ICC Bangladesh

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BBIN: potential for transforming regional connectivity

About ICC Bangladesh

International Chamber of Commerce (ICC), *The world business organization*, with its headquarters in Paris, celebrated its Centenary world over in 2019. ICC, with physical presence in more than 100 countries, 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. AntónioGuterres 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 Kuala Lumpur (July 2019), World Conference on Banking Institutions (WCBI) organized by London Institute of Banking and Finance (LIBF) in London (September 2019), ICC 12th World Chambers Congress in Dubai (November 2021) and ICC Global Trade Facilitation Summit in Dubai (March 2022), Webinar on ICC Court Centenary (March 2023).

For professional development of bankers, ICC Bangladesh also organizes Certified Documentary Credit Specialist (CDCS) and Certificate for Specialists in Demand Guarantees (CSDG) Examinations in Dhaka, conducted worldwide every year by LIBF (London Institute of Banking and Finance) and endorsed by ICC Paris.

ICC Bangladesh participates at World Chambers Congress of ICC and World Chambers Federation (WCF), ICC World Council, WTO Ministerial Meetings, Meetings of ICC Permanent Heads, ICC Banking Commission and ICC Asia Pacific Regional Consultative Group Meetings. The National Committee also arranges visit by Bangladesh Business delegation to different countries for promotion of trade and investment.

International Chamber of Commerce

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ICC Bangladesh
The world business organization

The Executive Board

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Chairman & CEO, ETBL Holdings

Vice Presidents
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Managing Director, Ha-Meem Group
Naser Ezaz Bijoy
CEO, Standard Chartered Bank

Members
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Chairman, Purbani Group
Aftab ul Islam
Chairman, IOE (Bangladesh)
Anwar-Ul-Alam Chowdhury (Parvez)
Managing Director, Evince Group
Ashraf Ahmed
President, DCCI
Kamran Tanvirur Rahman
President, MCCI
Kutubuddin Ahmed
Chairman, Envoy Group
Mahbubul Alam
President, FBCCI
Md. Fazlul Hoque
Managing Director, Plummy Fashions
Mir Nasir Hossain
Managing Director
M/S. Mir Akhter Hossain
Mohammad Ali Khokon
President, BTMA
Mohammad Hatem
Executive President, BKMEA
Omar Hazzaz
President, CCCI
Sheikh Kabir Hossain
President, BIA
Simeen Rahman
CEO, Transcom Group
S.M. Mannan (Kochi)
President, BGMEA
Tapan Chowdhury
Managing Director, Square Group

Editor
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Editor's Note

BBIN Agreement: A catalyst for economic growth and development

The BBIN (Bangladesh, Bhutan, India and Nepal) initiative, officially launched in 2015, was created to tackle the logistical and economic challenges that have historically hindered South Asia's development. A key objective of the initiative is to strengthen economic collaboration. By streamlining the cross-border flow of goods and services, the initiative can greatly lower transportation expenses and reduce transit durations. This is especially important for landlocked nations such as Bhutan and Nepal, which depend heavily on neighboring countries for access to global markets. Improved connectivity can facilitate trade, investment, boost regional tourism, and create jobs, all of which will contribute to the economic growth of the region.

A 2021 World Bank Report highlights that regional trade could increase India's national income by up to 7.6% and Bangladesh's by more than 16%, leading to widespread prosperity for nearly a fifth of the world's population.

Bangladesh, India, and Nepal have ratified the 2015 Agreement, but Bhutan has not yet done so, mainly because of environmental concerns and infrastructure issues. However, Bhutan's recent participation in meetings as an observer suggests a possible interest in rejoining the initiative.

A key component of the BBIN initiative is the BBIN Motor Vehicles Agreement (MVA), signed in 2015, which is designed to facilitate smooth cross-border vehicle movement and eliminate significant trade obstacles, such as complex border checks and inconsistent customs procedures that have historically impeded trade efficiency. By streamlining these processes, the BBIN agreement can expand market access, diversify trade, lower costs, and enhance competitiveness.

The TIR Convention (1975), the only global transit system, simplifies and secures international goods transport by guaranteeing customs duties and taxes. With 76 Contracting Parties, including China, India, and Pakistan, it offers a reliable method for cross-border trade while protecting countries' revenues.

Bangladesh plays a key role in initiatives like the BBIN MVA, BCIM Corridor, and BIMSTEC, aimed at expanding market access and fostering economic growth. The TIR system will strengthen regional integration and boost Bangladesh's access to global markets.

The BBIN sub-region has yet to capitalize on its geographical proximity, making it one of the least integrated areas globally. Trade between Bangladesh and India, the region's largest economies, is minimal, with just 1% of Indian trade and 10% of Bangladeshi trade. In contrast, interregional trade in East Africa and sub-Saharan regions accounts for 50% and 22% of total trade, respectively, according to a development organization CUTS International.

The BBIN sub-region faces high trade costs due to poor infrastructure and logistics. A CUTS analysis of GDP and trade from 2010 to 2019 shows a positive link between the two. In 2010, interregional trade was $6 billion with a GDP of $1.7 trillion. By 2019, trade increased to $16 billion, and GDP nearly doubled to $3.2 trillion, making the BBIN one of the fastest-growing regions globally.

Due to its strategic location, Bangladesh could become a key transit route for trade between northeast India and the rest of India, as well as provide better port access for Bhutan and Nepal. If integration occurs, CUTS International estimates the region's combined GDP could surpass $8.3 trillion by 2035.

As of August 2020, the Asian Development Bank (ADB) has invested over $15 billion through the SASEC program in transport, energy, trade, economic corridors, and ICT to enhance connectivity.

Given the significant investments in infrastructure, it's crucial for all countries to take decisive action to implement the BBIN and MVA Agreements. Bangladesh, Bhutan, and Nepal should also join the TIR Convention to improve port access for landlocked Nepal and Bhutan and facilitate cross-border vehicle movement.

ICC Bangladesh News

29th ICC Bangladesh Annual Council held

Discussed about challenges for Bangladesh economy

The 29th Annual Council of ICC Bangladesh 2023 was held in Dhaka on 29 June. Mr. Mahbubur Rahman, President ICC Bangladesh presented the Executive Board Report for consideration and adoption by the Council. Mr. Rahman said that Bangladesh economy made a strong turnaround from the COVID-19 pandemic, but the post-pandemic recovery continues to be disrupted by high inflation, a persistent balance of payments deficit, financial sector vulnerabilities, and global economic uncertainty, according to the World Bank twice-yearly-update released on 2 April 2024. The World Bank has forecast Bangladesh's real GDP growth to remain relatively subdued at 5.6 percent in FY24, compared to the average annual growth rate of 6.6 percent over the decade preceding the Covid-19 pandemic.

Mr. Rahman mentioned that since the Russia-Ukraine war broke out in February 2022, Bangladesh has been experiencing economic crisis due to escalated prices of global commodities since the country's foreign currency reserves depleted fast amid higher import bills. The recent Middle East tension is also hurting the economy as the dollar crunch shows no signs of disappearing, forcing the Bangladesh Bank to maintain import restrictions, squeezing supply, he noted.

The Executive Board Report mentioned that global growth is expected to slow to 2.4 percent in 2024—the third consecutive year of deceleration—reflecting the lagged and ongoing effects of tight monetary policies to rein in decades-high inflation, restrictive credit conditions, and anemic global trade and investment. Near-term prospects are diverging, with subdued growth in major economies alongside improving conditions in emerging market and developing economies (EMDEs) with solid fundamentals.

The International Monetary Fund (IMF), in its latest World Economic Outlook (WEO) projected that the baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025.

According to WTO, world merchandise trade volume is expected to grow 2.6% in 2024 and 3.3% in 2025 as demand for traded goods rebounds following a contraction in 2023. Trade volume was down 1.2% last year after recording 3.0% expansion in 2022 despite the outbreak of war in Ukraine. The lingering effects of high energy prices and inflation weighed



ICC Bangladesh President Mahbubur Rahman (center) presided ICCB Annual Council (AGM) 2023 held in Dhaka on 29 June. Also seen in the picture, among others are : ICCB Vice President A. K. Azad, M.P; FBCCI President Mahbubul Alam, MCCI President Kamran T. Rahman; BIA President Sheikh Kabir Hossain; DCCI President Ashraf Ahmed; CCCI President Omar Hazzaz; BKMEA Executive President Mohammad Hatem; ICCB Executive Board Members : Abdul Hai Sarker; Md. Fazlul Hoque; Anwar-ul-Alam Chowdhury (Parvez); Aftab Ul Islam; ICCB Election Scrutiny Board Chair Osama Taseer, Banking Commission Chair Muhammad A. (Rumee) Ali; Secretary General Ataur Rahman and Special Guests UN Resident Coordinator Ms. Gwyn Lewis; ADB Country Director Edimon Ginting & UNICEF Representative Farook Doomun.

especially heavily on demand for trade-intensive manufactured goods, but this should recover gradually over the next two years as inflationary pressures ease and as real household incomes improve.

A recent study commissioned by the International Chamber of Commerce (ICC) HQ in Paris and conducted by Oxford Economics, suggested that the potential long-term structural impacts of WTO dissolution on developing economies unequivocally demonstrates the vital importance of the WTO in fostering global economic growth and development. The demise of the rules-based multilateral trading system would result in greater uncertainty and higher information costs for all developing countries – and a 33% decline in global trade in goods, comparing to a baseline where the "status quo" of the rules-based multilateral trading system remains intact.

Least developed economies would see export declines of 43% without the essential safety net provided by multilateral trade rules (also compared to this baseline). The impacts of WTO dissolution would gradually intensify over time, with the full impact peaking by 2030 and remaining permanent, the study observed.

Referring to expert opinion, the Executive Board Report said that the global economy in 2024 will be confronted with the following 5 major risks:

Rising geopolitical tensions : Geopolitical tensions have become the single most important risk confronting the global economy.

China's economic slowdown : At 4.5%, Chinese growth this year would be the slowest since 1990, outside of the COVID-19 era. That will likely hurt the large number of advanced and developing economies that depend on trade with China.

Surging financial stress : It's remarkable that the sharpest increase in global interest rates in 40 years so far hasn't caused the type of havoc we saw in the 1980s. Against the backdrop of weak growth, that will mean a continuing pressure-cooker environment for developing economies with weak credit ratings. At the end of 2023, the number of developing economies in debt distress was at the highest level since 2000.

Trade fragmentation : The number of policy measures restricting trade increased sharply last year. Trade restrictions and "friend-shoring" and "near-shoring" might seem like logical policy responses to national security concerns. However, such policies could postpone the rebound that is much needed in global trade.

Climate Change : Conflict in the Middle East has constricted one key chokepoint for global trade. Climate change has squeezed the other. Because of drought-depleted water levels in the Panama Canal, the number of ships transiting through the canal has declined significantly over the past year. That illustrates the degree to which climate change has become a near-term risk, not just a medium-term hazard.

Developing economies in Asia and the Pacific are forecast to expand by 4.9% on average this year as the region continues its resilient growth amid robust domestic demand, improving semiconductor exports, and recovering tourism. Growth will continue at the same rate next year, according to the Asian Development Outlook (ADO) April 2024, released on 11 April by the Asian Development Bank (ADB). Inflation is expected to moderate in 2024 and 2025, after being pushed up by higher food prices in many economies over the past 2 years.

Stronger growth in South and Southeast Asia—fueled by both domestic demand and exports—is offsetting a slowdown in the People's Republic of China (PRC) caused by weakness in the property market and subdued consumption. India is expected to remain a major growth engine in Asia and the Pacific, with a 7.0% expansion this year and 7.2% next year. The PRC's growth is forecast to slow to 4.8% this year and 4.5% next year, from 5.2% last year.

The Council also mentioned that Geopolitical tensions have become the single most important risk confronting the global economy. Wars are now raging in two regions critical to the world's food and energy supply—Eastern Europe and the Middle East. An escalation of the conflict in the Middle East could push energy markets into uncharted territory given that the region accounts for nearly 30% of global oil production. Recent attacks in the Red Sea have already disrupted shipping through the Suez Canal, which accounts for 30% of global container traffic.

ICC Bangladesh President said that policy makers should remain vigilant, however, as there are a number of risks. These include supply chain disruptions, uncertainty about US monetary policy, the effects of extreme weather, and further property market weakness in the PRC

ICCB Executive Board identified a number of key issues that should be addressed by Bangladesh for achieving middle-income status

by 2026 and minimize post-graduation. These are : Bangladesh needs significant structural reforms to address the complex set of challenges on its path to achieving Upper-Middle-Income-Country status by 2031; In anticipation of this transition, Bangladesh needs to adopt policies to boost trade competitiveness and broaden its participation in bilateral and multilateral free trade agreements; Creating an efficient resolution framework for NPLs is urgently needed to maintain financial stability and revive private sector credit; Bangladesh currently collects approximately half of its potential revenue, given its economic structure, level of development, and trade openness. The low revenue collection significantly limits the fiscal space necessary for critical public investments in sectors such as energy, transportation, municipal infrastructure, human capital development, and social sector spending to support vulnerable sections of the population; Urgent monetary reform and a single exchange rate regime will be critical to improve foreign exchange reserves and ease inflation; To attract foreign investments and ensure a sustained growth path, Bangladesh needs to focus on governance, legal predictability, and building a stable legal environment; As Bangladesh steps into 2024, it faces macroeconomic challenges, but the indicators suggest a positive outlook. The nation must continue diversifying its economy, invest in infrastructure, both physical and digital, and focus on human capital development; With the right strategies, Bangladesh can emerge as a shining star in Asia. The people's resilience, coupled with a government committed to overcoming obstacles, positions the country for positive outcomes; Another challenge will be navigating external economic policies in an increasingly complex global order, this will not be easy for a least developed country (LDC) like Bangladesh. So, to maintain balanced economic relations with countries like China and the US will be crucial.

The Council approved the Auditor's Report of 2023 and appointed Auditor for the year 2024. The Council also announced the New Executive Board of ICC Bangladesh for the period, April 2024 to March, 2026.

UN Resident Coordinator Gwyn Lewis, ADB Country Director Bangladesh Edimon Ginting, UNICEF Bangladesh Acting In-charge Farook Doomun, Senior Development Coordinator officer & Strategic Planner, United Nations Bangladesh Ms. Louise Barber and UN Global Compact Network Bangladesh Coordinator Stakeholder Engagements Juliana Awo Quist Lawson attended the Council Meeting as Special Guests. All of them thanked ICC Bangladesh President Mahbubur Rahman for inviting them and giving the opportunity to learn about the activities of the ICC National Committee as well as meeting the members.

The Council Meeting was attended among others, by ICCB Vice President A. K. Azad M.P.; FBCCI President Mahbubul Alam; DCCI President Ashraf Ahmed; MCCI President Kamran T. Rahman; CCCI President Omar Hazzaz; BIA President Sheikh Kabir Hossain; Shohagpur Textile Mills Limited Chairman & CEO Abdul Hai Sarker; Evince Group Managing Director Anwar-ul-Alam Chowdhury (Parvez); IOE (Bangladesh) Limited Chairman Aftab Ul Islam, FCA; Senior Partner, Islam Aftab Kamrul & CO AKM Kamrul Islam, FCA.; MB Knit Fashion Ltd Managing Director Mohammad Hatem; Mir Nasir Hossain Managing Director Mir Akhter Hossain Limited; Plummy Fashions Limited Managing Director Md. Fazlul Hoque; Muhammad A. (Rumee) Ali, Chairman, ICCB Banking Commission & Vice Chairman, BIAC; ICCB Secretary General Ataur Rahman & ICCB Members : Syed Mahbubur Rahman, Managing Director & CEO, Mutual Trust Bank PLC; Md. Monzur Mofiz, Managing Director, One Bank PLC; Mosleh Uddin Ahmed, Managing Director, Shahjalal Islami Bank PLC; Mohammad Shamsul Islam, Managing Director, National Housing Finance and Investments PLC; Mohammed Salim, Chief Executive Officer, Eastland Insurance Company Limited; Khawza Manzer Nadeem, Managing Director, United Insurance Company Limited; Mohammed Furrukh Rahman Head Of Chambers, Rahman's Chambers; K A M Majedur Rahman, Chief Executive Officer, A. K. Khan & Company Ltd.; Asif A. Chowdhury, Managing Director, Bay Consolidation (Pvt.) Limited; Mujibul Cezanne Hasan, Country Director, Swisscontact & S. M. Moinul Islam, Managing Director, Tyser Risk Management Bangladesh Limited (TRMBL).

ICC Bangladesh President and Executive Board members met Finance Minister discussed on key issues to ensure sustainable development

ICC Bangladesh President Mahbubur Rahman along with ICC Bangladesh Executive Board Members held a meeting with Finance Minister H.E. Mr. Abul Hassan Mahmood Ali, M.P. and State Minister for Finance H.E.

Ms. Waseqa Ayesha Khan, M.P. on 30 May at Bangladesh Secretariat. Mr. Mahbubur Rahman briefed the Finance Minister about ICC Bangladesh activities and discussed on various macro-economic issues which are key to ensure sustainable development.



ICC Bangladesh President Mahbubur Rahman (2nd from left-sitting) and ICCB Executive Board Members called on Finance Minister H.E. Mr. Abul Hasan Mahmood Ali, M.P.,(2nd from right-sitting) and State Minister for Finance H.E. Ms. Waseqa Ayesha Khan, M.P. (extreme right-sitting) at Bangladesh Secretariat on Thursday 30 May. Also seen in the picture are : ICC Bangladesh Vice President Naser Ezaz Bijoy and Executive Board Members : Abdul Hai Sarker, Aftab Ul Islam, FCA, Mir Nasir Hossain, Sheikh Kabir Hossain, Mohammad Hatem, Ashraf Ahmed, Omar Hazzaz, Former Deputy Governor Muhammad A. (Rumee) Ali and ICCB Secretary General Ataur Rahman.

ICC Bangladesh President suggested that Bangladesh need to take necessary policy steps to reduce inflation, which is much higher compared to other countries; increase revenue collection to meet both revenue and development expenditure; strict policy implementation by the commercial banks to reduce NPLs, in particular by the state-owned banks,, which account for over 45 percent of the total NPLs; appropriate measures should be taken by Bangladesh Bank to stop illicit out flow of nearly US$3.15 billion from Bangladesh annually through offshore accounts, according to World Bank latest report, while the country is faced with depleting foreign exchange reserve; and the necessity of having appropriate steps for a stable foreign exchange rate.

The Minister thanked ICC Bangladesh President Mahbubur Rahman and Members of the Executive Board for their valuable suggestions and said these will be considered in formulating future policies. ICC Bangladesh President Mahbubur Rahman thanked both the Minister and the State Minister for giving the opportunity to meet them and discuss on various issues. Mr. Rahman also mentioned that ICC Bangladesh Members will always be available for further dialogue whenever desired by the Minister.

The meeting was attended among others are ICC Bangladesh Vice President Naser Ezaz Bijoy and Executive Board Members : Abdul Hai Sarker, Aftab ul Islam, FCA, Mir Nasir Hossain, Sheikh Kabir Hossain, Mohammad Hatem, Ashraf Ahmed, Omar Hazzaz, ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali and ICCB Secretary General Ataur Rahman.

ICC Bangladesh President & Secretary General attended ICC World Council held in Paris

The ICC World Council 2024 was held in a hybrid format in Paris on 11 June. Delegates from a number of National Committees attended physically and virtually. National Committees and ICC leaders from close to 50 countries converged at ICC Global Headquarters in Paris for governance and strategy meetings. International Industry Leader Philippe Varin, who has served at ICC Executive Board since 2018, was elected as ICC Chair – taking the reins from Ms. Maria Fernanda Garza who became ICC Honorary Chair. Harsh Pati Singhania was elected as First-Vice Chair while Shinta Kamdani and Patrick Obath both became Vice Chairs. Five new members of the ICC Executive Board were also

elected. ICC Bangladesh President Mahbubur Rahman attended the Council virtually and ICC Bangladesh Secretary General Ataur Rahman attended the Council in person.



ICC World Council Meeting held in ICC HQ, Paris on 11 June.

The Council deliberated on various items of the Agenda including ICC Chair / ICC Secretary General report, Approval of the audited accounts for 2023, Contribution by members, National Committees and membership, Elections and appointments of ICC Chair, ICC Vice Chairs, Members of the ICC Executive Board, President of the International Court of Arbitration election, International Court of Arbitration members appointment, Ratification of election of the Chair of the World Chambers Federation, Constitutional changes and procedures, Report on activities of the International Court of Arbitration, Report on activities of the ICC World Chambers Federation, Report on activities of the ICC Institute of World Business Law. The Council decided that the 2025 Meeting of the ICC World Council will be held sometime in June.

The ICC Executive Board approved a strategic roadmap building on and evolving five-pillar strategy under the leadership of new ICC Chair Philippe Varin. Philippe also introduced the "ICC Way", a document setting out a common way of working towards our collective goals based on transparency, integrity, operational agility and responsiveness. The Board meeting also featured discussions on the evolution of ICC's operating model with the creation of new executive roles and a deep-dive discussion on small business productivity gaps – building on a groundbreaking study by McKinsey Global Institute.

ICC Bangladesh Secretary General attended ICC Heads of National Committees Meeting in Paris

The ICC Permanent Heads of National Committees Meeting was held in a hybrid format in Paris Tuesday, 11 June. National committee representatives from 46 countries converged in Paris for governance and network meetings, including the annual meeting of "Permanent Heads" for which another 17 national committees attended online. ICC Bangladesh Secretary General Ataur Rahman attended policy briefing sessions and Permanent Heads Meeting.

Welcoming the National Committee Delegates, ICC Secretary General John W.H. Denton AO briefed about various activities of ICC as well as about the ICC's role and priorities in a new era of trade fragmentation, transformation journey –progress and next steps, ICC's new operating model and growing footprint – expansion of the ICC global network.

Mr. Denton confirmed changes to ICC's operating model during the meeting of ICC Permanent Heads (those in charge of the day-to-day operation of national committees). Presenting the new structure, which aims to enhance the delivery capacity, John announced the appointment of three members of staff to newly



ICC Bangladesh Secretary General Ataur Rahman (2nd from right) received the ICC Jury Gold Medal for ICC Bangladesh project on Dissemination of ICC Rules for international trade among women entrepreneurs and MSMEs presented at a function held on 10 June in Paris. Other participants are also seen in the picture.

created executive roles. They are Claire Millar (Chief Operating Officer), Julian Kassum (Deputy Secretary General – Network) and Andrew Wilson (Deputy Secretary General – Policy). A new Executive Committee comprising Claire, Julian and Andrew, along with Alexander Fessas and Ana Serra e Moura (Secretary General and Deputy Secretary General of the ICC Court respectively), will work closely with ICC's existing management team, known as Unify+.

The Meeting Agenda included updating and promoting the ICC Global Value Proposition based on feedback received from the NC poll, focus on ICC's five priority areas and flagship projects, regional perspectives and local strategies to increase NC and corporate engagement, ICC Dispute Resolution Services (DRS) and briefing on ICC General Counsel and overview of World Council agenda, NC Governance: IP and Data Sharing agreements.

Aiming to strengthen engagement and collaboration, seven policy briefings took place on Monday, 10 June. A networking dinner cruise featured an Olympic Games-inspired medal ceremony recognising the work and projects of 17 NCs, as voted for by their NC peers. ICC Bangladesh received the ICC Jury Gold medal for its programme

Team ICC

Congratulations for your work in support of the ICC Global Network

The National Committee Gold Medal Podium for the most generous, connected, pioneering and liberated NC in the network.

Argentina, Austria, Brazil, Mexico, Spain, UK, UAE

The ICC Jury Gold medal winners

- ICC Bangladesh – Dissemination of ICC Rules for international trade among women entrepreneurs and MSMEs
- ICC Colombia - Fostering the Digital Economy & Ministerial Summit on taxation in Latin America and the Caribbean working together with other LAC NCs & setup of the private sector advisory council to the Ministerial Platform.
- ICC France – Work on MLETR - On June 5th France officially adopted a law to recognise the digitalisation of trade finance documents. This aligns France to the MLETR and enables a shift from paper to digital solutions in trade finance.
- ICC Ghana - Organising the ICC Africa Sustainable Supply Chain Summit and hosting the ICC Chair in Ghana and support for Tax Commission work
- ICC Nigeria - 7th ICC Africa Arbitration Conference and Centenary celebration of the Court with over 600 delegates as well as work on Tax.
- ICC Mexico - Media positioning with more that 6000 mentions in the most important and influential radio, newspapers, TV, specialized magazines, and electronic media.
- ICC Saudi Arabia - Successful application of ATA Carnet in 2024
- ICC Turkey - membership recruitment campaign implemented right after our President Rifat Hisarcıklıoğlu was elected as WCF Chair in October 2023. Recruited 169 more local Chambers as members of ICC Türkiye
- RCG B-MENA Fady Asly – for his role developing new NCs in Central Asia
- Francois-Georges – Special coordinator for Francophone Africa

for Dissemination of ICC Rules for international trade among women entrepreneurs and MSMEs. The Medal was presented to ICC Bangladesh Secretary General Ataur Rahman by Julian Kassum.

German Ambassador held meeting with ICCB President and Executive Board

German Ambassador to Bangladesh H.E. Mr. Achim Troster called on ICC Bangladesh President Mahbubur Rahman on 9 May. The Ambassador was briefed about the activities of the ICC HQs and ICC Bangladesh. ICCB President said that Bangladesh and Germany are enjoying an excellent trade and investment partnership. Germany is the largest trading partner of Bangladesh in Europe and the second largest globally. In 2022, Bangladesh exported $10.2B to Germany while imported $808M from Germany. The main products exported from Bangladesh to Germany were RMG products. The main products imported from Germany were Planes, Helicopters, and/or Spacecraft ($51.1M), Textile Processing Machines ($45.3M), and Gas Turbines ($30.4M).

Bangladesh is offering amazing investment opportunities facilitated through Special Economic Zones and Hi-Tech and Software Technology Parks across the country. ICC Bangladesh President hoped that investors from Germany will consider setting up export oriented industries in these special economic zones.

German Ambassador thanked ICC Bangladesh President for inviting him to visit ICC Bangladesh and discuss with the Members for furtherance of trade and investment opportunities between the two countries.

The Meeting was attended by DCCI President Ashraf Ahmed, CCCI President Omar Hazzaz, BTMA President Mohammad Ali Khokon, Executive Board Members Mir Nasir Hossain, Anwar-ul-Alam Chowdhury (Parvez) & Simeen Rahman, ICCB Banking Commission Chairman Muhammad A. (Rumee) Ali and ICCB Secretary General Ataur Rahman.



German Ambassador to Bangladesh H.E. Mr. Achim Troster attended a meeting with ICC Bangladesh President Mahbubur Rahman & Executive Board Members on 9 May. The Meeting was also attended by DCCI President Ashraf Ahmed, CCCI President Omar Hazzaz, BTMA President Mohammad Ali Khokon, ICCB Executive Board Members Mir Nasir Hossain, Anwar-ul-Alam Chowdhury (Parvez) & Simeen Rahman, ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali, Secretary General Ataur Rahman and General Manager Ajay B. Saha.

World Bank 2030 Water Resources Group Head discussed with ICC Bangladesh President on Water Sector policies

World Bank 2030 Water Resources Group Global Head Mr. Michael John Webster made a courtesy call on ICC Bangladesh President Mahbubur Rahman at ICC Bangladesh Secretariat on 16 May.

The National Steering Board (NSB) is chaired by the Cabinet Secretary and co-chaired by Mahbubur Rahman, water sector pollution as well as Water Management system and achieving goal through private sector identify prospective projects on water sector which could be presented at a roundtable to be attended by



World Bank 2030 Water Resources Group Global Head Michael John Webster held meeting with ICC Bangladesh President Mahbubur Rahman on 16 May. The meeting was also attended by ICCB Executive Board Member Md. Fazlul Hoque, ICCB Secretary General Ataur Rahman, Water Resource Group Senior Advisor M. Emdadul Haque, ICCB General Manager Ajay B. Saha and Deputy General Manager Syeda Shahnewaz Lotika.

President, International Chamber of Commerce-Bangladesh and the Executive Director, BRAC.

Mr. Michael Webster was briefed about the ICC HQs and ICC Bangladesh activities. Mr. Michael briefed about water sector friendly policies and investment gap in participation. It was mentioned that Bangladesh Water Multi-Stakeholder Platform (BWMSP) which has been formalized with the approval of the government of Bangladesh, includes high-level representatives from the government, private sector, NGOs, civil society and academia. During the meeting it was suggested to stakeholders. The meeting was also attended by ICCB Executive Board Member Fazlul Hoque, ICCB Secretary General Ataur Rahman, Water Resource Group Senior Advisor M. Emdadul Haque, ICCB General Manager Ajay Bihari Saha and ICCB Deputy General Manager Syeda Shahnewaz Lotika.

ICC Bangladesh contribution to UNICEF for Gaza Children

ICC Bangladesh President Mahbubur Rahman presented a cheque for Tk. 30.175 million in favour of UNICEF to Mr. Sheldon Yett, UNICEF Representative in Bangladesh at a simple cheque handover ceremony held at ICC Bangladesh on 15 April. The amount contributed by 28 Member organizations and others was transmitted to UNICEF Palestine for treatment and other assistance including food to the children of war-torn Gaza. UNICEF Bangladesh Representative expressed his heartfelt gratitude to ICC Bangladesh President and members for the kind contribution to UNICEF Gaza response.

Mr. Yett said that UNICEF look forward to working with ICC Bangladesh in advocating towards mobilization of resources and investing in children, as well as to promote responsible business practices that, support children's rights.

We deeply appreciate you and your outstanding team's contribution and cooperation to promote children's wellbeing in Bangladesh. We look forward to your continuous engagement and collaboration for women and children in Bangladesh and assure you of the best of our consideration.

Mr. Jean Gough (Special Representative UNICEF State of Palestine), in his letter to ICC Bangladesh President thanked for the important contribution by ICC Bangladesh to UNICEF to support the State of Palestine's Humanitarian Action for Children, particularly those affected by the ongoing escalation in the Gaza Strip. The funds will be used by UNICEF

to address children's most urgent needs. UNICEF will provide ICC Bangladesh with a Consolidated Emergency Report by 31 March 2025 on results achieved from all funding sources.



ICC Bangladesh President Mahbubur Rahman handed over a cheque for Tk. 30.175 million to Sheldon Yett, UNICEF Representative in Bangladesh on 15 April for treatment and other assistance including food to the children of war-torn Gaza. Also seen in the picture, among others are : ICCB Vice President A. K. Azad, M.P., Executive Board Members : Abdul Hai Sarker, Mir Nasir Hossain & Kutubuddin Ahmed and Secretary General Ataur Rahman.

ICC Bangladesh team at ICC UAE Global Trade Facilitation Summit 2024

ICC Bangladesh Secretary General Ataur Rahman led a 12-Member Delegation of Bangladeshi Bankers from 8 Banks at the Global Trade Facilitation Summit 2024 organized by ICC UAE at Dubai Chamber of Commerce and Industry in Dubai on 30 April -2 May. The 3rd Edition of the Global Trade Facilitation Summit, themed "Sustaining Trade & Development" provided a unique opportunity for banks, trade finance professionals, traders, importers, exporters, lawyers, and business professionals to gain insights and play their part in developing initiatives to sustain trade in challenging times. International experts deliberated on



ICC Bangladesh Secretary General Ataur Rahman led a 12- Member Delegation of Bangladeshi Bankers from 8 Banks at the Global Trade Facilitation Summit 2024 organized by ICC UAE at Dubai Chamber of Commerce and Industry held in Dubai on 1-2 May.

the three pillars of sustaining trade & development: Trade Facilitation, Trade Digitalisation and Trade Sustainability. The speakers, at the Summit included senior officials of Asian Development Bank (ADB), African Development Bank (AfDB), European Bank for Reconstruction & Development (EBRD), International Finance Corporation (IFC – Private Sector arm of World Bank), and International Islamic Trade Finance Corporation (ITFC) as well as internationally recognized trade finance experts. The Summit was attended by 500 plus delegates from around the globe.

ICC Workshop on Export Operations, Back-to- Back LC Mechanism held in Dhaka

ICC Bangladesh organized a day-long Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance in Dhaka on 1 June. ICC Bangladesh Secretary General Ataur Rahman in his opening remarks briefed the participants about various activities of the National Committee including upcoming events. Mr. Rahman said that the workshop has been designed to discuss on the back-to-back letters of credit operations, the challenges of export financing and how to minimize costs to be more competitive.

ICC Bangladesh Vice President & CEO of Standard Chartered Bank Naser Ezaz Bijoy attended the closing ceremony as Chief Guest and distributed certificates among the participants. Mr. Bijoy said that introduction of back to back L/C mechanism, which started early 1980s, made a substantial contribution in the development of RMG sector in Bangladesh. Today, Bangladesh is the second largest RMG exporter in the world. Letter of credit is an independent obligation from issuing banks regardless of whether bank has received the payment or not. Banks have to make payments as ICC Rules (UCP 600) does not support any delay in making payment, unless there is discrepant documents. Any delay of settling payments by any banks in Bangladesh will have a negative impact on the image of Bangladesh which may affect our exports.

Mr. Bijoy cautioned the participants about the risk of fraudulent documents that might be presented to the banks during the L/C. Bankers need to assess the documents and mitigate to reduce risk, it is important for back to back L/C Mechanism. He hoped that the participants will be benefitted from the deliberations made by the resource person during the workshop.

ICC Bangladesh Secretary General Ataur Rahman thanked Mr. Mahmudur Rahman, SEVP of Islami Bank for conducting the day-long workshop. He also thaked the banks for nominating their officials to attend the Workshop. A total of 60 participants from 20 Banks attended the workshop.



ICC Bangladesh organized a day-long Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance held in Dhaka on 1 June. ICCB Vice President & CEO of Standard Chartered Bank Naser Ezaz Bijoy (2nd from right) attended as Chief Guest and distributed certificate among the participants of the Workshop. The closing session was also attended by ICCB Secretary General Ataur Rahman (2nd from left), Workshop Resource Person & SEVP of Islami Bank Mahmudur Rahman (extreme left) and ICCB General Manager Ajay B. Saha (extreme right).

ICC Bangladesh 95th Executive Board Meeting held

The 95th Meeting of the Executive Board of ICC Bangladesh was held on Wednesday, 29 May at ICC Bangladesh Secretariat. The Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by Vice President A. K. Azad M.P. and the following Board Members: Abdul Hai Sarker, Aftab ul Islam, Anwar-Ul Alam Chowdhury (Parvez), Ashraf Ahmed, Kamran T. Rahman, Kutubuddin Ahmed, Mir Nasir Hossain and Secretary General Ataur Rahman. Immediate Past BGMEA President Faruque Hassan attended as Special Guest. The other members could not attend due to prior engagements.

The Meeting confirmed the Minutes of the 94th Meeting of the Executive Board, discussed about the ICC Bangladesh activities during February- May, decided to hold the 29th ICC Bangladesh Annual Council 2023 on 29 June, approved the Report of the Executive Board and the Audited Accounts for the year 2023 for consideration and adoption by the Annual Council 2023 and approved new Membership application by six companies under Corporate Category.



95th Meeting of the ICC Bangladesh Executive Board held on 29 May in progress.

New Members

	Islam Aftab Kamrul & Company, Chartered Accountants will be represented by its Senior Partner Mr. A. K. M. Kamrul Islam, FCA.
swisscontact	**Swisscontact** is affiliated with Switzerland-Bangladesh Chamber of Commerce and Industry and involved with International Development Cooperation worldwide. Swisscontact will be represented by its Country Director Mr. Mujibul Cezanne Hasan.
ALLIANCE LAWS	**Alliance Laws** will be represented by its Partner Mr. Moin Ghani, Barrister-at-Law, Advocate, Supreme Court of Bangladesh.
	Lawyers For Energy Environment and Development (LEED) Limited will be represented by its Managing Director and Chief Executive Mr. Abdullah Al Noman, Advocate, Supreme Court of Bangladesh.
AIA	**Akhtar Imam & Associates** will be represented by its Managing Partner Ms. Rashna Imam, Barrister-at-law, Advocate, Supreme Court of Bangladesh.
	Margub Kabir & Associates will be represented by Mr. Margub Kabir, Barrister-at-law, Advocate, Supreme Court of Bangladesh

ICC HQs News

ICC Dispute Resolution Statistics: 2023

The 2023 ICC Dispute Resolution Statistics report offers an in-depth breakdown of the numbers behind the continued growth of ICC Arbitration and ICC Mediation worldwide. The annual ICC Dispute Resolution Statistics offer a comprehensive overview of cases managed by the ICC International Court of Arbitration and the ICC International Centre for ADR.



In 2023, the ICC Court registered a total of 890 new cases, marking the third-best year in its history. Of the 890 registered cases, 870 were held under the trusted ICC Rules of Arbitration and 20 under the ICC Appointing Authority Rules. The 2023 figures also revealed a record number of 189 new cases administered under the Expedited Procedure Provisions. Other significant statistics include the geographical diversity of parties and places of arbitration and the rising amount of female arbitrators.

The ICC Centre registered 75 new cases under the ICC Rules of Mediation, Expert Rules, and DOCDEX Rules. The cases comprised 37 mediations, 30 expertise proceedings, five requests for DOCDEX decisions and three Dispute Board proceedings.

ICC Secretary General joins heads of state and UN leaders for UNCTAD 60th

ICC Secretary General John W.H. Denton AO has joined UN Secretary-General António Guterres, and heads of state and ministers from over 30 countries, in Geneva to mark the 60th anniversary of United Nations Trade and Development.

ICC is a longstanding partner of UNCTAD, with collaboration spanning from efforts to facilitate investment in emerging economies to, more recently, joint actions to mitigate the spillover effects of the conflict in Ukraine.

ICC is committed to leveraging its unique global network –- and role as the only business representative with UN Observer status – to harness the expertise of the private sector to advance sustainable development and extend prosperity and opportunity to all.

"As we celebrate UNCTAD's 60th anniversary and look ahead to the next 60 years, it's crucial that we work to better harness the skills, expertise and networks of the private sector in a development context. This will be vital if we are to ensure a more effective response to global challenges – and, moreover, to put the implementation of the Sustainable Development Goals back on track" said Mr. Denton.

"For the next 60 years of UNCTAD's work, I hope to see an even stronger pattern of collaboration between the public and private sectors, fostering a world where prosperity and opportunity are accessible to all" he added.



Five new members elected to ICC Executive Board

ICC has announced the election of five new members to its Executive Board bringing a diverse range of experience to ICC's work programme under the leadership of newly elected Chair Philippe Varin.

Mandated to serve a three-year term, effective 11 June 2024, the new members of the 27-member Board are: Jitka Haubova, Member of the board and Chief Operations Officer at Komercni banka (Czech Republic); Marcelo Elizondo, President, ICC Argentina (Argentina); Moulay Hafid Elalamy, Founder and Owner of the Saham Group (Morocco); Mark Nowitz, Leading Business figure and Director, Johannesburg Chamber of Commerce and Industry (South Africa) & Zhang Xiaolun, Chair, China National Machinery Industry Corporation (SINOMACH) (China). Marienne Coutinho, Partner KPMG (Brazil) has also been confirmed to serve a second term as a member of the ICC Executive Board.

Formal election of the leaders during the annual meeting of the ICC World Council on 11 June 2024 reflects ICC's continuing commitment to diversity, both geographical and regional, as the world's most inclusive business organisation.

The Executive Board is responsible for developing and implementing ICC's strategy, policy and programme of action as well as for overseeing ICC's financial affairs.



The ICC World Council also ratified the election of Rifat Hisarcıklıoğlu Chair of ICC Türkiye and President of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), as Chair of the ICC World Chambers Federation (WCF).

Outgoing Board members are Nayla Comair Obeid, who completed her mandate as ICC Vice Chair, Zabihullah Ziarmal (Afghanistan), Xu Niansha (China), Ralph Mupita (South Africa), Giampiero Massolo (Italy).

Philippe Varin elected as Chair of world business organisation

International industry leader Philippe Varin has been elected Chair of the International Chamber of Commerce (ICC) – the voice of world business, representing over 45 million businesses.

Mr Varin succeeds Maria Fernanda Garza – who becomes ICC's Honorary Chair – following a unanimous vote of the organisation's over 90 national committees at its Global Headquarters in Paris.

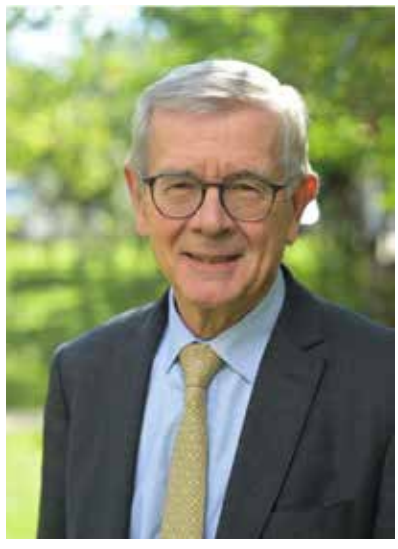
"I am deeply conscious that the founding mission of the International Chamber of Commerce – to promote peace and prosperity through global trade – is of immense strategic importance and a challenge in a world that is increasingly characterised by conflicts and intense geoeconomic competition," said Mr. Varin.

"The international business community needs to be more vocal in calling out the risks of economic and political fragmentation – as well as the damaging effects of unilateral and protectionist policies. I am committed to ensuring that business leads from the front in driving policy reforms to address major global challenges – in particular by mobilising innovative coalitions to accelerate sustainable development" Varin added.

Mr Varin has set out a five pillar strategy for his two-year tenure as ICC Chair, encompassing: international trade, the rule of law, climate action, trade digitalisation and multilateral cooperation.

Commenting on Mr Varin's election, ICC Secretary General John W.H. Denton AO said: Philippe's assured leadership, focus on performance and delivery, and deep understanding of the opportunities and challenges facing international business will be hugely valuable as we continue our transformation to a stronger and more dynamic institution.

ICC has also announced the election of three prominent business leaders to its chairmanship: Harsh Pati Singhania (First-Vice Chair), Shinta Kamdani (Vice Chair) and Patrick Obath (Vice Chair).



ICC's debut at B7 Summit to drive a new course for global cooperation

B7 ITALY 2024 Leading the transitions together

The International Chamber of Commerce, the institutional representative of over 45 million companies in more than 170 countries, participated for the first time in the Business Federations of the Group of Seven (B7) Summit took place in Rome on 17 May. The B7 is the official platform for the international business community to support the work of the G7, the most significant inter-governmental forum for the world's major advanced economies.

ICC Secretary General John W.H. Denton AO took part in a panel session "Beyond Borders: Charting a New Course for Global Cooperation" to discuss the private sector's role in conflict-affected areas and the role of ICC as a bridge between advanced economies and the Global South in today's global challenges.

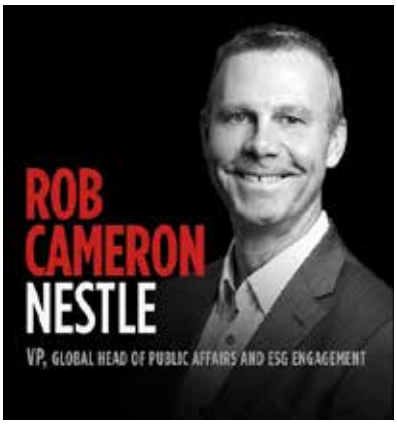
"As business, we have an imperative to think more broadly about the platforms we engage in – and, specifically, to place greater emphasis on establishing a constructive dialogue with key emerging market forums so that they continue to engage on global policy issues."

Mr Denton also spoke about ways to chart a new course for global cooperation providing his views on how to mobilise the international business community in support of reconstruction efforts and local private sector development in zones of conflict. He also spotlighted the unique role of ICC with a presence spanning over 170 countries with 70% of members in the Global South.

As part of ICC's role in global discussions and decision making, Mr Denton also participated in a series of bilateral meetings with key business, chamber and government representatives in Rome. ICC is also a B20 Network Partner for the B20 Brazil 2024, the business platform to support the work of the G20 with a longstanding pivotal role in driving business priorities.

New chair of Global ICC Environment and Energy Commission announced

ICC has announced the appointment of Rob Cameron, Global Head of ESG Engagement, Nestlé as the new Chair of the ICC Global Commission on Environment and Energy – a global forum of more than 500 members to shape policy discussions on the international sustainability agenda, including climate change and green economy.



With over 25 years' experience in the fields of sustainability and corporate responsibility, Mr Cameron joined Nestlé in January 2020 as Global Head of Public Affairs and was closely involved in the development of Nestlé's Net Zero Climate Roadmap, its commitments on regenerative agriculture, and the development of the company's Human Rights Roadmap and action plans. He is also the Secretary to the Sustainability Committee of Nestlé's Board of Directors.

This is a key appointment for the ICC Commission on Environment and Energy as it continues to evolve its strong and unique offering to the international business community. With a mandate beginning 1 June 2024, Mr Cameron will be responsible for ensuring ICC's leading role in leading international debate on the development of coherent policy frameworks, solutions and tools that enable and scale enhanced ambition – in line with the objectives of the Paris Agreement, the UN Convention on Biological Diversity and the UN Sustainable Development Goals.

Mr Cameron has the experience, energy and vision that will be instrumental in leveraging ICC's role in this strategic priority area. We are honoured that he has agreed to take on this important role and look forward to his leadership and support in accelerating sustainability and climate action.

Mr Cameron takes over from Justin Perrettson, Head of Partnerships and External Engagement at Novonesis, who has led the work of the Commission on Environment and Energy for the past six years. ICC expressed gratitude for Mr Perrettson's time, commitment and stewardship during his time as Chair and looks forward to his continued engagement in ICC's policy work.

New Dispute Resolution Governing Body Chair announced

ICC has announced a new chair and two new additions to its Governing Body for Dispute Resolution Services.

Mohamed Salah Abdel Wahab (Egypt), Founding Partner and Head of International Arbitration at Zulficar & Partners Law Firm has become Chair of ICC's Governing Body for Dispute Resolution Services, he was elected Vice-Chair in 2022. Mr Abdel Wahab replaces Michael McIlwrath (United States), Founder and CEO at MDisputes and former Vice-President of Litigation at Baker Hughes, who has stepped down upon conclusion of two successful terms.

Two new members to the 16-member Governing Body were also announced during a virtual meeting

of the Governing Body on 12 March. Anne Marie Whitesell (United States) and Tom Clark (Philippines) began their respective terms in March 2024, replacing outgoing members Pierrick Le Goff (France) and Maria Varsellona (Italy).

Anne Marie Whitesell is Professor at the LL.M. Programme and Faculty Director for the Programme on International Arbitration and Dispute Resolution, Georgetown University, Washington D.C. She has acted as arbitrator and counsel in numerous international arbitration cases. From 2001 to 2007, she served as Secretary General of the ICC International Court of Arbitration. Ms Whitesell received her A.B. from Smith College, her J.D. from the University of Virginia School of Law and her Doctorate in Law from the Université de Paris I, Panthéon-Sorbonne. She is admitted to the New York State Bar, the District of Columbia Bar and the US District Courts for the Southern and Eastern Districts of New York.



Tom Clark holds a Doctor of Laws degree from Columbia University and a Bachelor of Arts degree in Government from Harvard University. He has over 30 years of experience in legal and government affairs practice, spanning the financial services, energy, and infrastructure sectors worldwide. Mr Clark worked for 22 years at the General Electric Company (GE), serving as General Counsel for GE's largest Asian financial services arm and as Executive Counsel for Government Affairs and Policy. Currently, Mr Clark works as General Counsel at the Asian Development Bank, where he is responsible for driving legal strategy and engagement on regulatory and policy reforms.

The ICC Governing Body for Dispute Resolution Services is a committee of the ICC Executive Board. Its mandate is to propose measures to ensure that ICC's Dispute Resolution Services department achieves its principal activity and organisational objectives, including maintenance of a high-quality service to users, identification of areas for growth and preserving ICC's reputation as the pre-eminent global institution for preventing and resolving disputes.

ICC Digital Standards Initiative launches complete framework for supply chain digitalization

The Digital Standards Initiative (DSI) of the International Chamber of Commerce (ICC) has launched a complete framework for end-to-end supply chain digitalisation, based on its 18-month analysis covering all 36 key trade documents.

The report, together with its interactive Key Trade Data Glossary, marks a breakthrough in digital trade bringing together all key trade documents in a single integrated version, with data alignment that presents a clear path to interoperability and secure data sharing.

The Key Trade Documents and Data Elements (KTDDE) project, chaired by Robert Beideman, Chief Product Officer at GS1, provides a detailed analysis of 36 key trade documents set forth in the World Trade Organization (WTO)-United Nations Commission on International Trade Law (UNCITRAL)- United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Cross-border Paperless Trade Toolkit and offers an invaluable guide to digitalising any process, whether business-to-business (B2B) or business-to-government (B2G) across any global supply chain and covering all sectors.

This report exemplifies the strength of collective expertise and vision. This signals an end to the era of fragmentation in global trade with a unified framework that brings together business and industry, standards organisations, intergovernmental bodies, and regulators.

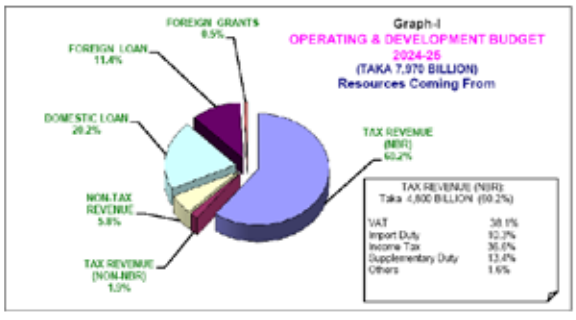
The report offers a practical roadmap for entities at different stages of digital adoption. The future is promising: 21 of 36 documents already have standardised electronic versions, and some show great progress towards their adoption. Meanwhile, our analysis of the 15 other documents points out the opportunity for further alignment in the interests of all stakeholders in the trade ecosystem.

The KTDDE project is a major stride in moving towards interoperability in cross-border trade as it incorporates the work of the key standards bodies. It lays the foundations for digital trust at scale through secure, verified data sharing among supply chain actors. The WCO is proud to have contributed to the Key Trade Documents and Data Elements (KTDDE) work. It sheds light on the opportunity to achieve greater harmonisation in global trade.

Bangladesh Economy

Tk. 7.07 trillion budget for FY 25

Parliament passed Tk. 7.07 trillion budget for FY25, which is only 4.6 percent bigger than that of the current fiscal year. The budget deficit for FY25 has been projected at 4.6% of the GDP, as opposed to 4.7% in the revised budget of FY24. ADP allocation has come down to 33.2% of total public expenditure, lower than the 34.3% in the revised FY24 budget.

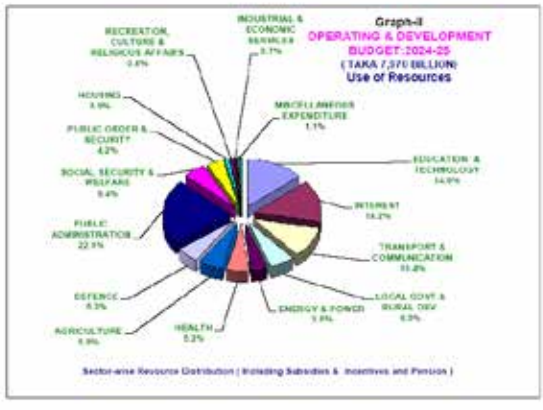


For FY25, the GDP growth target has been set at 6.8%, signaling a recovery from the provisional estimate of 5.8% for the Revised Budget FY24. The public investment-GDP ratio is projected to decline to 6.1% from 7.5% in FY24, representing a nominal decrease of BDT 367.6 Billion. Conversely, the private investment-GDP ratio is expected to improve significantly, reaching 27.3% in FY25 compared to 23.5% in FY24.

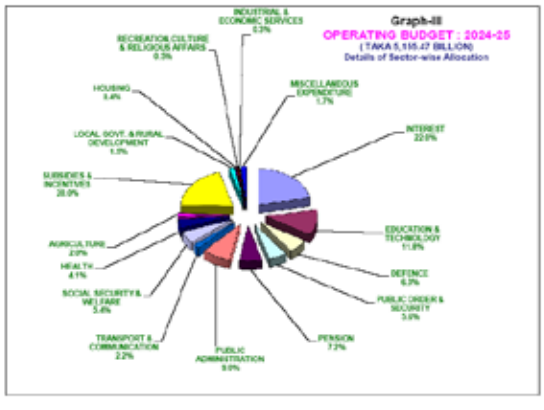
A total of Tk. 7.07 trillion is expected to cover the expenditure including Tk. 5.09 trillion of Operating Expenditure and Tk. 2.81 trillion in development expenditure. A total revenue of Tk. 5.45 trillion including foreign grants of Tk. 4.4 billion resulting in a fiscal deficit of BDT 2.52 trillion.

To mitigate the fiscal deficit, the government's borrowing strategy involves a mix of foreign and domestic borrowing.

The budget emphasizing sectors like education, health, and public services while managing fiscal constraints. The public services sector and interest payments occupy the top two spots in terms of budget allocation. Conversely, the Local Government and Rural Development (LGRD) and agriculture sectors experienced notable declines in their budgets.



In the Budget FY25, the Agriculture sector has been allocated Tk. 473.32 billion, marking a 15.5% decrease from the Revised Budget FY24. The Ministry of Agriculture's funding increases to Tk. 272.14 billion Tk. 251.18 billion. The subsidy for the agriculture sector decreased to Tk. 172.61 billion from Tk. 175.33 billion.



In the FY25 budget, the Power and Energy sector has been allocated Tk. 303.17 billion, a 7% increase from the Revised FY24 budget. However, this allocation accounts for 3.8% of the total FY25 budget, a decrease from the 4.6% in the Revised FY24 budget.

Under the Eighth Five-Year Plan, the goal was set to increase the education budget from 2% of GDP in FY19 to 3.5% by FY25. Despite this target, the allocation for education in FY25 stands at only 1.69% of GDP. The FY25 budget imposes a 15% corporate tax on private academic institutions, effectively increasing the financial burden on students and potentially hindering access to higher education.

The total budget allocation for health has increased by 9%, from Tk. 380.50 billion in FY24 to Tk. 414.08 billion in FY25.

The budget has introduced a "no questions asked" provision allowing individuals to invest undisclosed money into the economy by paying a 15% tax on the amount. This initiative aims to bring money back into circulation. Since independence, governments have used similar measures, legalizing about Tk. 470.00 billion.

However, the effectiveness of this measure is questionable, especially since the highest tax rate for legal income is 30%. This creates an incentive for individuals to keep their earnings undisclosed, avoid the 30% tax, and later bring the money back into circulation at a reduced rate of 15%. The practical impact of this provision remains uncertain.

The overall government's social safety net (SSN) SSN budget increased slightly as a percentage of the total budget, from 17% in the revised FY 2023-24 budget to 17.1% in the proposed FY 2024-25 budget. Similarly, the SSN budget as a percentage of GDP rose from 2.40% to 2.43%. However, pensions for retired government employees and their families, interest from savings certificates, and agricultural subsidies account for 46% of the total SSN allocation. Excluding these items, the portion of allocation drops significantly to 1.32% of GDP.

The corporate tax rate has been revised and increased by 2.5%, albeit subject to conditions. A push towards digital payments has been institutionalized. Corporations that exclusively use bank transfer to transact any income, receipts, expenses, and investments exceeding BDT 500,000 per transaction and BDT 3.6 million annually will be able to enjoy the 25% tax rate, while 27.5% will be applicable for the rest.

As part of new fiscal measures, investors and developers in private economic zones (EZs) and hi-tech parks will face significant changes from the next fiscal year. The government is phasing out the 10-year tax waiver on their incomes, which has been a major incentive for investment. Additionally, the previous zero-duty benefit on the import of capital machinery, components, and construction materials has been revoked. Starting in FY25, firms operating within these industrial enclaves will be subject to a 1% customs duty.

WB project steady GDP growth



Bangladesh's economic growth is projected to be steady and increase slightly in the next two fiscal years, the World Bank has forecast in its latest Global Economic Prospects report. The global lender has kept its forecast of growth in the outgoing fiscal year unchanged at 5.6 percent in the report published on 11 June. But in FY25, the GDP growth of the country will increase slightly to 5.7 percent, and it will be 5.9 percent in FY2025-26, the report said.

In addition to an increase in private consumption because of easing inflation, the implementation of large investment projects will support a pickup in overall investment. It said shortages of inputs and imported goods are expected to ease gradually. A more flexible exchange rate policy is envisaged to help increase remittance inflows and reduce balance of payments pressures. But in FY24 ending on Jun 30, government consumption and investment have supported activity, while elevated inflation has dampened real wage growth and the purchasing power of households, and weighed on private consumption, the World Bank said.

Additionally, higher borrowing costs have weighed on demand while high levels of non-performing loans in the banking sector dampened investor confidence, it added.

World Bank approved US$ 700 million for Rohingya refugees, host communities

The World Bank's Board of Executive Directors on 28 May approved two projects totaling $700 million to provide basic services and build disaster and social resilience for both the host communities and displaced Rohingya population in Bangladesh. Nearly one million Rohingya have fled violence in Myanmar to Bangladesh since 2017, making it one of the largest forced displacement crises in the world.

The $350 million Inclusive Services and Opportunities for Host Community and Displaced Rohingya Population Project and the $350 million Host and Rohingya Enhancement of Lives Project will together provide support to the Bangladeshi host communities and the Rohingya people as this crisis enters its seventh year. The interventions supporting the Rohingya population will be financed by the World Bank as grants under the IDA20 Window for Host Communities and Refugees.

The Inclusive Services and Opportunities for Host Communities and Displaced Rohingya Population (ISO) Project will build on active investments in livelihoods and essential health, nutrition, family planning, gender-based violence response and prevention services

for at least 980,000 people in the Rohingya and host communities. The project will prioritize investment in human capital development, with the aim to support the education of 300,000 Rohingya children under the age of 12.

The Host and Rohingya Enhancement of Lives Project (HELP) will improve access to basic services and enhance the resilience of at least 645,000 people in the Rohingya and host communities. Project activities will encompass urgently needed investments in water, sanitation, and hygiene; climate resilient roads; renewable energy; and multi-purpose disaster shelters – underlying foundations critical to supporting productive livelihoods. The project will also focus on providing skills building for operations and maintenance at both the government and community levels, aiming for a dual benefit of infrastructure sustainability and longer-term skills development. Around 70 percent of the displaced Rohingya people in Bangladesh are women and children, and half are less than 15 years of age. The two projects recognize the differentiated impact of the crisis on women, children, and other vulnerable groups.

The World Bank has helped the Rohingya people and host communities on disaster preparedness, basic infrastructure, social protection, collaborative forest management, and income generation opportunities for the host communities.

Revenue collection policy and compliance issues to be addressed : WB

Bangladesh heavily relies on indirect taxes for tax revenue, with Value Added Tax (VAT) as a significant contributor. However, a VAT gap analysis conducted for FY19 by the World Bank reveals substantial potential for revenue collection if policy and compliance issues are addressed.

The analysis defines the VAT gap as the difference between potential and actual VAT revenue. In FY19, this gap was estimated at over Tk2 lakh crore, more than double the actual VAT revenue. Policy choices are primarily responsible for this gap, accounting for a policy gap of Tk1.30 lakh crore. These findings were disclosed in the World Bank's "Bangladesh Development Update" report released on 2 April.

The report, with a particular focus on strengthening domestic resource mobilisation, underscores the need to address policy and compliance shortcomings. A sectoral breakdown highlights manufacturing and agriculture as major contributors to the policy gap. While exemptions and reduced rates aim to safeguard the interests of the poor, their effectiveness in Bangladesh remains uncertain.

Comparative analysis with other countries suggests that Bangladesh's compliance gap is relatively significant. Only about one-third of tax identification holders pay income taxes, resulting in considerably lower revenue from direct taxes compared to similar nations.

The WB also said Bangladesh's performance in generating income tax revenue relative to GDP, especially in corporate income taxes, falls short. The report states that addressing these challenges is imperative to bolster revenue collection and achieve fiscal stability.

High prices to push 0.5 million people into extreme poverty : WB

Heightened consumer inflation since July last year in Bangladesh is likely to push about 0.5 million more people into the ranks of extreme poverty by July this year, the World Bank has said in a report.The World Bank forecast of 5.1% extreme poverty in the fiscal year ending 30 June, up from 4.9% a year ago, largely aligns with BBS forecast of 5.6% poverty, as consumer inflation hovers around 10% fuelled by food prices and power costs.

WB expects the economy to grow at a much slower pace in three fiscal years, including the current one ending 30 June, than the rate witnessed in the decade before Covid struck the country in 2020.In the next three fiscal years, the GDP expansion rate would be below 6%, but it averaged 6.6% during 2010-2020.

"Elevated inflation will put pressure on consumption, while forex rationing will constrain private investment," the report states.It also adds that moderate poverty rate is expected to rise by one basis point to 29.4% by July from 29.3% a year ago.

Forex rationing restricted imports, leading to electricity blackouts. Rising financial sector vulnerabilities have dampened growth prospects."On the supply side, industrial growth moderated as energy shortages and

import restrictions offset steady external demand for RMG. The services sector slowed as domestic purchasing power declined, while agricultural growth remained modest.""This has impacted labour income, especially for vulnerable populations working in services and agriculture.

Financial Sector and Fiscal Policy Reforms must for Sustain Growth : WB

Bangladesh's economy made a strong turnaround from the COVID-19 pandemic, but the post-pandemic recovery continues to be disrupted by high inflation, a persistent balance of payments deficit, financial sector vulnerabilities, and global economic uncertainty, says the World Bank in its twice-yearly-update.

Released on 2 April, the latest Bangladesh Development Update said that urgent monetary reform and a single exchange rate regime will be critical to improve foreign exchange reserves and ease inflation. Greater exchange rate flexibility would help restore balance between demand and supply in the foreign exchange market. Structural reforms will be key to diversify the economy and build resilience over the medium and long term, including measures to raise government revenues to support investments in infrastructure and human capital.

Persistent inflation eroded consumer purchasing power, while investment was dampened by tight liquidity conditions, rising interest rates, import restrictions, and increased input costs stemming from upward revisions in administered energy prices.

Private sector credit growth slowed further in FY24, reflecting a broader slowdown in investment. The non-performing loan (NPL) ratio in the banking sector remains high and understates banking sector stress due to lax definitions and reporting standards, forbearance measures, and weak regulatory enforcement. The Balance of Payments deficit moderated over the first half of FY24 driven by a surplus in the current account.

"Bangladesh's strong macro-economic fundamentals have helped the country overcome many past challenges," said Abdoulaye Seck, World Bank Country Director for Bangladesh and Bhutan. "Faster and bolder fiscal, financial sector, and monetary reforms can help Bangladesh to maintain macroeconomic stability and reaccelerate growth."

IFC's US$ 30m term loans for two agro based industries

The International Finance Corporation (IFC) has earmarked a $30 million investment for Pran Dairy Limited (PDL) and HabiganjAgro Limited (HAL), subsidiaries of PRAN Group.

The investment aims to support severely impacted businesses, especially those relying on imports for raw materials amid a shortage of US dollars in Bangladesh. Besides, it seeks to help to improve the resilience of the food processing market while creating jobs, fostering gender diversity, and strengthening the economy.

The financial assistance is $15 million each for Pran Dairy and HabiganjAgro. The six-year loan with a two-year grace period will be used to pay for the import of raw materials. This is the first of IFC's USD term loans for working capital purposes in Bangladesh, which will enable Pran Dairy and HabiganjAgro to sustain operations, boost exports, and preserve over 30,000 jobs. Additionally, the IFC will collaborate with the PRAN Group to enhance the participation of women and foster inclusion in their workplace through appropriate policies and practices. The food and beverage sector is a key pillar of Bangladesh's economy. The food processing industry accounts for approximately 13% of the manufacturing production value and employs 19% of the industrial manufacturing workforce, with a projected compound annual growth rate of 12%.

However, the prevailing shortage of foreign exchange, coupled with elevated energy prices and power shortages, has disrupted the import of raw materials while constraining the lending capacity of local commercial banks.In light of these challenges, IFC's longer-term US dollar financing will facilitate access to foreign exchange, assisting Bangladeshi companies in navigating the crisis. Since 2010, IFC has invested over $3.8 billion to promote private sector growth in Bangladesh.

ADB to lend $20.8b to accelerate economic growth

The Asian Development Bank (ADB) is expected to provide $20.8 billion in loans to Bangladesh in the next four years as the country looks to accelerate economic growth and attain the upper-middle-income status in less than a decade.

The amount is 42.3 percent higher than the $12 billion the country received in the previous four years. Of the expected financing, $16.4 billion, or 78.85 percent of the total, will be extended as ordinary capital resources (OCR) loan, since the country's capacity to pay back has gone up.

The interest rate for the OCR portion is near market-based. The rest of the loan will be concessional. The loans at near-market terms have a repayment period of 25 years and a grace period of five years. The interest rate is SOFR plus 0.75 percent.

The Secured Overnight Financing Rate (SOFR), which is replacing the London Interbank Offer Rate (LIBOR), was 5.32 percent on 20 June, according to Federal Reserve of Bank of New York data. The concessional loans have the same repayment schedule, but the interest rate is fixed at 2 percent.

The ADB has set a loan pipeline for 92 projects in seven sectors from 2024 to 2027. The projects included Mass Rapid Transit (MRT) Line-5 (Southern Route); SASEC (South Asia Subregional Economic Cooperation) Dhaka-Chattogram Highway Improvement Project; SASEC South Corridor Improvement Project (Faridpur-Barishal Highway); and Dhaka Power System Expansion and Strengthening Project.



While there is no specific allocation for regular OCR loans, the ADB expects to commit around $16.4 billion between 2024 and 2027, subject to the readiness of the proposed projects. It expects to commit around $2.3 billion for 2024, $4.2 billion for 2025, $4.9 billion for 2026, and $5 billion for 2027.

As per its pipeline, the ADB will provide $1.8 billion for 2024-2027 for 12 projects in the agriculture, food, nature and rural development sector; $2.9 billion for 14 projects in the energy sector; and $2.5 billion for 10 projects in the finance sector.

Some $3.1 billion will be given to 15 projects in the human and social development sector, $1.7 billion for five projects in the public sector management and governance sector, $5.9 billion for 18 projects in the transport sector, and $2.9 billion for 18 projects in the water and urban development sector. The projects are in response to the bottlenecks confronting Bangladesh.

The main development challenges that Bangladesh faces include infrastructure deficit, low private sector competitiveness, climate change vulnerability, and regional disparity. It is also experiencing challenges in the areas of employment generation, human capital development, social protection, and governance.

The ADB said the country is navigating several macroeconomic challenges, including low revenue mobilisation and foreign exchange reserves, elevated inflation, low direct investment, and heightened banking sector vulnerabilities.

To address these issues, the government is taking proactive measures such as the implementation of a formula-based petroleum fuel price adjustment mechanism, realignment of the exchange rate, liberalisation of retail interest rate, and revenue-based fiscal consolidation, the development lender added.

ADB approved $250m to boost social protection

The Asian Development Bank (ADB) and the government of Bangladesh on 10 June signed a $250 million loan agreement to further strengthen Bangladesh's social protection system. Md. Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), and Edimon Ginting, Country Director, ADB, signed the loan agreement on behalf of Bangladesh and ADB, respectively at ERD.

This new ADB program supports the government's Action Plan Phase II of the National Social Security Strategy, 2021-2026, to strengthen protective and preventive capacity of the social protection system in Bangladesh. The program will help improve efficiency in the social protection program management, enhance protection for the most vulnerable, and improve the social protection scope by introducing contributory protection schemes. This will help reduce vulnerability, exclusion, and

the risk of people falling into further poverty.

The program introduces a verification scheme of beneficiary's survival for cash-based social protection programs to reduce leakages. It also consolidates two cash-based protection programs for people with disabilities to improve efficiency and effectiveness. It will integrate climate adaptive measures into social protection to strengthen resilience against climate vulnerability, including identification of people who are most at risk to climate change-induced disasters to help determine the appropriate assistance.

ADB's support strengthens the protection for vulnerable women and transgender people by increasing the number of beneficiaries under the widow allowance program and expanding the coverage of the livelihood support program for transgender people.

ADB $121m finance for private solar project

Dynamic Sun Energy (DSE) Private Ltd and the Asian Development Bank (ADB) have inked a $121.55 million financing agreement for the construction and operation of a 100 megawatt (MW) grid-connected solar photovoltaic power plant in Pabna.

The multilateral lender said, the plant is the first private sector utility-scale solar facility in the nation to receive backing from international investors. "ADB arranged, structured, and syndicated the debt package as the sole mandated lead arranger and book-runner," it said.

Regarding this, Suzanne Gaboury, Director, ADB Private Sector Operations Department said, "As Asia's climate bank, ADB welcomes the opportunity to support renewable energy in Bangladesh, where obtaining long-term financing for such projects is a challenge."

The financing package comprises a $46.75 million loan from ADB, a syndicated loan of $28.05 million from ILX Fund I, an Amsterdam-based emerging market private credit fund focused on supporting the Sustainable Development Goals with ADB as lender of record and a syndicated parallel loan of $46.75 million from the Japan International Cooperation Agency.

This partnership will exemplifies the role to mobilize the financing for clean energy facilities and stimulating further investment in sectors where it's needed the most. Notably, the solar power plant will generate 193.5 gigawatt-hours of electricity annually and avoid 93,654 tonnes of carbon dioxide emissions annually.

LDC graduation: ADB for promoting export diversification

The Asian Development Bank (ADB), in its latest policy brief, has given several recommendations for promoting export diversification of Bangladesh. Given the urgency of the current economic situation, focusing on trade policy issues and improving export competitiveness should be a central part of Bangladesh's reform agenda, it said.

In the context of Bangladesh's upcoming LDC graduation in 2026 and the current economic challenges, there is a growing realisation that policy reforms to enhance export competitiveness might receive stronger domestic support than in the past, ADB said. While national planning documents like the 6th, 7th, and 8th Five-Year Plans have recommended relevant reforms, these have not been adequately prioritised for implementation.

The policy brief, "Expanding and Diversifying Exports in Bangladesh: Challenges and the Way Forward", is authored by Mohammad Abdur Razzaque, an economist (Consultant), South Asia Department (SARD), ADB; Rabiul Islam Rabi, Research Analyst (Consultant) SARD, ADB; and Barun Kumar Dey, Senior Economics Officer, SARD, ADB.

Despite the success in garments exports, Bangladesh's overall export volume remains modest and suffers from a staggering concentration. Recent unfavourable macroeconomic developments and the impending graduation from least developed country (LDC) status, underscore the importance of expanding and diversifying exports.

High tariff protection favouring import-competing sectors, coupled with weak domestic product standards and compliance, have created policy-induced disincentives for non-readymade garments exports. With over 70 per cent of Bangladesh's exports benefiting from LDC-specific trade preferences, graduation could impact export competitiveness.

Improving export competitiveness and achieving diversification will

necessitate various actions, including tackling policy induced anti-export bias, enhancing product quality and standards, attracting foreign direct investment to connect with global supply chains, conducting prudent exchange rate management to promote external competitiveness, dealing with sector-specific supply-side constraints, and addressing the high business costs. Proactively seeking trade preferences post-LDC graduation is also crucial for sustaining export competitiveness.

ADB supports for Climate-Resilient Water Management

The Asian Development Bank (ADB) has approved a $71 million loan to improve flood control, irrigation, and water resources management in rural communities in Gopalganj and Madaripur districts to strengthen their preparedness and resilience to the effects of climate change.

Based on the Global Climate Risk Index, Bangladesh is ranked seventh in terms of vulnerability to climate risk. Bangladesh faces increasing frequency and intensity of extreme weather and slow-onset climate events. Without effective adaptation measures, the country could lose about 30% of agricultural gross domestic product by 2050 because of climate variability and extreme events impacting rural communities, especially women, who depend on climate-sensitive agricultural practices and natural resources for their livelihoods.

The project will sustain the gains achieved under the ADB-financed Southwest Area Integrated Water Resources Planning and Management Project, which has improved agricultural production, improved community infrastructure, and increased rural households' incomes. This ADB additional support will further boost economic growth and productivity, increase incomes and sustainable livelihoods, especially for women and vulnerable groups, and reduce poverty in rural areas of southwest Bangladesh.

The project is expected to benefit more than 600,000 people and will introduce climate-resilient flood control, drainage, and irrigation (FCDI) measures and reduce saline intrusion. It will adopt nature-based solutions to strengthen FCDI infrastructure and improve drainage in four subbasins. The project will develop and enhance integrated water management plans, construct training centers for water management organizations, and other community infrastructure.

The project will promote participatory water resource management to foster local ownership and ensure sustainability. It will strengthen the capacity of water management groups in the design, construction, and operation and maintenance of the facilities and support the establishment of joint management committees.

Bangladesh's outlook remains bright: HSBC

The Hongkong and Shanghai Banking Corporation (HSBC) Limited expects Bangladesh's GDP growth to be 5.9% for this coming fiscal year, and 6.3% for the fiscal year thereafter. The bank disclosed the forecast in a recent event titled "HSBC Economic Outlook: A Perspective on Bangladesh" highlighting the latest global and Asian market developments and sharing a perspective on Bangladesh.

The event, held on 12 May, featured a keynote presentation by Frederic Neumann, Chief Asia Economist and Co-Head of Global Research Asia, HSBC where he shared insights on the latest macroeconomic outlook.

During the keynote presentation, Frederic Neumann highlighted the near-record high foreign direct investments flowing into Asia and stressed the need for Bangladesh to capitalise on this opportunity. HSBC expects Bangladesh's GDP growth of 5.9% for this fiscal year, and 6.3% for fiscal year thereafter.

The average incremental GDP in the next four years will be over $60 Billion which is more than the predicted incremental GDP of many other Asian peers. The acceleration in growth should be supported by household spending and improving purchasing power amid easing inflation pressures. Meanwhile, remittances are expected to rebound as well, driven by an improving global outlook, helping to further support consumption. Investment spending, too, is expected to pick up, led by exporters who are benefitting from the improving global trade cycle, Frederic added.

He presented a Global Economic Policy Uncertainty Index that graphically represented the global

uncertainties over the years. The index peaking during the pandemic posed multifaceted challenges which Bangladesh emerged with resilience. Despite these headwinds, the outlook for Bangladesh remains bright, with growth expected to improve further as fiscal and structural reforms gain traction.

Bangladesh is well positioned to thrive in the coming years, building on its growing competitiveness, especially for ready-made garments. Meanwhile, easing inflation pressures should support household spending, giving the economy an extra boost, Frederic Neumann added.

Islamic Development Bank $289m loan for Rural and Peri-Urban Housing Finance Project

At the annual meeting of the Islamic Development Bank (IsDB) held in Riyadh on 29 April, Bangladesh and the IsDB signed a significant loan agreement for the second phase of the "Rural and Peri-Urban Housing Finance Project," valued at approximately $289.52 million.

The five-year project agreement was inked by Md Shahriar Kader Siddiky, Secretary of the Economic Relations Division, Ministry of Finance, and Dr Mansur Muhtar, Vice President of IsDB. This initiative, set to be implemented by the Bangladesh House Building Finance Corporation under the Financial Institutions Division, aims to provide affordable housing loans.

The project will focus on constructing well-planned, sustainable, and eco-friendly multi-storied residential buildings with essential amenities for the low and lower-middle-income groups in rural and peri-urban areas of Bangladesh.

The project not only aims to provide affordable housing but also ensures the conservation of cultivable land by promoting the optimum use of available land. Additionally, it will enhance the capacity of the House Building Finance Corporation in its financing activities related to house building loans.

The IsDB has been a consistent and trusted development partner for Bangladesh, supporting various sectors through grants, project loans, trade financing, private sector financing, and export credit guarantees aimed at fostering socio-economic development in the country.

Complex transition from coal-based energy: Global Energy Monitor report

Bangladesh is facing a complex transition from coal-based energy, said the Global Energy Monitor in its Boom and Bust Coal 2024 report published on 11 April. This year's report, published globally, sheds light on Bangladesh's coal energy landscape and emphasises the importance of using renewable energy. It calls for a shift from coal-based energy to renewable energy sources.

The report highlighted Bangladesh's economic burden due to its excessive reliance on imported coal amidst fluctuations in foreign exchange rates, alongside various countries around the world.

The report further discussed the use of coal in Bangladesh, noting "a rush of coal plant commissionings marked the last few months of 2023 in Bangladesh".

"1.9 GW of coal capacity came online, a record high since the country's first coal-fired power station started operating in 2006, the report saod. "The country's coal plants depend heavily on imported coal and much of its installed capacity was not fully used throughout the year as several power stations faced repeated shutdowns from fuel shortages," it said.

The report also said Bangladesh has shown a trend of reducing proposed coal capacity since 2019, indicating a gradual shift towards cleaner energy sources. "In 2023, little progress was made on coal proposals, which have been largely shrinking since 2019 and appea increasingly unlikely. The only proposed project that advanced was the government-backed Maheshkhali power station, which began pre-feasibility studies but had its expected start date repeatedly postponed," reads the Global Energy Monitor report.

125 green energy projects to produce 12GW

The Power Division is gearing up for the implementation of 125 green energy projects as it pursues a goal to meet 10% of the country's power needs from renewables by 2025. The generation capacity of these projects will be 12,047 megawatts, more than the country's present demand in winter and 70% of summertime consumption, according to Power Division.

The projects will have seven solar power plants which will store 20% of the produced electricity for use during evening peak hours. Of the



renewable energy projects, 51 are ongoing and 74 are under process. About 90% of the plants will be solar-based and the rest are wind and waste-to-energy plants.

Once implemented, these projects will help the government save billions in fuel costs for power generation. Among these projects, seven solar power plants will feed electricity to the national grid during the daytime and store 20% of the generated electricity for feeding the grid when there is no sunlight.

Commercially, these types of power plants are the first to be established in Bangladesh. Many countries including India and Singapore have battery storage arrangements for solar power. Currently, 10 operational solar power plants, both government and private, are contributing 461MW of electricity to the national grid.

Bangladesh far away from green energy goal : Ember

Bangladesh is far behind the world's average, with less than 1 per cent of electricity generation from wind and solar, according to Ember report, an environmental non-profit global think tank campaigning to reduce the use of coal.

Renewable energy - wind and solar - represented a record 12 per cent of global electricity generation last year, up from 10% per cent in 2021, said the Ember report published on 10 April. While in Bangladesh, Clean energy (solar and hydropower) recorded 2 per cent electricity generation in its electricity mix in 2022.

The country remains almost completely dependent on fossil power - 98 per cent - for power generation compared to the global average of 61 per cent. The data revealed in the fourth annual Global Electricity Review by Ember analysed electricity data from 2022 across 78 countries, representing 93 per cent of global electricity demand.

The report states that over 60 countries now generate more than

ember

10 per cent of their electricity from wind and solar. In the meantime, the transition is taking place at sloth-like pace in Bangladesh, where the share of clean power is 2 per cent– the lowest among other South Asian countries. Among the neighbouring countries, India's clean energy output stands at 23 per cent and Pakistan at 43 per cent.

At present, fossil fuels continue to be the dominant energy source in Bangladesh, with 15 per cent of its power generation coming from coal, 59 per cent from gas and 24 per cent from other fossil fuels. In comparison, 61 per cent of global electricity came from fossil fuels in 2022 and 39 per cent from clean sources.

Experts said Bangladesh's environment and economy both will suffer unless the country picks up the pace in transitioning to clean energy from fossil fuel use.

Fiscal obstacles may limit LNG capacity expansion: IEEFA

Although Bangladesh plans to ramp up liquefied natural gas (LNG) terminal capacity by braving related potential hurdles, the fiscal challenges the country is going through right now may restrain a significant LNG demand growth in the short term.

The observation was made by the Institute for Energy Economics and Financial Analysis (IEEFA), a global think tank focused on the

international energy market, in its "Global LNG Outlook 2024-2028" released on 25 April.

The IEEFA pointed out that Bangladesh might face constraints due to the emergence of new nuclear facilities, coal-fired plants and renewable energy sources. This situation may limit the full utilisation of gas-fired plants in the near future.

To counter this, the country could consider adopting gas-fired peaking plants alongside base-load plants to accommodate more renewable energy and enhance energy efficiency in industrial processes and captive generation, IEEFA said.

IEEFA Lead Analyst for Bangladesh Energy Shafiqul Alam said that low spot market LNG prices resulted in a rebound in demand from Bangladesh by 17.9 per cent in 2023 after imports fell by 14.4 per cent in 2022, but sensitivity to volatile LNG prices, fiscal challenges and competing energy resources in the power sector point to moderate medium-term demand growth.

Globally, the IEEFA predicts an oversupply of LNG within two years due to lacklustre demand growth and a surge in export capacity. Major importing regions like Japan, South Korea and Europe are expected to witness a decline in LNG demand through 2030.



In emerging Asia, the report said, LNG demand growth faces significant economic, political, financial and logistical challenges that may persist despite market oversupply. Despite uncertain demand, global LNG supply capacity is projected to increase by 40 per cent to 666.5 million metric tonnes per annum by the end of 2028, it added.

The global LNG crisis following Russia's invasion of Ukraine in 2022 has prompted many markets to reconsider the role of LNG in their development plans and accelerate the adoption of alternative energy sources.

China, despite being the world's largest LNG importer in 2023, faces limitations due to domestic natural gas production and renewable energy expansion. In South Asia, fiscal challenges and LNG price volatility may constrain near-term demand growth, while infrastructure development challenges may inhibit demand in Southeast Asia.

Despite these obstacles, political incentives to pursue alternative energy sources are strengthening in the region, according to the report.

Bangladesh has mostly met growing demand for electricity with fossil gas, but solar can help reduce reliance on costly imports

Improved energy efficiency can save $460 million a year : IEEFA

Measures to improve energy efficiency could save Bangladesh US$460 million a year in the import of liquefied natural gas (LNG) to meet growing domestic demand, said a new report by the Institute for Energy Economics and Financial Analysis (IEEFA).

According to the report, the initiative to improve energy efficiency can help wean the country off its expensive import dependence as well. The report surveys 51 industries with 124 gas-fired captive generators with a combined generation capacity of about 250 megawatts (MW) to find solutions to reduce the country's increasing LNG demand.

"An insatiable appetite for gas could lock Bangladesh into a vicious cycle of spiralling prices and supply issues pertaining to LNG, and threaten to stall its economic transformation," according to IEEFA.

Bangladesh started importing cheap LNG in 2018 and began to unravel a year later with COVID-19 and its supply-chain disruptions. Then came the global fuel price shocks brought on by Russia's invasion of Ukraine in 2022, compounded by domestic economic woes.

The report found that by replacing the vast stock of ageing, inefficient generators with more efficient models already available, and harnessing the waste heat produced by generators for other applications, Bangladesh could reduce the demand for imported LNG by a massive 50.18 billion cubic feet a year, or 21%, representing an annual saving of $460 million.

While replacing generators will require significant upfront investment, this capital outlay can be recouped within 1.5 to five years. The payback of investment in waste heat recovery is only about one year, the study found.

The alternative is to spend far more in building additional infrastructure to cope with the increasing local demand for fossil fuel imports against a global backdrop of tightening regulations to produce environment-friendly products.

Power system gets dirtier on higher coal use

Coal is on course to overtake natural gas as the primary source of electricity in Bangladesh,worsening regional emissions and complicating global efforts to cut use of high-polluting fossil fuels. Bangladesh power firms more than doubled coal-fired electricity generation in 2023 from 2022 to a record 17 terawatt hours (TWh), according to data from energy think tank Ember.

Over the same period, natural gas-fired electricity output increased by just 4.7% to 47.44 TWh.The sharp jump in coal use relative to natural gas use resulted in a large swing in the country's electricity generation mix, with coal accounting for a record 21.1% share of total generation, up from just 7% two years before.

The share of natural gas-fired output fell to around 59% in 2023 from 66% in 2021 and 76.4% in 2019.If utilities keep increasing coal-fired generation at a faster pace than gas-fired output, coal could emerge as the primary source of electricity in Bangladesh within the current decade, undermining worldwide efforts to cut coal use.

Bangladesh, among the world's largest clothing producers and exporters, has experienced sharp growth in energy demand from its population and businesses. The country has garment factories that consume power around the clock, and overall energy use also has climbed along with economic growth.



Real gross domestic product (GDP) growth in Bangladesh has averaged 6.2% over the past five years, more than twice the global average, according to the International Monetary Fund.

The county's power suppliers have struggled to keep up, resulting in regular power outages last year. To avoid similar setbacks in 2024, authorities have directed electrical power generators to use more coal, and have approved record large coal imports.The country already receives regular thermal coal supplies by truck and train from neighbour India, but in 2023 also boosted seaborne imports by 47% to a record 12.7 million metric tons, according to ship tracking data compiled by Kpler.

Bangladesh's average annual seaborne imports from 2017 to 2021 were 6.8 million tons, so the jump to close to 13 million tons last year helped lift the country to 12th on the list of global thermal coal importers in 2023, from 14th in 2022.With several nations taking steps to steadily reduce coal-fired power generation and imports, Bangladesh will likely rise further in coal import rankings.

Coal-fired generation has pushed Bangladesh power sector emissions to record highs: just under 60 million tons of carbon dioxide emissions in 2023, up from 58.3 million tons in 2022, according to Ember.Coal-fired generation is still rising, with 2.11 TWh of electricity generated from coal in January, up sharply from 0.83 TWh a year earlier.Imports of thermal coal are also rising, with seaborne purchases through March totalling just over 3 million tons, up from around 2.5 million tons during the same period in 2023.

If Bangladesh's coal use and imports remain strong, 2024 will likely set a record for both coal-fired generation and emissions. It could potentially offset any declines seen elsewhere in terms of coal consumption and pollution, with Bangladesh emerging as a hub for coal demand even as much of the rest of the world turns its back on the fuel.

Source : Reuters

Only 10% of planned economic zones get off the ground in a decade

Only 10 economic zones (EZs) have become operational since the Bangladesh Economic Zones Authority (Beza) rolled out its massive industrialisation plan in 2015, raising questions about whether its goal of setting up 100 enclaves will be materialised on time.

The board of the Beza has approved a total of 97 EZs over the past decade. Of them, 68 zones will be set up by the government and 29 by the private sector, with the initial deadline set at 2030.

The deadline was later pushed back to 2041 since executing such a high number of projects will take a considerable amount of time in a country where time over-runs are commonplace and acquiring land is complex, which delays

implementation. Of the 10 economic zones, two are government-run -- Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram, the Sreehatta Economic Zone in Sylhet -- and eight are private. The private EZs are City Economic Zone, Meghna Industrial Economic Zone, Meghna Economic Zone, Hoshendi Economic Zone, Abdul Monem Economic Zone, Bay Economic Zone, Aman Economic Zone, and East West Economic Zone.

In the two state-run zones, 13 companies are already producing goods: 11 factories have been built in BSMSN and two units have been set up in Shreehatta, according to Beza. Besides, infrastructure development work for 36 factories is underway at the government EZs. Among them, 25 will be set up at BSMSN, four in Shreehatta, five in Jamalpur, and two in the Japanese Economic Zone.

The Beza has so far given approval to 29 private EZs, with 12 enclaves granted final licences and 10 awarded pre-qualification certificates. Of the final licensees, eight have gone into operation. A total of 17 factories are under construction in the private economic zones.

The Beza has received $28.75 billion worth of investment proposals from companies at home and abroad. The actual investment stood at $6.05 billion between 2020 and June 30 last year. According to a report of the agency, the operating zones have employed around 60,000 people. Some 7,000 are working in government-owned zones and 53,000 in private zones. Products worth $14.47 billion were produced in 10 EZs in the last fiscal year of 2022-23, it said.

Source : The Daily Star

Chinese company to invest $22.92m in BEPZA EZ

A Chinese interlining and Garments accessories manufacturing company is going to invest $22.92 million at BEPZA Economic Zone (BEPZA EZ) located at Bangabandhu Sheikh Mujib Shilpa Nagar, Mirsharai, Chattogram. In the presence of Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, Bangladesh Export Processing Zones Authority (BEPZA) on 21 May signed an agreement with the company at BEPZA Complex.



BEPZA member (Investment promotion) Md Ashraful Kabir and Chairman of the Chinese Sanxin Accessories Limited, Li Li signed the agreement on behalf of their respective organizations. This foreign-owned company will produce Interlining, Lace, TC Pocketing/Printing, Granule and Hot Melt Adhesive Powder and it will create employment opportunities for 2,346 Bangladeshi workers.

BEPZA Executive Chairman thanked the Chinese company for choosing BEPZA EZ as their investment destination.

Chinese company to invest $109m in BEPZA EZ

Chinese company Alpen Banyan Garments BD Co Ltd has signed an agreement with the Bangladesh Export Processing Zones Authority (BEPZA) to invest US$108.99 million in the BEPZA Economic Zone (BEPZA EZ). The company will set up a garment manufacturing factory on 9000 square meters of land where 43 million pieces of Woven and Knit garments will be produced annually.

The company will create employment opportunities for 11,995 Bangladeshi nationals when it comes into operation in full swing. In the presence of BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, BSP, ndc, psc, Member (Investment Promotion) of BEPZA Md. Ashraful Kabir and Director of Alpen Banyan Garments BD Co. Ltd. Li, Tianning signed the agreement on behalf of their respective organisations at the BEPZA Complex in the city.

It would be the highest amount of proposed investment ever from a single company that signed agreements to establish industries in BEPZA EZ. Mentionable, BEPZA gets positive responses from investors from home and abroad to invest in BEPZA EZ, the largest venture of BEPZA located at Mirsharai, Chattogram.

A total of 29 companies, including Alpen Banyan Garments, signed agreements to invest in the BEPZA EZ with a total proposed investment of USD 688 million. In addition to the ready-made garments and textiles, these lease companies are supposed

to produce diversified products such as footwear and footwear accessories, tents and camping equipment, hair care products and accessories, lubricating oil, disposable cutlery, etc.

Three companies of BEPZA EZ have already started their commercial production while three more companies are expected to make their first export by this year.

KFAED, Abu Dhabi Fund to finance $86.9m bridge project on Khulna's Chunkuri River

The Kuwait Fund for Arab Economic Development (KFAED) will provide $42.20 million, and the Abu Dhabi Fund will provide $30 million for the "Chunkuri Bridge Project" on Chunkuri River in Khulna.

The Kuwait Fund for Arab Economic Development and the Abu Dhabi Fund for Development will finance a $86.91 million bridge project in Khulna aiming to enhance the economic and social development of the southwest region of Bangladesh.

The Bangladesh government signed a loan agreement with the Kuwait Fund to this end on 24 June in Vienna, Austria. Under the agreement, the Kuwait Fund will provide $42.20 million, and the Abu Dhabi Fund will provide $30 million for the "Chunkuri Bridge Project" on Chunkuri River in Khulna.



The project also aims to ease the movement of passengers and freight through a direct road connection of the region with the capital city Dhaka. The agreement signing comes as a high-powered delegation led by Finance Minister Abul Hassan Mahmood Ali is visiting Vienna from 23 June to attend the Opec Fund Development Forum 2024.

Atlantic Council highlights Bangladesh's potential as FDI hub

With its abundant young workforce and strategic Asian location, Bangladesh is primed to emerge as a key destination for foreign direct investment (FDI). However, to unlock this potential, the country must tackle infrastructure challenges, bureaucratic hurdles, and corruption, outlined the Atlantic Council, an American thinktank.

Despite Bangladesh's aspirations to become economically prosperous, it has consistently lagged its neighbours in attracting FDI even if currently its FDI stands at a mere 0.4 per cent of GDP, well below the global average of 1.7 per cent.

The Atlantic Council emphasised the urgent need for reforms to enhance investment freedom and attract more foreign capital.

The think tank drew attention to a shifting trend in global FDI known as "friendshoring," wherein countries prefer economic partnerships with trusted allies over geopolitical rivals. Bangladesh, with its burgeoning manufacturing sector and strategic positioning, is poised to benefit from this trend.

However, significant investments in transportation, power, logistics, and skill development are necessary to capitalise on this opportunity.

The Atlantic Council's analysis reveals that FDI decisions are heavily influenced by security, property rights, and bureaucratic efficiency. In Bangladesh, property rights have stagnated, hindering long-term investments and entrepreneurial endeavours.

The report thus recommended improvements in land titling and registration systems to create a conducive environment for investment.

Furthermore, data indicates a strong correlation between investment freedom and FDI inflows and countries with greater economic freedom tend to attract higher levels of FDI per capita.

However, despite Bangladesh's progress in investment and trade freedom, overall economic freedom has declined in recent years, necessitating renewed efforts to revitalise trade and investment policies.

Bangladeshis have $5.9b in tax havens : European Union Tax Observatory

Bangladeshis own $5.91 billion of offshore wealth in tax havens around the world. Cumulatively, this comes up to 1.3 percent of Bangladesh's Gross Domestic Product. Of this amount, $5 billion are in Asian tax havens, while the rest are in European and American tax havens. This is according to the Atlas of the Offshore World, produced by the European Union Tax Observatory. The estimates are from 2022.



In 2021, the figure of offshore wealth owned by Bangladeshis in tax havens was $8.145 billion, the highest since the beginning of the millennium. Of this amount, $7 billion alone was in Asian tax havens including Singapore, the United Arab Emirates and Hong Kong.

The Atlas estimated that $0.5 billion was lost in taxes as a result of the stashing of wealth offshore. It found that the total offshore wealth invested in real estate in tax havens comes up to $0.66 billion or 0.18 percent of Bangladesh's GDP.

Bangladesh poised to earn billions from carbon trading : Experts

Experts suggest that Bangladesh could potentially earn billions of US dollars annually through global carbon trading if carbon reduction initiatives are effectively implemented. The global carbon trading market, valued at $4.5 trillion in 2022, is projected to soar to $8.98 trillion by 2050, they noted.

However, Bangladesh faces challenges in fully capitalizing on this opportunity due to insufficient information, legal frameworks, and expertise within both the public and private sectors. Carbon trading involves the exchange of credits allowing entities to emit a specified amount of carbon dioxide and other greenhouse gases. Notably, each carbon credit equates to one tonne of carbon dioxide, with an average price of $75 per unit proposed by the International Monetary Fund.

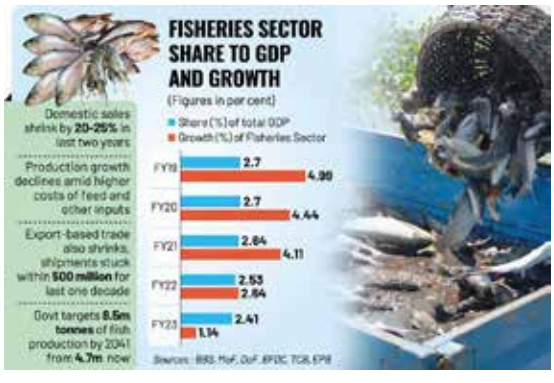


Despite Bangladesh's low carbon emission status, accounting for only 0.5 percent of global emissions, the country has the potential to significantly increase its earnings from carbon markets.

The World Bank's proposed Bangladesh Green Growth Framework emphasizes the importance of strengthening environmental governance, promoting energy efficiency, and investing in renewable energy and green industries to spur economic growth and innovation.

Bangladesh becomes second in freshwater fish production

Bangladesh has climbed from third to second place globally in freshwater fish production, overtaking China, according to the latest "The State of World Fisheries and Aquaculture" report by the United Nations Food and Agriculture Organization (FAO). India remains the top producer. Previously, Bangladesh held the fifth position five times before 2020. Using 2022 data, this biennial report focuses on fish harvested from open waterbodies such as rivers, lakes, and wetlands.



Despite its rise in freshwater fish production, Bangladesh fell from third to fifth place for fish harvested from enclosed water bodies like ponds. In 2023, the country produced 48 lakh tonnes of fish, with 32 lakh tonnes from fish farming and 13 lakh tonnes from open waterbodies. Hilsha accounted for half of the open waterbody fish production, totaling 6.5 lakh tonnes.

Bangladesh ranks 14th in marine fish production and ninth in crab farming. Approximately two crore people in Bangladesh are involved in the fish industry, with per capita fish consumption rising from 7.5kg in 1990 to 30kg now.

The FAO report indicates that Bangladesh contributes 13.22 lakh tonnes of freshwater fish, 11.7 percent of the global total, an increase from the previous 11 percent. India leads with 18.9 lakh tonnes, followed by China with 11.66 lakh tonnes. Myanmar, Indonesia, and Uganda follow in the rankings. The 2022 report highlights a global fish production record of 223.2 million tonnes, valued at $313 billion, a 4.4 percent rise from 2020.

Source : The Daily Star

RMG exporters must focus more on man-made fibres to stay competitive: PwC

Bangladesh needs to focus on manufacturing man-made fibre apparel to maintain its global market position amid growing demand in the global market, as the country still lags behind other competitors in exporting ready-made garments (RMG), according to a new study conducted by the global accounting giant PricewaterhouseCoopers, or PwC.

The study also found that in 2022, half of the global RMG items were made from man-made fibres. The figure is projected to rise above 60% by 2030. However, Bangladesh's RMG exports currently contain less than 30% man-made fibres.

The PwC study also mentioned that the major competitors of Bangladesh already have 44% to 62% man-made fibre products in their apparel export basket. The study suggests that Bangladesh should expedite the making of garments from man-made fibre to maintain the global export demand.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) commissioned PwC to conduct the comprehensive study, titled "From Shirts to Shores: A Blue Print for Bangladesh RMG Industry", as part of the roadmap for the post-Covid-19 period and the target of $100 billion apparel exports by 2030.

PwC shared the findings of the study, conducted in collaboration with the International Finance Corporation, at a press conference held at the BGMEA office in the capital on 4 April. According to the study, global exports of ready-made garments in 2013 were worth about $794 billion, where the share of man-made fibre items was 46%.

In 2022, global apparel exports rose to $953 billion where the share of man-made fibre was 50%. It has been projected that in 2030, the total apparel exports will hit $1,121 billion where 60% will be of man-made fibre items.

Among the competitive countries, as of 2022 China, Vietnam, Turkey and Italy are ahead of Bangladesh in the export of man-made fibre RMG items where China's share of its total RMG export is 62% followed by Vietnam's 56%, Turkey's 48% and Italy's 44%. On the other hand, 27% of Bangladesh's total RMG exports are man-made fibre products.

$45m investment by MGI for ceramic tiles production

Meghna Ceramic Industries, a concern of the Meghna Group of Industries (MGI), has increased its production capacity with an investment of US $45 million (about Tk 500 crore) to grab a bigger share of the growing half a billion US dollar-worth tiles market. Since July last year, the company's factory in Ashariar Char in Narayanganj has been churning out 51,000 square metres of "Fresh Ceramics" tiles per day. Of the investment, $19 million came from its own pockets whereas $26 million in the form of a syndicated loan. The lead arranger, Prime Bank, a private commercial lender, provided $4 million while the Islamic Corporation for the Development of the Private Sector, a concern of the Islamic Development Bank Group, provided $22 million.

Repayable in 8 years, including a one-year grace period, the loan comes an interest rate of 3.75 percent plus the Secured Overnight Financing Rate (SOFR). The SOFR is a benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate (LIBOR). It varies from time to time, standing at around 4.3 percent in January 2023 whereas at 5.3 percent most recently.

With this, a total of $100 million has been invested into the facility, which

uses technology adopted from the US, Germany, Italy and China and employs over 400 people. Of the initial $55 million invested in 2021, $20 million came from another syndicated loan arranged by Prime Bank.

Local and international companies invested $1.58 billion in the ceramics sector for producing tiles, tableware, and sanitaryware while directly employing nearly 20,000 people, according to the Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA). Of the investment, 62 percent or $979 million was meant for tiles.

Now, there are 31 ceramic tiles manufacturing facilities in the country with a combined annual production capacity of 20.70 lakh square metre. An estimated $633 million-worth tiles were sold in the country in FY23. The ceramic sector in Bangladesh caters to 80 percent of the total local demand for ceramic products. The local ceramic industry has registered an annual average growth rate of about 15 percent since fiscal year 2015-16.

Max Group starts commercial production of autoclaved concrete blocks

Max Group, one of the largest construction companies in Bangladesh, has entered into commercial production of autoclaved aerated concrete (AAC) blocks and panels as it formally inaugurated its new blocks factory on 18 April.

Maxcrete Limited, a concern of Max Group, constructed a state-of-the-art AAC Block manufacturing unit on 10 acres of land in Manikganj with an initial investment of around Tk160 crore. When the factory will go into full production then it will produce 1,000 cubic metres of AAC blocks daily.

AAC blocks are completely different from ordinary clay-fired bricks and hollow bricks, according to Max Group officials. These are lightweight, prefabricated, and green building material that is considered as the eco-friendliest substitution for traditional bricks.



The AAC block's basic raw material is sand added with cement, lime, gypsum, aluminium powder and other additives. It is a non-load bearing masonry unit which is best for any kind of wall solution. One AAC block equals the size of seven red bricks, reducing joint mortar costs. With their larger size, AAC blocks accelerate work by two times, saving labour costs.

Besides, AAC blocks decrease cement and steel usage, and their thermal insulation properties lead to energy savings, lowering long-term operational expenses. These bricks are 40% lighter than traditional ones, reducing the building's dead load. They help maintain indoor temperatures, providing a 5-degree Celsius advantage in both summer and winter. Furthermore, they are fire-resistant for up to 4.5 hours and sound-resistant up to 38 dB.

Increase cotton imports to meet global demand for garments: USDA

Despite encountering various economic challenges, Bangladesh is poised to increase its cotton imports in the marketing year (MY) 2024-25 to meet the rising global demand for garments. As per US Department of Agriculture (USDA), the nation, ranked second-largest garment exporter after China, is expected to import 80 lakh bales of raw cotton (1 bale equals 218 kilograms), marking a 6.7 % increase from MY 2023-24.

USDA's report, released earlier April, predicts that local spinning mills will utilize a higher volume of raw cotton due to reduced imports of yarn and fabric. The report also anticipates a 7 % to 10 % growth in garment exports in 2024, following a decline in orders during the global economic slowdown. Notably, ready-made garments exports in first two months of 2024 amounted to $9.47 billion, reflecting a 13.2 % year-on-year increase, with this growth expected to persist into MY25, thereby driving up raw cotton imports.

One factor contributing to increased cotton consumption is the dwindling foreign exchange reserves, which may prompt a shift towards more affordable cotton over pricier fabrics. The report highlights that many garment factories in Bangladesh operate their own spinning mills and prefer importing raw cotton rather than yarn. These vertically integrated companies, benefiting from garment exports, can easily secure letters of credit (LCs) due to their access to US dollars. Conversely, companies solely importing yarn and fabric may face forex challenges, leading to reduced imports.

Global/Regional News

Damage to Gaza critical infrastructure estimated at $18.5 bn : WB

The World Bank said the Israel-Hamas war has caused damage of around $18.5 billion to Gaza's critical infrastructure, according to a new report published on 2 April. This is equivalent to 97 percent of the combined economic output of the West Bank and Gaza in 2022, the World Bank said in its interim damage assessment, which covers the period between the onset of the conflict on October 7 and the end of January.



The report, produced with the United Nations and the European Union, found structural damage affected "every sector of the economy," with more than 70 percent of the estimated costs due to the destruction of housing. The bloodiest-ever Gaza war erupted with Hamas's October 7 attack, which resulted in about 1,160 mostly civilian deaths in Israel, according to an AFP tally of Israeli official figures.

Israel's retaliatory campaign has killed at least 32,916 people, mostly women and children, according to the health ministry in Hamas-run Gaza. The Israeli military's heavy aerial bombardment in the aftermath of the attack, and its ongoing ground operations inside Gaza, have reduced many areas of the territory to rubble, creating an estimated 26 million tons of debris.

"For several sectors, the rate of damage appears to be leveling off as few assets remain intact," the Bank said. Beyond the structural damage, the report also found that more than half of Gaza's population were on the brink of famine, with the whole population "experiencing acute food insecurity and malnutrition." An estimated 84 percent of Gaza's health facilities have been damaged or destroyed, while three quarters of the population have been displaced by the fighting, leaving more than a million people without homes. The report, created using remote data collection sources, found that Gaza's water and sanitation system had "nearly collapsed," and was delivering less than 5 percent of its pre-war output.

100 percent of Gaza's children were out of school due to the collapse of the education system, while 92 percent of its primary roads were either destroyed or damaged, according to the World Bank. The report called for "an increase in humanitarian assistance, food aid and food production; the provision of shelter and rapid, cost-effective, and scalable housing solutions for displaced people; and the resumption of essential services."

Eleven countries pledges $11 bn to WB for climate change, pandemics and other global challenges

The World Bank on 5 April said that 11 countries have pledged to contribute over $11 billion to new hybrid capital and portfolio guarantee instruments designed to expand the bank's financing capacity by $70 billion over a decade to tackle climate change, pandemics and other global challenges.

The voluntary contributions, announced at World Bank and International Monetary Fund spring meetings in Washington, form the largest single enhancement to the World Bank's balance sheet since the U.S. and other shareholders expanded its mission beyond fighting poverty in 2022.

In April 2023, World Bank shareholders endorsed an increase in the bank's leverage ratio to boost lending capacity by some $40 billion over 10 years and expanded bilateral guarantees to unlock another $10 billion in financing.

The bulk of the latest funding pledge, around $9 billion, was made by the U.S. to the new Portfolio Guarantee Platform which backs private loans and equity investments in qualifying projects.

But Washington's contribution will not be all cash. It will come partly as a U.S. guarantee for the World Bank's platform, backed by a $750 million appropriation request to Congress. This will limit the pledge's leverage to four times, enabling $36 billion of additional lending over a decade.

Japan said it is contributing $1 billion to the guarantee program, France is expected to contribute $500 million and Belgium an undisclosed amount.

Contributing to the mechanism for hybrid capital - an instrument that includes features of both debt and equity to leverage loans - are Britain, Denmark, Germany, Italy, Latvia, the Netherlands, and Norway. Britain said it is contributing 100 million pounds.

Anshula Kant, World Bank chief financial officer, said the facilities will finance only projects that have cross-border benefits, such as those that reduce greenhouse gas emissions, or help prevent pandemics. In addition, Japan is the first contributor to a new "Livable Planet Fund" designed to capture contributions from governments, philanthropies and the private sector to help finance projects from energy transition investments to healthcare delivery. The fund is named after the bank's new, expanded mission statement, "to create a world free of poverty on a livable planet," endorsed last year to partly reflect its climate finance role.

German Development Minister Svenja Schulze, who first broke the news of the contribution pledges, said that further expansion of the bank's lending capacity was needed because the needs of poor countries would continue to grow.

Changes in Farm and Food Production can cut Greenhouse Emissions by a third : WB

The global agrifood system presents a huge opportunity to cut almost a third of the world's greenhouse gas emissions through affordable and readily available actions, while continuing to feed a growing population, according to a new World Bank report.

Achieving Net Zero Emissions in the Agrifood System outlines actions that every country can take. These will make food supplies more secure, help the food system better withstand climate change, and protect vulnerable people during this transition.

"While the food on your table may taste good, it is also a hefty slice of the climate change emissions pie," said Axel van Trotsenburg, World Bank Senior Managing Director. "The good news is that the global food system can heal the planet – making soils, ecosystems, and people healthier, while keeping carbon in the ground. This is within reach in our lifetimes, but countries must act now: simply changing how middle-income countries use land, such as forests and ecosystems, for food production can cut agrifood emissions by a third by 2030."

The report notes that the agrifood system is a huge, untapped source of low-cost climate change action. Unlike other sectors, it can have an outsized impact on climate change by reducing emissions and drawing carbon naturally from the atmosphere. Recognizing that countries will meet their climate goals in different ways, the report identifies a menu of solutions to choose from:

High-income countries can lead the way – by giving more support to low- and middle-income countries so they can adopt low-emission farming methods and technologies, including technical assistance for forest conservation programs that generate high-integrity carbon credits. High-income countries can also shift subsidies away from high-emitting food sources. This would reveal their full price and help make low-emission food options cheaper in comparison.

Middle-income countries have an outsized role to play – by curbing up to three-quarters of global agrifood emissions through greener practices — such as reducing emissions from livestock and rice, investing in healthy soils, and cutting food loss and waste — and using land more efficiently. One-third of the world's opportunities to reduce agrifood emissions relate to sustainable land use in middle-income countries.

Low-income countries can chart a different way forward – by avoiding the mistakes made by richer countries and seizing climate-smart opportunities for greener and more competitive economies. Preserving and restoring forests would promote sustainable economic development in low-income countries, given more than half of their agrifood emissions come from clearing forests to produce food.

Action should happen across all countries to get to net zero, through a comprehensive approach to reducing emissions in food systems, including in fertilizers and energy, crop and livestock production, and packaging and distribution across the value chain from farm to table.

The report finds that payoffs for investing in cutting agrifood emissions are much bigger than the costs. Annual investments will need to increase to $260 billion a year to cut in half agrifood emissions by 2030 and to reach net zero emissions by 2050. Twice as much money is spent yearly on agricultural subsidies, many of which harm the environment. While cutting wasteful subsidies can finance some of this investment, additional financing is essential to get to net zero.

Making these investments would lead to more than $4 trillion in benefits, from improvements in human health, food and nutrition security, better quality jobs and profits for farmers, to more carbon retained in forests and soils.

Affordable, readily available actions can make food supplies more secure and resilient, especially for vulnerable and poor people

IMF, World Bank cite significant progress in debt restructuring cases

The International Monetary Fund, World Bank and current G20 president Brazil said on 17 April there had been significant progress on global debt issues in recent months, citing new agreements on desired timelines and comparability of treatment.



IMF Managing Director Kristalina Georgieva, World Bank President Ajay Banga and Brazilian Finance Minister Fernando Haddad issued a joint statement after a ministerial-level meeting of the Global Sovereign Debt Roundtable (GSDR) on the sidelines of the spring meetings of the IMF and World Bank. The IMF and the World Bank convened the roundtable, which brings together debtor countries, creditors, international financial institutions and the private sector to jumpstart long-stalled debt restructuring processes and build greater understanding on ways to address challenges.

The joint statement outlined progress in some sovereign debt cases, including agreements reached by Zambia and Ghana, and advanced discussions in the cases of Sri Lanka and Suriname. It said the GSDR had helped forge consensus on how processes could be improved in future cases, including on comparability of treatment and on timelines toward swifter and more predictable restructuring processes, while taking into account the specific circumstances of each case.

It said discussions among GSDR members underlined the need for enhanced clarity, coordination and transparency across creditor groups, and providing debtor countries with the metrics for how their private debts would be assessed. Private creditors and the debtor country should also ensure that, before they finalize and announce an agreement in principle, the deal had been vetted by IMF staff on consistency with debt targets and program parameters, and with the official bilateral creditors on comparability of treatment, it said.

The report also cited progress on accelerating timelines for getting through the restructuring process, and to move from an IMF staff-level agreement (SLA) to approval by the IMF board, but said timelines were still too long. It said participants agreed to shorten the timeline to form an official creditor committee (OCC), a move that would also help communication and coordination with private creditors and accelerate their own restructuring processes.

They agreed to work toward program approval within 2-3 months of SLA and agreed to further deepen coordination among stakeholders, including on ways to support early exchanges on debt sustainability assessments and debt relief parameters; work on the use of state-contingent debt instruments, and ways to address current liquidity concerns.

Global 2023 carbon trading revenues grew to $74b : Report

Global revenues from the sale of carbon permits in emissions trading systems (ETS) grew to a record $74 billion last year, as governments increasingly turn to such schemes to help tackle global warming, according to the intergovernmental forum International Carbon Action Partnership's (ICAP) annual emissions trading status report released on 10 April.

The $74 billion raised from permit auctions in 2023 was up from $64 billion in 2022. Jurisdictions making up 58 percent of global gross domestic product are now using an ETS. Currently, 36 such systems are in place, compared to 28 last year and another 22 ETS are under development or consideration, including in Argentina, Brazil, India, Turkey and Vietnam.

Under an ETS, governments set a gradually decreasing cap on the amount of emissions that a sector, or group of sectors, can produce. They create carbon permits for those emissions, which are auctioned, and companies must buy one for each tonne of CO2 they emit. Higher carbon permit prices in two of the schemes in particular - the European Union's ETS and its British counterpart - helped to increase revenues last year, as well as more auctions of permits to distribute them among industry, the report said.

The EU ETS is the most established scheme in the world and the largest in terms of trading volume and value. Revenues raised from it last year totalled $47.1 billion last year.



Southeast Asia 'woefully off track' on green investment

South East Asia is "woefully off track" on green investments to reduce emissions and needs new policies and financial mechanisms to help bridge the gap, the global consultancy Bain & Company said on 15 April.



With energy consumption in the region expected to grow 40 percent this decade, climate-warming carbon dioxide emissions remain on the rise, with the region still dependent on fossil fuels, said an annual report compiled by Bain, green investment group GenZero, Standard Chartered Bank and Temasek.

While green investment grew 20 percent last year, it is way short of the $1.5 trillion required this decade, and emissions in the 10 countries in the region could overshoot their 2030 pledges by 32 percent if they continue on their current trajectory, it warned.

Clean energy accounts for just 10 percent of total supplies, and fossil fuel subsidies are around five times higher than renewable investments. High capital costs, as well as uncertain grid and tariff regulations, have also made it harder to finance renewable projects.

The report said 60 percent of the region's coal-fired power plants were relatively new, meaning that they are still tied into long-term purchasing agreements and investment return commitments, making them far harder to shut down.

"There is over $1 trillion of unrecovered capital in young coal plants and that's predominantly in Asia," said Tim Gould, chief energy economist at the International Energy Agency. "It doesn't allow much room for renewables to grow ... so there is a need for creative financing approaches," he told a conference in Singapore.

Meanwhile, only four of the 10 countries in the region - Indonesia, Malaysia, Singapore and Vietnam - have made progress in putting a price on carbon. The report called for more policies and incentives, greater regional cooperation and a sustained focus on technologies that are already deployable.

"The good news is that Southeast Asia is very early on its decarbonisation journey so benefits from having many levers to reduce emissions today," said Tan. "Many of these are low-hanging fruit." The report identified 13 "investable ideas" that could bring in $150 billion in revenues by 2030, including sustainable agriculture and utility-scale renewable energy plants.

South East Asia is the second worst performing region when it comes to renewables investment, behind only Sub-Saharan Africa, according to an April report by Singapore's Economic Development Board and the McKinsey consultancy. The report said annual solar installations needed to rise from the current rate of 5 gigawatts to 35 GW over the 2030-2050 period if regional net-zero pledges are to be met.

G7 calls for starting process of Rohingya repatriation

Foreign ministers from the Group of Seven (G7) countries have stressed the need to create conditions for the voluntary, safe, dignified, and sustainable return of all Rohingya refugees and displaced persons and justice and accountability for atrocities committed against Rohingya and other ethnic communities.

They, in a joint statement, also reiterated their call on all States to prevent or to cease the flow of arms and other dual-use materiel, including jet fuel, into Myanmar. They urged the Myanmar military to immediately cease any violence, release all prisoners arbitrarily detained – starting from the democratically elected leaders- and establish an inclusive dialogue with all stakeholders, in view of restoring the path towards a meaningful and durable democratic process.

"We also reiterate our call on the Myanmar military to respect human rights and international humanitarian law, to desist from any form of forced labour and to allow prompt, safe and unhindered humanitarian access to all displaced persons and people in



need," said the G7 foreign ministers of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States of America and the High Representative of the European Union in their statement issued by the US Department of State on 19 April.

They will continue to support ASEAN's efforts to promote a credible and inclusive process to achieve the swift implementation of the Five-Point Consensus.

"We highlight the importance of a comprehensive implementation of United Nations Security Council resolution 2669 (2022) and support the UN's further engagement in the crisis, including through the leadership of the newly appointed UN Special Envoy on Myanmar and through the designation of a Resident Coordinator in country," said the G7 countries, noting that accountability for serious crimes committed in Myanmar remains essential.

The G7 countries reiterated their strong condemnation of the military coup in Myanmar and reaffirm our support and solidarity with the people of Myanmar in their quest for peace, freedom, and democracy.

The continuing attacks by the military destroying civilian infrastructure (including homes, schools, places of worship and hospitals), the repeated and serious violations of human rights and the alarming humanitarian situation – which particularly affect those in most vulnerable situations, including children, women and members of minority religious and ethnic groups – are unacceptable.

"We also condemn the recent implementation of the 2010 conscription law by the military regime," they said.

The forced recruitment of young people can only lead to further violence and trigger a massive exodus to neighboring countries, according to the joint statement.

China overtakes US to become India's top trading partner in FY24

China has emerged as India's largest trading partner in the FY 2023-24 with $118.4 billion two-way commerce, narrowly edging past the US, according to the data of economic think tank GTRI. The bilateral trade between India and the US stood at $118.3 billion in 2023-24. Washington was the top trading partner of New Delhi during 2021-22 and 2022-23.

According to the report, India's exports to China rose by 8.7 per cent to $16.67 billion in the last fiscal. The main sectors which recorded healthy growth in exports to that country include iron ore, cotton yarn/fabrics/madeups, handloom, spices, fruits and vegetables, plastic and linoleum. Meanwhile, exports to the US dipped by 1.32 per cent to $77.5 billion in 2023-24 as against $78.54 billion in 2022-23, while imports dipped by about 20 per cent to $40.8 billion, the report showed.

The Global Trade Research Initiative (GTRI) said that from fiscal year 2019 to FY2024, India's trade dynamics with its top 15 trading partners underwent significant transformations, impacting both exports and imports along with the status of trade surplus or deficit across various sectors.



It added that China witnessed a marginal decline in exports by 0.6 per cent, from USD 16.75 billion to USD 16.66 billion, while imports from China surged by 44.7 per cent, from USD 70.32 billion to USD 101.75 billion. "This growth in imports led to an expanding trade deficit, rising from USD 53.57 billion in FY2019 to USD 85.09 billion in FY2024, highlighting concerns over stagnant exports amidst rising imports," GTRI Founder Ajay Srivastava said. Trade with the US showed growth, with exports increasing significantly by 47.9 per cent from $52.41 billion to $77.52 billion, said the report. Imports from the US also experienced a 14.7 percent increase, climbing from $35.55 billion to $40.78 billion. Consequently, India's trade surplus expanded, rising from $16.86 billion to $36.74 billion.

According to the Commerce Ministry data, China was India's top trading partner from 2013-14 till 2017-18 and also in 2020-21. Before China, the UAE was the country's largest trading partner. The US was the largest partner in 2021-22 and 2022-23.

In 2023-24, the UAE with USD 83.6 billion, was the third largest trading partner of India. It was followed by Russia ($65.7 billion), Saudi Arabia ($43.4 billion), and Singapore ($35.6 billion).

China establishes $47B semiconductor fund to compete with US dominance

China announced a new semiconductor fund worth $47 billion to boost its chip industry, according to a government-run credit information agency. This assertive action is perceived as a retaliation for US attempts to restrict China's access to cutting-edge semiconductor technology.



The China Integrated Circuit Investment Fund Phase III is the largest investment to date. It was filed on May 24th. The previous two phases were smaller. In 2014, the investment was 204 billion yuan and in 2019 it was 138.7 billion yuan. The state-owned National Development Bank's subsidiary owns 10.5% of the fund. The Shanghai municipal government investment business owns 9% and the Ministry of Finance owns 17%.

Five major banks in China, including Bank of China, Agricultural Bank of China, China Construction Bank, Bank of Communications, and Industrial and Commercial Bank of China, are also investors in the fund. Together, these banks have a six percent stake in the venture.

The China Integrated Circuit Investment Fund, also known as "Big Fund," was created in 2015 to help develop high-tech industries as part of the "Made in China 2025" initiative. China's prominent chip manufacturers, including Semiconductor Manufacturing International Corporation and Hua Hong Semiconductor, have already gained financial advantages from the "Big Fund." The investment fund is expected to support the HBM sector and other significant AI semiconductor fields, according to Qichacha, a Chinese corporate information service.

In the third phase, the fund will focus on semiconductors related to artificial intelligence and manufacturing equipment, but specific targets are still unknown. The fund will help major Chinese semiconductor companies transition to using domestic suppliers instead of foreign ones for crucial materials like industrial gases, chemicals, and silicon wafers. It will also support R&D projects. By doing this, China's dependency on outside sources will be reduced, and future US sanctions may become less effective.

France announced 'record' foreign investments worth 15 bn euros

France has received combined investment commitments from foreign companies of more than 15 billion euros ($16.2 billion), President Emmanuel Macron's office said on 10 June. The announcement came as Macron kicked off a day of meetings with foreign business leaders at the Chateau de Versailles, called "Choose France".

The biggest single commitment is by Microsoft, which on 9 June announced four billion euros in investment to develop data centres. Microsoft's president Brad Smith told AFP the move to strengthen its artificial intelligence and cloud computing infrastructure was the tech giant's biggest-ever investment in France since its arrival 41 years ago.

A new data centre will be created in eastern France, while existing sites in the Paris region and the southern city of Marseille will be expanded. E-commerce behemoth Amazon will invest more than 1.2 billion euros in France, creating more than 3,000 jobs. The money will help develop Amazon Web Services' (AWS) cloud infrastructure, mainly generative artificial intelligence, and the logistical infrastructure of its parcel delivery service, a statement added.

Several pharmaceutical companies, including US group Pfizer and Britain's AstraZeneca, announced commitments to invest more than a billion euros more in France's health sector. The largest industrial project announced so far is a potential fertiliser factory, which could significantly reduce carbon dioxide emissions.

France was last year Europe's top destination for foreign investment for the fifth year running, according to an EY survey, with more than



1,200 investment announcements. "This is a result of the stability of our economic policies," Finance Minister Bruno Le Maire told public broadcaster France 2.

Macron's office said that the 15-billion-euro investment total -- spread over a "record" 56 projects -- would potentially lead to 10,000 jobs being created. Sylvain Bersinger, chief economist at economic consultancy Asteres, said France's attractiveness for foreign money was based on its education system, tax regime, innovation culture and solid domestic market.

He cast doubt, however, on the usefulness of Monday's high-profile event at Versailles, once home to the kings of France. "Most of the projects would have happened anyway, with or without the summit," he said.

Paris is one of Europe's "big four" hubs for data centres, competing for business with Amsterdam, Frankfurt and London. Marseille has also attracted big investment in the sector in recent years. Microsoft's Smith said France's "long-standing commitment to carbon-free energy markets" made it stand out from its competitors.

France relies on nuclear for its energy production and has largely phased out fossil fuels -- unlike Germany and the UK. Sami Slim, CEO of French data centre firm Telehouse, said part of the country's appeal was its rapid connections with London, Amsterdam and Frankfurt. "You're 10 milliseconds away from all the connectivity nodes in Europe," he told AFP. Geraldine Camara of industry body France Datacenter added that the country had "world-class engineering skills".

G7 agrees to phase out coal-fired power plants by mid-2030s

G7 agrees to phase out non-capturing coal plants by 2030s in line with COP28 and Paris Agreement. They also address global plastic pollution issues, aiming to reduce production and emissions. G7 energy and climate ministers agreed a time frame on 30 April for phasing out coal-fired power plants that are not equipped to capture emissions in a significant step towards curbing fossil fuel use.

The Group of Seven two-day meeting in Turin is the first big political session since the world pledged at the UN's COP28 climate summit in December to transition away from coal, oil and gas. The G7 commits to "phase out existing unabated coal power generation in our energy systems during the first half of 2030s," the final statement read.

However it left some wiggle room, saying nations could follow "a timeline consistent with keeping a limit of 1.5°C temperature rise within reach, in line with countries' net zero pathways". The G7 includes Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. Negotiations over a fixed date were reportedly tricky, with Japan -- which relies heavily on coal -- reluctant to commit.

The 2015 Paris Agreement saw countries agree to cap global warming at "well below" 2C above preindustrial times -- with a safer limit of 1.5C if possible. To keep the 1.5C limit in play, the UN's climate expert panel has said emissions need to be slashed almost in half this decade, but they continue to rise.

France's Ecological Transition Minister Christophe Bechu said the commitment "shows the determination to implement the transition away from fossil fuels decided at COP28". Luca Bergamaschi from the Italian climate think tank ECCO said the G7 had taken a "decisive step forward" in translating the Dubai agreement into national policies. But the Climate Analytics policy institute said "2035 is too late".

"Many of these countries have already publicly committed to phase out dates ahead of 2030, and only have a small amount of coal capacity anyway," Jane Ellis, head of climate policy, said in a statement. The G7 ministers also tackled the thorny issue of plastic pollution amid a heated debate over how to design a treaty addressing the scourge -- by reducing production or boosting recycling.



The ministers said they "aspired" to reduce and if necessary restrain the global production of plastic". Plastic waste is now found everywhere from the summits of mountains to the ocean floor and in human blood and breast milk.

The G7 "aspiration" comes as a fourth and penultimate round of UN-led negotiations to solve global plastic pollution wrapped up in Ottawa with a world-first pact said to be within reach by year's end -- but without a cap on the production of polymers.

Renewables provided record 30% of global electricity in 2023 : Ember said

Growth in solar and wind power pushed renewable generation to a record 30 per cent of global electricity production in 2023, putting a global target to triple renewable capacity by 2030 within sight, a report by think tank Ember said.

Cutting fossil fuel use and emissions in the power sector is seen as vital to meeting global climate targets. More than 100 countries at the COP28 climate summit in Dubai last year agreed to triple renewable energy capacity by 2030.

Ember's Global Electricity Review showed renewable sources provided 30.3 per cent of global electricity last year, up from 29.4 per cent in 2022 as growth in projects, particularly solar, increased capacity. More than half of the global additions in solar and wind capacity came in China last year, the report said, with total global solar generation up 23.2 per cent and wind power up 9.8 per cent. Industry experts have said issues around grid connections and permits for new projects need to be solved for the target to be met.

The report predicted continued renewable growth would see fossil fuel power production fall by 2 per cent in 2024 and push overall fossil fuel power production to less than 60 per cent of global electricity production for the first time since at least 2000, when Ember's data begins. "A permanent decline in fossil fuel use in the power sector at a global level is now inevitable, leading to falling sector emissions," the report said.

World will amass 'major' oil surplus by 2030 : IEA

The world is likely to have a major surplus of oil by 2030 as production is ramped up while the clean energy transition tempers demand, the International Energy Agency said on 12 June. Global demand is expected to "level off" at 106 million barrels per day (bpd) toward the end of this decade while overall supply capacity could reach 114 million bpd, the IEA said in an annual report.

This would result in a "staggering" surplus of eight million bpd that oil markets should prepare for, the Paris-based agency said. "As the pandemic rebound loses steam, clean energy transitions advance, and the structure of China's economy shifts, growth in global oil demand is slowing down and set to reach its peak by 2030," said IEA executive director Fatih Birol. With "a major supply surplus emerging this decade," Birol said, "oil companies may want to make sure their business strategies and plans are prepared for the changes taking place."

The forecast comes days after the OPEC+ group of major crude producers signalled they would start to unwind output cuts this autumn, implemented in a bid to support prices against fears of weakening worldwide demand. In its report, the IEA noted that fast-developing Asian countries like China and India along with the aviation and petrochemical sectors would still drive oil demand, which stood at 102 million bpd in 2023.

But the shift toward electric cars along with fuel efficiency gains for conventional vehicles, and declining use of oil by Middle Eastern countries for electricity production, would help limit the overall demand increase to around four percent by 2030.

The IEA said demand in advanced economies is expected to continue a decades-long decline, falling from 46 million bpd in 2023 to less than 43 million bpd in 2030 -- the lowest since 1991 apart from during the pandemic. At the same time, oil production capacity appears set to surge, led by the United States and other countries in the Americas, leading to the forecast of an eight-million-barrel surplus -- a level reached only during the Covid-19 lockdowns of 2020.

"Such a massive oil production buffer could usher in a lower oil price environment, posing tough challenges" for the US shale industry and the OPEC+ bloc led by Saudi Arabia and Russia, the report said. "Such a massive cushion could upend the current OPEC+ market management strategy aimed at supporting prices," it said.

In a separate monthly report on the global oil market, the IEA cut its forecast for demand growth for 2024 to 960,000 bpd compared to 1.1 million bpd in its previous outlook. Its forecast for 2025 was also lowered to one million bpd from 1.2 million in its May report.

WMO report: Asia hit hardest by climate change and extreme weather

Asia remained the world's most disaster-affected region in 2023 due to weather, climate and water-related hazards. Storms and floods have hit the hardest, a new report published by the World Meteorological Organization (WMO) on 23 April reveals.

Following close on the heels of the study of climate change in Europe, published by WMO, the State of the Climate in Asia 2023 report highlighted the accelerating rate of climate change across several indicators such as surface temperature, glacier retreat, sea level rise and more. "The report's conclusions are sobering. Many countries in the region experienced their hottest year on record in 2023, along with a barrage of extreme conditions, from droughts and heatwaves to floods and storms," said Celeste Saulo, WMO Secretary-General. Climate change has exacerbated the frequency and severity of such events that profoundly impact societies, economies, and, most importantly, human lives, she underscored. With the warming trend almost doubling since the period from 1960–1990, Asia is heating up faster than the global average, with increased casualties and economic losses from floods, storms, and more severe heatwaves. In 2023, sea-surface temperatures in the northwest Pacific Ocean were the highest on record. Even the Arctic Ocean suffered a marine heatwave. In many areas of the region, including the Arabian Sea, the southern Kara Sea, and the southeastern Laptev Sea, the sea surface is warming more than three times faster than globally. The Barents Sea was identified by the report as a "climate change hotspot".

Driven by thermal expansion and the melting of glaciers, ice caps and ice sheets, sea level continued to rise globally. However, in Asia, rates were higher than the global mean over 1993–2023. Last year, the continent (just to vary the language) saw 79 water hazard-related disasters, with over 80 per cent linked to floods and storms, resulting in over 2,000 fatalities and affecting nine million people directly, according to the Emergency Events Database.

Many parts of the region experienced extreme heat in 2023. Asia's annual mean near-surface temperature ranked as the second highest on record with 0.91 °C above the 1991–2020 average. Particularly high temperatures were observed from western Siberia to central Asia, and from eastern China to Japan. Japan and Kazakhstan experienced a record warm year.

Meanwhile, the level of precipitation was below normal in large parts of the Turan Lowland (Turkmenistan, Uzbekistan, Kazakhstan), the Hindu Kush (Afghanistan, Pakistan) and the Himalayas, as well as around the Ganges and lower course of the Brahmaputra Rivers (India and Bangladesh).

The Arakan Mountains in Myanmar and the lower course of the Mekong River areas have also seen less rainfall than usual, while Southwest China suffered from a drought, with below-normal precipitation levels nearly every month of 2023.

Despite overall lower precipitation, several extreme events occurred, such as heavy rainfall in Myanmar in May; floods and storms across India, Pakistan, and Nepal in June and July, and record hourly rainfall in Hong Kong in September, to name a few.

Home to the largest volume of ice outside of the polar regions, the High-Mountain Asia region with the Tibetan Plateau at its centre, has approximately 100,000 square kilometres of glaciers.

Glaciers in the Everest region are melting at an unprecedented rate.UN Nepal/Narendra Shrestha Glaciers in the Everest region are melting at an unprecedented rate. Permafrost – soil that continuously remains below 0 °C for two or more years – is also surrendering territories to the increasing air temperatures in the Arctic. The most rapid thawing of permafrost in Asia is observed in the Polar Urals and the western regions of Western Siberia.

Severe dust storms, lightning and thunders, waves of extreme cold and thick smog were also among extreme events that affected lives of millions across Asia. The report shows that from 1970 to 2021, there were 3,612 disasters attributed to weather, climate and water extremes, with 984,263 deaths and $1.4 trillion in economic losses. The region accounted for 47 per cent of all reported deaths caused by natural disasters worldwide, with tropical cyclones as the leading cause of reported deaths.

To mitigate these impacts, the WMO and its partners advocate for a strong early warning and disaster risk reduction system to save lives and prevent future economic crises exacerbated by climate change. "Early warning and better preparedness saved thousands of lives," said Armida Salsiah Alisjahbana, Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific (ESCAP), which partnered in producing the report.

181 million children worldwide live in severe child food poverty due to inequity, conflict, and climate crises – UNICEF

Around 181 million children worldwide under 5 years of age – or 1 in 4 – are experiencing severe child food poverty, making them up to 50 per cent more likely to experience wasting, a life-threatening form of malnutrition, a new UNICEF report reveals on 6 June.

For the first time, Child Food Poverty: Nutrition Deprivation in Early Childhood analyses the impacts and causes of dietary deprivation among the world's youngest people in nearly 100 countries, and across income groups. It warns that millions of children under the age of five are unable to access and consume a nutritious and diverse diet to sustain optimal growth and development in early childhood and beyond.

Children who consume, at most, two of eight defined food groups are considered to be in severe child food poverty. Four out of five children in this situation are fed only breastmilk/milk and/or a starchy staple, such as rice, maize or wheat. Less than 10 per cent of these children are fed fruits and vegetables. And less than 5 per cent are fed nutrient-dense foods such as eggs, fish, poultry, or meat.

The report warns that while countries are still recovering from the socio-economic impacts of the COVID-19 pandemic, the effects of growing inequities, conflicts, and the climate crisis have pushed food prices and the cost of living to record high levels. Of the 181 million children living in severe food poverty, 65 per cent reside in just 20 countries. Around 64 million affected children are in South Asia, and 59 million are in Sub-Saharan Africa.

In Somalia, a country experiencing conflict, drought and floods, 63 per cent of children are living in severe child food poverty and in the most vulnerable communities, over 80 per cent of caregivers reported that their child had been unable to eat for an entire day.

In the Gaza Strip, months of hostilities and restrictions on humanitarian aid have collapsed the food and health systems, resulting in catastrophic consequences for children and their families. Five rounds of data collected between December 2023 and April 2024 have consistently found that 9 out of 10 children in the Gaza Strip are experiencing severe food poverty, surviving on two or fewer food groups per day. This is evidence of the horrific impact the conflict and restrictions are having on families' ability to meet children's food needs – and the speed at which it places children at risk of life-threatening malnutrition.

The report finds nearly half (46 per cent) of all cases of severe child food poverty are among poor households where income poverty is likely to be a major driver, while 54 per cent – or 97 million children – live in relatively wealthier households, among whom poor food environments and feeding practices are the main drivers of food poverty in early childhood.

Several factors are fueling the child food poverty crisis, including food systems that fail to provide children with nutritious, safe and accessible options, families' inability to afford nutritious foods, and parent's inability to adopt and sustain positive child feeding practices. In many contexts, cheap, nutrient-poor and unhealthy ultra-processed foods and sugar-sweetened beverages are aggressively marketed to parents and families and are the new normal for feeding children. These unhealthy foods and beverages are consumed by an alarming proportion of young children experiencing food poverty, displacing more nutritious and healthier foods from their daily diets.

To end child food poverty, UNICEF calls on governments, development and humanitarian organizations, donors, civil society and the food and beverage industry to urgently: Transform food systems so that nutritious, diverse and healthy foods are the most accessible, affordable and desirable option for caregivers to feed young children. Leverage health systems to deliver essential nutrition services to prevent and treat malnutrition in early childhood, including support for community health and nutrition workers to counsel parents and families on child feeding and care practices. Activate social protection systems to address income poverty through social transfers (cash, food and vouchers), in ways that are responsive to the food and nutrition needs of vulnerable children and their families.

WTO News

Heads of WTO, Afreximbank sign agreement to boost cooperation on food, trade, fisheries

The WTO and the African Export-Import Bank (Afreximbank) signed a Memorandum of Understanding (MoU) on 28 June to enhance cooperation and collaboration on a range of issues, including food and agricultural trade, trade finance, and fisheries subsidies. The MoU also establishes a broad framework for collaboration in other potential areas of mutual interest.



The MoU was signed by WTO Director-General Ngozi Okonjo-Iweala and Afreximbank President Benedict Okey Oramah on the sidelines of the 9th Global Review of Aid for Trade, held from 26-28 June in Geneva. It aims to facilitate close cooperation between the two parties in the specified areas in Africa.

Under the MoU, the WTO and Afreximbank will strengthen collaboration in three main areas of common interest. In the first targeted area — food and agricultural trade — the focus will be to deepen existing cooperation to support the WTO's work on cotton development, engage Afreximbank in the Standards and Trade Development Facility (STDF) to enable more African countries to benefit from safe and inclusive trade, and strengthen technical assistance and capacity-building activities related to ongoing WTO negotiations and food security issues.

Notably, on the cotton issue, the MoU states that the two parties will build on their existing cooperation and explore a finance window to support the strengthening of cotton value chains across Africa, with particular emphasis on the Cotton-4 countries (Benin, Burkina Faso, Chad, and Mali, with Côte d'Ivoire as an observer).

Secondly, the two organizations will also collaborate in the area of trade finance through active participation in their respective capacity-building activities.

Third, the MoU highlights further collaboration in support of completing domestic acceptance processes and effectively implementing the Agreement on Fisheries Subsidies adopted at the WTO's 12th Ministerial Conference, as well as the participation of developing members in the ongoing negotiations.

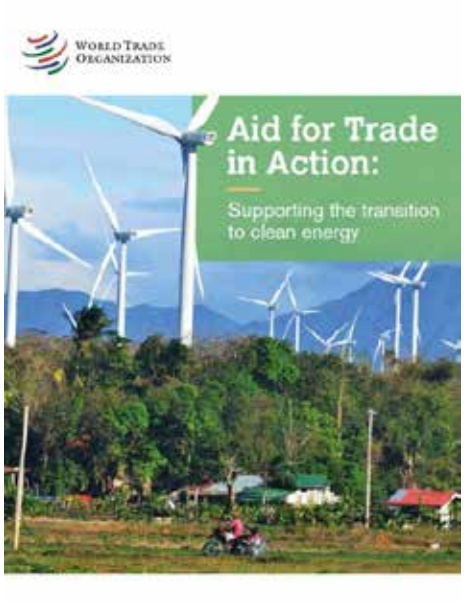
In addition, the MoU outlines potential general areas of cooperation, including joint work to support the ocean economy of African developing countries, sharing knowledge and best practices, providing technical assistance, and exploring collaboration on trade in goods and services, e-commerce, trade facilitation, investment, and Trade-Related Aspects of Intellectual Property Rights in the context of the African Continental Free Trade Area.

Afreximbank also signed a joint declaration pledging its cooperation with other signatories to invest in and support the WTO's cotton value chain development projects in African countries. Earlier, on 26 June, the Africa Finance Corporation (AFC), the Islamic Trade Finance Corporation (ITFC), the International Trade Centre (ITC), the United Nations Industrial Development Organization (UNIDO), and the WTO signed the joint declaration.

Aid for Trade vital to help seize energy transition opportunities : WTO Report

A WTO Secretariat report launched on 28 June at the Global Review of Aid for Trade identifies the significant trade opportunities available to developing economies and least-developed countries (LDCs) as the world transitions to cleaner energy sources. The report, titled "Aid for Trade in Action: Supporting the transition to clean energy", emphasizes the crucial role of development finance in helping these economies realize emerging opportunities in global value chains for products and services related to clean energy.

The report cites that clean energy adoption is surging, with energy sources such as wind, solar, hydropower, hydrogen and nuclear power now generating nearly 40% of global electricity. This share is expected to rise at an accelerated pace, as the cost of these technologies falls and economies ramp up action



to meet their net-zero greenhouse gas emission targets. The report notes that this transition to clean energy presents an opportunity for developing economies and least-developed countries (LDCs) to expand trade volumes and achieve export diversification objectives.

The report furthermore underscores that Aid for Trade is already supporting the clean energy transition. Approximately US$ 60 billion, or 30% of all Aid for Trade commitments with climate objectives between 2011 and 2021, was channelled into the energy sector. However, this remains insufficient in the context of overall climate finance flows. Developing economies and LDCs currently receive less than one-fifth of global clean energy investments, hindering their ability to fully capitalize on trade opportunities and realize the ambition of their own national determined contributions.

The report identifies three key segments of the clean energy value chain where developing economies could integrate more fully into global trade: minerals and metals, machinery and equipment manufacturing, and services. It also looks at development opportunities related to carbon credits and the possible benefits of utilizing carbon capture and storage systems to reduce the carbon intensity of existing export baskets.

In the context of minerals and metals, more support could help developing economies and LDCs with significant resources (for example, in critical minerals) attract investments in safe and sustainable extraction facilities. Additionally, the manufacture of clean energy equipment is expected to exceed US$ 1 trillion by 2050. This presents opportunities for these economies to become hubs in manufacturing value chains. Developing services sector operations related to clean energy generation could also boost cross-border trade prospects, generate growth opportunities and help create jobs.

The report examines specific opportunities in five clean energy value chains: wind, solar photovoltaic (PV), green hydrogen, hydropower and nuclear power. It provides examples and case studies of how Aid for Trade is helping developing economies realize opportunities in each area, and how it can address some of the challenges that impede greater value chain participation.

The report concludes with a recommendation to further align Aid for Trade with clean energy opportunities. By mobilizing the necessary financial resources, building trade capacity and fostering international cooperation, the global community can help to ensure a just and inclusive transition to a cleaner, more sustainable future for all.

Joint WTO-World Bank programme on trade in services unveiled at Aid for Trade Review

During a panel session at the Aid for Trade Global Review on 26 June, Deputy Director-General Johanna Hill unveiled a joint programme of activities by the WTO and the World Bank to assist developing economies in services trade. This programme is a follow-up to the recommendations contained in the joint publication "Trade in Services for Development" launched by the two organizations in 2023.



The joint work programme seeks to tackle some of the challenges

that developing economies are facing in unlocking the benefits of services trade and harnessing the sector's export potential. "For many developing countries, prospects for export-led growth now lie to a much greater extent in services," DDG Hill noted. "The ability to supply, access and export efficient services has become central to the realization of development strategies."

"This session marks a key step in the WTO and the World Bank collaboration on services trade. Together, we are taking concrete actions to advance a 'Trade in Services for Development' initiative."

"Trade in Services for Development" underscored the significant and multifaceted development impact of trade in services and the important opportunities it offers developing economies. The report said increased levels of Aid for Trade in services are required to help developing economies take fuller advantage of the growth and development opportunities presented by services trade.

The announcement was made during a session of the Global Review on the development promise of trade in services. Moderated by Mona Haddad, the World Bank's Global Director for Trade, Investment, and Competitiveness, the session also featured Kerrie D. Symmonds, Barbados' Minister of Foreign Affairs, Ambassador Simon Manley from the United Kingdom, Ambassador Mere Falemaka from the Pacific Island Forum Secretariat, and Bernard Hoekman, Professor at the European University Institute.

This initial work programme is composed of four related components. The first is the preparation of a user-friendly Competitiveness Diagnostic Tool to help developing economies assess their competitive strengths and weaknesses in services trade, define their overarching national services trade policy objectives, and identify and prioritize technical assistance needs.

The second and third components seek to overcome data constraints by providing assistance in the mapping out of core services trade measures and by building the capacity of developing economies to produce and use statistics on services trade and improve their quality. The fourth component aims to identify best practices in the export promotion of services so as to assist the efforts of developing economies to expand and diversify their services exports.

The programme is based on initial feedback received from developing economies and in regional events conducted in partnership with other international organizations. The World Bank and the WTO will seek to cooperate with other organizations – in particular regional economic commissions and development banks – in carrying out the work programme.

US$ 648 billion of funding to integrate developing economies into global trade

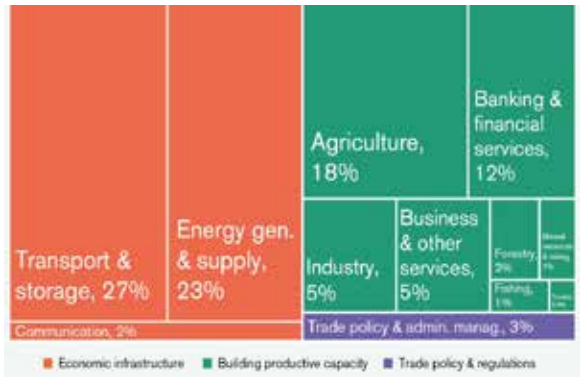
The WTO-led Aid for Trade initiative has contributed US$ 648 billion since 2006 to strengthen the export potential of developing economies and least-developed countries (LDCs). The impact of the initiative in improving these economies' capacity to trade is revealed in a new publication — "Aid for Trade at a Glance 2024" — launched by the WTO and the Organisation for Economic Co-operation and Development (OECD)on 26 June.

The publication uses the results of a survey of developing economies to outline their priorities for Aid for Trade financing. It provides an overview of funding flows and looks into how this financing has helped developing economies, and in particular LDCs, use trade to foster economic growth, sustainable development and poverty reduction.

Aid for Trade helps developing economies and LDCs to build more resilient, inclusive and sustainable economies through the transformative power of trade. It promotes the integration of developing economies, especially LDCs, into the multilateral trading system and aims to galvanize support to build supply-side capacity and trade-related infrastructure in these economies.

However, greater efforts are required to help developing economies and LDCs to benefit from emerging trade opportunities from digital technologies and the green transition.

Over 55 per cent of Aid for Trade is provided by bilateral donors, primarily countries that are members of the OECD Development



Assistance Committee. Other Aid for Trade financing is mostly provided by multilateral donors, such as the World Bank and the Asian Development Bank. In 2022, the top donors included Japan (US$ 11.1 billion — about one fifth of total Aid for Trade disbursements), followed by the World Bank (US$ 7.9 billion) and EU institutions (US$ 6.8 billion).

Africa and Asia are the main geographical destinations of Aid for Trade, accounting for 70 per cent of total flows. By income level, lower middle-income economies are the main recipients of Aid for Trade, representing US$ 19.8 billion (38 per cent of total disbursements), followed by LDCs and other low-income economies, which accounted for US$ 14.1 billion (28 per cent) in 2022. Since 2006, LDCs have received a total of US$ 189 billion in Aid for Trade.

Aid for Trade projects comprise three main types: (i) economic infrastructure (i.e. roads, ports, telecommunications), which accounted for 54.6 per cent of funding in 2022; (ii) productive capacity building (support to productive sectors with high export potential), 43.6 per cent; and (iii) trade policy and regulations, 1.8 per cent.

Within these three categories, transport and storage attracted the highest share of funding (27 per cent), followed by energy generation and supply (23 per cent), agriculture (18 per cent) and banking and financial services (12 per cent).

A cornerstone of the Aid for Trade initiative is the monitoring and evaluation (M&E) exercise, organized by the WTO and the OECD, which draws together responses provided by donors, recipients — known as partner countries, and others in self-assessment questionnaires.

The responses to the questionnaire confirm that trade remains a vital tool for advancing the global development agenda. According to partner country respondents, the main areas where Aid for Trade has the most impact are trade facilitation, support for trade policies and regulations (including regional trade agreements and multilateral trade negotiations), agriculture, and trade education and training. Donors also cited trade facilitation and agriculture as areas of most impact. In addition, donors said that Aid for Trade has positively impacted digital connectivity and e-commerce, trade-related transport and storage infrastructure, and banking and financial services.

Next steps for the WTO in combating illicit trade

Illicit trade harms societies and impedes economic growth and development. As well as undermining legitimate business activity, it fosters corruption and denies governments potential tax revenue needed to invest in society. This is why the WTO Secretariat, under the leadership of Director-General Ngozi Okonjo-Iweala, has been examining how WTO rules help members to address some of the challenges posed by such trade.

In a recent publication on fighting illicit trade in medical products, DG Okonjo-Iweala emphasized that wider efforts are needed to deepen international cooperation and to provide the technical assistance needed to strengthen members' capacity to combat illicit trade.



Building on this work, the WTO Secretariat has launched a new publication on illicit trade in food and food fraud to address the role the WTO could play in helping to tackle this issue. The publication draws on the expertise of a diverse range of organizations, including the Food and Agriculture Organization of the United Nations (FAO), the International Seed Federation (ISF), SSAFE — a non-profit organization for food safety, the Transnational Alliance to Combat Illicit Trade (TRACIT) and the United Nations Interregional Crime and Justice Research Institute (UNICRI), to examine this issue from various perspectives and to highlight strategies for tackling illicit trade in food and food fraud.

Illicit trade and fraud in the agri-food sector has a damaging impact on various stakeholders, ranging from consumers, farmers and agri-businesses to regulators and other operators within the food industry. Although the global cost of fraud to the food industry is difficult to determine given the clandestine nature of the activity, annual estimates are in the range of US$ 30-50 billion, not including losses associated with illicit trade in alcoholic drinks.

The impacts of illicit trade can be far reaching, affecting different segments of society and the economy. Illicit trade in food and food fraud causes economic losses to legitimate businesses through the loss of sales and consumer confidence. Governments not only lose valuable revenue as a result of tax evasion but also incur costs in the fight against counterfeit crime and smuggling.

Fraudulent and fake food and beverages damage public health and safety. Adulterated or contaminated food products can pose serious health risks to consumers and can have deadly consequences. Even counterfeit products which cause no harm — but fail to contain the ingredients advertised — defraud customers and erode consumer trust in the food supply chain.

The WTO rulebook provides members with a range of legal instruments that can help to combat illicit trade in food and food fraud. Of particular importance to food safety are the WTO's Sanitary and Phytosanitary Measures (SPS) Agreement, which allows WTO members to regulate food imports based on science and risk assessment techniques, and the Technical Barriers to Trade (TBT) Agreement, which allows members to address deceptive practices in traded goods.

WTO launches Young Trade Leaders Programme, invites applications

The WTO is seeking applications for its Young Trade Leaders programme, an initiative aimed at fostering a better understanding of the WTO's work and international trade among young people and creating a network of Young Trade Leaders around the world. People between the ages of 18 and 30 with a strong interest in international trade are encouraged to apply.

Candidates selected to be "Young Trade Leaders" will be exceptional young people who demonstrate a clear understanding of how trade can be of benefit to people and planet. They will bring new perspectives and ideas about the role of trade and the WTO while also having



the opportunity to learn about the organization's work and play a role in advancing its mission.

Young Trade Leaders will be selected for one year. The deadline for applications is 5 July 2024 (23.59 CET). Short-listed candidates will be invited to take part in an interview in July. Selected leaders will have the opportunity to take advantage of training courses organized by the WTO, to benefit from WTO Secretariat advice and mentoring, and to receive support when organizing WTO-related activities in their home countries.

They will not receive remuneration but they will be invited to travel to Geneva to actively participate in the 2024 WTO Public Forum in September.

WTO and ADB strengthen collaboration for sustainable economic growth

The WTO Secretariat and the Asian Development Bank (ADB) signed a Memorandum of Understanding (MoU) in Tbilisi, Georgia, on 1 May aimed at bolstering collaborative efforts to drive inclusive and sustainable development through trade and economic integration, including in Asia and the Pacific region.

The MoU, signed by WTO Deputy Director-General Jean-Marie Paugam and ADB Vice-President (Sectors and Themes) Fatima Yasmin, marks the deepening of a strategic partnership focused on regional cooperation, trade and economic integration, and the trade and environment agenda in support of the two organizations' respective membership and observers.

At the heart of the collaboration is a shared commitment to advancing environmental sustainability, inclusive growth and resilience in the face of evolving global challenges.

As part of the agreement, the WTO and ADB identified key areas of cooperation, such as the exchange of information including ongoing studies, joint events, dialogue with stakeholders, capacity building, joint publications, and sharing of best practices.

"I am delighted to mark this significant milestone in our collaboration with ADB, which has demonstrated its unwavering commitment to addressing the nexus of trade and climate change, as underscored by ADB President Masatsugu Asakawa's remarks to Director-General Ngozi Okonjo-Iweala during the UN COP28 climate conference last November. Trade, combined with the investment power of ADB, holds immense potential to propel economies and regions toward achieving their net-zero ambitions. As we embark on this next phase of cooperation, we look forward to advancing joint initiatives aimed at promoting trade and environmental sustainability," DDG Paugam said in remarks released for the occasion.

The WTO is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible with a view to raising standards of living in accordance with the objective of sustainable development.

ADB is a multilateral development bank with a vision of Asia and the Pacific region free of poverty and a mission to help its developing members reduce poverty and improve the quality of life of their people. As a climate bank for the region, ADB is scaling up initiatives to mainstream trade and trade policy solutions in its operations.

Thirty years of trade growth and poverty reduction

Since the signing of the Marrakesh Agreement Establishing the World Trade Organization on 15 April 1994, global trade has surged, reaching over US$ 30.4 trillion in 2023, a fivefold increase since 1995. At the same time, tariffs have declined markedly under the WTO, helping to reduce trade costs. This growth in trade has coincided with a significant decrease in poverty worldwide, indicating the impact of trade on supporting economic development and improving people's lives.

Goods and services trade have grown substantially

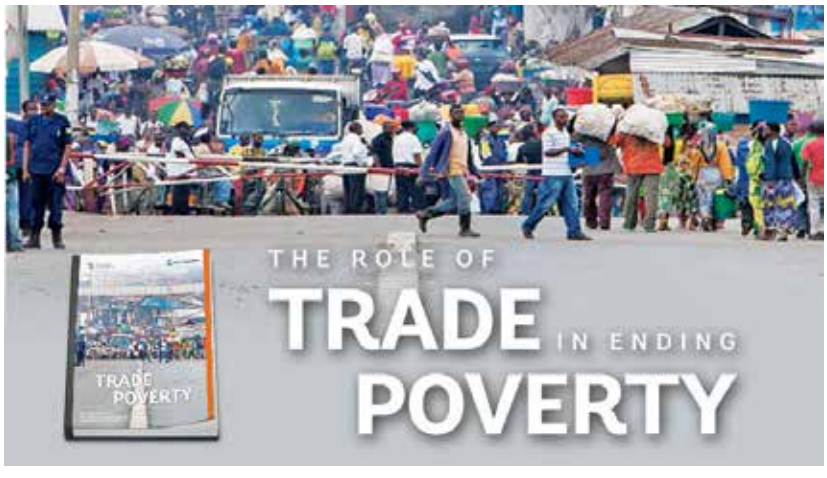
When the WTO was launched 30 years ago, the aim was to create a new global order, based on openness, inclusivity and cooperation. Established as the successor to the General Agreement on Tariffs and Trade (GATT), which mainly dealt with trade in goods, the WTO also covers trade in services and intellectual property, with the overall objective of helping its members use trade as a means to raise living standards, create jobs and improve people's lives.

The 30 years since the WTO's creation have ushered in a new era of trade and economic growth. Between 1995 and 2023, total world trade — goods and commercial services — saw strong growth, averaging 5.8 per cent per year. This translates into an almost fivefold increase in world trade.

Notably, trade in commercial services outpaced goods trade, with an average annual increase of 6.8 per cent, compared to 5.5 per cent for goods.

The growth of world trade outpaced that of global gross domestic product (GDP), which increased by an average of 4.4 per cent per year over the same period. The global trade-to-GDP ratio showed a significant upward trajectory, rising from 20 per cent in 1995 to 31 per cent in 2022, before falling back to 29 per cent in 2023, as goods trade declined in value terms on a balance-of-payments basis (see Figure 2).

This indicates the growing interconnectedness of economies through trade, despite temporary declines during the global financial



crisis of 2008-09 and the COVID-19 pandemic in 2020.

Thus, the share of commercial services in world trade increased from 19 per cent in 1995 to 25 per cent in 2023. However, it is important to note that these figures do not account for services trade under mode 3 of the General Agreement on Trade in Services, which involves local sales by the established affiliates of foreign services companies.

Consequently, these figures substantially underestimate the true extent of services activity in global trade. According to the WTO's latest estimates, recently presented in the Global Trade Outlook and Statistics, with the inclusion of mode 3 services trade, the services share of global trade in 2022 was close to 42 per cent.

WTO estimates also show that digitally delivered services have experienced a fourfold increase in value since 2005, with an average annual growth rate of 8.2 per cent over the period 2005-23. This growth has outpaced that of goods (4.8 per cent) and of other services exports (4.6 per cent).

Global exports of digitally delivered services soared to US$ 4.25 trillion in 2023, up 9.0 per cent year-on-year. Digital delivery includes services traded across borders via computer networks (through the internet, mobile apps, emails, voice and video calls), and, increasingly, through digital intermediation platforms (such as those used for online gaming, music and video streaming, and remote learning).

Digitally delivered services accounted for over 54 per cent of total services exports, and for 13.8 per cent of total combined exports of goods and services in 2023 (compared to 8 per cent in 2005).

Over the past three decades, the rapid economic growth facilitated by trade in developing and emerging economies has significantly transformed trade patterns, with particular growth in global trade between developing economies.

Trade between developing economies expanded at a rate of 9.7 per cent per year, surging from less than a tenth of global trade in 1995 to nearly 25 per cent by 2022, reaching a total value of US$ 6.1 trillion.

In contrast, while trade between developed economies accounted for over half of global trade in 1995, by 2022 this proportion had declined to 39 per cent, confirming a relative shift in trade flows towards developing and emerging economies.

Global value chains (GVCs) have shown resilience

The GVC participation rate serves as an indicator of the level of trade occurring within supply chains. Despite drops during the 2008-09 financial crisis and the COVID-19 pandemic, GVC participation has maintained steady growth, demonstrating that global supply chains are resilient.

Between 1995 and 2022, GVC participation increased at a steady pace, with the forward GVC participation rate (covering exports to partners responsible for downstream production stages) increasing from 15.7 per cent to 20.4 per cent, and the backward GVC participation rate (covering imports for the production of goods and services for export) rising from 19.5 per cent to 28.3 per cent.

In 2022, the total GVC participation rate (comprising both forward and backward participation) reached 48.7 per cent, marking the highest level since 1995.

Tariffs and trade costs have declined

There has been a clear downward trend in tariffs since the WTO was established in 1995. The simple average tariff applied by WTO members on a most-favoured nation (MFN) basis — whereby WTO members extend the same trade treatment, including tariff rates and market access, to all other WTO members — has declined from 13.1 per cent to 8.8 per cent.

A similar trend emerges for tariffs applied on a trade-weighted basis, with the average MFN tariff dropping from 7.1 per cent to 3.8 per cent. Between 1996 and 2022, the trade-weighted average of applied tariffs — based on the assumption of full utilization of preferential tariffs — dropped from 6.9 per cent to 2.0 per cent.

Between 1995 and 2020, international trade costs — including all physical and regulatory trade barriers — decreased by approximately 6 to 10 per cent across various sectors globally. This reduction in trade impediments contributed to a notable increase in global trade, estimated at around 30 to 45 per cent. Most of the decline in trade costs occurred from 1995 to 2008.

Increased trade has coincided with a sharp reduction in global poverty

Between 1995 and 2022, low- and middle-income economies increased their share in global exports from 17 to 32 per cent. During that time, there was a notable decline in the proportion of these economies' populations subsisting on less than US$ 2.15 per day. This figure dropped markedly from 40 per cent in 1995 to 10 per cent in 2022, indicating the positive impact of trade on poverty alleviation and economic development within these regions.

WTO members review six regional trade agreements

At the meeting of the Committee on Regional Trade Agreements (RTAs) on 8 April, WTO members considered six RTAs involving the Association of Southeast Asian Nations (ASEAN), Australia, Colombia, the European Union, Japan, Pacific Island countries, Peru, the United Kingdom, and Viet Nam. Members furthermore discussed how to improve the functioning of the Committee.

The Committee considered the Association of Southeast Asian Nations (ASEAN) Trade in Goods Agreement (ATIGA) under the Transparency Mechanism for RTAs. The Agreement, in force since 17 May 2010 and whose beginnings date back to 1977, establishes a free trade area among ASEAN member states. Liberalization is already fully implemented except for petroleum products in Viet Nam (expected in 2024) and Cambodia (2025). Tariffs on intra-ASEAN trade have been eliminated on most tariff lines, with the remaining tariff lines comprising under 2% of the total excluded from liberalization. Tariffs on those excluded lines range from 5% to 35%. ATIGA is one of the pillars of the ASEAN Economic Community, which includes the ASEAN Framework Agreement on Services (AFAS), the ASEAN Trade in Services Agreement (ATISA) and the ASEAN Comprehensive Investment Agreement (ACIA).

The Lao People's Democratic Republic (PDR), speaking on behalf of the ASEAN member states, emphasized that the Agreement provides comprehensive trade measures including the liberalization of rules of origin, trade facilitation and customs procedures, aiming to enhance economic cooperation within ASEAN. Serving as a cornerstone for economic integration efforts, the Agreement promotes regional trade, enhances competitiveness, and drives economic growth within the region.

The Committee also considered the services aspects of the Free Trade Agreement (FTA) between Japan and the Member States of ASEAN. This is part of the ASEAN-Japan Comprehensive Economic Partnership Agreement and entered into force between 1 August 2020 and 1 February 2022 for the various parties. It covers trade in services, movement of natural persons and investment, and is complemented by supplementary provisions on financial and telecommunications services. Liberalization commitments under the Agreement are generally broader than those under the WTO General Agreement on Trade in Services (GATS), with some exceptions.



Thailand, speaking on behalf of the ASEAN member states, said that ASEAN and Japan continued to strengthen their collaborative efforts aimed at enhancing trade and economic cooperation. They firmly believe this agreement will facilitate increased cross-border flow of investment and services among all parties involved.

The Economic Partnership Agreement (EPA) between the European Union and the Pacific States (Papua New Guinea, Fiji, Samoa and the Solomon Islands), Goods, has been in force since 2009 between the European Union and Papua New Guinea, and from 2014 between the EU and Fiji. Subsequently, Samoa and the Solomon Islands acceded in 2018 and 2020 respectively. Prior to entry into force, the EU already provided duty-free and quota-free market access for most products under its "market access regulation" for the African, Caribbean and Pacific (ACP) Group of States; this has continued under the EPA. The Pacific States will liberalize between 77.9% and 90.7% of their tariffs within a period of 15-25 years, with bilateral safeguards envisaged for when compliance may cause difficulty in ensuring food security. The Agreement also aims to promote sustainable development and the gradual integration of the Pacific States into the world economy in conformity with their development priorities.

The European Union stated that the Agreement is geared towards fostering collaboration on customs and trade facilitation, technical barriers to trade, and sanitary and phytosanitary (SPS) measures. It establishes dispute avoidance and settlement procedures to ensure that consumers and businesses can fully leverage the trade and development opportunities offered by the Agreement.

Samoa, speaking on behalf of the Pacific States, highlighted that the Agreement's objectives include enabling the Pacific States to capitalize on preferential access to the EU market and promoting sustainable development alongside the gradual integration of the Pacific States into the global economy.

The Committee also considered the Free Trade Agreement between the United Kingdom and Viet Nam, Goods and Services. The Agreement in large part replicates the provisions of the agreement between the European Union and Viet Nam that the UK was party to previously as a member of the EU.

The UK expects to liberalize over 99% of its tariffs for imports from Viet Nam at the end of implementation in 2027, while Viet Nam will liberalize 97.6% of tariffs by 2035. On trade in services, most commitments made by the parties in the EU-Viet Nam Agreement are replicated and there are some improvements in certain business services, distribution, and financial services.

In a joint statement with Viet Nam, the UK noted that the Agreement seeks to maintain continuity in the UK-Viet Nam trading relationship, integrating relevant provisions from the existing FTA. Substantive adjustments include modifications to tariff rate quota volumes and rules of origin. There are also commitments in the Agreement relating to trade and sustainable development, including labour, the environment and corporate social responsibility.

The Trade Agreement between the United Kingdom, Colombia, Ecuador and Peru, Goods and Services, entered into force on 1 January 2021. It incorporates and modifies the trade agreement previously established between the EU and Colombia, Ecuador, and Peru. Each party will liberalize more than 95% of its tariffs by the end of implementation, providing continuity in the preferential trade relationship between the UK and the Andean countries. The parties also build on their commitments under the GATS.

The UK, delivering a joint statement with Colombia, Ecuador, and Peru, emphasized that the Agreement has already facilitated substantial trade and investment, with total trade in goods and services between the UK and the Andean states reaching GBP 4.2 billion in the four quarters leading up to the end of Q4 2022.

The UK looks forward to the upcoming Trade Committee meeting with the Andean countries in July, aiming to explore further opportunities for collaboration and enhance prospects for trade.

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus), Goods and Services, entered into force between 13 December 2020 and 11 October 2022 among the various parties: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tuvalu, Tonga and Vanuatu. Australia and New Zealand liberalized all their tariffs upon its entry into force. For the Pacific Island countries, meanwhile, zero (for Kiribati) and 18.4% (for Vanuatu) of their tariff lines will remain dutiable for imports from Australia and New Zealand. Furthermore, liberalization commitments in trade in services, movement of natural persons, and investment vary among the parties following the "positive list" approach.

Samoa, speaking on behalf of the PACER Plus Parties, highlighted that the Agreement includes tariff commitments, rules of origin, customs procedures, and SPS measures. It also recognizes the importance of sustainable economic development and aims to address unemployment in the Pacific Islands.

New Zealand said it regards PACER Plus as a landmark agreement for the region, aiming to support Pacific Island countries in becoming more active players in trade and benefiting from regional and global trade. This, in turn, is expected to create opportunities for growth, jobs, and increased living standards, it said.

Australia emphasized that the Agreement will assist Pacific Island countries in addressing challenges, providing a framework for increased predictability, transparency, and stability in a professional business environment. It also aims to deliver targeted and responsive technical assistance in areas relevant to Pacific Island countries' trade.

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