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WTO TFA :
World trade to grow by US$ 1 trillion

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Editor's Note

WTO Trade Facilitation Agreement to reduce cost of business

Trade facilitation has emerged as the key issue for the world trading system in recent years. In November 2014, WTO members adopted a Protocol of Amendment which is a necessary step towards making the Trade Facilitation Agreement (TFA) an integral part of the WTO Agreements. TFA was successfully negotiated at the Bali Ministerial Conference in December 2013 as part of a wider set of ministerial decisions.

TFA will enter into force with the ratification by at least two-third of WTO members. So far, 72 countries have ratified the TFA. Since WTO members have a shared interest in facilitating trade, the Agreement also breaks new ground in the way that it encourages and helps developing-country members to implement their commitments. It is the first WTO Agreement in which members determine their own implementation schedules and in which progress in implementation is explicitly linked to technical and financial capacity.

Although a large part of the trade facilitation agenda involves policy changes – especially coordination and information-sharing, both within and among governments–modernizing Customs systems and adapting new technologies can also involve significant technical capacity and financial resource demands. With this in mind, the TFA sets out a framework for trade facilitation-related technical assistance and capacity-building support, as well as detailed transparency procedures for monitoring this support.

The WTO's Trade Facilitation Agreement also represents an important milestone by creating an international framework for reducing trade costs. Early estimates by the OECD suggested that implementation of the TFA would reduce trade costs by 10%. More recent OECD estimates increase this to 14.5%. Of course, trade facilitation can be implemented unilaterally, but a multilateral agreement brings added value. First, it provides greater legal certainty to the changes in policy. Second, it helps reform in governments marshal support from domestic constituents. Third, it helps solve a coordination problem that would have been created by different approaches to changing border procedures.

There are varying estimates of the value of implementation of TFA. One frequently referenced report by the Peterson Institute estimates that trade facilitation reforms will expand global trade by as much as US$ 1 trillion annually. The OECD estimates that 2/3rd of the gains from the TFA will accrue to the developing countries. But not only do developing countries capture a big share of the trade expansion; they are also able to diversify their exports, entering new markets and selling a wider array of products. Moreover, the increase in global economic activity to be brought about by TFA implementation will provide a badly needed dose of momentum at this time of global economic weakness, especially due to the slowdown in Chinese and Indian economies.

Experts, based on the survey of WTO members, believe that, trade facilitation is a high priority for developing economies and LDCs. However, they also report a great deal of uncertainty about the benefits and costs of the TFA. Donor countries and Agencies expect to increase aid for trade facilitation, but are concerned that political will may be lacking in partner countries.

Bangladesh is actively considering the TFA Ratification soon, to allow an easy flow of goods across borders and lowering the costs of doing business. One of the major commitments of the TFA is the introduction of paperless business worldwide, which is expected to slash the cost of doing business by 10-15 percent. The cost of doing business, particularly in the least-developed countries like Bangladesh, is higher as importers and exporters have to pay extra money to avoid bureaucratic hassles at customs point, higher cost of transportation and processing other documents. In order to become middle income country by 2021, Bangladesh has to ensure full facilitation for promotion of trade and investment.

ICC Bangladesh News

SDG Challenges for Bangladesh: Additional investment of US$93.9 billion needed

Bangladesh requires an additional investment of up to $93.9 billion annually to achieve the sustainable development goals (SDGs), said World Bank Lead Economist Dr. Zahid Hussain in his key note address at ICC Dialogue on Sustainable Development Goals : Challenges for Bangladesh held in Dhaka on 20 March. Currently, the annual investment stands at $59.5 billion against the estimated requirement of $109.4 billion to $153.4 billion to attain the 17 SDGs by 2030, according to Zahid Hussain. The estimate for financing need is based on an approximation that $5-7 trillion of additional investment will be needed per year to attain the SDGs in all countries.

Commerce Minister Mr. Tofail Ahmed M.P. said if there is political stability, economic growth will be higher definitely. In his address as the Chief Guest, he mentioned that if the 7th five year plan is properly implemented then it will help us a lot to achieve SDGs and the country's export will reach US$60 billion by the end of 7th five year Plan. He thanked ICC Bangladesh President Mahbubur Rahman as well as other business leaders for working hand in hand with the government in different developmental issues. The Minister mentioned that the Government of Prime Minister Sheikh Hasina believes in providing all necessary support to the private sector as they are the main actor for attaining higher growth.

Commerce Minister pointed out that Bangladesh is the 2nd largest garment exporter in the world and BGMEA has set a target for the textile sector to reach US$50 billion export by 2021. All these targets are achievable if private sector and public sector work together.

ICC Bangladesh President Mahbubur Rahman in his welcome address said Bangladesh has successfully come out from LDC to a lower middle income group. However, in order to be categorized as a middle income country by 2021, Bangladesh has to consistently maintain the status for the next six years. But without a solid industrial base, enhanced public and private investment, adequate infrastructure, un-interrupted power supply, exploration of natural resources (gas, coal etc.), skilled works force etc., it will be difficult to sustain the present growth rate or even achieve higher growth which needs to be 7.5 to 8 percent in the coming years.

Prof. Wahiduddin Mahmud, a former advisor of the caretaker government in-charge of finance and planning, said one of the reasons behind Bangladesh's success in attaining the MDGs was the adoption of low-cost solutions. However, the solutions to attaining the SDGs will not be that economical. Mahmud said 10 out of the 17 SDGs focus on sustainability, which is a challenge for Bangladesh.

Prof. Mustafizur Rahman, Executive Director of the Centre for Policy Dialogue, said Bangladesh performed well in MDGs because the national policies were aligned with them. Bangladesh can meet part of its financing need for the SDGs by curbing the illegal outflow of funds through various channels including trade mis-invoicing. About $9 billion flew out of the country through illegal channels in 2013, he said, citing an estimate of the Global Financial Integrity. "We should look into that and plug in the loopholes to curb the outflow," he added. The role of the private sector is critical as many of the goals outlined in the SDGs are directly linked to it, said Dr. M Masrur Reaz, programme Manager of the International Finance Corporation (IFC), Dhaka. Mir Nasir Hossain, Former Presdient of FBCCI



Hon'ble Mr. Tofail Ahmed M.P. (3rd from right) Minister for Commerce, Govt. of Bangladesh is seen as the Chief Guest at the ICC Dialogue on Sustainable Development Goals: Challenges for Bangladesh in Dhaka on 20 March. From right to left Lead Country Economist of World Bank Dr. Zahid Hussain, Former Advisor to the Caretaker Govt. Dr. A. B. Mirza Md. Azizul Islam, ICCB President Mahbubur Rahman, Former Advisor to the Caretaker Govt. Prof. Wahiduddin Mahmud & ICCB Vice President Rokia A. Rahman are also seen in the picture.



Participants at ICC Dialogue on Sustainable Development Goals: Challenges for Bangladesh.

(Fedreation of Bangladesh Chamber fo Commerce and Industry) and Managing Director of Mir Akhter Hussain Ltd, said industries are not getting gas connections properly, while other infrastructure deficits also remain. Private investment has been stuck at a certain percentage of the gross domestic product for the last several years, he said. "If we cannot have industrialization, we cannot reduce poverty," he added, while urging the government to address the issues of the industries to achieve the SDGs. Corruption is one of the discouraging factors for investment, said Dr. AB Mirza Azizul Islam, former finance adviser to the caretaker government. Citing the $20 billion of foreign aid in the pipeline, he said institutional and administrative capacity building is important to ensure faster implementation of projects.

Metropolitan Chamber of Commerce and Industry (MCCI) President Nasim Manzur said Bangladesh needs to set out its national priorities for development. He also stressed the need for skills development. "If we want to do justice to the SDGs, we have to come out of the usual approach," said Mustafa K Mujeri, Former Director General of BIDS (Bangladesh Institute of Development Studies) and Executive Director of the Institute of Inclusive Finance and Development.

Mr. Nick Beresford, Deputy Country Director, UNDP-Bangladesh explained about the SDGs and assured that UNDP is committed to support Bangladesh in implementing programme to achive SDGs. Mr. Asif Ibrahim, Chairman, Business Initiative Leading Development (BUILD) said SMEs can play an important role to achieve SDGs.

European Union Ambassador H.E. Mr. Pierre Mayaudon said Bangladesh is FDI friendly environment. He pointed out between 2030 Bangladesh has another objectives of 2021. He emphasized that governance and transparency will be the key to success for Bangladesh. Former AmCham President Aftab ul Islam emphasized the need for institution building, in particular in IT sector in view of the country's moving into digitations.

Dr. Zahid Hussain in his keynote address mentioned that the financing challenge will remain even after the seventh five-year plan, which would run from fiscal 2015-16 through fiscal 2019-20. "Assuming that the targets outlined in the plan are achieved, even that would not be enough to meet the financing gap. So the question is how do we cope with the financing challenge? The first thing to do is prioritization". For prioritization, some objectives like investing in education can serve multiple purposes. But inevitably, tough choices will need to be made. "Do we build roads or schools, or do we subsidise renewable energy or fossil fuel? All these trade-offs will have to be addressed."

The World Lead Economist said the goals will need to be integrated into national planning and policies to deliver the integrated vision embedded in the SDGs. He called for engaging all sectors of the society and making stakeholders accountable to attain the targets. He also cited the challenges of data in monitoring the progress with the SDGs. Set in 2015, the SDGs aim to end poverty, fight inequality and injustice as well as protect the Earth. Some 169 targets and over 300 indicators have been laid out under the SDGs. Hussain said Bangladesh has achieved four of the eight millennium development goals. "Bangladesh should proceed with the SDG agenda based on that confidence," he added.

Speakers at the dialogue also called for improved governance for achieving the SDGs by 2030. The dialogue was also attended by ICC Bangladesh Vice President Rokia Afzal Rahman, Chinese Ambassador MA Ming Qiang; BTMA President and former advisor to the caretaker government Tapan Chowdhury, IMF Resident Representative Stella Kaendera; Chairman PRI Dr. Zaidi Sattar; former FBCCI President A.K. Azad, former BGMEA President Anwarul Alam Chowdhury (Parvez); former BKMEA President Md. Fazlul Hoque; ICCB Executive Board Members A.S.M. Quasem, Mahbub Jamil, Rashed Maksud Khan, Waliur Rahman Bhuiyan, OBE; ICC Bangladesg Seceratry General Ataur Rahman, BRAC Net Ltd Chairman Abdul Muyeed Chowdhury, Dr. Toufiq Ali, CEO Kafco; former DCCI President Matiur Rahman, DCCI Vice President Atique-E-Rabbani and ASM Mainuddin Monem, Deputy Managing Director, Abdul Monem Limited among others.

Address by ICC Bangladesh President Mahbubur Rahman at ICC Dialogue on Sustainable Development Goals : Challenges for Bangladesh

Bismillahir Rahmanir Rahim

H.E. Mr. Tofail Ahmed, M.P., Minister for Commerce

Dr. A.B. Mirza Azizul Islam

Priof.Wahiduddin Mahmud

Excellencies

Keynote Speaker Dr. Zahid Hussain and Distinguished Panelists

Business Leaders

My colleagues in the ICCB Executive Board

Members of the Media

Ladies and gentlemen,

Assalamu-Alaikum and a very good morning to each one of you

On behalf of ICC Bangladesh and on my own behalf I am delighted to welcome you all this morning at today's ICC Dialogue on Sustainable Development Goals : Challenges for Bangladesh.

I would particularly like to thank our Hon'ble Finance Minister Mr. Abul Maal Abdul Muhith, M.P and Commerce Minister Mr. Tofail Ahmed, M.P. for kindly agreeing to join us despite their extremely busy schedules. I am also very much thankful to our esteemed guests and distinguished experts for their time, who are going to enlighten us on various aspects of the theme of our dialogue which carries great importance for Bangladesh.

Distinguished Guests, Ladies & Gentlemen :

The New Year ushers in the official launch of the bold and transformative 2030 Agenda for Sustainable Development adopted by world leaders last September at the United Nations. The new Agenda calls on countries to begin efforts to achieve 17 Sustainable Development Goals (SDGs) over the next 15 years. The Agenda addresses the three dimensions of sustainable development: namely social, economic and environmental, as well as important aspects related to peace, justice and effective institutions.

The new goals resulted from a process that has been more inclusive than ever, with Governments involving business, civil society and citizens from the very outset. The mobilization of means of implementation, including financial resources, technology development and transfer and capacity-building, as well as the role of partnerships, are also acknowledged as critical.

Turning this vision into reality is primarily the responsibility of countries, but it will also require new partnerships and international solidarity. Everyone has a stake and everyone need to make its own contribution. Reviews of progress will need to be undertaken regularly in each country, involving civil society, business and representatives of various interest groups. At the regional level, countries will share experiences and tackle common issues, while on an annual basis at the United Nations, the High-Level Political Forum on Sustainable Development (HLPF), will take stock of progress at the global level, identifying gaps and emerging issues, and recommending corrective measures.

The 17 Goals with 169 targets will be monitored and reviewed using a set of 100 global indicators. Successful implementation will require all players to champion this agenda.

UN Secretary General Ban Ki-moon said "SDGs is a roadmap to ending global poverty, building a life of dignity for all and leaving no one behind. It is also a clarion call to work in partnership and intensify efforts to share prosperity, empower people's livelihoods, ensure peace and heal our planet for the benefit of this and future generations".

Ladies and Gentlemen,

The SDGs have been build on the eight anti-poverty targets of Millennium Development Goals (MDGs) which the world committed to achieve by 2015. Although significant achievements have been made on many of the MDG targets worldwide, progress has been uneven across regions and countries, leaving significant gaps. Millions of people are being left behind, especially the poorest and those disadvantaged because of their sex, age, disability, ethnicity or geographic location. So, SDGs have set target to reach the most vulnerables.

The latest estimates show that the poverty rate in the developing regions have gone down substantially, from 47 per cent in 1990 to 14 per cent in 2015, a drop of more than two thirds and almost half in the proportion of undernourished people in the developing regions. The number of people living in extreme poverty has also declined by more than half during the same period. The literacy rate among youth aged 15 to 24 has increased globally from 83 per cent to 91 per cent and the inequality gap between women and men has been narrowed.

Besides, over the past 25 years the proportion of women in vulnerable employment as a share of total female employment has declined by 13 percentage points. In contrast, vulnerable employment among men fell by 9 percentage points. The global under-five mortality rate has declined by more than half, dropping from 90 to 43 deaths per 1,000. New HIV infections fell by approximately 40 per cent from an estimated 3.5 million cases to 2.1 million.

Despite this success, the indignity of poverty has not been ended for all and unfortunately, such progress has not been uniform. The African continent appears to be lagging behind due to political instability and lack of available resources. Disparity in income in certain parts of the world has also led to continuance of rural poverty in some countries. This in turn is generating internal migration to urban centers and the creation of slums with its attendant challenges.

It is well known that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. All countries and all stakeholders, acting in collaborative partnership, will implement this plan. Achieving such ambitious goals may sound very challenging, but not impossible.

Ladies & Gentlemen,

We are very happy that Bangladesh has been recognized as the Star Performer in achieving most of the Millenium Development Goals (MDGs); even some of them before the target date.

Bangladesh has made major progress in the following areas- reducing headcount poverty and the poverty gap ratio (more than 45 per cent of the extreme poor have been pulled out of the poverty trap); decreasing malnourishment and the number of underweight children under five years of age; attaining gender parity in primary and secondary education in both rural and urban areas; increasing the net enrolment ratio at the level of primary schools; lowering infant mortality rates and the maternal mortality ratio; increasing the percentage of one-year old children immunized against measles and polio, reducing deaths from malaria and tuberculosis and in the provision of improved drinking water.

For Bangladesh, to attain SDGs, more realistic approach should be taken in devising the specific goals, taking into consideration the learning from MDGs – both the progress and the lacking. We know financing will be a major challenge for Bangladesh to attain the SDGs. Out of the 17 SDGs, only eight are better integrated into the existing national prioritization processes.

While many developing countries may face the challenge of mainstreaming the SDG framework in national development plans and policies, Bangladesh however would face less challenge because of its better preparedness in the course of formulating long term policies including Seventh Five Year Plan and various sectoral policies and measures. Bangladesh may confront challenges with regard to financing various activities related to SDGs.

We all know that the private sector is not only a source of financing, but it is also an actor in development. Its role, especially when motivated by long-term sustainability interests, lies in core operations and the wide impact

of business, and relates directly to UN values, poverty eradication and the spectrum of issue areas covered by the proposed SDGs. This dynamic role as a driver of sustainable economic growth brings with it opportunities in value creation as well as important responsibilities for business as a driver of sustainable economic growth.

It is important to note that more and more businesses are incorporating social and environmental sustainability criteria in core business operations. Very sophisticated and transparent techniques are being developed to align corporate long-term goals with global sustainability goals. Partnerships are expected to play a key role in the implementation of the SDGs. In this regard, it is important to recognize that partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global.

We have to keep in mind that the most direct route to innovation, technological advances and productive capacity is through a healthy, engaged industrial sector. An inclusive discussion format, involving business in national development plans, is taking place in many country settings. Multi-sector initiatives involving engaged business could support this trend. Government should consider developing such platform in order to ensure better engagement of the private sector in the process of implementation of the SDGs.

Ladies and Gentlemen,

Bangladesh has maintained an impressive track record on growth and development. In the past decade, the economy has grown 6 percent plus per year, and human development went hand-in-hand with economic growth. Poverty dropped by nearly a third, coupled with increased life expectancy, literacy, and per capita food intake. More than 15 million Bangladeshis have moved out of poverty since 1992, according to the World Bank. The GDP during the current fiscal year ending in June 2016 is expected to be between 6.7-7 %.

Bangladesh has successfully come out from LDC to a lower middle income group. However, in order to be categorized as a middle income country by 2021, Bangladesh has to consistently maintain the status for the next six years. But without a solid industrial base, enhance public and private investment, adequate infrastructure, un-interrupted power supply, exploration of natural resources (gas, coal etc.), skilled works force etc., it will be difficult to sustain the present growth rate or even achieve higher growth which needs to be 7.5 to 8 percent in the coming years.

With this aim in view, we have arranged today's dialogue in the presence of Hon'ble Ministers of Finance and Commerce in order to help them to take policy decisions to successfully achieve the objectives of SDGs as they did in case of MDGs.

I would now like to thank each one of you for your kind participation and contribution.

Allah -Hafez.

Dhaka, Bangladesh
Sunday, 20 March, 2016

Mahbubur Rahman
President
ICC Bangladesh

ICC Bangladesh 21st Annual Council held

Acceleration of private investments: key challenge for Bangladesh in 2016

Bangladesh will require increasing GDP growth to 7.5 to 8 percent per year based on accelerated export and remittance growth. Both public and private investment will need to increase as well. Growth will also need to be more inclusive through creation of productive employment opportunities in the domestic economy. To sustain accelerated and inclusive growth, Bangladesh will need to manage the urbanization process more effectively, as well as prepare for adaptation to climate change impacts, said ICC Bangladesh President Mahbubur Rahman while he was presenting the Executive Board Report at the ICC Bangladesh Annual Council 2015 held in Dhaka on 30 March.

Mahbubur Rahman said Bangladesh needs to sustain its growth to reduce extreme poverty and boost shared prosperity. And the ultimate necessity is investment, which is still stagnant and insufficient; only 20 per cent of GDP. Private investment increased by only 0.1 per cent and public investment fell short of the target by 0.6 per cent. Low implementation of the ADP is a major factor for lower public investment.

While 2016 will be a challenging year for the global economy, Bangladesh economy is moving on a stable path with a positive near-term macroeconomic outlook with declining inflation, rising reserve, contained fiscal deficit and stable public debt. Bangladesh now is a lower-middle income state and is being lauded by several global forums for its 'stability' in the macroeconomic scenario, he said.

The key challenges for Bangladesh in 2016 will be the acceleration of private investments and the better use of public sector resources to implement important infrastructure. To address the issue structural reforms and developments in infrastructure and energy is vital. Bangladesh has the potential to attract FDI from a wide range of countries, the Report observed.

The economy is expected to show strong growth in FY 2016. Both International Monetary Fund (6.8 per cent) and Asian Development Bank (6.7 per cent) have revised their growth forecasts upward and the government is projecting 7.0 per cent plus economic growth. World Bank has projected a 7.00 per cent growth in 2016 backed by stronger consumption and export growth. Inflation is expected to remain at around 6.2 per cent mark, mentioned ICC Bangladesh President.

Presenting on the activities of the National Secretariat, the Report mentioned that during 2015 ICC Bangladesh organized three events abroad in addition to holding progarmme at home. The foreign events were: Workshop on International Trade Finance organized jointly with ICC Sri Lanka in Colombo in February, a total of 106 bankers from Bangladesh and 60 from Sri Lanka attended the Workshop. Seminar on Bangladesh-China Trade Finance: Role of Banks jointly with ICC China and China Council For The Promotion of International Trade (CCPIT), Yunnan Sub-council in Kunming in August, a total of 45 senior levels ofiicials, including Bangladesh Bank Executive Director, MDs/ CEOs and DMDs from 18 Commercial Banks of Bangladesh as well as 60 bankers of Commercial Banks of China from Beijing and Kunming attended the Seminar. Workshop on International Trade Finance, Logistics and Business Development jointly with UNESCAP, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Myanmar Bank Association (MBA), held in Yangon in November, more than 200 delegates including 74 bankers from Bangladesh, 16 bankers from Myanmar, 120 participants from Myanmar, Bangladesh, Bhutan, Cambodia, France, India, Lao PDR, Sri Lanka,



ICC Bangladesh President Mahbubur Rahman (4th from right) presenting the Executive Board Report of ICC Bangladesh at its 21st Annual Council 2015 held on March 30 in Dhaka. Also seen in the picture (L-R) ICCB Secretary General Ataur Rahman, Former BKMEA President Md. Fazlul Hoque, Former MCCI President Kutubuddin Ahmed, ICCB Vice Presidents Latifur Rahman & Rokia A. Rahman, BTMA President Tapan Chowdhury and Airtel Chief Corporate Affairs Officer Ashraful H. Chowdhury.

USA, Hong Kong, Thailand, China, Indonesia, Singapore, Cambodia, the Philippines attended the Workshop. The local programme were: Seminar and Workshop on International Factoring for Foreign Trade held in April in Dhaka jointly organized with Factors Chain International (FCI), Asian Development Bank (ADB) and Bangladesh Institute of Bank Management (BIBM) and Workshop on Application of Rules for International Trade Finance organized jointly with Mutual Trust Bank Limited in May. ICC Dialogue on New Industrial Policy was also organized in December.

ICC Bangladesh also arranged Certified Documentary Credit Specialist (CDCS), Certificate for Specialists in Demand Guarantees (CSDG) and Certificate in International Trade Finance (CITF) Examinations, conducted worldwide every year by ifs University College of London, at Dhaka in April and October, the report said.

ICC Bangladesh also participated in ESCAP Business Advisory Council (EBAC) and Asia Pacific Business Forum (APBF), ICC Regional Consultative Group Meeting and WTO Ministerial Meetings as well.

The Council adopted the Executive Board Report & Audited Financial Statements of ICC Bangladesh for the year 2015 and appointed the Auditor to Audit the 2016 accounts of ICC Bangladesh.

On behalf of the ICC Bangladesh Election Scrutiny Board, Ashraful H. Chowdhury, Chief Corporate Affairs Officer, Airtel Bangladesh Ltd. announced the composition of the New Executive Board of ICC Bangladesh for the period April 2016 to March, 2018.

Among others, ICCB Vice Presidents Latifur Rahman & Rokia A. Rahman; ICC Bangladesh Board Members Aftab ul Islam; A.S.M. Quasem; Mahbub Jamil; Kutubuddin Ahmed; R. Maksud Khan; Tapan Chowdhury; ICCB Members Md. Matiul Islam, Chairman, IIDFC; Abhijit Chakravarty, Country Head, State Bank of India; Md. Khalilur Rahman, Managing Director, National Housing Finance and Investments Limited; Abul Kashem Khan, Managing Director, A. K. Khan Telecom Ltd.; Salahuddin Kashem Khan, Managing Director, A. K. Khan & Company Ltd.; Dr. Toufiq Ali, Managing Director & CEO, KAFCO; Abu Alam Chowdhury, Managing Director, CONEXPO Limited; Rizwan-Ur Rahman, Managing Director & CEO, ETBL Securities & Exchange Ltd.; Mohammad Shahjahan Khan, Managing Director, S. S. Shipping & Chartering Ltd.; Imran Ahmed, Managing Director, Duncan Brothers (Bangladesh) Limited; Syed Ershad Ahmed, CM & Managing Director, Expeditors (Bangladesh) Ltd.; Anwar Hossain, Vice President, Li & Fung Bangladesh Limited; Ghulam Rahman, Executive Vice Chairman, Eastland Insurance Company Ltd.; Anis A. Khan, Managing Director & CEO, Mutual Trust Bank Limited; S.A.A. Masrur, Country Head, Bank Alfalah Limited; Ahmed Kamal Chowdhury, Managing Director, Prime Bank Limited; former FBCCI President Mir Nasir Hossain, former DCCI President, Asif Ibrahim; former BGMEA President Anwar-Ul-Alam Chowdhury (Parvez), ICC Bangladesh Secretary General Ataur Rahman & Muhammad A. (Rumee) Ali, CEO, BIAC attended the Council.



Group picture of ICCB Annual Council 2015.

International Factoring for Foreign Trade crucial:
Senior Commerce Secretary Hedayet Ullah Al-Mamoon

Factoring is very important for international transaction. In Bangladesh export earning is growing rapidly and our export has more potential to grow. Letter of Credits (L/C) is a popularly used international trade payment method in Bangladesh. But because of more formalities and more costing, importers are becoming less interested to import under L/C. Rather importers are more interested to import under open account terms. As open account is involved with risk, international factoring removes the danger of open account trade said Mr. Hedayet Ullah Al-Mamoon, Senior Secretary, Ministry of Commerce, Government of Bangladesh while inaugurating the ICC Training on International Factoring for Foreign

Trade organized by ICC Bangladesh at Dhaka on 24 February as Chief Guest. He thanked ICC Bangladesh President Mahbubur Rahman for ICC Bangladesh's role to act as a catalyst between business sector and the banking sector.

ICC Bangladesh President Mahbubur Rahman said both banks and corporate houses face challenges in case of Non L/C methods particularly open account trade. Under open account trade, payment is received many weeks or even months after delivery. International factoring provides a simple solution of problems faced in case of Non–L/C trade payment. As international factoring lets exporters safely offer of competitive credit terms to their foreign customers, this international trade payment and financing mechanism is now popular among both exporters and importers. It is assumed that percentage of Non-L/C mechanisms of trade payment particularly open account transaction is usually around 80 per cent of world trade, he added.

Mr. Rahman mentioned that as per our last year's seminar recommendations on Factoring, the Ministry of Commerce has already included Factoring as a method for international trade payment in the Export Policy 2015.

He suggested the Central Bank for implementation of Factoring in Bangladesh.

Similarly, the Governor of Bangladesh Bank, at our request, has also formed a Core Committee for implementation of International Factoring for Foreign Trade in Bangladesh. The Core Committee headed by the Executive Director, Foreign Exchange Department, Bangladesh Bank has already considered a Draft Guidelines for International Factoring. As per request of the Core Committee, ICC Bangladesh has organized today's Training for the officials of the corporate dealing with international trade. Mr. Rahman added.

ICCB President thanked the international and local facilitators for their academic contribution. Their contribution would provide valuable inputs for the policy makers, bankers and other stakeholders in framing future policies in introducing this financial service.



Senior Commerce Secretary Hedayet Ullah Al-Mamoon speaking at the ICC Training on International Factoring for Foreign Trade on 24 February in Dhaka. ICCB President Mahbubur Rahman (3rd from right), ICC Banking Commission Chairman Muhammad A. (Rumee) Ali (4th from right), BGMEA Vice President Mohammed Nasir (2nd from right), FCI Asia Director Lee Kheng Leong (extreme right) and BIBM Director Dr. Prashanta Kumar Banerjee (5th from right) also seen in the picture.

ICC Bangladesh Banking Commission Chairman Mr. Muhammad A. (Rumee) Ali in his welcome address said BGMEA has set a target for the textile sector to reach US$50 billion export by 2021.



ICC Bangladesh President Mahbubur Rahman (middle) inaugurated the ICC Workshop on International Factoring for Foreign Trade. Also seen in the picture from left to right are BIBM Director Dr. Prashanta Kumar Banerjee, FCI Asia Director Lee Kheng Leong, ICC Banking Commission Chairman Muhammad A. (Rumee) Ali and ICCB Secretary General Ataur Rahman.

To achieve the target our export payment system must be smooth and modern and I guess International Factoring will minimize the export cost.

BGMEA Vice President Mohammed Nasir said in the next five years, in the world market Readymade Garments demand will be US$650 billion, so there has enormous opportunities for Bangladesh to avail the opportunity.

Mr. Lee Kheng Leong, Asia Director, Factor Chain International (FCI), Dr. Prashanta Kumar Banerjee, Professor & Director of BIBM and ICCB Secretary General Ataur Rahman also spoke at the inaugural session.

The training, moderated by ICC Bangladesh Secretary General Ataur Rahman was conducted by Lee Kheng Leong, Asia Chapter Director of Factors Chain International, Dr. Prashanta Kumar Banerjee, Professor and Director of Bangladesh Institute of Bank Management and M. Imtiaz Farooq, BCL (Oxford), Barrister-at-Law (Lincoln's Inn, UK), Advocate Supreme Court of Bangladesh. A total of 118 participants from export houses attended the training.

On 25 February a workshop on the same topic was held at Krishibid Institution Bangladesh Complex, Khamarbari, Dhaka. ICC Bangladesh President Mahbuibur Rahman inaugurated the Workshop. ICC Bangladesh Banking Commission Chairman Mr. Muhammad A. (Rumee) Ali, ICC Bangladesh Secretary General Ataur Rahman,Mr. Lee Kheng Leong, Asia Director, Factor Chain International (FCI) and Dr. Prashanta Kumar Banerjee, Professor & Director of BIBM also spoke during the inaugural session. Around total of 161 participants mostly from banking sector attended the workshop.

The Workshop moderated by ICC Bangladesh secretary general Ataur rahman was conducted by Lee Kheng Leong, Dr. Prashanta Kumar Banerjee and Bangladesh Bank executive Director Ahmed Jamal.

Former Indonesian President invited as Keynote Speaker at Asia Pacific Business Forum of UNESCAP in Dhaka

ICC Bangladesh President Mahbubur Rahman called on Former President of Indonesia H.E. Prof. Dr. H. Susilo Bambang Yudhoyono in Bali on 29 January and extended invitation to him to be the Keynote Speaker at Asia Pacific Business Forum(APBF) of UNESCAP to be hosted by ICC Bangladesh in Dhaka sometimes in November-December this year. It may be mentioned that earlier Mahbubur Rahman was honoured by the President of Indonesia as the "Presidential Friend of Indonesia" in 2012. The ceremony was held at the Presidential Palace in Jakarta in August 2012 at the celebration of the 67th Independence of Indonesia.



ICC Bangladesh President Mahbubur Rahman called on former President of Indonesia Prof. Dr. H. Susilo Bambang Yudhoyono in Bali, Indonesia recently. Mr. Rahman was named a "Presidential Friend of Indonesia" in 2012 at the celebration of the 67th Independence of Indonesia.

The Asia-Pacific Business Forum (APBF) is the flagship regional business forum organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). With its 53 Member States plus nine Associate Members, ranging from least developed and Pacific Island countries, to countries with emerging markets, ESCAP secretariat as well as ESCAP Business Advisory Council(EBAC) and Sustainable Business Network(ESBN) are the driving forces behind APBF.

APBF's mission is to provide the best platform for regional public-private sector dialogue on the role and needs of business in achieving inclusive, resilient and sustainable development. APBF was first launched in 2004 in Shanghai, where it attracted over 2,000 participants from business, government, academia and civil society from across the region.

Over the course of one decade, it has helped form a pan-Asian multi-stakeholder network, and has been hosted in various locations, such as Almaty, Bangkok, Colombo, Jakarta, Kuala Lumpur and Kunming.

At the request of ESCAP Business Advisory Council, ICC Bangladesh will be hosting the APBF in Dhaka this year.

French Ambassador called on ICC Bangladesh President

H.E. Ms. Sophie Aubert Ambassador of France called on ICC Bangladesh President Mahbubur Rahman on 15 February. The Ambassador discussed about the possibility of increased investment by French companies in Bangladesh.

This will help in reducing the huge trade gap between the countries, which in favour of Bangladesh, mainly due to export of RMGs, ICC Bangladesh President Mahbubur Rahman assured the Ambassador all possible support from ICC Bangladesh for attracting investment from France.

He suggested that French companies could invest in mega infrastructure projects, in particular in energy, gas exploration and construction of roads and bridges. The French Ambassador said they knew Bangladesh had many partners, but added that her country is interested to develop a 'demanding relationship' with Bangladesh.

ICC Bangladesh President Mahbubur Rahman briefed the Ambassador about ICC Bangladesh activities. He requested the Ambassador to project Bangladesh in her country and to attract more investments and expansion of trade between the two countries. The meeting was also attended by ICC Bangladesh Secretary General Ataur Rahman.



H.E. Ms. Sophie Aubert, Ambassador of France (middle) is seen with ICCB President Mahbubur Rahman (right) and ICCB Secretary General Ataur Rahman (left) during her visit to ICC Bangladesh.

Vietnam Ambassador at ICCB : discussed areas of bi-lateral cooperation

Ambassador of the Socialist Republic of Vietnam to Bangladesh H.E. Mr. Nguyen Quang Thuc visited ICC Bangladesh on 16 February and had meeting with President Mahbubur Rahman. The Ambassador was briefed by Mahbubur Rahman about upcoming Workshop which will held in Hanoi on 21-23 April jointly with Vietnam Chamber of Commerce and Industry (VCCI). In addition, a high level Business Delegation will also be visiting during the same period, ICC Bangladesh President informed the Ambassador.



ICC Bangladesh President Mahbubur Rahman (middle) is seen with Ambassador of the Socialist Republic of Vietnam to Bangladesh H.E. Mr. Nguyen Quang Thuc (right). ICCB Secretary General Ataur Rahman (left) also seen in the picture.

The Ambassador thanked the ICC Bangladesh President for taking such an initiative and assured all assistance to make the visit useful. He hoped that the visit will help in strengthening bilateral relations between the two emerging economies. He informed President Rahman that in 2015 Vietnam export to Bangladesh was around US$570 million, as against Bangladesh's export only around US$33 million. The Ambassador referred to the visit of the Hon'ble President of Bangladesh to Vietnam in August 2015, during which it was agreed to increase the volume of annual bilateral trade between the two countries to $1 billion by 2016. During the bilateral meeting between Bangladesh President Abdul Hamid and Vietnamese President Truong Tan Sang it was also agreed to remove all trade related barriers and establish physical connectivity for our mutual benefits, he said. ICC Bangladesh President Mahbubur Rahman briefed the Ambassador about ICC Bangladesh activities. The Meeting was attended by ICC Bangladesh Secretary General Ataur Rahman and ETBL Securities Managing Director Rizwan ur Rahman.

64th ICCB Executive Board Meeting held

The 64th Meeting of the ICC Bangladesh Executive Board was held on 28 February. The Executive Board considered the Report of the Executive Board and the Audited Accounts for 2015 for placing before the ICC Bangladesh Annual Council 2015. The Board also decided to held the Annual Council on 30 March. The Executive Board also reviewed the activities of the National Secretariat during first quarter of 2016. 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, A.S.M.Quasem, Aftab ul islam, Kutubuddin Ahmed, Mahbub Jamil and R. Maksud Khan.



64th ICCB Executive board meeting is in progress.

New Members of ICC Bangladesh

The Executive Board of ICC Bangladesh during its meeting held on 28 February 2016 accepted the Membership of four companies under corporate categories. The companies are : M/s. Transcom Beverages Limited, M/s. Envoy Textiles Limited, M/S. ETBL Securities & Exchange Limited & M/s. S.S. Shipping & Chartering Ltd.

Selected ICC Publications



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Images from the Gallery



Participants at ICC Training on International Factoring for Foreign Trade held on February 24.



Participants at ICC Workshop on International Factoring for Foreign Trade held on February 25.

Bangladesh Economy

WB identifies five key areas where concerted efforts are needed over the next 3-5 years

Five key areas have been identified by the World Bank where concerted efforts over the next 3-5 years could lead to creation of more and better jobs. The five areas are: inland connectivity and logistics, energy, regional and global integration, urbanization and delta management. Bangladesh has largely neglected investment in infrastructure, the WB said in a report -- "A Systematic Country Diagnostic".



Public investment in infrastructure was less than 2 percent of the gross domestic product, and it lags far behind its regional competitors in infrastructure quality, the Report mentioned. Total investment in hard infrastructure in China, Thailand and Vietnam exceeded 7 percent of their GDPs. To attain 7.5-8 percent growth, Bangladesh will require investment of at least 33 percent of GDP and an increase in infrastructure investments to around 10 percent of GDP per year, according to a WB estimate.

The suggestions came in the 200-page report which identifies key priorities for Bangladesh to reduce extreme poverty and boost shared prosperity. "This report goes beyond presenting just a diagnostic per se, and also includes a number of recommendations and suggestions on how best to tackle these challenges," said the WB.

The report has already been sent to the government and the WB will finance Bangladesh's development over the next five years on the basis of the priorities set in the report, according to finance ministry. About the energy sector, the WB said even though electricity generation capacity has doubled since 2009, Bangladesh continues to face significant power shortages.

Only 60 percent of the population have access to electricity, and per-capita electricity consumption of 294 kWh per year was one of the lowest in the world, the report said. In the light of these facts, the availability and reliability of power is a key concern for businesses. Surveyed on 15 factors that comprise the business environment, Bangladeshi businesses have rated electricity as the second highest constraint to their operations, after political instability and ahead of finance and corruption.

More specifically, 28 percent of the firms surveyed identified electricity as their top obstacle and 52 percent identified it as a major constraint to doing business. Gas is critical for the power sector in Bangladesh, since it fuels 70 percent of generation, according to the report. However, the WB estimates suggest that domestic gas production will peak at 3,000 mmcfd in 2017 and then begin to decline. Exploration of additional domestic gas is now a priority, particularly offshore.

In the meantime, liquefied natural gas imports will likely be required soon to fuel existing gas-fired plants as well as those under construction. Given Bangladesh's over reliance on natural gas, power supply diversification is also a key need. The other issues facing the power sector are: the dual challenge of massive investment in new capacity while simultaneously facing increasing supply costs.

About inland connectivity and logistics, the WB said Bangladesh needs to accelerate the economic transformation of its rural areas and improving connectivity is the key. Improved inland connectivity raised agriculture productivity, promoted the movement of the workforce from farm to non-farm employment and reduced poverty, the report said.

Rural road investments have reduced poverty significantly through higher agricultural production, higher wages, lower input and transportation costs and higher output prices, data shows. So it is important to develop and maintain the roads and further integrate them with the larger transport network, the WB said.

"In particular, Bangladesh needs to move away from the 'build, neglect, rebuild' mindset, and instead ensure enough funding is available for maintenance." In addition to investments in rural roads, the country also needs to improve east-west connectivity, particularly connecting the southwest to Dhaka. The report also said Bangladesh can enhance its international competitive edge by improving logistics.

The WB emphasized increasing the capacity of Chittagong port, the Dhaka-Chittagong highway for reducing trade costs. "Bangladesh should improve physical connectivity with India, but priority should be to remove the policy constraints to seamless cross-border movement of cargo."

About regional and global integration, the WB said export-led growth has served Bangladesh well. But there remains significant potential for further expansion in areas such as higher-value garment, pharmaceutical products, non-leather footwear and information technology, the WB said.

On urbanization and delta management, the World Bangk projected various aspects of Bangladesh. Urban population growth in Bangladesh has recently been faster than in most other South Asian countries. Employment opportunities are the most important attraction for incoming migrants from rural areas and other smaller urban settlements, according to the report.

Economic growth to keep up momentum current fiscal: WB

Bangladesh's economic growth will keep up its momentum this fiscal year despite pressure on the budget from a salary hike for government employees and spending on infrastructure, the World Bank said.

Increased infrastructure spending and public sector wage hikes in Bangladesh are expected to keep growth high at 6.8 percent over the medium term, but will widen the fiscal deficit, said the WB's Global Economic Prospects 2016 released on 7 January. The WB report forecasts that GDP growth will be 6.5 percent against the government's target of 7 percent in the current fiscal year. Growth will be 6.7 percent and 6.8 percent in the following two fiscal years, it said.

The hike in public sector wages will affect the GDP in two ways, said Zahid Hussain, lead economist at the WB's Dhaka office. One of the major sectors on which GDP is calculated is public administration, and government officials' income is reflected in public administration. On the other hand, the employees will spend their increased salary on consumption, which will also have a positive impact on GDP growth.

The new pay scale was introduced in January last year, while it was made effective from July 1. Some 1.2 million government employees have been drawing their salaries as per the new pay scale with arrears. In addition, when the teachers under the MPO and other officials related to the national pay scale are counted, the basic salaries of an additional 900,000 people have gone up. The 520,000 pensioners also got a hike in their pay cheques this fiscal year.

The government has made effective only the hike in basic salaries this fiscal year; the allowances will be raised next fiscal year. An additional Tk 159,040 million will be required to bear the increase in basic salaries this fiscal year; an additional Tk 238,280 million will be needed next year to cover the allowances, according to the finance ministry.

Bangladesh has also started implementing a number of big infrastructure projects, including the Padma bridge and metro-rail, said Zahid Hussain. The government plans to implement a good number of projects in the power and road sectors, he added. Under a $2 billion Indian line of credit, a number of projects will be implemented in the road and railway sectors. If these projects are implemented properly, economic growth will accelerate in the medium-term, according to Hussain.

	GDP growth (%)	Investment rate in % of GDP
Bangladesh	6.2	28
China	8.3	45.3
India	7.3	30.6
Indonesia	5.6	32.1
Pakistan	3.9	13.2
Philippines	6.2	20.1
Sri Lanka	7.1	28.1
Vietnam	5.9	26

An amendment to the labour laws in September that strengthens workers' rights and workplace safety should assist export performance, particularly in light of the ongoing US review of Bangladesh trade status under its generalized system of preferences, the WB report said. As political tension in Bangladesh has abated, exports have rebounded strongly, supporting activity, according to the report. The easing of political tensions or uncertainty should bolster private consumption, it said.

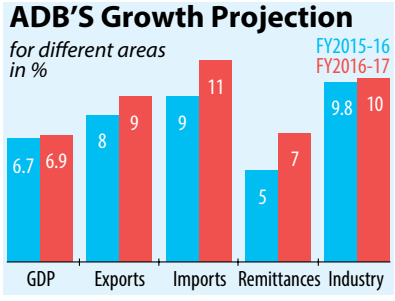
ADB keeps Bangladesh growth forecast unchanged at 6.7pc

The Asian Development Bank has kept its growth forecasts for Bangladesh unchanged at 6.7 percent for the current fiscal year, though the country's main economic indicators are now better than a year earlier.

The ADB forecast is between the World Bank's projection of 6.5 percent and 7 per cent of the government. It may mentioned, earlier in September last year, the multilateral lender tipped Bangladesh's gross domestic product to grow at 6.7 percent in fiscal 2015-16. All major economic indicators have been showing signs of improvement in the current fiscal year, according to Asian Development Outlook 2016: Asia's Potential Growth, the ADB's flagship annual publication. Bangladesh recorded GDP growth of 6.6 percent last fiscal year, despite a skid in the third quarter due to violent political activities and subdued private investment.

"Global headwinds notwithstanding, growth is expected to edge up in the next two years on steady expansion in garment exports," the ADB said in the report. It said Bangladesh's growth will rise to 6.9 percent next fiscal year.

The goal of graduating from low- to middle-income status will require higher investment and thorough reform to improve the business environment, it said.



ADB Country Director Kazuhiko Higuchi, at the launch of the report in Bangladesh on March 30, said fiscal 2015-16's growth will be driven by garment exports and resilient domestic consumption. An enabling business environment ensuring stability, proactive policy support, reforms and improved regulatory environment are important for stimulating investment and higher GDP growth. Implementing the new VAT law and improving the banking system and administration are also important for Bangladesh, he added. Garment, which accounts for around 80 percent of the country's exports, increased 9.5 percent year-on-year in the first eight months of fiscal 2015-16.

Bangladesh's overall export is expected to increase 8 percent this fiscal year, up significantly from 3.3 percent a year earlier, according to the report. Imports are projected to grow 9 percent. Remittance, which dropped 1.5 percent in the first eight months, is tipped to increase 5 percent.

On the concerns about a decline in remittance from Malaysia, Mohammed Parvez Imdad, principal country specialist of the ADB's Bangladesh office, said it will be offset by the inflow of remittances from the new markets.

Industrial growth will be slightly faster at 9.8 percent against fiscal 2014-15's 9.7 percent, due to better performance by garment exports, manufacturing for the domestic market and expansion of the construction sector. The services sector is also estimated to grow 5.9 percent, which is slightly higher than last fiscal year's 5.8 percent.

The ADB report said agricultural growth is expected to undergo little change, growing at 3.2 percent, down slightly from the previous year's 3.3 percent, due to base effect. Investment rose only marginally to 28.9 percent of GDP in FY2015 from 28.6 percent the previous year, mostly on increased public investment. Private investment remained stagnant owing to investor caution, infrastructure and skill shortages, and a weak business environment. Foreign direct investment remains below 1 percent of GDP and 3 percent of total investment.

The average inflation is projected to slow to 6.2 percent this fiscal year, down from 6.4 percent a year earlier, due to declining fuel and commodity prices in the international market and prudent monetary policy. The central bank's active exchange rate management kept the Bangladesh taka stable against the dollar, depreciating by only 0.2 percent in FY2015.

However, trade partners' greater currency depreciation against the dollar and lower domestic inflation pushed the taka up in real effective terms by 14 percent year-on-year during the fiscal year, indicating some loss of export competitiveness, the report said. The current account deficit is projected to improve slightly to 0.5 percent of GDP this year.

The ADB report said growth in developing Asia will soften to 5.7 percent in 2016 and 2017, down from 5.9 percent last year, mainly because of moderating growth of China. The ADB projected India's growth at 7.4 percent this year and 7.8 percent next year.

ADB signs Trade Finance Agreements with four Private Commercial Banks

The Asian Development Bank (ADB) and four Bangladesh banks The City Bank, Mutual Trust Bank, Pubali Bank, and Southeast Bank today signed trade finance program agreements for a total value of $40 million on March 31.

"Under these agreements, ADB and our Bangladesh bank partners will provide loans and guarantees to support exporting and importing companies in Bangladesh, including small and medium-sized enterprises," said Steven Beck, ADB's head of trade finance. "This agreement will help create economic growth and jobs."

The City Bank, Mutual Trust Bank, and Pubali Bank are all new banks joining the Trade Finance Program, while Southeast Bank—which is already part of the program—has signed a new agreement for a funded facility.

"Bangladesh is a very active country under ADB's Trade Finance Program. ADB's TFP has had a good experience working with banks in Bangladesh and we are pleased to be expanding our relationships and coverage here. We look forward to continuing this trend," said Edward Faber, Trade Finance Program relationship manager for Bangladesh.

The program has provided more than $2.2 billion in trade finance support in Bangladesh since 2009, through more than 1,400 transactions. With these latest agreements, the total number of banks under TFP in Bangladesh will reach 15. Backed by ADB's AAA credit

rating, the Trade Finance Program provides guarantees and loans to over 200 partner banks to support trade, enabling more companies throughout Asia to engage in import and export activities. With dedicated trade finance specialists and a response time of 24 hours, the program has established itself as a key partner in the international trade community, providing fast, reliable, and responsive support to fill gaps in the region's most challenging markets.

Since 2009, the Trade Finance Program has supported more than 7,000 small and medium-sized enterprises across the region, with about 10,000 transactions valued at over $20 billion, in sectors ranging from commodities and capital goods, to medical supplies and consumer goods.

Bangladesh to be second best performer this year : Bloomberg

Bangladesh is on track to log in the second best economic growth figure this year out of 93 countries, according to Bloomberg, American news organization. Bloomberg forecasts that Bangladesh's economy will grow at 6.6 percent in 2016, a joint second rank with Vietnam. The rate is the second fastest pace after India, which is expected to clock in 7.4 percent growth.

Pakistan and Afghanistan did not make it to the list. Sri Lanka with its 6.4 percent growth forecast ranked fifth on the list. The forecasts are the median estimates from each country's latest survey conducted between October and December 2015. China came in fourth with its 6.5 percent growth forecast. Deflation-pained Japan is projected to grow 1 percent this year, lagging behind many of its neighbours.

For the world's worst-performing economies, no good will come from New Year's resolutions to do better. For many, 2016 will only bring more disappointment, said the economists surveyed by Bloomberg. Oil-rich Venezuela will contract 3.3 percent this year, the worst forecast of any of the 93 countries in the analysis, followed by junk-rated Brazil, debt-laden Greece and commodities-ravaged Russia.

The forecast by Bloomberg, which is calendar-year based, is similar to the World Bank's recent forecast of 6.6 percent growth for Bangladesh in 2016. The government, however, has set the growth target of 7 percent for fiscal 2015-16, against the WB and the International Monetary Fund's forecast of 6.5 percent. The strong forecast comes at a time when the global economy is going through a recession.

WB Chief Economist Kaushik Basuin during his visit to Bangladesh in December last year said Bangladesh is financially very stable but it has to be very cautious to keep up the stability. "Your economy is rising, but on the other hand, Brazil's is declining. So the global situation is still very difficult." Any global fluctuation can affect Bangladesh as it is still a developing country. Basu said he checked statistics on Bangladesh ahead of his second visit to the country last month, so he was well



aware of the country's advancement on the economic and social fronts. "Bangladesh is on the cusp of a take-off and will become one of the new Asian Tigers. However, there are two major challenges: infrastructure and making business processes faster and efficient by cutting red tape", he added.

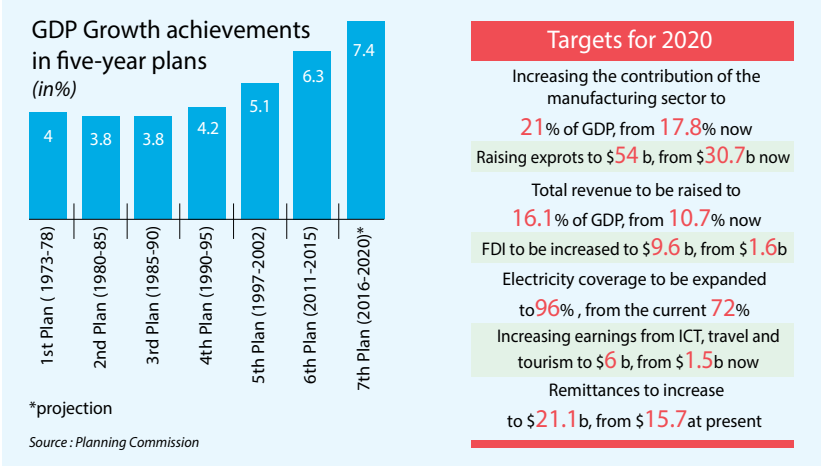
Economic fundamentals signify impressive growth prospects for Bangladesh : Citi

Economic fundamentals signify impressive growth prospects for Bangladesh, banking giant Citi said in its annual market update. Showing resilience, the Bangladesh economy grew 6.51 percent in fiscal 2014-15, despite the political front presenting tough challenges at the beginning of 2015. The services sector contributed the most -- 3 percent -- followed by the industrial and agricultural sector with 2.7 percent and 0.5 percent respectively, Citi said in its analysis released on 11 January.

Referring to the 7 percent GDP growth target for fiscal 2015-16, Citi said: "The economy gained momentum from the beginning of the new fiscal year and appears to have laid a solid foundation to meet the target." It said 2015 marked promising feats for Bangladesh with achievement of the millennium development goals and escalation from the low-income country status to lower-middle income country as per the World Bank's classification.

"With the country achieving growth in excess of 6 percent over the last five years, focus has now shifted towards moving to the next level, and stepping up the growth rate to 8 percent by 2020 as envisaged under the country's seventh five-year plan," Citi said.

Annual average inflation decreased to 6.2 percent at the end of 2015, the lowest level since February 2013; point-to-point inflation hovered between 6 percent and 6.4 percent throughout the year before closing at 6.1 in December. Food inflation slowed to 5.48 percent in December 2015 from 5.86 percent a year ago, whereas non-food inflation rose to 7.05 percent from 6.48 percent over the same period.



"The drop in food inflation is attributed to the increase in rice output during the harvest season, and fall in import prices of global agricultural commodities," Citi said. "The non-food inflation rate increase was driven by supply disruptions during the first quarter of 2015 and an upward adjustment of electricity and gas prices."

Exports gained momentum after a slow start to fiscal 2015-16, rising by 7.8 percent in July-December to $16.1 billion and exceeding the $15.86 billion target for the period. The growth was primarily driven by the apparel export growth of 9.2 percent during the same period. "At the current pace, the country is well on its way of hitting the export target of $33.5 billion set for FY16," Citi said.

Referring to the government's export target of $60 billion by 2021, Citi said diversification and investment expansion are crucial to build a sustainable platform for the country's export growth. At present, garment accounts for over 80 percent of total exports, which is facing challenges of faltering economic recovery of the eurozone, which is one of its major export destinations and also for the taka's appreciation against the euro.

"Decisions on setting up new country specific economic zones have been applauded by the business community. Infrastructure support in the form of power, ports, and improved transport facilities through better connectivity would help to have an edge over competing nations," Citi said. Import settlement during the first five months of the fiscal year has grown marginally by 2.48 percent to $16.6 billion from $16.2 billion in the same period last fiscal year. "The global oil price hitting record lows was one of the primary factors behind the fall in fuel import payments."

Import remained sluggish in July-September, which picked up again October onwards with rising payments for the government's mega infrastructure projects, and rising capital machinery imports amid growing confidence. The statistics showing high growth of capital machinery imports and rising import orders provide an indication of growing investments and an expansion of production capacity.

As import growth outstripped export growth by a significant margin in fiscal 2014-15, the country posted a trade deficit of over $10 billion. But with remittance making up for the trade deficit, the current account posted a surplus of $1.06 billion during the first five months of the current fiscal year compared to the $1.65 billion deficit last year.

More than 500,000 Bangladeshi workers were able to land overseas jobs in 2015, reflecting a 30 percent growth over the previous year. "A surge in the number of migrants entering Saudi Arabia, Malaysia and Kuwait has significantly contributed to the growth of overall migration," said Citi. However, it said the total remittance received during the period showed an increase of 2.47 percent to $15.31 billion.

Reopening of the Saudi Arabian market, the government-to-government arrangement with Malaysia, FIFA 2022 World Cup related construction activities in Qatar and fiscal expansion in Gulf Cooperation Council countries present opportunities for growing jobs. "The government's recent steps in setting up technical cooperation between the vocational training institutes of several countries with workforce requirement could yield positive results in the near future," Citi hoped.

Foreign exchange reserves climbed to a record $27.45 billion at the end of 2015, marking an 18.7 percent year-on-year increase and 8.8 percent increase from the beginning of fiscal 2015-16. After a long period of stability, the US dollar marked sharp gains against the taka from late October when it jumped from Tk 77.80 to Tk 78.95 by the end of November. "This was primarily driven by sluggish export and

remittance growth in the preceding months, coupled with large infrastructure related payments and foreign loan repayments," Citi said.

The inter-bank call money rate fell sharply in 2015, as liquidity piled up in the banks. The weighted average call money rate, which was at 8.57 percent in January, plunged to 3.69 percent by the end of the year. Private sector credit growth remained stable for most parts of the year, remaining within the 11-13 percent range before picking up October onwards and reaching 13.72 percent in November.

The performance of the country's premier bourse was uninspiring in 2015. The benchmark index of Dhaka Stock Exchange, DSEX, which opened at the 4,900 level in 2015, came under heavy pressure on the back of nationwide strikes and blockades during the first quarter and dipped below 4,000 in April amid low investor confidence.

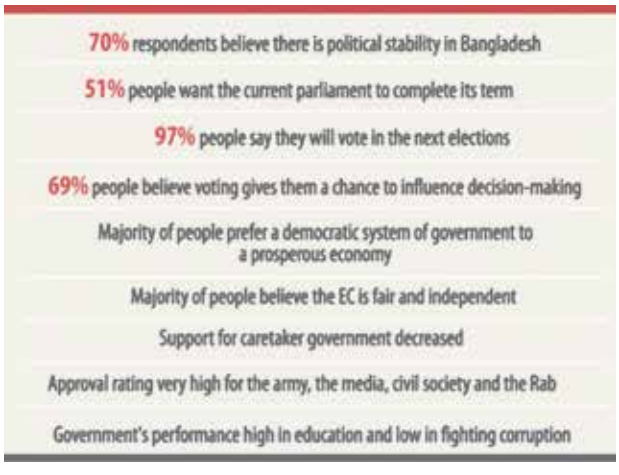
The market picked up in May and registered sharp gains in June, following a set of incentives for the capital market announced in the budget proposal. But the index closed at 4,629 points at the end of 2015, shedding 6.3 percent year-on-year. Citi said 2015 saw a number of landmark reforms on the structural front and new policies being introduced. "The reforms have mostly been directed towards ramping up local and foreign private investment and promoting exports," it said, referring to the new export policy.

Bangladesh Bank withdrew its mandatory guarantee provision against any foreign loan to be taken by a local firm following approval of the Board of Investment. As a result, the foreign loans approved by it will no longer require approval from Bangladesh Bank. The Public Private Partnership Bill 2015 has been approved by parliament with an aim to attract more foreign and private investment in infrastructure and the services sector. Other key initiatives to promote investment included the decision to set up 100 new economic zones by Bangladesh Economic Zones Authority and approval by Bangladesh Bank to extend mortgage loans in taka to non-resident Bangladeshis to purchase houses here.

In addition, the Financial Reporting Act 2015 has been approved in parliament to ensure more transparency and accountability in financial reporting activities and a separate regulatory body, Financial Reporting Council, is being formed.

Country heading in the right direction : IRI survey

The majority of Bangladeshis believe that the country is heading in the right direction, according to a survey by the International Republican Institute (IRI). Sixty-four percent of the respondents think so despite political instability and price hike of essentials. In November 2013, it was 33 percent. The percentage of people, who believe the country is heading in the wrong direction, halved to 32 percent in November last year from 64 percent in November 2013, says the survey made public on January 26.



The IRI's Centre for Insights in Survey Research conducted the survey between October 30 and November 19 last year. It shows that the respondents' approval rating is very high for the army, the media, civil society and the Rapid Action Battalion.

The people who think the country is heading in the right direction put emphasis on improvement in education, development in transport system and a better economy, while those who think the country is moving in the wrong direction mentioned political instability and price hike of essentials, among others, as reasons for giving such a opinion.

Eighty percent of the respondents believe the country's present security situation is good. Of them, 29 percent said it is "very good" and 51 percent "somewhat good", according to the survey where 2,550 respondents aged 18 and above were interviewed. Responding to another query, 70 percent people said there is political stability in Bangladesh, and 50 percent people believe it will improve in the year ahead, says the survey.

Election

Asked when the next national election should be held, 51 percent people said the current parliament should complete its term while 36

percent people believe the polls should be held as soon as possible. And only three percent wants it to be held by next year. Thirty-four percent people strongly believe that the Election Commission is "completely fair and independent", while 25 percent "somewhat agree" to this. Twenty-nine percent people said the opposite.

The number of people who think the caretaker government system should be restored before the next parliamentary polls fell to 68 percent in November 2015 from 77 percent in January 2014. And the percentage of those who don't want it rose to 23 percent from 18 percent.

Democracy or Prosperous Economy?

Asked to choose between a democratic system of government and a prosperous economy, 51 percent respondents opted for democracy while 46 percent chose prosperity. A great majority of the respondents said the government's performance in the field of education, healthcare and infrastructure development was high, but it was low in the field of fighting corruption and crimes and employment generation.

Economic Condition

A great majority of the people, 79 percent, believe the country's present economic condition is good. Only 19 percent people said the opposite. Sixty-five percent respondents said their personal and family's economic situation improved last year. Moreover, 72 percent of the respondents believe their economic condition will improve in the coming year.

Methodology

The data was collected using a multi-stage stratified probability sample and through in-person, in-home interviews. The sample was stratified by the seven administrative divisions, 64 districts and by urban and rural locations, says the report. The information in this report has been compiled in accordance with international standards for market and social research methodologies.

Bangladesh an attractive destination for business : JETRO Survey

Bangladesh has continued to be an attractive destination for Japanese companies to do business due to its lower production cost and labour wage compared to those of 19 countries in Asia and Oceania.

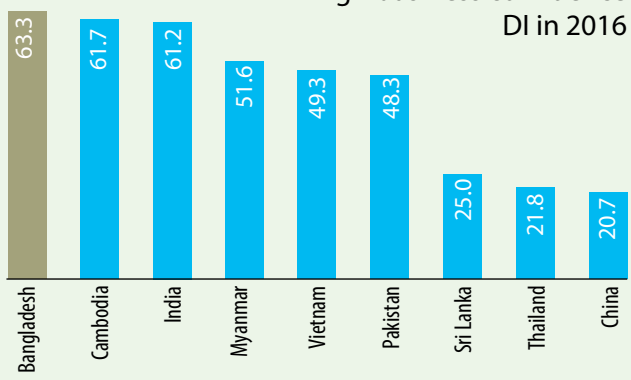
In comparison to Japan, the cost of production in Bangladesh is less than half, (49.5 percent), while it is 81.9 percent in China, 73 percent in Vietnam and 80.6 percent in India, according to the recent survey of Japan External Trade Organisation (JETRO).

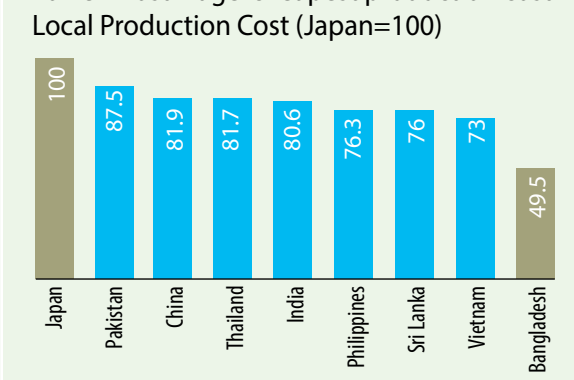
"Like before, Bangladesh is found to be the most economical in terms of worker's wage both in manufacturing and non-manufacturing sectors which are less than one-fourth of China and half of India respectively," said the survey.

The survey on business conditions of Japanese companies in Asia and Oceania for fiscal year 2014-15 was based on inputs from chief executive officers of 9,590 Japanese companies in 20 countries in the region and was conducted in October and November last year. The survey questions were focused on operating profit forecasts, business confidence of CEOs, expansion plan, cost of local production, management concerns, procurement sources and export destination, expectation for economic integration and wages.

Bangladesh is far ahead of Vietnam, Sri Lanka, Thailand, and Pakistan on the cost indicator and is in a better position than Sri Lanka, Pakistan, Indonesia, Cambodia, India, the Philippines, and China on the labour wage indicator. However, 69 percent of the CEOs identified the trend of rising wage as the highest concern of management.

The survey said although the Japanese firms in Bangladesh are struggling with operating profits, the





DI is an abbreviation for Diffusion Index, the propotion of firms expectign improvement minus the proportion of firms expecting worsening. This figure reflects changes in business confidence.

good news is business confidence of the Japanese CEOs ranks the highest at 63.3 points, meaning their business performance in Bangladesh will improve in 2016. It is only 20.7 points and 21.8 points in China and Thailand respectively, indicating that the expectancy of business performance of Japanese firms in the two countries is poor and might not pick up, it added.

Bangladesh was ranked fifth when the Japanese CEOs were asked whether they would expand their operations in the country in future. More than 67 percent respondents said they would like to expand their footprint in Bangladesh in the next one or two years due to high growth potentials, reduction of cost, reviewing production and distribution network and an easy-to-secure labour force. Japanese firms, however, showed modest downward trend in the last four to five years in Bangladesh and other countries such as China, Myanmar, Vietnam, India and Thailand.

"Especially since 2013, the downward trend of Bangladesh and China is much severe whereas expectancy for expansion is getting higher in Myanmar," said the survey. About the opportunities to export to Japan, the survey said the sky is the limit. The Japanese-affiliated firms in Bangladesh export 67 percent of their products back to Japan. "However, the achievement could be many-fold if Bangladesh can connect itself with Asia through free trade agreements," said the survey.

In 2014-15, Bangladesh received $915.22 million for its exports to Japan, according to the commerce ministry. Exports to Japan have been on the rise due to the relaxation of rules of origin for products from the least-developed countries. "Considering export destination of Japanese-affiliated firms in Asia and Oceania region, export from Bangladesh to ASEAN countries is simply 'insignificant', whereas export rate to Japan shows the highest export ratio (71%)," said the survey.

It said compared to the average, Bangladesh is found in a volatile position because of the problems related to quality of employees, competitors, local procurement, and quality control. More than 57 percent CEOs think quality of employees are not up to the mark in Bangladesh; 50 percent CEOs would like to think more on quality control. Moreover, 56.3 percent CEOs flagged customs clearance as complicated and 70.6 percent consider local procurement as a big problem. The survey revealed that 70.6 percent CEOs say in establishing business local procurement is a big matter. Only 22.5 percent Japanese firms operating in Bangladesh procure raw materials and parts locally.

Like the previous year, Bangladesh, compared to other neighbouring countries, is in a stressed situation when it comes to making profits. The country was ranked one of the lowest profit makers, and it lagged behind Pakistan, China, and the Philippines. The recommendations of the JETRO survey include reducing cost related to start-ups, as Japanese companies are comparatively fresh and young.

It also called for creating environment to help companies cut down operational cost, introducing more investor-friendly policy analysing those of the competitors, and undertaking pro-active initiatives to address and eliminate impediments to doing business.

It said environment should be created to develop supporting industries in order to increase local procurement. There are 230 Japanese companies doing business in Bangladesh.

Bangladesh tops list of 'hope index' : Gallup survey

Bangladeshis are the most optimistic people in the world though the country intermittently faces various challenges, according to a global survey. Bangladesh topped the list of 68 countries in the hope index and secured the second place in the economic optimism index, shows the WIN/Gallup International's annual global End of Year survey released first week of January.

In both categories, the country is ahead of all other South Asian nations, including India and Pakistan. According to the survey, 84 percent of the Bangladeshis polled said they were hopeful when asked whether 2016 would be better, worse or the same as 2015. The score is 27 percentage points higher than the global average. Only seven percent were pessimistic.

Asked whether 2016 would be a year of economic prosperity, economic difficulty or remain the same for the country, some 72 percent respondents said they were optimistic about the economy, again 27 percentage points higher than the global average. Bangladesh, however, could not make it to the cluster of Top Ten countries in the happiness index though 66 percent Bangladeshis said they were very happy with their life. No other South Asian country was in the index either.

WIN/Gallup International, the world's leading association in market research and polling, published its 39th end of year survey exploring the outlook, expectations, views and beliefs. The study shows 45 percent of the world population is optimistic for the economic outlook in 2016, more than double (22 percent) the number of those who were pessimistic.

When it comes to a demographic breakdown, young people prove to be considerably more optimistic than older generations with 31

percent net optimistic for the under 34s compared to just 13 percent for the over 55s.



According to the poll, the happiest country in the world is Colombia, and the unhappiest country is Iraq. Italy is the least hopeful. In a statement, WIN/Gallup International Association President Jean-Marc Leger said, "2015 has been a tumultuous year for many across the globe, despite that the world remains largely a happy place. Forty-five percent of the world is optimistic regarding the economic outlook for 2016, up by 3 percent compared to last year." The survey is an annual tradition initiated by and designed under the chairmanship of Dr George Gallup in 1977. It is conducted every year since then.

This year it was carried out in 68 countries. A total of 66,040 people were interviewed globally. In each country, a representative sample of around 1,000 men and women was interviewed face to face, via telephone or online. The field work was conducted from September to December last year.

IT Outsourcing Index : Bangladesh moves four nothces up

Bangladesh has moved four places up in Global Service Location Index (GSLI) this year. The country secured 22nd position in 2015 from 26th a year before when it debuted on the index, according to the ranking released on January 11 by AT Kearney, the world's leading management consulting firm. The GSLI ranks the top 55 countries for outsourcing worldwide on the basis of metrics in three categories: financial attractiveness, people skills and availability, and business environment.

In South Asia, only India and Sri Lanka are ahead of Bangladesh. In the 2016 GSLI, India, China, and Malaysia remain the top three off-shoring destinations, and Asia continues to dominate with six of its countries among the top 10. While this year's report examines the trajectory of off-shoring cost arbitrage to low-cost developing countries and the rise of some new locations, the real story lies in the disruption being felt throughout this already disruptive industry in levels of automation of business processes.

"Even though the top six or seven countries are landing in the same order this year as 2014, looking forward, this could all change radically because the very nature of what's being outsourced is changing," said Arjun Sethi, global leader of AT Kearney's Strategic IT Practice and principal author of the study.

"For the first time, we have a trend -- automation -- that could displace the leadership of the likes of India and China in outsourcing.

Technology's relentless progress continues to transform in unanticipated and fundamentally different ways not only where work is moving to, but how and by whom -- or by what --it is being done."

"The new business model associated with this automation threatens established concepts of offshoring, while expanding the market," he said.

The GSLI, launched in 2004, helps companies make key location decisions for offshoring and industry development projects with objective guidance.

DataSoft wins the world's top rating

DataSoft Systems has become the first company in Bangladesh to have achieved the highest recognition a software firm could have in the world for its engineering capabilities and high maturity in applications. DataSoft was recognised by the US-based CMMI Institute as the Capability Maturity Model Integration (CMMI) Level 5 software development company on January 20.

CMMI is a process improvement appraisal programme certified by the US's Carnegie Mellon University that aims to determine how well the internal functions of a company operate and how optimised it is to respond to business needs. The CMMI Level 5 is the highest a software company can achieve in the world. As a result, the achievement has put DataSoft on par with giants such as Infosys and Wipro of India and Netsol of Pakistan.

Only 377 companies globally have managed to reach this level, DataSoft said in a statement on January 21. DataSoft said it is undoubtedly a prestigious recognition for Bangladesh's IT industry. "This is a great acknowledgement for our company and for Bangladesh as well," said Manjur Mahmud, chief operating officer of DataSoft.

"We hope this achievement will be an inspiration for us to develop our organisation more toward contributing to the country's ICT sector and the global ICT area as well." The recognition has put Bangladesh on the map of software development world, he said, adding that Bangladeshi companies will be taken more seriously after this.

At present, there are 11 companies on CMMI level-3 in Bangladesh. DataSoft had been a CMMI level 3 firm until 2009. DataSoft has completed many award-winning and innovative projects in Bangladesh since 1998. They include: Customs House Automation, Chittagong Port IT operation and Jute Genome Sequencing. It also developed the country's first business-to-business site and business-to-client sites.

Its achievements also include the development of the largest Bangla e-book platform Bangla book house, automation of a number of commercial banks and more than 3,000 microfinance branches.

Prime Minister inaugurates works on 10 special economic zones

Prime Minister Sheikh Hasina, M.P. on 28 February laid the foundation stones of 10 economic zones, the first of their kind in the country. She also sought cooperation of the local people to set up the zones fast for building a prosperous Bangladesh. "I would like to urge local people to extend cooperation so that the investors could build the [economic] zones in a faster pace and 'beautiful atmosphere', and that would help establish a hunger and poverty-free prosperous Bangladesh," she said.

With the economic zones, the PM said, the "living standard" of the people would improve as those will generate employment, alleviate poverty and infuse dynamism into the economy. Hasina laid the foundation stones of 10 economic zones through videoconference from Bangabandhu International Conference Centre in the capital on 28 February morning.

Industries Minister Amir Hossain Amu and Planning Minister AHM Mustafa Kamal addressed the function as the special guests, while Housing and Public Works Minister Engineer Mosharraf Hossain joined it from Mirsarai Economic Zone, Chittagong. Prime Minister's Principal Secretary Abul Kalam Azad delivered the welcome address, while Bangladesh Economic Zones Authority Executive Chairman Paban Chowdhury also spoke.

Terming the present government an "investment and business-friendly" one, the premier said her government wanted to create an excellent atmosphere for investment. "We don't want to do business, rather we want to create scope for the businesspeople as we want [rapid] development of the country." She also called upon local and foreign entrepreneurs to come forward to invest in the country's economic zones. "We don't want to keep any stone unturned ... whatever scopes exist, we want to exploit all," she said.



Extending her sincere thanks to those who come forward to establish economic zones in Bangladesh, Hasina assured investors of all kinds of support for setting up more such zones here so that Bangladesh becomes a higher middle income country by 2021. Also, she talked about her government's plan to set up 100 economic zones across the country. The PM urged all concerned to give proper focus on the environment issues while setting up mills and factories in the zones.

"You will have to remain alert so that industry wastes are not dumped in the river or farmlands ... you will have to set up ETP or STP, wherever they are necessary," she said. Spelling out government's steps for increasing electricity and gas production, Hasina mentioned that the country already achieved the power generation capacity of 14,000 megawatts. "We have now set a target of producing 24,000 MW by 2021 and 60,000 MW by 2041," she said.

Of the 10 economic zones, Mirsarai Economic Zone in Chittagong, Srihattya Economic Zone in Moulvibazar, Mongla Economic Zone in Bagerhat and Subrang Tourist Park in Cox's Bazar are being developed under public-private sector initiative. The remaining six economic zones being developed under private initiatives are located at Palash in Narshingdi, Boddarbazar at Sonargaon in Narayanganj, Konabari in Gazipur; Meghnaghat in Narayanganj, Choto Shilmandi at Sonargaon in Narayanganj and Gazaria in Munshiganj.

Dhaka's cost of living as high as Montreal's : EIU Survey

Would you believe that the cost of living in Dhaka is as high as that in the Canadian city of Montreal although the living amenities and conditions in these two cities are world apart? The Intelligence Unit of British magazine The Economist in its latest study on the global cost of living in 2015 ranked Dhaka city at number 71 along with Montreal. Cities like Mexico City, Cleveland, or Istanbul turned out to be cheaper than Dhaka in this study. Toronto, Canada's biggest city, is ranked 88, which is way cheaper than Dhaka.

The Economist studied 133 cities of the world, analysed the strength of dollar and mainly the cost of living for expats and business travellers. Zambia's capital Lusaka seems to offer the best value for money in the world. Despite rampant inflation, a devaluation of its currency, Kwacha, caused by falling copper prices has pushed the city's cost of living down to just 41 percent of New York. Singapore ranks as the costliest city of the world.

The top ten cheapest cities include four Indian cities. Bangalore and Mumbai are second and third cheapest cities of the world. The other two are Chennai and New Delhi. Even Karachi of Pakistan is the world's seventh cheapest city. New York City now features among the world's 10 most expensive cities for the first time in 14 years. London has climbed six places to join four other European cities in the top ten.

"Falling commodity prices and exchange-rate revisions have caused Olympic Games host Rio de Janeiro to drop 52 places down the ranking, while visitors to Euro 2016 matches in Paris and Lyon will see a mild improvement in prices because of a weaker euro.

In Russia, scheduled host of the 2018 FIFA World Cup, that has seen the biggest decrease over the last year, with St Petersburg and Moscow tumbling 51 and 63 places down the ranking respectively, reflecting a 40 percent decline in living costs over the previous year," said the study.

PDB signed power purchase deals with two private joint ventures

The government on 16 February signed power purchase agreements with two private joint ventures led by S Alam Group to buy electricity at 8.259 US cents or Tk 6.61 per kilowatt-hour. The state-run Bangladesh Power Development Board or BPDB struck the deals for the two projects with total electricity generation capacity of 1,224 megawatts.

SS Power I Ltd and SS Power II Ltd, two joint ventures of S Alam Group and SEPCOIII Electric Power and HTG of China, will set up the power plants in Banshkhali, Chittagong by November 2019. The electricity will be supplied for 25 years. The project will require an investment of $2.4 billion of which $1.75 billion will come from Chinese lenders, according to a handout distributed during the contract signing ceremony at Bidyut Bhaban in Dhaka.

BPDB and Power Grid Company of Bangladesh, another state-run company, also signed project implementation agreements with the joint ventures. SEPCOIII, a power generation company in China, would be the contractor for engineering, procurement and construction of the two power plants. It operates in coal, oil, gas-fired thermal power, hydropower, solar, wind, and biomass-based power generation.

S Alam Group has investment in commodities, transport, banking, leasing, insurance, stock broker houses and merchant banking business and power.

Confidence deficit biggest risk to stock market: Survey

Lack of investor confidence will be the biggest risk to the capital market this year, said 42.5 percent of the respondents in a recent survey by LankaBangla Securities. Political stability, weak regulatory framework, intervention through frequent policy changes by regulators and weak economic conditions were also identified as risks to the capital market, according to the survey.

The survey, fourth of its kind, was conducted between January 3 last year and January 12 this year. Some 131 people responded to the survey: "Bangladesh Capital Market Sentiment Survey 2016". The majority, or 46.1 percent, of the participants said the capital market performance in 2015 was moderate, mainly due to the lack of investor confidence. But 70.9 percent of the participants expect the capital

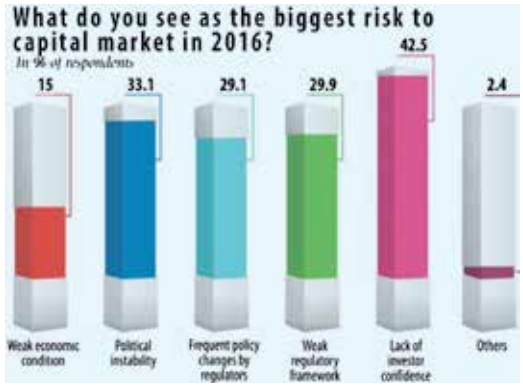
market to be in better shape this year than the last.

The survey also found optimism about the market, as 65.4 percent of the respondents felt that the market may become moderately bullish in 2016. Earnings of listed companies will act as the greatest catalyst in improving the market conditions this year, according to 41.5 percent of the respondents. The respondents were also sceptical about the volume of market turnover: the majority -- 35.7 percent -- expect it to hover between Tk 500 crore and Tk 800 crore a day.

Over 60 percent of the respondents are expecting the pharmaceutical stocks to be the best performers this year, followed by fuel and power shares. Some 46 percent thought the market was "too immature to absorb derivatives". More than half of participants felt the demutualisation of the stock exchanges has made the market more transparent and vibrant.

But 59.5 percent of the respondents emphasised improved transparency of financial reporting and other corporate disclosures, which they felt is most needed to improve investor trust and market integrity in 2016. Some 88 percent said financial projection through equity research publication will improve the investment decision making in the market.

In addition to political instability, a lack of corporate governance and the low quality of stocks of a number of listed companies are responsible for the poor foreign investment in capital market. On the macroeconomic front, the survey recorded a mixed opinion, with the majority saying that gross domestic product growth will remain between 6.5 percent and 6.7 percent this fiscal year. Political instability is going to be the biggest risk to Bangladesh economy this year.



They think the inflation will rise this fiscal year, the taka will appreciate against the dollar and borrowing will be even cheaper this year. They also think that the Padma bridge project will not be completed within the stipulated time and that there is a need for improvement with regards to the food safety scenario.

The majority of the participants felt that there will be a positive impact of the fall in global crude oil prices on the Bangladesh economy, though the domestic oil prices are still very high compared to the global prices.

Bangladesh 63rd in global ranking regarding Children's Access to Justice

Bangladesh ranked 63rd among 197 countries in terms of providing court access to children to protect their rights, according to the first ever global ranking by the London-based Child Rights International Network (CRIN). Among Bangladesh's South Asian neighbours, only India fared better securing the 43rd position. Nepal was ranked 78th, Bhutan 85th, Pakistan 119th, Sri Lanka 123rd, Afghanistan 149th and Maldives 189th.



Belgium, Portugal and Spain were the top three countries of the list, while Kenya was the only country outside Europe to make the top ten. Relegated to the bottom of the pile were Palestine, Eritrea and Equatorial Guinea.

"The Convention on the Rights of the Child (CRC) does not take precedence over national law [Bangladesh], but national law is interpreted in a manner consistent with the CRC and other human rights obligations," said the CRIN report on February 15.

The CRC has not as yet been directly incorporated into national law, but some provisions have been incorporated in response to directions of the Supreme Court, added the report. "Bangladeshi courts have regularly referenced the CRC and other international human rights conventions where relevant to a matter at hand." The Children Act guarantees children's right to participate in all stages of court proceedings, said the report titled "Rights, Remedies and Representation".

The research took into account whether children can bring lawsuits when their rights are violated, the legal resources available to them, the practical considerations for taking legal action, and whether judges apply international law on children's rights in their rulings.

Economic Freedom Index : Bangladesh slips to 137th place

Bangladesh slipped six places in terms of economic freedom to 137th position in an international ranking with a fall in scores in the areas of corruption, business and labour. With its economic freedom score of 53.3, Bangladesh became the 137th freest nation among 186 countries in the world, according to the 2016 Index of Economic Freedom, an annual publication by The Heritage Foundation and The Wall Street Journal.



The country is still stuck in the category of "mostly unfree" countries despite the facts that it showed remarkable macroeconomic resilience and its economy grew steadily over the last five years, says the report. "Nonetheless, overall entrepreneurial activity is disadvantaged by an uncertain regulatory environment, poor infrastructure, and the absence of effective long-term institutional support for private-sector development," it says.

Last year, the country's economic freedom score was 53.9, making it the 131st freest country in the world. It was ranked 132nd in 2013 and 130th in the previous year.

This year, the country's ranking also fell to 29th from 27th last year in the Asia Pacific Region. In South Asia, Bangladesh is only ahead of Nepal (151st). In the region, Sri Lanka (93rd) has secured the top position followed by Bhutan (97th), India (123rd), Pakistan (126th), and the Maldives (132nd).

Hong Kong retained the top position followed by Singapore, New Zealand, Switzerland and Australia. Launched in 1995, the index measures economic freedom based on 10 quantitative and qualitative factors, grouped into four broad categories: rule of law; limited government; regulatory efficiency; and open markets.

The index covers 10 freedoms: property rights, freedom from corruption, fiscal freedom, government spending, business freedom, labour freedom, monetary freedom, trade freedom, investment freedom and financial freedom. Each of the 10 economic freedoms within these categories is graded on a scale of 0 to 100. A country's overall score is derived by averaging the 10 economic freedoms.

For the 2016 index, most data covers the second half of 2014 through the first half of 2015. Based on its aggregate score, each country graded in the index is classified as "free" (combined scores of 80 or higher), "mostly free" (70-79.9), "moderately free" (60-69.9), "mostly unfree" (50-59.9) and "repressed" (under 50).

The report shows Bangladesh's economic freedom hovered around the lower end of the "mostly unfree" category over the last five years.

Modest score improvements have occurred in just three of the 10 economic freedoms: government spending, monetary freedom and trade freedom.

According to the report, endemic corruption and criminality, weak rule of law, limited bureaucratic transparency, and political polarisation continue to undermine government accountability. "Patchy or biased enforcement and subversion of the judicial process weaken anti-corruption efforts.

The judiciary is insufficiently separated from the executive. Contract enforcement and dispute settlement procedures are inefficient, and property laws are antiquated."

The report by the Washington-based thinktank said business start-up has become simpler, with no minimum capital required, but obtaining necessary permits remains time-consuming.

State-owned Bangladesh Power Development Board, which is responsible for electricity generation and distribution, faces ongoing financial difficulties as it continues to purchase electricity at higher prices than it charges the public.

The report says Bangladesh's average tariff rate is a relatively high 10.7 percent. Most sectors of the economy are open to foreign investment, but state-owned enterprises distort the economy.

Despite ongoing reform of the financial sector, government ownership and interference remain considerable, undermining much-needed increases in efficiency, it adds.

Trade transit between Bangladesh and Nepal allowed

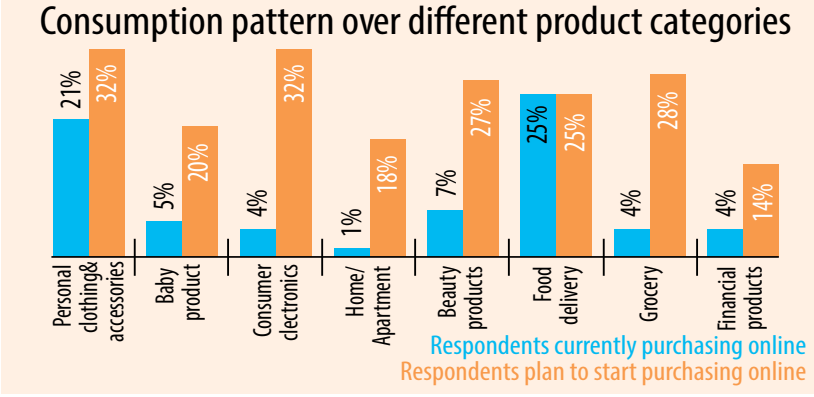
India and Nepal on February 20 signed an agreement that will, among other things, allow trade transit between Bangladesh and Nepal. Rail transit facility will be operationalised through Singhabad in India for Nepal's trade with and through Bangladesh, according to the letter of exchange signed after Nepal's Prime Minister KP Oli's talks with his Indian counterpart Narendra Modi.

The transit between Nepal and Bangladesh will be through the Kakarbitta (Nepal)-Banglabandha (Bangladesh) corridor. It will simplify modalities for traffic of cargo between the two countries. The agreement also aims at providing transit for Nepal through Vishakhapatnam port in Andhra Pradesh in southern India.

Oli, who is on a six-day visit to India, held comprehensive talks with Modi on a range of issues of mutual interest, including trade and the political situation in Nepal.

86pc of users trust e-commerce: Survey

About 18 percent of middle-class people in Dhaka, Chittagong and Sylhet are making online purchases every day, a business research firm said in a survey on January 21. Some 86 percent of the respondents expressed trust in e-commerce operators and their products, according to the survey by LightCastle Partners that provides advisory and analytic services



The survey -- the Rise of Digital Consumer Class in Bangladesh -- covered 450 respondents in the three major cities. The study also showed that 11 percent of the respondents neither trust nor distrust e-commerce products, while 3 percent expressed a lack of trust.

The survey covered mostly young people, a majority aged between 20 and 40 years, and have monthly incomes ranging between $251 and $650, surveyors said. The survey revealed the strong position of e-space, and the predominance of the affluent class in utilisation of online trade. Currently, food delivery service via the internet accounts for about a quarter of e-commerce.

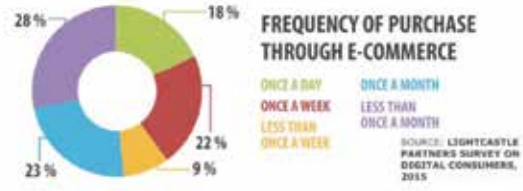
Another 21 percent of the respondents purchase clothes and accessories online, and 32 percent said they are planning to buy clothes and accessories on the internet within the next 12 months. Just 4 percent of the respondents said they are using online platforms to buy consumer electronic goods, and 32 percent intend to do so within the next year.

Another important segment is grocery, as 4 percent of the respondents buy those online, and another 28 percent are planning to start.

Grocery and consumer electronics are set to boost e-commerce in the next 12 months. Currently, 7 percent of the people use online platforms to buy beauty products, and the number will jump to 18 percent in the next 12 months, the study predicted. This is not the scene just for the three big cities of Bangladesh, Nazim Farhan Choudhury, a digital marketing analyst, said at the launch of the study at EMK Centre in Dhaka.

Around 51 percent of the respondents were early starters for online purchases, and about 26 percent are from Chittagong while the rest live in Dhaka and Sylhet. Bangladesh's e-commerce sites are getting increasingly more visitors: Ekhanei.com is the most popular among the service providers, as some 21 percent of respondents use the site, while 17 percent use Bikroy.com.

The majority of e-commerce business in Bangladesh falls under consumer-to-consumer transaction business model, where a consumer



sells products to another consumer, while some business to consumer e-commerce sites also operate in the country. As the research suggests, the majority of about 28 percent digital consumers, spend an average of Tk 1,000 to Tk 10,000, per visit.

Regional News

ADB to work with China-backed AIIB: ADB President

The US-backed Asian Development Bank will cooperate with a major new Chinese-led multilateral lending institution and they plan to co-finance projects this year, the ADB's president said on January 08.



The Beijing-based Asian Infrastructure Investment Bank (AIIB) has been viewed by some as a rival to the World Bank and the Philippines-based ADB, which was founded in 1966. But ADB President Takehiko Nakao said he did not believe the AIIB, which launching with starting capital of $20 billion, will diminish his institution and they were happy to work together.

"We agreed we can cooperate," Nakao, told reporters in Manila, adding he already had two meetings with AIIB president-designate Jin Liqun since last year to set parameters for the two institutions' working relationship. "(Jin's) ideas about operations are different, but because of these different ideas, we can complement each other even more."

Nakao said the two men agreed to co-finance certain projects in the region to address transport and renewable energy needs, and expected to announce specific projects by about the middle of the year. China's official Xinhua News Agency earlier reported the AIIB is expected to offer its first batch of project loans by mid-2016. Nakao, former Japanese vice finance minister, would not say how much money the ADB would put into AIIB co-financing.

The United States and Japan -- the world's largest and third-largest economies, respectively -- have notably declined to join the AIIB. However many other major economies, including Germany, Britain, South Korea and Russia, have signed up. "There are many reasons to do it (join) because Asian developing nation countries need money for financing infrastructure needs," Nakao said.

Nakao estimated Asia would need eight trillion dollars to close its 2010-2020 infrastructure financing gap, a principal thrust of past ADB lending. "We welcome any support to us in terms of financing infrastructure," he said. Nakao downplayed suggestions the AIIB would erode the ADB's role in the region. "I would say this is more a chance for us, rather than eroding... because we can share our expertise and knowledge and systems," he said. Nakao said the ADB was helping the AIIB "prepare its safeguard processes for environmental and social protection, and also procurement systems".

Asia's prosperity vital for the world: IMF chief

Asia's prosperity is vital not only for the region but for the world, the International Monetary Fund said on March 13. "Asia is a vibrant region with a large population. It is clear to us that this region of the world is where growth is originating and is going to come from in the years to come," said IMF Managing Director Christine Lagarde.

She made the comments at the conclusion of the two-day conference, 'Advancing Asia: Investing for the Future', organised by the IMF and the Indian government at the Taj Palace in New Delhi. The conference saw participation from senior officials, corporate executives, academics and civil society representatives of more than 30 Asian countries.

Lagarde went on to term the conference a productive and constructive one. "It has really been a great success." "We took stock of Asia's strong economic performance and its ongoing policy challenges -- monetary, fiscal and structural -- in the face of an increasingly uncertain global economic environment." A combination of monetary, fiscal and structural reforms will make economic growth sustainable and inclusive, she said.

The issues of climate change, inclusive growth, gender inequality that dog Asia require attention as of now. Lagarde said the IMF is Asia's partner and wants to continue to be one. "That partnership with IMF and Asia is embedded in the quota reform that we have just completed." The IMF in January announced implementation of quota reforms that will give more voting rights to emerging economies such as India and China in the functioning of the multilateral institution.

The agreement to establish a South Asia Regional Training and Technical Assistance centre, which will serve Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka, will be the first IMF-supported hub to combine both technical assistance and training. Lagarde said the IMF also needs to adopt and adjust its approach, both

in terms of surveillance, lending and capacity building, to the specific needs of the region and to the specific needs of the countries.

"Clearly there has been a lot of talk about spillover and the impact of monetary policy decisions made elsewhere. All of that needs to be taken into account by us as an institution to be absolutely relevant and tailored to the needs of our members." Citing the issues of coordination in policies raised in the various discussions, Lagarde said the IMF can play a significant role as a forum for coordination.

In a session on March 12, Raghuram Rajan, governor of the Reserve Bank of India, called for global central banks to adopt a system for assessing the wider impact of their actions, including unconventional monetary policies now in use. Rajan proposed that a group of academics should measure and analyse the "spillover" effects of monetary policies and indicate which should be used and which avoided. He suggested a traffic light system, grading policies green, orange or red.

The monitoring system could be implemented through an international agreement along the lines of the Bretton Woods currency accord or via the IMF.

"The international community has a choice. We can pretend all is well with the global financial non-system and hope that nothing goes spectacularly wrong. Or, we can start building a system for the integrated world of the 21st century," Rajan added.



In her closing remarks, Lagarde also welcomed the formation of the Asian Infrastructure Investment Bank and BRICS Bank, saying the banks would be instrumental in meeting the huge demand for investment in infrastructure in Asia and many other parts of the world. "There is so much investment needed in infrastructure, and to have one, two, three, four players on the international scene addressing those needs is great. If they can work together, the better."

She said the IMF itself does not do investment, but provides a lot of technical assistance in the projects that are well managed. "We are in the business of helping countries in disarray, when there is a significant balance of payment issue, when there is impossibility for a country to finance and refinance itself. Then, we are called upon for help. But we do not finance projects."

IMF says world at risk of 'economic derailment'

THE International Monetary Fund (IMF) has warned that the global economy faces a growing "risk of economic derailment." Deputy director David Lipton called for urgent steps to boost global demand. "We are clearly at a delicate juncture," he said in a speech to the National Association for Business Economics in Washington on March 05. "The IMF's latest reading of the global economy shows once again a weakening baseline," he warned.

The comments come after weaker-than-expected trade figures from China showing that exports in February plunged by a quarter from a year ago. With the world's second largest economy often referred to as "the engine of global growth", weaker global demand for its goods is read as an indicator of the general global economic climate.

The IMF has already said it is likely to downgrade its current forecast of 3.4 percent for global growth when it releases its economic predictions in April. Last month, the international lender had warned that the world economy was "highly vulnerable" and called for new efforts to spur growth.

In a report ahead of last month's Shanghai G20 meeting, the IMF said the group should plan a co-ordinated stimulus programme as world growth had slowed and could be derailed by market turbulence, the oil price crash and geopolitical conflicts. In his Washington speech, Lipton said "the burden to lift growth falls more squarely on advanced economies" which have fiscal room to move.

"The downside risks are clearly much more pronounced than before, and the case for more forceful and

concerted policy action, has become more compelling." "Moreover, risks have increased further, with volatile financial markets and low commodity prices creating fresh concerns about the health of the global economy," he added.

The downbeat picture is one that has continuing ramifications for businesses and industries that bet on China's growth story. Beijing faces the tough task of reforming the economy while trying to maintain stability. A slew of weak economic data has recently added to those concerns and US ratings agency Moody's has downgraded its outlook for China from "stable" to "negative".

There also is concern over rising unemployment as Beijing seeks to gradually shift its economy from overdependence on manufacturing and industry towards more services and consumer spending. China's economy is growing at the slowest rate in 25 years, and the slowdown has created considerable uncertainty in financial markets around the world and led to sharp falls in commodity prices.

Developing Nations became top investors in renewables in 2015: UN

Investment in renewable energy hit a record $286 billion (256 billion euros) in 2015, more than half of which came from developing countries for the first time, according to a UN report released on March 24. All told, new money put into solar, wind, biofuels and other cleaner energy technologies has exceeded $2.3 trillion since 2004, when total investment was less than $50 billion, it said.

"Renewables are becoming ever more central to our low-carbon lifestyles," said Achim Steiner, executive director of the UN Environment Programme (UNEP), which co-wrote the report. "Importantly, for the first time in 2015, renewables investments were higher in developing countries than developed."

That shift was led by China and India, both of which have invested heavily in clean energy even as their juggernaut economies continue to be mainly powered by carbon-intensive fossil fuels. Renewables added more to global energy generation capacity in 2015 than all other technologies combined, including nuclear, coal, gas and mega-hydro projects of more than 50 megawatts.

Despite rock-bottom fossil fuel prices, new clean energy capacity -- even excluding nuclear -- outstripped new coal and gas by more than 100 percent, said the report, Global Trends in Renewable Energy Investment 2016.

The rapid transition to renewables, especially in developing and emerging economies, is "helped by sharply reduced costs, and by the benefits of local power production over reliance on imported commodities," said Michael Liebreich, chairman of the advisory board of Bloomberg New Energy Finance, which co-launched the report.

As in previous years, the growth in clean energy in 2015 was dominated by solar photovoltaics and wind, which together added 118 gigawatts in generating capacity, nearly a quarter more than the year before. Wind contributed 62GW and photovoltaics 56 GW, with more modest inputs coming from biomass, geothermal, solar thermal and "waste-to-power", in which waste products are recycled.

The fact that renewables far exceeded conventional energy for new capacity in 2015 shows that a "structural change is underway", the report said. But the ultimate goal of a "carbon neutral" global economy enshrined by the world's nations at UN climate talks in Paris in December is still a distant prospect.

Excluding major hydro projects, renewables still only account for 16 percent of the world's total power capacity, even if that figure has consistently climbed by double digits in recent years. Actual electricity generated is even less -- barely 10 percent.

"Despite the ambitious signals from COP21 and the growing capacity of new installed renewable energy, there is still a long way to go," said Udo Steffens, president of the Frankfurt School or Finance and Management. The Paris Agreement inked at the 195-nation "COP21" talks vowed to cap global warming at below two degrees Celsius (3.6 degrees Fahrenheit), a goal that scientists say will require a wholesale shift away from fossil fuels.

Much of the record-breaking investment in clean energy last year came from China, which spent nearly $103 billion (92 billion euros), 17 percent more than in 2014 and 36 percent of the world total. India was a distant second, spending $10.2 billion, followed by South Africa ($4.5 billion), Mexico ($4 billion) and Chile ($3.4 billion). Morocco, Turkey and Uruguay filled out the list of nations investing at least $1 billion. Overall, developing countries poured 17 times more money into clean energy last year than in 2004.

Among wealthy nations, investment in Europe was down 21 percent, from $62 billion in 2014 to $48.8 billion in 2015, the continent's lowest figure in nearly a decade despite record development of offshore wind power. US investment rose 19 percent to $44.1 billion, while Japan's held steady at $36.2 billion.

The shift away from rich nations can be attributed to China's breakneck dash to develop wind and solar, along with rapidly rising energy demand in emerging economies coupled with plummeting costs. Sluggish economic growth in Europe, as well as cutbacks in subsidies, reinforce the trend, the report said.

China behind global trade slowdown in 2015: World Bank

The slump in Chinese growth and its nascent economic transition was the key factor in a sharp slowdown last year in global trade, the World Bank said on March 09. Trade, as measured by total merchandise import volumes, rose only 1.7 percent in 2015, down from 3.0 percent in 2014, the Bank said in a new report.

That stall in trade, one of the key drivers of economic growth in recent years, was mostly due to cyclical shifts, especially the downturn in demand growth for commodities in emerging Asia and China. But behind that slowdown is the beginning of China's transformation from an export-driven economy to one rooted more in domestic consumption.

Trade flows should continue to be volatile over the coming years, the report said, greatly determined by the pace of China's transformation. "The rebalancing of the Chinese economy will influence trends in world trade. But how the transition happens will affect how much global trade fluctuates in the coming years," it said.

The World Bank also said that the plunge in commodity prices that has ravaged the economies of many exporters is less a problem of lower Chinese imports than of oversupply. "The fact that commodity exporters are seeing lower commodity prices rather than declining export volumes suggests that enhanced supply is an important factor-though expectations of lower future demand may also be playing a role."

China growth slides to 25-year low in 2015: Survey

China recorded its lowest growth in a quarter of a century in 2015, an AFP survey has forecast, projecting a further slowdown in the world's second-largest economy this year. GDP growth for China the median prediction in the poll of 18 economists put expansion at 6.9 percent -- down from 7.3 percent the year before.

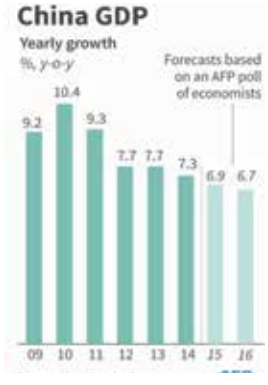
The Asian giant is a key driver of the world economy, affecting businesses and employment across the planet, and worries about its health have roiled global markets in recent weeks and months. The figure would be the weakest growth in the People's Republic since the 3.8 percent of 1990, a year after the bloody Tiananmen Square crackdown rocked the country and isolated it internationally.

Growth will slow further this year, the survey forecast, with the median projection for 2016 coming in at 6.7 percent. One bank, Nomura, forecast a precipitous drop to 5.8 percent. Chinese authorities struggled to keep control of a bucking stock market last year, weakening investor confidence in policymakers' ability to implement reform and manage the transition to a more market-driven economy.

An oversupply of empty housing in second-tier cities and stubborn overcapacity in industries dominated by legacy state-owned enterprises continue to weigh on growth. The expansion slowdown has stalled Beijing's efforts to move the country's economic model away from reliance on exports and infrastructure investment towards consumer spending.

Even so some analysts believe that markets have overreacted to negative factors and underestimated the fundamental resilience of China, whose official growth rates still far exceed those of the developed world.

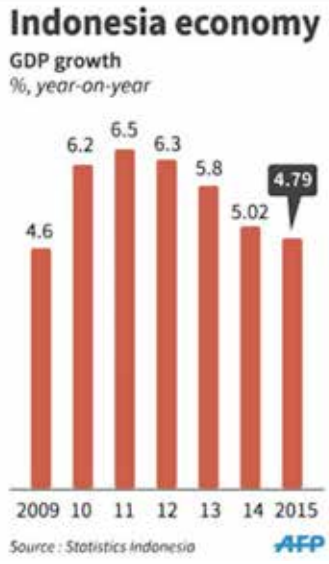
In the AFP survey, economists forecast 2015 fourth quarter growth of 6.8 percent, down from 6.9 percent in the previous three months -- when US growth stood at 2.0 percent. The 2015 forecast in the AFP poll was close to the official growth target of "around 7 percent" for the year -- but questions have repeatedly been raised about the accuracy of official Chinese economic statistics, which critics say can be subject to political manipulation.



Even Premier Li Keqiang reportedly once expressed doubts, telling the then-US ambassador in 2007 that some Chinese data was "man-made" and thus unreliable, and pointing to power consumption and rail cargo volume as better indicators of the true health of the economy.

Indonesia plans "big bang" opening of economy to foreign investment

Indonesian President Joko Widodo on February 10 unveiled plans for a "big bang" loosening of restrictions on foreign investment in nearly 50 sectors to encourage competition in an economy long dominated by powerful vested interests. The president's proposal, which will ease rules in the e-commerce,



retail, healthcare, movie and several other industries, could pit a relative newcomer on the political stage against an establishment resistant to change.

It would be the most far-reaching yet in a string of stimulus packages rolled out over the past six months to drive industry and employment beyond the economy's traditional mainstays of agriculture and mineral extraction.

Southeast Asia's largest economy has been growing at its slowest pace in six years because of falling commodity prices and cooling growth in major trading partner China. But Widodo told Reuters in an interview at the presidential palace he was very optimistic that growth would rebound to 5.3 percent this year after a slide to 4.8 percent in 2015.

His trade minister, Tom Lembong, told Reuters separately that the planned overhaul of the so-called 'Negative Investment List" signalled a greater openness to foreign investment and would partly prepare the country for free trade agreements, including eventually the Trans-Pacific Partnership (TPP).

"We are seriously considering deregulation across the board, but focusing on e-commerce, healthcare, and creative industry," Widodo said ahead of a cabinet discussion of the proposals. There are 49 sub-sectors (affected) so in my opinion this is the big bang." Lembong said retail was also among the sectors that would be opened up, and there would be some degree of deregulation in each of the 16 main sectors on the negative list, which include agriculture, forestry, energy, communication and transport.

In some cases this would raise the limit on foreign stakes in companies from a minority to a majority, helping Indonesia comply with limits on "equity caps" stipulated under the TPP and other trade pacts, like one under negotiation with the European Union.

The healthcare push, which would open up investment in hospitals, clinics and laboratory services, could bring a sea-change in a country where at present foreign medical professionals are not allowed to practice.

Although foreign direct investment into Indonesia has risen in recent years, it remains among the lowest in Southeast Asia in relation to total investment and gross domestic product.

Foreign investors have pushed for years for a greater access to opportunities in Indonesia's vast domestic market, valued at some $840 billions at market exchange rates. Singapore was Indonesia's largest foreign investor last year, with a 20.2 percent share of the $29.28 billion total realised investment, followed by Malaysia and Japan, according o the Investment Coordinating Board.

Indonesia has a long history of protectionism, and vested interests have often stood in the way of trade and investment from abroad.

The last revision to the negative list was done in 2014 and was seen by many as less investor-friendly. Widodo said that, so far, he has not faced any political backlash or resistance to the steps he has taken towards liberalisation.

"For me competition is very important," he said. "If we have already launched our deregulation, the bureaucracy and the system must follow the new rules." Widodo's meteoric rise from furniture businessman to president of the world's third-largest democracy - and the first to come from outside the political or military establishment - was widely seen in 2014 as a watershed moment for Indonesia.

Supporters had predicted that the former governor of Jakarta would root out corruption, promote people based on merit rather than connections and create a vibrant economy.

Instead, as economic growth sagged last year, critics said he seemed out of his depth at times and battling to get around politicians determined to preserve the status quo.

A cabinet reshuffle last August, which brought experienced technocrats into his team, set a new tone. Since then Widodo's administration has rolled out nine stimulus packages cutting red tape, offering tax breaks and loosening regulations.

Widodo said there were two prongs to his growth strategy: deregulation to create competition, efficiency and better services, and infrastructure development. His government has struggled to disburse funds for roads, ports and power stations, and many critical infrastructure projects were hamstrung by bickering ministers and red tape.

Global cotton output to fall this year: Report

Cotton production in two major countries—China and the US—will decrease by 19 percent and 18 percent in 2015-16 due to a fall in cultivation fuelled by less demand and higher cotton stock worldwide, according to a new report.

In 2016, cotton production in China is estimated to be around 5.3 million tonnes, down 19 percent from 2014-15 and 35 percent from a record 8.1 million tonnes in 2007-08, the International Cotton Advisory Committee or ICAC said in a statement. The ICAC provides statistics on world cotton production, consumption, trade and stocks and identifies emerging changes in the world cotton market.

Similarly, 13 percent reduction in harvested areas in the US coupled with lower yields due in part to excessive rains in autumn are expected to lead to a fall in production of 18 percent to 2.9 million tonnes, the Washington-based committee said. Despite the production fall and higher stock in major countries, cotton consumption will rise by 10 percent to more than 1 million tonnes in Bangladesh this year.

The ICAC attributed the rise in consumption to the higher demand from garment makers and favourable government policies for the textile sector. It also said cotton consumption in Vietnam, one of the major competitors of Bangladesh in global apparel trade, will rise by 20 percent to 1.1 million tonnes in 2015-16.

With higher demand, Bangladesh may overtake China as the world's biggest cotton importer in the current crop season due to strong demand from apparel makers, according to data from the US Department of Agriculture. In the year ending July 31, Bangladesh may import a record 5.75 million bales of the fibre, up 6.5 percent from a year earlier, said the USDA. One bale weighs 480 pounds, or 218 kilograms.

WORLD COTTON AT A GLANCE
In million tonnes

	2013/14	2014/15	2015/16
Production	26.28	26.23	22.89
Consumption	23.88	24.22	24.33
Imports	8.67	7.60	7.31
Exports	8.99	7.70	7.31
Stock	20.11	22.03	20.59

Source: ICAC

Despite low international cotton prices, growers in Australia and some South American countries may expand planted areas by 1 percent to 2.9 million hectares.

In 2015-16, production in the southern hemisphere is projected to go down 2 percent to 2.5 million tonnes while it is estimated to be 20.6 million tonnes for the northern hemisphere. India's production of around 6.2 million tonnes accounts for around 30 percent of production in the northern hemisphere. Cotton use in mills in the world will likely remain unchanged in 2016 from 2014-15 at 24.3 million tonnes, according to the statement.

International cotton prices have remained similar to those registered last season, while polyester prices have continued to fall. After decreasing steadily since 2010-11, cotton use in mills in China was stable at 7.5 million tonnes in 2014-15, but is projected to decline by 3 percent to 7.3 million tonnes in 2015-16.

India's mill use is forecast to increase year-on-year by 3 percent to 5.5 million tonnes while Pakistan's may decrease by 12 percent to 2.2 million tonnes. World stocks at the end of 2015-16 are forecast to be 20.6 million tonnes, 58 percent of which will be in China.

World imports are projected to decline in 2015-16 by 4 percent to 7.3 million tonnes. Imports outside China are forecast to increase 6 percent to 6.1 million tonnes. This rise will not offset the decline in China's imports, which are expected to decrease 34 percent to 1.2 million tonnes.

Economic growth no longer translates into more greenhouse gas: IEA

Global economic growth did not translate into more harmful greenhouse gas emissions from the energy sector last year, the International Energy Agency (IEA) said on march 16, a strong indication that growth and increased pollution no longer go hand in hand. For the second year running, worldwide CO2 emissions stalled in 2015 while the global economy grew by 3.1 percent, after a 3.4-percent rise in 2014, the IEA said.

A surge in the contribution from renewable energy sources explains the decoupling of growth and CO2 emissions, with clean energy sources accounting for 90 percent of all new electricity generation in 2015. Wind alone contributed half of all new electricity generation, the IEA said.

"We now have seen two straight years of greenhouse gas emissions decoupling from economic growth," IEA Executive Director Fatih Birol said in a statement.

"Coming just a few months after the landmark COP21 agreement in Paris, this is yet another boost to the global fight against climate change." There have been four instances of falling CO2 emissions year-on-year in the last four decades, three of which coincided with economic weakness, in contrast to the scenario seen these past two years.

The two largest greenhouse gas emitters, the United States and China, both registered declines in CO2 production in 2015. But this was offset by increased emissions in other Asian developing countries, the Middle East and, to a less extent, in Europe, keeping the overall emissions level flat, the IEA said. The 29-nation the International Energy Agency (IEA) provides analysis on global energy markets and advocates policies enhancing the reliability, affordability and sustainability of energy.

Georgia to build $2.5b Black Sea port on China's Silk Road

Georgia on February 08 announced plans to build a new deep-water Black Sea port in a $2.5-billion project that aims to boost trade between China and Europe along the historic Silk Road route. Prime Minister Giorgi Kvirikashvili said the ex-Soviet country had awarded the contract to build the port to a joint venture called Anaklia Development Consortium, made up of Georgia's TBC Holding and US-based Conti International.



"The project will bring tremendous opportunities for Georgia and the entire region, making the new Silk Road concept fully operational," Kvirikashvili told journalists. Under President Xi Jinping, China has launched a multibillion dollar drive to revive its strategic Silk Road trade routes on land and sea, to increase its footprint from central Asia to Europe.

Georgia aims to create a regional transport hub on the Black Sea's east coast, competing with Turkish ports for cargo ships carrying Chinese goods for Europe.

The new port will serve large ships that cannot dock at the ex-Soviet country's existing ports and instead go to Turkey to reload cargo onto smaller vessels.

The Georgian government will contribute $100 million, while the rest will be financed by the ADC consortium.

Denmark happiest nation : World Happiness Report 2016

Denmark overtook Switzerland as the world's happiest place, according to a report that urged nations regardless of wealth to tackle inequality and protect the environment. Bangladesh ranked 110th among 157 nations across the globe while Bhutan, 84th, is the happiest country in South Asia.

The World Happiness Report 2016, prepared by the Sustainable Development Solutions Network (SDSN) and the Earth Institute at Columbia University in New York, showed Syria, Afghanistan and eight sub-Saharan countries as the 10 least happy places on earth to live, Reuters reported on March 16.

The top 10 this year were Denmark, Switzerland, Iceland, Norway, Finland, Canada, Netherlands, New Zealand, Australia, and Sweden. Denmark was in third place last year, behind Switzerland and Iceland. This year's bottom 10 were Madagascar, Tanzania, Liberia, Guinea, Rwanda,



Benin, Afghanistan, Togo, Syria and Burundi. The United States came in at 13, the United Kingdom at 23, France at 32, and Italy at 50.

Among the other South Asian countries Pakistan ranked 92nd while Nepal was at 107, Sri Lanka at 117, India at 118 and Afghanistan at 154, according to the report.

"There is a very strong message for my country, the United States, which is very rich, has gotten a lot richer over the last 50 years, but has gotten no happier," Reuters quoted Prof Jeffrey Sachs, head of the SDSN and special advisor to UN Secretary General Ban Ki-moon, as saying in an interview in Rome.

While the differences between countries where people are happy and those where they are not could be scientifically measured, "we can understand why and do something about it," Sachs, one of the report's authors, said. "The message for the United States is clear. For a society that just chases money, we are chasing the wrong things. Our social fabric is deteriorating, social trust is deteriorating, faith in government is deteriorating," he said.

ICC HQs News

ICC and UNCTAD pledge to work together on 2030 development agenda

The International Chamber of Commerce (ICC) and the United Nations Conference on Trade and Development (UNCTAD) have pledged to strengthen their work maximizing the benefits of international trade and investment for economic and social development, and laid out plans for new collaborative efforts to advance the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in September 2015.

UNCTAD Secretary-General Mukhisa Kituyi and ICC Secretary General John Danilovich issued a joint statement when they met at the annual meeting of the World Economic Forum , taking place in Davos, Switzerland, 20-23 January, 2016.

"Both UNCTAD and ICC are strongly committed to implementing the United Nations 2030 Agenda for Sustainable Development and can collaborate in a number of important areas such as trade facilitation, e-commerce, investment and competition law," Dr. Kituyi said. "The private sector will play a significant role in fulfilling the implementation of the SDGs and we are very pleased to partner with ICC, being the largest representative business organization in the world."

Mr. Danilovich said: "Collaboration between the private sector and intergovernmental organizations - especially UNCTAD, given its convening role for developing countries on trade and investment - is vital if we are to make progress towards the SDGs and ensure a more sustainable and prosperous future for all. Our engagement with UNCTAD is a clear and visible demonstration of the private sector's commitment to the goals."

Building on the success of the widely adopted UNCTAD/ICC Rules for Multimodal Transport Documents, Dr. Kituyi and Mr. Danilovich said that their organizations shared a mutual interest and expertise in developing standards for use in international trade.



Accordingly, the organizations will collaborate in supporting countries wishing to ratify and implement the World Trade Organization's Trade Facilitation Agreement , which aims to cut red tape and the cost of cross-border trade.

Collaboration between the private sector and intergovernmental organizations is vital if we are to make progress towards the SDGs and ensure a more sustainable and prosperous future for all.

In addition, in order to enhance the potential of foreign direct investment in the achievement of the SDGs, the organizations will promote dialogue on this subject at their joint Investment Advisory Council, a high-level platform for the exchange of ideas between senior business leaders and officials, and at the World Investment Forum , UNCTAD's two-yearly gathering for discussions on emerging investment-related challenges.

As for the digital economy, both organizations will join forces to capitalize on the potential that information and communication technologies, including the Internet, have for development.

Recognizing that non-tariff barriers to trade have been shown to be up to four times as restrictive as traditional tariff measures, UNCTAD and ICC will cooperate to raise awareness among governments about the significance of such measures and foster transparency.

The organizations will also work jointly to strengthen consumer protection and safeguard competition law.

The partnership between UNCTAD and ICC will strengthen the voice of the private sector at the fourteenth session of the United Nations Conference on Trade and Development taking place in Nairobi, Kenya, on 17-22 July 2016.

The conference brings together heads of state and government, ministers and key stakeholders from the business world, civil society and academia to tackle global trade and economic development issues in relation to the SDGs and to move from decisions to actions in the implementation of Agenda 2030.

ICC and ICSID formalize long-standing collaboration

The International Court of Arbitration of the International Chamber of Commerce has entered into a cooperation agreement with the International Centre for Settlement of Investment Disputes (ICSID) the world's leading institution devoted to international investment dispute settlement.

Sharing an understanding that fair and expeditious dispute resolution lends confidence and stability to international trade and investment, the two leading institutions have formalized collaborative efforts

to facilitate use of their respective hearing facilities.

Entered into on 11 March 2016, ICC's cooperation agreement with the Washington D.C. based institution is the latest development in line with the Court's concerted outreach to users of arbitration and dispute resolution services in North America.

ICC's close relationship with ICSID dates back decades, having co-organized a series of high level international commercial arbitration colloquia - along with the American Arbitration Association (AAA) - for over 30 years. The new agreement follows memorandums of understanding entered into with the Toronto based arbitration hearing centre Arbitration Place and, most recently in January this year with the Atlanta Center for International Arbitration and Mediation, affiliated with the Georgia State University College of Law.

The agreement was signed on behalf of ICSID by the institution's Secretary-General, Meg Kinnear.

33rd AAA-ICC-ICSID Joint Colloquium on International Arbitration. Since 1983, the ICC International Court of Arbitration, the American Arbitration Association (AAA) and the International Centre for Settlement of Investment Disputes (ICSID) have co-organized a series of joint colloquia to discuss various topics relating to international arbitration.

Save the date for the Business & Climate Summit 2016

The International Chamber of Commerce (ICC) and the world's leading business organizations focused on climate action announced on 16 february that the 2016 Business & Climate Summit, the annual forum for businesses, investors and policymakers working towards a low carbon future, will be hosted in London from 28-29 June.

Taking place at the Guildhall, home of the City of London and in the heart of the world's leading financial centre, this year's Summit will build on the overwhelming success of the first Business & Climate Summit held in Paris last May. The 2015 summit brought together over 2,000 global business leaders, policymakers and investors for what was widely recognised as the key moment in mobilizing the business community in support of climate action ahead of COP21.

With the Paris Agreement in place, 2016 marks a turning point. The second edition of the Business & Climate Summit will be the platform for business to turn commitments into real action and look at how they take advantage of a swift transition to a low carbon economy while reducing the risk of climate change and stranded assets. It will set out how business action can deliver a sub-2 degree world, address how we finance the investment required, and discuss how business and government can collaborate to create new partnerships for low carbon growth.



The summit will be convened by a network of partners that represent over 6 million businesses worldwide, including the International Chamber of Commerce, the World Business Council for Sustainable Development, the We Mean Business Coalition, Entreprises pour l'Environnement, UN Global Compact France, The Climate Group, with support from the World Economic Forum Global Project on Climate Change.

Following the launch of its Green Finance Initiative last month, The City of London Corporation , will also be a Supporting Partner to the Summit.

The market in green bonds to finance sustainable infrastructure projects is expected soon to reach £100 billion-a-year, and the Business & Climate Summit will help convene those business and policy leaders to accelerate this market opportunity.

Chambers partner with Business Angels for entrepreneurship growth

The International Chamber of Commerce World Chamber Federation (ICC WCF) and the global network of Business Angels organizations have formed a partnership to support a range of joint initiatives to support local entrepreneurship. ICC WCF signed a Memorandum of Understanding (MOU) with the network of Business Angel organizations - Global Business Angels Network (GBAN), The European Trade Association For Early Stage Investment Market and Business Angels (EBAN), The MENA Business Angels Network (MBAN) and The African Business Angels Network (ABAN) - during the

World Business Angels Investment Forum 2016, held 22-23 February in Istanbul, Turkey.

Business angel (BA) investors are high net worth individuals who provide capital (€25,000 to €500,000) to entrepreneurs and play a major role in the economy. In many countries, they constitute the largest source of external funding, after family and friends, in newly established ventures. BAs are increasingly crucial in providing risk capital as well as contributing to economic growth and technological advances. Moreover, the supply of start-up and early-stage equity finance has to some extent, become more dependent on BAs, as venture capital funds are not able to accommodate a large number of small deals. Bank lending, the traditional source of financing, is limited due to perceived risk and handling costs.

BAs provide both financing and managerial experience, which increase the likelihood of start-up enterprises to survive. Given the importance of informal investors for the creation and maintenance of an entrepreneurial economy, fostering their investment could have a significant leverage effect.



Signatories to the MOU include Baybar Altuntas, Vice President, EBAN & Chair of the World Business Angels Investment Forum 2016; Jonathon Ortmans, GBAN; Adbelmalek Al-Jaber, President, MBAN and Tomi Davis, President, ABAN.

ICC joins 2016 B20 China Summit preparations

The International Chamber of Commerce (ICC) joined 400 Chinese and international business leaders and government officials for the official launch of B20 China. The meeting marked the beginning of the business policy development process in the run-up to the 2016 G20 Summit scheduled to take place in Hangzhou, China on 3-4 September 2016.



ICC Chairman Terry McGraw led a delegation of CEOs and business executive members of the ICC G20 Advisory Group . The ICC group committed to support the B20 China initiative and helped outline an initial set of business priorities on trade, investment, infrastructure, finance, SMEs and anticorruption. The highly anticipated kick-off event featured keynote presentations by the Chinese government officials responsible for the developing the G20 agenda this year.

Chinese Vice-Premier Wang Yang reached out to the B20 and called for its vision and support. "If we see the world economy as a giant ship, then the business community is the sailor. I believe that the visionary leaders from the business community will take the responsibility and use the G20 and B20 platforms to steer the giant ship of the world economy forward against the waves," he said.

Mr Wang shared a number of Chinese priorities for the G20 this year, including trade, investment, infrastructure and SME growth. "With G20 shifting its focus from fiscal and financial issues to trade and investment, B20 must play its part to put forward recommendations that are forward looking and feasible."

Ning Gaoning, Chairman of Sinochem, will serve as Chair for the B20 China Trade and Investment Task Force. Under his leadership, the B20 initiated the first steps in crafting recommendations for conveyance to G20 leaders, focusing on trade facilitation, protectionism and investment guidelines. The opening ceremony also included keynote remarks by other CEO members of the ICC G20 Group.

Sam Walsh, CEO of Rio Tinto, echoed Mr Wang's views that business is an important part of the process. "I've been involved in the process for several years and B20 China's initial policy preparations are impressive."

Rifat Hisarciklioglu, B20 Turkey Chair, President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and ICC Executive Board Member, and Alexander Shokhin, B20 Russia Chair and President of the Russian Union of Industrialists and Entrepreneurs

(RSPP), both provided insights from their tenures as chairman of B20 Turkey and B20 Russia respectively.

B20 China is chaired by Jiang Zengwei, Chairman of the China Council for the Promotion of International Trade (CCPIT). CCPIT Vice-Chairman Yin Zonghua will serve as the B20 Vice-Chair. CCPIT Vice-Chairman Yu Ping, a longstanding delegate to the B20, is serving as the B20 China Sherpa. B20 China is being staffed by CCPIT and the China Chamber of International Commerce (CCOIC).

The annual B20 process provides a significant platform for the international business community to participate in global economic governance, and supports the work of the G20 by hosting focused policy discussions and developing recommendations geared towards strong, sustainable and balanced growth in the global economy.

The ICC delegation to Beijing also included ICC Executive Board member and Executive Director, GITI Group Cherie Nursalim as well as representatives from Novozymes, Shell, Repsol, Dow Chemicals, Hanwah Group, BHP Billiton, Standards and Poor's, National Petrochemical Industrial Co. (NATPET), Energy Transportation Group, Bank of China, Engie, Danfoss, SEB, Corrs Westgarth, Telefonica and Wesfarmers.

ICC applauds Oslo Business for Peace Award Honourees

The International Chamber of Commerce (ICC) has congratulated the 2016 honourees of the Oslo Business for Peace Award which were announced on March 8 in a ceremony held to coincide with International Women's Day.

By accelerating the development of ethical business practices, this year's honourees clearly show how responsible business conduct can play a central role in improving the state of the world and facilitating the implementation of the United Nations Sustainable Development Goals.

The 2016 Honourees are:

Sarah Beydoun, who has built an international accessories business built on unique bags handmade in cooperation with prisoners and ex-prisoners in battle-scarred Lebanon; Dr Jennifer Nkuene Riria from Nairobi, who runs a micro-finance company that has made a significant effort to empower low-income women and their families in Kenya; Tore Lærdal, who through his company, Laerdal Medical, has manufactured modern resuscitation services and solutions that have helped save hundreds of thousands of lives.

During a high-level event held on March 8, United Nations Development Programme (UNDP) Administrator Helen Clark highlighted the role of female business leaders in driving positive societal change as she announced this year's Business for Peace Honourees.

"This year's winners are exceptional role models who exemplify how ethical and responsible business action can drive positive societal change", said Clark in the press conference taking place at the Oslo City Hall. The Award Ceremony will take place in Oslo City Hall on May 3 as part of the annual Business for Peace Summit. His Royal Highness Crown Prince Haakon will attend this year's event.

Past Business for Peace awardees include Paul Polman, CEO of Unilever; Richard Branson, CEO of Virgin Group and Ouided Bouchamaoui, Nobel Prize winner and ICC Tunisia Honorary Chairman.

UN Secretary General appoints ICC BASIS Director to IGF Multistakeholder Advisory Group



ICC Business Action to Support the Information Society (BASIS) Director and ICC Senior Policy Executive Elizabeth Thomas-Raynaud was nominated among the 21 new members to serve on the MAG that will work to prepare the 11th Internet Governance Forum (IGF).

Working with newly appointed IGF MAG Chair Lynn St. Amour, a total of 55 members make up the 2016 MAG, spanning all stakeholder groups and all regions, representing governments, civil society, the private sector and the technical community.

In this significant first year of the renewed Internet Governance Forum (IGF) mandate, Ms Thomas Raynaud and BASIS nominee Iliya Bazlyankov, CIO of UNICART Bulgaria join newly appointed private sector representative Omar Mansoor Ansari from Afghanistan and 10 previously serving private sectors members of the MAG that have been renewed, providing perspectives from Latin America, Middle East and Africa, Asia, Europe and North America.

The IGF was established to fulfil one of the commitments laid down by the second World Summit on the Information Society (WSIS), which took place in Tunis in 2005. The inaugural meeting of the IGF took place in Athens in 2006 and the forum has been held in different countries every year since. After 10 years, the UN General Assembly conducted a review of the WSIS process concluding in a high-level meeting in December 2015. The IGF was renewed for a mandate of 10 years, recognising its contribution as a unique opportunity for all stakeholders to discuss issues of crucial importance to

ICC WCF welcomes Abu Dhabi Chamber adhesion to International CO Accreditation Chain

The International Chamber of Commerce (ICC) World Chambers Federation (WCF) welcomes the Abu Dhabi Chamber of Commerce and Industry as the latest chamber to join the International Certificate of Origin (CO) Accreditation Chain.

The Abu Dhabi Chamber of Commerce and Industry signed its affiliation agreement through the Dubai Chamber of Commerce, WCF's authorized coordinating body on CO matters. Certificates of origin issued by the Abu Dhabi Chamber will now feature the ICC WCF International CO label, recognizing the chamber's documentation services that conform to international rules and standards laid down in the ICC WCF International Certificates of Origin Protocol.

Other chambers in the United Arab Emirates are in the process of working with the Dubai Chamber in adhering to the International CO Accreditation.

Mohammed Al-Hameli, Deputy Director General of the Abu Dhabi Chamber, signed the agreement with Atiq Jumaa Nasib, Senior Vice



President of Commercial Services, Dubai Chamber and WCF's International CO Council's Regional Coordinator for the Middle East.

ICC cautions against new EC measures that go beyond the scope of international tax guidelines

The International Chamber of Commerce (ICC) has expressed concern at a European Commission (EC) move to implement rules on the exchange – and possible public disclosure – of multinational company tax information that go beyond international guidelines set



out in the Base Erosion Profit Shifting (BEPS) plan of the Organisation for Economic Co-operation and Development (OECD) and G20.

New rules were endorsed by European Union (EU) finance ministers last on March 15 within the context of the proposed EU Anti-Tax Avoidance (ATA) package presented by the EC earlier this year.

The new measures on exchange of tax data will oblige multinational companies to disclose data on revenues, profits and taxes to their local tax administrations and allow the data to be exchanged among the 28 EU states. The EC is also considering bringing a second country-by-country reporting standard into force, with considerations to include provisions for public disclosure of tax data as part of this package.

ICC fully acknowledges the importance of ensuring adequate access to information for tax authorities in order to determine the correct amount of tax for businesses. However, the world business organization believes that the reports should not be made public and that disclosure would be counterproductive to efficient tax administration. It would furthermore be harmful to the relationship between taxpayers and tax authorities. ICC therefore urges the EC to implement measures that are consistent with international guidelines that support the confidentiality of commercially sensitive information.

ICC calls for a coordinated implementation of the combined deliverables of the G20/BEPS project on a multilateral basis with a consensus approach in order for the solutions to be consistent and uniformly applied at the international level.

The six legally binding measures of the ATA package to address aggressive tax planning include the following:

1. Hybrid mismatches, 2. Interest deductibility 3. Controlled Foreign Companies (CFCs) 4. Switch-over clause 5. Exit tax 6. General Anti-Abuse Rule (GAAR).

Some of the provisions have been extracted from the Common Consolidated Corporate Tax Base (CCCTB) proposal.

They were part of a broader, consolidated regime across countries aimed at creating a strong and dynamic internal market, able to compete with other major economies and better facilitate cross-border trade, enhance growth, employment and investment in the EU. ICC is concerned that these new EC measures which significantly diverge from the OECD/BEPS project, will reduce rather than stimulate trade in the EU and negatively impact international trade by creating new tax barriers.

The EC should restrict itself to the implementation of the OECD BEPS Action Plan and follow the initial path of a competitive Common and Consolidated Corporate Tax Base.

ICC Academy teaches global trade finance essentials with 7 new e-courses

The International Chamber of Commerce (ICC) Academy has launched seven new e-courses for its members. They range in topics from capital and pricing to distributor finance and each provides professionals, worldwide, with a fundamental and practical understanding of trade finance basics.

Delivered via a dynamic digital platform and designed by industry experts, ICC Academy e-courses meet the growing need of banking and finance practitioners for industry-relevant training. The flexibility and convenience of online courses will mean participants can select courses individually or as part of a tailored package in preparation for the Global Trade Certificate (GTC).

Recognized internationally by financial institutions, corporations, governments and regulators, the GTC has been designed to enhance expertise in the area of trade finance and supports professional progression within both the financial and corporate sectors.

The seven e-courses are: Introduction to Trade Finance; Introduction to Documentary Credits; Introduction to Collections; Introduction to Guarantees; Introduction to Capital and Pricing; Introduction to Distributor Finance and Introduction to Cross Border Trade

Davinder Singh, SC named Vice-Chair of ICC Commission on Corporate Responsibility and Anti-corruption



Senior Counsel Davinder Singh has been appointed Vice-Chair of the International Chamber of Commerce (ICC) Commission on Corporate Responsibility and Anti-corruption. Mr Singh is the Chief Executive Officer of Singapore law firm Drew & Napier LLC. A graduate of the National University of Singapore, Mr Singh brings his extensive experience as an international litigator and arbitration counsel to the leadership role.

Mr Singh joined the Litigation Department of Drew & Napier in 1982, and has litigated cases in most areas of the law, including landmark cases. He has been repeatedly recognized as a top litigator and arbitration counsel by international legal researchers. In 2014, he received the prestigious "Outstanding Contribution to the Legal Profession" award from Chambers & Partners for his exceptional achievements and significant impact on local and international markets.

ICC has been a pioneer in the business fight against corruption, issuing in 1977 a first edition of the ICC Rules of Conduct to Combat Extortion and Bribery. Through the work of the ICC Commission on Corporate Responsibility and Anti-corruption, the world business organization today continues to lead on anti-corruption and corporate responsibility issues, providing industry guidance and codes and via advocacy to high-level policymakers.

Chaired by Denis Simonneau, Director of European and International Relations of Engie (formerly GDF Suez), the commission brings together more than 300 members from 40 countries, representing multinational companies, law firms, trade associations, and small- and medium-sized enterprises.

The commission meets twice yearly, but carries out work constantly throughout the year, including through issue-specific task forces.

ICC Academy launches Training Recognition Service

The International Chamber of Commerce (ICC) Academy has unveiled a new training recognition programme which will allow students to earn credits for ICC Academy certification programmes when they

attend workshops, conferences and other events that focus on their area of study.

The Training Recognition Service forms an integral part of the ICC Academy's professional development programmes-including the ground-breaking trade finance qualifications unveiled last year-and encourages professionals to diversify their learning experience outside of the Academy's online courses.

One of the first accredited global events to take place will be the 4 th ICC Supply Chain Finance Summit. This year's Summit will look at the evolution of the supply chain financing market, focusing on issues such as the changing needs of SMEs, the implications of fintech, and the growth of renminbi dominated transactions. The Summit will also feature the launch of new standard industry terminology for the supply chain finance industry developed by ICC in collaboration with a range of leading industry bodies. Delegates at this event will receive 15 Professional Development Credits towards the ICC Academy's Global Trade Certificate or the more advanced Certified Trade Finance Professional programme.

As part of the Training Recognition Service, ICC's network of national offices in almost 100 countries around the world will be enabled to provide high-quality in-person training and events in support of Academy programmes.

World Chambers Federation leadership renewed for a second term

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



The WCF body unites and represents the global network of chambers of commerce. Re-elected as Chair of WCF is Peter Mihok, President of Slovakia's Chamber of Commerce and Industry. Also returning as Deputy Chair is Hamad Buamim, President and CEO of the Dubai Chamber of Commerce.

The WCF General Council voted unanimously for a consecutive three-year term, demonstrating overwhelming support for the two candidates. Each was recognized for the success and achievements of the WCF three-year strategy implementation and their clear vision for the next phase of the development plan. In their respective acceptance speeches, Messrs Mihok and Buamim highlighted some of the key accomplishments of WCF over the past few years.

They included the release of the Chamber Charter: the Entrepreneurs Bill of Rights, a document aiding the advocacy efforts of chambers in their marketplace; building ties with chambers in Africa the signing of two accords with CPCCAF and ASCAME; market expansion of both the ATA and CO services and the growing success of the World Chambers Congress.

Looking forward, new WCF priorities have already been mapped out and include: establishing a WCF digital strategy, expanding membership, aiding chambers in business development opportunities for their members, the Rio de Janeiro Olympic Games and the International Festival of Business. "The World Chambers Federation continues to be prominently recognized by the chamber community internationally.

Its focus centres on strengthening chamber operations and building practical ties that foster the development of new and relevant services for their entrepreneur and SME members. Much needs to be done in markets worldwide to reinforce and protect the brand of the chambers of commerce. This identity, which has been built upon inherent 'trust,' has been secured over centuries and is the voice of the private sector and leading agencies within all their communities in helping business do business," said Mr Mihok, Chair of WCF.

As part of WCF's regional activities, Mr Mihok has begun the first appointments of regional Vice-Chairs renewing the positions of Ambrosio Bertolotti (Uruguay National Chamber of Commerce), Bark-Jae Shin (Seoul Chamber of Commerce and Industry); Jean-Claude Karpeles (Paris Ile-de-France Chamber of Commerce); Mahendra Sanghi (Assocham India) and Mick Fleming (American Association of Chamber of Commerce Executives). Peter Bishop, Deputy Chief Executive of the London Chamber of Commerce and Industry will assume the role of Chair of WCF International Certificate of Origin Council. Rona Yircali (Past President, Union of Turkish Chambers - TOBB) will also serve an additional three-year term as WCF Honorary Chair.

WTO News

Trade Facilitation WTO members urged to start preparing for entry into force of Trade Facilitation Agreement

WTO members were urged on 3 March to start preparing for the entry into force of the new Trade Facilitation Agreement (TFA) by notifying to the WTO what their technical assistance and capacity-building needs are, and how much time they will need to ensure effective implementation of the Agreement.

The chairman of the Preparatory Committee on Trade Facilitation (PCTF), Esteban Conejos, told the committee on 3 March that the WTO has now received 81 "Category A" notifications from members indicating which provisions of the TFA they will implement upon entry into force of the Agreement (or one year after entry into force for least developed countries — LDCs).

"What is even more encouraging is that we also started receiving a growing number of B and C notifications," the chairman said. "This is especially important since we are getting closer to seeing the Trade Facilitation Agreement enter into force — which equally shortens the remaining time for submitting B and C-related inputs."

Separately, representatives from donor countries, international organizations and private sector groups met with WTO members on 4 March to outline what support they have made available to help governments implement trade facilitation reforms and to report on their experiences to date in providing assistance.

Category B covers TFA commitments that a developing country or LDC member will implement after a transitional period following the entry into force of the Agreement, while Category C covers commitments that a developing country or LDC member will implement after a transitional period following the entry into force of the Agreement and that require technical assistance and capacity-building support to implement.

Notifications on Category B and C commitments are to be submitted by developing countries upon entry into force of the TFA, with LDCs given an additional year after entry into force to submit their notifications.

To date, 70 WTO members have ratified the TFA, with 21 ratifications received since the PCTF's last meeting in mid-October 2015. Two-thirds of the WTO's membership must ratify the TFA in order for the Agreement to enter into force.

Ratifications in the pipeline

Brazil told members that the TFA was now before its National Congress for approval and that it had taken preparatory steps to implement TFA provisions domestically. El Salvador said its legislative assembly ratified the TFA on 4 February and that it hoped to deposit its instrument of acceptance with the WTO shortly.

Nepal noted that it submitted its Category A notification in October 2015 and that it was taking steps to secure ratification soon.

Nepal highlighted the importance of the TFA to landlocked countries but said it needed substantial technical and financial assistance to ensure implementation.

Pakistan, China and the European Union also spoke to underline their support for the TFA as well as the importance of the Agreement in reducing border costs and promoting trade.

They also encouraged members that have not done so to ratify the TFA and to submit their notifications.

Linking support with needs

Representatives from the United Kingdom, the EU, Canada, Sweden and Japan highlighted on 4 March the trade facilitation implementation support they were currently providing.

Sweden's WTO ambassador Daniel Blockert said there were lots of programmes in place and lots of funds available to assist developing countries and LDCs with implementation. The challenge for potential recipients is to track down the programmes, he said, which underscored the importance of national focal points.

Bill Gain, Global Program Manager with the World Bank, noted that the Bank's support for trade facilitation-related projects increased from US$ 322 million in 2004 to US$ 7 billion in 2015.

Fifty countries have already requested assistance under the Bank's Trade Facilitation Support Program (TFSP), which assists developing countries in reforming and aligning their trade facilitation laws, procedures, processes and systems to enable implementation of the TFA.

Several speakers highlighted the importance of existing initiatives such as TradeMark East Africa, which has been credited with substantially reducing the costs and time for overland shipping in the region, as well as new initiatives such as the Global Alliance for Trade Facilitation, a public-private platform that seeks to use private sector expertise and resources to support trade facilitation reforms.

Emphasis was also placed on the role of the WTO's Trade Facilitation Agreement Facility (TFAF) to

support the ultimate goal of full implementation of the Agreement by all members. The Facility was formally launched on 22 July 2014 by WTO Director-General Roberto Azevêdo to help developing and LDC members assess their specific needs and to identify possible development partners to help them meet those needs.

WTO Public Forum

Theme of 2016 Public Forum to be "Inclusive Trade"

The theme of the 2016 Public Forum, to be held at the WTO's headquarters in Geneva on 27-29 September, is "Inclusive Trade".

The Forum will be an opportunity for participants to discuss how a wider range of individuals and businesses can participate in the trading system and how WTO rules can help to ensure everyone benefits from trade. At a time when the business environment is changing and world growth is slowing, it is important to ensure that trade is truly inclusive, allowing small enterprises, women and innovative businesses to take an active role in the global trading system.

This year's Forum will examine in particular how the WTO can foster the participation of small and medium-sized enterprises (SMEs) in the global market, how the trading system can support innovation and how women can participate more fully in international trade. The Forum will also see the launch of the WTO's flagship publication, the World Trade Report, which will focus on SMEs. A number of other books will also be launched during this year's Forum.

Stands organized by both internal and external partners will display information concretely showcasing how to make trade more inclusive.

WTO chairpersons for 2016

The WTO General Council, on 24 February 2016, noted the consensus on a slate of names of chairpersons for WTO bodies.

General Council	H.E. Mr Harald NEPLE (Norway)
Dispute Settlement Body	H.E. Mr Xavier CARIM (South Africa)
Trade Policy Review Body	Ms Irene B.K. YOUNG (Hong Kong, China)
Council for Trade in Goods	H.E. Mr. Hamish McCORMICK (Australia)
Council for Trade in Services	H.E. Mr. Gustavo Miguel VANERIO BALBELA (Uruguay)
Council for TRIPS	H.E. Mr. Modest Jonathan MERO (Tanzania)
Committee on Trade and Development	H.E. Mr. Christopher ONYANGA APARR (Uganda)
Committee on Balance-of-Payments Restrictions	H.E. Mr. M. Shameem AHSAN (Bangladesh)
Committee on Budget, Finance and Administration	H.E. Mrs. Inga ERNSTSONE (Latvia)
Committee on Trade and Environment	H.E. Mr. Héctor CASANUEVA (Chile)
Committee on Regional Trade Agreements	H.E. Mr Daniel BLOCKERT (Sweden)
Working Group on Trade, Debt and Finance	H.E. Mr. Atanas Atanassov PAPARIZOV (Bulgaria)
Working Group on Trade and Transfer of Technology	H.E. Mr. Luis Enrique CHÁVEZ BASAGOITIA (Peru)
Preparatory Committee on Trade Facilitation	H.E. Mr Esteban Conejos (Philippines)
Dispute Settlement Body, Special Session	H.E. Mr. Mame Baba CISSE (Senegal)

Following the approval of the chairs by the General Council, Director-General Roberto Azevêdo thanked the departing General Council chair, Ambassador Fernando de Mateo of Mexico, for his excellent work. He said: "With your sheer determination and wealth of knowledge and experience, you have steered the General Council to function smoothly in 2015. And of course this includes the process of intense consultations leading to Nairobi. Your commitment was decisive in achieving successful outcomes at MC10."

DG Azevêdo congratulated the new General Council chair, Ambassador Harald Neple of Norway. He said: "This appointment is the recognition of the extensive work that you have carried out for the WTO. In particular, I would like to thank you for your efficient stewardship of the DSB [Dispute Settlement Body] and your tireless efforts in the run-up to Nairobi in your role as a Facilitator." 8 February 2016

WTO issues call for papers for 2016 WTO Essay Award for Young Economists

The WTO launched on 8 February an invitation to young economists to submit papers for the 2016 WTO Essay Award. The Award aims to promote high-quality research on trade policy and international trade co-operation among young economists and to reinforce the relationship between the WTO and the academic community.

Prize

The annual WTO Essay Award consists of a prize of CHF 5,000 to the author(s) of the winning essay. In the case of a co-authored paper, the prize will be equally divided among the authors. The winning paper will be officially announced at the annual meeting of the European Trade Study Group (ETSG), which is the largest conference specializing in international trade. The award ceremony will take place in September 2016 in Helsinki, Finland. The winning author(s) will receive funding to attend the meeting.

Selection

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

Professor Avinash Dixit (Princeton University)

Professor Robert Steiger (Dartmouth College)

Professor Alberto Trejos (INCAE Business School).

Dr Robert Koopman (Director, Economic Research and Statistics Division, WTO Secretariat) is ex officio member of the Panel. Dr Roberta Piermartini (Counsellor, Economic Research and Statistics Division, WTO) coordinates the work of the Selection Panel.

Eligibility

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

Past winners

2015: Christoph Boehm (University of Michigan), Aaron Flaaen (Federal Reserve Board of

Governors in Washington D.C.) and Nitya Pandalai-Nayar (University of Michigan)

2014: Jonathan Dingel (Columbia University) and Claudia Steinwender (LSE)

2013: Felix Tintelnot (Princeton University).

2012: Treb Allen (Yale University)

2011: Rafael Dix-Carneiro (University of Maryland) and Kyle Handley (Stanford University)

2010: Dave Donaldson (MIT) and Olena Ivus (Queen's University)

2009: Ralph Ossa (University of Chicago). The runner-up was Mostafa Beshkar (University of New Hampshire).

Important deadlines

Essays must be submitted by 1 June 2016. The Economic Research and Statistics Division of the WTO Secretariat will shortlist eligible papers by 15 June 2016 and the Selection Panel will take a final decision by 15 July 2016. Only the author(s) of short-listed essays will be notified.

Publication

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

Submissions

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

1. the essay

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

About ICC Bangladesh

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

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

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

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

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

- In 2000 a 2-day ICC Asia Conference on "Investment in Developing Countries: Increasing Opportunities" was organized in Dhaka, which was inaugurated by the Prime Minister of Bangladesh and attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & Director General Designate of WTO, ADB President, Under Secretary General and Executive Secretary of UN-ESCAP and Chinese Vice Minister for Foreign Trade & Economic Cooperation. More than 250 participants from 24 countries participated in this event.
- A 2-day International Conference on "Global Economic Governance and Challenges of Multilateralism" was held in Dhaka in January, 2004 coinciding with 10th Anniversary of ICC Bangladesh. The Conference was inaugurated by the Prime Minister of Bangladesh and Thai Prime Minister was the Keynote Speaker. WTO Director General, EU Commissioner for Trade, UNESCAP Executive Secretary, Governor of Japan Bank for International Cooperation, six Ministers from three continents, Bangladesh Ministers, ICC Chairman, ICC Vice Chairman, ICC Secretary General and more than 500 participants from 38 countries attended this event.
- In 2005, ICC Bangladesh organized a Regional Seminar on "Capital Market Development: Asian Experience". The Seminar, inaugurated by the President of the People's Republic of Bangladesh was attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.
- In 2010, ICCB organized a Conference on "Energy for Growth" coinciding with the 15 years of ICC's presence in Bangladesh. The Conference was inaugurated by the Finance Minister of Bangladesh and attended by ICC Global Chairman, Minister for Commerce of Bangladesh, Minister for Development Cooperation of Denmark and Adviser to the Bangladesh Prime Minister for Energy & Mineral Resources. Some 800 delegates from home and abroad including energy experts, power developers, gas exploiters, coal miners, international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA.
- 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 2015, ICC Bangladesh organized a Workshop on International Trade Finance in Colombo jointly with ICC Sri Lanka; Seminar and Workshop on International Factoring for Foreign Trade in April in Dhaka jointly with Factors Chain International (FCI), Asian Development Bank (ADB) and Bangladesh Institute of Bank Management (BIBM); Workshop on Application of Rules for International Trade Finance jointly with Mutual Trust Bank Limited in May and Seminar on Bangladesh- China Trade Finance: Role of Banks jointly with ICC China and China Council For The Promotion Of International Trade(CCPIT),Yunnan Sub-council in Kunming in August; ICC Workshop on International Trade Finance, Logistics and Business Development, jointly with UNESCAP, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Myanmar Bank Association (MBA), Yangon in November.

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; Certificate for 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 "ICC Knowledge Centre" in 2014 develop professionals skill of the officials business houses.

BANGLADESH INTERNATIONAL CHAMBER OF COMMERCE
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