan (extreme left), Director and Chief of ICC- Commercial Crime Services, UK, Mamun Rashid (2nd from right), Chairman of ICCB Standing Committee on Banking Technique & Practices and Ataur Rahman (extreme right) Secretary General, ICCB are also seen in the picture.

Mr. Rahman also mentioned that today's workshop is of utmost importance in the back drop of series of scam in the banking sector in view of the Hall-Mark episode involving some Tk.26 billion plus or so.

Prof. Mamun Rashid, Chairman of ICCB Standing Committee on Banking Technique & Practices and Mr. P. Mukundan, Director and Chief of ICC- Commercial Crime Services who conducted the workshop and ICC Bangladesh Secretary General Ataur Rahman also spoke on the occasion.

A total of 88 participants from banks, financial institutions and export oriented industries attended the workshop and 50 participants attended Chittagong Workshop.

Integrating BIMSTEC Summit held in Shillong
speakers suggest improved connectivity among member states

Indian Chamber of Commerce organized Second Integrating BIMSTEC summit at Shillong, India on 16 March in association with the Ministry of External Affairs, Government of India. The summit saw a day-long deliberations on the subject by dignitaries and experts. Speakers mostly represented South East and South Asia.

The speakers emphasized the need to establish connectivity among the BIMSTEC countries to increase trade and investment. It was also pointed out for immediate consideration of

Bangladesh, Myanmar and Thailand to establish air-connection with main cities of the North-eastern states of India. They also suggested to have high level meetings more frequently and endorsed the proposal to establish a BIMSTEC Research Centre in Thailand.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, groups together Bangladesh, Bhutan, Myanmar, India, Nepal, Sri Lanka and Thailand. The seven-country forum aims to achieve its own free trade area by 2017. The central focus of the conference was to facilitate regional integration in BIMSTEC nations through increased volume of business and trade.



H.E.Dr.Nalinee Taveesin (second from left), Minister attached to the Prime Minister's Office of Thailand and Thailand Trade Representative is seen releasing the Report on BIMSTEC prepared by the Indian Chamber of Commerce (ICC) in Shillong on 16 March. Also seen in the picture are: ICC Sr. Vice President Sumit Majumder (third from right), ICC Bangladesh Secretary General Ataur Rahman (extreme right), Dr. Surat Harachaikul, Faculty of Chulalongkorn University, Thailand (second from right) and ICC Director General Dr. Rajeev Sing (extreme left).

The inaugural session was addressed by H.E. Dr. Nalinee Taveesin, Minister attached to the Prime Minister's Office and Thailand Trade, Representative, Government of Thailand as the Chief Guest while ICC Bangladesh Secretary General Ataur Rahman and Sanjay Bhattacharyya, Joint Secretary (South), Ministry of External Affairs, Government of India were Special Guests. Mr. Sumit Mazumder, Sr. Vice President and Dr. Rajeev Singh, Director General of Indian Chamber of Commerce delivered welcome address and vote of thanks respectively. Dr.Surat Horachaikul, Faculty, Chulalongkorn University, Thailand spoke about BIMSTECH as a bridge between ASEAN and SAARC.

The Thai Minister identified the Northeast India as the area on which both Thailand and India should focus to boost trade and investment between the two countries. Dr. Taveesin said that the region's proximity to China, Myanmar, Bangladesh and Thailand, as well as its rich resources, created immense opportunities for the investors. With such diversity and opportunity, it needs to be optimized through the development of agriculture, sustainable forestry, effective and safe mining and tapping of energy resources as well as tourism. She said the opportunity for Indian and Thai investors in the region was immense. According to her, the time is now right for both the countries to focus more specifically on northeastern India. The region is significant to Thai investors not only in terms of size but also its strategic position. She opined that abundance of resources, specifically energy resources in North East provide a great opportunity for both the countries. The ethnic similarity between Thailand and North East India is something that can move both the countries forward with a sense of belonging. But for all this to happen, respective Governments should play the role of a facilitator.

Dr. Taveesin also stressed the importance of taking Myanmar on board. According to her, success of BIMSTEC depends a lot on business engagements with Myanmar. With the possibilities of trade and tourism with the Asian economic communities coming to force in 2015, she said Thailand, Myanmar and India could use each other's strength as leverage.

The Thai Minister stressed on the need to improve connectivity in all spheres, be it infrastructural or technological connectivity to ensure a healthy trading relation and create synergy between the integrated Asian countries. She said logistics like construction of roads was required to cater to the traffic in order to realise the investment goals. The trilateral highway project will enhance physical connectivity and provide opportunities for Thai construction firms to pursue joint venture projects with Indian partners in transportation system improvement as well as air transport, telecommunication and IT services. This artery going through Myanmar will not only link the Northeast to the Thai market but will also open the way to other Asian countries.

A Report on BIMSTEC prepared jointly by the Indian Chamber of Commerce and Indian Institute of was released by the Chief Guest. According to the report the trade in the BIMSTEC region is small compared to the size and aggregate GDP.

Mr. Sanjay Bhattacharyya, Joint Secretary (South), Ministry of External Affairs, Government of India, reiterated the importance of North East India on success of BIMSTEC. He mentioned that the "Look East" policy of Government of India has identified NER as a bridge between India and the Asian countries.

Mr. Bhattacharyya pointed out that the BIMSTEC member countries has made institutional progress besides agreeing on establishment of BIMSTEC energy centre, cultural industrial centre etc. In addition to this, BIMSTEC secretariat is to be

set up in Dhaka, Bangladesh to act as an integrator which could also boost the activities that BIMSTEC member countries has been talking and discussing about, he mentioned.

Mr. Bhattacharyya has said that there are many challenges on how to transform the resources available into developmental activities, but despite all that, our country has a common priority which is to provide a shared peace and prosperity. Mr. Bhattacharyya also stressed on the need to improve connectivity, integration, consolidation and plan of implementation. He mentioned that India is working on rail connectivity with Nepal and trilateral highways. At the same time, Bangladesh is extending its market to its east. India is now focusing on rail connectivity from Agartala.

Stressing more on connectivity ICC Bangladesh Secretary General Ataur Rahman said Bangladesh is looking forward to help build and improving the connectivity and infrastructure development. He also stressed on the need for public and private partnership besides pin pointing on cooperation between the different BIMSTEC member countries stating that though various agreements have been signed to improve trade relations, yet the same have to be carried out to the field and not just mere signing of agreements. " India is looking east and Thailand looking west. Bangladesh is uniquely positioned and integrate itself to make the connections between the two. However, to obtain the highest potential from BIMSTEC, it is necessary for India to take the lead and provide a new meaning to the BIMSTEC engagement that has the potential to generate trade worth 43 to 59 billion dollars" he said.

Trade-GDP Ratio and Balance of Trade of BIMSTEC Countries, 2010

Country	Trade GDP Ratio	Balance of Trade (US$ Million)
Bangladesh	0.30	-4425.02
Bhutan	0.79	-440.32
India	0.34	-129621.00
Myanmar	0.39	3461.06
Nepal	0.37	-4241.68
Sri Lanka	0.42	-4049.66
Thailand	0.18	15194.01

Dr. Surat Horachaikul, Deputy Director of Master of Arts in European Studies (MAEUS), Chulalongkorn University, Thailand emphasized the importance of political will to translate plans into reality. He opined that problem also lied with the people's perception towards the concept of BIMSTEC. He also maintained that for BIMSTEC to progress there is a need for the Association of Southeast Asian Nations (ASEAN) to practice institutional connectivity stating that governments of member countries should have students exchange programmes. Dr Horachaikul further stressed on the need to prioritize and realize their needs and reap the benefits stating that though BIMSTEC is comprehensive, yet having 14 sectors within BIMSTEC is too big a number adding that in India, the progress of BIMSTEC is slower compared to the other countries.

The summit was also addressed by speakers from Bangladesh, Korea, Singapore, Myanmar and other experts from different parts of the country. Nearly 150 delegates attended the conference. The entire conference was well covered by media.

55th ICCB Executive Board meeting held decides on date for Annual Council 2012

The 55th Meeting of the ICC Bangladesh Executive Board was held on March 19. The Executive Board reviewed the activities of ICC Bangladesh during first quarter of the year. It was decided to hold the Annual Council 2012 on 6 April,2013. The Executive Board approved its Report and Auditors Report for placing before the Council by the President. ICC Bangladesh President informed the Board about his participation at ICC Regional Consultative Group Meeting and the first CEO Forum organized by ICC India in New Delhi on 7-8 March.

The Board Members were informed about the 8th World Chamber Congress scheduled to be held in Doha on 22-25 April and were requested to attend this important event.

Presided over by ICC Bangladesh President Mahbubur Rahman, the Meeting was attended by ICCB Vice Presidents Latifur Rahman, Rokia Afzal Rahman and Board Members, Mamun Rashid, Muhammad Hatem, Rashed Maksud Khan and Syed Ershad Ahmed



55th ICCB Executive Board Meeting in progress.

News in Picture



A Trade & Investment delegation of 23 members from 10 countries led by ICC Honorary Chairman Dr. Victor K. Fung (3rd from right) accompanied by ICC Bangladesh President Mahbubur Rahman (4th from left) met Aung San Suu Kyi, M.P. and Leader of the Opposition of Myanmar during their visit to the National Parliament of Myanmar in Naypyitaw on 21 January. ICCB Executive Board Member Rashed Maksud Khan (extreme left) is also seen among others.

ICC Bangladesh President Mahbubur Rahman (3rd from left) met H.E. U Hla Myint Oo M.P., Chairman of the Parliamentary Standing Committee on Foreign Affairs (4th from right) at the National Parliament of Myanmar in Naypyitaw on January 21. ICCB Executive Board Member Rashed Maksud Khan (2nd from left) is also seen among others.





ICC Bangladesh President Mahbubur Rahman (4th from left) attended the 6th ICC Regional Consultative Group Meeting organized by ICC India in New Delhi on 7 March.

Bangladesh Economy

BD economy second best performer in South Asia in 2012 : UN

Economic prospects for Bangladesh and Sri Lanka, in contrast to the rest of South Asia, remained favourable despite a moderate slowdown last year, says a United Nations report. Strong growth in private investment and consumption, backed by a steady increase in remittances, contributed to economic expansion in the two countries.

Titled "World Economic Situation and Prospects 2013 (WESP)", the report was unveiled on January 17 in seven cities across the world. Its first chapter was pre-released in New York in December last year. It says Bangladesh's GDP grew by 6.2 percent in 2012. The rate was second to Sri Lanka's, which was the fastest in the region at 6.5 percent. According to WESP, Bangladesh will post a 6.3 percent growth in 2013 and 6.4 percent in 2014.

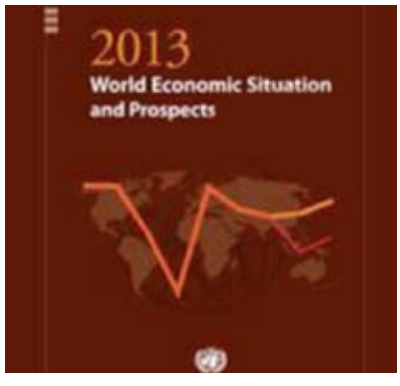
India's economy, which represents almost three quarters of the region's GDP, slowed markedly in the past two years. Annual growth declined from more than 9 percent in 2010 to 5.5 percent in 2012. Economic growth in South Asia during 2012 fell to its slowest pace in a decade, but it is projected to recover in 2013, the report says.

Gross domestic product in the region expanded by only 4.4 percent last year, after growing by 5.8 percent in the year before. Going forward, growth is projected to accelerate to 5.0 percent next year and 5.7 percent in 2014, led by a gradual recovery in India. GDP growth in India will accelerate in 2013 and 2014, because of stronger growth of exports and capital investment, notes WESP.

Nepal and Pakistan continued to experience subdued growth as ongoing political instability and security concerns weighed on domestic demand, the report says. In Pakistan, total investment has fallen for four consecutive years.

Consumer price inflation averaged 11.6 percent in the region in 2012, slightly up from 11.2 percent in 2011. The report attributes the renewed rise in inflation to several factors: droughts in parts of the region; higher world food prices; significant depreciation of local currencies; and increases in administered fuel and electricity prices. However, Bangladesh and Pakistan experienced moderate declines in inflation in 2012.

In the outlook, consumer price inflation is projected to decline slightly in most economies, averaging 10.6 percent in 2013 and 9.9 percent in 2014 for the region. More stable local currencies, lower global food prices and slower money supply growth are expected to reduce price pressures. However, persistently high inflation expectations, severe supply bottlenecks and the need to further raise administered energy prices will limit progress in reducing inflation.



Workers' remittance flows to Bangladesh, Pakistan and Sri Lanka continued to increase rapidly in 2012, partially offsetting the large trade deficits.

The report notes that South Asia struggled with deep-rooted structural challenges in its labour markets. These challenges include the dominance of low-productivity jobs in the large informal sector, high shares of working poor, low female participation rates and high youth unemployment.

According to WESP, downside risks to the economic outlook for South Asia were related to continued global weakness and to regional or domestic vulnerabilities. A further economic downturn in the US or Europe or a hard landing of China's economy would further weaken South Asia's exports, while also reducing inflows from workers' remittances. Widening current-account deficits, coupled with lower portfolio capital inflows, could add pressure on the balance of payments, possibly requiring contractionary policy adjustment.

Political instability and deteriorating security conditions represent downside risks for several countries, notably the Islamic Republic of Iran, Nepal and Pakistan.

The report jointly produced by Development Policy and Analysis Division, the UN Conference on Trade and Development (UNCTAD) and the five United Nations Regional Commissions is one of the most highly anticipated economic reports from the UN.

It provides an overview of recent global economic performance and short-term prospects for the world economy.

Bangladesh, a model for countries on MDGs : UN Secretary General



Ban Ki-moon, UN Secretary General congratulated a Bangladeshi parliamentary delegation for the country's landmark progress towards achieving MDGs and its contribution to the UN peacekeeping mission. He said that with its micro-credit schemes for poverty alleviation and women empowerment it has become a role model for other countries.

UN Secretary General Ban Ki-moon said many countries around the world have many things to learn from Bangladesh for achieving the Millennium Development Goals (MDGs) as the country has made remarkable progress in different fields. He made the remarks on January 22 when a parliamentary delegation led by Speaker Abdul Hamid met him at the UN headquarters in New York.

Praising Bangladesh's achievement in MDGs and micro-credit schemes, Ban said Bangladesh has gained landmark progress in the disaster preparedness, poverty alleviation, education and women empowerment. The UN secretary general said he projected the achievements made by Bangladesh in the MDGs to other countries. He also lauded the contribution of Bangladesh to the UN peacekeeping mission.

In response to the speaker's request, Ban assured the parliamentary delegation of his cooperation to include Bangla as the UN official language.Referring to his visits to Bangladesh in 1972 and 2008, he described Bangladesh as a dynamic democratic developing country. He also praised Bangladesh's role in the Copenhagen Climate Change Conference.

Human Development Index : Bangladesh performs well

With much slower economic growth and far less per capita income, Bangladesh performs almost the same as India in human development and even better on some indicators, a UNDP report says. The Human Development Report 2013, released worldwide on March 15, shows the country has sustained growth by increasing the rate of public investment and achieving great success in textiles.

Bangladesh is among the 18 countries, including China, India, Malaysia and Vietnam, making rapid progress in human development, it adds.

Titled "The Rise of the South: Human Progress in a Diverse World", the report was launched with a Bangla summery. Speaking at the event, Pauline Tamesis, country director of United Nations Development Programme, said Bangladesh's progress is all the more remarkable given the exceptionally challenging conditions it has faced.

In the report, Bangladesh holds 146th place among 187 countries in terms of Human Development Index (HDI) and third position from bottom among the Saarc nations, scoring 0.515 HDI values. Norway tops the list with 0.955 while Niger sits at the bottom with 0.304 points. Sri Lanka is ranked top among the SAARC countries securing 92nd position while Maldives get 104th, India 136th, Bhutan 140th, Pakistan 146th, Nepal 157th and Afghanistan 175th place. The rank of Bangladesh based on data available in 2012 was 147 out of 187 countries.



HDI is measured on the basis of the data of three elements — a long and healthy life, access to knowledge and a decent standard of living. According to the 2013 report, between 1980 and 2012, life expectancy at birth in Bangladesh increased from 55.2 to 69.2 years while mean years of schooling from 2 to 4.8 years. Last year, India's life expectancy at birth and mean years of schooling stood at 65.8 and 4.4 years respectively. Over the same period, Bangladesh's Gross National Income (GNI) per capita rose by about 175 percent.

The report also tells the story of more than 40 developing countries that have made striking human development gains in recent years. It attributes their achievements to strong national commitment to better public health and education services, innovative poverty eradication programmes and strategic engagement with the world economy.

For the first time over the last 150 years, the combined production of three leading developing countries China, India and Brazil — is about to reach the aggregate GDP of giant countries of Northern regions that include Canada, France, Germany, Italy, the UK and the US. The report terms it dramatic change of balance in world economy.

The three developing countries represented only 10 percent of total economy of the world in 1950. In 2050 they will provide 40 percent

of total global production, higher than projected combined production of G-7 countries. "Much of this expansion is being driven by new trade and technology partnerships within the South itself, as this report shows", said Helen Clark, administrator of UNDP, in the forewords of the report.

Congested roads, unreliable electricity affecting FDI : UN report

Bangladesh is failing to attract the desired levels of foreign direct investment (FDI) due to the complicated entry procedures and weaknesses in regulatory framework, a UN report said on March 24. The investment policy review of Bangladesh, prepared by United Nations Conference on Trade and Development (UNCTAD) with the help of the government, identified the issues that should be addressed if FDI is to play a larger role in the country's development.

Inward FDI volumes in relation to population and ratio to GDP, the report found, were consistently 80 percent less than the average for all LDCs and, on these metrics, 50 percent below the inflows to other populous low-income countries such as India and Indonesia. The total FDI inflows to Bangladesh since 2006 of around $830 million a year are double those of the previous ten years, but have not risen as strongly as the inflows to comparable countries, according to the report.

FDI entry is affected by several laws and is further complicated by the implementation of industrial policy and licensing, the report said. The Foreign Private Investment Promotion and Protection Act of 1980 is the core law which enables the government to regulate FDI entry to the country — but its scope and coverage are too limited. Furthermore, Baumgarten thinks the Board of Investment (BoI) should move away from its roles as a gatekeeper (FDI certification) and a gateway (for fiscal incentives).

Congested roads, unreliable electricity, poor transport access for remote areas, lack of a deep sea port, the report found, were some of the serious bottlenecks to attracting more FDI. Although the government is committed to boosting infrastructure through public investment and by introducing private investment through public-private partnerships, it has to be seen through.

SOME SETBACKS TO FDI

FDI entry is affected by laws and further complicated by industrial policy

Congested roads, unreliable electricity, poor transport access to remote areas hurt FDI

Lack of access to land keeps foreign investors away

Corruption, weak public governance and lack of skilled manpower are other hurdles

In the electricity sector, the country has the enormous challenge of catching up on the existing chronic power shortages as well as catering for the rapid economic growth. An attractive standard business tax regime should be put in place and then complemented by targeted incentives for catalytic industries where justified on socioeconomic and strategic grounds, UNCTAD suggested.

Some specific features also need to be remedied, such as removing the multiple taxations of dividends as they pass between companies and establishing clear transfer pricing rules. The complex and outdated laws that a new investor has to deal with for access to land has to be done away with.

The review also suggested improving public governance and judicial system to attract more FDI. The country ranks "poorly" in the quality, fairness and timeliness of tax and regulatory processes and judicial enforcement of the rule of law. Wider adoption of e-platforms to administer business establishment and operations, the UN body said, would assist investors and provide tools to monitor performance. Employment and residence of foreigners is governed by a long list of laws that dates back to 1946, and needs to be modernised.

The report recommended implementing a streamlined foreign worker approach similar to that of the United States' H1-B visa scheme. Although Bangladesh has intellectual property (IP) laws covering patent, copyright and trademarks protection, they are weakly enforced. Despite its success in exporting garments, Bangladesh is little internationalised and exports are poorly diversified, said the report.

Multinationals can help to provide world market access by including Bangladesh affiliates and local firms as part of their global value chains. "In turn, Bangladesh can make best use of its competitive advantages by further reducing import duties, improving border clearance of exports and imports and by expanding its preferred access to markets."

World Bank moves to help set up 15 to 20 economic zones : Attracting $8b FDI

The World Bank would help set up 15 to 20 new private economic zones in Bangladesh with a total capacity to accommodate 500-700 new companies or expanded units of existing companies by 2021, said the Washington-based lender's outgoing Country Director here Ellen Goldstein. The WB undertook the vision in view of economic zones' importance in accelerating growth in the country, Goldstein said while revealing the bank's plan on economic zones to The Financial Express on January 14.

The main objective of the initiative is to create about 15 million jobs in the labour-intensive industries by attracting foreign direct investments (FDI) worth about US$ 8 billion and thus help the country graduate to the middle income status by 2021. "Although there are tremendous potentials, many challenges to investment including scarce access to land, sub-standard provision of infrastructure, cumbersome investment climate, poor access to finance and poor environmental reputation remain," Ellen Goldstein said. She explained that the economic zones would help allocate large tracts of land for industries, streamline licensing, coordinate skill development and access to finance.

She said Bangladesh was lagging behind in tapping potentials of innovative economic activity as it could establish only eight EPZs (export processing zones) in the public sector and one in the private sector since the inception in 1980 with 350 companies. Since the inception in 1970 the Philippines established a total of 207 EPZs with 2,241 companies. Goldstein said when the Philippines could create 3 million jobs in EPZs within four decades, Bangladesh could create 0.35 million jobs in three decades.

"The country had more potential than its actual performance in terms of economic growth when it comes to setting up of special economic zones. The potentials still remain and the country should focus on the economic expansion plan through setting up more economic zones," Goldstein added. Meanwhile, the newly-created economic zones authority will start construction work on the country's first such economic zone (EZ) within a year as it has already selected sites at Mirersarai in Chittagong and Jazira in Sirajganj for setting up special economic zones (SEZs). Priority is being attached to Khas or fallow lands in selecting sites for SEZs.

The BEZA has a plan to set up at least seven SEZs in the divisional cities as the cities have the scope to accommodate two or three SEZs each as is judged from the great demand and interest of foreign investors, he explained.

The country has maintained an impressive track record of growth and development. In the past decade, the economy has grown at the rate of nearly 6 per cent per year and human development went hand-in-hand with economic growth, a World Bank report said. The poverty rate dropped by nearly a third, coupled with the increased life expectancy, literacy rate and the per capita food intake. More than 15 million Bangladeshis have moved out of poverty since 1992. While poverty reduction in both urban and rural areas has been remarkable, the absolute number of people living below the poverty line remains significant, the report added.

Despite the strong track record, around 47 million people are still below the poverty line and improving access to quality services for this vulnerable group is a priority. There are also many people who could slip back into poverty if they lose their jobs or are affected by natural disasters.

World Bank funds rise despite Padma bridge hiccups

The World Bank's lending to Bangladesh rose over the past four years despite strained relations between the multilateral lender and the government over the Padma bridge funding. Also, improvements have been seen in various projects financed by the WB, reveals a mid-term review of the bank's 2011-2014 country assistance programme. The results of the review, conducted jointly by the government of Bangladesh and the WB, were shared at a programme at the Planning Commission office on January 19.

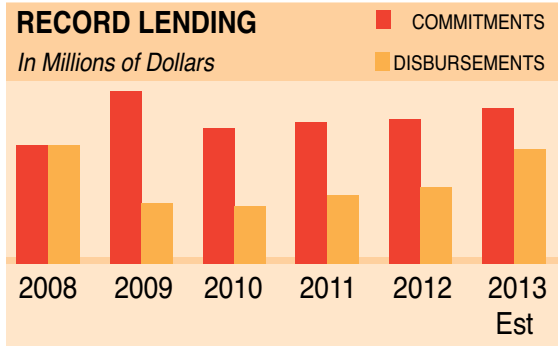
A third-party monitoring and evaluation report on some projects was also presented at the event. Manusher Jonno Foundation, which promotes human rights and good governance, prepared the report. The amount of fund release may rise about 60 percent to $800 million in fiscal 2012-13, compared to the previous year, according to the government and WB estimates. The WB disbursed $500 million in fiscal 2011-12, a rise of 11.11 percent from the previous year.

Disbursements are at record levels in the first half of fiscal 2013 which bodes well for the full year if the pace can be maintained," the WB said in a statement. It said the bank and the Bangladesh government found progress from the baseline for 76 percent of programme indicators, with another 14 percent showing no change and 7 percent showing

deterioration. This is an improvement over the previous year, with a notable upswing in data availability for indicators from only 56 percent to an impressive 97 percent, it said.

Positive results were measurable for an array of programmes, with particularly good results achieved at all levels of the education system, in the provision of health, population and nutrition services. Public expenditure management and community participation and empowerment also showed progress, according to the WB. The bank scaled up its support to solar home systems remarkably, finding its success.

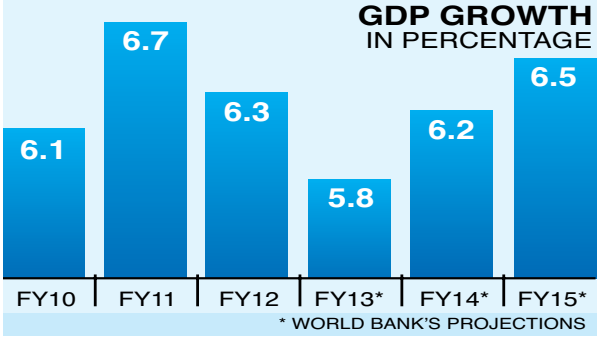
What started as a project to install 20,000 systems per year is now installing 60,000 new systems every month in rural areas, making this one of the fastest growing solar home system programmes in the world, according to WB. Under the WB's country assistance programme, the lender has made commitments to provide $4.3 billion for 33 ongoing projects. Of the money, a total of $1.1 billion has been disbursed so far.



WB cuts economic growth forecast

The World Bank has revised down its GDP growth forecast for Bangladesh to 5.8 percent due to slow exports and low investment. The global lender earlier projected the country's GDP (gross domestic product) growth at around 6 percent, while the last year's growth was 6.3 percent. The lender on January 17 released Global Economic Prospectus Report, which said the fall in growth will be partly due to moderation in exports, resulting from an adverse global environment.

The WB report said, although export performance weakened in 2012, domestic demand was supported by steady inflows of remittances and a relatively stable farm sector. The report also said external constraints have been exacerbated by supply side bottlenecks, including inadequate infrastructure, and by political uncertainty.



The WB said a further diversification of export markets and gains in market share will benefit Bangladesh, as growth is expected to pick up faster in North America and Asia compared with the near-stagnant Euro area in 2013. "Infrastructure and energy constraints could, however, slow further gains in competitiveness." Bangladesh's GDP growth is forecast to rise to 6.2 percent in fiscal 2013-14, as the global economy continues its slow path to a recovery, the WB said. The growth will pick up to 6.5 percent in 2014-15, it said.

However, South Asia's GDP growth is projected to rise to 5.7 percent in the 2013 calendar year from 5.4 percent in 2012, the WB report said. The report said the modest recovery in the growth is in line with projections of a weak global economy and near-stagnant output in the Eurozone, South Asia's largest trade partner. It also said regional growth will be constrained by an uncertain external environment amid risks of a protracted fiscal impasse in the US and possible resurgence of Eurozone turmoil.

The report said electricity shortages are expected to ease gradually over time as South Asian countries continue structural reforms to expand capacity and improve financial sustainability of the sector.

A fall in oil prices due to weaker than projected global growth would benefit current account position of the South Asian countries, including Bangladesh, and reduce the fiscal burden of fuel subsidies.

But lower oil prices would also cut into migrant remittances if economic activity in the migrant destinations in the oil-exporting Gulf region were to slow and demand for migrant labour were to decline. On the global economic scenario, the report said, four years after the onset of the global crisis, the world economy remains fragile and growth in high-income countries is week. The developing countries need to focus on raising the growth potential of their economies.

World Bank Group President Jim Yong Kim said, "Developing countries have remained remarkably resilient thus far. But we can't wait for a return to growth in the high-income countries." "So we have to continue to support developing countries in making investments in infrastructure, in health, in education. This will set the stage for the stronger growth."

The WB estimates global GDP grew 2.3 percent in 2012, compared with last June's expectation of 2.5 percent. Growth is expected to remain broadly unchanged at 2.4 percent in 2013, before gradually strengthening to 3.1 percent in 2014 and 3.3 percent in 2015, it said.

Solar home systems growing fastest in Bangladesh: WB

Bangladesh now has the fastest growing solar home systems programme in the world with more than 50,000 new installations a month, the World Bank said in a statement on February 25. The lender has been supporting the programme to provide electricity to rural households since 2002 through the Rural Electrification and Renewable Energy Development Project.

The solar home systems consist of a solar panel, a battery, and a charge controller. The battery is charged by solar energy, which in turn provides electricity to the households. With support from the WB and other development partners, about two million solar home systems have already been installed in the rural areas. The lender has contributed about $492 million to the project that ended in December 2012.

Recognising the success in providing rural electricity, the WB in September last year approved the second phase of the project worth $155 million to further the initiative. The second



phase will support provision of 550,000 solar homes systems in rural areas, renewable energy-based mini-grids, replacement of diesel irrigation pumps with solar pumps, dissemination of clean cook stoves and deployment of energy-efficient compact fluorescent lamps. Technical assistance to the power sector will also be provided.

The government - owned Infrastructure Development Company Ltd and non-government organisations such as Grameen Shakti, Rural Services Foundation and many others have partnered the effort. Solar home systems are economically viable solutions to get electricity to villages where electricity grids would be too expensive to build.

Solar home systems meet the basic electricity needs of rural people, who would have otherwise been dependent on kerosene lamps for lighting.

The electricity provided from the systems has helped children spend more time studying, and new opportunities are emerging for village enterprises. Rural markets can now remain open longer hours after dark and conduct brisk business due to the solar lights.

Political strife, Eurozone crisis threaten economy: IMF

The International Monetary Fund (IMF) on March 12 advised the Bangladesh government to build up sufficient foreign exchange reserves to deal with political uncertainty and the Eurozone slowdown. The global economic slowdown coupled with election-year uncertainty in Bangladesh poses the most immediate challenge to policymakers, the IMF said in its country report on March 12.

Although the spillovers from the Eurozone crisis appear manageable so far, the government should still take pre-emptive measures to build external and fiscal buffers, the IMF said. These same buffers could also mitigate the effects of domestic strife ahead of upcoming elections." The IMF identified escalating violence and lack of fiscal restraint ahead of the national elections as one of the vulnerabilities for the economy.

Given the country's export dependence on Eurozone, where about half of the exports go, intensification of the crisis in the region might derail the economy, the IMF said. The garment sector — which accounts for 80 percent of the country's exports and employs about four million workers, mainly women — would particularly be affected, it said. The sector's exports, however, could also be affected by "a backlash" from the Tazreen fire tragedy in November 2012, further said IMF's risk assessment.

"Balance of payments (BOP) pressures could intensify on a deeper export slump, destabilising the exchange rate and pressurising reserves." If the risks do materialise, greater exchange rate flexibility would need to be coupled with moderate fiscal easing keeping the inflation and reserves in mind, the IMF said.

Although IMF expects election-related costs to be contained within the bounds of the Extended Credit Facility (ECF) programme, the possibility of fiscal slippages looms large.

Fiscal slippages would lead to higher bank borrowings, increasing the development burden on the banking sector and government's reliance on Bangladesh Bank (BB) financing, with spillovers to monetary policy. In such a situation, the IMF called for fiscal tightening, readjustment of monetary targets and greater interest rate flexibility.

Further deterioration of state banks' finances poses another major risk

to the economy, according to IMF's risk assessment. Meanwhile, IMF deemed the overall fiscal stance to be prudent, "but tax revenue misses, while modest, and still-elevated subsidy costs bear close watch".

Bangladesh and its near abroad-the begums and the two giants : The Economist

The Economist

Sitting squarely in the most densely populated part of the planet, the extent of Bangladesh's physical isolation is staggering. One would think that overcoming this isolation might long have been a political priority in Bangladesh. It has not.

For much of the past four decades, foreign policy in Bangladesh meant simply: relations with India. Foreign policy never mattered a great deal in electoral contests between Sheikh Hasina of the governing Awami League (AL) and Khaleda Zia of the Bangladesh Nationalist Party (BNP), the leading ladies who have taken turns at running Bangladesh since 1991.

Voters still do not care much. But for the first time—the fifth round of Hasina v. Zia, which is to be held by January 2014, the arch-rivals appear keen to use Bangladesh's strategic location on the Bay of Bengal to connect their nation to the neighbourhood.

In practice that means securing concessions from China and India. The diplomatic thaw in Myanmar, which had seemed like a permanently missing link between South Asia and South-East Asia, has raised the worry that it might steal a march on Bangladesh in the ongoing race to connect the vast crescent of land that stretches from the Indian state of Assam all the way to Singapore.

If history were to be the guide, Khaleda Zia would be the next prime minister and her party, the BNP, would form the next government; no government in Bangladesh has ever won a second term. But Mrs Zia faces an uphill battle: She faces corruption charges (a conviction would bar her from running) and her exiled son—who is also her party's heir-apparent—faces criminal charges. The outcome of war-crimes trials in Dhaka, which are expected to be wrapped up before the end of the year, might conceivably result in the execution of the entire leadership of the Jamaat-e-Islami, Mrs Zia's main electoral ally. And yet the BNP's popularity has risen sharply since mid-2010, with 39% of respondents saying in a recent opinion poll they would vote for the BNP (nearly twice as many as in mid-2010, compared with 42% for the AL).

Last year Mrs Zia made weeklong visits to China and India, which her supporters have been keen to trumpet as a sign of things to come. The AL government of course regards the opposition leader's flying about with derision.



In China, Mrs Zia and Xi Jinping, then China's leader-in-waiting, vowed to establish closer links between the Chinese Communist Party and the BNP—a curious relationship, which had Western diplomats in Dhaka speculating long before the local press heralded the full-scale arrival of the Chinese in Bangladesh. China's relations with the BNP do not carry the same baggage as those with the AL, which claims responsibility for winning secession from Pakistan, which has been a Chinese ally since before 1971. China refused to recognise Bangladesh as a sovereign country until August 1975, when Sheikh Mujibur Rahman—the country's independence leader, its first president and the father of the Sheikh Hasina—was assassinated.

China has already pledged to help build the world's longest river-crossing, to span the Padma, and a deep-sea port at Sonadia island, off the coast of Cox's Bazar in south-eastern Bangladesh. The port could serve the landlocked parts of India, Myanmar and China. China is also keen to establish a road- and rail-link to connect Chittagong in Bangladesh with the Chinese city of Kunming, via Myanmar. Despite the long border with India, China is Bangladesh's biggest trading partner and supplier of arms.

India is sure to wonder where this is going. Could Mrs Zia revive the "Look East" policy of her previous term as prime minister, in 2001-06? In an article published by the Institute for Defence Studies and Analysis, a think-tank in Delhi, Mrs Zia wrote that benefits of her policy could "not be over emphasised", noting that it was in Bangladesh's strategic interest to look for allies and economic opportunities in fast-growing South-East and East Asia.

Sheikh Hasina has agreed to allow India to use its territory for transit. But the absence of proper roads makes the concession meaningless. And so India has been making plans without Bangladesh to secure access to its landlocked north-eastern states, via Myanmar. It is developing a deep-sea port in Sittwe, the capital of Rakhine state in Myanmar. Rather conveniently, Sittwe is also close to Myanmar's massive Shwe gas field. The idea will be to run a canal, highway and possibly a pipeline from Sittwe to a newly constructed

river port in Myanmar's Chin state, and then on to the border with the Indian state of Mizoram. The project is expected to become operational by mid-2013. And so Bangladesh looks likely to be left in its isolation.

In a bid to boost economic co-operation, connectivity and "shared prosperity" with the ASEAN states, India's foreign ministry flagged off a three-week car rally in Jakarta late last year. The rally ran through Singapore, Malaysia, Thailand, Cambodia, Vietnam, Laos and re-entered Thailand before following the route of an Indian-sponsored highway through Myanmar to enter the Indian state of Nagaland and then reach a finish line at Guwahati, the capital of Assam. Bangladesh, the route would suggest, is not part of the Indian plan. And so it stews, between West Bengal and the curl of the north-east, like an appendix to the region's new prosperity.

The above analysis has been published by The Economist in its 9 January, 2013 issue.

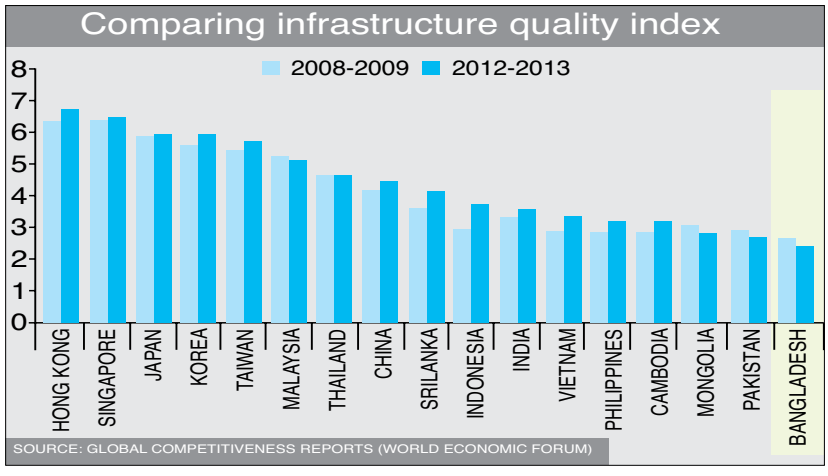
Bangladesh has significant leeway to raise external commercial borrowings: Citi

Bangladesh has significant scope to get non-concessional loans from external sources without undermining its debt sustainability or credit profile, said a leading global bank. "We think Bangladesh has significant leeway to raise external commercial borrowings," US-based Citibank said in its latest country analysis. Bangladesh has promising growth prospects with significant scope to boost investment and export capacity, but the country needs to address significant infrastructure bottlenecks, the banking giant said recently.

It said the sovereign credit risk profile of Bangladesh is more analogous to that of Vietnam and less risky than Sri Lanka's given much lower government and external debt ratios. Although Bangladesh's public finances face pressure due to lower tax and revenue base and large spending on subsidies, the Citi sees few fiscal sustainability risks at this juncture.

Almost all of Bangladesh's external debt, which is about 20 percent of GDP (gross domestic product), is owed by the government to development partners and is largely on concessionary terms with long maturities. Thus, the government's annual interest expense has been kept low at around 2.2 percent of GDP versus 5.3 percent for Sri Lanka, 4.5 percent for India, 4.3 percent for Pakistan, and 2.9 percent for the Philippines, Citi said.

"If the government can mobilise more revenues, cap subsidies and raise much-needed capital spending to boost growth, we think Bangladesh can run annual deficits at 3-4 percent of GDP for some time without undermining debt sustainability."



The Citi-pinpointed drawbacks for the economy include vulnerabilities from a concentrated economic structure, very low revenue base and state sector institutional weaknesses. Bangladesh has the lowest per capita income among countries the Citi covers and has a very narrow manufacturing or export base which is highly concentrated in garments, with exports to the EU also being very high.

Bangladesh's manufacturing sector is relatively small at only 17.7 percent of GDP. Moreover, it is heavily skewed towards the garment industry, accounting for almost 79 percent of total exports in 2012. The country also has very low revenue- and tax-to-GDP ratios that, along with still sizeable subsidy spending pressures, limit the fiscal space for much-needed social and infrastructure spending.

The Citi said boosting investment rates and export capacity are critical to raising growth. Much-needed investment and associated productivity improvements that could boost exports are the critical growth drivers that could accelerate Bangladesh's convergence towards (lower) "middle income status", the Citi said.

Bangladesh's investment rates remain at relatively low levels at about 25 percent of GDP despite its gross infrastructure deficiencies, with net foreign direct investment being particularly low (averaging about 0.9 percent of GDP in the last five years), likely due to weak business climate and infrastructure. The Citi said Bangladesh's main competitive advantage of low labour costs will likely persist for a while.

It also said to reach low middle income status faster, than the government's target of 2021, Bangladesh will need to make further efforts to diversify its export base and increase its domestic value-addition. "Thus, it will need to address its physical and human capital deficiencies," it said.

Bangladesh ahead of other LDCs : Lamy



World Trade Organisation Director General Pascal Lamy has said Bangladesh is well ahead, in terms of development and GDP (gross domestic product) growth, of other least developed countries (LDCs). "I applaud the government of Bangladesh for its active engagement to ensure that mechanisms are embedded in the international trade architecture to facilitate a greater integration of LDCs into the multilateral trade system," he said.

The WTO director general was addressing the businesses, civil society representatives, diplomats, port and customs officials, senior officials of Chittagong Export Processing Zone and Karnaphuli Export Processing Zone and trade body leaders of different sectors at the views exchange meeting organised by Chittagong Chamber of Commerce and Industry (CCCI) at Hotel Agrabad in the city this on February 2.

Commerce Secretary Mahbub Ahmed, Ambassador and Permanent Representative of Bangladesh Mission to the UN Md. Abdul Hannan, Consul General of Turkey Salauddin Kashem Khan, among others, also addressed the meeting. Emphasising on a multilateral agreement on trade facilitation he said that it would expedite the movement of goods across borders and would improve transparency and predictability of trade and doing business situation. With the growing prevalence of regional and global supply chains, effective and predictable trade facilitation is an essential ingredient in making supply chains work for developing countries, he stated.

He stressed the need for removing barriers to trade and cutting red tape in half, which is what a multilateral trade facilitation agreement could deliver. It has real economic deliverables for a country such as Bangladesh that has the potential to exploit its comparative advantage in labour and in the garments industry, he observed.

"Multilateral trade negotiations can sometimes be difficult to relate to the day to day work of doing business. But it is not so for trade facilitation. There is nothing that brings the work in Geneva closer to the reality of trade than the nuts and bolts of improving trade facilitation processes and procedures. Effective trade facilitation increases customs productivity, improves tax collection at the border and helps attract Foreign Direct Investment (FDI)," Lamy said.

During his first-ever visit in Bangladesh Mr. Lamy termed Chittagong maritime port as the heart of the economy of Bangladesh handling more than 90% of sea-borne export-import trade and said, the real purpose of the country is to connect Bangladesh to the outside world through trade and to serve as a conduit for other countries of the region to connect each other.

Speaking on the occasion former adviser of the caretaker government Dr Hossain Zillur Rahman said located in a triangle of China, the ASEAN and India, Chittagong itself is a regional emerging economy worth 25 billion US dollars. Chittagong will shortly become another Singapore of Asia, he stated.

Former vice chancellor of Chittagong University Professor Alamgir Mohammed Sirajuddin alleged that specific market access problems of Bangladesh have not been addressed by the WTO. Nor has the WTO done enough for Bangladesh in the Intellectual Property Rights (IPR). He said that Bangladesh is exporting pharmaceutical items to 170 countries after meeting the local requirement.

CCCI President Murshed Murad Ibrahim said the role of WTO is as important as the UN in respect of economic development of the world, particularly for the emerging third world countries including Bangladesh.

Forex reserves cross $14b

Foreign currency reserves crossed the $14 billion-mark for the first time on March 5 in the history of Bangladesh. According to the central bank statistics, the reserve was $14.10 billion on March 6.

Foreign exchange reserve is shooting up due to the export and remittance growth and fall in imports. The current reserve can be used to clear import bill requirements of over five months, the central bank said in a statement. Besides, in the first six months of the current fiscal year, import fell by 8 percent and export increased.

Although the world is suffering from a recession, Bangladesh's remittance inflow is steadily increasing, and it went up by 17.34 percent with total remittance receipts at $9.88 billion in the first eight months of the current fiscal year. From July 1 of the current fiscal year till March 5, the central bank purchased $3.28 billion from the banks. All these put together, the foreign currency reserves increased.

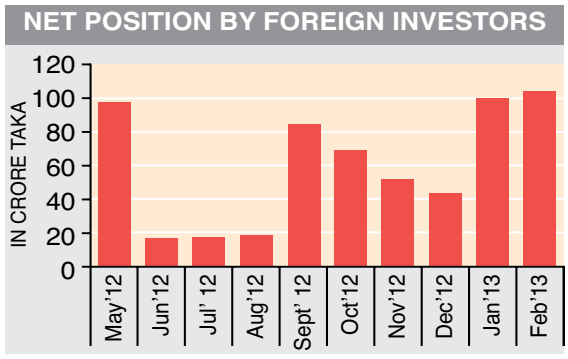
Middle East and North Africa have occupied a big part of Bangladesh's labour market. "The positive thing is that the political situation in the sub-continent has been settling down gradually. Manpower export to Malaysia has also started," the banking regulator said in the statement. "With that backdrop, remittance is likely to increase further."

Foreign investment in stocks hits record high

The stock market received Tk 1,030 million in foreign investment in February, the highest in ten months, on the back of rallying fundamentals. In February, foreign investors bought shares worth Tk 1,799.3 million and sold shares worth Tk 763.6 million, according to Dhaka Stock Exchange (DSE). The net foreign investment receipt, of Tk 1,035.7 million, was an increase of 3.84 percent from January.

"Furthermore, the country's secondary market ratios are very competitive when viewed against the peer countries," said the chief executive of City Brokerage, which trades on behalf of some foreign investors. City recently initiated an aggressive marketing campaign abroad and is upbeat about luring in substantial foreign investment.

Other brokerage houses, too, are expecting higher foreign investment, as the central bank recently allowed local stockbrokers to share trading commissions with their foreign counterparts. Previously, commissions from making trade on behalf of investors referred to by foreign stockers went solely to the local brokerage houses, an act which discouraged foreign stockbrokers from participating in the country's capital market.



Bangladesh - Japan sign $1.04b loan package for 4 major projects

Bangladesh and Japan on March 10 signed a deal under which Tokyo will provide $1.04 billion loan to implement four projects, including the construction of three four-lane bridges on Dhaka-Chittagong highway. According to a statement of ERD, the four lane bridges will be constructed beside the existing two-lane Kanchpur, Meghna and Gumti bridges. The existing bridges on the highway will also be repaired under the project that will end in 2021.

Abul Kalam Azad, Secretary of Economic Relations Division (ERD), and Takao Toda, Chief Representative of Japan International Cooperation Agency (JICA), signed the deal at the National Economic Council (NEC) auditorium. At the signing ceremony, Azad said it would be the largest loan package to be provided by Japan. With an interest rate of 0.01 percent, the loan is payable in 40 years including 10 years of grace period. Of the four projects, the total cost for Kanchpur-Meghna and Gumti Second Bridge Construction and Existing Bridge Rehabilitation Project is $1.13 billion. Japan will bear 76 percent of the total project cost in phases. In the first phase, it will provide $316 million. The country will provide $380 million for Karnaphuli Water Supply Project, $224 million for Northern Bangladesh Integrated Development Project and $124 million for Renewable Energy Development Project.

Japan is Bangladesh's biggest bilateral development partner. Since the independence, Japan committed $11 billion to Bangladesh of which $7 billion has already been disbursed, the ERD statement said. On February 20, the two countries signed another loan package worth $784 million to implement four projects, including the metro-rail system.

Global crisis cost Bangladesh $2b in 2009: CPD

The global financial crisis cost Bangladesh about $2 billion or 0.60 percent of the country's real GDP per capita growth in 2009, a new study finds. Without the crisis, which brought the western financial system as well as economy to its knees, the real GDP per capita of Bangladesh could have provided a stronger base for 2010. The loss of real GDP (gross domestic product) per capita in the country was around $14 in 2009 or Tk 1,200 per person, according to the research.

"Although the value may seem small, for a population of about 144 million in 2009, the aggregate loss in real GDP in Bangladesh was to the tune of $2 billion," said the study -- Impact of the Global Economic and Financial Crisis on Bangladesh: an Intervention Analysis.

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD), Shouro Dasgupta, a junior consultant of the think tank, and Dwitiya Jawher Neethi, its programme associate, jointly made the analysis.

While the crisis originated in mid-2007, the economy of Bangladesh started to experience the adverse effects from the middle of 2009, said the analysts. They said Bangladesh was not impacted by the crisis immediately, perhaps, largely because the country lacks financial integration with the global economy, its resilience of exports in the beginning of the crisis and robust remittance inflow.

The analysis said growth in GDP, exports, imports, overseas development assistance (ODA),

remittances and FDI had been much smaller in 2010 compared to 2007. While GDP growth remained robust compared with many other countries during the crisis, it did suffer a 0.7 percentage point fall between fiscal 2006-07 and 2008-09 before rising to 6.1 percent in 2009-10. However, the rise was still lower than the pre-crisis level (6.4 percent in 2007).

FDI inflows were largely unaffected by the global financial crisis mostly due to Bangladesh's lack of integration with global markets. FDI fell from $1,086 million in 2008 to $713 million in 2009. However, it increased to $916 million in 2010. Despite the anticipation of a 'double-dip' recession, the government of Bangladesh needs to avoid cutting expenditures in social sectors, such as health and education, as well as social safety net programmes. The safety net schemes support the disadvantaged groups most affected by the loss in real income during global economic and financial crisis, the analysis said.

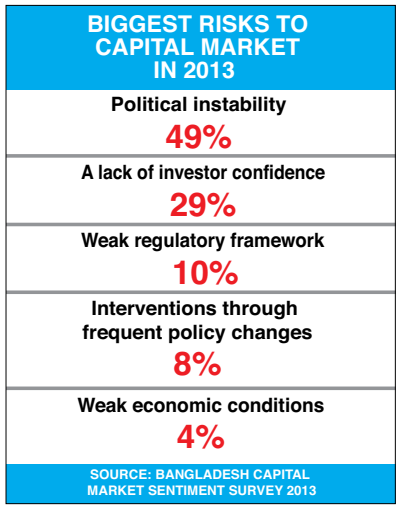
Political instability biggest risk to economy & capital market in 2013 : Survey says

Political instability poses the biggest risk to the economy and the capital market in 2013, said a recent survey of stock market stakeholders. Some 80 percent of the respondents in the survey conducted by LankaBangla Securities, a top broker, expressed grave concern over the ongoing political turmoil, which leads to frequent dawn-to-dusk shutdown of business activities.

A total of 49 persons from 42 institutions participated in the survey conducted in January 2013. Over half of the respondents — ranging from regulators to traders, academicians to business journalists, and fund managers to individual investors — expect the economy to grow at roughly the same pace as last year. While 27 percent are optimistic that the GDP growth rate would be higher than last year's 6.3 percent, local infrastructural bottlenecks might get in the way.

Over at the capital market, 49 percent of respondents ranked political instability as the biggest risk to the stock market in 2013, according to the survey. The lack of investor confidence (29 percent) and weak regulatory framework (10 percent) are likely to pose considerable risk during the year. Nonetheless, 53 percent are expecting a "moderately" bullish capital market in 2013, with textiles and financials (both 24 percent) tipped to outperform the other sectors.

Utilities (22 percent) and cement (16 percent) are expected to be strong performers as well. In terms of asset class, equity (43 percent) is expected to be the runaway performer, followed by saving instruments and real estate, with both receiving 18 percent votes each. Only 10 percent of the survey participants predicted either gold or bonds to outperform in 2013. Most of the respondents



(72 percent) want to concentrate on mid- and long-term rather than short-term (20 percent) investment strategies in 2013.

The stock market is expected to react the most to earnings performance of listed companies (39 percent), followed by political development (31 percent) and broad macroeconomic factors (20 percent). Meanwhile, some 41 percent of the respondents expect the local currency to continue to appreciate against the US dollar in 2013; 33 percent anticipate the taka-dollar conversion rate to stay the same as last year.

Regarding Bangladesh Bank's policy stance in 2013, almost half of the participants (49 percent) think that the central bank will stick to its existing policy, while 18 percent is hopeful of a relaxed monetary policy. Some 45 percent of the respondents are anticipating a rise in inflation, with 16 percent suggesting otherwise. The liquidity situation is tipped to take a turn for the better in 2013 by 41 percent, while 20 percent is sceptical that it will happen. The Dhaka Stock Exchange declined 19.74 percent last year and ranked the third worst performer in the world in 2012, Bloomberg data showed.

Almost half of the participants (47 percent) blame the lack of investor trust and poor corporate governance of listed companies. Weak economic conditions and high cost of liquidity and regulatory failures also contributed to the drab performance in 2012, raking in 21 percent and 18 percents affirmations respectively.

Going forward, the respondents demand improved transparency of financial reporting and other corporate disclosures (45 percent), improved enforcement of existing rules and regulations (23 percent) and improved corporate governance practices (16 percent), for a robust stock market. A wide majority (74 percent) considers the Bangladesh Securities and Exchange Commission ill- equipped to effectively regulate market operations.

A staggering 98 percent of the investment stakeholders believe that local traders lack the qualifications to take knowledge-based investment decisions, thereby giving rise to market volatility. Financial projections through equity research publication would improve the situation, 90 percent of the respondents said.

Of the 49 participants, 33 percent were asset/fund/portfolio managers, 12 percent merchant bankers and 12 percent research analysts.

Regional News

Bangladesh, China, India and Myanmar Forum
Stresses regional cooperation



The Eleventh BCIM Forum was held in Dhaka on 23-24 February under the overarching theme of "Recent Developments in BCIM Countries: New Opportunities and New Challenges for BCIM Cooperation". The Eleventh Forum was hosted by the BCIM partner in Bangladesh, the Centre for Policy Dialogue (CPD), Dhaka and was attended by delegations organised by the BCIM partners from the other three countries The Foreign Affairs Office, People's Government of Yunnan Province, Kunming, China; Institute of Chinese Studies, New Delhi, India and Ministry of Foreign Affairs, Government of the Republic of the Union of Myanmar. From the Bangladesh side, besides CPD professionals, various sessions of the Forum were attended by Ministers, high level government officials, business leaders, academics and experts and representatives of different civil society organisations.

The Eleventh Forum comprised of three thematic sessions, one session on institutional issues and a business forum as well as a reception accorded to the BCIM Car Rally participants. The thematic sessions were: Cooperation in the Areas of Trade, Investment and Finance", 'Strengthening Multimodal Connectivity" and "Shaping Energy Cooperation Objectives of these sessions were to examine potential opportunities of collaborative efforts in each of these areas, identify bottlenecks, suggest concrete measures to deepen cooperation and recommend how best governments, public and private sectors and public private partnerships could be brought into play more actively to implement the identified opportunities at sub-regional and other levels, through concrete projects and initiatives. The session on "Institutional Arrangements for Effective Cooperation" discussed possible framework modalities to take the BCIM cooperation forward in the coming days. "BCIM Business Forum", addressed issues related to deepening business to business collaboration and public-private partnerships in the region to promote trade and investment within the region.

BCIM Car Rally was a high point of the Forum. It is a unique opportunity to witness realisation of a BCIM concept into a concrete reality. Cooperation of the governments of the BCIM countries in organising the BCIM Car Rally needed to be particularly mentioned and appreciated. The BCIM Forum partners were pleased to note that governments of the participating countries are taking an increasing interest in the work at the Forum and are extending support to the 'BCIM Forum activities.

In the 11th BCIM Forum in Dhaka, Bangladesh reached consensus as follows:

1. The Forum noted that successive BCIM forums have identified increasing opportunities for collaboration and cooperation among the people and countries of the region.

2. The Forum partners were of the opinion that recent developments in the BCIM region and the growing importance of the Asia-Pacific region in the evolving global context have reinforced the need for renewed efforts to realise the potential opportunities.

3. The Forum underscored the need for stimulating and promoting both intraregional and extra-regional trade and investment in the context of BCIM cooperation.

4. In the discussion on the issue of energy cooperation, the Forum noted that ensuring energy security remained a major concern for all the countries of the BClM region. In this connection the Forum observed that there were significant opportunities for joint exploration of natural resources, collaborative investment in energy sector development and cross border trade and movement in energy within the region.

5. The Forum observed that BCIM region has continued to suffer from lack of meaningful multi-modal connectivity.

6. The Forum is encouraged to note that through establishment of the BCIM Business Council (BCIM-BC) an important step has been taken towards closer business-to-business collaboration among the private sectors of the participating countries.

7. BCIM Forum was pleased to note that through the efforts of the past decade initiative is being recognised by the governments of the region as an important and promising contributor. There is now a need to take this one step forward and further. The Forum is of the opinion that governments, private and public sectors, chambers and civil societies of the BCIM countries will have to combine their efforts in establishing implementation mechanisms for a project or group of related projects with priorities and timeframes.

8. BCIM partners noted with satisfaction that the BCIM Car Rally was taking place in accordance what was planned at the time of the Tenth Forum in Kolkata in February 2012. The BCIM partners congratulated the Car Rally participants who have reached Dhaka on their journey

to Forum sincerely appreciated the wholehearted support of the four governments towards this collaborative effort which will no doubt prove to be a milestone in promoting the idea of BCIM community and people to people contact.

9. The Forum is of the opinion that greater dissemination of the activities of the BCIM Forum and developments in the BCIM region was essential to giving visibility to the cause of promoting cooperation among the BCIM countries.

10. The Forum thanked the Centre for Policy Dialogue for organising the Eleventh Forum in such a befitting manner. The Forum was of the opinion that the Dhaka Forum was able to further advance the cause of greater cooperation and integration among the countries of the BCIM region.

11. The Twelfth Forum will be held in Myanmar.

12.The four partners updated and exchanged the names and addresses of their focal agencies.

These agencies will monitor the progress of implementation of the suggestions emanating from the Eleventh BCIM Forum in Dhaka and will report this to the Twelfth Forum in Myanmar.

ADB Provide $21m for SASEC Trade Facilitation Project

ADB and the Bangladesh government on January 21 signed an agreement for the project to help goods move more smoothly in and out of Bangladesh, Bhutan, and Nepal, by overhauling time-consuming, costly, and often opaque customs procedures that are inhibiting intraregional trade, said the ADB.

Md Abul Kalam Azad, Secretary, Economic Relations Division (ERD) and M Teresa Kho, Country Director of ADB's Bangladesh Resident Mission, signed the agreement for the South Asia Subregional Economic Cooperation (SASEC) Project on behalf of Bangladesh and ADB respectively, at a ceremony at ERD, Sher-e- Bangla Nagar.

The project will help the three countries, all members of the South Asia Sub-regional Economic Cooperation (SASEC) programme, adopt an international customs administration protocol, upgrade existing automated customs management systems, and establish web- based electronic trade portals. These measures will give importers and exporters accurate information timely. India, which is also a SASEC member, is not included in the programme as it is funding its own trade facilitation reforms and is significantly ahead of its neighbors.

Despite healthy growth, South Asia's low levels of intraregional trade make it one of the least integrated regions in the world. Of the total regional trade, intra-regional trade is only 6 percent in South Asia against 55 percent in East Asia.

Processing and export delivery times are more than 30 percent slower than in East Asia and the Pacific, while administrative fees and storage and handling costs are 43 percent more expensive. Weak logistics systems, poor infrastructure and a lack of cross border transit agreements are other impediments to trade which is nearly all land based.

Informal trading has sprung up to avoid excessive documentation and goods inspections, resulting in sizeable government revenue losses. The introduction of international customs practices, streamlined management systems including the planned establishment of "single window" systems to simplify transactions and web-based information for traders, will make cross border trade more efficient, cost-effective, transparent, and secure.

The project, which targets a 7.5 percent rise in intraregional trade volumes by 2018, will complement SASEC cross- border transport projects to improve connectivity, and planned investments in projects across the transport, trade facilitation and energy sectors.

SASEC was set up in 2001 as an initiative of Bangladesh, Bhutan, India, and Nepal. It aims to promote domestic and regional prosperity through stronger transport links and increased trade and cooperation across sectors ranging from energy, tourism, the private sector and the environment. ADB acts as Secretariat for South Asia Subregional Economic Cooperation (SASEC) .

The National Board of Revenue will execute the project scheduled to be completed in 2015.

Asia has the world's most billionaires: survey

Asia has more billionaires than any other continent, a survey by a China-based wealth magazine showed on February 28, apparently overtaking North America for the first time. There were 1,453 people around the world with a personal wealth of $1 billion or more as of January, said the Hurun Report, a luxury magazine publisher that compiled the list. Asia had 608 billionaires, North America 440 and Europe 324, it said in a statement.

It is believed to be the first time Asia has been named as home of the largest proportion of super-rich on any global list. US business magazine Forbes said in its most recent international rich list, published



in March last year, that the Asia-Pacific region had 315 billionaires, compared to 450 from North America and 310 in Europe.

Among individual countries, the United States and China dominated the Hurun list, with 408 and 317 billionaires respectively, followed by Russia, Germany and India. Mexican telecoms czar Carlos Slim, 73, was ranked as the "Richest Man on the Planet" with a personal fortune of $66 billion. Slim also topped last year's Forbes global list.

US investor Warren Buffett and Amancio Ortega of Spain, founder of fashion brand Zara, were second and third in the Hurun Report rankings, with a net worth of $58 billion and $55 billion respectively. Hong Kong investor Li Ka-shing kept his title of Asia's richest man with $32 billion, the seventh wealthiest person in the world.

Zong Qinghou, who heads soft-drink producer Wahaha, and Wang Jianlin of property developer Wanda were the only two from mainland China to make it into the top 100. The Hurun Report estimated the total wealth of the world's dollar billionaires at $5.5 trillion, roughly the size of the Japanese economy last year. Real estate, telecommunications, media and technology and retail were the most common sources of wealth, it added.

Moscow has more billionaires than any other city in the world with 76, it said, edging out New York, Hong Kong, Beijing and London.

Continent	No. of Billionaires	Richest on Continent	Residence	Wealth US$bn
Asia	608	Li Ka-Shinh	China	32
North America	440	Carlos Slim Helu and Family	Mexico	66
Europe	324	Amancio Ortega	Spain	55
South America	49	Iris Fontbona and Family	Chile	20
Africa	17	Aliko Dangote	Nigeria	15.5
Oceania	17	Georgina Rinehart	Australia	17

Billionaires by Continent -Hurun Global Rich List 2013

Binod Chaudhary is Nepal's First Billionaire

The tiny Himalayan nation of Nepal (population:30 million) , among the poorest countries in the world, has produced its first billionaire in Binod Chaudhary, chairman of the Cinnovation/Chaudhary Group, a conglomerate of close to 80 companies with interests in banking, foods, cement, real estate, hotels, power, retail, electronics. But Chaudhary, 57, faced with restrictions at home, has built much of his estimated $1 billion fortune overseas through his Singapore-based arm Cinnovation.

The group has expanded into neighboring India with its famous Wai Wai brand of instant noodles and forged a partnership with India's Taj Hotels Group with which it owns hotels in Sri Lanka, the Maldives, Thailand as well as in India. It also has a stake in Alila, an Asian luxury boutique chain and is additionally creating its own hotels under the Zinc brand.

Chaudhary hails from a business clan with Indian roots. His grandfather Bhuramal Chaudhary, a textile trader from Rajasthan, migrated to Nepal in the 19th century. He opened a small textile store that used to supply goods



to the erstwhile rulers. Chaudhary's father, Lunkaran Das, converted that into Arun Emporium, Nepal's first department store. The eldest of 3 siblings, Chaudhary joined the business at age 18, giving up his plan to study accounting in India when his father developed a heart ailment. The group had 400 people then versus 7,500 today.

A family division gave Chaudhary the freedom to pursue his own ambitions. Seeking expansion, he created Cinnovation through which he acquired overseas assets. Though scandals have dogged Chaudhary as he has flowered, he was also able to get a controlling interest in Nepal's Nabil Bank . This was possible because two of Binod's three sons, Rahul and Varun, are non -resident Nepalis based in Dubai and Singapore. His eldest son Nirvana looks after the domestic interests.

Nepal gave up its 240-year old monarchy five years ago, but its dreams of the new republic including a new constitution remain in limbo as political parties failed to agree on a host of issues. The country's parliament, headed by a Maoist-led government, was dissolved last May and fresh elections are due this year.

Nonetheless, Chaudhary who was a member of the erstwhile parliament, remains bullish on his home country and its economic potential beyond tourism.A fitness fanatic, Chaudhary goes trekking in the Himalayas every year to clear his head. He and wife Sarika also regularly visit their health farm in the Philippines.

BIMSTEC Secretariat in Dhaka

The Cabinet has approved a proposal for signing a Memorandum of Association (MoA) for establishment of a permanent Secretariat of BIMSTEC in Dhaka. The approval was given at the regular weekly meeting of the cabinet held at Bangladesh Secretariat with Prime Minister Sheikh Hasina in the chair.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was founded in 1977 for cooperation among South Asia and South-East Asian countries in the areas of trade and investment, transport and communication, energy, tourism, technology and fisheries. Members of the association are: Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, and Nepal.

Briefing reporters after the meeting, Cabinet Secretary M Mosharraf Hossain Bhuiyan said the secretariat of the BIMSTEC, according to the MoA, will be established in Dhaka. Bangladesh government will provide office premises for the secretariat for five years and bear all maintenance expenditure of the office, he said. The decision of signing the MoA will help make the secretariat of the BIMSTEC operational, he said.

First Secretary General of the organization will come from Sri Lanka, and it will use the names of member states in alphabetical order for next secretaries general. The cabinet also discussed a draft placed by the Ministry of Forests and Environment on "National Conservation Strategy", a plan for conservation of the natural resources and sustainable development.

The cabinet secretary said the cabinet discussed the strategy and asked the concerned expert committee for its necessary change in light of the present scenario, priorities and achievements. The strategy will stipulate the work plan for sustainable management of the natural resources and long-term plan for urbanization, land zoning, small- and medium-scale industries, ICT, power and other sectors, he said.

China economy to overtake US by '2019

China will overtake the United States economically within six years, an official research institute predicts, and go on to become the world's most important country in three decades more, China's state media said on January 10. The findings came from the Nation's Health Report issued by the Chinese Academy of Sciences, the Global Times said, without giving details of the criteria used for the prediction.

China's economy would be larger than that of the US by 2019, it cited the document as saying, and China's "international status" would exceed that of the US by 2049, the 100th anniversary of the founding of the People's Republic. "National health" was defined as a country's "overall conditions... using resource sufficiency and wealth distribution as the major criteria", the Global Times said, but did not go into specifics.

China ranked as the 11th "healthiest" country out of some 100 nations, it said, just behind Costa Rica, with Sweden in top position. The official Xinhua news agency said China was given a national health status of "up to standard", though the US, Japan and Britain were deemed



"health deficient". The report could not immediately be independently obtained from the Chinese Academy of Sciences.

China's stunning economic growth rates, increases in military spending and overlapping security interests in the Asia-Pacific region with the US have sparked concerns the countries could find themselves increasingly at odds in coming decades as they jockey for global influence. But the Global Times, which has close ties to China's ruling Communist Party, said the document's findings were seen by some as overly nationalistic.

Decades of economic reform and openness to foreign investment have propelled China from a poor, overwhelmingly agricultural country to become the world's second-largest economy behind the US.

International analysts widely expect China's economy, given its high growth rates, to overtake the US in terms of gross domestic product, or total size, sometime in the first half of this century, though differ on exact timing and criteria.

But they also see the US as likely to remain wealthier on a per capita basis given China's huge population of 1.3 billion, with that of the US currently at about 315 million.

BRICS scales back plans to challenge West

Leaders from the BRICS group of emerging powers on March 27 were to unveil a scaled-back plan to challenge Western supremacy at global institutions like the World Bank. Leaders from Brazil, Russia, India, China and hosts South Africa were set to hammer out deals designed to counter the impact of Europe's dragging economic crisis and gain more influence on the world stage. Topping the agenda on the final day of the BRICS summit is an agreement to establish an infrastructure bank designed to rival the US and European-led World Bank that has dominated development finance for several decades.

"The BRICS-led bank is intended to mobilise domestic savings and to co-fund infrastructure in developing regions," host and South African President Jacob Zuma told the gathering in the port city of Durban. Together the BRICS economies account for 25 percent of global output and 40 percent of the world's population. But members say global institutions such as the World Bank, the International Monetary Fund and the United Nations Security Council are not changing fast enough reflect their new-found clout.

Echoing the BRICS' new-found confidence, Brazilian President Dilma Rousseff said the summit came "at a point in time that is marked by deep economic changes, sweeping changes, which have made our BRICS nations key stakeholders and players." The disparate BRICS grouping has, however, struggled to turn that ideological belief into concrete progress toward their goals.

BRICS negotiators had been under pressure to come up with a deal on the bank to prove it is more than a talking shop, but a wide-ranging agreement appears to be beyond reach. A push for the bank to have a substantial $50 billion starting balance is likely to be significantly scaled back and there is little agreement on the bank's mandate.

'Nobel prize' of Asia launched

One of Taiwan's richest men on January 28 launched what has been widely touted as the Asian equivalent of the Nobel Prize, and it is even more lucrative than the famed Swedish award. Samuel Yin, head of the Ruentex business empire which has invested heavily in China, said that by donating Tw$3 billion ($101 million) for the Tang Prize he had fulfilled one of his biggest dreams.

The prize is named after China's Tang Dynasty (618-907), which is much admired by Yin, said the statement released by the prize foundation. Beginning in 2014 prizes will be awarded every two years in four different categories -- sustainable development, biopharmaceutical science, sinology and the "rule of law" -- to individuals, regardless of nationality.

The winner in each category will receive Tw$50 million ($1.7 million), compared to the eight million Swedish kronor ($1.2 million) that comes with a Nobel Prize. Nobel Prizes are awarded in the fields of physics, chemistry, physiology or medicine, literature and peace. The Tang Prize will help raise Taiwan's profile in the international scientific community, the statement added.



Coca-Cola, IFC join hands for Women's empowerment

The Coca-Cola Company and IFC (International Finance Corporation), a member of the World Bank Group, have announced a $100 million, three-year joint initiative to give women entrepreneurs in Eurasia and Africa access to finance. The collaboration builds on the synergies between Coca-Cola's 5by20 women's economic empowerment initiative and IFC's 'banking on women programme' to help address barriers women entrepreneurs commonly face in some of the world's poorest countries, according to a statement released on March 18.

IFC will work through its network of local and regional banking institutions to provide financing and business skills training to small and medium-sized businesses that are owned or operated by women entrepreneurs across the Coca-Cola value chain. The new partnership with Coca-Cola will help expand access to finance for thousands of women who are part of the company's supply and distribution chain, he added.

Work related to this initiative is already beginning in Nigeria. Coca-Cola and IFC are working with Access Bank to provide financing to women micro-distributors in the Coca-Cola value chain, in close collaboration with Coca-Cola's bottling partner, Nigerian Bottling Company.

ICC HQs News

Tribute to Alain Plantey, former President of International Court of Arbitration



Past and present members of ICC have been paying tribute to Alain Plantey, President of the International Court of Arbitration of the International Chamber of Commerce from 1989 to 1996, who died on 3 March 2013 at the age of 88.

Mr. Plantey was elected to the presidency of the ICC International Court of Arbitration after a lifetime of service to the international affairs of his native France. A doctor of law and graduate of France's prestigious training school for senior civil servants (ENA), he began his career at the Conseil d'État.

A man of action and determination, Mr. Plantey was also a man of reflection who leaves a legacy of writings which again reflect the breadth of his vision and interests. Throughout his presidency of the Court, Mr. Plantey championed the cause of international arbitration with vigour and conviction. ICC mourns his passing and extends its sincere condolences to his family.

ICC mourns former ICC Chairman Hari Shankar Singhania

The global membership and staff of ICC have learned with great sadness of the passing of Hari Shankar Singhania on 22 February. Mr Singhania, 79, served ICC with devotion and distinction for several decades, and notably as Chairman of the organization in 1993 and 1994. He was also President of the Federation of Indian Chambers of Commerce and Industry and of JK Organization.

During the almost two decades since his chairmanship of ICC, Mr Singhania remained interested and involved in the work of ICC, and honoured the organization with his continued participation in ICC events both in India and elsewhere. The ICC global family held him in very fond and respectful regard and will miss him.

We send our profound condolences both to his family and to ICC's friends in the Indian business community in which Mr Singhania played a major leadership role for so many years.



World economic climate improves: ICC-*Ifo* survey shows

The world economy is showing signs of brightening after six months of stagnation, according to a global survey of economic experts by the International Chamber of Commerce (ICC) and the Munich-based Ifo institute for economic research.

The latest ICC-*Ifo* World Economic Survey (WES) shows a climate indicator of 94.1 for the first quarter of 2013, up from 82.4 at the end of 2012 after two quarters of decline. The new global rise was driven by a significant increase in experts' optimism for the six-month economic outlook. Meanwhile, assessments of the current economic situation improved only slightly.

Ifo said positive business data from China and the US, after the first fiscal cliff had been averted, had helped lift the gloom. Another comfort was European Central Bank President Mario Draghi's pledge last year to do "whatever it takes" to protect the eurozone from collapse.

Asia brightens

The sharpest improvement in economic climate was seen in Asia, where the ICC-*Ifo* economic climate indicator rose above its long-term average. Since the end of 2012, experts have become more upbeat about Asia's economic situation and expectations have surged.

The economic indicator for North America rose too, mainly due to the view that the current economic situation had improved, although it was still "not completely satisfactory".

Euro zone's glimmer of hope

Overall, the survey showed the economic climate in Western euro areas to be poor but improving. This is mainly because of significantly brighter six-month expectations – in all euro countries apart from Estonia. Survey respondents described the economies of Greece, Italy, Portugal, Spain and Cyprus as "ailing", only slightly behind their euro neighbours. Only Germany and Estonia received positive assessments.

Inflation

The World Economic Survey's 1,169 economic experts in 124 countries were also quizzed on inflation. This gave a global average inflation estimate of 3.3% for 2013, down from 3.6% last year. Estimates for the euro area fell to 2.1% for 2013, from 2.4% last year. Short-term interest rates, set by central banks, are expected to remain largely unchanged over the next six months. And long-term interest rates, those affected mainly by the capital market, look set to rise only slightly.

WES participants expect the value of the US dollar to grow moderately over the next six months and the euro/US dollar exchange rate to remain stable.

Spotlight on SMEs

An ICC special question included in the survey revealed a broad worldwide consensus on the economic importance of small- and medium-sized enterprises (SMEs). Support was particularly strong in Europe where, according to the European Commission, SMEs provide two thirds of private sector jobs and account for 99% of all European business. Nearly all WES experts surveyed in Western Europe see a substantial and healthy SME sector as "essential for the national economy".



Economic experts were also asked if SMEs' access to bank credit had been troubled by the global financial crisis. The answer was primarily yes in North America, Eastern and Western Europe, Oceania and the Commonwealth of Independent States. Meanwhile, in areas less directly affected by the crisis – Asia, Latin America, Africa and the Near East –SMEs had faced some difficulty in obtaining bank credit, but the problem was less pronounced.

Survey analysts pointed out that the short supply of bank credit, mainly in Europe, was a heavy constraint not just for SMEs, but for entire economies, particularly Italy, the UK, Hungary, Albania, Slovenia, Portugal, Ireland, Romania, Spain and Greece.

ICC honours memory of Bill Stibravy

It is with great sadness that ICC has learnt of the passing on 5 January of William J. Stibravy at the age of 96. Known affectionately as "Bill" to his countless friends in the ICC family worldwide, he worked tirelessly on behalf of world business during 27 years as ICC Permanent Representative to the United Nations in New York until his retirement in 2008. A graduate of Columbia University and a US Army veteran of World War II, Mr Stibravy had a distinguished 40-year career in the US State Department – including several postings in Europe and Japan – before joining ICC.



A courteous, cultured, cosmopolitan citizen of the world with well-honed diplomatic skills, Mr. Stibravy was the ideal person to head up ICC's work in the UN during the 1990s and early 2000s when that institution belatedly opened its eyes to see business as a partner of government, rather than an adversary, in the pursuit of global prosperity and peace – a cause to which Mr. Stibravy devoted his entire life. Indeed, on behalf of ICC, Mr. Stibravy played a prominent role in that transition.

The condolences and thoughts of the ICC global network at this time go out to Bill's wife Roma who was at his side for so long, and to their sons Robert and Richard.

ICC delegation seeks opportunities in Myanmar

A high-level ICC delegation of business leaders from more than 10 countries undertook a three-day visit to Myanmar in a bid to identify opportunities that could further liberalize the economy and build long-term relationships with the Myanmar business community.

With interests spanning a range of industry sectors, such as banking, finance, textiles and energy, the delegation, which included the leaders of ICC Bangladesh, ICC Sri Lanka, ICC Israel and ICC Indonesia, met with Myanmar government and business representatives to explore ways in which trade and investment can benefit one of the poorest nations in Southeast Asia. The delegation also met informally with Aung San Suu Kyi, Nobel prize recipient and leader of the opposition, who was attending Parliament.

Looking to identify investment opportunities following the introduction of a new foreign investment law in November 2012 and in view of impending banking legislation, the delegation, led by ICC Honorary Chairman Victor K.

Fung and ICC Secretary General Jean-Guy Carrier, participated in a full programme of meetings with government and business officials including the Minister of Commerce and the Minister of National Planning and Development.

The 28-strong business delegation, comprising representatives from neighbouring Myanmar countries as well as from countries further afield, including Poland, commenced the visit with an ICC-hosted welcome dinner in Yangon where Myanmar business leader Serge Pun briefed participants on the current Myanmar economy and investment climate.

Meetings took place with government officials in the country's capital, Naypyidaw on 21 January with the aim of securing an understanding of government expectations and of garnering practical information on the country's intentions as it emerges from decades of military rule and economic isolation. ICC training and information seminars at the Ministry training institute in Yangon were proposed in response to the interest in arbitration expressed by the Ministry of Commerce as an additional inducement for foreign investors in Myanmar.



The potential establishment of an ICC Myanmar was agreed to in principal at a meeting on 22 January with Win Aung, President of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and other Myanmar business representatives at the chamber's offices in Yangon. During the meeting, UMFCCI requested ICC help as a matter of urgency to provide training on a range of ICC business tools that would go a long way to help Myanmar open its borders to trade and investment. These include arbitration and dispute resolution services, Incoterms rules and the use of ICC model contracts.

ICC Asia Pacific CEO Forum develops business input for G20 agenda

The International Chamber of Commerce India on March 8 concluded two days of intensive meetings with CEOs and senior government officials designed to discuss how the Asia-Pacific region can help stimulate the global economy and generate policy recommendations for G20 leaders.



More than 100 CEOs from 16 countries participated in the first ever ICC Asia Pacific CEO Forum, organized by ICC India in New Delhi.

Senior officials from the Indian government addressing participants at different sessions included: Anand Sharma, Minister of Commerce, Industry and Textiles; Salman Khurshid, Minister of External Affairs; Chakravarthi Rangarajan, Chairman, Prime Minister's Economic Advisory Council; Montek Singh Ahluwalia, Deputy Chairman, Planning Commission; and Ravi Shankar Prasad, General Secretary and Chief Spokesperson of Bhartiya Janta Party, Member of Parliament and Deputy Leader of Opposition in the Rajya Sabha.

The two-day ICC Asia Pacific CEO Forum featured discussion on topical subjects including the emerging financial architecture in the Asia Pacific Region, new ideas and approaches to sustainable growth, as well as emerging business opportunities and challenges.

The ICC meetings also included a G20 policy consultation on 7 March, hosted by ICC India. ICC's regional policy consultations are designed to provide local businesses with an opportunity to help shape ICC's policy recommendations for input into the G20 process. Participants were invited to share views and priorities on a set of policy recommendations that are being produced for transmission to G20 leaders.

During the roundtable discussion, participants were invited to share views on a range of policy issues under discussion by G20 leaders. Topics were derived from priorities expressed by the Russian government and mirror the ongoing efforts by CEO-led task forces working collectively under the "Business-20" – or B20 – umbrella; these included

trade, investments and infrastructure and the role of innovation in energy and communications technologies This year, the primary business input to the G20 process is being orchestrated by Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs (RSPP), who has been appointed by Russian President Vladimir Putin to lead business policy task forces during the Russian G20 cycle.

ICC celebrates International Women's Day

ICC on March 8 celebrates the first anniversary of World Business Women (WBW), a staff-driven initiative launched on the occasion of International Women's day.



With ICC Secretary General Jean-Guy Carrier as its champion, WBW was established by ICC secretariat staff stemming from their convictions that the world business organization would be even more authoritative as the voice of global business if its internal policies, leadership, and representative bodies better reflected the gender diversity of the business and professional world today.

In its first year WBW set up working groups to consider ways to address gender balance and equality at ICC headquarters and throughout its representative bodies made up of external appointees and experts. One group examining internal diversity developed enterprising proposals to bring about improvements through management practices that aim to eliminate barriers to equal treatment and support career development and advancement to leadership. Several proposals have already been integrated into an ICC plan of action for equality while further work is in the pipeline to help the organization convert other ideas into concrete actions.

Some of the most significant internal changes at ICC over the past year include the appointment of two women to the ICC Executive Board – with another nomination pending – and the implementation of a classification grid and equality policy targets.

The 2013 plan of action for equality includes other important measures such as more flexible working hours for employees who may need them.

ICC Chairman: G20 countries still not leading by example

Presenting pre-findings of an ICC Open Markets Index at an international business dialogue in Paris on March 4, ICC Chairman Gerard Worms said that government authorities equipped with better information on their country's market performance were better able to honour commitments on open trade and investment and resist taking protectionist measures to 'protect' domestic industries and jobs.

ICC's Open Markets Index provides a balanced and reliable measurement of a country's openness to trade and investment uniquely combining indicators of actual, de facto, openness of markets with those reflecting government measures considered barriers to market entry.

ICC will publish the second edition of its Open Markets Index in the lead up to this year's G20 Summit in St Petersburg, Russia.

"While G20 leaders play a key role in ensuring that governments



around the world work collectively to lower trade barriers and stimulate growth and job creation, the Open Markets Index reveals that rather than leading by example, most G20 countries achieve only average scores for openness," said Mr Worms. "In particular, high-growth BRIC economies tend to perform below average on most measures of openness."

On day two of the OECD event, Jean-Guy Carrier, ICC Secretary General presented ICC's Business World Trade Agenda initiative, a global undertaking aimed at enabling business leaders to contribute concrete proposals for strengthening the rules-based multilateral trading system and to reconfirm business commitment to the objectives of the World Trade Organization.

The OECD International Business Dialogue 2013 brought together government officials and business representatives from OECD member countries, as well as major emerging economies, to identify the most pressing obstacles to international trade and contribute to informed policymaking based on first hand insights.

World Chambers Competition announces record number of finalists 2013

The ICC World Chambers Federation has announced the 25 finalists set to compete in the 2013 World Chambers Competition, the only international event of its scale that recognizes innovative projects undertaken by

chambers of commerce and industry from around the world. The 2013 Competition received entries from 65 chambers of commerce and industry from 42 countries applying under the following categories:

Best corporate social responsibility project

Best international project

Best small business project

Best unconventional project

Best youth entrepreneurship project

The selected finalists will present their projects during the ICC WCF 8th World Chambers Congress in Doha, 22-25 April 2013. The Congress, hosted in 2013 by the Qatar Chamber of Commerce and Industry, is the only forum open to the global community of over 12,000 chambers of commerce.

Headed by WCF Honorary Chair Rona Yircali the Competition jury comprises 40 judges, representing transnational, national and local chambers of commerce as well as former winners of the competition.

New ICC Model International Sale Contract hits the shelves

ICC has released its newly updated Model International Sale Contract, with an interactive digital version that allows companies and lawyers to define their own reliable import-export agreements that are in line with Incoterms® 2010 and the latest developments in international trade.

Under the guidance of the ICC Commission on Commercial Law and Practice, business and legal experts from around the world have worked together to make the new ICC Model International Sale Contract as user-friendly and commercially relevant as possible.

The new model contract sets out clear and concise standard contractual conditions for the most basic international trade agreement. Although it applies mainly to the



export of manufactured goods for resale, it can also serve as an example for other transactions. Balancing the interests of sellers and buyers, it can also be used as a 'purchase agreement'.

The ICC Model International Sale Contract is specifically adapted for transactions governed by the UN Convention for the International Sale of Goods (CISG), included in the annex, which applies to an increasingly large volume of international sales.

The revised ICC Model International Sale Contract is the latest addition to ICC's widely-acclaimed series of model contracts used by businesses worldwide.

Jagiellonian University of Poland wins International Mediation Competition 2013



Jagiellonian University of Poland has won the 8th ICC International Mediation Competition, beating the University of Auckland in the Competition final which took place on February 13 in Paris. Featuring over 140 mock mediation sessions, based on real cross-border commercial disputes, the Competition tested the problem solving skills of 66 teams from 31 countries.

The Jagiellonian team comprised law students Jakub Bielamowicz, Karolina Jackowicz, Tomasz Marek and Marta Warchol who win internships at the International Chamber of Commerce (ICC) International Centre for ADR and the Chartered Institute of Arbitrators, as part of the Competition prize.

The team was selected to represent their university after preliminary rounds were held in Krakow, Poland by team coach Malgorzata Kozuch.

ICC WCF launches 2013 International Certificates of Origin Survey

The ICC World Chambers Federation (WCF) has launched a new survey to get a global picture of how Chambers of Commerce are issuing millions of Certificates of Origin (COs) used by exporters every year. The 2013 International Certificates of Origin Survey, and the global map of CO activities it will provide, are part of WCF's drive to harmonize the hugely varied CO issuing procedures of Chambers of Commerce worldwide.

The survey is important for mapping and monitoring trends and issues, and helping WCF in its advocacy work and assistance to chambers.

All chambers of commerce are invited to take the survey. Accessible online from 4 February to 30 April, the survey takes only a few minutes to complete and is adaptable to all chambers, whatever their CO-issuing activities. All responses will be kept confidential. Chambers are all invited to complete the survey by visiting

ICC launches regional MENA Banking Commission

The International Chamber of Commerce (ICC), in partnership with the Dubai Chamber of Commerce and Industry, on February 19 launched the ICC Regional Banking Commission Middle East and North Africa (MENA) – a chapter of ICC's influential rule-making body for the banking industry.

The initiative aims to more effectively coordinate and communicate Banking Commission activities in the MENA region and meet increasing demands for premium trade finance information and up-to-date policy and market intelligence.

With over 600 members the Banking Commission is ICC's largest commission. The Regional Banking Commission initiative will effectuate



a better understanding of regional needs in terms of policy advocacy. It will also extend the reach of ICC banking rules and related services including ICC rules and guidelines on documentary credits, UCP 600 – the most successful privately drafted rules for trade ever developed – and forthcoming Bank Payment Obligation rules on supply chain finance.

The event concluded with the signing of a memorandum of understanding between ICC and the Dubai Chamber that aims to foster cooperation in areas including trade finance promotion, private sector development and capacity building of businesses in the MENA region.

ICC expands its membership in Sudan

The International Chamber of Commerce (ICC) is pleased to announce the latest addition to the ICC network, the Sudanese Businessmen & Employers Federation. ICC Secretary General Jean-Guy Carrier on February 12 met with a delegation from the Federation including Secretary General Bakri Yousif Omer.

The Sudanese Businessmen & Employers Federation was established in 1977 to care for the interests of business in all sectors including industry, agriculture, transport and small- and medium-sized enterprises.

The Federation joins ICC's other members in Sudan, the Al Jazeera Sudanese Jordanian Bank and Integrated Business Co., in ensuring that ICC is well represented throughout the business community in Sudan.



Piracy falls in 2012, East and West Africa seas remain dangerous, says IMB

Piracy on the world's seas has reached a five-year low, with 297 ships attacked in 2012, compared with 439 in 2011, the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) global piracy report revealed on January 16. Worldwide figures were brought down by a huge reduction in Somali piracy, though East and West Africa remain the worst hit areas, with 150 attacks in 2012.

Globally, 174 ships were boarded by pirates last year, while 28 were hijacked and 28 were fired upon. IMB's Piracy Reporting Centre also recorded 67 attempted attacks. The number of people taken hostage onboard fell to 585 from 802 in 2011, while a further 26 were kidnapped for ransom in Nigeria. Six crewmembers were killed and 32 were injured or assaulted.

In Somalia and the Gulf of Aden, just 75 ships reported attacks in 2012 compared with 237 in 2011, accounting for 25% of incidents worldwide. The number of Somali hijackings was halved from 28 in 2011 to 14 last year.

IMB says navies are deterring piracy off Africa's east coast, with pre-emptive strikes and robust action against mother ships. So too are private armed security teams and crews' application of "Best Management Practices". But the threat and capability of heavily armed Somali pirates remains strong.

Pirate mother ships and skiffs were reported in the Gulf of Oman, southern Red Sea and the Somali basin, with a number of attacks close to the Straits of Hormuz and the energy routes out of the Arabian Gulf. As of 31 December 2012, Somali pirates still held 104 hostages on eight ships and 23 more were detained on land, pending negotiations for their release.

In Somalia, and elsewhere, vessels most commonly attacked are container ships, bulk carriers and tankers loaded with oil, chemicals and other products. Fishing vessels

and other smaller boats are also at risk.

As for West Africa, piracy is rising in the Gulf of Guinea, with 58 incidents recorded in 2012, including 10 hijackings and 207 crew members taken hostage. Pirates in this area are particularly violent, with guns reported in at least 37 of the attacks. Benin is an exception, showing a sharp fall from 20 incidents (including eight hijackings) in 2011 to two (including one hijacking) in 2012.

Nigeria accounted for 27 incidents in 2012, with four vessels hijacked, 13 vessels boarded, eight fired upon and two attempted attacks. Only 10 incidents were reported in 2011, including two hijackings. Togo has also seen an increase from five reports in 2011 to 15 in 2012, including four hijackings.

Off the Ivory Coast, five incidents were reported in 2012, up from one in 2011. In the last quarter of 2012, a panamax product tanker



was hijacked by suspected Nigerian pirates off Abidjan, the first such recorded vessel hijacking off the Ivory Coast. This shows the increased range of Nigerian pirates.

Elsewhere, in Southeast Asia four vessels were hijacked, including a Malaysian tanker which was subsequently recaptured in Vietnam in the last quarter of 2012.

Across the Indonesian archipelago, there were 81 reports of petty theft, accounting for more than a quarter of global incidents in 2012. Thirty vessels were attacked in the last quarter of 2012. Reports from Indonesia have increased yearly since 2009. Vessels were boarded in 73 incidents and 47 crew members taken hostage. Fourteen incidents were reported at Belawan by ships anchored or berthed.

G20 Advisory Group unveils new newsletter

ICC launched the first issue of the newly designed ICC G20 Advisory Group e-newsletter, with the aim of keeping the organization's international network informed ahead of the G20 Summit on 5-6 September 2013 in Saint Petersburg, Russia.

This digital newsletter contains a letter from ICC Secretary General Jean-Guy Carrier, as well as news updates and key dates in the lead up to both the G20 Summit and the G20 Business Summit (B20), which is also being held in Saint Petersburg, on 20-21 June 2013.

Since its creation in May 2011, the ICC G20 Advisory Group has been leading ICC's efforts to develop policy input to the G20 process. ICC has been an active participant at business summits for the G20 in Seoul, Cannes and Los Cabos. The Advisory Group will once again take part in several business tasks forces



for the B20 Summit on 20-21 June in Saint Petersburg.

World Chambers Fedaration unveils new leadership



ICC World Chambers Federation's (WCF) new leadership team took office in January, with a three-year mandate to strengthen the global network of chambers and to reinforce the role chambers play in their respective communities.

Peter Mihok, President of Slovakia's Chamber of Commerce and Industry, was elected the new Chair of WCF, the body which unites and represents the global network of 12,000 chambers of commerce. Hamad Buamim, Director General of the Dubai Chamber of Commerce was elected Deputy Chair.

The new Chair and Deputy bring a wealth of experience to their positions after having already served WCF in various roles.

Mr Mihok has served as Vice-Chair since 2002 and as Deputy Chair since 2010. He was previously Vice President of Eurochambres, a member of the Economic Council of the Government of the Slovak Republic and an advisor to the country's president. He is also a board member for Heineken Slovensko, Vienna Insurance Group and other corporations.

Mr Buamim also brings vast knowledge and experience to his role

as Deputy Chair, having served as a WCF Vice-Chair.

In addition to his position, Mr Buamim is involved in a number of Dubai's leading private organizations as head of the Dubai Chamber of Commerce and Industry. He is Chairman of National General Insurance as well as of Emirates NBD Capital and Emirates Financial Services. After starting his career as an engineer he has worked in various roles in the banking sector.

In further WCF leadership changes, Rona Yircali, whose term as WCF Chair ended at the end of 2012, replaces Avijit Mazumdar as Honorary Chair. As part of WCF's regional actions, Mr Mihok has appointed six vice-chairs. Olive Kigongo, President of the Uganda Chamber of Commerce and Industry, becomes the second woman in the past decade to serve on the vice-chairmanship. Promoted from within the WCF General Council Ambrosio Bertolotti, Bark-Jae Shin and Jean-Claude Karpeles have also been appointed vice-chairs. Mick Fleming and Mahendra Sanghi will continue to serve as vice-chairs after having their roles renewed for additional three-year terms.

Lorenzo Ysasi, WCF Vice-Chair for the past three years, and Chair of the Organizing Committee for the 7th World Chambers Congress has been promoted to the Global Issues Groups where he will be the WCF special representative for the ICC G20 Advisory Group. Mr Ysasi will also serve as Deputy Chair of the World Chambers Network (WCN).

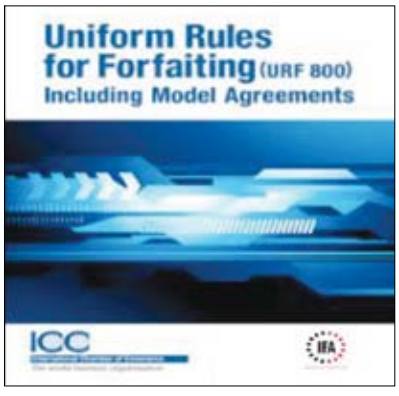
Established in December 1950 WCF is the global body fostering and facilitating collaboration and cooperation between chamber leaders and their organizations throughout the world. WCF helps chambers to improve the effectiveness and extend the range of the services that they provide to their members.

Launch event explains new ICC Rules for Forfaiting

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

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

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



ICC unveils new online training in international arbitration



The International Chamber of Commerce (ICC) has unveiled its new "ICC Arbitration online training", the first official e-learning course to explain the inside workings of international arbitration and the 2012 ICC Rules of Arbitration.

From the comfort of their computer, Arbitration aficionados can now follow eight hours of lessons on ICC Arbitration as a method of dispute resolution, drawn up by the ICC International Court of Arbitration's secretariat staff and Yves Derains, Chair of the ICC Institute of World Business Law and former Secretary General of the ICC International Court of Arbitration.

In 10 interactive lessons, the course gives a comprehensive review of the arbitration process, from the initial arbitration agreement to the award. It shows how the ICC International Court of Arbitration operates and how the 2012 ICC Rules of Arbitration are applied. The last two lessons focus specifically on the interim and conservatory measures including the emergency arbitrator and costs.

On completing a final 40-question assessment on the ICC Arbitration process, trainees are rewarded with an ICC Certificate of Achievement. The course is also eligible for professional accreditation (eight CLE credits, 6.75 MCLE credits or 6.5 CPD points).

WTO News

WTO Public Forum in October 2013 to discuss trade and innovation

The 2013 Public Forum, the WTO's largest annual outreach event for civil society, academia, business, the media, governments, parliamentarians and inter-governmental organizations, will be on 1–3 October in Geneva, with the theme "Expanding Trade through Innovation and the Digital Economy".

Technology is changing the world economy. Innovation and new technologies are important drivers of economic growth and job creation. Trade can foster innovation, leading to the dissemination of technology and underpinning high-tech expansion.

Information and communication technology (ICT) is often central to the promotion of greater innovation in business, research and development programmes. Developing countries have a larger share in the global trade of ICT products, and some have used ICT as a tool to become key players in other areas.

Similarly, new tools and technologies have changed the traditional way of doing business and lead to the development of a whole new, digitalised economy. In the digital or internet economy, producers and consumers have significantly changed behaviour, transforming entire business sectors. The digital economy goes beyond the traditional concept of e-commerce: it is also about e-government, e-travel, e-education and e-entertainment.

Innovation, the digital economy and the development of new technology products and services have also given rise to questions and issues in areas such as security, intellectual property, environment, dissemination of technology, privacy, trade facilitation, trade in energy and medical innovation.

Has technological innovation changed the way we trade, and if so, how? Has trade helped countries to innovate? How can innovation enhance trading capacities of developing countries? How can trade keep up with the rapid evolution of technology?

These are some of the questions that participants will discuss at this year's Public Forum which will focus on five core themes: "Innovation and Trade"; "The Digital Economy"; "The Green Economy"; "Technology, a tool for trade development" and "Trade and Energy".

"A prominent place for growth in the post-2015 development agenda" — Lamy



Director-General Pascal Lamy, in a speech at the Conference on International Cooperation in 2020 in the Hague on 7 March 2013, said that "economic growth and trade — as a driver of growth — deserve a prominent place in the post 2015 development agenda. We need an agenda that integrates economic growth with social inclusion and with environmental protection." He added: "Collectively we must plan for a common destination for the post-2015 development agenda. We need a compass that has countries converging around the same destination. 'Convergence' must be an overarching principle. At the same time we need to allow for differences in the pace and rhythm of getting there. And we must make special efforts towards the poorest and weakest. These are in my view the three basic ingredients for a post-2015 development agenda." This is what he said:

Ladies and Gentlemen

It is a pleasure to be back in the Netherlands, just over a year after I had the honour of addressing the NCDO's jubilee conference. Thank you to the organisers for inviting me to share my thoughts on inclusive and sustainable development.

The Netherlands is a pillar of the rules-based trading system, a strong advocate for keeping markets open, and a leader in development co-operation. This country is home to several dynamic global corporations, and displays excellent trade and investment performance. However, you are not a country that remains stationary. Constant dialogue to ensure your development co-operation is more effective testifies that The Netherlands appreciates the important role which Official Development Assistance, investment and growth play in moving forward the development agenda.

The current Millennium Development Goals (MDGs) have roughly a thousand days to go before their end-2015 target date. The significance of the MDGs lies first and foremost in the fact that they gave the world a shared development agenda. They identified a set of shared goals around which we could collectively mobilise and they established time-bound goalposts for progress, many with quantifiable targets, against which we could measure our performance.

But beyond these targets and goals, the MDGs placed poverty reduction

at the top of the global agenda. In doing so, they reshaped policy priorities, galvanising the attention and interest of governments, international organisations, the private sector, and individuals.

The WTO has embraced this role by remaining intimately involved in ensuring delivery on MDG 8 on the Global Partnership for Development including through using its leadership on the Aid for Trade (AfT) agenda to create a platform for inter-agency coherence.

Economic growth and trade — as a driver of growth — deserve a prominent place in the development agenda. We need an agenda that integrates economic growth with social inclusion and with environmental protection. We need a transformational agenda which creates jobs, develops infrastructures, raises productivity, improves competitiveness and promotes sustainable production and consumption. Strengthening international co-operation in the area of trade is an important element in achieving this agenda.

Virtually all cases of large-scale human development and poverty reduction have been marked by a high average rate of economic growth sustained over a long period. And every country that has achieved this kind of sustained high growth has participated actively in international trade.

But growth is not an end in itself. Rather growth is an important factor in enabling individuals and societies to realize their potential and pursue their dreams. As Mike Spence's Commission on Growth and Development put it, "growth can spare people en masse from poverty and drudgery. Nothing else ever has."

It has found that the open global economy served as a source of demand far greater than that offered by many home markets, but also as a source of ideas, technology, and knowhow. It enabled countries to specialise, boost value-addition, and increase output many times over. A list of ingredients is not the same as a recipe but nevertheless, in the past two decades, many developing countries have embarked on a path to higher growth supported by trade which has contributed to the attainment of many MDG targets.

Today, the rise of value chains provides important new avenues for trade, growth, and diversification. For developing countries in particular, regional and global value chains lower the bar for entry into the global economy. Smaller countries and small and medium enterprises no longer need to have a full-fledged vertically integrated industry producing finished products to participate meaningfully in international trade. And this is why the WTO's 4th Global Review of Aid for Trade in July 2013 will focus on how to support developing countries connect to value chains.

Improving the broad economic and policy environment in which developing countries produce and trade is an area in which global co-operation has to keep playing a constructive role. And I think this is where the efforts to conclude a WTO deal on trade facilitation come into play.

Trade facilitation, a key issue that WTO Members are working to deliver for the 9th WTO Ministerial in Bali in December, can help reduce the thickness of borders i.e. time, red-tape, and cost of transit and customs clearance. Predictability and efficiency in importing and exporting is essential for inclusion in value chains. And its gains could be impressive: A Trade Facilitation agreement at the WTO could bring down the cost of moving trade today from roughly 10 per cent [of trade value] to 5 per cent. Globally, removing these barriers could stimulate the US 22 trillion dollar world economy by more than US 1 trillion dollars. Simply reducing this red tape by half would have the same economic effect as removing all remaining tariffs.

But it is clear that many poor countries will require help to implement this agreement. And this is where the deal being negotiated in Geneva is smart: it links for the first time "implementing rules" to "receiving assistance". It is not a deal with exceptions or exclusions. It will be a deal empowering countries based on a thorough, tailor made assessment of their needs.

Catalysing efforts such as trade facilitation would prove particularly advantageous over the next few years as more trade-led growth could create virtuous circles with other priorities as we look post-2015. There is clear symbiosis between growth, sustainable development and poverty reduction and the growing recognition that a holistic approach is the best way to achieve progress is to be encouraged.

The world post 2015 will be different in some dramatic ways to the world of 2000 when the MDGs were born. And we need a narrative that effectively captures this. The poles of economic growth have changed; there are new and emerging actors on the trade and development landscape that may have the means and indeed the desire to contribute more to shared global prosperity. These new actors — the emerging countries, the private sector, and philanthropic organisations — must be active partners. We are in search of a truly global partnership for development.

The crisis is also impacting on ODA levels. Despite a potential flat landscape for ODA in the near future, I contend that placing growth and trade on the post-2015 development agenda could catalyse new resources and attention towards these objectives.

In spite of trying economic circumstances, the Netherlands has kept ODA spending above the 0.7% threshold. I commend you for this

but also strongly encourage you to continue to see development aid, not as charity, but as an investment in growth and development. Please keep investing in development. Keep investing in Aid for Trade.

Collectively we must plan for a common destination for the post-2015 development agenda. We need a compass that has countries converging around the same destination. 'Convergence' must be an overarching principle. At the same time we need to allow for differences in the pace and rhythm of getting there. And we must make special efforts towards the poorest and weakest. These are in my view the three basic ingredients for a post-2015 development agenda.

We may not have yet eradicated poverty, but the world today is a better place for many more billions of people than it was in 2000 when the MDGs were launched. For sure, absolute poverty reduction has not reduced inequalities which have grown, during the same period, within many countries. We should learn from this experience, from what we did right and what could have been done better to build a common post-2015 development agenda for the benefit of all citizens.

Thank You

WTO chairpersons for 2013

The WTO General Council, on 25 February, noted the consensus on a slate of names of chairpersons for WTO bodies.

General Council	H.E. Mr. Shahid BASHIR (Pakistan)
Dispute Settlement Body	H.E. Mr. Jonathan FRIED (Canada)
Trade Policy Review Body	H.E. Mr. Joakim REITER (Sweden)
Council for Trade in Goods	H.E. Mr. Moncef BAATI (Tunisia)
Council for Trade in Services	H.E. Dr. Abdolazeez AL-OTAIBI (Kingdom of Saudi Arabia)
Council for TRIPS	H.E. Mr. Alfredo SUESCUM (Panama)
Committee on Trade and Development	H.E. Mrs. Marion WILLIAMS (Barbados)
Committee on Balance-of- Payments Restrictions	H.E. Ms. Päivi KAIRAMO (Finland)
Committee on Budget, Finance and Administration	Mr. Michael STONE (Hong Kong, China)
Committee on Trade and Environment	H.E. Mr. Esteban CONEJOS (Philippines)
Committee on Regional Trade Agreements	H.E. Mr. Francisco LIMA MENA (El Salvador)
Working Group on Trade, Debt and Finance	H.E. Mr. Faizel ISMAIL (South Africa)
Working Group on Trade and Transfer of Technology	H.E. Mrs. Wafaa BASSIM (Egypt)

New reference centre officially opened in Myanmar

On 21 February, a brand new WTO Reference Centre was officially opened in Nay Pyi Taw, Myanmar, by H.E. U Win Mynt, Minister of Commerce of the Union of Myanmar, and Mr. Serafino Marchese, WTO Secretariat.

The WTO Reference Centre is located on the ground floor of the Ministry of Commerce. It is easily accessible to government officials from other Ministries and the public in general. Ms. Nwe Nwe OO, a staff member in the Ministry, has been appointed as the WTO Reference Centre Manager. She will be responsible for the day-to-day operations of the Centre.

Immediately after the official opening, a two-day hands-on training took place in the Assembly Hall of the Ministry of Commerce. Over 60 government officials from several Ministries attended the event and learned how to retrieve and use WTO resources that are available over the Internet. The objectives set for the training were to empower the participants so that they would learn by doing. The reference centre will also be used as a learning centre where officials from Myanmar could easily have access to distance e-learning facilities provides by the WTO Secretariat.

WTO launches 2013 Essay Award for Young Economists

The WTO launched the WTO Essay Award for Young Economists on 18 February. Young economists are invited to submit their papers by 1 June .

The Award aims to promote high-quality research on trade policy and international trade co-operation among young economists and to reinforce the relationship between the WTO and the academic community.

Prize

The annual WTO Essay Award consists of a prize of CHF 5,000 to

the author(s) of the winning essay. In the case of a co-authored paper, the prize will be equally divided among the authors. The winning paper will be officially announced at the annual meeting of the European Trade Study Group (ETSG), which is currently the largest conference specializing in international trade. The award ceremony will take place in September 2013 in Birmingham, United Kingdom. The winning author(s) will receive funding to attend the meeting.

Selection

An Academic Selection Panel is responsible for the selection of the winning paper. The Panel comprises:

Professor Avinash Dixit (Princeton University)

Professor Robert Staiger (University of Wisconsin)

Professor Alberto Trejos (INCAE Business School).

Dr Patrick Low (Director, Economic Research and Statistics Division, WTO Secretariat) is ex officio Member of the Panel. Dr Marion Jansen (Counsellor, Economic Research and Statistics Division, WTO) coordinates the work of the Selection Panel.

Eligibility

The paper must address issues related to trade policy and international trade co-operation. The author(s) of the paper must possess or be engaged in the completion of a PhD degree and, if over 30 years of age, be no more than two years past a PhD defence. In the case of co-authored papers, this requirement shall apply to all authors. In addition, to be considered for the Award, essays cannot exceed 15,000 words.

Important deadlines

Essays must be submitted by 1 June 2013. The Economic Research and Statistics Division of the WTO Secretariat will shortlist eligible papers by 15 June 2013 and the Selection Panel will take a final decision by 15 July 2013. Only the author(s) of short-listed essays will be notified.

Publication

The winning essay will be published in the WTO Working Paper Series and it is the responsibility of the author(s) to endeavour to secure publication of the contribution in a journal.

Submissions

All submissions should be sent to essay.award@wto.org. Submissions should include as separate attachments in PDF format:

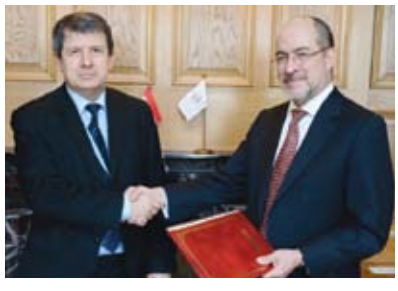
1. the essay

2. the CV of the author(s), specifying (i) current affiliation(s), (ii) the academic institution awarding the PhD, (iii) the year (or the expected year) of the PhD, (iv) the date of birth of the author(s).

Tajikistan to become 159th WTO member

The Working Party on the accession of Tajikistan was established by the General Council on 18 July 2001. Tajikistan completed its membership negotiations on 26 October 2012, when the Working Party adopted the accession package. The General Council approved the accession on 10 December 2012. Tajikistan will become the 159th WTO member on 2 March .

The WTO paved the way for Tajikistan's membership by approving its accession package on 10 December 2012. Tajikistan applied for WTO membership on 29 May 2001 and the Working Party concluded the negotiations on 26 October 2012.



Tajikistan's accession package contains the Working Party report outlining its reformed trade regime and its commitments as a WTO member, its market access schedules on goods and services, the General Council Decision and the Protocol of Accession.

As a result of the negotiations, Tajikistan has agreed to undertake a series of important commitments to further liberalize its trade regime and accelerate its integration in the world economy.

Nine candidates nominated for the post of Director-General

Nine candidates have been nominated by their respective governments for the post of WTO Director-General to succeed the current Director-General, Pascal Lamy, whose term of office expires on 31 August 2013.

The candidates (listed in the order that the nominations were received) are as follows:

- Mr Alan John Kwadwo Kyerematen, Ghana
- Ms Anabel González, Costa Rica
- Ms Mari Elka Pangestu, Indonesia
- Mr Tim Groser, New Zealand
- Ms Amina C. Mohamed, Kenya
- Mr Ahmad Thougan Hindawi, Jordan
- Mr Herminio Blanco, Mexico
- Mr Taeho Bark, The Republic of Korea
- Mr Roberto Carvalho de Azevêdo, Brazil

In line with WTO procedures for the appointment of the Director-General, the nomination period closed on 31 December 2012. The selection process will conclude with a decision by the General Council no later than 31 May 2013.

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