ICC BANGLADESH
INTERNATIONAL
CHAMBER OF COMMERCE
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July - September 2016

NEWS BULLETIN

A Quarterly Newsletter of ICC Bangladesh

Volume 19 > Issue 75



















Investment opportunities in Infrastructure Development

ICC BANGLADESH
The world business organization

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Editor's Note

Investment opportunities in Infrastructure Development

Bangladesh economy is moving on a stable path, despite external and internal challenges. With positive near-term macroeconomic outlook, declining inflation, rising reserve, contained fiscal deficit and stable public debt, which indicates brighter prospects. The country is among the top 12 developing countries, who achieved 6 plus percent growth in 2016. According to experts by any standards, Bangladesh economy is doing well and expected to achieve above 7% GDP this fiscal.

The key challenges for Bangladesh in FY 16 were acceleration of private investments and the better use of public sector resources to implement important infrastructure. The decline in private investment/GDP ratio in FY16 gives rise to the concern about sustainability of the 7.0 per cent plus growth rate in the coming years. Private investment has remained virtually stagnant at 22 per cent of GDP, with foreign direct investment (FDI) accounting for about 1.0 per cent of GDP, both being well short of their Seventh Five Year Plan (FYP) and Sixth FYP targets. However, infrastructure investment in the current fiscal is booming.

The government has given top priority to ten fast-track mega projects in the current FY budget and given Tk 187.27 billion fund allocations for eight out of total 10 fast-track mega-projects. The mega projects are the Padma bridge, Padma bridge rail connection, Metro rail, Sonadia Deep Sea Port, Rooppur nuclear power plant, Payra sea port, Rampal Thermal power plant, Matarbari power plant, LNG terminal, and Dohazari-Cox's Bazar-Gundum rail line. Experts welcomed the government initiative and said it would speed up implementation of the priority projects.

During three months of the current FY many of the fast-track projects have attracted foreign investment. The Asian Development Bank announced $1.5 billion fund to build a key train line from Dohazari in Chittagong to Cox's Bazar, in its largest investment in railways in the continent. ADB is funding this new railroad, which is part of the Trans-Asia Railway network, to improve Bangladesh's access to Myanmar and beyond.

China Rail Group Limited has signed contract for Padma rail link, which is Tk 349.88 billion. DP Rail a British company has proposed to invest $7.5 billion in the Dhaka-Payra seaport rail link project. The rail link between Dhaka and Payra is crucial, as the government plans to build it as the main seaport of the country by 2022. Payra sits on the Bay of Bengal and has all the potential to become an international seaport, but its road and rail links with Dhaka and other parts of the country are poor at the moment.

During last seven years $8 billion was invested in the power sector in public-private partnerships and another $13 billion are in the pipeline. The investment has resulted in access to electricity for nearly 80 percent of the population. "But still there are unlimited opportunities of investment in the power sector, as we will need to generate some 24,000 MW power by 2021."

To achieve its goal of middle-income country status by 2021and to accelerate inclusive growth as well as reduce poverty and income inequality, the country will require a substantial increase in yearly investments from 29.0% of GDP in FY2015 to 34.4% of GDP by FY2020. More than $11 billion in external resources will be needed for public sector investment. For its strategic location Bangladesh has huge potential to attract more foreign direct investment (FDI) as the central point of eastern part of South Asia, being a connector between South and East Asia.

Bangladesh has also signed WTO Trade Facilitation Agreement, which is expected to allow Bangladesh to increase and diversify its export basket. The major three economy of the region—China, Japan and India proposed to make huge investment, mainly in infrastructure development including energy. With the timely implementation of various projects, Bangladesh will definitely be able to attract more FDIs in the very near future.

In order to attract FDIs, the government agencies have to be more vibrant and proactive. The recent merger of Board of Investment and Privatization Commission into one body – Bangladesh Investment Development Authority, in short called BIDA, hopefully will be able long demanded "ONE STOP" service in real sense to attract FDI.

The Daily Star
24July, 2016

In pain, in praise



Faraaz becomes the only non-Arab Muslim to be inducted into the Garden of the Righteous for standing up against the current spate of terrorism in the name of jihad

STAFF CORRESPONDENT

In Shakespearean tragedy, "Cowards die many times before their deaths, the valiant never taste of death but once."

Faraaz Ayaaz Hossain, the young man who sacrificed his life during the July 1 terror attack at the Holey Artisan Bakery refusing to desert his friends, is an epitome of that valiance.

Terrorists specifically targeted foreigners dining at the upscale Gulshan café. They were looking for "infidels," taking test as to who could recite verses from the holy Quran and who couldn't. Faraaz recited from the Quran.

Faraaz, a brilliant student of Economics at Emory University in Atlanta, US, was given the choice of walking free from the café under siege. But he chose to stay on with his friends -- Abinta Kabir, a Bangladesh-born US citizen and also a student at

SEE PAGE 2 COL 1



COURTESY: ITALIAN EMBASSY, TUNISIA

Garden of the Righteous, a commemorative garden, set up in the Tunisian capital Tunis in the honour of five Arab and Muslim righteous individuals, including Bangladeshi Faraaz Ayaaz Hossain. President of the City Council of Milan, Italy, Lamberto Bertolè is seen paying tribute to the memory of Faraaz.

Emory University, and Tazishi Jain, an Indian student of the University of California, Berkeley -- with whom he had gone to the café on the dreadful night.

He decided not to leave behind his friends, who were Western clothes, paying with his life for his choice.

Today, he is revered posthumously not only at home. His valiance and sacrifice are being recognised all over the world along with a rare few, who have shown such courage at testing times.

Faraaz and four other righteous Arab and Muslim individuals of the past and present times, who struggled against persecution and terrorism and for human rights, have been honoured with the setting up of a "Garden of the Righteous" at the Italian embassy in Tunisian capital Tunis.

He is the only non-Arab Muslim who has been inducted into the Garden for standing up against the current spate of terrorism in the name of jihad that Bangladesh and the world as a whole facing today.

A non-profit Milan-based organisation -- the Garden of the Righteous Worldwide (GARWO) -- with cooperation of the Ministry of Foreign Affairs of Italy, took the initiative to set up the first Garden of the Righteous in an Arab country on July 15. The garden hosts trees and memorial stones dedicated to five righteous Arab and non-Arab Muslim individuals, including Faraaz.

The tree dedicated to Faraaz bears the inscription: "In Dhaka he chose not to leave his friends and was murdered by the terrorists."

The Committee for the GARWO started work in Milan in 1999 and was officially formed in 2001. It is chaired by Gabriele Nissim, a historian.

Chairman Gabriele Nissim, Italian Ambassador in Tunis Raimondo De Cardona and President of the Tunisian League of Human Rights and a 2015 Nobel Laureate Abdessatar Ben Moussa inaugurated the Garden of the Righteous on July 15.

The other four who have been honoured are: world famous Syrian archaeologist Khaled al-Assad, Tunisian tourist guide Mohammed Laroussi Bouibaya, Libyan human rights activist Salwa Bugaighis and Pakistani social activist Abdul Sattar Edhi.



Full text of the letter from Simeen Hossain

On July 1st, our son Faraaz, was most brutally taken away from us by a few inhuman terrorists. His decision, to stay and protect his friends he held so dear to him transcends all boundaries of race, religion or gender. He acted purely on his unshakable values. He had always felt responsible for those around him taking it as his duty to protect those he loved. These are the values Faraaz had instilled in himself. believing first and foremost that one must be, above all,a good human being.

Filled with spirit, living every moment with a glowing smile, and exemplifying the best of youth, Faraaz was a gem of a human being. He always cared about others, making sure his actions would make those around him happy. He was a superstar student at Emory University's Goizueta Business School and dazzled those he worked with in his internships at Transcom and Pepsico. He touched the hearts of every person he interacted with and proved to be a born leader in anything he took up. Above all he remained a righteous human being till his last breath. Having an extremely clear sense of right and wrong, he stood by what he believed was right with every ounce of strength.

Our son, Faraaz, has set an example for the world with his bravery to stand strong in the face of evil. Our innate admiration for this little boy comes out of the fact that he made us question ourselves, he made us think whether we would have the courage to make the decisions he did while being aware of its consequences.

WE salute you for setting an example for the world to follow. Faraaz, you have always wanted to make me a proud mother; today you have made me the proudest mother in the whole world.

You have filled our hearts with immense pride and strength. you have instilled in us a fearlessness that we never knew existed. You have given us a reason to spend the rest of our lives fighting for what you stood for. You always said you'd show the world. I just want you to know you have done so beyond our wildest imagination.

We ALL love you IMMENSELY Faraaz.

Your proud mother, whom you have deeply humbled by your act of bravery

Simeen Hossain
(MD and CEO, Eskayef)

our son Faraaz was most brutally taken away from us by a few inhuman terrorists. His decision to stay and protect his friends he held so dear to him transcends all boundaries of race, religion or gender. He acted purely on his unshakable values.

"He had always felt responsible for those around him taking it as his duty to protect those he loved. These are the values Faraaz had instilled in himself, internships at Transcom and Pepsico.

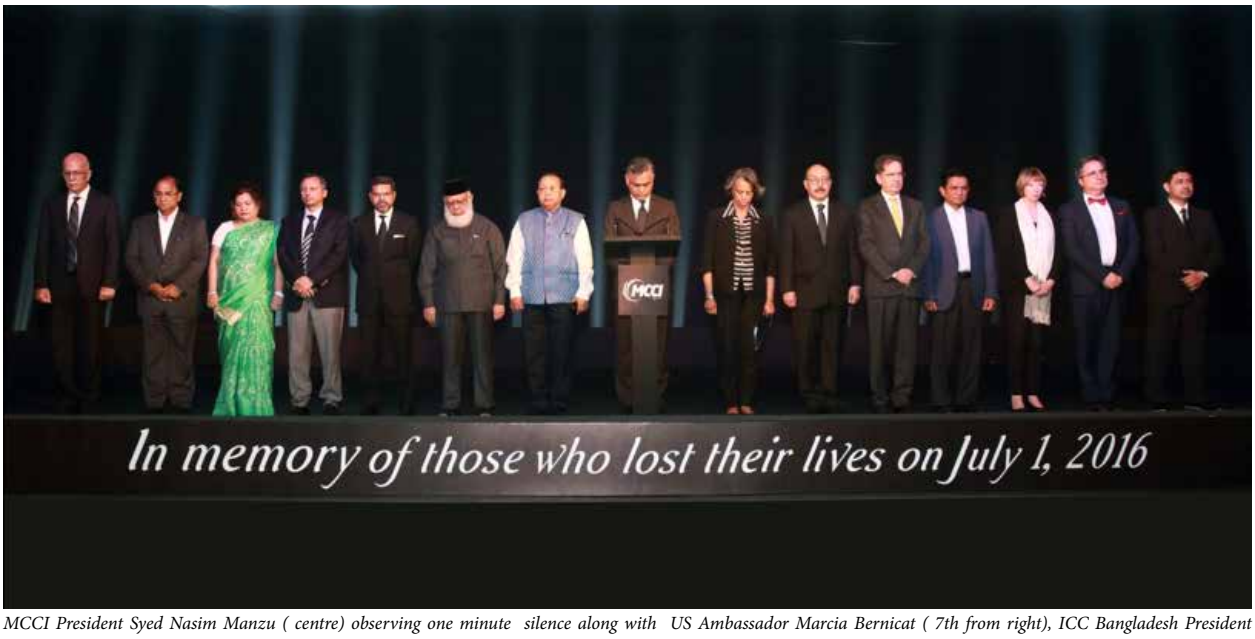
In a recent newspaper column, veteran Indian journalist and columnist Kuldip Nayar said, "I am confident that people would name their sons and statues after him, not only in Bangladesh but also in India and elsewhere."

The Tunis inauguration of the Garden of the Righteous was held within a few hours after the massacre

ICC Bangladesh News

Businesses condemned terrorist attack on 1 July in Dhaka
Pays tribute to Faraaz Ayaaz Hossain for his values and principles

Metropolitan Chamber of Commerce and Industry (MCCI) arranged a remembrance meet in memory of those who lost their lives in the terrorist attack at Holey Artisan Bakery in Dhaka on 1 July. The event organized by MCCI in Dhaka on 10 August in memory of Faraaz Ayaaz Hossain, grand son of Transcom Group Chairman & ICC Bangladesh Vice President Latifur Rahman and the other victims of the July 1 Gulshan café attack. The attackers killed 20 hostages, 17 of them foreigners, and two police officers during the 12-hour siege. In memory of Faraaz and the other victims, all guests at the memorial stood in silence for a minute.



MCCI President Syed Nasim Manzu (centre) observing one minute silence along with US Ambassador Marcia Bernicat (7th from right), ICC Bangladesh President Mahbubur Rahman (6th from left), FBBCI President Matlub Ahmed (7th from left), Indian High Commissioner Harsh Vardhan Shringla (6th from right), European Union Ambassador Pierre Mayaudon (5th from right), British High Commissioner Alison Blake (3rd from right), Italian Embassy Charge d'affaires Giuseppe Semenza (2nd from right), Former FBCCI President A.K.Azad (4th from right), DCCI President Hossain Khaled(5th from left), CCCI President Mahbubul Alam(4th from left), FICCI President Rupali Chowdhury(3rd from left), BTMA President Tapan Chowdhury(2nd from left), MCCI Vice President Akhter Matin Chowdhury (extreme left) and MCCI Secretary General Faruque Ahmed (extreme right).

Terrorists specifically targeted foreigners dining at the café. They were looking for "infidels," taking test as to who could recite verses from the holy Quran and who couldn't. Faraaz, grandson of Latifur Rahman and Shahnaz Rahman and son of Simeen Hossain and Waquer Hossain, could recite from the Quran, said freed hostages. The brilliant student of Economics at Emory University in Atlanta, US, was given the choice of walking free. But he chose to stay with his friends -- Abinta Kabir, a Bangladesh-born US citizen and also a student at Emory University, and Tarishi Jain, an Indian student of the University of California, Berkeley -- with whom he had gone to the café. For his choice, he paid with his life.

MCCI President Syed Nasim Manzur recalled all the great souls. "The final question that we must all answer at the end is not who we were or what we were or how much did we have. The final question is: what did we do with our lives? Each one of the victims was trying to do something with their lives in their own way," he said.

Transcom Group Chairman Latifur Rahman said the Gulshan attack was a game changer as the authorities and people woke up and got united against terrorism. "We are committed to this country…there is no question of surrender," he said, referring to Faraaz.

Zaraif Ayaat Hossain, brother of Faraaz, said, "I can proudly say, standing here that Faraaz has outdone any ambition he ever dreamt of and he has made an impact beyond any success he wanted to achieve. "Today his success, his significant impact on Bangladesh and beyond is not within the confines of our world or a time. It will pass on with generations to come."

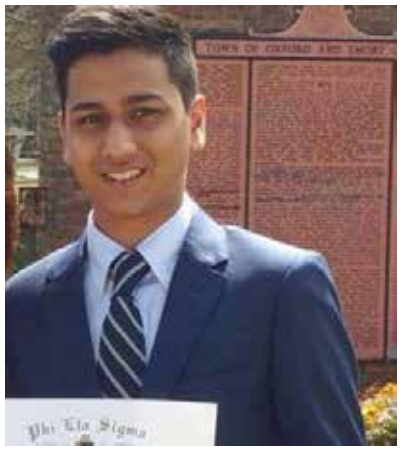
The country's business community has urged foreign countries not to put a red alert on Bangladesh, assuring them that the government is doing everything to root out militancy and make it a safer place. "Bangladesh is now much safer than it was before July 1," said FBCCI President Abdul Matlub Ahmad.

The Bangladesh government has been making relentless efforts to track down and try militants. However, some countries still have red alert that is hurting businesses in Bangladesh, said Ahmad said. "We strongly urge them to kindly see that the Bangladesh government is doing its best…it [militant attacks] happens not only in Bangladesh but in some other countries [too]".

US Ambassador Marcia Bernicat said they understood the concerns of the business community after the attacks in Gulshan and Sholakia. "I learned during my time in the private sector that markets dislike uncertainty. However, the response to the current situation requires input from all sectors of society, and the business community plays an important role." Bernicat said she encouraged the industry leaders, schools and communities to speak out and condemn these acts of violence and to oppose extremism. "The answer to the current uncertainty is not to shut down business and to shut people out," she added.

Speaking on the occasion, Indian High Commissioner Shringla said India looks forward to working with the Bangladesh government in its efforts to defeat the forces of terrorism, and the ideologies of fundamentalism and extremism. "There can be no justification for such senseless acts of violence (as at cafe Holey Artisan), in the same way that there can be no good or bad terrorists." He said that the terrorist attack in Dhaka on 1st July has left a deep and painful impact on many of them gathered at the event and for the families and friends of the victims of the attack, the loss has been irreparable. One of the victims of the terrorist attack was a young Indian national, Tarishi Jain. The Indian High Commissioner said her death has been heavy on her family and all those who knew this young, cheerful individual full of potential for the life ahead of her. He, on behalf of the people of India, conveyed his grateful thanks to the MCCI and other chambers for organizing the memorial meeting. "I'll convey your condolences to the parents of Tarishi. May she and the other victims of the attack rest in peace," the Indian envoy added.

European Union (EU) Head of Delegation Pierre Mayaudon said the EU was determined to



Faraaz Ayaaz Hossain

remain engaged with Bangladesh. "By staying engaged and united, we will teach them [militants] a lesson," he said, adding that the EU's confidence to do business with Bangladesh remained unchanged. "I would argue for international unity. International unity can be in various forms, including cooperation in investigation," he added.

ICC Bangladesh President Mahbubur Rahman, a close family friend of Latifur Rahman recalled about his recent trip to Moscow with the family where Faraaz was his companion all the time. In a very emotionally chocked voice Mahbubur Rahman said that it was difficult to believe that Fayaaz will leave in such a cruel way. He described Fayaaz as the picture of Bangladesh and genuine believer of Islam. His mom should be proud for him, Mahbubur Rahman added.

DCCI President Hossain Khaled said this is the first time Bangladesh faced such a situation. Now everyone should come forward to protect militant and to establish secularity. CCCI President Mahbubul Alam urged all to work together to stop such incident. FICCI President Rupali Chowdhury said "as a mother I can understand the mental condition of Faraz's Mom. She will bear this sorrowfulness all of her life." BTMA President Tapan Chowdhury said "those who are involved with Gulshan café massacre all of them must come under judicial."

Among others, Brithsh High Commissioner to Bangladesh H.E. Ms Alison Blake; Italian Embassy Charge d'affaires Giuseppe Semenza Former Ambassador Faruque Ahmed, former MCCI President Laila Rahman Kabir; Rokeya Afzal Rahman; BGMEA President Siddiqur Rahman, BCI President A.K. Azad; one of the owners of Holy Artisan Restaurant Ali Arslan were present the meeting. Former MCCI Vice President Nihad kabir conducted the programme.

ICC Secretary General John Danilovich is his condolence message to Mr. Latifur Rahman wrote " It was with profound sadness that I learned of the tragic passing of your grandson, Faraaz Ayaaz Hossain. I have advised your fellow Board members of this unspeakable tragedy and we are all united in our grief for you and your family. These violent acts are taking place with increasing frequency and they are all the more devastating when they directly involve our ICC family.

The thoughts and prayers of the ICC global family are with you during this extremely difficult time.

ICC Saudi Arabia Chairman Yassin Al Suroor in his ,message to Mr. Latifur Rahman said :" I am very sorry to hear about the death of your grandson as a result of the tragedy that took place in Dhaka. I would like to convey my sincere condolences to you and your entire family. I share

my thoughts and prayers with your family during these difficult times. I would express also my deepest sympathy to the suffering brought to the entire Bangladesh community by this tragic event."

A commemorative garden was inaugurated on 15 July in Tunis, Tunisia. Five Muslim persons have been honoured here for their sacrifice, courage and ideals. Faraaz Ayaz Hossain is one of them. "We salute you for setting an example for the world to follow. Faraaz, you have always wanted to make me a proud mother; today you have made me the proudest mother in the whole world," wrote Simeen Hossain, the mother of Faraaz Ayaz Hossain. She wrote this message to the Milan-based organization Garden of the Righteous Worldwide (GARIWO).

GARIWO Chairman Gabriele Nissim wrote that a number of Italian nationals were victims of a horrific carnage at a Dhaka restaurant. Faraaz Hossain was there for dinner at the time with friends Abinta and Tarishi. The terrorists gave him the chance to flee, but he could not accept such a Nazi mentality that only a person of a certain faith would live. To the contrary, he believed in everyone's right to live. He chose death to uphold this ideal. We want to echo this message with Faraaz's mother. He has not only made his mother and his family proud, but has made all of us proud. Today Faraaz's sacrifice and love is being lauded the world over.

Emory students Faraaz Ayaaz Hossain and Abinta Kabir were remembered for the light they brought to campus in their roles as "true servant leaders" at an interfaith vigil held on 7 July in Cannon Chapel. An overflow crowd of Emory and Oxford College students, faculty, staff and University leaders turned out for the hour-long vigil, which honored the lives of the 20 individuals killed in the terrorist attack in Dhaka. Kabir, 19, was a rising sophomore at Emory's Oxford College from Miami, Florida.

Hossain, 20, a junior from Dhaka, was a fall 2015 graduate of Oxford College who had begun studies at Goizueta Business School in January. Both were graduates of the American International School of Dhaka (AISD).

As Isam Vaid, Muslim religious life adviser for Emory's Office of Spiritual and Religious Life, sang a moving call to prayer, Emory President James Wagner lit a candle of hope, leading the way for a series of prayers for unity, comfort, strength, healing and peace from Emory and Oxford students representing Buddhist, Christian, Hindu, Jewish and Muslim faiths.

At Oxford College, both Farraz and Kabir were widely recognized for their campus leadership both had served as chairs of the Student Activities Committee's (SAC) programming committee, tasked with planning a majority of the college's student social events.

Addressing their impact, Joseph Moon, dean of campus life at Oxford College, read a letter from 2016 Oxford graduate Chase Jackson, who knew both students through his work with the SAC. Acknowledging the shock and heartbreak felt by fellow students over the loss, Jackson recognized the extraordinary way in which Kabir and Hossain had "touched this community and sparked so much light in our lives."

New office space for capacity building of ICC Bangladesh

In order to enhance capacity of ICC Bangladesh in providing better services to its constituents, the Executive Board of ICC Bangladesh decided to move its National Secretariat to Gulshan Avenue and purchase a suitable office space there. This was also endorsed by the Members of ICC during the last Annual Council Meeting (AGM) held on 30 March, 2016.

As decided by the ICC Executive Board, an Agreement was signed on 9 August with the owner of the property located at 5th Floor measuring about 5,466 sft at "Rangs FC Enclave", Plot No.6/A, Road No. 32 (corner plot), Gulshan Avenue, Dhaka. Of the total cost, ICC Bangladesh will provide 50% from its Reserve Fund and the balance 50% will be contributed by its Members.

The Agreement signing ICC Bangladesh President Mahbubur Rahman and the owner Mr.Fahim Faruk Chowdhury was attended by ICC Bangladesh Vice President Rokia Afzal Rahman, Bangladesh red Crescent Chairman Hafiz A. Majumder, ICE Technologies Limited Chairman



New office space for ICC Bangladesh at Rangs FC Enclave Gulshan



ICC Bangladesh President Mahbubur Rahman (sitting middle) signing the Deed of Agreement for purchase of the new office which were attended among othersby the owner Fahim Faruk Chowdhury (2nd from left), ICC Bangladesh Vice President Rokia Afzal Rahman (4th from right standing), Bangladesh red Crescent Chairman Hafiz A. Majumder (extreme left sitting), ICC Bangladesh Executive Board Members A.K.Azad (second from right sitting), Rashed Maksud Khan (extreme right standing) & Md.Fazlul Hoque (5ht from right standing) ICE Technologies Limited Chairman Mahbub Jamil (3rd from left standing), Green Delta Insurance Limited Managing Director Farzana Chowdhury (2nd from right standing) and ICC Bangladesh Secretary General Ataur Rahman (extreme right sitting).

Mahbub Jamil, ICC Bangladesh Executive Board Members A.K.Azad, Rashed Maksud Khan & Md.Fazlul Hoque, Green Delta Insurance Limited Managing Director Farzana Chowdhury and ICC Bangladesh Secretary General Ataur Rahman were present among others. In response to request from ICC Bangladesh Tk.40 million has been contributed by the following Members:

Tk. 5.0 million by

Islami Bank Bangladesh Limited

Tk.2.5 million by the following :

Eastern Bank Ltd. Simple Math	BGMEA	পুবালী ব্যাংক লিমিটেড PUBALI BANK LIMITED
BKMEA	Apex Footwear Limited	envoy textiles ltd.
EVINCE Evince Garments Group	GREEN DELTA INSURANCE marches with time	Hameem Group
NEWAGE	mah Engineers & Builders	PLUMMY FASHIONS LIMITED SIMPLY GREEN
SQUARE TEXTILES LTD.		TRANSCOM Tradition In Excellence

ICC Workshop on International Trade Finance held

A day-long Workshop on International Trade Finance was held at Bangladesh Institute of Bank Management (BIBM) on 6 August. Dr. Dr. Toufic Ahmad Choudhury, Director General, BIBM in his inaugural address said that banks being the largest financial institutions around the world are playing the key role in promotion of international trade finance. In the context of the on-going global financial and economic crisis, banks and businesses need to take stringent measures to ensure that their sales transactions are watertight, he said.

Dr. Choudhury thanked the ICC Bangladesh for organizing the Workshop in BIBM and mentioned that BIBM would always be delighted to arrange such workshops jointly with ICC Bangladesh. The workshop, he hoped, will allow the participants to know about the application of various rules for international trade and discuss as well as get clarifications on different issues being faced by them in their day- to-day operations.

Mr. Ataur Rahman, Secretary General, ICC Bangladesh welcoming the participants mentioned about the ongoing programme for the bankers organized by ICC Bangladesh both at home and abroad. He thanked Director General Dr.Chouhdury for attending the inaugural session and for extending the all the support and facilities of BIBM in organizing the Workshop in BIBM. He also thanked Prof. Dr. Shah Md. Ahsan Habib who is a Professor and Director [Training] of BIBM; Mr. Mahmudur Rahman, Senior Vice President of Islami Bank Bangladesh Ltd. and Mr. ATM Nesarul Hoque, Sr. Assistant Vice President of Mutual Trust Bank Ltd. for accepting the invitation to deliver lecture on various topics related to the international trade finance at the Workshop. A total of 202 participants from 40 banks attended the workshop.



Dr. Toufic Ahmad Choudhury, Director General, BIBM delivering inaugural address. Also seen in the picture are: ICCB Secretary General Ataur Rahman (middle), Prof. Dr. Shah Md. Ahsan Habib, Professor and Director [Training] of BIBM (extreme left) and ATM Nesarul Hoque, Sr. Assistant Vice President of Mutual Trust Bank Ltd (extreme right).

Meeting with UNDP Country Director

Ms. Pauline Tamesis, Country Director of UNDP called on ICC Bangladesh President Mahbubur Rahman on 24 July. She was briefed about ICC activities globally and also in Bangladesh by ICC Bangladesh President. The Country Director was informed about the Meeting of the Asia Pacific Business Forum to be held in Dhaka on 8-9 February 2017 jointly by ICC Bangladesh and UNESCAP under the patronage of the Ministry of Commerce, Government of Bangladesh. She assured all possible support of UNDP Bangladesh and also mentioned that she will assisting ICC Bangladesh in disseminating information to UNDP country offices in the Asia Pacific Region through the UNDP Regional; Office in Bangkok.

Ms. Pauline requested ICC Bangladesh to share information about member companies to help UNDP in mapping of private companies and their corporate social responsibility or relevant development interventions. This will be the basis of UNDP's private sector engagement strategy, she said.

Newage Textiles Ltd. Vice Chairman Asif Ibrahim, Chief Executive Officer of BIAC Muhammad A. (Rumee) Ali and ICC Bangladesh Secretary General Ataur Rahman were also present.



ICC Bangladesh President Mahbubur Rahman (2nd from right) is seen with Ms. Pauline Tamesis, Country Director of UNDP (middle) during her visit to ICCB. Also seen in the picture are former DCCI President Asif Ibrahim (extreme left), Bangladesh International Arbitration Centre (BIAC) CEO Muhammad A. Rumee Ali (2nd from left) and ICCB Secretary General Ataur Rahman (extreme right).

ICC Bangladesh Members received Exporters' Excellence Award

The Commerce Ministry and the Export Promotion Bureau on 28 August awarded the top exporters during the FY 2011-12 and 2012-13 in recognition of their outstanding performance. Prime Minister Sheikh Hasina handed over the trophies and certificates to the exporters at Osmani Memorial Hall in Dhaka.



ICC Bangladesh Executive Board Member & Ha-Meem Group Managing Director AK Azad is receiving Export Trophy in Gold category from Her Execellency the Prime Minister Sheikh Hasina M.P.

ICC Bangladesh Executive Board Members Board Messrs Kutubuddin Ahmed, AK Azad, Tapan Chowdhury and Mir Nasir Hossain received the export awards. The awards were given in 32 categories following the national export trophy-2013 guidelines. The companies' export earnings, export growth, export basket, access to new markets and compliance issues were considered for the selection of the awardees. For fiscal 2011-12, 24 gold, 18 silver and nine bronze trophies were handed out. For the following year, 26 gold, 19 silver and 15 bronze trophies were given.

Prime Minister Sheikh Hasina urged businesspeople to explore new export destinations and new products to reduce overdependence on garments and a few markets. Had the global recession not taken place in 2008-09 and the euro not gone through devaluation, Bangladesh would have earned more from exports, the



ICC Bangladesh Executive Board Member & Managing Director of Square Group Tapan Chowdhury is receiving a national export trophy from Her Excellency the Prime Minister, Sheikh Hasina, M.P.

Export thophies for fiscal 2011-12			
Category	**Gold**	**Silver**	**Bronze**
Garment (women)	Rifat Garments	Ananta Apparels	Sinha Industries
Garment (knitwear)	Square Fashions	GMS Composite Knitting	Four H Fashions
All kinds of yarn	Square Textiles	Mosharaf Composite Textile Mills	Viyellatex Spinning
Textile fabrics	Noman Weaving Mills	Envoy Textile	Paramount Textile
Home and specialised	Zaber & Zubair Fabrics		
Frozen foods	Apex Foods	Seamark (BD)	Kuliarchar Sea Foods (Cox's Bazar)
Raw jute	Popular Jute Exchange	FR Jute Trading	Reja Jute Trading
Jute goods	Akij Jute Mills	Janata Jute Mills	Karim Jute Spinners
Leather (crushed/finished)	Apex Tannery	SAF Industries	
Leather products	Picard Bangladesh	RMM Leather Industries	
Footwear (all)	FB Footwear		Al-Azmi Trade International
Agricultural products (except tobacco)	Agri Concern	Farm Fresh Enterprise	Pran Food
Agro-processed foods (except tobacco)	Pran Exports	Pran Agro	
Flower and foliage	Rajdhani Enterprise	Capital Enterprise	
Handicraft	Karupannya	CORR the Jute works	
Plastic goods	Bengal Plastics, Unit-3	Evan Bright Plastic	
Ceramic products	RARR Ceramics		
Light engineering	Uniglory Cycle	Transworld Bicycle	
Other industrial goods	Tanveer Polymer Industries	Al-Habib Enterprise	
Phamaceutical products	Beximco Pharma		
Computer software	Service Engine	Graphic People	
Garment under EPZ (knit and women)	Universal Jeans	Jeans 2000	
Other products and services under EPZ	Shasha Denims		
Packaging and accessories	Montrims		



ICCB Executive Board Member & Managing Director of Mir Group Mir Nasir Hossain is receiving a national Export Trophy from Her Excellency the Prime Minister, Sheikh M.P.

Prime Minister observed. "Seventy three percent of the total population of Bangladesh is young. This is a big workforce. We should exploit the opportunity of young workforce." Said the Prime Minister.

The prime minister urged the businessmen to export more agricultural products and agro-processed foods as they have more value-addition for the country. On the growth of regional trade, she said Bangladesh's regional trade will soar once the four-nation Bangladesh, Bhutan, India and Nepal transit agreement comes to force. Bangladesh will be able to reach the export target of $60 billion by 2021, of which $50 billion will be contributed by the garment sector, Prime Minister Hasina added. Commerce Minister Tofail Ahmed said Bangladesh has diversified both the export markets and products to reduce dependence on garment products and the limited number of export destinations. The Minister said the Government will increase the rate of cash incentives for export to new destinations. All markets except the US, the EU and Canada are considered new destinations by Bangladesh. Mr. Hedayetullah Al Mamoon, Senior Secretary, Ministry of Commerce and Mr. Tajul Islam Choudhury, Chairman of the Parliamentary Standing Committee on the Commerce Ministry, also spoke.



ICC Bangladesh Executive Board Member & Envoy Group Chairman Kutub Uddin Ahmed is receiving Export Trophy in Gold category from Her Execellency the Prime Minister Sheikh Hasina M.P.

Export thophies for fiscal 2012-13			
Category	**Gold**	**Silver**	**Bronze**
Garment (women)	Rifat Garments	Ananta Apparels	Apparel Gallery
Garment (knitwear)	GMS Composite Knitting	Square Fashions	Interstoff Apparels
All kinds of yarn	Kamal Yarn	Badsha Textile	Mosharaf Composite Textile Mills
Textile fabrics	Saad Saan Textile Mills	Envoy Textile	Talha Fabrics
Home and specialised	Zaber & Zubair Fabrics	Unilliance Textiles	
Terry towel	Noman Terry Towel Mills		
Frozen foods	Apex Foods	Seamark (BD)	Jalalabad Frozen Foods
Raw jute	Popular Jute Exchange	Reja Jute Trading	Uttara Jute Traders
Jute goods	Akij Jute Mills	Janata Jute Mills	Sadat Jute Industries
Leather (crushed/finished)	Apex Tannery	SAF Industries	Bengla Leather
Leather products	Picard Bangladesh	RMM Leather Industries	ABC Footwear
Footwear (all)	FB Footwear	Lalmai Footwear	Footbed Footwear
Agricultural products (except tobacco)	Al-Azmi Trade Internal	Monsur General Trading Company	Alin Foods Trade
Agro-processed foods (except tobacco)	Pran Dairy	Pran Agro	Pran Food
Flower and foliage	Rajdhani Enterprise	Capital Enterprise	
Handicraft	Karupannya	CORR the Jute works	Helal & Brothers
Plastic goods	Bengal Plastics, Unit-3	Bengal Plastics	RFL Plastics
Ceramic products	RARR Ceramics		
Electric & electronics goods	BRB Cable Industries		
Other industrial goods	Marine Safety System		
Phamaceutical products	Square Phrma		
Computer software	Graphic People	Service Engine	
Garment under EPZ (knit and women)	Universal Jeans	Pacific Jeans	
Other products and services under EPZ	Shasha Denims		
Packaging and accessories	Montrims	Zaber & Zubair Accessories	Uniglory Paper & Packaging
Other services sector	Mir Telecom		

ICC Bangladesh Member Plummy Fashions received National Award on Environment 2016

ICC Bangladesh Executive Board Members and Plummy Fashions Managing Director Md. Fazlul Houqe received the National Award on Environment 2016 from Prime Minister Sheikh Hasina on 31 July. This is the highest award in the country on environment. Bangladesh Institute of Nuclear Agriculture was the only other recipient of this year Environment Award. Environment Minister Mr. Anwar Hossain Monju was also present in the ceremony among others. Earlier in September 2015, Plummy Fashions also earned LEED Platinum certificate from USGBC with world record breaking score of 92 which made it the Greenest factory in the world.



ICCB Executive Board member & Plummy Fashions Limited Managing Director Mr. Md. Fazlul Hoque is receiving National Award on Environment 2016 from Her Excellency Prime Minister Sheikh Hasina M.P.

Located in Fatullah, Naraynganj, Plummy Fashions Ltd has been built on 6 acres of land which is sensitively landscaped with a combination of award winning designed buildings and very big tranquil gardens. They have installed a class leading natural water management system re-cycling and re-using both rainwater and surface water.A natural lake located inside the factory premises not only ensures a balanced eco system, but a feeling of relaxation and tranquility. Plummy has installed CFC free cooling systems, efficient water fixtures, LED lighting, low energy plant minimizing the companies carbon footprint, the largest solar energy plant in Bangladesh and the factory has utilized a state of the art skylight system to trap natural sunlight for lighting its facilities.

66th ICCB Executive Board Meeting held

The 66th Meeting of the ICC Bangladesh Executive Board was held on 26 July at ICC Bangladesh Secretariat The Executive Board was informed by the ICC Bangladesh President about the holding of UNESCAP Asia Pacific Business Forum (APBF) and ESCAP Business Advisory Council Meetings in Dhaka on 7-9 February 2017.He said that Ministers/business leaders from all the ESCAP member countries and international agencies are expected to attend these meetings.

In this regard a Committee was formed by the Executive Board to ensure organizing this big event in a befitting manner. The Executive Board also discussed about raising necessary fund for the purchase of office space for ICC Bangladesh at Gulshan.



ICCB Executive Board Meeting is in progress

The Executive Board Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by ICCB Vice Presidents Latifur Rahman & Rokia Afzal Rahman and the following six Board Members: A.K.Azad, Aftab ul islam, Kutubuddin Ahmed, Rashed Maksud Khan, Tapan Chowdhury and Sheikh Kabir Hossain. BIAC CEO Muhammad A Rumee Ali also attended on invitation.

New Members of ICC Bangladesh

The Executive Board of ICC Bangladesh during its meeting held on 26 July accepted the Membership of M/s. Green Textile Limited as a member of ICC Bangladesh under Corporate Category.

ICC Bangladesh to host Asia Pacific Business Forum (APBF) 2017

Theme : Regional Integration to Achieve Sustainable Development

Date : 8-9 February 2017, Dhaka, Bangladesh

Asia-Pacific Business Forum 2017 will be jointly organized by the International Chamber of Commerce (ICC) Bangladesh and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) at the Pan Pacific Sonargaon Hotel, Dhaka, Bangladesh, on 8-9 February 2017. The Forum will be held under the patronage of the Ministry of Commerce of the Government of Bangladesh. The theme of the 2017 Forum is Regional Integration to Achieve Sustainable Development as envisaged by the United Nations' Sustainable Development Goals (SDGs).

APBF

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.

ESCAP

The Economic and Social Commission for Asia and the Pacific (ESCAP), located in Bangkok, Thailand, is the regional development arm of the United Nations for the Asia-Pacific region. It was established in 1947 to encourage economic cooperation among its member states and is one of five regional commissions under the administrative direction of United Nations headquarters. Made up of 53 Member States plus 9 Associate Members, the region is home to 4.1 billion people, or two thirds of the world's population. This makes ESCAP the most comprehensive of the United Nations five regional commissions, and the largest United Nations body serving the Asia-Pacific region.

ESCAP provides a forum for its member States that promotes regional cooperation and collective action, assisting countries in building and sustaining shared economic growth and social equity. Overall, ESCAP's norm setting and policy work ultimately impacts people's lives in a positive way by helping countries shape and implement a more balanced and inclusive development agenda for the region.

Sustainable Development

People concerned about sustainable development suggest that meeting the needs of the future depends on how well we balance social, economic, and environmental objectives--or needs--when making decisions today.

Many of these objectives may seem to conflict with each other in the short term. For example, industrial growth might conflict with preserving natural resources. Yet, in the long term, responsible use of natural resources now will help ensure that there are resources available for sustained industrial growth far into the future.

The 2030 Agenda for Sustainable Development in Asia-Pacific region would be elusive if there is inadequate pace in the regional economic cooperation and integration to accelerate economic structural diversification and promote job-generating growth. Regional integration as a process by which two or nation-states agree to co-operate and work closely together to achieve peace, stability and wealth would require a renewed commitment on the part of governments to economic diversification specifically in priority areas such as cross-border infrastructure in transport, energy and ICT, as well as for additional policy reforms to support market-driven trade and investment-led diversification and integration. The question for business sector is how it could seize a valuable window of opportunity that now exists towards the SDGs to revisit its development trajectory, and to effectively implement the; and how governments would establish the necessary enabling regulatory environment for this to catalyze such integration, and how to incentivize the business sector to harness the regional integration for the social, environmental, and economic imperative.

Registration is open now

Images from the Gallery



Islami Bank Bangladesh Limited Managing Director Mohammad Abdul Mannan (5th from left) handing over a cheque of Tk. 5.00 million to ICC Bangladesh President Mahbubur Rahman (8th from left) as its contribution to ICC Bangladesh for capacity building of the National Secretariat. ICCB Executive Board Members A.S.M. Quasem (4th from right), R.Maksud Khan, Md. Fazlul Hoque (2nd from right) & ICCB Secretary General Ataur Rahman (6th from right).



Green Delta Insurance Company Limited Managing Director and CEO Farzana Chowdhury handing over a cheque of Tk. 2.5 million to ICC Bangladesh President Mahbubur Rahman (6th from left) as its contribution to ICC Bangladesh for capacity building of the National Secretariat. ICCB Vice President Rokia Afzal Rahman (5th from left), ICCB Executive Board Member Aftab ul Islam (3rd from left), ICCB Secretary General Ataur Rahman (4th from left) also seen in the picture.



Pubali Bank Limited Deputy Managing Director Mr. Mohammad Ali handing over a cheque of Tk. 2.5 million to ICC Bangladesh Secretary General Ataur Rahman as its contribution to ICC Bangladesh for capacity building of the National Secretariat. Abu Habib Khairul Kabir General Manager (extreme left) also seen in the picture.

Bangladesh Economy

ADB approved record fund for Bangladesh railroad

The Asian Development Bank on September 28 announced a $1.5 billion fund to build a key train line from Dohazari in Chittagong to Cox's Bazar, in its largest investment in railways in the continent. In a statement, the ADB said the new railroad, which is part of the Trans-Asia Railway network, will also improve Bangladesh's access to Myanmar and beyond.

By the Numbers

Total Fund : **$1.5b**

Four installments : **$3oom**, **$400m**, **$500m** and **$300** through 2022

All loans for 25 years with 5-year grace period

Interest rate for all except $90m of first tranche will be based on libor

$90m in special funds will carry 2% interest rate

The loan is the largest amount of funding by any multilateral lender on a single project in Bangladesh, superseding World Bank's commitments, which were all below $1 billion. The Trans-Asia Railway is an initiative led by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) with the view to providing seamless rail links between Asia and Europe to better connect people and markets.

The Government has already approved a project to lay a 129 kilometres of rail track from Dohazari in Chittagong to Gundum near the Myanmar border via Cox's Bazar at a cost of Tk 18,034 crore or about $2.28 billion. The first part of the railroad will be 102km from Dohazari to Cox's Bazar and cost $2.01 billion. Of the sum, the ADB will provide $1.5 billion, with the government footing the remaining cost.

The ADB will provide the amount in four parts, and another $1 million in technical assistance to help Bangladesh Railway with safeguards, safety awareness and procurement. The ADB is preparing to partially finance the second phase of the project as well, which involves laying extension to Gundum at the border with Myanmar as well as connection to the new deep-sea port in Matarbari.

Apart from laying down the rail line, nine stations between Dohazari and Cox's Bazar will be built, according to ADB. The stations will integrate design features that are friendly to the elderly, women, children and people with disabilities. The railway that ADB is building will end at Cox's Bazar. From there, it will be possible and easy for passengers and freight to move by road to the Myanmar border and beyond to Southeast Asia and East Asia.

The new project will connect the southeastern Bangladesh to the Trans-Asia Railway network, which already provides a continuous railway connection from Bangladesh through to India, Pakistan, Iran and Turkey towards Europe. The missing links between Bangladesh, Myanmar and Southeast Asian countries will be connected in the medium to longer term.

Initially, this will be achieved by improved road connectivity, similar to the BBIN agreements between Bangladesh, Bhutan, India and Nepal.

The railway lines will be dual-gauge tracks such that they can be used by broad-gauge and metre-gauge trains. The railway lines in Western Bangladesh and India are broad-gauge, whilst those in eastern Bangladesh, Myanmar and Southeast Asia are predominately meter gauge. The ADB is also financing the conversion of the Dhaka-Chittagong section of the railway to dual gauge.

The railway will transform southeastern Bangladesh and the immediate benefit of the planned Dohazari-Cox's Bazar railway will be to bring tourism and trade to southeastern Bangladesh. At present, around 1.9 million tourists visit the beautiful coastline and area around Cox's Bazar every year even though travel there is fairly difficult. The government is keen to develop the region into a tourism hub, and the railway is expected to boost tourism by at least 5 percent annually. Tourism growth will provide massive opportunities for local businesses. In addition, better connections from Cox's Bazar to the port at Chittagong and to big markets and businesses in Dhaka will make it easier for final and intermediate goods to move more easily.

ADB come up with $275m to help upgrade Dhaka's water supply

The Asian Development Bank has come up with $275 million in fresh loans for Bangladesh to help improve and expand the water supply system in Dhaka. ADB and the government of Bangladesh signed the loan agreement at the Economic Relations Division in Dhaka on July 18. Mohammad Mejbahuddin, Senior Secretary of the ERD, and Kazuhiko Higuchi, ADB country director for Bangladesh, signed the deal.

"Dhaka city is expanding fast, and the demand for safe drinking water is rising rapidly," said Country Director Higuchi in a statement. He said the project would help more than seven million people in Dhaka to get access to safe, regular and affordable water services. Earlier, the ADB provided the Dhaka Water Supply & Sewerage Authority with $400 million for

improving the water supply system in the capital but physical water losses still need to be reduced to further improve service delivery in many areas.

The new ADB assistance under the Dhaka Water Supply Network Improvement Project will be used to rehabilitate water distribution pipelines and set up new district metered areas. About 5,000 new and legalised connections will be established in low income communities, and 229,000 connections will be upgraded for households and communities.

The new project is targeting 24-hour piped water supplies to an additional 6.5 million people in the new district metered areas by 2022. Non-revenue water losses will be cut to below 10 percent from the current approximate rate of around 30 percent. A range of actions will be taken to boost the capacity of the staff to manage and operate the network effectively. Training will be provided to about 700 staff members, with 30 percent of them being women.

Assistance will also be given to help Dhaka WASA prepare an operational and financial improvement plan and to increase public awareness of water conservation. Dhaka's demand for water is projected to rise to around 2,616 million litres a day in 2020, from 2,144 million litres a day in 2015.

Although the supply authority is taking steps to expand capacity with the ADB's help, it will not be enough to meet projected needs without a substantial cut in ongoing losses, according to the ADB. Climate change, including rising sea levels that could increase salinisation of ground and surface water, is also expected to reduce available potable water.

Revised Bangladesh GDP growth rate at 7.1pc for FY16 : ADB

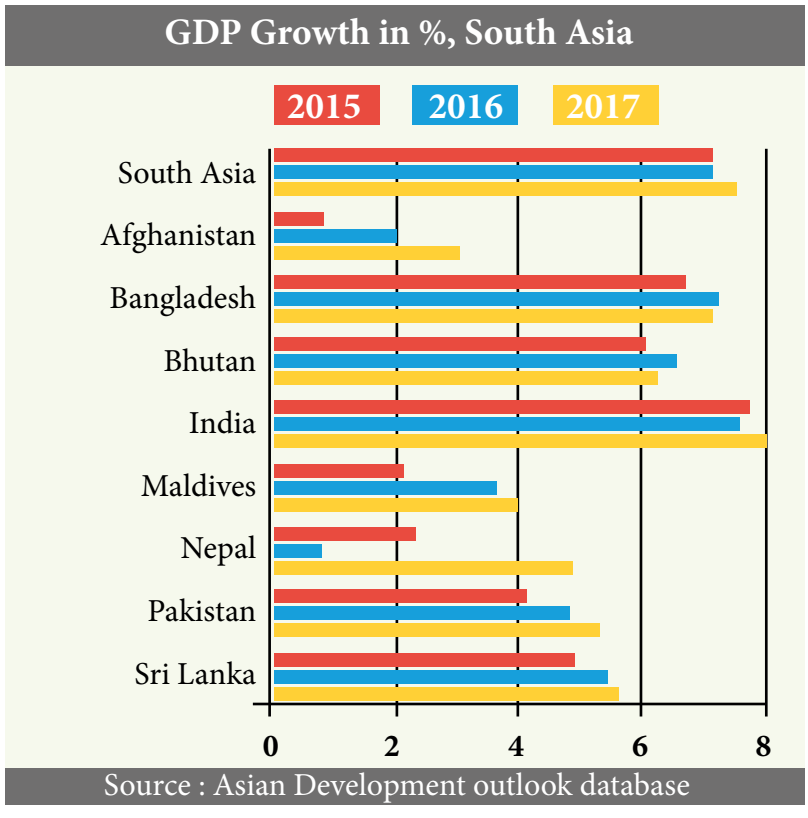
The Asian Development Bank estimated Bangladesh's economic growth at 7.1 percent for fiscal 2015-16, which is higher than the government's estimate. Bangladesh Bureau of Statistics forecast the country's economic growth at 7.05 percent for the year, while the previous estimate of the ADB was 6.7 percent.

"Growth in fiscal 2016 exceeded expectations, aided by revived exports and sustained domestic consumption," the ADB said in its Asian Development Outlook 2016 Update released on September 27. Consumption continued to be the mainstay of growth as higher public sector salaries offset a decline in remittances, the Report said.

Despite some statistical discrepancy, net exports are likely to have contributed to growth, ADB said. However, for the current fiscal year the ADB forecasts the country's gross domestic product growth at 6.9 percent, similar to its previous prediction. The government's forecast of GDP growth for the current year is 7.2 percent.

"For meeting the growth target of the seventh five-year plan, timely completion of priority infrastructure projects is essential," the update said. However, the GDP growth forecast is depending on some prerequisites like sustained improvement in private investment, timely implementation of key infrastructure projects, and continued political stability.

The report said agriculture growth in fiscal 2016-17 is expected to be moderate to 2.4 percent as low domestic rice prices discourage farmers' expansion of crop area. Industrial growth is projected to edge up to 10.2 percent on sustained strong domestic demand and some improvement in power supply and easing of transport bottlenecks. The services sector's growth is likely to be lower at 6.3 percent on more moderate expansion in agriculture, trade, transport, and public administration.



According to the Report consumption growth is expected to pick up, supported by higher public and private sector salaries as well as continued ready access to consumer credit. While remittances are unlikely to pick up in the near future, healthy export and employment growth is expected with continued demand for the low-end garments and fast fashion products exported from Bangladesh.

An upturn in private investment is expected to begin in fiscal 2017 with the predicted continuation of political stability. A major catalyst is the completion of public sector energy and transport projects that reduce the cost of doing business. The new Dhaka–Chittagong and Dhaka–Mymensingh four-lane highways commissioned in July 2016 will save time, cut transportation costs, and ensure more timely shipments.

Moreover, the government has fast-tracked several large infrastructure projects in the energy and transport sectors, providing impetus to business activity, the ADB said. The development of special economic zones, including some run by the private sector, further builds momentum for private investment. The budget of fiscal 2017 aims to raise revenue equal to 12.4 percent of GDP for financing a larger annual development programme. Current spending will grow to 9.6 percent of GDP with an increase in public sector salaries and modestly larger subsidies directed mainly to agriculture and social welfare.

The implementation of the new VAT law, which had been scheduled for July 2016, was deferred until July 2017 to allow more time for the private sector to adapt their accounting systems and for greater outreach and education to small business. New revenue enhancing tax measures in fiscal 2017 budget included raising rates on net wealth tax, enhancing the minimum corporate tax, and broadening the base of the existing value added tax by bringing wholesale and retail traders into the tax net. The revised forecast for export growth is 7 percent in fiscal 2017, reflecting slower growth than projected in Asian Development Outlook 2016 in the US and the euro area, the main textile markets. The import bill is revised to grow at 8 percent in fiscal 2017. The revision takes into account modest import expansion in fiscal 2016 when higher domestic production partly replaced imports.

Imports of capital machinery are expected to pick up on higher investment, while a rebound in demand for raw materials and a projected increase in oil prices were also taken into account. With the low oil price environment continuing, remittance inflows are likely to decline by 3 percent in fiscal 2017. The imposition by Kuwait, Oman, and Saudi Arabia of taxes on remittances will further discourage them. Nonetheless, the current account is expected to show a surplus of 1 percent of GDP in fiscal 2017.

Bangladesh Investment Development Authority starts journey to boost investment

Bangladesh Investment Development Authority (BIDA) started its journey on 1 September, in a bid to rejuvenate the country's stagnant investment scenario. The new body has been formed by merging the Board of Investment and the Privatization Commission, as per the Bangladesh Investment Development Authority Act 2016 passed in parliament in July.

Kazi Aminul Islam, former Secretary to the Prime Minister's Office, has been appointed as the Executive Chairman of BIDA. A 17-member Governing Board will be formed for BIDA with Prime Minister as the Chairman, Finance Minister as the Vice Chairman and concerned Ministers as Members. Besides, there would be a six-member executive committee.

BIDA will conduct registration of the industrial units to be set up in the private sector; there will be foreign trade liaison branch offices as well. Meanwhile, investment proposals under Bangladesh Export Processing Zones Authority, Bangladesh Economic Zones Authority, private EPZ, Bangladesh Small and Cottage Industries Corporation, and hi-tech parks will remain outside BIDA's purview.



The BIDA can privatize loss-making state-owned enterprises worth up to Tk 1000 million, but if the value is more it will be sent to the cabinet committee on economic affairs for approval. A cabinet division official said the government wants to ensure more efficient utilization of unused lands and industries under the public sector. BIDA will determine import settlement, issue no-objection certificates, and declare a certain area as industrial zone through gazette notification.

It will also help the authorities concerned in land acquisition, work for ensuring efficient use of land, make list of unused land and structures and frame a policy for its utilisation, and frame a guideline for allotting and transferring plots. In 1993, the Privatisation Board was formed for privatising the public sector loss-making enterprises and later in 2000 it was turned into a

commission. The BoI was formed in 1999 to attract local and foreign investment. Both the institutions failed to achieve their expected goal, due to which the government decided to merge them into one. BIDA will be based at Agargaon in the capital, with the construction of a 14-storey new office building on way. Until the office is ready, the staff of the two former institutions will work in their former office premises.

WB gives $200m to help improve health systems, living standards

The government on June 20 signed two financing agreements worth $200 million with the World Bank to improve health systems and delivery of health services and the living standards of the urban poor in selected municipality areas. The $150 million additional financing to the Health Sector Development Programme will continue to support the government to mitigate health sector challenges, the multilateral lender said in a statement.

The programme will also help in sustaining and improving immunization coverage; further improving deliveries for pregnant women at public health facilities; tackling multi-drug resistant tuberculosis and strengthening health systems. "These two financings will help Bangladesh improve the lives and living standards of its population," said Zahid Hussain, acting World Bank country director for Bangladesh.

The additional financing for the Health Sector Development Programme will contribute to building a healthy nation, in particular, the financing will enable the poor access better health services." "With about half a million new people arriving in the cities every year, the urban infrastructure, particularly housing is under immense pressure. The Low Income Community Housing Support project will take an innovative approach to address housing issues among the urban poor."

In Bangladesh, around 62 percent of the urban population lives in slums, which is one of the highest percentages in Asia, according to the statement. The $50 million Low Income Community Housing Support Project will pilot a community driven approach to improve the living conditions of the urban poor in selected municipalities, the WB said.

Around 40,000 low-income urban residents will have access to housing loans, while another 120,000 people will benefit from the improved roads and drainage, it said. "Bangladesh has made remarkable progress in reducing poverty and accelerating economic growth in the last decade," said Kazi Shofiqul Azam, additional secretary of the Economic Relations Division.

"To achieve its vision of reaching middle-income status by 2021, the country is focusing on key priority areas including improving health care and health systems as well as the living conditions of the urban poor." The agreements were signed by Azam and Hussain at the Economic Relations Division.

The credits from the World Bank's International Development Association, its grant to low-interest loan arm, have a 38-year term, including a six-year grace period, and a service charge of 0.75 percent.

$120m from WB for infrastructure

The World Bank (WB) will provide Bangladesh with $120 million in technical and financial support under a project for development of infrastructure in the bordering areas to increase regional connectivity and trade under the BBIN initiative. Commerce Minister Tofail Ahmed said this after an exchange of views meeting with a WB delegation led by WB Country Director Qimiao Fan, at his secretariat office on August 09.

Primarily, the Bangladesh Regional Connectivity Project-1 will be implemented involving Taka 10 billion.

The Ministry of Commerce will implement the project on Bangladesh side. Earlier four countries Bangladesh, Bhutan, India and Nepal (BBIN) had signed a deal to facilitate regional trade and develop connectivity to foster growth. The project will promote investment to improve a couple of land-ports under the Ministry of Shipping, and will also support National Board of Revenue to set up a single window for trade, which will connect the ministries concerned.

"The project having a number of components will help Bangladesh reduce time and cost in regional trade. It will also improve the capacity of traders by providing necessary support and services to them," Mr Fan said. "It will of course support the government's overall coordination for regional integration, and also aid the national trade and transport facilitation committee."

"Through this project, we can help Bangladesh enhance its regional integration through trade, transport, power trade as well as in other aspects." Fan said. "Bangladesh is an important partner for the WB. Now we have a total investment

commitment of about $10 billion for the country with about more than 40 projects," he added.

He also said Bangladesh government has been implementing a number of projects in many areas like education, health, social protection, agriculture, rural development, and water resource management etc. "So, we are financing projects in a wide range of areas that the government sees as priority. We bring not only funds but also experience from other countries," the WB country director said.

"Bangladesh has also made tremendous progress in terms of poverty reduction and human development, particularly in ensuring gender equality in education. I think this is one of the very impressive stories of Bangladesh's development." Bangladesh will have to face a number of challenges to be a middle-income country in a few years. The country has been facing challenges in infrastructure, particularly in energy, he mentioned.

Bangladesh and Russia signed $11.38b loan for nuclear power plant

Russia and Bangladesh on 26 July 26 an $ 11.38 billion loan agreement, paving the way for the main construction work of Rooppur Nuclear Power Project. The inter-governmental loan agreement was signed in Moscow, according to the Daily Star published on July 27. The Russian loan covers 90 percent of the project cost and carries an interest rate of LIBOR plus 1.75 percent. The interest rate will not exceed 4 percent. The repayment period is 30 years, including a grace period of 10 years. Disbursement will begin in 2017.

Deputy Minister for Finance of the Russian Federation Sergei Anatolyevich Storchak and Mr. Mohammad Mejbahuddin, Senior Secretary of the Economic Relations Department of Bangladesh, signed the agreement. Speaking at the event, Vladimir Sabushkin, senior vice-president of ASE Group of Companies, the general contractor of the project said: “Now we have both the legal and financial base for implementing the Rooppur nuclear power project.”

"This is a US$12.65 billion project (equivalent to Tk 101,200 crore). Of the amount, Russia will give US$11.38 billion (excluding US$550 million for the feasibility study of RNPP). However, Bangladesh will have to arrange US$ 1.27 billion for the 2,400 MW RNPP," Minister for Science and Technology Yafes Osman said.

Although the then East Pakistan initiated the nuclear power project in the 60s but it was in deep fridge for more than five decades. The present government has taken up the fresh move to build the Rooppur Nuclear Power Project (RNPP) in 2010.

Quoting his Russian counterpart, Osman said, "In his speech (Russian minister concerned) he said that Rooppur project is not a business project rather a 'goodwill' gesture for them, which was deeply rooted between the two countries since the War of Liberation.” This is the single largest credit in the history of Bangladesh for a particular project.



As per the agreement, the first unit of the plant having power generation capacity of 1,200 MW will be commissioned on 19 October 2023 while the final takeover will be on 13 October 2024. However, the second unit of the plant having the same power generation capacity will come into operation on 22 October 2024 while the final takeover will be on 17 October 2025.

To ensure security and physical protection for the mega project, the national committee has formed a composite unit of the plant in consultation with the Russian side since there is a binding for following the guidelines of the International Atomic Energy Authority (IAEA).

Meanwhile, Bangladesh agreed to take the new version of VVER -1200 technology (which has not been tested outside Russia). It however complies with the IAEA standards and is an evolutionary version of India's Kudankulum nuclear plant, to which the 'water cooling' was added. This is considered to be the safest nuclear power technology with active and passive safety systems.

China clinches biggest 215 km rail through Padma Brigde

Bangladesh Railway (BR) signed on 8 August the biggest contract in its history with a Chinese company to construct a 215-kilometre rail route from Dhaka to Jessore through the Padma Bridge. Director-General of BR Amzad Hossain and Deputy General Manager of China Rail Group Limited (CREC) Zhang Xuecai signed the commercial agreement at a ceremony at Rail Bhaban in the presence of representatives

from both sides. Railway Minister Md Mazibul Hoque witnessed the signing of the deal.

Present among others were Railway Secretary Firoz Salah Uddin, Chinese



Ambassador H.E. Mr.Ma Mingqiang, Chairman of CREC Li Changjin, Chief Coordinator of Construction Supervision Consultant of Padma Multipurpose Bridge project Abu Syeed Mohammad Masud and Additional Secretary of Economic Relations Division Asif Uz Zaman.

Of the total project cost of Tk 349.88 billion, the Chinese government will provide Tk 247.49 billion in loan at an interest rate of 2.0 per cent for 20 years and the CREC will receive the amount as contractor. The government of Bangladesh will pay the tax and VAT worth Tk 29.03 billion on behalf of the contractor.

According to the contract, CREC will construct total 215.22-kilometre tracks including 43.22km loops and sidings, 66 major bridges, 244 minor bridges, culverts and road underpasses, 30 level crossings, 14 new stations and renovate six existing stations and yards. Besides, the Chinese company will construct 21.85km viaducts and1.5km ramps and supply 196 BG passenger coaches, AC and non-AC chair cars as well as track- maintenance equipment.

Speaking on the occasion, the Railway Minister termed the signing significant for the development of Bangladesh Railway and hoped that the CREC would take all-out efforts to complete the project in time for allowing train movement over the Padma bridge on the day of inauguration in 2018.

"We would also hope that CREC would maintain international standards and quality in establishing the new rail link for its importance in both local level and regional connectivity," the Minister said.

The Chinese Ambassador assured the Chinese government's cooperation in implementing the Padma bridge rail link project in time and said with the completion of the project "a change in the livelihood in the southwestern region is expected". According to the Rail ministry official by 2018, construction of rail tracks from Bhanga to Mawa will be completed to start rail movement through the Padma Bridge on the day of inauguration.

Chinese firm gets contract to build oil pipeline

A project to set up a pipeline to carry oil from tankers in the Bay of Bengal to storage plants on the mainland after a six-year delay the cabinet committee on economic affairs on 31 August gave the go-ahead to China Petroleum Pipeline Bureau under a government-to-government deal to install the pipeline.

The cost of the project now stands at Tk 5,426 crore or $694 million, with China's Exim Bank giving $550.4 million in low-cost loans. It is expected to be completed by 2018. When the project was first approved by the Executive Committee of the National Economic Council in 2010, the cost was estimated at $159 million and was set to be implemented by 2012.

A high official of Eastern Refinery Ltd said the project first proposed to build a single pipeline, but it was later changed to a double pipeline. The first project design was faulty and hence, a German consultant firm changed it, he added.

The cost went up due to changes in the design and extension of the timeframe, according to the official.

Under the project, the Single Point Mooring installation will be built in the Sonadia Island area at deep sea, where large oil tankers will anchor. As per the latest project design, one large 36-inch pipeline will be built there to pump the oil to a storage plant 32km away on the Matarbari Island in Maheshkhali. Earlier, the length was 16km.

Escalation of Project cost

Initial cost:
$**159**m
(Approved by Ecnec in May 2010)

Cost at 2nd revision:
$**327**m
(Estimated by a consultant in Dec 2013)

Cost at 3rd revision:
$**633**m
(Approved by Ecnec in Dec 2015)

Cost at 4th revision:
$**694**m
(Approved by PM in Aug 2016)

There will be another 18-inch pipeline that will be 188km long, which was 94km long previously. One pipeline will pump crude oil and the other diesel. At present, large tankers anchor at deep sea and smaller ships unload and bring the oil to Eastern Refinery in Chittagong. The process called lightering is an expensive operation and takes 11 days to unload 00,000 tonnes of oil. Other than time and cost, a lot of oil is systematically stolen during the process as well.

With the installation of the pipeline, it will take just two days to empty a vessel carrying such a volume of oil. This would cut cost and stop the pilferage, the official said. According to ministry estimates, the pipeline will save the government Tk 10,000 million a year and the project cost would be recovered in five to six years.

It may be mentioned that the Islamic Development Bank was initially expected to finance the project, but as the cost shot up, it withdrew. Later, the Chinese government expressed its interest to finance the project and nominated China Petroleum Pipeline Bureau for the job.

Bangladesh on elevated growth path: Citi

Bangladesh has managed to set growth on a higher trajectory, posting 7.05 percent economic growth in fiscal 2015-16, on the back of a surge in both private and public investment as well as an increase in consumption expenditures, reported Citi Bank in its half-yearly market update. Higher implementation of the annual development programme, higher consumption driven by a new pay-scale for public sector employees and moderate inflation helped boost the GDP growth.

The manufacturing sector grew the most by 10.1 percent followed by the services sector and agriculture, which grew 6.7 percent and 2.6 percent respectively in the last fiscal year, Citi said on 27 July. Referring to the 7.2 percent GDP growth target for fiscal 2016-17, Citi said it is imperative to reap the benefits of the favourable demographic characteristics of a large working population to achieve sustainable growth and investment.

The investment-GDP ratio has been set at 34.4 percent, up from an existing 29.38 percent, to support growth this fiscal year, Citi said. Given the importance of private investment growth in achieving the target, the government has planned on speeding up public investment on infrastructure through its fast track projects.

It said average inflation slid to a 12-year low at 5.92 percent in fiscal 2016 on the back of low food inflation, which was well below the government's target of 6.2 percent. "Good domestic harvests, low international commodity prices and political stability helped keep inflation manageable," it said, citing that food inflation dipped to 4.92 percent from 6.68 percent last fiscal year.

However, Citi said non-food inflation surged to 7.45 percent from 5.99 percent during the same period. "The lagged impact of the new pay-scale for government employees and an upward adjustment of gas and electricity prices drove the non-food inflation higher. However, a cut in fuel prices in April helped limit non-food inflation during May and June."

Exports posted a healthy 9.72 percent growth last fiscal year to reach $34.24 billion, mainly driven by the 10.21 percent growth in apparel exports. Improvements in workers' safety standards and gradual migration to manufacturing of high-value apparel helped boost exports, Citi said. "While the growth in RMG is commendable, it is also a cause of concern from a diversification aspect, as it accounted for over 82 percent of the earnings."

Exports to the US, the biggest single market for Bangladesh, were resilient despite suspension of the generalised system of preferences. "Given the UK's decision to leave the EU, it is crucial for Bangladesh to ensure that existing preferential terms are maintained as the UK is one of the major RMG export destinations for Bangladesh."

Import settlement during July-May last fiscal year grew marginally by 4.23 percent to $36.66 billion from $35.17 billion in fiscal 2015. "The sluggishness is primarily due to continued low oil prices and a fall in food imports," Citi said.

In the first 11 months of the last fiscal year, food grain and petroleum imports dropped by 26.34 percent and 28.9 percent respectively. During this period, capital machinery imports grew 12.87 percent, against 20.76 percent in the previous fiscal year, while industrial raw material imports increased 2.61 percent against 3.52 percent a year earlier.

The trade deficit shrank by 12.14 percent to $5.52 billion in fiscal 2016 from $6.28 billion in the previous year, as export growth outpaced import growth. The current account balance grew to $2.96 billion from $1.99 billion over the same period. A higher current account surplus and an uptick in foreign direct investment helped grow the balance of payments surplus to $5.06 billion from $4.37 billion last fiscal year.

Referring to the government's plan to set up 100 economic zones, Citi said in order to achieve sustainable export growth, ensuring infrastructural support and a sound business climate are key to attracting investors to the economic zones and

achieve the much-desired export basket diversification.

It said Bangladesh Bank has announced a pro-growth monetary policy statement for July-December 2016, setting a private sector credit growth target of 16.5 percent this fiscal year, up from 14.8 percent in the previous year's MPS. As remittance declined 2.55 percent to $14.92 billion last fiscal year, Citi said the drop has primarily been due to a plunge in remittance from workers in the Middle East.

The Gulf countries that host a large Bangladeshi Diaspora account for over 65 percent of the country's workers abroad and have been bearing the brunt of continued low oil prices. "This has led to lower spending on infrastructure and construction projects, which provides employment for most Bangladeshi workers abroad." In addition, Citi said the weakening of other currencies in some of these countries in recent months also put a negative impact on inward remittance.

With a whopping 20.45 percent growth year-on-year, foreign exchange reserves hit the $30 billion mark for the first time, reaching $30.14 billion at the end June.

"Higher current account surplus and higher foreign direct investment helped grow the reserves," it said. It said some noteworthy policies and reforms were introduced in the first half of the year, the majority of which were aimed at providing a better investment framework.

Citi said a strong growth in exports and a lull import side resulted in an influx of US dollars during the first half; Bangladesh Bank purchased excess dollars from the commercial banks in line with its monetary policy goals to maintain exchange rate stability and protect external competitiveness.

The weighted average call money rate has come down drastically, and the plunge in rates primarily occurred from October 2015 when the central bank suspended reverse-repo operations, which left the banks overburdened with liquidity amid low domestic private sector credit requirements.

In January 2016, the central bank cut the repo rate from 7.25 percent to 6.75 percent and the reverse-repo rate from 5.25 percent to 4.75 percent, dragging the overnight money market rates further down. During the first half, Dhaka Stock Exchange remained dreary with a sporadic uptrend while market turnover was stagnant, Citi said. "A trend of profit booking soon after a period of short rally was witnessed, which limited the upward movement."

Bangladesh to be a 'growth outperformer' in 2016-25 : BMI Research

BMI Research
A FitchGroup Company

Bangladesh has been picked up as a growth outperformer for the next decade riding on low commodity prices, demographic dividend and expected measures aimed at improving the business environment. London-based BMI Research has picked six countries -- Bangladesh, Ethiopia, India, Mexico, Pakistan and the Philippines -- that will be growth performers in 2016-2025.

The countries "will rapidly climb the GDP country rankings between now and 2025," it said. The six countries are expected to gain an average of 6.5 places each in global GDP rankings by 2025, with Ethiopia (+12) and Bangladesh (+11) making the most gains, said BMI Research, which is owned by the Fitch Group.

Bangladesh is the 47th largest economy in the world in terms of gross domestic product, according to the World Bank's 2015 ranking. The BMI analysis said three factors will be the key to growth. "Economic growth will be strongest in net commodity importers that have positive demographic trends and economic reform momentum."

With regards to commodities, net commodity importers will benefit from generally lower commodity prices over 2016-2025 compared to 2006-2011, particularly for oil. Bangladesh relies heavily on imports for oil. BMI Research said commodity exporters will underperform in the absence of other growth drivers, while reformers will outperform, helping set apart otherwise similarly structured emerging markets.

Developed markets will stagnate and generally lose ground to emerging markets in the GDP rankings, it said. Economic growth in the developed markets will generally be capped by weak demographic trends and a lack of substantial economic reform. In terms of demographics, rapidly ageing populations, particularly in Western Europe and Japan, will result in weak labour force growth.

Turning to demographics, the research said countries with positive demographic trends will enjoy an endogenous boost to economic activity. Of Bangladesh's 16 crore population, 10.5 crore, which is more than 65 percent of the population, are aged between 15 and 64 years, said the United Nations Development Programme in April.

With more youth entering the working age population, Bangladesh is poised to benefit from a demographic dividend in the next 10 years, according to the World Bank. About reforms, BMI Research said countries that it expects to enact economic and political reforms, specifically measures to improve business environment and unlock economic productivity, will grow faster than those without such reform momentum.

Bangladesh to emerge as leader towards achieving SDGs: UNESCAP

The United Nations hopes Bangladesh would emerge as a leader in the sustainable development goals, repeating its success in pulling off the millennium development goals. Bangladesh has become a role model in South Asia and in the world in achieving the MDGs, the predecessor of SDGs, said Mr. Nagesh Kumar, head of UN-ESCAP South and South-West Asia Office.

"We believe Bangladesh would again lead the way in achieving the SDGs," he told a seminar at the Prime Minister's Office in Dhaka on 17 August. He also praised the country's leadership and commitment towards SDGs. The Governance Innovation Unit (GIU) of the PMO organized the discussion styled "Achieving sustainable development goals: key policy priorities and implementation challenges for South Asia and Bangladesh".

Despite their economic dynamism and remarkable MDG achievements, South Asian countries account for 37 percent of the world's poor, and nearly half the world's malnourished children. The countries also suffer from a number of development and infrastructure deficits, Kumar said in a presentation.

With nearly one-fourth of the world's population, South Asia has a critical role in the global achievement of SDGs. "If South Asia does not achieve the SDGs, the world will not achieve it. The onus is on us to deliver," Kumar said. Among some policy recommendations, the UN official said rapid economic growth is necessary through sustainable industrialization.

"We have seen growth in the region for a while but this growth is not creating enough jobs. This is not a healthy situation. Bangladesh also has to create jobs." Although each country will have to tap the potential for generating more resources from domestic sources, the role of official development assistance for the least-developed countries remains critical. "Bangladesh should receive twice the aid it receives now," he said.



The government has put in place resources such as money, people and intellect to achieve the SDGs, said Mr. Abul Kalam Azad, Principal Secretary of the PMO. SDGs are important for those who live in Bangladesh and those who are yet to be born in the country, said Mr.Gowher Rizvi, International Affairs Adviser to the Prime Minister. The government has adopted many of the SDGs in its Seventh Five-Year Plan before the UN adopted the 2030 agenda. "So, we are ahead of the curve."

The adviser, however, said achieving SDGs would be a difficult task as the goals are enormous. "And the government alone can't do it. There should be joint efforts." He urged ministries to go beyond their set tasks and cooperate with each other to speed up implementation.

Dr.Qazi Kholiquzzaman Ahmad, Chairman of Palli Karma-Sahayak Foundation, called for policy and institutional cohesion. "We need reorientation of the development administration and the approach has to be people-centric," he added.

Dr. Debapriya Bhattacharya, Distinguished Fellow of the Centre for Policy Dialogue, raised the question whether regional cooperation could play any role in achieving the SDGs, as there was no regional approach in the MDGs. He, however, said the region could develop infrastructure using money, time and intellect. He also stressed good governance, law and order, human rights and equity and justice in accomplishing the SDGs. The rise of militancy and terrorism is a threat to achieving some of the SDGs, said Mr. Md Shahidul Haque, Foreign Affairs Secretary. He also stressed the need for new financing for achieving the goals.

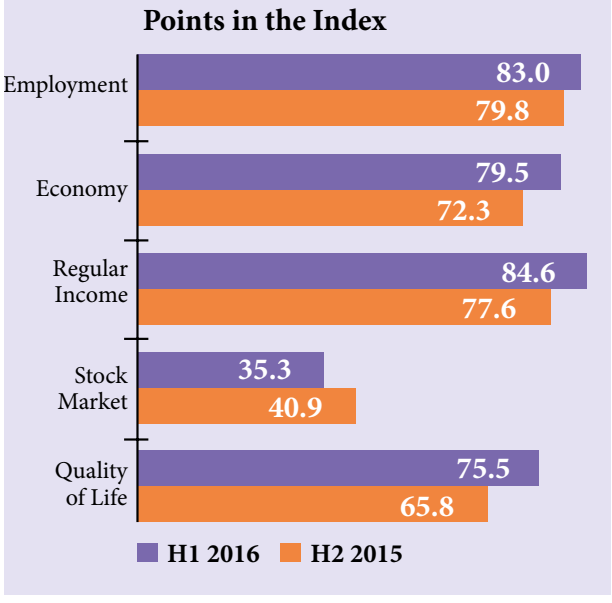
Resources are available but it has to be looked into whether the countries are able to maximise whatever foreign assistance is being received, said Prof Ainun Nishat, professor emeritus of Brac University. In Bangladesh, there is institutional framework in place that can take the job creation agenda forward, said Mr. Asif Ibrahim, Former DCCI President. "We want to work with the government on the 2030 agenda," said Ibrahim.Skilled population is the key to achieving SDGs, said Namita Halder, Private Secretary of the Prime Minister. The government has taken the SDGs seriously and aligned the Seventh Five-Year Plan and the Perspective Plan of 2040 in line with the 2030 agenda, said Abdul Halim, Director General of the GIU.

Bangladeshis optimistic about economy: MasterCard

Bangladeshis are very optimistic about their outlook on the economy, employment prospects and the quality of life in the second half of 2016, according to a MasterCard survey. The country recorded a gain

of 4.3 points to stand at 71.6 points in MasterCard's Index of Consumer Confidence. It stood at 67.3 points in the second half of last year.

Syed Mohammad Kamal, country manager of MasterCard, and Gitanka Datta, vice-president of the company, unveiled the results of the survey on 11 August in Dhaka. By and large, consumer confidence in the Asia-Pacific region has been steady, with nine out of the 17 markets surveyed showing stability. With a negligible increase of 0.05 points in the overall score, the Asia Pacific region continues to sit just below the 60-point optimistic mark.



For the entire survey between June and July, some 8,746 respondents aged between 18 and 64 were asked to give a six-month outlook on five factors: the economy, employment prospects, regular income prospects, stockmarket and their quality of life. The index is calculated on a scale of 0 to 100, with zero being the most pessimistic and 100 the most optimistic; 50 is classified to be neutral territory.

In Bangladesh, respondents from Dhaka, Chittagong, and Sylhet took part in the face-to-face survey. Save for the stock market, Bangladeshi respondents expressed optimism regarding all the other factors of the economy. Respondents are pessimistic about whether the local stockmarket index will go up over the next six months. As a result, the country has lost 5.6 points in the index.

Bangladesh's stock market has been lack luster since the 2010 stock market crash. DSEX, the key index of the Dhaka Stock Exchange, stood at 4,569 points on Wednesday. It was 5,334 points even less than two years ago. Overall, male respondents were more optimistic compared to their female counterparts. People below 30 are also more hopeful compared to those above 30, Kamal said.

Eric Schneider, senior vice-president of Asia Pacific of MasterCard Advisors, said the overall consumer confidence in the region has shown marginal change, with some economies facing headwinds. But the region's emerging markets including China, India, Vietnam, Myanmar and the Philippines remain resilient, with consumers expressing optimism about economic prospects over the next six months.

"Even as emerging Asia continues to drive the region's growth, governments and businesses need to ensure stability and strong fundamentals in order to weather future external shocks," he said in a statement. Taiwan recorded the largest gain of 16.3 points to stand at 45.3 points -- a leap from being the lowest ranked of 17 in the previous edition of the survey.

Consumer confidence in China (76) posted slight increases of 1.4 points. The developing markets of India (97.6), the Philippines (95.2), Vietnam (94.9) and Myanmar (99.8) remain extremely optimistic in their outlook. Sri Lanka shed 4.2 points to stand at 38, dipping into the pessimistic territory, while South Korea, despite a 0.4 points increase, remained in pessimistic territory. Declines were recorded in seven out of the 17 Asia Pacific markets, with significant deterioration seen in Indonesia (-14.7), Hong Kong (-12.4) and Singapore (-10.7).

The decreases recorded in Hong Kong, Japan (-8.8) and Singapore moved these markets from neutral to the pessimistic territory. Introduced in 1993 and released twice a year, the survey is considered as the longest running and the most comprehensive regional assessment tracking consumer confidence. Over time, the index has evolved into a regional benchmark used by the business community. This was the 47th survey. Bangladesh was added to the survey in the second half of 2012.

Youth skills, education key to SDGs: analysts

It is crucial for Bangladesh to ensure quality education for the youth, develop their skills and promote young entrepreneurship to achieve the sustainable development goals, analysts said on 17 August. Besides, women should be provided with equal opportunities so that they can contribute to the country's economic growth by utilising their merit and skills, they said. They spoke at a roundtable on "Way to achieve the goals of 2030: Poverty reduction and ensuring sustainable production and consumption".

Prothom Alo and the United Nations Population Fund or UNFPA organized the event at the newspaper's office in Dhaka. In September 2015, world leaders gathered at the United Nations and signed off on the 2030 Agenda for Sustainable Development Goals.

Seventeen goals and 169 targets aim at putting an end to poverty and fighting inequality and injustice.

Public participation with the government development initiatives must be ensured to achieve the goals, AHM Mustafa Kamal, Planning Minister, said at the event. Inequity must be reduced in society, he said. People of marginalised communities must be incorporated with the mainstream population for overall development of the country, he said. The youth should also be trained in technical education to enhance their skills, he added.

Biren Sikder, state minister for youth and sports, said his ministry is continuously arranging technical education and training for youths in every district on a regular basis. There are around five crore youths in Bangladesh, he said. The food production system should be corrected to minimise waste during production, said Golam Rahman, president of the Consumer Association of Bangladesh.

The young entrepreneurs should be provided with sufficient financial support for the country's economic growth, said Mr. Shafiul Islam Mohiuddin, Vice President of the Federation of Bangladesh Chambers of Commerce and Industry.

Dr. Nazneen Ahmed, Senior Research Fellow at Bangladesh Institute of Development Studies, said women do not get equal opportunities in Bangladesh, especially in rural areas.

The government should set up more special economic zones, exclusively for small and medium enterprises, said Mr.Mahmud Hasan Khan, Vice President of Bangladesh Garment Manufacturers and Exporters Association.

Mustafizur Rahman, a member of UN Youth Advisory Panel, said the youth should be engaged in social work such as prevention of child marriage and reproductive healthcare. Child marriage and unemployment are acting as major barriers to achieving SDGs, Munir Hossain, UNFPA's national programme officer, said while presenting a paper in the function.

Abdul Qayyum, associate editor of Prothom Alo, moderated the roundtable while noted economist MM Akash; Farhana A Rahman, vice president of Bangladesh Association of Software and Information Services, and Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue, also spoke.

Payra rail link to bring $7.5b FDI

DP Rail a British company has proposed to invest $7.5 billion in the Dhaka-Payra seaport rail link project. The proposal came in response to shipping ministry's invitation for Expression of Interest for investment in various components of the Payra seaport in Kuakata of Patuakhali. Five companies, including DP Rail, had submitted proposals for the 280km rail link project.

The shipping ministry primarily shortlisted the British firm as eligible. On September 17, Finance Minister AMA Muhith told a programme at The Daily Star Centre that British private investors would build a rail line from Dhaka to Payra. "Payra is becoming a much better port in Bangladesh, which will be one of the best in the region. It is going to be really a good seaport," the minister said. Muhith later told The Daily Star that the money would come as Foreign Direct Investment.

Earlier in August, Commerce Minister Tofail Ahmed told the media that the British High Commissioner to Bangladesh Ms.Alison Blake, said that the UK was keen to invest in Padma Bridge-Kuakata railway link and Payra port. According to the Ministry the British company in the proposal mentioned that it would do the job together with China Railway Construction Corporation Ltd.



The DP Rail's proposal includes construction of an Inland Container Depot and a landing port at Payra. The rail link between Dhaka and Payra is crucial, as the government plans to build it as the main seaport of the country by 2022. Payra sits on the Bay of Bengal and has all the potential to become an international seaport, but its road and rail links with Dhaka and other parts of the country are poor at the moment.

According to the DP Rail's website, the company is working to finance, design, build, operate and maintain the Dhaka-Payra based upon FDI. It said the DP Rail encompasses the investment, engineering, operations, planning and programming management expertise required.

Interport BD Limited has 50 percent share in DP Rail. The company wants to develop a freight railway linking Dhaka with Payra and the rest of Bangladesh, and a possible link to the Seven Sisters region of India. Interport is a specialist transport and logistics company, based in Shropshire, England, although most of its activities are currently in Bangladesh.

The company has recently completed a technical and economic feasibility study of the proposed Payra port as a sub-consultant to British firm HR Wallingford, and has recently

secured further consultancy studies in Bangladesh, according to the DP Rail website.

The Payra seaport became operational on a limited scale in August, after it was inaugurated by Prime Minister Sheikh Hasina. Earlier, HR Wallingford & Consortium prepared a techno-feasibility study of the Payra port, having 19 components with a total investment of $16 billion include government to government funding and FDI. The shipping ministry has sent a proposal to the planning ministry for the Payra seaport project.

Pvt. power cos get tax waiver until 2019

The government's revenue authority has extended the tax exemption facility for the private power generation companies by another three and half years, up to December 31, 2019. The private power generation companies, except the coal-fired ones, that will go for commercial production by the said period will enjoy 15-year tax exemption facility.



Internal Resources Division (IRD) has extended the deadline that expired on June 30 through issuing a Statutory Regulatory Order (SRO) recently. According to revenue authority the deadline for availing the tax exemption facility was extended on a couple of occasions in the past through issuing SROs. The previous two deadlines ended on December 31, 2014 and June 30, 2013.

As per Income Tax Ordinance 1984, private power plants that will comply with the conditions of the private sector power generation policy of Bangladesh, will be entitled to enjoy the tax exemption on the income generated from the power production business. According to officials a number of entrepreneurs have shown their interest to invest in power generation, being encouraged by the 15-year tax holiday facility.

The power ministry invited tender by preparing request for proposal (RFP) and offering the tax exemption facility. Many investors responded to the offer. Bangladesh Power Development Board (BPDB) has signed agreements with different private power companies under the income tax rules with tax exemption facility.

It is not possible for the ministry to cancel or suspend the existing tender, invite fresh one or cancel existing agreements.

The tax authority has extended the timeframe for tax exemption facility considering the issue. As per the existing income tax rules, foreign employees of the private power companies can enjoy tax exemption for first three years after their arrival in the country.

The power generation companies can also enjoy tax exemption on interest amount of foreign loan, payable royalties, technical know-how and technical assistance fees, and capital gain of the companies, generated following handover of their shares.

BD placed 19th in global financial inclusion progress

Bangladesh has been ranked 19th, scoring 66% in financial inclusion progress among many countries in the world while Kenya topped the list with 84% score, according to a global study report. The 2016 Brookings Financial and Digital Inclusion Project (FDIP) report revealed on 2nd week of August evaluates access to and usage of affordable financial services by underprivileged people across 26 geographically, politically and economically diverse countries.

The report also mentioned the largest cyber heist that took away $81 million from Bangladesh Bank's reserve account, causing major institutional shifts in Bangladesh. A major institutional shift in Bangladesh since the publication of 2015 FDIP report was the resignation of then governor of Bangladesh Bank, Atiur Rahman, in March 2016, after hackers allegedly stole more than $81 million from Bangladesh Bank by providing transfer orders to the U.S. Federal Reserve Bank in New York.

Fazle Kabir was appointed as the new governor of Bangladesh Bank in the same month. Thus far, financial inclusion initiatives in Bangladesh do not appear to have been significantly disrupted by these events. For example, as of spring 2016, the drafting of a national



financial inclusion strategy under a committee chaired by the governor of Bangladesh Bank was underway, the report observed.

The neighbouring country, India, was ranked 12th, scoring 71% in the development of financial inclusion. Pakistan scored 69% and was placed 14th among the countries under Financial and Digital Inclusion Project (FDIP) in the study.

The other top-scoring countries include Colombia, earning 79%, and Kenya, South Africa, Brazil and Uganda, each scoring 78%. They held the top five positions among countries between 2015 and 2016.

The 2016 report assesses these countries' financial inclusion ecosystems based on four dimensions of financial inclusion – country commitment, mobile capacity, regulatory environment and adoption of selected traditional and digital financial services. Bangladesh scored 89% on the country commitment, 83% on mobile capacity, 78% on regulatory environment and 39% on adoption while India scored 100%, 72%, 94% and 44% respectively.

The study report said Bangladesh's robust mobile capacity levels have contributed to the increasing take-up of Mobile Financial Services (MFS) in the country, which as of 2014, boasted among the FDIP countries in Asia.

In fact, Bangladesh is one of the fastest growing mobile money markets in the world when measured by the total number of accounts. There were about 131 million mobile phone subscribers of the total about 160 million population as of March 2016.

BD advances 12 spots in Global Innovation Index

Bangladesh advanced 12 spots, from 129 last year, to 117 in the Global Innovation Index (GII). Cornell University, INSEAD and the World Intellectual Property Organization (WIPO) jointly released the rankings on August 15. The country placed in ahead of Pakistan which ranked 119 in this year's rankings from 131 in last year. India climbed 15 spots, from 81 last year, to 66 in the global index.

Switzerland, Sweden, the UK, the US, Finland, and Singapore lead the 2016 GII rankings. This year, China joined the world's 25 most-innovative economies, becoming the first middle-income country to enter the top 25 of the index in its nine editions of surveying the innovative capacity of 128 economies of the world.

Last year report, however, covered 141 countries. The reduction of the countries also contributed to improvement of the rankings in some countries.

Basel Index on money laundering, terror financing risk
BD position better in S Asia

Bangladesh holds a better position among South Asian countries regarding risk of money laundering and terrorist financing. The country has also improved its ranking two steps globally. Among six South Asian countries, Bangladesh has been placed 5th after India, according to the Basel Anti-Money Laundering (AML) Index 2016 developed by the Basel Institute on Governance.

In the fifth edition of the AML index 2016 that covered 149 countries, Bangladesh has ranked 54th with its score at 6.40 followed by India with 5.69 (78th position). However, Afghanistan, Nepal and Sri Lanka stand out with particular high-risk scores of 8.51, 7.57 and 7.16 respectively, the Basel AML Index 2016 has revealed. In the Basel AML Index 2015, Bangladesh ranked 52nd with its score at 6.43 among 152 countries.

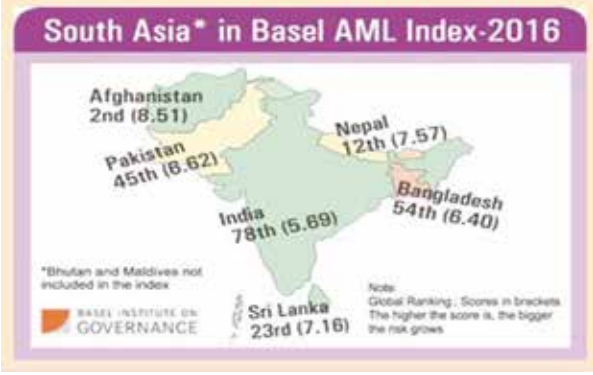
The top 10 countries of highest risk are Iran, Afghanistan, Tajikistan, Guinea-Bissau, Mali, Cambodia, Mozambique, Uganda, Swaziland and Myanmar, according to the 2016 Basel index. Besides, Finland is the lowest-risk country, followed by Lithuania and Estonia.

"More countries improved their ratings last year in the Basel AML index, but the effectiveness in fighting money laundering remained weak," says the Basel Index report 2016. Based in Switzerland, the Basel Institute of Governance has published the AML index since 2012, measuring the risks of money laundering and terrorist financing of countries based on publicly available sources.

A total of 14 indicators that deal with AML and Combating the Financing of Terrorism (CFT) regulations, corruption, financial standards, political disclosure and the rule of law are aggregated into one overall risk score, according to the Basel Index report.

The Basel AML index does not assess the amount of illicit money or transactions but is designed to assess the risk of money laundering in order to indicate the vulnerability of a country to the twin menace of money laundering and terrorism financing based on publicly available indicators. Meanwhile, outflow of dirty money from Bangladesh marked a phenomenal rise in recent years despite various steps to help curb such acts by the government and the country's central bank.

Between 2004 and 2013, illicit funds amounting to $55.87 billion fled out from the country to different destinations, mostly tax havens, according to the latest available reports of the Global Financial Integrity (GFI). Again, funds held directly by Bangladeshi individuals and entities with banks in Switzerland stood at around US$ 545 in 2014, it revealed.



Bangladesh government on 11 October 2015 amended the Money Laundering Prevention Act 2012 to make the law more effective and purposeful. The government first adopted a law styled Bangladesh Money Laundering Prevention Act 2002. It was replaced by the Money Laundering Prevention Ordinance 2008. Subsequently, the ordinance was repealed by the Money Laundering Prevention Act 2009. Apart from the adoption of laws, Bangladesh had also secured membership of the Egmont group, a global body of 131 member- nations to combat money laundering, financing of terrorism and other financial crimes, in 2013.

Moreover, in its third-round mutual evaluation on Bangladesh's efforts to curb money-laundering and terror-financing activities, a team of the Asia/Pacific Group (APG), which advocates effective implementation of laws regarding anti-money laundering and terrorist financing, visited Bangladesh and sat with different authorities concerned including Bangladesh Bank last May.

BB sets foreign currency rules for economic zones

Bangladesh Bank on 10 August issued a new foreign exchange regulations for enterprises and developers in planned economic zones as the government seeks to attract more investors. The foreign exchange regulations applicable for units in the existing export processing zones will also be applicable for entities in EZs, if not otherwise directed by the BB.

The central bank has divided industrial units into three categories: A, B and C. Type A units are 100 percent foreign-owned, including those owned by Bangladeshi nationals ordinarily resident abroad. Type B units are joint-venture projects between foreign and local entrepreneurs. Type C units are those fully owned by Bangladeshi entrepreneurs who permanently reside in the country.

The units under the three types will maintain foreign currency accounts with authorised dealers. The Type A units may open and maintain such accounts with offshore banking units of scheduled banks of Bangladesh. Proceeds from exports by entities of different types of EZs must be retained and used through the foreign currency accounts.

Besides, equity from foreign shareholders and loan received in foreign currency from authorised sources may be credited in the foreign currency accounts of Type A and Type B units. In case of inward remittance on account of equity, banks may issue a certificate with the amount credited in foreign currency account mentioning equivalent taka.

Moreover, authorised external loan proceeds may be credited in foreign currency accounts of Type C units. Exporters of such areas may maintain taka accounts in the same manner, according to the central bank notice. Exports of goods from EZs, including sales within EZ, to other EZs, EPZs or other areas of Bangladesh are subject to the usual requirement of declaration of exports and repatriation of export proceeds.

Sales of permissible Bangladeshi goods or raw materials to enterprises located in EZs must be against convertible foreign currency only to be received from foreign currency accounts maintained by the EZ units with ADs or offshore banking units by Type A units. Moreover, selling of such goods including non-physical contents to enterprises against payment in foreign currency shall be treated as exports from Bangladesh.

Therefore, normal foreign exchange regulations related to declaration of exports in case of overseas sales in physical form and repatriation of proceeds shall be applicable for exports to EZs from other areas of Bangladesh.

Existing instructions will be applicable for obtaining credit facilities by the units of EZs. However, if they want to obtain medium and long-term debt from abroad or offshore banking units in case of Type A units, applications have to be submitted to the BB through the Bangladesh Economic Zones Authority. ADs or offshore banking units may remit dividends favouring non-resident shareholders

of Type A and B units without prior permission of the BB.

The notice said locally owned zone developers will have to follow the similar exchange regulations like the entities outside EZs and EPZs. Likewise, foreign-owned entities or zone developers will follow similar exchange regulations that are applicable for similar entities outside of the EZs and EPZs.

ADs or offshore banking units may remit royalty, technical know-how and technical assistance fees of enterprises from the foreign currency accounts for Type A units without prior permission from the BB or BEZA if the total fees and other expenses do not exceed a certain amount.

For new projects, the amount cannot exceed 6 percent of the cost of imported machinery. It cannot exceed 6 percent of previous year's sales as declared in the income tax returns for ongoing projects. Remittance of such fees in excess of the limit is subject to prior specific approval from the BEZA, said the central bank.

The notice said foreign nationals working in EZs, with valid work permit from the BEZA, will be allowed to remit through an AD 75 percent of net salary, 100 percent of leave salary and actual savings and all pension benefits without prior BB approval. Investment in EZs shall have to be reported to the central bank.

Besides, all foreign exchange transactions of EZ units are to be reported through online foreign exchange transaction reporting platform of the Foreign Exchange Operation Department of the BB. Such transactions are also to be reported in monthly returns to the BB. The government plans to set up 100 economic zones in Bangladesh in the next 15 years.

The BEZA has approved proposals for 22 economic zones and eight sites have been primarily selected to set up the parks. Exports will grow by $40 billion a year and one crore jobs will be created if 70,000-75,000 acres of land can be allocated to the economic zones, according to an estimate by the BEZA.

The BEZA aims to establish economic zones in all potential areas in Bangladesh, including backward and underdeveloped regions, with a view to encouraging rapid economic development through increase and diversification of industry, employment, production and export.

Bashundhara gets economic zone licences

Bangladesh Economic Zones Authority on 28 July awarded two prequalification licences to Bashundhara Group to set up two economic zones at Keraniganj in Dhaka.

The group will set up the Bashundhara Special Economic Zone on 56 acres and the East West Special Economic Zone on 53.87 acres in Keraniganj, some 15 kilometres from the capital.

The sites will be suitable for setting up heavy and medium industries such as petroleum oil refinery, LPG cylinder manufacturing and bottling, food and beverage, chemical products, ship-building and steel industries.

The economic zones will create around 40,000 jobs, said Md Fakhruddin, chief operating officer of Bashundhara Dredging Company, a unit of Bashundhara Group.

Beza Executive Chairman Paban Chowdhury handed over the licences to Bashundhara Group's Adviser Mohammad Mahboob Haider Khan at a programme in Dhaka. Upon satisfactory completion of the prequalification exercises,

BASHUNDHARA GROUP
For the People, for the Country
BANGLADESH

Bashundhara will get the full licence, which will make it eligible to enjoy tax exemption for 12 years.

Apart from the developers, entrepreneurs can also get fiscal and financial incentives and other benefits that industrial units typically get in export processing zones.

By setting up a unit in an economic zone, investors can get tax exemption for 10 years. They can also enjoy Bangladesh's significant market access to developed and neighbouring countries, demographic dividend, the domestic consumer market and most importantly, the cheap labour force.

Bashundhara Group has started operation as a real estate venture in 1987. Today, it is engaged in many areas such as cement, paper and pulp, tissue paper, steel, LP gas bottling and distribution, and trading.

Beza has so far awarded licences to seven local private sector companies to set up eight economic zones one each to AK Khan and Company, Abdul Monem Ltd, Bay Group, Aman Group, Maisha Group, United Group and two to Meghna Group.

The government is also setting up four economic zones in the public sector: Mirsarai Economic Zone in Chittagong, Mongla Economic Zone in Bagerhat, Srihatta Economic Zone in Moulvibazar and Sabrang Tourism Park in Cox's Bazar.

The government plans to develop 100 such zones by 2030 on 75,000 acres with a view to creating jobs for one crore people and producing products and services worth $40 billion.

Unique gets primary licence to set up economic zone

Bangladesh Economic Zones Authority (Beza) on 24 August awarded a prequalification licence to Unique Group to set up an economic zone in Narayanganj and attract investment mostly in import-substitute industries. Unique Group will now conduct an environmental impact assessment, a feasibility study and make a master plan by next year in line with the licence requirements. It will be the 11th economic zone to be developed by a private sector company.

Although the prequalification licence was for 55 acres, Unique Group plans to set up the zone on 300 acres, which will gradually be expanded to 600 acres. The zone—Sonargaon Economic Zone—is close to the Dhaka-Chittagong highway and the Meghna river.

An economic zone is a designated area in a country with special economic regulations that differ from the rest of the country. An entrepreneur can enjoy various benefits, including tax incentives, from the authorities by setting up an industrial unit in an economic zone. Beza Executive Chairman Paban Chowdhury said they have selected 77 sites and acquired 30,000 acres of land so far.

Exports hit highest record

Exports continue to be a beacon of hope for the economy, raking in $34.24 billion in fiscal 2015-16 -- the highest in the country's history.

The amount, which not only beat the government's target of $33.5 billion but was an increase of 9.72 percent over the previous year, down to the strong performance of the garment and leather and leather goods sectors, according to data released by the Export Promotion Bureau on July 13.

Garment, which typically accounts for more than 80 percent of the country's annual exports, brought home $28.09 billion, up 10.42 percent year-on-year. "We expect even higher exports in the current fiscal year as we are receiving work orders aplenty," said Mr.Siddiqur Rahman, President of Bangladesh Garment Manufacturers and Exporters Association.

One of the reasons for the ever-swelling export receipts from the garment sector is that it has now started manufacturing high-value items as well, Siddiqur said.

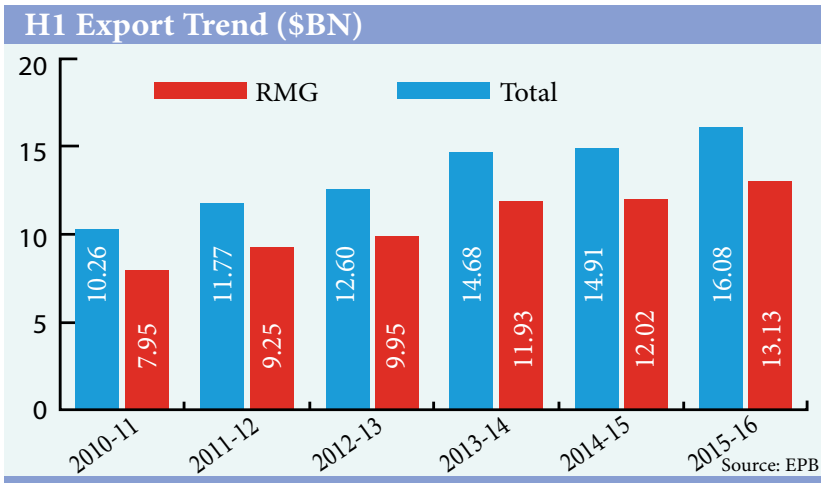
The country is also receiving the work orders that are being shifted in bulk from China. "China is no more a favourite destination for international garment retailers. They are shifting their work orders to other destinations and preferably to Bangladesh," Rahman added.

Apart from apparel items, exports of leather and leather goods increased 2.69 percent year-on-year to $1.16 billion last fiscal year, and in doing so, crossed the $1 billion-mark for the third year.

Earnings from footwear stood at $219.18 million, up 15.69 percent year-on-year. Jute and jute good exports are seeing a revival on the back of new demand of natural fibres worldwide and for a return of business-friendly environment in some Middle Eastern countries, industry insiders said. In 2015-16, jute and jute goods fetched $919.58 million, up 5.88 percent from a year ago.

Exports of terry towels increased 14.33 percent to $47.80 million, headgears or caps 130.69 percent to $148.70 million, engineering products 14.10 percent to $510.08 million, furniture 18.80 percent to $46.26 million and pharmaceuticals 13.04 percent to $82.11 million. Exports of agricultural products like tea, vegetables, tobacco, cut flowers and foliage, fruits, spices and dry foods increased 1.71 percent to $596.06 million.

However, earnings from the exports of shrimps and crabs decreased 7.33 percent to $472.37 million, plastic goods such as PVC bags, plastic waste and others 11.50 percent to $89 million and bicycle 21.35 percent to $99.15 million, the EPB data showed.



BGMEA unveils roadmap to $50b export

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has unveiled a roadmap to attain $50 billion export earnings by 2021 from the apparel sector. The roadmap will concentrate on the priority and required activities that should be done to achieve the goal.

The roadmap as dubbed "Bangladesh RMG Roadmap: Targeting US$ 50 Billion Export by 2021" jointly prepared by the RMIT University of Australia and BGMEA was unveiled in Melbourne, said a BGMEA released on 30 July.

Chairman of the Parliamentary Standing Committee on Ministry of Home Affairs Tipu Munsi, BGMEA President Siddiqur Rahman, Bangladesh High Commissioner to Australia Kazi Imtiaz Hossain, FBCCI First Vice President Safiul Islam Mahiduddin, Deputy Pro-Vice Chancellor of RMIT University Professor Geoff Stokes, BGMEA Senior Vice-President Faruk Hasan, Vice-President Nasir Uddin and RMIT Professor and BGMEA International Affairs Advisor Sharif As-Saber were present on the occasion.

Speaking on the occasion, the BGMEA President said the roadmap would give important directives towards attaining the Vision-2021.



Export of logistics products fetches $6.0b

Shadow exporters of the country have bagged about US$ 6 billion by exporting logistics products in the fiscal year (FY) 2015-16, according to industry insiders. Of the total amount, the packaging industries contributed about $ 1.5 billion. In the FY 2014-15, the sector earned $ 5.6 billion and export earnings in the FY 2013-2014 were $ 4.7 billion. The shadow exporters are exporting products like corrugated carton, carton, button, thread, labels, poly bag, hanger, zipper and other accessories.

Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) having membership of about 1,357 experienced a steady growth at the rate of 70-80 per cent over the years along with the expansion of the apparel industry. Of them, more than 600 factories are producing corrugated carton to support the country's apparel industry.

The sub-sector of apparel has acquired necessary skills and capacity to serve the major export industries like frozen food, fish, meat, vegetables, furniture, pharmaceuticals and other products as the logistics industry. Most of the factories located in Dhaka, Gazipur, Narayanganj and Chittagong are supporting the apparel industry.

The sub-sector generates employment of about 0.3 million with total investment of $ 30 billion and it adds value at a rate of 40 per cent. BGAPMEA has targets to reach the mark of growth of about $ 12 billion by 2018 and $ 18 billion by 2025. The industry comprises 1,400 small and medium enterprises manufacturing logistics products for the RMG sector and directly exports raw materials to other countries like Vietnam, Middle-East countries and South Africa.

Raw materials like corrugated sheets are imported mainly from Korea, Taiwan, Sweden and the USA while plastic raw materials from Malaysia, Indonesia, and Dubai to support the apparel industry of the country.

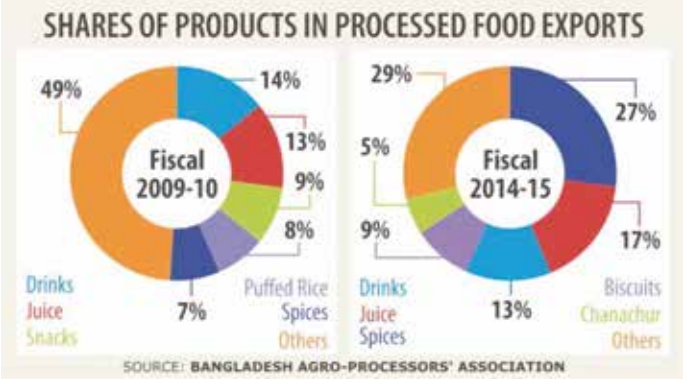
Industry insiders have demanded that Bangladesh Small and Cottage Industries Corporation set up a special economic zone in Manikganj to help develop the sector and boost growth

Food products show great export promise

Locally manufactured spices, biscuits, juices and drinks are fast gaining ground abroad. In fiscal 2009-10, food processers shipped $3.93 million worth of cooking condiments. The amount swelled to $60.42 million in fiscal 2014-15, according to data compiled by Bangladesh Agro-Processors' Association (BAPA).

Similarly, shipments of biscuits rose almost six times to $20.07 million in fiscal 2014-15 from five years earlier, and that of juice and drinks about five times to $66.85 million. Bapa data shows the four items accounted for about 65 percent of the total export earnings of $219.84 million in fiscal 2014-15.

Exporters said the increase in the number of processed foods makers, cash incentive benefits provided by the government, better pricing and the quality of the locally made foods facilitated the growth. Today, Bangladeshi foods are being sold in 130 countries, ranging from Australia to the US.



But the Middle Eastern countries, mainly the UAE and Saudi Arabia, which are home to hundreds of thousands of migrant workers, are the largest markets. New markets have also emerged in recent years. For instance, Pran, the country's largest food processor and exporter, now ships to some African nations.

Exporters' agents abroad are also supplying Bangladeshi spices and other food products to some retail chains in the West. There are 100 manufacturers engaging as exporters and nearly 250 firms involved in food processing, according to data from Bapa and Bangladesh Bureau of Statistics.

The food processing sector in Bangladesh is a $2.2 billion industry that grew at 7.7 percent on average a year between fiscal 2004-05 and 2010-11, said a US Department of Agriculture report. The growth of food processing has benefited the rural economy as many raw materials are collected from farmers. It has also created jobs and scope to earn foreign currency through exports. The quality and packaging of locally made food products have improved a lot over the years.

GPH signs contract with Chinese co for gas plant

Bangladesh is going to install a daily 250 metric ton (MT) production capacity cryogenic Air Separation Plant (ASP) of sophisticated technology and global standard. This will be the first ever high capacity ASP plant in Bangladesh. GPH ispat ltd is going to build the plant with the technical support of a Chinese company.

Additional Managing Director of the GPH ispat ltd Md Almas Shimul Monday signed an agreement to this regard with Shan Kai, Vice General Manage of Sichuan Air Separation Plant Group (SASPG) Co Limited of China at the GPH corporate office at Asadgonj in the city. Managing Director of GPH ispat Md Jahangir Alam, GM of SASPG Zhou Shumming, Director (Overseas) Yang Jianyong and GM Yang Meiyuan were present on the occasion.

In the contract signing event Shan Kai said, "China's commerce, investment and financing relation in the public and private sector with Bangladesh is excellent. We are satisfied to have signed contract with the GPH ispat in the steel sector of Bangladesh."

GPH ispat ltd.

Providing data and statistics Mohammed Jahangir Alam said other Air Separation Plant such as Linde Bangladesh Ltd (former BOC) has a daily production capacity of 80 MT on an average, while the GPH plant will produce 250 MT of gas per day.

He said that they will produce industrial and medical gas in addition to the gas for the local marketing at a cheap rate. This plant will produce purely 99.99 per cent oxygen, 99.99 per cent nitrozen and 99.99 per cent argon gas besides producing liquefied gas.

In Bangladesh, it will the first ever installation for buffering and cylinder filling station. The GPH with the existing and additional production capacity of the plant will one million MT of bars and medium section steel.

For this huge quantity of production the ASP Plant will produce 6000 cubic metre oxygen in gas form, 650 cubic metre oxygen in liquefied form, 1500 cubic metre nitrozen in gas form and 150 cubic metre liquefied nitrozen and argon, according to the GPH official. 500 people will get direct and indirect employment in the new plant and the plant will deposit Tk 250 million as revenue per annum to the national exchequer.

LNG terminal to go into production in 2018

Petrobangla and US-based Excelerate Energy on 18 July signed the final deals to set up Bangladesh's first LNG terminal, which will handle imported liquefied natural gas and supply those to the national grid from early 2018. "This marks the end of paperwork. We expect to start supplying gas by the end of 2017," said Dr.Tawfiq-e-Elahi Chowdhury, Energy Adviser to the Prime Minister, after two separate agreements were signed to set up the LNG terminal at Moheshkhali in the Bay of Bengal. Known as Moheshkhali Floating LNG Terminal, the scheme was taken in 2010. The terminal is now

one of the fast-track projects that the government took to strengthen infrastructure.



The LNG terminal, also called floating storage and re-gasification unit, will have the capacity to supply 500 million cubic feet (MMCF) of gas per day. Petrobangla will have to spend $1.56 billion a year to import the LNG from Qatar. In March this year, Petrobangla and Excelerate inked an initial agreement to set up the terminal.

The unit will supply gas to Chittagong region that has been suffering from an acute gas crisis for a long time. Bangladesh now produces 2,700 MMCF of gas a day against the demand for 3,300 MMCF.

According to Power and Energy Ministry the government plans to set up four land-based LNG terminals and one or two floating storage and re-gasification units. An additional 3,500 MMCF of gas will be required in the coming years, especially for power generation and industrial purposes.

Mr.Zanendra Nath Sarker, Deputy Secretary of the Energy and Mineral Resources Division, and Mr. Daniel Bustos, Chief Development Officer of Excelerate Energy Bangladesh, signed the contracts. M.Marcia Bernicat, US Ambassador to Bangladesh, was also present.

Bangladesh has lowest internet penetration in South Asia: ITU

Bangladesh has the lowest internet penetration in South Asia, with just 14.40 percent of the population having connectivity to the internet, according to a report by the International Telecommunication Union. The country stands 144th in ITU's ICT Development Index, up from its 148 spot in 2010.

Even Myanmar that introduced mobile phone services only a few years ago came ahead of Bangladesh in the rankings, at 142. Its internet penetration stands at 21.80 percent. As of December 2015, Bangladesh has 38.67 lakh fixed broadband subscriptions, which is 2.41 percent of the total population, according to the ITU report. Earlier, the World Bank in its 'World Development Report 2016: Digital Dividends' said Bangladesh has the fifth largest offline population in the world, with about 148 million still not connected to the internet. However, the government denied both the reports.

Mr. Zunaid Ahmed Palak, State Minister for ICT, said the government is satisfied with the Bangladesh Telecommunication Regulatory Commission's published numbers, which show the country's internet penetration is about 40 percent. "They are authentic and reliable," Palak said, adding that the government will request the ITU to update the report with the BTRC's figures. "We hope they will comply with our request," he added. However, the ITU stated that the data was collected from the BTRC.

BTRC Chairman Mr. Shahjahan Mahmood said the report does not present the real scenario. "We need to analyse it before making any further comment." Abu Saeed Khan, senior policy fellow at LIRNEasia, a Colombo-based think tank, said: "This is an official data that has been provided by the Bangladesh government to the ITU." The telecommunication union never runs any independent report for any country.

"The ITU has nearly reproduced the data without any amendment. Therefore, it reflects the country's digital health, which is miserable," said Khan, also a former general secretary of the Association of Mobile Telecom Operators of Bangladesh. As of June, the country's total number of internet subscribers is 6.32 crore, according to Palak. "The report can damage us. I will sit with the BTRC chairman and request him to correct the report as early as possible," he added.

Industry experts said most of the citizens remain offline in Bangladesh due to two major issues. The government is yet to transform the public services online, so the citizens see no utility in being online. The other issue is the government's anti-connectivity policy and regulations, due to which the private sector is yet to expand their coverage throughout the country.

The Maldives, the smallest country in South Asia, has the highest internet penetration in the region, of 54.46 percent. The islanders secured the 81st spot in the ranking, which was topped by South Korea. After the Maldives, Bhutan, another small country, scored a higher position in the ranking, of 119. Its internet penetration is 39.80 percent.

Sri Lanka's internet penetration stood at 29.99 percent, enough to secure the 115 ranking. Neighbouring India's internet penetration was 26 percent; it came in at 131. Nepal came in at 136 and Pakistan 143. In terms of mobile penetration, Bangladesh scored 86.36 percent with its 13.37 crore active SIMs as of December. India has 78.84 percent mobile penetration, Pakistan 66.92 percent and Nepal 96.75 percent.

Bangladesh Bank announces half yearly Monetary Policy (July-December 2016)

This issue of Monetary Policy Statement (MPS) outlines Bangladesh Bank's monetary policy stance for the first half (H1) of the FY17 as the first leg of its monetary program for the FY17. The MPS is drawn up in the backdrop of sustained spell of CPI inflation moderation gains in output growth momentum upheld by cautious but explicitly growth supportive stance of monetary and financial policies pursued in the recent years.

As earlier, the FY17 monetary program and the monetary policy stance for the H1 of the FY17 have been chalked up drawing on the experience with the preceding program and on inputs from stakeholders' consultations.

Monetary Policy Performance : FY16

Available data (mostly up to May 2016) indicate attainment of almost all key objectives of the monetary program and policies for FY16. Broad money (M2) growth remained below target ceiling until May 2016 and is likely to remain within the ceiling of 15.0 by end June 2016. Private sector credit grew robustly throughout FY16, at 16.4 percent as of May 16 overshooting the targeted end June ceiling of 14.8 percent.

However, with government's belated small net bank borrowing at the closing end of FY16, overall domestic credit growth remained below the targeted path and is likely to be within the 15.5 percent ceiling by end June 2016. Strong FY16 private sector credit growth and FDI inflows helped the economy attain 7.05 percent real GDP growth while annual average CPI inflation dipped below the 6.2 percent target in June 2016; even as the pass through of global oil price decline to consumers was belated and minimal. Government's nearly entire FY16 domestic borrowing in the costly route of high yield nonbank NSD instruments was noninflationary, though afflicting banks with a liquidity glut and Bangladesh Bank with a high sterilization cost burden.

Core Objectives

The main objective of Bangladesh Bank's monetary policy is moderation and stabilization of CPI inflation alongside supporting output and employment growth. Bangladesh Bank would accordingly emphasize on stabilizing CPI inflation. Bangladesh Bank's monetary and financial policies will continue supporting inclusive, environmentally sustainable growth; addressing its developmental role in the longer term risks to macro-financial stability. The following are the highlights of the stance of monetary policies to be pursued in H1 FY17:

- stabilizing inflation at a moderate level targeted in the national budget and other macroeconomic policy pronouncements,
- supporting the public policy objectives of inclusive, environmentally sustainable growth, and
- stabilizing the market exchange rate of Taka around levels protecting external competitiveness while also facilitating absorption of external inflows in output and investment activities in the real economy.

As always, Bangladesh Bank formulates its monetary policy keeping in view the events and developments continually unfolding in the domestic and global economic scenes.

Bangladesh- based solar project wins UN prize

A ground-breaking project based in Bangladesh, which allows villagers to earn by selling excess solar energy to neighbours, was announced on September 29 as one of 13 winners of the United Nations climate change awards.

With the help of SOLshare's innovative technical solution, marginalised households without the means to finance their own solar power systems are able to purchase clean electricity from their neighbours at low cost, said a press release on September 29.

This contributes to displacing the more expensive kerosene, responsible for indoor and greenhouse gas pollution. It also lowers the financial barrier represented by the high initial down payment required for acquiring a solar home system, and brings clean energy to the non-bankable population.

Founded in 2014 as a German-Bangladeshi spin-off of MicroEnergy International GmbH, ME SOLshare has successfully piloted the world's first swarm grid, an ICT-enabled peer-to-peer electricity trading network for rural households with and without solar home systems in Shariatpur of Bangladesh.

The SOLshare project was awarded under the Momentum for Change ICT Solutions focus area for its work to harness the power of ICT in the fight against climate change whilst benefiting local communities, and serving as a role model for other countries. Together with the other winning projects, it will be showcased at a series of special events during the UN Climate Change Conference in Marrakech, Morocco (November 7-18, 2016).

The 2016 Lighthouse Activities were selected by an international advisory panel as part of the secretariat's Momentum for Change initiative, which operates in partnership with the World Economic Forum Global Project on Climate Change and the Global e-Sustainability Initiative.

Regional News

G20 a success for China: broad consensus over sragile global economy

China is lauding its successful hosting of the G20 summit in scenic Hangzhou, with open confrontation largely avoided and broad consensus reached over the fragile state of the global economy and the need for a wide range of policies to fix it. There was even a joint announcement by China and United States that they would ratify the Paris climate change agreement, a significant step for the world's two biggest emitters of greenhouse gases.



But scratch beneath the surface, and the gathering of the world's most powerful leaders was not all plain sailing - from the distraction of a North Korean missile test to the failure of the United States and Russia to reach agreement over Syria, and diplomatic faux pas to double speak over protectionism.

Chinese state media, while largely basking in the glory of a summit that happened without being too overshadowed by disputes such as the South China Sea, also let slip Beijing's frustrations at what it sees as Western efforts to stymie its economic ambitions.

"For the world's major developed economies, they should curb rising protectionism and dismantle anti-trade measures as economic isolationism is not a solution to sluggish growth," China's official Xinhua news agency said 5 September. "In order to build an inclusive, rule-based and open world economy, protectionism must be prevented from eroding the foundation for a faster and healthier economic recovery."

In the run-up to G20, China has been particularly upset by what it sees as unwarranted suspicion of its overseas investment agenda smacking of protectionism and paranoia.

A few weeks before the summit, Australia blocked the A$10 billion ($7.63 billion) sale of the country's biggest energy grid to Chinese bidders, while Britain delayed a $24 billion Chinese-invested nuclear project. Behind the scenes, Western countries have been accusing China of not sticking to its own goals.

Before the summit, European G20-sources doubted that the Chinese agenda would mark a real new chapter to create more sustainable growth for the global economy. China, asking in public for more openness and steps to counter protectionism, is still giving Western investors only very limited access to their market, a European official said.

A big concern for foreign investors in China is what they see as the increasing difficulty of doing business in China, driven by concern that new laws and policies are seeking to effectively shut out foreigners or make life very hard for them.

Several diplomats familiar with the summit said China had resisted the idea of putting steel on the final communique, though it did make an appearance in the end with G20 leaders pledging to work together to address excess steel capacity.

For countries like Britain, whose steel industry crisis has been directly blamed on a flood of cheap Chinese imports, the issue is key.

An official from British Prime Minister Theresa May's office said they and the United States had pushed for language in the communique on the importance of working together at G20 to tackle excess production.

"We have, despite resistance from some countries, secured some language on the importance of doing that," the official said.

Asked if China was one of those resisting, she just repeated "in the face of some resistance".

Another shadow over the G20 has been the rise of popular opposition to free trade and globalization, embodied by phenomenon like Britain's summer vote to leave the European Union and Donald Trump becoming the Republican presidential candidate in the United States.

"We agree with the G20's analysis that the benefits of trade and open markets must be communicated to the wider public more effectively," said John Danilovich, Secretary General of the Paris-based International Chamber of Commerce. "It's vital that business and governments work together to explain how and why trade matters for all."

Eurozone growth slows as Brexit dangers threaten

Growth in the eurozone halved in the second quarter, official data showed on July 29, with analysts warning that the consequences of Brexit could harm the economy further later in the year. The Eurostat statistics agency said economic growth in the 19-nation single currency bloc slowed to 0.3 percent in the April to June period, with stagnation in France largely contributing to the poor data.



This was down from a far more robust expansion of 0.6 percent in the previous quarter, though analysts had said that result was due to a surprisingly warm winter in Europe. The latest figures were in line with forecasts of analysts surveyed by data company Factset, and meant the eurozone grew by 1.6 percent over 12 months.

The period covered by the gross domestic product (GDP) data largely pre-dates the shock vote in late June by non-euro Britain, which the European Central Bank warned would negatively influence growth in Europe for years to come. Signals so far are that economic activity in the eurozone is proving resilient despite the vote, after strong initial shocks rocked the financial markets.

"The good news is that the economy still has some momentum, though there is little acceleration to be expected as long as the Brexit story continues to inject some uncertainty into the external environment," said Peter Vanden Houte, chief economist at ING Bank in Brussels. Looking ahead, "the third quarter started on a good footing, but it is probably too soon to start downplaying the potential negative impact of Brexit on eurozone growth," he added.

In the eurozone, Spain managed to grow a solid 0.7 percent despite political deadlock since inconclusive elections last December. But French growth ground to a halt in the April-June period, a disappointing result for the eurozone's second-biggest economy.

Eurostat also announced that eurozone consumer prices rose 0.2 percent in July after a gain of 0.1 percent in June as the single currency bloc edged further away from the dangers of deflation. "The inflation data is likely to be the start of a more sustained pick-up in price rises," said Jack Allen, European economist at Capital Economics.

The ECB last week refrained from adding more monetary stimulus to boost consumer prices in the eurozone, disappointing markets. Slow eurozone growth has seen inflation slide in and out of negative territory, threatening a dangerous downward spiral of falling prices and wages. The ECB aims to get inflation back to its long-term target of two percent or just below, a level it deems healthy for growth.

Eurozone unemployment meanwhile was unchanged at 10.1 percent in June compared with May, but down from 11 percent in June 2015, Eurostat said. The agency said GDP growth for the EU's 28 member states as a whole stood at 0.4 percent, for a year-on-year gain of 1.8 percent.

Brexit is risk to global growth: G20

Britain's vote to leave the European Union heightens risks for the world economy, finance chiefs from the G20 group of leading countries said on 24 July. The outcome of June's referendum "adds to the uncertainty in the global economy", they said in a communique after a meeting of central bankers and government officials in the Chinese city of Chengdu.

But they insisted that G20 countries were "well positioned to proactively address the potential economic and financial consequences" of the vote, adding: "In the future, we hope to see the UK as a close partner of the EU." The G20 cited several other factors complicating the global economic environment, among them "geopolitical conflicts, terrorism and refugee flows".

But participants said Brexit was at the forefront of concerns at the meeting in Chengdu, the last before the G20 summit in September. Philip Hammond, Britain's finance minister, told reporters the subject had come up "a great deal". "The reality is there will be a measure of uncertainty continuing right up to the conclusion of our negotiations with the EU," he said. Before the meeting, the International Monetary Fund (IMF) downgraded its forecasts for global growth this year and next by 0.1 percentage points, to 3.1 percent and 3.4 percent respectively. "'Brexit' marks the materialisation of an important downside risk to global growth," IMF staff said in a report, adding that as it was "still very much unfolding, more negative outcomes are a distinct possibility".

Officials in Chengdu said protracted or acrimonious talks between the EU and Britain over the departure could heighten the dangers. US Treasury

Secretary Jacob Lew stressed to his European and British counterparts "the need for negotiations to take place in a smooth, pragmatic and transparent manner". "A highly integrated relationship between the UK and the EU is in the best interests of Europe, the United States and the global economy," he told journalists after the meeting.

Other challenges threaten: a slowdown in the Chinese economy, as well as terrorist attacks and the failed coup in Turkey. Earlier this month 84 people were killed in the French city of Nice when a Tunisian truck driver -- suspected to be inspired by the Islamic State jihadist group -- ploughed his vehicle through crowds.

French Finance Minister Michel Sapin told AFP that terrorism had become an economic risk: "Today the frequency of attacks creates a new situation of uncertainty, which is at least as damaging as regional destabilisations or a regional conflict." But the communique did not mention the failed attempt to depose Turkey's President Recep Tayyip Erdogan or his subsequent widespread crackdown on opponents.

Officials said the Turkish delegation had demanded an explicit statement of support for Erdogan's government, but some other representatives had demurred. Concerns about slowing growth in China, the world's second largest economy, have receded into the background at the G20 in the face of other threats.

Beijing is embarked on a fundamental transition intended to make domestic consumption the key economic driver instead of massive public spending and cheap exports. The communique repeated a pledge from an earlier meeting in the Chinese commercial hub Shanghai in February, that G20 countries would use "all policy tools", including monetary easing, fiscal spending and structural change, to boost growth. But it added action could be taken "individually and collectively" and called for "inclusive growth" to bring in those left out of economic prosperity. Fiscally rigorous Germany in particular is reluctant to endorse the use of government spending to boost growth, seeing it as ineffective.



US, China ratify Paris climate agreement

The United States and China on 3 September formally joined the Paris climate change agreement, with President Barack Obama hailing the accord as the "moment we finally decided to save our planet". The move by the world's two biggest polluters is a major step forward for the 180-nation deal, which sets ambitious goals for capping global warming and funnelling trillions of dollars to poor countries facing climate catastrophe.

Obama and his Chinese counterpart Xi Jinping handed ratification documents to UN chief Ban Ki-moon, who said he was now optimistic the agreement will be in force by the end of this year. At a ceremony in the Chinese city of Hangzhou, Obama said climate change would "define the contours of this century more dramatically than any other challenge".

The Paris accord aims to limit global temperature increases to two degrees centigrade, and will be triggered after it is ratified by at least 55 countries, accounting for 55 percent of global greenhouse gas emissions. The US and China are together responsible for some 40 percent of the world's emissions, so their participation is crucial.

China's Communist-controlled parliament ratified the agreement and President Xi said the Asian giant was "solemnly" committed to the issue. "Hopefully this will encourage other countries to take similar efforts," he said in Hangzhou, where he is to host the G20 summit of the world's leading developed and emerging economies.

Until September 03 only 24 of the signatories had ratified the accord, including France and many island states threatened by rising sea levels but who only produce a tiny proportion of the world's emissions. Ban said there would be high-level talks in New York later this month to push more countries to sign up, and told the two leaders they had "added powerful momentum" to efforts to bring the accord into force.

Climate is one of the few areas where the world's two most powerful countries -- who are at loggerheads on issues ranging from trade disputes, cyberspying and the South

China Sea -- are able to find common cause. Campaigners welcomed the move, with WWF saying they had sent "a very powerful signal that there will be real global action on climate change".

But some environmental groups say that the Paris pledges by China, the US and others fall far short of what is needed to meet the goal of less than two degrees of warming. "This moment should be seen as a starting point, not the finale, of global action on climate," said Greenpeace policy adviser Li Shuo. The Paris pact calls for capping global warming at well below two degrees Celsius (3.6 degrees Fahrenheit), and 1.5 C (2.7 F) if possible, compared with pre-industrial levels.



For China, ratifying the agreement fits with Beijing's domestic political agenda of being seen to make efforts to clean up the environment, after years of breakneck industrial development led to soaring air, water and ground pollution. The scourge is estimated to have caused hundreds of thousands of early deaths, and is the source of mounting public anger.

Under the Paris accord, China has pledged to cut its carbon emissions per unit of GDP by 60-65 percent from 2005 levels by 2030 and increase non-fossil fuel sources in primary energy consumption to about 20 percent. Neither of those requirements implies a commitment to cut absolute levels of emissions, although China is also obliged to have them peak by "around 2030".

In its Paris commitment, the US promised to cut its own emissions 26-28 percent below 2005 levels by 2025. During the negotiations over the Paris deal Beijing stressed the concept of "differentiated responsibilities" -- the idea that developed countries should shoulder the lion's share of the burden as they have polluted most since the Industrial Revolution.

For its part the White House is looking for the Paris accord to come into force during Obama's tenure, in part to burnish his climate legacy, but also to ensure it is not derailed by the forthcoming US election. The administration has been careful to structure the agreement so that it can be enacted by Obama under existing presidential authorities and without Congressional approval.

Policymakers from Tokyo to Stockholm have bitter memories of George W Bush and his Republican Party refusing to ratify the Kyoto Protocol after it was agreed by Bill Clinton's adminstration.

UK explores multi-billion pound free trade deal with China

Chancellor Philip Hammond has begun discussions with China on an ambitious free trade deal which could see greater access for major Chinese banks and businesses to the UK economy. The Chancellor told the BBC it was time to explore "new opportunities" across the world, including with China, one of the UK's biggest inward investors.

That is despite a short term economic shock from leaving the European Union. He added that the EU is not in "punishment mode" over the Brexit vote.

"What we now need to do is get on with it in a way that minimises the economic impact on the UK economy in the short term and maximises the benefit in the long term," Mr Hammond said, admitting that there had been "global disappointment" about the Brexit vote.

Chinese state media reported earlier in the month that the Chinese Ministry of Commerce wants to do a UK free trade deal. Hammond has now revealed that Britain is also keen. It will be the first time the UK has embarked on such a major project with the second largest economy in the world. And will raise concerns about cheap manufactured goods entering the UK more easily.

In return for greater access to the UK for its manufactured products and investment, China would reduce barriers to Britain's service industries like banking and insurance as well as UK goods. That would be an important source of export income for Britain. "The mood music that I have heard here is very much that this will mean more opportunity for countries like China that are outside the European Union to do business with Britain," Hammond said.

"And as Britain leaves the European Union and is not bound by the rules of the European Union perhaps it will be easier to do deals with Britain in the future." I asked if that could mean a free trade deal, bilaterally agreed with China which invested over $5bn (£3.8bn) in the UK in 2014. "Definitely I could see such a thing," Hammond told me at the meeting of G20 finance ministers in Chengdu, China.

"We already have a strategic partnership with China. "We have hugely increased our trade with China, investment both by British

companies into China and by Chinese entities into the UK. "That's about as far as we can go while we are members of the European Union. "But once we are out of the European Union then I have no doubt on both sides we will want to cement that relationship into a firmer structure in a bilateral way that's appropriate. "That's something we will have to explore in the future."

Hammond said it would be "certainly appropriate" to start discussing a new deal over the next "couple of years" and the issue was raised here at Chengdu. What might a deal - which could only come after Britain had officially left the EU - look like? Senior government sources have told me that officials are looking at New Zealand's free trade agreement with China which took four years to negotiate and came into effect in 2008.

Care would have to be taken over security concerns and the possibility of China "dumping" cheap imports in the UK - for example steel. As well as a positive reaction from China, Hammond said that he did not believe that the EU was trying to teach the UK a lesson over the Brexit vote by making negotiations over trade difficult.

"I don't think they are in punishment mode," he said. "This is a meeting of finance ministers and central bank governors and, as you would expect, they are very much focused on the economic challenges and the



economic prizes available. "I have no doubt that everyone would want to see a very close relationship between the UK and the EU going forward because that will be good for the economies of the European Union and the economy of the UK.

"The challenge for us is to make sure that other politicians who are not so narrowly focused on the economic agenda also share that view and recognise that it is important not just for Britain but for Europe as well that we continue working closely together." No project better sums up how investment in major infrastructure projects is now a global issue than Hinkley Point, the £18bn plan for a new nuclear power station in Somerset backed by France's EDF energy company and one of China's main nuclear suppliers.Hammond said that the government still supported the project, and that a final agreement would be signed "hopefully over the next few days" after an EDF board meeting to agree the details.

At the G20 many countries are now moving into practical mode - the Chancellor campaigned against leaving the EU and China argued against it, but Hammond has clearly signalled that is now a matter for the history books.

ASEAN summit ends in Laos

The Association of Southeast Asian Nations (ASEAN) summit in Laos has ended with the chairmanship of the ten member bloc passing to the Philippines in a brief ceremony. Philippines President Rodrigo Duterte said the country was "ready and willing to steer and guide the association".

In a meeting of "ASEAN Plus Three", ASEAN members Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam also met with leaders from China Japan and South Korea.

China has vowed to form a closer community of shared future with Southeast Asian nations while commemorating the 25th anniversary of their dialogue relationship. "If we say the past 25 years were a period of growth for the China-ASEAN relations, the upcoming 25 years will be a period of maturity, facing new opportunities as well as new challenges," Chinese Premier Li Keqiang said.

China, which established a dialogue relationship with ASEAN in 1991, was the first to ink the Treaty of Amity and Cooperation in Southeast Asia, and the first to become ASEAN's strategic partner. In addition, China was the first country to voice support for the protocol of the treaty of Southeast Asia nuclear weapon free zone, while being the first to start free trade area negotiations with ASEAN.

"All these showcase China's steady resolution to develop relations with ASEAN" and "the two sides' strong will of cooperation and their vision to lead regional cooperation," Li said.

On the issue of financial security

cooperation, Li said that countries should learn a lesson from financial crises. He also said that China supports ASEAN's leading role



in negotiations on the Regional Comprehensive Economic Partnership (RCEP) and hopes negotiations could be accelerated to promote free trade and trade facilitation.

Li also said Asia's prosperity and development cannot do without regional peace and stability and called on countries to cherish the current "generally stable" security situation in Asia. He said China advocates common, comprehensive, cooperative and sustainable Asian security, proposing to construct a security framework that benefits all sides so as to reduce repulsion, avoid confrontation and properly handle various sensitive issues to open a way of safe development that conforms to regional reality. As part of the ASEAN Summit, the East Asia Summit also convened which includes ASEAN Plus Three and representatives from Australia, India, New Zealand, Russia, and the United States.

In his final news conference in Laos on on September 08, Obama was asked about the U.S. military prison at Guantanamo Bay, which has still not closed despite the U.S. president stating that he would do so when he was first elected in 2008. Obama said a shrinking the population of the camp is priority and that the existence of Guantanamo Bay is "a recruitment tool for terrorist organizations".

Obama was also asked about U.S. military actions in Laos during the Vietnam War. He replied that the dropping of cluster bombs was hardly an effective method of winning over hearts and minds in the country.

On his last day Obama also visited a century-old Buddhist temple in Laos, talked to youngsters and attended the 11th East Asia Summit in the capital, Vientiane.

Rise in cross-border trade to benefit businesses in South Asia: ADB

Small traders and producers of seasonal goods in South Asia would see more benefits of regional integration, after the bloc moved to enlarge the list of commodities that could be traded. Customs officials from Bangladesh, Bhutan, India, the Maldives, Nepal and Sri Lanka recently gathered in the Maldives in May to discuss ways to help companies and individuals do more cross-border business, faster and at less cost.

The officials agreed that more commodities will be added to the product list and the value of the cargo able to use export declarations will be reduced, according to a write-up posted on the website of the Asian Development Bank. "This will benefit smaller-scale traders and producers of seasonal goods. And more border crossings will be able to exchange export declarations as well," the report said.

Allowing exporting customs to exchange export declarations for commodities with the receiving importing customs on a daily basis leads to faster cross-verification of data such as declared value, quantity, classification, and so forth.

The countries had already agreed to allow exchange of export declarations for specific commodities with a value of $15,000 or more at five border crossings. The crossings are: Benapole, Bangladesh-Petrapole, India; Banglabandha, Bangladesh-Kakarbitta, Nepal; Panitanki, India–Kakarbitta; Phuentsholing, Bhutan-Burimari, Bangladesh; and Phuentsholing-Jaigaon, India.

South Asia is one of the most dynamic regions in the world, but it is also one of the least economically integrated ones. Intra-regional trade accounts for just 5 percent of total trade, compared with 25 percent in the Association of Southeast Nations. The ADB report said it is clear that getting customs officials from the six countries of the SASEC programme together reaps benefits.

Another project of the SASEC Customs Subgroup has agreed that field-level customs officials should meet at least once in every six months to talk about and decide the next steps in improving cross-border coordination and cooperation. "Boosting trade between the SASEC countries would be a boon for all."

The ADB report said countries in the sub-region trade amongst each other much less than they trade with countries outside South Asia, and much less than countries within other sub-regions. Access to more markets throughout the region provides opportunities for businesses

to grow, create jobs and ultimately helps create international economic ties that can outweigh geopolitical differences.

Bottlenecks for trade at the borders are common, cumbersome and expensive in much of South Asia. The number of import/export documents and the time it takes to complete them is high in the SASEC countries compared with global trends. It takes an average 60 hours and costs $345 to export a standard container in the region, and 112 hours and $569 to import.

Time-consuming inspections and testing at borders delay cargo clearance, often meaning the loss of perishable goods like food and agricultural produce, and cause unnecessary congestion. The ADB report said there has been some progress too. Officials from India and Nepal at the Maldives meeting reported good progress in automating their customs systems to allow electronic sharing of customs transit data between the two countries. They expect to test this system by end of 2016.

Making sure that each checkpoint along the route taken by the cargo receives the data electronically means truck drivers waste less time waiting for often numerous documents to be processed in several offices. This automated data sharing is likely to be extended to Bhutan as well. India and Bangladesh also plan to pilot the electronic exchange of data between their respective customs administrations.

This means, among other things, they can ensure that cargoes declared for export are the same as the goods that are actually imported on the other side of the border. This increased transparency will ensure the right tariffs are charged and give customs officials more time to target potentially illicit cargoes.

"Easier customs procedures mean that countries will be well placed to make the most of the landmark Motor Vehicles Agreement between Bangladesh, Bhutan, India and Nepal, as it is gradually being operationalised over the coming months." The agreement will allow a specific number of passenger and freight vehicles to travel even more easily between countries along certain routes.



In addition to these bilateral and multi-country projects, the six countries of the SASEC Customs Subgroup are also working on 20 national projects. The national projects are supported by the ADB training in areas such as customs valuation, risk management, trusted traders programs, national single window and post clearance audit.

Another step forward under BBIN deal

The landmark BBIN motor vehicle agreement moved one step closer to reality after a trial run involving a cargo truck from Bangladesh arrived in New Delhi on September 05 without any glitch. The truck of Nazrul Transport Agency and Expo Freight Pvt Ltd from Bangladesh left Dhaka on 27 August and reached the Inland Customs Depot in east Delhi on 5 September.



The trial run was organised to help develop the protocols for implementing the agreement signed by Bangladesh, Bhutan, India and Nepal signed on 15 June last year to facilitate cross-border movement of both passenger and cargo vehicles in the region. On 28 August, the cargo vehicle reached the Indian border of Petrapole.

The consignment did not have to undergo any customs clearance at Petrapole. It was fitted with an electronic seal that had a GPS tracking device so that the goods could be inspected for custom clearance in New Delhi, its final port of call. The tracking system allowed real-time monitoring of the vehicle's journey.

In India, the vehicle traversed more than 1,850km, through the states of West Bengal, Jharkhand, Bihar, Uttar Pradesh and Haryana to reach the ICD in Delhi. The truck was issued an e-permit for the trial run through an online web-based system, according to an official statement. A similar trial run of a cargo vehicle from India was conducted in November 2015 from Kolkata to Agartala via Dhaka.

At present, cargo movement between Bangladesh and India has to go through trans-shipment process at Benapole-Petrapole border, resulting in delays and often damage of goods.

Bhomra, Sheola, Thegamukh ports under BBIN to benefit region: Study

Development of infrastructure at Sheola, Thegamukh and Bhomra land ports for regional connectivity under Bangladesh, Bhutan, India, Nepal (BBIN) Initiative will not have any environmental and social impact, according to a joint China-India feasibility study report.

"Economic activities will be expanded and import-export costs will decrease significantly. As a result, the people of the regional will be benefitted," said the report placed in a National Public Consultation Workshop on 6 September.

Bhomra land port is very close to India's Kolkata and if facilities of this port are developed properly, businesses of both the countries will highly be benefitted as import-exports costs will decrease considerably, said the report conducted by China's Yoohin and India's Vitti JV. Speaking at the workshop shipping minister Shajahan Khan said the government will develop Sheola, Thegamukh and Bhomra land ports for the expansion of regional trade and economic activities. Development of three ports will help expand Bangladesh's trade with India, he added.

The minister said the three land ports will be developed under BBIN initiative with financial assistance of the World Bank. This project has been taken for increasing the trade-commerce and export earnings, he said, adding that there were only nine land ports in the country but only two ports were in operation when the Awami League government came to power in 2009. Now there are 23 land ports in the country, he said.

Chairman of Bangladesh Land Port Authority (BLPA) Tapan Kumar Chakravorty chaired the opening session of the daylong workshop on Environmental and Social Assessment Studies of proposed Bangladesh Regional Connectivity Project.

Asia's fintech hub: Singapore leads Hong Kong

Singapore is rushing to reinvent itself as Asia's financial technology, or fintech, hub to fend off a regulatory threat to its wealth management industry and revive a sluggish economy. State funding, light-touch regulation and a recent move to allow start-ups to test financial products in a controlled environment have put Singapore ahead of rival Hong Kong to be Asia's fintech hotspot.



Much like Uber, Airbnb and others have harnessed technology and online social networking to disrupt taxi and hotel services, fintech firms are shaking up the traditional banking and financial services industry. Singapore's fintech drive comes as its role as an offshore private banking centre is under threat from a multi-billion-dollar money laundering scandal in neighbouring Malaysia, and as Indonesia chases undeclared money parked in the low-tax city state.

Also, Singapore's traditional shipping and manufacturing growth drivers are faltering amid a global economic slowdown and a slump in commodity prices and demand. Singapore is attracting interest, too, from among the 60,000 or so fintech firms based in London's near-$9 billion market - a trend likely to accelerate with Britain's referendum vote to leave the European Union. "We already have registered interest from UK-based companies to move to Asia as it's getting very crowded there," said Markus Gnirck, partner and co-founder of tryb, a fintech consultancy. "Brexit will probably accelerate a few of these conversations." Britain's soft approach to regulation and its influence on Europe would likely wane with Brexit and any new barriers that would create.

A KPMG report said Singapore has been more aggressive in pursuing fintech opportunities, and tryb noted that all but a dozen of the around 210 fintech firms operating in Singapore have opened in the past two years - the fastest growth rate in Asia. However, Singapore's immigration laws are an obstacle, start-ups and consultants say, as measures to curb the number of foreign workers and give priority to Singaporeans have left a shortage of talent.

And Singapore's banking regulations have created a risk averse culture that is at odds with the trial-and-error approach of fintech start-ups. But the city state's efforts are bearing fruit. SmartKarma, a start-up that operates a platform offering Asian institutional research and analysis on

demand, chose Singapore over Hong Kong for its headquarters.

Singapore state agency SPRING is an investor in SmartKarma, and government agency International Enterprise is helping the firm expand overseas. With Moody's expecting Singapore's economy to grow at its slowest pace since the global financial crisis, government officials are keen to engage with new industries: one fintech entrepreneur in shorts and flip-flops says he keeps in touch by WhatsApp with regulators and meets them once a week.

In Hong Kong, despite nearly $300 million in fintech funding, start-ups face tough regulatory hurdles say lawyers, consultants and fintech executives. There are fewer than 100 fintech firms in Hong Kong, according to tryb. Hong Kong's rules and regulations make it difficult to set up crowdfunding platforms, payment firms and peer-to-peer lending operations, and to secure operating licenses.

For example, Chinese peer-to-peer lender Jimubox spent nearly a year setting up in Hong Kong only to abandon the plan because strict rules on account openings made it hard for the firm to take on customers.

In Singapore, any entity can operate payment systems and e-wallets without seeking approval, while rules introduced in Hong Kong last year require firms to have a licence for Stored Value Facilities, or a prepaid electronic cash or card.

Monetary Authority of Singapore (MAS) managing director Ravi Menon said fintech firms would only be regulated when they grow large enough to pose a risk to the traditional financial system.

S. Korea rank 11th largest economy in 2015: WB

South Korea ranked 11th worldwide in Gross Domestic Product (GDP) in 2015, that makes the eleventh largest economy in the world. They have ranked with its global standing rising two notches from a year earlier, data showed on 16 August.

According to the data by the World Bank, South Korea's nominal GDP came to $1.38 trillion last year, up from 13th place a year earlier. But the value was down 2.4 per cent from $1.42 trillion the previous year. GDP, the broadest measure of an economy's performance, is the total value of goods and services produced within the economy in a given period.

It is the first time in nine years that South Korea has regained its 11th place in the global GDP rankings. Seoul's standing tumbled to 15th in 2008 amid the global financial crisis. South Korea's advance was attributed mainly to lackluster performances by rival economies, such as Russia and Australia, which were hit by plunging commodity prices.



Russia's GDP nose-dived 34.7 per cent on-year to $1.33 trillion in 2015, with the Australian economy shrinking 7.9 per cent to $1.34 trillion. The United States topped the global GDP list with $17.95 trillion last year, trailed by China with $10.87 trillion and Japan with $4.12 trillion. Germany, Britain and France followed with $3.36 trillion, $2.85 trillion and $2.42 trillion, respectively.

Rounding out the top 10 list were India with $2.07 trillion, Italy with $1.81 trillion, Brazil with $1.77 trillion and Canada with $1.55 trillion. Australia came next to South Korea followed by Russia, with Spain ranking 14th with $1.19 trillion. Meanwhile, the data also showed South Korea's per-capita gross national income (GNI) came in at $27,440 last year, or 46th worldwide, which was down four notches from the previous year.

South Korea's per-capita GNI in terms of purchasing power parity stood at $34,700 with its ranking slipping six spots to 48th, according to a news agency report.

India to inject $3.4b in state banks to revive credit growth

India will inject 229.15 billion rupees ($3.41 billion) in 13 state-run banks to help shore up the cash-strapped lenders and revive loan growth that has hit a two-decade low. The capital infusion is part of New Delhi's plans to invest 700 billion rupees in state lenders over four years to March 2019. India's Finance Minister Arun Jaitley has budgeted 250 billion rupees for bank recapitalisation this fiscal year, but he has committed to infuse more if required. Top lender State Bank of India will get 75.75 billion rupees in capital, the finance ministry said in a statement on July 19. Indian Overseas Bank, which has the worst bad-loan ratio, is set to get 31.01 billion rupees. A surge in bad loans and the full implementation of global Basel III bank capital rules mean Indian banks need billions of dollars of new capital.

While relatively better balance sheets are expected to make it easier for private lenders tap financial markets, most state-run lenders - struggling with a pile of stressed assets and



lower profits - are heavily reliant on the government for funds. Rating

agency Fitch reckons Indian banks would need $90 billion in new capital to meet Basel III requirements, with about two dozen state-run banks accounting for 80 percent of that figure.

Fourth-biggest state-run lender Punjab National Bank, which reported a record loss in the March quarter, will get 28.16 billion rupees, the finance ministry said. Bank of India, the third-biggest state-run lender, will get 17.84 billion. Bank stocks rose after the announcement, with the state-bank index trading 0.4 percent higher in a Mumbai market that was down 0.1 percent.

Canada approves $36b LNG project, eyes Asia

Canada approved on 27 September a massive Can$36 billion ($27 billion USD) project by Malaysia's Petronas to build a liquefied natural gas pipeline along its Pacific Northwest coast, targeting Asian markets. The project is the first deal by Canada's year-old Liberal government that goes against environmentalists in the name of the country's economic interests. Environmental activists and indigenous groups have opposed the plans.

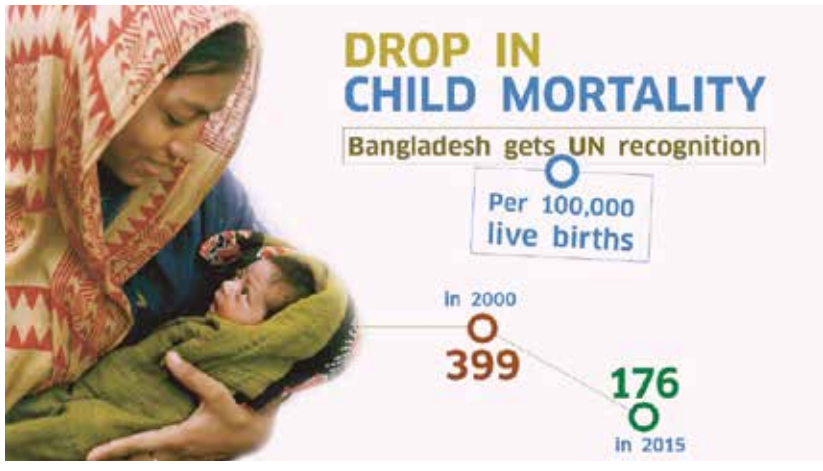
"The government approved the Pacific Northwest LNG project," said Environment Minister Catherine McKenna. "As the prime minister has emphasized, the only way to get resources to market in the 21st century is if it is done sustainably and responsibly. Today's announcement reflects this commitment," she said.

Prime Minister Justin Trudeau has repeatedly said that the economy and environment should be pursued in parallel, without sacrificing one for the other. The project includes a pipeline and two Petronas terminals to ship gas to Asia. The gas terminals are to be built on Lelu Island, near Prince Rupert on the Pacific coast. Each will have a capacity of six million tons per year, with the possibility of adding a third down the road.

Drop in Child Mortality : South-East Region

Even a decade ago, child mortality rate in the WHO South-East Asia region was the highest and maternal mortality rate second highest among the six regions of the world health body. But due to continued efforts by the governments, timely interventions and growing public awareness, the region has performed better than the global averages over the years. Between 1990 and 2015, the region saw a 69 percent drop (the highest among the six regions) in maternal mortality rate and 64 percent fall in under-five child mortality rate, according to the WHO. In recognition of the region's efforts by all the 11 member states including Bangladesh, the WHO on September 06 handed the achievement certificates to the health ministers of the members states in Colombo, Sri Lanka, where the five-day South-East Regional Committee meeting is underway.

The certificates were given for successful elimination of maternal and neonatal tetanus. In WHO term, elimination does not mean zero cases, but achieving a set target. Zahid Maleque, Bangladesh state minister for health, received the award from WHO Director General Dr Margaret Chan and Regional Director Dr Poonam Khetrapal Singh.



In Bangladesh, maternal mortality came down to 176 per 100,000 live births in 2015 from about 399 in 2000 -- the fourth highest drop in the region, WHO data shows. Over the same period, the mortality rate of children aged under five fell to nearly 38 from 88 per 1,000 live births, and that of neonatal to 23 from 42. One reason is that more and more mothers are now being attended by skilled health personnel during pregnancy. Last year, 42 percent births were attended by such skilled professionals, up from 18 percent in 2007, according to the WHO country statistics. Another driver has been the reproductive, maternal, newborn and child health coverage. In the last five years, child immunisation and family planning coverage reached 94 percent and 73 percent respectively, which is among the highest in the region. However, challenges remain for Bangladesh and the WHO South-East Asia Region, which accounts for 26 percent of the world's population and about 36 percent of the total annual births reported globally. The regional decline in maternal and child mortality rates still fall short of the MDGs target of 75 percent reduction of maternal mortality and 67 percent reduction of child mortality.

ICC HQs News

Business issues recommendations on new global agreement to support e-commerce for SMEs

Business recommendations on a proposed World Trade Organization (WTO) agreement on e-commerce have been unveiled today at WTO headquarters in Geneva, as part of the on-going WTO business dialogue process launched in May this year.

E-commerce for MSMEs

The proposal echoes calls from business leaders for the WTO to play a central role in underpinning an open, reliable and secure global digital economy, and calls for the WTO to consider launching new talks on a holistic package of trade disciplines, rules and assistance to boost micro, small- and medium-sized business (MSMEs) e-commerce, with an overriding objective to promote inclusive growth.



The proposal from business is built around three pillars: connectivity and capacity building for e-commerce, enabling MSMEs to get goods sold online to consumers more efficiently (trade facilitation 2.0) and digital rules.

International Chamber of Commerce's (ICC) Secretary General John Danilovich presented the proposal on behalf of the world business organization during a meeting of the ICC-led business focus group, established by the WTO to seek private sector views on new ways to strengthen the multilateral trade agenda.

ICC Incoterms® rules: The mightiness of three capital letters

Who would have guessed that a collection of three-letter acronyms would have had such an impact on the development of international (and domestic) commercial transactions?

We can thank a group of industrialists, financiers and traders whose determination to bring economic prosperity to a post-World War I era eventually led to the founding of the International Chamber of Commerce (ICC). With no global system of rules to govern trade, it was these businessmen who saw the opportunity to create an industry standard that would become known as the Incoterms® rules. We journey through 80 years of milestones for the commercial trade terms that have transformed the global trade industry.

1923: ICC's first sounding of commercial trade terms

After ICC's creation in 1919, one of its first initiatives was to facilitate international trade. In the early 1920's the world business organization set out to understand the commercial trade terms used by merchants. This was done through a study that was limited to six commonly used terms in just 13 countries. The findings were published in 1923, highlighting disparities in interpretation.

1928: Clarity improved

To examine the discrepancies identified in the initial survey, a second study was carried out. This time, the scope was expanded to the interpretation of trade terms used in more than 30 countries.

1936: Global guidelines for traders

Based on the findings of the studies, the first version of the Incoterms® rules was published. The terms included FAS, FOB, C&F, CIF, Ex Ship and Ex Quay.

1953: Rise of transportation by rail

Due to World War II, supplementary revisions of the Incoterms® rules were suspended and did not resume again until the 1950's.

The first revision of the Incoterms® rules was then issued in 1953. It debuted three new trade terms for non-maritime transport. The new rules comprised DCP (Delivered Costs Paid), FOR (Free on Rail) and FOT (Free on Truck).

1967: Misinterpretations corrected

ICC launched the third revision of the Incoterms® rules, which dealt with misinterpretations of the previous version. Two trade terms were added to address delivery at frontier (DAF) and delivery at destination (DDP).

1974: Advances in air travel

The increased use of air transportation gave cause for another version of the popular trade terms. This edition included the new term FOB Airport (Free on Board Airport).

This rule aimed to allay confusion around the term FOB (Free on Board) by signifying the exact "vessel" used.

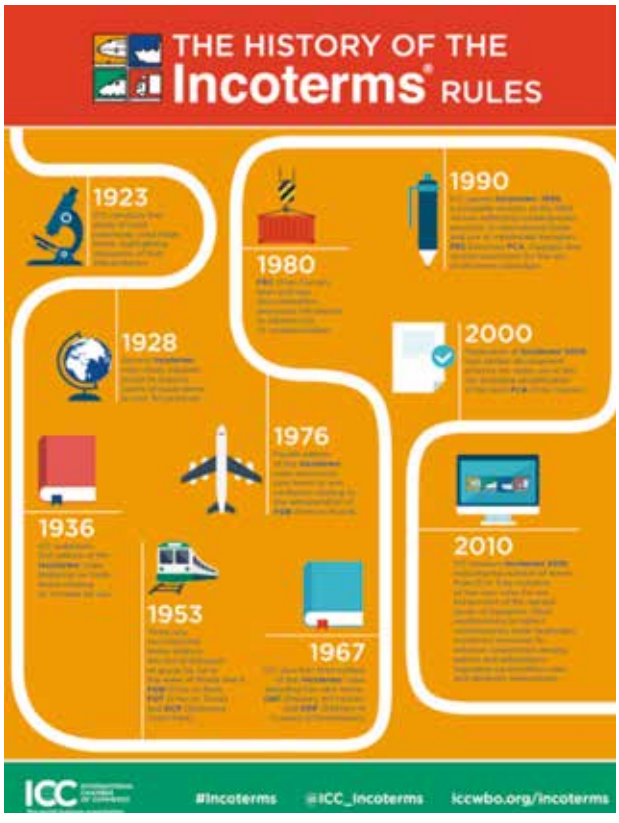
1980: Proliferation of container traffic

With the expansion of carriage of goods in containers and new documentation processes, came the need for another revision.

This edition introduced the trade term FRC (Free Carrier…Named at Point), which provided for goods not actually received by the ship's side but at a reception point on shore, such as a container yard.

1990: A complete revision

The fifth revision simplified the Free Carrier term by deleting rules for specific modes of transport (i.e., FOR; Free on Rail, FOT; Free on Truck, and FOB Airport; Free on Board Airport). It was considered sufficient to use the general term FCA (Free Carrier…at Named Point) instead. Other provisions accounted for increased use of electronic messages.



2000: Filling a gap in United States legislation

As a result of the removal of the 1941 definitions of the trade terms from the Uniform Commercial Code, the Incoterms® rules were able to fill the gap. Additionally, changes were made to the clause DEQ (Delivered Ex Quay) so that the seller was no longer responsible for arranging import clearance.

2010: Reflections on the contemporary trade landscape

Incoterms® 2010 is the most current edition of the rules to date. This version consolidated the D-family of rules, removing DAF (Delivered at Frontier), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay) and DDU (Delivered Duty Unpaid) and adding DAT (Delivered at Terminal) and DAP (Delivered at Place). Other modifications included an increased obligation for buyer and seller to cooperate on information sharing and changes to accommodate "string sales."

2020: Looking ahead

To keep pace with the ever evolving global trade landscape, the latest update to the trade terms is currently in progress and is set to be unveiled in 2020. The Incoterms® 2020 Drafting Group includes lawyers, traders and company representatives from around the world. The overall process will take two years as practical input on what works and what could possibly be improved will be collected from a range of Incoterms® rules users worldwide and studied.

Celebrate International Day of Peace: nominate a Business for Peace candidate

The International Chamber of Commerce (ICC) is celebrating International Day of Peace, a day devoted to strengthening the ideals of peace, both within and among all nations and peoples. To mark the occasion, ICC and the Business for Peace Foundation have announced the opening of nominations for the 2017 Oslo Business for Peace Awards.

ICC national committees as well as local chambers of commerce, members of the ICC World Chambers Federation (WCF), United Nations Global Compact (UNGC) and United Nations Development Programme (UNDP) local offices assist in the global nomination process for the Business for Peace Award by leveraging their respective networks in the search for outstanding business people who have been able to achieve business success while acting in an ethically responsible way.

Honourees are selected by an independent jury of Nobel Prize winners in Peace and in Economics after a global nomination process by the Business for Peace Foundation, ICC, UNGC and UNDP.



2015 Business for Peace Honouree Sarah Beydoun, Creative Director of Sarah's Bag said: "If every small or medium enterprise has a purpose that goes beyond profit and a mission to benefit the community it thrives in, just imagine the positive impact they could collectively have on society."

Each year the International Day of Peace is observed around the world on 21 September. The Day's theme for 2016 is "The Sustainable Development Goals (SDGs): Building Blocks for Peace". The notion that

business is a genuine force for good in the world is woven into the very fabric of the UN's 2030 development agenda.

Recognising the role of the private sector in implementing the SDGs at the 2016 Business for Peace Summit in May, ICC Secretary General John Danilovich said: "The notion that business is a genuine force for good in the world is woven into the very fabric of the UN's 2030 development agenda." During the event, Mr. Danilovich and over 60 prominent business leaders personally pledged to tune their respective business activities to support the Global Goals.

"The Oslo Business for Peace Award is a vital recognition of global business leaders who unlock the positive power of business for the benefit of peace and prosperity," Mr Danilovich said.

This year, Nobel Prize winner and Honorary Chairman of ICC Tunisia, Ouided Bouchamaoui, has joined the award committee that also includes Peace and Economics Nobel Laureates Shirin Abadi, Leymah Gbowee and Michael Spence.

The deadline to receive nominations online is 20 December 2016. The 2017 Honourees will be celebrated at an Awards Ceremony in Oslo on 16 May 2017.

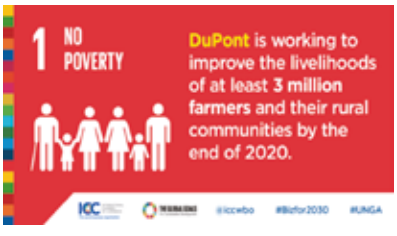
Business continues to support SDGs one year after entry into force

Last year, 20 of the world's leading businesses called on world leaders to commit to working actively and constructively with the private sector to achieve the United Nations' (UN) Sustainable Development Goals (SDGs) by 2030.

Writing in the Financial Times at the initiative of the International Chamber of Commerce (ICC), business leaders made it clear that effective implementation of the SDGs would require widespread support from the private sector.

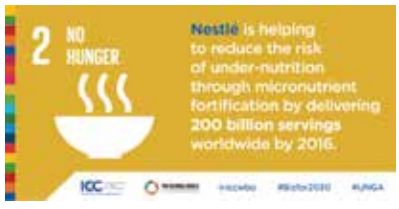
As heads of states gather 3rd week in September in New York for the 71st UN General Assembly - a year after the formal adoption of the goals - here are 17 examples of how business delivered on its promise to provide expertise and innovation to foster sustainable development.

Goal 1: No poverty



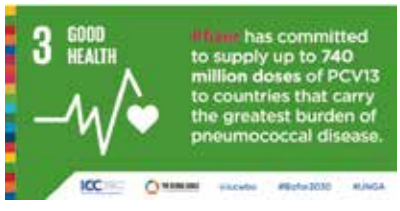
DuPont is working to improve the livelihoods of at least 3 million farmers and their rural communities by the end of 2020. The company directly touched more than 347,000 farmers in 2013.

Goal 2: No hunger



Nestle made a global commitment in 2012 to help reduce the risk of under-nutrition through micronutrient fortification by delivering 200 billion servings worldwide by 2016. In 2014, the company delivered 183 billion servings worldwide.

Goal 3: Good health



Pfizer has partnered with Gavi, an international vaccine alliance, to increase access to immunizations on an accelerated, affordable and sustainable basis. The company has committed to supply up to 740 million doses of PCV13 to countries that carry the greatest burden of pneumococcal disease.

Goal 4: Quality education



Ericsson partnered with the Earth Institute and Millennium Promise to launch "Connect To Learn" - an education initiative that has provided scholarships and ICT technologies to schools in remote, impoverished areas worldwide. The project has been implemented in 22 countries and has improved the lives of 50,000 students, especially girls.

Goal 5: Gender equality



Walmart aspires to train 1 million women around the world in agriculture, manufacturing and retail trade in emerging markets. By the end of 2015, the Walmart Foundation and Walmart helped fund the training of 540,102 women globally - 297,655 of them in the agriculture value chain.

Goal 6: Clean water and sanitation



P&G launched the not-for-profit water programme "Children's Safe Drinking" and has been working with a network of partners for

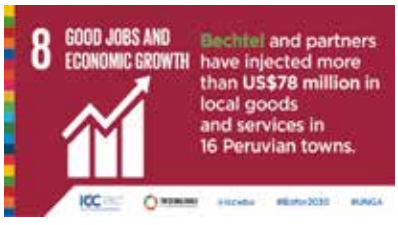
10 years to improve the health of children in developing countries. In 2014, 7 billion litres of clean drinking water were provided for children and families in need.

Goal 7: Renewable energy



Novozymes has made considerable investments in energy efficiency. The company has reduced its CO2 emissions by 100,000 and saved $US12 million per year by deploying 188 energy-saving projects across its global sites between 2009 and 2014.

Goal 8: Good jobs and economic growth



Bechtel and partners have injected more than US$78 million on local goods and services in 16 Peruvian towns through their "Las Bambas" project.

The initiative has delivered thousands of training hours to indigenous entrepreneurs.

Goal 9: Innovation and infrastructure



Pirelli aims to further reinforce its commitment to research and development in all business segments in order to develop safer, lower environmental impact products.

Goal 10: Reduced inequalities



MasterCard has partnered with UN Women to provide half a million Nigerian women with identity cards enabled with electronic payments functionality.

The company works to reduce economic inequality through the power of identity.

Goal 11: Sustainable cities and communities



Citi has developed an initiative called "Citi for Cities" to identify and implement innovative solutions that help cities thrive during this period of unprecedented urban transformation.

The company helped raise US$862 million to help finance the Panama Metro, Central America's first urban rail system.

Goal 12: Responsible consumption



Disney is planning to maintain potable water consumption at 2013 levels at existing sites by 2018, and develop water conservation plans for new sites. The company's water consumption was recorded at 6.89 billion gallons in 2014, which falls slightly below the company's baseline of 6.93 billion gallons.

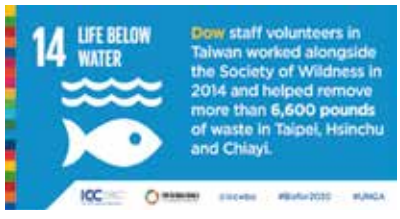
Goal 13: Climate action



IBM and AECOM worked together with the UN Office for Disaster Risk Reduction to develop a scorecard to measure cities' resilience to natural disasters.

The scorecard will help cities improve preparedness to disasters by reviewing policy and planning in 80 assessment categories.

Goal 14: Life below water



Dow has collaborated with the Ocean Conservancy for more than 30 years to remove debris and pollutants from oceans and waterways. In 2014, Dow volunteers in Taiwan helped remove more than 6,600 pounds of waste in Taipei, Hsinchu and Chiayi.

Goal 15: Life on land



Syngenta is promoting conservation practices based on minimum soil disturbance, crop rotation, permanent ground cover, and biodiversity enhancing landscape management. The company has projects in over 30 countries in Asia, Europe, Latin America and North America.

Goal 16: Peace and justice



Baker & McKenzie has partnered with corporate leaders to develop a Business for the Rule of Law Framework document.

The Framework provides guidance on how business can respect and support the rule of law.

Goal 17: Partnerships for the goals



Chevron established the "Angola Partnership Initiative" in 2002, partnering with international aid agencies such as USAID and the UN Development Programme (UNDP) to help rebuild Angola after years of civil war.

Countdown begins to the 10th World Chambers Congress



September 19 marks the official one-year countdown to the 10th World Chambers Congress (WCC). Organised by the International Chamber of Commerce (ICC) World Chambers Federation (WCF) and the Sydney Business Chamber (SBC), the next edition of the first-class chamber and business networking event will take place in Sydney, Australia from 19-21 September 2017.

In celebration of the significant milestone, WCF Chair Peter Mihok will join Australian bi-lateral chambers and regional business council leaders at a lunch reception on 29 September 2016. The event will place at the New South Wales Business Chamber (NSWBC) office in North Sydney.

SBC Chief Executive Officer Stephen Cartwright, host of the reception said: "The Sydney Business Chamber is honoured to be the co-organiser of such a prestigious event.

This is an excellent opportunity for SBC, as well as all Australian Chambers, to not only showcase the country's capabilities and expertise but also boost essential two-way trade efforts."

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Mr. Mihok will deliver a celebratory address to the Australian attendees, encouraging them to join the global forum next year. Following the lunch, Mr. Mihok will meet with NSW Minister for Trade, Tourism and Major Events and Minister for Sport, the honourable Stuart Ayres MP.

The two leaders will discuss the harbour city's many competitive advantages and how business events, such as the Congress, are an important vehicle for boosting global trade.

Also coinciding around the one-year countdown is a groundbreaking partnership between the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), WCF and SBC. CACCI will incorporate its annual conference with the Congress and become a strategic regional partner. The partnership will be showcased during CACCI's 50th anniversary event in November 2016, which will take place in Taipei, Taiwan.

The 10th World Chambers Congress has attracted more than just a strategic partner. Four world-renowned thought leaders have already been confirmed. As keynote speakers, they will address some of the most pertinent and pressing global challenges. Speakers include Chairman of ICC and Founder and Chairman of Bharti Enterprises, Sunil Bharti Mittal; 2015 Nobel Peace Prize Joint Winner and President of the Tunisian Confederation of Trade, Industry and Handicrafts, Ouided Bouchamaoui; Founder and Executive Chairman of the Institute for Economics and Peace, Steve Killelea; and Chairman of CPH Management and Deputy Chairman of Melco Crown Entertainment, James Packer.

The engaging three-day programme is set to cover social, political, economic and environmental topics. The depth and breadth of the agenda makes the Congress a valuable platform that collectively tackles today's chamber and business challenges.

Through informative plenary sessions, lively debates and interactive workshops, delegates will have the chance to gain new perspectives, acquire industry insights, share knowledge and exchange know-how.

Those prospecting unique ways of reaching key decision-makers can also consider the Congress's numerous sponsorship options. A new feature for 2017 is a chance to sponsor one of the four World Chambers Competition categories.

The only awards programme of its kind, the Competition recognises the most innovative projects undertaken by chambers of commerce and industry from around the world. Applications to participate are open as of 4 November 2016.

How can business help tackle the refugee crisis

3rd week of September the United Nations (UN) hosts its first high-level summit in response to the global refugee crisis unfolding across Europe, the Middle East and Africa.

According to the UN High Commissioner for Refugees (UNHCR), 60 million people, including 19.5 million refugees, have been displaced by conflict in 2015. Next week's summit will quite rightly - focus on government efforts to diminish the suffering of people forced to flee conflict and support solutions for the resulting widespread societal disruption. But the role of the private sector in tackling the refugee crisis should not be understated.

Companies of all sizes and from all sectors have already pledged to respond to the refugee crisis through a series of initiatives - from funding campaigns through to delivering essential training programmes. As the world business organization, ICC is encouraging companies to do more where they can based on their own assets and capabilities.

Here are nine views that pinpoint how business can take action to assist refugees and help manage mass migration.

World Bank Group

"We need much more than political solutions to end conflict. We need to create jobs first and foremost… Boosting economic growth and creating jobs in fragile settings is an urgent task."



Jim Yong Kim
President
World Bank Group
United Nations High Commissioner for Refugees

"Increasingly we are hearing the voice of the private sector in the discussion about refugees. We can and should draw on its resources and the innovation it can bring.



Filippo Grandi
High Commissioner for Refugees
United Nations
United Nations



Peter Sutherland
Special Representative of the Secretary-General for International Migration
United Nations
Vodafone

"The Vodafone Foundation Instant Classroom puts the best technology that educators have to offer into the hands of children and young people living in the toughest of environments."



Andrew Dunnett
Director
Vodafone Foundation
Unilever

"The Unilever Foundation has developed a more strategic approach to support our partners on humanitarian response. We are working with them on preparedness, relief and rehabilitation post an emergency."



Paul Polman
CEO
Unilever
ThyssenKrupp AG

"Employing refugees is not a solution to the shortage of skilled workers, but it is an extremely important contribution to successful integration and part of our corporate responsibility. Training is key to this as the commitment needs to be worthwhile for both sides in the long term."



Heinrich Hiesinger
CEO
ThyssenKrupp AG
International Chamber of Commerce

"This is an important moment for expanding private sector involvement in tackling the short- and long-term impacts of mass migration. We are committed to working with governments to help mobilise private sector resources and expertise in addressing the global refugee crisis."



John Danilovich
Secretary General
International Chamber of Commerce
Corrs Chambers Westgarth

"It's time for us to focus on the enormous potential of our fellow human beings so cruelly forced from

their homes and families. Enough of the blame game. Let's get on with doing what we do best - helping those who need a hand."



John WH Denton AO
CEO
Corrs Chambers Westgarth

First Vice-Chairman
International Chamber of Commerce
International Monetary Fund

"Migrants can boost a country's labour force, encourage investment and boost growth. Preliminary IMF calculations show a modest positive impact on growth from migrants in EU countries."



Christine Lagarde
Managing Director
International Monetary Fund

Four ways to boost global trade

This year's G20 Leaders Summit concluded 2nd week of September in Hangzhou, China. The event took place against a backdrop of sluggish GDP growth and growing concerns about stagnating living standards - leading G20 leaders to place a heavy emphasis on global trade as an engine of inclusive growth and job creation in their annual communiqué.

ICC, the world business organization, commended the G20's focus on strengthening the global trading system, but turning words into action has not always been a strong point for the G20 when it comes to trade.

Here are four ways we think the G20 can take meaningful action in the coming months to revitalise world trade as a driver of growth, opportunity and jobs:

1. Ratify the WTO's Trade Facilitation Agreement

Four G20 countries are yet to ratify the World Trade Organisation's landmark Trade Facilitation Agreement forged in 2013.

ICC has called for the deal to be ratified and implemented without delay to facilitate access to global markets by reducing unnecessary red tape at borders.

The deal could add more than US$1 trillion to global trade flows, creating 20 million jobs in the process. G20 governments need to lead by example in ensuring this agreement is implemented without further delay.

2. Stop protectionism in its tracks

A recent WTO report cited that between mid-October 2015 and mid-May 2016, G20 economies had introduced new protectionist trade measures at the fastest pace seen since 2008.

ICC has been clear that tackling protectionism should be a first order priority for the G20 and has called on the G20 to lead by example when it comes to refraining from introducing new trade barriers.



3. Spearhead talks on digital trade

In a letter to the Financial Times published Monday, ICC Secretary General John Danilovich said that spearheading talks on a new e-commerce agreement under the auspices of the World Trade Organisation could "unleash a new era of genuinely inclusive growth".

With studies showing the growth of small- and medium-sized enterprises using online platforms to be five times more likely to export than those in the traditional economy, ICC believes efforts to level the global trading field must start with a concerted push to address remaining barriers to Internet-enabled commerce.

4. Make the case for why trade matters

ICC couldn't agree more with the G20's analysis that the benefits of trade and open markets must be communicated to the wider public more effectively. But amid souring public opinion on trade in many of the world's largest economies what is the best way to explain how and why trade matters for all?

Launched earlier this year, ICC's #TradeMatters campaign aims to promote a balanced and evidence-based debate on the role of trade in today's economy. One based on fact and experience rather than the myth and hearsay of political campaigns.

As part of the campaign we want to tell your trade story: what does importing or exporting mean for your business? Where do you need help to better access international markets? To submit your story, email us including a one-line description of your company and why trade matters to you: tradematters@iccwbo.org

3 steps to enable e-commerce for small business

With global trade flows flat lining, the Internet and digital technologies have a key role to play in boosting global commerce in support of inclusive growth. The Internet is rapidly breaking down traditional barriers to international trade, making it easier for small businesses to go global for the first time.

International Chamber of Commerce (ICC) Secretary General John Danilovich is in Silicon Valley at the 1st week of Auguat for a series of high-level meetings with tech giants and startups on how we can accelerate the development of digital trade for the benefit of all.

Here is our vision on how to promote small business growth through e-commerce and digital trade in three simple steps.

1. Enhance awareness and training

Many small businesses worldwide lack exposure to information, as well as technology products and services. They possess little awareness of the e-commerce ecosystem as a whole. In the United Kingdom for example, 38% of small business owners with no website say they lack knowledge on how to use digital technology. More development in training programmes across the globe is required to increase digital literacy among consumers and businesses.

2. Facilitate speedy and cost-effective delivery

When it comes to exporting products via online platforms, SMEs continue to face trade facilitation challenges. Such challenges include burdensome customs administration and long and expensive delivery. In Europe, 15% of companies selling domestically refrain from going global because of excessive transportation costs. By simplifying customs procedures, SMEs could see their cross-border sales increase by 60-80% in some economies.

3. Simplify rules and regulations

Did you know that 46% of European companies that export cross-border say the legal framework is one of the most difficult barriers to overcome? Dealing with different rules and regulations for VAT tariffs, import duties, data privacy and protection is a daunting obstacle for many small businesses.

Standardization and simplification of legal requirements could boost e-commerce sales and allow more SMEs to go online. According to the Information Technology and Innovation Foundation (ITIF), decreasing barriers to cross-border data flows would increase GDP in the United States by 1%.

ICC and UN Global Compact align efforts to mobilize business on SDGs

The International Chamber of Commerce (ICC) and the United Nations (UN) Global Compact on July 19 announced a partnership to improve awareness, opportunities and participation of the private sector in support of the UN 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals (SDGs).

Following the opening of a special SDG Business Forum , John Danilovich, ICC Secretary General and Lise Kingo, Executive Director of the UN Global Compact, signed a Memorandum of Understanding (MoU), stressing, among other things: the need to enhance UN engagement with business around the SDGs, and the potential for further increasing business and industry engagement in the implementation of the 2030 Agenda.

The signing took place on the sidelines of the High-level Political Forum



on Sustainable Development (11-20 July 2016), a now annual platform for reviewing progress and guiding global efforts on the achievement of the SDGs by 2030. ICC and the UN Global Compact were lead organisers of the SDG Business Forum along with the United Nations Department of Economic and Social Affairs and the ICC-led Global Business Alliance for 2030.

More chambers join ICC WCF CO Accreditation Chain

Close to 20 chambers of commerce have received approval to become the most recent additions to the International Certificate of Origin (CO) Accreditation Chain. Stockholm Chamber of Commerce, the Commercial Association of Paraná (Associação Comercial do Paraná ACP (Brazil), Tehran Chamber of Commerce (Iran), and local chambers from France, Italy and the United Arab Emirates were all announced as new members during a recent ICC WCF International CO Council meeting which brought together more than 50 CO experts from 37 countries.

The Council's new chairmanship, led by Peter Bishop, Deputy CEO of the London Chamber of Commerce and supported by Martin Van der Weide, Policy Manager on export documents at the Netherlands Chamber of Commerce and Chair of the CO Accreditation committee, made the announcement.

Welcoming the new members, Mr. van der Weide said that the CO Chain was evidence of how the global chamber community worked together and provided a robust structure for the chain's operations in countries like France, Italy and UAE through the creation of national coordinating bodies (NCB).

The new members are:

- **ACP - Associação Comercial do Paraná** (Brazil)
- **Tehran Chamber of Commerce** (Iran)
- **Stockholm Chamber of Commerce** (Sweden)

In France (Paris Ile-de-France Chamber of Commerce as NCB):

- **Chambre de Commerce et d'Industrie de la Vienne**
- **Chambre de Commerce et d'Industrie de Strasbourg et du Bas-Rhin**
- **Chambre de Commerce et d'Industrie Sud Alsace Mulhouse**
- **Chambre de Commerce et d'Industrie de Colmar et du Centre-Alsace**

In Italy (UnionCamere as NCB):

- **Chamber of commerce industry, handicraft and agriculture of Bologna**
- **Chamber of commerce industry, handicraft and agriculture of Genova**
- **Chamber of commerce industry, handicraft and agriculture of Lucca**
- **Chamber of commerce industry, handicraft and agriculture of Padova**
- **Chamber of commerce industry, handicraft and agriculture of Udine**
- **Chamber of commerce industry, handicraft and agriculture of Arezzo**
- **Chamber of commerce industry, handicraft and agriculture of Ferrara**
- **Chamber of commerce industry, handicraft and agriculture of Vicenza**
- **Chamber of commerce industry, handicraft and agriculture of Rome**

In UAE (Dubai Chamber of Commerce as NCB):

- **Abu Dhabi Chamber of Commerce and Industry**
- **Ajman Chamber of Commerce**
- **RAK Chamber of Commerce**

The international CO verification website underpins the CO chain and is a service which is exclusively available to accredited chain members. The site allows Customs authorities to verify online the authenticity of COs issued by participating chambers.



Further development of the site will be led by Luc Dardaud, Manager of the Trade Facilitation department at the Paris Ile de France Chamber of Commerce, who chairs the electronic CO Task Force, helping chambers to address their progression to electronic CO and e-customs issues.

The next International CO Council meeting takes place in Rome on 16 November 2016. Council chairman Peter Bishop has urged as many CO issuing chambers as possible to attend.

"Issuing documents relating to origin is a crucial element of world trade and chambers have an important role to play," Mr van der Weide said.

" By sharing knowledge and best practices, and making systems as easy and efficient for business, we are playing our part in growing and harmonizing world trade."

WTO News

Bangladesh ratifies Trade Facilitation Agreement

Bangladesh has ratified the Trade Facilitation Agreement, becoming the 94th member of the WTO and 12th least developed country (LDC) to do so. Bangladesh's WTO ambassador Shameem Ahsan submitted his country's instrument of acceptance to WTO Director-General Roberto Azevêdo on 27 September.

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The TFA will enter into force once two-thirds of the WTO membership has formally accepted the Agreement. Bangladesh's acceptance means over 85 per cent of the ratifications needed for entry into force have now been received.

In addition to Bangladesh, the following WTO members have also accepted the TFA: Hong Kong China, Singapore, the United States, Mauritius, Malaysia, Japan, Australia, Botswana, Trinidad and Tobago, the Republic of Korea, Nicaragua, Niger, Belize, Switzerland, Chinese Taipei, China, Liechtenstein, Lao PDR, New Zealand, Togo, Thailand, the European Union (on behalf of its 28 member states), the former Yugoslav Republic of Macedonia, Pakistan, Panama, Guyana, Côte d'Ivoire, Grenada, Saint Lucia, Kenya, Myanmar, Norway, Viet Nam, Brunei, Ukraine, Zambia, Lesotho, Georgia, Seychelles, Jamaica, Mali, Cambodia, Paraguay, Turkey, Brazil, Macao China, the United Arab Emirates, Samoa, India, the Russian Federation, Montenegro, Albania, Kazakhstan, Sri Lanka, St. Kitts and Nevis, Madagascar, the Republic of Moldova, El Salvador, Honduras, Mexico, Peru, Saudi Arabia and Bahrain.

The TFA broke new ground for developing countries and LDCs in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

A Trade Facilitation Agreement Facility (TFAF) was also created at the request of developing and least-developed country members to help ensure that they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation of the new agreement by all members. Further information on TFAF is available at www.TFAFacility.org.

On 8 June the WTO hosted an experience-sharing event to help members identify best practices and the challenges faced by WTO members in establishing or maintaining national trade facilitation committees. It was the first such event to discuss how best to implement specific commitments under the TFA. Experts from more than 20 countries and five international organizations made presentations at the workshop; the presentations and other information on the event are available here.

Implementation of the WTO Trade Facilitation Agreement (TFA) has the potential to increase global merchandise exports by up to $1 trillion per annum, according to the WTO's flagship World Trade Report released on 26 October 2015. Significantly, the Report also found that developing countries will benefit significantly from the TFA, capturing more than half of the available gains.

Trade in 2016 to grow at slowest pace since the financial crisis

World trade will grow more slowly than expected in 2016, expanding by just 1.7%, well below the April forecast of 2.8%, according to the latest WTO estimates. The forecast for 2017 has also been revised, with trade now expected to grow between 1.8% and 3.1%, down from 3.6% previously. With expected global GDP growth of 2.2% in 2016, this year would mark the slowest pace of trade and output growth since the financial crisis of 2009.

Main Points World merchandise trade volume is expected to grow 1.7% in 2016, accompanied by real GDP growth of 2.2% at market exchange rates.

This would be the slowest pace of trade and output growth since the financial crisis.

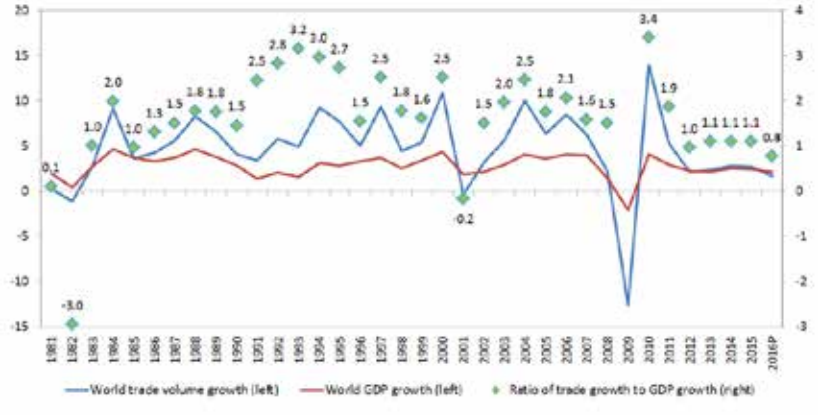
Trade growth was weaker than expected in the first half of 2016 due to falling import demand and slowing GDP growth in several major developing economies as well as in North America.

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Certain trade-related indicators have improved, including export orders and container port throughput, but overall momentum in trade remains weak.

World merchandise trade volume is expected to grow 1.7% in 2016, accompanied by real GDP growth of 2.2% at market exchange rates. This would be the slowest pace of trade and output growth since the financial crisis. Trade growth was weaker than expected in the first half of 2016 due to falling import demand and slowing GDP growth in several major developing economies as well as in North America.

Chart 1: Ratio of world merchandise trade volume growth to world real GDP growth, 1981-2016 (% change and ratio)



Sources: WTO Secretariat for trade, concensus estimates for GDP.

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The downgrade follows a sharper than expected decline in merchandise trade volumes in the first quarter (-1.1% quarter-on-quarter, as measured by the average of seasonally-adjusted exports and imports) and a smaller than anticipated rebound in the second quarter (+0.3%).

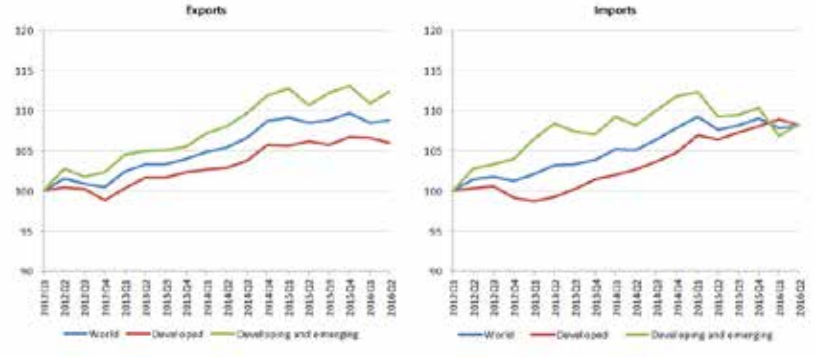
The contraction was driven by slowing GDP and trade growth in developing economies such as China and Brazil but also in North America, which had the strongest import growth of any region in 2014-15 but has decelerated since then. The latest figures are a disappointing development and underline a recent weakening in the relationship between trade and GDP growth. Over the long term trade has typically grown at 1.5 times faster than GDP, though in the 1990s world merchandise trade volume grew about twice as fast as world real GDP at market exchange rates. In recent years however, the ratio has slipped towards 1:1, below both the peak of the 1990's and the long-term average.

If the revised projection holds, 2016 will be the first time in 15 years that the ratio between trade growth and world GDP has fallen below 1:1. Historically strong trade growth has been a sign of strong economic growth, as trade has provided a way for developing and emerging economies to grow quickly, and strong import growth has been associated with faster growth in developed countries. However the increase of the number of systematically important trading countries and the shift in the ratio of trade and GDP growth makes it more difficult to forecast future trade growth. Therefore, the WTO is for the first time providing a range of scenarios for its 2017 trade forecast rather than giving specific figures. As Chart 1 below shows, the current trend in the relationship between trade growth and world GDP is lower than observed over the last three decades.

Since the WTO's April 2016 forecast was issued, some important downside risks have materialized, most notably a period of financial turbulence that affected China and other developing market economies early in the year, but which has since eased. Recent movements in trade by level of development are illustrated by Chart 2, which shows seasonally-adjusted quarterly merchandise trade indices in volume terms (i.e. adjusted to account for fluctuations in prices and exchange rates.)1

Import demand of developing economies fell 3.2% in Q1 before staging a partial recovery of 1.5% in Q2. Meanwhile, developed economies recorded positive import growth of 0.8% in Q1 and negative growth of -0.8% in Q2.

Chart 2: Volume of merchandise exports and imports by level of development, 2012Q1-2016Q2 Seasonally adjusted volume indices, 2012Q1=100



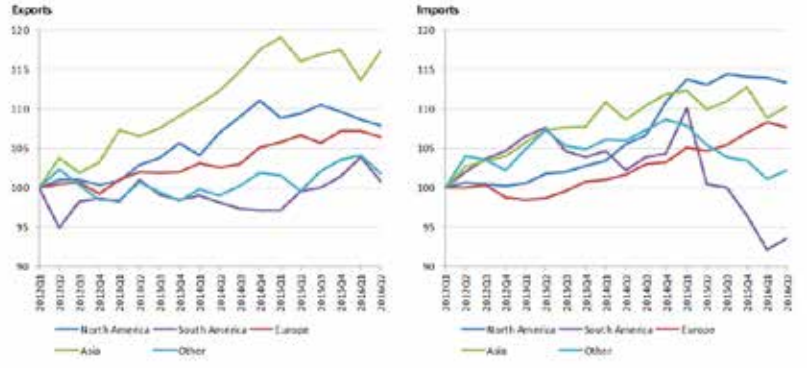
Source: WTO Secretariat.

Overall, world imports stagnated in the first half of 2016, falling 1.0% in Q1 and rising 0.2% in Q2. This translated into weak demand for

exports of both developed and developing economies. For the year-to-date, world trade has been essentially flat, with the average of exports and imports in Q1 and Q2 declining 0.3% relative to last year.

These results are largely in line with the signals given by the WTO's World Trade Outlook Indicator (WTOI), a new tool launched in July to provide "real time" information on trends in global trade. At that time the WTOI indicated that world merchandise trade might rebound in Q2 but would likely remain below trend.

Chart 3: Volume of merchandise exports and imports by region, 2012Q1-2016Q2 Seasonally adjusted volume indices, 2012Q1=100



Source: WTO Secretariat.

The stagnation of world merchandise trade disguises strong shifts at the regional level, which are illustrated by Chart 3. The most striking feature of this chart is the steep decline in imports of resource-exporting regions over the last two years, driven by falling commodity prices and declining export revenues. South America and Other regions (comprising Africa, the Middle East and the Commonwealth of Independent States) arrested their declines in Q2 of 2016 while imports of North America and Europe both dipped in the latest quarter. Meanwhile, Asian imports declined by 3.4% in Q1 against a backdrop of concerns about slowing growth in China, before rebounding to 1.3% growth in Q2 as these concerns eased. The 3.3% decline in Asian exports in Q1 mirrored the drop in Asia on the import side, but this was mostly reversed by a 3.2% rise in exports in Q2.

There are some indications that trade may be picking up in the second half of 2016, although the pace of expansion is likely to remain subdued. Container port throughput has increased (Chart 4), export orders have risen in the United States, and nominal trade flows in US dollar terms have stabilized, but numerous risks remain.

The outlook for the remainder of this year and next year is affected by a number of uncertainties, including financial volatility stemming from changes in monetary policy in developed countries, the possibility that growing anti-trade rhetoric will increasingly be reflected in trade policy, and the potential effects of the Brexit vote in the United Kingdom, which has increased uncertainty about future trading arrangements in Europe, a region where trade growth has been relatively strong.

The UK referendum result did not produce an immediately observable downturn in economic activity as measured by industrial production or employment; the main impact was a 13% drop in the exchange rate of the pound against the US dollar and an 11% decline in its value against the euro. Effects over the longer term remain to be seen. Economic forecasts for the UK in 2017 range from fairly optimistic to quite pessimistic. Our forecast assumes an intermediate case, with a growth slowdown next year but not an outright recession.

Table 1 below summarizes the WTO's revised trade forecast. According to these estimates, world merchandise trade volume will grow more slowly than world GDP at market exchange rates in 2016 (1.7% compared to 2.2%)

Exports of developed countries are expected to outpace those of developing economies this year, 2.1% compared to 1.2%. On the import side, developing countries are expected to register sluggish growth of 0.4% compared to 2.6% for developed countries..

The biggest downward revision to imports from our April forecast for 2016 applies to South America (-8.3% compared to -4.5% previously) as the recession in Brazil intensified. This was followed by North America, where import growth was revised down from 4.1% to 1.9% as GDP growth came in below earlier projections. Asian import growth was also scaled back to 1.6% from 3.2%, while our forecast for Europe was revised upward from 3.2% to 3.7%.

Chart 4: Container shipping throughput index, January 2007 - July 2016 Seasonally adjusted trend index, 2010=100



Source: Institute for Shipping Economics and Logistics.

Export growth in 2016 was downgraded for most regions, with the strongest revisions applied to Asia (0.3% compared to 3.4% in April) and North America (0.7% compared to 3.1%). Meanwhile, South America's export growth is expected to be stronger than previously forecast (4.4% compared 1.9%), benefitting from favourable exchange rate movements. Even with the downward revision to our estimates, risks to the forecast remain mostly on the downside.

A range of estimates have been provided for 2017 to reflect the increasingly uncertain relationship between trade and output growth. World trade growth could be as high as 3.1% next year if it regains some of its earlier dynamism. However, it could also be as low as 1.8% if the ratio of trade growth to GDP growth continues to weaken.

Estimates of export growth range from 1.7% to 2.9% for developed countries and from 1.9% to 3.4% for developing economies in 2017. On the import side, developed countries could see trade growth of between 1.7% and 2.9% while developing countries expand by between 1.8% and 3.1%.

A number of reasons have been advanced to explain the decline in the ratio of trade growth to GDP growth in recent years, including the changes in the import content of demand, absence of trade liberalization, creeping protectionism, a contraction of global value chains (GVCs), and possibly the increasing role of the digital economy and e-commerce, but all have likely played a role.

Whatever the cause, the recent run of weak trade, and economic, growth suggests the need for a better understanding of changing global economic relationships. The WTO, and other international organizations, are working hard to understand this current evolution and its implications for continued growth.

Table 1: Merchandise trade volume and real GDP, 2012-2017 a

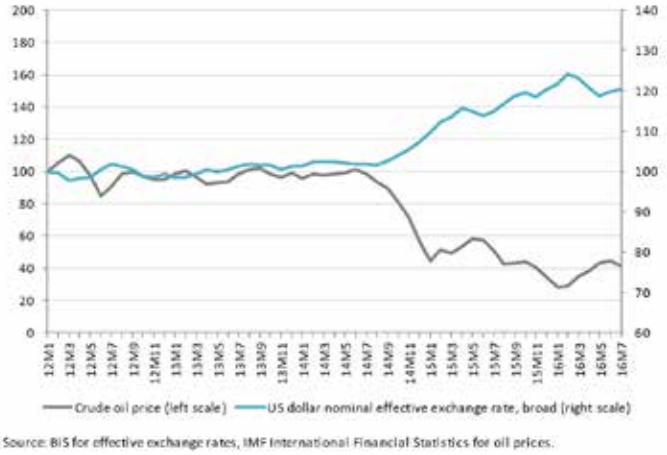
Annual % change

	2012	2013	2014	2015	2016P	2017P
Volume of world merchandise trade	2.2	2.4	2.8	2.7	1.7	1.8 - 3.1
Exports						
Developed economies	1.1	1.7	2.4	2.8	2.1	1.7 - 2.9
Developing economies	3.8	3.8	3.1	3.2	1.2	1.9 - 3.4
North America	4.5	2.8	4.1	0.8	0.7	1.6 - 2.9
South and Central America	0.9	1.2	-1.8	1.3	4.4	3.1 - 5.5
Europe	0.8	1.7	2.0	3.7	2.8	1.8 - 3.1
Asia	2.7	5.0	4.8	3.1	0.3	1.8 - 3.2
Other regions b	3.9	0.6	-0.1	3.9	2.5	1.5 - 2.6
Imports						
Developed economies	-0.1	-0.2	3.5	4.6	2.6	1.7 - 2.9
Developing economies	4.8	5.6	2.9	1.1	0.4	1.8 - 3.1
North America	3.2	1.2	4.7	6.5	1.9	1.9 - 3.1
South and Central America	0.7	3.6	-2.2	-5.8	-8.3	2.2 - 3.7
Europe	-1.8	-0.3	3.2	4.3	3.7	1.8 - 3.1
Asia	3.7	4.8	3.3	1.8	1.6	2.0 - 3.3
Other regions b	9.9	3.5	-0.5	-6.0	-2.8	0.6 - 1.0
Real GDP at market exchange rates	2.3	2.2	2.5	2.4	2.2	2.5
Developed economies	1.1	1.0	1.7	1.9	1.5	1.7
Developing economies	4.7	4.5	4.2	3.4	3.4	4.1
North America	2.3	1.5	2.4	2.3	1.6	2.3
South and Central America	2.9	3.4	1.0	-1.0	-1.6	1.4
Europe	-0.2	0.5	1.5	1.9	1.7	1.5
Asia	4.4	4.3	4.0	4.0	3.9	3.9
Other regions b	3.9	2.6	2.6	0.9	1.4	2.6

a Figures for 2016 and 2017 are projections.
b Other regions comprise the Africa, Commonwealth of Independent States and Middle East.
Sources: WTO Secretariat for trade, concensus estimates for GDP.

It should be noted that the trade forecasts in Table 1 relate to changes in the quantity of goods traded rather than changes in their dollar value. In 2015, merchandise trade volumes continued to grow slowly despite the sharp 14% decline in the dollar value of world trade, which was largely due to the appreciation of the US dollar. As chart 5 below shows, the dollar has started to depreciate again in the first half of 2016, with an inverse effect on values of traded goods, particularly commodities such as oil. If this trend continues for the remainder of the year, world merchandise trade growth in dollar terms could exceed trade growth in volume terms in 2016. Trade developments in current dollar terms are shown for selected economies in Chart 6.

Chart 5: Effective exchange rates and crude oil prices, Jan. 2012 - Jul. 2016 (Indices, January 2012=100).



Source: BIS for effective exchange rates, IMF International Financial Statistics for oil prices.

WTO opens new Reference Centre in Bhutan

A new WTO Reference Centre was inaugurated by H.E. Lyonpo Lekey Dorji, Bhutan's Minister of Economic Affairs, at the Department of Trade in Thimphu, Bhutan, on 14 September 2016.

The inauguration was attended by Gerardo Thielen and Juneyoung Lee from the WTO, various government representatives, directors of Regional Trade and Industry Offices, representatives of Bhutan's Chamber of Commerce and Industry and other agencies.

The Reference Centre was established with technical assistance from the WTO and will serve as a centre of information on WTO issues and international trade for government officials, the private sector, academic institutions and the general public.

The Department of Trade in collaboration with the WTO also organized a day-long seminar on the multilateral trading system and provided two days of training on WTO databases, document search facilities, trade-related information and other resources available in the Reference Centre.

WTO announces outcome of 2016 Essay Award for Young Economists

The winner of the 2016 WTO Essay Award for Young Economists is Matthieu Bellon of Columbia University. His paper, entitled "Trade Liberalization and Inequality: a Dynamic Model with Firm and Worker Heterogeneity", was ranked first by the Selection Panel. He receives a prize of CHF 5,000.



The panel also awarded an honourable mention to Eunhee Lee of Yale University for her work entitled "Trade, Inequality, and the Endogenous Sorting of Heterogeneous Workers".

The outcome of the Essay Award was announced at the annual meeting of the European Trade Study Group in Helsinki on 8-10 September 2016. The paper by Matthieu Bellon focuses on the dynamic effect of trade liberalization on wage distribution.

It develops a dynamic general equilibrium model with worker and firm heterogeneity. The paper finds that trade liberalization increases overall welfare and provides firms with both new export markets and new sources of competition.

Expanding high-paying firms increase wages to recruit better workers at a faster rate. Workers in the firms threatened by competition accept wage cuts to delay their employers' exit from the market and to keep their job.

Using firm-worker data from France, the author shows that, following trade liberalization, inequality initially increases and peaks after three years, but eventually falls back to half of its peak level in the longer term.

The paper by Eunhee Lee investigates the effect of international trade on inequality and shows the mechanism through which a reduction in trade costs can increase inequality in developing countries.

This paper shows that although the reduction of trade costs produces overall welfare gains for a country as a whole, inequality between skilled and unskilled workers increases because wages for high-skilled occupations rise more than wages in low-skill occupations.

The paper shows that inequality between workers with different levels of education increased due to trade shocks in both high- and low-income countries between 2000 and 2010. Although the paper does not address policy implications, it highlights that understanding these mechanisms and effects is key to crafting better policies to avoid or minimize the negative social impacts of trade opening.

Developing and implementing such policies would provide a better chance of maintaining support for open trade since trade continues to be beneficial overall for all countries and all occupations and types of worker.

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 Firms and large Corporate Houses having significant interest in international trade.

The activities of ICC Bangladesh include promotion of foreign trade and investment, trade policy reviews, business dialogues, seminars & workshops both at home and abroad on related policy issues, harmonization of trade law & rules, legal reforms, updating businesses with the ICC rules & standards for cross border business transactions. ICC Bangladesh has so far organized following regional & international conferences.

- **10-11 November 2000:** ICC Asia Conference on "Investment in Developing Countries: Increasing Opportunities" organized in Dhaka was inaugurated by the Prime Minister of Bangladesh and attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & WTO Director General Designate, ADB President, UN-ESCAP Executive Secretary and Chinese Vice Minister for Foreign Trade & Economic Cooperation. More than 250 participants from 24 countries participated in this event.
- **17-18 January 2004:** International Conference on "Global Economic Governance and Challenges of Multilateralism" was held in Dhaka, 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.
- **27-28 September 2005:** Regional Seminar on "Capital Market Development: Asian Experience". The Seminar held in Dhaka was inaugurated by the President of the People's Republic of Bangladesh and attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.
- **13 April 2010:** Conference on "Energy for Growth" was held in Dhaka 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 and international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA.
- **25-26 October 2014:** 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 the People's Republic of Bangladesh H.E. Mr. Md. Abdul Hamid. Minister for Finance & Minister for Commerce of Bangladesh, UNCTAD Secretary General, Ministers from Myanmar and Nepal; ICC Vice Chairman; ICC Secretary General; ICC Research Foundation Chairman; Director of ICC National Committees and more than 500 participants attended this event.

As part of its activities, ICC Bangladesh has been organizing Workshops/Seminars on International Trade Finance, mainly for bankers Bangladesh, in various countries since 2014. So far such events have been organized in Kuala Lumpur in April, 2014; in Colombo in February 2015; in Kunming in August 2015 in Yangon in November 2015 and in Hanoi in February 2016.

ICCB also organizes Certified Documentary Credit Specialist (CDCS), Certificate for Specialists in Demand Guarantees (CSDG) and Certificate of International Trade Finance (CITF) Examinations in Dhaka, 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.

BANGLADESH INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

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