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Regional integration through Trade Facilitation

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. 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", was in held in Dhaka 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.

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.

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Editor's Note

Regional Integration through Trade Facilitation

Regional integration is a process in which neighboring states enter into an agreement in order to enhance cooperation through common institutions and rules. Regional integration impacts on trade facilitation in several ways as it helps in inclusive growth and poverty reduction, reallocate capital and labor toward sectors holding comparative advantage.

Trade Facilitation and Regional integration and are two important factors for achieving the United Nations Sustainable Development Goals' (SDGs). The beneficial links between trade and investment catalyzes economic transformation, job creation, and skill development—which support SDG 8 (promoting decent work and economic growth), SDG 9 (building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation), SDG 10 (reducing inequality within and among countries), and SDG 17 (revitalized and enhanced global partnership).

Strengthening regional integration for trade facilitation is particularly crucial for three reasons: it can foster economic diversification and transformation, increase resilience to global economic shocks, and generate significant economies of scale through the widening of markets. Trade facilitation has a direct impact on trade costs and an indirect impact on the price of traded goods; it increases trade flows and ultimately leads to higher growth. Trade facilitation eases the cross-border movement of goods by cutting costs and simplifying trade procedures.

Negotiations on the Trade Facilitation Agreement (TFA) were finalized during the WTO Ministerial Conference held in Bali in December 2013. However, it took almost three years for TFA to become effective on 22 February 2017, after two-thirds of the WTO Members ratified the Agreement. Implementation of the TFA is supposed to promote Customs improvements, cross-border cooperation through technical assistance and capacity building by determining implementation schedules and the type of assistance needed to meet them. One has to wait and see how long it will take to make the TFA operational!

According to experts, furthering the case for regional approaches, cooperation on many aspects of trade facilitation makes sense from an economic point of view. Experience from the Association of South-East Asian Nations (ASEAN) suggests that moving forward on a regional basis might be a viable option, through pooling resources, opening markets to private multinational actors, and judicious use of mechanisms like mutual recognition. Another economic benefit from regional cooperation is in the management of externalities — a cost or benefit, not transmitted through prices, incurred by a party not participating in the action--associated with international trade. Poor transit policies by neighboring costal countries is the most obvious example.

According to World Bank Study, South Asia is one of the most dynamic regions in the world, with a population of 1.67 billion and economic growth of 7.1 percent over the last decade. But despite recent shifts, historical political tensions, trust deficit, cross-border conflicts and security concerns contribute to a low-level equilibrium. At present, South Asia is one of the least integrated regions. Intra-regional trade accounts for only 5 percent of South Asia's total trade, compared to 25 percent in ASEAN. Intra-regional investment is smaller than 1 percent of overall investment.

The main reasons behind less integration in South Asia, according to the Bank are : high trade costs and investment restrictions, insufficient policy-relevant analytical work on gains of both trade and investment. The Bank has also pointed out skeptical mindset from previous failures in regional cooperation, relative asymmetry in size among the South Asian countries and limited transport connectivity, logistics and regulatory impediments. It is expected that with the gradual removal of these barriers, intra-regional trade in South Asia could increase from the current USD 28 billion to USD 100 billion!

After leading global growth for two years, South Asia has fallen to second place, after East Asia and the Pacific, due to temporary shocks and longer-term challenges slowing down growth. However, regional economic growth is expected to slow to 6.9 percent in 2017 from 7.5 percent in 2016, but growth could rebound to 7.1 percent in 2018 with the right mix of policies and reforms.

Regional Integration among the South Asian Nations is a must for increased trade and investment to achieve sustainable growth.

ICC Bangladesh News

ICC Bangladesh Delegation to 10th World Chambers Congress in Sydney

The 10th World Chamber Congress of the International Chamber of Commerce (ICC), *The world business organization* was held in Sydney on 19-21 September. The Congress was jointly organized by World Chambers Federation (WCF) and the Sydney Business Chamber (SBC), a division of NSW Business Chamber (NSWBC). The World Chambers Congress is the premier event of its kind which bring together chambers, businesses and government figures together to discuss on various global issues.

The Congress provided an unparalleled opportunity to connect and strengthen relations with a diverse and international group of individuals representing more than 100 countries. With both formal and informal occasions to develop networks, this has been the ideal setting to establish institutional ties and promote trade and investment opportunities from attending companies, countries and regions. In an ever-changing business climate, the Congress, with its visionary and esteemed speakers, addressed and examined today's most significant global issues. Premier of New South Wales the Hon. Gladys Berejikliaan, M.P. inaugurated the 10th World Chamber Congress (WCC) on 19 September. Welcoming the Delegates she mentioned that event will facilitate knowledge exchange, driving innovation and fostering global collaboration. Some 1200 delegates from around the world gathered in International Convention Centre Sydney. The inaugural session was also addressed by ICC First Vice Chairman Jhon W.H. Denton AO, Sydney & NSW Chambers President Professor Trevor Cairmey OAM, ICC WCF Chair Peter Mihok, Confederation of Asia Pacific Chambers of Commerce (CACCI) President Jemal Inaishvili and Sydney & NSW Business Chambers CEO Stephen Cartwright.



New South Wales Premier the Hon. Gladys Berejikliaan, M.P. delivering the inaugural speech at 10th World Chamber Congress (WCC).



Premier of New South Wales H.E. Glady Berejkliaan, M.P. (5th from left) is seen with the organizers of 10th WCC. They are from left to right are : ICC Chief Executive Officer Philip Kucharski; President Confederation of Asia Pacific Chambers of Commerce and Industry Jemal Inaishvili; Director of ICC World Chambers Federation Anthony Parkes; NSW Business Chamber President Prof. Trevor Cairney; ICC World Chambers Federation Chairman Peter Mihok; World Chambers Federation Honorary Chair Yircali Rona; ICC First Vice Chairman John Denton; NSW Business Chamber CEO Stephen Cartwright and President of Chamber of Commerce of Bogota (Colombia) Monica De Greiff..



ICC Bangladesh Member and Chairman of Shasha Denims & Managing Director of Grameen Telecom Trust Mrs. Prveen Mahmud (extreme left) is seen after the Plenary Session on Leadership with Mr. Esko Aho, Former Prime Minister of Finland/Executive Vice President, Corporate Relations and Responsibility, Nokia (extreme right), Mr. Umit Subasi, President Asia-Pacific Campbell Arnott's (second from left) and Mr. Damien Cave, Australia Bureau Chief – The New York Times(second from right) who moderated the session.

There were video messages from HRH The Prince of Wales Prince Charles and President of the 72nd session of the United Nations General Assembly Miroslav Lajčák.

A number of speakers from different countries were invited to share their experiences. The topics discussed in the plenary sessions included: Business, conflict and terrorism: rebuilding peace and prosperity; Sustainability; Global mobility; Leadership; World of tomorrow and 4th Industrial revolution.

ICC Bangladesh Member Mrs. Prveen Mahmud who is Chairman of Shasha Denims and Managing Director of Grameen Telecom Trust was speaker at the Plenary Session on Leadership. The other speakers of this session were Former Prime Minister of Finland Esko Aho and President of Asia-Pacific, Campbeli Amott's Umit Subasi. Mrs. Mahmud made a presentation on different programme under Social Business of Grameen Telecome Trust and how it has helped in empowerment of disadvantaged people and helped in leadership building.

ICC Bangladesh President Mahbubur Rahman led a 14-Member Delegation at the 10th WCC which included ICC Bangladesh Vice Presidents Latifur Rahman and Mrs. Rokia Afzal Rahman:, ICC Bangladesh Executive Board Members A. K. Azad, Kutubuddin Ahmed and Md. Fazlul Hoque: ICC Bangladesh Secretary General Ataur Rahman, Shasha Denims Chairman Parveen Mahmud; Sk Md Waliul Islam, Joint Convener, The delegates also included Mrs. Hameeda Rahman, wife of Mr. Mahbubur Rahman, Mrs. Shahnaz Rahman, wife of Mr. Latifur Rahman, Mrs. Shayama Azad Shamme, wife of Mr. A.K. Azad, Mrs. Rashida Ahmed, wife of Mr. Kutubuddin Ahmed and Mrs. Reshma Akter, wife of Mr. Md. Fazlul Hoque.

ICC Bangladesh Delegation met Austrade Officials in Sydney: Discussed on increasing trade and investment

ICC Bangladesh President Mahbubur Rahman accompanied by ICC Bangladesh Delegation held a meeting with Austrade in Sydney on 20 September. During the meeting discussions were held on promotion of private sector trade and investment in the two countries. A number of areas including export of garments, pharmaceuticals and leather products were discussed. ICC Bangladesh President and Eastland Insurance Chairman Mahbbur Rahman informed that the government is going to stet up 100 export processing zones and also allowed setting up private export processing zones. He mentioned

that South Korea has already set up an export processing zone. Exclusive export processing zones are also going to be set up by China, India and Japan. So, Australia can also take the advantage of setting up export processing zone in Bangladesh and take the advantage of the facilities extended by the Government of Bangladesh. Besides, there is vast investment opportunities in infrastructure including energy.

Bangladesh High Commissioner to Australia Kazi Imtiaz Hossain briefed the Austrade officials about the government policies for attracting Foreign Direct Investment (FDI). He mentioned that Bangladesh has most favourable investment policies and 100 percent ownership and repatriation of profits by foreign investors. He said that Bangladesh High Commission will welcome visit by Australian Trade Delegation to Bangladesh to explore investment opportunities.

General Manager Asia of Austrade Ms. Liu Bing thanked Bangladesh High Commissioner Kazi Imtiaz Hossain and ICC Bangladesh President Mahbubur Rahman for coming to Austrade, Sydney office and giving them the opportunity of exchanging views and discussing on various areas where Australian companies could explore the possibilities of investing in Bangladesh. ICC Bangladesh Delegation members expressed the interest for increasing cotton imports from Australia for the garment industries, setting up healthcare facilities jointly with Australia in Bangladesh, investment in Australia for cotton cultivation for exporting to Bangladesh.

Mahbubur Rahman suggested to Austrade for arranging a visit by a business delegation from Australia to Bangladesh to explore possible areas of investment and also promotion of trade.



ICC Bangladesh President Mahbubur Rahman (sitting 3rd from left), Bangladesh High Commissioner to Australia Kazi Imtiaz Hossain (sitting 4th from left), General Manager Asia of Austrade Liu Bing (standing 2nd from left), Assistant Director of Department of Foreign Affairs and Trade Kavitha Kasynathan (standing extreme left) during the meeting with Austrade in Sydney, Australia on September 20. Other present at the meeting were: (sitting from right to left) Shasha Denims Chairman Parveen Mahmud, ICCB Executive Board Members Md. Fazlul Hoque & A.K. Azad, ICCB Vice President Rokia A. Rahman & ICCB Secretary General Ataur Rahman. Austrade officials standing at the back : (From right to left) Austrade Senior Trade Advisor Abdul Ekram, Trade Advisor Sam Gue'douard and Joel Smouha seen.

The meeting was also attended by ICC Bangladesh Vice President and Arlinks Limited Chairman Rokia Afzal Rahman, ICC Bangladesh Executive Board Member and Hameem Group Managing Director A.K. Azad; ICC Bangladesh Executive Board Member & Managing Director Plummy Fashions Md. Fazlul Hoque, Chairman of MIDAS & Shasha Denims and Grameen Telecom Trust Managing Director Parveen Mahmud, ICC Bangladesh Secretary General Ataur Rahman and Bangladesh High Comission First Secretary Farida Yameen. From Austrade side the meeting was attended by Assistant Director (Bangladesh, Nepal and Bhutan, South Asia Branch of Department of Foreign Affairs and Trade Kavitha Kasynathan, Trade Advisor (Adviosry Services and Consumer) Joel Smouha, Trade Advisor (Food & Agricuture- Meat and Grains) Sam Guedouard, Senior Trade Advisor (International Health) Abdul Ekram and Executive Officer for Asia International Operations Group Jessica Harrison.

It may be mentioned that a 14-Member ICC Bangladesh was in Sydney for attending the 10th World Chambers Congress held on 19-21 September.

ICC Bangladesh bids farewell to EU Ambassador

ICC Bangladesh President Mahbubur Rahman hosted a farewell lunch for H.E. Mr. Pierre Mayaudon Ambassador of European Union to Bangladesh. President Mahbubur Rahman thanked the Ambassador for joining at the Lunch. He mentioned that Ambassador Mayaudon has made a substantial contributions in strengthening the relations between Bangladesh and EU countries in different areas, in particular increasing export from Bangladesh. He hoped there will be more trade and investment between Bangladesh and EU countries Mr. Mahbubur Rahman wished the Abassador all the success in his new assignment as the EU Ambassador to Afghanistan. ICC Bangladesh President thanked



EU Ambassador H.E. Mr. Pierre Mayaudon (11th from right) is seen with ICCB President Mahbubur Rahman (10th from right) at a farewell lunch hosted by ICC Bangladesh. Among others also seen in the picture Australian High Commissioner to Bangladesh H.E. Ms. Julia Niblett (5th from right); H. E. Mr. Ahn Seong-doo, Ambassador of the Republic of Korea (8th from right); H.E. Ms. Nur Ashikin binti Mohd Taib, High Commissioner of Malaysia (6th from right); Mr. Bill Moeller, Counselor for Political & Economic Affairs Embassy of USA (4th from right); ICC Bangladesh Vice Presidents Latifur Rahman & Rokia Afzal Rahman (8th from left & 4th from left); MCCI President Nihad Kabir (3rd from right); DCCI President Abul Kasem Khan (2nd from right); ICCB Board Members R. Maksud Khan, A.S.M. Quasem & Md. Fazlul Hoque (3rd from left, 7th from left & extreme right); ICCB Members Mr. Mohammad Fazlul Azim, Mr. Rizwan-Ur Rahman (2nd from left & 7th from right); BIDA Executive Chairman Kazi M. Aminul Islam (9th from left); Anis A. Khan (9th from right), Managing Director & CEO Mutual Trust Bank Limited & ICCB Secretary General Ataur Rahman (extreme left)

the Ambassadors, High Commissioners and business colleagues for joining at the Lunch despite their busy schedules.

Ambassador Mayaudon thanked ICC Bangladesh President Mahbubur Rahman for giving him the opportunity to meet all the friends with whom he has interacted during his tenure in Bangladesh. He mentioned that Bangladesh should focus on building a very warm relationship with the European Union (EU) countries to export more and attract foreign direct investment as well. A good relationship can change the future investment landscape of Bangladesh as entrepreneurs of the 28 European nations are very much eager to invest in the diversified fields of the country. The envoy suggested diversifying both markets and products for more export earnings. For example, he said, both the government and private sector should come forward to utilize the potential of pharmaceuticals produced in Bangladesh.

"So, a warm relationship of Bangladesh with the EU is a must," said the outgoing EU Ambassador Pierre Mayaudon, who also served as head of the EU delegation to Bangladesh over the past three years.

It may be mentioned that EU is the largest export destination for Bangladesh, taking in goods worth nearly $18 billion in fiscal 2016-17. More importantly, 60 percent of garment items produced in Bangladesh are destined for the EU.

Mayaudon said Bangladesh is still eligible for the EU duty-free benefit scheme of Everything But Arms (EBA) as the government has already taken some good initiatives to bring reforms in the labour law and strengthen workplace safety. He said Bangladesh's commitment to amend the labour law by November was a very timely initiative as it would help improve labour rights in the country.

The Ambassador advised that Bangladesh may take necessary steps to improve its business environment in order to become a suitable destination for foreign investors. There should be changes in regulations, such as taxation, customs, licences and repatriation of dividends and sometimes capital. Bangladesh should drastically improve its ranking in the ease of doing business index, for it now stands 176th.

EU-Bangladesh relations should not be confined only within suppliers and buyers, rather it should be diversified through more exports to EU and more investment from its member states. Bangladesh will continue to enjoy, at least for some years, the GSP Plus facility even after graduating from a least developed country to a middle income one.

The farewell lunch was attended by Kazi M. Aminul Islam, Executive Chairman, BIDA; H.E. Mr. Pierre Mayaudon, Ambassador of EU; H. E. Ms. Julia Niblett, High Commissioner of Australia; H.E. Ms. Panpimon Suwannapongse, Ambassador of Thailand; Ms. Refika Hayta, Charge d'Affaires of Denmark; H. E. Mr. Ahn Seong-doo, Ambassador of the Republic of Korea; Mr. Bill Moeller, Counselor for Political & Economic Affairs Embassy of USA; H.E. Ms. Nur Ashikin binti Mohd Taib, High Commissioner of Malaysia; ICCB Vice Presidents Mr. Latifur Rahman & Mrs. Rokia Afzal Rahman; ICCB Board Members Mr. A. S. M. Quasem; Mr. R. Maksud Khan; Mr. Md. Fazlul Hoque; DCCI President Mr. Abul Kasem Khan; MCCI President Barrister Ms. Nihad Kabir; Mr. Anis A. Khan, Managing Director & CEO, Mutual Trust Bank Limited; Mr. Naser Ezaz Bijoy, Managing Director & Country Head of Global Banking, Standard Chartered Bank; ICCB Members Mr. Mahbub Jamil; Mr. Mohammad Fazlul Azim; Mr. Mohd. Arshad Ali & Mr. Rizwan-Ur Rahman; Mr. Muhammad A.(Rumee) Ali, CEO of BIAC and ICCB Secretary General Mr. Ataur Rahman.

Round Table on 'Chittagong Port, Current Status and Way Forward
Analysts highlighted problems of Chittagong Port

Dhaka Chamber of Commerce and Industry (DCCI) organized a round-table discussion on **Chittagong Port, Current Status and Way Forward** in Dhaka on July 29. The speakers highlighted that the cost of doing business has been increasing due to inefficiency of the country's premier port in Chittagong. It was observed that at present, it takes more than two weeks for release of goods from the port, whereas these were supposed to be delivered within 48 hours. Rear Admiral M Khaled Iqbal, BSP, ndc, psc, Chairman, Chittagong Port Authority (CPA) was the Chief Guest at the Round Table. DCCI President Abul Kasem Khan delivered the welcome address and Mr. Asif A Chowdhury, Director, DCCI presented the Key Note paper.

The non-cooperation among the service delivery agencies like the port authority, customs, clearing and forwarding agencies, transport companies and banks are mainly responsible for the delay in the release of goods, business leaders said. The businessmen suggested involving the private sector in management of the port, through which 92 percent of the country's export and import are done.

Various festival holidays and natural disasters also affect the port performance, said Mahbubur Rahman, President of International Chamber of Commerce-Bangladesh. So, alternative mechanisms are needed for efficient management of the port. Expressing grief, Rahman said Mongla port could not become a fully operational one even after so many years. A section of businessmen use the Chittagong port as warehouses by delaying the release of their goods, he added.

Former DCCI President Hossain Khaled observed that the port management's inefficiency has to be borne by the businessmen ultimately. Last fiscal year, Bangladesh could not achieve its garment export target and longer lead-time at the port was one of the major reasons, said Asif Ibrahim, another former DCCI president.

Such difficulties faced by the exporters has led to the buyers looking for new suppliers. This has led to increase in garment exports from Sri Lanka, Cambodia and India -- all Bangladesh's competitors in the global apparel trade. Shorter lead-time for excellent performance by the ports of these countries was one of the reasons for their better export performance, Asif Ibrahim added.

Due to delays in Chittagong port, garment exporters tend to use the expensive air shipments to maintain the strict lead-time of buyers, said Faruque Hassan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association. "Delays in Chittagong port have



Chairman of Chittagong Port Authority, Rear Admiral M Khaled Iqbal, BSP, ndc, psc (second from right) speaking at the seminar on "Chittagong Port: Current Status and Way Forward" organized by DCCI on July 29. DCCI President Abul Kasem Khan (third from left), Senior Vice President Kamrul Islam, FCA (right), Vice President Hossain A Sikder (left) and Director Asif A Chowdhury (second from left) were present.

been costing us abnormally at a time when profitability declined a lot and production cost rose," Hassan said.

Had the Chittagong port performed even at the same level as the Colombo Port in Sri Lanka, the maritime cost would have reduced a lot and Bangladeshi exporters could have sent goods to the US for 0.6 cents and 0.8 cents per kg, said M Masrur Reaz, Programme manager of the World Bank. "The number of equipment in Chittagong port increased a lot over the years, but the operational efficiency did not." Reaz came up with three suggestions for enhancing port efficiency: greater involvement of the private sector in port management, significant improvement of port governance and introduction of competition in service quality.

In response to the comments and observations by the business leaders, ICC Bangladesh President Mahbubur Rahman said targets of middle-income country and $50 billion export by 2021 should not be a mere political slogan, the government must do whatever need to do to get to the goals. He feels the premier seaport of the country would never be able deliver what businesses want to the government and the businesses do not find alternatives, including development of other seaports, using waterways for goods transporting. CPA Chairman said the port is capable of handling the current growth in cargo until 2019. He went on to recommend businesses should increase their use of the Pangaon river port to reduce congestion at the premier port.

ICC Workshop on Documentary Credits and Guarantees for Specialists

ICC Bangladesh organized a daylong Advanced Workshop on Documentary Credits and Guarantees for Specialists n Dhaka on 22 July. The workshop was designed for participants to understand and learn about updated various implications of L/C and guarantees considering the increase in international trade and finance of Bangladesh to avoid risks in cross-border transactions. It also helped in understanding the new provisions and how the changes impact users with the confidence and legal certainty to trade in unfamiliar markets and save both time and money. The workshop was case study driven to achieve maximum practical benefit in everyday Documentary Credit Operations and Guarantees.

ICC Bangladesh Banking Commission and CEO of Bangladesh International Arbitration Centre (BIAC) Muhammad A (Rumee) Al inaugurated the Workshop. He mentioned that the Workshop will be interesting as the speaker will be presenting and discussing on real life cases and the ICC Banking Commission opinions. This will help the bankers in avoiding making mistakes when opening Letters of Credit and reduce risks. He also said that it is important for the bankers to settle cases through mediation and arbitration in order to avoid lengthy legal procedures in settlement of disputes. He said that BIAC is fully equipped in dealing with dispute settlements and welcome the bankers and corporate houses in settling the disputes out of



A partial view of participants at ICC Workshop on Documentary Credits and Guarantees for Specialists.

court through mediation and arbitration. Using BIAC rules and facilities.

ICC Bangladesh Secretary General Ataur Rahman in his introductory remarks during the inauguration of the workshop said that the essential purpose of trade finance is to facilitate commerce, particularly across borders. But that task is getting harder than ever. The 2017 economic reality looks to be one of a backlash against trade on a global scale, as governments around the world institute protectionist economic policies and tear down trade agreements.

He thanked Mr.K. M. Lutfor Rahman, Senior Manager & Head of Import Settlement, Trade Operations of BRAC Bank Limited. Mr. Lutfur Rahman for developing the workshop design which has been approved by the London Institute of Banking and Finance (LIBF) for 8 PDUs (Professional Development Units) for re-certification of CDCS (Certified Documentary Credit Specialists). The Secretary General mentioned that ICC Bangladesh will encourage local bankers to develop such programme to be conducted by ICC Bangladesh for the bankers and corporate houses.

Mr. Ahmed Jamal, Executive Director, Bangladesh Bank was the Chief Guest at the closing session and distributed certificates to the participants. He thanked the ICC Bangladesh for organizing such workshops for the bankers. He said Bangladesh Bank has been working closely with ICC Bangladesh in facilitating trade finance. In this regard he mentioned about introduction of International Factoring for export and thanked ICC Bangladesh for taking the initiative for arranging workshops and seminars to make the bankers and the exporters aware of the benefit of International Factoring. He said that the Bangladesh Bank is actively considering allowing banks to introduce international factoring on a limited scale of exports.

A total of 201 participants from banks and corporate houses attended the workshop.

Transcom Group Chairman Latifur Rahman received 'SAARC Outstanding Leader' Award



Transcom Group Chairman Latifur Rahman received the prestigious "SAARC Outstanding Leader" award from Ravi Dhariwal (left) former CEO of The Times of India, in Mumbai on July 28. Chairman of PepsiCo's India region D Shivakumar (right) is also seen in the picture.

Transcom Group Chairman Latifur Rahman has been honoured with the prestigious "SAARC Outstanding Leader" award for setting a "rare example" of doing business by upholding moral values while also fulfilling the organisation's social responsibilities. Ravi Dhariwal, former chief executive officer of The Times of India, handed over the award on behalf of CEO Awards, the organiser, in Mumbai on 28 July.

Pepsi Co's India Region Chairman D Shivakumar introduced Chairman Latifur Rahman at the ceremony where more than 50 top CEOs and industrialists were present. Mr. Latifur Rahman is the first non-Indian to have received the award. Latifur Rahman expressed his gratitude in an emotion-choked voice and said he was overwhelmed to have received the accolade as the first foreigner. Chairman of PepsiCo's India Region Shivakumar recalled the family tragedy of Latifur, mentioning the deadly militant attack on the Holey Artisan cafe that took the life of his grandson, Faraaz Ayaaz Hossain, along with 19 other hostages in Dhaka last year.

He dedicated the award to Faraaz, saying he was proud to be the young man's grandfather.

Other awardees in different categories are N Chandrasekaran, chairman of Tata Group; Harsh Mariwala, chairman and managing director, Marico; Sajjan Jindal, chairman of Jindal Steel; Narayanan Vaghul, founding chairman of ICICI Bank; Piyush Pandey, chairman of Ogilvy; Pawan Goenka, managing director of Mahindra and Mahindra; Hari Menon, founder and CEO of Bigbasket; Jayshree Vyas, managing director of SEWA Bank; and Prof Ashok Jhunjhunwala, adviser of India's power ministry.

Sri Lankan President Maithripala Sirisena attended LAUGFS Gas Reception in Dhaka



Sri Lankan President Maithripala Sirisena (7th from left) is seen at LAUGFS Gas Bangladesh Reception. ICC Bangladesh President Mahbubur Rahman and ICC Bangladesh Vice President Latifur Rahman are seen on right and left of the Sri Lanka President respectively among others.

LAUGFS Gas Bangladesh, part of the diversified Sri Lankan multinational LAUGFS Holdings, announced plans to strengthen its presence in Bangladesh with renewed commitment and further investments. These views were expressed at a corporate dinner reception hosted by the company in Dhaka, which was graced by Sri Lanka President H.E. Maithripala Sirisena.

The event coincided with the state visit by the President of Sri Lanka and a high profile delegation to Bangladesh. The dinner reception was graced by a gathering of eminent government officials and business leaders from both Sri Lanka and Bangladesh. The dignitaries present at this evet, were Ravi Karunanayake – Minister of Foreign Affairs of Sri Lanka together with Mohammed Shahriar Alam - State Minister for Foreign Affairs, Nasrul Hamid - State Minister for Power, Energy and Mineral Resources, and Zunaid Ahmed Palak - State Minister of Post, Telecommunications & Information Technology of Bangladesh addressed the gathering.

ICC Bangladesh President Mahbubur Rahman & ICC Bangladesh Vice President Latifur Rahman also attended the dinner and exchanged views with Sri Lankan business delegation.

LAUGFS Gas entered the Bangladesh market in 2015 with the acquisition of Petredec Elpiji Limited, and is one of the largest LPG downstream players in the country. The company imports and distributes over 50,000 MT of LPG every year in Bangladesh and operates an expansive and a fast growing distribution network across the country.

LAUGFS Gas Bangladesh currently operates a world-class LPG import, bottling and distribution facility in Mongla Port. It serves the domestic and industrial segments with its 12kg cylinders for households and 12kg and 45kg cylinders for commercial and industrial customers under the brand name LAUGFS Gas. It is also the pioneer in Auto gas in Bangladesh and supplies LPG to automobile service stations across the country. LAUGFS Gas, with its own vessel fleet, is able to provide LPG with the highest level of reliability.

ICCB Board Meeting reviewed activities of National Committee

The 69th Meeting of the ICC Bangladesh Executive Board was held on 11 September at ICC Bangladesh Secretariat. The Executive Board confirmed the Minutes of the 68th Meeting of Board held on 7 May. 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 of interior work 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 was attended by Vice Presidents Latifur Rahman and Rokia Afzal Rahman and the following five Board Members: A. K. Azad, Md. Fazlul Hoque, Mir Nasir Hossain, Tapan Chowdhury, Rashed Maksud Khan and ICC Bangladesh Secretary General Ataur Rahman. DCCI President Abul Kashem Khan, Bangladesh International Arbitration Centre CEO Muhammad A (Rumee) Ali and Shasha Denims Chairman Parveen Mahmud also attended on invitation.



ICC Bangladesh President Mahbubur Rahman (middle) Chairing the Board Meeting attended by ICC Bangladesh Vice Presidents Latifur Rahman & Rokia Afzal Rahman (on his right & left). Also present from right to left are : DCCI President Abul Kasem Khan; Muhammad A. (Rumee) Ali; Parveen Mahmud; Md. Fazlul Hoque; Mir Nasir Hossain, Tapan Chowdhury; R. Maksud Khan; A.K.Azad, ICCB Secretary General Ataur Rahman & ICCB General Manager Ajay Bihari Saha.

Upcoming Events

ICC Workshop on Capital and Credit Risk Distribution

Sunday, 26 November 2017
The Westin Hotel, Dhaka

Registration Deadline: 20 November 2017

➔ **CDCS & CSDG participants will get 6(Six) PDU's for re-certification.**

ICC Workshop on International Trade Finance

20-22 December 2017
Bangkok , Thailand

Registration Deadline: 10 December 2017

➔ **CDCS & CSDG participants will get 14 (Fourteen) PDU's for re-certification.**

For further information please contact: **ICC Bangladesh Secretariat**
Suvastu Tower (6th Floor) , 69/1 Pantha Path, Dhaka -1205
Tel:+8802-9641286, 9676698, Email: info@iccbangladesh.org.bd, www.iccbangladesh.org.bd

Bangladesh Delegation to 10th World Chambers Congress in Sydney



Group picture of ICC Bangladesh delegation at 10th WCC. ICC Bangladesh President Mahbubur Rahman (5th from left); ICC Bangladesh Vice Presidents Latifur Rahman (4th from left) & Rokia Afzal Rahman (middle); ICCB Board Members from left to right are : Md. Fazlul HOque, A.K. Azad & Kutubuddin Ahmed; Director at International Chamber of Commerce, Regional Office, Asia, Lee Ju Song (6th from left); ICCB Member and Shasha Denims Chairman Parveen Mahmud (6th from right) are seen among others.



ICCB President Mahbubur Rahman (extreme left) is exchanging views with World Chambers Federation Chairman Peter Mihok (extreme right). Also seen in the picture Common Wealth Enterprise and Investment Council Chief Executive Richard Burge.



ICC Bangladesh President Mahbubur Rahman (2nd from right), former Prime Minister of Finland & Member of Executive Board of International Chamber of Commerce Esko Aho (middle); International Chamber of Commerce Chief Operating Philip Kucharski (extreme right), ICC Bangladesh Secretary General Ataur Rahman (2nd from left) are seen among others.

Bangladesh Delegation to 10th World Chambers Congress in Sydney



ICC Bangladesh President Mahbubur Rahman (extreme right), ICC Bangladesh Vice President Rokia Afzal Rahman (2nd from right), ICCB Secretary General Ataur Rahman (extreme left) & ICCB Member and Shasha Denims Chairman Parveen Mahmud (middle) are seen at ICC Booth.



ICC Bangladesh President Mahbubur Rahman (3rd from right), ICC Bangladesh Vice President Latifur Rahman (2nd from right), ICCB Board Members A.K. Azad (middle) & Md. Fazlul Hoque (extre left); wife of Mr. Azad, Mrs. Rashida Ahmed (3rd from left); Reshma Akter, wife of Mr. Md.Fazlul Hoque (2nd from left) and ICC Bangladesh Secretary General Ataur Rahman (extreme right) are also seen.



A partial view of audience at the Inaugural Programme of 10th World Chambers Congress in Sydney.

Images from the Gallery



H.E. Mr. Md. Shahriar Alam, M.P. (5th from right), State Minister, Ministry of Foreign Affairs, Govt. of Bangladesh is seen with H.E. Panpimon Suwannapongse (middle), Ambassador, Royal Thai Embassy & ICC Bangladesh President Mahbubur Rahman (4th from right) at "Thai Festival in Bangladesh" held on September 13. Also seen in the picture from left to right are : former FBCCI President Matlub Ahmad; Tawfiq Uddin Ahmed, Chairman, Galaxy Group; S. N. Manzur Murshed, President, Association of Travel Agents of Bangladesh (ATAB); H.E. Mr. Munir M. Merali, Resident Diplomatic Representative, Aga Khan Development Network; Mr. Kumpol Plussind, Chief Executive Officer, Chularat International Hospital, Thailand; Srisuda Wanapinyosak, Deputy Governor for International Marketing (Asia and South Pacific), Tourism Authority of Thailand; Thongchai Keeratihuttayakorn, Deputy Director General, Ministry of Public Health of the Kingdom of Thailand & Mingpant Chaya, President, Thailand - Bangladesh Business Council (TBBC), Thailand.



ICC Bangladesh President Mahbubur Rahman presenting a souvenir to outgoing EU Ambassador H.E. Mr. Pierre Mayaudon at ICCB Farewell Lunch.



ICC Bangladesh Banking Commission Chairman & Chief Executive Officer of Bangladesh International Arbitration Centre (BIAC) Muhammad A. (Rumee) Ali is addressing at the Inauguration of ICC Workshop on Documentary Credits and Guarantees for Specialists. ICC Bangladesh Secretary General Ataur Rahman (right) and K. M. Lutfor Rahman is a Senior Manager & Head of Import Settlement, Trade Operations of BRAC Bank Limited are also seen.

ICC HQs News

3 ways for the G20 to demonstrate leadership at the 2017 leaders Summit

ICC Chairman Sunil Bharti Mittal, First Vice-Chairman John Denton and Secretary General John Danilovich joined 58 CEOs and Presidents of Business Associations to call upon the G20 to take decisive actions in shaping globalization.

The call for international cooperation to shape an interconnected world comes from the Business-20 (B20), the official business dialogue of the G20, ahead of the G20 Summit due to begin in Hamburg, Germany on 7 July. Signatories of the B20 statement agree that globalization is a positive force for economic growth and sustainable development but say common rules and strong institutions are necessary to ensure that globalization benefits all.

Here are three areas of where the G20 can demonstrate leadership according to the B20 statement:

Trade: Promoting prosperity worldwide

Business leaders are concerned about the global increase in trade-restrictive measures. They urge the heads of state and government to reinforce their commitment to open markets and the multilateral trading system with the World Trade Organization at its centre. Everybody should play by the international rules, the leaders emphasize, while calling upon the G20 to update the rulebook, in order to adequately govern trade in the 21st century. According to the business leaders, as many people as possible should have the opportunity to benefit from globalization. For this reason, there needs to be more investment in education and lifelong learning. The G20 economies need active labour market policies and strong social systems.

Fighting climate change

While business commends the G20 efforts in the areas of energy efficiency, renewables, and partly also with regard to energy access, the G20 has not yet come up with predictable market-based policies on climate change.

Underscoring the private sector need for a predictable and stable policy environment that is market-oriented, cost-effective, and strengthens competition among technologies, the statement calls for a clear signal from the G20 in the area of climate protection and reaffirmation in Hamburg from leaders of their commitment to implement the Paris Climate Agreement. "The Paris Climate Agreement provides a good framework for climate protection and innovation. Climate protection and economic growth do not preclude one another. On the contrary, investing in modern, smart, and clean economies can boost economic and social development," the statement said.

Shaping globalization together

"The G-20 holds the necessary weight to govern globalization," the statement said underscoring that G20 member countries account for 85% of global gross domestic product and make up approximately two-thirds of the world's population. B-20 leaders urged the G20 to overcome differences and demonstrate leadership to set the agenda for a future-oriented, inclusive global economy. "It is high time to shape globalization together," the statement concludes.



Three takeaways from the 2017 Business and Climate Summit

BUSINESS & CLIMATE SUMMIT 2017 · NEW DELHI

The latest Business and Climate Summit in New Delhi was historic in several ways. From 31 August to 1 September, the third annual Business and Climate Summit took place in New Delhi, India. As the leading forum for business leaders, investors and policymakers on climate action, the summit offered a powerful symbol of the steps business is already taking to achieve global climate goals.

Here are three main takeaways from the event:

1. Business is taking historic action against climate change

Far from being an obstacle to the fulfilment of global climate goals, business is a leading proponent. The balanced framework of the Paris Agreement, for instance, provides business with the kind of long-term certainty it needs to plan for future growth.

Today, more companies are committing to leadership on climate action than at any other time in history, as was made clear by the many business representatives at the summit. Participants suggested that both governments and businesses should work together to develop roadmaps that factor in the transition needed in different sectors to meet global climate objectives and that climate partnerships, whether public-private or between companies, should also increase.

They are doing so for two main reasons. First, business recognises that, left unchecked, climate change will contribute to geographical instability and economic uncertainty—disrupting the supply chains and power supplies on which private sector operations depend. One recent study estimated that up to US$43 trillion of assets are at risk by 2100 because of climate change. It is in everyone's interest to mitigate climate risk.

Second, taking action against climate change is part of a winning business model. Achieving global sustainable development objectives opens up US$12 trillion of market opportunities in various sectors and markets specifically aligned with the UN's 'Global Goals' have the potential to grow three times faster than average GDP over the next five years.

2. A sustainable economy = a low-carbon economy

At the summit, business reaffirmed its commitment to achieving the central objective outlined in the Paris Agreement: holding global warming below 2°C. Leading companies at the event recognised that a low-carbon and resilient economy is the only way to secure sustainable economic growth and prosperity for all. In other words, complying with global objectives to reduce greenhouse gas emissions is not opposed to economic growth. On the contrary, in our current stage of heightened climate risk the two are intrinsically linked.

Given this recognition, companies at the summit called on governments to keep climate change high on the political agenda, for a failure to mitigate risk would likely derail any other business or policy initiatives. To help lead the way toward a low-carbon future, governments were encouraged to foster investments in green infrastructure and to partner with business when revising their nationally determined contributions to limiting greenhouse gas emissions.

3. Business innovation can help countries 'leapfrog'

For the first time, the Business and Climate Summit took place in an emerging nation this year—a move that was loaded with significance for the future. The robust participation of countries such as India, as well as less developed economies, will be crucial to meeting the global climate objectives outlined in the Paris Agreement. Business innovation can help some of the least developed areas in the world quickly adapt the green technologies that advanced economies are just now integrating into their everyday operations.

By sharing best practices, non-state actors including innovative cities and the world's leading companies can build the partnerships needed to accelerate the transition to a greener economy. Public-private partnerships can catalyse leapfrogging by combining the innovative expertise of business with the reach and mandate of government.

Six highlights from the final day of #10WCC

The 10th World Chambers Congress concluded in Sydney on 21 September. The last day featured plenary sessions on leadership, the world of tomorrow and the 4th industrial revolution as well as an entertainment-filled gala dinner and the announcement of the 2017 World Chambers Competition winners.

Here are some highlights of the day.

1. What makes a good leader?

Leadership isn't about our egos, it's about our ability to learn and then unlearn so that we can re-learn again. This way we don't carry on doing the same old thing, Umit Subasi, President of Campbell Arnott's Asia-Pacific told participants at the plenary session on leadership.

Former Prime Minister of Finland and ICC Board member Esko Aho said that good leaders are conceptual but are able to change concepts quickly in times of crisis.

Giving the social enterprise perspective, Parveen Mahmud, Managing Director of Grameen Telecom Trust said that the challenge for leaders was to be both empathetic and to have a sustainable business model.

2. Exhibition wraps up

The 10th edition of the World Chambers Congress was made possible thanks to the support of the sponsors: the Dubai Chamber of Commerce and Industry; Iran Chamber of Commerce, Industry, Mines and Agriculture; NSW Government; Qantas; the University of Sydney; and Torino Chamber of Commerce, Industry, Crafts and Agriculture.

The University of Sydney is reaching out to the business community to help build skills applicable in the real world. "We've had a busy few days and have had lots of interest from delegates," said Camilla Chau, Program Coordinator of the University's Innovation Hub.



The Iran Chamber of Commerce said their exhibition booth was helping inform delegates of the potential investment and business opportunities with the country.

3. Social media

Congress activity hasn't been confined to the meeting rooms and exhibition area. Participants and organizing teams have been busy connecting and communicating, using the Congress hashtag #10WCC. Thanks to the Congress, the World Chambers Federation Twitter account has received well over 5,000 new profile visits. We're looking forward to staying in touch with you all.

4. A call to action for chambers

In his closing remarks, International Chamber of Commerce First Vice-Chair John W.H. Denton AO called on chamber and business leaders to champion cross-border commerce and communicate the benefits of trade loudly and clearly, leveraging ICC's #TradeMatters campaign. Mr Denton also urged Congress delegates to engage and collaborate to an unprecedented degree to achieve the United Nations' Sustainable Development Goals by 2030.

On World Peace Day, World Chambers Federation Chair Peter Mihok encouraged nominations to the Business for Peace Awards and asked for help to identify leaders who demonstrate commitment to placing business at the heart of society.

5. Inspiring chamber projects

Chamber innovation was celebrated as winners of the 2017 World Chambers Competition were announced during the competition award ceremony, which took place as part of the Congress Gala.

6. And finally…

After a very busy few days, the Congress gala dinner was an occasion for delegates to sit back and be entertained Australian style. The host for the evening was Australian television journalist, media personality and presenter Ryan Phelan who introduced Aboriginal Dance Troupe Koomurri, the Qantas Choir and stars of the TV programme The Voice, Australia.

Delegates also had a taste of the next edition of the Congress when Trevor Cariney, President of the New South Wales Business Chamber, handed over to 2019 co-hosts the Brazilian Confederation of Trade and Business Associations (CACB).

ICC and WTO announce first successful proposal under the "Small Business Champions" initiative

The World Trade Organization (WTO) and International Chamber of Commerce (ICC) announced on 27 September that a proposal submitted by Google Inc. is the first to be selected under the Small Business Champions initiative.

The proposal is for a video competition inviting micro-, small- and medium-sized enterprises (MSMEs) to share their stories, through a short video, about how they have used Internet technologies to participate in trade. The competition will be called the "Small Businesses Going Global Video Challenge."

ICC and the WTO will run the competition and select the winner and two runners-up, which will be announced at the WTO's 11th Ministerial Conference in Buenos Aires in December 2017. The winner and runners-up will win a trip to a masterclass at Google in digital skills tailored to MSMEs, the cost of which will be covered by Google.

The contest is intended to help show how MSMEs can leverage Internet technologies – such as cloud services, apps, payment solutions, communication and productivity tools, real-time analytics, translation tools, and video platforms – to become global exporters.

Submission of videos

Small businesses interested in participating in the video competition are required to submit a short video (no longer than four minutes) shot using a mobile phone (or other device) that shows how they have used Internet technologies to participate in international trade and reach overseas costumers.

Videos should be uploaded to YouTube (or other video-sharing sites) with the tag #msmesgoingglobal and the link emailed to msmes.global.challenge@gmail.com, including your name, age, nationality and contact details.

The competition is open for submissions until 31 October 2017.

Five chambers win top honours at 2017 World Chamber Competition

Winners of the World Chambers Competition were announced during the concluding gala dinner of the 10th World Chambers Congress on 21 September in Sydney. Recognising chambers for their forward-looking approaches to solve some of today's global challenges, 18 finalists competed across four diverse categories. Each presented their ground-breaking initiatives to an international judging panel, and many of the 1,000 delegates attending the biennial Congress. Ultimately, five chambers walked away as World Chambers Competition champions.

The 2017 winners are:

The Brazilian Confederation of Trade and Business Associations for the Best Corporate Social Responsibility (CSR) project that empowers women in business; The Business West Chamber of Commerce for the Best Job Creation and Business Development project, which aims to maximise international trade as a means of benefitting business in South West England; The Hamburg Chamber of Commerce for the Best Education and Training project and their work with refugee integration into the labour market; and The Dubai Chamber of Commerce for boosting the innovation ecosystem throughout Dubai, and the Pereira Chamber of Commerce for stimulating economic development in their city and region through a targeted marketing campaign for the Best Unconventional projects.

This is the first time in the history of the Competition that the jury has voted for joint winners of a category— a truly "unconventional" surprise. The biennial Competition originally received 53 applications from chambers, representing 27 countries.

Organised by the ICC World Chambers Federation (WCF), the World Chambers Competition is the only awards programme of its kind. In addition to their awards and global acknowledgement throughout the chamber network, each of the winning chambers took home a cash prize of €3,000 to further support their unique initiatives.

New Vice-Chair of ICC Commission on Taxation appointed

ICC is pleased to announce the appointment of Susana Bokobo as the new Vice-Chair of the ICC Commission on Taxation. Ms Bokobo will take over from Paul Morton who transitioned to the position of Technical Advisor earlier this year.

Ms Bokobo currently holds the position of Tax Exploration and Production (E&P) Global Policies leader in the Tax Affairs Department of REPSOL, leading the coordination and implementation of tax policy across various areas, including corporate tax, finance, research and development incentives and transfer pricing.



Ms Bokobo has been an active member of the ICC Commission on Taxation, playing an instrumental role in developing policy positions and representing business views among the international organizations she engages with. She maintains co-operative relations with organizations such as the Organzation for Economic Cooperation and Development (OECD), the United Nations, the European Commission, the International Monetary Fund and the World Bank.

ICC Marketing Code reaffirmed as global standard at APEC conference

On 23 and 24 August 2017, ICC participated in the fourth Asia-Pacific Economic Cooperation (APEC) workshop on advertising standards in Ho Chi Minh City, Vietnam to discuss the establishment and implementation of effective advertising standards across the Asia-Pacific region.

ICC participated in a panel on "Establishing and Aligning Ad Standards" to discuss the benefits of advertising standards for consumers, regulators and companies. On the occasion of the 80th anniversary of the ICC Code, Ms Martin recalled that the APEC Policy Support Unit report referred to the Consolidated ICC Code of Advertising and Marketing Communications Practice (the ICC Code) as the globally accepted best practice principles and reiterated the Code's role in helping build consumer trust by using high ethical standards and marketing products responsibly.

This year's conference featured a series of discussion panels during which notable speakers from both international and national regulatory organisations, as well as major private-sector companies, shared their experience and expertise in implementing advertising standards. Raelene Martin, Project Manager for the ICC Commission on Marketing and Advertising, represented the International Chamber of Commerce in advocating for the alignment of industry standards and the benefits of self-regulation.

The ICC Code, developed by the ICC Commission on Marketing and Advertising, is the gold standard for the most nationally applied self-regulation around the world. The ICC Code celebrates its 80th anniversary this year and has served as the foundation and building block for self-regulatory structures around the world and offers a globally consistent baseline for economies developing advertising principles while also providing flexibility for local laws and culture to be reflected in a local code. It is a recognised and trusted rule-setting tool for the marketing and advertising industry, and at the same time is noted for its adaptability to local market and policy conditions.



UN endorses ICC Uniform Rules for Forfaiting



In a historic moment, the ICC Uniform Rules for Forfaiting—ICC Publication no. 800 ("URF 800")—were officially endorsed by the United Nations Commission on International Trade Law (UNCITRAL) in its 50th plenary session held in Vienna on 14 July 2017.

Forfaiting is a trade financing technique based on without recourse discounting of an instrument representing an exporter's receivables payable at a future date, such instrument evidencing a payment claim or a debt obligation of an importer or a bank / financial institution pursuant to a letter of credit, standby letter of credit, guarantee, aval, bill of exchange or a promissory note created under an export transaction.

The URF 800 are the first ever global rules for forfaiting—the result of three-and-a-half years of joint effort by ICC and the International Trade and Forfaiting Association (ITFA)—developed after taking into account feedback from major trade finance banks, forfaiting companies and exporters. The aim of URF 800 is to create a standard set of rules that can be applied within the forfaiting markets worldwide.

Pradeep Taneja, Group Head of Trade Technical Services with Bank-ABC, Bahrain and Chair of the ICC-Bahrain Trade Finance Forum, presented URF 800 to UNITRAL on behalf of ICC. In its official report, commending the use of URF 800 in forfaiting transactions, UNCITRAL congratulated ICC on having made a further contribution to the facilitation of international receivable financing and thus international trade. Purchase the ICC Uniform Rules for Forfaiting (URF 800) in the ICC Store.

ICC Court to establish MENA office in UAE

The ICC International Court of Arbitration is to open a representative office for the Middle East and North Africa (MENA) in Abu Dhabi, United Arab Emirates (UAE). The office will be located in Abu Dhabi Global Market (ADGM), an international financial centre located on Al Maryah Island in the capital of UAE. The move is the latest in a series of measures undertaken by the Court to expand operations worldwide. They include the opening of a representative office in Brazil, announced in May 2017, and the establishment of a case management office in Singapore, announced last month.

Offering world class dispute resolution services for users in MENA, the new representative office is expected to become operational by January 2018. On-site staff will be on hand to accept the registration of arbitration cases under the ICC Rules, which will then be administered by one of the ICC Court Secretariat's existing case management teams. According to statistics, 56 parties from UAE were involved in cases filed with the ICC Court in 2016, ranking among the top 20 most frequent nationalities among parties.

The Court is the leading arbitral institution, with a long-standing reputation as the benchmark for international dispute resolution having administered disputes in close to 23,000 international commercial, business and investment arbitration cases since 1923. ICC Arbitration is widely used in international transactions throughout the Middle East. The development and changing landscape of international arbitration in the region is the focus of an ICC annual MENA Conference on International Arbitration the next edition of which will take place 19-21 March 2018.

6 memorable quotes from major Global Goals business forum



The second annual SDG Business Forum took place at United Nations Headquarters in New York from 10 July to 19 July during the ministerial segment of the High-Level Political Forum (HLPF) on Sustainable Development.

Co-hosted by the International Chamber of Commerce (ICC), the UN Department of Economic and Social Affairs (UN-DESA), and the UN Global Compact, and organized in collaboration with the Global Business Alliance (GBA) for 2030, the Forum brought together 1,500 leaders from business and government, together with the heads of UN agencies, key international organizations, and civil society groups to highlight how business is delivering on commitments to advance the 2030 Agenda.

The event was the largest business event to take place at the UN and these 6 notable quotes from the array of insight presented at the event.

Opening the event, which took place in the UN General Assembly Hall, ICC Secretary General John Danilovich said that some had been skeptical when business committed to stand squarely behind the global goals when they were formally adopted two years ago. "Well today, we have a clear and visible response to that skepticism…one which reinforces the commitment of the business community to the SDGs," he said. "There can be no doubt that the private sector means business when it comes to the SDGs."

While the event brought together representatives from all sectors, there was clear consensus among speakers: no one group can attain the SDGs alone. Bola Adesola, Managing Director and Chief Executive Officer of Standard Chartered Bank Nigeria highlighted the power of partnerships to advance the 2030 Agenda and said: "Our coming together today is a reminder that no one business, global or local, no one country, developed or developing, can deliver the SDGs on their own. More than ever before, we need to collaborate".

Underscoring the pragmatic nature of business in a session on private sector investing in the SDGS, Danish Minister for Finance Kristian Jensen said: "The world needs dreamers and it needs doers, the business people of the world are doers…having the dreamers and doers working together will do the job." Mr Jensen said that while a lot of Danish companies were front runners when it came to investment, many others needed help. Recognizing the business need for global governance and stable investment climates he said: "It is important to stress that a sustainable investment is only sustainable if it is economically sustainable."

Frans Lindelow, CEO of Swedish insurance company Skandia, said that while the company's customers and owners expected a good return on their pension, they also expected the service provided with high morals and ethical standards. Mr Lindelow said Skandia was looking at how to incorporate the SDGs more into the investment process, noting that since the 1980's business goals had transitioned beyond simply improving the bottom line for shareholders. "Responsible business has shifted focus from shareholder value to shared value," he said.

Nick Chism of KPMG had sound advice to offer businesses during his reflections at the Forum. He said: "Firstly, don't focus all the attention on new initiatives at the expense of huge efficiency gains in existing areas of activity. Secondly, technology and innovation will continue to disrupt this strategic map so embrace them, don't reject them. Thirdly, Don't strive for perfection at the expense of progress. And fourthly, forums like the the SDG Business Forum, are incredibly valuable for stimulating collaboration, and the sharing of insights and lessons learned."

ICC joined a number of leading business organizations, private sector institutions and networks that support the implementation of the Sustainable Development Goals (SDGs) across the world as signatories of a joint statement issued at the conclusion of the SDG Business Forum. The statement, which pledged to step up transformational partnerships and efforts to raise awareness and accelerate implementation of the goals, said: "The SDGs provide all businesses with a new lens through which to translate the world's needs and ambitions into business solutions. These solutions will enable companies to better manage their risks, anticipate consumer demand, build positions in growth markets, secure access to needed resources, and strengthen their supply chains, while moving the world towards a sustainable and inclusive development path."

ATA Carnet advances towards digitization

The World Chambers Federation (WCF) of the International Chamber of Commerce (ICC) is moving closer to creating a digitalised ATA Carnet system, following the conclusion of a successful meeting at the World Customs Organization (WCO) on 30 June 2017 in Brussels.

The meeting was held at the invitation of the WCO Compliance and Facilitation Directorate, allowing the ICC WCF's eATA Steering Committee to meet with the WCO eATA Working Group, which is chaired by Matthias Reimann of the European Commission of Taxation and Customs Union Directorate-General (TAXUD). The ICC WCF's eATA Steering Committee presented a centralised eATA study, along with a demonstration.

Building upon its successful work to date with Mercury—a centralised repository of key ATA data—the ICC WCF showcased the advantages that digitising the ATA Carnet could provide, such as facilitating transactions, increasing data security, preventing claims and reducing administration. The ICC WCF's delegation also spoke about its importance to Customs, as well as the business community.



During this meeting with key WCO members from more than 15 nations, including the European Union, customs officials welcomed the initiative. Many were eager to join a potential pilot programme, which is set to be launched in the coming year.

Additionally, presentations led by the ICC WCF's ATA leadership illustrated the advancement of the current Mercury concept and workflow system of the Mercury Phase II-real-time lifecycle management system, in addition to explaining the options on how Customs could easily integrate into the Mercury system.

ATA Carnet is an international customs document that permits the tax-free and duty-free temporary export and import of goods for up to one year. The system is operated under two international conventions (ATA and Istanbul Conventions) and is jointly administered by the World Customs Organization (WCO) and ICC through the World Chambers Federation. ATA Carnet is currently in force in 77 countries and economies throughout the world today.

Banking Commission Survey confirms trade finance supply/demand imbalance



The International Chamber of Commerce (ICC) Banking Commission has released its 2017 report entitled Rethinking Trade and Finance. Based on the Global Survey on Trade Finance – with 255 responses from banks located in 98 countries, as well as insight and commentary from expert contributors – the report is the most comprehensive gauge of the trends and outlook of the global trade finance industry.

Now in its ninth year – 2017's Survey marks a significant change in both emphasis and presentation. The aim is to provide both enhanced context – highlighting the potential strategic and tactical implications for the industry – and to be more forward looking. The approach is aided by the launch of a new Editorial Board comprising senior specialists and practitioners, supported through contributions from a wider range of partners across global trade.

The Report – emphasising ICC's and the Banking Commission's support of open, rules-based and inclusive multilateral trade – encompasses four major sections of content linked to the pillars of the Banking Commission's strategy. It focuses on the state of the trade finance market; trade and supply chain finance; policy, advocacy and inclusiveness around global trade; and digitalisation and the state of FinTech. The 2017 Survey's findings show that:

Some 61% of banks report more demand than supply for trade finance in the global market. ICC Banking Commission and the Asian Development Bank estimate the level of unmet demand for trade finance stands at over US$1.6 trillion a year – a figure now officially recognised by the United Nations General Assembly.

Only a minority (21%) see traditional trade finance showing growth in the future. However, overall trade finance revenues have increased,

with ICC partner The Boston Consulting Group's trade finance model (included in the report) predicting revenue growth of around 4.7% a year. Over 68% of respondents point to compliance and regulatory requirements as having the highest adverse impact on trade finance in the short-term, while only 11% pointed to capital constraints as a matter of significant concern.

Some 50% expect most of trade flow processes to be digitised by 2027 – while an almost equal portion expect the evolution to take from 10-25 years. In addition, nearly 44% of respondents identify digitalisation and technology as priority areas of focus – including FinTech and fast-emerging platforms.

While there is optimism with respect to the digitalisation of trade finance, only 12% of respondents perceive a degree of market uptake and nearly 40% see limited progress in this area – with almost 18% reporting that technical capabilities and technology are ahead of trade finance business practice. The discourse around FinTechs is evolving from competition to collaboration, with only 1.4% of respondents viewing the competitive offering of FinTechs as a threat to banks' positions as the key providers of trade finance.

More than one-third of respondents consider supply chain finance a high priority and predict significant growth, and over 21% view it as under analysis and consideration. Over 57% report an improvement of their operational risk management and reduced error rates, while only 2.7% note a slight deterioration.

Some 46% identify multinational and large corporates as the highest priority client segment for their trade finance business, with a quarter favouring middle market clients and less than 20% identifying Micro, Small and Medium Enterprises (MSMEs). Some 57% of respondents believe traditional trade finance will exhibit little or no growth – while 22% think it will decline outright year-on-year.

Cost control pressures are considered the biggest challenge facing trade finance units. These are cited by 23% of respondents, followed closely by the availability of specialist skills (21%), and limits posed by traditional technologies (18%).

The report highlights the key role that correspondent banks play in global trade and economic activity, with IMF data indicating that the volume of correspondent banking relationships grew by almost 30% between 2011 and 2015.

Newly issued report reveals 87 incidents of maritime piracy in first half of the year



Continuing decline in the number of reported incidents of maritime piracy and armed robbery against ships has been revealed in the second quarter piracy report of the ICC International Maritime Bureau (IMB), published on September 4. According to the report, the first half of 2017 saw a total of 87 incidents reported to the IMB Piracy Reporting Centre compared with 97 for the same period of the previous year.

2017 ICC IMB Piracy Report Recording some of the lowest figures seen in the last five-year period, the latest piracy report shows that in the first six-months of 2017, 63 vessels were boarded, 12 fired upon, four were hijacked and attacks were attempted on another eight vessels. A total of 63 crew has been taken hostage so far this year while 41 have been kidnapped from their vessels, three injured and two killed.

The encouraging downward trend has been marred however by the hijacking of a small Thai product tanker en route from Singapore to Songkhla, Thailand. The hijacking, at the end of June, was conducted by six heavily armed pirates who transferred 1,500 MT of gas oil to another vessel. The incident followed a similar pattern to a series of product tanker hijackings in the region which occurred approximately every two weeks between April 2014 and August 2015.

To prevent criminal gangs carrying out attacks on other product tankers, the IMB PRC is calling on Malaysian and Indonesian authorities to take robust action, in the same vein as their response which brought perpetrators of the previous spate of attacks to justice.

Cooperation between Indonesia, Malaysia and Philippines has been recognised as the fundamental reason for the overall decline in the number of reported incidents in and around the Philippines – from nine cases recorded in the first quarter of the year to just four cases in the second quarter. Overall, the number of mainly low-level attacks off Indonesia has also decreased from 24 in 2016 to 19 in 2017.

Bangladesh Economy

Prime Minister Sheikh Hasina urges UN to find permanent solution to Rohingya crisis



Bangladesh Prime Minister Sheikh Hasina has urged the United Nations and the international community to take immediate effective steps for the permanent solution to Rohingyas, who fled to Bangladesh fearing persecution in Myanmar.

In her historic speech, Prime Minister Sheikh Hasina put forward a five-point proposal to the global bodies for immediate and durable end of the protracted Rohingya crisis.

"Myanmar must unconditionally stop the violence and the practice of ethnic cleansing in the Rakhine immediately and forever," she said in the first proposal. UN Secretary-General should immediately send a fact-finding mission to Myanmar, she said in her second proposal. "All civilians irrespective of religion and ethnicity must be protected in Myanmar. For that, 'safe zones' could be created inside Myanmar under UN supervision," was her third proposal. Sheikh Hasina in her fourth proposal called for ensuring return of all the forcibly-displaced Rohingyas in Bangladesh to their homes in Myanmar. In her last proposal, she said the recommendations of the Kofi Annan Commission Report must be immediately implemented unconditionally and in its entirety.

Prime Minister Sheikh Hasina said, this was the 14th time she was addressing the UN General Assembly and this time she has come with a heavy heart. "I've come here just after seeing the hungry, distressed and hopeless Rohingyas from Myanmar who have taken shelter in Cox's Bazar, Bangladesh. This forcibly-displaced people of Myanmar are fleeing an 'ethnic cleansing' in their own country where they've been living for centuries," she said. Bangladesh is currently sheltering over 800,000 Rohingyas, she added.

The five significant points that Prime Minister Sheikh Hasina has made as proposal to UN General Assembly for permanent solution to the Rohingya crisis, has already drawn proper attention of the United Nations and its Security Council members.

Rohingya refugee crisis a 'human rights nightmare' : UN chief

Noting that the humanitarian crisis that has resulted in displacement of hundreds of thousands of Rohingyas from Myanmar not only provides a "breeding ground" for radicalization, but also puts vulnerable people – including young children – at grave risk, United Nations Secretary-General António Guterres called for "swift action" to prevent further instability and find a durable solution.

"The situation has spiralled into the world's fastest developing refugee emergency and a humanitarian and human rights nightmare," the Secretary-General said on 28 September at a Security Council meeting on the situation in Myanmar. At least 500,000 civilians have fled their homes in the country's northern Rakhine state since late August and sought refuge in Bangladesh. According to estimates, some 94 per cent among them are members of the minority Muslim Rohingya community.

There have also been reports of burning of Muslim villages, as well as looting and acts of intimidation. Authorities in Myanmar have indicated that at least 176 of 471 Muslim villages in northern Rakhine have been totally abandoned. "We have received bone-chilling accounts



from those who fled – mainly women, children and the elderly," added the UN chief, noting that testimonies pointed to serious violations of human rights, including indiscriminate firing of weapons, the presence of landmines and sexual violence. "This is unacceptable and must end immediately."

Secretary-General António Guterres briefs the Security Council meeting on the situation in Rahkine state of Myanmar, which has seen hundreds of thousands of Rohingya refugees fleeing to neighbouring Bangladesh over the last several weeks. Failure to address the violence could result in a spill-over into central Rakhine – where an additional 250,000 Muslims could potentially face displacement – Mr. Guterres warned, stressing that Government must ensure the safety and security of all communities and uphold rule of law without discrimination.

In his briefing, the Secretary-General also underscored that UN agencies and their non-governmental partners must be granted immediate and safe access to all affected communities.

Speaking also on the need to ensure safe, voluntary, dignified and sustainable return of the refugees to their areas of origin, Mr. Guterres noted that the 1993 Joint Statement of the Foreign Ministers of Bangladesh and Myanmar could be a useful starting point, but it is not sufficient in the present circumstances, in particular as it does not refer to resolving the root cause of displacement as well as because it requires documents that the refugee Rohingya may not be able to provide.

"Ensuring the safe, voluntary and dignified return of refugees to Rakhine – in line with international refugee law – will require the restoration of mutual trust among the communities," he said, noting that improved inter-communal relations forms a critical part of a sustainable solution to the crisis. Mt. Guterres further noted that the issue of protracted statelessness must be resolved.

"The Muslims of Rakhine state should be granted nationality," he stated, adding that while the present Myanmar citizenship legislation only allows it partially, an effective verification exercise should be conducted in the interim to allow those entitled be granted citizenship based on the present laws.

"All others must be able to obtain a legal status that allows them to lead a normal life, including freedom of movement and access to labour markets, education and health services," he added.

In his remarks, the UN chief also spoke of a donor conference to be convened by the Office of the UN High Commissioner for Refugees (UNHCR), the Office for Coordination of Humanitarian Affairs (OCHA) and the International Organization for Migration (IOM) as well as noted efforts by regional actors to help address the crisis.

"I look forward to effective and credible follow-up to the authorities' stated commitment to greater access, including for the international community, the media and humanitarian actors," he said, noting: "The regional cooperation with Myanmar will also be essential, and the United Nations fully stands behind this."

United Nations High Commissioner for Refugees (UNHCR) Filippo Grandi warned of humanitarian disaster. The exodus of Rohingya Muslims from Myanmar is 'the most urgent refugee emergency in the world' right now, he told the media while visiting the refugee camps in Cox's Bazar on September 24. The needs of more than 435,000 people who have fled terrible violence in Myanmar over the last month are enormous, he said, adding that the global community must step up financial and material aid to help Bangladesh deal with the refugee crisis.

Filippo Grandi also reiterated its position on September 25 saying both the origin of and solution to the Rohingya crisis lie in Myanmar. "The origin of this crisis and the solution to this crisis both lie in Myanmar...," he told a press conference at a city hotel. Referring to Prime Minister Sheikh Hasina's stance, he said she clearly told him that the solution to this problem is the voluntary return of these people to their own country (Myanmar) and he also agreed with her.

Rohingya refugees to create pressure on Bangladesh Economy : SANEM

According to South Asian Network on Economic Modeling (Sanem) the influx of Rohingya refugees has created a pressure for the economy and overall security of Bangladesh. Bangladesh's future development hinges on some critical projects in Chittagong and the hill tracts areas, such as the Chittagong port, special economic zones and deep sea ports, which are very close to Myanmar, said the private think-tank.

"A possible conflict with Myanmar can hamper Bangladesh's efforts for integration with Southeast Asian countries," the Sanem said in its latest quarterly economic review. There is also a risk of a rise in military expenditure in Bangladesh, which can have implications on the development activities. Subsequently, it called for prudent diplomatic strategies and proper management of refugees, aid and security issues to deal with the Rohingya crisis. Selim Raihan, executive director of the Sanem, presented the review at a programme held at The Westin Dhaka on September 20.

The review also touched upon the recent increase in rice price, jobless economic growth and the Sustainable Development Goals. There has been a 44 percent rise in the price of coarse rice in recent days from a year ago. "In order to contain the soaring price of rice, there is a need to increase the supply of rice in the local market," the Sanem said, adding that the attempts to import the staple from India, Cambodia and Myanmar should be intensified.

The Sanem said the price of rice should be set at Tk 20 a kg at the open market sale. "There should also be careful actions against hoarding so that such actions don't disrupt the supply chain." The organisation said Bangladesh is at the risk of jobless growth phenomenon. Between 2013 and 2016, the share of industry and manufacturing in employment declined for the first time in Bangladesh. Job creation was negative in agriculture and very small in manufacturing, while there was a large employment generation in the service sector.

To counter this, there is a need for economic diversification and promotion of labour-intensive and highly productive sectors, the think-tank said.

Bengal Group gets $36m from IFC, FMO for luxury hotel in Dhaka

Bengal Group has signed a term loan facility agreement with International Finance Corporation (IFC), the World Bank Group, and FMO, the Dutch Government development financing organisation, to lend US$ 36 million at a low cost to set up a luxury hotel -- Bengal Hotels and Resorts Limited (BHRL) -- in Dhaka.

IFC Regional Industry Head (Manufacturing, Agribusiness and Services) Patrick J Leahy and Bengal Group Chairman Morshed Alam, MP signed the agreement at a city hotel on 27 September.

IFC Country Manager (Bangladesh, Bhutan and Nepal) Wendy Jo Werner, Bengal Group Vice-chairman Jashim Uddin and Director Humayun Kabir (Bablu), and Mutual Trust Bank Limited (MTB) Chairman MA Rouf, Managing Director and Chief Executive Officer (CEO) Anis A Khan, Additional Managing Director Md Hashem Chowdhury, Deputy Managing Director and Chief Business Officer (CBO) Syed Rafiqul Haq attended the signing ceremony along with other senior officials from the organisations.

Under the agreement, where MTB will act as the lead arranger of the foreign loan, IFC and FMO will jointly finance the construction and development project of a 350 room business hotel under the 'Swissotel' brand, located on the Tejgaon-Gulshan Link Road in Dhaka, of BHRL, a concern of Bengal Group.



DataSoft to build 10,000 smart homes in Tokyo
Spectacular achievement of Bangladesh ICT industry



Local firm DataSoft Systems will establish 10,000 smart homes in Tokyo using the next generation Internet of Things (IoT) solutions in what can be termed a spectacular leap for the country's IT industry. "This is a breakthrough for the ICT industry as well as the whole country," said Mahboob Zaman, managing director of DataSoft Systems Bangladesh. In the next phase of technology, all objects, whether automobile or home appliance, will be connected with the internet like living things, he added.

Under an agreement signed on September 17 with Japanese Smart Life, DataSoft will develop the concept and supply all the IoT solutions for 10,000 apartments.

Solutions include controlling and minimising power usage, gas leakage prevention, water wastage minimisation, room temperature control, and ensuring security, said Sami Al Islam, DataSoft's project coordinator.

The project is set to fetch DataSoft about $8,000 from each of the apartments and a service fee of $10-15 from every unit each month. It will create jobs for 300 IT professionals at home and 30 in Japan, according to DataSoft officials. Bunta Mabuchi, director of Smart Life, showcased the smart apartments and how they stand as cost-efficient solutions.

The investment in a smart house is more than justified as the solution nearly halves the operational and management cost of an apartment complex, said Manjur Mahmud, chief operating officer of DataSoft. And as a result, the rent of apartments goes down by 18-20 percent.

Mabuchi said Tokyo is hosting the 2020 Olympics, due to which a huge number of people will descend upon the Japanese capital. There will be a need for cheap apartments then and the smart apartments will come in handy. Commerce Minister Tofail Ahmed said the tie-up proves the government's vision of a 'digital Bangladesh'. "It is a matter of prestige for us," he added.

Mustafa Jabbar, president of the Bangladesh Association of Software and Information Services, said it is a matter of pride for all the 160 million Bangladeshis. "Bangladesh missed out during the previous industrial revolutions. But in the era of digital revolution, Bangladesh will play a role," he added.

Banamali Bhowmick, director general of the ICT Division, said DataSoft should also develop at least 1,000 smart apartments in Dhaka. Daisuke Arai, country representative of Jetro, also spoke. DataSoft started its journey in 1998 and in May last year opened an office in Japan. In November last year, the company established an IoT lab in the capital in cooperation with the US's Columbia University.

Gas Sector Master Plan on cards: Assessment of Gas for next 10 years

The government is going to formulate a master plan on gas sector in one and a half years to meet the future challenges, as gas is waning. State minister for power, energy and mineral resources said "We'll formulate such a master plan in 1.5 years as it is a Magna Carta for us. We'll define how much gas we need in the next 10 years and how we can achieve it," Nasirul Hamid told a programme in Dhaka on August 7.

The programme was organized by the Power Cell under the Ministry to present a draft report on the Update of Gas Sector Master Plan, 2017. The minister, however, lamented that the gas sector was not incorporated in the master plan on power formulated in 2010. "It is also necessary to ensure the proper use of gas," Nasrul said, adding that the government will continue to revise the master plan on the reality of the present day.

He also stressed the need for regional power sharing for energy security. "We're looking to import 2000 MW power from Bhutan," the state minister also said. China has also intended to export power from Kumin to Bangladesh, Nasrul Hamid informed the prorgramme. The state-run Power Cell is drafting the gas sector master plan with the help of World Bank and a Danish company.

The master plan will put emphasis on detailed outline of potential transmission, infrastructures and additional facilities due to import of LNG. The master plan will include impact of LNG import, cost effectiveness, price and subsequent effect on consumer," said Power Cell official.

The government has gone for framing gas system master plan at a time when it has signed a number of deals and agreements with various foreign and locals firms to import and install LNG plant in the country. State-owned Rupantarita Praktritik Gas Company Ltd, a subsidiary of Petrobangla, sought Expression of Interest (EoI) from international LNG suppliers on June 8 aiming to import the liquefied gas by the first quarter of the next year.



Petrobangla is now negotiating with Qatar to the terms and conditions on import of 3.75 million tonnes of LNG over the next 15 years starting from the first quarter of 2018. Earlier, the government signed a "confidentiality" deal with RasGas in Doha in October 2015 to facilitate import of LNG by 2018.

On the other hand, Petrobangla signed a deal with US-based Excelerate Energy Bangladesh Ltd on July 18, 2016 for construction of the South Asian country's first LNG terminal - a FSRU (floating, storage and re-gasification unit) - at Moheshkhali island in the Bay of Bengal. Excelerate is now working on building the terminal having handling capacity of up to 700 million per day (mmcfd). Excelerate will charge around US$0.59 per unit (1,000 cubic feet) of natural gas as service charge and costs for tag boat operation, port facility, etc.

Indian company Petronet also secured a deal to build another LNG import terminal at Kutubdia island having a capacity to handle around 1,000 mmcfd of imported LNG. Another Indian company Reliance too builds a LNG terminal at Moheshkhali island, the senior Petrobangla official said.

Local energy giant Summit will also construct a FSRU LNG Terminal at Moheshkhali island having the capacity to handle around 500 mmcfd of gas. Costs for Petronet, Summit and Reliance are almost similar to that of Excelerate.

State-run Power Cell has also plan separately build a LNG terminal in the same area at Moheshkhali, according to Power Cell officials. The existing master plan formulated in 2006 was designed for better use and enhancing exploration of gas till 2025, which is supposed to cover an extended period till 2041. But now the government has agreed in principle to update the gas sector master plan in view of the government' vision 2041.

Petrobangla to form joint ventures for LNG import

PETROBANGLA

The government is going to import liquefied natural gas (LNG) on a small scale using existing seaside platforms of various state-owned enterprises as part of an aggressive drive to meet energy shortages. At least 200 million cubic feet per day (mmcfd) will be imported through joint ventures of Petrobangla and the local private sector or foreign companies.

Already 13 foreign companies have expressed interest. Petrobangla on September 19 signed an initial agreement with one of them, Gunvor Singapore. On September 20 the cabinet committee on economic affairs gave approval for Petrobangla to use jetties of Chittagong Urea Fertiliser Limited (CULF) and Karnaphuli Fertiliser Company Limited (KAFCO) and a platform in the Bay of Bengal of Sangu, the country's first offshore gas field.

The interested companies are PTC Corporation, Panama City & SKE & S Korea, Trafigura Pte Ltd (Singapore), Pavilion Energy (Singapore), Gunvor (Singapore) and Exmar Marine NV (Belgium), ExxonMobil LNG Market Development Inc (USA), Petronas LNG Ltd (Malaysia), Marubeni Corporation, JERA & K-Line (Japan),

Wison Offshore & Marine (China), Hemla Energy AS (Norway) and MIE Holding Corporation (USA). Petrobangla will buy LNG once the companies import it after constructing necessary infrastructure.

Petrobangla has been examining the proposals from these companies and as a part of this signed an initial agreement with the Singapore-based company, according to Petrobangla official. Earlier, the government signed agreements with several floating LNG terminals. It has also appointed a consultant for setting up a land-based LNG terminal.

The government has taken an initiative to import LNG from various countries.

At the signing ceremony on September 19, Nasrul Hamid, state minister for power and energy, said the government signed memorandums of understanding with RasGas of Qatar, Oman Trading International of Oman, Pertamina of Indonesia, Astra Oil of Switzerland and Gunvor Singapore to buy LNG.

Forty one companies have expressed willingness to supply LNG through spot market to Bangladesh after the government sought "expressions of interest" on August 17 this year. A panel will be formed to sign the sales and procurement agreement, said the minister. "The crisis of gas will start to go away from April next year," he said.

The minister said 500 mmcfd of LNG would be imported every day from April next year, which will be used in Chittagong region. Another 500 mmcfd of LNG will be added to the national pipeline in October 2018. "This LNG will be used in the central parts of the country." He said although the Chittagong region would be served initially, the impact would be felt in other parts of the country. The government has also taken up plans to establish LNG-based power plants.

Hamid said the LNG would be blended with the local gas before being supplied to industries. "Although the gas price will go up to some extent, it would be helpful for them ultimately." The LNG imports will bump up the supply for consumers by 37 percent. The country has been dogged by serious gas shortages for a long time now, crippling industries. It currently has a supply of about 2,700 mmcfd from various gas fields against the demand for 3,300 mmcfd.

Power Plant

United Enterprises & Co Ltd is going to set up a 200 MW furnace oil-based power plant at Mymensingh and run it for 15 years. The government will buy electricity from the company at a rate of Tk 8.4166 per kW/h.

On September 20, the cabinet committee on purchase approved the proposal for buying the electricity. In the 15 years the government will be paying Tk 17,640 crore.

Source: The Daily Star

Gunvor Singapore to supply LNG from 2018

Gunvor Singapore Pte Ltd is set to supply LNG to Bangladesh from 2018 after signing a memorandum of understanding with state-run Petrobangla on September 19 -- Bangladesh's fifth LNG supply agreement, and the third this month. Bangladesh signed its first MOU to import LNG with Qatar in 2011, then this year did deals with Switzerland-based AOT Energy on June 13, Oman in early September and Indonesia on September 15.

Gunvor planned to supply LNG to Bangladesh from different sources. Gunvor will be ready to supply LNG on a short-term, medium term and spot basis. Speeleved would not comment on volume or price but said he hoped the negotiation with Petrobangla would be concluded within 2-6 months.

Bangladesh has moved to import LNG to ensure uninterrupted re-gasified LNG supplies to consumers, state minister for the MPEMR Nasrul Hamimd said. Regarding signing of so many MOUs, Petrobangla chairman Abul Mansur Md Faizullah said: "We like to diversify LNG sources to ensure availability of LNG smoothly so that the country does not face any unforeseen crisis".

Petrobangla was expected to seal Bangladesh's first-ever final deal to import LNG with Qatar in the last week of September. The deal is for 2.5 million mt/year of lean LNG from Qatar's RasGas over 15 years.

The purchase price has been set at around 12.65% of the three-month average Brent crude prices plus 50 cents/MMBtu. The RasGas supply will take up a third of Bangladesh's LNG handling capacity of 7.5 million mt/year, which will be ready following the 2018 commissioning of two floating storage and regasification units.

Separately, Bangladesh is seeking to import spot LNG from suppliers taking advantage of the downtrend in LNG pricing in global market.

Bangladesh to Import LNG from Qatar

The government on 25 September signed a 15-year deal with Qatar's RasGas to import 2.5 million tonnes of liquefied natural gas (LNG) annually, to meet the country's growing energy demand. Petrobangla Chairman Abul Mansur M Faizullah and RasGas Chief Executive Office Hamad Rashid Al-mihammadi signed the agreement on behalf of Bangladesh and Qatar at Sheraton Hotel in Doha.

State Minister for Power and Energy Nasrul Hamid and Industries Minister of Qatar Dr Mohammad Bin Salah Al-Sada attended the signing ceremony, among others. At the function, Nasrul Hamid said two FSRU (Floating Storage and Re-gasification Unit) having a capacity of 7.5 million tonnes each are under construction here in Bangladesh. Besides, the government has a plan to install separate small LNG terminal to overcome natural gas crisis here, he said. He further said around 2500 industrial units will require natural gas.

Dr Mohammad Bin Salah Al-Sada said Qatar will continue its support to Bangladesh for energy sector cooperation. Qatar Petroleum President Saad Sherida Al-Kaabi and RPGCL Managing Director M Quamruzzaman attended the function, among others. The cabinet committee on national purchase recently cleared the government-to-government purchase deal with Qatar for importing LNG for 15 years.

According to a proposal from the Energy Division, the price of per unit of LNG will be 13 percent of the three-month average of Brent crude, in addition to 0.50 LIBOR (London Interbank Offered Rate).

New Sylhet plant adds 110MW to national grid

Newly-installed power generation plant 'Kushiyara Power Company' has started supplying 110 megawatt (MW) electricity to the national grid on experimental basis. Official sources said the company has been generating electricity and supplying the same to the national grid. The power plants in Sylhet region currently generate a total of 1200 MW, which is being supplied to the national grid, the official added. But the combined cycle power generation company, established on about 15 acres land at Mainpur on the bank of river Kushiyara in Fenchuganj, has a capacity of 170 MW. On receipt of government approval, the company signed tripartite contract with the PDB and state-run Jalalabad Gas Transmission and Distribution Company Limited on March 20, 2013.

Later, another contract was signed with the US-based company GEC on March 20, 2015 for supply of electrical equipments. Max Infrastructure Ltd, a local company, is implementing the project and is also carrying out the engineering, procurement and construction (EPC) work of the gas-based plant. The single unit of the gas-based plant added the power to the national grid in the first week of August.

The construction began in February last year and after 17 months the single-cycle plant went into operation. The combined-cycle plant is about to add another 53MW power to the grid by November this year. In total, the plant will supply 163MW of power for 22 years as per Max Infrastructure's agreement with Bangladesh Power Development Board. Max Infrastructure Ltd is one of the biggest infrastructure development companies in the country under MAX Group.

The EPC cost of the plant is Tk 1,080 crore. Eighty engineers, most of them Bangladeshi, and 950 workers are working at the plant. The plant receives 2.8 crore cubic metres of gas every day from Jalalabad Gas Transmission and Distri-bution System Ltd.



Deal signed to build 150 MW heavy fuel oil power plant

Midland East Power Ltd, a local company, has teamed up with a consortium of Chinese CRRC Ziyang Co Ltd and Bangladeshi Green Power Ltd to build a 150 MW Heavy Fuel Oil (HFO) based power plant within 9 months in country's northeastern region.

In this regard Midland East Power signed a contract with CRRC Ziyang Co at a hotel in the capital on 17 September. As per the contract, the consortium of CRRC Ziyang Co and Green Power Ltd will act as Engineering, Procurement, and Construction (EPC) contractor.

According to the firm, the project is adopting stringent environment norms with highly efficient machinery and state of art technologies has been selected for this project to make it an environment friendly and highly efficient power plant. The project will be fully completed in nine months, and go into commercial operation and be connected to the national grid by May next year, it said.



Eastern Bank Ltd is the financial partner of Midland for the plant. Midland has already signed a 15-year agreement with the Bangladeshi government to supply the power produced at the plant to the national grid.

According to the statement, the 150 MW HFO power plant will be constructed at Chor Chartola, Ashuganj in Brahmanbaria district, some 109 km northeast of capital Dhaka.

Government planning to import 3,000 MW Power from Kunmin, China for 15 years

The government is contemplating import of 3,000MW of electricity from Kunming of Southwest China. Chinese Global Energy Interconnection Development and Cooperation Organisation proposed to supply 3,000MW power to Bangladesh through the Myanmar power grid. Kunming is the capital of Yunnan Province in Southwest China.

Bangladesh is now importing 640MW of electricity from India under a public-private partnership model. Besides, Dhaka has also agreed to import another 60MW of electricity from Indian Tripura. Bangladesh and India have already agreed to trade 500MW additional power through the second Indo-Bangla grid line to be commenced in the middle of 2018. Officials also said the government has a plan to import the electricity through an open tendering method. The Chinese firm proposed to export the electricity for a 15-year period, officials said.

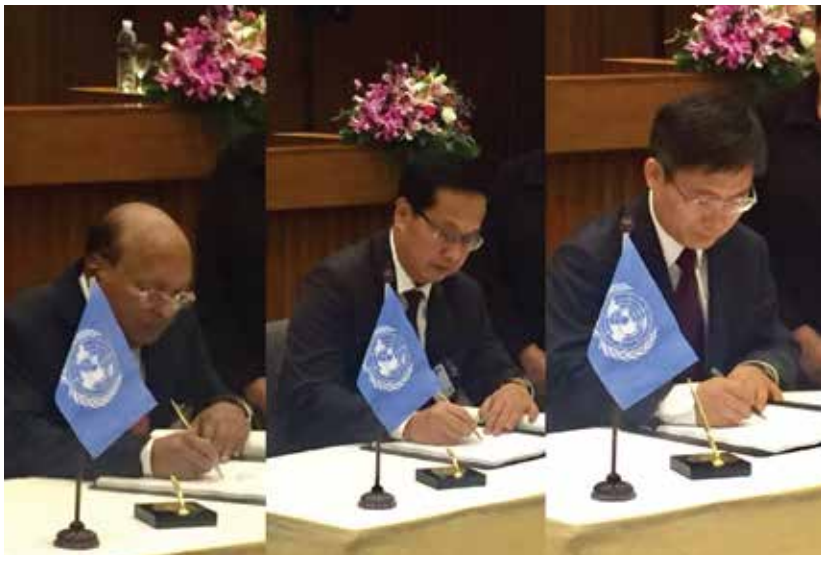
Bangladesh has been importing electricity from India since 2013. "But there are now some concerns in Dhaka over the newly formulated cross-border electricity trade policy of India," an official said. He also said the authorities will continue electricity trade with India but will be looking at alternatives sources at the same time.

The government earlier sought to import power from Myanmar, but the neighboring country rejected the notion. Speaking at a roundtable on August 08, State Minister Nasrul Hamid said the government has already imported 640MW of electricity from India and the import of another 60MW from Tripura is in the pipeline. "We also have a plan to import electricity from Nepal, Bhutan and BIMSTEC countries," he said. But the country will require at least eight to ten years for electricity import from Nepal or Bhutan, he informed.

Talking about the proposed power import from China, BUET Prof M Tamim said, "Importing power from China will be a good initiative. It will create a new window for cooperation," he said.



Bangladesh signed UN Treaty to strengthen digital trade in Asia-Pacific



Bangladesh, Cambodia and China on August 29 signed the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, a new United Nations treaty aimed at strengthening digital trade in the region. "ESCAP Member States have played a leading role in the development of the trade agreement," said Dr. Shamshad Akhtar, United Nations Under-Secretary-General and Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

Commerce Minister Tofail Ahmed signed the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific on behalf of Bangladesh at the headquarters of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in Bangkok.

The full implementation of the agreement will not only reduce the cost of doing business but also the time, as the formalities for import and export activities at the airports, sea ports and land ports would be done digitally.

"This agreement has the potential to harness the development dividends at the nexus of technology and trade, two key means of implementation for the 2030 Agenda for Sustainable Development," Dr. Akhtar added. Several other countries at the signing ceremony hosted by ESCAP in Bangkok, also expressed their commitment to sign the treaty during the September 2017 session of the United Nations General Assembly in New York.

Open to all 53 ESCAP Member States, this unprecedented regional treaty illustrates Asia and the Pacific's leadership in adopting innovative trade facilitation measures. It will provide the foundation for participating countries in the region to cooperate and accelerate progress in achieving paperless trade across borders, cut trade time and costs, and ultimately boost economic competiveness.

According to a recent ESCAP study, regional export gains for the Asia-Pacific region are estimated to reach US$250 billion annually with the full implementation of cross- border paperless trade. Even partial implementation of cross-border paperless trade could lead to an export increase of US$36 billion annually, and decrease the time required to export by as much as 44 per cent and reduce costs by up to 31 per cent.

The regional signing ceremony was held as part of the 'High-Level Dialogue on Enhancing Regional Trade through Effective Participation in the Digital Economy' took place in Bangkok. The treaty is open for signature at the United Nations headquarters in New York until 30 September 2017 and will enter into force 90 days after five countries have ratified the agreement.

With full implementation of the cross-border paperless trade, export gains for the Asia-Pacific region are estimated to reach $250 billion annually, according to a recent UNESCAP study. Even partial implementation of cross-border paperless trade could lead to: an export increase of $36 billion annually, decrease the time required to export by as much as 44 percent, and reduce costs by up to 31 percent.

The treaty is open for signature at the United Nations headquarters in New York until September 30 and will enter into force in 90 days after five countries have ratified the agreement. The agreement has the potential to increase global merchandise exports by up to $1 trillion. If the agreement is implemented properly, exports from developing countries are estimated to increase by $170 billion to $730 billion, while that from developed economies by $310 billion to $580 billion a year, according to the World Trade Organisation.

Comprehensive and faster implementation of the agreement will also boost the overall world export growth by up to 2.7 percent and global GDP growth by 0.5 percent, the WTO said.

Bangladesh seeks $1b loan from AIIB for 7 projects



Bangladesh has sought loans of one billion dollars from the Asian Infrastructure Investment Bank (AIIB) for implementing seven projects, including power distribution system upgradation. Finance Minister AMA Muhith informed it to journalists on August 3 after a meeting with AIIB Vice President and Chief Investment Officer Dr DJ Pandian at secretariat.

"We discussed future pipeline projects and two projects, being implemented with AIIB funding. We also submit new list of power and transportation projects," said the minister, according to a report on state owned BSS. The two projects are: "Distribution System Upgrade and Expansion" and "Natural Gas Infrastructure Efficiency Improvement."

Muhith said the newly proposed schemes comprise three procurement projects for railway and four for power sector. The four power projects are Upgradation of Power Distribution System in West Zone, Expansion and Strengthening Power System in Chittagong Area, Construction of a Bridge across Barisal Dumki Road and Coal Power Ganderia project. This is the century of Asia as the region has huge opportunities to invest in the infrastructure development, Muhith added.

"The United States is a developed country. But it is basically a consumer society. Investment is not available there which is available here. Savings is the habit of Asians," Muhith noted". Mentioning Bangladesh as an important country to AIIB, Dr DJ Pandian said, Bangladesh has many potentiality as it is maintaining 6-7 per cent GDP growth for the last 10 years.

It was the first time a high official of AIIB came to Bangladesh. Pandian came to see for himself in what projects Bangladesh needs loans and which are viable. After 3rd August meeting, Pandian told journalists that there would be no paucity of money; if they got good projects they would finance. Pandian is one of AIIB's five vice presidents. He is also the chief investment officer with the primary responsibility of leading the planning and supervision of the bank's infrastructure investment.

He is responsible for promoting sustainable investment throughout Asia which was consistent with the bank's vision, goals, and strategies and for ensuring the relevance, effectiveness and efficiency of AIIB operations. Pandian has had an extensive career of 30 years with the Indian administrative services.

Consumers in Bangladesh optimistic: MasterCard survey

The latest index on consumer confidence covering 17 Asian markets said Bangladesh stayed stable, with consumers maintaining their optimistic outlook. The country, which was also in the optimistic territory previously, posted slight increases of 4.3 points to 71.6 points compared to the second half of last year, according to the Mastercard Index of Consumer Confidence of first six months of 2016.

Of the 17 markets, one showed biggest improvement, nine stable and seven deterioration. The index is based on a survey conducted between November and December 2015.

The index asked 8,746 consumers in Asia Pacific what their confidence levels are on the economy, stock market, employment, quality of life and income for the next six months. It is calculated with zero as the most pessimistic,100 as most optimistic and 50 as neutral.

Taiwan recorded the largest gain of 16.3 points to 45.3 points – a leap from ranking the lowest amongst the 17 markets in the previous survey in last six months of 2015 where it saw an extreme deterioration of greater than 20 points. Emerging markets such as China, India, Myanmar, Vietnam and the Philippines remained positive, but markets such as Japan, Korea, Singapore, Hong Kong and Indonesia more pessimistic.

Compared to this time last year, the consumer mood in Singapore, Hong Kong and Indonesia has deteriorated, but has improved in Taiwan, India and even Malaysia, which has halted a two-year slide in confidence. Indonesia saw the biggest fall in consumer confidence of the 17 markets in the survey, with people in Southeast Asia's most populous country particularly worried about employment and the economy.

Hong Kong is the next most gloomy, with employment being the biggest worry, followed by Singapore, where quality of life and regular income are the main concerns. "The decline of consumer confidence in Asia Pacific reflects the continued uncertainty in the global economic environment. In particular, recent stock market turbulence has significantly impacted consumer outlook," Eric Schneider, regional head of the Asia Pacific MasterCard Advisors, said.

"However, a number of emerging markets are bucking this trend, namely, Myanmar, Vietnam and India, which are all continuing to see strong economic growth," he added. Asia Pacific's overall confidence has dampened and growth has slowed, its markets will still play a key role in driving global growth in 2016.

Bangladesh is the third most optimistic market in the Asia Pacific, according to the Mastercard Index of Consumer Confidence released on August 11. In the first half of 2017, the country's score in the index rose 6.6 points to 89.4 compared to the second half of 2016. The index is calculated on a scale of 0 to 100, with zero being the most pessimistic, 100 the most optimistic and between 40 and 60 being neutral.

With the increase, Bangladesh moved further into the 'very optimistic' territory, with improvement in all five components that made up the index. Cambodia leads the region as the most optimistic market with 93.1 points. Vietnam (90.8), the Philippines (88.8) and China (88.2) rounded off the top five. This is the most comprehensive and longest running survey of its kind in the region.

Between April and June, 9,153 respondents, aged 18 to 64 in 18 Asia Pacific markets, were asked to give a six-month outlook on the economy, employment prospects, the local stockmarket, their regular income prospects and their quality of life. Bangladesh saw the biggest jump in the stockmarket sub-index, as its point rose to 74.9 in the first half of 2017 from 59.9 in the second half of 2016. The country witnessed a 7.2-point increase to 93.7 on the outlook on employment prospects while the points rose by 6.8 to 95.7 on the regular income prospects.

The Mastercard Index of Consumer Confidence survey has an over 20-year track record of consumer confidence indices collected from over 200,000 interviews, unequalled both in scope and history across Asia Pacific. The survey began in the first half of 1993 and has been conducted twice a year since.

Bangladesh moves up seven Notches on WEF's Global Competitiveness Index



Bangladesh has moved up seven places to rank 99 among 137 nations in the 2017-18 Global Competitiveness Index (GCI) released by the World Economic Forum (WEF) on September 27. Last year's index ranked Bangladesh 106 out of 138 countries. The latest ranking is the biggest improvement since 2013-14 when Bangladesh moved up eight notches on the index, data shows.

The WEF, known as the Davos Forum, has been publishing the Global Competitiveness Report since 2011. With over 7 percent GDP growth in the last two fiscal years, the Bangladesh government has set a target for 7.4 percent for fiscal 2017-18.

The WEF index is based on 12 basic factors -- institutions, infrastructure, the macroeconomic environment, health, education, market efficiency, the labour market, financial market development, technological capacity, market size, innovation and business sophistication. Bangladesh has scored 3.9 out of 7 in the latest ratings with improved scores across all the 12 factors.

It identified corruption as the top problematic factor in doing business in Bangladesh, followed by inadequate infrastructure, inefficient bureaucracy, inadequately educated workforce, poor work ethics and access to finance, instable policies and tax rates.

Switzerland topped the index for the ninth consecutive year followed by the US, Singapore, Netherlands, Germany. On the South Asian front, Indian remains the most competitive nation. It ranked 40th. Bhutan and Nepal both have improved their positions -- by 15 notches to 82nd and 10 notches at 88th respectively. The two Himalayan countries are among the most improved countries globally. Sri Lanka, the third most competitive country in the region, ranked 85th.

Pakistan has moved up, but trails the group of South Asian economies, ranking 115 against last year's 122. Improving ICT infrastructure and use remain among the biggest challenges for the region: in the past decade, technological readiness stagnated the most in South Asia, says the WEF.

bKash ranked 23rd in Fortune's top 50 'Change the World' list

bKash Limited, the largest mobile financial service provider in Bangladesh has been ranked #23 on Fortune's third annual 'Change the World' list which recognizes top 50 companies that are changing the world through solving a multitude of societal problems.

Fortune's Change the World list recognizes companies that have had a positive social impact through activities that are part of their core business strategy. Fortune writers and editors with the help from partners FSG and Shared Value Initiative evaluate and rank the companies by three factors: social impact, business results and degree of innovation. Fortune is one of the most influential and respected business magazines, published from the United States.

It said bKash allows people to make payments and transfer money via their phones. Some 22% of Bangladeshi adults now use bKash, and more than 4.5 million transactions pass through the system every day, making it the country's most popular mobile financial service provider.

bKash has made the list ranked 23rd, alongside the global companies- such as JPMorgan Chase #1 followed by Apple #3, Novartis #4, Walmart #7, Toyota #8, Nestle #14, Unilever #21, Microsoft #25, Volvo #28, IBM #35, American Express #41 and Dell #45. Launched in 2011, bKash is a joint venture of BRAC Bank, US based Money in Motion, International Finance Corporation of World Bank Group and Bill and Melinda Gates Foundation.

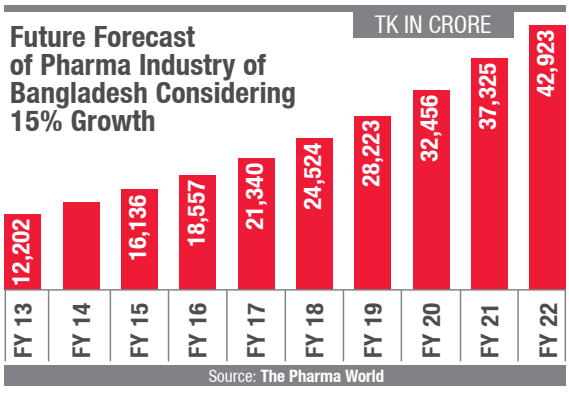
Pharmaceutical industry projected 15 pc growth in next five years: Study

Pharmaceuticals market in Bangladesh could grow at a compound annual rate of 15 per cent in next five years, according to a latest report. It also projected that the industry has further growth opportunities in the international domain and high possibility to emerge as the next 'thrust' sector after RMG.

"Local market for Pharmaceuticals is poised to grow at a CAGR of 15 per cent for the next five years, assuming that nominal GDP grows at a rate of 12.6 per cent and per capita healthcare expenditure converges to neighboring countries," said the report based on a recent research by LR Global.

It noted that the sector has recorded a CAGR (Compound Annual Growth Rate) of 13.5 per cent in the past five years. "Presently, the industry meets 98 per cent of the local demand and exports to more than 125 countries," the report said. "At the same time, annual sales of pharmaceutical products stood at Tk 156 billion in FY 2016, representing roughly 0.9% of the country's GDP."

Noting the local dominance in a highly concentrated market, it said that as of June 2016, top five companies in the industry represented 48.2 per cent of the market share while the top ten represented 69.1 per cent. "The industry is dominated by the local players, which have state-of- the-art manufacturing facilities, countrywide distribution network and superior marketing team," said the report.



It said that although the industry maintained its growth pace in 2016, growth rate of the top players converged to industry average. "Net profit margins of major companies increased due to two factors. One was operational efficiency, evident by two percentage point improvement in gross margin. The other factor was lower financial expense due to low interest rate environment," it added.

The report also noted that Bangladesh's pharmaceuticals market has been dominated by physician-driven branded generic products, particularly in three major therapeutic classes: gastro-intestinal, antibiotics and antipyretics. "As generics contribute to 90 per cent of pharmaceuticals products sold, price competiveness and distribution efforts are two main drivers for success of a product."

Looking forward, the report projected that the disease profile in Bangladesh is expected to change in two major ways-the rise of non- communicable diseases, and a gradual move from acute to chronic diseases. "Aging population of Bangladesh is increasing, and by 2036, about 25%

of Bangladeshi population will be over 50 years," it said, adding, "Old people are more likely to be affected by four major categories of non-communicable diseases: cardiovascular disease, cancer, diabetes and chronic respiratory disease."

Besides, increased health consciousness among mass people has reduced the proliferation of acute diseases while chronic diseases are expected to grow rapidly because of lifestyle changes and environmental factors, it added. The LR Global report also projected that accessibility to drugs is likely to expand in the coming years due to the fast growth of health service delivery channels focusing on non-communicable diseases.

"Apart from retail pharmacies, which will continue to be the major sales points, government and private-owned specialised hospitals are expected to emerge as important selling fronts for pharma products in future." It said: "Existing hospitals will also undergo major changes through medical infrastructure investment, and become instrumental in establishing pharmaceutical product brands." Geographically, the industry has immense room for growth in remote corners of the country, once modern medical facilities are made available to such places in full frequency, it added.

Looking forward, the report underlined the need for enhancing the market share of local oncology products, increasing propensity to self-medicate, development in backward linkage, more bioequivalence lab and clinical research facilities, human resource development and ensuring the quality of local medicines. With backward integration, quality research facilities and skilled human resources, the industry in Bangladesh could emerge as a world leader in producing off-patented generics medicine, the report noted.

More than 90 percent of Tk 4,700 crore worth of raw materials are imported every year. As a result, the industry is vulnerable to external shocks, according to the report. To address the issue, the government has started the process of constructing an active pharmaceutical ingredient industrial park in Munshiganj. At least half of the companies that got plots in the API park are expected to go into operation by 2018.

Once the API park is completed, Bangladeshi companies would be able to source at least half of their raw materials from the complex, reducing reliance on imports, said a senior executive of a pharmaceutical company. The report said the park can open up the international API market to Bangladesh.

World Bank to provide $55m for public procurement improvement

The World Bank is going to give Bangladesh another $55 million to help the country bring electronic government procurement (e-GP) system to all public sector organisations. An agreement was signed in this regard on August 29 by Kazi Shofiqul Azam, Economic Relations Division (ERD) secretary, and Qimiao Fan, WB country director for Bangladesh, Bhutan and Nepal, at a programme in Dhaka.

The Digitising Implementation Monitoring and Public Procurement Project would also help improve capacity to monitor implementation of development projects and programmes using digital technology. "The government of Bangladesh has made notable progress in improving public procurement performance, which is a key to increasing efficiency of public spending," said Fan.



"This project is a testament to the government's commitment to expand digitisation to all public procurement entities as well as to monitor development programmes and projects," he said. In Bangladesh, annual expenditure on public procurement amounted to over $7 billion in recent years, representing 70 percent of the annual development programme, the WB said.

The global lender also said, since 2002, the WB has been helping Bangladesh improve its public procurement system, and in 2011, the bank supported the rollout of e-GP in four key procuring entities. Currently, about 35 percent of the annual development budget is executed using the e-GP platform. This has helped improve efficiency of public spending, and reduced procurement delays, the WB said.

In 2016, 83 percent of contracts were awarded within the initial bid validity period, versus only 10 percent in 2007. The effort has significantly reduced inappropriate bidding practices at decentralised levels and increased transparency as now all bid invitations and contract awards are published on the platform's website.

IFC launches sustainability programme in Bangladesh

The International Finance Corporation (IFC) plans to launch the second phase of its advisory service—Partnership for Cleaner Textile (PaCT)—in Bangladesh with an aim to achieve sustainable textile production. The factories will need to invest 63 million dollars. Under the program, garment and textile makers are advised to adopt modern technologies in factories and changing attitudes to reduce water and energy consumption in the next four years.

During the second phase, the World Bank arm targets to annually save 32 million cubic meters of water and 3.8 million megawatt hours of electricity in 250 weaving, spinning, wet dyeing and finishing factories. It aims to annually reduce greenhouse gas emissions by 701,588 tons, wastewater discharge by 28.8 million cubic meters and chemical use by 10,000 tons.

Two hundred factories got back the 39.1 million dollars they invested in just ten months and in turn saved 16.3 million dollars every year, under the PaCT's first phase adopted in 2014. They also annually saved 21.6 million cubic meters of groundwater, which 8,40,000 Bangladeshis use on an average per year, and 2.5 million megawatt hours of electricity, which was 5.4 per cent of the national grid's output in 2015-16. The first phase's achievements surpassed targets by a huge margin.

Bangladesh signed $200m loan to boost urban infrastructure: ADB

The Bangladesh government and the Asian Development Bank signed a $200m loan agreement on September 19, to strengthen urban infrastructure, service delivery, and management in Bangladesh's municipalities. The additional financing for the Third Urban Governance and Infrastructure Improvement (sector) Project will increase the total ADB loans for the project to $325m. The project's focus is on climate resilience and gender equity, such as flood protection,



urban roads, water supply and sanitation, solid waste management. It also emphasises on strengthening municipal financial management through system and procedural enhancements.

"The ongoing project for improving urban infrastructure and services in 30 municipalities nationwide has been progressing well," said Kazuhiko Higuchi, country director of the ADB. "The strong performance has enabled additional loans to further enhance the benefits of the project and bring them to a larger group of people around the country," he added.

The project is expected to be completed in 2021.

GDP growth projection remain 6.9pc for FY18: ADB

The Asian Development Bank on September 26 retained its previous lower forecast of economic growth for Bangladesh at 6.9 per cent for the current fiscal year 2017-2018 amid slower income growth in agriculture, wage employment and remittance inflows as well as weak domestic demand. The Manila-based multilateral lending agency made the projection in its 'Asian Development Outlook 2017 Update' released on the day.

Earlier in April, the ADB had projected 6.9 per cent gross domestic product for FY 2018 for the country. 'The growth forecast for Bangladesh in FY 2018 is maintained at 6.9 per cent, slightly below the official estimate for the previous FY 2017, as income growth in agriculture and wage employment slows and as improvement in worker remittances remains slow,' said the ADO Update, the flagship report of the ADB.

The government projected a 7.4 per cent GDP growth for the year. The country's estimated economic growth was 7.2 per cent in the last FY 2017. Private consumption will likely stay at the current level as income growth slows in agriculture and wage employment and as remittances continue to fall, the report titled 'Sustaining Development Through Public-Private Partnership'.

The decline in remittances is unlikely to reverse in the near term, it said. Private investment in the country will rise moderately with prevailing political stability and the authorities will be delivering economic reforms and better infrastructure, the report said, adding that the government is implementing several transport and energy infrastructure projects to leverage private investment.

The Bangladesh Investment Development Authority is implementing reforms to improve the business climate. 'Implementation of policy reforms and the completion of ongoing power and transport projects will be vital to reviving private investment, as well as the maintenance of political stability as national elections approach in 2018,' it added.

Some pick up in export growth is expected, and there is potential for an upside surprise if consumer confidence improves, it said. 'Exports are projected to return to a higher growth and rise by 6 per cent in FY2018 by favorable growth in major markets, a reduction in the corporate tax for the garment industry and expanded export incentives to cover new items,' it said.

Inflation is expected to be higher at 6 per cent, but below the 6.3 per cent ADO 2017 projection, in the year. Crops lost to the floods may put further pressure on rice prices, to be partly offset by expected higher imports. A likely rise in electricity prices and Taka depreciation may add to price pressures, it said.

The ADB, however, said that expected moderation in global food prices and weak domestic demand should keep inflation in check. Attaining the high revenue target with 31.8 per cent growth will remain a major challenge, and some adjustments to expenditures may be required to meet the deficit objective. The ADO update also said that despite rapid economic growth, developing Asia has large unmet infrastructure needs that leave many Asians without adequate basic services.

The private sector can be engaged through public-private partnership programme to narrow or even close the huge infrastructure gap in the countries. The ADB identified Bangladesh as an emerging market for PPP. The report lowered the GDP growth projection for India to 7.4 per cent from its previous projection of 7.6 per cent, for Bhutan to 8 per cent from 9.9 per cent and for Nepal to 4.7 per cent from 5.4 per cent.

It retained the projection for Afghanistan, Pakistan and Sri Lanka at 3 per cent, 5.5 per cent and 5 per cent respectively while upgraded for Maldives to 4.4 per cent from previous 4.1 per cent.

BUET to do Master Plan for Payra Deep-Sea Port

The government has finally moved to prepare the master plan and design of the Payra deep-sea port by engaging Bangladesh University of Engineering and Technology. Buet will work as a consultant under which its experts will prepare the master plan and design, according to Payra Port Authority. Under the consultancy job, Buet will also prepare estimated costs of all the 19 components of the project.

Of the 19 components of the project, 13 components will be implemented under foreign direct investment, and the rest under the government-to-government deals with an estimated cost between $11 billion and $15 billion. The Payra port venture has drawn investment and development proposals from China, the UK, Belgium, the Netherlands, Denmark and India.

According to techno-feasibility study prepared by British firm HR Wallingford & Consortium, the Payra port will require around 7,000 acres of land. Of the land, 6,000 acres will be used for port development, 500 acres for coal terminal and the rest for resettlement of people affected by construction of the port. Tk. 600 crore had been spent on various purposes of the mega project.

The Payra port project is supposed to be completed by 2018.



Textile sector needs heavy investment : BTMA

Bangladesh's primary textile sector, an essential cog in the garment export wheel, has been witnessing a dearth of fresh investment for the last few years due to gas crisis and scarcity of bigger industrial land. Only five new spinning, three weaving and two dyeing mills with an investment of about Tk 1,300 crore were set up in the last four years, according to data from the Bangladesh Textile Mills Association.

The textile sector needs heavy investment and bigger industrial plots to set up the plants. The primary textile sector indicates the strength of a country's garment sector as the millers and spinners supply the yarns and fabrics to the apparel manufacturers, who cater to the international clothing retailers. A more developed primary textile sector means shorter lead-time in the garment business as the apparel makers can purchase the raw materials from the local market.

Currently, Bangladesh has 425 spinning, 790 weaving and 250 dyeing mills that have an investment of about Tk 50,000 crore tied up, according to BTMA data. With existing capacity, the primary textile sector can supply 90 percent of the raw materials for the knitwear and 40 percent for woven sector. The rest of the demand is met through imports mainly from China, India and Pakistan. Since the country's garment export is on the rise, so is the import of raw materials.

In the first six months of the year, Bangladesh imported woven fabrics worth more than $2.11 billion and knitwear fabrics and yarn worth $527 million, up almost 15 percent year-on-year in both the categories. The import of fabrics is also rising as the garment manufacturers can now enjoy zero-duty benefit on export of apparel items to the EU and other major markets even if the garment is made from fabrics not manufactured in Bangladesh.

According to BTMA, at least five spinning mills cannot go into operation mainly due to a lack of gas connections, although the owners have constructed the factories by investing a lot of money. Currently, importers pay 35 percent duty to import the oil, which, was too high for users. The tariff of gas was hiked 222 percent in the last two years, which was eating up the profitability of businesses as spinning, weaving, finishing and dyeing mills need uninterrupted gas supply.

"We have already started talks with the government to make fuel oil import duty-free so that the primary textile sector can run well," said Tapan Chowdhury, president of the BTMA. The government has not fixed the prices of liquefied natural gas yet although it was saying that its import would start from next year, he added.

Bangladesh important market for Canadian grains: Canadian High Commissioner



Canadian High Commissioner to Bangladesh Benoit-Pierre Laramee has said Bangladesh is a very important market for Canadian grains in view of the rapidly growing demand of wheat and other grains. He stressed the importance of private sector importers of Canadian grains in expanding and strengthening bilateral trade and economic relations between Bangladesh and Canada.

The High Commissioner made the remarks while speaking at the third grain importers' meeting held at a city hotel, said a press release on 7 August. Canada Bangladesh Chamber of Commerce and Industry president Masud Rahman chaired the meeting which highlighted various issues regarding grain imports from Canada.

Leading grain importers of Bangladesh and reputed bankers were also present at the event that discussed opportunities and challenges for grains import from Canada. A study titled Grain Import in Bangladesh: Canadian Grain Perspective was presented by Reed Consulting Bangladesh Ltd at the meeting.

A survey was conducted by them to identify the constraints associated with the import of grains from Canada. Bangladesh's businessmen have to pay extra to bring wheat from Canada as they need to get confirmation from a foreign bank to open letters of credit (LCs) at first to import the grain, according to a study.

LC confirmation from any bank should be good enough to make the transaction, suggested the study.

The study report also suggested the Canadian exporters go for enough mandatory drying of wheat before loading it into the vessels as sometimes the imported Canadian grain dampens after arrival in Bangladesh. The wheat might have dampened because of containing higher moisture in it, said the study conducted by the Canada Bangladesh Chamber of Commerce and Industry (CanCham).

Fumigation is mandatory for grain cargo in Bangladesh, but Canada does not do it. As a result, importers have to bear the cost and hassle of fumigation en route, according to the study. The CanCham in collaboration with the Canadian High Commission in Bangladesh launched the new study on "Grain import in Bangladesh: Canadian grains perspective".

The chamber carried out the study as Canada is increasingly becoming a major supplier of grains for Bangladesh. Wheat import from Canada jumped 31.71 percent to 15.49 lakh tonnes last year from 11.76 lakh tonnes in 2015, the study said. The volume of imports tripled in five years from 1.8 million tonnes in 2012-13 to 5.4 million tonnes in 2016-17. Local growers can supply 13.50 lakh tonnes of wheat a year.

The import of wheat is rising as consumers are cutting their over dependence on rice as their dietary habits have changed due to rapid urbanisation, the study said. The revolution of processed foods industries is also responsible for the rise in import of wheat. Many local industrial giants import wheat to make bread and other processed food items. Canada is also becoming a major source for oil seeds, soybean oil, peas and lentils.

Canada exported about Can$771 million merchandise items in 2016, of which 85 percent was agriculture items. Agriculture in Canada is also a field where new technologies are adding value to existing crops and opening up new markets for products. Bangladesh imports about $5.5 billion worth of agricultural food items a year, with Canada's share standing at 11 percent. Bangladesh imports wheat mainly from Canada, Australia, Argentina, Russia and Ukraine. Local production can meet only 20 percent of the annual requirement.

Bangladesh Bank, IFC agree to finance women entrepreneurs



Bangladesh Bank and International Finance Corporation (IFC), a private arm of the World Bank on August 09 signed a cooperation agreement for a project titled "Catalyzing Access to Finance for Women SME Entrepreneurs in Bangladesh." BB joint director of small and medium enterprise (SME) and special programs department (SPD) Nawshad Mustafa and IFC country director to Bangladesh Wendy J Werner signed the agreement on behalf of their respective side. Deputy Governor of Bangladesh Bank S.K. Sur Chowdhury and practice manager of World Bank Neeraj Verma was present at the occasion. Among others, Douglas Pearce, country manager of IFC Wendy J Werner and high officials of WB, IFC and SME and SPD were also present in the event. The proposed project is basically designed to provide technical assistance to SME and SPD in order to develop a credit guarantee scheme for women entrepreneurs of Bangladesh.

Besides, employees of SME and SPD will get training in order to increase their capacity building. Awareness creation program related to credit guarantee schemes for women entrepreneurs will also be conducted though the project. IFC will provide technical assistance to develop credit guarantee scheme for women entrepreneurs under the project, "Catalysing access to finance for women SME entrepreneurs in Bangladesh".

Regional News

Two Chinese giants merged to become world's biggest energy leader

Chinese authorities have approved a mega-merger between the country's largest coal producer and a top electricity firm, the government said on August 29, reportedly creating the world's biggest power company in terms of capacity.

The tie-up between the two state-owned companies -- coal producer Shenhua Group Corp. and China Guodian Corp. -- will be named the National Energy Investment Group Co. Ltd., the State-owned Assets Supervision and Administration Commission said in a statement.The new firm will become the world's largest power company in terms of installed capacity, according to Bloomberg News, which said its total assets will exceed 1.8 trillion yuan ($271 billion).



Beijing has promised to cut its coal production capacity to curb pollution and shift the economy towards a consumer-driven one, while also trimming bloated industrial sectors. It has halted construction of dozens of new coal-fired power plants across the country this year to address overcapacity.

The main business of Shenhua Group Corp. involves the production and sale of coal, railway and port transportation of coal-related materials and power generation and sales, according to its website. China Guodian Corp. mainly develops, operates and manages power generation assets and organises electricity production and sales. Its total assets reached 803.1 billion yuan ($121 billion) as of 2016, the company said on its website.

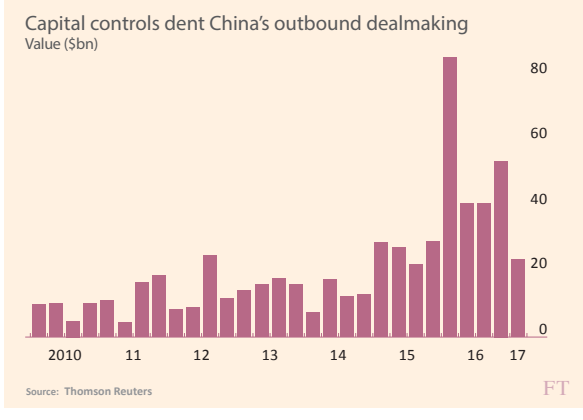
China's Belt and Road acquisitions surge despite outbound capital crackdown

Mergers and acquisitions by Chinese companies in countries that are part of the Belt and Road initiative are soaring, even as Beijing cracks down on China's acquisitive conglomerates to restrict capital outflows. Chinese acquisitions in the 68 countries officially linked to President Xi Jinping's signature foreign policy totaled $33 billion as of August 14, surpassing the $31 billion tally for all of 2016, according to Thomson Reuters data.

Unveiled in 2013, the Belt and Road project is aimed at building a modern-day "Silk Road", connecting China by land and sea to Southeast Asia, Pakistan and Central Asia, and beyond to the Middle East, Europe and Africa. At a summit in May, Xi pledged $124 billion for the plan, but it has faced suspicion in Western capitals that it is intended more to assert Chinese influence than Beijing's professed desire to spread prosperity.

The surge in Chinese companies' acquisition-linked investments in the Belt and Road corridor comes as the volume of all outbound mergers and acquisitions from China has dropped 42 percent year-on-year as of August 14, the Thomson Reuters data showed. Beijing's move to prop up the yuan by restricting the flow of capital outside the country and clamp down on debt-fuelled acquisitions to ensure financial stability has made it tougher for buyers to win approvals for deals abroad.

Regulators have tightened the screws further since June, reviewing deal agreements in minute detail and ordering a group of lenders to assess their exposure to offshore acquisitions by several big companies that have been on overseas buying sprees, including HNA Group, Dalian Wanda Group and Fosun Group.



The heightened regulatory scrutiny of overseas acquisitions comes after companies spent a record $220 billion in 2016 on assets overseas, buying up everything from movie studios to European football clubs. The scrutiny, however, has not impacted Chinese companies' pursuit of targets along the Belt and Road corridor, as those investments are considered strategic for the companies as well as the Chinese economy.

"The number of Chinese deals targeting Belt and Road countries totaled 109 this year, compared to 175 in the whole of last year and 134 in 2015, the Thomson Reuters data showed. Companies enjoy a relatively smooth approval process for deals along the Belt and Road project as regulators tend to put them in a different basket when reviewing outbound investments, according to lawyers and dealmakers.

"If you are doing One Belt, One Road, that becomes the first sentence in the document" to the regulators, said a senior investment advisor at a Chinese company that has acquired several overseas businesses. "It is a wise thing to point out early on," said the advisor, who requested anonymity because he was not authorized to speak to the media.

Outbound deals currently take as long as six months to be approved by Chinese regulators. However, Belt and Road investments tend to get regulatory clearance within three or four months, according to a Hong Kong-based senior M&A banker. The largest deal in a Belt and Road country so far this year was a Chinese consortium's $11.6 billion buyout of the Singapore-based Global Logistics Properties.

Other top deals include the $1.8 billion purchase of an 8 percent ownership interest in an Abu Dhabi oil company by the state-owned oil giant China National Petroleum Corp, and HNA Group's $1 billion acquisition of a logistics company, CWT Ltd, which has not yet closed. The State Administration of Foreign Exchange, China's foreign exchange regulator, said this month that domestic companies would still be encouraged to participate in Belt and Road activities.

HNA, which has seen at least two overseas deals hit a hurdle as a result of the crackdown on transferring money, has said it plans to prioritize investments that are in industries and regions mapped out under the Belt and Road initiative.

Delhi Asia's Largest and India's Fastest Growing City: Reveals Study

The economy of Delhi is likely to become almost 50 per cent larger in 2021 than it was at the end of 2016, claims a report. This will make Delhi the fastest growing city in Asia. An Oxford Economics study, that has ranked Asia's 30 largest cities, says the Indian cities are set to expand the most across the Asian region. It further says that the dominance of Delhi in financial and business services will lead to higher growth and higher incomes hence, making it the faster growing city in Asia.

"Limits on foreign ownership of Indian companies are gradually being reduced or eliminated. In the short term, this is conducive to strong growth in Delhi's professional services sector, as overseas investors seek advice on possible deals, while in the long term, it should mean steady income streams for such businesses," said the report.

Notably, Japan's consumer companies sees India becoming its second largest international market, after China. The report further mentions that the expansion of China is likely to slowdown. Tianjin is forecast to clock the fastest growth in China, given that it has a large manufacturing base and one of the nation's busiest ports.

However, Japanese cities are likely to remain at the bottom of the growth table amid a challenging demographic outlook.

Ho Chi Minh, the only non-Indian city in the top five, the largest metro in Vietnam has reflected the city's success in establishing itself as a manufacturing centre.



Europe is the new hunting ground for US investors

After buying big American brands like Apple, Pepsi and Yahoo!, activist shareholders - investors in search of big dividends - now are setting their sights on European companies like Nestle. In announcing plans to buy $3.5 billion of Nestle shares, US billionaire Daniel Loeb revealed the European ambitions of these investors with bulging wallets who say they want to restore power to shareholders.

In addition to cost-cutting, Loeb is asking Nestle to sell its historic stake in L'Oreal in order to boost the share price and dividends. "L'Oreal has been a fantastic investment," Loeb's spokeswoman Elissa Doyle told AFP. However, it is "a non-core investment for a primarily Food & Beverage and packaged goods business."

In the wake of Loeb's move, Nestle announced the acquisition of $21 billion of its own shares, which should boost the stock price. But



Katz said, "I do not know if this will be enough to remove the pressure." Loeb is not the first US activist to go after a foreign giant. His compatriot Nelson Peltz, through his investment fund Trian Partners, holds a stake in the French yogurt-maker Danone. And Paul Singer has invested, via his Elliott Management fund, in South Korea's Samsung, the Australian-British mining group BHP Billiton and the Bank of East Asia.

All want the same thing: quick returns on investment by requiring cost-cutting, asset sales or share buyback programs. And when they do not succeed, these activists usually engage in high profile media campaigns. And they often win. More than 2,900 activist campaigns have been recorded in the United States since 2010, including 645 in 2016 alone, according to FTI Consulting. Most sectors of the economy are affected.

To succeed in Europe, however, activists will have to deal with strong trade unions and government interventions, which is rarely the case in the United States. "Activist investors do not invest in a company to immediately go hostile or start a proxy contest. Their hope is for a real, behind-the-scenes dialogue with receptive management and to only escalate the situation publicly if the company is unwilling to engage or consider recommended change," says Freedman, whose law firm has set up an action plan to help activists in their campaigns in Ireland, the United Kingdom and France in particular.

PayPal and MasterCard extend their partnership to Asia Pacific Region

Mastercard and PayPal on August 3 announced an extension of their partnership into Asia-Pacific to enhance the consumer experience and make Mastercard a clear payment option within PayPal. In a statement, Mastercard said the deal will expand PayPal's presence at the point of sale and enable Masterpass for Braintree merchants in the region.

It said additionally, both companies will collaborate to create opportunities to leverage Mastercard's new payment flow technologies, providing increased value to Mastercard cardholders, financial institutions, and PayPal customers. PayPal will also have the opportunity to give consumers and small businesses across Asia-Pacific the ability to cash out funds held in their PayPal accounts to a Mastercard debit card," it said.

Mastercard Asia-Pacific Digital and Emerging Partnerships executive vice president Rama Sridhar said the expansion of partnership with PayPal reinforces the company's commitment to its cardholders in the region to deliver the simple, speedy and secure payment experience. Furthermore, the agreement provides a number of joint growth opportunities that will advance Mastercard and PayPal's shared vision to offer consumers greater choice and flexibility to pay and move their money," he said.

The company said through collaborations with Mastercard bank partners, consumers will be able to seamlessly add Mastercard cards into PayPal from banking apps. It said the deal will also give PayPal the opportunity to expand its presence at the point of sale by utilizing tokenisation services from Mastercard.

Mastercard said the partnership will also bring more choice for merchants, adding Masterpass as a payment option for those that process payments via Braintree. It said merchants that leverage Braintree will be able to easily integrate Masterpass into their checkout experiences, providing a seamless user experience for their customers.

North Korea nuclear crisis: Putin warns of planetary catastrophe

The Russian president, Vladimir Putin, has warned that the escalating North Korean crisis could cause a "planetary catastrophe" and huge loss of life, and described US proposals for further sanctions on Pyongyang as "useless". "Ramping up military hysteria in such conditions is senseless; it's a dead end," he told reporters in China. "It could lead to a global, planetary catastrophe and a huge loss of human life. There is no other way to solve the North Korean nuclear issue, save that of peaceful dialogue."

On September 3, North Korea carried out its sixth and by far its most powerful nuclear test to date. The underground blast triggered a magnitude-6.3 earthquake and was more powerful than the bombs dropped by the US on Hiroshima and Nagasaki during the second world war.

Putin was attending the Brics summit, bringing together the leaders of Brazil, Russia, India, China and South Africa. Speaking on September 5, the final day of the summit in Xiamen, China, he said Russia condemned North Korea's provocations but said further sanctions would be useless and ineffective, describing the measures as a "road to nowhere".



Foreign interventions in Iraq and Libya had convinced the North Korean leader, Kim Jong-un, that he needed nuclear weapons to survive, Putin said. "We all remember what happened with Iraq and Saddam Hussein. His children were killed, I think his grandson was shot, the whole country was destroyed and Saddam Hussein was hanged. We all know how this happened and people in North Korea remember well what happened in Iraq.

"They will eat grass but will not stop their [nuclear] programme as long as they do not feel safe." A US bid for the United Nations security council to vote on 11 September on new sanctions is "a little premature," Vassily Nebenzia, Russia's UN ambassador, said on September 5. Russia is a permanent member of the security council and has veto power.

The US's top diplomat acknowledged that more sanctions on North Korea are unlikely to change its behaviour, but insisted that they would cut off funding for its ballistic missile and nuclear programmes. "Do we think more sanctions are going to work on North Korea? Not necessarily," Nikki Haley, the US ambassador to the UN, told a thinktank in Washington. "But what does it do? It cuts off the revenue that allows them to build ballistic missiles."

Diplomats have said the security council could consider banning North Korean textile exports, banishing its national airline and stopping supplies of oil to the government and military. Other measures could include preventing North Koreans from working abroad and adding top officials to a blacklist aiming at imposing asset freezes and travel bans.

China accounted for 92% of North Korea's trade in 2016, according to South Korea's government. China's foreign ministry said on September 5 it would take part in security council discussions in "a responsible and constructive manner".

But China is likely to block any measure that could cause instability and topple the regime of Kim Jong-un, sparking a refugee crisis and potentially allowing tens of thousands of South Korean and US troops to move north as far as the Chinese border.

Japan's PM Shinzō Abe calls snap election



Japan's Prime Minister, Shinzō Abe, has called a snap election to take advantage of opposition disarray and support for his hard line against North Korea's ballistic missile and nuclear weapons programmes. Speaking at a televised press conference on September 25, Abe said the election would be an appraisal of his social security spending plans and his handling of the crisis on the Korean peninsula. He added that he would resign as prime minister if his party failed to win a majority. "I'll demonstrate strong leadership and stand at the forefront to face a national crisis," he said, referring to Japan's rapidly ageing population and North Korea. "This is my responsibility as leader and my mission as prime minister."

Abe said he would redirect some revenue from a planned sales tax rise in 2019 to childcare and early education rather than paying back Japan's huge public debt, but vowed to continue with fiscal reform.

He rejected charges that the election, to be held on 22 October, risked creating a political vacuum at a time of rising tensions over North Korea. "We must not give in to North Korea's threats," he said. "By gaining a mandate from the people with this election, I will forge ahead with strong diplomacy." The election was announced hours after Yuriko Koike, the governor of Tokyo, announced the formation of a new party that could give conservative voters an alternative to Abe's ruling Liberal Democratic party (LDP).

Koike, a former LDP defence minister, said her newly formed Kibo no To (Party of Hope) would be free of special interests. "Japan is facing a difficult time considering the situation in North Korea," Koike told reporters. "Economically, the world is making a big move while Japan's presence is gradually fading. I want the Japanese people to believe that there is hope for tomorrow." Yuriko Koike holds the name of her Hope party during a Tokyo press conference.

RBI becomes first central bank in Asia to cut rates this year

The Reserve Bank of India cut its main policy rate on August 2 by a quarter percentage point to a more than 6-1/2 year low, saying a slump in inflation opened room for monetary easing, while pinning further action on upcoming economic data. The rate cut is the RBI's first easing move since one of the same size in October and the first by a central bank in Asia since December - a show of confidence in a country that has experienced a surge in foreign investments into debt and shares this year.

Cutting the repo rate by 25 basis points to 6.00 percent - the lowest since November 2010 - had been widely anticipated as a slump in food prices sent June consumer inflation to a more than five-year low of 1.54 percent. The RBI said easing prices had provided "some space" for monetary policy accommodation: inflation is now well below the RBI's 4 percent target and its projection of 2.0-3.5 per cent in April-September.



The rate cut will likely ease some of the pressure from the government and markets for action to lift the economy, which had annual growth in January-March of 6.1 percent - fast by global standards but India's lowest number in over two years. But the RBI also retained its "neutral" stance, and warned inflation could accelerate, while pinning future action on data - a view that leaves open the question of whether it will cut rates further, as sought by the government.

The RBI stuck to its inflation projections, including that price increases could accelerate to 3.5 percent to 4.5 percent in October-December. The central bank attributed its prediction on factors such as planned pay hikes for government employees, a recovery in food prices, and the impact on prices from the launch of a national goods and services tax on July 1.

Economists were widely split about whether the RBI would cut rates again. Its next policy meeting is Oct. 3-4. Four members of the committee voted to cut rates by 25 bps, while one voted for a 50 bps cut and one voted to leave rates unchanged. The RBI also cut the reverse repo rate by 25 bps to 5.75 percent.

Singapore firm inks deal to run Cambodia's first oil field

Cambodia on August 23 signed a deal with a Singaporean energy company to develop its first-ever oil field, the latest move in the impoverished country's much-delayed plan to become an oil-producing nation. KrisEnergy signed the agreement with the government in the capital Phnom Penh to develop an offshore field in the Gulf of Thailand which they hope will produce 8,000 barrels a day by 2020.

Energy Minister Suy Sem hailed the signing as a "historic event" and said the nation would become an oil producer country in the future. The Gulf of Thailand boasts significant oil deposits that have been exploited by Thai and Malaysian companies since the 1980s. But Cambodia, one of Asia's poorest nations, has been slow to get in on the act.

Chevron first found proven reserves in Cambodian waters in 2005. The kingdom was soon feted as the region's next potential petro-state. Its government estimates there are hundreds of millions of barrels of crude and vast reserves of natural gas in six blocks off the coast.



But production stalled as the government and Chevron failed to agree over revenue sharing, leading the US oil giant to abandon the project and sell its stake to KrisEnergy in 2014. Under the deal KrisEnergy will start extraction on one section of a 3,000 square kilometre (1,158 sq mile) block known as the Apsara field to the southwest of Cambodia's coast.

A single platform will be built, with plans for further platforms and the exploration of two more fields if the first becomes lucrative.

South Asia becomes global LNG hotspot as Bangladesh enters market

South Asia, long a backwater for energy markets, is emerging as a hotspot for liquefied natural gas (LNG), with Pakistan and Bangladesh set to join India as major consumers, helping to ease global oversupply that has dogged this market for years. Only India and Pakistan currently import LNG in South Asia, taking in a combined 25 million tonnes, or 8 percent of global demand last year.

But with a fast growing population, strong economic growth and soaring energy demand, more import projects are being developed, lead by Pakistan and Bangladesh. "Both countries already have extensive gas infrastructure due to legacy production from domestic gas fields," said Chong Zhi Xin, principal Asia LNG analyst at energy consultancy Wood Mackenzie. "As domestic production has failed to keep up with demand, both markets are a natural fit for LNG imports."

Pakistan only started importing its first LNG in 2015, and surprised some in the industry by developing its first terminal within schedule and budget. A second is about to become operational and a third is expected to be completed next year. With Bangladesh set to join the club of importers next year, the region could import 80-100 million tonnes a year by the mid 2020s, analysts said, making it the world's second biggest import region, ahead of Europe.

Bangladesh, a country of over 160 million people, could import as much as 2,500 million cubic feet per day (mmcfd) of LNG, equivalent to around 17.5 million tonnes per year, by 2025. With its own gas reserves depleting and seeking to almost double power capacity to 24,000 megawatt (MW) by 2021, Bangladesh is tapping cheap and plentiful supplies on world markets and investing heavily in LNG.

Several floating storage and regasification units (FSRU), the first developed by private U.S. company Excelerate Energy, are due to begin importing cargoes starting in 2018. Both FSRUs will be deployed off Moheshkhali Island in the Bay of Bengal, in the southeast of the country. They will have a combined capacity of 7.5 million tonnes a year.



Two more FSRUs are planned, though no exact dates have been finalised. In addition, state-run Petrobangla signed a preliminary deal with India's Petronet in December to set up an onshore terminal to regasify a further 7.5 million tonnes a year of LNG on Kutubdia Island, just to the north of Moheshkhali, at a cost of $950 million.

Brexit inflation pushing British shoppers to cheaper goods: BoE survey

British firms are keeping a lid on pay and automating more production while some shoppers, faced with rising prices, are switching to cheaper products, the Bank of England (BoE) said on 9 August. The findings came in a report from around the country that showed Brexit is hurting households, mainly though the weaker pound.

Businesses serving British consumers are suffering compared with export-focused manufacturers, as the weaker exchange rate and higher inflation following last year's vote to leave the European Union feeds through the economy.

Last week BoE Governor Mark Carney said Britain's economy was suffering from uncertainty and higher prices caused by the referendum decision in June 2016, and the central bank cut its forecasts for future growth and wages. The report showed businesses planned to offer pay awards of between 2 and 3 percent, despite growing recruitment difficulties.

"Overall employment intentions remained modest," the BoE said. "Growth in manufacturing (employment) intentions was stable and was dampened by a stronger focus on productivity improvements and automation over job creation," it added.

The BoE forecast that economic growth would slow to 1.7 percent this year and 1.6 percent in 2018, while wages are seen rising by 2 percent and then 3 percent. After unexpectedly outperforming other big advanced economies last year, in 2017 Britain had its slowest first half of the year since 2012. Firms reported prices for goods and services rose at the fastest pace in four years, in line with official measures of inflation, and consumer spending growth slowed.

"Some contacts ascribed this to increased caution among consumers, and to consumers trading down to cheaper products or brands," the BoE said. Sales at consumer services businesses grew at their slowest pace in over four years, while manufacturing exports saw their fastest expansion since 2011. Business investment - which the BoE hopes will offset some of the damage to consumer spending - remained modest, with unspecified "uncertainty" weighing on longer-term plans.

The agents' report on contacts with businesses in June and the first half of July, which includes the period when Prime Minister Theresa May unexpectedly failed to win a parliamentary majority, as well as the start of Brexit talks in Brussels.

Most businesses have not changed strategic planning due to Brexit: Reuters survey

A majority of businesses are yet to change their strategic planning due to Britain's decision to leave the European Union, a survey of chief financial officers by Thomson Reuters showed. Big businesses were vocal in the run-up to the referendum in June 2016 that a vote to leave the European Union could hit investment and the labour market, with uncertainty lingering over sectors from financial services to the car industry.

However, the Thomson Reuters survey of 200 CFOs across Britain and Europe found that 69 percent of businesses had not seen an impact from the vote for Brexit on their strategic planning. "The results suggest a relatively muted response from business so far – not the knee-jerk reaction that some expected," said Laurence Kiddle, managing director for the EMEA Tax & Accounting business of Thomson Reuters.

Only 12 percent of CFOs had investigated moving operations out of Britain, and while 34 percent said that they anticipated the number of employees in the UK decreasing, only 19 percent said that they planned to relocate staff as a result of Brexit. Some are changing their plans in response to Brexit already, with 21 percent of all CFOs saying they had have held off from expanding in the UK as a result of the vote.

Earlier this month Royal Bank of Scotland said it will move 150 jobs to Amsterdam due to Brexit. However, the survey suggests that CFOs are on average so far sanguine about Britain's departure from the bloc, and some businesses have highlighted the opportunities for firms in Brexit.

WTO News

WTO members record lowest monthly average in new trade restrictions since 2008



Between mid-October 2016 and mid-May 2017 WTO members recorded the lowest monthly average of new trade restrictions since the financial crisis of 2008, according to the Director-General's mid-year report on trade-related developments presented to members on 24 July. Director-General Roberto Azevêdo welcomed this news, and urged WTO members to show continued moderation. The report also shows that the trade coverage of the trade-facilitating measures was significantly higher than that of the restrictions.

The report calls on members 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.

The report, which was discussed at the 24 July meeting of the WTO's Trade Policy Review Body (TPRB), shows that 74 new trade-restrictive measures were initiated by members during the review period, including new or increased tariffs, customs regulations and quantitative restrictions, amounting to almost 11 new measures per month. This constitutes a significant decrease over the previous review period (mid-October 2015 to mid-October 2016), where an average of 15 measures per month were recorded, and marks the lowest monthly average over the past decade.

During the same period, WTO members applied 80 new measures (over 11 new measures per month) aimed at facilitating trade, including eliminating or reducing tariffs and simplifying customs procedures. This marks the second lowest monthly average since the trade monitoring exercise began in 2008.

The trade coverage of import-facilitating measures (US$ 183 billion) was more than three times the estimated trade coverage of import-restrictive measures (US$ 49 billion) and more than six times higher than the coverage estimated for trade remedy initiations (US$ 27 billion). In addition, liberalization associated with the 2015 expansion of the WTO's Information Technology Agreement (ITA) continued to feature as an important contributor to trade facilitation.

Key findings

- WTO members implemented 74 new trade-restrictive measures during the review period (mid-October 2016 to mid May 2017), including new or increased tariffs, customs regulations and quantitative restrictions, amounting to almost 11 new measures per month. This represents a significant decrease over the previous period and marks the lowest monthly average since 2008.
- WTO members applied 80 measures aimed at facilitating trade over this review period, including eliminated or reduced tariffs and simplified customs procedures. This equates to an average of over 11 new measures per month which is the second-lowest monthly average since trade monitoring began in 2008.
- During the review period, the estimated trade coverage for trade-facilitating import measures (US$ 183 billion) significantly exceeded the estimated trade coverage of trade restrictive import measures (US$ 49 billion).
- This Report highlights that initiations of trade remedy investigations represented 44% of the total number of trade measures taken during the review period; although the amount of trade covered is relatively small (US$ 27 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. WTO members must 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, WTO members 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.

WTO members step up work to ensure implementation of Trade Facilitation Agreement



WTO members stepped up efforts to ensure the implementation of the landmark Trade Facilitation Agreement (TFA) at the 19 July meeting of the Committee on Trade Facilitation. Members highlighted the need for continued submissions of remaining ratifications and notifications and worked on defining the committee's work and procedures.

Roughly three-quarters or 121 of the 164 WTO members as of 19 July have ratified the TFA according to an update from the WTO Secretariat. Since the last committee meeting on 16 May, three more members have ratified the TFA: Qatar, The Gambia and Malawi. The WTO Secretariat said the ratifications continued to come in at a steady pace and that several more are in the pipeline.

The TFA entered into force on 22 February when the requirement for two-thirds of the WTO membership to formally accept the agreement was met. The TFA contains provisions to expedite the movement, release and clearance of goods, including goods in transit. The TFA also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The Agreement is unique in that it allows developing and least-developed countries to set their own timetables for implementing the TFA depending on their capacities to do so. 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 (or in the case of least developed country (LDC) members, within one year after entry into force).

For the other provisions of the Agreement, developing countries and LDCs 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. According to the Secretariat, 96 developing country members and LDCs have submitted notifications for these three categories as of 19 July.

The Secretariat also provided an update on the progress in donor members' notifications of their assistance and capacity building programmes as well as contact points and mechanisms for beneficiary members to request such help. Furthermore, an update on the submission of information required under Section 1 of the Agreement for transparency in areas such as single windows and enquiry points was also provided.

Several members at the meeting called for continued submission of the outstanding ratifications and notifications. Members also continued to work on defining the work of the new committee. The chair said that members were continuing their consultations on the committee's rules of procedures based on a proposal by Argentina, Norway and Japan. Members also discussed the committee's future substantive work, including notifications, experience sharing, and updates on technical assistance and capacity building.

The Secretariat provided an update on the 2017 activities of the Trade Facilitation Agreement Facility (TFAF), which was created at the request of developing and LDC members to help ensure that they receive the assistance they need to reap the full benefits of the Agreement. Recent activities included sessions at the Aid for Trade Global Review, workshops in the Asia Pacific, African, Latin American and Caribbean regions, and courses for chairs of National Trade Facilitation Committees with the help of partner organizations.

China, EU seek to strengthen WTO trade remedy, notification disciplines

China has put forward a new proposal aimed at strengthening WTO disciplines on transparency and due process in anti-dumping and countervailing proceedings, while the European Union has offered a new initiative on improving the reporting of subsidy programmes to the WTO. The two proposals were discussed at a 14 July informal meeting of the WTO's Negotiating Group on Rules (NGR).

China's proposal (TN/RL/GEN/190) follows up on an earlier paper that sought much broader strengthening of disciplines on anti-dumping (AD) and countervailing (CV) proceedings; its latest effort focuses on what China described as the "do-able" subjects of transparency and due process where it believes a high degree of convergence already exists.

China said its proposal is based largely on provisions in the consolidated text issued by the then-chair of the rules negotiations in 2011, with adjustments to address concerns about potential additional burdens placed on investigating authorities. Transparency and due process are vital for interested parties on both sides to effectively defend their rights and interests, and for investigating authorities to make fair and impartial determinations, China said.

China emphasized at the 14 July NGR meeting that it was not linking negotiations on AD and CV disciplines with any other issue. China said it hoped this clarification would dispel the misgivings of some members and encourage them to engage further in the discussions.

The European Union's proposal seeks to address what it described as the dismal record of WTO members in notifying their subsidy programmes to the WTO, a fundamental obligation set out under Article 25 of the WTO's Agreement on Subsidies and Countervailing Measures (SCM Agreement). The EU noted that the share of members meeting this obligation fell from 50% in 1995 to 38% in 2015. The problem was not only missing notifications but also the poor quality of notifications submitted, the EU said.

The EU proposal (TN/RL/GEN/188) sets out three options for improving subsidy reporting: asking the WTO Secretariat to circulate notifications of subsidy programmes that have not been notified to the WTO but which other members have made the Secretariat aware of; establishing a "general rebuttable" presumption that would be written into the SCM Agreement under which non-notified subsidies would be presumed to be "actionable" and causing "serious prejudice" to the interests of other WTO members; and establishing a presumption that subsidies are actionable only if another member informs the WTO that the subsidies have not been notified, even after the member granting the subsidy has been called on to do so beforehand.



Reaction to both proposals was mixed. On China's proposal, members offered different views on whether the 2011 chair's consolidated text reflects a "certain degree of convergence" among members on AD/CV issues, as China asserted. One member said there was no common basis from which the NRG could constructively engage on trade remedies.

On the EU proposal, while members were generally supportive of the idea of improving subsidy reporting, some expressed reluctance with the idea of establishing a general rebuttable presumption which they said could alter existing rights and obligations of members under the SCM Agreement.

Trade facilitation key to addressing needs of developing countries

Trade facilitation can be a key contributor to sustainable development as speedier border crossings for goods and services help address poverty alleviation and even humanitarian crises, speakers at various sessions said at the Aid for Trade Global Review on 11-13 July. A case study competition underlined the importance of the issue, with joint prize winners announced from Zambia and Jamaica.

The Chair of the WTO Trade Facilitation Committee, Ambassador Daniel Blockert (Sweden), opened a dedicated session on the topic on 12 July, highlighting the entry into force of the Trade Facilitation Agreement (TFA) last February. "But the agreement is not worth anything if it is not implemented. It's implementation, implementation, implementation," Ambassador Blockert said. "We've seen trade facilitation as a priority not only for Aid for Trade but also for aid in general and it will require challenging reforms."

The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for

technical assistance and capacity building in this area. African countries and least developed countries (LDCs) are estimated in a recent WTO study to benefit the most from the TFA's implementation.

Malawi, an LDC, formally accepted the TFA and submitted its country's instrument of acceptance on 12 July while the Gambia – also an LDC – did so on 11 July. Trade facilitation is particularly important as trade volumes dwarf total disbursements of government aid and thus can be an important conduit for poverty alleviation, said Lord Bates, Minister of State at the United Kingdom Department for International Development, at the session on 12 July.

"You have global assistance of up to $180 billion per annum and then you have global trade in goods alone which is at $15.5 trillion per annum. In the sustainable development goals, we have an ambition of eradicating poverty by 2020. If we ought to achieve those goals, there is no doubt that trade has to be the mechanism through which we do it," he said. "We are huge supporters and remain deeply committed to the Trade Facilitation Agreement."

Panellists at the session then discussed best practices for successfully implementing trade facilitation reforms. Coordination among customs authorities and other government agencies in a country is important as are partnerships with the private sector, speakers said. "The difficult part is not necessarily technology. It's the coordination between many government agencies so we can realize coordinated border management," World Customs Organization Secretary-General Kunio Mikuriya said. "We emphasize coordination using the Trade Facilitation Agreement's mechanism on National Trade Facilitation Committees."



Sharing the private sector's experience, Carlos Grau Tanner of the Global Express Association said: "One thing we have no control over is the border. The efficiency of the entire chain depends on the border… Here's where the TFA is so crucial. We have seen the effects for our clients, for the countries we operate in when procedures are simplified and made more efficient."

E-commerce has helped draw attention to border reforms as increased volumes of online traded goods put pressure at the border, added Gordon Wright, cargo border management head at the International Air Transport Association. "We are seeing a real drive coming from e-commerce. It's a real opportunity for us. Often you are looking for more predictability in delivery times and that is driving states to look more closely at how borders are organized," he said.

The session also focused on the contribution of trade facilitation to responding effectively to humanitarian crises. Relief goods and services reach beneficiaries faster when border procedures are efficient, said Jemilah Mahmood, Under Secretary General of the International Federation of Red Cross and Red Crescent Societies.

"Just as goods cross the border, so do people and so do relief goods. The impact is so great and the need is for rapid relief goods. We need to think about the cross-border humanitarian issues as well," she said. "Any delay in medicines, shelter will also have impact on people's lives."

Status of trade facilitation reforms

So far, transparency measures related to trade facilitation appear to be well on their way to being implemented around the world; however, much remains to be done for the electronic exchange of information according to preliminary findings of the second United Nations Regional Commissions' Global Survey on Trade Facilitation and Paperless Trade Implementation.

The survey, which was presented in a separate session on 12 July, covered 120 countries and 38 trade facilitation measures, including measures under the TFA. The survey also looked at trade facilitation measures in agriculture, those aimed at helping small and medium sized enterprises (SMEs), and those aimed at empowering women in trade.

Full implementation of all the trade facilitation measures examined in the survey will reduce trade costs by 11% on average, said Andrey Vasilyev, Deputy Executive Secretary, United Nations Economic Commission for Europe.

In regards to the Asia-Pacific region, UN Economic and Social Commission for Asia and the Pacific's Chief of the Trade Facilitation Unit Yann Duval said there were wide differences across the 44 countries surveyed (the Pacific islands are furthest behind) but that the region in general has been very proactive in implementing next-generation trade facilitation solutions.

For Africa, the average implementation rate for the surveyed measures is around 50% said David Luke, Coordinator of the African Trade Policy Centre, United Nations Economic Commission for Africa. He pointed out, however, that wide differences exist, with countries such as Benin, Cote d'Ivoire and the Democratic Republic of the Congo ranking high. He said the conclusion of the Continental Free Trade Area (CFTA) Agreement by the end of the year should boost implementation efforts, since trade facilitation is "very much part" of the CFTA with specific provisions and legal text very compatible with the TFA.

Maria Rosaria Ceccarelli, Chief of Trade Facilitation Section, Economic Commission for Europe, said that the survey showed implementation of measures was even possible among lower-income countries if a proper implementation road map is set out and governments are committed to implementation.

Meanwhile, the 21 countries surveyed in the Latin American and Caribbean region have a 69% average implementation rate, a slight improvement over the 67% average in the 2015 survey according to Tania Garcia-Millan, Economic Affairs Officer, United Nations Economic Commission for Latin America and the Caribbean.

Finally, Adel Al-Ghaberi, First Economic Affairs Officer of the United Nations Economic and Social Commission for Western Asia, said his region's average implementation rate is 57%, better than the 48% average rate registered in 2015. However, much of this improvement was driven by a handful of the region's countries, notably Qatar, with a 95% implementation rate, and the United Arab Emirates, with a 97% implementation rate. The measures most widely implemented are those related to transparency, border formalities, and institutional arrangements/co-operation, while the lowest implementation rates concern measures related to paperless trade and cross-border paperless trade.

WTO, IMF, World Bank urge G-20 leaders to act on trade

The leaders of the World Trade Organization, the International Monetary Fund and the World Bank urged G-20 leaders on 6 July to reinvigorate trade by reducing trade barriers and curbing trade-distorting subsidies while simultaneously seeking better policies to support workers who have lost their jobs.

In a statement released ahead of the G-20 leaders' summit in Hamburg, WTO Director-General Roberto Azevêdo, IMF Managing Director Christine Lagarde and World Bank President Jim Yong Kim stressed that the economic wellbeing of billions of people depends on trade and that deeper trade integration coupled with supportive domestic policies can help boost incomes and accelerate global growth.

The good news is that when it comes to trade, we do not need to choose between inclusiveness and economic growth. Evidence shows that opening of economies to trade, especially in the late 20th century, boosted incomes and living standards across advanced and developing countries. Since the early 2000's, however, the pace of opening has largely stalled, with too many existing trade barriers and other policies that favor chosen domestic industries over the broader economy remaining in place, and new barriers being created.

Such policies can cause a chain reaction, as other countries adopt similar measures with the effect of lowering overall growth, reducing output, and harming workers. Reinvigorating trade, packaged with domestic policies to share gains from trade widely, needs to be a key priority. One part of this is to remove trade barriers and reduce subsidies and other measures that distort trade.

Stepping up trade reform is essential to reinvigorate productivity and income growth, both in advanced and in developing countries. But these reforms also require thinking in advance and during implementation about those workers and communities that are being negatively affected by structural economic changes.

Even though job losses in certain sectors or regions have resulted to a

larger extent from technology than from trade, thinking in advance about the policy package that shares trade gains widely is critical for the success of trade reforms. Without the right supporting polices, adjustment to structural changes can bring a human and economic downside that is often concentrated, sometimes harsh, and has too often become prolonged.

This is why governments must find better ways of supporting workers. Each country needs to find its own mix of policies that is right for their circumstances. Approaches such as a greater emphasis on job search assistance, retraining, and vocational training can help those negatively affected by technology or trade to change jobs and industries.

Unemployment insurance and other social safety nets give workers the chance to retool. Education systems may also be important to prepare workers for the changing demands of modern labor markets; that requires a commitment to life-long learning, from early childhood education, to workplace training, to online courses for seniors, just to name a few.

In addition, housing, credit, and infrastructure policies could be designed so as to ease worker mobility. Recent analysis by the IMF, World Bank, and WTO shows that, when it comes to trade, we do not need to choose between inclusiveness and economic growth. Now is the time to press ahead with trade reforms that can deliver greater prosperity for all.

EIF and ITFC join forces to increase trading opportunities for least-developed countries



The Enhanced Integrated Framework (EIF) has joined forces with the International Islamic Trade Finance Corporation (ITFC) to provide capacity building support aimed at helping least-developed countries increase their exports. A Memorandum of Understanding (MoU) was signed on the sidelines of the WTO Public Forum on 27 September 2017 to mark the start of the new partnership.

The MoU was signed by ITFC's Director, Eng. Hani Salem Sonbol, and the EIF's Executive Director, Dr Ratnakar Adhikari.

Hani Salem Sonbol said: “We are pleased to be initiating this new partnership, which will be essential in supporting the creation of new trading opportunities in least-developed countries and in contributing to achieving the Sustainable Development Goals. Assisting LDCs, building strategic partnerships and providing integrated trade solutions tailored to the needs of our member countries is at the core of ITFC’s mandate.”

Dr Ratnakar Adhikari said: "This new partnership with ITFC marks a vital first step in advancing strategic trade investments in LDCs. Together, we are committed to ensuring that no LDC is left behind and to building a better trading future for the poorer countries. We have identified three key areas of engagement, including capitalizing on the EIF analytical framework to help LDCs undertake policy reforms, jointly funding priority projects, and assisting LDCs in strengthening their trade-related institutions."

The MoU aims to significantly increase developing countries' exports, with a view to doubling the LDCs' share of global exports by 2020. This can be achieved by leveraging resources and providing trade finance to develop LDCs' trading capacities, including through business-to-business exchanges, direct financing and cooperation with other fund providers.

The Enhanced Integrated Framework (EIF) brings together partners and resources to support least-developed countries (LDCs) in using trade for poverty reduction, inclusive growth and sustainable development. The EIF is a global partnership between the LDCs, donors and international agencies, including the WTO, underpinned by a multi-donor trust fund, which provides financial and technical support to build trade capacity in 47 LDCs and four graduated countries. Further information is available here.



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