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Connectivity : opportunity for Bangladesh

ICC BANGLADESH
The world business organization

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Editor's Note

Bright prospect for Bangladesh to become regional transportation hub

One of the easiest ways to boost sustainable growth is promoting regional economic integration that facilitates freer movement of goods, services and investment, helping to achieve regional developmental objectives by creating jobs.

The geographical location between three major regions of Asia —South Asia, South East Asia and East Asia—provides a unique opportunity for Bangladesh to take advantage from cross-border movement of goods and services and investment flows.

Since 2013, the initiative of Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) has maintained good momentum of development with collaboration of the BCIM countries, but lot is yet to be done. According to experts, the BCIM Corridor is a win-win arrangement. The linkages of transport, energy, and telecommunications networks will enable the region to emerge as a thriving economic belt that will promote social development of communities along the Corridor.

In the back drop of the present global economic scenario, BCIM Economic Corridor is on the top agenda of Chinese "One Belt and One Road" initiatives. The corridor is a modern version of the Silk Road and a revision of the 1999 Track II Kunming initiative between BCIM countries.

Under the "One Belt and One Road" Kunming Province will be connected to Kolkata in India, Mandalay in Myanmar and Dhaka and Chittagong in Bangladesh. The economic corridor is expected to benefit the four neighbouring countries as it will facilitate trade by providing greater market access due to improved connectivity.

During the visit of Indian Prime Minister Naredra Modi a number of agreements, protocols and MOUs have been signed between Bangladesh and India. Railway and bus connectivity has already become operational between the two neighboring countries and the motor vehicle connectivity agreements among Bangladesh, India, Nepal and Bhutan have also been signed. Although road connections exist, many segments need to be upgraded, especially in Bangladesh, India and Myanmar.

Bangladesh and China have also signed six deals to further boost bilateral ties between the two countries at public and private sectors. China, being the largest trading partner of Bangladesh is already involved in development of mega infrastructure projects of Bangladesh. It is estimated that in the next five years, China will invest an additional $500 billion in other countries, import over $10 trillion worth of products and send 400 million tourists abroad. Bangladesh, as China's close neighbor and trusted friend, can take an even more favorable posture to make good use of "Chinese opportunities."

China and India are the two largest emerging economies while Bangladesh and Myanmar boasts rich natural and human resources. Indian Prime Minister's recent visit to China as a follow up of Chinese President Xi Jinping visit to India, the two countries have signed agreements wherein China will invest in India some $22bn to strengthen economic collaboration. This will definitely be beneficial for the economic corridor & enable the four countries to work for each other's advantages, accelerate economic growth and open wider opportunities for them.

According to ADB, Bangladesh's real income gains will be 6.9 percent of GDP and export will grow by 86 percent by 2030 if connectivity between South Asia and Southeast Asia improves. However, Bangladesh will have to spend $14.268 billion to prepare its road, rail, ports and energy infrastructures to contribute to the integration, said ADB in a recent study.

In the recent developments, Asian Development Bank has agreed to invest US$505 million for railway link and the World Bank has expressed to provide US$1 billion for infrastructure development in Bangladesh for connectivity between Bangladesh, Bhutan, India and Nepal. Bangladesh is also likely to receive $5.9 billion between 2016- 2018 from ADB for its infrastructure projects.

The implementation of the new initiatives will help Bangladesh to transform its geographical advantage and create opportunities for accelerating the pace of business cooperation among the countries.

However to transform its geographical advantage to become the regional economic hub the following three key issues have to be addressed by Bangladesh: development of a deep sea port to emerge as the transportation hub in the South Asian Region; energy cooperation with Bhutan, Nepal, India and Myanmar and establishment of more economic / industrial zones.

WE MOURN



Francois-Gabriel Ceyrac
Director, ICC National Committees and Membership

ICC Bangladesh is deeply shocked and grieved at the sad demise of Francois-Gabriel Ceyrac in early hours of Friday, 19 June at his home in Paris. Francois passed away in his sleep. His death has come as a great shock to all at International Chamber of Commerce, The world business organization (ICC) around the world.

Francois-Gabriel Ceyrac served as the Director of the National Committee and Membership, where he managed operations between ICC's international headquarters and the network of ICC's National Committees and directed members in 130 countries. Mr. Ceyrac also played an important role in developing and maintaining organizational relationships with outside constituencies, including banks, national chambers of commerce and associations.

Francois was nothing short of an ICC icon. His energy, drive and humour was a real inspiration to us all and he was dearly loved and respected throughout the organization. Francois spent over 30 years at ICC—most recently in the role of Director of National Committees and Membership—and he leaves behind an organization which is much stronger, thanks to his tireless work. Francois played a central role over many years in extending and strengthening ICC's global network and ICC is truly grateful to him for the legacy he has left behind. His contribution to the strengthening, development and promotion of ICC network worldwide will always be remembered by all members of ICC family.

His intellect, charm and character brought joy into our lives and workplace. Many of us at ICC National Committees globally worked closely with Francois and have very many fond memories of him. We will all miss him greatly, both professionally and, above all, personally.

May God in His infinite mercy forgive him & rest his soul in eternal peace in heaven.

ICC Bangladesh News

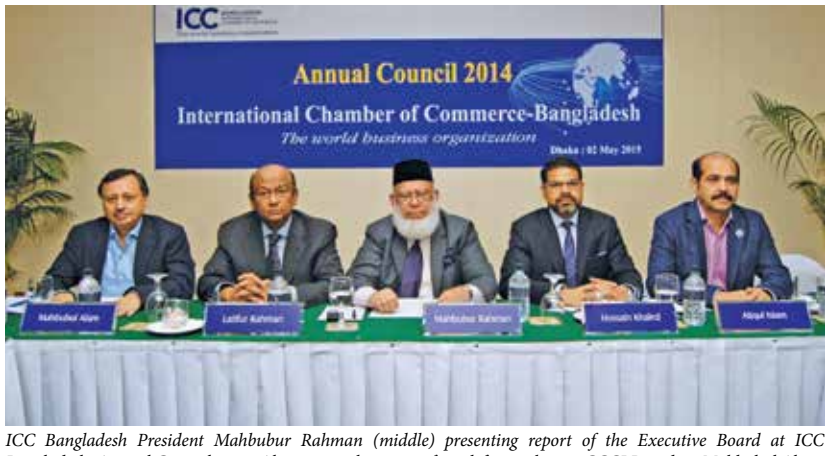
Political stability required for higher growth, suggested ICCB Annual Council

Bangladesh economy, over the past decade, has maintained a healthy 6%-plus growth rate, despite global shocks. Sustained growth has generated higher demand for improved infrastructure including uninterrupted power supply, better transport and telecommunication services. All these require increased private investment, according to ICCB Executive Board Report.

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 percent 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, the report said. According to the latest report of the World Bank (WB), Bangladesh's economy will expand steadily in the next three years, with the growth of the gross domestic product (GDP) rising to 7.0 percent in 2017.

The World Bank report, Global Economic Prospects 2015, released on January 13, projects that GDP growth in Bangladesh will be 6.2 percent this year, and it will maintain a steady pace to escalate at 6.5 percent in 2016 and 7.0 percent in 2017. The Bank said the economic growth would be supported this year and afterwards by continued robust remittances and recovery in private consumption demand, but political stability would be vital to its sustainability.

According to Asian Development Outlook (ADO) despite widespread political demonstrations in Bangladesh ahead of national elections in January 2014, gross domestic product (GDP) growth in FY14 is estimated at 6.1%, half a percentage point higher than projected in April. The strong performance came from higher public investment and strong exports. For FY2015, growth is now projected at 6.4%, slightly higher than forecasted earlier, as a revival in worker remittances is expected to bolster private consumption, while private sector investment will pick up on greater political stability. Moreover, the government will continue its efforts to step up project implementation.



ICC Bangladesh President Mahbubur Rahman (middle) presenting report of the Executive Board at ICC Bangladesh Annual Council 2014. Also seen in the picture from left to right are: CCCI President Mahbubul Alam, ICC Bangladesh Vice President Latifur Rahman,DCCI President Hossain Khalid & BGMEA President Atiqul Islam.

It has been observed by the Annual Council that Bangladesh is on the way to become middle income country by 2021, but to attain this, the country must increase its investment, GDP growth and industrial contribution to the economy. The on-going political unrest may deal a blow to the vision for becoming a middle income country by 2021 as it will be difficult to increase the required industrial contribution of 35 per cent of GDP, one of the important factors to achieve the target.

Before five years industrial contribution to GDP was 22 per cent, but it rose to 28 per cent last year. The per capita income, presently at $1190, is going to reach $1450 in 2021. Investment is very important to achieve the middle income status. Presently, GDP growth is 6.3 per cent. It needs to go up to 8.5 per cent.

However, the unstable political situation that has started from the beginning of the year will have an adverse effect on the economy if prolonged. We must, therefore, work together to overcome all hurdles and come out of the stagnant 6 % GDP growth, the ICC Bangladesh Annual Council observed.

Regarding the Region the Council Report said that although the Asia and Pacific Region remained the world's growth leader, activity in the region slowed modestly in 2014, responding to the drag from within and outside the region, slowdowns in several large economies, including China, Indonesia, and Japan, provided a counterweight. Export volume growth declined, reflecting soft demand in China, the euro area and Japan, which more than offset buoyancy in the United States. Investment was generally slower, especially in China, where the correction in real estate gathered pace. Consumption, which remained relatively robust except in Japan, was the primary growth driver across most of the region, according to IMF.

South Asia is one of the most populous region in the world, representing about 24 per cent of the world's population.

Most countries in the region are in various stages of economic development, and aspire for regional economic integration. The region together contributes 3.3 per cent to the global gross domestic product.

The Council also mentioned that during 2014 the mega event of ICCB was the celebration of 20 years of ICC's presence in Bangladesh. On the occasion, the National Committee organized a 2-day International Conference on Global Economic Recovery : Asian Perspective in Dhaka on 25-26 October. The conference was inaugurated by Mr. Md. Abdul Hamid, Hon'ble President of the People's Republic of Bangladesh. The Council adopted the Executive Board Report & Audited Financial Statements of ICC Bangladesh for the year ended 31st December.

Among others, ICCB Vice President Latifur Rahman; DCCI President Hossain Khaled; ICCB Board Members Aftab ul Islam; BGMEA President Atiqul Islam; CCCI President Mahbubul Alam; BIA Chairman Sheikh Kabir Hossain; A.S.M.Quasem; Mahbub Jamil; R. Maksud Khan; Barrister Rafiq ul Huq; Kutubuddin Ahmed & Waliur Rahman Bhuiyan, OBE; ICCB Members M. Ghaziul Haque, Chairman, Transmarine Logistics Ltd.; M. A. Awal, Chairman, Prime Textile Spinning Mills Limited; Salahuddin Kasem Khan, Managing Director, A. K. Khan & Company Ltd.; Nasir A. Chowdhury, Adviser, Green Delta Insurance Co. Ltd.; Ishtiaque Ahmed Chowdhury, Managing Director, Trust Bank Limited; Mr. Muhammad A. (Rumee) Ali, Chairman, ICCB Standing Committee on Banking; Barrister Fida Mohammad Kamal; Abu Alam Chowdhury, Managing Director, CONEXPO Limited; Md. Khalilur Rahman, Managing Director, National Housing Finance and Investments Limited; Ashraf H. Chowdhury, CCAO, Airtel; Sujon Kumar Saha, Chairman & Managing Director, BASF as well as MDs/ CEOs and senior officials of banks, insurance companies, national and multinational companies also attended the Council.

International factoring removes the danger of open account trade : Commerce Minister

Importers are no more interested to import through opening Letters of Credit (L/C) as they have to provide required margin and sufficient security to their banks in order to confirm L/Cs, said ICC Bangladesh President Mahbubur Rahman at the Seminar on International Factoring for Foreign Trade held in Dhaka on 12 April. The Seminar was jointly organized by International Chamber of Commerce-Bangladesh (ICCB), Factors Chain International (FCI) of the Netherlands, Asian Development Bank and Bangladesh Institute of Bank Management (BIBM).

"Even for a successful importer, there comes a time when the growing requirements for L/Cs margin go beyond the importer's financing ability and L/Cs coverage exceeds the security available to be given to the bank. Moreover, importers need to approach banks for issuing L/Cs on each occasion of importing goods from abroad, which is really time consuming and costly. L/C confirmation fees takes away a substantial amount of foreign currency to abroad and increases the cost of international trade. Importers are, therefore, no more interested to import by opening L/C" said Mahbubur Rahman .

Minister for Commerce Mr. Tofail Ahmed M.P. in his address as Chief Guest said exporting on open account,



Hon'ble Mr. Tofail Ahmed, M.P. Minister for Commerce (middle) was the Chief Guest at ICC Seminar on International Factoring for Foreign Trade presided over by ICC Bangladesh President Mahbubur Rahman (4th from left). Also seen in the picture from left to right are: ICC Bangladesh Standing Committee on Banking Chairman Muhammad A. (Rumee) Ali; Mr.Bidyut Kumar Saha, Senior Financial Sector Specialist ADB Country Office, Dhaka; ICC Bangladesh Vice President Latifur Rahman; Bangladesh Bank Deputy Governor Nazneen Sultana; Factors Chain International, The Netherlands Chairman Daniel Bonzanini, ICC Bangladesh Vice-President Rokia Afzal Rahman and Director General BIBM Dr. Taufic Ahmed Chaudhury.

which may be best from a marketing and export point of view, is fraught with danger. International factoring removes the danger of open account trade under two-factor system very easily regardless of whether exporter is a small or large organization. Under this international financing mechanism, the exporter gets finance immediately after submitting the relevant documents to the export factor and the import factor/bank collects money with 100 per cent protection at the end of the approved period from the importers of the same country and in the locally accepted manner, observed the Minister.

Though potential is enormous in terms of projected growth of our export, a conducive environment is required to be created with a view to encountering legal, organizational and strategically issues after launching of the Factoring system. In this perspective, an expert committee can be formed to suggest as to how to introduce this financial product, the Minister said and assured fullest cooperation of his Ministry in this regard.

Special Guest Ms. Nazneen Sultana, Deputy Governor of Bangladesh Bank said that BB is always committed to provide both financial and non-financial supports to the exporters and importers. There is substantial scope for introduction of international factoring in the country.

However, many issues are likely to be encountered while launching this service. These issues are primarily related to the legal, strategic and organizational aspects, she added. It may be mentioned that Non-L/C mechanisms of trade payment particularly open account trade payment and documentary collection are being progressively used as methods for international trade payment. It is assumed that percentage of trade payment particularly through open account transaction is usually around 80 per cent of world trade. Open account trade has also been experiencing accelerated growth in Asia. In Bangladesh, Non L/C mechanisms of international trade payment and finance methods are also being used progressively over L/Cs. The total amount of international factoring in nearly 70 countries stood at Euro 357.23 billion in 2013 whereas the amount of total factoring accounted for Euro 2.23 trillion at the same time.

The Seminar was also addressed by Muhammad A. (Rumee) Ali, Chairman ICC Standing Committee on Banking, Daniela Bonzanini, Chairman, Factors Chain International, The Netherlands; Michel LeBlanc, Member FCI Executive Committee; Dr. Toufic Ahmed Chaudhury, Director General, BIBM; Mr. Bidyut Kumar Saha, Senior Financial Sector Specialist, Asian Development Bank; Dr. Prashanta Kumar Banerjee, Professor & Director (Research, Development & Consultancy), Bangladesh Institute of Bank Management (BIBM) & ICCB Secretary General Ataur Rahman. Among others, the Seminar was also attended by ICCB Vice Presidents Latifur Rahman & Rokia Afzal Rahman; ICCB Executive Board Members Aftab ul Islam; Mahbub Jamil, Chairman, Singer Bangladesh; Mahbubul Alam, President CCCI and Mohammad Hatem, former First Vice President, BKMEA.



ICC Bangladesh President Mahbubur Rahman(4th from left) was the Chief Guest at the inauguration of the Workshop on International Factoring for Foreign Trade. Among others from left to right are Dr. Prashanta Kumar Banerjee, Professor & Director BIBM; Michel Leblanc, Deputy Vice-President, International Trade, National Bank of Canada; Bidyut Kumar Saha, Senior Financial Sector Specialist ADB; Mrs. Daniel Bonzanini, Chairman, Factors Chain International; Mr. Muhammad A. (Rumee) Ali, Chairman, ICC Bangladesh Standing Committee on Banking; Peter Mulroy, FCI Secretary General and Ataur Rahman ICCB Secretary General.

The Seminar was attended by a number of Business Leaders, MDs/ CEOs of leading commercial banks, officials of Ministries of Finance and Commerce and senior bankers A day-long workshop was organized on 13 April which was attended by around 145 bankers and officials of corporate houses.

ICC Bangladesh Team attended ESCAP Meeting in Bangkok

The Ninth Meeting of the ESCAP Business Advisory Council (EBAC) was convened on 19 May at the United Nations Conference Centre in Bangkok.The Meeting was attended by 19 EBAC members, 23 associate members, two advisors, and nine observers. From 18 May to 20 May, the Sustainable Business Network task forces also met separately at the United Nations Conference Centre. ICC Bangladesh President Mahbubur Rahman, Vice President Mrs. Rokia A. Rahman and ICC Bangladesh Member & Former DCCI President

Asif Ibrahim attended 9th EBAC Meeting as Members of EBAC which include prominent business leaders from the countries of the Asia Pacific Region.

The Meeting was chaired by Datuk Seri Mohamed Iqbal Rawther, EBAC Chair, Group Executive Director, Farlim Group Malaysia, and Ms. Mia Mikic, Officer-in-Charge of the, Trade and Investment Division (TID), ESCAP. Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP attended the opening session and made an introductory statement.

Ms. Shamshad Akhtar, in her introductory statement, thanked all attendees for their presence at the Ninth Meeting of EBAC. She also specifically thanked all the present members who had attended the EBAC Meeting the previous year, acknowledging the maturity in developing EBAC's agenda. She reviewed the three priorities from the Meeting in May 2014, which were: 1) recruiting a wider range of business leaders to play a role in ESCAP; 2) raising awareness of the mechanisms and modalities for sustainable development; and 3) spearheading private sector resource mobilization efforts for sustainable development. Regarding these priorities, Ms. Akhtar expressed her pleasure at the progress that had been made. Ms. Akhtar also acknowledged various successes of EBAC in the past year, including the Myanmar SME Link and the Handbook on Green Business.

Additionally, Ms. Akhtar stressed the role of EBAC had to play in bringing the private sector's perspective and efforts in furthering the UN's sustainable development agenda, looking for EBAC to help lead the Asia-Pacific private sector in pursuing the Sustainable Development Goals, finding and promoting best practices, developing tools and mechanisms to improve corporate sustainability, linking the Sustainable Development Goals to existing practices, engaging in regional advocacy, and working with the finance industry to improve financing for development. She closed her statement by reaffirming how crucial business-sector cooperation is to ESCAP's work on sustainable development. In his opening statement, ESCAP Chair Datuk Seri Mohamed Iqbal Rawther thanked Ms. Akhtar for her statement and all the participants for their attendance.

He also remarked that EBAC had really expanded in size and that it was encouraging to see that the EBAC Meeting was primarily composed of members of the private sector. Mr. Iqbal stated that at its inception in 2004, EBAC was primarily concerned with policy advocacy; however, it has since moved to a new paradigm that involves both advocacy and action. Given the transition to the Asian Century, Mr. Iqbal said that business involvement in sustainable development was particularly important, and that for companies sustainable development was not so much about short-term profit, but rather about long-term benefit. Mr. Iqbal stated his appreciation for Ms. Akhtar's encouragement for members to take action. He also specifically thanked Ms. Barbara Meynert, Mr. Asif Ibrahim, Mr. George Yuen, and Mr. Carson Wen for their contributions to the Sustainable Business Network.

The Executive Secretary shared some of her additional thoughts on the future of EBAC. She stated that she would like to see greater EBAC involvement with some of the other programmes at ESCAP, for example, by having staff from other divisions, such as the Social Development Division and Transport Division, interfacing with EBAC. Ms. Akhtar also highlighted the importance of science, technology, and innovation to the sustainable development agenda. More reflection on how to integrate that area with sustainable development is needed, and she suggested the establishment of a new task force to work on this area. Finally, Ms. Akhtar reflected on the fact that, while the profit motive ostensibly creates a disincentive for the private sector to be more socially or environmentally-conscious, in



Group picture of the Members of the ESCAP Business Advisory Council (EBAC) with ESCAP Chair Datuk Seri Mohamed Iqbal Rawther (5th from right), Ms. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP (6th from right) during the 9th Meeting held in Bangkok. Also seen among others are : ICC Bangladesh President Mahbubur (4th from right); ICC Bangladesh Vice President Rokia Afzal Rahman (3rd from left) and Asif Ibrahim, former DCCI President and Member of ICC Bangladesh (4th from left).

her experience, sustainability was beneficial to businesses.

Towards this end, Ms. Akhtar encouraged EBAC to create some messaging (flyers and/or statements online) that could elaborate on the trade-offs for business in focusing on sustainable development. Such messaging could show the obvious obstacles (i.e. cost), while enumerating the more subtle, but nonetheless significant, benefits to companies in engaging in sustainable development.

The Council discussed on Role of EBAC on policy advocacy, 2015 work plan: target outputs and goals, Membership criteria and campaign, Introduction to the UN Framework on Women Entrepreneurship Development, reports of various task force on Green Business, Banking and Finance, Trade and Transport Facilitation, Disaster Risk Reduction, Digital Economy, MSMEs and Social Enterprise and Innovation and Competitiveness.

Mr. Asif Ibrahim also attended and presented a paper at Asia Pacific Forum on Sustainable Development 2015 held on 21-22 May in Bangkok. It was decided that the Asia Pacific Business Forum will be held on 2-4 November 2015 at UN Conference Centre, Bangkok.

ICC Bangladesh President attended the 10th China-South Asia Business Forum

ICC Bangladesh President Mahbubur Rahman, Vice President Mrs. Rokia A. Rahman and ICC Bangladesh Member & Former DCCI President Asif Ibrahim participated at the 10th China-South Asia Business Forum held in Kunming on 10-13 June. ICC Bangladesh President Mahbubur Rahman was invited by the Vice Governor of Yunnan Province, People's Republic of China to deliver a speech as a VIP Guest on June 12 on "Promote the Construction of Silk Road Economic Belt : accelerate the pace of business cooperation." ICC Bangladesh Vice President Mrs. Rokia A. Rahman was invited to attend a Round Table Meeting of Women Entrepreneurs between China and South Asia while Asif Ibrahim was invited to speak at the Seminar on "Relocation of Chinese Labor Intensive and High Tech Industries to Bangladesh".

ICC Bangladesh President said that in the next five years, China is expected to invest an additional $500 billion in other countries, import over $10 trillion of products and send 400 million tourists abroad. Bangladesh, as China's close neighbor and trusted friend, shall take an even more favorable posture to make good use of "Chinese opportunities", he observed.

In this regard, Mahbubur Rahman referred to the US$ 100 billion Asian Infrastructure Investment Bank (AIIB) set up at the initiative of the People's Republic of China which is going to usher in new investment opportunities in various key areas of economic activity.

"The strategies of the countries along the "One Belt and One Road" will bring development and prosperity to the whole of Eurasia and every country will stand to benefit by way of promoting investment and consumption, creating job opportunities, enhancing people-to-people and cultural exchanges and mutual learning among the peoples of the countries" said ICC Bangladesh President Mahbubur Rahman.

The 10th China-South Asia Business Forum was chaired by Mr. Muhammad Iqbal Tabish, Secretary General of SAARC Chamber of Commerce & Industry and keynote speakers were: H.E. Abdulla Yameen Abdul Gayoom, President of Maldives; H.E. Mr. Yu Ping, Vice Chairman of CCPIT, Beijing HQ; H.E. Mr. Luo Zhengfu, Chairman of Chinese People's Political Consultative Conference of Yunnan Province; H.E. Gen. V.K. Singh , Minister of State for External Affairs of India; H.E. Mr. Rishad Bathiutheen, Minister of Ministry of Industry and Commerce of Sri Lanka; H.E. Mr. Sunil Bahadur Thapa, Nepalese Minister of Commerce Department: Mr. Li Dongsheng, Chief Executive of TCL Group and Mr. Vikrmajit Singh Sahney, Immediate Past President of SAARC CCI (Leader of SAARC CCI Delegation).

The Thematic Session on Promote the Construction of Silk Road Economic Belt; Accelerate the pace of business cooperation was Chaired by Mr. Macky Hashim, Former Presdient of SAARC Chamber of Commerce & Industry.



ICC Bangladesh President Mahbubur Rahman delivering his speech at the 10th China-South Asia Business Forum in Kunming.

The Speakers at this session included ICC Bangladesh President Mahbubur Rahman, H.E. Mr. Amit Mitra,

Minister of Finance Department, Government of West Bengal; Mr. Bandula Egodage, Chairman of Sri Lanka Export Development Board; Mr. Duan Yueqing, Chairman of Yunnan Provincial Department of Tourism; Mr. Roopen Roy, President of India Chamber of Commerce; Mr. Binod K. Chaudhury, President of Chaudhury Group; Mr. Humayun Rashid, Senior Vice President of Dhaka Chamber of Commerce & Industry and Mr. M.K. Saharia, Chairman of Center for Promotion of India-China Cooperation.

Address by ICC Bangladesh President Mahbubur Rahman
at 10th China-South Asia Business Forum

Theme : Promote the Construction of Silk Road Economic Belt : accelerate the pace of business cooperation

Bismillahir Rahmanir Rahim

Ladies and Gentlemen

Assalamu-Alaikum and a very good afternoon to you all

I am honoured for being invited by the Vice Governor of Yunnan Province, People's Republic of China to attend the 3rd China-South Asia Exposition and the 23rd China Kunming Import and Export Commodities Fair.

I am privileged for having the opportunity to address at this 10th China - South Asia Business Forum on the topic: Promote the Construction of Silk Road Economic Belt : accelerate the pace of business cooperation.

At the very outset, I would like to express our deep appreciation and thanks to the Governor and the Vice Governor of Yunnan Province for taking this timely initiative in convening the series of events for promotion of business cooperation among the countries of the region.

We all know that the Silk Road is a historically important international trade route between China and the rest of the world, in particular with Asia and Europe.

The New Silk Road Initiative of the People's Republic of China "One Belt, One Road" is considered to be vital to revive and accelerate the pace of business opportunities among the BCIM countries.

Ladies and gentlemen,

Complex and profound changes are taking place in today's world. Despite setbacks, an uneven global recovery is still continuing. In advanced economies, the legacies of the pre-crisis boom and the subsequent crisis, including high private and public debt, still cast a shadow on the recovery. Emerging markets are adjusting to rates of economic growth lower than those reached in the pre-crisis period. Overall, the pace of recovery is becoming more country specific.

In the back drop of the present global economic scenario, I am very pleased to note that BCIM Economic Corridor is on the top agenda of "One Belt and One Road" initiatives. The corridor is a modern version of the Silk Road and a revision of the 1999 Track II Kunming initiative between BCIM countries.

Under the "One Belt and One Road" Kunming Province will be connected to Kolkata in India, Mandalay in Myanmar and Dhaka and Chittagong in Bangladesh. The economic corridor is expected to benefit the four neighbouring countries as it will facilitate trade by providing greater market access due to improved connectivity.

Since 2013, the initiative of Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) has maintained good momentum of development with collaboration of the BCIM countries, but lot is yet to be done.

China and India are two largest emerging economies while Bangladesh and Myanmar boasts rich natural and human resources. In view of the recent planned China-India economic collaboration, this economic corridor would definitely enable the four countries to work for each other's advantages, accelerate economic growth and open wider opportunities for them to the outside world.

In 2001, inter-regional trade among the BCIM countries was only about $6 billion, which reached more than $100 billion recently. The BCIM countries account for 9 per cent of the global landmass, inhabited by 40 per cent of the global population and produces one-tenth of global GDP.

According to experts, the BCIM Corridor is a win-win arrangement. The linkages of transport, energy, and telecommunications networks will enable the region to emerge as a thriving economic belt that will promote social development of communities along the Corridor. To date, South Asia has not come close to enjoying the same economic success that East Asia has reaped, BCIM might well be the game changer that South Asia needs very badly.

August gathering,

Regional integration is an unavoidable phase towards economic globalization. The flourishing cooperation in Asia has boosted peace and development in the region. However, compared with those in Europe and North America, regional cooperation in Asia still remains inadequate as evidenced in particular by the uneven development and poor connectivity among Asia's sub-regions, posing a considerable obstacle to deeper regional cooperation.

Ladies and gentlemen,

Bangladesh is sandwiched by South Asia, East Asia and Southeast Asian countries and located at the north of Bay of Bengal. In ancient times, Bangladesh was one of the most important destinations of Southern Silk Road and Maritime Silk Road due to its geographical location. Bangladesh could now be the one of the link points of "One Belt and One Road".

The implementation of the new initiatives will help Bangladesh to transform its geographical advantage and create opportunities for accelerating the pace of business cooperation among the countries.

The implementation of the new initiatives will help Bangladesh to transform its geographical advantage and create opportunities for accelerating the pace of business cooperation among the countries. The following are some of the key issues that has to be addressed for deriving the benefits by Bangladesh:

- Regional connectivity network will help Bangladesh, having the big opportunity for a deep sea port, and emerge as the transportation hub in the South Asian Region.
- Energy cooperation will ease Bangladesh from energy and power insufficiency.
- Establishment of industrial zones in Bangladesh will attract huge investment and could contribute to more balanced trade for Bangladesh.
- Free trade facilitation will help Bangladesh get access to huge market in China, India and elsewhere.

Distinguished Guests,

It is estimated that in the next five years, China will invest an additional $500 billion in other countries, import over $10 trillion of products and send 400 million tourists abroad. Bangladesh, as China's close neighbor and trusted friend, shall take an even more favorable posture to make good use of "Chinese opportunities".

In this regard, the US$ 100 billion Asian Infrastructure Investment Bank (AIIB) set up at the initiative of the people's Republic of China is going to usher in new investment opportunities in various key areas of economic activity.

The strategies of the countries along the "One Belt and One Road" will bring development and prosperity to the whole of Eurasia and every country will stand to benefit by way of promoting investment and consumption, creating job opportunities, enhancing people-to-people and cultural exchanges and mutual learning among the peoples of the countries.

Thank you all.

Mahbubur Rahman
President
ICC Bangladesh

Kunming, 12 June, 2015

Workshop on Application of Rules for International Trade Finance held in Dhaka

ICC Bangladesh organized a day-long ICC Workshop on Application of Rules for International Trade Finance in Dhaka on 28 May. Mr. Muhammad A. (Rumee), Chairman, ICCB Standing Committee on Banking in his inaugural address said that banks today are the largest financial institutions around the world, with branches and subsidiaries throughout everyone's life. However, commercial banks are facing risks when they are operating-credit related activities. Credit Risk is one of the most significant risks that banks face, considering that granting credit is one of the main sources of income in commercial banks. Therefore, the management of the risk related to credit affects which the profitability of the banks are of utmost importance. He urged the bankers to gather full knowledge of Risk Management so that they can minimize the Credit Risk.



Muhammad A. (Rumee) Ali (2nd from left), Chairman, ICC Standing Committee on Banking inaugurated the ICC workshop on Application of Rules for International Trade Finance. Also seen in the picture are: Managing Director & CEO of Mutual Trust Bank Anis A. Khan (Centre), ICCB Secretary General Ataur Rahman (2nd from right), Director, Training of BIBM Prof. Shah Md. Ahsan Habib (extreme left), and SVP of Islami Bank Bangladesh Mahmudur Rahman (extreme right).

The workshop, he hoped, will allow the participants to know about the application of various rules for international trade and discuss as well as get clarifications on different issues being faced by them in their day- to-day operations. The Chairman thanked Mr. Anis A. Khan, Managing Director, Mutual Trust Bank for supporting ICC Bangladesh in organizing the day-long workshop.

Mr. Anis A. Khan, Managing Director & CEO, Mutual Trust Bank Limited in his address said there are no options to acquire necessary professional skills as a Banker besides training. In this regard he appreciated continuous effort of ICC Bangladesh to train up the bankers both at home and abroad.

Mr. Ataur Rahman, Secretary General, ICC Bangladesh welcoming the participants mentioned about the ongoing important programme for the bankers organized by ICC Bangladesh regularly both at home and abroad.

He thanked the Banks for nominating their officials to attend the workshop and the resource persons, namely Prof. Dr. Shah Md. Ahsan Habib, Director [Training] of Bangladesh Institute of Bank Management [BIBM]; Mr.Kamal Hossain, Joint Director of Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank; Mr. Mahmudur Rahman CDCS, Senior Vice President of Islami Bank Bangladesh Limited and Mr. A T M Nesarul Hoque, Sr. Assistant Vice President of Mutual Trust Bank Limited for kindly agreeing to deliver lecture at the Workshop. A total of 115 participants attended the workshop.

Participation at ICC Annual Banking Commission Meeting by ICC Bangladesh Team

The ICC Banking Commission in collaboration with the Association of Banks in Singapore (ABS) organized the Annual Meeting of the ICC Banking Commission in Singapore on 20-23 April 2015.

Mr. Lim Hng Kiang, Minister for Trade and Industry of Singapore was the keynote speaker at the opening session of the Meeting held on 22 April. He delivered his speech on Driving Transformation in Trade Finance: E-Trade Platforms, Competency and Expertise in the Spotlight.

ICC Bangladesh Secretary General Ataur Rahman led a 17-member delegation consisting of bankers from AB Bank, The City Bank, Eastern Bank, Janata Bank and Mutual Trust Bank.

The event brought together over 400 of the most influential trade finance experts, banking professionals, business leaders, lawyers and government officials from over 65 countries to debate the critical issues affecting the trade finance industry. Under a new format offering, the programme featured 60 high-level key-note and panel speakers in a host of interactive plenary and breakout sessions, as well as roundtable discussions addressing the most topical themes in trade finance highlighting in particular the regulatory framework, opportunities and challenges for the industry, e-Trade platforms, competency and expertise to build robust market capabilities while

highlighting opportunities across emerging markets.

During the Meeting ICC announced the launching of the ICC Academy and the appointment of the former ICC Regional Director for Asia, Kim Kit Ow, as Managing Director of the Academy. It may be mentioned that the Academy has been established by ICC to deliver market-leading professional education. Mr. Daniel Schmand of Deutsche Bank has been appointed as Chair of the Banking Commission effective 1 May 2015 for a three-year term. He replaced Mr. Kah Chye Tan, who served as the Chair for the last five-years.



ICCB Secretary General Ataur Rahman (8th from left) is seen with the new ICC Banking Commission Chairman Mr. Daniel Schmand (6th from left); ICC Banking Commission Market Intelligence Group Chair Vincent O'Brien (5th from left), group of Bangladeshi bankers and delegation from ICC China at ICC Banking Commission Annual Meeting in Singapore.

ICC Knowledge Centre Trade Seminar on Regulatory Requirement for Online Reporting and Automated System for Customs Data in Bangladesh

A Trade Seminar on Regulatory Requirement for Online Reporting and Automated System for Customs Data (ASYCUDA) in Bangladesh was organized by the ICC Knowledge Centre in Dhaka on 6 June. Mr. Muhammad A. (Rumee) Ali, Chairman, ICCB Standing Committee on Banking inaugurated the Seminar which was also addressed by Mr. Francois de Maricourt, Chief Executive Officer, HSBC Bangladesh and ICC Bangladesh Secretary General Ataur Rahman.



Chairman of ICC Bangladesh Standing Committee on Banking Muhammad A. (Rumee) Ali delivering his inaugural speech at the Trade Seminar on Regulatory Requirement for Online Reporting and ASYCUDA in Bangladesh. Also seen in the picture from right to left are Syed Mushfequr Rahman, First Secretary, NBR; Mr. Francois de Maricourt, CEO, HSBC Bangladesh; Atar Rahman, Secretary General ICCB and Mohammad Anisur Rahman, Joint Director, Foreign Exchange Operation Department, Bangladesh Bank.

Mr. Ali in his inaugural address emphasized the importance of proper implementation of ASYCUDA by all concerned, in particular the Customs Authority, Bangladesh Bank, commercial banks and most importantly the trading houses dealing with import and export. This workshop is therefore, of utmost importance for the participants from the corporate houses who are attending the workshop. He thanked HSBC and ICC Bangladesh for organizing the Seminar and hoped that the participants will take full advantage of the presence of the two very knowledgeable resource persons from the Custom and Bangladesh Bank and get clarification on various issues.

Mr. Maricourt spoke at the programme and commented on the positive trade outlook of the country and said, "Bangladesh has excellent trade prospects and as well as opportunities to sustain its economic growth. The seminar will help Bangladeshi trade professionals enhance their knowledge on one of the core aspects of international trade."

ICC Bangladesh Secretary General Ataur Rahman mentioned about the setting up of the ICC Knowledge Centre in 2014 by ICC Bangladesh, The world business organization and HSBC Bangladesh. The aim of the Centre is to serve as a knowledge hub for exporters and trade professionals to better equip themselves for global commerce. This platform gives professionals access to online resources, insights and trade-related articles, researches and up-to-date trade information, he mentioned.

Mr. Rahman thanked ICC Bangladesh Banking Committee Chairman and HSBC CEO for their kind presence. He also thanked the two resource persons from NBR and Bangladesh Bank for kindly agreeing to deliver lecture on the topic. The information shared at the Seminar is designed to equip the trade professionals with practical learning and knowledge from the professionals from BB and NBR.

Chinese Ambassador visited ICC Bangladesh

H.E. Mr. Ma Mingqiang, Ambassador Extraordinary and Plenipotentiary of the Peopl'es Republic of China to Bangladesh visited ICC Bangladesh on 8 June at the invitation of ICC Bangladesh President Mahbubur Rahman. The Ambassador was briefed by ICC Bangladesh President about the role of ICC globally and the activities of ICC Bangladesh. Mahbubur Rahman also briefed the Ambassador about ICC International Conference on "Global Economic Recovery : Asian Perspective" which took place on 25-26 October in Dhaka.



H.E. Mr. Ma Mingqiang, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China is seen with ICCB President Mahbubur Rahman (2nd from left) during his visit to Bangladesh (2nd from right). Also seen in the picture are ICCB Secretary General Ataur Rahman (extreme right) and Dr. Jin Zhang (extreme left), Third Secretary, Political Section of the Embassy of China.

The Ambassador briefed the ICC Bangladesh President about various infrastructure projects that China is implementing in Bangladesh. Once these projects are complited it will greatly help Bangladesh to achieve higher growth. He also mentioned about connecting Bangladesh with Yunnan Province of China through the proposed "One Belt and One Road" project. China considers Bangladesh as one of the important trade partner and informed that a lot of Chinese companies are exploring the possibility of re-locating their labour intensive industries in Bangladesh.

ICC Bangladesh President Mahbubur Rahman informed the Ambassador about his visit to Kunming during 10-13 June at the invitation of the Vice Governor of Yunnan Province to attend 10th China-South Asia Business Forum and speak on the Theme: Promote the Construction of Silk Road Economic Belt : accelerate the pace of business cooperation.

He also mentioned that ICC Bangladesh Vice President Mrs. Rokia A. Rahman has been invited to attend a Round Table Meeting of Women Entrepreneurs between China and South and ICC Bangladesh member Mr.Asia Ibrahim has been invited to speak at the Seminar on "Relocation of Chinese Labor Intensive and High Tech Industries to Bangladesh".

The Ambassador thanked ICC Bangladesh President for inviting him and his colleague to visit ICC Bangladesh and appreciated the excellent works done by the National Committee for promotion of trade and investment as well as projecting Bangladesh to the global businesses. The Ambassador was accompanied by Dr. Jin Zhang, Third Secretary, Political section of the Embassy.

It may be mentioned that China is the largest trading partner of Bangladesh, with total bilateral trade volume coming to $8.287 billion in fiscal 2013-14. However, it is expected to grow to more than $10 billion in this current fiscal year.

In fiscal 2013-14, Bangladesh imported $7.5 billion worth of goods from China and exported only $746.20 million worth of goods to China. So there is ample scope of not only increasing export from Bangladesh to China but also re-locating labour intensive industries from China to Bangladesh.

Under the "One Belt and One Road" Kunming Province will be connected to Kolkata in India, Mandalay in Myanmar and Dhaka & Chittagong in Bangladesh.

The economic corridor is expected to benefit the four neighbouring countries as it will facilitate trade by providing greater market access due to improved connectivity.

ICCB Executive Board reviewed activities during First Quarter of 2015

The 61st Meeting of the ICCB Executive Board was held on 2 April. The Executive Board reviewed the activities of ICC Bangladesh during the first quarter (January-March) of 2015. The Executive Board approved the Action Plan for 2015 and the budget of the National Secretariat for 2015. ICCB President informed the Board about his participation at Meeting of the ICC Permanent Heads of National Committee and World Council in Singapore in 17-18 March. The Executive Board also approved the membership applications of two companies and one law firms under corporate categories. The Executive Board was also appraised about organizing a Workshop in Colombo jointly with ICC Sri Lanka in February which

was attended by 106 Bankers from Bangladesh and 60 bankers from Sri Lanka. Besdies, ICC Executive Board Members, A.S.M.Quasem and Aftab ul Islam also attended.

Presided over by ICC Bangladesh President Mahbubur Rahman, the Meeting was attended by ICCB Vice Presidents Latifur Rahman and Rokia Afzal Rahman and the following Board Members: A.K.Azad, Aftab ul Islam, Mahbub Jamil, Mohammad Hatem, R. Maksud Khan, Sheikh Kabir Hossain, & Waliur Rahman Bhuiyan, OBE.

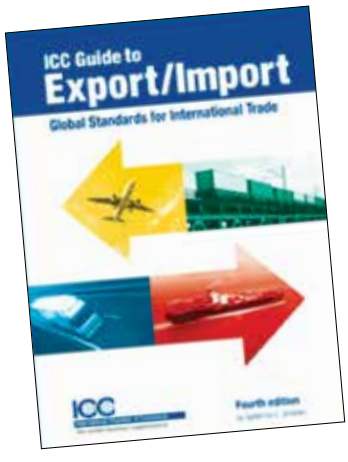


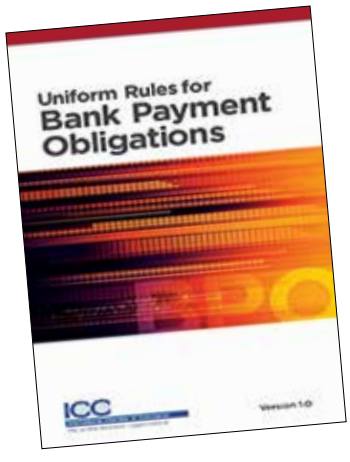
61st Meeting of ICC Bangladesh Executive Board in progress.

New Members of ICC Bangladesh

The Executive Board of ICC Bangladesh during its meeting held on 2 April accepted the Membership application of two companies and one Law Firm under corporate categories. The companies are: Maersk Bangladesh Limited, SGS Bangladesh Limited and M/S. Fida M. Kamal & Associates.

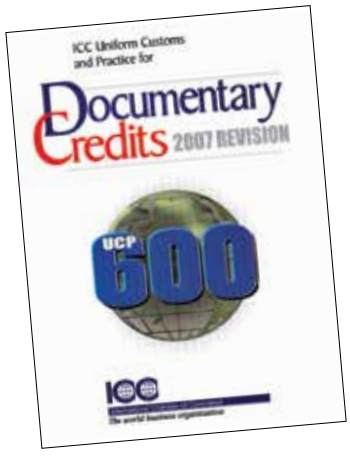
Selected ICC Publications

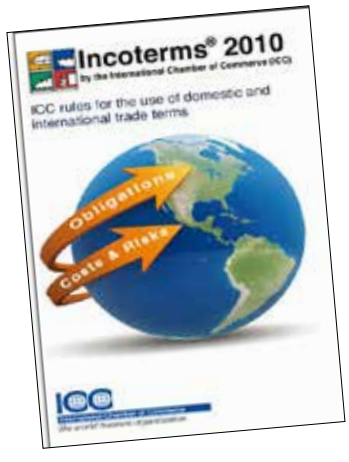












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Pictures from the Gallery



ICC Bangladesh President Mahbubur Rahman (extreme right) had a meeting with UNCTAD Secretary General Dr. Mukhisa Kituyi (2nd from right) on the side-line of UN-ESCAP Regional Conference on Aligning Corporate Sustainability with SDGs held in Bangkok on 20 May Also seen in the picture are ICC Bangladesh Member Asif Ibrahim (2nd from left) and Dr. Masato Abe, Trade and Investment Division of UN-ESCAP.



ICC Bangladesh President Mahbubur Rahman (5th from left) is seen with Chaudhury Group President Binod K. Chaudhury (4th from left), ICC Bangladesh Member and Former DCCI President Asif Ibrahim (2nd from left), DCCI Senior Vice President Humayun Rashid (6th from right) and other delegates from Bangladesh at the group picture of 10th China-South Asia Business Forum held in Kunming on 11-12 June.



9th ESCAP Business Advisory Council Meeting held in Bangkok on 19 May in progress.



Group picture of the participants at ICC Seminar on International Factoring for Foreign Trade.

Pictures from the Gallery



Group picture of ICCB Annual Council 2014.



ICCB Secretary General Ataur Rahman (middle) is seen with ICC Asia Adviser Ms. Lee Ju Song (right) and newly appointed at ICC Academy Managing Director Ms. Kim Kit Ow (left) during ICC Banking Commission Meeting in Singapore on 22 April.



Ms. Ruzina Hasan (middle), Director, UK Trade & Investment, British High Commission, Dhaka is seen with ICC Bangladesh Secretary General Ataur Rahman (right) and Senior Manager Syeda Shahnewaz Lotika (left) during her visit to the National Secretariat on 10 June.

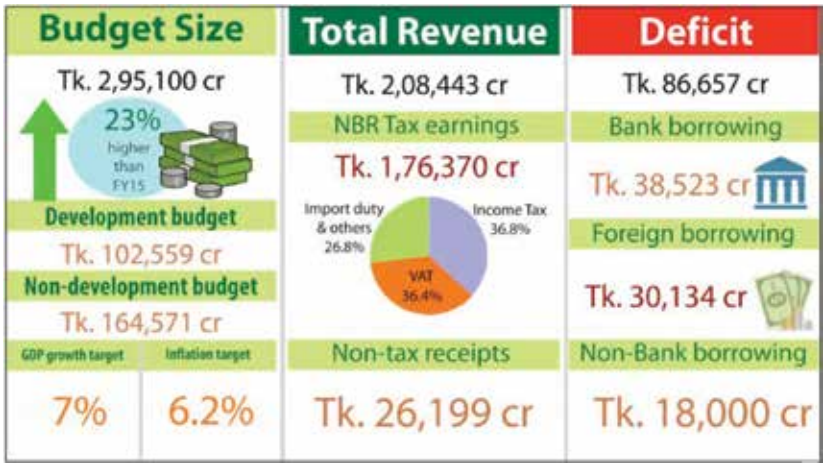


Group picture of the participants along with the speakers at ICC Workshop on International Factoring for Foreign Trade.

Bangladesh Economy

Parliament approved Tk. 2.95 trillion Budget for FY 2015-16
Growth target : 7%

The parliament approved on 30 June Tk. 2.95 trillion budget for FY 16,which is 17.2 percent of GDP. The development expenditure is Tk. 1025.59 billion, the non-development expenditure is Tk. 1645.71 billion and ADP allocation is Tk. 970 billion. The deficit of the budget is Tk. 866.5 billion or 5% of GDP. In FY16 total revenue has been estimated to be Tk. 2,084.43 billion in which tax and non-tax revenues are Tk. 2025.69 billion and Tk. 58.74 billion respectively.



In the ADP, 22 percent of allocation for human resource sector (education, health and other related sectors), 25.3 percent for overall agriculture sector (agriculture, rural development and rural institutions, water resources), 19.1 percent for power and energy sector and 22.3 percent for communication sector (roads, railway, bridges and other related sectors) have been made.

In the budget, 23.4 percent of the total outlay has been allocated to social infrastructure sector, of which 20.4 percent has been proposed for the human resource sub-sector (education, health and other related sectors); 30.6 percent of the total allocation has been proposed for the physical infrastructure sector, of which 13.9 percent will go to the overall agriculture and rural development, 8.9 percent to overall communication and 6.3 percent to power and energy sector. 28.0 percent of the total allocation has been proposed for the general services sector. Besides, 2.2 percent has been allocated for public private partnership (PPP), financial assistance for various industries, subsidies and equity investment in state-owned banks, commercial banks and financial institutions; 11.9 percent for interest repayment; and the rest 3.8 percent for net lending and miscellaneous expenditure.

Under the 7th Five-Year Plan (2016-2020), there have been plan to gradually accelerate GDP growth and raise it to 8 percent by 2019-20. To this end, the growth rates of agriculture, industry and services sectors need to be accelerated to 3.5, 12.5 and 7.0 percent respectively by the end of the plan period. Notably, the growth rates of these sectors currently stand at3.0, 9.6 and 5.8 percent respectively and their contributions to GDP are 16.0, 30.4 and 53.6 percent respectively.

According to budget speech, one of the necessary conditions for achieving high growth is to increase capital stock through gradual increase in investment. Over the last ten years, the total investment in terms of GDP has increased to 28.9 percent from 25.8 percent. During this period, although public investment rose to 6.9 percent from 5.5 percent, private investment is hovering around 21 to 22 percent of GDP. In this setting, the objective of the government is to increase total investment by boosting private investment to 24.0 percent of GDP in the medium term (2016- 18). At the same time, scale up public investment to 7.8 percent of GDP.

According to budget, growth enhancing sectors will receive priority in the case of public investment. In particular, more resources will be allocated to the development of physical and social infrastructure sectors like power, energy, communication, transportation, port development, education, health, and ICT. The government has planned to increase power generation capacity to 24 thousand MW by 2021. With this goal in mind, the govt. will continue their programmes to establish coal-fired power plants, renovate old power stations, develop power transmission and distribution systems, install pre-paid meters in phases, import electricity under sub-regional cooperation, diversify energy sources and increase power generation from renewable energy sources.

In the transport sector, the govt. will implement the on-going projects to upgrade important highways to four-lanes. Dhaka-Chittagong and Dhaka-Mymensingh four-lane highways will be completed within the next fiscal year. Among 133 projects included in the ADP for the transport sector, 39 will be completed in FY 2015-16. Besides, the on-going process to formulate relevant acts/rules will soon be completed.

To implement ADP the government has planned to formulate a taskforce to monitor ADP implementation of ten big ministries. In the budget speech Finance Minister A.M.A. Muhit said that there is no denying the fact that

initially, procedural and institutional framework was not robust enough to take public-private partnership agenda forward. However, in order to overcome these problems, the Public-Private Partnership (PPP) Bill, 2015 has already been tabled in Parliament. The reform programmes to improve governance are expected to infuse dynamism in PPP initiatives said Finance Minister. The fact is that 42 projects have already been approved in principle under PPP, out of which agreements for three projects have been signed. Two more agreements are ready to be signed. Transaction advisers have been appointed for 24 projects.

Regarding removal of Private sector investment impediments Finance Minister said in his budget speech that investors often complain about different problems that hinder private sector investment. These include: delay in getting utility services like electricity and gas, institutional complications in investment processing, scarcity of undisputed land, high interest rate, etc. The minister informed in his speech that the government has taken steps to remove these impediments. He hoped electricity problem will be resolved once power generation capacity and production are augmented as planned. In order to improve the supply of gas, the signing process of production sharing contracts for exploration of gas in 26 sea blocks is underway. Side by side, the govt. has planned to import LNG.

For institutional development, merger of the Board of Investment and the Privatization Commission will soon be completed. The new organization will be able to provide proper one stop services to investors. Moreover, competent officers will be placed there. For encouraging investment, the govt. mulling over the use of surplus land belonging to state owned enterprises on the basis of lease/sale/PPP.

At the same time, modernization of land management, record and registration will be expedited. Due to financial sector reforms, rate of interest has already started declining. Moreover, private investors have ample opportunities to borrow soft loans from abroad. These initiatives will contribute to the improvement of investment environment as well as the achievement of private sector investment target.

Indian Prime Minister Modi visited Bangladesh
22 key Agreements signed between Bangladesh-India

India and Bangladesh on June 6 signed as many as 22 agreements, including on curbing human trafficking, smuggling of fake currency and setting up an Indian Economic Zone, to boost bilateral ties.

The agreements were signed on the first day of Prime Minister Narendra Modi's maiden visit in the presence of other leaders, including Bangladeshi Prime Minister Sheikh Hasina and West Bengal Chief Minister Mamata Banerjee. Exchange of Instruments of Ratification of 1974 Land Boundary Agreement and its 2011 Protocol; Exchange of letters on Modalities for implementation of 1974 Land Boundary Agreement and a renewed Bilateral Trade Agreement were inked during Modi's two-day visit.

Agreements on two key bus services were also reached, including the Kolkata-Dhaka-Agartala route that will benefit the commuters by reducing travel time by nearly one-third. Another Dhaka-Shillong-Guwahati route was also flagged off by the three leaders.



Memorandums of Understanding (MoUs) on Prevention of Human Trafficking; Prevention of Smuggling and Circulation of Fake Currency notes; and setting up two Indian Economic Zone were also reached by the two sides. In another key development, a Memorandum of Understanding for Extending a New Line of Credit (LoC) of US$ 2 billion by India to Bangladesh was signed. A renewed Protocol on Inland Water Transit and Trade besides an Agreement on Coastal Shipping between Bangladesh and India were among the other deals reached.

Bangladesh Power Projects : Reliance, Adani to invest $5.5b to generate 4,600 MW

India's Reliance Power Ltd and Adani Power Ltd on June 6 signed separate deals with Bangladesh Power Development Board to invest $5.5 billion to generate 4,600 megawatts of electricity. Reliance plans to spend about $3 billion to set up a 3,000-megawatt power plant based on imported liquefied natural gas, said Sameer Kumar Gupta, vice-president of Reliance Power.

Vneet S Jaain, chief executive officer of Adani Power, Zahurul Haque, Secretary of Bangladesh Power Development Board (BPDB), and Reliance Power Vice President Gupta signed the deals in Dhaka. The deals were signed during the two-day visit of Indian Prime Minister Narendra Modi.

Reliance Power will also set up a floating storage and re-gasification unit in Maheshkhali. "If implemented, the company will be the first to set up a large scale LNG-based power project and FSRU terminal in the country. It will be the largest foreign investment also in the country," said Gupta. The location for the project has not been finalized. Gupta said the first plant would be ready by 30 months.

"The country has a huge need for power. So we are encouraged to explore opportunities here. We hope to begin long-term power business in Bangladesh." Reliance Power, a part of the Reliance Group, is India's leading private sector power generation and coal resources company.

Gujarat-based Adani Power, which is the largest private sector power producer in India, plans to invest $2.5 billion to build a 1,600 megawatts coal-fired power plant, said Raza Hasnain, adviser to the chairman of the company.

"The future of Bangladesh and the northeastern India is intertwined, and the project is good in commercial sense." BPDB Chairman Shahinul Islam Khan said the plant would be set up in Maheshkhali island or any other suitable place in Bangladesh.

Adani Power has outperformed Indian rivals, including Reliance Power and Tata Power, to become India's largest private electricity producer. The group is also among India's biggest importers of coal. Mr. Nasrul Hamid, State Minister for Power, who was present during the signing ceremony, sought India's cooperation in importing electricity from Bhutan and India.

Bangladesh now imports 500 MW of power from India and will import another 100 MW by next year and 500MW in the next two years, he said. The state minister also said the government has resumed providing electricity connections to industries. Monowar Islam, power secretary, urged the Indian companies to develop plants so electricity can be added to the national grid within three years. Two other deals, which had earlier been planned to be signed with these two companies, have been dropped at the last moment. The deals were: Adani's export of power from a coal power plant in India to Bangladesh and Reliance's sale of hydro-power from eastern India to Bangladesh.

Bangladesh last year had asked Reliance to sell a good part of power from its upcoming 1,200MW hydro power plant in Arunachal Pradesh. Since last October, Reliance had been pursuing a proposal to build a two-part power plant with a capacity of producing 3,000MW.

Bangladesh is looking for outside help to meet its growing demand for power. The country now generates, on average, 7,500 MW of electricity, catering to only two-thirds of the population. The government plans to generate 24,000 MW by 2021.

Bangladesh, China signed six deals to boost bilateral trade

Bangladesh and China on May 24 signed six deals to further boost bilateral ties between the two countries at public and private sectors. The deals include three MoUs, two cooperation agreements and one exchange of notes in the fields of education, media and trade.

The MoU on Cooperation in Education between the ministries of education of the two countries was signed by Education Secretary of Bangladesh Nazrul Islam Khan and Chinese Education Minister Yuan Guiren. The Ministry of Information of Bangladesh and the State Administration of Press, Publication of China signed an MoU for cooperation in the fields of radio, film and television. Information Secretary Mortuza Ahmed and Vice Minister of China Tong Gang signed the MoU.

Another MoU between the University of Dhaka and Beijing Foreign Studies University was signed for cooperation in the areas of exchange of students, faculty, scholars and administrative staff,



research collaboration and sharing of academic materials and information. Dhaka University Vice Chancellor

Prof AAMS Arefin Siddique and President of BFSU Peng Long signed the MoU.

Southeast University of Bangladesh and Wuhan Textile University, China signed an agreement for Cooperation in joint undergraduate programme on textile engineering. Southeast University Vice Chancellor Prof Anwar Hossain and WTU Chancellor Wei Yiliang signed the agreement. The other cooperation agreement was signed between BGMEA University of Fashion and Technology, Bangladesh and Wuhan Textile University, China for joint undergraduate programme on fashion design. Founder chairman of BGMEA University Muzaffar U Siddique and WTU Chancellor Wei Yiliang signed the instrument.

The lone exchange of notes between Bangladesh and China on container inspection equipment project was signed by ERD Senior Secretary Mohammad Mejbahuddin and Chinese Ambassador to Bangladesh Ma Mingqiang.

Improved connectivity to boost Bangladesh's exports by 86pc: ADB

Bangladesh's real income gains will be 6.9 percent of GDP and its export will grow by 86 percent by 2030 if connectivity between South Asia and Southeast Asia improves, according to a new ADB study. However, Bangladesh will have to do its part: the country will have to spend $14.268 billion to prepare its road, rail, ports and energy infrastructures to contribute to the integration, the Asian Development Bank and the Asian Development Bank Institute said in a joint study.

In transport projects, Bangladesh needs to establish new deepwater ports, roads and railways. In the energy sector, it will have to develop the Myanmar–Bangladesh– India gas pipeline project. Besides, the country needs to develop the infrastructure bonds market and improve the environment for boosting public-private partnership (PPP) projects. As trade facilitation measures, transit agreements have to be signed with India and Myanmar and border operations have to be streamlined through easier documentations and procedures.

The study report said the potential gains from the connectivity-led closer South Asian–Southeast Asian integration are potentially large. The connectivity would raise welfare by $375 billion or 8.9 percent of gross domestic product in South Asia. In case of Southeast Asia, it would be $193 billion or 6.4 percent of GDP. Most participating countries show large gains, especially the smaller countries in South Asia, including Bangladesh, said the study.

The gains will however depend on the removal of all tariffs associated with South Asian and Southeast Asian trade, a 50 percent reduction in inter-regional non-tariff barriers, and a 15 percent reduction in trade costs reflecting improved trade facilitation and investment in infrastructure. The study said the time is ripe for enhancing economic integration between the two sub-regions.



Economic ties between the two sub-regions, while making progress, have been limited, hindered by bottlenecks in infrastructure, financial markets, trade facilitation, trade barriers and limited regional cooperation. South Asia and Southeast Asia cross-sub-regional trade increased 23 times from $4 billion to $90 billion over 1990–2013. But Southeast Asia's share of South Asian trade rose from 6 percent to only 10 percent, while South Asia's share of Southeast Asian trade just doubled from about 2 percent to only 4 percent. "The same story applies to cross-subregional investment and cross-subregional financial flows. This suggests that there is significant potential for growth of economic ties between the two subregions."

The report said key land barriers to cross-subregional transport are located mainly in Myanmar, while other gaps can be found in Bangladesh, Cambodia, India, the Lao People's Democratic Republic, Thailand and Vietnam. Although road connections exist, many segments need to be upgraded, especially in Bangladesh, India and Myanmar.

Moreover, the incompatibility of railway gauges between the regional border countries of India, Bangladesh, Thailand and Myanmar and other technical differences mean that transshipment will be required even after rail links are developed, said the study. The bulk of cross-subregional trade still moves by ship.

However, important seaports for South Asia–Southeast Asia trade, notably Kolkata Port in India, Chittagong Port in Bangladesh and Yangon Port in Myanmar, suffer from problems relating to limited accessibility for large ships. Gaps in facilities, variable operational efficiency and gaps in connectivity between seaports and rail and road networks were the other problems identified by the study. Some $73 billion of investment is needed to enhance connectivity by way of highways, railroads, ports and energy trading, it said. "However, our analysis suggests that the overall benefits substantially outweigh the costs." Priority seaport projects include the construction of new deepwater ports or floating container transshipment terminals at Chittagong and Kolkata, and improvement of the road infrastructure linking Thilawa Port with Yangon.

The study identified financing cross-subregional infrastructure projects as a challenge, as traditional sources of infrastructure financing, including public finance and bank loans, are becoming more constrained. "The development of Asian financial markets and related initiatives is needed to strengthen access to infrastructure finance. Bond markets can play a greater role in channelling Asian savings towards infrastructure projects", the report added.

It said guarantees for project bonds may help foster demand for these products by long-term institutional investors. Infrastructure funds, both domestic and international, are valuable. The study said measures to integrate regional financial markets and ease restrictions on international capital flows can also contribute.

Future collaboration, including co-financing infrastructure projects between development banks such as the ADB, the emerging Asian Infrastructure Investment Bank and the World Bank would contribute to increasing the supply of infrastructure finance in Asia.

ADB to double lending to Bangladesh

The Asian Development Bank will more than double its lending to Bangladesh over the next three years, attaching priority to connectivity projects linking the country to India, Nepal and Bhutan. Bangladesh is likely to receive $5.9 billion between 2016 and 2018, in contrast to $2.68 billion between 2013 and 2015.

The decision comes after a month-long discussion, led by ADB Country Director Kazuhiko Higuchi, with senior officials from the Economic Relations Division and a number of ministries and divisions. The discussions concluded on June 22. ADB was keen on bankrolling connectivity projects, given the recent push for regional cooperation among Bangladesh, Bhutan, India and Nepal or BBIN. During the discussions, the ADB identified several connectivity projects, including five roads and railways.

It may be mentioned that on 15 June the four countries signed the Motor Vehicle Agreement in Thimphu for seamless transit of passenger, cargo and personal vehicles. The ADB will support the ongoing road connectivity projects in each of the four countries through the South Asia Subregional Economic Cooperation (SASEC) programme, according to ADB. The projects will upgrade and complete transport routes that broadly cover SAARC corridors 4 and 8, and will also include facilities to enhance cross-border activities, such as access roads, dry ports and land customs stations. SASEC member countries have concrete plans to continue building and upgrading regional physical connectivity.

ABD loans for projects
4 nation road connectivity
Dohazari-Cox's Bazar 100 km new rail link
Hatikamrul-Rangpur-Burimari 157 km 4-lane road
Dhaka- Ctg 230 km dual- gauge railway

For the next five years, 30 priority road projects totalling over $8 billion have been identified to fill and upgrade critical connections in the BBIN area, according to source. However, to maximize the benefits of increased connectivity, it is important for the four countries to implement appropriate transport facilitation measures.

In 34 individual and sub-regional projects, ADB has provided $6.51 billion, of which Bangladesh received $2.72 billion in 17 projects. ADB Vice President Wencai Zhang said the planned BBIN agreement will address many of the non-tariff barriers that drive up the cost of trade, by providing a framework for exchange of commercial traffic rights arrangements.

A 2014 JICA study calculated the benefits of such arrangements for the BBIN countries. "The bottom line is that every country has much to gain, regardless of its position in the road corridors," Zhang added. The Manila-based lender in the study 'Connecting South Asia and South-east Asia' said Bangladesh will need a total of $13.76 billion to ensure smooth connectivity through road, rail and port.

Meanwhile, ADB in its next three-year country strategy said it wants to scale up programmes and larger projects over the next three years. The bank will focus on major sectors including energy, power and rural infrastructure and support rail and road transport network to develop regional connectivity, it said in the proposal.

ADB gives $505m loans for rail links

The Asian Development Bank will provide Bangladesh with $505 million in loans to help improve the country's railway network and boost sub-regional trade. Senior Secretary of Economic Relations Division Mohammad Mejbahuddin and ADB Country Director in Bangladesh Kazuhiko Higuchi signed an agreement to this effect on June 28.

The South Asia Sub-regional Economic Cooperation (SASEC) Railway Connectivity: Akhaura-Laksam Double Track Project will help upgrade the 72-kilometre Akhaura-Laksam section of the Dhaka-Chittagong railway corridor to a double track dual-gauge railway

line, along with modern signalling equipment, an ADB statement said. The existing track will be upgraded in accordance with the requirements of the trans-Asia railway network. Eleven railway stations will be reconstructed with special facilities for the elderly, women, children and the disabled.

The ADB said the Akhaura-Laksam section is part of a major sub-regional corridor and the trans-Asia railway network. The project was endorsed by the SASEC Trade Facilitation and Transport Working Group at a meeting in Singapore in October 2013. The total project cost is $805 million. The European Investment Bank will co-finance the project with $175 million, while the government will provide $125 million. The project will be executed by Bangladesh Railway and is expected to be completed by 2022. As Bangladesh borders with India and Myanmar and is close to the landlocked countries of Bhutan and Nepal, it has the potential to become a transport and transhipment centre for the sub-region, according to an ADB report. The South Asian Association for Regional Cooperation (SAARC) Regional Multimodal Transport Study determined priority corridors in Bangladesh that include six out of 10 road corridors, two out of five rail corridors, and two principal ports Chittagong and Mongla.

The ADB report said a major constraint in sub-regional rail connectivity is the lack of connectivity between the rail networks. The key issues are the differences between the rail gauges in the member states, the potential incompatibilities in rolling stock, and the overall condition of the rail network, especially in northeastern India and Bangladesh. The ADB said the market share of the railway in the sub-regional transport is low; only 11.9 percent or 876,855 tonnes of Bangladesh's imports from India and only 1.1 percent or 17,832 tonnes of exports from Bangladesh to India were transported by rail in 2011.

The lender said the main reasons for the limited cross-border rail traffic are missing links and congestion in main domestic railway corridors, which do not allow operating additional trains for domestic and international traffic.

Outlook stable but Political turmoil may affect Ba3 rating : Moody's

Moody's Investors Service has projected Bangladesh's outlook as stable again for the current year, but said a fractious political environment threatens rating. The country's growth volatility is lower than that of almost all other countries rated by the global credit ratings agency, it said. Bangladesh is rated Ba3 with a stable



outlook, Moody's said on April 29. Bangladesh's Ba3 foreign currency government bond rating reflects its track record of macroeconomic stability, a modest debt burden, and limited external vulnerabilities with an ample foreign reserve buffer. However, a narrow tax revenue base and a very low level of per capita income are some challenges that may constrain the rating, it said.

The analysis elaborates on Bangladesh's credit profile in terms of economic, institutional and fiscal strength, and susceptibility to event risk, which are the four main analytic factors in Moody's sovereign bond rating methodology. On economic strength, the country was assessed as moderate (-), on institutional strength as very low (+), on fiscal strength as low (-) and on susceptibility to event risk as moderate.

Growth expanded by 6.1 percent last fiscal year, and is expected to rise at a similar pace this year. At these levels, GDP growth is significantly above the 3.5 percent median for peers in the Ba-rating category. However, potential growth is constrai-ned by infrastructure deficiencies, Moody's said, adding that volatile political situation remains a looming risk to Bangladesh's robust economic performance.

Bangladesh saw its longest ever political blockade, associated with strikes, in its history in the last few months, which turned deadly as more than 100 people were killed in largely horrific petrol bomb attacks and the economy lost 1 percent of GDP, Moody's said. Although fiscal deficits are manageable, public finances are constrained by weak revenue collections. The government has recently embarked on wide-ranging revenue reforms based on automated systems. Moody's said such reforms, if successful, would result in a considerable widening of the tax base.

Following two consecutive years of surpluses, the current account slipped into the negative territory this fiscal year due to a widening trade deficit. However, the country's financing needs are modest and easily met through low-cost, concessional external borrowing, while foreign reserves are buoyant and near a record high.

Key points

- Volatile political situation remains a looming risk to economic performance
- Bangladesh's growth volatility is lower than that of almost all other countries
- Narrow tax revenue base, low level of per capita income may constrain rating
- Ongoing revenue reforms may result in a considerable widening of tax base

Bangladesh is a top destination for producers leaving China: HSBC

Bangladesh is one among the three countries that China-based factories are planning to shift their production facilities to, as the manufacture of low-cost products is increasingly becoming pricier in the world's second largest economy, according to a recent HSBC analysis.

As China loses its edge in the lower end of the product scale, factories are moving to countries like Bangladesh, HSBC's recent look into Asian Economies revealed. HSBC's finding is contrary to the popular belief that many Chinese factories are moving to India and Indonesia, as those are the next biggest markets in Asia where labour is still cheap.



"Well, not quite and neither is the Philippines taking market share. Rather, it is Vietnam, Bangladesh and Sri Lanka that are starting to cut into China's traditional stronghold," the analysis said. HSBC said Chinese firms are making sufficient inroads into pricier areas, like smartphones and solar panels, to keep exports humming, opening up room for others to step in.

"The door has now been opened for China's neighbours to take market share and build sizeable light manufacturing industries of their own. That leaves the frontier markets of Bangladesh, Sri Lanka and Vietnam to pick up the slack."

HSBC bullish on Bangladesh

Bangladesh will post strong economic growth and see a bullish trend in exports up to 2030, according to a recent forecast by UK-based banking giant HSBC. The HSBC Global Connections Trade Forecast Report said the country's economy has grown by around 6 percent annually over the past decade, and it will continue to grow at a similar rate over the next ten years.

The report said the country's trade prospects are bright, particularly in the textiles sector, and trade liberalization efforts with its neighbours in Asia should boost prospects further, encouraging more diversification of the export base.

The HSBC Trade Forecast examines prospects for exporters in 25 countries and territories. It shows that the short-term outlook for emerging economies is patchy, in part, because of relatively low commodity prices and a moderation in Chinese growth. Over the medium term, however, patterns of global trade will be increasingly influenced by rapidly-growing Asian economies with rising average incomes. Trade between emerging markets will become more significant as their middle classes expand.

Among the countries covered in the Trade Forecast, Vietnam, India, China, Turkey and Bangladesh are expected to experience the strongest trade growth. Each is predicted to increase merchandise exports by an average of 8 percent or more per year between 2015 and 2030.

Bangladesh has a strong foothold in the global market for garments, and HSBC expects this to continue, with around 80 percent of export growth from 2015-30 coming from clothing and apparel. Although the importance of agriculture will gradually decline as more of the population moves into urban areas, agriculture will continue to be Bangladesh's second largest export sector out to 2030, contributing around 7 percent of the forecast increase in exports.

In recent years, Bangladesh has made good progress towards macroeconomic stability under the guidance of the International Monetary Fund, but major infrastructure investment remains essential, the report said. The report said positive progress towards liberalising trade flows with neighbours in recent years is expected to help maintain competitive advantages in clothing and apparel sector. But rising incomes will encourage a gradual move towards higher value sectors, potentially including the assembly of electronic products, and boosting the sector. The report said the potential for Bangladesh to attract more foreign direct investment inflows is large.

Economic zones for China, Japan and India to attract FDI

The government has allocated three economic zones to the investors of China, Japan and India in a bid to attract more foreign investment and generate employment, according to source. Bangladesh Economic Zones Authority has already acquired 510 acres of land at Sreepur upazila in Gazipur for Japanese investors and 774 acres at Anwara upazila in Chittagong for Chinese entrepreneurs. India wants over 200 acres of land in Mongla and 477 acres at Bheramara to establish the zones. The zones will be developed with funds obtained from the $2 billion line of credit from India. The government will provide land to establish the zones. Bangladesh needs investment worth $35 billion a year to attain an 8 percent year-on-

year economic growth and graduate to a middle-income country by 2021. The government has so far approved 30 public and private economic zones in different parts of the country. Of them, the implementation of Sirajganj, Mongla, Mirsarai, Anwara and Srihatta economic zones are progressing well.

Bangladesh has eight export processing zones (EPZs), which attracted investment worth only $3 billion in the last three decades and annual exports from these EPZs are worth $5 billion. The EPZs are run by the government, while the economic zones will operate under public-private partnership.



Water routes to cut cost of trade with India : experts observed

The potential for bilateral trade between India and Bangladesh via water routes largely remains



untapped due to poor navigability of the rivers, port handling problems, and cumbersome customs procedures, analysts said on May 13. A shift to water transport from road transport between Bangladesh and India can cut the costs of transporting goods by $3 per ton, according to experts.

Experts spoke at a discussion on Bangladesh-India Protocol on Inland Water Transit and Trade (PIWTT): Challenges and Opportunities, at the Metropolitan Chamber of Commerce and Industry. MCCI and the Indian High Commission in Dhaka organised the programme after the governments of the two countries renewed the tenure of PIWTT in April for a five-year term.

The protocol, signed in 1972, covers eight routes that can carry goods for trade and transit between the two countries, but four traffic routes are mainly used although vessels have to struggle to ply during the dry season because of poor navigability of the rivers in Bangladesh. Additionally, inbound goods-laden vessels from Kolkata encounter customs checks at four places, while goods transiting to Indian territories face six such inspections.

A lack of support for night-navigation and poor loading and unloading infrastructure at ports also hold back the smooth flow of vessels on the waterways.

Bangladesh imported items worth $6.03 billion from India, and exported $456 million in FY 14. Interestingly, 70 percent of total bilateral trade occurs through the Benapole Land Port with 450 trucks passing through the port a day even as a further 400 to 500 trucks wait in queue across the border for days. Inversely, the PIWTT routes service less than 0.3 percent of total bilateral trade between the countries.

Bangladesh Accreditation Board got global recognition : Barriers to export may go

Bangladesh has got approval from two major international certification agencies, helping the country's mostly food products enter 100 countries without further tests. Officials concerned and businesses on May 25 said the recognition from the International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Laboratory Accreditation Cooperation (APLAC) will help widen the country's export basket and increase foreign exchange earnings.

This was disclosed at a meeting of Bangladesh Food Safety Laboratory Network (BFSLN), held at the industries ministry.

The meeting was organised by the Bangladesh Accreditation Board (BAB), aiming to form a national laboratory conclave in the country. The meeting was told that the BAB got recognition from the ILAC and APLAC early this year.

Director General of the board Md. Abu Abdullah said the BAB-certified products can now enter more than 100 countries and 131 laboratories under the two agencies will recognise Bangladesh authority's certification.

He further added American Association for Laboratory Accreditation (A2LA), National Voluntary Laboratory Accreditation

Program (NVLAP) USA, United Kingdom Accreditation Service (UKAS), Dubai Accreditation Department (DAC), United Arab Emirates, Japan Accreditation Board (JAB), Japan are members of the International Laboratory Accreditation Cooperation (ILAC) and NATA Australia, AAC Analitica Russian Federation, HKAS Hong Kong (China) are the members of Asia Pacific Laboratory Accreditation Cooperation (APLAC).

Mr. Abdullah said local businesses will have to work with the BAB to enhance export of the country and to ensure safe food for local consumers. He expressed his optimism that within July they will form a national laboratory platform to ensure modern lab facilities for all. He identified man, machine and method as key pillars of modern testing or compliance process.

Meghna Group to build two economic zones

Meghna Group of Industries will build two economic zones on 325 acres of land at Sonargaon upazila in Narayanganj, the third in the private sector. The construction of the two EZs -- Meghna Economic Zone on 245 acres and Meghna Industrial Economic Zone on 80 acres -- will be completed within a year. Once all the factories are fully operational, they will create about 30,000 jobs.

Bangladesh Economic Zones Authority on May 11 handed over pre-qualification licences to Meghna Group of Industries. They will lease out plots mainly to foreign investors.

The two zones are situated adjacent to the Dhaka-Chittagong highway. In addition, Meghna Economic Zone is situated on the bank of the river Meghna.

MEGHNA GROUP OF INDUSTRIES

Industries such as pulp and paper, oil refinery, power plants, PVC, beverage, packaging film industry and petrochemicals will get priority in the two zones. Some 2-3 factories are expected to begin operations in the zones within a year, according to the source.

The government aims to establish 100 economic zones in 15 years. Exports will grow by $40 billion a year and one crore jobs will be created if 70,000-75,000 acres of land can be allocated to EZs. Earlier, BEZA handed over the first pre-qualification licence to AK Khan Company to build a 200-acre EZ in Narsingdi and a second to Abdul Monem Ltd to develop a 216-acre EZ in Gazaria, Munshiganj.

Summit signed $210m financing deals with International lenders for power plant

Summit Group has made a funding arrangement with three international lenders to implement a 341-MW power plant project in Sylhet. The Group signed contracts on June 2 for accessing an aggregate amount of US$210 million fund from the Asian Development Bank (ADB), the International Finance Corporation and Islamic Development Bank (IDB).

With these deals, Summit completed the financing arrangement for the $300 million project - Bibiyana-II combined cycle power plant. According to the deals, IFC, private sector window of the World Bank, will provide $75 million, the ADB $75 million and the IDB $60 million. Summit has arranged the rest $90 million, in collaboration with its US partner GE.

The tenor of the loan is approximately 14 years. The direct loan amount is the largest given to a Bangladeshi private sector project by any of the three development agencies. This will be the largest project finance transactions development by a Bangladeshi company. The proposed investment also fits well with the regional development strategy of the three multilateral development banks.

Summit Group BANGLADESH

- **Summit Group**, the leading private sector conglomerates of Bangladesh
- More than 20 business units
- Generating 715 MW of electricity
- Another 470 MW is under construction

Bangladesh suffers shortages of power with only about 60% of the total population having access to electricity. This investment will help in achieving the government target of 20,000MW power capacity by 2020, taking electricity to an additional three million consumers. The operations and maintenance of the plant will be carried out by China Northeast Electric Power Engineering & Service Co., Ltd. The agreements have been singed as per the international project finance practice while the account and security bank is Brac Bank Limited – a first-ever Bangladeshi Bank that has undertaken specified roles in a major international financing transaction.

In 2014, Summit Industrial and Mercantile Corporation (Pvt.) Limited's Meghnaghat Power Company Limited received $190 million from a consortium of lenders comprised of DEG, FMO, CDC, OFID ($120 million), Standard Chartered Bank ($40 million) and IDCOL ($30 million). The project is in full operation now and generating 315MW of electricity.

Bangladesh: still the first choice for apparel sourcing after China : McKinsey & Company

Bangladesh is still the first choice for apparel sourcing after China, but other countries are fast catching up, McKinsey & Company, a global management consulting firm, said in its latest report. The report styled 'Sourcing in a volatile world -- the East Africa opportunity' singled out Ethiopia, billing it as the one to watch out for -- for the first time.

The positive outlook on Sub-Saharan Africa is being spurred by anticipated long-term growth in the region's employable population, which will reach levels similar to those of China by 2035. Released recently, the report interviewed the chief purchasing officers (CPOs) of retailers from Europe and the US, whose combined sourcing stands at $70 billion. Asked to rank their most important future sourcing destinations, the respondents identified Bangladesh, Vietnam, Myanmar, and Ethiopia.

Around 74 percent of the CPOs said they are planning to decrease their sourcing value share from China, where the costs of production have spiralled in recent years for shortage of workers. They are looking at East African nations of Ethiopia and Kenya as possible alternatives. Some 40 percent of the buyers indicated that sub-Saharan Africa will become more important to the apparel industry in the next five years, in contrast to 24 percent in the last edition of the survey, which came out in 2013.

Citing Africa as the new Asia for the apparel industry, the survey report said the CPOs on average plan to increase their currently very low levels of sourcing from Sub-Saharan Africa nearly tenfold by 2020 -- from 0.3 percent to 2.8 percent.

Scenarios show that even with exponential growth these countries will remain a small part of the global sourcing map in the next five years, but with investments from all the stakeholders involved, the future potential can be realised, the survey also said. Of those surveyed, 28 percent expect to start sourcing in Ethiopia by 2020, while 8 percent are planning to increase their sourcing share in the African nation. For Kenya, the figures are 13 percent and 5 percent respectively. Approximately one-quarter of the companies surveyed said they have sourced from Sub-Saharan Africa in the past 12 months.

Currently, Bangladesh is the second largest apparel exporter after China. It has a 5 percent share in the more than $450 billion global apparel market. In fiscal 2013-14, the country raked in $24.50 billion from garment exports, according to Export Promotion Bureau. At present, China accounts for 39 percent, or $177 billion, of the global clothing exports a year.

Three-quarters of the CPOs surveyed expressed a desire to shift at least a portion of their production from China to other countries.

Key Points

- The survey was conducted among buyers who account for $70b in apparel sourcing
- Law cost is the main factor for higher exports from Bangladesh and African countries
- Around 74pc buyers plan to decrease sourcing from China
- Bangladesh Exported garments worth $24.5b last fiscal year
- Bangladeshi apparel markers target to earn $50b from exports by 2021

In 2011 and 2013, McKinsey carried out similar surveys, where leading CPOs tipped Bangladesh to export $42 billion worth of garment products by the end of 2020.

But in December last year, the garment manufacturers set out a target to hit $50 billion in exports by 2021.

Mobile cash transfer hits $1.4b a month : USAID study

The country's mobile banking sector continues to grow exponentially, scaling a new height in February, according to a study by the USAID. The total value of monthly transactions made through mobile phones stood at $1.42 billion or Tk 11,104 crore in February, according to the study, 'Mobile Financial Services in Bangladesh'. Of the amount, cash-in transactions accounted for $595 million, cash-out $523 million and person-to-person $265 million. Bangladesh has a rapidly growing mobile financial services industry, accounting for more than 8 percent of the total registered mobile money accounts globally, said the USAID. "All this has happened in less than four years since the launch of the first mobile financial service products in 2011." Between January 2013 and February 2015, the number of registered clients increased more than five-fold from 5 million to over 25 million. The number of transactions has grown significantly over the past two years, from 10 million in January 2013 to just under 77 million in February 2015. On average, $47.44 million is transacted daily via mobile phones.

The report is the consolidation of the findings derived from desk research and face-to-face interviews with key

mobile financial services providers, telecom operators, technology platform providers, regulators, and USAID health and agriculture project staff and 904 beneficiaries. A majority of the respondents were interested in using mobile phones for bill payments (77 percent), savings (76 percent), airtime top-ups (70 percent), school fee payments (60 percent) and merchant payments (55 percent). By large margins, users of mobile financial services or MFS agreed that transactions are safe, easy, and convenient. Some 82 percent of the respondents in the survey certified mobile transactions to be safe but 8 percent of the users have doubt.

Although a majority of respondents noted that MFS saved them money due to lower transaction fees (61 percent), more than a quarter (26 percent) disagreed or strongly disagreed with that statement, which shows that the cost of MFS remains a concern for some users.

Dutch-Bangla Bank, one of the leading mobile financial services providers, said they found that most of their customers do not have their own mobile banking accounts. The study also mentioned the rapidly growing mobile financial services industry, with at least 10 providers already offering services on the market.

Brac Bank's bKash dominates the MFS space, accounting for more than half of the market, followed by Dutch-Bangla Bank with about one-sixth of subscribers. The remaining eight providers with live services currently account for around a quarter of the total market share.

Bangladesh gets go-ahead for first technology business park

An agreement was signed on June 28 between state run Bangladesh Hi-Tech Park Authority (BHTPA) and Summit Technopolis Limited, a sister concern of local conglomerate Summit Group. The KHTP site covers 232 acres of land in Gazipur district, 37 kilometres (23 miles) north of Dhaka with the first phase of development due to be fully operational within 10 years and creating job opportunities for 60,000 IT professionals.

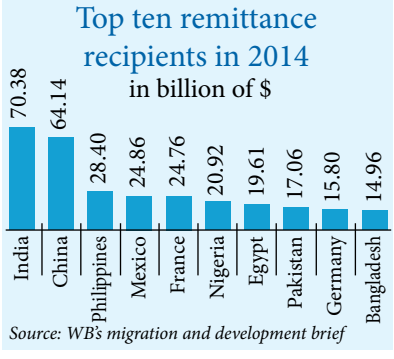
Under the agreement signed on June 28 a joint venture between Summit Technopolis and India-based Infinity Infosys Parks Limited will jointly invest $208 million in the first phase. Hi-Tech Park is our dream project which was delayed for 14 years and finally today we signed the agreement with Summit Technopolis Limited," said Zunaid Ahmed Palak, junior minister for Information and Communication Technology (ICT).

The Park will be developed as a Public Private Partnership (PPP) with Summit responsible for 90 percent of total costs and the Indian firm for 10 percent. (Reporting By Serajul Quadir; Editing by Greg Mahlich).

Bangladeshis pay highest migration costs worldwide: World Bank

According to a recent survey by the Global Knowledge Partnership on Migration and Development, the WB said worker-paid recruitment costs averaged $1,955 in Kuwait with the Bangladeshis paying the highest, ranging between $1,675 and $5,154. Almost 10 million people use regular channels to migrate in search of employment every year. A large number of them pay illegal recruitment fees to recruitment agents.

A 2009 Bangladesh Household Remittance Survey conducted by the International Organisation for Migration found that more than half of the migrants paid over $2,000 in recruitment fees. Fees paid to smugglers for crossing international borders, a reasonable proxy for the black market recruitment fees, tend to be even more exorbitant. For example, according to the European Union, smuggling fees to Europe ranged from $5,000 in the case of Vietnamese workers to more than $15,000 for Bangladeshi workers in 2013.



Source: WB's migration and development brief

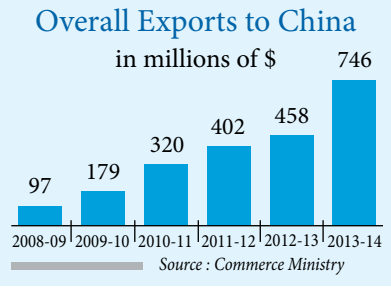
On top of these direct fees paid to recruitment agents, migrant workers are often subject to usurious interest rates of over 50 percent on loans taken to cover the costs of migration, the study said. Recruitment agents are also often reported to offer bribes to the employing company personnel, with amounts ranging between $300 and $1,000 per worker and these costs are recovered from the workers.

The study also predicted that growth in global remittance, including developing countries, will slow sharply this year due to weak economic growth in Europe, deterioration of the Russian economy and the depreciation of the euro and ruble. The South Asia region is projected to receive $120 billion in remittance in 2015, at a slower growth pace of 3.7 percent, compared to 4.5 percent the previous year.

Large scale construction activities and fiscal expansion in the Gulf Cooperation Council countries, which account for 60 percent of remittance to South Asia, and improving economic prospects in the US will continue to support inflows to the region.

China: next big garment export destination

China, the largest apparel exporter worldwide, is becoming a major destination for Bangladeshi garment items due to duty benefits offered by the Asian economic giant and a rising middle-class there. Garment exports to China, the second largest Asian apparel market for Bangladesh after Japan, accelerated 73.48 percent



year-on-year to $241.37 million in fiscal 2013-14, according to EPB. The earnings were $136.5 million in July-December this fiscal year, with 24 percent growth year-on-year.

After garments, Bangladesh's jute and jute goods and leather and leather products are also becoming popular in China, fetching $100 million and $60 million, respectively, in FY14. Due to rising production cost, Chinese businesses are moving away from producing low-end garments, which has created an opportunity for Bangladesh, according to the source.

Overall exports to China have also been on the rise: $746.19 million came in 2013-14, with a whopping 63 percent rise year-on-year. In July-March, total exports to China were worth $579.13 million. Because of the duty benefits and low production cost in Bangladesh, Chinese consumers can save up to 15 percent if their garments are bought from Bangladesh.

In July 2010, China offered a zero-duty benefit for exports of 4,721 types of Bangladeshi products, of which the majority are garments. Exporters said they enjoy an added advantage in the Chinese market as 90 percent of the garments they ship to China without paying any duty include T-shirts, jeans, sweaters and casual trousers, and Bangladesh has an edge over its competitors for these products.

Bangladeshi garment items enter China in three ways -- by international retailers such as H&M and Walmart, by Chinese manufacturers operating in Bangladesh, and by Chinese retailers and brands. China is losing its share in the global apparel business due to its higher production cost, including labour wage, a lack of skilled workforce and a shift of its manufacturing base towards technological products.

The average wage for Chinese garment workers is around $500 per month, while the amount is between $70 and $100 in Bangladesh. This is why Chinese businesses source garments from countries like Bangladesh and Vietnam.

The apparel market size in China is $300 billion a year, of which more than $150 billion is export-oriented, according to China National Garment Association. China has a population of 1.3 billion, most of whom fall in the middle-income bracket and rely on low-end clothing.

The balance of bilateral trade between the two countries is heavily in favour of China due to higher imports by Bangladesh. In fiscal 2012-13, Bangladesh imported goods worth $6.32 billion from China, against $6.44 billion in the previous year, according to the commerce ministry. Before the duty benefits were offered, Bangladesh's main export items to China were jute, jute goods, fish and frozen fish, leather and leather goods.

Bangladesh to remain a popular sourcing destination for US fashion retailers: USFIA study

Bangladesh will remain a popular sourcing destination for US fashion retailers due to price competitiveness, according to a recent study by the United States Fashion Industry Association (USFIA). Bangladesh is the sixth most popular sourcing destination this year with 50 percent of the respondents currently buying from the country, the study found. The country is also among the top five sourcing destinations with the highest growth potential after Vietnam, India and the US. About 42 percent of the respondents expect to increase sourcing value or volume from Bangladesh in the next two years, though this figure sharply declined from 65 percent in 2014.

UNITED STATES FASHION INDUSTRY ASSOCIATION

"The consistent interest in expanding sourcing from Bangladesh among US fashion companies is closely connected with the companies' strong desire to find sourcing destinations to supplement China," the study said.

However, Bangladesh still has to compete with other leading suppliers in the region, particularly Vietnam, India and Indonesia. Among the respondents currently sourcing from Bangladesh, 87 percent also buy from Vietnam, 67 percent from India and 60 percent from Indonesia. Although the retailers prefer Bangladesh as a popular sourcing destination, they expressed concern about the political tensions in the country.

The USFIA conducted the second US Fashion Industry Benchmarking Study, where executives from 30 US-

based fashion companies, retailers, importers and wholesalers were surveyed between March and April this year. The survey report was published recently.

The survey was conducted in conjunction with Sheng Lu, an assistant professor at the University of Rhode Island's Department of Textiles, Fashion Merchandising and Design. The survey asked respondents about the business outlook, sourcing practices, utilisation of free trade agreements and preference programmes and views on trade policy.

Ninety percent of the respondents report having more than 100 employees and 60 percent report having more than 1,000 employees. Considering the business size of the respondents, the survey suggested the findings are well reflecting the views of the most influential players in the US fashion industry. The survey also found that companies continue to diversify their sourcing options, though free trade agreements and preference programmes remain underutilised.

The US fashion industry is a critical Trans-Pacific Partnership stakeholder, as close to 80 percent of the respondents expect implementation of the TPP will impact their business practices.

Garment exporters going green to grab more orders

Bangladesh's garment sector is moving towards green building initiatives to impress the growing tribe of eco-minded international retailers, and in the process, grab more work orders. So far, 14 garment factories from Bangladesh have received LEED (Leadership in Energy and Environmental Design) certification from the United States Green Building Council, according to BGMEA.

Of the factories, five were conferred the platinum status, five gold, one silver and the other three received just the normal certification from the US agency. Fifty more factories are in queue to receive the LEED certification, as they have already passed the selection criteria, according to BGMEA.

LEED is a green building certification programme that recognises the best-in-class building strategies and practices. To receive LEED certification, building projects must satisfy prerequisites and earn points to achieve different levels of certification. Prerequisites and credits differ for each rating system, and teams choose the best fit for their project. By the end of 2016, more than 150 factories are expected to be given the LEED certification. The construction of more green factories means higher export growth of garment items from Bangladesh. The factory owners, especially those who are expanding their operations, are going for green buildings, mainly to bag more work orders from international retailers.

The benefits of green buildings are quite long, including reduction of energy consumption by more than 24 percent and water consumption by 50 percent. Since Bangladeshi garment makers are going for high-end garment production, green initiatives will help a lot in building their confidence, as LEED certification indicates practice of good compliance and environmentally safe procedures, according to source. The other direct benefits of green buildings include enhancement of image of the factory, protection of health and safety and higher productivity by the workers in a good environment.

Canada: a key garment export destination for Bangladesh

Canada will be a key garment export destination for Bangladesh in achieving the $50 billion overseas sales target by the end of 2021, Canadian High Commissioner Benoît-Pierre Laramée said April 19. Currently, Bangladesh is the second largest garment exporting nation after China with shipments of $24.5 billion in the last fiscal year.

"Canada has been providing support to Bangladesh to develop workers' skills and improve working conditions in the sector for higher export of garment items," Laramee



told a group of journalists at the first RMG Meet Up, a regular discussion by the Canada Bangladesh Chamber of Commerce and Industry (CanCham) with leading North American retailers and garment exporters at Westin Hotel in Dhaka.

Riding on duty-free benefits to Bangladesh since January 2003, garment exports to Canada have been on the rise in the last decade.

Of Bangladesh's exports to Canada, 96 percent are apparel items. Between July and March, Bangladesh exported goods worth $734.02 million to

Canada; it imported goods worth $495.80 million in July-February of the same fiscal year, according to EPB. In FY 14 Bangladesh's exports to Canada were worth $1.1 billion, while imports were $585.5 million.

Unrest biggest risk to near-term outlook: WB

Political unrest, vulnerability in the banking sector and low investment stand in the way of higher GDP growth and economic development, the World Bank said. "The central risk is the prolongation of the political instability," the multilateral lender said on April 13 in a report, 'Making the most of cheap oil', for the WB-IMF spring meetings. The GDP is forecast to grow by 5.6 percent this fiscal year, as the protracted political unrest might have shaved off one percentage point.

The resurgence of political unrest on January 5 has taken a heavy toll on economic activities, in particular the services sector, agriculture, exports and non-formal sector. Subsequently, outlook for the near-term is "mixed". Assuming sustained political stability, Bangladesh's strong domestic demand base, gradually improving investment climate and continued macroeconomic stability, a GDP growth of 6.3 percent can be expected next fiscal year, the report said.

Recovery in export growth and private investment is expected to boost aggregate demand, while contributing to capacity creation, report added. The growth forecast, which is way below the government's estimate of 6.5 percent, would be the fourth highest in the South Asia region this fiscal year. It is above Pakistan's growth forecast of 4.4 percent and Nepal's 5 percent, but below India's 7.5 percent and Sri Lanka's 6.9 percent.

The report said the South Asia region is among the biggest beneficiaries from cheap oil, as all countries in it are net oil importers. In the last quarter of 2014, South Asia was already the fastest-growing region in the world. WB Vice-President for South Asia Annette Dixon said the savings from reduced subsidy bills could be used to address the "crying needs of the region" in terms of infrastructure, basic services and targeted support for the poor.

As for Bangladesh, domestic factors dominate the risks to the near-term outlook, the paper said. Other than the prolongation of political instability, there are also concerns about financial sector vulnerability, which have potential fiscal implications. The financial sector is still shaky because of limited actions to improve corporate governance and accountability. The sector remains vulnerable to potential term shocks and economic slowdown. A protracted depreciation of the Euro could hurt exports, compounding the weaknesses due to real exchange rate appreciation. Even though international financial linkage is growing, Bangladesh's vulnerability to global financial volatility remains small, it said.

Growth remains below what is needed for Bangladesh to be in a comfort zone of middle-income by 2021. The average annual GDP growth rate needs to rise to 7.5-8 percent to accelerate the pace of poverty reduction through the creation of more and better jobs in the domestic economy. This will have to be coupled with increases in female labour participation rate to cushion the shrinkage in the demographic dividend due to declining rate of growth of working age population.

The biggest, though not the only, challenge in increasing investment and female labour participation is ensuring durable political stability.

Square and Beximco pharmaceutical company get FDA approval

The US Food and Drug Administration or FDA has recently given its approval to Square Pharmaceuticals and Beximco Pharmaceuticals after inspecting the oral solid dosage facilities of the two companies in Bangladesh. On June 16, the FDA released its Establishment Inspection Report under which it was audited whether the firms are following the current good manufacturing practices.

The approval is given based on the comprehensive audit on all the systems of drug manufacturing: quality, facilities and equipment, materials, production, packaging and labelling and laboratory controls, according to the statements issued by the two Bangladeshi firms. The inspections ended without issuing any 483 form. A 483 form is issued when the FDA has observations of non-compliance or deviation from good manufacturing practices.

Regional News

Bangladesh, Bhutan, India, Nepal signed road link agreement

Bangladesh, Bhutan, India and Nepal have mapped out a six-month action plan starting in July to establish a seamless movement of passenger and cargo vehicles across their territories. Transport ministers of the four countries, who signed a deal in Bhutanese capital Thimphu in this regard on 15 June, identified 30 transport corridors to be transformed into economic corridors. This will potentially increase intraregional trade within South Asia by almost 60 percent and with the rest of the world by over 30 percent, according to a joint statement.



The infrastructures for the four-nation road connectivity would require an estimated $8 billion. Each government will be responsible for completing the infrastructures in its territory by its own fund with support from donor agencies. Already, a number of these corridors, which also include bridges, have either been improved or are under construction.

The corridors, associated routes and their costs have been determined based on an analysis of patterns of regional and international trade. The analysis was done by the Asian Development Bank, which has been pushing for regional connectivity for the past several years. All the necessary protocols and agreements -- bilateral, trilateral and quadrilateral -- and other prerequisites will be completed by December to introduce limited operation of vehicles through the available routes from early next year, said the statement.

Of the 30 corridors, seven are inside Bangladesh -- Dhaka-Chittagong and Dhaka-Sylhet highways, Joydevpur-Tangail-Hatikomrul and Hatikomrul-Rangpur roads, a road from Raroyerhat to Ramgarh near the Feni river, the Padma bridge, and second bridges over Kanchpur and the Meghna and the Meghna-Gomti rivers.

The Jica is funding construction of the second Kanchpur, Meghna and Meghna-Gomti bridges. The ADB will finance for turning the Dhaka-Sylhet two-lane road into a four-lane one. It would take five years for all the corridors to be fully ready. Upgrading of Dhaka-Chittagong highway is nearly done and the construction of Padma bridge and Joydevpur-Hatikomrul road is underway.

Joint Statement

The deal -- Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic Between Bangladesh, Bhutan, India, and Nepal (BBIN MVA) -- would bring revolution in people-to-people contact, tourism, trade and investment among the four countries and in South Asia.

Bangladesh Road Transport and Bridges Minister Obaidul Quader, Bhutan Information and Communications Minister Lyonpo DN Dhungyel, India Road Transport and Highways and Shipping Minister Nitin Jairam Gadkari and Nepal Physical Infrastructure and Transport Minister Bimalendra Nidhi issued a joint statement after the signing of the deal.

Earlier in his opening remark, Obaidul said, "The signing of the agreement will be a landmark to open up enormous economic opportunities in the BBIN region…. Let our borders be no longer treated as separators but as connectors."

Under the deal, any member nation will be allowed to use roads of other members to transport goods and passengers paying fees and charges to be fixed later.

"We recognise that our four countries comprise a dynamic sub-region, which requires efficient land transport connectivity between the concentrations of supply and demand, which are widely dispersed.

"We acknowledge that apart from physical infrastructure, the development of economic corridors within and between our countries requires the implementation of policy and regulatory measures, including the BBIN MVA, which will help address the nonphysical impediments to the seamless movement of goods vehicles and people between our four countries," reads the statement.

Key officials of relevant ministries and agencies in the respective countries are to mainstream the relevant provisions of the BBIN MVA, and subsequent legal instruments into their operations.

The ministers requested the ADB to continue the much-needed technical support and other assistance necessary to ensure implementation of the work plan.

"The finalisation of the BBIN MVA would allow us to move forward,

in an accelerated fashion, with implementation of land transport facilitation arrangements between and among our countries," reads the deal.

Following the deal, a vehicle started from Thimphu to reach Kolkata through Guwahati-Shillong-Sylhet-Dhaka-Benapole.

The trial run is aimed at monitoring the road condition. Once fully operational, the entire sub-region will turn into a single market, experts say.

WB to provide $1b for connectivity between Bangladesh, Bhutan, India and Nepal

The World Bank could lend more than $1 billion to implement a number of regional connectivity projects for boosting trade and investment among Bangladesh, India, Nepal and Bhutan. A transport team of the global lender presented its detailed plan to bankroll the connectivity projects to Finance Minister AMA Muhith at the WB headquarters in Washington in April.

"By promoting the regional integration, Bangladesh can become the central hub in the region providing connectivity to the neighbouring countries," said the presentation. Besides, a WB team visited several ports, customs points and India-Bangladesh multimodal corridors this year and last year. Following the visits, the team sent an aid memoir to the finance ministry.

They added the WB would finance around $1billion in the next two fiscal years and talks were at final stage about two projects involving around $400 million. The WB usually provides loan at 0.75 percent interest rate. At a shipping secretary-level meeting between Bangladesh and India in New Delhi in April, India informed Bangladesh that the WB would provide one-third of the fund for developing water routes for transit of goods, and India and Bangladesh the rest.

During the just-concluded visit of Indian PM Narendra Modi to Bangladesh, several agreements related to transit have been signed. Under the deals, India can use Chittagong and Mongla ports. Several river routes have been identified for multimodal transport.

On June 8, the cabinet approved the draft of Motor Vehicle Agreement among Bangladesh, Bhutan, India and Nepal. Once signed, the deal will allow vehicles to ply designated routes in the four countries.

For the first phase of the Bangladesh Regional Connectivity Project and the Dhaka-Chittagong Inland Waterways Project, the WB has proposed to provide $400 million in the upcoming fiscal year. Of the sum, $120 million will go to the connectivity project to facilitate trade and transport. It will cut border crossing time at selected border points.

Under the project, the infrastructure, warehousing facilities, transshipment and inspection system, customs control procedure, institutional and regulatory framework would be developed to facilitate smooth functioning of the ports. New trade routes between Bangladesh and India are being opened in Mizoram and Tripura.



Under the proposed WB-funded project, five land ports have been identified for modernisation for boosting trade of Bangladesh with India. Under this, new land ports will be established at Tegamukh in Rangamati and Ramgarh in Khagrachhari. The project will also develop land ports in Nepal and Bhutan. One of the components of the project is to further modernise Chittagong Port to increase its capacity.

The modernisation is aimed at smooth clearance of goods at the ports, improving the procedures, infrastructure and systems. Necessary facilities will have to be ensured at the ports so that female traders can participate in cross border trade with ease, according to the aid memoir.

Of the first phase loan, $280 million will go to the Dhaka Chittagong Inland Waterways project aimed at increasing efficiency and reliability of land water transport along the Dhaka-Chittagong corridor. Under the project, the waterways will be made deeper through dredging to ensure easy transport of transit goods as well as local goods through river routes. It will also develop rail links to connect them with regional corridors.

The second phase of the WB's proposed Bangladesh Regional Connectivity Project will finance investments at Chittagong Port in 2016-17. It also aims to improve inland waterways along the Bangladesh-India bilateral protocol route and road and inland water transport connectivity to Mizoram of India and two other key trading points.

The WB has designed the India Mizoram Roads II Regional Connectivity project to increase transport connectivity along regional trade corridors in the Indian state.

With road transport being the only mode of transport within the state, improvements to the network will reduce freight and passenger transport costs and provide quick and safer access to all parts of Mizoram and to neighbouring states and countries such as Bangladesh and Myanmar.

The WB does not only stand ready to finance the project to make the inter-regional connectivity a reality in order to boost growth and lift millions of people out of poverty. It has also come up with grants. Already, the lender has given a grant of $5 million to study how to improve connectivity-related infrastructures. It will also provide technical assistance on management of ports, land ports, and inland water transport.

On invitation from the WB, two teams from Bangladesh and India toured Sweden, Norway and Switzerland last year to share lessons and best practices in transit framework, trade facilitation and logistic services. Cross-border connectivity makes commercial sense too, as each hour's delay in border entails an additional cost of $10-15 and a single day's delay in border raises the tariff on goods by 1 percent, according to the WB.

Number of poor in Asia-Pacific drops: UN Agency

United Nations ESCAP

The proportion of the region's population living on less than $1.25 a day fell from 53 percent to 14 percent between 1990 and 2012, according to the latest report of the Millennium Development Goals (MDGs). By the end of 2015, the number will fall to 12 percent, said the MDG report released recently at the headquarters of the Economic and Social Commission for Asia and the Pacific (ESCAP), a Bangkok-based UN organisation of 53 nations, mainly from Asia and the Pacific Island areas.

In addition to the dramatic drop in poverty levels, more than two-thirds of countries are expected to halve the proportion of the population without access to safe drinking water by 2015, according to the report. The report also said nearly all primary-aged children now complete school and students at all levels of education benefit from gender parity.

Even for some of the targets that have not been achieved, there have been impressive advances. For instance, the rates of under-five and infant mortality fell short of the required two-thirds reduction, but passed the 50 percent mark. Often, the most rapid progress was registered in countries that started furthest behind, the report said.

The final assessment of regional progress toward the MDGs, 'Making it happen: technology, finance and statistics for sustainable development in Asia and the Pacific' was jointly published by UN ESCAP, the United Nations Development Programme and the Asian Development Bank. To maintain the momentum for the post-2015 agenda, the report identified three important areas to be addressed: the benefits of technology to all, necessary financial resources and statistical systems that can monitor the progress of the poorest groups to ensure that no-one is left behind.

In 2001, the UN adopted the MDGs with eight targeted areas mostly education, health, gender equity and climate change to eradicate poverty substantially in the member countries by the end of 2015.

The UN is going to launch the SDGs, another 15-year target-based fight against poverty with 17 areas to address 169 different issues like removing trade barriers. The UN is scheduled to launch the SDGs by holding the SDG summit at the UN headquarters in New York in September.

Asian cities: top destinations for visitors

Asian cities continue to dominate a global list of leading destinations in attracting international visitors arriving by air, according to the annual MasterCard Global Destinations Cities Index. Besides, seven out of the world's top 10 fastest growing destination cities are in the Asia-Pacific, which is a strong leading indicator of their continuing outstanding performance in the years to come, MasterCard said in a report published on June 7.

Asian cities have made up half of the top 10, with Bangkok retaining its position at number two with 18.24 million international overnight visitors and catching up with the top-ranked London. Singapore, Kuala Lumpur, Seoul and Hong Kong round off the top 10, taking seventh, eighth, ninth and tenth place respectively.



Driven by insights into travel patterns, the Global Destinations Cities Index provides a ranking of the 132 most visited cities from around the world. More than just a travel tracker, the index provides an understanding of how people move around the world and the importance of the world's cities as homes, destinations and engines of growth.

London and Bangkok have topped the Index throughout its five-year history. The rivalry is set to continue as Bangkok's visitor numbers continue to recover following civil unrest in 2014. Forecast international overnight visitors to the top 10 cities: London (18.82m), Bangkok (18.24m), Paris (16.06m), Dubai (14.26m), Istanbul (12.56m), New York (12.27m), Singapore (11.88m), Kuala Lumpur (11.12m), Seoul (10.35m) and Hong Kong (8.66m).

In addition, seven of the top 10 fastest growing cities by visitor number over the last six years are in Asia. Sri Lanka's capital city, Colombo, leads the pack, followed by Chengdu, the provincial capital of China's Sichuan province. Forecast top 10 fastest growing cities: Colombo, Chengdu, Abu Dhabi, Osaka, Riyadh, Xi An, Taipei, Tokyo, Lima and Ho Chi Minh City.

Dhaka is also included in the index which ranked 132 global cities, but the MasterCard report could not forecast the number of international visitors expected to travel to the capital city in 2015 because of a lack of official statistics.

Banks join hands with ADB for infrastructure funds

The Asian Development Bank has signed an agreement with eight global banks to work together to advise governments on public-private partnership, a move aimed at accelerating the flow of funds into infrastructure projects in developing Asia. Bangladesh is among seven Asian countries that ADB has identified as potential areas where 30 projects could be implemented at the cost of $20 billion.

The deal is the first formal co-advisory framework between a multilateral development bank and commercial banks, Ryuichi Kaga, head of ADB's Office of Public-Private Partnership, said at a media briefing on May 4 on the sidelines of the lender's annual meetings in Baku, the capital of Azerbaijan.

ADB and the commercial banks will advise the Asian governments on how to best structure the PPP projects, make them attractive to the private sector and manage the bidding process. The governments will, however, make the final choice of PPP winning bidders.

Asia's developing nations need to spend $8 trillion until 2020 on infrastructure projects, mainly on energy, roads, railways, ports, airports and water, to keep up economic growth momentum. Growth in Asia and the Pacific remains strong, as ADB expects the region to maintain a growth rate of 6.3 percent this year.

Infrastructure such as transport, energy and water accounts for about 80 percent of ADB's operations. Infrastructure is not only the basis for economic and industrial development, but also indispensable for human development, raising standards of living and reducing poverty, ADB President Takehiko Nakao said in a statement.

The region has a remarkable record of fighting poverty. But as recently as 2011, 544 million people were still living under the traditional poverty threshold of $1.25 a day. Last year, ADB developed a new poverty measure taking into account the consumption basket specific to Asia's poor, food costs that rise faster than the general price levels, and vulnerability to economic shocks and natural disasters. If the new poverty measure is applied, the number of absolute poor rises to 1.4 billion, or about 40 percent of the region's total population. "Such high poverty is unacceptable. Poverty must be defeated decisively, and soon," Nakao said.

In an effort to eliminate poverty and achieve sustainable development in Asia, ADB found Japan, Canada and Australia as early partners in the PPP initiative.

The three countries are providing a total of $64 million to finance preparatory work for the PPP effort, while ADB will contribute $10 million. The combined outlay may climb up to $150 million, with more partners joining in. "Given their huge infrastructure needs, governments in Asia and the Pacific need more options for funding and operational efficiency in infrastructure projects," Kaga said.

Although there is keen interest to attract private investment into infrastructure, many countries in the region struggle to prepare, structure and place the projects in the market in line with international best practices, Kaga told reporters. The eight banks that will work closely with the ADB are Bank of Tokyo-Mitsubishi UFJ, BNP Paribas, Crédit Agricole, HSBC, Mizuho Bank, Macquarie Capital, Societe Generale and Sumitomo Mitsui Banking Corporation.

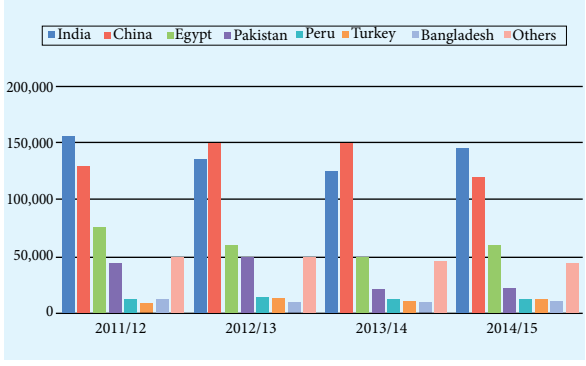
ADB, with its co-advisors, will help clients assess the future income flows of projects, bring international best practices to PPPs, and develop PPP capacity in the region to deliver bankable transactions.

Global cotton production to fall: US report

Global cotton production will fall 5 percent year-on-year to around 113 million bales in 2015-16 mainly due to a drop in cultivation in China, a major producer, according to the United States Department of Agriculture. "Production is expected to remain flat or decrease for all major producers, with the largest reductions of about 2 million bales each expected for the United States and China," a recent report of the USDA said.

China's production is expected to fall to 28 million bales (480 pounds make a bale) as producers respond to the government's new policies. Responding to sharply lower prices, world consumption is projected to exceed production by three million bales in 2015-16, drawing world stocks down to 107 million bales, the equivalent of 92 percent of projected global consumption, the report said.

Bangladesh's cotton consumption will rise 4.08 percent in fiscal 2015-16, riding on higher demand from local spinners and foreign investors in the textile sub-sector, London-based Economist Intelligence Unit (EIU) said in a forecast. Consumption will increase to 1.02 million tonnes despite poor safety standards, mainly due to a shift in investment in the textile sector from India and China, the EIU said.



In Bangladesh cotton imports registered 8 percent growth to 5.6 million bales in fiscal 2013-14 and 6 percent the previous year. Currently, Bangladesh imports around $2 billion worth of cotton a year, according to Bangladesh Textile Mills Association. In recent times, cotton prices in the international markets declined significantly due to the release of older stocks by China, the largest cotton-consuming country. The current prices are at a five-year low of 60-65 cents per pound.

China's yuan no longer undervalued but further reforms needed : IMF

China's yuan currency is no longer undervalued after its recent substantial appreciation, but the government should quicken reforms to get to having "a floating exchange rate", the International Monetary Fund said on May 26. The IMF has previously labeled the yuan as "modestly undervalued", despite the currency's gradual appreciation since a landmark 2005 revaluation. The yuan has gained sharply against most non-dollar currencies in recent months.

"While undervaluation of the renminbi was a major factor causing the large imbalances in the past, our assessment now is that the substantial real effective appreciation over the past year has brought the exchange rate to a level that is no longer undervalued," the IMF said.

In a reference to how China still has a large trade surplus, despite yuan appreciation, the Fund said Beijing's "still-too-strong external position highlights the need for other policy reforms - which are indeed part of the authorities' agenda - to reduce excess savings and achieve sustained external balance."

The IMF said China still faced risks from unsustainable credit and investment growth, and it urged the government to quicken reforms, including making the yuan more flexible. "We believe that China should aim to achieve an effectively floating exchange rate within 2–3 years," the IMF said. The comments came in a statement issued after a visiting IMF team completed a consultation with Chinese officials.

China should step up fiscal support for its economy if growth dips below 6.5 percent this year, or prepare to take steps to rein in credit and investment if growth surprises on the upper side, the fund said.

The IMF expects China's annual economic growth to be 6.8 percent this year, before slowing further to 6.25 percent in 2016, it said in a report.

"If incoming data suggest that growth is likely to exceed 7 percent, the authorities should take advantage of the opportunity to reduce vulnerabilities faster," the IMF said.

India, Japan to drive Asia as China slows : IMF

Faster growth under the reformist governments of India and Japan will help cushion the blow to the world economy from a marked slowdown in China, the International Monetary Fund predicted on June 16. As a whole, the world's most populous region will continue to build up its share of the global economy, the IMF said in its latest World Economic Outlook report.

"Asia's growth is forecast to hold steady in 2015, and the region is expected to continue outperforming the rest of the world over the medium term," it said. The report comes as China grapples with growth slumping to levels not seen in almost a quarter of a century.

Much of that slowdown from the breakneck growth of years past has been deliberately engineered by Beijing, as the government repositions the economy to a more sustainable path. But it leaves global expansion more reliant on the likes of India and Japan, with the United States and Europe still struggling to shake off their torpor.

The IMF said that under reforms by India's new business-friendly government of Prime Minister Narendra Modi, the country was expected to expand at a much faster pace than previously expected. "Growth will benefit from recent policy reforms, a consequent pickup in investment, and lower oil prices," the report said.

Modi swept to power last year on a pledge to revive India's flagging fortunes, and the IMF said his new broom should sweep in growth of 7.5 percent this year and next making it the world's fastest growing major economy.

That was a sharp increase on past IMF predictions, which had put growth at 6.3 percent in 2015 and 6.5 percent next year. It compared with the report's expectation for China's gross domestic product (GDP) to grow 6.8 percent this year and 6.3 percent in 2016.

The 2015 rate, which is in line with a projection by economists in an AFP survey, would be the slowest since 1990 when the Chinese economy was hammered by foreign sanctions after the Tiananmen Square crackdown.

However, the IMF said "ongoing implementation of structural reforms and lower commodity prices are expected to expand consumer-oriented activities, partially buffering the slowdown".

The IMF upgraded its view for Japan, but warned that the prospects for a decisive break from years of recession and deflation hinged on deeper structural reforms by Prime Minister Shinzo Abe.

Japan's growth is seen at 1.0 percent this year and 1.2 percent in 2016 both more than double from the last outlook's forecasts.

"This increase reflects support from the weaker yen, higher real wages, and higher equity prices due to the Bank of Japan's additional quantitative and qualitative easing, as well as lower commodity prices," the report said.

But should things turn worse than expected in both China and Japan, that would reverberate worldwide "given these economies' large size and deep trade and financial linkages with other nations".

The risks, it said, were failure to implement crucial reforms in China and Japan not making structural changes.

In South Korea, "momentum has stalled somewhat", the Fund said, adding that this reflected "fragile household and investor sentiment".

First foreign bank in decades opens in Myanmar

The first foreign bank to operate in Myanmar for decades officially opened the doors of its Yangon branch on April 22, the latest government bid to attract foreign investment in the emerging nation. Myanmar's quasi-civilian administration, which replaced a military regime in 2011, is trying to modernise the country's creaking banking system to increase capital flows to local businesses and spur foreign investment, particularly in the nascent special economic zones.

Central Bank governor Kyaw Kyaw Maung described the opening of Japan's Bank of Tokyo-Mitsubishi UFJ (BTMU) as a "new milestone", adding he hoped that it would strengthen the economy through increased investment and business financing.

BTMU said the Yangon branch would provide "full banking services, including deposits, loans, and foreign exchange, to foreign companies and domestic banks operating in Myanmar".

Japan's largest bank, along with Sumitomo Mitsui Banking Corporation (SMBC) of Japan and Singapore's Oversea-Chinese Banking Corporation (OCBC), were earlier this month given approval to begin operations. OCBC, which is due to open its branch Thursday, said earlier this month it had already seen

a "significant increase in queries from both new and existing customers keen to tap on the immense growth opportunities in Myanmar". OCBC operated in Myanmar for four decades until 1963.

But the country's military rulers, who seized power in 1962, nationalised all banks as they embarked on socialist policies that would send the economy into precipitous decline for nearly half a century. Local people remain deeply suspicious of the banking system and many deal only in cash. Authorities have implemented sweeping political and economic changes in recent years that have seen most international sanctions lifted and created a surge of interest from foreign businesses eager to stake a claim in the new frontier market.

Central bank vice-governor Set Aung told parliament last June that foreign banks would be subject to a range of restrictions to protect local lenders. The foreign lenders would be required to hold at least $75 million, restricted to opening only one branch each and not be allowed into the retail banking sector, he said.A further six foreign banks from the Asia-Pacific region, that were also granted preliminary approval in October, are expected to go through the process of finalising their licences soon.

Asia's exporters struggle to cope with a changing global economy

In the good old decades, many Asian governments could stick to a simple economic strategy - ramp up exports, and reap solid growth rates. Now, export-led growth no longer serves the region well and Asia is struggling to overhaul that economic model as it waits for world trade to recover. And the rebound "is going to be capped", says HSBC economist Fred Neumann, because of changes in the world economy, including how American consumers are "much more frugal" than a decade ago.

Asian exports to the United States have risen this year, but Neumann says such growth now is more driven by investment in software development and shale-oil drilling than by activity that pulls in imports. Stalled global trade talks and the shrinkage of manufacturing supply chains that stretch from China, the world's workshop, are making policymakers from Bangkok to Seoul consider new models as exports may never again grow rapidly as in the 2000s.

"The global trade pattern has changed," Paiboon Kittisrikangwan, a deputy governor at Thailand's central bank, told Reuters recently. The patchy recovery in advanced economies isn't producing the same import demand as before, he said.

South Korean Finance Minister Choi Kyung-hwan has called for a "strategic change" by exporters to target Chinese consumers rather than factories. Indonesian Trade Minister Rachmat Gobel, pressed on what he's doing to boost exports, says he will seek more access for local goods to Western markets.

So far this year, exports from East Asia - from Southeast Asia across to Japan - have fallen an average of around 5 percent in dollar terms. Poor performers include Indonesian coal, Malaysian palm oil, Singapore pharmaceuticals and Korean cars. "Things are not looking up," said Neumann of HSBC, citing persistently weak export orders and purchasing managers' indexes. "They all point towards no pick-up."

Economists had hoped temporary factors such as Lunar New Year and U.S. winter weather might explain weakness. But Dan Martin at Capital Economics said these cannot explain the still-weak numbers, which are "something to worry about more than we did before".

Some of the weakness reflects strength of the dollar, which means earnings booked in local currencies are worth less when reported in the U.S. currency. However, concern is rising that rather than another cyclical slowdown from which demand will bounce back, Asian exporters face something structural - and there will be no return to strong growth.

China's 2001 accession to the World Trade Organisation "led to a burst of supply-chain integration and trade creation in the global economy," said Neumann. As China's manufacturing centres boomed, shipping goods to the West's spendthrift shoppers, supply chains stretched out across the region as factories sucked in high-end components. This specialisation lifted Asia's productivity growth, too. But these days, things are different.

The dispersion of supply chains looks to be ending and "might even go into reverse as China starts to make more of those components," said Martin. The biggest falls in Asian exports this year have been in shipments to China and other emerging markets.

Today, there's no prospect of another China-like opening to rescue struggling exporters. The pace of world trade liberalisation has stalled. Talks over a U.S.-led Trans-Pacific Partnership (TPP) seem to be going nowhere. And there is no sign of another WTO-sponsored Doha round to prise open new markets.

In the United States, a rule of thumb used to be that each percentage point of GDP growth produced two percentage points of import growth. But now the ratio is about one-to-one, said Neuman.

In Thailand, where the central bank now expects exports to fall a third straight year, deputy governor Paiboon says "We need to do some soul-searching as to whether we can continue to rely on external demand to the extent we have so much in the past."

ICC HQs News

ICC Cyber security guide features at World Bank Cyber Preparedness seminar

On the invitation of the World Bank Financial Sector Advisory Center (FinSAC), Gerard Hartsink, Chair of the ICC Commission on the Digital Economy Task Force on Cyber Security, presented the recently launched ICC Cyber security guide for business at FinSAC's Regional Seminar on Cyber Preparedness in Vienna on 18-19 May.



Following a welcome address by Harald Waiglein, Director General of Economic Policy, Austrian Ministry of Finance and introduction by Fernando Montes-Negret, FinSAC Coordinator, World Bank Group the conference focused on presenting the results of the Regional FinSAC Survey on Cyber-preparedness before opening the floor to a series of presentations exploring the many faces and challenges of cyber security.

The guide is intended to be accessible to business owners, executive boards or staff responsible for ensuring compliance. The global edition was produced to reach a broad audience across sectors and geographies.

Mr Maes, whose national committee produced a Belgian guide that inspired a global edition, emphasized the universality and adaptability of the ICC Cyber security guide to help companies assess their needs while the online companion resources can help them gain further insights to adapt the guide to meet local or regional frameworks.

Global business sends clear message to policymakers for ambitious deal at COP21

An unprecedented mobilization of 25 worldwide business networks representing over 6.5 million companies from more than 130 countries pledged on May 21 to lead the global transition to a low-carbon, climate resilient economy. At the Business and Climate Summit, there was a recognition that leading businesses are already taking action to build the prosperous, low carbon economy of the future. In all sectors, business has developed solutions, continues to innovate and is preparing to accelerate the scale and pace of deployment.

Science calls upon national and international policymakers to reach a global climate deal at this year's United Nations' COP 21 Summit in Paris that would see the emissions trajectory peaking around 2020 and globally achieve net zero emissions well before the end of the century whilst keeping cumulative carbon emissions within one trillion tonnes as required by the UN's Intergovernmental Panel on Climate Change. Business believes this objective is achievable and compatible with continued economic growth and human development if all actors work together in this urgent and long-term climate battle.

Welcoming the Business and Climate Summit, Secretary General of the United Nations, Ban Ki-moon said: "This is an important milestone on the way to the Paris climate conference in December. It shows that the engagement of the private sector that began at the Climate Summit in New York last September has continued. Business leaders are now in the vanguard of the movement to take climate action."



Opening the Business and Climate Summit, Francois Hollande, President of the French Republic said: "You must, here in Paris, make commitments, offer solutions and success will also be yours. Because if we take the expected actions, if we make the choices that are hoped for, I am sure it will have extremely positive consequences on economic actors, on future technologies, on employment and on growth."

Business leaders at the Business and Climate Summit made a number of calls to policymakers for more climate action and to introduce climate policies. Among these were:

- Introduction of robust and effective carbon pricing mechanisms as a key component to gear investment and orient consumer behaviour towards low carbon solutions and achieve global net emissions at the least economic costs. The first goal is to boost energy efficiency. It also includes the elimination of fossil fuel subsidies to redirect consumption to clean energy sources. Such policies need to be carefully designed and implemented to avoid competitive distortions in some specific sectors.

- The establishment of an alliance between business and governments leading to the integration of climate policies into the mainstream economy. This should include enhanced public-private dialogues at global and national level, backed by a commitment to raise ambition in line with developments in climate science.

- A call for policymakers to leverage public funds and private sector finance, and to de-risk investment towards low-carbon assets, especially in developing countries. This should surpass the US$100 billion per year pledged in Copenhagen in order to shift the trillions of dollars needed to build the low carbon, climate-resilient economy.

- Ambitious and smart policies from government - both national and international - are required to help more companies take low carbon solutions to scale. Most businesses can be winners if this transition to a low carbon economy is made predictable by robust, long-term policies.

Business called for more ambition from national governments in their Intended Nationally Determined Contributions (INDCs) and announced that they will actively support leadership from policymakers who set clear frameworks to accelerate investment and deployment of climate-friendly solutions.

Stronger partnerships essential for robust deliverables on TFA implementation

The International Chamber of Commerce (ICC) joins forces with the World Bank and the United Nations (UN) on ratification and implementation of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA). During its annual meeting in Geneva, the Global Facilitation Partnership for Transportation and Trade (GFP) identified private sector engagement as vital for effective implementation of the agreement.



The GFP brings together ICC, the World Customs Organization (WCO), the World Bank, the International Trade Center (ITC), the UN Industrial Development Organization (UNIDO), the UN Economic Commission for Europe (UNECE) and the UN Conference on Trade and Development (UNCTAD) to achieve significant improvements in transport and trade facilitation.

Gathering at UN Headquarters in Geneva on 22 April, over 150 representatives of governments, private sector, international organizations and trade experts discussed the role of the business community in the implementation of the TFA.

The meeting reinforced the numerous benefits the agreement will bring, in particular to small- and medium-sized enterprises and developing countries. By implementing the TFA many developing countries will increase their capacity to handle and grow their share of international trade and attract foreign direct investment (FDI).

Since its adoption by WTO members in November 2014, thus far only Hong Kong, Mauritius, Singapore and the United States, have ratified the TFA. Ratifications from108 WTO members are needed for the agreement to enter into force.

Donia Hammami, ICC policy manager in charge of customs and trade facilitation, highlighted four key characteristics for a successful approach to TFA implementation: business engagement, ambition, speed and a coherent approach to implementation.

Applauding the 55 countries that already submitted their Category A commitments to the WTO Ms Hammami said: "Although many of the TFA provisions are to be implemented on a "best endeavors" basis, the message to governments is simple: the more you embrace the trade facilitation agenda, the more you give a leg-up to your local businesses in global markets".

Category A provisions are to be implemented upon entry into force of the TFA. In order to capture the full benefits of TFA provisions, ICC recommends a harmonized

implementation of TFA articles and identifies the World Customs Organization's Mercator Programme as a useful guideline for a harmonized approach to implementation.

While emphasizing the need for multistakeholder dialogue on the national level, Ms Hammami said: "In making coordinated border management a reality, trade facilitation would need to be championed by all agencies and stakeholders involved."

Private sector engagement

In its global advocacy efforts ICC has always underscored the importance of understanding the border challenges businesses face to enhance national competiveness. Fostering private sector participation to facilitate practical feedback is instrumental to ensure government solutions fit practical needs and enhance trade flows rather than being burdensome for businesses. In Geneva, the GFP's members agreed to encourage private sector involvement, including SMEs, in their trade facilitation efforts. In its outcome document the GFP declared the establishment of national committees on trade facilitation an important step to safeguard regular consultation with private sector representatives in order to identify legislative gaps and bottlenecks. Furthermore, the GFP partners will provide technical support and capacity building to assist in the implementation of the WTO TFA in developing countries.

Kim Kit Ow named to lead ICC Academy

The International Chamber of Commerce (ICC) has named former ICC Regional Director for Asia, Kim Kit Ow, as Managing Director of its recently launched ICC Academy. With extensive experience both as a practising lawyer and in-house counsel, Ms Ow will be responsible for overseeing day-to-day operations of the new Academy, established by ICC to deliver market-leading professional education.

Ms Ow holds an LLB (Hons) degree from the National University of Singapore and was called to the Singapore Bar. She began her career in a leading Singapore law firm, practising as a disputes resolution



lawyer. Subsequently she moved into the banking and finance sector, working for both private and public bodies including Credit Suisse and the Monetary Authority of Singapore. In 2009, Ms Ow became Regional Director, Asia for the ICC International Court of Arbitration and ICC Dispute Resolution Services where she was responsible for promoting ICC's dispute resolution services.

The ICC Academy is headquartered in Singapore where Ms Ow will lead a team of Academy staff liaising closely with ICC headquarters in Paris to develop and distribute ICC Academy products and services worldwide.

Chambers rally for Nepal quake relief

OPERATION RELIEF NEPAL
www.operationreliefnepal.com

Following the disastrous earthquake of 7.8-magnitude that struck Nepal on 24 April, ICC World Chambers Federation (WCF) is rallying its chamber members and the global business community to make donations to "Operation Relief" – an initiative activated by the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) to provide support for relief efforts and for victims.

To support on-going earthquake relief operations, financial support to receive wire transfers for the initiative is being channelled through FNCCI's partnership with Everest Bank.

Conveying condolences on behalf of the world business organization and its network, ICC Secretary General John Danilovich said: "ICC stands ready to assist chambers in their on-going relief effort in any way that we can. Our thoughts are with the people of Nepal and everyone affected by the terrible loss of life and widespread damage caused by the earthquake."

Nepal was hit by the quake that caused major devastation across the country, including the capital city of Kathmandu. The huge infrastructure damage and the significant loss of lives that resulted from the catastrophe have brought unbearable pain and sorrow not only to victims and their families but the entire nation as well.

Reaching beyond their individual neighbourhoods, the global network of chambers, with the support of their respective business communities, helps rebuild disaster affected communities close to and far from their own shores, bringing not only immediate assistance when disaster strikes, but remaining and working with local stakeholders to reconstruct businesses and restore economies.

Chambers of commerce are often the first to respond when disaster strikes. As a natural network with important connections, contacts and local knowledge they are able to act quickly to transmit aid and support to their communities where and when it is needed the most. The Federation of Nepalese Chambers of Commerce and Industry is a member of the ICC World Chambers Federation; Confederation of Asia Pacific Chambers of Commerce & Industry and SAARC Chamber.

2015 Oslo Business for Peace Award Winners Announced

The International Chamber of Commerce (ICC) and the Business for Peace Foundation are proud to announce winners of the 2015 Oslo Business for Peace Award, given annually to exceptional global business leaders as the highest form of recognition for efforts to foster peace and stability in the business community.



The 2015 Business for Peace Honourees are:

- Juan Andres Cano, Colombia: Mr Cano is CEO of Semilla, an ethics consultancy, and Value4Chain, a technological platform dedicated to sustainability management for businesses. He is also founder of PeaceStartup, an initiative of Value4Chain (Colombia) and Business and Human Rights (Spain).

- Merrill Joseph Fernando, Sri Lanka: Mr Fernando is the founder of Dilmah, Sri Lanka's leading tea brand. He considerably changed the structure of the tea trade and shares a minimum 10 percent of the pre-tax profit to fund the work of his MJF Charitable foundation.

- Zahi Khouri, Palestine: Mr Khouri and his family escaped the war of 1948, moving to Lebanon. In 1995, with Palestinian partners, Khouri launched the Palestinian National Beverage Company, and established and funded the Zahi Khouri Fellowship Program, providing Palestinian American students and graduates the experience of professional development in Palestine.

- Poman Lo, Hong Kong, China: Ms Lo is a Hong Kong-based businesswoman and Group Managing Director of Regal Hotels International. She launched Bodhiworld.com, a website combining education, entertainment and technology and integrating educational games, intelligence assessment and multimedia content.

- Paul Polman, United Kingdom: CEO of Unilever, Polman is a leading voice in sustainability. He is Chairman of the World Business Council for Sustainable Development. Under Polman's leadership, Unilever has set out an ambitious vision to double its corporate size while reducing its overall environmental footprint and increasing its positive social impact.

Each award recipient shows how business leaders can contribute to global development through their efforts to promote responsible business conduct.

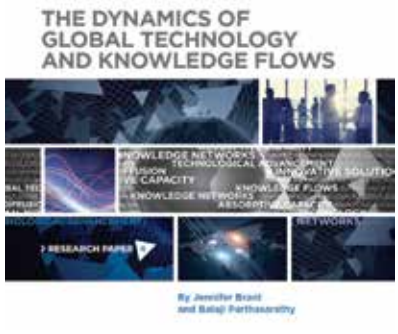
Honourees are selected by an independent jury of Nobel Prize winners in Peace and in Economics after a global nomination process by the Business for Peace Foundation, ICC, United Nations Global Compact and the United Nations Development Programme (UNDP).

ICC: How policymakers can attract technology and knowledge flows

Improving technology and knowledge flows can help countries attract foreign direct investment, enhance access to products that embody new technology and increase opportunities for technology partnering.

But what can policymakers do to improve innovative capacity in their respective regions and how can they ensure that their actions translate into growth and job creation?

The latest paper published by the International Chamber of Commerce (ICC) in its Innovation and Intellectual Property (IP) research series highlights a mounting need for "smart" or targeted regional policies to improve capacity of a region and identifies six best practice areas - from openness of trade policies to adequate access to finance for innovators - where regional policymakers can take targeted action at local level to complement the work of central governments.



Written by authors Balaji Parthasarathy and Jennifer Brant, the paper "The Dynamics of Global Technology and Knowledge Flows" provides an overview of how technology and knowledge flow at the regional and global levels and discusses various channels for transfer and diffusion, as well as the role intellectual property plays in knowledge exchange.

"The Dynamics of Global Technology and Knowledge Flows" is the fourth paper in ICC's innovation and intellectual property series that aims to contribute to a better and more concrete understanding of how IP is actually used in innovative processes to help policymakers design IP and innovation-related frameworks that more effectively help attain policy goals.

ICC rallies business community to amplify priorities for G20

The International Chamber of Commerce (ICC) called on global business leaders to intensify discussions with G20 governments and to emphasize priorities for trade, investment and servicing small- and medium-sized enterprises (SME) to grow the economy and generate jobs.

ICC Chairman Terry McGraw addressed 350 global business leaders gathered in Washington D.C. for a special B20 plenary session co-hosted by the World Bank Group. In his keynote speech, Mr McGraw urged fellow business leaders to step up the dialogue with the G20 and press for adoption of B20 recommendations on trade and investment and on stimulating the contribution of smaller businesses to the global economic recovery.

The high-level B20 plenary session featured interventions from IMF Managing Director Christine Lagarde, Word Bank Group President Jim Yong Kim, Deputy Prime Minister of Turkey Ali Babacan, and Rifat Hisarciklioglu, Chair of B20 Turkey. Ms Lagarde, who has participated in B20 meetings annually since 2011, when the G20 was held in France, reiterated the importance of business contributions to the G20 agenda and called for "continuing dialogue between the B's [B20] and the G's [G20]" .

Mr Babacan emphasized the importance of business engagement in the G20 process. "Governments alone cannot create growth or employment. No matter how much you increase government spending, no matter how much central banks go through a monetary expansion process, if the private sector is not onboard it is not realistic to expect sustainable growth, it is not realistic to expect real job creation. So B20 is very important for us and business involvement in our G20 agenda is of utmost importance," he said.

The B20 plenary was preceded by the inaugural meeting of the B20 International Business Advisory Council-or IBAC, which is chaired by Muthar Kent, CEO and Chairman of the Coca-Cola Company and comprises CEOs and business association heads from each of the G20 countries.

B20 Turkey also invited ICC to serve as its international secretariat for the IBAC, to be chaired by ICC Secretary General John Danilovich.



The B20 meetings in Washington also included breakout sessions for the six B20 policy task forces: Infrastructure and Investment, Trade, Employment, SMEs, Anti-Corruption, and Finance. The meetings were used to provide mid-point assessments of priorities across the task forces and to begin finalizing the recommendations that will be presented to G20 leaders in advance of the Antalya Summit in November.

The 2015 G20 Leaders' Summit will be held in Antalya on November 15-16.

ICC revises DOCDEX rules – enhancing scope, transparency, and efficiency

The International Chamber of Commerce (ICC) has revised its



DOCDEX rules, a dispute resolution mechanism specifically designed to address trade finance concerns. In addition to widening its scope to address any trade finance dispute, the new rules will also increase transparency and enhance time efficiency.

DOCDEX is a rapid, cost-effective, document-based procedure offering international bankers and traders a means to settle documentary instruments disputes - not only helping parties minimize the disruption caused by a dispute but also eliminating the need to settle the claim in court.

Decisions are reached by a panel of three independent and impartial experts, and later scrutinized by an ICC Banking Commission technical advisor. Crucially, decisions are non-binding unless both parties agree otherwise - freeing the independent

experts from "due process", and adding flexibility.

By quickly and inexpensively managing claims, DOCDEX helps minimize the disruption caused by a dispute - not only eliminating the need for protracted litigation, but also safe-guarding the partnerships that are so crucial to the banking and trade finance sectors."

The ICC Banking Commission has drafted the rules that are used worldwide in all the fields of trade finance. Its unrivalled network of banking and trade finance experts makes it a uniquely qualified forum to ensure that trade finance disputes receive an expert, time-efficient and cost-effective answer.

The recently revised rules - which came into force on 1 May 2015 will significantly enhance the already advanced dispute resolution mechanism.

Daniel Schmand appointed Chair of the Banking Commission of the International Chamber of Commerce

The Secretary General of the International Chamber of Commerce (ICC), the largest business organization in the world, has appointed Daniel Schmand of Deutsche Bank as Chair of the Banking Commission effective 1 May 2015 for a three-year term.

At Deutsche Bank's Global Transaction Banking (GTB) division, Daniel Schmand is Managing Director and Head of Trade Finance and Cash Management Corporates for Europe, the Middle East and Africa and is also responsible for the global coordination of the bank's trade finance activities. In his new role at ICC, Daniel Schmand succeeds Kah Chye Tan, Managing Director at JP Morgan Chase, who has chaired the ICC Banking Commission since September 2010.

With a long track record in trade and commercial banking, Daniel Schmand has been involved in several trade-related strategic initiatives including product development and risk coordination for trade finance and supply chain products. Schmand, who joined Deutsche Bank in 1987, has worked in various capacities at Deutsche Bank: From 2003 to 2006, he was head of the GTB in Germany-



South and a member of the regional management board. Prior to this, he held several positions in the trade finance business in Germany and Asia, both on the service and sales side. In February 2012, Schmand was appointed Vice-Chair of the ICC Banking Commission responsible for the newly created area of supply chain finance.

Mr Schmand's appointment was announced during the first ICC Banking Commission Annual Meeting currently taking place in Singapore, a thriving trade and banking hub. A record 600 participants took part in this two-day flagship event which brings together banking executives and government officials from more than 65 countries to rethink the future of trade finance, encourage governments, regulatory bodies and G20 leaders to remove obstacles to trade finance, and stimulate economic growth and job creation.

Michael Vrontamitis, Head of Trade, Product Management, Transaction Banking, Standard Chartered Bank and Vinod Madhavan, Head of Transactional Products and Services, South Africa, Standard Bank were also announced as new members of the Banking Commission advisory board. Mr Madhavan's appointment is in line with the Banking Commission's goal to penetrate new markets, particularly in Africa and is timely ahead of the 2016 Annual Meeting to take place in South Africa.

Latest Bulletin released in e-book format



The International Chamber of Commerce (ICC) International Court of Arbitration offers informative reading on arbitral awards, expert services and oil and gas disputes in the recent issue of its prestigious Bulletin, now available in e-book format as well as in print.

With a worldwide readership, this publication is an essential resource for practice, study and training.

The issue features a historical study by Florian Grisel on the emergence of legal reasoning in ICC Arbitral Awards.

A review of ICC Expert Services by James Nicholson and Matthias Cazier-Darmois also appears in the publication, marking the launch of the 2015 ICC Expert Rules which set out new parameters for using experts and neutrals to help resolve cross-border disputes.

Since its creation in 1923, the International Court of Arbitration has worked to increase knowledge and understanding of arbitration. The Court's Bulletin has contributed significantly to achieving this goal. Initially published in print only, it became available online in 2008 as part of the International Chamber of Commerce (ICC) Dispute Resolution Library, a vast resource of essential ICC publications and documents.

Indonesia to operate the ATA Carnet system as of 15 May

The International Chamber of Commerce (ICC) welcomes the entry of Indonesia into the ATA Carnet system following its ratification of the International Convention for the temporary admission of goods. As the 75th member of the ATA Carnet system, Indonesia's implementation is a major step towards regional integration, and the country is expected to become a major player in the system, both regionally and worldwide.

"By ratifying the convention, the new Indonesian government has demonstrated a strong commitment to foster economic cooperation and trade ties with Indonesia's foreign counterparts from all over the world," said Lee Ju Song, Director of ICC Asia.

The ATA Carnet, a tool for the temporary duty-free and tax-free admission of goods, removes the need for exporters to provide Customs authorities with the otherwise necessary guarantees required for goods to cross borders.

Operating like a passport for goods over 175,000 ATA Carnets, covering hundreds of thousands of Customs transactions, are delivered worldwide every year for goods valued at US$ 25 billion. From computers and prototype cars to prehistoric relics



and seismic equipment, Carnets are issued for all kinds of goods including commercial samples, professional equipment and goods for trade fairs and exhibitions.

Five Benefits of the International CO Online Training

Chambers of commerce issue millions of Certificates of Origin (COs) each year. The International Chamber of Commerce (ICC) World Chambers Federation (WCF) is working to make these COs issuance procedures globally consistent. Its CO online training programme, based on an internationally accepted standard, aims to facilitate international trade and reinforce the central role of chambers in the delivery of COs. Here are five benefits of undertaking the training programme.

Comprehensive

The CO online training programme provides a comprehensive learning experience to refresh and reinforce skills and knowledge of COs. From the origin of COs, to the different types of COs available, as well as case studies and best practices, your knowledge will be further deepened and fully updated.

Flexible

This programme provides options to log in/log out of its chapters. You have three months to complete the course and submit an assessment paper, allowing you to learn at your own pace. As it is online you can get the training anytime and anywhere according to your schedule.

Affordable

For an international certification programme with over 30 hours of content, the price has been set at €300, ensuring chamber staff around the world can access the programme. There are also group



discounts from 10-20%. The training comes with a complimentary copy of the International CO Guidelines, available in six languages.

Step-by-step approach

Whether you are new to issuing COs or have been doing it for years, our step-by-step approach helps you adapt your learning speed and keeps you motivated throughout the programme.

The programme consists of four chapters, three quizzes and one final assessment test, with full supporting items such as an extensive glossary, numerous case studies, appendices and a self-study guide. A mentor service is also available upon request to help you navigate your way through the programme and answer any questions not covered in the course material.

Internationally certified by ICC WCF

Our online training programme is based on the ICC World Chambers Federation International CO Guidelines , with a certificate secured upon completion. The certificate is valid for two years and functions as a learning pace-maker, as you'll need to keep regularly updated on the latest development of CO activities.

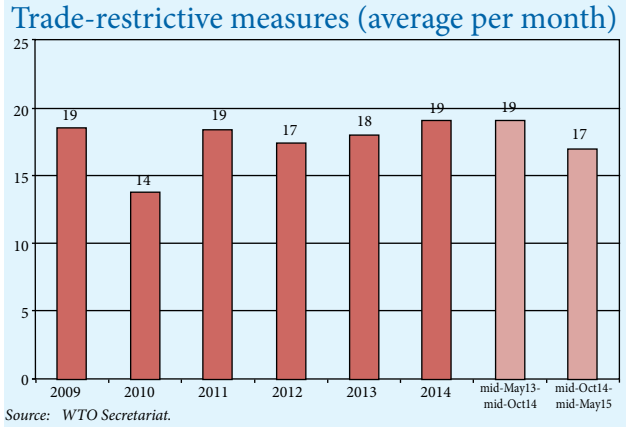
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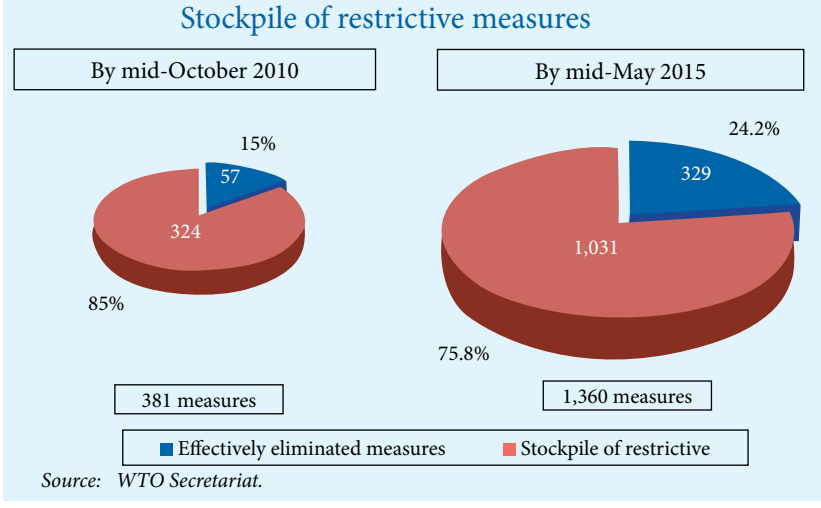
WTO sees "slight deceleration" in G20 trade restrictions but calls for continued vigilance

The WTO's thirteenth trade monitoring report on G20 trade measures, issued on 15 June, shows a slight deceleration in the application of new trade-restrictive measures by G20 economies, with the average number of such measures applied per month lower than at any time since 2013. The report also underlines that it is not yet clear that this deceleration will continue and it calls on G20 leaders to show continued vigilance and reinforced determination towards eliminating existing trade restrictions.

Key findings

- This report shows a slight deceleration in the application of new trade-restrictive measures by G-20 economies with the average number of such measures applied per month lower than at any time since 2013. Since mid-October 2014, 119 new trade-restrictive measures were put in place over the period — an average of 17 new measures per month.
- Also during this period, G-20 economies continued to adopt measures aimed at facilitating trade. The trend on these trade liberalizing measures remains stable with G-20 economies introducing some 112 new measures during the period under review — an average of 16 measures per month.
- Despite these recent trends, it is not yet clear that the deceleration in the number of measures introduced will continue in future reporting periods. Therefore, continued vigilance and reinforced determination towards eliminating existing trade restrictions remains an important priority.
- The longer-term trend remains one of concern with the overall stock of trade-restrictive measures introduced by G-20 economies since 2008 continuing to rise. Of the 1,360 restrictions recorded by this exercise since 2008, less than a quarter have been eliminated, leaving the total number of restrictive measures still in place at 1,031. Therefore, despite the G-20 pledge to roll back any new protectionist measures the stock of these measures has risen by over 7% since the last report.
- The broader international economic context also supports the need for continuing vigilance and action. According to the WTO's most recent forecast (14 April 2015), growth in the volume of world merchandise trade should increase from 2.8% in 2014 to 3.3% in 2015 and further to 4.0% in 2016, but remaining below historical averages.
- While the stock of trade restrictive measures has risen, the overall response to the 2008 crisis has been more muted than expected when compared with previous crises. The multilateral trading system has proved an effective backstop against protectionism.
- This role in providing a stable, predictable and transparent trading environment should be kept in mind as Members prepare for the WTO's tenth Ministerial Conference in Nairobi in December.
- The G-20 must continue to show leadership in eliminating remaining trade-restrictive measures and in the pursuit of further multilateral trade liberalization.





Executive Summary

This is the thirteenth trade monitoring report on G-20 trade measures. It covers the period from 16 October 2014 to 15 May 2015.

This report shows a slight deceleration in the application of new trade-restrictive measures by G-20 economies with the average number of such measures applied per month lower than at any time since 2013. Since mid-October 2014, G-20 economies applied 119 new trade-restrictive measures over the period — an average of 17 new measures per month. A slight decrease in the number of trade remedy investigations by G-20 economies has also contributed to this overall figure.

During this period, G-20 economies also continued to adopt measures aimed at facilitating trade, both temporary and permanent in nature. The trend on trade-liberalizing measures thus remains stable with G-20 economies introducing some 112 new measures during the period under review –an average of 16 measures per month. When counted without trade remedy actions, G-20 economies have adopted more liberalizing import measures than restrictive measures since the end of 2013.

These developments confirm that G-20 economies overall have shown a degree of restraint in introducing new trade restrictions during this reporting period. However, it is not yet clear that the deceleration in the number of measures introduced will continue in future reporting periods. It is also relevant that the slow pace of removal of previous restrictions means that the overall stock of restrictive measures is continuing to increase.

Overall, this report shows that of the 1,360 restrictions recorded by the monitoring exercise since October 2008, only 329 have been removed. In other words, the total number of those restrictive measures still in place currently stands at 1,031 up by over 7% compared to the last report.

The addition of new restrictive measures, combined with a removal rate which fails to significantly reduce the overall stockpile of restrictive measures, is inconsistent with the longstanding G-20 pledge to roll back protectionist measures. With the share of removals of total restrictive measures still under 25%, the longer term trend in the number of trade restrictive measures remains one of concern. Therefore, continued vigilance and reinforced determination towards eliminating existing trade restrictions remain an important priority.

LDCs urge movement on implementing Bali Decision on preferential rules of origin

Least-developed countries (LDCs) took the floor at the 30 April meeting of the WTO's Committee on Rules of Origin to urge fellow members to move forward on implementing the December 2013 Bali Ministerial Decision on preferential rules of origin for LDCs. Members also agreed at the meeting to initiate an "educational exercise" to better understand the impact that national non-preferential rules of origin have on international trade.

The LDCs Group at the WTO presented an "elements for discussion" paper aimed at triggering an exchange on how members are responding to the 2013 Decision and, ultimately, identifying ways to facilitate market access for LDC products. The paper sets out six specific questions to preference-giving countries on the operation of their rules of origin schemes.

Speaking for the group, Bangladesh said it recognises that no single system of rules of origin used by preference-giving countries is better than the other. However, there is "unequivocal evidence" that, under certain conditions, the reform of rules of origin to reflect current global value chains and commercial realities can generate positive outcomes for LDCs.

A paper from the group presented to the committee last October argues that reforms adopted by several preference-giving members have resulted in increased utilization of preferences, relocation of factories to LDCs, increased manufacturing capacity, and more skilled jobs creation in LDCs.

The 2013 Decision sets out guidelines for members to develop their own rules of origin arrangements applicable to LDC imports with the aim of facilitating market access for LDC goods. The Decision also calls on members to annually review developments in preferential rules of origin applicable to LDC imports.

Several LDC Group members said preferential rules of origin was a priority for them in the WTO's post-Bali work and that it was time to address implementation of the 2013 Decision.

Canada said its rules of origin system was generally consistent with the Bali Decision guidelines. The EU said it would shortly send replies to the LDC Group's six questions and that it was looking forward to discussions on the paper. The United States noted that legislation reinstating Generalized System of Preferences for LDCs was working its way through the US Congress, while China highlighted recent changes to its duty-free benefits programme that have already led to a 27% increase in LDC imports in the first quarter of 2015.

The committee also heard a presentation from the WTO Secretariat regarding non-preferential rules of origin being implemented by members as well

as the current state of play in the WTO's work programme on harmonizing non-preferential rules of origin. In addition, the secretariat of the World Customs Organization made a presentation about ongoing work on non-preferential rules of origin, while several members presented their current practices and legislation.

Some members took the floor to argue that non-preferential rules of origin remained a very relevant trade policy instrument and that the lack of harmonization hindered international trade. Others reiterated that harmonized rules were not a priority for businesses. The chairperson concluded that it would be useful to continue this educational exercise at the next committee meeting and proposed to broaden and deepen the analysis of existing rules, with possible input from private sector representatives.

The committee concluded by electing Mr Christian Wegener (Denmark) to succeed Mr Chen as chairperson.

Chair welcomes new notifications under the Trade Facilitation Agreement

Sixty-six developing country and least-developed country members have now submitted notifications to the WTO outlining which provisions of the new Trade Facilitation Agreement (TFA) they intend to implement upon entry into force of the pact.

At the 11 June meeting of the WTO's Preparatory Committee on Trade Facilitation (PCTF), the chairman, Ambassador Esteban Conejos of the Philippines, said the number of "Category A" notifications received is an "encouraging sign of members' continued commitment" to the TFA.

"I am especially heartened to see the number of LDC notifications on the rise with three additional LDC submissions (Burundi, Rwanda and Tanzania)," the chairman added.

In addition to the three least-developed countries (LDCs), new Category A notifications have been received from Dominica, Kenya, the United Arab Emirates, St. Kitts and Nevis, St. Vincent and the Grenadines, Antigua and Barbuda, Grenada and Trinidad and Tobago.

The TFA broke new ground for developing and least-developed countries in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity. To benefit from this, developing and LDC members must notify the WTO which provisions they will implement when the Agreement enters into force or, in the case of LDCs, within one year after entry into force (Category A commitments); which provisions they will implement after a transitional period following the entry into force of the Agreement (Category B); and which provisions they will implement on a date after a transitional period following the entry into force of the Agreement and that require the acquisition of assistance and support for capacity building (Category C).

Ratifications trickling in…

The TFA will only enter into force once two-thirds of the WTO membership (108 members) has formally accepted the Agreement. To date, Hong Kong China, Singapore, the United States, Mauritius, Malaysia, Japan and Australia have ratified the TFA, representing 6 per cent of the total needed to ensure entry into force.

Viet Nam told the committee that its government has completed acceptance procedures and that the national parliament was expected to give its approval soon. The Philippines noted that the Asia Pacific Economic Cooperation (APEC) forum economies have committed to ratify the TFA as soon as possible, and ideally by the WTO's 10th Ministerial Conference in Nairobi in December, in order to express strong APEC support for a successful meeting.

Ambassador Conejos said he hoped the committee would be able to welcome a substantive number of new ratifications by the time the PCTF next meets in October.

Trade Facilitation Agreement Facility, national committees

WTO members also reviewed the latest state of play regarding the Trade Facilitation Agreement Facility (TFAF), which became operational in November 2014. New contributions to the fund continue to come in, most recently from Austria, Norway, Australia and the United Kingdom.

The TFAF was created at the request of developing country and LDC members to help ensure that they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation of the new agreement by all members. The TFAF will support these countries in assessing their specific needs and identifying possible development partners to help them meet those needs through a diverse number of activities.

Cameroon expressed concern that, with entry into force for the Agreement approaching, funding for the TFAF appeared to be limited. The European Union noted that the TFAF was intended as a backstop to help developing and LDC countries that are unable to secure assistance from bilateral or regional donors (note: the World Bank has $7.1 billion for overall TF reforms, with $30 million earmarked specifically for implementation of the TFA). The United States said it has disbursed

some $4 billion in funding for trade facilitation activities since 2008 and has a number of new projects under way in Central America and the Caribbean, Southeast Asia, the Middle East and Sub-Saharan Africa. Members also heard from Malaysia, Mexico, Guatemala, Nigeria, Dominica, Brazil, Viet Nam, Sri Lanka, Pakistan and Nigeria on the progress they have made, and the challenges they confronted, in establishing national committees on trade facilitation. The TFA calls on members to establish and/or maintain a national committee on trade facilitation, or designate an existing mechanism, to facilitate both domestic coordination and implementation of the provisions of the Agreement.

WTO launches dedicated website for new Trade Facilitation Agreement Facility

The WTO has launched a new website which will serve as a focal point for members, donors, and others seeking information on the new Trade Facilitation Agreement Facility (TFAF).

The TFAF was created at the request of developing country and least-developed country (LDC) members to help ensure that they receive the assistance needed to reap the full benefits of the Trade Facilitation Agreement and to support the ultimate goal of full implementation of the new Agreement by all members. The TFAF will support these countries in assessing their specific needs and identifying possible development partners to help them meet those needs through a diverse number of activities.

The Facility was formally launched on 22 July 2014 by WTO Director-General Roberto Azevêdo and became operational on 27 November 2014. The website can be accessed here in English, French and Spanish.

The Trade Facilitation Agreement broke new ground for developing and least-developed countries in the way it will be implemented.

For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

To benefit from this, developing and LDC members must notify the WTO which provisions they will implement when the Agreement enters into force or, in the case of LDCs, within one year after entry into force (Category A commitments); which provisions they will implement after a transitional period following the entry into force of the Agreement (Category B); and which provisions they will implement on a date after a transitional period following the entry into force of the Agreement and that require the acquisition of assistance and support for capacity building (Category C).

The aim of the TFAF is to help ensure that this assistance is provided to all those needing it. The website provides background on the Agreement and the TFAF, information on programmes that support implementation of the Agreement, as well as information on national contact points for trade facilitation in developing and LDC members.

The website also provides information on TFAF support related to the preparation of Category A, B and C commitments, assistance and support for capacity-building, and applications for TFAF grants where no other funding sources are available to developing and LDC countries to meet their implementation needs. The website is a "work in progress" and will be continuously updated to provide useful information for WTO members.

WTO opens online registration for 2015 Public Forum

Online registration for the 2015 Public Forum, to be held at the WTO's headquarters in Geneva from 30 September to 2 October, is now open. This year's Forum, entitled "Trade Works", will examine the contribution that 20 years of global trade cooperation in the WTO has made to the strength and stability of the world economy.

All participants must complete an online application form available on the Public Forum website: www.wto.org/pf15. Registration will remain open until 24 September 2015.

The Public Forum is an annual event which was first launched in 2001. It provides a platform for public debate and discussion across a wide range of WTO issues and activities.

The Public Forum has become one of the most important platforms for dialogue between the stakeholders of the WTO. Over the years, more than 10,000 representatives from NGOs, civil society, academia, business, the media, governments, parliamentarians and inter-governmental organizations have attended the Public Forum.

WTO welcomes Seychelles as its 161st member

On 26 April 2015, Seychelles became the 161st WTO member, ending 20 years of negotiating its accession terms with WTO members. "I am delighted to welcome the Republic of Seychelles as the 161st member

of the WTO," said Director-General Roberto Azevêdo. "This is great news for Seychelles' economy and, therefore, for the people of Seychelles.

It is also a boost for the WTO and a vote of confidence in the Organization, as we redouble our efforts to complete the Doha Round of negotiations."

On 25 March 2015, President James Michel signed the "Instrument of Acceptance" of Seychelles' Accession Protocol, confirming its membership terms, at a plenary meeting of the Cabinet of Ministers in Mahé, Victoria, Seychelles. In this document, Seychelles' government states that the Protocol of Accession was ratified by Seychelles' National Assembly on 24 March. After the signing, President James Michel handed the Instrument of Acceptance to the Director of the WTO Accessions Division, who received it on behalf of WTO Director-General Roberto Azevêdo. According to WTO rules, the 30-day countdown to its WTO membership was activated on 27 March 2015 and Seychelles officially became a WTO member on 26 April 2015.

Azevêdo completes three country visit to Southeast Asia

Director-General Roberto Azevêdo wrapped up a three country visit to Malaysia (19-20 May), the Philippines (21-24 May) and Singapore (25 May) on May 26, hailing the strong support of all three countries for the multilateral trading system and more specifically for a successful meeting of the WTO Ministerial Conference in Nairobi, Kenya, in December this year. The Director-General also was in the region to attend the APEC meeting of Ministers Responsible for Trade held in Boracay, the Philippines, on 23-24 May.

Speaking from Singapore, the last leg of his visit, DG Azevêdo said:

"I have been extremely encouraged by the strong messages of support in Malaysia, the Philippines and Singapore at the highest political levels. In each country I heard strong and unwavering support for the WTO and a recognition of the importance of a successful meeting at our Ministerial Conference in Nairobi in December to advance the Doha Development Agenda negotiations."

"Singapore, as one of the world's truly global cities, epitomises the benefits that international trade can deliver. I was strongly encouraged by the interest and engagement of the Singaporean Government in our work as well as from the business and the NGO community. This included very productive meetings with Prime Minister Lee Hsien Loong and Minister for Trade and Industry Lim Hng Kiang."

"The Malaysian leg of my visit was equally productive. Malaysia as ASEAN Chair this year has a particularly important role that it can play in building support for the WTO in the region. I was delighted to hear from Prime Minister Najib and Minister for Trade and Industry Dato Sri Mustapa Mohamed and others that Malaysia and ASEAN are strongly behind our work, including the need to agree on a work programme by the end of July to advance the Doha negotiations."

"In the Philippines I heard strong support for the WTO and the multilateral trading system. The Philippines has a key role to play this year as Chair of APEC and I congratulate President Aquino and Secretary of Trade and Industry Gregory Domingo on a most successful meeting of trade ministers in Boracay on 23-24 May."

DG Azevêdo said he would be returning to Geneva immediately after Singapore to continue the ongoing consultations on the July work programme.

Azevêdo welcomes strong APEC support for WTO work programme

Director-General Roberto Azevêdo welcomed the strong statement of support issued by APEC trade ministers at their meeting in Boracay, the Philippines, on 23-24 May 2015 and underscored that continued backing from APEC and all other WTO ministers will be "critical" to reaching agreement on a work programme for concluding the Doha Round.

The meeting of APEC Ministers Responsible for Trade (MRT) included a detailed discussion of APEC's ongoing support for the multilateral trading system across a range of areas. Attention was particularly focused on the ongoing discussions in Geneva to agree by July a clearly defined work programme on the remaining Doha Development Agenda issues and on preparations for the WTO Ministerial Conference meeting in Nairobi, Kenya, at the end of the year.

Director-General Roberto Azevêdo said:

"The support of APEC and indeed all WTO members will be critical in the months ahead as we seek to agree the Doha work programme by the end of July. I was able to brief Ministers on the constructive engagement in Geneva in areas including agriculture, industrial products and services that shows members' willingness to doing everything possible to ensure a detailed work programme can be agreed. While positive about the overall levels of engagement, I was nevertheless clear that we only have limited time until July and there are significant divergences that need to be bridged, particularly in agriculture which is one of the critical issues".

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 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.
- In 2014, ICCB organized an ICC International Conference on Global Economic Recovery: Asian Perspective, coinciding with the 20 years of ICC's presence in Bangladesh. The Conference was inaugurated by the President of Bangladesh H.E. Mr. Md. Abdul Hamid. Minister for Finance & Minister for Commerce of Bangladesh, UNCTAD Secretary General, Deputy Minister for Commerce of Myanmar; Commerce and Supplies Minister of Nepal; ICC Vice Chairman; ICC Secretary General; ICC Research Foundation Chairman; Director of National Committees and more than 500 participants attended this event. For the first time ICCB also organized a workshop in Kuala Lumpur on ICC Rules and Tools for International Trade Finance jointly with ICC Malaysia.
- In February 2015, ICCB organized jointly with ICC Sri Lanka a Workshop on International Trade Finance in Colombo.
- In April 2015, ICCB organized Seminar and Workshop on International Factoring for Foreign Trade.

ICCB also organized: e-Learning programme on 'FIT Initiative' (Finance of International Trade) supported by ICC, Paris, eBSI of 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*** University College 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 HSBC Bangladesh have jointly launched a "ICC Knowledge Centre" in 2014 to develop professionals skill of the officials business houses.

BANGLADESH
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