ICC Bangladesh
The world business organization

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About ICC Bangladesh

International Chamber of Commerce (ICC) - *The world business organization* was founded in 1919 by a few visionary business leaders of Europe immediately after the First World War; having its HQrs. in Paris.

ICC has been promoting Free Market Economy, formulating various rules and guidelines for cross border trade and investment. ICC's 6.5 million member companies in over 130 countries have interests spanning in every sector of private enterprise. ICC works in close cooperation with national governments and multi-national institutions such as G-8/G-20, World Bank, WTO, Asian Development Bank, UNCTAD, OECD and several UN agencies for promotion, protection and development of world economy.

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

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

As a part of its regional & international activities, ICC Bangladesh has so far organized following regional & international conferences.

■ In 2000 a 2-day ICC Asia Conference on "Investment in Developing Countries: Increasing Opportunities" was organized in Dhaka, which was inaugurated by the Prime Minister of Bangladesh and attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & Director General Designate of WTO, ADB President, Under Secretary General and Executive Secretary of UN-ESCAP and Chinese Vice Minister for Foreign Trade & Economic Cooperation. More than 250 participants from 24 countries participated in this event.

■ A 2-day International Conference on "Global Economic Governance and Challenges of Multilateralism" was held in Dhaka in January, 2004 coinciding with 10th Anniversary of ICC Bangladesh. The Conference was inaugurated by the Prime Minister of Bangladesh and Thai Prime Minister was the Keynote Speaker. WTO Director General, EU Commissioner for Trade, UNESCAP Executive Secretary, Governor of Japan Bank for International Cooperation, six Ministers from three continents, Bangladesh Ministers, ICC Chairman, ICC Vice Chairman, ICC Secretary General and more than 500 participants from 38 countries attended this event.

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

■ In 2010, ICCB organized a Conference on "Energy for Growth" coinciding with the 15 years of ICC's presence in Bangladesh. The Conference was inaugurated by the Finance Minister of Bangladesh and attended by ICC Global Chairman, Minister for Commerce of Bangladesh, Minister for Development Cooperation of Denmark and Adviser to the Bangladesh Prime Minister for Energy & Mineral Resources. Some 800 delegates from home and abroad including energy experts, power developers, gas exploiters, coal miners, international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA.

ICCB arranges four regular professional training programmes: e-Learning programme on 'FIT Initiative' (Finance of International Trade) supported by ICC, Paris, eBSI (eBusiness School International, Ireland), International Finance Corporation (IFC) & Institute of Export, UK; Certified Documentary Credit Specialist (CDCS), Certified Specialist on Demand Guarantee (CSDG) and Certificate of International Trade Finance (CITF) Examinations conducted worldwide every year by ifs School of Finance and 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.

ICC Bangladesh and The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh have jointly launched a trade knowledge and network building platform titled "ICC Knowledge Centre" to provide the trade professionals of Bangladesh with an access to online resources, insights and trade related articles, researches and upto date trade information.

During 2014, the National Committee has organized, for the first time a workshop in Kuala Lumpur on ICC Rules and Tools for International Trade Finance jointly with ICC Malaysia which was attended by 90 Bankers from Bangladesh. Besides, three workshops for the ICC Knowledge Centre Members, two workshops on Uniform Ruls for Demand Guarantee (URDG) for bankers were also organized.

Bangladesh
International Chamber of Commerce-Bangladesh
The world business organization

National Secretariat
Suvastu Tower (6th Floor), 69/1, Panthapath
Dhaka- 1205, Bangladesh, Fax: +880-2-964 1287
Tel: +880-2-964 1286, +880-2-967 66 98
E-mail: info@iccbangladesh.org.bd, iccb@bdmail.net
Website: www.iccbangladesh.org.bd

International Headquarters
33-43 Avenue President Wilson
75116 Paris, France
Tel : + 33 1 49 532828
Fax : + 33 1 49 532859
Website: www.iccwbo.org

ICC Bangladesh
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The Executive Board

President
Mahbubur Rahman

Vice Presidents
Latifur Rahman
Rokia Afzal Rahman

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R. Maksud Khan
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Rupali Chowdhury
Sheikh Kabir Hossain
Syed Manzur Elahi
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National Secretariat

Secretary General
Ataur Rahman

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Editor's Note

Higher GDP growth demands larger FDI

Bangladesh's economy has maintained a healthy 6%-plus growth rate in past decade, despite global shocks. The country now needs to accelerate GDP growth to over 8% as well as maintain the present remittance growth to become a middle-income country by 2021.

Sustained growth has generated higher demand for improved infrastructure including uninterrupted power supply, better transport and telecommunication services. All these require increased private investment.

In the budget of current fiscal, the government has set 7.3% growth target. To achieve the target, according to ADB, the total investment should be around 34.3 % from the present level of 28.7 per cent of GDP. The Bank blamed lower than expected level of investment as principal reason for growth deficit in Bangladesh.

There is no denying the fact that FDI inflow into the country has been increasing for the last several years. It stood at US$1.73 billion in FY 2013, registering a 45% growth over US$1.19 billion a year ago. According to the Board of Investment (BoI) data, the United Kingdom topped the list of FDI inflow in Bangladesh followed by Malaysia, Singapore, South Korea and USA in 2013. But analysts consider that most of these FDIs are for expansion of existing industries.

FDI still constitutes a low share of 1.2 per cent of GDP in 2013 as against 1.3 per cent in 2012, which is considered to be much lower compared to other countries, such as Myanmar, Laos, Cambodia and Vietnam.

Bangladesh has the potential to attract significantly higher levels of FDI by positioning itself as a competitive center for labor intensive garments and footwear manufacturing as well as having a favorable location between the two large and dynamic economies, China and India. Preferential access to key consumer markets in developed countries also makes it an attractive place for relocation of export oriented industries.

In order to attract FDIs, experts stressed the necessity of bringing all the services under one umbrella to ensure hassle-free investment atmosphere and provide one stop service in its true sense. At present, getting permission for any foreign investment-related project is very cumbersome. Investors need to move several ministries and government departments to obtain permission or licences before making their investments

BoI, being the apex private investment promotion agency, should formulate an Investment Policy to attract more FDI. Analysts say foreign investment would flow in to the country if BoI could assure the investors about two things -- land and primary energy like power and gas. There are vast amounts of government land which remained abandoned for long. The Privatisation Commission took a number of measures to use those, but could not make any significant achievement because of some inter-ministerial problems.

Besides, BoI needs to strengthen its human resources, develop its own basic core staff and arrange necessary training to provide better and prompt services prospective investors. Despite having very liberal legal framework, analysts stressed the need for removal of security concerns, further liberalization of trade-related policies and resolution of the problem of political uncertainty to attract FDIs.

In order to achieve higher growth trajectory, Bangladesh has to attract FDIs to address infrastructure deficit, productivity gap and diversification of export base as well as transparent and timely decision-making and ensuring strictier enforcement of government commitments.

ICC Bangladesh News

ICC Bangladesh President briefed chamber members, corporate houses about October 2014 ICC International Conference

ICC Bangladesh Executive Board decided to organize an ICC International Conference on Global Economic Recovery : Asian Perspective in Dhaka on 25-26 October 2014. The two-day Conference will be held at Bangabandhu International Conference Centre and Pan Pacific Sonargaon Hotel in Dhaka to mark 20 years of ICC 's presence in Bangladesh.

A series of briefing sessions were arranged to appraise the members of various national chambers, associations, bi-lateral chambers and CEOs of corporate houses during September. The first meeting was held on 9 September with the Co-organizers, namely: FBCCI, DCCI, MCCI, CCCI, FICCI, BGMEA, BKMEA, BIA and NCCI followed by meetings with Premium Partners, Sponsors, Co-Sponsors, Supporters and members of various chambers.

ICC Bangladesh Vice Presidents Latifur Rahman and Mrs. Rokia Afzal Rahman; Executive Board Members, Aftab ul Islam, Rashed Maksud Khan and Waliur Rahman Bhuiyan OBE, Conference Coordination Committee Chief Asif Ibrahim and Members, Anwarul Alam Chowdhury (Parvez) and Md. Fazlul Hoque and ICC Bangladesh Secretary General Ataur Rahman were present in most of the briefing sessions presided over by ICC Bangladesh President Mahbubur Rahman.

During the briefing sessions, ICC Bangladesh President Mahbubur Rahman explained about the Conference Theme. He mentioned that the world economy, five years after the global financial crisis, have been showing signs of bouncing back in 2014 with Asia, led by China, Japan and India, playing a significant role. It is expected that Asia will continue to lead the way for sustained world growth and world leaders have to prioritise development of an integrated global strategy to sustain the projected world growth momentum.

ICC Conference on Global Economic Recovery has been designed to allow stakeholders representing public and private sectors, industry and business leaders, policymakers, think-tanks and academics from home and abroad to share their thoughts and ideas on the strategies that the Asian countries can adopt to maintain sustained economic growth. It would be an opportunity for the country's business leaders and policymakers not only to explore new horizons of business, but make an effective use of international opportunities through interaction with the delegates came from abroad. The Conference have been divided into four sessions to focus on particular theme, including global economic recovery as a contemporary reality; realities and challenges to Asian growth; investment promotion in Asia; and effects of the Bali outcome on future trade.

ICCB President Mahbubur Rahman informed during the briefing that Ministers from a number of countries, ICC Vice Chairman from India, ICC Research Foundation Chairman from Hong Kong, ICC Secretary General from Paris and a number of business leaders, speakers from home and abroad are expected to attend and participate as Speakers at various sessions of the Conference.

Mr. A. G. Abeysekera, Acting High Commissioner of Sri Lanka accompanied by Mrs. Sesath Thambugala, First secretary called on ICC Bangladesh President Mahbubur Rahman on 21 August. The High Commissioner informed that the Hon'ble Foreign Minister and Hon'ble Industry and Commerce Minister of Sri Lanka have accepted the invitation of ICC Bangladesh President and will be attending the Conference. He also informed that a business delegation from Sri Lanka will also be attending the Conference. ICCB President thanked the High Commissioner for his cooperation and support. Honorary Consul General of the Philippines in Chittagong Mr. Md. A. Awwal, ICCB Executive Board Member Rashed Maksud Khan & Aftab ul islam and ICCB Secretary General Ataur Rahman were also present.



ICC Bangladesh President Mahbubur Rahman (middle) having meeting with Acting High Commissioner of Sri Lanka H.E. Mr. A.G. Abeysekara (3rd from right). Sesath Thambugula, First Secretary of Sri Lanka High Commission (2nd from right), ICCB Executive Board Members Aftab ul Islam (extreme right), Rashed Maksud Khan (2nd from left), ICCB Secretary General Ataur Rahman (3rd from left and Honorary Consul General of the Philippines in Chittagong Mr. Md. A. Awwal (extreme left) were also present.

Guests of Honour and Speakers confirmed to attend

Guests of Honour

- H.E. A.M.A. Muhit, M.P., Minister for Finance
- H.E. Dr. Abdulmoshen Al-Medeij, Deputy Prime Minister of Kuwait
- H.E. Tofail Ahmed M.P., Minister for Commerce
- H.E. Abul Hassan Mahmood Ali, M.P., Minister for Foreign Affairs
- H.E. Prof. G.L. Peiris, M.P., Minister of External Affairs of Sri Lanka
- H.E. Rishad Bathiudeen, M.P., Minister of Industries & Commerce of Sri Lanka
- H. E. U Win Myint, Minister for Commerce of Myanmar
- H.E. Sunil Bahadur Thapa, Minister of Commerce and Supplies of Nepal
- H.E. Lyonpo Norbu Wangchuk, Minister of Economic Affairs of Bhutan
- Mr. Mukhisa Kituyi, UNCTAD Secretary General, Geneva

ICC Global Leaders:

- Mr. Sunil Bharti Mittal, ICC Vice Chairman and incoming Chairman 2015 and Chairman & Group CEO, Bharti Enterprise Limited, India
- Dr. Victor K. Fung, Chairman, ICC Research Foundation & Fung Global Institute from Hong Kong
- Mr. John Danilovich, Secretary General, ICC from Paris
- Mrs. Lee Ju Song, Adviser, ICC Asia from Singapore
- Mr. Francois-Gabriel Ceyrac Director of National Committees, ICC from Paris
- Mr. Vincent O'Brien, Chair, ICC Banking Commission Market Intelligence Group from Ireland

Speakers from International Organizations:

- Dr. Ravi Ratnayake ,Director, Trade & Investment Division, UNESCAP
- Mr. Kazuhiko Higuchi, Country Director, Resident Mission, Asian Development Bank, Dhaka
- Mr. Johannes Zutt, World Bank Country Director for Bangladesh and Nepal
- Mr. Kyle Kelhofer, Country Manager, IFC

Speakers from abroad

- Mr. Binod K. Chaudhary, President, Chaudhary Group, Nepal
- Ms. Babara Meynert, Senior Advisor to Chairman, Fung Holdings (1937) Limited

Speakers from Bangladesh

- Dr. Atiur Rahman, Governor of Bangladesh Bank
- Dr. A. B. Mirza Md. Azizul Islam, Former Advisor to the Caretaker Government of Bangladesh
- Mrs. Rokia Afzal Rahman, ICC Bangladesh Vice President and MCCI President & Former Advisor to the Caretaker Government
- Mr. Mahfuz Anam, Editor & Publisher, The Daily Star
- Dr. Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue (CPD) & Former Ambassador and Permanent Representative to WTO
- Prof. Dr. Md. Ali Taslim, Chairman of Department of Economics, Dhaka University
- Dr. Zaidi Sattar, Chairman, Policy Research Institute of Bangladesh
- Dr. Toufiq Ali, Chief Executive, Bangladesh International Arbitration Centre (BIAC) & Former Ambassador and Permanent Representative to WTO
- Mr. Atiqul Islam, President, Bangladesh Garments Manufactures' Exporters Association (BGMEA)

Discussants

- Dr. Hossain Zillur Rahman, Former Advisor to the Caretaker Government & Chairman, PPRC
- Dr. Salehuddin Ahmed, Professor, Business School, BRAC University & .Former Governor, Bangladesh Bank
- Dr. Sultan Hafeez Rahman, Executive Director, BIGD & Former DG, Asian Development Bank
- Dato' Dr. Raja Mohamad Abdullah, CEO of OIC International Business Centre, Malaysia.
- Dr. Sadiq Ahmed,Vice Chairman, Policy Research Institute of Bangladesh
- Prof. Mustafizur Rahman, Executive Director, Centre for Policy Dialogue (CPD)
- Dr. Ahsan H. Mansur, Executive Director, Policy Research Institute of Bangladesh
- Dr. Zaid Bakht, Research Director, Bangladesh Institute of Development Studies (BIDS)
- Dr. Fahmida Khatun, Head of Research, Centre for Policy Dialogue (CPD)
- Mir Nasir Hossain, Managing Director, Mir Akhter Hossain Limited
- Mr. Anwar-Ul-Alam Chowdhury (Parvez), Managing Director, Evince Group

HSBC Team called on ICC Bangladesh President

Mr. Andrew Tilke, out-going CEO of HSBC Bangladesh made a courtesy call on ICC Bangladesh President Mahbubur Rahman on 31 August. He was accompanied by the in-coming CEO Mr. Francois de Maricourt and Md Moniruzzaman, Head of Marketing, Commercial Banking of HSBC Bangladesh. Mr. Tiljke thanked the ICC Bangladesh President for his support and cooperation extended to him during his tenure in Bangladesh and hoped that his successor will receive the same from ICC Bangladesh. He also thanked ICCB President for joining with HSBC in setting up the ICC Knowledge Centre, which is a mile stone achievement for providing a forum for the commercial officials of corporate houses for furtherance of their knowledge about various international rules including ICC rules for international trade.



ICC Bangladesh President Mahbubur Rahman is seen at a meeting with outgoing HSBC CEO Mr. Andrew Tilke (3rd from right) which was also attended by incoming HSBC CEO Mr. Francois de Maricourt (2nd from right), HSBC Head of Marketing Md. Monmiruzzaman (extreme right.), ICCB Executive Board Member Aftab ul Islam (3rd from left), ICC Knowledge Centre Executive Committee Chairman Md. Fazlul Hoque(2nd from left) and ICCB Secretary General Ataur Rahman.

ICC Bangladesh President Mahbubur Rahman thanked Mr. Tilke for his support and cooperation. Welcoming the incoming CEO Mr. Maricourt, ICCB President hoped to work together for promotion of trade and investment in Bangladesh and assured him of extending support and cooperation in this regard. ICCB President hoped that ICC Knowledge Centre will have appropriate physical facilities including a trade library for the use of the Members of the Centre as well as arrange more workshop/ seminars for the benefits of the Members. ICCB Executive Board Member Aftab ul Islam, ICC Knowledge Executive Committee Chairman Md. Fazlul Hoque and ICC Bangladesh secretary General Ataur Rahman were present.

Canadian High Commission launched wheat guide book on Basic Tests to Evaluate Wheat and Flour Quality

The High Commission of Canada & Canadian International Grains Institute (Cigi) organized a National Seminar on Innovation and Agriculture on 20 August in Dhaka. Canada shipped 742,900 tonnes of wheat to Bangladesh in fiscal 2012-2013, up from 649,300 tonnes a year ago according to a guide book titled Basic Tests Used to Evaluate Wheat and Flour Quality, launched during the Seminar. Hon'ble Mr. Tofail Ahmed M.P., Minister for Commerce was the Chief Guest and ICC Bangladesh President Mahbubur Rahman was the Special Guest.

Commerce Minister Tofail Ahmed said Bangladesh is the third biggest importer of wheat from Canada. He thanked Canada for its continued provision of duty-free and quota-free access to the country's products, due to which the trade balance between the two countries is in favour of Bangladesh. It may be mentioned that total import from Canada was USD $660 million in 2013 as against



Hon'ble Commerce Minister Mr. Tofail Ahmed, M.P. (3rd from right) released a guide book titled Basic Tests Used to Evaluate Wheat and Flour Quality . ICC Bangladesh President Mahbubur Rahman(2nd from right) and Canadian High Commissioner Ms. Heather Cruden (3rd from left), Bangladesh Agricultural University Vice-chancellor Md Rafiqul Hoque (2nd from left) and President of the Bangladesh Agro-Processors Association Anjan Chowdhury (extreme right) were also present.

export of USD 1 billion, 96% of which was readymade garments. Canadian wheat has a very high demand among importers, millers, bakers and related stakeholders to produce high quality flour and baking items. I am amazed to know that almost all the major millers use Canadian wheat to produce better quality flour, minister added.

There is no alternative of research, development, education and training. When it comes to agriculture, it becomes one of the most priorities as food is the basic need of all human being.

The number of people in the world is increasing, rapid urbanization and growing need for industrial outputs is shrinking the agricultural lands. Productivity, high yield crops, safe pesticides, irrigation, dangerous use of chemicals etc. become the main challenges said ICCB President Mahbubur Rahman.

Bangladesh has achieved a remarkable success in food grain production in the recent past. Seed, fertilizer and irrigation technologies known as Green Revolution technologies have been playing major roles in the growth of agriculture production in Bangladesh.

However, supply and markets of these modern inputs suffer from lot of uncertainties. During the past, lot of policy changes have been taken place to address these uncertainties, but lot more to be done to face the future challenges of food security, observed Mahbubur Rahman .

ICCB President further said in Bangladesh different research institutes, public and limited private universities and development organizations including NGOs carry out agricultural research. SO far my knowledge, Bangladesh has ten public research institutes under the National Agricultural Research System.

The system is linked to the Ministries of Agriculture, Fisheries and Livestock, Environment and Forests, and Commerce. These institutes highly concentrated on technical research, such as plant breeding, soil analysis, seed production etc.

Canadian High Commissioner to Bangladesh Heather Cruden said wheat import from Canada is progressively increasing for the production of good-quality grains in the North American country. "We are proud to be contributing to Bangladesh's food security efforts as Canadian wheat is some of the best quality in the world," she added.

Cruden said Canada is the world's largest producer of high-protein wheat and one of the top three wheat exporters. "The quality, nutritional value and versatility of Canadian grain make them essential ingredients for the finest foods and beverages the world can offer."

Bangladesh Agricultural University Vice-chancellor Md Rafiqul Hoque and President of the Bangladesh Agro-Processors Association Anjan Chowdhury also spoke 0n the occasion.

ICCB Executive Board Meeting held

ICC Bangladesh Executive Board Meeting was held on September 14 to discuss about the preparation for holding the October ICC International Conference on World Economic Recovery : Asian Perspective in Dhaka on October 25-26. ICCB President Mahbubur Rahman briefed the Board Members about the progress made for organizing the Conference preparation and requested the Board Members for their active role on various aspects of the Conference. He also mentioned about his meetings with the Commerce Minister and Foreign Minister. He informed the Board that both the Ministers were very much pleased about the initiative taken by ICC Bangladesh in organizing such an important conference and assured their all out support in arranging the Conference in a befitting manner.

The Emergency Meeting was attended ICCB Vice Presidents Latifur Rahman and Rokia Afzal Rahman and Board Members: A.S.M. Hatem, Rashed Maksud Khan and Waliur Rahman Bhuiyan,OBE. Mr. Annisul Huq and Mr.Asif Ibrahim Quasem, Aftab ul Islam, Mahbub Jamil, Md. Atiqul Islam, Mohammad attended the Meeting on special invitation.



ICC Bangladesh Executive Board Meeting in progress.

Bangladesh Economy

Japanese Prime Minister assures more investment in Bangladesh

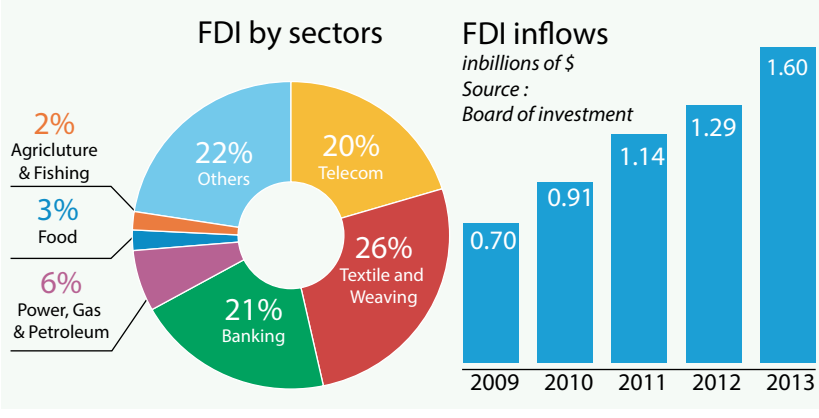
Japan has agreed to allocate more than $6 billion to Bangladesh to implement the Matarbari project, said the Japanese Prime Minister Shinzo Abe during his visit to Dhaka on 6 September. The Matarbari project in Cox's Bazar includes power plants and a deep sea port. Regarding the bilateral ties, Abe said he has been visiting Bangladesh 14 years after then Japanese PM Yoshiro Mori had been here in 2000. The Japanese foreign minister visited Bangladesh in March and Bangladesh Prime Minister Sheikh Hasina toured Japan in May, he noted. "If we can work in such a pace, we can achieve a lot."

Japanese entrepreneurs want to invest in Bangladesh's transport, infrastructure, power, energy and garment sectors mainly to boost bilateral trade said Prime Minister Shinzo Abe. Bangladesh is an emerging economy. So our government plans to promote Japanese investment in Bangladesh, Bangladesh is also an important partner of Japan in South Asia," he told Bangladesh-Japan Business Forum at the capital's Hotel Sonargaon. "I am convinced to extend cooperation to Japanese entrepreneurs to invest in Bangladesh," he said.

Bangladesh's garment export to Japan has been on the rise due to relaxation of Rules of Origin by the Japanese government under the Generalised System of Preferences of Japan, mentioned Abe. In the 2011-12 fiscal year, Bangladesh's garment export to Japan increased by 38.8 percent compared to the previous year for having the trade benefit, he pointed out.

Lauding the Bangladesh government's concept of setting up special economic zones (SEZs), he hoped it will help industrial growth here. The Bangladesh government has decided to allocate a separate SEZ for Japanese investors as the Japanese entrepreneurs have been showing interest to invest in Bangladesh after the adoption of the China Plus One policy by the Japanese government in 2008 to reduce overdependence on China.

Some Japanese companies, said Abe, have investments in some important sectors like medical, food, garment, and water purifying. "Asia is going to be a major market for Japan. So, we started high level connectivity and expanding relations with Bangladesh," said Hiroyuki Ishige, chairman and CEO of Japan External Trade Organisation. "We're looking for greater Asia. We want economic partnership with South Asia," mentioned Ishige, who is tasked with overseeing the Japanese foreign investment.



Commerce Minister Tofail Ahmed said Bangladesh will extend its fullest possible cooperation to Japanese investors. "We're planning to allocate a Special Economic Zone to Japanese investors," he added. The bilateral trade between the two countries has already crossed $2 billion mark in the last fiscal year, in which Bangladesh's export was calculated at $862 million, mentioned the minister. Bangladesh enjoys duty-free benefit to Japanese market for 8,884 products, which means that it can export almost all goods to Japan on zero-duty except arms. Terming Japan a trusted partner of Bangladesh, Tofail said Japan so far has given Bangladesh $12 billion as assistance since the country's independence in 1971.

Industries Minister Amir Hossain Amu said Japan's Honda motor company and Bangladesh Steel and Engineering Corporation jointly formed a new company, Bangladesh Honda Limited. Japanese Mitsubishi Motors Corporation and Bangladesh's Progoti Industries Ltd are jointly assembling Pajero CR 45 (Pajero Sports) in Dhaka, he mentioned. As of September 6, Japanese FDI inflows into Bangladesh remain small, under $100 million in 2013 even after more than trebling the figure of the preceding year. Business luminaries of both Bangladesh and Japan, including chief executive officers of 22 business conglomerates like Marubeni Corporation of Japan, were present. A total of 87 businessmen and a good number of government officials and members from media accompanied Abe.

Prime Minister Sheikh Hasina called upon Japanese businessmen to invest more in Bangladesh. "Specifically, we expect Japanese investment in high-tech manufacturing like automobiles and microprocessors. We've also adopted Public Private Partnership policy for building infrastructure projects," she told a Japanese business delegation at her office.

Bangladesh, she mentioned, is working towards the establishment of an Exclusive Economic Zone for the Japanese investors. "We've investment potentials in sectors like textiles, leather, petrochemicals, pharmaceuticals, shipbuilding, agro-based industries, light engineering and electronics, telecommunications and IT," added PM.

The PM thanked the business delegates for considering Bangladesh as their next possible destination for extensive investment and business.

Japanese Businesses consider Bangladesh as next investment destination

Visiting Japanese business leaders on September 6 demanded easing of investment rules as they look to divert funds to Bangladesh from China due to rising production costs and worker shortage there. "We want to expand business in Bangladesh but we need policy support from the government," said Kuniharu Nakamura, president and chief executive officer of Sumitomo Corporation, one of the top three sogo shosha companies in the world.

Japanese companies that trade in a wide range of products and materials are known as sogo shosha. In addition to acting as intermediaries, sogo shosha also engage in logistics, plant development and other services, as well as international resource exploration. Sumitomo, which has been in Bangladesh since 1961, is interested in helping the country achieve its goal of becoming a middle-income country by 2021, he said.

"If the government wants, we can help with the construction of railways and industrial parks. We are fully committed to contribute to its growth," he said, adding that the Japanese conglomerate has been providing scholarships since 1996 to 40 students in various faculties of Dhaka University.

Nakamura's comments came at the Japan-Bangladesh Business Forum at Sonargaon Hotel in Dhaka, attended by 22 CEOs and 65 other high officials of companies from Japan. They accompanied Japanese Prime Minister Shinzo Abe during his two-day visit.

The CEOs present were from: Marubeni, Ship Healthcare Holding, Maruhisa, Kanbe, JETRO, Mayekawa, Euglena, IHI, JFE Engineering Corporation, ITOCHU, Shimizu, Mitsubishi Heavy Industries, Toshiba, Toray Industries, Nippon Poly-Glu, Medical Corporation Otsubo-Kai, Obayashi, Mitsubishi UFJ Financial Group, Bonmax and Kume Sekkei.

During his presentation, Yukio Yamada, President and CEO of Kume Sekkei, one of the leading architectural design firms in Japan, said he is interested in providing technological and architectural support for railways, airport and industrial park. Ichiji Ishuzu, executive director of Mayekawa, manufacturer of industrial refrigeration equipment and automated food processing robots, said his company is interested to set up food processing, beverage and ice-making machinery plants.



Kiminobu Hiraishi, president of Maruhisa that owns factories dealing with integrated knitting, dyeing, printing and sewing at Adamjee Export Processing Zone, demanded direct sea freight between Bangladesh and Japan for shortening lead-time. Kunihisha Furukawa, CEO of Ship Healthcare Holding that is engaged in the medical product business, said he has plans to invest 2 billion yen in Bangladesh to expand his business in medical college and hospital.

Mitsuru Izumo, President of Euglena, a venture company that engages in selling health food and development of bio-fuel with its core technology for mass cultivation of "euglena", said he wants to expand his operations in Bangladesh.

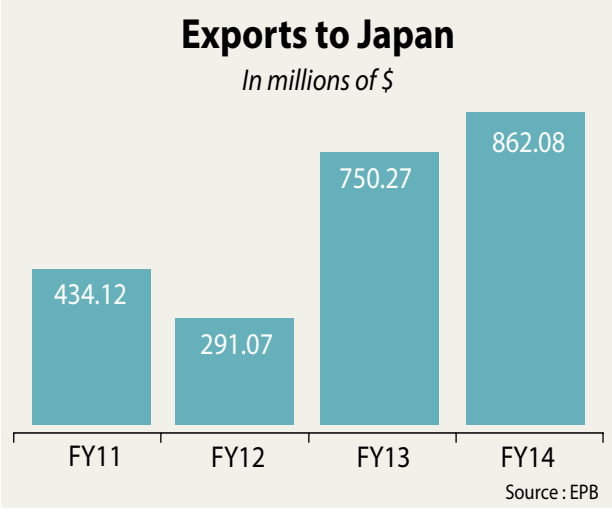
In April 2014, the company launched "Euglena GENKI Programme," that distributes Euglena Nutrition Biscuits to children in Bangladesh.

The World Bank in its recent study on South Asia showed that Bangladesh needs to spend $7.4 billion to $10 billion a year until 2020 to bring its power grids, roads, and water supplies up to the standard needed to serve its growing population. The power sector, on the other hand, will require an investment between $11 billion and $16.5 billion to generate electricity needed for industrial growth and supporting the people at large.

Japan has turned into a major export destination for Bangladeshi products, thanks to an increased demand for apparel and leather items at competitive prices. Exports from Bangladesh to Japan increased 14.90 percent year-on-year to $862.08 million in fiscal 2013-14, riding on the back of generalised system of preferences. Bangladesh shipped garment products worth $572.27 million to Japan last fiscal year, up almost 20 percent from the previous year.

Japan : a major export destination for Bangladeshi products

Japan has turned into a major export destination for Bangladeshi products as exports to the Far Eastern country are on the rise. Riding on the back of generalised system of preferences, exports from Bangladesh to Japan increased by 14.90 percent to $862.08 million in 2013-14 fiscal year from $750.27 million in the previous FY, according to the Export Promotion Bureau (EPB).



Export of readymade garment, leather and footwear items constitutes the lion's share of the increased earnings from Japanese market. Bangladesh shipped apparels worth $572.27 million to Japan in 2013-14 fiscal year. The figure was $478.49 million the previous fiscal, according to the EPB.

A meagre $74.37 million was earned by exporting garment products to Japan in 2008-09 fiscal. This means, the earning shot up more than seven times in just five years, thanks to the "China Plus One" policy that the Japan government adopted in 2008 with a view to reducing overdependence on China. Japan has a $35 billion market of apparels and Chinese exporters hold 80 percent share of this huge market. With the adoption of the new policy, Japanese importers started outsourcing garment items and other products from Bangladesh and other neighbouring countries, the industry insiders said. And Bangladeshi exporters want to seize this golden opportunity.

The last fiscal year also saw a significant rise in the export of non-garment products to Japan. In 2013-14 FY, the earning of Bangladesh from exporting leather goods and footwear products to Japan stood at $138.24 million, 65.35 percent higher from a year back.

Meanwhile, many Japanese investors are interested in trying their luck in automobile, garment and fabrics, electronics and fast-moving consumer goods sectors in Bangladesh, according to Japan External Trade Organisation (JETRO).

Besides the surge in export earnings, the import picture too gives a reason to cheer. In 2012-13 FY, Bangladesh imported goods worth $1.19 billion from Japan while the amount was $1.45 billion the previous year, according to Bangladesh Bank.

BB adoptes globally agreed rules for FDIs in stock market

Foreign investors having stakes in Bangladeshi private companies will now get higher returns if they sell their shares, as the central bank has introduced globally-accepted approaches to value such firms. Analysts say the move will encourage overseas investment in local companies. Along with the currently practised 'net asset value approach' for determining the repatriable value of shares, Bangladesh Bank has adopted two more methods: market value approach and income approach or discounted cash flow approach.

Take an illustrative example under the three methods: If the price of a company's share stands at Tk 50 based on net asset value, it could be valued at Tk 100 in market value and Tk 200 in the income approach. The BB will accept any of the three approaches or an average of the three in valuing the shares, depending on the nature of the company, it said in a notice on August 31.

Net asset value is estimated by deducting all liabilities of a company from its total assets. It is a conservative valuation, which does not take into account the future potential of a company. However, the method can be used in certain cases, for example, when a company is not currently operating. The market value approach is mostly based on the price earnings (PE) ratio, which is a company's market price per share divided by its earnings per share (EPS). The PE ratio provides an indication of how much investors are willing to pay for a company's earnings. For example, 15 PE ratio of a company means investors or buyers are ready to pay 15 times higher than the company's EPS to get a share.

Valuation of unlisted companies in the income approach or discounted cash flow approach is highly sensitive to assumptions of future cash flows. In practice, the method is not used in isolation and used as one of the drivers to determine the final price, the BB said. The income approach is primarily driven by three key inputs such as free cash

flow, terminal value and discount rate. Application for repatriation of sale proceeds of shares will have to be submitted to the foreign exchange investment department of the central bank with a valuation certificate, issued by a merchant bank or a chartered accountant. The valuation certificates will have to be supported by full explanation justifying the fair value.

Audited financial statements of the company will also have to be submitted along with the application for remittance approval, the BB said. The central bank, however, can scrutinise the valuation by another chartered accountant, if it is not satisfied about the appropriateness of the valuation of shares, the notice added.

NRBs expressed optimism about Bangladesh economy

The majority of Bangladeshis have expressed optimism about the economy, giving the thumbs-up to the government's economic management, a Washington-based research organisation said in its survey on public sentiment. The Economic Conditions Report of Pew Research Centre, released on 9 September, found that 71 percent of the Bangladeshis covered in the survey are happy with the economic health of the country compared to 28 percent dissatisfied.

The reputed research organisation interviewed 1,000 Bangladeshis face-to-face, all above 18 years of age, from April 14 to May 11 this year. The survey was conducted in Bangla, the organisation said on its website.

The annual report examines public opinion about the economy in 44 countries, including public views of the way things are going on in respondents' countries, the current national economic situation and expectations for the national economy over the next 12 months. The report also gauges the intensity of public concern about unemployment, inflation, inequality and public debt.

Apart from Bangladesh, the poll was conducted in eight developing countries: Ghana, Kenya, Senegal, Nicaragua, Uganda, Tanzania, El Salvador and Palestine.

A staggering 66 percent of the respondents said they expect the economic situation in Bangladesh would improve over the next 12 months, while 22 percent said the situation will remain the same. One in 10 respondents said the economic situation will worsen.

Pew Survey Results

71%
happy with the economy

66%
ecpect economic situation to improve over next 12 months

54%
Satisfied with the way things are going

77%
see inflation as a major problem

70%
concerned about jobs

34%
worried about rich - poor gap

28%
concerned about public debt

Peace Index : Bangladesh 98th among 162 countries

Bangladesh has fared better than India, Pakistan and Sri Lanka in the Global Peace Index 2014. Bangladesh is ranked 98th on the list of 162 countries, a significant improvement from last year's position of 105th. Put together by the Institute for Economics and Peace, the GPI takes into consideration three broad themes involving ongoing domestic and international conflict, militarisation, and social safety and security.

In South Asia, Bangladesh is the third most peaceful nation, coming after Bhutan and Nepal which are placed 16th and 76th. Afghanistan, however, continues to be the least peaceful nation in South Asia. Afghanistan, which topped last year's list of least peaceful countries, has been replaced by Syria due to the latter's ongoing civil war. South Sudan, Iraq and Somalia are ranked the third, fourth and fifth least peaceful countries.

Europe remains the most peaceful region in the world with Iceland topping the list and Denmark, Austria, New Zealand and Switzerland closely following. Qatar, Georgia, Zambia, Haiti, Argentina, Chad, Nepal, Burundi and Liberia are categorised as countries at risk of "small to medium deteriorations in peace." The GPI shows that the world has become less peaceful each year since 2008.

Peace in S Asia

Country	Rank
Bhutan	16
Nepal	76
Bangladesh	98
Sri Lanka	105
India	143
Pakistan	154

Global Competitiveness : Bangladesh moves up in ranking

Bangladesh has moved one notch up in the latest Global Competitiveness Report of the World Economic Forum, indicating an improvement in the country's economic efficiency and sophistication. The country scored 3.72 on a scale of 1 to 7 to move up to the 109th place from last year's 110th, according to the Global Competitiveness Report 2014–2015. The annual list was released by the Geneva-based World Economic Forum (WEF) on September 3.

The Global Competitiveness Index (GCI) assesses the competitiveness landscape of 144 economies, looking into their productivity and prosperity drivers. As per the GCI, Switzerland is the most competitive economy, followed by Singapore. Other countries in the top ten are the USA (3), Finland (4), Germany (5), Japan (6), Hong Kong (7), the Netherlands (8), United Kingdom (9) and Sweden (10).

Globally, the GCI finds insufficient progress in adopting and implementing structural reforms necessary for long-term economic growth. Talent development and institutional strength continue to play a defining role in determining world's most competitive economies, the World Economic Forum said in a statement. "The health of the global economy is at risk, despite years of bold monetary policies, as countries struggle to implement structural reforms necessary to help economies grow," it said.

In its annual assessment of the factors driving countries' productivity and prosperity, the report identifies uneven implementation of structural reforms across different regions and levels of development as the biggest challenge to sustained global growth. It also highlights talent and innovation as two areas where leaders in the public and private sectors need to collaborate more effectively in order to achieve sustainable and inclusive economic development.



In South Asia, India slipped 11 places to 71st and Sri Lanka lost eight positions to end at the 73rd. Pakistan advanced four steps to the 129th, Bhutan gained six to end at 103rd, and Nepal jumped up 15 points to 102nd. The rankings are based on 12 categories that include institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, market efficiency, financial market development, technological readiness, market size, business sophistication and innovation.

Human Development Index : Bangladesh goes one notch up

Bangladesh has moved one notch up to the 142nd place in the Human Development Index (HDI) among 187 countries for its progress in health sector and reducing gender gap, says a UNDP report. It puts Bangladesh among the 18 countries showing extraordinary progress in human development. The Human Development Report 2014, released worldwide on July 24, shows the country has demonstrated a good track record of inclusive development and is doing better than India, Pakistan and Nepal, the positions of which remained unchanged.

Titled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience", the report was launched at the conference room of the Planning Commission office in the capital on July 24. United Nations Development Programme (UNDP) publishes the annual assessment based on the data of three elements -- a long and healthy life, access to knowledge and a decent standard of living.

This year, the UNDP has also introduced a Gender Development Index (GDI) where Bangladesh ranks 107th, well ahead of India and Pakistan at 132nd and 145th places



respectively. Like last year, Norway tops the list with 0.944 points while Niger sits at the bottom with 0.337 points.

Sri Lanka is ranked top among the nine South Asian countries securing 73rd position while Maldives is at 103th, India 135th, Bhutan 136th, Nepal 145th, Pakistan 146th, Myanmar 150th and Afghanistan 169th place in the HDI. Bangladesh shares the 142nd spot with the African island nation of Sao Tome and Principe. Presenting the report, KAM Morshed, assistant country director of UNDP Bangladesh, said "Last year the positions of Bangladesh and Pakistan in HDI were the same ... But this year, bordering on health and education sectors, the country [Bangladesh] has done better than Pakistan albeit Pakistan's income is almost double ours."

Mohammad Mejbahuddin, secretary of Economic Relations Division, credited this achievement partly to the micro-credit programmes across the country. "The revolution of micro-credit has created the opportunity of self-employment. When people's income increases, investment in health and education will automatically go up," he said.

The ERD secretary also attributed the success to the government's initiatives in expanding social safety net and food security measures and in health and education sectors. "All these have contributed [to the achievement] and we hope that we will be able to move faster in the coming days," he added. Bangladesh has fared better than India in the Multi-dimensional Poverty Index (MPI) as well.

Improving maternal, child health : Bangladesh rated as fast-track country

A global study series has identified Bangladesh as one of the 10 "fast-track" countries that have made significant achievements in improving maternal and child health. Under-five child mortality declined by 65 percent in Bangladesh, from 151 to 53 per 1,000 live births between 1990 and 2011. Also, maternal mortality dropped drastically by 66 percent, from 574 to 194 per 100000 live births. Scientific journals The Lancet Global Health and the bulletin of the World Health Organisation (WHO) published the findings.

The government's priority on key initiatives to reduce maternal and child mortality, such as immunisation, oral rehydration therapy and family planning, has significantly contributed to the success. "For example, the expanded programme on immunisation has been identified as the largest single contributing factor in the reductions to under-five child deaths," said the study series.

This strategy, it added, has benefited even the most disadvantaged populations, and has contributed significantly to reducing child and maternal mortality. Other factors contributing to the improvements in women's and children's health include a focus on women's education, empowerment and gender equity. Between 1991 and 2011, the proportion of literate females aged 15–24 years increased from 38 percent to 80 percent.

The series was coordinated by The Partnership for Maternal, Newborn and Child Health (PMNCH) with the collaboration of the WHO, the World Bank Group, the Alliance for Health Policy and Systems Research, Johns Hopkins Bloomberg School of Public Health, and the London School of Hygiene and Tropical Medicine.



The nine other low- and middle-income countries identified as "fast-track" are Cambodia, China, Egypt, Ethiopia, Laos PDR, Nepal, Peru, Rwanda and Vietnam.

Foreign jobs costlier for Bangladeshis

Bangladeshis have to spend more than Indians and Sri Lankans to get jobs in Malaysia, Qatar and the United Arab Emirates, says a research. On average, a Bangladeshi has to spend $2685 to go to Qatar and get a job there while an Indian and a Sri Lankan pay only $1227 and $1200, respectively, for the same job, Prof CR Abrar, coordinator of the research team, said while revealing these findings at a workshop on September 9.

The case is similar in the matter of jobs in Malaysia and the UAE. To get jobs abroad, Bangladeshis mainly depend on local agents while Indians rely on their private management and Sri Lankans on registered recruiting agencies, said Abrar, citing the research.

A team of Bangladesh's Refugee and Migratory Movements Research Unit (RMMRU), Centre for Developing Societies of India and Bureau of Foreign Labour Employment of Sri Lanka carried out the research. RMMRU organised the workshop

at Nabab Nawab Ali Chowdhury Senate Bhaban of Dhaka University.

For the research, the team claimed to have obtained information from 350 migrants currently living in Malaysia, Qatar and the UAE between March last year and April this year.

A large number of the migrants living in the three countries, however, have to work more than 8 hours a day while the domestic workers of the countries have to work 14 to 18 hours daily, he added.

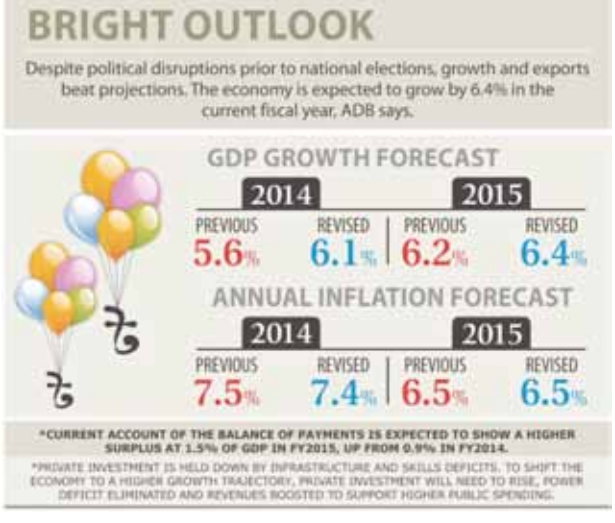
The education level of Bangladeshis in the three countries is lower than that of Indians and Sri Lankans, the research shows. Most of the Bangladeshis are working in the construction and service sectors of these countries while the Indians and Sri Lankans are involved in a wide range of professions there.

Among the three South Asian countries, Sri Lanka's labour attachés provide the country's migrants with comparatively better services.

The attachés perform the tasks of providing protection and assistance to the nationals of their countries abroad. The study shows all the attachés frequently have to deal with the issue of illegal workers in Malaysia, Qatar and the UAE. The researchers also came up with some recommendations to improve the service of the labour attachés, including introducing a 24-hour emergency hotline to give assistance to the migrant workers and improve attachés' regular communications with their respective countries.

ADB lifts economic growth forecast for Bangladesh

The Asian Development Bank has revised upwards its economic growth forecast for Bangladesh -- to 6.4 percent from 6.2 percent -- for the current fiscal year. The latest projection is still much lower than the government's 7.3 percent target. All major economic indicators of Bangladesh have been showing a sign of improvement for the past several months, according to ADB's update report launched on September 25 at its Dhaka office.



The report has also projected a current account surplus and said inflation will remain within the target of the government. Yet, there are binding limitations in the economy, the report said. Infrastructure constraints, such as inadequate supply of power and inability to mobilse resources, and political unrest could dampen investor confidence and economic activities, it said.

The Manila-based development bank said industrial growth will improve to 9.2 percent this fiscal year from the previous year's 8.4 percent, due to higher exports and stronger domestic demand, supported by a rise in remittances. The services sector is also estimated to grow 5.9 percent, slightly more than 5.8 percent in fiscal 2013-14.

The ADB report said continued policy support will boost agricultural growth to 3.5 percent from 3.3 percent a year ago. The external current account is projected to show a larger surplus of 1.5 percent of gross domestic product in fiscal 2014-15, with higher growth in exports and remittances. Export growth is expected to rise to 13 percent, up from 12 percent in the previous year. Import is also projected to be higher at 15 percent in fiscal 2014-15, compared to 8.9 percent a year ago. The inflow of remittances, which declined 1.6 percent last fiscal year, is projected to increase 7 percent in the current year.

The ADB also said average inflation will slow down to 6.5 percent from 7.4 percent a year ago, mainly due to easing supply constraints, a better crop outlook, large stock of food grains and a supportive monetary policy.

It said lower food prices on the international market and stable oil prices will contribute to a fall in the inflation rate.

The ADB report, however, detected some potential risks to these projections on the Bangladesh economy. It said inability to mobilise domestic and foreign resources could affect the government's development spending. Costlier bank borrowing could fuel inflation and renewed political unrest could dampen investor confidence and economic activities, the report said.

Investment has remained virtually stagnant between 25 percent and 26 percent of GDP over the past several years. Analysts said investment needs to be raised to at least 32 percent to achieve 7 percent or more economic growth.

7pc growth possible : StanChart upbeat on Bangladesh economy

Bangladesh has to address infrastructure deficit, productivity gap and diversification of export base if it wants to move to a higher growth trajectory, Standard Chartered Bank said in its latest report. The country has the potential to grow at more than 7 percent over the next decade if it can plug the infrastructure deficit alone.

The four-lane Dhaka-Chittagong highway is critical as this route links the main industrial zone to the country's main port, Radhika Kak, SCB's South Asia economist, said in the report, adding that congestion stretches the duration of the 260 kilometre-journey to 20 hours. Only 49 percent of the work on the project has been completed since 2010, said the report, 'At a glance Bangladesh -- primed for growth'.

It also called upon the government to improve rail infrastructure. Only 12 percent of freight is transported by rail against 30 percent in India, which, it said, is a testament to the "poor state" of rail infrastructure. As a result of the infrastructure deficiencies, the country's export costs are almost double those of other garment-exporting nations, it said.

Export cost is $1,025 per container in Bangladesh as opposed to $600 per container on average in other garment-exporting economies. The report also found that the country lags behind other Asian economies when it comes to productivity and this gap must be closed at the earliest as the country's comparative advantage by way of wage will eventually wane. It particularly highlighted Vietnam, which is poised to eat into the country's share of garment exports to the US.

The report also suggested the country diversify its export basket, which has seen next to no change over the past decade. Garment still accounts for 80 percent of the export basket, despite domestic optimism about the pharmaceutical sector, which makes up only 0.5 percent.

In light of this, it called for a comprehensive industrial strategy for diversification. Business environment and infrastructure must also be improved to provide impetus for other areas of manufacturing.

SCB also called for higher private participation in infrastructure projects, as public finances are already stretched and the country is struggling to raise the tax-GDP ratio. To encourage private participation in infrastructure projects, which remains low at 1.1 percent of GDP, the country needs to improve the transparency and timeliness of government decision-making and ensure stricter enforcement of government commitments, it said.



Trade confidence rises sharply : HSBC index

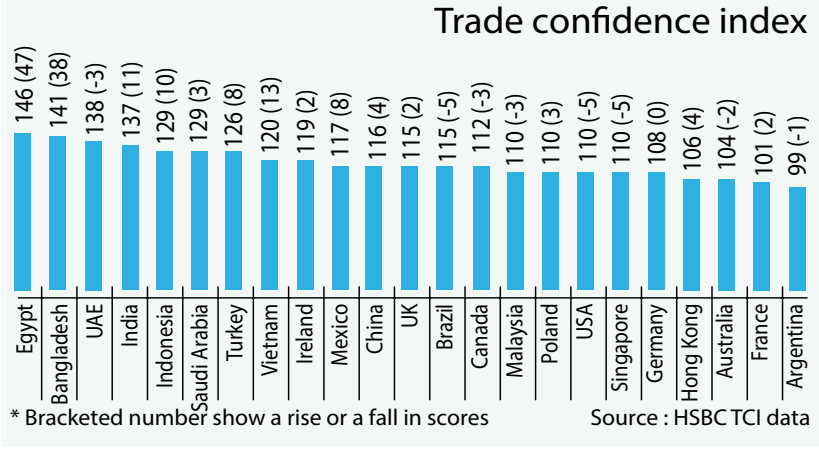
Bangladesh's trade confidence rose sharply, by 38 points in six months, which is the second highest among 23 countries globally. The jump was due to growing demand for its garments from Western buyers and the recent initiatives aimed at making the country's apparel factories safer, according to a survey.

HSBC's latest Trade Confidence Index, which was published on September 16, shows that Bangladesh's score increased to 141 in the first half of 2014, from 103 in the second half of 2013. Only Egypt is ahead of Bangladesh as the economic climate in the largest Arab country improved in recent times. Bangladesh outpaced the UAE, India, Indonesia, Saudi Arabia, Turkey, Vietnam, Ireland, Mexico, China, the UK, Brazil, Canada, Malaysia, Poland, the USA, Singapore, Germany, Hong Kong, Australia, France and Argentina.

"The authorities are introducing more safety regulations to the garments sector and this appears to have provided an additional boost to confidence," the banking giant said in a report. The Trade Confidence Index is prepared by London-based TNS, the world leader in market research, global market information and business analysis, for 23 countries, and is the largest trade confidence survey globally.

The current survey comprises six-month views of 5,200 exporters, importers and traders from small and mid-market enterprises on trade volume, buyer and supplier risks, the need for trade finance, access to trade finance and the impact of foreign exchange on their business. The fieldwork was conducted between May and July this year and gauged sentiment and expectations on trade activity and business growth in the next six months.

The survey report said shipments from Bangladesh rose 11.9 percent year-on-year in 2013 and went up at a similar pace in the first five months of 2014. More than 70 percent of the survey respondents said the outlook for trade volumes will improve over the next six months, with almost 80 percent expecting the currency to have a favourable impact on business growth over this period.



About 40 percent of the respondents said that Europe, Bangladesh's biggest trading partner, offers the best opportunity for business growth over the next six months, while one-third point to Asia and 17 percent to North America. More than a third of the respondents expect demand in key markets to be higher over the next six months, while more than 16 percent generally feel more confident about the coming months.

The US dollar is the currency of choice for more than 85 percent of the survey respondents. Nearly 80 percent see currency movements having a positive impact on trade over the next six months, while more than two thirds see trade agreements as favourable for international business. But around a quarter of the respondents cited high costs of logistics, shipping and storage as potential constraints on business growth.

On the longer term outlook on Bangladesh, HSBC expects the country to grow rapidly over the remainder of the current decade, and investment, particularly in infrastructure, will continue to rise strongly to support this. It said industrial machinery is the second largest import sector behind textiles and will continue out to 2030 with the sector contributing almost 20 percent to Bangladesh's import growth.

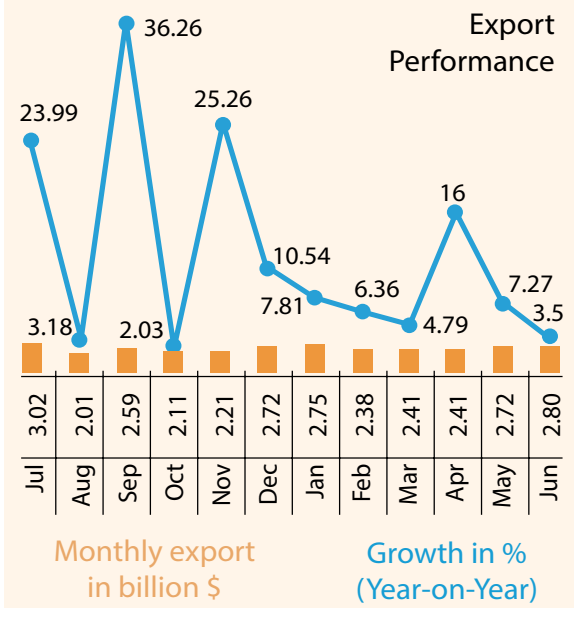
China, India, Korea and Indonesia will be Bangladesh's fastest growing import partners, taking advantage of geographical proximity, the survey report said. The US, Germany and the UK are Bangladesh's top export partners and this will remain unchanged out to 2030.

$24.5b RMG exports during FY'14

Garment exports hit a record high at $24.50 billion in the immediate past fiscal year, rising 13.86 percent year-on-year, according to Export Promotion Bureau. Competitive prices of Bangladeshi products and a higher demand among Western consumers have led to the growth despite all domestic and international odds, exporters said. Export of knitwear products rose 15.02 percent to $12.04 billion, while that of woven garments grew 12.70 percent to $12.44 billion. The total garment exports were worth $21.51 billion in fiscal 2012-13.

The total earnings from exports also saw a boost, rising 11.65 percent year-on-year to $30.17 billion in fiscal 2013-14. However, the amount narrowly missed the target at $30.50 billion for the year. Month-wise, Bangladesh exported goods worth $2.80 billion in June, the amount being 3.50 percent higher than that in the same month a year ago, and 8.65 percent lower from the target at $3.06 billion set for the month.

Besides the traditional markets like the US, the EU and Canada, Bangladesh is performing well in Japan, India, China, South Korea, Chile, Brazil, South Africa, Australia and Turkey. Home textiles have the potential to earn $1 billion a year as the sub-sector already brought in $792.53 million in fiscal 2013-14. Jute and jute goods also have a promising market worldwide, Bose said. Jute and jute goods earned $824.49 million in fiscal 2013-14.



Investment in EPZs increased by 22pc

Investment in Export Processing Zones (EPZs) soared 22.53 percent in fiscal 2013-14 from the previous year. Some 428 operational units in EPZs invested US$ 402.58 million in the recently ended fiscal year, while their investments amounted to $328.53 million in fiscal 2012-13, according to the Bangladesh Export Processing Zones Authority (Bepza).

Bangladesh was the second favoured investment destination in South Asia, which is reflected in investments in EPZs, Bepza said referring to a 2013 report of United Nations Conference on Trade and Development. Bepza, which runs eight EPZs, facilitates investments by local and foreign firms to produce goods for exports. Dhaka EPZ received $125 million, the highest investment, in the just concluded fiscal year followed by Chittagong EPZ that received $109.46 million. The EPZs at Adamjee, Karnaphuli, Comilla, Uttara, Mongla and Ishwardi received the remaining amount.

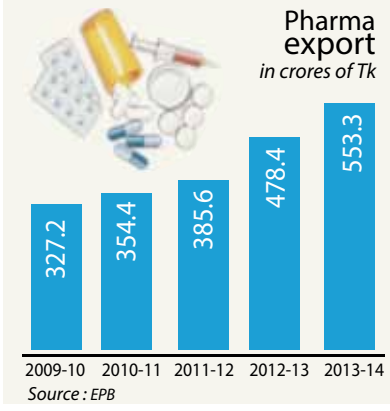
Pharma exports growing on global demand

Pharmaceutical exports rose 15.65 percent year-on-year to Tk 553.3 crore in fiscal 2013-14, riding on the back of growing global demand, high quality products and competitive prices. Demand for Bangladeshi Pharma products is growing in Asia, Africa and European markets as manufacturers follow international standards that ensure better quality according to Bangladesh Association of Pharmaceutical Industries.

Exports grew 24 percent to Tk 478.4 crore in 2012-13 from the previous year, according to data from the Export Promotion Bureau. Bangladeshi medicine makers meet 98 percent of domestic demand and export to 88 counties.

The country exported 30 pharmaceutical items in fiscal 2013-14. Export figures would have been higher if the country had not gone through a political crisis according to the source. The sector incurred losses in the first six months of last fiscal year due to political unrest, which almost broke the supply chain down. Most medicine makers are receiving new export orders as political setbacks subsided. "We import raw materials due to a lack of an Active Pharmaceutical Ingredients Technology Park in Bangladesh," the source said. Manufacturers in an API Park can produce raw materials needed by the medicine makers.

India has its own API Park and as a result, it can offer competitive prices in global markets compared to Bangladesh. "Bangladesh's only central API Park was supposed to be completed by 2012, but it is still uncertain, which leaves the entire industry dependent on raw material imports." Bangladesh pharma exports are driven by high standards in quality and affordability. Although Southeast Asia and Africa are traditionally Bangladesh's major markets for generic drug exports, leading companies have now focused on advanced markets. The country's pharma market is currently valued at Tk 12,000 crore.



Infrastructure deficit & corruption top barriers to business : WEF Survey

Inadequate infrastructure, corruption and inefficient bureaucracy continue to haunt entrepreneurs in Bangladesh, as the three factors top the list of bottlenecks hampering business, according to a survey by the World Economic Forum. Twenty-one percent of businesses, surveyed in Bangladesh as part of the Global Competitiveness Report 2014–2015, identified inadequate supply of infrastructure as the top barrier to doing business. The report was released globally on September 3 and on September 4 in Bangladesh.

Corruption was the second worst barrier, dropping from the first position last year, with 20.7 percent of businesses pointing at it. It was followed by inefficient government bureaucracy at 15.3 percent. In Bangladesh, CPD carried out the Executive Opinion Summary survey based on the questionnaire developed by WEF; 76 businesses took part in the survey conducted between February and April.

The survey covers entrepreneurs and businessmen involved in manufacturing and services, and medium and large enterprises; 93 percent of these companies are located in Dhaka, with head offices in Bangladesh. Government instability or coups, access to financing, policy instability, an inadequately educated workforce and crime and theft were identified by the survey among the top problems facing the business community.

Tax regulations, inflation, foreign currency regulations, tax rates, poor work ethics in the national labour force and insufficient capacity to innovate, poor public health and restrictive labour regulations also pose as problems for the businesses.

In the last six years, perceptions on general infrastructure experienced little change; it was stuck in the 'worst' category due to limited road transport, although supply of electricity improved significantly, said CPD.

About 40 percent of respondents perceived that the business-government relationship is not in proper order and more importantly, perception about it has deteriorated from 'good' to 'bad'. Over 90 percent respondents said the government's efforts to combat corruption and bribery are ineffective. Most respondents believe that diversion of public funds to companies, individuals or groups due to corruption is very common, while bribes in connection with imports and exports, in getting connection of public utilities, tax payments and awarding of public contracts and licences are common as well.

In the Global Competitiveness Index, Bangladesh scored 3.72 out of 7 to move up one place to 109th from last year's 110th. The rankings, conducted among 144 economies this year, are based on 12 categories -- institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication and innovation.

On the basis of scores, positive changes were observed in seven pillars -- infrastructure, macroeconomic stability, higher education, goods market efficiency, financial market sophistication, market size, and innovation. Deceleration took place in five pillars -- institutions, health and primary education, labour market efficiency, technological readiness and business sophistication.

Problematic factors for business 2014
Inadequate infrastructure
Corruption
Inefficient bureaucracy
Political instability/coups
A lack of access to financing
Policy instability
Inadequately educated workforce
crime and theft
Complexity of tax regulations
Tax rates
Inflation
Foreign currency regulations
Poor work ethics in national labour force
Insufficient capacity to innovate
Poor public health
Restrictive labour regulations

Bangladesh scored 3.84 in basic requirements to rank 113th, the same as last year, which constrained making progress in overall ranking. In case of institutions, the country ranked 131st as it scored 2.96. The ranking was the same as in last year. In case of infrastructure, it was ranked 127th, the same as in last year. Bangladesh has improved in the case of macroeconomic management as it moved up seven places to 72nd. Last year, the country ranked 79th.

The country also fared better in health and primary education, as it gained 2 places to 102nd position from last year's 104th. In case of efficiency enhancers, the country moved up five places to 103rd. It was placed at 125th position in higher education and training from last year's 127th, 84th in goods market efficiency from 89th last year, and 124th in labour market efficiency.

It made a major leap in financial market development as it ranked 88th this year, which was 102nd last year. The country moved one place up to 126th in technological readiness and to 44th in market size. The country slipped five places to 118th in business sophistication and slipped two places to 129th in innovation. Bangladesh ranked 118th out of 144 countries in 2012–13 and 108th out of 142 economies in 2011–12.

Bangladesh received siphoned money : OECD Report

Bangladesh is among the 15 countries that received money siphoned out of the country, as the international community stepped up its efforts to freeze and return assets stolen from developing countries, according to a new report. The United States returned $2.90 million to Bangladesh sometime between 2010 and 2012, said the joint report of the Stolen Asset Recovery Initiative and the Organisation for Economic Cooperation and Development (OECD). The report, which was released on September 11, though did not give any specifics.

Earlier, a United Nations Development Programme report ranked Bangladesh as the top exporter of illicit capital among all the least developed countries between 1990 and 2008, when $34.8 billion was leaked out of the country. The OECD and the Initiative report showed that while some progress has been made in freezing and returning assets siphoned away from developing countries through corruption, much more needs to be done to turn pledges by development agencies to action.

It said corrupt public officials steal between $20 billion and $40 billion each year from developing countries, which is equivalent to 20-40 percent of the foreign aid the countries receive. The "Few and Far: The Hard Facts on Stolen Asset Recovery" shows that only a tiny share is returned; recovering

more of these funds could greatly boost development efforts. The report documents, for example, how Angola has used assets recovered from Switzerland to finance hospitals and how Tanzania has used returned assets to get more children to school.

Between 2010 and June 2012, assets were frozen or returned to 15 developing countries. The countries were Algeria, Bangladesh, Brazil, Costa Rica, Côte d'Ivoire, Arab Republic of Egypt, Equatorial Guinea, Iraq, Kazakhstan, Libya, Malaysia, Nigeria, Tanzania, Tunisia, and Zimbabwe. The StAR initiative is a partnership between the World Bank Group and the United Nations Office on Drugs and Crime to extinguish safe havens for corrupt funds.

StAR works with developing countries and financial centres to prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets. The report recommended that developed and developing countries should adopt, implement and fund comprehensive strategic policies to combat corruption and recover assets.

Black money flying abroad : Govt's amnesty draws very little response

When money laundering is as easy as slicing a cake and the money is safe abroad, why anyone would want to legalise his black money is a question that seems to have no answer. And even if one wants to do so, he is discouraged by the complex legal structure and the vengeful political culture in the country. This is evident in the black money holders' lukewarm response to the government's repeated declarations of amnesty to them, according to the Daily Star published on August 26.

In the fiscal 2013-14, only Tk 237.78 crore was whitened, with the government getting Tk 45 crore in taxes. The response was slightly better in the previous four fiscal years -- Tk 451 crore was legalised on average each year from which the government got about Tk 58 crore in taxes each year, according to the National Board of Revenue. That, however, is no proof that black money is decreasing. If anything, it is just the other way around.

Recent disclosures by the Swiss National Bank show deposits by Bangladeshi citizens at various Swiss banks soared 62 percent year-on-year in 2013. It stood at Tk 3,236 crore last year, up from Tk 1,991 crore the previous year. Experts say the money deposited in Swiss banks is only a tiny fraction of the total amount siphoned off. There are other safe havens -- Malaysia, Canada and the UAE, just to name a few -- where huge sums were laundered. To settle in Malaysia under its My Second Home (MM2H) programme, for instance, one needs to show liquid assets worth at least RM 500,000 (about Tk 1.22 crore) and offshore income of RM 10,000 (about Tk 2.45 lakh) per month. Between 2002, when the programme was launched, and April this year, some 25,500 people from across the world migrated to the country. Of them, 2,874 (11 percent) are Bangladeshis, according to the Malaysian government website.

Bangladesh citizens' deposits in Swiss banks was Tk **3,236** cr in 2013

Some **2,874** Bangladeshis laundered at least Tk **3,506** cr Under MM2H programme alone

Just Tk **237** cr was whitened in 2013-2014

This means, these Bangladeshis laundered about Tk 3,500 crore at least to settle under the MM2H programme, and none was required to take approval from the competent authority in Bangladesh, as Malaysia does not inquire about the source of the money. The Malaysian government website also shows the number of Bangladeshis settling in the country rises when election comes around. As many as 852 Bangladeshis settled there in 2005, ahead of the 2007 ninth parliament polls. The number was 388 in 2012, just before the 10th national election.

Similarly, a Bangladeshi can get residence permit in the US or Canada by showing liquid assets worth $500,000 (about Tk 3.87 crore). Statistics are hard to come by, but reportedly hundreds of affluent Bangladeshis have made these two countries their second home. Again, the US and Canada will not inquire where the money has come from, experts say.

Zahid Hussain, lead economist of the World Bank's Dhaka office, told The Daily Star that black money holders preferred to siphon off money instead of whitening it. According to him, political unrest centring on the January 5 election prompted many to launder their undisclosed money to other countries. "Since it was an election year, the risk of getting caught was high if the money earned through corruption was kept in the country. So they are at ease by depositing the sums in safe havens," said the WB economist.

In the last fiscal year, 2,573 people legalised their black money by investing in the real estate business, 210 people by paying normal tax plus penalty and one person by purchasing treasury bills. But there is no figure as to how many people siphoned off how much money. However, analysts say the difference between the formal and informal market rates of US dollar in the second half of 2013 shows the amount was not negligible.

The difference stood at Tk 4, whereas normally it stays below Tk 1, meaning a huge amount might have been laundered in the lead up to the January 5 election, according to experts who blame the complex legal structure, bureaucratic red tape and culture of vengeful politics for this.

According to him, the central bank is partially responsible for a large amount of money going out of the country. "The Bangladesh Bank doesn't permit us to invest abroad. But how much money you want to launder -- Tk 100 crore, Tk 200 crore or Tk 500 crore? It doesn't matter, you can launder it anytime to any country," he told The Daily Star. Over the past 43 years since independence, Tk 13,753 crore of black money was disclosed -- 70 percent of the amount during the 2007-08 caretaker government tenure alone. The WB economist spoke against extending the amnesty every year. According to him, for the amnesty provision to be effective, it has to be given for a definite period and tagged with a warning. "Plus, it is very discouraging for the honest taxpayers."

Informal trade of rice seeds rising in border areas: study

Informal trade of rice seeds has been rising in the border areas of Bangladesh and India in absence of formal trade, CUTS International said in a study. Farmers of both the countries have to buy low-quality seeds of popular high yielding varieties (HYVs) from the informal market, the study said. "Formalising HYV rice seeds trade between the two countries will take agricultural cooperation to a higher level and make quality seeds more accessible," according to a joint communiqué.

CUTS International and local NGO Unnayan Shamannay published the joint communiqué under a project -- addressing barriers to rice seeds trade between India and Bangladesh -- funded by Bill & Melinda Gates Foundation. The study finds that two Indian HYV or inbred varieties of rice -- miniket and swarna -- are coming to Bangladesh and farmers are cultivating these varieties in border districts such as Jessore, Chapainawabganj and Dinajpur.

Bangladesh's inbred rice seeds varieties such as BR-11, BRRI Dhan-28 and BRRI Dhan-29 are very popular and grown in India's West Bengal, Bihar, Odisha and Jharkhand. The study cited an estimate by the Consultative Group on International Agricultural Research that Indian rice varieties cover 12 percent of planted rice area in Bangladesh. Bangladesh needs more than three lakh tonnes of rice seeds in all three seasons. Public agencies and private firms supply more than one-third of the demand, while the rest is met by farmers' own reserves of seeds and informal markets, according to the agriculture ministry. Currently, Bangladesh meets most of its demand for hybrid rice seeds through imports, mainly from China and India.

The CUTS study said Bangladesh is a net rice seed importer and the estimated market size was $5.9 million



in fiscal 2010-11. India is a net exporter but export of its hybrid rice seeds to Bangladesh remains negligible at less than 3 percent of its total rice seeds. The study said formalisation of in-bred rice seeds trade can immensely benefit both the neighbours. The gains could be in terms of market opportunity estimated worth more than $20 million, improved crop yields and food security, and better livelihood, it added.

Political uncertainty, banking risks hurting economy: Fitch

Fitch, one of the three most important credit rating agencies in the world, has identified political uncertainty and the underlying vulnerability in the banking sector, especially the state banks, as big risks to the Bangladesh economy. "This most recent episode in Bangladesh's political history highlights prolonged high political risk levels. Continued political polarisation and uncertainty may impact economic activity through long-term investment decisions," Fitch said in its latest review of Bangladesh.

Political tensions and violence that marked the run-up to the parliamentary elections in January had a "moderately negative impact" on economic growth but "did not paralyse the economy". Fitch assigned the country long-term credit rating of BB- and short-term



rating of B and a country ceiling of BB-. "Bangladesh's ratings reflect a balance between high, stable real GDP growth and strong external balances, and weak structural features indicating significant political and banking sector risk."

Fitch said the banking sector is vulnerable to shocks, especially the state-owned banks, as both asset quality and governance are weak. The gross non-performing loans ratio of the sector increased to 10.5 percent in the first quarter of the year but that of state-owned banks stood at 21.9 percent. "Bangladesh Bank seems committed to strengthen the poor governance in the banking sector, but has indicated it would need more extensive powers," the rating agency said.

The state banks will need additional capital in the medium-term, which would imply crystallisation of contingent liabilities for the sovereign, it said. Bangladesh's ratings are constrained by a low level of development.

The country scores poorly on a broad range of governance indicators and ranks low on the United Nations' human development indicators, with a GDP per capita of $1,023 in 2013, well below the 'BB' peer category median of $4,696, the agency said.

Both the general government debt (40 percent of GDP) and fiscal deficit (5 percent of GDP) compare unfavourably with the 'BB' category medians of 35 percent and 2.7 percent respectively, Fitch said. A "disappointing" government revenue intake has led to a higher fiscal deficit of 5.0 percent of GDP than the targeted 4.6 percent. The budget for fiscal 2014-15 aims to keep the fiscal deficit at 5 percent of GDP, suggesting that no fiscal consolidation efforts can be expected of this government anytime soon, it said.

Fitch said the country is on track with regards to the International Monetary Fund's Extended Credit Facility programme, with the government meeting several structural benchmarks, including those related to the implementation of a new VAT law, establishment of internal controls and compliance and full automation of financial reporting in the state banks. "Inclusion of strong fiscal performance criteria in a potential follow-up programme could result in the build-up of a credible fiscal consolidation track record."

BB receives global award for financial inclusion

The central bank of Bangladesh has won an international award for promoting financial inclusion, especially through mobile banking services. Bangladesh Bank revealed this at a press conference at its headquarters in Dhaka on September 10.

The Alliance for Financial Inclusion (AFI), a forum of central banks and other financial regulators working for financial inclusion, selected BB for its first-ever award at the Global Policy Forum in Port of Spain, Trinidad and Tobago. The AFI introduced the award this year to illustrate and promote successful financial inclusion polices within the AFI network.

The central bank took initiatives in early 2010 to provide financial services to the unbanked population in rural, urban and remote areas. The BB also issued Guidelines on Mobile Financial Services for Banks in 2011. The policy has created a conducive environment for mobile banking services to flourish. Mobile banking services are a bank-led model and BB is the regulatory authority. Banks appoint distributors and agents to run the operations.

Solar home systems in Bangladesh see fastest growth

The programme for installing solar home systems in Bangladesh has the fastest penetration rate in the world, as the country installs more than 70,000 such units every month, World Bank said. The Washington-based lender on June 30 inked a deal with the Bangladesh government to lend a $78.4 million additional financing to further scale up support for the programme.

The country has installed more than 3.1 million solar home systems till May this year with support from the WB and other development partners, according to the Infrastructure Development Company Ltd (Idcol), the implementing agency. The total installed capacity of these solar home systems is around 140MW, sufficient to provide clean electricity to 14 million rural people, Idcol said.

Being implemented as a public-private partnership since 2003, the programme has contributed to more than 70,000 new jobs so far and reduction of carbon dioxide emission by more than 5.38 lakh tonnes a year, it said. The project will help install an additional 480,000 solar home systems that have emerged as a viable electrification option for areas without grid access to electricity.

The credit for the additional financing to the Bangladesh Rural Electrification and Renewable Energy Development II Project is from the International Development Association, the WB Group's soft loan arm.

Reliance on the grid alone will not achieve the government's vision of universal access by 2021 as only 42 percent of the people in rural Bangladesh have now access to electricity, the WB said in a statement.

The dispersed nature of rural settlements and the numerous rivers that crisscross the country make grid electrification in many areas difficult and expensive, the lender said. Off-grid renewable energy, like solar home systems, has thus become the only option for electrification for millions living in the remote rural areas of Bangladesh.

The credit has 40 years to maturity, including a 10-year grace period, and carries a service charge of 0.75 percent.

As of March, the country's capacity to generate electricity from renewable sources such as solar energy, biomass and wind-based plants, stands at 363.8 megawatt, which is 3.51 percent of the total power generation capacity, according to Bangladesh Economic Review 2014.

Another variety of zinc-enriched rice released

A new high-yielding rice variety rich with higher zinc content has been officially released to farmers for growing from the next Boro season. National Seed Board (NSB) in a meeting on August 20 released 17 new varieties of rice, including the high-zinc Brri dhan-64, potato and sugarcane, according to Ministry of Agriculture.

A year after releasing the world's first zinc-enriched rice variety Brri dhan-62, Bangladeshi breeders developed the second one -- Brri dhan-64 -- which contains as high as 25 parts per million (ppm) zinc and is highly productive in Boro season with an average yield potential of 6 to 7.5 metric tonne (MT) per hectare. Brri dhan-62 contains around 19 to 20 ppm zinc against 14 to 16 ppm in other high-yielding rice varieties.

Zinc, iron and vitamin-A are the three most vital micronutrients, deficiency of which hampers children's natural growth and decreases their disease prevention capacity. "Zinc biofortified rice contributes to the reduction of infant and child mortality associated with diarrhoea and pneumonia," said Khairul Bashar, Bangladesh Country Manager of HarvestPlus, a global biofortification mission launched in 2004 under the Washington-based global agro-science coordinating body Consultative Group on International Agricultural Research.

Bangladesh Rice Research Institute (BRRI) breeders developed the high-zinc rice varieties with support from HarvestPlus, through application of biological fortification (biofortification).



Bangladesh 26th best destination for IT outsourcing

Bangladesh has been recognised by a US company as the 26th best destination for IT outsourcing globally. AT Kearney, a leading management consultancy firm with offices in more than 40 countries, has for the first time included Bangladesh in its Top 50 Global Services Location Index. The index assessed 51 countries based on metrics under three categories financial attractiveness, people skills and availability, and business environment. India remains the top offshoring destination for IT companies, followed by China and Malaysia.

Asia continues to dominate the global market, with six countries from the continent being among the top 10 offshore destinations in the index. However, there are some challenges for the region. Global IT firms started outsourcing back-office operations in mid-2000s, but multinationals are reassessing their outsourcing strategies now. There is a course correction where some functions are being repatriated from vendors back to the companies' own service centres and employees, according to a study by AT Kearney.These regions also face challenges from increasing digitisation and automation, which could negate cost competitiveness. Greater automation and freelance-based outsourcers are eventually making physical location less relevant. "Automation, wherein robots are programmed to perform for even less than low-cost labour, is becoming increasingly accessible and could dent the region's low-cost advantage," the study said. Although China offers an alternative to Eastern Europe for high-end IT and analytics, rising wages are limiting its cost competitiveness in lower-end functions compared with India and other Asian destinations.

Bangladesh to join Asian Infrastructure Investment Bank

Bangladesh is going to join the proposed Asian Infrastructure Investment Bank spearheaded by China. Twenty-three countries, including the USA, Japan, Kuwait, Qatar, Nepal, India and South Korea, have expressed their interest to join the bank. Its approved capital has been estimated at $100 billion.

The plan of forming the bank was first announced by Chinese President Xi Jinping and Premier Li Keqiang during their visits to southeastern Asian countries in October 2013. The finance ministry of China in a statement in July this year said the proposed bank would have a capital of $50 billion, to be paid by its members.

The bank would have a mandate to fund infrastructure projects in the region, complementing the work of other such entities, like the Asian Development Bank. It also said the bank will mainly focus on infrastructure construction in Asia to promote regional connectivity and economic cooperation.

Regional News

G20 vows to breathe new life into world economy

G20 nations including the United States and China said on September 21 they can overcome geo-political tensions and financial risks to achieve extra combined growth of 1.8 percent, adding trillions of dollars to the world economy. Their two-day meeting (20-21 September) in Cairns was focused on developing a suite of policies to reach an ambitious goal of raising the total GDP of the 20 major world economies by two percent above current projections over the next five years.

Finance ministers and central bank governors, including US Federal Reserve Chair Janet Yellen, want to take their plan to the G20 leaders' summit in Brisbane in November. In a communique, they said that the 1,000 measures agreed so far -- including to accelerate infrastructure investment, financial reform and encourage free trade -- could add 1.8 percent to GDP and create millions of new jobs.

But more reforms were needed to meet the two percent goal, agreed in Sydney earlier this year. "Preliminary analysis by IMF-OECD indicates these measures will lift our collective GDP by an additional 1.8 percent through to 2018," they said.

"In the lead up to the Brisbane (leaders') summit, we will continue to identify a series of additional measures to meet our collective growth ambition. "We will hold each other to account in implementing these policy commitments."

International Monetary Fund chief Christine Lagarde hailed what she called "significant progress" despite increased geo-political tensions, including in Ukraine and the Middle East, since the ministers last met in February. "Despite the global recovery continuing, the pace of growth remains low and uneven, in part given increased geopolitical tensions and risks of financial market turmoil," she said.

"Promoting economic policies that can contribute to a more robust and job-rich recovery is therefore critical at this stage. "I commend G20 countries for significant progress in developing growth strategies to lift medium-term growth."



While welcoming developments, US Treasury Secretary Jack Lew said the world economy was facing headwinds, pointing to disappointing growth in Europe and Japan and a slowdown in emerging economies, including China.

"In light of these challenges to the global economy, the G20 has stressed the importance of immediate support for creating jobs, growing the economy, and implementing fiscal strategies flexibly to support demand," Lew said.

The G20 also stressed concern over the human and financial costs of the Ebola epidemic sweeping through west Africa, which had potentially serious impacts on growth and stability in affected countries. Australian Treasurer Joe Hockey, who was chairing the meeting, welcomed the "genuine measures" put forward but warned against complacency, pointing to high levels of global unemployment and subdued international confidence.

"The G20 recognises that many of the decisions and actions to get the world economy moving are difficult," he said. "But we are determined to lift growth, and countries are willing to use all our macroeconomic levers monetary, fiscal and structural policies -- to meet this challenge."

To help shift from government-led growth towards private sector-led growth, a key G20 goal, the ministers agreed to establish a global infrastructure hub to share information between countries. The Global Infrastructure Initiative was meant to increase "quality investment, particularly in infrastructure". "Investment is critical to boosting demand and lifting growth," they said.

Hockey added the hub would provide a database to help match potential investors with global infrastructure projects, with the World Bank helping to set it up. The meeting also saw progress on reforms to the world's financial system, particularly on how banks apply capital rules, and ways to close tax loopholes that are used by many multinational companies.

China, world's third largest investor in 2013

China was the world's third largest investor in 2013 for the second year running, according to state news agency Xinhua. Outbound direct investment (ODI) from China reached a record high of $108bn (£66.98bn) last year, a 22.8% rise on ODI made in 2012, the agency said. Meanwhile, on September 7 the government said it would relax rules for Chinese companies making overseas investments. The new rules will take effect on October 6.



Published by the Ministry of Commerce on September 7, Xinhua said the new procedures for domestic companies were "aimed at allowing more freedom for outbound investment". At the moment, any overseas investment project worth more than $100m needs to be approved by the ministry.

However, any investments made into projects overseas "in sensitive countries or regions, as well as in sensitive industries" would still require approval by the government, the agency said. China may have been the world's third-largest investor in 2013, according its own data, but this year the numbers may change.

According to figures collected by The Heritage Foundation, an American think tank, China's investment around the world contracted in the first half of 2014. The foundation's data covers large Chinese investments and contracts worldwide. Australia, the US, and Canada remain the most popular destinations for investment out of China, followed by Brazil and Indonesia. About half of all the money invested overseas by China and Chinese companies since 2005 has gone into the energy and power sector.

IMF chief sees world growth at 'just over three' percent

The head of the International Monetary Fund on September 8 hinted that the global lender could downgrade its forecast for world economic growth this year when it releases new figures next month. "We are in the process of updating our forecasts.

World growth should be just above three percent this year, between 3.0 and 3.5 percent," Christine Lagarde told French business daily Les Echos. The IMF had previously forecast global growth at 3.4 percent for this year and will release new projections on October 7.

Lagarde said world growth was "too weak, fragile and uneven" and there were "several geopolitical risks" stemming from the crises in Ukraine and the Middle East.

The IMF chief urged France to "continue the path of budgetary consolidation" and appeared to warn French authorities not to use the current low level of inflation as an excuse to put off its efforts at deficit reduction. "Even if inflation is weaker than usual, it cannot be used as a screen to put off the necessary efforts on spending," Lagarde emphasised.

In an exclusive interview with AFP, French Finance Minister Michel Sapin hinted France might not meet its budgetary targets due to a low level of inflation. "We can't have the same targets with an inflation that is becoming very low," Sapin told AFP, in response to a question on whether the target of cutting 21 billion euros ($28 billion) in public spending next year could be jeopardised.

France has promised to get its public deficit down to the European Union ceiling of three percent of gross domestic product next year but this looks increasingly difficult given stagnant growth in the eurozone's second largest economy.

France's government has predicted a deficit of "around four percent" of gross domestic product this year, an upwards revision from the 3.8 percent forecast previously.

President Francois Hollande's plan to get the French economy moving again, known as the Responsibility Pact, sees some 50 billion euros in spending cuts up until 2017.

On the other side of the ledger, Hollande plans to offer businesses 40 billion euros in tax cuts in return for creating 500,000 jobs before 2017. Lagarde said that the impact of this plan on the economy is "contained" given that the cuts in public spending are largely compensated by tax breaks.

More than 2.2b people 'poor or near-poor': UN

More than 2.2 billion people are "poor or near-poor", with financial crises, natural disasters, soaring food prices and violent conflicts threatening to exacerbate the problem, a United Nations report said on July 24. While poverty is in decline worldwide, growing inequality and "structural vulnerabilities" remain a serious threat, said the report by the United Nations Development Programme (UNDP), released in Tokyo.

Nearly 1.5 billion people in 91 developing states live in poverty while another 800 million are teetering on the edge, it found. "Eliminating extreme poverty is not just about 'getting to zero'; it is also about staying there," said the agency's 2014 Human Development Report. "Those most vulnerable to natural disasters, climate change and financial setbacks must be specifically empowered and protected. "Making vulnerability reduction central in future development agendas is the only way to ensure that progress is resilient and sustainable," it added.

UNDP chief Helen Clark said this was the first time that the annual study looked at vulnerability and resilience jointly "through a human development lens". "If life-cycle and structural vulnerability are addressed, and conscious efforts are made to lift resilience to crisis and disaster, then I have no doubt that many of the kind of setbacks we see today to human development can be averted in future," Clark said at an event for the report's release.

The study, entitled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience", called for making basic social services available to all and putting full employment at the top of the development agenda. "Providing basic social security benefits to the world's poor would cost less than



two percent of global GDP (gross domestic product)," it said.

"A basic social protection package is affordable so long as low-income countries reallocate funds and raise domestic resources, coupled with support by the international donor community." About 1.2 billion people survive on the equivalent of $1.25 or less per day, the UNDP said.

"If you are poor, you are less able to handle several shocks; you may also be disabled, you may also be older. So you have more layers of things against you," Khalid Malik, the report's lead author, told reporters ahead of its release on July 24. Key to dealing with the problem was focusing government policy on jobs and social safety nets, the study said. "Structural vulnerabilities are often manifested through deep inequalities and widespread poverty," it said.

"The poor, women, minorities (ethnic, linguistic, religious, migrant, or sexual), indigenous peoples, people in rural or remote areas or living with disabilities, and countries landlocked or with limited natural resources tend to face higher barriers. "Unemployment tends to be associated with an increase in crime, suicide, violence, drug abuse and other social problems. Therefore, the social benefits of a job far exceed the private benefit -- the wage."

Japanese Prime Minister Shinzo Abe, who attended the report's launch, pointed to a fast-approaching deadline for Millenium Development Goals -- global targets aimed at cutting poverty, millions of avoidable deaths and improving equality by 2015. "The targets' deadline is approaching quickly," Abe said. "How are we going to drive development after the deadline? International debate is heating up over the post-2015 development agenda."

12 Asia-pacific signed free trade deal

Twelve Asia-Pacific nations sign free trade deal under Transpacific Partnership (TPP). Initiated by the US, TPP is a proposed regional free trade agreement that is currently being negotiated by Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.

TPP is one possible pathway toward realising the vision of a free trade area of the Asia-Pacific, a key driver of global economic growth and close to half of all global trade. TPP will open new trade and investment opportunities for the Asia-Pacific region. But the countries like Bangladesh, excluded from TPP, will face high tariff barriers for its exports to the region. Bangladesh's exports to Asian markets grew 11.02 percent to $3.32 billion in fiscal 2013-14 from the previous year, government data shows.

Talks began in 2005 and member countries set the goal of wrapping up negotiations in 2012, but contentious issues such as agriculture, intellectual property, and services and investments have caused negotiations to continue. The mega deal will affect the country's GDP growth by 0.11 percent, according to the study commissioned by the Chinese government to find out the impact of the deal on its economy.

The study was conducted by Mohammad Masudur Rahman, a Bangladeshi-born visiting professor of the University of Zhejiang's School of Economics and Management, and Qiner Jiang, a professor of the same university.

The study found that China would be the biggest loser for the deal, as its stands to miss out on business worth $2.09 billion a year. Although Bangladesh is not directly linked with the TPP, it will still be affected as some of the members of the deal are competitors of Bangladesh, said Rahman.



Vietnam, for instance, is a major competitor of Bangladesh for garment exports to the US market. Vietnam enjoys lower tariff at 8.38 percent, while Bangladesh pays 15.61 percent duty on exports of garment items to the US market. "If Vietnam enjoys duty-free benefit under the TPP, its competitiveness will increase further to the US market while Bangladesh's competitiveness will decline further," Rahman said.

At present, the US is the single largest export destination for Bangladeshi garment items, with more than $5 billion worth of products exported a year. Bangladesh paid $828 million in taxes to the US customs last year and $3.38 billion over the last five years, according to data from the commerce ministry.

Top 1 percent control a third of China's wealth

The top one percent of households in Communist-ruled China control more than one third of the country's wealth, while the bottom 25 percent control just one hundredth, official media said, citing an academic report. The 2012 figures contained in a Peking University report released on July 25 reveal the massive breadth of China's social inequality, a widespread source of anger in the country. The wealth gap is also of significant concern for the ruling Communist Party, which places huge importance on preserving social stability to avoid any challenge to its grasp on power.

"One percent of households at the top level nationwide control more than one third of the country's wealth. Twenty-five percent of families at the bottom level only own one percent of the country's wealth," the website of the People's Daily newspaper said late Friday in a report on the university's statistics. "The difference between wages in the cities and the rural areas is the main reason behind China's unequal wealth," the newspaper added.

Trade views in advanced, developing economies differ greatly: study

Developing countries and advanced economies differ greatly in their level of "skepticism" towards international trade and foreign investment, a study of people across 44 countries revealed on September 16. A median of 81 percent of those surveyed believed that international trade and global business ties were good things, according to a study by the US-based Pew Research Center.

However, views on trade, jobs and wages varied greatly between nations, with people from advanced economies, in particular France, Italy, Japan and the United States, having a high degree of skepticism. "That undercurrent of skepticism could complicate current government efforts to further deepen and broaden global markets," the survey said, with particular emphasis on US and EU trade agreements being negotiated.

While a median of 66 percent of people in developing economies believe trade increases jobs, only 20 percent of Americans agree, making them the least likely group to concur. Tunisians, Ugandans and Vietnamese, on the other hand, responded the most enthusiastically.

And while 45 percent of the entire global sample believed that foreign-led mergers and acquisitions were a good thing, only 31 percent of advanced-economy respondents and 28 percent of Americans agreed. A median of 87 percent of people in developing countries believed that trade was good, while 84 percent of people in advanced economies held the same opinion.

A median of 78 percent of those in emerging markets meanwhile see trade as beneficial, while 52 percent say that trade creates jobs. "Such emerging market sentiment may reflect the experience in China and elsewhere, where growing international business ties have been associated with more employment opportunities and higher incomes," Pew said.A total of 48,643 people were interviewed in the survey conducted from March 17 to June 5.

Bright future for mobile banking in emerging Asia

About 97 percent of the country's population are interested in using mobile phones to send and receive money, according to a study by Ericsson, the Swedish communications technology and services company. The report Mobile Commerce in Emerging Asia by Ericsson ConsumerLab studied Bangladesh, Indonesia and Vietnam and explored the possibilities of widespread m-commerce adoption in emerging Asia.

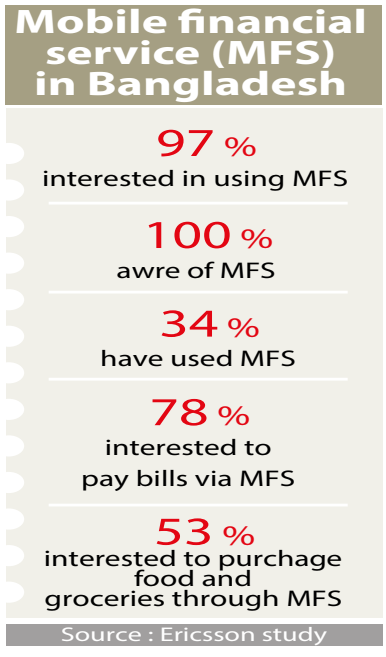
The target group for the study was mobile phone users aged 15–59 years in urban and sub-rural areas. Some 6,000 consumers and 900 merchants in total were chosen from approximately six million people in Bangladesh, 24 million in Indonesia and 12 million in Vietnam. The research reveals that 54 percent of the respondents in Indonesia have used money transfer services, followed by Vietnam at 45 percent and Bangladesh at 34 percent.

When it comes to interest in and awareness of money transfer services using a mobile device, there is great variation across the countries. In Bangladesh, 97 percent of the respondents showed interest in such services, while all of them were aware of the function. This is largely due to the popularity of the bKash money transfer service, a joint venture between BRAC Bank of Bangladesh and Money in Motion of the US.

In Indonesia, 49 percent are interested in mobile money transfer services, while 35 percent are aware of them. For Vietnam, 26 percent are keen to use the service and 19 percent are aware of it. Looking at how many people have actually used mobile money transfer services, the result is on a lower level: 4 percent in Bangladesh and 1 percent in Indonesia and Vietnam respectively.

One key findings of the study is urbanisation, which leads to many people moving to cities to find jobs, stimulating the need for quick and reliable money transfers.

All the studied markets are still, to a large extent, cash economies, meaning they are based on the usage of cash for daily transactions. However, a clear majority of merchants think that offering a mobile payment or other digital money service would be beneficial as they would not need to handle as much cash or run the risk of counterfeit money.



In all three markets, there is a strong savings culture. In Bangladesh, 80 percent of the respondents save on a regular basis, while the figure is 92 percent in Indonesia and 75 percent in Vietnam. Savings are typically kept at home, usually in a money box, penny bank or clay pot. About half of the consumers in Vietnam save money at home, while for Bangladesh and India it is for 40 percent and 35 percent of the respondents.

However, most would prefer to save in a more formal way rather than keep money at home, since it is not completely safe. The ability to use a mobile device to deposit, withdraw and save money is of interest to consumers because it is perceived safer than handling cash. The survey also said that 78 percent of the consumers in Bangladesh and 57 percent in Indonesia are interested in using mobile payment for service bills. The figure is 37 percent for Vietnam.

The research findings were disclosed at a roundtable at The Westin hotel in Dhaka.

In Bangladesh, mobile banking now registers more than 20 percent growth in cash transaction a month thanks to the growing popularity of the service, according to the central bank. On average, around Tk 263 crore is transacted a day through mobile banking services, which was only Tk 121 crore in April last year. As part of the government's financial inclusion programme, the central bank allowed 28 banks to provide mobile banking, but so far 19 of them have launched the service.

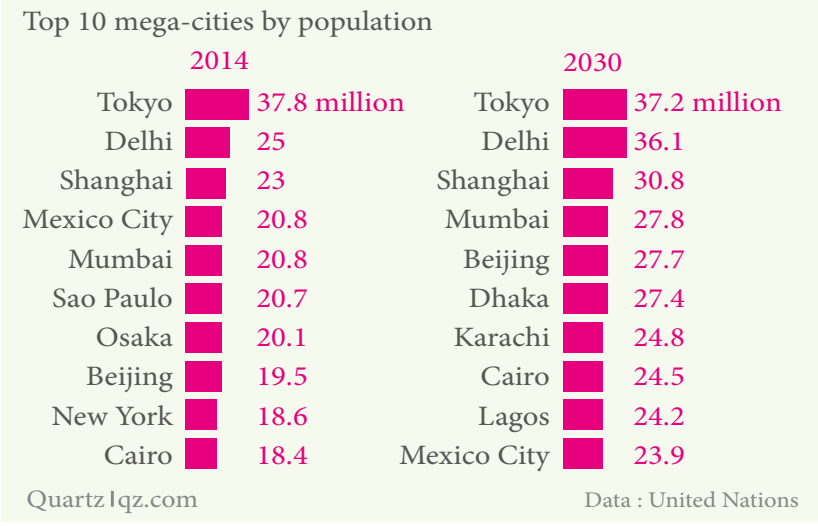
BRAC Bank's bKash, Dutch-Bangla Bank's mobile banking, Islamic Bank's MCash, United Commercial Bank's UCash, Trust Bank's mobile money, ONE Bank's OK mobile banking are now the key players in the market. Last year, mobile banking registered 186 percent growth in cash transactions and 262 percent in the number of subscribers. Smartphones are less common in Bangladesh, but 20 percent of respondents intend to buy a smartphone within the next six months. Some 42 percent have a bank account but only 11 percent hold a debit or credit card.

Tokyo most populous city in 2014

Tokyo tops the chart with a population of around 3.8 crore, followed by New Delhi and Shanghai with around 2.5 and 2.3 crore of people respectively. Dhaka is the 11th most populous city of the world, according to a United Nations report. The capital city now has a population just under 1.7 crore. Styled "World Urbanisation Prospects: The 2014 Revision", the report was released on July 10. Dhaka was 24th in 1990 with only 66.21 lakh people and saw a 3.6 percent annual rise in its population between 2010 and 2015. The report projected that Dhaka would become the 6th most crowded city by 2030 with a population of over 2.7 crore. More than half of humanity now lives in cities, and even more will soon. The world will have to confront how to make cities more fit for human habitation, reports The New York Times.

Those are the conclusions of a report released by the UN, raising new challenges including cholera, classrooms and food production. If China urbanised most rapidly in

recent decades, it is now India's turn, thanks to a large bulge of young people in its population. Between now and 2050, India is projected to add 404 million people to its cities.



The Indian capital, Delhi, became the world's second most populous city in 2014, more than doubling its population since 1990 to nearly 25 million. Mumbai is the other Indian megalopolis among the world's 10 most populous cities, with 20.7 million people. Over all, India, China and Nigeria will account for 37 percent of the projected growth of the urban population between now and 2050, according to the report, World Urbanization Prospects.

Tokyo tops the report's list of megacities, with a population of more than 37.8 million. Two cities in China are among the top 10: Shanghai (23 million) and Beijing (almost 20 million). Only one is in the United States: Taken together, New York and Newark, with a population of more than 18 million, rank ninth. None of the top 10 is in Europe. The others are Mexico City, São Paulo, Osaka and Cairo. By 2050, the vast majority of the world's megacities will be in Asia, according to projections by the world body. New York is forecast to slip to 14th place.

The pace of urbanisation has been remarkably swift. In 1950, only 30 percent of the world's people lived in cities. That has grown to 54 percent in 2014. By 2050, a full two-thirds of humankind will live in cities.

Close to half of them now live in small cities of less than 500,000 people. Only one in eight live in cities with more than 10 million people. There are 28 of these megacities around the world. The overall numbers of rural inhabitants are projected to decline to 3.1 billion in 2050 from 3.4 billion today.

China's growth accelerates 7.5pc

China's economic growth hit 7.5 percent year-on-year in April-June, official data showed on July 16, ahead of expectations as the world's second-largest economy was boosted by government stimulus. The second-quarter figure announced by the National Bureau of Statistics compared with 7.4 percent in the previous three months and exceeded the median forecast of 7.4 percent in a survey of 17 economists by AFP.

The results come after Beijing introduced a series of policies in April in response to concerns over slowing growth, including tax breaks for small enterprises, targeted infrastructure spending and the encouragement of lending in rural areas and to small companies.

China's economy grew 7.7 percent in 2013, the same as 2012, which was the worst pace since 7.6 percent in 1999. For full-year 2014, the median forecast in the AFP survey is for an expansion of 7.3 percent -- down from 7.4 percent in the last quarterly poll three months ago. If realised, 7.3 percent growth would be the weakest annual performance since the 3.8 percent of 1990 -- the year after the Tiananmen Square crackdown. China in March set its annual growth target for this year at about 7.5 percent, the same as last year.

The objective is usually set conservatively so as to ensure being met. The last time China missed the target was in 1998, during the turmoil of the Asian financial crisis. Officials including Premier Li Keqiang earlier this year emphasised that the goal was flexible -- widely seen as a hint it may not be realised. But last month, Li called achieving it the "inescapable responsibility" of local governments and urged "no delay" in action, an indication of concern.

China's leaders consistently say that slower growth is good for the country as they try to reduce decades of over-reliance on the huge though often inefficient investment projects that have girded expansion.

They envision a new model in which the country's increasingly affluent consumers drive activity, generating slower but more sustainable growth in the long run.

Economists expect refinements to the limited stimulatory efforts to continue in the form of "targeted" steps, though they differ on whether authorities will go so far as cutting interest rates or reserve requirement ratios for all banks. Separately, the NBS said China's industrial production, which measures output at factories, workshops and mines, rose 9.2 percent year-on-year in June.

ICC HQs News

ICC releases Global Survey of Business Policy Priorities for G20 Leaders

An International Chamber of Commerce (ICC) global survey released on July 16, indicates that multilateral trade, as well as investment and infrastructure are firmly placed at the top of business policy priorities for G20 Leaders.

Drawing on ICC's unique and extensive international network of businesses and associations in over 130 countries, the survey shows business' foremost priorities for the G20 to be advancing a multilateral trade agenda, and taking action to improve investment and infrastructure – specifically lowering trade barriers and establishing a multilateral framework for investment. It also found intellectual property protection and sustainable energy to be topics that where possible, should be addressed by G20 leaders.

Launched at the 2014 Business-20 (B20) Summit in Sydney, the Global Survey of Business Policy Priorities for G20 Leaders: Report on Key Findings, reveals that three quarters of surveyed business representatives believe the G20 has been instrumental in improving the global business environment following the financial crisis in 2008 and remains a relevant body for addressing global economic issues.



A large majority of survey respondents said that business should be more involved in the G20 process via participation in institutionalized meetings with G20 ministers, inclusion in official issue working groups and direct dialogue with G20 leaders.

ICC created the Global Survey to gauge business' perception of the G20 and identify business policy priorities for G20 leaders that encourage business expansion and job creation, both of which are crucial to achieving the G20's goal of strong and sustainable growth.

The Survey solicited views from large corporations and small- and medium-sized enterprises (SME) across a wide breadth of industries.

The approximately 2,000 survey respondents come from more than 100 countries, including all G20 member countries. Significantly, the majority of the respondents were from SMEs and almost half of respondents were business owners or CEOs.

ICC effectively targets G20 policy development on a global scale through its G20 CEO Advisory Group, which serves to intensify top-level international business engagement and to ensure the inclusion of business views in the deliberations of G20 leaders.

LDC delegates to receive support to attend the 9th World Chambers Congress

Participation by least developed country (LDC) chambers at the 9th World Chambers Congress is set to climb thanks to Congress co-hosts, the Torino Chamber of Commerce, who has allocated €100,000 to cover delegate registration fees, flight and accommodation expenses.

Reaffirming the role of the ICC WCF World Chambers Congress as a truly global and inclusive meeting place for chambers, WCF has invited 48 chambers, in countries identified by the United Nations as LDCs, to attend the 9th World Chambers Congress in Torino, Italy, from 10-12 June 2015.

Having recently returned from promoting the Congress to African chambers at the Global Trade Forum – organized by WCF and Uganda National Chamber of Commerce and Industry – in Kampala, Uganda, Guido Bolatto, Torino Chamber of Commerce Secretary General said: "The Congress has raised a lot of interest and the sentiment is overall positive in Kampala. To date, 22 LDCs have confirmed their presence in Torino for the 9th World Chambers Congress, the largest representation of LDCs at the event to date. They comprise 15 from Africa and seven from the Far East." Mr Bolatto also added: "Our capacity building budget is seeing its first results and thanks to our cooperation agreement with the International Training Center of the International Labour Organization (ILO), delegates from LDCs will be



accommodated at the welcoming ILO campus."

The sponsorship continues from the successful initiative of the 8th World Chambers Congress which took place in Doha, Qatar, when 50 LDCs were invited. The funding will make it possible for delegates from LDCs to exchange insights, develop networks, address the latest business issues affecting their communities and learn about new areas of innovation from their peers around the world. Taking part in frank exchanges relating to chamber best practices and experiences, LDC chambers will have a unique opportunity to enhance their management and service capabilities that will go a long way to stimulating and fostering private sector development.

Organized biennially, the World Chambers Congress assembles a global community of more than 12,000 chambers of commerce, their leading business members, and influential world leaders to take stock of the current business environment through a series of plenary, workshop and networking sessions. Over 1,600 delegates from 120 countries are expected to attend.

ICC launches new online course on trading internationally

In a joint initiative with Santander Bank and ICC Spain, the International Chamber of Commerce (ICC) has developed the "Going Global – ICC Training on Trading Internationally", a 40-hour course on trading at the international level, which was launched on 15 September.



The "Going Global – ICC Training on Trading Internationally" course provides guidance for both exporters and importers on international trade and suggests strategies to address the risks and challenges faced by trade professionals when dealing with international markets. As ICC is committed to developing tools to facilitate international trade for SMEs and larger companies, this training offers core knowledge about such business resources.

By completing six user-friendly modules, trainees will learn about indispensable documents in trade, financing international trade, commercial law and dispute resolution, as well as salient issues related to e-commerce and intellectual property. Other key issues include transportation, customs, payment and finance structures. At the end of each module, users can test their knowledge by completing an assessment.

Application for the ICC Institute of World Business Law Prize is now open

The ICC Institute of World Business Law is pleased to announce the launch of the 5th edition of the ICC Institute Prize. The award is designed to recognize excellent legal writing in the field of international commercial law, including arbitration.

The ICC Institute of World Business Law Prize of €10,000 aims to contribute towards the understanding and progress of international commercial law around the world and to encourage those engaged in focused research on legal issues affecting international business.

The ICC Institute Prize offers the opportunity to academic minds from all over the world to submit their latest research and make their essays available to all arbitration practitioners. The prize is open to any person up to the age of 40. Candidates can submit their doctoral dissertations and long essays of a minimum of 150 pages, drafted in French or English on international commercial law.

The ICC Institute of World Business Law is a global think-thank composed of a Council of renowned arbitrators and experts in international law. The mission of the Institute is to foster wider knowledge and the development of the law and practices of international business. The award will be presented in



Paris on 30 November 2015 on the occasion of the Annual Meeting of the Institute of World Business Law.

Certificate of Origin online training now available for chambers of commerce

The International Chamber of Commerce (ICC) World Chambers Federation (WCF) online training programme, delivered in collaboration with the British Chambers of Commerce (BCC), is now available to assist chamber staff to improve competency and professionalism of Certificate of

Origin (CO) procedures. "Millions of Certificates of Origin are issued every year by chambers of commerce. These tools reinforce the role of trade documentation in global trade and facilitate international commercial exchanges," said Anthony Parkes, Director of the ICC World Chambers Federation.

"WCF has developed a unique and global training platform that addresses the international chamber community's need for greater harmonization and consistency of CO processes and procedures by certification staff across the globe," he added.

Based on the ICC WCF International Certificates of Origin Guidelines, which establish international best practice for issuance procedures, this training programme will



help reinforce competency and professionalism not only to benefit chambers, but also for traders and customs administrations. It also promotes the unique position of chambers as the competent, trusted third party in the delivery of COs.

The course will not only provide chamber trade documentation professionals with a comprehensive understanding of COs, but also the needed credentials to issue such licenses.

A certification of completion will be issued to each person who successfully completes the exam, valid for three years.

Through a series of chapters and quizzes, the trainee will undergo an online exam at the end of modules to test their knowledge. Mentors are also available upon request. Individuals can sign up instantly for the course, with discounts on group bookings of chamber staff available from 10-30%.

Open, inclusive Internet depends on enriched debate about policy creation, says global business

At the ninth Internet Governance Forum (IGF) in Istanbul, the International Chamber of Commerce (ICC) and Business Action to Support the Information Society (BASIS) have welcomed the reaffirmation of the IGF's relevance and continued importance as well as the opportunity to work collaboratively with other stakeholders to further improve it.

Pointing to the need to enrich the debate on policy creation, the world business organization has highlighted how a common approach across stakeholders will help achieve the full economic and social potential of the global Internet.

Delivering an opening address on behalf of BASIS, Chair Ilham Habibie stressed that the IGF, as an open, representative forum, is an ideal venue to foster the capacity building and policy discussion that are needed to realize the Internet's global social and economic potential.

Addressing an IGF audience of up to 3,000 global business leaders, government officials, Internet technical experts and civil society representatives during the opening ceremony of the event in Istanbul, Mr Habibie said: "This unique global forum provides an important opportunity for much-needed multi-stakeholder dialogue, but it is important that we continue to invest in the value that the IGF delivers.

Improving the capacity building and knowledge transfer of the IGF is important to enhancing participation of and utility to developing countries. Enhanced participation and utility will enable the conversations and work of the IGF to help enhance the security, stability, privacy, resilience and interoperability of the global Internet, and the ability to obtain its economic and social benefits while ensuring compliance with the rule of law."

On behalf of BASIS members, Mr Habibie stressed the importance of not losing sight of the shared, continued need to focus on creating pro-growth, socially proactive policies designed to keep the Internet open for future generations.

Recognizing the growing number of national and regional initiatives catalyzed by the Internet Governance Forum (IGF), he noted that the inclusive, bottom-up Internet governance model is key to the global community's ability to adapt and effectively address changing technologies and issues.



Do you have the next chamber idea?
Apply now for 2015 World Chambers Competition

Chambers of commerce from all over the world can now submit their innovative and best practice projects to the 2015 World Chambers Competition, the only global awards programme to recognize groundbreaking initiatives undertaken by the international chamber community.



Initiated in 2003 at the 3rd World Chambers Congress in Quebec City, the Competition has established itself as one of the most popular features of the World Chambers Congress and provides a unique opportunity for chambers to showcase originality and ingenuity. Since its inception, 28 chambers have been honoured for their innovative ideas and have significantly increased both their profile and project's visibility among the world business community.

Casey Steinbacher, President and Chief Executive Officer of the Greater Durham Chamber of Commerce and one of the winners of the 2013 Competition, said: "Being recognized by the international chamber community for our creativity and forward thinking affirms that we are headed in the right direction and keeping pace with global business changes."

Laureates of the 2013 World Chambers Competition include the Dubai Chamber of Commerce (UAE), the Bristol Chamber of Commerce (UK), NSW Business Chamber (Australia), the Greater Durham Chamber of Commerce (US) and the Estonian Chamber of Commerce and Industry. Reflecting the great diversity of chamber innovation across the world, the Competition underlined their achievements in areas as diverse as corporate social responsibility, membership services, business development tools and youth entrepreneurship development projects.

The 2015 Competition will reward the most interesting projects undertaken by chambers in the following four categories: Best corporate social responsibility (CSR) project; Best job creation & business development project; Best policy advocacy project; Best unconventional project.

A panel of international judges will shortlist four finalists in each category who will be invited to present their projects to fellow business delegates at the 9th World Chambers Congress, set to take place on 10-12 June 2015 in Torino, Italy.

Suresh Advani joins ICC Banking Commission leadership

The International Chamber of Commerce (ICC) has appointed Suresh Advani, Senior Portfolio Manager at GML Capital LLP (GML), as Senior Technical Advisor to the Banking Commission. GML is an FCA-regulated investment manager active in trade finance and the emerging markets.

Suresh will lead the newest ICC Banking Commission project: Institutional Investors for Trade Finance (IITF), an ICC-led industry project with a broader remit to look at how best to improve risk transfer across a range of markets. Prior to joining GML in 2005, Suresh spent twenty-four years working in investment banking, commercial banking and political and trade credit insurance with JP Morgan Chase, Dresdner Kleinwort Wasserstein, Jardine Lloyd Thompson and Exporters Insurance Company Limited. During his career, he has developed extensive experience of managing credit and country risk in emerging and frontier markets as well as developing risk syndication, transfer and enhancement techniques and capabilities to manage these risks.



ICC Marketing Commission appoints Ximena Tapias Delporte as Vice-Chair

The International Chamber of Commerce (ICC) is pleased to announce the appointment of Ximena Tapias Delporte as Vice-Chair of the ICC Commission on Marketing and Advertising. Ms Tapias Delporte has been Executive Chairman of the Colombian Union of Advertising Companies (UCEP), a trade association representing advertising agencies and media in Colombia, for 22 years. She

currently serves as President of the Commission of Advertising Self-Regulation of CONARP, the Colombian self-regulatory organization. In this capacity Ms Tapias Delporte is responsible for representing the rights and interests of the industry as well as engaging in the role of editor of the Colombian Code of Self-Regulation.

She is also a member of CONARED, the Latin American network of self-regulatory organizations as well part of the International Council of Self-Regulation of the European Advertising Standards Alliance. With vast experience in the area of advertising self-regulation, Ms Tapias Delporte brings great insight and invaluable expertise to the work of the commission.



The ICC Commission on Marketing and Advertising is the body of global experts responsible for developing and updating the Consolidated ICC Code of Advertising and Marketing Communications Practice, which serves as the gold standard for most national and sectoral self-regulation.

ICC has served as the authoritative rule-setter for international advertising since the 1930s, when the first ICC Code on advertising practice was issued. Since then, it has updated and expanded the ICC self-regulatory framework where needed to assist companies in marketing their products responsibly and to help self-regulators apply the rules consistently.

ICC Commission on Arbitration & ADR launches Guide on Effective Management of Arbitration

The worldwide launch of "Effective Management of Arbitration: A Guide for In-House Counsel and Other Party Representatives" took place on 6 June 2014 at the International Chamber of Commerce (ICC) headquarters in Paris. The Guide provides a practical toolkit for in-house counsel all around the world, allowing them to make decisions on how to conduct arbitration in a time and cost efficient manner.

Reflecting ICC's continuing efforts to provide arbitration users with means to ensure that arbitral proceedings are conducted effectively, the Guide offers a checklist for the procedural decisions that need to be made at each principal phase of arbitration. "In order to assist users, this Guide is specifically designed to provide them with tools for making decisions to ensure the cost effectiveness of each arbitration," said Peter Wolrich, Former Chairman of the ICC Commission on Arbitration and ADR.

He explained that the ICC Rules were drafted to enable the parties and the arbitrators to create a tailor-made procedure that is adapted to the particular needs of each. Parties must have a good understanding of the procedural options and the pros and cons of the various options so that they can make an effective cost/benefit analysis and choose the optimum procedure for their case. The new guide provides party representatives with tools to assist them in accomplishing this important task.

The new tool is composed of 11 topic sheets covering themes such as multiparty arbitration, rounds of written submissions, document production and need for fact witnesses. While the Guide was conceived with the ICC Rules of Arbitration in mind, most of its contents, as well as the dynamic generated by it, can be used in any arbitration. It can be useful for both large and small cases.



The International Court of Arbitration and the ICC Commission on Arbitration and ADR have been putting in place appropriate tools to allow in-house counsel, who for a long time were absent from the arbitration scene, to be involved in the relevant procedural decisions.

Paul Morton named Vice-Chair of Commission on Taxation

The International Chamber of Commerce (ICC) is pleased to announce the appointment of Paul Morton as the new Vice-Chair of the ICC Commission on Taxation. Mr Morton took over from Mr Chris Lenon, who stepped down from the position on 30 June 2014. Since 2005, Mr Morton has been the Head of Group Tax at Reed Elsevier, where he leads a team of tax professionals based in London, Oxford, Amsterdam, Boston and Singapore, serving businesses operating in more than 90 countries.

Before joining Reed Elsevier, Mr Morton led the tax team for Royal Dutch Shell's global marketing and refining division. Prior to this, he was a tax manager at KMPG and a tax inspector in the UK's Inland Revenue.

Mr Morton is Chairman of the British Branch of the International Fiscal Association and a member of the Business and Industry Advisory Committee (BIAC) to the Organisation of Economic Cooperation and Development (OECD). He is actively engaged in OECD Base Erosion and Profit Shifting (BEPS) consultations and frequently takes an active role in various tax-conferences, including recent G8 and G20 meetings.



The ICC Commission on Taxation analyses developments in international fiscal policy and legislation and puts forward business views on government and intergovernmental projects affecting taxation. It currently comprises approximately 150 international tax experts from all sectors of business and private practice, including representatives from some of the world's leading companies and tax consultancy firms.

In order to engage business views and tackle issues related to international taxation, the Commission on Taxation works closely with organizations such as the UN Committee of Experts in Tax Matters, the OECD, BIAC and the International Fiscal Association.

ICC releases Guidelines on Gifts and Hospitality

The International Chamber of Commerce (ICC) has developed a set of Guidelines on Gifts and Hospitality. This new anti-corruption tool will provide guidance to enterprises on business ethics related to these practices.

ICC members have expressed the need for greater training material on anti-corruption compliance, namely regarding Gifts and Hospitality.

Companies can be solicited to make gifts or provide hospitality while conducting commercial activities, or may wish to do so at their own initiative. While such practices are not per se illegal, they can, in some cases, create a suspicion of impropriety or be considered as bribery.



The Guidelines offer recommendations on how to establish and maintain a policy on this particular issue, based on the most recent international, regional and national rules, as well as on commercial best practice.

Among other recommendations, the Guidelines state that enterprises should establish a policy which provides that Gifts and Hospitality are limited to expenditures that are business-related, are made transparently, and recorded fairly and accurately in the company's books and records. Such practices should also be appropriate considering the culture and living standards in the country where the advantage is received.

The Guidelines will complement ICC's suite of anti-corruption tools, which includes the Ethics and Compliance Training Handbook. ICC is also conducting work to identify how due diligence practices may be streamlined and will also soon organize and deliver a global training programme on corporate integrity and compliance in collaboration with National Committees and chambers of commerce worldwide.

As part of ICC's series of actions aimed at promoting business integrity, Viviane Schiavi, Senior Policy Manager of the ICC Commission on Corporate Responsibility and Anti-corruption, also co-chaired a Panel at the Basel Institute of Governance Conference end June on Collective Action to counter corruption. The conference gathered representatives from business, government, academia and civil society.

WTO News

Azevêdo says trade must play a central role in the Post-2015 Development Agenda

Director-General Roberto Azevêdo told the General Council on 24 July that he has been actively engaged in ensuring that trade is given a central role in the Post-2015 Development Agenda, which is being discussed at the United Nations. He said that the draft goals include a significant increase in exports of developing countries, including doubling by 2020 the share of global exports of least-developed countries. He added that the WTO Public Forum in October will be dedicating a full day to analysing trade in Africa.



This is what he said :

I believe it is important that Members are aware of what's happening on the Post-2015 Development Agenda as it relates to trade. That's why I asked for this item to be included on our agenda today.

Development, as we all know, has always been central to the WTO. The Marrakesh Agreement establishing the WTO makes explicit reference to the need to "raise living standards" and the need to do so in "accordance with the objective of sustainable development".

And of course this linkage was made even more integral with the launch of the Doha Development Round. Trade-led economic growth has contributed significantly to the success of some of the key Millennium Development Goals over the last decade.

Now work on the Post-2015 Development Agenda, and within it a new set of Sustainable Development Goals, is entering its final phase. It has been taking place mostly in New York, through a multi-layered process set up by Secretary General Ban Ki-moon. I have been actively engaged in this process, as has the WTO Secretariat.

I believe any development agenda which is people-focused and forward-looking must have a strong emphasis on the economic aspects of human development. And therefore trade must also be central. I have suggested on previous occasions four key principles on the role that trade should play.

First, it should not be reduced simply to trade liberalization. Rather, trade should be recognised more broadly as a development policy instrument; Second, the WTO and its rules governing global trade have proven their worth in the context of the Millennium Development Goals both as a building block for economic growth and as a buttress to trade protectionism, especially at the height of the crisis. In this regard, the WTO and its rules should continue to play this role for the post-2015 development agenda through to 2030; Third, I think we should recognise that the Bali Package and the DDA work programme can support the delivery of the new Sustainable Development Goals. For example, our work in support of Aid for Trade and the Enhanced Integrated Framework for LDCs is important here as is our work with donors on the WTO Trade Facilitation Agreement Facility. This will support other areas of work across the post-2015 agenda and fourth, the Sustainable Development Goals should promote policy coherence at the global level.

Sustainable development is a core objective of the WTO, enshrined in our founding Agreement. And, equally, the multilateral trading system should be referenced in the emerging framework of the Post-2015 Development Agenda. Failure to place more emphasis on the role of trade as an enabler for achieving these broader goals would be a real set-back for policy coherence.

These are the messages that I have conveyed in my discussions with Secretary General Ban Ki-moon. I have also used other platforms to stress these points, such as UNCTAD's 2nd Public Dialogue on the Post-2015 Development Agenda, which was held here in Geneva in April.

I am pleased that some of these messages have begun to resonate, including in the Open Working Group in New York.

As you may know, the Open Working Group adopted a proposal for Sustainable Development Goals on Saturday. This text will now be forwarded to the UN General Assembly and will be the basis for the incorporation of Sustainable Development Goals into the post-2015 development agenda.

Trade is reflected in the adopted text on Sustainable Development Goals under Goal 17, which is to strengthen both the implementation of the goals and the global partnership for sustainable development.

This goal which is yet to be finalised currently contains a trade section with 3 targets, as follows: The promotion of a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of the DDA; A significant increase in the exports of developing countries, including doubling the LDC share of global exports by 2020; and The timely implementation of duty-free-quota-free market access on a lasting basis for all LDCs, consistent with WTO decisions, including through preferential rules of origin that are transparent and simple.

However, these are not the only trade-related targets. There are other goals that contain targets on WTO issues.

These include: correcting and preventing trade restrictions and distortions in world agricultural markets, including through the elimination of all forms of agricultural export subsidies, increasing Aid for Trade including through the EIF, implementing the S&D treatment principle for developing countries in particular the LDCs, prohibiting certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and reaffirming the right of developing countries to fully use TRIPS flexibilities to protect public health and provide access to medicines.

Overall I think this is encouraging and demonstrates progress in the debate.

But I would argue that trade is still not as prominent as it should be particularly under goal 8, which deals with economic growth. Trade is a fundamental element of economic growth and development.

So I think we have more to do.

I hope members will agree that if the post-2015 agenda is to be truly transformative and capable of responding to the growing demands and expectations associated with it, then trade and the multilateral trading system must play their full role.

The recently adopted proposal on Sustainable Development Goals is a welcome step in this direction, and I would encourage you to continue engaging constructively with your missions in New York in the coming months.

I believe trade has played a central role in lifting millions of people out of poverty in recent decades and in supporting the global endeavour to meet the Millennium Development Goals.

What's important now is to ensure that this is recognised so that trade can continue to play a similar role in the future, and in the most effective way possible.

And I think it is worth stressing here that it is not just the negotiating function of the WTO which can make a substantial contribution to realizing sustainable development overall. Our monitoring and transparency functions will also have an important part to play.

In the context of the global development agenda, let me draw your attention to some other important development processes that are currently underway and which relate to the WTO.

These include: the Third International Conference on Small Island Developing States which will take place in Samoa in September and the Second UN Conference on Landlocked Developing Countries which will take place in Vienna in November.

Meanwhile, the WTO is also collaborating with the UN on monitoring the implementation of the Istanbul Programme of Action for LDCs. I think it is very important for the WTO to continue to engage in all these global development initiatives and processes.

The WTO Public Forum in October will provide an excellent opportunity to focus on these issues. As you may know, the theme of the Forum is "Why Trade Matters to Everyone".

The aim is to draw out the linkages between trade and economic growth; between economic growth and development; and between development and poverty alleviation and therefore to show the difference that our work can make to people's lives. We will be dedicating a full day of the Public Forum to analyzing Trade in Africa and how it can help African countries' efforts towards increased economic growth and poverty alleviation. Overall, more than 20 sessions will be dedicated to Africa.

So there is a lot of work ahead of us. I am sure a clearer picture of the interface between trade and the Sustainable Development Goals will emerge in the next few months. I will be following this very closely, and I hope all of you will too.

Three organizations to hold joint event on medical technologies in middle-income countries

The World Health Organization (WHO), World Intellectual Property Organization (WIPO) and World Trade Organization (WTO) will hold a technical symposium on "Innovation and access to medical technologies: challenges and opportunities for middle income countries" on 5 November 2014 at the WTO in Geneva.

This fourth trilateral technical symposium will look at some of the opportunities and challenges in middle-income countries. While they are catching up in the area of biomedical innovation and industrial development, they are also facing challenges in ensuring access to innovative health products for their populations.

Among others issues, the symposium will discuss: why rating countries solely according to their incomes does not reflect the public health situation for the majority of the poor; which public policies are available to ensure economic growth helps achieve universal health coverage; and how to promote innovation while ensuring access to new products.

The directors general of the three organizations will open the symposium. Participants are expected to be Geneva-based delegations to the WHO, WIPO and WTO, representatives of international and philanthropic organizations, civil society organizations and all interested individuals and organizations.

The symposium will be held in English only; no interpretation will be available. Participation is open to all interested individuals and organizations, subject to availability of space.

E-mails requesting registration should include the participant's name, position and affiliation together with full contact details. Registered participants without UN or WTO accreditation need to bring official identification.

Information about the previous symposiums and other collaboration between the three organizations, including the joint study on "Promoting Access to Medical Technologies and Innovation" that was launched in 2013, are available on the websites of the WHO, WIPO, and WTO.

WTO announces winners of 2014 Essay Award for Young Economists

The winners of the 2014 WTO Essay Award for Young Economists are Jonathan Dingel and Claudia Steinwender, it was announced on 11 September 2014 at the annual meeting of the European Trade Study Group in Munich. The Selection Panel praised the high quality of the papers submitted and highlighted the important trade policy implications of the winning articles.

The article by Jonathan Dingel, entitled The Determinants of Quality Specialization, looks at two possible explanations for why higher-income countries tend to export higher-quality (skill-intensive) products — i.e. producers in higher per-capita income countries have access to bigger markets (home market effect) for higher-quality goods, and higher per-capita income countries tend to be relatively more skill abundant. He finds that more than half of the variation observed in the data is explained by the home market effect. According to the Selection Panel, "this paper addresses a central question in trade theory in an extremely competent way and has potentially important trade policy implications".



The article by Claudia Steinwender, entitled Information Frictions and the Law of One Price: "When the States and the Kingdom became United", studies the effect of better transmission of information on market efficiency and trade. The paper finds substantial welfare gains from reducing information frictions. In the judgment of the Selection Panel, "this is a masterly paper both in terms of the question it poses and its execution. Furthermore, this article represents an important contribution in understanding the role that WTO transparency provisions play in fostering trade and efficiency."

Jonathan Dingel (www.columbia.edu/~jid2106) is from the United

States. He studied economics and political science at Gonzaga University (US) and received a Ph.D. in economics from Columbia University. He is an Assistant Professor in economics at Booth School of Business at the University of Chicago.

Claudia Steinwender (http://personal.lse.ac.uk/steinwen) is from Austria. She studied economic mathematics at Vienna University of Technology and international business administration at the University of Vienna. She received a Ph.D. in economics from the London School of Economics. She is spending the coming year as an IES Fellow at Princeton University and then joins the faculty of Harvard Business School in autumn 2015 as Assistant Professor.

The Academic Selection Panel comprised Dr Avinash Dixit (Emeritus Professor of Economics, Princeton University), Dr Robert Staiger (Professor of Economics, Wisconsin University), Dr Robert Teh (Acting Director, Economic Research and Statistics Division, WTO), and Dr Alberto Trejos (Professor of Economics, INCAE Business School). Dr Roberta Piermartini (Counsellor, Economic Research and Statistics Division, WTO) coordinated the work of the panel.

The first edition of the WTO Essay Award was launched in April 2009.

Advanced Trade Policy Course in English begins in Geneva

Twenty-two participants from around world are attending the two-month Advanced Trade Policy Course (ATPC) from 15 September until 6 November 2014 at the WTO headquarters in Geneva. The course was opened by the Patron H.E. Mr Roderick van Schreven, Permanent Representative of the Kingdom of the Netherlands to the WTO and Ms Bridget Chilala, Director of the Institute for Training and Technical Cooperation (ITTC).

The ATPC represents the highest level of training (level 3) in the WTO's progressive learning programme and is targeted towards participants who already possess a sound knowledge of the WTO and its agreements. This course will be focused on developing and applying practical skills on issues including trade policy analysis, formulation and implementation; trade negotiations; dispute settlement and trade monitoring. Participants will also be expected to prepare and deliver a presentation relating to a trade policy topic

WTO lowers forecast after sub-par trade growth in first half of 2014

WTO economists have reduced their forecast for world trade growth in 2014 to 3.1% (down from the 4.7% forecast made in April) and cut their estimate for 2015 to 4.0% from 5.3% previously. World merchandise trade volume expected to rise 3.1% in 2014 as import demand in resource rich regions and China weakens and as Europe stagnates.

The downgrade comes in response to weaker-than-expected GDP growth and muted import demand in the first half of 2014, particularly in natural resource exporting regions such as South and Central America. Beyond this specific downward revision, risks to the forecast remain predominantly on the downside, as global growth remains uneven and as geopolitical tensions and risks have risen.

In light of this, the WTO's forecasts for trade growth have also been revised downwards for 2014 and 2015. Uneven growth and continuing geopolitical tensions will remain a risk for both trade and output in the second half of the year.

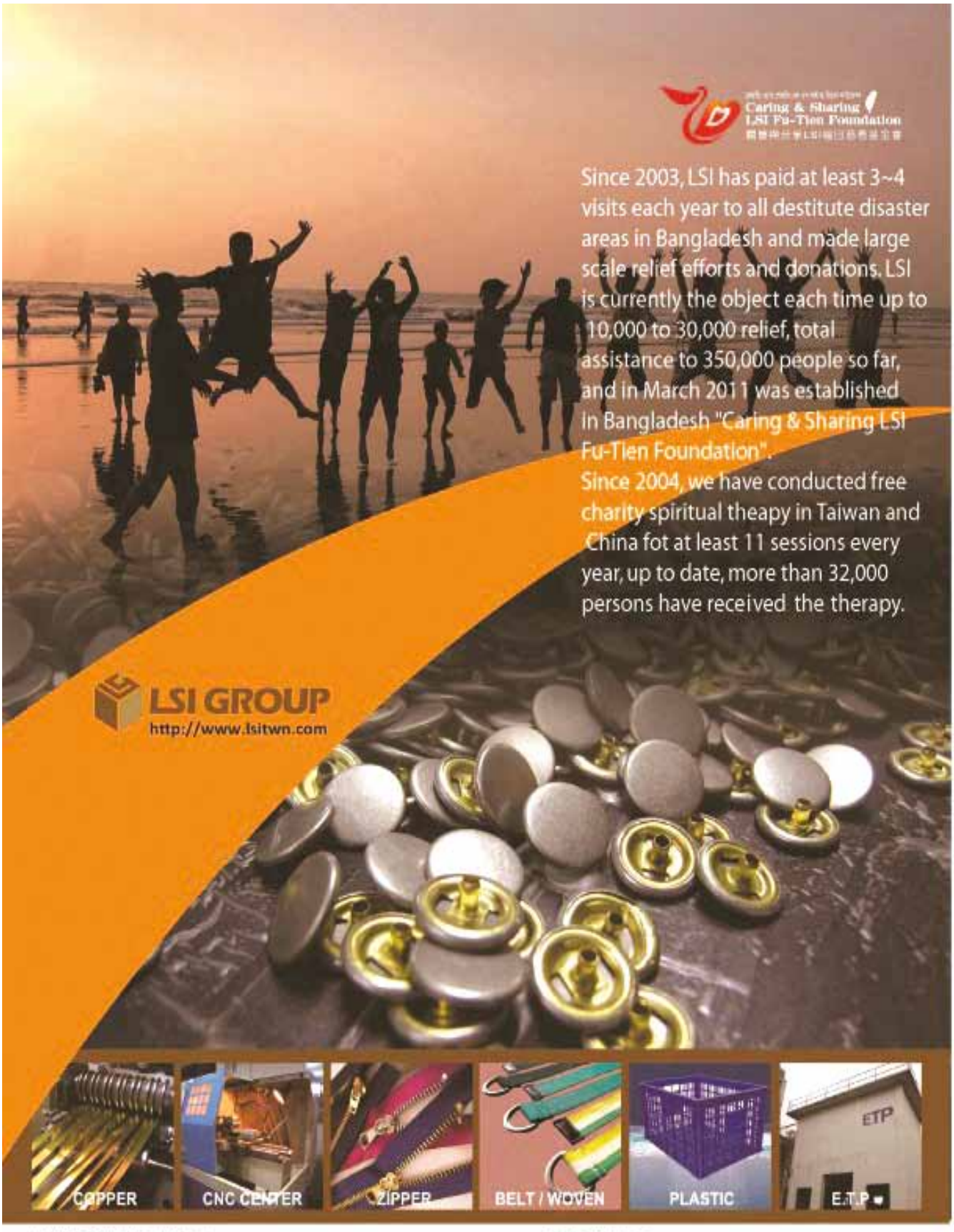
When the last forecast was released in April 2014, conditions for stronger trade growth appeared to be falling into place after a two year slump that saw world merchandise trade grow just 2.2% on average during 2012–13, roughly equal to the rate of growth of world gross domestic product (GDP). Leading indicators at the time pointed to an upturn in developed economies and Europe in particular.

Although growth has strengthened somewhat in 2014, it has remained unsteady. Output fell in the first quarter in the United States (–2.1%, annualized rates) and in the second quarter in Germany (–0.6%), sapping global import demand. China's GDP growth also slowed from 7.7% in 2013 to 6.1% in the first quarter of 2014 before rebounding in the second. The slow first quarter contributed to weak exports in trading partners.

As a result of these and other factors, global trade stagnated in the first half of 2014, as the gradual recovery of import demand in developed countries was offset by declines in developing countries.

Growth in trade and output is expected to be somewhat stronger in the second half of 2014 as governments and central banks may provide policy support to boost growth, and as idiosyncratic factors that weighted on trade in the first half (e.g. harsh winter weather in the United States, a sales tax rise in Japan, etc.) begin to fade.

However, several risk factors on the horizon have the potential to produce worse economic outcomes.



LSI GROUP Head Office:
12th Floor, No. 42 Jabbar Tower, Gulshan Avenue, Gulshan-1,
Dhaka-1212, Bangladesh.
Tel: +880-2-9885579 / 8836012-3 /+880-1613010229
+880-1713010229
Fax: +880-2-9883075 / 8814098
E-Mail : info@lsitwn.com /rachelwu@lsitwn.com
rachelwudhk2012@gmail.com
DEPZ Factory: Plot No. 61-72, DEPZ(Extn.Area),Saver,Dhaka,Bangladesh.
KEPZ Factory: Plot No. 66-68, Sector-3,KEPZ,Chittagong,Bangladesh.

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