ICC BANGLADESH
INTERNATIONAL
CHAMBER OF COMMERCE
The world business organization

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Bangladesh stepping into higher Growth Trajectory

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 over 6 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.

The United Nations (UN) General Assembly on 13 December 2016 has granted Observer Status to the International Chamber of Commerce—the world's largest business organization representing more than six million members in over 100 countries. The decision-taken by 193 members of the UN General Assembly during its 71st session in New York -- is the first time that a business organization has been admitted as an Observer at the UN General Assembly.

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 attended the event.
- **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.
- **8-9 February 2017 : The first ever "UNESCAP Asia Pacific Business Forum: Regional Integration to Achieve Sustainable Development " was organized by ICC Bangladesh jointly with UNESCAP under the patronage of the Ministry of Commerce, Government of Bangladesh. The Forum was inaugurated by the President of the People's Republic of Bangladesh H.E. Mr. Md. Abdul Hamid. Ministers from Bangladesh, Sri Lanka, Nepal, UNESCAP Under Secretary General, UNCTAD Secretary General, business leaders and some 600 delegates from home and abroad attended the Forum. The Theme**

As part of its activities, ICC Bangladesh has been organizing Workshops / Seminars on International Trade Finance, mainly for bankers of Bangladesh, in various countries since 2014. So far such events have been organized in Kuala Lumpur (April, 2014); in Colombo (February 2015); in Kunming (August 2015); in Yangon (November 2015); in Hanoi (April 2016); in Jakarta (April 2017) and in Vienna (May 2017).

For professional development of bankers, ICC Bangladesh 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 LIBF (London Institute of Banking and Finance) and endorsed by ICC Paris.

ICC Bangladesh participates in most of the World Chambers Congress & ICC World Congresses held every two years and WTO Ministerial Meetings as well as ICC Regional Consultative Group Meetings. The National Committee also arranges visit by Bangladesh Business delegation to different countries for promotion of trade and investment.

ICC Bangladesh

International Chamber of Commerce-Bangladesh

The world business organization

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Contents

ICC Bangladesh News	02
Bangladesh Economy	14
Regional News	24
ICC HQs News	31
WTO News	37

Editor's Note

ICC Bangladesh News

ICC Bangladesh Annual Council held
Clear direction and path must for sustainable global growth

The global economy is currently at the crossroads and it is in desperate need of sufficient courage, wisdom and responsibility from around the world to chart a clear direction and path for sustainable economic growth, said ICC Bangladesh President Mahbubur Rahman while presenting the Executive Board Report at the ICC Bangladesh Annual Council held in Dhaka on 25 May.

According to IMF some of the concerns of spillovers produced by the policies of the Donald Trump administration in the US and the post-Brexit UK might eventually come true, producing a net negative outcome for the world overall economy, and the reshaping of the global economic landscape might turn out to be painful, Mahbubur Rahman said.

The ongoing revaluation of the dollar poses a disruptive risk to international trade, rendering commodities and primary-processing manufactured goods cheaper, and technology and sophisticated machinery dearer. This is putting many emerging markets in an increasingly disadvantageous position throughout the world, Mahbubur Rahman added.

This situation might entail a "race to the bottom" in the world economy, which might also include the competition in fiscal stimuli across the most prominent nations, and the already-wearing-down "war" of currency devaluations, fuelled by accommodative monetary policies in the Eurozone, Japan, and mainland China.

"If the disruptions we are expecting for 2017 as a result of what happened in 2016 prove to be all negative and we are to end up in a race to the bottom on the tax front, on the trade front, on the financial regulation front, then that for me would be a really big 'black swan', that would have devastating effects," said International Monetary Fund (IMF) head Christine Lagarde, mentioned Mahbubur Rahman.

The Executive Board observed that the outlook for the Asia-Pacific Region remains robust—the strongest in the world, in fact—and recent data point to a pickup in momentum. The near-term outlook, however, is clouded with significant uncertainty, and risks, on balance, remain slanted to the downside. Medium-term growth faces secular headwinds, including from population aging and sluggish productivity. Macroeconomic policies should continue to support growth while boosting resilience, external rebalancing, and inclusiveness. The region needs structural reforms to address its demographic challenges and to boost productivity.



ICC Bangladesh President Mahbubur Rahman presenting the Executive Board Report at ICCB Annual Council 2016 on May 25. Also seen in the picture ICC Bangladesh Vice Presidents Latifur Rahman (2nd from Left), Rokia Afzal Rahman (3rd from right), MCCI Vice President Golam Mainuddin (2nd from right), Envoy Group Chairman Kutubuddin Ahmed (extreme right) and ICC Secretary General Ataur Rahman (extreme left).

Despite the fact, Bangladesh will be among the top three fastest growing economies in the world by 2030, PricewaterhouseCoopers (PwC) has said. The Report titled 'The long view: how will the global economic order change by 2050?' predicts that Bangladesh could rise in the ranks by achieving an average annual growth of 4.8% over the next 34 years.

By 2050 Bangladesh, India and Vietnam will become the fastest growing economies, with Bangladesh expected to see an impressive growth that will push it to 23rd place overall, the report says. PwC ranked 32 countries by their projected global gross domestic product (GDP) at purchasing power parity (PPP), and made projections for up to 2050.

Although, Bangladesh faces formidable challenges in moving to a higher growth path of 8 percent plus GDP to become a middle income country. The foremost challenge lies with the stagnant private investment followed by weak institutional capacity to implement development projects. To achieve its goal of middle-income country status by 2021 and 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, said ICCB President.

Bangladesh economy embraces 2017 with some other challenges that include declining remittance and rising nonperforming loans from the domestic side. Volatile global and gulf region politics, and troubled European economy pose threats as external sources. Following the European Debt Crisis and depreciation of different currencies against the US dollar, the pace of recovery of the European Union economies -- the primary destination of Bangladeshi exports -- will be critical in 2017, the Council Report added.

According to a World Bank report Bangladesh is both an inspiration and a challenge for policymakers and practitioners of development. While the poverty reduction efforts to date have been extraordinary, Bangladesh faces daunting challenges with about 28 million people still living below the poverty line. The country is at an important juncture, when with the right policies and timely action; it can move up within the middle-income bracket, mentioned Mahbubur Rahman.

However, 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 indicates brighter prospects. The country is among the top 12 developing countries, who achieved 6 plus percent growth in 2016 and one of the top performers in Asia over the past decade. According to experts by any standards, Bangladesh economy is doing well and Bangladesh's economic and social achievements are widely acclaimed around the world, added Mahbubur Rahman.

The Council adopted the Executive Board Report & Audited Financial Statements of ICC Bangladesh for the year 2016.

ICC Bangladesh President Mahbubur Rahman presented memento, on behalf of the Executive Board, to Kutubuddin Ahmed, Chairman, Envoy Group and Mostafa Kamal Founder & Chairman, Meghna Group for achieving DHL-The Daily Star Business Award.

Among others, ICCB Vice Presidents Latifur Rahman & Rokia A. Rahman; ICCB Board Members Aftab ul Islam; Anwar-Ul-Alam Chowdhury (Parvez); Md. Fazlul Hoque; Mir Nasir Hossain; R. Maksud Khan; MCCI Vice President; Golam Mainuddin, ICCB Secretary General Ataur Rahman, ICCB Members, Md. Abdul Jabbar, Managing Director, DBL Group; Parveen Mahmud, FCA, Chairman, Shasha Denims Ltd.; Muhammad A. (Rumee) Ali, CEO, Bangladesh International Arbitration Centre (BIAC); Francois de Maricourt Chief Executive Officer, HSBC Bangladesh; Md. Hashem Chowdhury, Additional Managing Director & COO, Mutual Trust Bank Limited; Syed Waseque Md. Ali, Managing Director, First Security Islami Bank Limited; Choudhury Moshtaq Ahmed, Additional Managing Director, National Bank Limited; Sajedul Islam, Acting CCO, Citibank N.A.; Md. Akhter Hossain, Deputy Managing Director, Shahjalal Islami Bank Ltd.; Md. Majibur Rahman, Representative, Sonali Bank; Md. Khalilur Rahman, Managing Director, National Housing Finance and Investments; Syed Moinuddin Ahmed, Additional Managing Director, Green Delta Insurance Co. Ltd.; Khawza Manzer Nadeem, Managing Director, United Insurance Company; Rubaiyat Jamil, Managing Director, ICE Technologies; Basirun Nabi Khan, Representative, H&M; Rizwan-Ur Rahman, Managing Director & CEO, ETBL Securities & Exchange Ltd.; Mohammad Shahjahan Khan, Managing Director, S. S. Shipping & Chartering Ltd.; and Sandeep Gujral, Senior Vice President, Li & Fung Bangladesh Limited.



Group picture of ICCB Annual Council

ICC Bangladesh President Mahbubur Rahman appointed as Arbitrator of CIETAC, China.



ICC Bangladesh President Mahbubur Rahman has been appointed as an Arbitrator of The China International Economic and Trade Arbitration Commission (CIETAC) recently. Mr. Rahman is the sole Arbitrator appointed from Bangladesh by CIETAC. Mr. Mahbubur Rahman was elected unanimously as the Chairman UN ESCAP Business Advisory Council (EBAC) during the 12th Meeting of EBAC held in Dhaka in February, 2017.

Mr. Rahman is the Chairman & CEO of ETBL Holdings Limited and Chairman of Eastland Insurance Co. Ltd. He is also the Director of Karnaphuli Fertilizer Co. Ltd (KAFCO) and Vice Chairman of Bangladesh Foreign Trade Institute (BFTI). A renowned business leader, Mr Rahman was the Former President of The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), Founder Vice President of SAARC Chamber of Commerce & Industry (SCCI) and Member of Asia Economic Community Forum (AECF), Seoul.

CIETAC is one of the major permanent arbitration institutions in the world. Formerly known as the Foreign Trade Arbitration Commission, CIETAC was set up in April1956 under the China Council for the Promotion of International Trade (CCPIT). CIETAC independently and impartially resolves economic and trade disputes by means of arbitration.

UNESCAP established EBAC with the aim of providing business perspectives on development issues in the Asia-Pacific Region to the Member governments as represented in the legislative bodies of ESCAP; in particular (but not limited to) the Committee on Trade and Investment, and the ESCAP Commission as well as provide advise to the ESCAP Secretariat on its programme and projects.

Latifur Rahman re-elected Executive Board Member of Global ICC



Latifur Rahman, Vice-President of the International Chamber of Commerce-Bangladesh & Chairman and CEO of Transcom Group has been re-elected as member of the Executive Board of the Paris-based ICC for a second three-year term from July 2017. The election of ICC, The world business organization held in Nairobi on June 06 during 2017 World Council.

Mr. Latifur Rahman has served in many important national bodies in various capacities including President of Metropolitan Chamber of Commerce & Industry (MCCI), Dhaka for seven terms; President of Bangladesh Employers' Federation (BEF) for two terms and Member of Executive Committee of Federation of Bangladesh Chambers of Commerce & Industry (FBBCI), Bangladesh Jute Mills Association and Bangladesh Tea Association. He was Member of the Executive Board of Bangladesh Bank. He has been closely involved with fiscal and trade policy making bodies of the Government as Chairman, Trade-body Reforms Committee and Member, Advisory Committee on WTO.

In 2012 Mr. Rahman was awarded "Oslo Business for Peace Award" by the Business for Peace Foundation, Oslo and Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh.

Mr. Latifur Rahman is also the Chairman of National Housing Finance & Investments, Member, Governing Body of BRAC and former Chairman, Nestlé Bangladesh, Holcim Cement Bangladesh.

Transcom Group originated with tea plantations in 1885, is now one of the largest conglomerate in Bangladesh, comprising private & public companies employing over 14,000 people. The Group comprises of pharmaceuticals, beverages, electronics, media, foods and consumer products.

ICC Bangladesh Delegation to ICC Paris



ICC Bangladesh President Mahbubur Rahman is seen with ICC Paris Chief Operating Officer P Philip Kucharski and ---during ICC Bangladesh's delegation visit to ICC Paris.

A 41-Member Delegation led by ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali attended a meeting at ICC, Paris on 16 May. The meeting was organized by ICC for the ICC Bangladesh Delegation consisting of bankers was also attended by ICC Bangladesh Secretary General Ataur Rahman. ICC Chief Operating Officer Philip Kucharski briefed about the activities of ICC at its headquarters and globally as well as the operation of the National Committees. Mr.Olivier Paul, Head of Banking Commission of ICC Banking Commission made a presentation on the activities of the Banking Commission and how the various ICC rules are formulated to facilitate international trade. The ICC Team present during the meeting included: Stefano Bertasi, Executive Director of Policy and Business Practices; David Bishop, Senior Policy Manager Banking Commission; Doina Buruiana, Project Manager of Banking Commission; Mary Kelly, Director of National Committees and Membership; Tina Launois, Coordination Manager of National Committees and Membership and Paulina Martinez, Project Manager of Banking Commission.

The Bangladesh Delegation included Mr. Helal Ahmed Chaudhury, Supernumerary Professor of BIBM and ICC Bangladesh Banking Commission Member; Mr. Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer, Mutual Trust Bank Limited; Mr. Amin Uddin Ahmed and Mr. Tariqul Islam Chowdhury, Deputy Managing Directors, Sonali Bank Limited; Shah Md. Abdul Bari, Deputy Managing Director, EXIM Bank Limited and Md. Abdul Hye, Director (Commercial), BCIC.

ICC Bangladesh President Mahbubur Rahman visited ICC Headquarters on 18 May and had a meeting with ICC Chief Operating Officer Philip Kucharski and Stefano Bertasi, Executive Director of Policy and Business Practices. They discussed about the new role of ICC being awarded the Permanent Observer Status to the United Nations by UN General Assembly last December, the activities of ICC and how the relations between the National Committees can be further strengthened. ICC Bangladesh President briefed ICC Officials about the activities of ICC Bangladesh and he thanked Mr. Kucharski for inviting the ICC Bangladesh Delegation of bankersto ICC on 16 May.



ICC Bangladesh Banking Commission Chairman Muhammad A. Rumee Ali & its Secretary General Ataur Rahman & ICC Chief Operating Officer Philip Kucharski pose for a photo with the bankers of 17 commercial banks after attending a meeting at headquarters of ICC in Paris.

41 Bangladeshi bankers attend ICC Austria Global Trade Finance Programme in Vienna

ICC Bangladesh arranged participation of 41 bankers from 17 commercial banks at ICC Austria 11th Global Conference on Letters of Credit, International Trade Finance week held in Vienna from 17-19 May. The three day event was also attended by more than 200 bankers from EU countries to discuss on issues related to letters of credit, bank guarantees and credit risks.

ICC Austria Executive Director Dr. Max Burger-Scheidlin in his welcome address mentioned that ICC Austria has been organizing the Global Trade Finance for the last 11 years to discuss on letters of credit issues, in particular discussion on the official opinions of the ICC banking Commission on Letters of Credit and Demand Guarantees. He introduced the Members of the ICC Banking Commissions who will be presenting and discussing on opinions of the ICC Banking Commission. At the start of the Conference he, welcomed the ICC Bangladesh Delegation and mentioned that this is the first time that ICC Austria has received such a big delegation from a single country. He hoped that ICC Bangladesh will continue to encourage participation by the bankers from Bangladesh at future conference of ICC Austria.

ICC Bangladesh President Mahbubur Rahman was invited as Chief Guest at the concluding session of the Global Trade Finance week held on 19 May. He mentioned that ICC Bangladesh has arranged participation of Bangladeshi bankers in this programme in order to enhance capacity and efficiency in the banking sector on a priority basis as the country is now 41st largest economy in the world with a GDP of US$270 billion growing at 7.2% per annum. Merchandise Export is US$40 billion while Import is US$ 43 Billion and both are growing at a healthy rate as depicted by the GDP growth. ICC Bangladesh has arranged jointly with ICC Austria the event in Vienna for the bankers as EU is the largest export destination for the garment industry, Mahbubur Rahman said.

Earlier on 18 May, H.E. Mr. Md. Abu Zafar, Bangladesh Ambassador to Austria was invited as a special guest to address at the Conference. He explained about the various development initiatives undertaken by the Government of Bangladesh to achieve SDGs and also to facilitate trade between Bangladesh and EU countries. He thanked ICC Bangladesh for arranging participation of Bankers to interact with the EU bankers and also ICC Austria for inviting him to address at the august gathering.

ICC Bangladesh Banking Commission Chairman & CEO of Bangladesh International Arbitration Centre (BIAC) Muhammad A (Rumee) Ali and Mr. Helal Ahmed Chaudhury, Supernumerary Professor of BIBM and ICC Bangladesh Banking Commission Member were invited as speakers by ICC Austria to deliberate on Risk Management and Corporate Governance and Challenges of Correspondent Banking Relationship for Banks respectively. ICC Bangladesh Secretary General Ataur Rahman also attended and briefed the participants about the activities of ICC Bangladesh. He proposed to arrange a similar event jointly with ICC Austria in Bangladesh early next year.

A side event was organized for EU Bankers and other professionals to discuss on letters of credits and Bangladesh Bank regulations. The speakers at the session moderated by Mr. Muhammad A. (Rumee) Ali, Chairman, ICC Bangladesh Banking Commission & Chief Executive Officer of Bangladesh International Arbitration Centre (BIAC), were Mr. Helal Ahmed Chowdhury, Professor, Bangladesh Institute of Bank Management (BIBM) & Member ICC Bangladesh Banking Commission; Mr. Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer, Mutual Trust Bank and Mr. Tawfiq Ali, Chief Representative, Commerzbank AG Bangladesh.



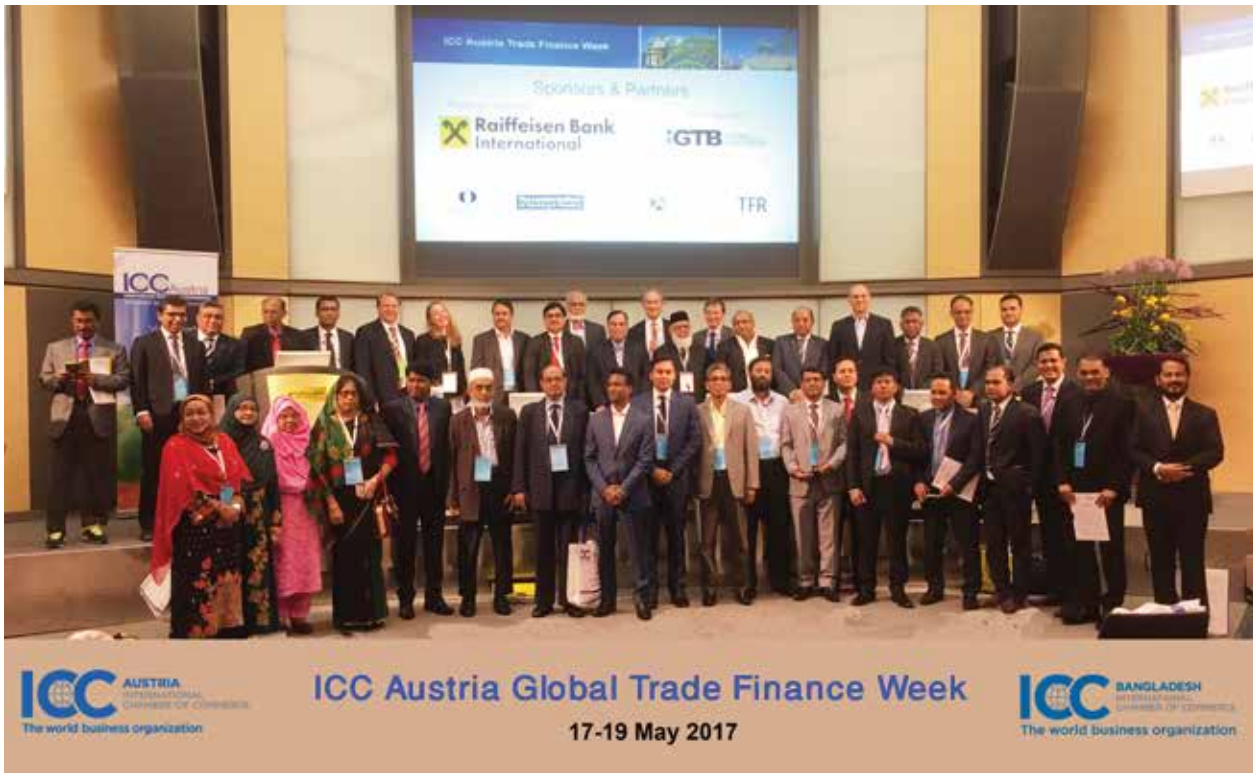
ICC Bangladesh President Mahbubur Rahman is addressing at Trade Finance week in Vienna.

At the request of some of the EU bankers arrangement was also made for discussions with counterpart bankers from Bangladesh on their questions and problems individually.

The Conference was addressed by Dr. Andrea Hauptmann, Executive Director and Head of Guarantees Department , Raiffeisen Bank International, Austria; Ms. Gabriele Katz, Client & Product Solution, Product Manager Documentary Traded Business EMEA & Germany, Deutsche Bank AG, Germany; Mr. Glenn Ransier, Global Product Manager –Standby LCs and Demand Guarantees of Wells Fargo Bank, Charlotte, NC, United States; Ms. Chiristiana Elisabeth Seierup, Vice President-Trade Finance of Danske Bank A/S, Denmark;Mr. Donald R. Smith, President of Global Trade Advisory Ltd. Unites States; Mr. Stephen Tricks, Consultant of Clyde & Co LLP, London, (International Law Firm); Mr. Hugo Verschoren, Chief Experts, Center of Excellence and Team Manager of Middle Office Trade Finance Services, ING Bank, Belgium.

The Bangladesh Delegation included: Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer, Mutual Trust Bank Limited, Amin Uddin Ahmed and Tariqul Islam Chowdhury, Deputy Managing Directors, Sonali Bank Limited, Shah Md. Abdul Bari, Deputy Managing Director, EXIM Bank Limited, Md. Abdul Hye, Director (Commercial), BCIC and Mrs. Antara Zareen, Assistant Professor, Bangladesh Institute of Bank Management (BIBM)

Officials from the following banks attended the 3-day Conference: Al Arafah Islami Bank, Bank Asia Limited The City Bank, Dhaka Bank, Commerzbank AG, Eastern Bank, Export Import Bank of Bangladesh, First Security Islami Bank, Islami Bank Bangladesh, Mercantile Bank, Mutual Trust Bank, NRB Global Bank, One Bank, Pubali Bank, Social Islami Bank, Rupali Bank and Sonali Bank.



ICC Bangladesh President Mahbubur Rahman poses with bankers from Bangladesh and ICC Austria officials at the concluding session of Trade Finance Week held in Vienna.

Participation of Bangladeshi Bankers at ICC Banking Commission Meeting in Jakarta

ICC Banking Commission Annual meeting was held at the Shangri-La Hotel in Jakarta from 3-6 April 2017. There were altogether over 586 participants from 58 countries. Bangladesh had the highest number of bankers (48) followed by China. ICC Bangladesh arranged the participation of the 48 Bankers from14 Banks at this Meeting. ICC Bangladesh Secretary General led the Bangladesh Delegation.

Under the theme "The Future of Trade Finance: Traditional, Technological and Transformational", the Annual Meeting featured high-level keynote and panel speakers in a series of informative and interactive plenary and breakout sessions as well as roundtable discussions addressing particular global challenges and trends in trade finance.

Primarily, the Annual Meeting has put the digitisation of trade finance under the spotlight – focusing on its power to simplify and reduce the costs of doing business, while also allowing banks to better serve small- to medium-sized enterprises and stimulate trade.

The Banking Commission has established itself as the leading organization for trade finance specialized training and events. These unique forums provide delegates from across the world with a unified platform to promote dialogue between experts, make policy recommendations and develop rules to enhance trade finance practices throughout the world. The next Annual Meeting will be held in Miami next spring 2018.

Senior officials of the following banks attended the Banking Commission Meeting: Al Arafah Islami Bank, Bangladesh Krishi Bank ,The City Bank, Dhaka Bank, Eastern Bank, The Farmers Bank,First Security Islami Bank, Islami Bank Bangladesh, Jamuna Bank, RB Commercial Bank, Pubali Bank, Social Islami Bank, Sonali Bank and Standard Bank.



ICC Bangladesh Secretary General Ataur Rahman is seen with a delegation of Bangladeshi bankers in the annual meeting of the ICC Banking Commission held in Jakarta.

ICC Bangladesh hosts CDCS, CITF & CSDG Examinations in Dhaka on 7 April

ICC Bangladesh conducted the Certified Documentary Credit Specialist (CDCS), Certificate in International Trade and Finance (CITF) & Certificate for Specialists in Demand Guarantees (CSDG) in Dhaka on 7 April. The three examinations are being held twice globally every year. ICC Bangladesh has been arranging the examinations in Dhaka on behalf of London Institute of Banking and Finance (LIBF), UK (the new name of ifs University College, UK). A total of 215 participants appeared in the above mentioned three examinations.

The total number of candidates appeared and passed since the starting of holding the Examinations in Dhaka in 2008 are given below:

Examinations Year (2008-2017)	CDCS (2008-2017)		CITF (2010-2017)		CSDG (2014-2017)	
	Appeared	Passed	Appeared	Passed	Appeared	Passed
2008	12	10	-	-	-	-
2009	32	14	-	-	-	-
2010	35	11	03	03	-	-
2011	53	17	08	07	-	-
2012	89	51	07	05	-	-
2013	188	119	03	02	-	-
2014	172	90	18	15	05	04
2015 (April)	190	148	05	03	04	03
2015 (October)	85	52	02	02	08	06
2016 (April)	173	98	03	03	12	11
2016 (October)	96	60	04	03	09	09
2017 (April)	141	89	02	02	12	11
Total	1266	759	55	45	50	44

68th ICC Bangladesh Executive Board Meeting held

The 68th Meeting of the ICC Bangladesh Executive Board was held on 7 May at ICC Bangladesh Secretariat. The Executive Board confirmed the Minutes of the 67th Meeting of Board held on 26 October 2016, decided to hold the 22nd ICC Bangladesh Annual Council 2016 in Dhaka on 25 May, considered the Report of the Executive Board for placing before the Annual Council, approved the Audited Accounts for the year 2016 for consideration and adoption by the Annual Council, Report on UNESCAP Asia-Pacific Business Forum held in Dhaka on 8-9 February. The Executive Board also reviewed the activities of the National Committee including participation at 10th World Chambers Congress in Sydney on 19-21 September, status on purchase of new office space for ICC Bangladesh and approved applications of new members.

The Executive Board Meeting presided over by ICC Bangladesh President Mahbubur Rahman were attended by Vice Presidents Latifur Rahman and Rokia Afzal Rahman; the following eight Board Members: A. K. Azad, A. S. M. Quasem, Kutubuddin Ahmed, Md. Fazlul Hoque, Mir Nasir Hossain, Tapan Chowdhury, Rashed Maksud Khan and Rupali Chowdhury and Secretary General Ataur Rahman. DCCI President Abul Kashem Khan and Bangladesh International Arbitration Centre CEO Muhammad A (Rumee) Ali e attended on invitation.



68th ICCB Board Meeting is in progress

ICC Bangladesh Banking Commission Meeting held

A Meeting of the ICC Bangladesh Banking Commission was held on 12 June at ICC Bangladesh Secretariat. The Meeting Chaired by ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali were attended by the following members: Md. Ahsan Ullah, Advisor, Financial Sector Support Project & Former Executive Director of Bangladesh Bank; Helal Ahmed Chowdhury, BIBM Supernumerary Professor & Former Pubali Bank Managing Director; Emranul Huq, Additional Managing Director, Dhaka Bank; Md. Mahbub ur Rahman, Deputy CEO & Country Head of Commercial Banking, The HSBC Bangladesh, Ms. Mahia Juned, Deputy Managing Director & Head of Operations, The City Bank, Ahmed Shaheen, Deputy Managing Director & Head of Corporate Banking, Eastern Bank; Mohammed Hossain, Former Managing Director, Sonali Bank Limited; Md. Bakhteyer Hossain, Executive Vice President, Mutual Trust Bank Limited; Kamal Niaz Hassan, Former IFC Consultant to Bangladesh Bank on SME Financing; and ICCB Secretary General Ataur Rahman. Mr.Mahmuddur Rahman, Senior Vice President, Islami Bank Bangladesh also attended on invitation.

The Committee, among other Agenda, confirmed the Minutes of the last Meeting held on 26 October 2016, discussed on the activities of the National Committee during January - May and considered the first Draft Incoterms 2020 which was sent to National Committees by ICC for comments and suggestions. The Committees considered the comments on the Draft Incoterms 2020 presented by Bakhteyer Hossain and agreed to forward the recommendations to ICC for consideration. The Committee also decided on the future activities of the National Committee for the banking sector and to co-opt new members.



ICC Bangladesh Banking Commission meeting is in progress

New Members of ICC Bangldesh

The following corporate houses have joined ICC Bangladesh during the period (April-June): Azim Group; DBL Ceramics Ltd.; First Security Islami Bank Limited; Meghna Group of Industries & Shasha Denims.

Images from the Gallery



ICC Bangladesh President Mahbubur Rahman (3rd from left) presenting a memento to ICC Bangladesh Executive Board Member & Envoy Group Chairman Kutubuddin Ahmed for achieving DHL-The Daily Star Business Award. ICC Bangladesh Vice Presidents Latifur Rahman (2nd from left) & Rokia Afzal Rahman (2nd from right), MCCI Vice President Golam Mainuddin and ICC Bangladesh Secretary General Ataur Rahman (extreme left) were also present.



ICC Bangladesh President Mahbubur Rahman is presenting a Memento to Mostafa Kamal, Founder & Chairman Meghna Group for achieving DHL-The Daily Star Business Award. Among others ICC Bangladesh Vice Presidents Latifur Rahman & Rokia Afzal Rahman, MCCI Vice President Golam Mainuddin, ICC Bangladesh Executive Board Member Anwarul Alam Chowdhury (Parvez) and DBL Group Managing Director Md. Abdul Jabbar (extreme left) were also present.



ICC Chief Operating Officer Philip Kucharski (2nd from right) is seen with ICC Bangladesh Secretary General Ataur Rahman (middle) in front of ICC Hq. Paris on 16 May. Also seen in the picture from left to right are: Valérie Cholet, Coordinator – Office of the ICC Chief Operating Officer; Chief Representative of Commerzbank AG Bangladesh Tawfiq Ali and ICC Coordination Manager, National Committees and Membership Tina Launois.

Images from the Gallery



Bangladesh Ambassador to Austria H.E. Mr. Md. Abu Zafar 4th from left) is seen with ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali (extreme right), ICC Bangladesh Secretary General Ataur Rahman (2nd from left), ICC Austria Executive Director Dr. Max Burger-Scheidlin (2nd from right), Head of Trade Finance and Transaction Banking at Raiffeisen Bank International AG Sabine Zucker (3rd from left), ICC Bangladesh Banking Commission Member Helal Ahmed Chowdhury (3rd from right) and Additional Managing Director & Chief Operating Officer of Mutual Trust Bank Md. Hashem Chowdhury Trade Finance Week in Vienna. on 18 May.



ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali (middle) with ICC Bangladesh Secretary General Ataur Rahman (extreme right), ICC Austria Executive Director Dr. Max Burger-Scheidlin (3rd from right), ICC Bangladesh Banking Commission Member Helal Ahmed Chowdhury (2nd from left), Additional Managing Director & Chief Operating Officer of Mutual Trust Bank Md. Hashem Chowdhury (3rd from left), Bob Ronai, Export Document Service, Australia (2nd from right) and Chief Representative of Commerzbank AG Bangladesh Tawfiq Ali (extreme left) during Trade Finance Week in Vienna on 18 May.

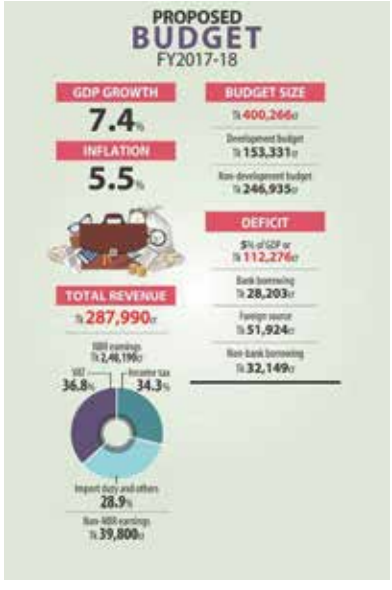


Bangladeshi participants at Trade Finance Week in Vienna (17-19 May) .

Bangladesh Economy

Parliament approves Tk 4.0 trillion FY18 Budget

The parliament on June 29 passed Tk 4.0 trillion for FY18 with a view to achieving higher growth, lower inflation and gearing up investment. Earlier on June 1, Finance Minister A.M.A. Muhith, M.P rolled out a Tk 4.0 trillion national budget for FY18, setting the GDP growth target at 7.4 percent and outlining a set of plans/strategies to build a prosperous, happy and peaceful country by 2041.



Source : Daily Star

According to the proposed documents, Tk 2.47 trillion has been allocated for non-development expenditure, including other expenses and Tk 1.53 trillion for Annual Development Programme (ADP). The overall revenue collection target for the next fiscal has been set at Tk 2.88 trillion, of which Tk 2.48 trillion will come from the NBR sources.

The deficit worth Tk 1.12 trillion, which is equivalent to around 5.7 per cent of GDP, will be financed from both internal and external sources.



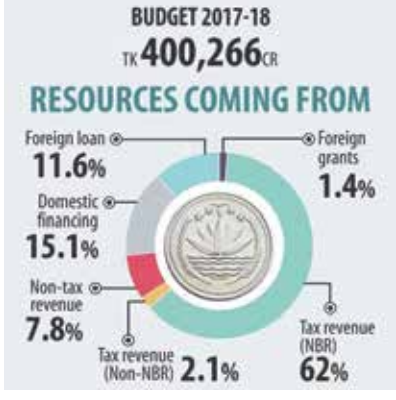
Source : Daily Star

The budget has outlined measures to fast-track the implementation of 10 large projects being financed by foreign assistance. "The financing of these projects has been ensured on a priority basis." The budget, gave the highest allocation of Tk 2574 million to the defence ministry, followed by Tk 2467.4 million to the local government division, Tk 2314.7 million to the secondary and higher education division, and Tk 2202.3 million to the primary and mass education ministry.

It has outlined a gross expenditure of Tk 5.35 trillion, which includes the amount the government spends to pay back the principal amount of both domestic and external loans.

The six fast-track projects including the Padma Multipurpose Bridge, Padma Bridge Rail Link, Metro Rail, Dohazari-Cox's Bazar-Gundum Rail Link, Matarbari Coal-fired Power Plant and Rooppur Nuclear Power Plant project are getting a total of Tk 306,140 million in the upcoming fiscal year aiming to move a quick progress.

But the scenario in the last two years is not satisfactory because most of the project authorities have not utilised the funds that were allocated to them.



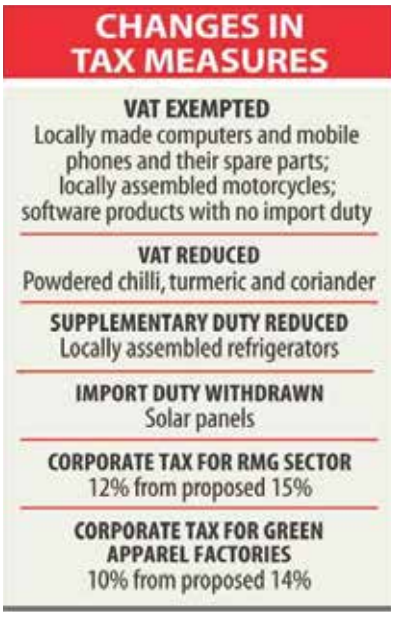
It may be mentioned that the government had allocated Tk 187,273.60 million (Tk 159,860 million in revised) for the outgoing 2016-17FY budget which was nearly double of the previous budget. But in the end the government could spend only Tk 45,470 million until February.

New VAT law put on hold for 2 years Cut the excise duty on small bank deposits

The government has decided to put on hold the new VAT regime for the next two years amid massive criticism of its plan to enforce the new VAT from different sections of the people, including Members of the Parliament, Business Chambers and corporate houses. The much-discussed VAT and Supplementary Duty Act 2012, which has the provision for 15 percent flat VAT rate, was set to be implemented from July 2017.

But now the onus of doing so will be on the next government, which will be formed through the general election due in late 2018 or early 2019. In another change, the government cut the excise duty on small bank deposits but retained the proposed rates for big ones. It comes after Prime Minister Sheikh Hasina requested Finance Minister AMA Muhith to put on hold the

new VAT plans in parliament on June 28. Prime Minister also suggested that the Finance Minister bring changes to his plan to increase excise duty on bank deposits.



Source : Daily Star

Following the PM's call, the finance minister proposed some changes in the tax measures, which the House passed unanimously in voice vote. "The implementation of the new law, which was tabled in the House on June 1 for approval, has been postponed based on suggestions from Prime Minister Sheikh Hasina and other lawmakers," Muhith told parliament in his closing speech on budget. And the 2012 VAT law will be implemented in phases through amending the 1991 law, he added.

The proposed imposition of the single rate VAT sparked concern among consumers and businesses that it will push up living cost. Following the changes in the Finance Bill, corporate tax in garment sector will come down to 12 percent from the proposed 15 percent. But the tax on earnings from apparel exports will be 1 percent, up from 0.7 percent in the outgoing fiscal.

EXCISE DUTY ON BANK DEPOSITS

SLAB	PROPOSED	FINAL
Upto Tk 1 lakh	0	0
Above Tk 1 Lakh to Tk 5 Lakh	Tk 800	Tk 150
Above Tk 5 lakh to Tk 10 Lakh	Tk 800	Tk 500
Above Tk 10 Lakh to Tk 1 crore	Tk 2,500	Tk 2,500
Above Tk 1 crore to Tk 5 crore	Tk 12,000	Tk 12,000
Above Tk 5 crore	Tk 25,000	Tk 25,000

Source : Daily Star

The income tax for green garment factories has been fixed at 10 percent and that of other garment factories at 12 percent.

Bangladesh India signed 22 treaties



Bangladesh and India on 8 April signed 22 deals and 14 memorandum of understandings (MoU) in strategic sectors like defence and civil nuclear cooperation during Prime Minister Sheikh Hasina's visit to India. In a joint statement after signing of agreements in Delhi, Indian Prime Minister Narendra Modi announced a new line of concessional credit of $4.5 billion for implementation of development projects in Bangladesh. Apart from that, Indian PM also announced $500 million of credit for defence procurement in the country.

Besides, Indian businesses have signed agreements and memoranda of understanding with their Bangladesh peers to invest $10 billion in power, energy, logistics, education and medical sectors. The deals were exchanged on April 10, the last day of Prime Minister Sheikh Hasina's four-day visit to India.

Five of those are related to power projects including Rampal plan and supplying power from Nepal and four are related to oil, gas and petroleum sector cooperation. A 250-member business delegation led by FBCCI President Abdul Matlub Ahmad interacted with about 150 business leaders from India in New Delhi, where those agreements were exchanged.

The business deals are:

>> Agreement between Bangladesh India Friendship Power Company and EXIM Bank of India for financing construction of 1,320MW Maitree power project in Rampal

>> Implementation and power purchase agreement between Reliance Power and Bangladesh's Ministry of Power, Energy and

Mineral Resources for the first phase (718MW) of the 3,000MW power project at Meghnaghat

>> Supplementary agreement between NTPC Vidyut Vyapar Nigam and Bangladesh Power Development Board for supply of additional 60MW of power from Tripura to Bangladesh

>> MoU between NTPC Vidyut Vyapar Nigam and Bangladesh Power Development Board for supply of power from Nepal

>> Implementation agreement between Adani Power and Bangladesh Power Development Board and power purchase agreement between Adani Power and Power Grid Company of Bangladesh for supply of power from 1,600MW power plant in Jharkhand

>> Understanding on LNG terminal use between India's Petronet and Bangladesh Oil, Gas and Mineral Corporation or Petrobangla

>> MoU between Reliance Power and Petrobangla for setting up 500mmscfd LNG terminal at Kutubdia Island

>> MoU between India Oil Corporation and Petrobangla for LNG cooperation

>> Agreement between Numaligarh Refinery and Bangladesh Petroleum Corporation for sale and purchase of gasoil

>> MoU between Container Company of Bangladesh and Container Corporation of India to promote and expand cooperation between India and Bangladesh in container transportation

>> MoU between Tamil Nadu Veterinary Sciences University and Chittagong Veterinary and Animal Sciences University

>> MoU between Viswabharati, Santiniketan, India and Northern University of Business and Technology, Khulna, Bangladesh

>> MoU between Tata Medical Centre, India and Directorate General of Medical Services, Bangladesh Armed Forces

Bangladesh and Bhutan inked 5 deals

Bangladesh and Kingdom of Bhutan on April 18 inked 5 deals covering turning away of double taxation, agriculture, standardisation of products, cultural cooperation and waterways property. The 3 memorandums of understanding and 2 agreements would boost the bilateral ties between the 2 countries.

The MoU between Agriculture and Food administrative body (BAFRA) of the Bhutanese agriculture ministry, and Bangladesh's Department of Agricultural Extension was signed by Namgay Wangchuk, director general of BAFRA. The agreement on turning away of Double Taxation and bar of business Evasion with regard to Taxes on financial gain was inked by table game Dorji, finance secretary of Kingdom of Bhutan.



The agreement on cultural cooperation was signed by Bhutanese Foreign Secretary Sonam Tshong. The two countries inked the MoU on Use of upcountry Waterways for Transportation of Bilateral Trade and Transit Cargoes. The other MoU between Kingdom of Bhutan customarys Bureau (BSB) and Asian nation Standard and Testing Institute (BSTI) was signed by Sonam Phuntsho, director general of BSB.

PMO Senior Secretary Suraiya Islamist, Foreign Secretary Shahidul Haque and Director General (South Asia wing) of the Foreign Ministry Monowar Hossain signed the agreements and MoUs on behalf of Asian nation.

ADB set to 'double its lending to Bangladesh'

The Asian Development Bank is planning to almost double its loan size to $1.8-$2 billion for Bangladesh this year as its economy is growing fast to be the East and East Asia's 'success model'. '…Bangladesh is really an 'emerging economy' if you see at its Forex reserves this year. We're negotiating with the government for providing loans ranging from $1.8-$2 billion which is almost twice than the last year,' said director general of ADB's South Asia Department Hun Kim in Japan on May 07.

Hun Kim was responding to a volley of questions from a group of journalists on the last day of the 50th Annual Meeting of the Board of Governors of ADB held at the Pacifico Yokohama Conference Centre. Deputy director general for ADB's South Asia Department Diwesh N Sharan was also present there.

The DG said the ADB itself will provide $650 million for a single project on power transmission and distribution in Bangladesh alongside continuing its assistance for railway and road connectivity taking up the overall assistance to over a billion dollar.

Turning to Bangladesh's power and energy sector, Hun Kim said there is still a lot to work on operation-based generation capacity, transmission lines alongside boosting the road

connectivity. Hun, however, pinpointed that Bangladesh is rather weak in mobilising Foreign Direct Investment as the FDI flow is very small to the country which accounts only less than one per cent of its total GDP size.

He said Bangladesh alongside Sri Lanka has been the biggest beneficiary of capital increase over the years and the annual lending to Bangladesh used to be around $ one billion per year. 'But, I believe, it can easily go up to $ 2 billion. So, this year, we're almost approaching that level, based on the project readiness, we can make that commitment.'

Hun said they see three major initiatives in Bangladesh and one is transport logistics as Bangladesh is becoming a regional hub and the second one is energy security. 'And the last major initiative is to develop the manufacturing growth centre.

If these three things are combined and aligned, I think, Bangladesh can continue 7-8 per cent growth that the East Asia achieve. Bangladesh, I think, is close to the East and East Asia's success model at this stage.'

Bangladesh joined ADB in 1973. As of 31 December 2016, ADB's cumulative lending to Bangladesh stood at $18.3 billion for 269 loans, $252.4 million for 422 technical assistance projects, and $787.10 million for 35 grants. As of 31 March 2017, ADB's projects under implementation for Bangladesh comprised 90 loans and grants amounting to $7.6 billion; and 32 technical assistance projects amounting at $28.58 million.

ADB focuses its support to Bangladesh in six sectors— energy, transport, water and other urban/municipal infrastructure and services, education, finance, and agriculture, natural resources, and rural development. In 2016, ADB approved 10 projects for Bangladesh, with loans totaling $1.1 billion and technical assistance of $7.85 million.

ADB to give $616m to improve BD power system

The Asian Development Bank (ADB) and the Government of Bangladesh on May 29 signed a $616 million loan agreement to enhance the coverage and reliability of Bangladesh's power systems, while improving the efficiency of the country's distribution network.

Kazi Shofiqul Azam, Secretary, Economic Relations Division (ERD), and Kazuhiko Higuchi, Country Director, signed the loan agreements on behalf of Bangladesh and ADB, respectively, at a ceremony in Dhaka. The Power System Enhancement and Efficiency Improvement Project will contribute to the goal of the Government of Bangladesh of providing 100 per cent access to electricity by 2021.

"Nearly one million households, majority in rural areas, will be newly connected through this project," said Country Director Kazuhiko Higuchi. "The project will also help more power transmission to the Dhaka region to meet rising demand for electricity in the largest and rapidly expanding growth center in the country." The project includes rehabilitation and expansion of over 50,000 kilometers (km) of rural distribution network across the country; the construction of a 174-km 400 kV transmission link between the southern Bangladesh and Dhaka; and installation of automated control systems for the distribution network in Dhaka.

The project will bring reliable power supply to 950,000 households and commercial users, including 875,000 households in rural areas. In addition, the project will support project design, investment planning, and institutional strengthening of the power sector agencies. A $2 million grant from the Japan Fund for Poverty Reduction, financed by the Government of Japan, forms part of the project. The grant will support establishing small businesses, especially those owned by women, with affordable and stable power supply, as well as promoting women employment in the power sector.

The total cost of the project is $1,059 million. ADB is providing a market- based loan of $600 million and a concessional loan of $16 million, with the government contributing $441 million. In 2016, ADB assistance totaled $31.7 billion, including $14 billion in cofinancing.



World Bank approved US$ 507 million for two infrastructure projects

The World Bank has approved US$ 507 million for two infrastructure projects in Bangladesh. , the World Bank Board approved the Investment Promotion and Financing Facility (IPFF) II Project, which is built on the success of a predecessor project IPFF. The project will help participating local financial institutions to extend long-term credits for building infrastructure beyond the usual lending period of five to seven years, the World Bank said in a statement.

The infrastructure would be built for waste management, water treatment, energy saving equipment, container terminals, land ports and bridges, the multilateral lender said. The projects will be funded by the World Bank's concessionary arm, International Development Association.

The Regional Connectivity Project 1 will receive $150 million zero-interest IDA credits with a 38-year term, including a six-year grace period, and a service charge of 0.75 percent. The IPFF II will receive $357 million financing, including $257 million zero-interest credit with a 38-year term and a six-year grace period, and $100 million scale-up facility with a 30-year term with a nine-year grace period.

Due to limited capacity and market constraints, local financial institutions traditionally could not meet the longer-term financing demand for infrastructure investments, the lender said. Eligible financial institutions can apply for IPFF II funding through Bangladesh Bank, according to the statement. IPFF financed 11 small power plants that together generate over 550MW electricity, three water treatment plants, an inland container depot, a fibre-optic cable network, and a dry dock.

To improve connectivity and trade with India, Bhutan, and Nepal, the Regional Connectivity Project 1 will invest in infrastructure, systems and procedures to modernise three key land ports at Bhomra, Sheola and Ramgarh and improve security at the Benapole land port. Through the modernisation of customs and ICT infrastructure, the project will reduce the average time needed to meet the regulatory requirements associated with trade activities, and clear traded goods at land ports.

In addition, the project will benefit female traders and entrepreneurs through facilitating skills development programmes, improving logistics and transport services at key border points, and developing a simplified trade regime and clearance procedures.

WB to give Bangladesh $74m for tech services, cleaner Dhaka

The government on April 18 signed two financing agreements totalling $74 million with the World Bank to improve e-government services and improve air quality of Dhaka city. The $39 million additional financing to Leveraging ICT for Growth, Employment and Governance (LICTGEG) Project will scale-up the e-Government infrastructure and services.

This will allow the public sector to benefit from higher efficiency, reduce risks in the use of IT and promote the e-Governance efforts in the years ahead. Bangladeshi citizens and businesses will benefit from improved reliability of public services.

Poor air quality in urban area creates serious health hazards, adversely affects environment and quality of life. By reducing exposure to urban air pollution by 20%, Bangladesh could save 1,200 lives annually and avoid 80 million cases of diseases.

The $35 million additional financing to Clean Air and Sustainable Environment (CASE) Project will help augment and sustain air quality management initiatives, and testing models for improving traffic management system in Dhaka. The additional financing will help establish five additional air quality monitoring stations, in addition to the 11monitoring stations supported by the project and a central air quality laboratory.

The financing will also help establish mobile air quality labs at all divisional offices for better monitoring and enforcement of air emissions from industrial sectors. Further, the project will continue support to operationalise the traffic signals and address mobility needs of people with disabilities.

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 per cent.

Since 1971, the WB has committed nearly $25 billion grants and interest-free credits to Bangladesh. In recent years, Bangladesh has been the largest recipient of the WB Bank's interest-free credits.

World Bank allocates $100 million to help Bangladesh diversify exports

Bangladesh will get $100 million from the World Bank for diversifying exports in labour-oriented industries beyond the ready-made garment sector. The WB said in a statement on June 04 that the fund would help create more than 90,000 jobs and improve competitiveness in export sectors like leather, footwear, plastics and light engineering. The fund comes under the global lender's Export Competitiveness for Jobs Project.

"The project will help the economy to integrate further into the world trading system, and provide better jobs to Bangladeshi youth entering the labour market in the next decade, with a particular focus in improving female labor participation" the statement quoted WB Country Director Qimiao Fan.

The 38-year interest-free credit comes with a service charge of 0.75 percent, including a 6-year grace period. The scheme will encourage training to improve skills and labour productivity, and thus help generate better-paid jobs. The average wage growth for firms benefitting from the project could rise by an estimated 34 percent by the end of the project.

WB says employment growth in the RMG sector, which accounts over 80 percent of Bangladesh exports, has been stalled, while other sectors have been generating about 300,000 jobs annually. Light manufacturing sub-sectors, which are labour-intensive and employ women, have expanded employment by 4.3 percent annually since 2010, according to the statement.

Job creation key to robust growth: Study

Bangladesh now needs to focus on creating more and higher quality jobs especially in the export oriented non-RMG sectors to propel economic growth, says a study jointly carried out by the Bangladesh Bureau of Statistics (BBS) and the World Bank (WB). The comprehensive study titled the Jobs Diagnostic was launched on June 05 at a high-level workshop where experts on this issue reviewed its findings and recommended some actions to attain the target.

Prof. Dr. Shamsul Alam, senior secretary and member of the General Economic Division, Planning Commission, Ministry of Planning, chaired the workshop, jointly organised by the World Bank and the ILO and co-hosted by the Ministry of Planning and the Ministry of Labour and Employment. ILO Country Director Srinivas Raddy, Distinguished Fellow of the Centre for Policy Dialogue (CPD) Professor Mustafizur Rahman, WB acting country director Rajashree Paralkar, Economist and Executive Director of the Policy Research Institute (PRI) Ahsan H. Mansur and the lead author of the study Thomas Farole participated in the panel discussions.

The study and the panel discussions on it at the workshop prioritized rapid development of a national jobs strategy to increase employments, raise quality of jobs and create suitable jobs for vulnerable workers. The study finds that despite Bangladesh's robust economic growth, the pace of job creation has slowed in the recent years. The annual growth rate for jobs fell to 1.8 percent in 2010-15 after growing 2.7 percent annually in the period 2003-10, and has almost stalled in the Ready Made Garment (RMG) sector.



It suggested that the country generate quality jobs and address gender disparities as only 1 in 5 workers are employed in wage work while 1 in 3 working women, as opposed to 5.0 percent of working men, are engaged in unpaid work. The study, however, finds that international migration is a way for many Bangladeshis to seek better paying jobs in spite of costs and risks to worker safety. The panelists welcomed the development of a jobs strategy, and emphasised the importance of continued growth, RMG and other manufacturing, foreign direct investment, female labor market activities, among others.

economic zones across the country when more jobs would also be created. He said already 10 economic zones started operations, offering a good number of jobs.

Srinivas Raddy underscored the need for skill development and planned expansion of industries for creating decent and sustainable employment opportunities. Prof Mustafizur Rahman recommended diversifying export-oriented industries to create more jobs beyond apparels sector. Ahsan H. Mansur suggested reforming education sector so students can get the right education to meet the market demand.

Rajashree Paralkar said effective policies should be taken to stimulate private sector investment, promote education and skills development, and support innovation, urbanization and mobility. Thomas Farole said to deliver large-scale job creation, Bangladesh must accelerate productivity growth; diversify manufacturing and services sectors, with a focus on increasing exports and Foreign Direct Investment (FDI); and facilitate urbanization. He said connecting vulnerable workers to jobs and reducing barriers to female labor force participation will also be critical for better job opportunities in the private sector.

Bangladesh ranks 15th in global Islamic economy indicator

Bangladesh has been ranked 15th in the Global Islamic Economy Indicator (GIEI), prepared by the answer company of Thomson Reuters. Malaysia topped the ranking with the score of 121 followed by the United Arab Emirates (UAE) and Bahrain. Saudi Arabia, Oman and Pakistan were respectively positioned at fourth, fifth and sixth followed by Kuwait, Qatar, Jordan and Indonesia among the top 10 countries of the indicators.

Singapore held 11th position as the only country that is not a member of Organisation of Islamic Cooperation, while Brunei, Sudan and Iran were put at 12th, 13th and 14th place. The indicator is prepared to show the current health and development of the Islamic Economy ecosystem.



The components of the ecosystem are Halal Food, Islamic Finance, Halal Travel, Modest Fashion, Halal Media and Recreation, and Halal Pharmaceuticals and Cosmetics.

The indicator does not focus on the overall size and growth trajectory of a country across the Islamic economy sectors; instead it evaluates them on relative strengths of the ecosystem they have to support the development of the Islamic economy.

Dinar Standard, a growth strategy research and advisory firm based in New York, provides assistance to prepare the report. The project is supported by Dubai, The Capital of Islamic Economy.

Bangladesh 3 notches up : Human Development Index

Improvements in life expectancy, education and standard of living have helped Bangladesh to jump three ranks in the latest global survey on Human Development Index (HDI). The Human Development Report (HDR) 2016, published on April 05, ranked Bangladesh 139th out of 188 countries, up from 142nd in 2015.



Bangladesh ranked fifth in South Asia, falling behind Sri Lanka (73), the Maldives (105), India (131) and Bhutan (132). Overall, Norway, with an HDI value of 0.949, topped the list, while the Central African Republic (0.352) came last.

The annual report was published jointly by the General Economics Division (GED), Planning Commission, and United Nations Development Programme (UNDP), Bangladesh, at the NEC conference room at Sher-e-Banglanagar in the city. The publication in Bangladesh came within two weeks of the report's global publication in Stockholm.

Planning minister AHM Mustafa Kamal, who was the chief guest at the event, said, "Bangladesh has shown tremendous progress in human development over the last two decades. Our average annual growth of HDI is better than any other country in South Asia. Our social indicators show that we are doing better in health, education, life expectancy at birth, while our per capita income is increasing."

According to HDR 2016, life expectancy at birth in the country stood at 72 years, expected years of schooling at 10.2 years, mean years of schooling at 5.2 years, and gross national income (GNI) per capita at US$ 3,341.

State Minister for foreign affairs, Md Shahriar Alam, said, "Bangladesh has become a role model among developing countries, as its progress in recent years has impressed the world. We have to continue our development march for providing benefits to the people, especially the marginalised and excluded ones."

"Bangladesh has done a tremendous job in achieving the Millennium Development Goals (MDGs) and we are making all-out preparations to successfully implement the Sustainable Development Goals (SDGs) as well," principal coordinator for SDG affairs at the Prime Minister's Office, Abul Kalam Azad, said.

Dr Shamsul Alam, member (senior secretary), GED, Planning Commission, who chaired the session, said, "Bangladesh is marching forward unabated both in the economic and social fronts. We are graduating from a least developed country to a newly developing nation."

Dr Selim Jahan, director, Human Development Report Office, UNDP New York and the lead author of HDR 2016, cautioned against paying too much attention on national averages, which often mask variations in people's lives.

Presenting the key findings of the report, Jahan said, "In order to further advance, we need to examine more closely not just what has been achieved, but also who has been excluded and why." "The HDR gives

us an insight to the development progress, but also raises two main questions—who has been left out in the development process and how and why did that happen. The data and analysis provided in the report are an important baseline for policy making, in order to ensure more inclusive human development," said Sudipto Mukerjee, country director of UNDP Bangladesh.

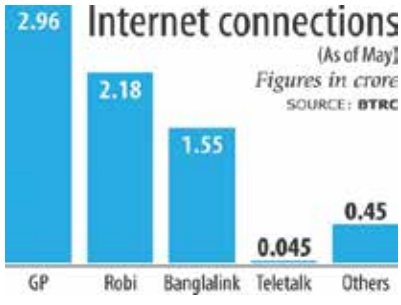
The report categorised Bangladesh as a "medium human development" country with an HDI value of 0.579 in 2015, an increase from 0.545 in 2010. The HDI value of Bangladesh was 0.468 in the year 2000 and 0.386 in 1990, clearly showing an upward trend in human development in the country. The report also revealed a higher average HDI growth rate of Bangladesh (1.64%) during 1990-2015, compared to all other South Asian countries, including India (1.52%).

Mobile internet users now over 70mn in Bangladesh

The country has been experiencing a rapid rise of active mobile internet connections which crossed the milestone of seventy million active users in Bangladesh by the end of April this year. According to Bangladesh Telecommunication Regulatory Commission (BTRC), around 44.5 percent people of the country using internet by different service providers.

According to BTRC data, 93.69 percent of the total connections are from mobile network, 6.17 percent through the internet service providers (ISPs) and only 0.14 percent through WiMAX that is available in few cities. As per operators data sent to BTRC, some 67.4 million SIM users are connected through mobile phones. But there is no separate information about 2G or 3G. There are 4.5 million users have been connected through Internet Service Providers (ISPs).

The two WiMAX operators Banglalion and Qubee have 45,551 and 36,559 active internet users respectively. State-owned landline operator Bangladesh Telecommunications Company Limited has 21,021 internet connections. The milestone has been achieved in April. But at the end of May, this number has reached around 70.20 million. In February last, BTRC the officially released subscribers number, where it shows that there are 67.2 mn internet users in the country.



Recently, the Telecom-munication Department informed the parliament that the country has 70.96mn active internet connections till the end of April this year. But BTRC officially did not disclose any information in May regarding this. Earlier, in March last year, the country reached the milestone of six million internet connections. Internet connections reached 50mn in July, 2015. Approximately 400 Gbps bandwidth is being used in conjunction with all these connections. Last year, the use of total internet data was 163 Gbps.

According to telecom operators, 3G has made significant contribution to the mobile phone internet service in terms of connectivity. And that's why the data consuming jumping significantly.

The Internet came late to Bangladesh with connectivity in 1996. In the last few years it has grown dramatically, although obviously from a very low base. With an estimated user base of around 500,000 in early 2006, representing only a 0.35% penetration, the local Internet industry is preparing to move into the next stage of its development.

Reliance to set up 750MW plant in Narayanganj

Indian Reliance Group has developed a plan to set up a 750 megawatt power plant in Meghnaghat of Narayanganj that will run on imported liquefied natural gas (LNG). The Power Division sent a proposal to the Cabinet Division in this regard for approval by the cabinet committee at the time of purchase, said a head of the Power Division.

According to the proposal, the government will buy Reliance's power at 7.31 US cents per KW / h (TK 5.85 per KW / h). The Indian company is seeking to set up the plant after moving some machines from its plant in southern India to Bangladesh. Reliance proposed to the government to set up a 3,000 MW power plant in Bangladesh based on imported LNG. In June 2015, the Bangladesh Power Development Board (PDA) signed a MoU with Reliance Power Ltd in this regard.

A Power Division official said that the main plant equipment of 750 MW would be moved to India, but Reliance should submit performance certificates from equipment



manufacturers. Prime Minister (PMO) could grant Reliance permission to produce 750 MW on the condition that he would use imported LNG to generate power, the official added.

According to a Ministry of Power official, Reliance is to build a floating terminal in Moheshkhali of Cox's Bazaar to facilitate the import of 500 million cubic feet per day (MMcfd) of Middle Eastern LNG. The outbuilding will have to discharge LNG and convert it into natural gas in Moheshkhali. The company would need a pipeline to supply gas to Meghnaghat of Moheshkhali.

State company Petrobangla will set up a Moheshkhali gas pipeline in Bakhrabad. The Gas Transmission Co Ltd (GTCL) will set up another Kutumbupur gas pipeline from Bakhrabad to Meghnaghat with its own funds to supply gas to the power plant. Reliance will pay fees to GTCL for use of the pipeline.

A head of the power division said the plant would be likely to enter production after 2019. The Indian company will build three other power stations in Chittagong and Narayanganj to produce an additional 2,250 MW. He estimated a cost of $ 2.35 billion for the installation of the 3,000 power stations and the LNG terminal.

Bangladesh's trade with BRICS registers modest growth, but deficit surges

Bangladesh's trade with the BRICS (Brazil, Russia, India, China, and South Africa) increased modestly in the past year. Data generated from the International Trade Centre's (ITC) Trade Map showed that bilateral trade with BRICS, an alliance of advanced developing countries, stood at $24.53 billion in 2016.

The value of the bilateral trade was $23.42 billion in 2015. Thus bilateral trade with BRICS registered 4.73 per cent growth during the period under review. Bangladesh has, however, facing huge deficit with the BRICS in trade. The ITC data showed that bilateral trade deficit with BRICS surged at $19.70 billion in the past year which was $18.78 billion in 2015 and $16.99 billion in 2014.

Two countries of the alliance, China and India, are leading trade partners of Bangladesh. Bangladesh historically imports more from these two countries than export to these countries. Trade with three other countries namely Brazil, Russia, and South Africa is still small.



Bangladesh fourth largest global rice producer in 2017:FAO

Bangladesh is expected to be the world's fourth largest rice producer in 2017, according to the Crop Prospects and Food Situation report released by the UN's Food and Agriculture Organisation (FAO).

The FAO forecast that the biggest rice producer this year will be China with 142.3 million tonnes, followed by India with 110.4 million tonnes, Indonesia, Bangladesh and Vietnam, according to a report by http://en.vietnamplus.vn

The report said global rice output is likely to increase by 0.7 per cent to 502.3 million tones.

After two years of decrease, global rice exports are predicted to expand by 5 per cent in 2017 to 44.2 million tonnes compared with 43.6 million tonnes in the previous year, with India expected to remain the largest rice exporter.

The organisation said global rice prices have been stabilised since early 2017 due to increasing demand and currency reforms in India and Thailand.

Bangladesh to start replacing oil product imports with LNG

Bangladesh will begin substituting part of its oil product imports with LNG next year, as it aims to use more gas in power generation to replace oil-fired plants, Sayed Mohammad Mozammel Haque, director for Operations and Planning at Bangladesh Petroleum Corporation (BPC), told S&P Global Platts on June 28.

Bangladesh's demand for LNG is expected to rise to 9 million mt annually by 2022, Platts Analytics has estimated, but it's not yet clear how much oil imports would be gradually replaced with LNG, according to Haque.

In the month of May, Bangladesh approved a plan by India's Reliance Power to build a 718-MW plant that would be using 110,000 Mcf/d of

regasified imported LNG. Local firm North West Power Generation Company is expected to launch another power plant that would run on LNG in June 2019.

Markets for LNG in Asia are expected to expand in the long term, with growing demand in China, India, Pakistan, Thailand, Malaysia, Indonesia, and Singapore, and new upcoming markets in Vietnam, Philippines, and Bangladesh, the Energy Information Administration (EIA) said in an analysis in March this year, in which it assessed current demand as "softened".

According to a Wood Mackenzie report, last year Asia accounted for around 70 percent of global LNG imports, but only about 20 percent of Floating Storage Regasification Unit (FSRU) trade.

"Asia is not only the biggest, but it also is the fastest growing region for LNG," WoodMac said. "In Q1 2017 there were 65 companies, who have announced plans to import LNG across the region. Many of these emerging buyers will be looking to FSRUs as a cheaper and faster way to import LNG," according to the consultancy.

The Woodlands, Texas-based Excelerate Energy said in December last year that it had completed the required geotechnical and geophysical studies for the implementation of the Moheshkhali Floating LNG terminal in Bangladesh, expected to receive first LNG in 2018.



Regional News

US quits climate pact

President Donald Trump proclaimed on June 01, he was withdrawing the US from the Paris climate accord, a sweeping step that fulfills a campaign promise while acutely dampening global efforts to curb global warming. Speaking from the White House, Trump said he was open to renegotiating aspects of the agreement, which was inked under his predecessor and which all nations except two have signed onto.

The decision amounts to a rebuttal of the worldwide effort to pressure Trump to remain a part of the agreement, which 195 nations signed onto. Foreign leaders, business executives and Trump's own daughter, Ivanka, lobbied heavily for him to remain a part of the deal, but ultimately lost out to conservatives who claim the plan is bad for the United States. Trump, who has governed with an "American First" policy, said he was carrying out the will of the voters who propelled him to the White House.

In triggering the official withdrawal procedures, Trump has sparked a lengthy process that won't conclude until November 2020 -- the same month he's up for reelection, ensuring the issue becomes a major topic of debate in the next presidential contest. In his remarks, Trump said he was open to re-brokering US carbon reduction commitments, but didn't express any urgency in bringing the US back into the deal, which he claimed placed "draconian" financial burdens on the American people.



Afterward, the leaders of France, Italy and Germany indicated in a joint statement that the US could not unilaterally renegotiate the agreement. The UN body that facilitated the deal said it "cannot be renegotiated based on the request of a single party."

Briefing reporters, White House officials would not specify what parameters would be acceptable to Trump in a new accord. Trump said his announcement would end the implementation of carbon reduction targets set under Obama, which aimed to reduce emissions by 26-28% in a decade. Trump also declared the US would stall all contributions to the United Nations' Green Climate Fund, which Trump said was "costing the United States a fortune."

The President campaigned ardently against the climate agreement last year as a candidate, vowing to "cancel" the accord. Those close to him said he was insistent upon fulfilling his promises, despite urging from some members of his own administration to remain in the agreement.

Opponents of the move say it threatens to isolate the United States in a global effort to curb the warming of the planet, and leaves an opening for countries like China to fill the leadership void.

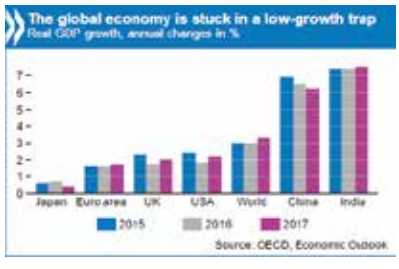
World Bank sees improving global economy despite 'substantial' risks

The global economy is recovering, but weak productivity and investment growth threaten long-term prospects in developing economies, the World Bank reported. In its latest global economic forecast, released on June 04, the World Bank forecasts growth in advanced economies will accelerate to 1.9 per cent this year, while it could pick up to 4.1 per cent in emerging markets. The average remains at 2.7 per cent, as reported in January.

“Growth among the world's seven largest emerging market economies is forecast to increase and exceed its long-term average by 2018,” according to the June Global Economic Prospects. Recovering activity in these economies are likely to have “significant positive effects” for growth in other emerging and developing economies and globally, the report authors wrote. Despite the positive prognosis, the World Bank warned that new trade restrictions and persistent policy uncertainty could dampen market confidence and investment.

“Over the longer term, persistently weak productivity and investment growth could erode long-term growth prospects in emerging market and developing economies that are key to poverty reduction,” the report noted. One of the strong, solid news in the report is trade. Growth in this sector could top four per cent, a noticeable increase following the financial crisis low of 2.5 per cent last year.

“With a fragile but real recovery now underway, countries should seize this moment to undertake institutional and market reforms that can attract private investment to help sustain growth in the long-term,” said World Bank President Jim Yong Kim. He urged countries to continue investing in people, and to build resilience against climate change, forced displacement and other overlapping challenging.



Developing Asia expected to post slowest growth in 16 years : ADB

The rebalancing of China's economy and policy uncertainty in advanced economies means developing Asia could record its slowest annual growth in 16 years, ADB said in its annual outlook. Developing Asia, which comprises 45 countries in the Asia Pacific, will expand 5.7 per cent in 2017 and 2018, a slight deceleration from the 5.8 per cent posted in 2016, according to the ADB's latest Asian Development Outlook, released on April 06. The forecast by the bank is the weakest for the region since it grew 5 per cent in 2001.

The region remains the largest single contributor to global growth, at 60 per cent, the report shows. Growth is recorded as picking up in two-thirds of economies in developing Asia, supported by higher external demand, rebounding global commodity prices, and domestic reforms.

"Developing Asia continues to drive the global economy even as the region adjusts to a more consumption-driven economy in the People's Republic of China and looming global risks," said Yasuyuki Sawada, the ADB's chief economist. "While uncertain policy changes in advanced economies do pose a risk to the outlook, we feel that most economies are well positioned to weather potential short-term shocks," Sawada added.

Growth in China, the world's second largest economy, continues to moderate as the government implements measures to move the economy towards a more consumption-driven model.

Overall output is expected to slow to 6.5 per cent in 2017 and 6.2 per cent in 2018, down from 2016's 6.7 per cent. Efforts to maintain financial and fiscal stability will continue to be a modest drag on growth going forward, but continued structural reform will help to maintain growth in the government's target range.



Commodity producers such as Malaysia, Vietnam, and Indonesia will be boosted in particularly by the recovery of global food and fuel prices. Of the sub-regions, South Asia remains the fastest growing, with growth expected to reach 7 per cent this year and 7.2 per cent in 2018. In India, the sub-region's largest economy, growth is expected to pick up to 7.4 per cent in fiscal year 2017 and 7.6 per cent in 2018, following the 7.1 per cent registered in the last fiscal year.

"The impact of the demonetisation of high-value banknotes is dissipating as the replacement banknotes enter circulation. Stronger consumption and fiscal reforms are also expected to improve business confidence and investment prospects in the country," the report said.

Overall growth in Southeast Asia is expected to accelerate further with nearly all economies in the region showing an upward trend, the report said. The region will grow 4.8 per cent in 2017 and 5 per cent in 2018, from the 4.7 per cent posted last year.

The Fed hiked US rates a notch in mid-March, its second tightening in three months, and the ADB said higher US interest rates were a risk to the forecast, as they will accelerate capital outflows, while rising household debt in some Asian economies was also a growing risk.

Industrial economies are gathering growth momentum, with the US, euro area, and Japan expected to collectively grow by 1.9 per cent in 2017 and 2018.

Chinese President Xi says Silk Road plan will boost finance and security ties

The Chinese president called for closer anti-terrorism and financial ties across Asia and Europe on May 14, as Beijing pledged US$124 billion towards its ambitious Silk Road plan. Xi Jinping said everyone is welcome to join the Belt and Road Initiative in what he envisioned would be a path for peace and prosperity for the world.

Mr. Xi was speaking at the opening of the two days Belt and Road Forum held during 14-15 May was attended by 30 world leaders (including Chinese President Xi Jinping, who delivered both the opening and closing remarks) and official government representatives from at least 30 more countries. Mr Xi outlined the project to build ports, railways and other facilities. It covers an arc of 65 countries reaching from the South Pacific through South and Central Asia to Europe and Africa.

The initiative would provide some of the US$7 trillion of investment in infrastructure the Asian Development Bank said the region needs this decade. But governments including Russia, the United States and India are uneasy that China is using its status as the second-largest global economy to expand its political influence.

Mr Xi said his government has "no desire to impose our will on others." He also called for economic integration and cooperation on financial regulation, anti-terrorism and security – all fields in which China's economic muscle would give it a prominent voice.

Silk Road

"We should foster a vision of common, comprehensive, cooperative and sustainable security and create a security environment built and shared by all," said Mr Xi. He called for more concerted action against terrorism and what he called its root causes of poverty and social injustice.

In a reminder of the potential security threats facing the region, North Korea test-fired a ballistic missile on May 14 that flew for a half-hour and reached an unusually high altitude of 2,000 kilometres.

The Belt and Road is Mr Xi's signature foreign policy initiative. The two-day meeting that started on May 14 gives him a platform to promote his image as a global leader and an advocate of free trade in contrast to US president Donald Trump, who has called for import restrictions.

Financing the New Silk Road

Mr Xi said Beijing will contribute an additional 100 billion yuan (Dh53bn) to the Silk Road Fund set up in 2014 to finance infrastructure projects. He said his government will provide aid worth 60 billion yuan to developing countries and international organisations. Two Chinese government-run banks also will set up lending facilities valued at a total of 380 billion yuan to support the initiative, Mr Xi said.

Speaking after the Chinese president, Mr Putin echoed the theme that economic development would help to nurture political stability. The Russian leader said the rise of trade protectionism is creating a "breeding ground for international extremism and terrorism". "Russia believes that the future of the Eurasian partnership is not just about fostering ties between a few countries and economies," said Mr Putin. "It should change the very political and economic landscape of the continent bringing Eurasia stability, prosperity."

Mr Xi said Beijing plans to announce dozens of new investment and other agreements during the two-day event.



Delegations

Other leaders at the gathering included Philippine president Rodrigo Duterte, Pakistan premier Nawaz Sharif and the Chilean president Michelle Bachelet. No major western leaders attended, although Britain, France and Germany were represented by top finance officials.

Philip Hammond, the UK chancellor of the exchequer, said Britain is a natural partner for China, and as it leaves the European Union, it wants more trade with the world not less. "It is my belief that Britain, lying at the western end of the Belt and Road, is a natural partner in this endeavour. Britain has for centuries been one of the strongest advocates of an open global trading system," he said.

The US delegation was led by Matt Pottinger, special assistant to Mr Trump and senior director for East Asia at the National Security Council. The United States and other governments have said Belt and Road is a natural outgrowth of China's status as the biggest global trader and they welcome the investment. But they also have expressed concern Beijing might undermine human rights and international standards for lending or leave poor countries with too much debt. Most of the Chinese financing is loans, instead of grants.

Indian concerns

India, which did not send a delegation to Beijing, delivered an implicit criticism of China's initiative on May 13 in a statement that warned of an "unsustainable debt burden" for the countries involved. Indian foreign ministry spokesman Gopal Baglay said India could not accept a project that compromised its sovereignty.

New Delhi is angry that one of the key projects passes through Kashmir and Pakistan. "No country can accept a project that ignores its core concerns on sovereignty and territorial integrity," Mr Baglay said.

Some diplomats and political analysts say Beijing is trying to create a political and economic network centred on China, push the United States out of the region and rewrite rules on trade and security. Mr Xi promised to avoid forming a "small group" of allies, which he said might harm regional stability. Instead, he said, Beijing wants "partnerships of friendship" and a "big family of harmonious coexistence."

China, ITC join hands to support One Belt One Road Project

The International Trade Centre (ITC) will support the One Belt One Road (OBOR) project, initiated by China. In this regard, the Government of the People's Republic of China has signed an agreement with the Geneva-based ITC to strengthen the trade capacities of small and medium enterprises (SMEs) along the new Silk Road.

China's Vice Minister of Commerce, Wang Shouwen, and ITC Executive Director Arancha González, signed the new cooperation agreement in Beijing. The signing follows the Belt and Road Forum for International Cooperation. The meeting agreed to boost cooperation and connectivity and promote the construction of railroads, ports, pipelines, and other land and sea infrastructure joining China to Asia, Europe, and Africa.

The Belt and Road initiative is likely to be a fundamental component of driving economic integration and ITC will be a strong partner in supporting trade facilitation reforms, sustainable value chains, and good regulatory frameworks.

S Asia to become fastest-growing LNG-import market

South Asia is on course to become one of the world's fastest-growing markets for receiving LNG cargoes. Last year, India and Pakistan posted the world's third and fourth largest annual increases in LNG imports, lagging behind only Egypt and China. In 2016, India imported nearly 20 million tonnes (mt) of LNG, increasing its intake by a whopping 39 per cent, according to a report published in http://www.lngworldshipping.com.

But regional demand is about to soar, as India and Pakistan invest in new import and distribution infrastructure – and as Bangladesh and Sri Lanka race to join them. Bangladesh's LNG-import plans are advancing even faster. Moheshkhali floating LNG terminal was due to complete financing this year.

Petrobangla has signed terminal use and implementation agreements with Excelerate.

The US-headquartered shipowner will supply a 138,000m³ FSRU to the project, to start early next year, importing up to 3.5 mta. The project is billed as the world's first fully integrated floating LNG terminal. Excelerate will provide all the services under a single deal. It has fixed the vessel, which it has yet to name, for a 15-year contract. Bangladesh plans several additional import projects.

Also on Moheshkhali, Power Cell has invited bids for a 3.5 mta, land-based project. Power Cell wants an international partner to take up to 60 per cent of the project, awarded as an EPC venture. Petronet is shortlisted for the scheme, alongside Shell, Mitsui & Co and Chinese players.



However, Petronet has also signed an MoU to build a 7.5 mta import terminal on Kutubdia Island. The US$950 million project includes small-scale proposals to deliver LNG by barge and truck to off-grid customers around Bangladesh. The race to deliver multiple projects across the Indian subcontinent highlights the region's thirst for gas. Pinning down the demand and recouping investment is tricky. But there is no questioning south Asia's appetite for chilled gas, to combat shortages and to meet growing power demand.

Analysts tip India as one of the world's most exciting LNG-import prospects. The country's four LNG-import terminals, which all lie on the west coast, can receive 30mt of LNG a year (mta). But new projects are shifting the focus east, and opening a more flexible approach to imports. New importer Pakistan is on course to open its second FSRU-based import terminal at Port Qasim and has chartered a third FSRU. Now, it plans a fourth FSRU at the port to create the country's first private LNG-import terminal.

Engro-backed Elengy Terminal Pakistan introduced the country to the LNG-importers club. In its first year, it received 1 mta using the 150,900m³ FSRU Exquisite, chartered from Excelerate to import up to 5.2 mta to 2030.

Sri Lanka may soon join the LNG-importers club, too. It plans to take in LNG via Kerawalapitiya on the west coast, between Colombo and Negombo. The 2 mta project is valued at US$250 million. A 300MW oil-burning power plant will switch to gas and a pipeline will encourage other industries to follow suit. Some reports suggest that Sri Lanka sees an FSRU as the best solution.

A 50/50 Indian-Japanese partnership will build the infrastructure. Sri Lanka sources have named Petronet the Indian partner. Plans for the joint venture were due to be finalised this summer.

China-led AIIB adds seven new member countries

The Asian Infrastructure Investment Bank (AIIB), a multilateral development bank led by China with an aim to support the building of infrastructure in the Asia Pacific region, has approved seven new member countries to join the bank, bringing the bank's total membership to 77.

Three regional members, Bahrain, Cyprus and Samoa, and four non-regional members, Bolivia, Chile, Greece and Romania, are the latest members approved to join the AIIB, it said in an announcement.

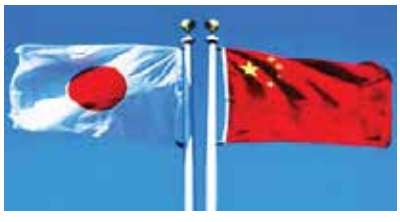
"More and more countries are signing up to be members of AIIB because they see how internationalism can promote development in Asia, with far reaching benefits for the global economy," said Jin Liqun, president of AIIB. "We welcome our new prospective members and thank them for joining us in our efforts to meet infrastructure needs in the region."



The seven prospective members will officially join AIIB once they complete the required domestic processes and deposit their first installment of capital with the Bank. The shares allocated to the new prospective members come from the bank's existing pool of unallocated shares.

AIIB had 57 signatories at its launch in January 2016. In March, it announced the approval of 13 prospective members who are currently in the process of finalizing their membership. The bank expects to continue adding new members this year. Earlier this month, AIIB approved a loan of US$160 million to finance a project aimed at strengthening power transmission and distribution systems in the Indian state of Andhra Pradesh. In March, AIIB approved three loans totaling US$285 million to finance water supply projects in Indonesia and improve a gas transmission network in Bangladesh.

Japan, China to boost financial ties



Japan and China agreed to bolster economic and financial cooperation, Japanese Finance Minister Taro Aso said on May 06, as US President Donald Trump's protectionist stance and tension over North Korea weigh on Asia's growth outlook.

Chinese Finance Minister Xiao Jie, who missed a trilateral meeting with his Japanese and South Korean counterparts on Friday for an emergency domestic meeting, had flown in for the talks with Aso, seeking to dispel speculation his absence had any diplomatic implications.

"We actively exchanged views on economic and financial situations in Japan and China and our cooperation in the financial field," Aso told reporters after the meeting, which included senior finance ministry and central bank officials. "It was significant that we reconfirmed the need of financial cooperation between the two countries while sharing our experiences in dealing with economic policies and structural issues," he added.

The two countries agreed to launch joint research on issues of mutual interest - without elaborating - and to report the outcomes at the next talks, which will be held in 2018 in China. They did not discuss issues such as currencies and geopolitical risks from North Korea's nuclear and missile programme during the dialogue, held on the sidelines of the Asian Development Bank's (ADB) annual meeting in Yokohama, eastern Japan, Aso said.

Relations between Japan and China have been strained over territorial rows and Japan's occupation of parts of China in World War Two, though leaders have recently sought to mend ties through dialogue. Still, China's increasing presence in infrastructure finance has alarmed some Japanese policymakers, who worry that Beijing's new development bank, the Asian Infrastructure Investment Bank (AIIB), may overshadow the Japan-backed ADB.

Shortly before the bilateral talks on Saturday, Xiao voiced hope that the ADB will boost ties with China's high profile "One Belt One Road" infrastructure development initiatives. "China hopes the ADB ... strengthens the strategic ties between its programmes and the One Belt One Road initiative to maximise synergy effects and promote Asia's further development," Xiao told the ADB's annual gathering.

Japan and China do agree on the need to respect free trade, which they see as crucial to Asia's trade-dependent economies. Finance officials from Japan, China and South Korea agreed to resist all forms of protectionism in Friday's trilateral meeting, taking a stronger stand than G20 major economies against the protectionist policies advocated by Trump.

China has positioned itself as a supporter of free trade in the wake of Trump's calls to put America's interests first and pull out of multilateral trade agreements. Japan has taken a more accommodative stance toward Washington's argument that trade must not just be free but fair.

Nepal, China sign deal to build mega 1,200MW hydro project

The Nepalese government has sealed a major deal with a Chinese company for development of a mega hydroelectric project, which could resolve perennial power crisis in nepal and lay the groundwork to establish Nepal as an electricity exporter. The Ministry of Energy on June 04 signed a memorandum of understanding (MoU) with China Gezhouba Group Corporation (CGGC) for the development of much-touted 1,200MW Budhigandaki Hydroelectric Project, the biggest hydro project set to be built in the country. The agreement was signed by Nepalese Energy Minister Janardan Sharma and CGGC President Lv Zexiang on behalf of their organisations. The agreement was signed at the prime minister's residence, in presence of Premier Puspa Kamal Dahal and Chinese Ambassador to Nepal Yu Hong. The signing of MoU has formalised the Cabinet's recent decision to award the project to the Chinese developer without conducting international bidding.

As per the agreement, the storage project would be built under engineering, procurement, construction and finance (EPCF) model. Under this model, CGGC will help arrange funds required to develop the project. The funds will be mobilised in the form of soft loan or commercial loan from Chinese financial institutions on terms and conditions acceptable to the Nepal government. CGGC will also undertake the overall responsibility of executing the project.

The Chinese developer, according to the MoU, will also conduct additional studies and investigations on the project if required. The MoU has given one year's period to the Chinese developer to conduct assessment of the hydropower project and arrange necessary funds for its development. This understanding, according to Energy Ministry officials, will not bind the government legally or financially to hand over the project to the Chinese company for construction, as the final agreement is yet to be signed.



The EPCF model of project development, under which the contracting firm makes all the arrangements including mobilisation of financial resources to build the project, is considered to be one of the most effective and efficient models for development of huge infrastructure projects. According to the Energy Ministry, the Chinese government was very keen on having a Chinese company develop the project, and had inquired about it with PM Dahal during his recent visit to China.

Chinese officials had even pledged to provide a soft loan via the Export Import Bank of China to the Chinese company to build the project if it was awarded the contract, the source added. Subsequently, PM Dahal initiated the process to engage CGGC in development of the Budhigandaki Hydroelectric Project, one the most strategic hydropower projects in the country. CGGC is currently building 30MW Chameliya Hydropower Project in the far west and 60MW Upper Trishuli 3A Hydropower Project in the central region. The Budhigandaki Project has been touted as a key project to resolve the perennial power crisis in the country.

The Nepalese government has allocated a budget of Rs5.33 billion for the project's development in the current fiscal year. The government has been raising infrastructure tax of Rs5 from sales of every litre of petrol, diesel and aviation fuel to collect funds to build the project.

The project is presently acquiring land from locals of Dhading and Gorkha districts. The district administration offices of Dhading and Gorkha—the project affected districts—are currently extending compensation to owners of the land required for the construction of the project.

Bhutan to stay out of BBIN Motor Vehicle Pact

Bhutan has decided to stay out of the Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement (MVA) until it can be ratified. The Bhutanese government decided not to table the MVA proposal in Parliament due to disagreements with the National Council and the opposition. Critics of the MVA are saying that BBIN will harm the country due to its small size and population.

The pact signed in 2015 allows member states to operate their cargo and passenger vehicles in each other's territory without having to clear customs at the border. Bhutan's main opposition and transporters are saying that free movement will add to pollution and affect tourism and the local culture besides ultimately affecting the country's sovereignty. So the remaining three countries—Bangladesh, India and Nepal— will have to take the MVA forward. Details such as vehicle type and

route, charges and regulations have to be worked out for the MVA to be implemented. Efforts to finalise the protocol to the treaty are underway.

Of late, India has been pushing BBIN as an alternative to SAARC for regional economic cooperation and connectivity in an effort to show that Prime Minister Narenda Modi's neighbourhood first policy is yielding results. In the beginning, a SAARC Motor Vehicle Agreement had been proposed, but Pakistan rejected it. Subsequently, Bhutan, Bangladesh, India and Nepal came together and signed a sub-regional agreement. The BBIN gathered momentum after the 18th SAARC Summit held in Kathmandu in 2014. India has been pushing BBIN for two reasons. It believes that it can isolate Pakistan through BBIN. Moreover, with China increasing its footprint in South Asia through the One Belt,



One Road (OBOR) initiative, India too wants to speed up connectivity projects with its immediate neighbours to maintain its influence in the region. China has been urging India's neighbours such as Nepal, Bhutan and Bangladesh to join One Belt One Road Initiative without any delay, and they have all expressed their readiness to do so.

BBIN has not been moving forward as fast as expected, and there are many hurdles to implementing the schemes and projects under it. If BBIN is implemented, the Asian Development Bank will provide technical assistance for its connectivity projects. The grouping has planned to implement 30 road projects in the next five years at a cost of $8 billion. Other challenges such as border management and growing terrorism have impeded the implementation of BBIN.

China launches new economic zone in Hebei to promote integration

China will establish a new special economic zone in the heavily polluted province of Hebei in order to promote integration with the neighboring cities of Beijing and Tianjin, the government announced on April 01. The Xiongan New Area will be of the same national significance as the Shenzhen Special Economic Zone, which helped kickstart China's economic reforms in 1980, the official Xinhua news agency said, citing a circular released by the Chinese cabinet.

The zone is located around 100 km (60 miles) southwest of Beijing, close to the Hebei provincial capital of Shijiazhuang, and will house some of Beijing's relocated "non-capital functions". It is currently 100 square kilometers in area but will eventually be expanded to 2,000 square kilometers.



China is currently implementing a plan aimed at integrating the economies of Hebei, Beijing and Tianjin, a heavily polluted region known as Jing-Jin-Ji. The development of separate "fortress economies" in the region was blamed for widening income disparities and causing a "race to the bottom" when it came to environmental law enforcement.

Beijing, home to 22 million people, is trying to curb population growth and relocate industries and other "non-capital functions" to Hebei in the coming years as part of its efforts to curb pollution and congestion.

ICC HQs News

Singapore Ministry of Law and International Chamber of Commerce sign MOU to boost



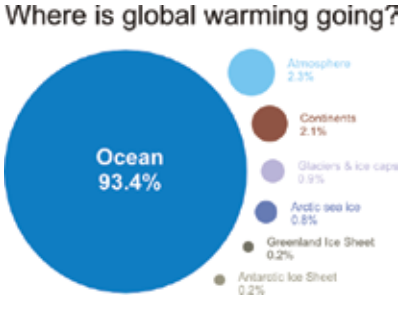
The Singapore Ministry of Law (MinLaw) and the International Court of Arbitration of the International Chamber of Commerce (ICC) announced on June 28 that the ICC Court will set up a case management office in Singapore—aimed at boosting arbitration and serving the dispute resolution needs of businesses around the world.

The MOU was signed by Han Kok Juan, Deputy Secretary of MinLaw and Alexis Mourre, President of the ICC Court, witnessed by Indranee Rajah SC, Senior Minister of State of MinLaw and Ministry of Finance and John Danilovich, Secretary-General of ICC at the 3rd ICC Asia Conference.

The ICC Court, headquartered in Paris, is one of the world's leading arbitral institutions. In 2016, it administered almost 1,000 arbitral cases from around the world. The Singapore office will be the Court's fourth overseas case management office—after Hong Kong, New York and Brazil—giving it a peerless global footprint. The new Singapore office is expected to commence operations in the first quarter of 2018 at Maxwell Chambers. It will take up about 2,000 square feet in the new Maxwell Chambers Suites, a conserved heritage building, which will be an expansion of Maxwell Chambers when the refurbishment works are completed in 2019.

The new ICC Court case management office forms part of a growing presence for ICC in Singapore. Following the establishment of an Asia Regional Office, ICC's first regional office outside its Paris headquarters, in 2002, ICC and IE Singapore joined forces in 2015 to establish the ICC Academy – a market-leading e-learning platform for trade and banking professionals. Both outfits are currently located at Maxwell Chambers.

3 ways to reduce climate change impact on oceans



The 2017 United Nations Ocean Conference took place earlier June seeking to mobilize action for the conservation and sustainable use of the oceans, seas and marine resources. An official side event of the conference, hosted by International Chamber of Commerce (ICC), the World Maritime University (WMU) and the Government of Sweden, brought together representatives from the private sector, ocean leadership nations, and the education and capacity-building sector to highlight and discuss practical approaches to address the ways in which the private sector can fight climate change affecting the ocean.

Here are three key takeaways from the event:

The private sector – a crucial partner

As innovators and investors, business has a key role to play not only in helping to mitigate the effect of climate change on the ocean but also in helping societies adapt to the global effect of climate change. Paul Holthus, CEO & Founder of the World Ocean Council highlighted the need for a global, multi-industry-level solution to attain healthy, productive oceans and their sustainable use and stewardship by a responsible ocean business community.

Fostering responsible fisheries

Working with small scale and developing world fisheries is essential to address vital issues of food security, livelihood and economic development. Minna

Epps, Programme Director for Scandinavia & Baltic Sea Region Marine Stewardship Council gave examples of how negative impacts on the floor of the Barents Sea were being addressed through bold measures including freezing the trawl footprint to historically affected grounds and a far-reaching commitment to vulnerable ocean-related habitats.

Building skills for a brighter future

Megan Linkin, Vice-President of Global Partnerships at Swiss Re said uninsured losses from natural catastrophes were a growing burden for governments. As rating agencies, multilateral organisations and the private sector have all gained a stronger understanding of disaster risk they could be valuable partners of the public sector in anticipating and managing risk.

Moderated by ICC's Permanent Observer to the United Nations Louise Kantrow and Chief Operating Officer of World Maritime University Nikolaus Schultze, the event also underscored the continuing need to educate, train and build capacity of current and future workforces, who will be key players in the maritime and wider ocean industry value chains.

ICC Academy unveils new e-course on digital trade finance and fintechs

The educational arm of the International Chamber of Commerce (ICC), the ICC Academy, has launched an advanced-level e-course entitled "Digital Trade Finance and Fintechs." The curriculum is aimed at professionals working in banks, corporations, financial institutions, insurance companies and financial technology (fintech) firms.

The proliferation of fintech start-ups in recent years has given rise to mounting opportunities, as the banking and financial sectors slowly begin to embrace digitalisation. With technological innovations fostering more and more interest, the demand for skilled practitioners has inevitably increased.

Taken independently or as an elective of the Certified Trade Finance Professional (CTFP) certification, the Digital Trade Finance and Fintechs e-course provides an overview of the digital trade finance and commerce landscapes, the legal and regulatory challenges involved, as well as the broad range trends and solutions that are available to support global trade.

Course author Anand Pande, who is also the founder of The Growth Paradigm Partnership, said: "Professionals can gain a good understanding of the main constructs, key developments and major players shaping the world of digital trade, supply chain finance and fintech. As digital trade and fintech volumes are presently quite low, the course will also provide insights on commercialisation and scalability."

Comprising eight modules, the e-course follows a translation flow and highlights realistic features relating to digital trade and fintech ecosystems, bank payment obligation, digitisation of the financial supply chain and other emerging technologies.

Karien van Gennip elected ICC Vice-Chair



Karien van Gennip was elected as Vice-Chair of the International Chamber of Commerce (ICC) at the 2017 meeting of the ICC World Council on 6 June 2017 in Nairobi, Kenya—the first time a woman has ever held a Vice-Chair position. Karien van Gennip has been a member of the ICC Executive Board since July 2012, the Chair of the ICC Finance Committee and also a member of the Governing Body of the ICC International Court of Arbitration. She is the CEO of ING France, a leading international finance group.

Joining ING Group in 2008 as Director of Group Public & Government Affairs, Karien was later appointed Director of Private Banking & Investments before rising to head the group's French activities.

Karien began her career in 1994 as a management consultant for McKinsey & Company in Amsterdam and San Francisco. Moving into the public sector, she continued her career with the Netherlands Authority for the Financial Markets in 2002.

From 2002 to 2007, Karien was State Secretary for Economic Affairs and Minister for Foreign Trade, with responsibilities covering bilateral and multilateral

trade, entrepreneurship, regional policy, investment climate and consumer policy. She also served as a member of the Dutch Parliament from 2006-2008.

Karien's election as Vice Chair of ICC's Executive Board marks the first time a woman has held the position.

New members from Africa and Asia Pacific

Patrick Obath from Kenya and Harsh Pati Singhania from India were also elected as new members of the ICC Executive Board. Mr Obath is Chair of ICC Kenya and a highly respected member of the Kenyan and East African business community, with 35 years' experience as an oil and gas professional. At Shell East Africa, he set up and managed corporate health, safety and environment for the region.

Mr Singhania is the ICC Regional Coordinator for the Asia Pacific Region, Director of J K Organisation and Vice-Chairman and Managing Director of J K Paper Ltd, India. Mr Singhania was Chair of ICC India from 2011-12 and his uncle, Hari Shankar Singhania, served as ICC Chair from 1993-94.

Ms van Gennip, Mr Obath and Mr Singhania has begun their respective roles from 1 July.

ICC welcomes OECD's landmark global tax agreement

A multilateral convention signed on 7 June 2017 at the Organisation for Economic Co-operation and Development (OECD) in Paris, France will swiftly implement a series of tax treaty measures as a result of negotiations involving more than 100 countries and jurisdictions.

In an important milestone for the international tax agenda, ministers and high-level officials from 76 countries and jurisdictions signed or gave their formal intention to sign the OECD-brokered "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting" (BEPS) at a ceremony in Paris.

The convention is the first multilateral treaty of its kind and will transpose the treaty related results from the OECD/G20 BEPS Project into more than 1,100 tax treaties worldwide. The multilateral convention will enable the simultaneous amendment of existing bilateral tax treaties – streamlining a legislative process that would otherwise be extremely cumbersome and time-consuming.



As the world business organization, the International Chamber of Commerce (ICC) has been extensively involved in the OECD BEPS process from its onset, representing the views of major multinational firms and small and medium-sized companies in every world region. At the conclusion of the G20-mandated OECD/BEPS project in October 2015, ICC underscored the need for the rules to be implemented in a coherent and coordinated manner – including in non-OECD countries – to ensure a consistent international tax landscape that promotes inclusive growth.

ICC recognizes the remarkable effort by the OECD to enable countries to reach a position of consensus and pave the way for consistent implementation of the tax treaty related measures in the BEPS project and reach alignment at a global level.

However, while the agreement makes clear progress in many areas, there is still some work to be done to achieve practical and workable dispute resolution methods. ICC welcomes that 25 countries have signed the optional provision on mandatory binding arbitration and reiterates the need for further countries to adhere to more robust dispute resolution mechanisms with mandatory agreements to mitigate anticipated international tax disputes in the coming years.

ICC Court announces new members



The International Court of Arbitration of the International Chamber of Commerce (ICC) has appointed 41 new members from 38 countries, including many jurisdictions where the ICC is yet to establish a national committee, including Armenia, Azerbaidjan, Hungary, Kazakhstan, Mongolia, Myanmar and Vietnam.

With a concerted effort by the Court to ensure generational, gender and geographical diversity, the latest list of members and alternate members includes nine new members from Africa, nine from Eastern and Central

Europe, seven from South East Asia and seven from Latin America. Women represent approximately a quarter of the new members.

Elections took place on June 07 in Nairobi during a meeting of ICC's supreme governing body, the World Council, in accordance with provisions set out in the ICC constitution and statutes of the Court. The term of the new members will expire on 30 June 2018 and will then be subject to renewal for three years.

Members of the ICC Court are appointed by the World Council on the proposal of the local ICC national committee or group or of the President of the Court in jurisdictions where there is no national committee or group, with alternate members appointed by the World Council upon proposal of the President of the Court. The possibility of appointing Court members in jurisdictions where there is no ICC national committee or Group was introduced in the ICC constitution in October 2016 in order to bolster the Court's global presence.

ICC reacts to US Paris Agreement withdrawal

The International Chamber of Commerce—the world's largest business organization—has expressed deep concerns at reports that the United States may be set to withdraw from the Paris Climate Agreement.

ICC Secretary General John Danilovich said:

"Global business interests are best served by a stable and practical framework to manage climate change risks – which already represent an estimated drain of over US$1 trillion to the global economy. The Paris Agreement provides a balanced framework to tackle climate change, while providing the long-term certainty needed to support business innovation and growth.

"We've been clear for years that business can win from the transition to a low-carbon economy. The economics of the Paris agreement are clear: it encourages market-based solutions to achieve emissions reductions at low cost and expands markets throughout the world for new and innovative technologies. The US economy is well positioned to grow and create new jobs within this flexible, long-term framework.

"What is so important about the Paris Agreement is that it puts the responsibility on every country to play its part. We call on the US to show the confidence and courage to lead the way towards a safe, sustainable and profitable future for all."



New report unveils how trade facilitation is key to attracting FDI

A new report from the Global Alliance for Trade Facilitation — a public-private partnership comprising ICC, the World Economic Forum and the Center for International Public Enterprise — looks at how better trade facilitation can improve inclusive economic development.

While FDI played a starring role in East Asia's manufacturing success story in the 1980s and 1990s, investment remains concentrated in Southeast Asia and larger emerging economies—largely keeping Africa, for instance, from sharing in its spoils. As a new report from the Global Alliance for Trade Facilitation points out, only 5% of Sub-Saharan Africa's FDI goes to the manufacturing sector. As many countries that have missed out on manufacturing FDI also tend to have higher trade costs and weak trade facilitation environments, the report analyses the relationship between these elements and delivers a powerful conclusion.



In recent years, world trade has seen complex global value chains multiply, where a country may specialise in manufacturing a single component of a multinational company's final product, such as the screen on your smartphone, for example. Manufacturing FDI can act as a strong job creator by supporting economies' integration into global value chains.

As such, FDI in manufacturing has been crucial to emerging economies' success stories. Morocco, for example, has attracted over US$3 billion in FDI since 2011, two-thirds of which went into manufacturing automotive components. Sri Lanka has attracted over US$1 billion in manufacturing FDI over the same period – and while it constituted less than one third of total investments in the country, it accounted for more than two thirds of total jobs created by foreign investment, demonstrating the strong job creation value of FDI to the manufacturing sector.

So what does manufacturing FDI have to do with trade facilitation? In order for a production line spread

across continents to function, smooth and predictable cross-border trade is essential. Trade facilitation refers to processes aimed at clearing goods across borders as quickly and predictably as possible, e.g. speeding up customs clearance or making customs procedures more transparent.

More specifically, the report found that improving the trade facilitation environment by 1% corresponds with a 3.2% increase of FDI into manufacturing. While this does not imply causation, the report argues it points to the importance of trade facilitation in attracting and retaining investment. Developing economies with strong trade facilitation environments were also found to attract high-value investments, especially in desirable industries such as auto parts and aerospace manufacturing.

Last February, the World Trade Organisation's (WTO) Trade Facilitation Agreement (TFA) formally entered into force. According to WTO estimates, full implementation of the agreement could create around 20 million jobs— the majority in developing countries.

Amid mounting nationalism, business calls for global cooperation on trade, climate action

At the B20 Summit in Berlin, Germany on 1st week of May, global business presented recommendations to the G20, urging governments towards greater international cooperation. At a time of increasing protectionist sentiment and global policy uncertainty, over 700 companies and business associations from G20 countries have called on their governments to further cooperate on a host of pressing issues—from promoting an open and inclusive trading system to combating climate change.

The private sector representatives descended on Berlin for a round of meetings known as the B20 Summit—the official G20 dialogue for the global business community. B20 participants work together throughout the year to develop a set of recommendations to the G20 on topics ranging from digitalisation to responsible business conduct.

The B20 recommendations were presented to German Chancellor Angela Merkel this year, who is presiding over the G20 in 2017.

"It is essential that business plays a key role in tackling the challenges and opportunities G20 countries collectively face," said ICC Secretary General John Danilovich. "The B20 Summit shows that we are committed to creating an inclusive and sustainable global economy together."

Political risks

This week's B20 Summit comes at a pivotal moment as recent political trends have led to an increase in protectionism, threatening the trade-led growth that has led G20 countries to unprecedented levels of economic prosperity.

"It has never been more important to forge a constructive dialogue for inclusive growth," John Danilovich said. "The economic and environmental issues we face are global in nature and will require international cooperation and resolve to be met head on."

The share of G20 imports affected by trade-restrictive measures put in place since the global financial crisis has continued to rise, reaching 6.5% in November 2016, according to a recent report from the World Trade Organization, the International Monetary Fund and the World Bank.

Populist trends in G20 countries also risk endangering the United Nations' Paris Agreement—last year's landmark global deal on climate change under which 195 countries pledged to reduce greenhouse gas emissions.

The United States—the world's second largest polluter—rolled back an array of domestic regulations aimed at containing emissions levels last March and has yet to state whether they will withdraw from the Paris deal or not.

At the B20 Summit, global business urged G20 governments to implement the Paris Agreement and to reaffirm their commitment to open and inclusive trade.

A global economy geared towards the future

If governments reinforce their commitment to setting common rules for trade, investment, data flows, and migration, their efforts could dramatically spur economic growth and job creation. Aligning these efforts with sustainable development objectives such as the UN's Global Goals would help ensure the global economy is geared towards the future.

Reorienting the global economy around open trade and sustainable development objectives would unlock an estimated US$ 12 trillion of market opportunities in a range of sectors, according to a 2017 report from the Business and Sustainable Development Commission.

Sectors based on e-commerce are already booming despite being held back by the absence of almost any global rules. A multilateral agreement on digital trade could fuel unparalleled job creation among small- and medium-sized companies.

"This new stage of globalisation – or global integration – offers both great opportunities and major new challenges," said ICC Vice-Chairman John Denton. "It is going to require a superior level of advocacy and decision making from leaders at all levels, and the G20 will play a crucial role in this."

ICC's newly appointed Permanent Observer to the UN submits credentials

The first-ever Permanent Observer of ICC to the United Nations, Louise Kantrow, presented her credentials to United Nations Secretary-General António Guterres during an official ceremony at UN Headquarters in New York on April 19. Having served as ICC's Permanent Representative to the United Nations from April 2007, Ms Kantrow brings extensive knowledge and first-hand experience of UN proceedings and major conferences to the role.

Ms Kantrow co-chaired the Private Sector Steering Committee in the Follow-up International Conference to Review the Implementation of the Monterrey Consensus (Doha, 2008) and co-chaired the Private Sector Steering Committee for the Fourth UN Conference on Least Developed Countries (Istanbul, 2011). Ms Kantrow also served as co-organising partner of the Business and Industry Major Group for the UN Conference on Sustainable Development (Rio+20) and acted as Co-Chair of the Business Sector Steering Committee in the Third International Conference on Financing for Development (Addis Ababa, 2015).



She also led the Global Business Alliance for Post-2015, a robust and inclusive business alliance that provides positive private sector contributions to the formulation and implementation of the Post-2015 Development Agenda.

Ms Kantrow's career has included posts within the UN and senior positions at nonprofit, governmental and intergovernmental organizations closely associated with UN activities. Ms Kantrow also served as Executive Director of the International League for Human Rights, and as Executive Vice-President of the United Nations Association of the USA (UNA-USA), where she supervised a major expansion of programmes at the Business Council to the United Nations.

WTO News

WTO records moderate rise in G20 trade restrictions

The WTO's seventeenth monitoring report on Group of 20 (G20) trade measures, issued on 30 June, shows that trade restrictions in G20 economies have risen at a moderate rate similar to that of previous years, despite the uncertainty facing the global economy. The report calls on G20 governments to show leadership in supporting open and mutually beneficial trade as a driver of economic growth and development.

A total of 42 new trade-restrictive measures were applied by G20 economies during the review period (mid-October 2016 to mid-May 2017), including new or increased tariffs, customs regulations and rules of origin restrictions. This is an average of six measures per month – slightly higher than in 2016 but below the longer-term trend observed in 2009-2015 of seven per month.

G20 economies also implemented 42 measures aimed at facilitating trade during the review period, including the elimination or reduction of tariffs and the simplification of customs procedures. At an average of six new trade-facilitating measures per month, this represents a similar level compared to the previous reporting period (mid-May to mid-October 2016) and is in line with the declining trend observed in 2016.

It is notable that the estimated trade coverage of trade-facilitating measures implemented by G20 economies (US$163 billion) significantly exceeded the estimated trade coverage of trade restrictive measures (US$47 billion). In addition, liberalization associated with the 2015 expansion of the WTO's Information Technology Agreement (ITA) continues to feature as an important contributor to trade facilitation



Key findings :

- G20 economies applied 42 new trade-restrictive measures during the review period (mid-October 2016 to mid-May 2017), including new or increased tariffs, customs regulations and rules of origin restrictions. This equates to an average of six measures per month which is slightly higher than in 2016, but below the longer-term trend observed from 2009-2015 of seven per month.
- G20 economies also applied 42 measures aimed at facilitating trade over this review period, including eliminated or reduced tariffs and simplified customs procedures. This equates to an average of six new measures per month which is similar to the previous period and in line with the declining trend in the application of trade facilitating measures observed in 2016.
- During the review period, the estimated trade coverage for trade facilitating measures (US$163 billion) significantly exceeded the estimated trade coverage of trade restrictive measures (US$47 billion).
- This Report harmonizes the approach taken to trade remedies in the G20 Monitoring Report with that of the WTO-wide Report by introducing a separate annex for trade remedy measures. It is of interest to note that initiations of trade remedy investigations represented 50% of the total trade measures taken during the review period; although the amount of trade covered is relatively small (US$25 billion for trade remedy initiations and US$6 billion for terminations).
- Transparency and predictability in trade policy remains vital for all actors in the global economy. The G20 should show leadership in reiterating their commitment to open and mutually beneficial trade as a key driver of economic growth and a major engine for prosperity.
- Faced with continuing global economic uncertainties, the G20 should seek to continue improving the global trading environment, including by implementing the WTO Trade Facilitation Agreement, which entered into force in February this year, and working together to achieve a successful outcome at the 11th WTO Ministerial Conference in December.

Aid for Trade Global Review 2017

The Global Review will focus on crucial trade and development issues, such as the trade dimension of the UN's Sustainable Development Goals (SDGs), digital connectivity, women's empowerment and trade facilitation.

The entry into force of the WTO's Trade Facilitation Agreement (TFA) on 22 February 2017 has given trade policymakers a powerful tool for reducing the physical trade costs that prevent many firms in developing countries from participating in international trade. Implementation of the TFA, and the benefits to developing countries from the associated reforms, will be one of the key themes addressed at the Global Review.

Another key theme of the Global Review is how firms are using digital technology to log on to the multilateral trading system. Research for this year's Aid for Trade at a Glance publication underscores that participation in e-commerce offers firms new opportunities, especially micro, small and medium sized enterprises (MSMEs) and women-owned or managed businesses.

Digital connectivity is also increasingly important for the operation of customs and other border agencies, which are faced with the challenge of a surge in parcel-based trade.

Action to bridge the digital divide, and in particular the strong gender dimension to this divide, will be a further area of focus. The Review will address women's economic empowerment and examine how Aid for Trade is promoting women's empowerment as part of broader efforts to advance the 2030 Agenda for Sustainable Development.

The 2017 edition of "Aid for Trade at a Glance", published jointly by the WTO and the Organisation for Economic Co-operation and Development. This year's edition features contributions from the Enhanced Integrated Framework, the International Telecommunication Union, International Trade Centre, United Nations Conference on Trade and Development, the World Bank and Business for eTrade Development.

Joint Statement between Japan and the World Trade Organization

On 22 May 2017, H.E. Mr. Shinzo Abe, Prime Minister of Japan received H.E. Mr. Roberto Azevêdo, Director-General of the World Trade Organization (WTO) in Tokyo. The Director-General also held meetings with H.E. Mr. Fumio Kishida, Minister for Foreign Affairs, H.E. Mr. Yuji Yamamoto, Minister of Agriculture, Forestry and Fisheries, H.E. Mr. Yosuke Takagi, State Minister of Economy, Trade and Industry and H.E. Mr. Motome Takisawa, Parliamentary Vice-Minister for Foreign Affairs. The Government of Japan and the Director-General discussed the need to promote free trade and to further strengthen the multilateral trading system.

1. The Government of Japan expressed that Japan, as a champion of free trade, was determined to continually promote free trade in cooperation with other countries. Director-General Azevêdo expressed his determination that the WTO will continue to fulfil its responsibility as the core organization for the multilateral trading system. They shared the recognition that the following three points were the foundation for the promotion of free trade, and reaffirmed their determination to strengthen their cooperation in delivering this message to the world.

(1) Free Trade as a Key Driver of Growth

Free and fair rules-based trade is a key driver to achieve economic growth, prosperity of people and sustainable development worldwide. Given the highly developed global value chains, protectionism is not a solution and maintaining open market is essential to promote economic development and job creation.



(2) Achievement of an Inclusive Economy

Appropriate policies are necessary in order to realize an inclusive economy while addressing the skepticism against globalization. Greater inclusiveness in the economy is a means to reduce inequality, promote gender balance and enable a positive cycle of growth and distribution.

(3) Further Reinforcement of the Multilateral Trading System

The open and free rules-based multilateral trading system embodied in the WTO has been the foundation of vibrant and prosperous world economy. Various forms of trade liberalization can be a useful complement to the multilateral trading system, including plurilateral trade agreements, and other comprehensive, high-standard and balanced broad economic partnerships such as bilateral or regional initiatives.

2. The Government of Japan pointed out that, given the increasing concerns about the rise of protectionism and inward-looking sentiment around the globe, it was essential to further increase confidence in the multilateral trading system with the WTO at its core and thus to promote free trade, building on recent successes such as the WTO's Trade Facilitation Agreement (TFA) and the expansion of the Information Technology Agreement (ITA). In this context, the Government of Japan pointed out the importance of further contribution of the WTO to the achievement of inclusive economic growth through the revitalization and enhancement of its negotiation and monitoring functions, as well as by ensuring the enforcement of the WTO Agreements through the dispute settlement mechanism. The Government of Japan expressed its hope for the greater role of the WTO to this end. The Government of Japan underlined the importance it attaches to the early conclusion of Japan-EU EPA and comprehensive, balanced and high-quality RCEP and enactment of TPP as well as the need to move forward the Environmental Goods Agreement (EGA) and the Trade in Services Agreement (TiSA) towards an early conclusion.

Director-General Azevêdo thanked the Government of Japan for Japan's support for the multilateral trading system. He pledged that the WTO will continue to serve its Members to the best of its ability on all the points outlined, and that the organization will continue to support co-operation and collaboration among nations on trade issues in order to remain a key institution of global economic governance and support jobs, growth and development around the world.

3. The Government of Japan and the Director-General reaffirmed their commitment to further intensify their cooperation to achieve outcomes at the 11th WTO Ministerial Conference in Buenos Aires this December, building on the successes of the previous WTO Ministerial Conferences in Bali and Nairobi.

Committee on Trade Facilitation meets for first time

WTO members gathered on 16 May for the inaugural meeting of the Committee on Trade Facilitation, the body responsible for overseeing implementation of the WTO's historic Trade Facilitation Agreement (TFA).

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership. In line with the Agreement, the Committee on Trade Facilitation was established in order to provide WTO members a forum to consult on matters related to the operation of the TFA and the advancement of its objectives.

At the inaugural meeting, members elected Ambassador Daniel Blockert (Sweden) as chair of the committee.

"Having the committee now in session marks an important milestone in our longstanding efforts to foster the facilitation of trade around the globe," Ambassador Blockert said. "We have finally reached the stage where our collective engagement over the past years is bearing fruit. In doing so, we are testimony of what can be achieved – even under challenging



circumstances – when working in coalitions of a common cause."

The chair said there were a few procedural matters to settle before the new committee could undertake its assigned tasks, and that he would be consulting with members before reconvening the committee with the goal of adopting an agreed framework.

The committee will develop procedures for the sharing of relevant information and best practices among members. After four years, the committee will review the operation and implementation of the TFA.

Since its entry into force, six additional WTO members — Dominican Republic, Guatemala, Armenia, Fiji, Costa Rica and Sierra Leone — have submitted their instruments of TFA acceptance to the WTO. This brings up to 118 the number of WTO members that have ratified the Agreement.

The TFA will help expedite the movement, release and clearance of goods across borders. Full implementation of the TFA is forecast to slash members' trade costs by an average of 14.3 per cent, with developing countries having the most to gain, according to a 2015 study carried out by WTO economists. The TFA is also likely to reduce the time needed to import goods by over a day and a half and to export goods by almost two days, representing a reduction of 47 per cent and 91 per cent respectively over the current average.

Developed countries have committed to immediately implement the Agreement. Developing countries, in comparison, will immediately apply only the TFA provisions they have designated as "Category A" commitments.

For the other provisions of the Agreement, developing countries must indicate when these will be implemented and what capacity building support is needed to help them implement these provisions, known as Category B and C commitments.

A Trade Facilitation Agreement Facility (TFAF) was created at the request of developing and least-developed countries to help ensure 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.

WTO chairpersons for 2017

The WTO General Council, on 7 April 2017, noted the consensus on a slate of names of chairpersons for WTO bodies.

Regular bodies	**Chairpersons**
Trade Policy Review Body	H.E. Mr Juan Carlos GONZALEZ **(Colombia)**
Council for Trade in Goods	H.E. Mr CHOI Kyonglim **(Republic of Korea)**
Council for Trade in Services	H.E. Mr Julian BRAITHWAITE **(United Kingdom)**
Council for TRIPS	Her E. Ms Irene Young **(Hong Kong, China)**
Committee on Trade and Development	H.E. Mr Taonga MUSHAYAVANHU **(Zimbabwe)**
Committee on Balance-of-Payments Restrictions	H.E. Mr Tudor ULIANOVSCHI **(Republic of Moldova)**
Committee on Budget, Finance and Administration	H.E. Mr. Peter BRŇO **(Slovak Republic)**
Committee on Trade and Environment	Her E. Mrs. Zhanar AITZHANOVA **(Kazakhstan)**
Committee on Regional Trade Agreements	H.E. Mr Walid DOUDECH **(Tunisia)**
Working Group on Trade and Transfer of Technology	Her E. Ms Zorica MARIĆ-DJORDJEVIĆ **(Montenegro)**
Committee on Trade Facilitation	H.E. Mr. Daniel BLOCKERT **(Sweden)**
Negotiating bodies	
Committee on Agriculture in Special Session	H.E. Mr Stephen Karau **(Kenya)**
Dispute Settlement Body in Special Session	H.E. Mr Coly SECK **(Senegal)**
Previously, on 28 February, the WTO General Council approved by consensus the following chairpersons for WTO bodies:	
General Council	H.E. Mr Xavier CARIM **(South Africa)**
Dispute Settlement Body	H.E. Mr Coly SECK **(Senegal)**