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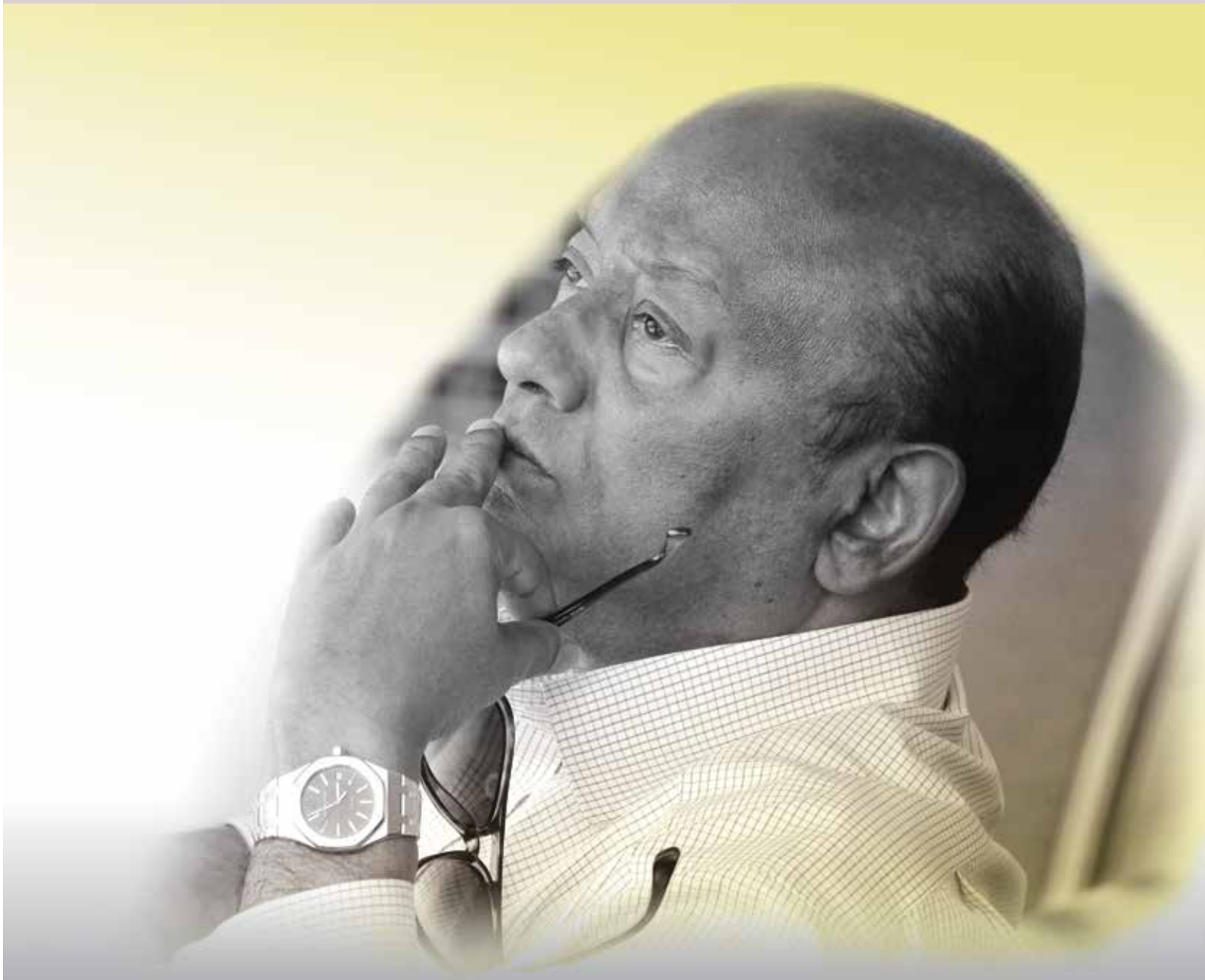
25 Years of ICC in Bangladesh 1994-2019

100 years
INTERNATIONAL
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# NEWS BULLETIN

We make business work for everyone, everyday, everywhere

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## Latifur Rahman
## A Legend of Bangladesh Business

# About ICC Bangladesh

International Chamber of Commerce (ICC), The world business organization, with its headquarters in Paris, is having its Centenary Celebration world over in 2019. With its physical presence in more than 100 countries, ICC represents 45 million companies and more than 1 billion workers worldwide. One in every three worker depend on ICC Members for their livelihood.

ICC was founded in 1919 in the aftermath of the First World War when no world system of rules governed trade, investment, finance or commercial relations. ICC's founders, referred to as "The Merchants of Peace", acted on their conviction that building stronger trade relations between nations would reduce the risk of war and armed conflict. ICC, is the largest and the only private sector non-sovereign organization, which was granted Status of a Permanent Observer at the General Assembly of the United Nations in December 2016.

ICC works in close cooperation with national governments and multi-national institutions such as G-8/G-20, World Bank, WTO, Asian Development Bank, UNCTAD, OECD and several UN agencies for promotion, protection and development of world economy.

Bangladesh National Committee of ICC, founded in 1994, is comprised of trade organizations, national and trans-national corporations, who represent almost 80% Bangladesh economy.

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. 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 Hon'ble President of the People's Republic of Bangladesh. 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.
- 10-12 December 2019 : "The Asia Pacific Conference on Financing inclusive and Sustainable Development" was organized by ICC Bangladesh jointly with UNESCAP, ADB and LIBF (The London Institute of Banking & Finance) under the patronage of the Financial Institutions Division (FID), Ministry of Finance, Government of Bangladesh to celebrate 100 years of ICC and 25 years of ICC Bangladesh. The Hon'ble President of the People's Republic of Bangladesh inaugurated the Conference. Video Messages from UN Secretary General Mr. António Guterres and 8th former United Nations Secretary General Mr. Ban-Ki moon were also played during the inauguration. Ministers from Bangladesh, Cambodia, Maldives and Sri Lanka, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP, Central Bank Governors, Business Leaders, Policy Makers, Experts and some 800 delegates from home and 30 foreign countries attended the Conference.

As part of its activities, ICC Bangladesh has been organizing Workshops / Seminars on International Trade Finance, mainly for bankers, within Bangladesh and in various countries. Since 2014, the National Committee has organized workshops in Kuala Lumpur (April 2014); in Colombo (February 2015); in Kunming (August 2015); in Yangon (November 2015); in Hanoi ( April 2016); in Bangkok ( December 2017) and in Phnom Penh (April 2018).

The National Committee also arranged participation of Bankers from Bangladesh at ICC Annual Banking Meetings held in Singapore (April 2015), in Jakarta (April 2017) and in Beijing (April 2019). Besides, ICC Bangladesh arranged participation of Bankers at ICC Austria Global Trade Conference held in Vienna in May 2017, June 2018 and May 2019, FCI Annual Meeting in Vietnam (June 2019), ICC Academy 8th Supply Chain Summit in Singapore (February 2019) & International Financial Crime Forum in Kualalumpur (July 2019).

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

## Latifur Rahman : An exemplar of ethical and patriotic businesses

Latifur Rahman, Chairman of Transcom Group was the founding member and Vice President of ICC Bangladesh and founding Vice President of Bangladesh International Arbitration Centre until his sad demise on 1 July. He also served as a Member of the Executive Board of ICC, Paris for two consecutive three-year terms from July 2011 to June 2017. His unqualified support, contribution, guidance and active participation, since ICC Bangladesh started its journey in the 90's, are remembrance with gratitude.

Transcom Group, which originated with family tea plantations in 1885, became one of the fastest growing and diversified business houses in Bangladesh over a period of around 47 years. Latifur Rahman, who started his career as a trainee in 1966 in his family-owned W Rahman Jute Mills and was an executive until 1971, established Transcom Group in 1973. Gradually he has spread his excellence of entrepreneurship to various fields. He has diversified his businesses and institutions. Latifur Rahman believed in corporate culture. He took over the operations of two big multinationals in 1980s, Eskayef and Philips and kept the old management intact. He believed that the professional management should be left to do what it can or is supposed to do.

Today, Transcom has 16 operational entities from medicine, foods, lighting, electronics to media. It is the local business partner of international brands Pizza Hut, KFC, PepsiCo and Philips. It employs more than 17,000 people and the Group's annual turnover is Tk. 80,000 million.

Although the business of the Group suffered tremendously due to Covid-19, it did not lay off any of its employee as it believes that all the employees are part of bigger family.

Latfiur Rahman's reputation for honesty and integrity were unrivalled and he was universally respected for upholding the highest ethical standards in business. He is one of the few entrepreneurs who have contributed in the economic and social advancement of the country by setting up business houses. He showed that it is possible to do business here and take the nation forward by maintaining a high ethical standard.

As a superior, says Latifur's eldest daughter Simeen Rahman, now MD and CEO of Transcom Distribution Company Ltd. that her father was an entirely different person. "When we first joined work he told us in very clear terms that we would not get any extra favours just because we were the chairman's children; we would get a salary and the ground rules would be the same as for any other employee of the company and we would be rewarded only if we deserved it."

He believed and was committed to the ideal that a democracy needs a free and independent press. This led to his very critical role in the creation of the two newspapers The Daily Star and Prothom Alo, both recognized universally as the most independent newspapers in the country. He was uncompromising in principles, ideals and integrity, even if this would go against his own interest. He had been harassed many times for being the owner of the country's leading English and Bangla dailies; but he never gave into any kind of pressure.

Unlike many industrialists in the country, Rahman believed that all industries should have labour unions. He thinks it is important that every industry has an elected Collective Bargaining Association (CBA).

He was awarded the "Oslo Business for Peace Award" by the Business for Peace Foundation, Oslo in 2012 as a mark of his highest distinction for outstanding accomplishments in the area of ethical business. He was also awarded Business Executive of the year 2001 by the AmCham Bangladesh; The Daily Star-DHL Special Award in 2012; the SAARC Outstanding Leader Award in 2017 and Lifetime Achievement Award by the UK Bangladesh Catalysts of Commerce & Industry in 2017.

Mr. Rahman believed that in the next decade Bangladesh's economy will grow significantly and Bangladeshi companies should be playing roles not only in the country, but also beyond that. Just need to get our act together and set our management practices right, it was his vision.

## WE DEEPLY MOURN



***Business Icon***
Latifur Rahman
(28 August 1945 -01 July 2020)

ICC Bangladesh is deeply shocked and grieved at the sad demise of founding member and ICC Bangladesh Vice President and Chairman Transcom Group Latifur Rahman at 11.00 am on Wednesday, 1 July 2020. Innalillahi Wainnailayhi Raji'un.

We remember with gratitude his unqualified support, contribution, guidance and active participation since ICC Bangladesh started its journey in the 90s. Mr. Latifur Rahman was elected as a Member of the Executive Board of the Paris-based International Chamber of Commerce (ICC) for two consecutive three-year terms from July 2011 to June 2017.

In 2012 Mr. Rahman was awarded "Oslo Business for Peace Award" by the Business for Peace Foundation, Oslo; Business Executive of the Year 2001 by the American Chamber of Commerce Bangladesh; The Daily Star-DHL Special Award in 2012; the SAARC Outstanding Leader Award in 2017 and the Lifetime Achievement Award by the UK Bangladesh Catalysts of Commerce and Industry in 2017.

Mr. Latifur Rahman was also the founding Vice President of the Bangladesh International Arbitration Centre ( BIAC), Chairman of National Housing Finance & Investments, Member, Governing Body of BRAC and former Chairman, Nestlé Bangladesh and Holcim Cement Bangladesh.

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

Transcom Group, which originated with tea plantations in 1885 became one of the fastest growing and diversified business houses in Bangladesh. Rahman's family businesses were nationalized after the independence but he did not stop. He had to start from scratch to build the current business empire in a glowing example of how a man can be successful by strictly following principles and ethics of doing business.

Mr. Rahman founded The Daily Star (1991), country's premier English daily, Prothom Alo (1998), the largest mass-circulated and most respected Bangla newspaper and ABC Radio (2009), which is the leading FM service in Bangladesh. The newspapers have always pursued a nationalistic and independent position devoid of political leanings, whilst maintaining an uncompromising stance against any fundamentalist/ communal politics.

Today, Transcom has 16 operational entities from pharmaceuticals, foods, lighting, electronics to media. It is the local business partner of international brands Pizza Hut, KFC, PepsiCo and Philips. It employs more than 17,000 people and the Group's annual turnover is Tk. 80,000 million.

May Allah rest his soul in peace in heaven.

# ICC Bangladesh News

## Chambers of Commerce/Associations Presidents pay tribute to Business Icon Latifur Rahman : a role model for new generation of businessmen

ICC Bangladesh, *The world business organization* in association with major Chambers of Commerce/ Associations and Trade Bodies organized a brief discussion on the life and achievements of the Business Icon and ICC Bangladesh Vice President Late Mr. Latifur Rahman followed by a Milad & Doa Mahfil (prayer) on a Virtual Platform at 4.00 p.m. on Thursday, 13 August 2020. The event was organized by ICC Bangladesh, Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), Dhaka Chamber of Commerce and Industry (DCCI), Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, Chittagong Chamber of Commerce and Industry (CCCI), Foreign Investors' Chamber of Commerce and Industry (FICCI), Bangladesh Association of Banks (BAB), Bangladesh Insurance Association (BIA), Bangladesh Garments Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters' Association (BKMEA), Bangladesh Textile Mills Association (BTMA), Bangladesh Association of Pharmaceutical Industries (BAPI), American Chamber of Commerce (AmCham) and Nordic Chamber of Commerce & Industries (Nordic).

The speakers recalled the ethical practices, values and leadership qualities of Late Latifur Rahman, a towering figure in the business and corporate world of Bangladesh and founding Chairman of Transcom Group, who passed away at his village home in Comilla on July 1 at the age of 75.

The family businesses consisting tea garden and jute mills of Mr. Latifur Rahman were nationalized after the independence. He had to start from scratch to build the current business empire in a glowing example of how a man can be successful by strictly following principles and ethics of doing business. Today, Transcom has 16 operational entities from pharmaceuticals, foods, lighting, electronics to media. It is the local business partner of international brands Pizza Hut, KFC, PepsiCo and Philips. It employs more than 17,000 people and the Group's annual turnover is Tk. 80,000 million.



ICC Bangladesh President Mahbubr Rahman in his opening remarks said "It is hard to speak about the legacies of Latifur Rahman in such a short time". He described Late Latifur Rahman a business person who never compromised in following ethical and transparent business practices. His activities stretched beyond the boundaries of Bangladesh. As a recognition to his ethical business practices, Late Latifur Rahman, founding Member and Vice President of ICC Bangladesh received the Oslo Business for Peace Award in 2012, the highest distinction given to a business person for outstanding accomplishments, said ICC Bangladesh President. It may be mentioned that an independent committee of Nobel Prize Winners in peace and economics decide the recipients of the Award. The supporting partners of the Business for Peace Foundation are ICC, World Chambers Federation (WCF), The City of Oslo, The Oslo Chamber of Commerce and the initiators of The Oslo World Trade Centre (OWTC).

Mr. Mahbubur Rahman said that Latifur Rahman not only made his marks by building one of the leading business conglomerate of Bangladesh but also generated huge employment and business opportunities, contributed in policy formulation for the economic development of the country as well as played a key role in promoting private sector development and attracting FDI. He also served as a Member of the Executive Board of ICC, Hq for a two consecutive terms of three years, ending on 30 June 2020. He was the only business personality who was President of MCCI for seven consecutive terms.

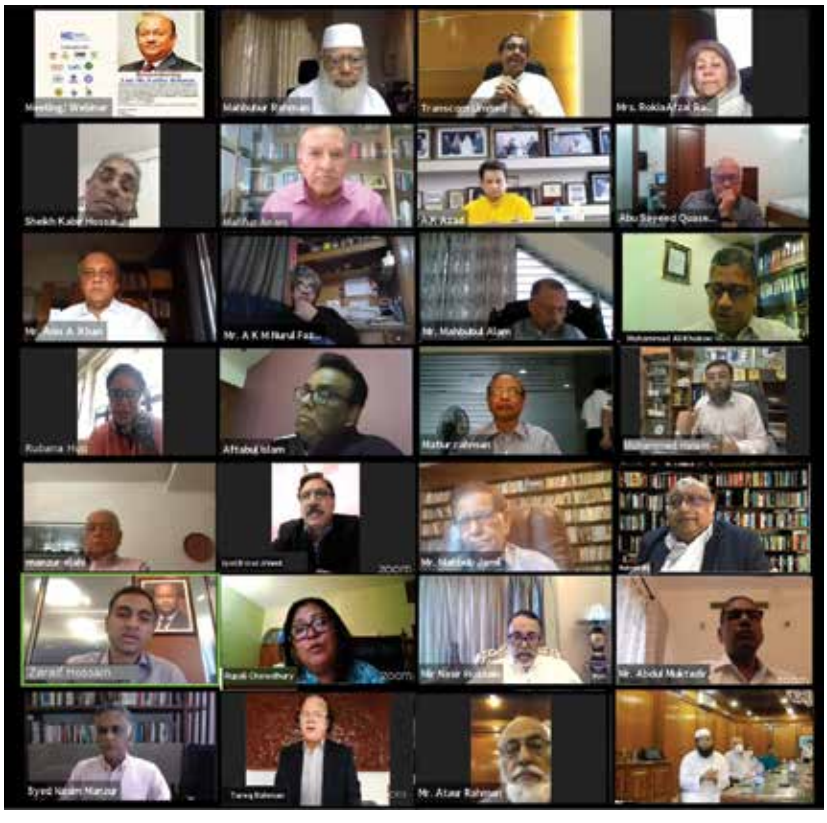
Mr. Zaraif Ayaat Hossain, a grandson of late Mr. Latifur Rahman, expressed gratitude on behalf of the family to Presidents of chambers of commerce and associations of Bangladesh, business leaders and guests for standing by his grandfather and for organizing the Milad and Doa Mahfil. He said " Nanabhai, a beloved husband, father, and grandfather, left

us just over forty days ago and the support we, his family have felt from the business community, has given us so much strength. For over a month now, the way you have all fondly remembered, honored and admired our beloved Mr. Latifur Rahman, gives us the courage to look ahead"

Zaraif observed, "the legacy of Mr. Latifur Rahman also entails a representation of deeply rooted values, sense of community and being a pillar of support for all of those around him. Though he is absolutely irreplaceable, as a man who was born into a thriving business family, but he lost everything after 1971 and as a patriot who started his business journey from scratch with a firm conviction in the potential of the then newly independent Bangladesh. For us, his family, we will strive, to emulate even a fraction of the force for good he was for our country. As we look ahead with your support, we look to keep moving towards the vision of Bangladesh, of businesses' responsibility to our country that Nanabhai believed in, and of values driven by ethical practices that he uncultivated in all of us in taking us all ahead. Please keep our beloved Mr. Latifur Rahman and our family in your prayers and thank you once again for organizing this Doa Mahfil".

BIA President Sheikh Kabir Hussain said " I cannot say much about Mr. Latifur Rahman, because I did not know him personally, but I can say this much that whenever I met him at ICC Bangladesh Board Meetings and at other places, he was always the first to greet and ask me about my well being. He had made immense contribution in the development and business sector of Bangladesh by always following ethical and transparent business practices. I always admired how such a renowned person like him would always interact in a humble manner. I pray for the wellbeing of his family and his departed soul".

DCCI President Shams Mahmud in his remarks observed "Mr. Latifur Rahman was one of the pioneers of business in Bangladesh, who helped build the foundations upon which the private sector is flourishing today. Because of all the hard work he did, people like me, the members of the private sector, the new generation are enjoying the fruits of dedication and breaking glass ceilings. Mr. Latifur Rahman will be missed by all of us. That being said, the legacy of Mr. Latifur Rahman will not be measured by physical business or other non living factors. Rather, the legacy of Mr. Latifur Rahman is found in the people whom he inspired to exceed the norm, to instill excitement in bringing reform, to help the business community and to discover leaders who have been obscured from vision. Mr. Latifur Rahman's legacy are the people he inspired and mentored. Today, we can see them all around us".



MCCI Vice President Anis A. Khan in his remarks said "Mr. Latifur Rahman was the longest serving MCCI President. He served for seven years which is the record for anyone. Everybody knows that his ethical commitment to business and behavior is legendary including the Business for Peace Award that he received in Oslo in 2012. I consider him an icon, a pathfinder, a motivator and as Zaraif said, he set examples through his actions. He practiced what he preached. I have evidenced his sense of commitment a number of times; if he said that he will get back to me within a day, then that's exactly what he would do without any prodding or reminder. The MCCI Gulshan Office which has been in operation for a year now, will stand in shining testimony to his memory. He has donated all the equipment there including air conditioners, sound system and everything we needed. A lounge has been dedicated in honour of Latifur Rahman. Unfortunately he didn't get an opportunity to see for himself the facilities he endorsed which will remain a disappointment for us. He also made us proud on an international level when the Pepsico Chairman gave award to Mr. Latifur Rahman. It was a wonderful prestige for a Bangladeshi to receive such an award. I hope his legacy will be carried forward by his wife, daughter

and his grandchildren. I wish them all the best and I am sure they will continue in the same way Shamim Bhai lead. Apex Group Chairman Syed Manzur Elahi, said "since the birth of Bangladesh on 16 December 1971, our country has seen no other business role model better suited to represent us than Latifur Rahman. biography of Latifur Rahman if you want to be a good businessman," said Syed Manzur Elahi.

CCCI President Mahbubul Alam said " I agree with Syed Mazur Elahi when he said that our future generations should follow the footsteps of Latifur Rahman, who himself was an spoke about his grandson with great pride, love and affection. I observed a different Latifur Rahman, a loving and caring grandfather. He will be greatly missed in the roles he played in our lives. He had a great journey in this world, he helped millions and we pray that his soul finds eternal peace. Bangladesh will surely miss him




*ICC Bangladesh Vice President Latifur Rahman (8th from left) is seen at a reception held on 3 June 2012 for being honoured with the Oslo Business for Peace Award. He is receiving Memento from ICC Bangladesh President Mahbubur Rahman (9th from Left) and FBCCI President A. K. Azad (7th from Left). Also seen in the picture from left to right are : Masudur Rahman, President, CanCham; Rashed Ahmad Ali, President, JBCCI; Ms. Nihad Kabir, Vice-President, MCCI Dhaka, M. A. Momen, President, BTCCI; Asif Ibrahim, President, DCCI; Aftabul Islam, President, AmCham; AKM Nurul Fazal Bulbul, Member Executive Committee, BAB; Tapan Chowdhury, Chairman, BAPL; M. Azizul Huq, Committee Member, FICCI; Salmam F Rahman, President, BASS; Muhammad Hatem, Vice President, BKMEA; Alhaj Md. Nurun Newaz Salim, Vice President, CCCI; Sheikh Kabir Hossain, Chairman, BIA and Ashraf Hossain, Director BTMA.*

He built an empire from scratch without doing anything illegal. He did business in all honesty with integrity and I think that's a great example for future generations to live by. There is no need to emphasize how patiently Latifur Rahman took his business to higher heights because everyone is already aware of that. I have known him since 1974, he was 3 years younger than me, he wasn't just a business partner but also my close friend. His generosity, simplicity and honesty of thoughts and reasoning is unparalleled. Mahbub and I who were his close friends, will definitely feel his loss which cannot be replaced in our lives. I would like to end by saying his family is blessed to have a man like Latifur Rahman and it is with his blessings and guidance from above that Transcom will continue to thrive". New generation of businessmen in Bangladesh should follow the ethics and principles practised by the iconic and legendary entrepreneur Latifur Rahman to succeed and serve the country honestly, he said. "Please read the institution. On his own he built his career with integrity and honesty. I hope that people like us and other businessmen should follow him and lead lives with honesty and dedication". Mr. Alam also observed that Mr. Latifur Rahman was an Ambassador of Bangladesh who has projected the country to the outside world. As MCCI President, Vice President of ICC Bangladesh as well as Executive Board Member of ICC, Paris he has made immense contribution in promoting private sector globally.

FICCI President Rupali Chowdhury, speaking about Latifur Rahman, said "I had the opportunity to work with him in different forums and associations. He was a dynamic and talented entrepreneur with humility at core. A soft spoken person with firm determination, always focused on the solution, never deviated from the core issue. I saw him devastated when his grandson was killed, yet his grief was composed in public when he and we are committed to uphold his standards of not only doing business but also being a true leader and a good human being. I on behalf of FICCI, would like to thank him for the life he lead, and the influence he left behind in this country and its people".

BGMEA President Rubana Huq said "We lost a man who taught us not to lose ourselves in any difficulties. It is a great lesson that we learnt from him. He taught us how to turn tragedies into strength". She mentioned that Late Latifur Rahman never thought of leaving Bangladesh even after the death of his grandson. Rather, he stood with determination and fought against all kinds of difficulties , she said and observed that the legendary businessman taught every one not to get depressed even in disastrous situation. We will always remember our Bsuiness icon Latifur Rahman and will be by the side of his family, she concluded.

Mr. Mahfuz Anam, Editor of The Daily Star said: "I can't believe that

we have to commemorate at this time for Latifur Rahman. I am one of the few people who had the opportunity to work with him." Transcom Group is also a majority shareholder of The Daily Star. "We [Mahfuz Anam and Matiur Rahman] can proudly say that we are one of the freest editors and our spirit of freedom comes from Latifur Rahman". He would never interfere and try to influence even though he was always under pressure from various corners to do so, said Mahfuz. "I remember and miss his presence every moment," Mahfuz Anam said.

Prothom Alo Editor Matiur Rahman said that from his student life he had a dream to take part in building a nation and a free media. "So, I responded to the call of Latifur Rahman and became the editor of the Prothom Alo. His patriotism, believe in democracy, freedom of press and non-interference in our work as journalist has made Prothom Alo what it is today, observed Editor Rahman. "I found him as a source of inspiration. It is our duty to materialise his dreams," Matiur Rahman said.

AmCham President Syed Ershad Ahmed recalled the contribution of late Mr. Latifur Rahman to the businesses and societies. He was an example of a true entrepreneur and AmCham is proud to have Transom Group as a Member. In recognition to his success, he was given the AmCham Business Executive of the Year Award for 2001. His exceptional integrity in Bangladesh and beyond was well acknowledged. We consider him as Brand Ambassador of Bangladesh, AmCham President observed.

ICE Technologies Chairman Mahbub Jamil recalled that he never found any arrogance in Latifur Rahman. "He had always had a smiling face. A person like him is rare. We could have learnt a lot had he lived longer." During the last political turmoil, I was in the MCCI Committee along with him. I have seen his commitment and concern for the country and his farm believe of overcoming all difficulties.

BTMA President Mohammad Ali Khokon said "Late Latifur Rahman was not only Chairman of Transcom Group but a brand by himself. He was committed to the country. We are grateful to him for giving us two independent newspapers He was a down to earth man. I have not heard of any criticism about him," he observed. On behalf of BTMA he conveyed his condolence to the family and hoped that they will carry forward Transcom group to new height as dreamt by Late Latifur Rahman.

BAPI Senior Vice President Abdul Muktadir said that Mr. Latifur Rahman established high-quality factories and business in the pharmaceuticals sector. "The legacy that he has left behind is simply unbelievable. The kind of commitment he had in this country is also unbelievable. "The chairman of Incepta Pharmaceuticals said many people believe that Bangladesh is not a safe place for investment and many bought homes abroad for safety. "But he did not do so. He used to say that Bangladesh is his place to invest and he believes in Bangladesh and invested here. Many people do not know the value of this kind of philosophy of Latifur Rahman which we all businesses should try to follow of his ideology and invest in our country ," Muktadir said. "If we follow his principles in business, we can see a big change in Bangladesh in the next 15 years."

Mr. Mohammad Hatem, Vice President of BKMEA said "we can learn how to do ethical business from Latifur Rahman. We have to follow him and try to do our business ethically. We pray to Allah to rest his soul in peace in heaven".



*ICC Bangladesh President Mahbubur Rahman (5th from right) and ICCB Vice President Latifur Rahman (4th from right) are seen with Finance Minister AMA Muhith, M.P. (5th from left) and other award winners at 12th Bangladesh Business Award Ceremony organized by The Daily Star & DHL Express in Dhaka on 18 May, 2012. Also seen in the picture from left to right are : Towhid Samad, Chairman of Bangladesh General Insurance Company; Anwar Hossain, Chairman of Anwar Group; Ehsan Khasru, Managing Director of Prime Bank; M. Anis Ud Dowla, Chairman of ACI and Sharmin Hossain, Chairman of Fresh and Safe Agro; Ramesh Natarajan, Vice-President of DHL Express, Rest of South Asia and Desmond Quiah, Country Manager of DHL Express.*

Mr. A K M Nurul Fazal Bulbul, Member Secretary, BAB said that Mr. Latifur Rahman has left behind a legendry of doing ethical and transparent businesses. He was well respected by the all the Members of BAB for his integrity and honesty. He was privileged to have known Latifur Rahman for more than 30 years. On behalf of BAB Chairman and Members of the Executive Board, Mr. Bulbul paid highest regards to Latifur Rahman conveyed deepest condolence to the family. May Allah grant him the highest place in heaven.

Mr. Tareq Rahman, President NCCI said "Mr. Latifur Rahman had an excellent personality and was a kind hearted and perfect gentleman. His contribution was not only in business sector but also for Bangladesh at large. He was a humble human being and his ethical values were second to none. I want to express our gratitude to the business icon of Bangladesh. His departure has created a big vacuum in the business sector of the country. We pray for the salvation of the departed soul and wish his family to withstand this loss".

ICC Bangladesh Vice President Rokia Afzal Rahman said that it is hard to believe that he was no more."Latifur Rahman was an integral part of the business chamber. He had a unique quality. Latifur Rahman had a lot of fellow-feelings." She recalled Latifur Rahman's outstanding contribution to the ICC. "Even our generation has a lot of things to learn from Latifur Rahman because of his integrity and honesty." She thanked all the speakers and guests.

The event, among others, was also attended by ICC Bangladesh Executive Board Members: A. K. Azad, Aftabul Islam, A. S. M. Quasem, Mir Nasir Hossain, Md. Fazlul Hoque; Md. Matiur Rahman, Chairman and Managing Director of Uttara Group; Arshad Ali, Managing Director, The Merchants Limited; Mohammed Abdul Jabbar, Managing Director, DBL Ceramics Ltd.; Muhammad A.(Rumee) Ali, CEO of Bangladesh International Aebitration Centre (BIAC); Ghulam Rahman, Executive Vice Chairman, Eastland Insurance Company Ltd.; Syed Ali Jowher Rizvi, Managing Director, Summit Alliance Port Limited; Syed Nasim Manzur, Managing Director, Apex Footwear Limited; Waqar Ahmad Choudhury, Director and Managing Director & CEO, Vanguard AML; MCCI Secretary General Farook Ahmed and ICCB Secretary General Ataur Rahman.

## ICC Bangladesh-MCCI Memorial for Late Mr. Latifur Rahman

"Latifur Rahman is a name synonymous with ethical business, ethical values, business excellence and the spirit of Bangladesh. But to me, he will always be Abbu [father]," said his eldest daughter Simeen Rahman, Managing Director & CEO of Eskayef Pharmaceuticals. "As a child, I knew my father as the man who kept us all together. As the man, he would make all our troubles disappear. As I grew older, Abbu began to transform from being my hero to my mentor, my confident and my strength," she said. "I began to truly see who Mr Latifur Rahman has always been, to his loved ones, to his friends and to 17,000 members of the Transcom family. His unwavering stance, ethical business practices and integrity were the values he lived by every day", she said.

She said her father was an unwavering protector in any kind of crisis, especially when he lost his youngest daughter Shazneen Tasnim Rahman and grandson Faraaz Ayaaz Hossain. "July 1 would continue to be the hardest day for her family every year since 2016. The day serves as a reminder when I lost my Faraaz. I never imagined that I will lose Abbu on that very day", she said and mentioned that it seemed that it was the wish of the Almighty Allah that the two (Faraaz and Latifur) would become one as Latifur left this world peacefully in his sleep on this day. "Now, July 1 will remain a day to remember not one but for two from our family. I can just picture him in my head, smiling, finally united with his Shazneen and Faraaz". She promised that her father's legacy will live on. "I promise that what you taught us about leading a life filled with integrity and ethical values will go from strength to strength. I promise you that your life's legacy will continue."

ICC Bangladesh President Mahbubur Rahman said Mr. Latifur Rahman never compromised his ethical position and was adamant about maintaining it in running his business. He was uncompromising in principles, ideals and integrity, even if this would go against his own interest. He had been harassed many times for being the owner of the country's leading English and Bangla dailies.

"Latifur Rahman took Bangladeshi businesses to a new height, when he received the Oslo Business for Peace Award, and the Best Business Person Award from the SAARC," Mahbubur said. The Oslo Business for Peace Award 2012 was a recognition for Latifur's business ethics and social responsibilities. In the business world, the award is almost similar to the Nobel Prize.

"Mr. Latifur Rahman was an exceptional friend, whose absence reminds me of his kind presence in my everyday life." Mr. Mahbubur Rahman added.

Syed Manzur Elahi, a former president of MCCI and Chairman

Apex Group said Latifur Rahman's patriotism was admirable, and he was a role model for ethical business. "He was a polite gentleman, and can disagree with anyone politely." Latifur Rahman has done everything honestly and ethically, and he is a role model whom younger generations can follow. "His business ethics was something very laudable and very rare in our country. "He was a good human being. He never lost his temper, he was very rational and always encouraged constructive argument," he added.

Family was his first love and centre of everything. He was extremely analytical in business, and it brought him success. "He had been a business giant, and whatever he touched had turned into success" said Syed Manzur Elahi and recalled that he first met Mr Rahman at a dinner party in Dhaka in 1974. "I was impressed by his inherent goodness," he noted.

Salman Ispahani, Chairman of M. M. Ispahani Group, said he learnt many tricks of business from Latifur Rahman, and he is very proud of Mr. Rahman's achievements in many businesses.

Mr. Latifur Rahman considered each member of his company as an entrepreneur, said New Age Group Chairman and ICC Bangladesh Executive Board Member A S M Quasem. "Mr Rahman was a natural leader and a great architect in institution building. He proved it throughout his life. He was a man of courage and determination, and he never gave up hope even in the worst situations," he added.

Mrs. Rokia Afzal Rahman, ICC Bangladesh Vice President and chairperson of Mediaworld Ltd, the owning company of The Daily Star, said Latifur was "one of our strengths"."I never thought he would leave us so early," she added. "Latifur Rahman was a true lover of his birthplace Bangladesh." Rokia Afzal Rahman said she used to sit with Latifur Rahman on the boards of eight companies. His presence in the meetings changed the whole environment, always added value, and made a difference. "Mr Rahman left us with dignity," she concluded.

ACI Chairman M Anis-ud-Dowla said it was fortunate to have a friend like Latifur Rahman, and it is equally painful to lose such one. Mr. Dowla, also a former president of the MCCI, noted that Mr Rahman left a business conglomerate, which is one of the finest in the country Latifur Rahman 'sleadership helped the MCCI reach its current stage. He also supported the Dhaka Chamber of Commerce and Industry (DCCI) and the Bangladesh Employers' Federation (BEF), "I remember such a good friend with a heavy heart. His demise is an irreparable loss to the country," Mr. Dowla noted.



*Latifur Rahman, ICCB Vice President & Chairman and CEO of Transcom Group (third from right) is seen with George Freeman M.P. (third from left) at the UKBCCI Lifetime Achievement Award Ceremony at the London Hilton Park Lane on 15 October, 2018.*

President of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) Sheikh Fazle Fahim said a person is posthumously most remembered for his behavior. Mr. Latifur Rahman will be remembered for his nice manner, he noted.

A video message from John W H Denton, Secretary General of the International Chamber of Commerce (ICC), was played in the programme.

Mr. A. K. Azad, ICC Bangladesh Executive Board Member and a former president of the FBCCI, said although Latifur Rahman was a very successful businessman, he never interfered in the decision-making of the newspapers he owned. Mr Azad also said he has been benefited by learning many things in business (from Mr. Rahman).

Mr. Tapan Chowdhury, ICC Bangladesh Executive Board

Member and former MCCI President said Latifur Rahman was a friend of his family for almost 40 years. "He always talked about prospects of the country. Nobody can raise questions about his integrity." He promised that he will always be with the family of Mr. Rahman, when they need him"Latifur Rahman's manners and behavior would attract anybody to him, and made him dear to all." Mr Rahman was a man of vision and always non-compromising. He had to take a lot of pain and go through humiliation, but he never compromised, Mr. Chowdhury further said.

Mir Nasir Hossain, ICC Bangladesh Executive Board Member and a former president of FBCCI, said no one can say what would happen to Bangladesh's journalism, if Latifur Rahman had not established two leading dailies.

Mr. Fazlul Haque, ICC Bangladesh Executive Board Member and a former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said Mr. Rahman was a very friendly person, and he befriended everyone he met. "I thought Mr. Latifur loved me a lot. Later, I understood that he was friendly to everyone. I cannot remember shedding tears at anyone's death out of my family, except for him," he added.

Mr. Kutub Uddin Ahmed, ICC Bangladesh Executive Board Member and former President of MCCI, said not everyone can create history, but Latifur Rahman created history. "We are the witnesses of history when Latifur Rahman created history himself. If any Bangladeshi businessman is worth following, he is definitely the one," said Mr. Ahmed.

Mr. Kamran T Rahman, President of the BEF, said Latifur Rahman was his uncle and an inspiration for all. He used to guide him in any difficulty in running businesses.

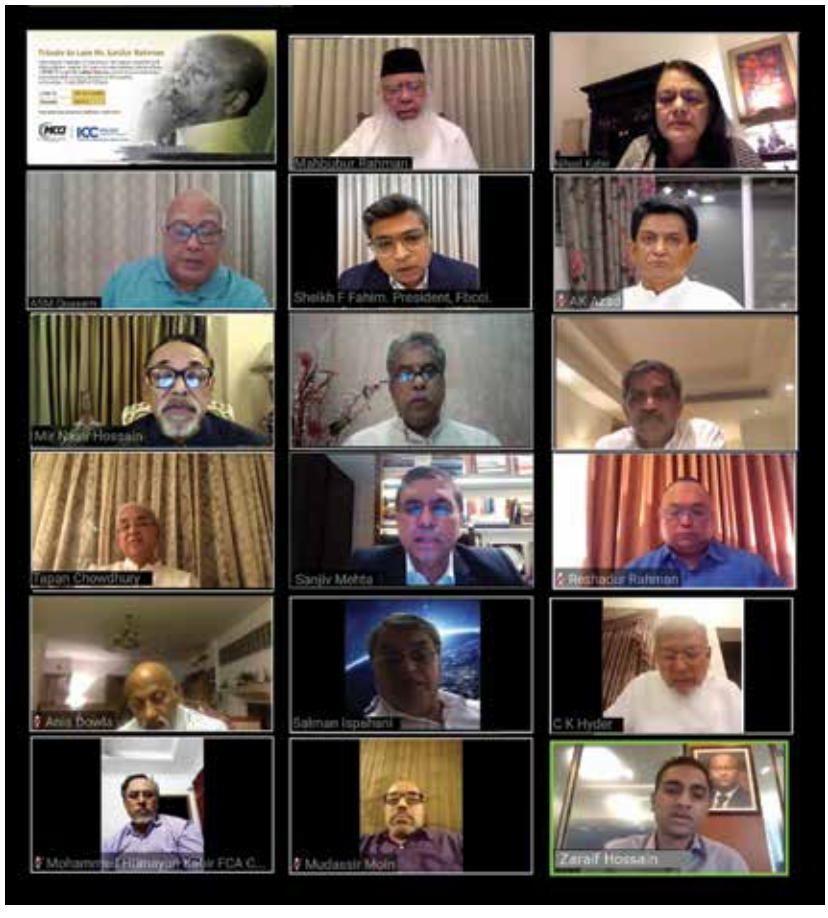
"Latifur Rahman was a great personality," said C K Hyder, former Secretary-General of the MCCI. "He was very honest person in any situation. Throughout his life he worked for clean and honest business. I saw him as a very religious person, but also a very secular person. "He said he was with Latifur Rahman once, when he took him to help destitute freedom fighters financially. "He had deep respect for freedom fighters," he noted.

Latifur Rahman proved that doing business with integrity does not depend on socio-economic system, but on one's individual values, said Rumee Ali, CEO of Bangladesh International Arbitration and Centre (BIAC) and a former deputy governor of the Bangladesh Bank. Mr. Rahman was like a mentor and elder brother to him, he added.

Mr. Mahfuz Anam, Editor of The Daily Star, said his dream of having an independent newspaper would not have come true if Latifur was not around. "I dreamt of establishing an independent newspaper in Bangladesh. And he was the man who made my dream come true. He was the greatest strength that I had, the greatest friend, brother, the supporter, the investor," he said, adding, "It is with deepest sorrow and most heartfelt grief that I participate in this discussion."

He said Latifur's most telling contribution to the country was two independent newspapers - The Daily Star and Prothom Alo. "His world has been the world of business - of setting up industries, setting up commercial institutions. His first foray into a world which was not his was the media. Yes, he always insisted that we should think of it as a business and he insisted that if you really want to have an independent newspaper, you must be independent businesswise" he said.

"If you come to me or come to the board, asking for money in every other year or every other month, then obviously we will not be happy about it. "But if you can turn the



investment into a self-sufficient profit-making body, you will really get the type of independence that you want, and we all want that," The Daily Star editor said while reflecting on his many exchanges with the visionary businessman.

Prothom Alo Editor Matiur Rahman said he knew Latifur for 22 years. When Prothom Alo was brought out, Latifur gave four pieces of advice - the newspaper should be the number one newspaper in the country, the newspaper should run with its own income, the government rules and regulations like taxes and vat should be honoured, and the newspaper should be independent and not biased. He added that Prothom Alo became self-dependent in a few years and he enjoyed independence as its editor. "We are so independent as editors that I cannot imagine any editor in the country who gets such independence. We got that independence from him and he always gave us support and advice. He never interfered in any news, business related decisions, and hiring and firing of employees," he said. Latifur had to face different attacks and obstacles because of Prothom Alo. He had to visit the anti-corruption commission office, although he was the highest tax payer of the country, Motiur Rahman added.

Former PepsiCo CEO (Asia, Middle East and Africa) Mr. Sanjeev Chadha said Latifur's death was an irreparable loss."[Latifur Rahman] Shamim Bhai is one of the finest men I have the pleasure of knowing him in the entire world. He was a man of rock-solid core values. A man of steadfast integrity and a man with unwavering high standards," he said. Latifur was an admirable family man and an outstanding leader who has built so many diverse businesses, he said. "His wisdom shaped and benefited many communities, industries, institutions and certainly the country. "Latifur always had a positive mindset and saw the glass-half-full. "He has guided us, spoken to us, inspired us and strengthened us."

MCCI President Barrister Nihad Kabir said Mr. Latifur Rahman was a seven-time MCCI president. He always supported her and taught her a lot. She said her uncle has always been a firm believer in the young generation's ability to change the fortune of the country. "We will mourn his death. But we will celebrate his life and dedicate ourselves to his legacy" she said.

Zaraif Ayaat Hossain said his grandfather had an incredible personality. "We, the Nanbhai's family, will never stop carrying his legacies of being in ethical business. "Nanbhai's legacy will continue through generations Insha Allah and that is our commitment to him," he concluded.

MCCI Vice President Anis A. Khan and ICC Bangladesh Secretary General Ataur Rahman thanked all the speakers and guests for attending memorial and joining the prayer for Late Mr. Latifur Rahman.

The programme ended with a prayer conducted by ICC Bangladesh President Mahbubur Rahman for the departed soul to rest in peace in heaven.

Mr. Shiv Shiva Kumar, group Executive President for Corporate Strategy and Business at Aditya Birla Group of India; Mr. M. Sanjiv Mehta, Chairman and Managing Director of Hindustan Unilever Ltd. also spoke at the Memorial.

Among others, the memorial was attended by Mr. Abdul Hai Sarker, Chairman & CEO, Purbani Group; Prof. Mustafizur Rahman, Executive Director, Centre for Policy Dialogue (CPD); Mr. Shams Mahmud, President, DCCI; Mr. Rizwan ur Rahman, Managing Director & CEO, ETBL Securities & Exchange Ltd.; Mr. A. Matin Chowdhury, Managing Director, Malik Spinning Mills Ltd.; Mr. Asif Ibrahim, Vice Chairman, Newage Group; former DCCI President Mr. M. A. Momen; Dr. Masrur Reaz, former IFC Senior Economist; Mr. Khalilur Rahman, Managing Director, National Housing Finance and Investments Limited; Mr. Mohammed Abdul Jabbar, Managing Director, DBL Ceramics Ltd.; Mr. Naser Ezaz Bijoy, Chief Executive Officer, Standard Chartered Bank; Mr. Tabith Mohammed Awal, Deputy Chief Executive Officer, Multimode Group; MCCI Secretary General Farook Ahmed and Mr. Ahmed Shaheen, DMD, Eastern Bank Ltd.

## 12th ICC Asia Pacific Regional Consultative Group Meeting held

The 12th Meeting of ICC Asia Pacific Regional Consultative Group was held virtually on 3 September. The Meeting Chaired by Coordinator of Asia-Pacific Regional Consultative Group Harsh Pati Singhania was participated by representatives of 13 NCs. ICC Bangladesh was attended by Secretary General Ataur Rahman.

ICC Secretary General John Denton presented an overview of ICC's response to Covid-19 issues related to trade finance and NC Development Fund, activities & future vision of ICC and a report on other developments in the region.

The meeting adopted the Summary of the last Asia Pacific RCG meeting held on 13 March 2019 in Jakarta; discussed on NC feedback and updates on Covid-19 pandemic including NCs views on some 'easy to execute' measures that can be undertaken to encourage cross border trade and ways to counter the rising protectionist sentiments in the region; update by ICC HQ on Incoterms 2020, ICC Dispute Resolution Development Programme Support to NCs and next ICC / WCF Regional Action Network for Asia-Pacific expected to be held sometimes in October.

# In Remembrance of Late President of India H.E. Mr. Pranab Mukharjee

## FBCCI called for sustainable base for Bangladesh –India Trade and Economic Cooperation

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Mahbubur Rahman emphasised the need for creation of a sustainable base for long term trade and Economic cooperation between Bangladesh and India for their mutual advantage. The President was delivering an address of welcome to Indian Commerce Minister H.E. Mr. Pranab Mukharjee when he had a meeting with the leaders of FBCCI at the Conference Hall of the Federation on 27 December 1993. Commerce Minister H.E. Mr. M. Shamsul Islam and Special Envoy of the Prime Minister Mr. M. Morshed Khan were also present. The President urged the Indian business community to interact with their counterparts in Bangladesh to promote bilateral trade, investment and economic cooperation.



*FBCCI President Mahbubur Rahman presenting Memento to Indian Commerce Minister H.E. Mr. Pranab Mukharjee*

Mr. Pranab Mukharjee disclosed that his Government had taken some decisions that would help create confidence about Indian investment in Bangladesh. He suggested that India and Bangladesh should set up joint venture industries in Bangladesh for marketing goods in north eastern India.

Speaking on the occasion, Commerce Minister H. E. Mr. Shamsul Islam underlined the need for urgent initiatives on the part of India to reduce the huge trade gap between the two countries. Mr. M. Morshed Khan said that time had come to remove irritants between Bangladesh and India so that businessmen of the two countries could interact with open mind.

# Executive Board Meeting held virtually reviewed activities

The 79th Meeting of ICC Bangladesh Executive Board was held virtually on 29 July. This was the first meeting of the new Executive Board elected for 2-years term from April 2020 to March 2022.

At the beginning of the Meeting, the Board Members recalled the contribution of Late Mr. Latifur Rahman, the founding Vice President of ICC Bangladesh and offered prayer for the salvation of the departed soul. The Board also offered prayer for Late Waliur Rahman Bhuiyan, OBE, who was a Member of ICC Bangladesh Executive Board and Mrs. Niloufer Manzur, wife of Apex Group Chairman Syed Manzur Elahi. The Board Members prayed to Allah Gafur-ur-Rahim to forgive them and grant them eternal abode in Jannatul Ferdous (heaven)!




The Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by the Vice President Rokia Afzal Rahman; the following Members of the Board : Abdul Hai Sarker, A. K. Azad, Aftab ul Islam, Anwar-Ul-Alam Chowdhury (Parvez), Kutubuddin Ahmed, Mahbubul Alam, Md. Fazlul Hoque, Mir Nasir Hossain, Mohmmad Hatem, Sheikh Fazle Fahim, Sheikh Kabir Hossain, Tapan Chowdhury and Secretary General Ataur Rahman. DCCI President Shams Mahmud and BIAC CEO Mohammad A. (Rumee) Ali also attended as special guests. The other members could not attend due to other engagements.

The Executive Board confirmed the minutes of the 78th Meeting, reviewed the activities during January-June 2020, status of the interior decoration of ICC Bangladesh New office at Gulshan. The Executive Board approved ICC Bangladesh Budget for 2020 and Plan of Action and application of new members, among other matters.

## New Members

The following joined ICC Bangladesh as members during July-September period:

| | |
|---|---|
| BTMA | **Bangladesh Textile Mills Association (BTMA)**<br>Level-8, UTC Bhababn, 8, Panthapath, Dhaka 1215<br>Represent by:<br>Mr. Mohammad Ali Khokon<br>President, BTMA |
| **Membership under Corporate Category** | |
| Tradewind Intelligent Trade Finance | **Tradewind GmbH**<br>German based trade finance Company<br>House-30, Baliaree(2nd Floor), Road-130, Gulshan-1, Dhaka-1212<br>Represent by :<br>Mr. Mahbubur Rahman Chowdhury<br>Head of Operations, Bangladesh |
| JM Agro Fisheries | **JM Agro Fisheries**<br>173/3 Badsha Market, Khatungong, Chattogram<br>Represent by :<br>Mr. Mahbubul Alam<br>Chairman |

# Remembering Late Mr. Latifur Rahman



*H.E. Mr. Md. Abdul Hamid, Hon'ble President of the People's Republic of Bangladesh (middle) is seen with H.E. Mr. Tofail Ahmed, M.P. (3rd from left); H.E. Mr. Rishad Bathiudeen, Minister of Industry and Commerce, Sri Lanka (2nd from right); ICCB President Mahbubur Rahman (2nd from left); ICCB Vice Presidents Latifur Rahman & Rokia Afzal Rahman (extreme right & extreme left) and ICCB Secretary General Ataur Rahman (3rd from right) after the inauguration of UNSCAP Asia Pacific Business Foram(APBF) held in Dhaka on 8 February 2017.*



*ICC Bangladesh Vice President Latifur Rahman (2nd from left) is seen with other five Business for Peace Honorees in Oslo City Hall on 7 May 2012. Other five Honorees from left to right are : David W. Mac Lennan (USA), Reginald A. Mengi (Tanzania), Vladas Lasas (Lithuania), Eduardo Eurnekian (Argentina) and Ibrahim Abouleish (Egypt).*




*ICC Bangladesh Vice President & Global ICC Executive Board Member Latifur Rahman is delivering vote of thanks at the opening session of ICC International Conference on Global Economic Recovery : Asian Perspective held in Dhaka on 25 October 2014.*

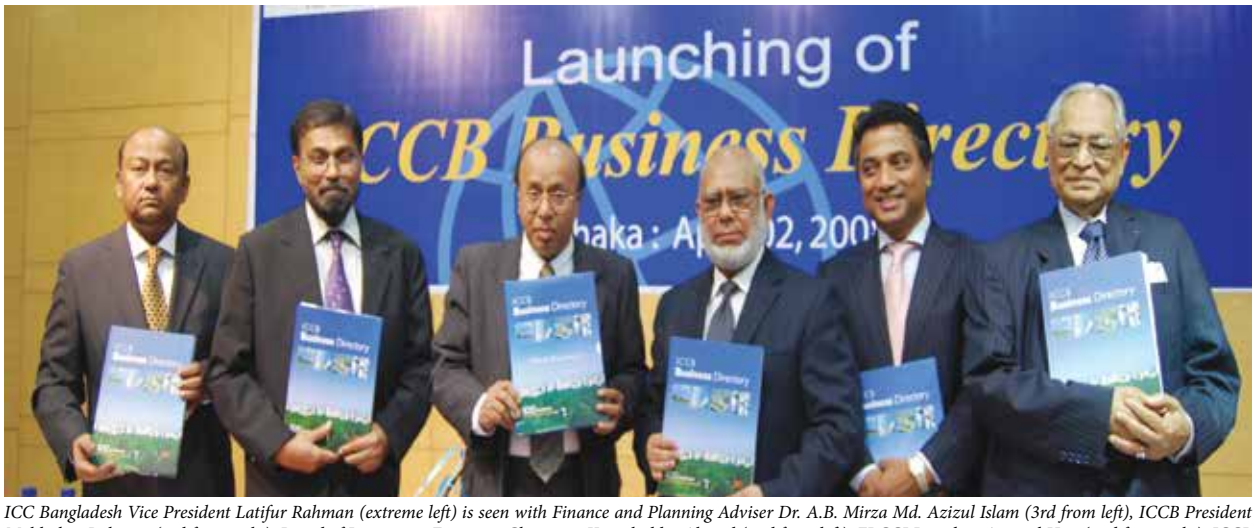
# Remembering Late Mr. Latifur Rahman




*ICC Bangladesh Vice President Latifur Rahman (extreme left) is seen at the ICC Conference on Energy for Growth held in Dhaka on 13 April 2010. Also seen in the picture Finance Minister A.M.A. Muhith (centre), ICC Chairman Victor K. Fung (3rd from left), Commerce Minister Muhammad Faruk Khan (3rd from right), ICCB President Mahbubur Rahman (2nd from left), Adviser to the Prime Minister Dr. Tawfiq-e-Elahi Chowdhury (2nd from right), Minister for Development Cooperation of Denmark SørenPind (extreme right).*



*ICC Bangladesh Vice President Latifur Rahman is addressing at the inaugural ceremony of ICC Regional Seminar on Capital Market Development : Asian Experience held in Dhaka on 27 September 2005.*




*ICC Bangladesh Vice President Latifur Rahman (extreme left) is seen with Finance and Planning Adviser Dr. A.B. Mirza Md. Azizul Islam (3rd from left), ICCB President Mahbubur Rahman (3rd from right), Board of Investment Executive Chairman Kamaluddin Ahmed (2nd from left), FBCCI President Annisul Huq (2nd from right), ICCB Vice President Samson H Chowdhury (extreme right) at the launching ceremony of ICCB Business Directory held in Dhaka on 02 April 2008.*

# Remembering Late Mr. Latifur Rahman




*ICC Bangladesh Vice Presidents Latifur Rahman (4th from left) is seen with Bangladesh delegation at 10th WCC (held from 19-21 September 2017). Also seen in the picture among others are: ICC Bangladesh President Mahbubur Rahman (5th from left), ICCB Vice President 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).*



*ICC Bangladesh President Mahbubur Rahman, Vice-President Latifur Rahman & Secretary General Ataur Rahman are seen among other delegates at the ICC World Council held in Tokyo on 8 March, 2018.*




*ICC Bangladesh Vice President Latifur Rahman (4th from left) attended ICC Bangladesh Annual Council 2017 held in Dhaka on 30 June 2018 which was his last attendance at ICC Bangladesh Annual Council.*

# Remembering Late Mr. Latifur Rahman



*ICC Bangladesh President Mahbubur Rahman (4th from left) & Vice President Latifur Rahman (4th from right) is seen with outgoing USA Ambassador H. E. Ms. Marcia Stephens Bloom Bernicat (middle) during the farewell hosted by ICC Bangladesh in Dhaka on 28 July 2018. Also seen in the picture among others are : Japan Ambassador H.E. Mr. Hiroyasu Izumi (2nd from left), France Ambassador H. E. Mrs. Marie Annick Bourdin (3rd from left), US Embassy Deputy Chief of Mission Mr. Joel Reifman (extreme right), CCCI President Mahbubul Alam (2nd from right), FBCCI Senior Vice President Sheikh Fazle Fahim (extreme left), ICCB Executive Board Members : Aftabul Islam (2nd from left standing), Md. Fazlul Hoque (3rd from right standing) and ICCB Members: R. Maksud Khan (extreme left standing), Rizwan-Ur Rahman (5th from left standing), Uttara Group Chairman & Managing Director Matiur Rahman (3rd from left standing), BIAC CEO Muhammad A. (Rumee) Ali (2nd from right standing), First Security Islami Bank Limited Managing Director Syed Waseque Md. Ali (4th from left standing), Mutual Trust Bank Ltd. Managing Director & CEO Anis A. Khan, (4th from right standing), Ministry of Foreign Affairs Secretary-Bilateral Kamrul Ahsan (3rd from right) and ICCB General Manager Ajay Bihari Saha (extreme right standing).*



*A group photograph of ICC Bangladesh members attending the meeting with ICC Chairman Victor K. Fung on 12 April 2010. ICC Bangladesh President Mahbubur Rahman (6th from right) & ICCB Vice President Latifur Rahman (5th from right) are also seen among others.*



*High Commissioner of Malaysia H.E. Norlin Binti Othman ( 6ht from right) is seen with Hon'ble Mr. Anisul Islam Mahmud, M.P., Minister for Water Resources (4th from right); ICC Bangladesh President Mahbubur Rahman (5ht from right); ICCB Vice President Latifur Rahman (2nd from right); Justice Mr. Latifur Rahman, Former Chief Justice (3rd from right); Justice Mr. Tafazzul Islam, Former Chief Justice (5th from left); Justice Mr. Md. Awlad Ali, Former Justice of the Supreme Court of Bangladesh (6th from left standing); Dhaka North City Corporation Mayor Annisul Huq (7th from right); ICCB Executive Board Member Barrister Rafiq-ul Huq (7th from left) and other guests at a farewell lunch for her organized by ICC Bangladesh held in Dhaka on 29 October 2015.*

# ICC HQs News

## ICC mourns loss of Gerard Worms



Gerard Worms, former ICC Chair, passed away on 31 August, at the age of 84. Mr Worms led ICC as Chair from 2011-2013 before taking up the role of ICC Honorary Chair. He had served as Chair of ICC France from 2006 to 2017.

During his rich career, Mr Worms also served as Vice-Chairman of the investment bank Rothschild Europe and spent a large part of his career with the Suez Group. He served on the Boards of Directors of many companies, including Saatchi & Saatchi.

Mr Worms' early experiences included working as an advisor to French Minister of Industry Olivier Guichard and to former Prime Minister of France Jacques Chaban-Delmas.In his capacity as ICC Chair, Mr Worms was a passionate supporter of ICC's purpose and brought more than 50 years of experience in the public and private sectors to advance the global institution.

Mr Worms was instrumental in modernising the ICC governance system and in securing a new global headquarters in Paris. A Commander of the French Legion of Honour, Mr Worms was also a trustee of the ICC Research Foundation and most recently took part in the inaugural ICC Past Chairs Council, held in May 2019. He was a much-welcomed guest at our Centenary celebrations in Paris last year.

Mr Worms was also a strong advocate of international arbitration – particularly with French authorities – and was an active member of the ICC Governing Body for Dispute Resolution Services.

He will be greatly missed.

## COVID-19 Private Sector Global Facility announced at SDG Business Forum

The United Nations Development Programme (UNDP), the United Nations Global Compact (UN Global Compact) and the International Chamber of Commerce (ICC) have established the COVID-19 Private Sector Global Facility, a global initiative and collaboration bringing together public and private sector partners to help local communities recover better from the pandemic. Deutsche Post DHL Group, Microsoft Corp. and the PwC network ("PwC") have already joined the COVID-19 Private Sector Global Facility and the initiative is open for other like-minded private sector organisations that want to contribute.

The Global Facility is a response to corporate calls to action for private sector leaders and governments to work together to address the negative impacts of the coronavirus pandemic. The initiative has been established to better coordinate their responses, helping to ensure that immediate stimulus efforts flow into the real economy.



The Global Facility will operate at both the global and national levels. It aims to co-create solutions that are tailored to the phase of the COVID-19 pandemic in a given area and the specificities of the local private sector and government context. Guided by the UN Global Compact's Ten Principles and the Sustainable Development Goals, the Facility will support a multisectoral, whole-of-government and whole-of-society approach to face the multidimensional nature of the crisis. Recovery efforts will focus on how to rebuild more inclusive economies and societies, to set a new course for a socially just, low-carbon and climate-resilient world where no one is left behind. Initial projects will focus on the countries of Colombia, Ghana, the Philippines and Turkey. Both the geographical scope and participating partners will expand as the Global Facility develops.

"Solidarity to 'Recover Better Together' can boost our collective efforts not only to cope with the crisis but overcome it. UNDP's

footprint across some 170 countries and territories, combined with the UN Global Compact's network of more than 10,000 companies and 68 Local Networks around the world, and the International Chamber of Commerce's network of over 45 million companies, multiplies our collective capacity and potential. The Facility is the first of its kind – designed to join forces across public and private sectors to serve humanity in an imperative moment," said UNDP Administrator Achim Steiner.

The COVID-19 Private Sector Global Facility was announced by Mr Steiner at the SDG Business Forum during the UN General Assembly, the largest and most inclusive UN convening of private sector leaders. Launched under the motto "Recover Better Together", the timing of this initiative has special importance, marking the commemoration of some important UN-related milestones: the 75th anniversary of the founding of the United Nations; the 20th anniversary of the establishment of the Global Compact; and the Centenary of ICC's founding after WWI at a time when multilateralism is facing the greatest challenge of its generation.

The Initiating Partners are UNDP, UN Global Compact and ICC. Together, they will bring their unique access to global expertise on responsible business practices, economic recovery, green business transformation and multi-hazard risk management.

The private sector has been acutely affected by the COVID-19 pandemic. The 10 principles of the UN Global Compact affirm the belief that businesses exist to serve and advance their societies, and their success cannot come at the cost of social or environmental regression.

"It is a moment of human tragedy and intense economic and social upheaval. But it is also a moment of possibility. Through partnerships like the COVID-19 Private Sector Global Facility we will support companies to Recover Better Together from the pandemic and finally confront global inequality by taking action, as well as mitigate the worst impacts of a climate emergency that threatens all of humanity. Together we can construct a new paradigm of resilience," saidSanda Ojiambo, CEO and Executive Director of the UN Global Compact.

The COVID-19 pandemic has forced around 70% of small- and medium-sized enterprises (SMEs) to shut down their operations. SMEs represent 50% of global GDP and more than 70% of global employment. The partners of the COVID-19 Private Sector Global Facility, representing multinational, global and local private sector stakeholders, commit to joint projects to develop policy and financial solutions for pandemic relief.

ICC Secretary General John W.H. Denton AO said: "ICC's local networks can bring value to the cooperation by reaching small business owners who want to have their challenges understood, their ideas heard, and their efforts to Recover Better recognised and built upon by others. SMEs need a way to facilitate this vital exchange of ideas, learning and experience with each other and with organisations and institutions in a position to support them."

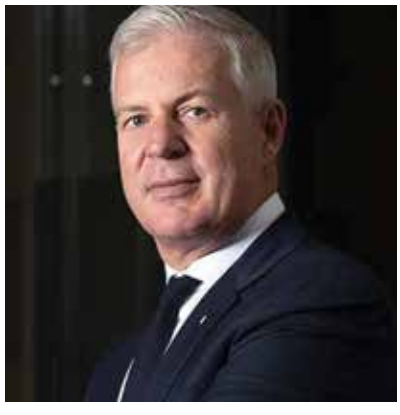
In order to effectively reach the most vulnerable in the most efficient ways, the facility aims to expand the list of strategic partners. Organisations that want to play a leading role in the global pandemic recovery and join this call to action are encouraged to contact the UNDP project coordinator at global.facility@undp.org for a discussion on how they can get involved.

## ICC letter in FT flags consequences of retreat from commodity financing

In a letter published in the Financial Times on 18 September, ICC Secretary General John W.H. Denton AO calls on G20 leaders to heed warnings over the real-world consequences of banks retreating from financing commodity traders.

Already threatening the livelihoods of small businesses who rely on funding and work on narrow margins, the worrying trend says Mr Denton, "could be a precursor to a much broader shortfall in the supply of trade credit once demand returns to the global economy."

Earlier this year, ICC warned that trade financing gaps risk hampering a global recovery – impacting the survival chances of small businesses. On behalf on over 45 million companies wordwide ICC has called for proactive government



interventions to ensure the market can power an economic rebound in the wake of the COVID-19 crisis.

ICC estimates that as much as US$ 5 trillion in market capacity will be needed to return trade volumes close to 2019 levels in 2021. In May, ICC called on policymakers to proactively scale support for trade finance transactions to prime the market ahead of demand returning to the global economy identifying four priority interventions that, if properly calibrated, could immediately bolster financing capacity.

In his letter to the Financial Times Small business needs the G20 to safeguard trade financing, Mr

Denton concludes: "The events of recent weeks show the time for a wait and see approach is over. For the sake of the millions of small businesses banking on global trade to drive a post-pandemic recovery, it's high time for governments to take all necessary steps to safeguard the supply of trade finance."

## 2020 Business for Peace Award winners

The International Chamber of Commerce (ICC) and the Business for Peace Foundation are pleased to announce on 9 September the three winners of the 2020 Oslo Business for Peace Award.

This year's honourees are Marc Benioff, Founder, Chair and CEO of Salesforce, James Mwangi, Chairman and CEO of Equity Group Holdings and Felicitas "Joji" Bautista Pantoja, Co-Founder and CEO of Coffee for Peace. The Oslo Business for Peace Award is awarded annually to business leaders for their outstanding businessworthy accomplishments and to recognise efforts to foster peace and stability in the business community.

Commenting on the announcement, Secretary–General of the International Chamber of Commerce John W.H Denton AO said: "On behalf of the ICC we congratulate the worthy honourees who have dedicated their careers to transforming their businesses, industries and communities through positive change to meet the challenges of tomorrow. ICC is proud to be a partner of the Business for Peace Foundation and play a role in the nomination process." The 2020 Oslo Business for Peace Award winners were selected by an independent Award Committee of Nobel Laureates in Peace and Economics, following a global nomination process assisted by ICC, Principles for Responsible Investment, United Nations Development Programme and United Nations Global Compact. Past winners include Paul Polman (Unilever), Ouided Bouchamaoui (Tunisian Confederation of Industry, Trade and Handicrafts), Richard Branson (Virgin Group) and Durreen Shahna (Impact Investment Exchange).




## ICC launches high-level advisory group to prime trade finance to power COVID-19 recovery

The International Chamber of Commerce (ICC), the institutional representative of 45 million businesses worldwide, has announced the creation of a new Advisory Group on Trade Finance (ATF) – a cross-sectoral coalition of leaders in global trade.

The ATF – co-chaired by Victor K. Fung, Chairman of the Fung Group, and Marcus Wallenberg, Chair of SEB – will work to inform policy reforms and interventions to prime the trade credit ecosystem to power a rapid economic recovery from COVID-19.

Despite impressive early actions taken by commercial banks and public bodies in response to the initial phase of the crisis, reports suggest that the commercial trade financing market is showing signs of volatility – raising concerns as to its ability to finance a rebound in global trade in 2021.

To take one example, development bank trade finance programs – which fill market gaps for trade finance by providing guarantees and loans to commercial banks – appear to be being utilised at record levels despite heavily depressed trade flows.

The European Bank of Reconstruction and Development recently reported that it has provided a unprecedented €1.8 billion in market support over the first six months of this year, suggesting further public interventions may be needed to ensure businesses – particularly small and medium-sized enterprises (SMEs) – can access cost-effective credit once demand returns to the global economy.

The ATF will provide strategic insights and lead external engagement to: build awareness of the importance of trade financing to a post-pandemic recovery; inform interventions from governments and multilateral institutions to mitigate risks of short-term credit shortages affecting SMEs; and provide thought leadership, data and strategic guidance to help bridge persistent trade financing gaps, particularly in emerging markets.




In addition to the two co-chairs, members of the group will include: Anabel Gonzalez, Former Minister of Trade of Costa Rica and Senior Fellow at the Peterson Institute for International Economics; Amy Jadesimi, Chief Executive Officer of Lagos Deep Offshore Logistics Base (LADOL); Flora Mutahi, Chief Executive Officer of Melvin Marsh; Takeshi Niinami, President and Chief Executive Officer of Suntory Holdings; Samuel Palmisano, Chairman of the Center for Global Enterprise; Kevin Sneader, Global Managing Partner of McKinsey; Mark Tucker, Group Chairman of HSBC Holdings; Jeremy Weir, CEO, Trafigura; and Zhu Min, Chairman of the National Institute of Financial Research at Tsinghua University. ICC Secretary General, John W.H. Denton AO, also joins the ATF as an ex officio member. ATF members will formally convene for a limited period of 15 months and work closely with other relevant bodies, including ICC's Banking Commission – the leading global standard setting body for trade finance transactions. The initiative will culminate with a review of its impacts on 15 November 2021 in Hong Kong, conditions permitting.

Welcoming the launch of the Advisory Group, Mr Denton said:

"We see a strong case for proactive interventions to prime the trade finance market in anticipation of demand returning to the global economy. Such measures should form a central part of on-going efforts to help small businesses weather the COVID-19 crisis – given that access to cost-effective trade credit is a vital lifeline for many entrepreneurs."

## ICC and World Travel and Tourism Council issue COVID-19 restart guide for the Travel & Tourism sector

The International Chamber of Commerce (ICC) and the World Travel & Tourism Council (WTTC) have published a set of recommendations for safely re-opening customer facing businesses in the age of COVID-19.

The COVID-19 pandemic has caused widespread disruptions to global supply chains and businesses of all sizes. The Travel & Tourism sector has been particularly impacted by the current pandemic due to travel restrictions, declining traveller confidence and reduced consumer demand. In recognition of the challenges faced by the travel and tourism industry, ICC and WTTC have released a Quick Restart Guide for Employers to provide businesses with recommendations for ensuring operational readiness, preparing staff and limiting risk of exposure to the virus within workplaces.

The guidance was released as part of a virtual meeting between ICC Secretary General John W.H. Denton AO and WTTC President & CEO Gloria Guevara. During the meeting, both leaders acknowledged that the Travel & Tourism sector will need to implement new measures, such as the WTTC Safe Travels protocols, fortify knowledge sharing and institute careful plans, to ensure that businesses can operate safely in the age of COVID-19.

Mr Denton said: "With over 150 million travel and tourism jobs lost since the outbreak of COVID-19, more needs to be done to address the challenges faced by these businesses – many of which are SMEs with limited resources. It's critical for ICC and our global network to engage with travel and tourism businesses as we work together to reinstate consumer confidence, protect employees and safely re-open our



economies." Gloria Guevara, WTTC President & CEO, said: "Travel & Tourism is a highly interconnected sector, the devastating impact that the COVID-19 pandemic is having on businesses across the global Travel & Tourism sector, is also causing extraordinary damage outside of our sector, impacting millions of jobs and livelihoods around the world. Our guide provides recommendations for businesses around the world, be they large enterprises or SME's, to ensure employees are able to return to their place of work safely and are in line with WTTC's Safe Travels protocols."

The ICC-WTTC guidance is divided into clear categories to help travel and tourism businesses restart their operations safely. From rebuilding trust and confidence with customers to preparing staff returning to workplaces, the guidance provides travel and tourism businesses with a checklist of considerations for reopening.

During their meeting, the two discussed collaboration on digital platforms aimed at reopening economies and borders for international travel. Mr Denton provided an update on ICC AOKpass – a risk mitigation tool that facilitates cross-border travellers to present digitally authenticated and secure medical records to border authorities – and offered ICC's support in promoting the WTTC Safe Travels Protocols and Stamp, the world's first ever global safety and hygiene stamp.

Earlier this year, ICC and WTTC co-organised a webinar on the consequences of COVID-19 for small- and medium-sized enterprises operating within the travel and tourism sector. Hosted by ICC's Centre for Entrepreneurship in Istanbul, the webinar gathered leaders from across the travel and tourism industry to discuss the ramifications of the pandemic and the measures designed to contain its spread.

## ICC publishes model online business-to-consumer (B2C) conditions of sale for new online sellers

With more and more businesses turning to online sales in the age of COVID-19, the International Chamber of Commerce (ICC) has published a set of model online business-to-consumer (B2C) conditions of sale, to be adapted by sellers for use on their consumer-facing websites.

As a result of the economic and health consequences associated with COVID-19, goods are increasingly being sold online to consumers. At the same time, many businesses are shifting their operations virtually to comply with social distancing measures aimed at reducing the spread of the virus. This expansion of online sales and workspaces has led many businesses, especially -micro, -small, and -medium sized enterprises (MSMEs), to adopt new tools, processes, and procedures, to continue their operations virtually.

In recognition of the growth of online sales, ICC has published a set of model online B2C sale conditions for businesses to use as a blueprint for their own respective online B2C conditions of sale. These model sale conditions are to be used as a starting point for businesses interested in selling their goods online to consumers and must be adapted to comply with the law in the customers' countries.




Businesses that sell their products online must comply with a range of local consumer protection and other rules that vary depending on where customers are located and the kinds of goods being sold, and thus it is essential that companies collaborate with a legal advisor to adapt the ICC model online B2C sale conditions to comply with relevant local requirements.

ICC has a long-established history of providing concrete and trustworthy tools for businesses, such as model contracts and clauses to ensure a sound legal basis for international contracts. ICC model contracts provide guidance on a wide range of areas related to international commercial law, including force majeure, confidentiality, and international B2B sales.

## ICC, IOM launch COVID-19 guidance for the protection of migrants

The International Chamber of Commerce (ICC) and the International Organization for Migration (IOM) release employer guidance for measures to protect migrants during COVID-19.




Migrant workers are a crucial part of the global workforce, accounting for 3.5% of the world's population, according to IOM. Worldwide, micro-, small-, and medium-sized enterprises (MSMEs), rely upon migrant workers, including sectors providing essential commodities and services, as well as industries hard-hit by COVID-19.

As the economic and human consequences of COVID-19 continue to shape local communities, businesses can play a decisive role in addressing the unique challenges faced by migrant workers.

Migrant workers are susceptible to job loss, salary cuts, and various health and safety concerns. Unlike local populations, migrant workers often are far from family support networks. They face language and/or cultural barriers and often lack social protections. Many suffer from discrimination. Meanwhile, overseas economies that rely on financial contributions from migrant workers–especially low- and middle-income countries—face a steep decline in cross-border remittances.

In response, ICC and IOM have published a set of guidelines for employers highlighting the private sector's role in addressing the specific challenges of migrant workers during the COVID-19 pandemic. The guidance includes a set of general principles for employers—such as treating all workers with "equality, dignity, and respect"—notwithstanding their gender or migratory status. This guidance is presented in five categories: physical and mental health, living and working conditions, economic support, ethical recruitment, and supply chain transparency commitments.

The ICC-IOM guidance document has been adapted from the IOM's COVID-19 guidance to enhance migrant worker protection during the current health crisis and complements other ICC recommendations on health and safety measures for employees.

ICC and its network of national committees are working with IOM to raise awareness of the specific needs and support measures for migrant workers during COVID19 among businesses in different regions. Most recently, IOM and ICC – along with its regional offices in Argentina, Colombia, Guatemala, and Mexico – hosted a webinar directed at employers in Latin America in Spanish.

## Pilot test of ICC AOKpass announced successful

International SOS and Singapore company Energy Drilling Management have announced a successful pilot of the ICC AOKpass mobile app. The use of the app provides trusted recognition of individuals' COVID-19 compliance status from Singapore to Thailand.

Following the pilot launch of ICC AOKpass in May – carried out with employees at the International SOS Singapore office – Energy Drilling worked with International SOS to test the app for a 10-strong crew needing to travel aboard an oil rig vessel to conduct drilling services for their client, PTT Exploration and Production (PTTEP). All 10 personnel were screened with a PCR swab test and the results were verified by a doctor. Their medical results were saved on the crew's individual AOKpass app and sent to the client in Thailand ahead of their journey.

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Using these results, International SOS worked with Energy Drilling and PTTEP to facilitate smooth entry into Songkhla Port Authority upon arrival in Thailand. The request was approved with ease having provided assurance to authorities that the medical test results were from an accredited source and had been authenticated via the ICC AOKpass app.

Pilot testing of ICC AOKpass has also been successfully used with the Singapore-based employees of International SOS. The app provides employees and businesses with a substantially safer, more efficient and controlled path to the resumption of work alongside other social and health-based recovery efforts.

Dorjee Sun, AOKpass Co-founder and CEO of Perlin said:

"Currently, there lacks a common technical standard for Digital Health Passports, which creates inefficiency as travellers will have to navigate many different processes and unnecessary duplication to have their health status verified. In contrast,

the ICC AOKpass is an easy-to-use mobile app using a common global standard that can be deployed and used anywhere in the world today. It can adapt to the rules of any given country and allows users to instantly verify their COVID-19 compliance status anytime, anywhere." Once fully deployed, users can download the ICC AOKpass app to their mobile device and use it to securely store an authenticated digital copy of their COVID-19 compliance status certificate, as provided by their consulting medical professional.

To address privacy concerns, data entered into ICC AOKpass remains localised at all times within the user's app and does not rely on centralised data records or external systems. Hardcopy certificates issued by medical professionals, are digitised, authenticated and then made available for efficient verification by employers, authorities or any other third parties with no transfer or external storage of the underlying personal health information.

## ICC issues open letter to G20 ministers responsible for the digital economy

Ahead of G20 Digital Economy Ministers meeting on 22 July, the International Chamber of Commerce (ICC) has called upon G20 leaders to implement policies that will enable the deployment of digital technologies to tackle the consequences of COVID-19.

In an open letter to G20 ministers responsible for the digital economy, ICC proposes a set of policy interventions aimed at accelerating and strengthening the world's collective response to the COVID-19 pandemic. The letter, signed by ICC Secretary General John W.H. Denton AO, outlines immediate and long-policy priorities for policymakers.

"The COVID-19 pandemic is an unprecedented health and economic crisis, affecting the lives and livelihoods of workers, as well as the continued operations of businesses globally," Mr Denton states.

"As the international community continues to respond to the pandemic, having the right policy settings in place to enable digital technologies to both tackle the crisis and build a more resilient global economy will prove essential."

The five policy interventions outlined in the letter are: Devise long-term strategies to bridge the digital divide; Develop a robust global framework on cybersecurity; Advance data free flow with trust; Enable responsible, human-centric and trustworthy artificial intelligence; Maintain momentum on the Joint Statement Initiative on E-Commerce.

In addition, the letter calls upon the G20 to work in close partnership with business and civil society to address digital gaps and policy challenges that the COVID-19 pandemic has revealed.

"Only then will we be able to unlock the full potential of digital technologies as we look to rebuild the global economy," the letter concludes.

## ICC and UNICEF call for greater public-private sector collaboration in response to COVID-19

The International Chamber of Commerce (ICC) and UNICEF on 21 July have issued a call for enhanced cooperation between the public and private sectors to strengthen the response to COVID-19 and enable a resilient and sustainable rebuild from the pandemic.

Entitled "Reimagining the World We Need," the joint statement leverages the organizations' respective expertise in the fields of business and children's rights to set out a common vision to address the economic, health, and societal consequences of COVID-19. To this end, ICC and UNICEF have identified eight concrete areas where enhanced public-private collaboration can ensure a fairer, healthier, and more prosperous world for all.

The call to action responds to growing concerns about the accelerated spread of the virus in several regions and the economic fallout from the pandemic – which, absent of effective interventions, is expected to lead to widespread business foreclosures and an estimated 86 million children falling into poverty this year.

In this context, the recommendations include a call for the immediate elimination of tariff and export curbs on all goods required to mitigate the spread of the pandemic – with the two organizations emphasising the imperative to ensure that COVID-19 diagnostics, treatments, and vaccines are made available for everyone, everywhere.

The call to action also outlines other opportunities for greater public-private sector collaboration, including: the scaling-up of family-friendly workplace policies; developing stimulus measures which channel support into the real economy; bolstering mental health and social protection services; expanding job readiness programmes; and reimagining schooling to enable continued learning opportunities for all children.

# ICC Global Survey on Trade Finance confirms industry optimism

ICC's 11th annual Global Survey on Trade Finance reveals bank optimism about the evolving nature of trade finance, though expect various industry-wide challenges and disruption as a result of the COVID-19 pandemic.

The 2020 ICC Global Survey report – recognised as the world's most authoritative review of the trade finance industry – has been released based on exclusive information from nearly 350 respondents in more than 80 countries, bolstered by nuanced contributions from an international array of experts from the Asian Development Bank (ADB), AUSTRAC, Boston Consulting Group (BCG), Coriolis Technologies, HSBC, Kountable, SWIFT and TXF.




Survey responses and accompanying commentary continue to reflect evolution and greater receptiveness to innovation in the financing of international trade, whether through traditional techniques or emerging mechanisms in Supply Chain Finance (SCF). The underlying optimism reflected in past surveys is evidenced again this year, as are key topics and areas of global industry focus.

SCF and digital trade are confirmed as key growth priorities for banks, with 86% and 84% of respective respondents calling them an 'immediate or near-future priority'. However, there is a divide between global and non-global banks on their supply chain finance offerings and investments in digitalisation. Some 64% of global banks surveyed currently offer SCF platforms, compared to just 13% of local banks and 38% of regional banks. Similarly, while 83% of global banks have a digital strategy, only 46% of local banks report having one – highlighting a growing gap between players of different scale and reach.

Other topics are also gaining traction with participants – such as sustainability and financial inclusion, whereby some 67% of respondents indicated that their bank now has a sustainability strategy. What's more, the majority of banks surveyed are also integrating sustainability risks into their credit risk management procedures.

In terms of ongoing challenges, banks of all sizes remain concerned by the obstacles to their trade finance businesses' growth posed by regulation and compliance policies, with 56% indicating 'significant concern' regarding regulatory requirements.

## Assessing the impact of COVID-19

Meanwhile, to quantify the likely impact of the pandemic on the trade finance industry, the report contains results from two additional projects. The first is analysis from BCG to model scenarios on how COVID-19 could disrupt trade, suggesting that trade flow values could fall by anywhere between 11% and 30% in 2020. Findings also indicate that the longer any lockdowns persist, the more severe the global and systemic impact will be, as businesses of all sizes – domestic and international in nature – fight to meet financial and commercial obligations and to remain viable.

ICC also conducted a supplementary COVID-19 survey to understand banks' sentiment regarding the initial impact of the pandemic on trade finance, with banks across geographies reporting an average 0-10% decrease in their trade flows in the first quarter of 2020, and most expecting at least a 20-30% decline for the full year. In addition, results from the survey reveal that many of the participating banks are supporting their customers during the crisis by extending financing terms, enhancing their digital offerings, and some even relaxing internal policies on original documentation rules.

Despite today's challenging atmosphere, banks around the world are generally optimistic. Even in the initial, highly disruptive stages of the global COVID-19 crisis, trade finance has remained available and accessible. In turn, the Global Survey confirms and reinforces trade finance's resilient character and adaptability.

# ICC releases 2019 Dispute Resolution statistics

The International Court of Arbitration (ICC Court) of the International Chamber of Commerce (ICC) has published its full dispute resolution statistical report for 2019, having announced preliminary record figures in January.

The ICC Court registered a record 869 new cases in 2019. Of that total, 851 were administered under the ICC Rules of Arbitration and involved parties originating from 147 countries and independent territories, as well as arbitrators from a record 89

jurisdictions. In 18 cases, ICC was acting as appointing authority.

Another ICC record included a significant increase in the number of state and state-owned entities in ICC Arbitration over the past five years. Marking a historical record, 42 states and 172 state-owned entities were parties in 20% of ICC's new cases.

Increases were also seen in the number of Indian parties, which tripled and reached 147. Having ranked 15th in 2018 with just 47 parties, India now comes in second on the overall number of parties worldwide. Moreover, Chinese parties also rose significantly, going from 59 to 105. The surge moves China, which includes Hong Kong and Macao, from the 11th position to the fifth, as the most frequent nationality in ICC Arbitration cases.

In terms of arbitrator representation, 61.7% originated from Europe, 21.1% from South America, 10% from North America (United States and Canada), 12.6% from Asia and Australia and 3.6% from Africa. New nationalities represented in 2019 originated from Azerbaijan, Botswana, Haiti, Malawi, the Palestinian authority, St Kitts and Nevis.

Furthering the drive for gender diversity for the tenth year in a row, the ICC Court reported another increase in the total number of women serving as arbitrators. The figure stands at 21% for 2019, an increase from 18.4% in 2018. Last year, 312 women in total were appointed by the ICC Court, confirmed further to party or received co-arbitrator nominations. The ICC Court appointed 43% of all women arbitrators – a total of 134 appointments – while an additional 42% of women arbitrators were confirmed upon party nomination – for a total of 131 confirmations.

At the end of last year, 146 cases had been or were being conducted under Expedited Procedure Provisions (EPP), which were first introduced by ICC in March 2017. Of the 50 final awards rendered in expedited proceedings, 37 were within the six-month time limit, with very limited delays encountered in the balance of cases. Among those cases, the delay for submitting the final award exceeded one month in only 10 cases due to justified circumstances and the parties agreeing to a new procedural timetable. In three of those cases, the delay resulted in a fee reduction for the arbitrator(s). Scrutiny of all 50 awards was made within 11 days on average.

The average duration of non EPP proceedings was 26 months for cases that reached a final award, two months down from 2018. Further, of the 162 draft final awards submitted to the ICC Court for scrutiny beyond the approved timeframe (two or three months from the last substantive submission, depending on whether the tribunal is composed of 1 or 3 arbitrators), 68 cases resulted in a fee reductions.

Throughout 2019, the ICC Court also administered a total number of 23 Emergency Arbitrator applications.




The cases involved parties of 29 nationalities and six multi-party cases. ICC first introduced the service as a response to arbitration user needs in 2012 and since has received a total number of 117 emergency arbitrator cases.

In December 2019, the ICC Court also celebrated the registration of its 25,000th case.

The milestone case was a corporate dispute between parties from the Middle East and India and is currently being administered through the Secretariat's case management office in Singapore.

In addition to ICC's leading arbitration services, the institution also provides a range of alternative services that can be used separately, successively or even concurrently with arbitration – all of which are managed by the ICC International Centre for ADR. Last year, the Centre received a total of 61 new cases.

The cases were registered under the ICC Rules of Mediation, Dispute Board Rules and Documentary Credits (DOCDEX) Rules. Of the 61 cases, 35 were for ADR, 16 were for Expertise, four were for Dispute Boards and six cases pertained to DOCDEX.

## ICC launches survey to understand challenges faced by small businesses in least-developed countries

The International Chamber of Commerce (ICC) joins the United Nations Capital Development Fund (UNCDF) and other partner organisations to launch a major survey to understand the unique challenges faced by small and medium sized enterprises (SMEs) in least-developed countries (LDCs).




The United Nations Capital Development Fund (UNCDF), the International Chamber of Commerce (ICC), the Global Alliance PME (GAPME), Concordia, Columbia University-Quantitative Methods in the Social Sciences, and Business Africa convened several consultative meetings in May and June 2020. The institutions expressed their shared and profound concern over the precarious state of small and medium-sized enterprises (SMEs) in so far as navigating the historic economic disruptions caused by the COVID-19 pandemic; in particular, SMEs in the world's least developed countries (LDCs) where such businesses are an essential force for generating jobs, reducing poverty, ensuring social cohesion and creating the conditions for the post-pandemic economic recovery.

The consortium discussed the specific challenges that SMEs in last-mile geographies experience given COVID-19, including disruption of value chains due to public transportation moratoriums, and problems relating to physical and digital infrastructure. This is on top of the significant decrease in demand and availability of commercial capital that threatens the sustainability of such businesses. The organisations also acknowledged that these existential challenges to SMEs directly undermine the purpose of the Sustainable Development Goals (SDGs) to ensure that sustainable development touches every part of the world so that no one is left behind. The consortium also acknowledged that there are SMEs enacting innovative steps to transform their business processes, their products, and their workforces in response to COVID-19. CEOs of businesses such as these are rarely if ever given a platform to share their ideas, challenges, and vision.

As a result, the consortium has expressed its commitment to carrying out a COVID-19 SME survey that is designed to provide an accurate and actionable portrait of the challenges SMEs are facing in LDC markets due to the COVID-19 pandemic.

The institutions will leverage their extensive networks of SMEs in LDC markets to deploy the survey in order to acquire the quantity of data that will support robust insights; to develop content in the form of thought-leadership and knowledge sharing, commercial and policy intelligence, and development data; to provide avenues of programming to share the results with a wide network of relevant stakeholders; and to apply the appropriate academic rigor to ensure the quantitative value of the data.

The end goal is to create a database as well as commercial and policy intelligence products that will provide awareness to key stakeholders on how they can address SME needs, as well as identify investable opportunities; specifically targeting development finance institutions, institutional investors, impact investors, non-government organisations and public sector entities. The survey will seek to embody the appropriate rigor in both its design and deployment. This includes the application of the appropriate weighting to correct underrepresentation where it may arise. The institutions will also apply their data and insights capabilities towards this purpose.

Separate from the creation of the SME survey database and the associated commercial and policy intelligence products, the institutions agreed that the survey must serve as the basis for programming that will bring attention to the challenges of SMEs in LDC markets. Additionally, all six institutions agreed that programming related to the survey will include opportunities to feature CEOs and business leaders of SMEs that have participated in the survey. Providing a platform for these CEOs will be an essential aspect of the survey rollout, notably to cultivate the rare opportunity to connect these leaders with critical stakeholders from the areas of development finance and capital investment.

The six institutions agreed that they will convene regularly for the remainder of the year along with all aspects of the survey, from design and deployment to data assessment to programming and publication.

# Bangladesh Economy

## ADB unveils $11b lending plan for Bangladesh over three years

The Asian Development Bank has programmed $5.9 billion firm and $5.2 billion standby project assistance for Bangladesh in 2021-2023, according to the new Country Operations Business Plan for Bangladesh.

"Given the coronavirus disease (Covid-19) pandemic, we are enhancing our partnership with Bangladesh by adjusting program priorities to help the country overcome immediate challenges related to health and social protection, accelerate economic recovery, and maintain inclusive growth," ADB Country Director for Bangladesh Manmohan Parkash said in a statement on on 27 August.

"More support will be provided to improve health, food security, social protection, skills development, rural development, water and sanitation, and finance sector, among others. Climate resilience, gender inclusion, and balanced regional development are programme priorities." Noting the government request for increased support, Parkash said, "ADB will increase its support for private sector, public-private partnership projects and help with bond market development".

"To mobilise more resources, we will leverage cofinancing opportunities and use diverse financing tools and modalities including policy-based loan, technical assistance, grants, equity, guarantees, B-loan, and trade financing." The ADB is increasing its technical assistance support while emphasising innovative approaches and new technologies to further boost development effectiveness and strengthen results, according to ADB Country Director Bangladesh.

According to the plan, $5,938 million is for firm projects, while another $5,170 million is for standby projects with another $35.6 million for technical assistance programmes during 2021-2023.

The standby list includes a pipeline of bankable projects, that respond to the country's needs and growing absorptive capacity, to be financed depending on the availability of additional lending resources, the ADB said in a statement.

Regardless of firm or standby status, projects will be selected and processed based on strong government demand, sector absorptive capacity, and readiness, among other criteria.

The COBP is aligned with the guiding principles of the government's 8th five-year plan (under preparation) and its core themes of promoting prosperity and fostering inclusiveness, and ADB's Strategy 2030. Projects in the COBP will also help the country attain several Sustainable Development Goals, according to ADB.

## Bangladesh shows resilience despite Covid-19 : HSBC

As global growth recovers in the coming quarters, Bangladesh stands to benefit from its strong economic fundamentals and will likely continue to deliver steady growth rates. This is according to Frederic Neumann, Co-head of Asian Economics Research, HSBC, who shared his insights at a virtual session for HSBC Bangladesh clients and stakeholders on 7 July titled 'Impact of COVID-19 on the Bangladesh economy and silver linings'. Neumann also talked about the impact of COVID-19 on the global as well as regional economy.

In his presentation, Neumann also said, "Bangladesh continues to impress with economic resilience. Strong growth in recent years was based on solid fundamentals, with stable inflation and a robust external payments position. Bangladesh exports have also gained global market share in recent years and the continued rise in remittance has helped to support local demand."

Neumann went on to explain that, "Bangladesh's economy has so far managed the challenges brought by the global COVID-19 outbreak well. While exports in particular have suffered amid a global decline in apparel demand, and remittances have cooled, the fall in oil prices and slowing imports have kept the country's trade position in a resilient position. Locally, consumer spending has softened due to a softer labour market and the need for social distancing. However, the government has delivered a robust response to support demand, supported by an accommodative central bank."

Robert Chatterton Dickson, British High Commissioner to Bangladesh attended the session as the Chief Guest and Ahmed Jamal, Deputy Governor, Bangladesh Bank

attended the event as a Special Guest. Md. Mahbub ur Rahman, Chief Executive Officer, HSBC Bangladesh was also in attendance alongside key members of the business community, regulatory bodies and representatives from state-owned enterprises.

Commenting on the event, Robert Chatterton Dickson said, "Bangladesh has been one of the great economic success stories of the last decade. The key question now is how the country recovers from the COVID-19 pandemic, and sets itself on a renewed path of sustainable, inclusive private sector-led growth. I hope that the insights shared by the experts at HSBC, one of the leading UK-based investors in Bangladesh, will help Bangladeshi businesses and entrepreneurs to emerge stronger from these complex challenges."

Speaking at the event, Ahmed Jamal said, "This is an unprecedented situation for all of us. Bangladesh entered this situation with strong macroeconomic fundamentals. The central bank has worked to provide adequate policy support. Bangladeshi people are known for our resilience and together we will navigate this tumultuous time."

Md. Mahbub ur Rahman during the opening remarks said, "The COVID-19 pandemic has disrupted our way of life in many dimensions deemed unthinkable before. A sustainable and timely recovery from this turbulence warrants deeper collaboration among all stakeholders. It is said that the sun rises even after the darkest night. I share the optimism discussed today. We will come out stronger and better from this unprecedented situation."

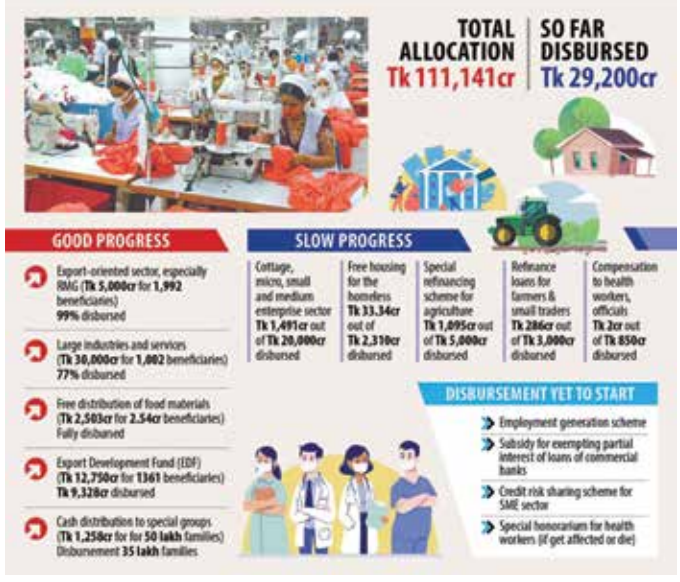
## Covid-19 Stimulus Package: Disparity in disbursement

Implementation of government's stimulus package, announced to absorb the economic shock from the coronavirus pandemic, saw a mixed progress as around 26 percent of the massive Tk 111,141-crore scheme was disbursed in four months till July. For sectors like export-oriented and large industries, the disbursement of the funds was quick. But the needy small and medium enterprises and farm sectors are yet to avail much of the support, making it difficult for them to pull through the losses incurred by the pandemic.

The government rolled out 20 stimulus packages after it reported the maiden cases of coronavirus infections on March 8. The combined support now accounted for 3.7 percent of the country's gross domestic product (GDP).

The packages have been provided in the form of low-cost loans to micro, small, medium and large industries and services, food security, social protection and special allowances as the pandemic-induced shutdown paralysed the economy, destroyed millions of jobs and created new poor.

Four months after its launch, around Tk 29,200 crore was doled out to the fund recipients as of July, according to the latest progress report of the stimulus packages, supervised by the Prime Minister's Office. The government's economic rescue scheme, channelled and executed using the banking networks, will be implemented by both government and private banks as per the direction of Bangladesh Bank.




Of the scheme, there are five large loan-related packages where the lion's share -- around Tk 75,750 crore -- will go. Those include export-oriented industries, large businesses, service sectors, SMEs, and refinancing for pre-shipment credits. Of the amount, Tk 25,574 crore was disbursed to these five sectors, according to the progress report documents.

The export-oriented sector, mainly the readymade garments, is ahead of all so far, as the Tk 5,000 crore support here has been fully disbursed. Soon after the deadly virus arrived on the shores of the country, the government allocated the interest-free fund for the export sector with a service charge of two percent as employment of nearly 50 lakh workers became vulnerable amid cancellation of orders and placement of no new order from the buyers.

The funds were released as salaries for workers and employees of export-oriented industries through equal instalments in the three months from April to June. Nearly the entire fund -- Tk 4,935 crore -- was disbursed as of July. As many as 1,992 such industries borrowed the funds through 47 commercial banks.

Significant progress was made in dispensing the Tk 33,000 crore funds to affected large industries and

services at 9 percent interest rate to be repaid equally by the borrowers and government as subsidy. Some 2,062 large companies received the low-cost loans as of September 17 Tk 25,461 crore, which is 77.15 percent, according to data from the central bank. The quick fund disbursement by the lenders has already had a positive impact on the ongoing recovery process of the business sector. For the cottage, micro, small and medium enterprise sector, the picture is rather gloomy.

The government announced Tk 20,000 crore as the working capital support to the pandemic-hit small businesses at 9 percent interest rate – four percent to be paid by the borrower and five percent interest by the government as subsidy. Till July, only Tk 1,491 crore was disbursed for the sector where 6,432 firms got the loan through 76 banks and financial institutions. As of end of last month, it went up to 20 percent with number of enterprises 11,183, said sources.

The pre-shipment credit refinance scheme amounting to Tk 5,000 crore for export-oriented industries has also not made any progress. The Bangladesh Bank issued the scheme on April 13, but it's yet to release any funds under the scheme till now. As of August 4, 30 banks signed deals with the BB for releasing the fund.

This slow pace was also observed in the case of the special refinancing scheme worth Tk 5,000 crore for the agricultural sector. But only Tk 497 crore was disbursed as of July, the documents showed. However, there was a rise in the disbursement till August 31 as 46,804 farms and farmers got the loan support of Tk 1,095 crore in total, said sources.

Similar was the case for the disbursement of Tk 3,000 crore in refinance loans meant for low-income farmers and small traders in the agriculture sector. The progress of lending was so slow that the Bangladesh Bank last week extended its timeframe. As of August 31, the amount stood at Tk 286 crore.

Forty-three banks have so far signed participation agreements with the central bank to disburse the loan by December 31. The government included agricultural subsidy in a stimulus package as it gave the food security issue the utmost importance in the wake of the pandemic. Last year, the subsidy was Tk 8,000 crore, of which Tk 7,188 crore was spent. Now the government increased it by Tk 1,500 crore, but the disbursement process is yet to begin.

The government allocated a Tk 3,200 crore stimulus package to speed up mechanised farming. However, no money was disbursed yet as the agriculture ministry is outlining a project under which it would be spent.

## 98.6pc poor severely affected by Covid-19 : Right to Food Bangladesh study

The Covid-19 pandemic has severely affected 98.6 per cent of the poor, who have seen a decline in income, loss of jobs, the closing of shops and business activities and even a complete halt of income, a study finds. Although the country is facing economic hardship, only a few respondents of the survey have changed their occupations, which implies that it is not easy to get new jobs.

The study on the 'Impacts of Covid-19 on food-intake and nutrition of poor people: a rapid appraisal' was conducted by the Right to Food Bangladesh, a platform of food security campaigners. Poor people have also been suffering from insufficient food supply, according to the study.

Nearly 87 per cent of the poor have been facing hardship to arrange adequate food and nutritious food supplies. Even 5 per cent of the poor lived on one meal a day during the countrywide shutdown in April and May. The shortage of food is relatively high in Mymensingh and Sylhet compared to other divisions. The nutritional status of the poor, especially children, pregnant women and lactating mothers, is at stake now.




Half of the poor received some forms of assistance -- dry food, cash, or cooked food -- from the government or private sector. The study also wanted to explore the awareness status of poor people amid the health risks of coronavirus. With these objectives, a short survey was conducted among 834 poor people from 37 districts, covering all divisions.

Rickshaw and van drivers, scooter and taxi drivers, transport workers, small shopkeepers, road or pavement vendors, barbers, beauty parlour workers, garbage collectors, part-time housemaids, workers in small workshops, street vendors, individual or commercial drivers, freight workers, carpenters, e-commerce delivery workers and agricultural workers were included in the study.

Many of these workers mostly get paid daily, so they survive one day at a time. The survey also included some respondents from jobless people like beggars, street children

and physically challenged people. To control the spread of coronavirus, the government announced a general holiday of all economic and social activities in late March and it continued for more than a month.

Although businesses opened on a limited scale in early May, the economic activities have remained at a sub-optimal level, according to the study. Those who changed the occupation have mostly become day labourers and agricultural labourers as it is relatively easy to start working with. About 70 per cent took these new occupations for survival.

However, the agriculture workers were able to manage works during the pandemic as the period of general holiday was the harvesting time of boro, the major rice crop of Bangladesh. The coronavirus-induced livelihood losses have caused damage to the income of poor people, said Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies, who led the study.

"As these people have minimal savings or no savings at all, a downturn in their income is bound to have extended negative impacts on their food intake and nutritional status." Since the outbreak of the epidemic, both government and private sector people have come forward with various types of help for the poor and vulnerable, she said. Such programmes include the distribution of cash, food and cooked food, she said.

It is noted that in the pre-pandemic situation, 91.6 per cent of the respondents used to take three meals a day, and the remaining used to take two meals a day. Though most of the respondents used to have three meals a day, during the general holiday, 95 per cent to 100 per cent of the respondents of different divisions faced problems to maintain three meals a day.

In all divisions, poor people mainly suffered from a shortage of sufficient food and a severe lack of nutritious food. Nearly 87 per cent of poor people faced hardship to manage adequate food, the study also found. The poor in Rangpur region suffered the most from the food crisis, and Rajshahi region suffered the most from the nutritious food crisis.

Low-income families are in the food supply problem, which has exposed their families to nutritional and health risks. In the last three months, the health risks of Covid-19 could be minimised by maintaining social distance, wearing masks and following some basic hygiene at home and outside. It was found that all respondents of the study knew about the coronavirus.

The study recommended that various government initiatives to support the poor should be made available to the poor people in urgent need of food. The transfers of money, including various social protection benefits, should be sent regularly to the beneficiaries through mobile financial services. It also suggested ensuring supply of nutritional food for children.

Various stimulus packages announced by the government for micro, small and medium enterprises and informal sector enterprises should be implemented immediately. This would ensure livelihood opportunities for many poor people working in these enterprises.

*Source : The Daily Star*

## Ten more economic zones approved

The government has given primary approval to set up ten more economic zones (EZ) in a bid to attract investment, create jobs and protect arable and forest land. The 7th governing board meeting of the Bangladesh Economic Zones Authority (BEZA) chaired by Prime Minister Sheikh Hasina gave the approval on 20 August. The PM joined the virtual meeting from Ganabhaban while other board members were connected from the Prime Minister's Office and the Cabinet Division.

According to the meeting, the EZs will be set up in Nawabganj, Tangail, Naogaon's Sapahar, Dinajpur, Noakhali's Companiganj, Chattogram's Sandwip, Sunamganj's Chhatak, Pabna's Bera, Barishal's Hizla Char Megha and Manikganj's Shibalaya areas. So far 101 EZs have been permitted including the newly approved ten, while infrastructural and land developments are on in 28 EZs.

Meantime, sources at the BEZA said the concerned organisation has been instructed to connect the Bangabandhu Sheikh Mujib Industrial City with the Marine Drive in Cox's Bazar. The meeting also decided to change the name of 'Maheshkhali Special Economic Zone' to 'Sonadia Eco-Tourism Park'.

Concerned officials said the meeting decided that all agri products processing units in EZs would get export subsidy and cash incentive like the non-EZ industries. Besides, BEZA officials said the meeting decided to declare Sirajganj, Kishoreganj and Hosendi Economic Area, and Karnaphuli Dry Dock and East West Special Economic Area as economic zones.

The prime minister has asked the BEZA to promote small entrepreneurs, especially youths, alongside attracting foreign

investment. She said, "We have to work to encourage small entrepreneurs, especially youths, in making investments in the economic zones to further speed up the pace of socio-economic progress of the country."

The prime minister said the young generation should not only run after jobs as they could take on ventures instead. "We will have to work by keeping eyes on these," she added. "There is no doubt our economy is agriculture dependent, but we need industrialisation at the same time. Because, no country can make progress without industrialisation," she said.

The premier, however, stressed the need to save arable land to ensure food security of a huge population despite the fact that the country's land size is small. Mentioning that Bangladesh has already made much progress in drawing investments and building small entrepreneurs, Sheikh Hasina hoped that her government would be able to continue this progress.

Sheikh Hasina reiterated her optimism that the country would further advance socio-economically despite the onslaught of the Covid-19 pandemic on the global economy including Bangladesh.

Finance Minister AHM Mustafa Kamal, Planning Minister MA Mannan, Agriculture Minister Abdur Razzaque, Industries Minister Nurul Majid Mahmud Humayun, Commerce Minister Tipu Munshi and BEZA Executive Chairman Paban Chowdhury were present at the meeting. Besides, representatives of different business organisations also took part in the meeting.

## Light engineering industrial park in five districts

The government is planning to set up dedicated light engineering industrial park at five districts : Dhaka, Narayanganj, Jashore, Bogura and Narsingdi- to harness the immense potential of the domestic light engineering industry. At the same time, Light Engineering Training Institute will be set up to ensure the supply of skilled manpower for the industries set up in the industrial parks.

The decision was taken at an inter-ministerial on 7 September at the Industries Ministry in the city, said a press release. Industries Secretary KM Ali Azam presided over the meeting while SME Foundation Managing Director Md Shafiqul Islam, Bangladesh Chamber of Industries (BCI) President Anwarul Alam Chowdhury (Parvez) and BSCIC Director Dr Moha Abdus Salam, among others, spoke at the meeting.

KM Ali Azam said that the importance of the light engineering industry has increased a lot as Prime Minister Sheikh Hasina has declared it as the 'Product of the Year'. This industry is developing in different parts of the country and there is no alternative to setting up a dedicated industrial park to harness the huge potential of the light engineering industry as planned, he added.

Around Tk 30,000 crore worth of light engineering products are sold every year in Bangladesh. Of the sum, products worth Tk 9,000 crore are




produced locally while the rest are imported. Bangladesh exports $349 million worth of light engineering products a year while the annual global demand hovers around $6 trillion.

## Bangladesh remains one of the vital sourcing destinations after China: QIMA survey

According to a survey 'Evolution of Sourcing in 2020 conducted by Hong Kong-based QIMA, Bangladesh remains one of the top destinations for foreign clothing retailers and labels after China due to favorable prices even during the pandemic. The findings of the survey were drawn from feedback from more than 200 companies worldwide across a range of consumer product segments and based on previous QIMA studies.

The study analyzes the evolution of global procurement in response to the ongoing COVID-19 pandemic, trade disputes between the United States and China, and other threats to global supply chains. The report notes that China continues to dominate as the global sourcing destination although its dominance is noticeably less dramatic than in previous years, particularly in industries such as textiles and apparel, where diversification of supplier portfolios has been a priority for some time now.

QIMA
YOUR EYES IN THE SUPPLY CHAIN

Consistently ranked among China's regional rivals, Vietnam continues to reap the most benefits from the continued mass migration of Western buyers from China, with 40 percent of EU respondents and nearly as many U.S. brands listed Vietnam among their top sourcing regions. The US and EU brands are seeking closer to home sourcing options, but are more likely to target

near-shore rather than re-shore. Sourcing destinations closer to home continues to expand steadily for US-based businesses, with Latin and South America's popularity nearly doubling compared to last year. Meanwhile, EU brands are increasingly turning to Turkey as a near shoring destination, since the latter has been listed by 30 percent of EU respondents among the top three sourcing regions.

## Dedicated Chinese Economic and Industrial Zone in Chattogram

After five years of delays, China has finally decided to speed up the development of the dedicated Chinese Economic and Industrial Zone (CEIZ) in Chattogram, The Chinese Economic and Industrial Zone (CEIZ), to be developed near the southeastern port of Chattogram.

The zone was first proposed by Sheikh Hasina during her visit to Beijing in 2014. The following year, the Executive Committee of the National Economic Council in China approved the plan, and the CEIZ Development Company was set up by China Harbour Engineering Company and Bangladesh Economic Zones Authority (Beza).

China Harbour agreed a $100m investment in scheme and the Bangladesh government allocated $50m.. More than 60 Chinese concerns have expressed interest in investing nearly $280m in the zone, accounting for about 40% of the available land. CEIZ will be able to eventually attract more than $1bn in foreign investment, create 60,000 to 90,000 jobs, directly or indirectly, and ultimately boost industrialisation and develop the economy of the surrounding Chattogram district." Bangladesh presently has 88 special economic zones, 59 set up by the government and 29 by private investors. China's Yabang Group announced that it would spend $300m on textile and chemical plants.

## Yabang Group to invest $300m in Bangabandhu industrial city

Bangladesh Economic Zones Authority (BEZA) on 4 August inked a land lease agreement with Jiangsu Yabang Dyestuff, China, a concern of the Yabang Investment Holdings Group Co Limited, at BEZA office in the city for 100 acres developed land. Prime Minister's Office (PMO) Secretary Md Tofazzel Hossain Miah attended the agreement signing ceremony as the chief guest while BEZA Executive Chairman Paban Chowdhury was in the chair, said a press release.

Chairman of the Yabang Group Xu Xiaochu joined the function as the special guest through online while Bangladesh Ambassador to China Mahbub Uz Zaman joined it as the guest of honour. BEZA Executive Member (Planning and Development) Irfan Sarif and Deputy Director of the Yabang Investment Holding Group Wei Zhu inked the agreement on behalf of their respective sides.

In his speech, Tofazzel Hossain Miah welcomed the Yabang Group for the investment and said the government under the leadership of Prime Minister Sheikh Hasina is committed to provide all sorts of support to the Foreign Direct Investment (FDI). "We are committed to provide all sorts of supports to the investors. We are making much more reforms. We are providing good investment friendly incentive comparing the other neighbouring countries. By now, many foreign direct investments are taking place in Bangladesh," he added.

Paban Chowdhury said the ongoing global trade situation is favourable for Bangladesh and that is why the Chinese businesses are keen to invest in the country. The investment of Yabang Group will help Bangladesh diversify its export basket as well as ensure technology transfer, he added.

The Yabang Investment Holdings Group Co Limited, a Chinese company that originally belongs to the Yabang group of China, has a plan to invest US$300 million in textile and other chemical industries.

The Yabang group, one of the top 500 Chinese companies, applied for 100 acres developed land on annual lease rental basis to set up textile and other chemical industries in Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) at Mirsarai, Sitakundu and Sonagazi upazillas under Chattogram and Feni districts.

The group has submitted conceptual master plan along with implementation plan in support of infrastructure development of the project. They have also submitted 'Environment Management Plan' to address environmental issues of the project and this will be a 100 percent foreign owned project.

The group has also submitted three years audited balance sheet of the sponsor company certified by them and as per balance sheet, the sponsor company have sufficient fund as "Surplus Reserve" and "Undistributed Profits" to cover equity contribution of the proposed project. The group is likely to create employment for 2,200 people and annual export will be around $146.40 million. The amount of annual domestic sale of the group is likely to be $97.60 million.

The Yabang Group is one of the leading companies in the chemical sector with present operating income exceeding 32 billion RMB ($4.5 billion) in China. Its business covers dye, coating, pigment, medicine, veterinary, pesticide, photovoltaic, logistics, finance and real estate industries. It has more than 60 subsidiary (branch) companies.

## $30m for Active Pharmaceutical Ingredient plant

Australian biotechnology company HA TECH will invest up to $80 million, or roughly Tk 700 crore, to establish a large-scale active pharmaceutical ingredient (API) manufacturing facility in Bangladesh that could help the country meet its growing demand. Initially, the Sydney-based company, which produces APIs mainly for cardiovascular, diabetic, ulcer and oncology applications, will invest $30 million to develop the facility. But within the next five years, the total investment could reach $80 million if the company wants to increase the product range.

There are about 10 local companies, including Eskayef, Square, Beacon and Beximco, that produce API materials on a limited scale, according to SM Shafiuzzaman, secretary general of Bangladesh Association of Pharmaceutical Industries (BAPI), a collective of about 250 local drug markers.

Local production can at best meet 5 or 6 per cent of the annual demand from the pharmaceutical sector, which has only grown in stature with the onset of the coronavirus pandemic, according to Monjurul Alam, director for global business development at Beacon Pharmaceuticals. Subsequently, Bangladesh spends about $1.3 billion each year to import APIs from the US, Taiwan, Italy, Germany, Spain, Switzerland, France and the UK.

Development works for HA TECH's upcoming state-of-the-art good manufacturing practice (GMP) facility spanning 10 acres on at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) will begin in January, said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (BEZA).




HA TECH and BEZA signed the land lease agreement on 25 August. The facility is expected to go into full operation by sometime next year. Securing more foreign direct investment (FDI) for the country's Tk 22,000 crore-pharmaceutical industry, particularly API manufacturing, is crucial for propping up the sector, Chowdhury said.

About 98 per cent of the annual domestic demand for pharmaceutical products is met by BAPI members. After meeting the local demand, the products are shipped to 144 different countries. Pharmaceutical shipments rose 4.5 per cent year-on-year to $136 million in fiscal 2019-20 following improvements in product quality and policy support.

The National Board of Revenue recently declared that imports of API products, pharmaceutical raw materials and reagents would be exempt of VAT until 2025 in a bid to boost the sector.

However, the tax authority also imposed a condition on API producers that require them to spend at least 1 per cent of their annual turnover on research and development projects for them to avail the benefit. The minimum value-addition should be 60 per cent.

"Our pharmaceutical sector will contribute to export diversification. Therefore, BEZA always welcomes API manufacturers at economic zones and is ready to roll out the red carpet, if needed," he added. There is a huge potential to invest in API manufacturing in Bangladesh, said Beacon Pharma's Alam.

The reason being, the pharmaceutical sector is expected to grow 15 per cent year-on-year to reach $5.1 billion by 2023, propelled by investments from local companies that seek to grab a bigger share of the global market, according to an estimate.

Mahmud though is buoyant that HA TECH's facility will become a manufacturing hub for a range of finished pharmaceutical products as well. This includes nucleic acid drugs that use oligonucleotide, which is one of the newest segments of innovative medicine.

## Lease agreement between BEZA and Samuda Food Products

Samuda Food Products and Samuda Chechemical Complex, 2 sister concers of TK Group of Industries will invest Tk 1744.80 crore at Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) to produce consumer goods and chemicals. Mohammad Mostafa Haider, Manageing Director of Samuda Food and Md. Abdul Mannan, Executive Member of Bangladesh Economic Zones Authority signed the deal on behalf of their respective organizations.

"We aim to attract the regional consumers of Chattogram with new products", said Mohammad Mostafa Haider, Manageing Director of Samuda Food. Initially Tk 650 crore will be financed, which will hit 1744 crore or $205.28 million in next 3 years, said the MD of Samuda.

The group on 28 September inked the agreement with BEZA to take 60 acres of land on lease inside Bangabndhu Shilpanagar to set up the new production units.

The fresh investment will be used to produce soybean oil, soybean cake, refined edible oil, caustic Soda etc. Around 1560 jobs will be created in the new production site in 2 units, the construction of which will hopefully begin in January. The consumer unit will go into operation within next one and a half years and the chemical unit in two and a half years.

Paban Chowdhury, Executive Chairman of BEZA said, the authority encourages the food processors to ensure quality products for the consumers. Investments in the country's economic zones are rather secured and are a result of BEZA's hard work, he said. He added, not only local companies, but also foreign ones are investing in food processing sector.

BEZA has created a welcoming atmosphere for the investors in the economic zones and it is ready to help them to do business smoothly.

## ACI Motors secured Tk 126cr in foreign investment

ACI Motors is set to secure an equity-based foreign investment of Tk 126 crore from two companies as it landed its first foreign investment. The fund from the Netherlands and Singapore would be used to accelerate business growth and expand existing manufacturing facilities of ACI Motors.

The fund will be raised through the issuance of 23.33 lakh convertible non-cumulative preference shares of Tk 100 each at a premium of Tk 440. In the case of non-cumulative preference shares, the dividend is only payable from the net profits each year. If the company makes no net profits in a year, the arrears of dividend can't be claimed in the subsequent years.

The shares will be issued to Bangladesh-managed account CV, a limited partnership of the FMO and SDI Pte, the two investors. The FMO is a Dutch development bank structured as a bilateral private-sector international financial institution based in Hague. SDI Pte is an investment company based in Singapore.

The arrangement will reduce ACI's shareholding in ACI Motors to 52.7 per cent from 65 per cent. The investment will allow ACI Motors to go further. ACI Motors sells products such as agricultural machinery, construction equipment and motorcycle. It offers a complete line up of high horsepower agricultural machinery, bringing in tractors, power tiller, reaper, mini combine harvester and rice transplanter.

It introduced the Sonalika tractor, which is specially designed for Bangladesh making it suitable for small land size and roads. ACI Motors became the distributor of Yamaha Motorcycles in 2016. The company represents some of the world's leading construction equipment manufacturers, providing backhoe loader, soil compactor and tandem roller, among others.

In 2017, ACI Motors added China's leading brand Lovol's construction equipment to the wheel loader and mini excavator segment. It brought Japanese brand Kobelco in the segment of the premium brand excavator. In 2019, it added pick and carry crane from India's Indo Farm Equipment.

The foreign investors will sit on the board of the company and will thus play a role in improving the corporate governance further. ACI Motors' revenue stood at Tk 954 crore in the three quarters of the 2019-20 financial year. Assets were valued at Tk 1,407 crore and liabilities Tk 1,115 crore as on 31 March. ACI Motors logged a profit of Tk 98.6 crore from 19 July 2019 to 20 March this year. However, ACI incurred a loss of Tk 119.5 crore during the same period owing to higher operating costs and finance cost. In the last three quarters, ACI's

total finance cost was Tk 352.6 crore and the operating cost totalled Tk 1,264.2 crore. As of 31 March, the group's long-term bank loan stood at Tk 826 crore and the short-term loan Tk 2,978 crore. The stocks of ACI, listed on the Dhaka Stock Exchange since 1976.

*Source : The Daily Star*

## 50-megawat solar power plant in Mymensingh

A 50-megawatt solar power plant in Mymensingh's Sutiakhali area, the largest of its kind, is ready to start operations early October. The construction work of the megaproject has been finished following all the government rules and regulations, said Group Captain (Rtd) Sheikh Md Shafiqul Islam,director of HDFC Sinpower Ltd.

"It is the largest solar-based power plant among all the projects ongoing in the country and we are hopeful to go into production by the first week of the next month," he said. HDFC Sinpower Ltd, a joint venture of three companies from Bangladesh, Singapore and Malaysia, implemented the project. The power plant would help meeting the government's target of generating 10 percent of the country's total electricity using renewable energy by 2021.

The power plant was established on a 144-acre land with an estimated cost of Tk 800 crore. The project started in 2017 and was scheduled to finish by July this year. It was, however, delayed due to coronavirus pandemic. Indrajit Debnath, the project director and an executive director of Power Development Board (PDB) in Mymensingh, said solar plates were set up in 1 square-kilometre area for the power plant.



Connection of 10 transmission boxes, construction of 132-KV Transmission Tower, installation of four-kilometre underground cables to add the electricity to the national power grid at city's Kewatkhali power grid, and lining of one kilometer over-head transmission line were done, he said.

Earlier, barbed wire was set up around the plant and solar pillars and dredging in the necessary rivers was completed, said the project director. Currently, the project is on a testing phase, he added. The government has targeted generation of 24,000MW of electricity by 2021.

Of the electricity, 2,000MW of power would come from renewable sources, according to sources.

Primarily, the production cost will be between Tk 10 and Tk 13 per unit, but gradually the cost will come down, added the director. Besides, the project has opened a horizon of work facilities for hundreds of people in the region, he said.

Source : The Daily Star

## Walton launches compressor export to Turkey

Bangladesh's electronics giant Walton is going to enter into the promising Turkish market with the export of its produced 'Made in Bangladesh' labelled compressors, undoubtedly made a big opportunity for expanding the local brand's export market in Turkey and across the Europe. In its own brand name, Walton launched the first shipment of its compressor's export to a Turkish company named 'Kargi', one of the leading Turkish marketing brands.

Kargi deals with imports, exports and marketing of hi-tech spare parts for domestic and industrial products with comprehensive range of customer portfolio throughout Turkey and also abroad, specially in Europe. Attending as the chief guest, Commerce minister Tipu Munshi inaugurated the Walton's compressor export to Turkey through attending a virtual conference, arranged by the local brand at its Corporate Headquarter in the capital on 7 July.

Meanwhile, Turkish brand Kargi inked an agreement with Walton to be a distributor of Walton brand products in the Turkish market. Walton's International Business Unit (IBU) President Edward Kim and Kargi's Managing Director Emin Kargi signed the deal on behalf of their companies.

The virtual conference was addressed by National Board of Revenue (NBR) Chairman Abu Hena Md. Rahmatul Muneem, Commerce Secretary Md. Jafar Uddin, Turkish Ambassador in Dhaka Mustafa Osman Turan,

Bangladesh Ambassador in Turkey M Allama Siddiki, Walton Hi-Tech Industries Limited Additional Managing Director Engineer Golam Murshed, Walton Compressor's Chief Executive Officer (CEO) Engineer Meer Muzahedin Islam and Walton Laptop's CEO Liakat Ali. The conference was moderated by Walton's Executive Director Firoj Alam.




Congratulating Walton on exporting compressor to Turkey, Commerce Minister Tipu Munshi said, "While I visited Walton factory, seen that they are manufacturing various types of high quality appliances. I was overwhelmed witnessing the production of compressor like hi-tech products. Walton is exporting compressor, mobile phone and other appliances. It's a great great initiative for Bangladesh. Really, Walton is a giant in the electronics sector of Bangladesh. I believe that one day Walton would become the leading global brand and also the export volume of Bangladesh's electronics to Europe, America and other developed countries would be increased."

NBR Chairman Abu Hena Md. Rahmatul Muneem said, it's a great news that country's leading electronics brands Walton is exporting compressor to Turkey. Compressor is also a new export item. Walton is contributing to not only increasing the government revenues but also creating huge employment opportunities."

Kargi's Managing Director Emin Kargi said, "I was pleased witnessing the high quality of Walton compressors that were sent as samples. Thus, I were expressed my keen interest to be a distributor of Walton compressor. Today, I am very happy for becoming a Walton brand's distributor. Thanks to Walton. I hope that kagi will be a sustainable distributor of Walton in the Turkish market."

Delivering the welcome speech, Edward Kim said that Walton is moving ahead with its single goal- to be the amongst top 5 global electronics brand in the world. The compressor export to Turkey would a milestone towards achieving this goal, he added.

Congratulating Kargi for becoming an exclusive overseas distributor of Walton brand, Kim said, "Turkey, being known as business hub of Eurasia, I expect that this initiative will pave the way of expanding our compressor market not only in Turkey but also across the Europe."

Walton Compressor's CEO Engineer Meer Muzahedin Islam said that they are manufacturing world's most 'silent and durable' compressors by using German technologies. Islam noted that the full-fledged Walton's compressor manufacturing factory is well-equipped with international standards testing lab, research and development department, metal casting foundry. Now, they are working on producing a new series of world's latest technologies compressors, mentioning it he added that commercial production of that series will increase the present export volumes of Walton compressors by several times.

## SASEC Projects in Bangladesh slowed by pandemic

The coronavirus pandemic has slowed the implementation of Asian Development Bank (ADB)-funded projects in Bangladesh. These include South Asia Sub-regional Economic Cooperation (SASEC) Road Connectivity Project-1 and 2 and the SASEC Chittagong-Cox's Bazar Railway Project.

Under the SASEC Road Connectivity Projects, the two-lane road from Gazipur to Rangpur is being upgraded to include four lanes. Under the SASEC Chattogram-Cox's Bazar Railway Project, Bangladesh is building a single-line dual-gauge railway track from Dohazari in Chattogram to Cox's Bazar via Ramu. Physical work on the railway project was supposed to reach 50% completion within fiscal year 2019-2020. Up to 40% had been completed when the pandemic struck.

The coronavirus pandemic has affected progress of around 40 of the 49 projects funded by ADB in Bangladesh. According to Mr. Quazi Shahriar Hossain, Chief Engineer,

Roads and Highways Department of Bangladesh, his office will have to extend deadlines by at least 3 months given that the pandemic has affected every project.

Some construction sites have reopened on a limited scale. Implementing agencies are also preparing plans for the full resumption of work on construction sites. ADB's Bangladesh Resident Mission has prepared health safety guidelines for implementing agencies, contractors, and consultants to supplement existing health guidelines and its environmental management plan.

## Bangladesh-Vietnam shipping service began

A new shipping service, connecting ports of Bangladesh, China and Vietnam has begun from August 22. The voyage is likely to quicken the country's clothing shipments, as it will take Bangladeshi cargoes to the US from Vietnam instead of Singapore. France-based CMA-CGM and Hong Kong-based SITC (Shandong International Transportation Company) have partnered to launch the service - named BBX2 - on the route. Initially, at least four vessels will ply the route.

CMA-CGM, the world's fourth largest shipping company by vessels, has dedicated direct services from Vietnam to the US destinations through its mother vessels. The new service will shorten the time, at present required for Bangladeshi-made goods to reach the US destinations.

Under the service, the vessels carrying local goods will first go from Chattogram to Ho-Chi-Minh city of Vietnam that will take around six days. From there, mother vessels will take the goods to the US destinations in around 12 days. So, Bangladeshi export cargoes, which now require around one month in reaching the US, will go to the country in around 20 days through the new service.

Uncertainty looms over connecting Bangladeshi cargoes to the US from Singapore. But, this will not happen from Ho-Chi-Minh of Vietnam. He added that export is time-sensitive, and local manufacturers always want to maintain lead time of export goods - the period between placement of an order and its delivery. The new service will help them maintain lead time.



Meanwhile, the ships (under the new service) will come back via Chinese ports, carrying imports from China. The world's second largest economy is the biggest trade partner of Bangladesh. The volume of bilateral trade may reach US$18 billion by 2021.

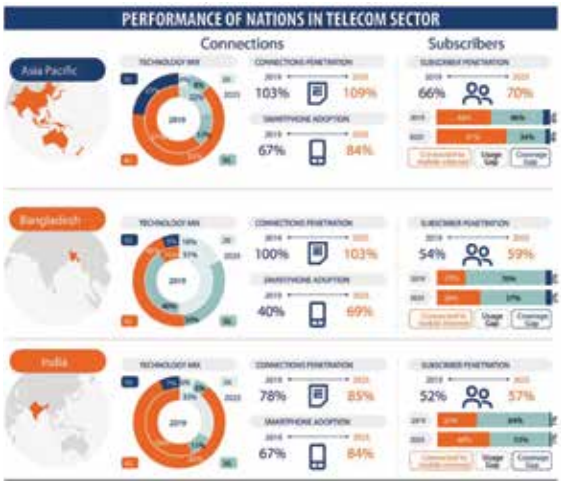
Shipping executives in Dhaka said Chinese economy is rebounding fast due to its effective control of the COVID-19 pandemic, and its trade with Bangladesh is also on the rise. China's economy grew by 3.2 per cent in the second quarter (Q2) from a negative 6.8 per cent in Q1. They said Bangladeshi exports are also rising after a shock, and the new service wants to grab a large share of the trade by offering quick shipments. Besides, BBX2, an express service from China to Bangladesh, offers one of the best transit times in the market between the two countries.

"We are pleased to announce the launch of BBX2, a weekly service that connects Bangladesh-China-Vietnam and Singapore," said a notice of CMA-CGM.

This is the first Bangladesh-Vietnam connecting service, while Bangladesh-China route has two more services, rendered by Maersk Line and Sinocor-Hyundai jointly. Around 20 vessels ply between Chinese ports and Chattogram Port.

## Bangladesh lags behind Asia Pacific peers in telecom services: GSMA

In the digital age, Bangladesh's mobile telecom market is still dominated by the second generation (2G) services while scenarios in other Asia Pacific countries are quite different and are predominated by 4G services, according to a GSMA report published on 6 July. The 2G technology is the mobile communications standard allowing mostly voice calls, SMS and limited data transmission while 4G is more data driven.




By 2025 Bangladesh will be a data driven market where 4G service will dominate with a 46 per cent share, reads The Groupe Speciale Mobile Association (GSMA) report "The Mobile Economy Asia Pacific 2020". However, Bangladesh is in a position below the average standard of the Asia Pacific countries in almost all the parameters and the situation will last long ever after five years, the report's data shows.

Senior executives of mobile operators said high tax and regulatory challenges were the main barriers for Bangladesh lagging behind in the table. "Our regulatory situation is the worst possible in the world and at the same time the government is increasing taxes every year on telecom services which halted new adoptions," said a top executive of a leading mobile carrier of Bangladesh requesting anonymity.

The 2G technology will become obsolete in most of the developed Asia Pacific countries within the next couple of years but till 2025, 18 per cent of Bangladesh's telecommunication customers will be "only" calling users requiring no data access. The GSMA ran the study in recent years with numbers of 2019 and estimates of 2025.

According to the GSMA, at the end of 2019 about 54 per cent of people in Bangladesh were using mobile phones, of which 25 per cent had internet access. They estimated that unique user numbers will reach 59 per cent by 2025 and of it 38 per cent will be internet users. Bangladesh will get 25 million new internet users in these five years, they said.

In 2025, of the total internet users of Bangladesh, only 6 per cent will use 5G while 4G will dominate the market having 46 per cent of the total data users. At that time 3G users will amount to 30 per cent and 18 per cent will still be connected to 2G. However, at the end of 2019, only 10 per cent of internet users had 4G connections in this market, 40 per cent 3G and half of the mobile phone users just using it for calling purposes.

Apart from Bangladesh, Pakistan is the other country where 2G is still dominating the market. Bangladesh is also the worst in position when it comes to using smartphones, even worse than Pakistan. Currently smartphone penetration in Bangladesh is only 40 per cent and it will reach 69 per cent after five years, reads the report. In Pakistan smartphone penetration is 46 per cent and it will grow up to 85 per cent by 2025.

Mobile penetration in Bangladesh already reached 100 per cent which is better than India (78 per cent) and Pakistan (76 per cent) and will be ahead of them even in 2025. But other countries mentioned such as Indonesia, Australia, Japan, Malaysia, Singapore and South Korea are clearly ahead at this point. Ever some of those countries have 150 per cent penetration.

The last five countries mentioned formed a new platform – APAC 5G Forum – which will be leading in this region's 5G services and the report mentioned that there would be no 2G service in those countries in 2025 while 3G will exist only among around 1 per cent of mobile users. Of that, the Australian and South Korean markets will dominate with 5G and the remaining three would capture a significant share.

Nine markets of this region have already launched commercial mobile 5G services and 12 others have officially announced plans to launch it and Bangladesh is nowhere with regard to that, reads the GSMA report. Bangladesh Telecommunication Regulatory Commission (BTRC) formed a committee last year to prepare a draft guideline on 5G service and initially planned to launch the 5G service by 2023. However, for the Covid-19 situation all preparations have been halted for months. About Bangladesh's situation, the GSMA said the 5G opportunity was for a longer term, largely because there was still a lot of room to grow for 4G, which was the dominant mobile technology across Asia Pacific and would remain so for the foreseeable future.

According to the report, about 663 million new people across the region would start using mobile internet by 2025 and a majority of them will come from China (261 million), India (190 million), Pakistan (46 million), Indonesia (44 million) and Bangladesh (25 million). The report also reads that 6.3 billion new internet of things (IoT) connections will be in Asia Pacific within the next five years, accounting for half of global new additions, with smart homes and buildings being the key growth verticals. Currently there are 5.2 billion IoT connections in this region.

The Covid-19 pandemic will result in 18 per cent fewer 5G connections in this region than previously expected. Mobile data traffic consumption was 9.2 GB per subscriber per month which will increase more than threefold to reach 28.9 GB in 2025. However, according to the top three carriers, the average internet user in Bangladesh is currently consuming about 2 GB of data per month.

*Source : The Daily Star*

# Regional News

## IMF chief warns global economy 'not out of the woods,' dangers lurk

Global economic activity is picking up after an unprecedented decline this year due to the coronavirus pandemic, but a second major wave of infections could trigger more disruptions, the International




Monetary Fund's top official said. IMF Managing Director Kristalina Georgieva said the fiscal costs of actions aimed at containing the pandemic and mitigating its economic fallout were driving up already high debt levels, but it was premature to start withdrawing needed safety nets.

"We are not out of the woods yet," she said in a blog posting ahead of virtual meeting of finance ministers and central bank governors from the Group of 20 major economies. The IMF last month further slashed its 2020 global output forecasts, predicting a 4.9 per cent contraction and weaker-than-expected recovery in 2021.

Georgieva said $11 trillion in fiscal measures by G20 members and other countries, as well as massive central bank liquidity injections, have put a floor under the global economy. Even so, dangers lurked, she said, including a major new wave of infections, stretched asset valuations, volatile commodity prices, rising protectionism and political instability.

Some countries lost more jobs in March and April than had been created since the end of the 2008 global financial crisis, and many of those jobs will never return, Georgieva said. Job losses, bankruptcies and industry restructuring could pose significant challenges for the financial sector, including credit losses to financial institutions and investors, she said.

To ensure stability, continued coordination across central banks and support from international financial institutions was essential, she said. Regulation should also support the flexible use of capital to keep credit lines open for businesses. "Monetary policy should remain accommodative where output gaps are significant and inflation is below target, as is the case in many countries during this crisis," she said.

In a report to the G20, the IMF warned that rising protectionism and renewed trade tensions endangered the recovery. A weak recovery itself raised the chances of disinflation and a prolonged period of low interest rates, which could undermine debt sustainability and financial stability, it said.

## Virus resurgence poses biggest risk to US economy: warns IMF

The dominant risk to the US economic recovery is a resurgence of COVID-19 cases that would force renewed business shutdowns, the International Monetary Fund warned on 17 July. The US government will need to do more in coming months to provide support to households and boost demand, as well as address worsening poverty and the shortcomings of the US health system, the IMF said in its annual Article IV report on the world's biggest economy.

"Even with the unprecedented policy support being provided to the economy," the US suffered a 37 per cent collapse in GDP in the second quarter, and the economy is expected to contract by 6.6 percent in 2020, the fund said, stressing the "tremendous uncertainties" surrounding the outlook.




"The principal risk, and one that is the most difficult to quantify, is that a resurgence in the number of COVID-19 cases in the US could lead to renewed, partial shutdowns," the report said. With case counts spiking in states like Florida, Georgia, Texas and California, local authorities already have reimposed some restrictions.

And the IMF warns that the brunt of the economic impact is being borne by lower income families, predominantly black and Hispanic, who are least able to weather the downturn. The US economy is going to take longer to recover from the hit from the coronavirus pandemic than the market expects, and more stimulus is critical, BlackRock Inc Chief Executive Larry Fink said.

There were 32 million people receiving unemployment checks under all programs in the last week of June, down 433,005 from the prior week. Economists say unemployment remains uncomfortably high because of a second wave of layoffs, which could intensify as COVID-19 infections rise.

World Bank: Warning that a true economic recovery from the global coronavirus pandemic remains "in the distant future," a top World Bank official on 17 July G20 nations to extend debt relief for the poorest nations. Cautioning policymakers not to "confuse rebound with recovery," newly-installed World Bank chief economist Carmen Reinhart called for an extension to the existing debt moratorium.

The IMF agreed with many other economists in warning that the brunt of the economic impact of the coronavirus crisis is being borne by lower income families, predominantly black and Hispanic, who are least able to weather the downturn and will need more support. "There are already urgent warning signs that the depth of the economic contraction and the sectoral distribution of economic losses will lead to a systemic increase in poverty," the IMF said.

Federal Reserve Chair Jerome Powell and other central bankers have urged the government to step in to provide more support to the economy, and that chorus was joined by Powell's two predecessors, Janet Yellen and Ben Bernanke, in testimony before Congress Friday. "The spending is absolutely needed," Yellen said.

## World's Workers Lost $3.5tr in Wages amid Pandemic: UN

With hundreds of millions of jobs lost and employees experiencing a "massive" drop in earnings, the coronavirus pandemic is taking a heavier toll on jobs than previously feared, the UN said on 23 September. The International Labour Organization ( ILO) found in a new report that global working hours had decreased by 17.3 per cent by mid-year compared to last December, equivalent to almost 500 million full-time jobs, reports BBC.

That is almost 100 million more workers, equal to the amount projected by the ILO back in June when 14% of working hours were expected to be lost by the end of the second three-month stretch of the year. "The impact has been catastrophic," ILO chief Guy Ryder told reporters in a virtual briefing, pointing out that global labour income had shrunk by 10.7 per cent during the first nine months of the year compared to the same period in 2019.

That amounts to a decline of some 3.5 trillion dollars or 5.5% of the global gross domestic product ( GDP) as a whole, the ILO said.

After the introduction of the novel coronavirus in China late last year, nearly one million people worldwide have been killed out of more than 31 million infected. In addition to the health challenges, lockdowns, travel restrictions and other measures taken to rein in the virus have had a devastating impact on jobs and income across the globe.

'The ILO also cautioned that the outlook for the final three months of 2020 had "significantly deteriorated" since its last June survey. The organisation had previously projected that in the fourth quarter, global working hours would be 4.9 percent lower than a year ago, but said it now anticipated a decrease of 8.6 percent, equivalent to 245 million full-time jobs.



It explained that workers were much more affected than in past crises in developed and emerging economies, especially those in informal employment. The ILO also pointed out that while many of the most serious workplace closures have been eased, 94% of the world 's employees are in countries where there are still some form of workplace restrictions.

And Sangheon Lee, head of ILO's employment policy division, warned that the situation for workers could worsen further. If second waves of infections bring tighter restrictions and new lockdowns, he said, "the impact on the labour market could be comparable to the magnitude we saw in the second quarter of this year".

Ryder cautioned against those pushing for policy makers to focus on economy over health in their response to the pandemic.

"It is very clear--that the capacity and the speed with which the global economy can get out of its labour market slump is intimately linked to our capacity to control the pandemic," he said. "These two things are very, very intimately intertwined, and we have to act on that understanding."

Meanwhile, the ILO report showed that the destruction of the labor market could have been worse without the various fiscal stimulus packages offered by governments. It said that global working hours would have decreased by a complete 28 percent in the second quarter without such stimulus efforts, amounting to about $9.6 trillion globally. But it cautioned that fiscal stimulus was distributed very unevenly, with low- and middle-income countries receiving total funding of about $982 billion less than their wealthier counterparts.

Ryder urged international efforts to close the gap, maintaining that "no group, nation or region alone can resolve this crisis."

## COVID-19 may have pushed 100m into extreme poverty : World Bank Chief

The coronavirus pandemic may have driven as many as 100 million people back into extreme poverty, World Bank President David Malpass warned on 20 August. The development lender previously estimated that 60 million people would fall into extreme poverty because of COVID-19, but the new estimate puts the deterioration at 70 million to 100 million, and he said "that number could go higher" if the pandemic worsens or drags on.

The situation makes it "imperative" that creditors reduce the amount of debt held by poor countries at risk, going beyond the commitment to suspend debt payments, Malpass said in an interview with AFP. Even so, more countries will be obliged to restructure their debt. "The debt vulnerabilities are high, and the imperative of getting light at the end of the tunnel so that new investors can come in is substantial," Malpass said.

Advanced economies in the Group of 20 already have committed to suspending debt payments from the poorest nations through the end of the year, and there is growing support for extending that moratorium into next year. But Malpass said that will




not be enough, since the economic downturn means those countries, which already are struggling to provide a safety net for their citizens, will not be in a better position to deal with the payments.

The amount of debt reduction needed will depend on the situation in each country, he said, but the policy "makes a lot of sense." "So I think the awareness of this will be gradually, more and more apparent," especially "for the countries with the highest vulnerability to the debt situation." The World Bank has committed to deploying $160 billion to 100 countries through June 2021 in an effort to address the immediate emergency, but even so, extreme poverty, defined as earning less than $1.90 a day, continues to rise.

Malpass said the deterioration is due to a combination of the destruction of jobs during the pandemic as well as supply issues that make access to food more difficult.

"All of this contributes to pushing people back into extreme poverty the longer the economic crisis persists." Newly installed World Bank Chief Economist Carmen Reinhart called the economic crisis a "pandemic depression," but Malpass was less concerned with terminology.

## AIIB to invest more in non-regional members in coming days

In its annual meeting at last week of July, the Asian Infrastructure Investment Bank board elected Jin Liqun -- the sole nominee-- for a second term as president.



AIIB launched nearly five years ago, growing to 103 members and investing almost $20 billion in infrastructure projects. The projects have primarily been in Asia, though the bank did invest in one non-regional member country, Egypt. In the coming five years, Jin would like AIIB to invest more in non-regional members, because “Asia should not expect to grow on its own without close collaboration and regional cooperation with other regions, other countries,” he said at a press conference.One of Jin’s chief priorities going into his second term is to get AIIB’s corporate strategy approved, which he expects the board will do by the end of the year, he said.

While the draft corporate strategy was mentioned during the online sessions of the annual meeting, it has not yet been shared for civil society review or input, civil society organizations said prior to the meeting. They also criticized the bank’s limited engagement with them and with communities about bank projects and key strategies. Jin said that the bank will need to build up its lending program to “play its proper role” and is focused on trying to “strike a proper balance between the fast expansion of our business” and making “sure the quality of our lending program will not be compromised.” While the bank is looking to the future, and to how it can increase its climate investments, it first needs to get past the coronavirus crisis, Jin said.

## Britain Pledges £705m to prepare post-Brexit borders

Britain on July 12 pledged £705 million ($890 million, 788 million euros) to prepare its borders for cutting ties with the European Union on December 31, amid concern within government that it is not ready. The money will fund new border posts, IT systems and 500 new staff to both ensure security and handle new customs controls after Britain leaves the EU's single market and customs union, the government

said in a statement. Britain ended its EU membership on January 31, almost four years after the historic Brexit vote, but agreed a standstill transition period until the end of the year while it tries to negotiate a new trade deal with Brussels. The talks are moving slowly, sparking alarm among businesses that almost half a century of economic integration with the EU will end abruptly in a few months' time.

Citing the disruption caused by the coronavirus outbreak, London has already said it will not immediately introduce checks on EU imports, instead delaying them until July.

But in a letter to her cabinet colleague Michael Gove, leaked to the media this week, international trade minister Liz Truss expressed concern that border infrastructure would not be ready even by then.

She warned the delay in imposing checks could spark a legal challenge at the World Trade Organization (WTO), adding: "I would like assurances that we are able to deliver full controls at these ports by July 2021."



Gove, the minister in charge of preparing for Brexit, said the government had been consulting on the issue for months and insisted the borders would be ready. The new funds only cover the border between mainland Britain and the EU, with plans for the frontier between the province of Northern Ireland -- which will have a special trade status after Brexit -- and the Republic of Ireland due in the coming weeks.

The main opposition Labour party said Truss' letter showed a "growing sense of chaos and confusion" within the cabinet about Brexit preparations.

The government is also planning a new public information campaign to prepare businesses and individuals for the end of the transition, dubbed "The UK's new start: let's get going". It will include detailed guidance for everyone from traders to holidaymakers on what might change, Gove said.

## First major post-Brexit trade deal between Japan and Britain

Japan and the U.K. agreed in principle on 11 September on a post-Brexit free trade deal, ministers of the two countries said, paving the way for business relationships to continue smoothly even after the end of London's transition period out of the European Union in December. Foreign Minister Toshimitsu Motegi and British International Trade Secretary Liz Truss reached the accord when they met via video-conference.



The two sides have been negotiating a deal since June as Britain will no longer be part of the existing Japan-EU free trade agreement when its period for transitioning out of the bloc ends in December. Both sides are seeking to implement a new deal next January.

The two ministers had reached a substantial agreement on most areas on Aug. 7 following talks in London. But they missed their initial goal of agreeing in principle by the end of August due to differences over how much Japan would cut tariffs on its cheese and farm imports from Britain, according to negotiation sources.

The broad agreement is expected to allow Tokyo to avert a situation in which the U.K. would raise its tariffs on imported Japanese vehicles following its exit from the European Union, and largely replicate the existing Japan-EU agreement that came into force in February 2019. Under that agreement, the EU will phase out 10 percent tariffs on Japanese auto imports by 2026, while Japan will reduce a 29.8 percent tariff on hard cheeses in stages to zero by 2035.

Britain's Department for International Trade said the deal will increase its trade with Japan by some £15.2 billion (¥2.07 trillion). The U.K. said its newly agreed trade deal with Japan, its first since leaving the European Union earlier this year, meant 99 percent of the country's exports to Japan would be tariff-free. Digital and data provisions in the agreement went "far beyond" those in the EU's trade deal with Japan, helping British fintech firms operating in the Asian country, it said.

Britain left the EU in January but agreed a standstill transition until the end of the year, and is racing to strike both replica and new trade agreements before that date. "This is a historic moment for the U.K. and Japan as our first major post-Brexit trade deal," said Truss. "The agreement we have negotiated — in record time and in challenging

circumstances — goes far beyond the existing EU deal, as it secures new wins for British businesses in our great manufacturing, food and drink, and tech industries."

The deal was an "important step" towards joining the Trans-Pacific Partnership, she added. Britain is locked in increasingly fractious talks with the EU over its future trading relationship, with Brussels on Thursday threatening legal action over contentious Brexit legislation that would violate the binding divorce treaty agreed last year.

## UK economy extends recovery from COVID crash, growth seen fading

Britain's economy recovered half of its COVID-19 crash by the end of July, helped by pubs and restaurants reopening from lockdown, but the bounce-back is expected to slow as job losses mount and Brexit tensions rise. After shrinking by a record 20% in the second quarter, output expanded by 6.6% in July, slower than June's monthly rate, the Office for National Statistics (ONS) said on 11 September.



Economists polled by Reuters had expected growth of 6.7%. Finance minister Rishi Sunak welcomed the figures but added that people were rightly worried about the coming months. The economy remains 12% smaller than its level in February, before the pandemic hit Britain. "July was probably the last of the big step-ups in activity and a full recovery probably won't be achieved until early 2022," Thomas Pugh, an economist with Capital Economics, said.

In response, the Bank of England was likely to ramp up its bond-buying stimulus programme by a third, or 250 billion pounds ($320 billion), Pugh said. Britain's economy suffered the sharpest second-quarter fall of any Group of Seven nation in the April-June period. Hopes for a swift rebound have faded as businesses struggle to cope with social distancing rules and many people remain reluctant to travel on public transport or go to crowded places.

Furthermore, unemployment is expected to rise sharply because Sunak has ruled out extending his coronavirus job retention scheme which is due to expire at the end of October. Parliament's Treasury Committee urged Sunak to "carefully consider" a targeted extension of the scheme and other support measures, a call echoed by the head of a major employers group.

Carolyn Fairbairn, director general of the Confederation of British Industry said she was in "deep conversation" with the government about a more selective version of the job subsidies scheme to avoid long-term job losses.

## Eurozone businesses bounce back in July as lockdowns loosen

Eurozone business activity grew in July for the first time since the coronavirus pandemic hit, as more parts of the economy that were locked down to curtail its spread reopened and people emerged from their homes to work and spend money.

As the rate of infections has eased across much of Europe, governments have loosened some restrictions. That unleashing of pent-up demand pushed IHS Markit's flash Composite Purchasing Managers' Index (PMI), seen as a good indicator of the bloc's economic health, to 54.8 in July from June's final reading of 48.5, its highest since mid-2018 and well ahead of the 51.1 forecast in a Reuters poll.

"The sharp rise... is an encouraging sign that the economic recovery continued at a decent pace. But we suspect that activity will remain below pre-crisis levels for at least the next couple of years," said Jack Allen-Reynolds at Capital Economics. The headline index had been below the 50 mark which separates growth from contraction since March so a return to positive territory will be welcomed by policymakers and governments who have pumped trillions of euros into the economy.

European Union leaders agreed a 750 billion euro pandemic recovery fund on July 21 and with European Central Bank monetary policy expected to stay ultra-loose for a long time, optimism about the year ahead improved. Markets are still expecting a V-shaped recovery - as are some economists - but while 25 July data indicated a bounceback of sorts, it is unlikely to support those views. "A V-shaped recovery seems quite



unrealistic, despite the encouraging numbers," said Bert Colijn at ING.

French business activity rebounded far more than expected as a post-lockdown recovery in the service sector shifted up a gear, PMI data showed. Manufacturing activity in Germany stabilized, avoiding a contraction for the first time in 19 months, giving hope for a recovery from a long recession exacerbated by the pandemic.

Meanwhile, British businesses, outside the eurozone, experienced the fastest upturn in five years during July as more of the economy reopened and shoppers pushed their spending back up to within a whisker of pre-lockdown levels.

As demand increased, eurozone firms cut their headcount at a shallower rate and purchasing managers were at their most optimistic since February, just before Europe began to feel the full brunt of the pandemic. The new business index rose to its highest reading since October 2018, suggesting the recovery would extend into August, but there are fears with jobs still being shed and coronavirus containment measures still in place the upswing could be derailed.

Still, a survey of the bloc's dominant service industry, which was hardest hit by the government-imposed lockdowns, climbed above the breakeven mark to its highest since mid-2018. But some of the resurgence in demand was driven by firms cutting prices for a fifth month, albeit at a shallower rate than in June.

The manufacturing industry also returned to growth with the factory PMI rising to 51.1 from 47.4, its first time above breakeven since January 2019 and ahead of predictions. An index measuring output, which feeds into the Composite PMI, jumped into growth territory.

## China's economy rebounds after steep slump, weak demand, U.S. tensions raise risks

China's economy returned to growth in the second quarter after a deep slump at the start of the year, but unexpected weakness in domestic consumption underscored the need for more policy support to bolster the recovery after the shock of the coronavirus crisis.

Asian share markets and the Chinese yuan CNY=CFXS fell, partly reflecting the broad challenges facing the world's second-largest economy as it grapples with the double-whammy of the pandemic and heightened tensions with the United States over trade, technology and geopolitics.

Gross domestic product (GDP) rose 3.2% in the second-quarter from a year earlier, the National Bureau of Statistics said on Thursday, faster than the 2.5% forecast by analysts in a Reuters poll, as lockdown measures ended and policymakers ramped up stimulus to combat the virus-led downturn.



The bounce was still the weakest expansion on record, and followed a steep 6.8% slump in the first quarter, the worst downturn since at least the early 1990s. Those risks were partly reflected in separate retail data that showed Chinese consumers kept their wallets tightly shut, pointing to a bumpy outlook at home and overseas, as many countries continue to grapple with the COVID-19 pandemic - led by surging infections in the United States.

Though June indicators and GDP numbers largely beat expectations, Rodrigo Catril, a foreign exchange strategist at NAB in Sydney, said they also revealed "the China consumer remains behind in terms of the recovery story."

"It's very much a story of government stimulus-led recovery, which is very much focused on the industrial side. The consumer remains very cautious. That cautiousness is something the market is looking at in terms of countries where the consumer plays a bigger role, so that's obviously relevant for the U.S. as well."

## Dubai reopens doors to tourists after long shutdown

The city-state of Dubai, known for its mega malls, high-end restaurants and five-star hotels and resorts, has now reopened its doors to international visitors on 7 July with a "welcome" passport sticker and coronavirus tests on arrival, in the hope of reviving its tourism industry after a nearly four-month closure.

But businesses are mainly betting on those already living in the gleaming desert city to energise its ailing economy and serve as a test run before wary foreign holidaymakers return. "A warm welcome to your second home," says the sticker applied to passports at Dubai airport, where employees wear hazmat suits and vending machines offer personal protective equipment.



The reopening comes even as the number of COVID-19 cases in the United Arab Emirates climbs to 52,068 included 324 deaths, with millions of foreign workers living in cramped accommodation particularly hard hit. Incoming tourists are required to present a negative test result taken within four days of the flight. If not, they can take the test on arrival, but must self-isolate until they receive the all-clear.

Tourism has long been the lifeline of the glitzy Gulf emirate, one of the seven sheikhdoms that make up the United Arab Emirates. High season starts in October when the scorching heat of the Gulf summer starts to dissipate. Dubai welcomed more than 16.7 million visitors last year, and before the pandemic crippled global travel, the aim had been to reach 20 million arrivals in 2020.

With scant oil resources compared to its neighbours, Dubai has built the most diversified economy in the Gulf, boasting a reputation as a financial, commercial and tourism hub despite an economic downturn in recent years. The city-state is known for its mega malls, high-end restaurants and five-star hotels and resorts. But all have taken a severe hit during the coronavirus outbreak, and Dubai's GDP in the first quarter of 2020 was down by 3.5% year-on-year.

Dubai-based airline Emirates, the largest in the Middle East, has been forced to slash its sprawling network and is believed to have laid off thousands of staff. Before reopening to international tourists, authorities launched social media campaigns and deployed hundreds of social media "influencers" to tout Dubai's attractions.

But as the hospitality business works out how to create an environment that follows strict hygiene rules but is still worth the hassle for potential foreign clients, hotels are offering Dubai residents "staycation" and "daycation" deals to offset the slump.

The UAE's capital is home to top attractions including an F1 circuit and the Louvre Abu Dhabi museum, which in late June opened its doors to masked, gloved visitors after a 100-day closure.

## Alibaba is in talks to invest $3 Billion in Grab

Alibaba Group Holding Ltd. is in talks to invest $3 billion in Southeast Asian ride-hailing giant Grab Holdings Inc. The Chinese e-commerce giant, a sole investor in the round, will spend a portion of the funds to acquire some of the Grab stock held by Uber Technologies Inc. The deal may represent one of Alibaba's biggest bets on Southeast Asia since its first investment in Lazada in 2016.

China's largest corporation has previously had limited forays in ride-hailing but a potential tie-up with Grab gives it access to data on millions of users in eight countries, a growing delivery fleet as well as a stake in digital wallet and financial services. One specific plan under discussion is to integrate Grab's delivery network into Lazada, giving the Singaporean startup access to a wider network of consumers.

Alibaba's potential $3 billion investment in Southeast Asia's Grab, as reported by Bloomberg News on 14 September, could boost the user growth of e-commerce subsidiary Lazada, which has been losing ground against Tencent-backed






Shopee. Lazada may tap the sizable ride-hailing and food-delivery user base of Grab, whose services typically have higher usage frequency than e-commerce.

Uber, which surrendered its Southeast Asian operations to Grab in March 2018, took a 27.5 percent stake in Grab's business. In April, Uber said it expects an impairment charge of up to $2.2 billion, adding that the charge would be against the carrying value of some of the company's minority equity investments, due to the impact of the pandemic on the estimated value of those entities. Grab, which has an estimated valuation of $14 billion and counts SoftBank Group Corp 9984.T as one of its backers, expanded into financial services, food delivery and mobile payments over the last few years, even before the COVID-19 pandemic hurt its mainstay ride-hailing business. In June, Grab announced a 5 per cent reduction in staff numbers as it cut costs amid slower growth.

## Google will invest $10 billion in India over the next few years

Google is planning to invest $10 billion in India as part of plans to make the internet "affordable and useful" for a billion people. CEO Sundar Pichai announced the investment via livestream on 13 July at the annual Google (GOOGL) for India event. "This is a reflection of our confidence in the future of India and its digital economy," he said in a statement.

"India's own digital journey is far from complete. There's still more work to do in order to make the internet affordable and useful for a billion Indians ... from improving voice input and computing for all of India's languages, to inspiring and supporting a whole new generation of entrepreneurs," he added.

The Google for India Digitization Fund will pour money into India's tech sector over the next five to seven years through a mixture of equity investments, partnerships, and spending on infrastructure. The investment will focus on enabling affordable access and information for every Indian in their own language, building new products and services relevant to India's unique needs, helping businesses with digital transformation and leveraging technology and artificial intelligence for social good, in areas like health, education, and agriculture.




India is the world's fastest growing internet market, with almost 700 million internet users and nearly as many yet to come online for the first time.

The country has attracted billions of dollars of investment over the last 15 years from the likes of Google, Facebook (FB), Netflix (NFLX) and Twitter (TWTR), which rushed to cash in on the internet boom.

The numbers suggest there is still huge potential for growth, despite red flags raised recently by government efforts to exert more control online. Google's plans, and the recent fundraising spree by Indian entrepreneur Mukesh Ambani, show investors are ready to commit even more.

## Reliance-Google smartphone deal in India threatens Chinese firms

A $4.5 billion deal under which Alphabet's GOOGL.O Google will collaborate with India's Reliance Industries RELI.NS on a new smartphone likely heralds a big shake-up for the world's second-largest mobile market. Reliance boss Mukesh Ambani, announcing the partnership at his company's annual meeting in mid-July, said Google would build an Android operating system (OS) to power a low-cost "4G or even 5G" smartphone that Reliance would design.

The new phone is set to pose a major challenge to Chinese vendors such as Xiaomi 1810.HK and BBK Electronics, owner of the Realme, Oppo and Vivo brands, which currently dominate a $2 billion market for sub-$100 smartphones in India. Powered by a clever mix of Bollywood, cricket-driven marketing and product features such as powerful cameras, the Chinese firms sell roughly eight of every 10 smartphones in the country.

Reliance executed a similar plan in 2017 with the launch of the JioPhone, a no-frills device that gave users internet access for as little as $20. JioPhone now has more 100 million users, many of whom are internet first-timers. Reliance's ambition to hand a smartphone to every Indian could also win subscribers from telecoms rivals Vodafone Idea VODA.NS and Bharti Airtel, who still have hundreds of millions of users with old-style feature phones on basic 2G networks.




The alliance will see Google invest $4.5 billion in Reliance's digital unit, which houses telecoms and fibre businesses as well as music and movie apps. Jio Platforms has also since April won the backing of global financial and tech investors including Intel INTC.O and Qualcomm QCOM.O, which could bolster its smartphone ambitions.

While Reliance has given no details on the specifications or price of the new smartphone, the timing of its launch, or who might build it, the Jio network's 387 million subscribers and the Google brand name will give it a big leg up.

Just as important are the possibilities for bundling Jio's massive video and music libraries with the phone. Google's Android team also aims to ensure access to apps related to health, communications and jobs, and ease of use for first time smartphone owners.

That kind of packaging could help woo roughly 350 million Indians who still use basic, non-touch phones and are yet to taste high-speed mobile data on fancier devices. The collaboration with Google could also set the stage for further partnerships between smartphone makers and Reliance to make devices specifically for the Jio telecoms network.

## SBI to invest 17.60b rupees in Yes Bank

State bank of India, country's largest lender's executive committee has approved a further investment of upto 17.60 billion rupees in public offering of Yes Bank. In March this year, SBI board had approved an investment of 72.50 billion rupees into the troubled lender Yes Bank.

Earlier this year the Reserve Bank of India (RBI) had taken control of Yes Bank, after the bad-debt laden lender had failed to raise the capital it needed to stay above mandated regulatory requirements.

Since then SBI had stepped in to acquire a stake in the private lender and to keep it afloat. However, SBI's total investment is not likely to exceed 100 billion rupees, according to the bank's chairman.




## Amazon India's SMB exports reach $2B

Online giant Amazon is increasing its drive to build its business in India. The company said that total exports from small to medium-sized businesses (SMBs) in that country has hit the $2 billion level. "It took us three years-plus to hit the first billion dollars, today we are able to hit the next billion dollars; 100 percent growth in the last 18 months," noted Gopal Pillai, vice president for seller services at Amazon India.

Amazon's "Global Selling" program was launched in India in 2015. The company said the program has helped more than 60,000 Indian sellers to export products through Amazon. In January, the company said it expected to spend $1 billion on bringing Indian SMBS into the 21st century. Per the Reuters report, Amazon plans to boost its exports of Indian-made goods to $10 billion by 2025. The U.S. is currently the biggest market for such sales.

Therefore, annual sales events --such as Black Friday and Cyber Monday--are key times of the year, Abhijit Kamra, head of global trade at Amazon India, told Reuters. Clothing, leather products, jewelry and home items are big sellers, he said. Amazon said it has worked with Indian banks to offer inexpensive loans to its small sellers.

In June, Amazon launched a new "Smart Stores" initiative in India aimed at expanding its reach into the country's massive retail market. The company said it is giving out QR codes to retailers ranging from village shops to big retail chains like Big Bazaar and More Supermarkets.

Shoppers can actually remain outside the store while scanning the QR code

and then looking over merchandise virtually. Next, buyers can purchase the items they have selected using Amazon Pay. This ties into the worldwide trend of consumers using touchless technology.

Last month, Amazon India expanded its Amazon Flex delivery network to 35 cities across the country. The delivery service, which includes two-wheel delivery workers, was started last year in three cities.




## Apple supplier Foxconn to invest $1B in India

Foxconn plans to invest up to $1 billion to expand a factory in southern India where the Taiwanese contract manufacturer assembles Apple iPhones. The move, the scale of which has not previously been reported, is part of a quiet and gradual production shift by Apple away from China as it navigates disruptions from a trade war between Beijing and Washington and the coronavirus crisis.

"There's a strong request from Apple to its clients to move part of the iPhone production out of China," one of the sources with direct knowledge of the matter told Reuters. Foxconn said it does not comment on matters related to customers, while Apple did not respond to a request for comment.




Foxconn's planned investment in the Sriperumbur plant, where Apple's iPhone XR is made some 50 km west of Chennai, will take place over the course of three years. Some of Apple's other iPhones models, made by Foxconn in China, will be made at the plant.

Taipei-headquartered Foxconn will add some 6,000 jobs at the Sriperumbur plant in Tamil Nadu state under the plan.

It also operates a separate plant in the southern Indian state of Andhra Pradesh, where it makes smartphones for China's Xiaomi Corp, among others.

Foxconn Chairman Liu Young-way last month said it would ramp up its investment in India, without giving details.

## Amazon deforestation increases 25pc in Brazil

Deforestation of the Brazilian Amazon increased by a record 25 percent year-on-year in the first half of 2020, official data released on 10 July showed, increasing pressure on President Jair Bolsonaro to abandon his plans to develop the region.



Some 3,069 square kilometers (1,184 square miles) were affected by deforestation, the highest figure since satellite data has been collected beginning in 2015, the country's National Institute for Space Research (INPE) said. June, which marks the start of the dry season and fires, also hit a record with 1,034 square kilometers of deforestation, an increase of nearly 11 percent. Brazil has been criticized by a number of

countries and environmental groups over large-scale deforestation and fires that ravage the world's largest rainforest during the dry season.

Illegal logging by the timber industry, as well as mining and cattle ranching in protected areas are the main causes of destruction. Bolsonaro, a climate change skeptic, has facilitated farming and mining projects on protected land and indigenous reserves. In May he deployed troops in the Amazon ahead of the burning season to take "preventive and restrictive action against environmental crimes, namely illegal deforestation and wildfires." The aim is to prevent a repeat of last year's wildfires that devastated vast amounts of the Amazon and triggered spats with several Western leaders. Despite the military presence, however, INPE data shows an increase in deforestation for each month since January, compared to the same period last year. Last month, investment funds from Europe, Asia and South America that collectively manage nearly $4 billion demanded in an open letter that Bolsonaro stop projects that threaten to accelerate the destruction of the planet's largest rainforest.

Vice President Hamilton Mourao, who heads Brazil's National Council for the Amazon, said international investors want Brazil to show "results" in fighting deforestation before they will consider participating in environmental protection projects in the country. "It's not true that we're destroying the jungle to produce food," he said, also denying that Brazil was dismantling the state's environmental protection structure.

Bolsonaro has shown little concern for the environment and repeatedly indicated his intention to open up indigenous territories and nature reserves to mining and agriculture. Non-governmental organizations point out that the right-wing government's discourse in favor of the Amazon's commercial exploitation contradicts the military mission of inspection and prevention.

## World's biggest rooftop greenhouse opens in Montreal

Building on a new hanging garden trend, a greenhouse atop a Montreal warehouse growing eggplants and tomatoes to meet demand for locally sourced foods has set a record as the largest in the world. It's not an obvious choice of location to cultivate organic vegetables -- in the heart of Canada's second-largest city -- but Lufa Farms on Wednesday inaugurates the facility that spans 160,000 square feet (15,000 square meters), or about the size of three football fields.

It is the fourth rooftop greenhouse the company has erected in the city. The first, built in 2011 at a cost of more than Can$2 million (US$1.5 million), broke new ground. Since then, competitors picked up and ran with the novel idea, including American Gotham Greens, which constructed eight greenhouses on roofs in New York, Chicago and Denver, and French Urban Nature, which is planning one in Paris in 2022.

A local Montreal supermarket has also offered since 2017 an assortment of vegetables grown on its roof, which was "greened" in order to cut greenhouse gas emissions linked to climate change. Lebanese-born Mohamed Hage and his wife Lauren Rathmell, an American from neighboring Vermont, founded Lufa Farms in 2009 with the ambition of "reinventing the food system."



At Lufa, about 100 varieties of vegetables and herbs are grown year-round in hydroponic containers lined with coconut coir and fed liquid nutrients, including lettuce, cucumbers, zucchini, bok choy, celery and sprouts. Bumblebees pollinate the plants, while wasps and ladybugs keep aphids in check, without the need for pesticides.

Enough vegetables are harvested each week to feed 20,000 families, with baskets tailored for each at a base price of Can$30. On the ground floor of the new greenhouse, a huge distribution center brings together nearly 2,000 grocery products for offer to "Lufavores," including restaurants.

Fully automated, the new greenhouse also has a water system that collects and reuses rainwater, resulting in savings of "up to 90 percent" compared to a traditional farm.

# WTO News

## World merchandise trade fell 14% in volume, 21% in value in Q2 amid global lockdown

Global merchandise trade volumes declined by 14.3% in the second quarter of 2020 compared to the previous period as COVID-19 containment measures affected economies around the world according to data released on 23 September. The latest trade contraction is sharper than the 10.2% drop recorded during the financial crisis between the third quarter of 2008 and first quarter of 2009.

In the latest data, the steepest declines were recorded in Europe (-21%) and North America (-20%) while Asia was relatively less affected (-7%). The nominal dollar value of merchandise trade also plunged in the second quarter, falling by 21% year-on-year. In comparison, the decline in merchandise trade values during the financial crisis was deeper with a 33% drop recorded in the second quarter of 2009.




In terms of monthly performance, the dollar value of world merchandise trade fell 23% in April year-on-year and 26% in May before easing to a 10% contraction in June as countries in Europe started to relax lockdown measures while some Asian economies saw a modest rebound. In July, merchandise trade remained weakened at -9%. The monthly estimates are based on data from 72 economies accounting for 92% of global merchandise trade.

The decrease in world services trade was more pronounced, dropping by 29% year-on-year in both April and May, 24% in June and 22% in July, based on preliminary statistics of 38 economies representing more than two-thirds of global services trade. In July, services exports from North American economies were down 30% while in Asia, China's services exports stopped declining, reflecting the divergent trajectory of the pandemic across regions.

## Statement of Alan Wm. Wolff, Joint Acting Director-General of the World Trade Organization at G20 Trade Ministers Meeting

Shortfalls in key medical supplies persist, despite increased production — and increased trade. Preliminary figures indicate that global trade in products such as personal protective equipment, hand sanitizer and ventilators grew by close to 30% in the first half of the year. While some trade restrictions have already been rolled back, particularly with respect to foodstuffs, the pandemic is far from over and economic challenges will persist.

The roll-back of trade restrictions may already be losing momentum. Government support needed to fight the economic downturn could end up distorting competitive conditions and fueling future trade tensions. However, fresh opportunities also exist.

The WTO's Members are well-advanced in the process of selecting a new WTO Director-General. Renewed engagement of the WTO's Members can ensure that the WTO is fully ready to meet the challenges of a changing global economy.

As the pandemic continues, emergency trade-restrictive measures should be reviewed through the lens of the G20's criteria that existing measures are, in fact, targeted, proportionate, transparent, and temporary; members should begin to unwind those that are no longer absolutely necessary.

Existing negotiations to modernize the WTO's rules to meet the challenges of the global digital economy and to provide for



sustainable development should be brought to a successful conclusion. The process of systemic reform, called for by the G20 leaders and trade ministers, should begin in earnest with WTO Members deliberating concrete proposals, restoring the WTO to its intended place where negotiations are successfully concluded; where disputes are settled within a universally accepted structure; actively served by a strong, dedicated, professional Secretariat.

In an era of political and economic stress, the WTO must be made fit for purpose. It must be seen to deliver fairness to all who participate in or are affected by global commerce. A robust, sustained and inclusive economic recovery requires open and predictable international trade, supported by a well-functioning world trading system.

Spurred by the determination expressed by you as trade ministers, informed by the Riyadh Initiative, under a new leader, the WTO can fulfill its promise.

## WTO announces winner of 2020 Essay Award for Young Economists

The winner of the 2020 WTO Essay Award for Young Economists is Xiang Ding of Harvard University. His paper, "Industry Linkages from Joint Production", was ranked first by the Selection Panel. He receives a prize of CHF 5,000.



Xiang Ding's paper provides novel and quantitatively important evidence on cross-industry linkages, particularly joint production arising from industries sharing knowledge inputs such as research and development, information technology, and other professional services. The paper finds that in firms that make multiple products, a rise in demand in one industry to which the firm sells also increases the firm's sales to other industries. These positive cross-product linkages are found where industries share knowledge inputs but not where they share other kinds of inputs such as physical inputs and intermediate components. Knowledge inputs have a special role in joint production because they allow capital to be more flexibly deployed across the firm's various products to find its best match.

These findings have implications for the re-evaluation of trade restrictions as there is found to be a lesser tendency for protectionist policies to raise consumer prices if the measures are focused on knowledge-intensive industries. This is because, when industries share knowledge, producer prices (PPI) fall or increase less not only in industries that are directly protected, but also in industries that are jointly produced. According to the Academic Selection Panel, the paper is likely to have a substantial impact on trade policy going forward. The panel is also of the view the paper has clear trade policy relevance, and touches on a wide range of literature.

Xiang Ding is from Hong Kong, China. He received his Ph.D. from Harvard University in 2020. He is currently Assistant Professor at Georgetown University, Walsh School of Foreign Service.

## WTO issues new report regarding impact of COVID-19 crisis on agricultural trade

The WTO Secretariat has published a new information note examining the impact of the COVID-19 pandemic on world agricultural trade. The paper notes that agricultural trade has fared better than other sectors, and that initial measures focused on guaranteeing the immediate availability of food have been followed by a second phase of policies seeking to mend broken supply chains and help producers to cope with the "new normal" situation.

While overall merchandise trade fell sharply in the first half of 2020, agricultural and food exports increased by 2.5 per cent during the first quarter of the year compared to the same period in 2019, with further increased in March and April. However, the crisis has exerted further downward pressure on food prices, and therefore on producer revenues.

In addition, while world food stocks and production levels for the most widely consumed staples — rice, wheat and maize — are at or near all-time highs, the COVID-19 pandemic's impact on jobs and incomes has increased the number of hungry people worldwide.

The paper warns that countries are still fighting the pandemic, and its repercussions for food supply chains are still unfolding. While there is



currently no reason why the ongoing health crisis should turn into a food crisis, disruptions to food supply chains constitute a risk, with governments' trade policy choices likely to determine how the situation evolves.

## WTO issues new report on how COVID-19-related restrictions on cross-border mobility are affecting global trade

A new information note published by the WTO Secretariat highlights how trade in goods and services has been affected by temporary border closures and travel restrictions linked to the COVID-19 pandemic. It describes how the cross-border mobility of individuals plays an important role in both the cross-border provision and consumption of services and in manufacturing value chains.

The paper notes that sweeping travel barriers introduced in the early stages of the pandemic have given way to more fine-tuned policies aimed at allowing through "essential" foreign workers, or creating quarantine-free "travel bubbles" among partners. Nevertheless, mobility barriers have had a particularly heavy impact on tourism and education services, as well as on trade in goods, due to their effect on transport services and on information and transaction costs.

The paper notes that international cooperation has a potentially important role to play in minimizing the economic impact of mobility restrictions. For instance, exchanging information on lessons learnt about mobility restrictions and trade could help WTO members foster greater resilience in the face of future crises. Such an exercise could help with identifying options to implement travel measures that meet public health protection objectives while minimizing the negative effects on trade.



## WTO issues new report on how COVID-19 crisis may push up trade costs

The WTO Secretariat has published a new information note warning of possible increases to trade costs due to COVID-19 disruptions. The note examines the pandemic's impact on key components of trade costs, particularly those relating to travel and transport, trade policy, uncertainty, and identifies areas where higher costs may persist even after the pandemic is contained.

The note estimates that travel and transport costs account for as much as a third of trade costs depending on the sector. Pandemic-related travel restrictions are therefore likely to affect trade costs for as long as they remain in place. For example, global air cargo capacity shrank by 24.6 per cent in March 2020, as passenger flights account for around half of air cargo volumes. The resulting increase in air freight prices is likely to subside only with a rebound in passenger transport, according to the report. While sea and land transport have not faced comparable shocks, maritime transport has seen a decrease in numbers of sailings, while international land transport has been affected by border closures, sanitary measures and detours. Moreover, business travel, which is important for maintaining trading relationships and managing global value chains, in addition to being a significant economic activity in its own right, is being disrupted. The quality of information and communications technology (ICT) infrastructure and digital preparedness will be important in determining how well economies can cope.



Trade policy barriers and regulatory differences are estimated to account for at least 10 per cent of trade costs in all sectors. They include tariff and non-tariff measures, temporary trade barriers, regulatory differences and the costs of crossing borders, as well as other policies that impact trade, such as a lack of investment facilitation or of intellectual property protection. The report notes that while COVID-19 has motivated both trade-restricting and import-facilitating changes in tariffs and regulatory practices, these measures have so far affected only a small subset of products. A crisis-induced shift towards the digitalization of customs and regulatory procedures to reduce physical contact could potentially lower the associated trade costs in the long-term.

The report also points to uncertainty as a factor that magnifies the impact of existing trade-related costs, weighing on trade finance flows and dampening the appetite of businesses to invest in researching new markets, acquiring language skills and prospective partners, and conforming with foreign standards. It notes that in the first quarter of 2020, a widely used measure for the global level of uncertainty registered levels 60 per cent higher than those triggered by the Iraq War and the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003. In mid-March, a separate index of financial market volatility came close to highs

last seen in 2008 after the failure of Lehman Brothers.

Looking ahead, the report notes that many governments have implemented measures to mitigate pandemic-related disruptions to economic activity, for instance by exempting certain transport crew from travel restrictions, or by enhancing the quality of and the access to ICT. While many of the changes in trade costs can be expected to revert once the pandemic is brought under control, the report observes that some effects may persist. For example, aviation industry consolidation and shifts in passenger appetite for air travel could lead to higher air transport costs. In addition, government policy choices — which could either reduce or increase trade policy uncertainty — will be important in shaping uncertainty-related trade costs in the future.

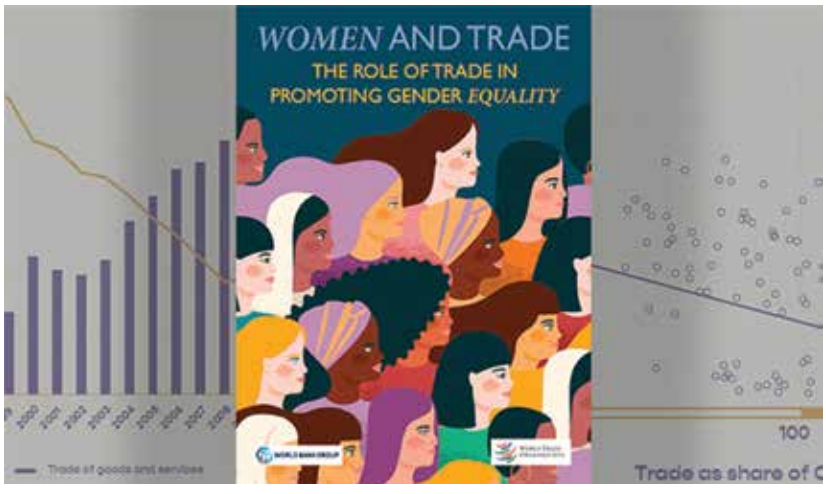
## WTO, World Bank launch joint publication on the role of trade in empowering women

The WTO and the World Bank launched the joint publication "Women and Trade: The role of trade in promoting gender equality" at a virtual event on 30 July. Gaining a better understanding of how women can benefit from trade is essential in ensuring that trade works for all and that its benefits are sustained in the aftermath of the COVID-19 crisis, said WTO Director-General Roberto Azevêdo and World Bank Managing Director Mari Pangestu.

"The report comes out at an opportune time. The COVID-19 pandemic has provoked the deepest economic recession of our lifetimes. Recent WTO analysis shows that women risk losing some really hard-won progress towards greater gender equality because of this crisis. Looking forward, I have no doubt we need to lay the foundations for a strong, sustainable, and inclusive economic recovery. To build back better, we need to ensure that women are able to benefit from trade," DG Azevêdo said at the launch.

"Although this research was done before the global pandemic, its conclusions are more relevant than ever. Gaining a better understanding of how women are affected by trade will be essential as countries develop and the global economy recovers from the pandemic. I hope the discussion today can help policy makers identify the potential opportunities that trade can provide for women and businesses and buttress support for a more inclusive rules-based trading system," Ms Pangetsu said.

The publication features new data and analysis on how women benefit from trade in different ways to men in terms of wages, welfare gains and the quality and quantity of jobs available to them. It draws from a new dataset which, for the first time, provides labour data broken down by gender at the industry level for 72 countries. It also draws from the first database on explicit gender-related provisions in regional trade agreements.




The report finds that firms engaged in international trade employ a higher percentage of women than non-exporting firms (33% on average compared to 24% per cent for non-exporting firms). It also features findings on how trade increases wages, improves working conditions and is linked to higher levels of gender equality.

The report identifies trends pointing to opportunities for the further empowerment of women, namely the rise in services, the expansion of global value chains and the growing digital economy. It highlights trade policies countries could introduce to harness these opportunities, such as lowering tariff and non-tariff barriers on goods produced and consumed largely by women, further opening trade in services, and helping women traders and small enterprises benefit from market opportunities through trade facilitation measures and greater availability of trade finance.

The WTO has a key role to play, the report stresses. Ongoing talks related to services, agriculture (which employs a large number of women in developing countries), electronic commerce and micro, small and medium sized enterprises are key to identifying and eliminating barriers to women's participation in trade. The WTO also provides a forum where members discuss tariff and non-tariff barriers across a range of sectors and members' trade policies. Improving transparency on gender-related policies can help establish good practices and draw attention to the challenges that women face in participating in world trade.

The report highlights the need for complementary policies aimed at increasing opportunities for women in education, increasing access to finance, and enhancing information technology skills to maximize the gains from trade for women. In addition, collective efforts are required from governments, international organizations and the private sector to promote the role of trade in improving gender equality.

## WHO, WIPO, WTO launch updated study on access to medical technologies and innovation

On 29 July, the Directors-General of the World Health Organization (WHO), the World Intellectual Property Organization (WIPO) and the WTO presented a new edition of the Trilateral Study on Access to Medical Technologies and Innovation. Building on the first edition launched in 2013, the publication seeks to strengthen the understanding of the interplay between the distinct policy domains of health, trade and intellectual property (IP), and how they affect innovation and access to medical technologies, such as medicines, vaccines and medical devices. The second edition provides an improved, evidence-based foundation for policy debate and informed decision-making at a critical time for global health.

In a video message released on the day of the launch, WTO Director General Roberto Azevêdo emphasized the need for policy coherence and collaboration. Recognizing the close link between the health, trade and IP dimensions, he noted that "coherent approaches to vital medical technologies that bring together the key determinants for innovation as well as access" were required and needed "to span the entire process, from research to development to manufacturing and delivery to those in need".

DG Azevêdo said: "Close collaboration between our three specialized agencies has yielded important practical benefits. Similar benefits could be replicated at the domestic level by mirroring this integrated approach." He expressed the hope "that the revised material will support policy debate and help build governments' capacity to deal with health challenges". DG Azevêdo recalled that "it is only through joint efforts at the global level that we can achieve our shared public health goals" and that "cooperation is also necessary to prepare for future health crises", a goal to which the study contributes.

WIPO Director General Francis Gurry said in a video message that the new edition of the trilateral study is an important example of the three international organizations bringing their separate expertise together to address core issues at the intersection of health, trade and innovation. He observed that the original study, published in 2013, was well received precisely because it provided a factual account of the landscape on access to medical technologies and innovation, and of the multiplicity of actors involved.

"Our first duty," DG Gurry said, "always is to survey what the situation actually is" before determining the best way to improve it. He noted that while the new edition coincides with the current global health crisis, it was completed prior to the advent of the COVID-19 pandemic. The study nonetheless includes a separate section on this hugely challenging and complex subject matter. DG Gurry underscored the importance of interdisciplinary approaches and of cooperation amongst international organizations as "the COVID-19 pandemic is showing the need for health, trade and innovation policy to come together to provide the answers that we need to confront this huge challenge for humanity".

Dr Tedros Adhanom Ghebreyesus, WHO Director-General, said in his video message: "Barriers to access must be removed, including unaffordable prices, intellectual property barriers, unjustified tariffs and challenges in ensuring effective and efficient regulatory review."

"We have seen over the past months how countries have mobilized unprecedented investments in collaborative, not-for-profit research and development. The COVID-19 pandemic is showing what we can do when we come together to face a shared global health threat. That's the kind of collaboration that can save lives and transform the health of billions of people globally," he added.

The study discusses key factors determining access to medical technologies and innovation, including regarding medicines, vaccines and other medical technologies, such as medical devices and diagnostics. The second edition draws practical lessons from experiences regarding the intersections between public health, IP and trade within the broader perspectives established by the human rights dimension of health and the Sustainable Development Goals (SDGs).




The study records numerous significant developments since 2013

when the first edition was launched. Among the new topics covered are antimicrobial resistance and cutting-edge health technologies. The revised edition provides updated data on health, innovation trends in the pharmaceutical sector, and trade and tariffs regarding medical products. It also includes an updated overview of access to medical technologies globally and key provisions in regional trade agreements. In addition, it takes account of developments in IP legislation and jurisprudence.

A COVID-19 section at the start of the publication provides a factual overview of the developments and measures taken to address this extraordinary public health crisis, which began after the work on the second edition of the study had been completed. The section guides the reader to parts of the study that are of direct relevance to the issues that have been raised during the pandemic.

## WTO members review five regional trade agreements

WTO members considered five regional trade agreements (RTAs) involving the Association of Southeast Asian Nations (ASEAN); Azerbaijan; Georgia; Honduras; Hong Kong, China; Japan; the Republic of Korea; Moldova; Peru and Ukraine at the meeting of the Committee on RTAs on 27 July. The new chair of the Committee, Ambassador Mārtiņš Kreitus of Latvia, presided at the meeting.

The Committee on RTAs considered the Free Trade Agreement between ASEAN and Japan, which entered into force for the parties between 2008 and 2010. The parties noted that by the time this agreement had entered into force for all parties, bilateral economic partnership agreements (EPAs) between Japan and seven ASEAN member states had already entered into force. The Agreement served as an important building block for the economic integration and integrity of the region. By April 2026, ASEAN states will have liberalized 76 to 100 per cent of tariff lines for imports from Japan. Japan will have liberalized almost 88 per cent of its tariff lines for imports from ASEAN.

Japan said the Agreement applies a rule that allows for the cumulation of rules of origin, meaning that products made up of components manufactured among the FTA parties can qualify for preferential tariffs. Two-way trade in value terms has expanded by 14.8 per cent in ten years since 2008 although it was difficult to evaluate separately the effects of this agreement from the relevant bilateral EPAs.

ASEAN is the second-largest trade partner of Japan while Japan is the fourth-largest trade partner of ASEAN. The parties have expanded the Agreement's initial provisions on trade in services and investment by concluding the First Protocol to Amend the Agreement. This agreement entered into force on 1 August 2020 and includes concrete provisions in these two areas.




Members also considered the goods aspects of the Free Trade Agreement between ASEAN and the Republic of Korea, which entered into force on 1 January 2010. The goods aspects of the Agreement will also be considered in a forthcoming meeting of the Committee on Trade and Development. The trade in services aspects of the Agreement had been considered by the Committee in 2018.

Korea will liberalize over 76 per cent of its tariff lines for imports from ASEAN while ASEAN members will liberalize between 85 and 100 per cent of their tariff lines for imports from Korea. Korea noted the increase in bilateral trade volumes, which it said will continue through the close cooperation among parties to the Agreement. Korea added that parties are currently negotiating market access for sensitive goods to enjoy additional benefits. Thailand, on behalf of ASEAN, said the Agreement builds on existing WTO commitments and provides for a progressive liberalization of trade through substantial coverage of various sectors. Thailand noted that Korea is currently the fifth-largest trading partner of ASEAN and its tenth largest source of foreign direct investment.

For the Free Trade Agreement between Hong Kong, China and Georgia, parties to the Agreement, which entered into force on 13 February 2019, highlighted the benefits it has brought to trade and investment in both parties. Georgia eliminated tariffs on 96.6 per cent of its tariff lines on imports from Hong Kong, China while Hong Kong, China bound its existing zero duty tariff regime.

Hong Kong, China said the Agreement provides legal certainty and enhances trade and investment flows. It further noted that the Agreement covers a comprehensive range of services sectors and includes provisions on investor protection, intellectual property rights, competition, environmental

sustainability, transparency and dispute settlement. Georgia said the Agreement is a positive tool to increase attractiveness to traders and investors. It added that the Agreement, the first instrument of Hong Kong, China with the region, serves as a platform for trade with markets in the European Union, the Commonwealth of Independent States and Turkey.

Peru, speaking on behalf of the parties to the goods and services aspects of the Free Trade Agreement between Peru and Honduras, said the Agreement underlines the importance of using trade as a motor for growth, particularly in the aftermath of the COVID-19 crisis. The Agreement entered into force on 1 January 2017.

Peru and Honduras will liberalize around 99 per cent of their tariff lines on imports from each other by 2031. Moreover, the liberalization of trade in services goes beyond the parties' respective commitments under the WTO's General Agreement on Trade in Services. Peru said the Agreement establishes a legal framework that is predictable for all trading activities and it will open up new opportunities for small enterprises. Bilateral trade amounted to only US$ 66 million in 2019 but this figure should grow in the post-pandemic phase, Peru added.

Members also considered the Free Trade Agreement between the GUAM participating states of Georgia, Ukraine, Azerbaijan and Moldova. The Agreement eliminated tariffs on all goods among the parties upon its entry into force on 10 December 2003. The Agreement also has a rendezvous clause to liberalize trade in services in the future.

Georgia said the Agreement will significantly support investment in the participating states. The parties are working on regulating rules of origin for the Agreement, Georgia added. Ukraine said the full implementation of the Agreement will help parties achieve a predictable trade environment and will stimulate development. Moldova said free trade agreements like this are an important supplement to the multilateral trading system. Azerbaijan, a WTO observer, said the Agreement builds on positive developments parties have already enjoyed with individual GUAM member states under existing free trade agreements.

The Chair of the Committee informed members that 53 RTAs have still not been notified to the WTO. In addition, there are 27 RTAs involving WTO members only and a further 25 involving non-members for which a factual presentation has to be prepared, counting goods and services separately. The Chair said he had held consultations with delegations for which the RTA factual consideration remains delayed due to the lack of comments or data from the members involved.

## WTO, ICC and B20 call for action to narrow the growing trade finance gap

The WTO, the International Chamber of Commerce (ICC) and B20 Saudi Arabia issued a joint statement on 9 July pointing to the diminishing availability of trade finance. Warning that gaps between trade finance supply and demand could seriously impede the ability of trade to support post COVID-19 economic recovery, they are urging private and public-sector actors to work together to address shortages.

The joint call for action, which highlights the importance of cross-border trade in driving economic recovery from the downturn caused by the COVID-19 pandemic, has its origins in a WTO Trade Dialogues meeting with the private sector in May, where concerns about trade finance featured prominently.

Trade finance is a critical element in re-igniting world-wide growth in imports and exports, the statement reiterates. Since the need for trade finance is estimated to be between USD 2 trillion and USD 5 trillion, meeting this demand and addressing the shortfall will be challenging. There is serious concern that the growing gap between demand and supply will particularly affect micro, small and medium-sized enterprises (MSMEs) and businesses in developing countries, with important implications for jobs and incomes.

The call to action welcomed a recent joint pledge by the heads of the WTO and six multilateral development banks to monitor and address trade finance gaps, particularly for developing countries and small businesses.

The WTO, the ICC and B20 Saudi Arabia also welcomed the measures taken to stabilize trade finance markets. They urged the private and public sectors to work together to bring about a rapid transition to paperless trading, including e-documents in the processing of trade finance transactions. In addition, the statement called for an exchange of views on how regulatory authorities can help ease constraints on the provision of trade finance. It also proposed increased risk sharing to support trade finance and the extension of development bank schemes to provide risk mitigation.

The joint statement emphasizes that timely interventions are vital to ensure MSMEs in particular have continued access to trade finance as a means of weathering the present crisis.



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