

# NEWS BULLETIN

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**US-China trade war :  
Impact on global economy**

100 years

**icc** INTERNATIONAL  
CHAMBER  
OF COMMERCE  
@100 years

## International Chamber of Commerce (ICC) CENTENARY CELEBRATIONS (1919-2019)

To mark our centenary, ICC will host in May 2019 a half-day summit featuring leaders from business, government and international organizations. Taking place in Paris, the summit will highlight thought leadership on addressing pressing global challenges through international cooperation and the role of business in the 21st century. Following the May summit, five regional events will be held in Lagos (June), Athens (October), Bogota (November), Dubai (tbd) and Hong Kong (tbd).

A closing event will also be held in early 2020 in Mexico. Dates for regional events will be announced as soon as they are confirmed with each regional host. National committees not hosting a regional event are encouraged to organize a local event and to inform the ICC secretariat.

In the context of the centenary, ICC will also launch a fundraising drive to support the €100m Centenary Fund under the theme “The next century of global business.” The fund will enable ICC to invest in the creation and expansion of results-oriented projects and business lines, as well as to help support ICC operations. Legal establishment of the fund under French law is expected by early 2019.

### KEY MESSAGES

#### 1. ICC has been at the forefront of advancing peace and prosperity globally since it was founded in 1919

- ICC was founded in the aftermath of the First World War when no world system of rules governed trade, investment, finance or commercial relations.
- ICC’s founders acted on their conviction that building stronger commercial relations between nations would reduce the risk of war and armed conflict.
- ICC’s founders were referred to as “The merchants of peace.”
- ICC’s International Court of Arbitration was founded in 1923 and remains the most preferred arbitral institution in the world.
- In 1927, ICC brought private sector experts together with governments to develop a global pact on lowering tariff barriers – a project that was eventually adopted by governments as the General Agreement on Tariffs and Trade, precursor to the World Trade Organization (WTO).
- In the 1950s, ICC prepared the first draft of the New York Convention—the UN agreement that founded international arbitration.
- In 2015, ICC’s strong presence at COP21 helped broker the landmark Paris Agreement—the world’s first comprehensive climate accord.

#### 2. ICC is ensuring the organisation is fit for purpose for the next 100 years

- ICC’s founding constitution states the organisation’s mission was “to further the development of an open world economy with the firm conviction that international commercial exchanges are conducive to both greater global prosperity and peace among nations.”
- Building on that foundation, ICC’s renewed mission to “make business work for everyone, everyday, everywhere” is now aligned with our purpose in the context of the global challenges and opportunities of the 21st century.
- As part of an internal transformation, ICC is putting digital first, strengthening its own network and culture, and exploring new opportunities to help build more sustainable and inclusive business communities globally.
- ICC’s guiding vision is to “enable business worldwide to secure peace, prosperity and opportunity for all.”

#### 3. ICC is the world’s largest and most representative business organization.

- With members in more than 100 countries, ICC represents 45 million companies and more than 1 billion workers worldwide.
- 1 in 3 workers depend on ICC members for their livelihood.

- ICC represents both the developed and the developing world, bringing a unique and diverse perspective to global discussions.
- ICC is the only private sector organisation to hold United Nations Permanent Observer status.

#### 4. The extensive ICC network enables our global organisation to act locally

- ICC maintains a network of over 90 national committees.
- Our first national committees were created in 1920 in Belgium, Denmark, France, Italy, UK and the US. The most recent addition is ICC Armenia, created in 2017.
- Our geographical expansion includes opening new case management offices in New York (2014), Hong Kong (2008), Singapore (2010), Shanghai (2016) and Sao Paulo (2017).
- ICC is the first non-Asian headquartered dispute resolution institution to establish an office in mainland China.
- The case management offices provide local service delivery that is vital for the users of our arbitration services, and they contribute to ICC maintaining its market-leading position in a competitive environment for arbitration.
- Our network of chambers of commerce plays a vital role in connecting ICC to SMEs.

#### 5. ICC continues to adapt to global challenges and disruptions with a focus on advocacy, standards and solutions that collectively enable business worldwide

- In areas from trade finance and international arbitration to climate change and Internet governance, ICC works to bring the expertise of business into global discussions and decision-making processes at the international level.
- The UN decision to grant ICC the status of Permanent Observer in 2017 demonstrates a growing recognition by governments and intergovernmental organisations of the crucial role the private sector can play in developing solutions to current and emerging global issues.
- ICC’s range of pioneering arbitration and dispute resolution services are the gold standard internationally.
- The Global Alliance for Trade Facilitation, which is jointly led by ICC, is redefining the way trade facilitation reforms are implemented by working with governments and businesses from the ground up to tackle trade barriers with a business mind-set.
- The ICC Academy, based in Singapore, offers dynamic e-courses and specialized programmes on trade finance and cross-border transactions designed by leading industry experts to meet the educational needs of banks, corporates and other organisations at the forefront of international trade.

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## Editor's Note

### US-China trade conflicts—a major concern for global economy

China is the world's biggest developing country and the United States is the biggest developed country. Trade and economic relations between China and the US are of great significance not only for the two countries but also for the economic stability and development of the world economy. Since the establishment of diplomatic relations, bilateral trade and economic ties between China and the US have developed steadily. Recent trade friction between these two countries has overshadowed their relations.

Two-way trade in goods has grown rapidly. Currently, the US is China's biggest export market and sixth biggest source of imports. On the other hand, China is the fastest growing export market for US goods and the biggest source of imports of the United States. Trade friction between the two countries should be properly resolved as it bears on global economic stability and prosperity as well as world peace and development.

According to the recent White Paper released by China regarding trade and economic frictions with the US, trade between the two states reached US\$583.7 billion in 2017. The Trump administration has instigated a trade war with China by imposing tariffs on a total of \$250bn of Chinese imports. As counter to the US move, China is also imposing tariffs on \$110bn of US imports. There have been warnings from both the private and public sectors about the potential spillover effects of the ongoing trade war between the US and China.

As globalization moves forward, the economies of the world are increasingly connected through trade. Trade has become a major engine for global growth. According to the World Bank, the international economy's dependence on trade rose from 17.5 percent in 1960 to 51.9 percent in 2017.

The "World Economic Outlook" report released by the IMF on April 17, 2018 noted that raising tariffs and non-tariff trade barriers will disrupt the global value chain, slow down the spread of new technologies, lead to a drop in global productivity and investment and ultimately slow down growth trajectory. IMF also cautioned that all countries would suffer as a result of the tensions and cut back its GDP projection for the US to 2.5% in 2019, and further still to 1.8% in 2020. This has undoubtedly cast a long shadow worldwide at a time when US growth has been critical to the global economy.

As a matter of fact for most Asian nations, China is their single biggest trading destination, but the US remains an invaluable economic partner as well. As a result, the escalating tensions between the two economic giants have caused unease. In November 2018, Asia-Pacific Economic Cooperation (APEC) meeting in Papua New Guinea could not come up with a joint statement – the first failure of this kind in the entity's 25-year history. The meeting, with the high profile gathering was an opportunity to promote economic cooperation and try to resolve the ideological division between the two mega-world power - US and China.

A trade war cannot help the entrenchment of trust and constructive cooperation in US-China relations. The trajectory of their relationship will very much depend on the stability of the global economy, so it is crucial for both countries to mitigate strategic rivalry and expand mutual respect.

## ICC Bangladesh News

### Businesses support continuation of government for policy continuation

Prime Minister Sheikh Hasina, M.P. said she did not want to go to power by any means which might destabilise peace in the country. She was speaking at “Bangladesh

relations and road connectivity with the neighbouring countries. Rohingyas were given shelter on humanitarian grounds and discussions were going on to resolve

facilitator. Hasina said the drives against militancy, terrorism and drugs would continue and the government would show “zero tolerance” against corruption.



Hon'ble Prime Minister H.E. Sheikh Hasina Chamber leaders at the Businessmen Conference 2018 titled “Bangladesh towards peace and prosperity” held in Dhaka on 18 December.

towards peace and prosperity” which was organised by Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka on 18 December .

The PM said her party wanted to see a peaceful election in the country as many political parties would contest the December 30 parliamentary polls. The AL president said a peaceful situation was prevailing in the country.

Prime Minister Sheikh Hasina laid importance on continuation of the government and said that her government had embarked on massive development works in every sector. Continuation of the present government was very crucial to maintaining the existing business atmosphere, she emphasised. Construction of the Padma Bridge, nuclear power plant, Karnaphuli tunnel and other projects had been taken for the socio-economic development of country, she said, adding that addressing the adverse effect of climate change and poverty alleviation were also crucial tasks.

Sheikh Hasina said that her government had established good

the crisis through negotiation, she added. Pointing out her government’s initiative to settle the dispute on maritime boundaries with Myanmar and India, the prime minister said that her government had also successfully implemented the land boundary agreement with India.

Sheikh Hasina said that the people of Bangladesh are now regarded with special honour in the world as the citizens of a developing country.

Describing the private sector as the driving force of the country’s economy, the PM said the sector would be the key player and the government would act as its

ICC Bangladesh President Mahbubur Rahman in his address said we are recounting the past achievements of the present government and the future targets that they are planning to achieve under the dynamic leadership of Hon’ble Prime Minister Sheikh Hasina. The achievements of the government over the last ten years is well known to all of us and we have seen the reflection at home and abroad. We are now a proud nation whereas in seventies Bangladesh was branded as a country of poor, problematic and natural calamities. We all recollect the comments made by the former US Foreign Secretary considering Bangladesh “a bottomless basket”, he added. He further mentioned that no doubt the energy policy of present government is very much business friendly and the country as well as businesses are benefitting from that.

Top business leaders and entrepreneurs across the political divides said they want to see Sheikh Hasina as the prime minister of the country for next term again, terming her as the ‘symbol of hope’ for the entire business community and common people as well for the country’s thriving growth.



ICC Bangladesh President Mahbubur Rahman is delivering his speech at the Businessmen Conference 2018.

“Business community wants a leader who have vision, courage, cooperation and whose doors are always open for them,” said Shafiul Alam Mohiuddin, president of FBCCI adding that Sheikh Hasina is the last resort to resolve any problem of industries, owners and workers and she stands as the guardian for development.

They extended their full support to the ‘zero tolerance’ policy of Sheikh Hasina to corruption, urging her to give punishment if there is any ‘black sheep’ in the business community. Top business entrepreneurs, CEOs, managing directors of manufacturing industries and export-import enterprises, leaders of steel industries, service oriented organizations, power sector and ICT and leaders of trade bodies joined the conference.

A video documentary on the development of various sectors and

mega projects undertaken by the government was screened at the programme.

Former FBCCI president Salman F Rahman, also the PM’s adviser on private enterprises, said the business community was very much grateful to the PM as she extended cooperation to every businessman irrespective of their political affiliation to do business freely over the last 10 years. Former FBCCI presidents Mahbubur Rahman, Mir Nasir Hossain and AK Azad, leading woman entrepreneur Rokia Afzal Rahman, Metropolitan Chamber of Commerce and Industry (MCCI) President Nihad Kabir, BGMEA President Siddiquir Rahman, Incepta Pharmaceuticals Managing Director Abdul Muktedir, ACI Limited Chairman Anis Ud Dowla, Grameenphone CEO Michael Foley, Microsoft Bangladesh MD Sonia Bashir Kabir, City Group Chairman Fazlur Rahman and

BASIS President Syed Almas Kabir spoke at the programme, moderated by the FBCCI chief.

President of Leather Goods and Footwear Manufacturer & Exporters Association of Bangladesh Saiful Islam, DCCI President Abul Kasem Khan, Bashundhara Group Chairman Ahmed Akbar Sobhan, Berger Paints MD Rupali Chowdhury, Mohammadi Group MD Rubana Huq, AKM Selim Osman MP, Tipu Munshi MP, former BGMEA presidents Kutubuddin Ahmed, Atiqul Islam and Anwar-Ul-Alam Chowdhury Parvez, Anwar Group MD Manwar Hossain, Abdul Monem Sugar Refinery Chairman Moinuddin Monem, BSRM Group Chairman Ali Hussain Akber, Bangladesh Dokan Malik Samity President Helal Uddin and Anisur Rahman Sinha of Opex Group also addressed the conference.

## DCCI celebrated 60th year by organizing Destination Bangladesh Seminar

The current pace of development may be stopped if not the Awami League return to power through the next election due by December, Prime Minister Sheikh Hasina said on October 28. “I don’t know what will happen if another party come to power as the election is approaching,” the Prime Minister said referring her bitter experience that her development schemes were discontinued with the political changeover.

Hasina, while addressing the country’s top business leaders in Dhaka, said she would be able to fulfill the development targets only if the people vote her to power. “We will also try to stand by them even we don’t get their vote,” PM said while inaugurating an international business conference titled ‘Destination Bangladesh’ at Bangabandhu International Conference Center (BICC). The programme was organized at the 60th anniversary of Dhaka Chamber of Commerce and Industry (DCCI).

On the occasion, the DCCI conferred the “Visionary Leadership Award” on the PM, calling her a “torchbearer” of Sonar Bangla and a real change

multinational professional services network headquartered in London, Bangladesh would emerge as the world’s 28th largest economy by



Hon’ble Prime Minister H.E. Sheikh Hasina is seen at an international business conference titled ‘Destination Bangladesh’ was organized at the 60th anniversary of Dhaka Chamber of Commerce and Industry (DCCI). Commerce minister Tofail Ahmed also seen in the picture.

maker, who is an inspiration to the private sector. “Sheikh Hasina opened the gateway for greater investment and is a trendsetter of transforming Bangladesh into ‘Destination Bangladesh,’” said a DCCI citation.

Hasina said according to Pricewaterhouse Coopers, a

2030 and 23rd largest economy by 2050, exceeding many developed economies like Australia, Spain, Malaysia and the Netherlands. “I hope you the business people will do your business keeping the target in mind,” the PM said.

Hasina said her government had set a goal for quick development of

the country through fulfilling the basic rights of 160 million people. "In doing this, we have given utmost importance to the private sector as the sector is the key to strengthening the economy through investment." The PM said her government had done everything for the development of the economy in a planned way and set a goal to make Bangladesh a middle-income country by 2021. To achieve the goal, she said the first five-year plan

had already been implemented and the implementation process of the second five-year plan is underway.

Against the backdrop of increasing per-capita income and purchasing capacity of people, Hasina hoped that the country would be able to achieve 8.25 percent growth next year as private sector would play a big role in fulfilling the target. Mentioning her government's plan to set up 100 Special Economic Zones across the

country, the PM said her government envisaged expansion of industries under the private sector.

Commerce Minister Tofail Ahmed, State Minister for Finance MA Mannan and President of Federation of Bangladesh Chambers of Commerce and Industry Shafiul Islam (Mohiuddin) attended the function as special guests. DCCI President Abul Kashem Khan delivered the welcome address.

### Lack of good governance hampering economic growth : Speakers at civic dialogue

People are failing to reap the benefits of the economic growth Bangladesh has been achieving for over a decade due to lack of good governance, weakness in the regulatory bodies and structural flaws in political parties, analysts said on December

sector since 1990s, but the country's good governance is still far below different in global indexes, said Wahiduddin Mahmud, a noted economist and advisor to a former caretaker government. "The upcoming election needs to be

commissioner, said the country's political parties "have been doing their job like private organisations".

"There is no particular reference in our constitution about the structure of the political parties. We are lagging behind our competing countries because of weakness in our political institutions," he said. "The Election Commission's infrastructure is the largest in comparison to the others in the subcontinent. Despite that, the EC has failed to discharge its responsibility properly," Sakhawat said. The country does not have any policy on institutionalising the commission, creating crisis to take timely decisions, he said, adding that the businesspeople were now panicked about the situation after the polls.



ICCB President Mahbubur Rahman (5th from left) & ICCB Vice President Rokia Afzal Rahman (4th from left) are seen at a civic dialogue titled "Middle Income with Quality and Dignity: An Agenda for Bangladesh". Also seen in the picture former Advisor to the former caretaker govt. Dr. Hossain Zillur Rahman (5th from right); an Eminent Economist & Advisor to the former caretaker govt. Wahiduddin Mahmud (4th from right); former Bangladeshbank Governor Dr. Salehuddin Ahmed (3rd from left); Professor of Economics Dhaka University Ali Taslim (2nd from left); DCCI President Abul Kashem Khan (2nd from right) and former DCCI President Asif Ibrahim (2nd from right).

15. Political parties should address the issue in their respective election manifestoes to ensure inclusive growth, they said at a civic dialogue titled "Middle Income with Quality and Dignity: An Agenda for Bangladesh".

International Chamber of Commerce (ICC) Bangladesh and Power and Participation Research Centre jointly organised the event at the LGED Auditorium in the capital. A remarkable progress has been achieved in the socioeconomic

accepted by the people. Even after 47 years of our independence, we have a basic agenda. And that is an accountable and stable governing system," he said. "The current politics and its unfair exercises are mainly responsible for problems in the corporate governance," he added.

There remain a number of challenges to attain sustainable development goals as the country's allocation for health and education is far lower than its peers, he included. Sakhawat Hussain, a former election

ICC Bangladesh Vice President Rokia Afzal Rahman pointed out the rising inequality in Bangladesh. Quoting a recent Oxfam report, she said Bangladesh has been ranked 148th out of 157 countries. India and Singapore – although financially in a much better position – ranked 147th and 149th respectively. "One of the prime philosophies of taxing is to reduce income inequality," she said. To harness benefit from the demographic dividend, she said the government must create job opportunities for the ever growing number of unemployed youths.

The ICCB vice president also said the massive development of the country

that has taken place in the last few years was not a bi-product of good governance. As a matter of fact, this development has been steered by a number of reasons:

First -two-thirds of the population of the country falls in the age group of 21-35 and is considered as the productive workforce in a country; second, the contribution of garment industries; third, the contribution of foreign remittance; Fourth, the contribution of Non-governmental Organisations and Finally, the proactive and courageous decision of the government.

Although good governance and development are interrelated as the prior acts as the facilitator of the latter, but, the case of Bangladesh is unique as despite certain weaknesses the country has made a tremendous success in economic as well as social development because, the govt. is

continuing trying to improve the situation.

Hossain Zillur Rahman, another advisor to a former caretaker government, said one of the core objectives of political parties for ruling the country was providing unfair facilities to the people involving with their organisations. A demographic discrimination between Dhaka and the other parts of the country has been created, he said. The political parties should focus on the issues, he said, adding that the electoral process should be credible so that people can vote without fear.

Salehuddin Ahmed, a former Bangladesh Bank governor, said people from all walks of life had not got the benefits of the economic development. “The central bank has framed a lot of rules and regulations to supervise banks. But banks hardly follow those as many

defaulters often reschedule their nonperforming loans more than three times breaching the rules,” he said. The upcoming government should strengthen the organisational structure of the regulatory bodies, Salehuddin added.

Among others, Selim Raihan, executive director of SANEM, Ghulam Quader, a former advisor to a caretaker government, Asif Ibrahim, a former president of DCCI, Farah Kabir, country director of ActionAid Bangladesh, M Ramizuddin Chowdhury, editor of daily Purbokone, Nasim Manzur, former president of Metropolitan Chamber of Commerce and Industry; Abul Kasem Khan, president of the Dhaka Chamber of Commerce and Industry; MA Taslim, former chairman of Tariff Commission; and AB Mirza Azizul Islam, advisor to a former caretaker government; also addressed the event.

### Delayed settlement of international payment (export-import) damaging country’s image : ICCB President

A number of cases of the commercial banks in Bangladesh do not make payments on time against letters of credits though there is no discrepancy. This affect country’s image to the outside world very badly said ICC Bangladesh President Mr. Mahbubur Rahman while addressing at the closing ceremony of the Workshop on Documentary Trade Finance: Technical, Legal & Technology organized by ICC Bangladesh in Dhaka on 9 December. We at ICC Bangladesh quite frequently receive complain from foreign banks for not honoring the L/C terms and making payment on time, he added.

He therefore urged Bangladesh Bank, the regulator to make sure that the commercial banks do not withheld payment when the documents are not discrepant. He advised the participants to scrutinize the documents carefully and ensure that payments are made on time. He also told the participants to do

their duties with due diligence and without any pressure as well as follow the international banking rules & regulation to settle international payment. ICCB President mentioned that our financial institutions are passing through a very crucial time because of nexus between regulators, bankers and big borrowers. This has

to be stopped, he observed.

Mr. Rahman said in order to remain competitive in today’s changing environment, both clients and financial institutions have to streamline their trade activities. As per the ICC 2017 survey the major challenges facing businesses today



ICC Bangladesh President Mr. Mahbubur Rahman (2nd from right) is seen at ICC Workshop on Documentary trade Finance : Technical, Legal & Technology held in Dhaka on 9 December. Also seen in the picture from left to right are : Executive Committee Member of ICC Banking Commission, Paris and Vice Chair of the Banking Commission of ICC United Arab Emirates Mr. Vincent O’ Brien, ICC Bangladesh Banking Commission Chairman & Chief Executive Officer of Bangladesh International Arbitration Centre (BIAC) Mr. Muhammad A. (Rumeel) Ali & ICC Bangladesh Secretary General Mr. Ataur Rahman.

are cost control, limited technical competency, limitations of current

(BIAC) Mr. Muhammad A. (Rume) Ali in his address said the banking

the sector declaring profit every year, he questioned? He mentioned that lack of good governance and pressure of the vested group are the main reasons for such huge scam. He urged the central bank for ensuring good governance of the banking sector.



Group picture of participants with ICC Bangladesh President Mahbubur Rahman.

technology, poor productivity management, and limited training and development.

ICC Bangladesh Banking Commission Chairman & Chief Executive Officer of Bangladesh International Arbitration Centre

sector has lost Tk. 22, 502 crore during the last 10 years through major scams, according to media reports. Therefore, per year loss is Tk. 2,250.20 crore and per day loss is Tk. 8.6 crore (260 working days a year). How the banking sector is sustaining in that situation and how

Mr. Vincent O' Brien, Executive Committee Member of ICC Banking Commission, Paris and Vice Chair of the Banking Commission of ICC United Arab Emirates conducted the workshop. ICC Bangladesh Secretary General Ataur Rahman also spoke at the occasion.

A total of 151 participants from 35 banks attended the workshop held in Dhaka. Earlier a similar workshop was held in Chittagong on 8 December where 80 participants from 30 banks attended.

### Non-Performing Loans impacting capital adequacy of the industry said ICCB President

Capital adequacy is the primary indicator of the banks' financial fitness and stability. Banks are required to keep at least 11.81% capital adequacy ratio (CAR) which determines the adequacy of banks' capital keeping in their risk exposures. But as of June, banks' CAR stood at 10 percent, down from 10.11 percent a quarter earlier said ICC Bangladesh President Mahbubur Rahman at the closing ceremony of ICC workshop on Importance of Compliance in Trade Finance at a city hotel on 7 October.

show any sign of strengthening their capital base. On top of this of the total loan banking sector loan amounted

Mahbubur Rahman observed that until now, only limited action has been taken to penalise defaulters,



Mahbubur Rahman, President of ICC Bangladesh (centre) is seen at the concluding session of a two-day ICC Workshop on Importance of Compliance in Trade Finance held in Dhaka during 6-7 October. Also seen in the picture Muhammad A. (Rume) Ali (2nd from right), Chairman, ICCB Banking Commission; Helal Ahmed Chowdhury (2nd from left), Supernumerary Professor, BIBM; Ataur Rahman (extreme right), ICCB Secretary General and Sudhakar Sanjeevi (extreme left), Workshop Resource from the UAE.

Non-Performing Loans (NPL) is one of the issues that is impacting capital adequacy of the industry specially the eight state-owned commercial and specialized banks. For decades, state-owned banks have been the prime leader to the large corporate borrowers particularly in the industrial sector of the economy, mentioned Mr. Rahman.

to Tk. 7,527.30 billion, of which Tk. 803.07 billion or 10.67 per cent was bad debt. And if restructured or rescheduled loans were included, NPL in the banking sector goes up to 17 percent of total outstanding loans, he added.

improve risk management and strengthen bank management. To tackle the sector's deep-rooted problems of corruption and poor risk practices further efforts needed. Bangladesh Bank must ensure following of regulatory measures by the commercial banks, he urged.

Since 2009, the government has injected Tk.14,505 crore into the state owned banks but they are yet to

ICC Bangladesh Banking Commission Chairman & CEO, Bangladesh International Arbitration Centre (BIAC) Mr. Muhammad A. (Rume) Ali, in his address said the non-compliance in trade financing risk is having an impact in Bangladesh's overall risk rating. In fact, in Bangladesh it raises the cost of accessing trade finance product in International Market. Therefore training like this must increase the efficiency of the concerned bank officials, he added.

Mr. Helal Ahmed Chowdhury, Supernumerary Professor, BIBM & Former Managing Director, Pubali Bank Ltd thanked ICC Bangladesh for continuously arranging workshops for the bankers both at home and abroad. Such programme allows the bankers to interact with their colleagues and learn from the experienced speakers on various issues related to banking operations, in particular international trade finance. He opined that all the banks including the Bangladesh Bank should have appropriate

yearly allocations for training their officials so that they can attend such workshop/training of international standard. He said risk management and compliance are more important in the financial industry than ever before. For us, they are also part of building genuine relationships with our customers.

ICC Bangladesh Secretary General Ataur Rahman also spoke on the occasion. Mr. Sudhakar Sanjeevi, Senior Officer, Internal Control Department, Rakbank, UAE conducted the workshop.

### ASEAN Diplomats visited ICC Bangladesh

The Diplomats of the Association of South East Asian Nations (ASEAN) visited the International Chamber

Vietnam Son Bao Tran and Consul of Singapore William Chik. ICC Bangladesh Vice-President Rokia A

ASEAN, with legacy of 50 years, have seen significantly contributing to regional trade and business proliferation. It is a common economic bloc of 10 countries amounting USD 3 trillion GDP and maintaining a trade bloc of around USD 548 billion.



Mahbubur Rahman, President, International Chamber of Commerce-Bangladesh (4th from right) & Rokia Afzal Rahman, Vice-President, International Chamber of Commerce-Bangladesh (extreme left) are seen with ASEAN Dhaka Committee members.

Bangladesh an economic miracle and model for LDC due to its prudent macro-economic management with exemplary achievement in UN MDG agenda many heavy-weight multinational financial companies like Merill Lynch, Goldman Sachs, JP Morgan, UBS ranked high of Bangladesh and one of front runner economies.

of Commerce Bangladesh & Bangladesh International Arbitration Centre (BIAC) on 14 October.

Rahman & BIAC CEO Muhammad A. (Rume) Ali were also present.

ICC Bangladesh President Mahbubur Rahman briefed them about the activities of ICC Bangladesh BIAC. A video presentation on ICCB activities also showed to them. BIAC Director M A Akmal Hossain Azad made a Power Point presentation on BIAC.

The ASEAN Dhaka Committee has been established with an aim to strengthen ties between the bloc and Bangladesh.

Currently the bilateral trade is around \$215 Million with average import of Bangladesh from ASEAN countries is 16%, but export to ASEAN countries from Bangladesh is 1.6%.

The ASEAN members are Myanmar Ambassador and Committee Chairman U Lwin Oo, Indonesian Ambassador Rina P Soemarno, Malaysian High Commissioner Nur Ashikin binti Mohd Taib, Philippines Ambassador Vicente Vivencio T Bandillo, Charge d' Affaires of



Meeting with ASEAN Dhaka Committee members is in progress.

Bangladesh, India and China keep maintaining the position of top economic Growth performers during past couple of years which justify strong position of Asian Economies. To progress with same escalating

growth for Bangladesh, this regional inclusion is imperative. ASEAN is growing in width and breadth as ASEAN members are united to create a more engaging and liberal trade and economic forum under the

unanimously agreed AEC endorsed by all ASEAN head of states in 2015. AEC was signed to spearhead common economic interests with the philosophy of ‘One vision, One Community’.

### Visit by Ambassador of Japan

H.E. Mr. Hiroyasu Izumi, Ambassador of Japan to Bangladesh visited ICC Bangladesh and BIAC at the invitation of ICC Bangladesh President Mahbubur Rahman. The Ambassador was briefed about

Bangladesh Secretary General were also present.

After independence of Bangladesh in 1971, Japan has been consistently maintaining a very significant

favourable to the development work. Over the years, the relationship and economic cooperation between these two Asian countries have been growing stronger and stronger. Since 1985 Bangladesh has ranked first as the recipient of Japan’s Grant Aid (roughly 10 per cent of Japan’s total grant aid) with a moderate rate of increase annually.

Japanese Technical Assistance and Cooperation to Bangladesh is also appreciable. JICA has extended its technical cooperation through funding and implementing Technical Cooperation Projects in Bangladesh in the prime sectors of Education, Health, Environment, Disaster Management, Agriculture and Rural Development, Power, Transport and also in private sector over the last two decades.



*Mahbubur Rahman, President, International Chamber of Commerce-Bangladesh (4th from right) & Rokia Afzal Rahman, Vice-President, International Chamber of Commerce-Bangladesh (extreme left) are seen with ASEAN Dhaka Committee members.*

the activities of ICC HQs and ICC Bangladesh. He was also informed by the President about organizing special conference to celebrate centenary of ICC and Silver Jubilee of ICC Bangladesh towards the end of 2019. Mr. Takeshi Ito, Minister of the Japanese Embassy and ICC

and effective relationship in the development process of Bangladesh. Since the establishment of diplomatic ties between Bangladesh and Japan, Japan has been extending its aid assistance to Bangladesh. Japanese ODA for Bangladesh has been focused less conditional and

Bilateral relationship between Bangladesh and Japan has also been enhanced in other areas, especially in trade and investment. Japan has been one of the major destinations for Bangladeshi goods. In recent years, shoes, prawns, garments and leather goods are major export products to Japan.

### French Ambassador called on ICC Bangladesh President

H. E. Mrs. Marie Annick Bourdin, Ambassador of France visited ICC Bangladesh and BIAC at the invitation of ICC Bangladesh President Mahbubur Rahman. The Ambassador was briefed about the activities of ICC HQs and ICC Bangladesh. Mr. François Petit, Economic and Commercial Councilor of the French Embassy and ICC Bangladesh Secretary General were also present.

following President Mitterrand’s visit in 1990 and the French proposal for a flood-prevention development programme. Prime Minister Sheikh Hasina visited France in 1999 and again travelled to France in December 2017 for the One Planet Summit, where she met the President of the French Republic.

before. It is mostly fuelled by RMG which accounted for more than 98% of Bangladeshi exports to France. The value of exports from Bangladesh to France increased by 1.4% to EUR 2.4 billion, while French exports to Bangladesh only reached EUR 191 million. France is Bangladesh’s fourth largest export market.

In the late 1980s, French-Bangladeshi relations were on a high

Economic relation between Bangladesh and France is faring well. In 2017, overall trade volume between the two countries followed its increasing trend, as the year

To reduce the huge trade deficit that we are dealing with, France is eager to put its world acclaimed know-how and experience at the service of Bangladesh, especially in the sectors

where our companies' excellence is proven around the world.

Hence, we follow with a keen interest the development of the sectors of electricity, rail transportation, water treatment and all environment related issues. Likewise, we supported the French company THALES in designing and manufacturing the first Bangladeshi geostationary communications and Broadcasting Satellite, Bangabandhu Satellite-1, which was launched on 10th May 2018.

Another success story for our bilateral relationship is the winning of the 275 million euros contract to design, build and operate a drinking water production plant in Narayanganj's Ghandharbpur. This contract will be executed by a joint venture set up between Suez



ICC Bangladesh President Mr. Mahbubur Rahman (2nd from right) is seen with France Ambassador H.E. Mrs. Marie Annick Bourdin (centre). Also seen in the picture from right to left are : ICCB Secretary General Mr. Ataur Rahman, Economic and Commercial Counselor of the French Embassy Mr. François Petit & ICCB General Manager Mr. Ajay Bihari Saha

and Veolia, through a subsidiary of Veolia Water Technologies, as equal partners.

The individual strength of both France and Bangladesh are to be amply utilized and shared in order

to consolidate the mutual economic and social benefits.

France and its companies are committed to developing their action and establishing partnerships which would allow Bangladesh to reach its ambitious economic targets.

### Malaysian High Commissioner at ICC Bangladesh

H.E. Ms. Nur Ashikin binti Mohd Taib, High Commissioner of Malaysia to Bangladesh visited ICC Bangladesh. She was briefed by President Mahbubur Rahman about the activities of ICC HQs. and ICC Bangladesh. ICC Bangladesh Vice President Rokia A Rahman was also present. Mr. Edham Zuhri Muhammad Yunus, Counsellor of the High Commission and ICC

Malaysia is one of the time-tested friends of Bangladesh, the inherent reasons behind the strong bond of friendship are mainly based on religious, cultural, linguistic, ethnic, historical and social links existing between the peoples of both the countries. In our socio-economic development, Malaysia's contribution is remarkable and so it goes with trade and commerce and

The steady diversification of relationships between Malaysia and Bangladesh has become a natural process now. Bangladesh and Malaysia have agreed to start negotiations on the preferential trade agreement (PTA) to give the bilateral trade a boost. This was agreed at the 2nd Foreign Office Consultations (FOC) between the countries in Putrajaya on 28 February. Foreign Secretary Md. Shahidul Haque led the Bangladesh delegation while the Secretary General Ramlan Ibrahim led the Malaysian side.

Two sides discussed all issues related to the bilateral relations including trade and investment, employment of Bangladeshi workforce in Malaysia, Rohingya issue, and culture, the foreign ministry said. Both sides noted that the government to government plus [G2G+] mechanism has brought in "positive" development in reducing the cost of the labour force to come to Malaysia and the influence of the middlemen. The two-way trade is around \$2 billion in which Bangladesh exports only around \$100 million worth products mostly frozen food, agro products and jute.



H.E. Ms. Nur Ashikin binti Mohd Taib, High Commissioner of Malaysia (middle), ICCB President Mr. Mahbubur Rahman (2nd from right), ICCB Vice-President Mrs. Rokia Afzal Rahman (2nd from left), Mr. Edham Zuhri Muhammad Yunus, Counsellor of the High Commission (extreme right) & ICC Bangladesh Secretary General Ataur Rahman (extreme left) are seen in the picture.

Secretary General attended the Meeting.

there exists a very deep engagement between the two countries.

## Brunei Darussalam High Commissioner made a farewell call on ICC Bangladesh President

H.E. Mrs. Hajah Masurai Binti Haji Masri, High Commissioner of Brunei Darussalam to Bangladesh made a farewell call on ICC Bangladesh President Mahbubur Rahman on 31 December. She thanked the President for all the support and cooperation that she has received from the government and in particular the business community and people of Bangladesh.

From the very beginning, Bangladesh and Brunei enjoyed cordial and friendly relations as well as excellent understanding and cooperation. In 1985, soon after the Sultanate achieved independence, Bangladesh established resident diplomatic mission in Brunei Darussalam. Brunei reciprocated by establishing its resident diplomatic Mission in Dhaka.

The foreign policies of Bangladesh and Brunei Darussalam have many similarities including shared outlook on matters of regional and international interest. The two countries work closely in international forums such as the OIC, United Nations, Commonwealth and Non-aligned Movement.

There is scope for further deepening and widening of cooperation in a number of areas, particularly trade,

investment and agriculture. The contribution to Brunei's economy

Bangladesh Chambers of Commerce and Industry (FBCCI).



H.E. Mrs. Hajah Masurai Binti Haji Masri, High Commissioner of Brunei Darussalam (2nd from left), ICC Bangladesh President Mahbubur Rahman (2nd from right) and ICCB Secretary General Ataur Rahman are seen in the picture among others.

made by Bangladeshi nationals (such as teachers, doctors, engineers and expatriate workers) continues to strengthen relations to the mutual benefit of the two countries. Bilateral trade is still insignificant both in volume and value.

A business delegation of Brunei visited Bangladesh, led by Permanent Secretary of the Brunei Foreign Affairs and Trade Ministry Siti Norishan Abdul Ghafor, on 9 September expressed their interest to develop the existing trade relations with Bangladesh. The delegation expressed their interest while meeting the Federation of

In order to increase bilateral trade, both countries emphasized on the need to explore new areas and to consider the possibility of preferential arrangement and regular consultative mechanism. Brunei expressed keen interest to invest in Bangladesh Economic Zones Authority for intermediary products which would be taken to Brunei for further value addition for export to the Association of Southeast Asian Nations and other world markets. They showed an interest to invest in the Bangladeshi hotel business. Both sides, however, agreed that trade volume was far less than existing potentials.

## ICC-UNHCR Programme for Rohingya Refugees and host community



ICC Bangladesh President Mahbubur Rahman (4th from left) & Secretary General Ataur Rahman (5th from right) are seen with ICC-UNHCR team

A 4-Member delegation from ICC Paris, UNHCR, Geneva and Foundation eDF, France visited the Rohingya camps on 6-9 November. ICC Bangladesh Secretary General accompanied by the Team. UNHCR arranged a de-briefing meeting at its office on 10 November which was presided over by ICC Bangladesh President Mahbubur Rahman. The Foundation eDF proposed that the Foundation will undertake a project to supply solar energy to a selected area of the camps. The first phase of the Project with an allocation

of €95,000 will be initiated by the beginning of 2019 and it will be followed by further expansion of the coverage under the Project.

The Team included Ms. Yasmine Rockenfeller, Senior Development Advisor, Bureau for Asia and the

Pacific, UNHCR HQ; Ms. Ingrid Christine Colette Ruyant, Head of Operation, International Solidarity of the Foundation, eDF France, Mr. Robert Capozella, Member of Group Foundation, eDF France and Ms. Sophie Louise Tomlinson, Assistant Policy Manager, ICC, HQs.

Ms. Yasmine Rockenfeller thanked ICC Bangladesh President Mahbubur Rahman for his guidance, support and cooperation to UNHCR and Foundation eDF in selecting the project for the Refugees in Cox's Bazar.

### Participation at ICC Knowledge Sharing Session in Paris

ICC Knowledge Sharing Sessions on 3-5 December 2018 was organized by ICC at its Headquarters, Paris. All the NCs were invited to attend the Session. ICC Bangladesh President approved the participation of the

integration of activities of WCF and NCS.

The programme included discussion on the integration of National Committees (NCs) and World

World Chambers Congress to be held in Rio de Janeiro, Brazil on 12-14 June 2019.

ICC Bangladesh Secretary General also discussed with ICC officials



Group picture of ICC NCs representatives at ICC Knowledge Sharing Session in Paris.

Secretary General at the Session. The 3- day event was attended by 36 NCs. ICC Secretary General John W.H. Denton welcomed the Delegates from Melbourne through Video. He outlined the plan of celebration of 100 years of ICC and future strategy of ICC to make it more vibrant and

Chambers Federation (WCF) activities into a coordinated membership function within the ICC Secretariat; ICC dispute Resolution Services, Membership and strategic planning, ICC Project Unify, Launching of New INCOTERMS 2020, update on 11th

regarding organizing a Regional Event in Dhaka, Bangladesh during early November 2019 marking the 100-year Anniversary and follow up on Trade Facilitation Project in Bangladesh to be undertaken jointly with ICC and The Global Alliance, Washington.

### Training of Bankers of Cambodia in Phnom Penh

At the invitation of the Institute of Banking and Finance (IBF) of Cambodia, ICC Bangladesh Secretary General Ataur Rahman and Mr. ATM Nesarul Hoque, Vice President, Mutual Trust Bank Ltd. organized a training for the bankers in Phnom Penh, Cambodia on 14-16 December 2018.

A total of 45 Cambodian bankers attended the first training held on 14 December and 15 bankers attended 2-day training (15-16 December)



Group picture of participants with ICC Bangladesh Secretary General Ataur Rahman & Mutual Trust Bank Vice-President Mr. ATM Nesarul Hoque at Phnom Penh.

including seven bankers who are going to appear at the Certified Documentary Credit Specialist (CDCS) Examination in April 2019 conducted by London Institute of Banking and Finance (LIBF),

UK. ICC Bangladesh has been promoting CDCS Examinations in Cambodia and Myanmar. This year in April five Bankers of Myanmar appeared at CDCS and all of them passed. In April 2019, nine bankers

of Cambodia and five bankers of Myanmar will be appearing at CDCS Examinations.

It may be mentioned that ICC Bangladesh will receive commission of £100 per participants from LIBF.

### Meeting of ICC Bangladesh Banking Commission

A Meeting of the ICC Bangladesh Banking Commission was held on 12 December. The Meeting chaired

on the current scenario of the Banking sector. The Commission recommended the Action Plan

Project & former Executive Director Bangladesh Bank; Mr. Mohammed Hossain, former Managing Director, Sonali Bank Limited; Mr. Emranul Huq, Additional Managing Director, Dhaka Bank Limited; Mr. Tawfiq Ali, Sr. Representative Commerzbank AG, Bangladesh Representative Office; Mr. Ahmed Shaheen, Deputy Managing Director & Head of Corporate Banking, Eastern Bank Limited; Mr. Md. Bakhteyar Hossain, Executive Vice President & Head, MFIS, MITS & NRB Division, Mutual Trust bank Limited; Md. Motiur Rahman Meah, The City Bank Limited & ICCB Secretary General Ataur Rahman



A meeting of ICC Bangladesh banking Commission is in progress.

by Mr. Muhammad A. (Rumee) Ali was attended by eight Members. ICC Bangladesh President also attended and shared his thoughts

for 2019 for consideration of the Executive Board. The meeting was also attended by Mr. Md. Ahsan Ullah, Advisor, Financial Sector Support

### ICCB organizing CDCS Examination in Dhaka

ICC Bangladesh has made arrangement with The London Institute of banking & Finance (LIBF) UK for holding the CDCS Examination in Dhaka and accordingly the Examination is being held two times (April & October) in every year in Dhaka since 2008. So far 914 have successfully passed the examination from 49 Banks, 1 Financial Technology & 2 from Bangladesh Institute of Bank Management (BIBM). The details number of participant from different organization is given below:

Name of Institution	No.	Name of Institution	No.	Name of Institution	No.
AB Bank	57	Islami Bank	218	Social Islami Bank	24
Agrani Bank	03	Jamuna Bank	19	Sonali Bank	03
Al Arafah Islami Bank	56	Janata Bank	05	Sonali Polaris Financial Technology	01
BD Commerce Bank	02	Meghna Bank	03	SBAC Bank	01
BIBM	02	Mercantile Bank	36	Southeast Bank	24
Bank Asia	18	Midland Bank	01	Standard Bank	16
BASIC Bank	06	Modhumoti Bank	03	Standard Chartered Bank	13
BRAC Bank	11	Mutual Trust Bank	34	State Bank of India	01
Citibank N.A	08	National Bank	12	The City Bank	20
CBC PLC	01	NCC Bank	04	The Farmers Bank	02
Dhaka Bank	15	NRB Commercial Bank	05	HSBC	30
Dutch Bangla Bank	18	NRB Global Bank	03	Premier Bank	09
Eastern Bank	27	One Bank	06	Trust Bank	17
EXIM Bank.	17	Prime Bank	47	Union Bank	03
First Security Islami Bank	14	Pubali Bank	43	Uttara Bank	09
Habib Bank	03	Rupali Bank	08	Woori Bank Bangladesh	01
IFIC Bank	01	Shahjalal Islami Bank	29		

## Images from the Gallery



ICC Bangladesh President Mahbubur Rahman (middle) is seen with Unilever Bangladesh Limited CEO & Managing Director Kedar Lele (extreme right) during his visit to ICC Bangladesh on 19 December. Secretary General Ataur Rahman IS also seen in the picture.



ICC Bangladesh President Mahbubur Rahman (2nd from right) & Vice President Rokia Afzal Rahman (middle) are seen with Shehzad Munim (extreme right), Managing Director, British American Tobacco Bangladesh Co. Ltd. during his visit to National Secretariat on 24 December. Also seen in the picture are Bangladesh International Arbitration Centre Chief executive Officer Muhammad A. (Rumeel) Ali (2nd from left) and ICC Bangladesh Secretary General Ataur Rahman.



Group picture of participants at ICC Bangladesh Workshop on Documentary Trade Finance: Technical, Legal & Technology held in Chittagong on 8 December.

## ICC HQs News

### ICC calls for closest possible relationship between UK and European Union

With the date for the United Kingdom (UK) to leave the European Union (EU) just months away, ICC has restated its position

for both the UK and EU – and would provide much needed certainty for companies, of all sizes, trading internationally.

the Single Market for a period long-enough to allow the agreements to be renegotiated. This period is certainly not shorter than five years and could be as long as 10 years.



“If the UK leaves the EU in a ‘hard’ Brexit scenario, with only World Trade Organization rules to fall back on, the disruption to the UK’s reputation and trading position could be potentially very damaging. It’s not in anyone’s interests for this to happen. In such a scenario, the only practical and responsible solution at this late stage in the negotiations is an extended transition within the Customs Union and the Single Market.”

that the UK should seek the closest possible trading relationship with the EU to keep cross border trade as frictionless as possible.

In ICC’s view, this should mean staying with the Customs Union – and preferably the Single Market – for a transition period long-enough to manage the significant complexity of leaving the EU after 45 years and the world’s largest single market.

ICC believes this will require a transition period of between 5-10 years to minimise disruption in the UK, EU and the global trading system more broadly. Such an outcome would represent a win-win

“The EU has 52 trade agreements covering over 70 countries and with economies as diverse as South Korea, Canada and Chile – and most recently Japan,” said Michael Rake, Chairman of ICC United Kingdom. “These are hugely complex agreements that each take five-seven years on average to negotiate and cannot be quickly replicated. It is therefore incumbent upon the UK government to be responsible and minimise the damage to businesses within the UK, the EU and those countries trading through the UK into the EU. And that means maintaining our position within the Customs Union and possibly

The UK-EU trade corridor is one of the most sophisticated in world trade having been built-up over 40 years. The EU is the UK’s largest trading partner with exports of £274 billion in 2017 (44% of all UK exports – 54% if including all countries with an EU trade agreement) with UK imports from the EU valued at £341 billion in 2017 (53% of all UK imports).

With well over half a trillion pounds of trade at stake – and the jobs, investment and prosperity such a figure represents – ICC’s position is driven by the practical need to minimise the disruption inherent within the Brexit process.

### ICC welcomes Qatar Chamber to International CO Accreditation Chain

The Qatar Chamber of Commerce as well as three local chambers in Italy have become the latest members of the International Certificate of Origin (CO) Accreditation Chain. The announcement was made during an International CO Council meeting which took place in Jaipur, India, 13-14 November 2018. The meeting was chaired by Peter Bishop, Deputy CEO of the London Chamber of Commerce and Industry.



Director of International Relations and Chambers’ Affairs at Qatar Chamber and ICC Qatar Sheikha

Tamader Al Thani said that Qatar’s accession to the ICC CO Accreditation Chain as the 24th member country will further promote and facilitate trade by implementing a universally-accepted certification standard for the issuance of Certificates of Origins in the country.

She further noted that the chamber will organise an awareness workshop in cooperation with ICC and ICC

Qatar in January of 2019 to provide practical information on the ICC Certificate of Origin and the benefits it will provide to the Qatari business community.

With its newly established status, the Qatar Chamber now benefits from the use of the internationally-recognised ICC CO label. This certified mark assures businesses, traders, banks and customs administrations that their COs have been issued according to the most stringent and harmonised certification standards, based on the ICC International CO Guidelines. Qatar Chamber was

established in 1963 and is one of the oldest chambers of commerce in the GCC countries. It aims to organise business interests and represent the Qatar private sector locally and globally.

The new members are:

- The Qatar Chamber of Commerce In Italy (with UnionCamere as national coordinating body);
- The Chamber of commerce industry handicraft and agriculture of Aosta;
- The Chamber of commerce industry handicraft and agriculture of Reggio Emilia;

- The Chamber of commerce industry handicraft and agriculture of Riviere di Liguria Imperia La Spezia Savona.

Created by the ICC World Chambers Federation in 2012, the CO Accreditation Chain today includes 560 chambers from 24 countries.

Through the creation of the CO Chain, ICC aims to assist chamber leaders in promoting universal certification standards and processes to better serve chambers of commerce, as well as traders and customs administrations.

### Hamad Buamim named new Chair of World Chambers Federation

Chambers of commerce making up the General Council of the International Chamber of Commerce’s (ICC) World Chambers Federation (WCF) have elected Hamad Buamim as incoming WCF Chair. Mr Buamim, who is President and CEO of the Dubai Chamber of Commerce and Industry, has served as WCF Deputy Chair since 2013. He will take over the role from Peter Mihok in January 2019. Attending the WCF General Council meeting in Dubai 20-22 November, ICC Secretary General John W.H. Denton AO welcomed Mr Buamim’s appointment, saying: “Hamad’s extensive experience and high standing within the chamber

community will be of great value to our global organization as we approach our centenary with a commitment to further strengthen the important collaboration with chambers to better enable business worldwide.”

Commenting on the appointment, Mr Buamim said:

“I look forward to working with my colleagues at the World Chambers Federation and chamber leaders around the world to develop and adopt a future-ready framework that will facilitate global trade and move the chambers community forward. Through our combined efforts, I believe we can achieve

common goals and pave the way for sustainable global growth.”



Mr Denton also thanked Mr Mihok for his excellent leadership and years of dedication to the work of WCF and the global chamber network.

### Three reasons to attend the 2019 ICC Banking Commission Annual Meeting in Beijing

Registration is now open for the ICC Banking Commission’s 2019 Annual Meeting, taking place from 8-11 April 2019 at the World China Summit Wing in Beijing.

Gathering over 600 delegates—including C-suite executives and industry experts—to discuss the challenges, prospects and ongoing innovation in the trade finance industry, the ICC Banking Commission’s Annual Meeting is one of the most prominent events in the banking calendar. Here are three reasons why you should attend:

#### 1. Celebrating one hundred years of ICC

The 2019 Annual Meeting marks the centenary of ICC—the world’s largest business organisation. As such, the conference will be especially focused on the ways in which ICC has worked to promote international trade in the past and the ways in which it will continue to do so in the future. As the trade finance sector continues its digital transformation, ICC’s role in pioneering standards and rules for the industry is as important as ever.

“The theme of the ICC Banking Commission meeting this year ‘Leading the way in global trade’ underlines the key role ICC has played for the past 100 years in supporting an international rules-based trading system”, says ICC Secretary General John W.H. Denton AO. “This milestone provides an opportunity to reflect on ICC’s achievements as well as to look ahead to what more ICC can do to promote inclusive trade and sustainable growth.

Trade finance figures prominently in that discussion and is crucial to

our vision of enabling businesses worldwide.”

**2. Broaden your knowledge, expand your network**

With a record number of attendees, including government officials, C-suite executives, industry experts, lawyers and insurers, this is an unmissable opportunity for delegates to broaden their knowledge and insight into the global trade finance sector, as well as engage and debate with one another.

This will include taking a close look at the industry’s transformation—discussing the challenges and opportunities in increasing the efficiency of trade finance operations—and addressing ways to expand access to trade financing.

The meeting will include keynote and breakout sessions exploring trade finance policies, emerging trends, ICC rules and findings from flagship

ICC Banking Commission reports, including the Global Survey and

in international trade and its focus on achieving self-sufficiency in key



the Trade Register, both industry-leading initiatives exploring the state of the trade finance industry.

**3. Asia, the world’s premier trade finance hub**

Asia is the world’s number one trade finance hub and China is the world’s largest trading nation. In turn, it is only fitting that the 2019 conference will take place in Beijing.

This year’s Annual Meeting will accordingly dedicate a regional focus to the opportunities of the Belt and Road Initiative, China’s evolving role

technology sectors through its Made in China 2025 strategic plan.

“It is a great pleasure to be hosting the 2019 Annual Meeting in Beijing,” comments Daniel Schmand, Chair of the ICC Banking Commission. “With Asia’s crucial position at the heart of the trade finance industry and the centenary of the ICC, it seemed an obvious choice to gather members and delegates here—in the midst of such a vibrant hub—to explore the wide range of opportunities and challenges the sector is currently facing.”

**Five highlights from the ICC Banking Commission’s 2018 Technical Meeting in Tbilisi**

This year’s International Chamber of Commerce (ICC) Banking Commission Technical Meeting was held for the first time in Tbilisi, Georgia. Taking place on 15-17 October, the ICC Banking Commission’s 2018 Technical Meeting gathering over 200 trade finance experts from 50 countries—as well as high-level attendees such as Prime Minister of Georgia Mamuka Bakhtadze—to discuss the major issues currently affecting the global trade finance industry.

The plenary meeting focused on key topics surrounding transformation and collaboration in the trade finance sector. Georgia, with its thriving export-based economy and wealth of small- and medium-sized enterprises (SMEs), proved an ideal choice for this year’s forum – a prime example showcasing the benefits of open and international trade. At the forefront of discussions was the topic of digitalisation, with increased

interest in the development and implementation of digital processes and solutions within the global trade finance sector.

**Here are five key highlights from the day:**

**1. Georgia’s role as a technology hub**

With this year’s Technical Meeting held in Tbilisi, the success of Georgia’s trade finance sector was naturally a hot topic. Indeed, the country’s economy, driven by its banking sector, has established itself as one of the fastest growing in Central and Eastern Europe over the last quarter of a century.

With increasing interest in the digitalisation of global trade finance, Vincent O’Brien, member of the ICC Banking Commission Executive Committee, and Vlad Radys, Government Relations Director for the CIS Region at Bitfury Georgia, discussed the growing role of

Georgia as a technology hub and how the country is evolving in the new digital era.

**2. Launch of the ICC Digital Road Map**

The various work streams gathered to present to members updates on their work and projects to date. One standout stream was the Digitalisation Working Group. Established last year, the Group works to both ensure that trade finance rules are ‘e-compatible’ and establish a set of standards to enable digital connectivity for trade finance service providers.

Chris Southworth, Secretary General of ICC United Kingdom, announced the launch of the ICC Digital Roadmap project – one stream of the Digitalisation Working Group. The project is in line with the group’s 2020 strategy to help identify and support innovation and standardisation of rules for digital

trade finance. It was stressed that the Roadmap is not a static document but will be continuously adapted in light of rapidly-evolving trends and contributions from industry and public sector experts.

**3. Survey report on the legal status of electronic bills of lading**

With growing digitalisation of the trade finance sector, the move towards electronic bills of lading (eB/Ls), which have traditionally been presented in paper form, will help reduce costs and increase efficiency.

ICC, alongside global law firm Clyde & Co, has launched a report on the legal status of eB/Ls to consider whether the law can keep pace with the technology that is rapidly developing in the international trade sector. Stephen Tricks, a Consultant at Clyde & Co LLP, delved into the topic, presenting members with a powerful report on the legal status of eB/Ls in a range of countries and outlining potential courses of action.

**4. E-compatibility of ICC rules**

Ensuring that ICC rules – which underpin over US\$1 trillion of transactions each year – remain

relevant in the digital age is a crucial task for members of the Banking Commission. Expansion into new markets and the proliferation of new, digital processes are just a few of the transformations underway in the global trade finance sector and ICC rules must be updated and revised accordingly to ensure their applicability.



In turn, Dave Meynell, Senior Technical Advisor at the Banking Commission and Owner of TradeLC Advisory, and David Hennah, Global Head of Trade and Supply Chain Finance at Finastra, presented members with an update on the revision of the ICC rules eUCP, eURc and URBP0.

**5. ICC Rules for Experts**

This year’s Technical Meeting

dedicated the afternoon to the Official Opinions – a staple of each Banking Commission gathering. Widely cited by judges and practitioners when resolving disputes, the Official Opinions are the ICC Banking Commission-approved interpretation of how ICC rules are to be adhered to by members. Opinions

are based on questions submitted by ICC representative offices, known as national committees.

Responding to these questions represents an important task for the Banking Commission. In turn, the Technical Advisory Team presented its draft opinions, for review by the national committees, after which the Official Opinions were consolidated and agreed upon.

**ICC Banking Commission and Clyde & Co launch report on the legal status of electronic bills of lading**

The ICC Banking Commission and global law firm Clyde & Co have



launched a report on the legal status of electronic bills of lading. The report considers whether the law in this area reflects the technological change that is rapidly occurring in the international trade sector.

For centuries the principal document in international trade has been the bill of lading (B/L). It is issued by the carrier and can be transferred from seller to buyer, often via their respective banks. The B/L is a “document of title” in that the holder of the original B/L has specific legal rights in relation to the goods.

The question remains whether those rights and liabilities are replicated if the original paper B/L

is replaced by an electronic bill of Lading (eB/L). Similarly, there is currently uncertainty over the legal consequences if the eB/L is subsequently printed in paper format. The ICC Banking Commission appointed Clyde & Co to conduct a survey on the legal status of eB/Ls, whether in the form of an electronic record or in paper format when converted from an electronic record.

The survey covers the following ten jurisdictions: UK (English law), USA (NY law), Germany, Netherlands, UAE, China, Singapore, Brazil, India and Russia. The report sets out the relevant issues and the results of the survey.

The survey has been coordinated by London based Clyde & Co consultant Stephen Tricks and partner Robert Parson.

Stephen Tricks comments: “As technology continues to disrupt industry it is essential that the law can

keep pace with new developments. We were therefore delighted to work with the ICC Banking Commission on this important report.”

Sean Edwards, lead of the legal work-stream of the ICC Digitalisation Working Group adds:” To work out

what needs to change in the law to support digitalisation in this area, we first need to know what the law is today.

The Clyde & Co report has given us a tremendously valuable starting point.”

## ICC Banking Commission signs partnership with Global Credit Data to boost scope of Trade Register

The ICC Banking Commission has announced a long-term agreement with Global Credit Data (GCD), an association owned by banks and

indispensable tool for the global banking system and policymakers, enhancing market understanding of the nature of trade finance and

The ICC Trade Register was established in 2011 and has since grown to include 22 member banks, covering over US\$10.5 trillion of exposures and more than 20 million trade finance transactions.



The trade finance products included in the register have traditionally been letters of credit, loans for import/export and performance guarantees.

The next edition, to be released in the first quarter of 2019, with Boston Consulting Group as a strategic partner, will expand to include supply chain finance products and export finance provided by non-OECD export credit agencies.

home to the world’s largest database of bank defaults, to strengthen analysis within the market-leading ICC Trade Register.

The ICC Trade Register is one of the few comprehensive sources to provide an objective and transparent view of the credit risk profile and characteristics of trade and export finance. GCD will now manage and oversee the collection of credit-related data from ICC Trade Register member banks. The cooperation will allow ICC and GCD to provide more granular data and detailed benchmarking reports to members.

contributing to informed policy and regulatory decision-making. This agreement with GCD, which is at the forefront of data collection and analysis, will allow us to further develop and evolve the ICC Trade Register as the go-to source for quality and trusted data, which can be used for robust analysis.”

David Bischof, Senior Policy Manager at the ICC Banking Commission, added: “There is a direct and critical link between the availability of timely and affordable trade finance and the conduct of international trade. Since its inception, the ICC Trade Register has been instrumental in promoting dialogue and advocacy around trade finance as an asset class in its own right.”

Philip Winckle, Executive Director of GCD, said: “Extending our work with the ICC Banking Commission on this market-leading project will improve the quality of trade finance credit data for the market and for our members. This will help banks better understand the risks they take and better comply with regulatory rules such as the Basel Framework.”

Krishnan Ramadurai, Chair of the ICC Trade Register project, said: “The ICC Trade Register is an

The latest ICC Trade Register, released in February 2018, revealed the low-risk nature of transactions that support global trade, and confirmed that trade finance products continue to present banks with low levels of credit risk.

## Record-low hijackings yet danger persists in Gulf of Guinea, shows latest global piracy report

A total of 156 incidents of piracy and armed robbery against ships were reported to the ICC International Maritime Bureau’s (IMB) Piracy Reporting Centre (PRC) in the first

nine months of 2018 compared to 121 for the same period in 2017.

The 2018 figure is broken down as 107 vessels boarded, 32 attempted

attacks, 13 vessels fired upon and four vessels hijacked—although no vessels were reported as hijacked in the third quarter of 2018. This is first time since 1994 when no vessel

hijackings have been reported in two consecutive quarters.

Nevertheless, incidents of this crime persist, with the number of crew members held hostage increasing in comparison to the same period in 2017—from 80 incidents to 112 by the third quarter of 2018.

Pottengal Mukundan, Director of IMB, said: “While the record low number of hijackings in the second and third quarters of 2018 is of course to be celebrated, incidents of maritime piracy and armed robbery remain common. ICC urges governments to leverage the timely data available from the IMB Piracy Reporting Centre to concentrate resources in these hotspots.”

**Shifting piracy trends in the Gulf of Guinea**

Statistically, the Gulf of Guinea accounts for 57 of the 156 reported incidents. While most of these incidents have been reported in and around Nigeria (41), the Nigerian Navy has actively responded and dispatched patrol boats when incidents have been reported promptly. There has also been a

noticeable increase in the number of vessels boarded at the Takoradi anchorage, in Ghana.

of 2018, while two fishermen were reported kidnapped off Semporna, Malaysia in September 2018.



It is noted that 37 of the 39 crew kidnappings for ransom globally have occurred in the Gulf of Guinea region, in seven separate incidents. A total of 29 crew members were kidnapped in four separate incidents off Nigeria—including a 12-crew kidnapping from a bulk carrier off Bonny Island, Nigeria in September 2018.

In other world regions, incidents of piracy and armed robbery are comparatively seldom. No new incidents have been reported off the coast of Somalia in the third quarter

Incidents in the remaining regions, including some Latin America countries, border on low-level opportunistic theft. Nevertheless, the IMB continues to encourage all masters and crew members to be aware of these risks and report all incidents to the 24-hour manned PRC. The Centre will ensure that reported incidents are relayed without delay to the appropriate response agency and will liaise with the ship, its operators and the response agency until the vessel is deemed safe.

**Global Supply Chain Finance Forum takes decisive step in clarifying Supply Chain Finance**

Following the release of Standard Definitions for Techniques of Supply Chain Finance in 2016, the Global Supply Chain Finance Forum is taking another decisive step in clarifying Supply Chain Finance.

International and the International Trade and Forfeiting Association, this industry consortium will leverage its collective footprint to aid financial institutions, accounting firms, rating agencies and regulators in gaining clarity and consistency on the various terms and techniques used. The forum will remain alert and react to major market developments in all relevant matters for supply chain finance.

recognised expert in the field, a key player in the drafting process of the definitions document and in the Wolfsberg/ICC/BAFT Trade Finance Principles, and a prime mover in the efforts to include supply chain finance within the scope of the ICC Trade Register, Hausherr was elected for his vast ability to lead the forum towards achieving its goals and implementing its fresh action plan.



Comprised of ICC, BAFT, the Euro Banking Association, Factors Chain

The forum is invigorated with the recent election of Christian Hausherr, European Product Head of Supply Chain Finance at Deutsche Bank as its Chair. As a

Supply chain finance is one of the fastest growing trade products yet evolution into rules for supply chain finance is premature at this stage. While we observe increasing adoption of the terminology, financial institutions do not speak the same

language when it comes to supply chain finance. Recent developments

in the accounting treatment of some techniques have also underlined the

need to engage and align with other industry stakeholders.

### Unique business initiative to support reform process of multilateral rules-based system launched

ICC, supported by the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD) and regional development banks, have announced a new initiative to host a global consultation to support multilateral trade reform.

Launched on 10 October in Bali, Indonesia by ICC Secretary General John W.H. Denton AO and WTO Director General Roberto Azevedo, the new Global Dialogue on Trade platform will provide concrete support to the on-going intergovernmental approach to improving the multilateral rules-based trade system.

The initiative – digitally enabled and managed by ICC – will convene open dialogue among multilateral institutions, think tanks and businesses from around the world. Following an initial call for debate themes, the platform will seek input from users to assess elements in the existing framework that work well, elements that should be improved and what should be addressed to help the WTO effectively deal with the challenges and disruptions of the 21st century.

ICC Secretary General John W.H. Denton AO said:

“The business community is at the forefront of international commerce and should contribute to shaping the rules that govern cross-border trade. The Global Dialogue on Trade, launched on 10 October, enables

business to be a constructive partner to the on-going intergovernmental negotiations through actionable recommendations on reform.

deal with emerging challenges. The voice of the private sector should be heard in that conversation. I warmly welcome this initiative.”



The digital platform provides an unprecedented opportunity for users of the multilateral rules-based trading system to drive positive change and ensure that solutions proposed to make the system fit-for-purpose are heard.”

WTO Director-General Roberto Azevedo said:

“These are challenging times for trade. Escalating tensions between major economies risk undermining the global economic recovery and the multilateral trading system itself. So we can’t just cross our arms. We need everybody who believes in the system as a force for good to speak up. This is particularly crucial in the context of the debate about the future of the WTO and how it could potentially be strengthened and improved to

More than 100 businesses – representing a diverse range of sectors and geographies – along with a wide range of think tanks had been invited to join the platform. The Global Dialogue on Trade was launched at a press conference on the sidelines of the 2018 Annual Meetings of the International Monetary Fund and World Bank Group took place in Bali.

The call for themes closed on 31 October, followed in November by the platform’s first three privately-held, digital debates on selected themes. Recommendations for reform will channel into the ongoing intergovernmental processes and will be made publicly available on the platform at: [globaldialogueontrade.org](http://globaldialogueontrade.org)

### ICC and WTO announce new Small Business Champion

The ICC and the World Trade Organisation (WTO) announced at the Public Forum on 4 October that the Institute of Export and International Trade is the second company to be recognized as a Small

Business Champion. This follows the successful completion of the Institute’s proposal, under the Small Business Champions Initiative, to run a competition entitled the “Open to Export International Business

Award” aimed at encouraging small businesses around the world to begin trading internationally.

During a session at the Public Forum, 12 finalists pitched their “Export

Action Plans” to a panel of judges for the chance to win a package of financing and assistance from the Institute of Export and International Trade designed to help the winning small business implement their export plan. The competition was launched in May and attracted plans from small businesses worldwide. The Institute provided support, webinars and online tools to help the small businesses put together a “global growth action plan”.

Lesley Batchelor, CEO of Open to Export and Director General of the Institute of Export and International Trade announced that the winner of the competition was Dytech Ltd from Zambia.

Deputy Director General Yi said: “I would like to congratulate the Institute of Export and International Trade on the completion of their project. Developing the skills of SMEs and giving them the necessary guidance is essential if we want them to increase their participation

in international trade. I would also wish to congratulate all the finalists for the great ideas they have presented today.”

Chris Southworth, Secretary General of ICC United Kingdom, said: “Making world trade more inclusive means enabling more SMEs to trade —like the 12 finalists of this International Business Award—and expand into global markets. In helping SMEs design and implement global growth plans, the Institute of Export and International Trade is playing an important role in bringing the indisputable benefits of open trade to a wider cross-section of companies and workers. Congratulations.”

Lesley Batchelor, CEO of Open to Export and Director General of the Institute of Export and International Trade, said: “Running this competition and working with inspiring MSMEs from around the

world has been both humbling and truly inspirational. Thank you to the WTO and ICC for supporting it.”



**ICC-WTO  
Small Business  
Champions**

The initiative is delivering projects with a range of business including Argentina’s Chamber of Commerce and Services and Mercado Libre, eBay and Brazil’s National Confederation of Industry. Once the projects have been successfully completed, the businesses will be recognized as ICC-WTO Small Business Champions.

Google was recognized as the first Small Business Champion in December 2017 following the successful completion of its proposal.

## ICC calls on governments to do more to maximise the potential of digital trade for inclusive growth

The World Trade Organization’s (WTO) 2018 Public Forum kicks off in Geneva, Switzerland in the last week of September under the theme ‘Trade 2030’. Ahead of discussions, the International Chamber of Commerce (ICC) has underscored how new technologies are contributing to making world trade more inclusive and fuelling progress towards the United Nations’ (UN) Sustainable Development Goals (SDGs).

**ICC Secretary General John W.H. Denton AO said:**

“New technologies are helping transform world trade for the better, but there’s a current tendency to view their development through a negative lens. What is frequently missed in this assessment is how small businesses, women traders and entrepreneurs are using digital technologies in unprecedented numbers to access

global markets, often for the first time in developing countries. If business and government work together with a solutions-oriented approach to technology, I believe we can maximise the potential of digital trade to spur more inclusive growth.”

Far from posing a threat, new technologies are currently being deployed worldwide to advance global development goals.

Potential for inclusive growth – Just as digital technologies have connected people, trends and ideas from around the world, e-commerce gives many businesses access to global markets for the first time—with some of the biggest gains going to groups that have too often been underrepresented in world trade.

Data from eBay shows that SMEs that use online platforms are more than five times more likely to export than

those in the traditional economy. Likewise, while women account for only 25% of entrepreneurs in China, they have founded a whopping 55% of new online businesses.

A recent Google video competition taking place within ICC and WTO’s joint Small Business Champions initiative showcases SMEs around the world that explain in their own words how digital technologies are helping them connect with clients, promote their products and balance their books.

Governments must do more – Ensuring digital trade fosters inclusive growth relies on an economy having a solid policy environment and effective digital strategy in place. As governments map out ways to foster the local benefits of digital trade, ICC encourages the following steps:

Develop global e-commerce rules – Navigating the myriad national rules and regulations covering digital trade makes it difficult for companies—especially those small and medium-sized enterprises (SMEs) that lack the resources of their larger counterparts—to take advantage of the opportunities. A new common framework of legal standards for digital trade is needed to help SMEs leverage digital technologies to reach global markets.

Take a holistic approach to developing policy frameworks – There is no one size fits all approach to nurturing the development gains of digital

technologies but governments should start by being future-orientated. This means equipping populations with the skills needed to innovate and leverage digital tools, promoting investment and market entry to attain greater network coverage and driving interoperability across policy and regulatory landscapes.

Remove artificial constraints and unjustified localisation measures – Creating artificial constraints to companies’ global supply and value chain planning through data or server localisation restrictions not only increases the costs of doing business; it diminishes the attractiveness of

the location for future investment or inclusion in such value chains. Local data storage regulations, for instance, can lead to higher costs for the local companies—especially SMEs—that depend on technologies such as cloud computing.

Avoid imposing custom duties on electronic transmissions at national borders – Electronic transmissions are typically time-sensitive and need to flow seamlessly across borders to be efficient. To stop these transmissions at borders to impose custom duties would unduly disrupt basic business processes that are inherent in electronic delivery.

### ICC statement on US announcement on Universal Postal Union

ICC has issued the following statement in response to the US Administration’s announcement that it has served notice to withdraw from international postal rate system.

**Secretary General John W.H. Denton AO said:**

“The global postal system plays a central role in enabling global trade

“That said, the US administration’s decision to serve notice on a possible UPU withdrawal highlights the importance of ensuring that global governance systems are modernised in line with the realities of today’s economy. There is, quite clearly, an urgent need to update the international postal rate system to address inefficiencies that have been amplified by the growth of e-commerce.



The International Chamber of Commerce – the world’s largest business organization representing over 45 million companies worldwide – has issued the following statement in response to the US Administration’s announcement that it has served notice to withdraw from international postal rate system.

flows – more so now than ever with the growth of e-commerce. We are therefore naturally concerned by any potential fragmentation of the Universal Postal Union system. Being able to make last-mile shipments to consumers efficiently is vital to support the growth of e-commerce, which has tremendous potential to make world trade more inclusive.

We urge all governments to engage constructively in the months ahead to agree on reforms to the relevant UPU instruments to provide a level playing-field for all businesses and enhance the security and integrity of the global postal delivery system. Business is ready to play its full part in informing any such process.”

## Bangladesh Economy

### Bangladesh's General Election held: Massive victory for Ruling Party

The Awami League led alliance won the 11th parliamentary elections with a massive victory. This is for the first time in Bangladesh that all parties

participated in the election held on the third consecutive term. There was overwhelming support to Sheikh Hasina and her party for nation's impressive economic growth over

the last couple of years. Awami League party won 288 out of 300 seats, the result of two seats withhold. The opposition alliance led by prominent lawyer Dr. Kamal Hossain won only seven seats. In general the election was peaceful.

Hasina was elected the president of the Awami League in 1981, and since then she has been the president of the party.

Hasina was first elected prime minister in 1996. The country has achieved more than 7.00 GDP. Bangladesh has achieved lower Middle Income country status. Since she took power in 2008, Bangladesh's per capita income has seen a threefold increase. The country's gross domestic product (GDP) stood at USD 250 billion in 2017 and it clocked a growth rate of 7.28 per cent last year.

The garment industry has emerged as one of the main pillars of the economy, providing jobs to 4.5 million people. Hasina has been praised for cracking down on Islamist extremists after five homegrown terrorists stormed a Dhaka cafe in 2016, killing 20 hostages, including one Indian. She also launched trials of the powerful Islamist opposition over crimes committed during the 1971 independence war.

11th JS Polls	
<b>Awami League, allies</b>	<b>288</b>
• Awami League	259
• Jatiya party (Ershad)	20
• Workers Party of Bangladesh	03
• Jatiya Samajtantrik Dal (Inu)	02
• Bikalpa Dhara Bangladesh	02
• Jatiya Party (Manju)	01
• Bangladesh Tarikat Federation	01
<b>BNP, allies</b>	<b>07</b>
• BNP	05
• Gono Forum	02
<b>Independent</b>	<b>03</b>
Election held at 299 constituencies of 300. Result of one seat suspended.	

participated in the election held on 30 December 2018. With this Awami League will form the government with its President Sheikh Hasina for

the promotion and protection of human rights around the globe and for addressing situations of human rights violations and make recommendations on them.

It has the ability to discuss all thematic human rights issues and situations that require its attention throughout the year. It meets at the UN Office at Geneva. The Council is made up of 47 United Nations Member States which are elected by the UN General Assembly. The Human Rights Council replaced the former United Nations Commission on Human Rights.

### Bangladesh elected UNHRC member for 2019-21 tenure

Bangladesh has been elected a member of the United Nations Human Rights Council (UNHRC) for the next three years in an election that took place in New York on October 12. Bangladesh bagged 178 votes in the election where the members of the UN General Assembly voted. Bangladesh will serve as the UN rights body member for the 2019-21 tenure.

Last time, Bangladesh served the UNHRC as a member from 2015 till 2017. The Human Rights Council is an inter-governmental body within the United Nations system responsible for strengthening

the promotion and protection of human rights around the globe and for addressing situations of human rights violations and make recommendations on them.

It has the ability to discuss all thematic human rights issues and situations that require its attention throughout the year. It meets at the UN Office at Geneva. The Council is made up of 47 United Nations Member States which are elected by the UN General Assembly. The Human Rights Council replaced the former United Nations Commission on Human Rights.



### Bangladesh to import power directly from Nepal & Bhutan

India has revised its two year old Cross-Border Trade of Electricity guideline enabling Bangladesh to import electricity directly from

Nepal, Bhutan and other neighboring countries using India's transmission lines. The guideline was published on December 18, 2018. Prior to

this revision, the guideline issued in 2016 prohibited direct imports of power using Indian terrain. Now, Bangladesh will get a chance

to import power directly from the neighboring countries like Nepal and Bhutan using Indian transmission infrastructure.

Recently, Bangladesh signed a MoU with Nepal to import power. Besides, Bangladesh has taken initiatives to invest in hydropower generation in Nepal. Bangladesh now has to sign an agreement with India to use the transmission lines in India. Bangladesh will have to pay the regular wheeling charges once it will commence importing power using transmission lines in India.

According to the earlier version of the guideline called “Cross-Border Trade of Electricity” (5th December, 2016), the section 3.1 says that India will be able to trade electricity with its neighboring countries under

bilateral agreements. However, no neighboring countries would be able to trade electricity within themselves using the territory of India, the earlier version of the policy said.



The revised guideline of India’s Cross-Border Trade of Electricity says two separate countries can purchase electricity from each other, which India will participate in or approve by way of tripartite agreements. In

recent past, the Nepalese Energy Minister had an exclusive interview with Energy Bangla while he was visiting Bangladesh. He then said that the Indian policy was a major impediment towards commencing the power trade between Bangladesh and Nepal.

The Joint Steering Committee of India and Bangladesh have had several meetings on the issue of importing power from Bhutan and Nepal, or any other neighbor, via India as part of regional cooperation. Bangladesh and Nepal repeatedly requested India to revise the policy to ease the power trade. On December 3-4, 2018, there were meetings of the joint working group and the joint steering committee in Kathmandu, Nepal.

### ‘US-China trade war helps Bangladeshi RMG on top’ : AI survey

The latest survey published by the Asia Inspection (AI), a Hong Kong-based global inspection and accreditation body, said that Bangladesh is becoming a more popular apparel sourcing destination for western retailers.

Bangladeshi apparel products are getting more popular for ongoing trade war. The latest AI report titled ‘Global Sourcing Trends: Embattled China vs. Regional Competition,’ which was released on October 4, said that geographical diversification of sourcing is underway which is driven by the need for cost optimization that predates the current tariff battles.

Among the respondents of the AI mid-year survey, up to three-quarters of businesses said they were already looking for suppliers in new countries or had plans to do so in 2018 and some of China’s long-standing competitors are emerging as their top choices.

In Southeast Asia, the popularity of Vietnam and Cambodia is confirmed by the double-digit growth in the third quarter of 2018. Meanwhile, a notable portion of companies working in the cost-sensitive textile sector has mentioned of plans to expand their sourcing to other Asian manufacturing hubs such as Bangladesh.

The report also said that, “So far, the manufacturing giant China displays resilience amid the trade escalation, and remains confident in its status as a top sourcing destination.” Indeed, the findings of the AI mid-year survey indicate that China remains among the top 3 sourcing countries for over 90 percent of respondents worldwide, while the dependence

of North American and European buyers on China has actually increased in 2018 compared to the previous year.



On the micro level, Chinese businesses appear to be taking a somewhat relaxed attitude towards the trade war: among the survey respondents, only 36 percent of the Chinese companies said they felt affected by new US-China tariffs compared to almost 60 percent in the US.

### Bangladesh most gender equal country in South Asia

For the fourth time in a row, Bangladesh held its top most position among the countries of South Asia in

ensuring gender equality, achieving 48th rank. The country has slipped only one notch to the 48th position

among 149 countries in the world, but is still ahead of all other countries in the continent except

the Philippines, according to World Economic Forum's 'The Global Gender Gap Report 2018' published on December 17.

South Asia		
Country	Overall rank	Overall score
Bangladesh	48	0.721
Sri Lanka	100	0.676
Nepal	105	0.671
India	108	0.665
Maldives	113	0.662
Bhutan	122	0.638
Pakistan	148	0.550

"Bangladesh consolidates its position as the region's top performer and breaks into the global Index top 5 on the Political Empowerment sub index this year, recording progress on closing its political gender gap, despite a widening gender gap in terms of labour force participation,"

said the report. Its South Asian neighbours on the index are Sri Lanka on 100th position with 0.676 points, Nepal on 105th with 0.676 points India on 108th with 0.665 points while Pakistan was at the bottom (148th) scoring 0.550 point, ahead of only war-torn Yemen. Iceland tops the list, followed by Norway, Sweden, Finland, Nicaragua, Rwanda, New Zealand, the Philippines, Ireland and Namibia.

Bangladesh has closed over 72 percent of its overall gender gap while Pakistan managed under 55 percent. "With the exception of Bangladesh and Pakistan at either end of South Asia's regional table, gender parity outcomes are somewhat homogenous across the region," says the report. It also warns that a widening gender gap in terms of labour force participation remains in Bangladesh.

The report praises Bangladesh in terms of political empowerment for 'recording progress on closing its political gender gap' but it adds the country is experiencing 'a widening gender gap in terms of labour force participation'.

Earlier in a report in September, the WEF said Bangladesh made improvements in creating equal opportunities for legislator, senior official and manager roles, as well as professional and technical roles.

The Global Gender Gap Report benchmarks 149 countries on their progress towards gender parity across four thematic dimensions: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment. In addition, this year's edition studies skills gender gaps related to Artificial Intelligence (AI).

### \$850m WB and ADB loan for primary education, health & fisheries projects

Two multilateral agencies will provide \$850 million loans for primary education, urban health improvement and marine fisheries enhancement projects. The World Bank (WB) and the Asian Development Bank (ADB) signed on October 27 three separate agreements with the economic relations division (ERD) in Dhaka.

ERD senior secretary Kazi Shofiqul Azam, WB acting country director Dr Zahid Hussain and ADB country director Manmohan Parkash inked the loan deals. The ADB will provide \$500 million in loans for improving primary education and \$110 million for urban primary healthcare services. On the other hand, the WB will lend \$240 million to develop marine and coastal fisheries and aquaculture.

The government will work to upgrade primary education under the \$14.7 billion Primary Education Development Program (PEDP)-4.

The scheme will benefit 18.6 million students, about 340,000 teachers and more than 65,000 schools under primary and mass education ministry. The government will give \$13.2 billion and the rest \$1.38 billion will be borne by development partners like the ADB, the WB, UNICEF and the European Union. The ADB will disburse loan over five years to 2023.

Under the \$110-million additional ADB loan, city corporations and some municipalities will work to improve access to urban primary healthcare services through public-private partnership. It will support the Urban Primary Healthcare Services Delivery Project approved in 2012.

The loan will cover the cost of a five-year extension to help the government strengthen local health systems and continue to expand contracts of service providers. It expands coverage to an additional city and 10 municipalities, and

will build eight more reproductive healthcare centres and 24 primary healthcare centres.

The \$240-million WB loan will help fisheries department and Social Development Foundation (SDF) improve management and production in marine and coastal fisheries and aquaculture. The sustainable and marine fisheries project will help improve fisheries management systems, infrastructure and value chain investments.

According to the WB, the scheme will also encourage private-sector investment to increase the availability and quality of marine fish. In 16 coastal districts, it will set up community co-management associations with fishing communities, enabling them to adopt supplementary and alternative livelihoods.

While empowering fishing communities, especially women through skills development and

nutrition awareness, the project will also establish 100 model fishing villages. The WB will charge 0.75 per cent as service fee, 1.25 per

cent interest rate for its loan. The repayment period of the loan will be 30 years with a grace period of five years. The ADB will charge 2.0 per

cent interest with a maturity of 25 years for its two separate loans. The grace period of the loans will be five years.

### Government signed \$500 million WB deal to improve livestock and dairy production



The government of Bangladesh on December 19 signed a \$500 million financing agreement with the World Bank to improve livestock and dairy production as well as provide better market access to 2 million household farmers and small and medium-scale agro-entrepreneurs.

The Livestock and Dairy Development Project will help stimulate private sector investment and sustainable, development of livestock value chains in Bangladesh. It will help address the country's current shortages in eggs, dairy, and meat production. By 2021, the country will likely face annual shortages of 1.5 billion eggs and nearly 6 million tons of milk. By enhancing the availability of

dairy, egg and meat products, the project will help improve nutrition for citizens, especially children, pregnant women, and new mothers.

“Through improving market linkages and ensuring good practices, Bangladesh can increase livestock production significantly,” said Dandan Chen, Acting World Bank Country Director for Bangladesh, Bhutan, and Nepal. “Growth in livestock productivity potentially leads to growth in jobs for women, youth, and other vulnerable groups.”

The project will help small-scale livestock farmers—half of whom are women—adopt improved agricultural technologies. It will support basic livestock infrastructure, including processing and marketing as well as value change development. It will help the government strengthen the coverage of livestock insurance aimed at protecting the assets and livelihoods of the small and medium producers.

In Bangladesh, climate change affects livestock production. The project will promote climate resilient

and emission-saving practices in the sector and will address issues related to food safety, environmental pollution, anti-microbial resistance and animal welfare. The project will directly contribute to the national climate change policies and commitments.

The agreement was signed by Monowar Ahmed and Dandan Chen on behalf of the government of Bangladesh and the World Bank, respectively, at the Economic Relations Division.

The credit is from the World Bank's International Development Association (IDA), has a 30-year term, including a five-year grace period, and carries a service charge of 0.75 percent and an interest of 1.25 percent. The World Bank was among the first development partners to support Bangladesh following its independence. Since then the World Bank has committed over \$30 billion, mostly in grants and interest-free credits to Bangladesh. Bangladesh currently has the largest IDA program totaling \$12.4 billion.

### \$300 m from WB to improve transparency and efficiency of major cash transfer programs for the poorest and vulnerable

The government has signed a \$300m financing agreement with the World Bank (WB). The agreement was signed on 28 October, at the Economic Relations Division, by Mahmuda Begum and Qimiao Fan, on behalf of the government of Bangladesh and the WB, respectively. The deal aims to improve the transparency and efficiency of Bangladesh's major cash transfer programs for the poorest and vulnerable— including for the elderly, widows, and people with disabilities.

The cash transfer modernization project will help the Department of Social Services (DSS) modernize Bangladesh's four major social protection programs, using cash transfers, by improving beneficiary targeting, program administration, and benefit payments. The programs provide allowances for: the elderly, widows, deserted and destitute women, the financially insolvent, and the disabled. It also provides stipends for disabled students. These programs, collectively, will reach about 6.5 million people. World Bank

Country Director for Bangladesh, Bhutan, and Nepal Qimiao Fan said: "An efficient, automated, and transparent social protection service delivery system is critical to build resilience and create opportunities for the poorest people."

He said the: "World Bank is helping the government build common digital platforms to better administer safety net programs. "This will help reduce administrative costs and errors by identifying the most vulnerable people with greater

accuracy and transferring cash in a timely manner." In fiscal year 2018, Bangladesh spent about \$5.8bn – or about 2% of its gross domestic product (GDP) – on social protections; improving the efficiency of these programs will help Bangladesh to use public resources more effectively.

The DSS has already started digitizing the records of beneficiaries

of its cash transfer programs—and the project will help further strengthen case management and payment processes. The WB said that to accurately identify the recipients of cash transfers, the project will help integrate DSS's management information system with the Bangladesh Bureau of Statistics' National Household Database. For more secure and accessible payments to beneficiaries, the system will be

linked to the Finance Division's centralized payment platform, and use a network of banking agents.

The credit is provided by the International Development Association, the WB's concessional lending arm, which provides grants and zero-interest loans. The credit has a 38-year term, including a six-year grace period, and a service charge of 0.75%.

### ADB approved \$200m to upgrade rural road



Asian Development Bank (ADB) has approved a finance package of more than \$200 million to improve the rural road network for 51.5 million people in Bangladesh. "Rural roads are critical for uplifting country's agriculture sector, which accounted for more than 15 per cent of the country's gross domestic product in 2015, and employs-directly or indirectly-about half of the workforce," said ADB Senior Rural Development Specialist Lee Ming Tai.

ADB's rural connectivity improvement project will support the government's current Seventh Five Year Plan, which focuses on boosting rural incomes as well as agriculture's contribution to economic development according to ADB media release on 7 November. The total cost of the project, which will be implemented by November 2023, is \$285.31 million. ADB will provide a concessional loan of \$100

million and a regular loan of \$100 million. The government will provide the remaining \$85.31 million.

The release said about 80 percent of the country's population lives in rural areas and depends on agriculture for its livelihood. But, the sector is held back by several constraints, including insufficient rural transport, inadequate market infrastructure, and more intense floods and cyclones related to climate change.

ADB's project will support this by improving about 1,700 kilometers of rural roads to all-weather standards in 34 districts, it said, adding that selection of roads will be taken into consideration on basis of factors such as population size, agricultural potential, the number of farms and commercial establishments, and economic potential.

Those roads damaged by flashfloods in 2017 will be prioritized to be upgraded, the release also added. The climate resilient designs will also be adopted incorporating features such as elevated paving, drainage, road foundations, and earthworks to significantly reduce maintenance. The roads will be covered under contractual maintenance for 5 years

after the date of construction on a pilot basis.

The release said only about 40 percent of the rural population has access to all-weather roads, and these roads make up only 28 percent of the total length of rural roads in the country. Guided by the Seventh Five Year Plan, the government has embarked on an effort to improve the country's rural road network, aiming to increase the percentage of rural roads classified as good during the period of the Five Year Plan from 43 percent in 2016 to 80 percent in 2020.

The project will provide training to the Local Government Engineering Department on road and financial management, road safety, climate resilient design and construction, improving road users' awareness, and enhancing women's skills on road construction and maintenance.

An ADB technical assistance grant of \$1 million will support these activities, the release said, adding that more than 2,400 women were consulted in the project area during project design and the project will give them more access to economic opportunities and services.

### IFC's efforts for 'cleaner textile sector' pay dividends in Bangladesh

Aimed at popularising the efficient and cleaner garment manufacturing practices that would help reduce energy, water, and chemical use across the textile value chain, the



clean textile campaign is gaining in popularity and momentum since its inception. The second edition of the Partnership for Clean Textile (PaCT II) has reportedly concluded

its first year with seven organisations joining the campaign along with the apex body of Bangladesh's garment sector, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It may be mentioned here that Bangladesh is the second largest apparel exporter

in the world, and apparel exports from the country account for around 80 per cent of the Bangladesh's total exports.

As per an IFC statement, five textile brands – VF Corp, PUMA, Levi Strauss & Co, TESCO and GAP Inc and two technology providers

Jeanologia and Omera Solar – have joined the campaign. Started in January 2018, with support from the governments of Denmark, Australia and the Netherlands, the PaCT II seeks to save 10.9 billion litres of water and 1.3 million megawatt hours of energy every year.

### IFC invests \$20m in Omera Petroleum

IFC, a member of the World Bank Group, has invested \$20 million as a long-term loan in Omera Petroleum to help the company double its capacity and increase the availability of liquefied petroleum gas (LPG), especially in rural areas. The IFC loan is part of its project to double its capacity and make LPG available in nearly all sub-districts of the country.

This will expand access of LPG to 350,000 additional households (around 12 per cent of the total market potential) over the life of the loan. It will also help reduce green house gas emissions by substituting

kerosene, wood, and other hazardous cooking fuels, and allow the limited reserves of natural gas to be diverted to power generation and industries.

Declining natural gas supplies have prompted the Government of Bangladesh to promote LPG as a major source of primary energy. The government aims to supply LPG as cooking fuel for 70 per cent of households within the next three years. It has also been promoting LPG usage in vehicles as an alternative to compressed natural gas, and bulk LPG for industrial purposes.

Bangladesh is a low-income International Development Association (IDA) country. IFC's country strategy for 2017-21 - while addressing other key development gaps - focuses on increasing access to electricity, and diversifying energy sources. This project will enable the end users to switch to a much cleaner and efficient fuel.

Access to energy and diversification of fuel are two critical bottlenecks in the growth trajectory of Bangladesh. In the last five years, IFC has invested about \$800 million to remove these obstacles.

### DataSoft's New Venture- Now in Nepal!!



DataSoft signs with leading fintech company Nepal Finsoft Company Ltd to implement microfinance core banking solution [www.microfin360.com](http://www.microfin360.com). Thirty-four Microfinance Institutions (MFIs) have come together to invest in an IT company—Nepal Finsoft Limited—to launch a world-class core banking and

management information system (MIS) solutions platform.

Finsoft CEO Mr. Yuvraj Thapa and DataSoft Director and COO M Manjur Mahmud signed the agreement from both party. This agreement gives Finsoft the opportunity to automate it's members with cloud based microfin360. It may be mentioned that microfin360 is the premium cloud based platform with partners in 11 countries and 127

microfinance institute with about 5500 MFI branches having 10.26 million unique borrowers with a portfolio valued more that 1.6 billion USD.

Experts believe , this is the first large scale Software product signing between Bangladesh and Nepalese companies and this will open up possibilities to collaborate between two neighbors even in bigger and complex product and services .

### Japan's Sojitz in \$500m tie-up with Energypac

Sojitz Corporation, one of the leading business groups in Japan, is keen to make massive investment in Bangladesh's energy and infrastructure sectors and industrial park. It has already teamed up with Energypac Power Generation Ltd, a local conglomerate, and is seeking to establish a port at the Mirsarai economic zone over 1,000 acres

of land. The joint venture would initially invest \$500 million and it would go up to \$2 billion phase by phase. The corporation is set to sign a memorandum of understanding (MoU) with the Bangladesh Economic Zones Authority (Beza) on October 21 to start feasibility studies. Sojitz Corporation has a long-term investment plan for Bangladesh.

Sojitz has placed a proposal seeking 1,000 acres of land to establish a service-oriented industrial park, including a port at the Mirsarai economic zone. Development of energy, infrastructure and industrial park was the key targets of the company in Bangladesh. Sojitz is also keen to develop businesses in various industries such as machinery,



chemical, medical, renewable energy, coal, food and textiles, said the executive member.

Sojitz's plan is to establish an infrastructure project to provide services for handling bulk materials through constructing a port, where

mother vessels will anchor. The Chittagong Port can't provide the service for bulk materials handling due to a lack of technology and required space. Sojitz will provide the service, easing the cost of doing business.

The entrepreneur hopes to start the project implementation work within one and a half years after carrying out different feasibility studies. Energypac and Sojitz Corporation have already signed an MoU to implement the project.

Sojitz has been working in Bangladesh since 1951 and was the contractor of a number of projects, including the Sonargaon hotel and an integrated steel plant in Chattogram. In the same year, the corporation opened liaison offices in Dhaka and Chittagong but they were closed in 2004. On August 8, Sojitz, however, opened an office in Dhaka. The new Dhaka office will focus on promoting projects in the energy and social infrastructure sectors.

### BJMC and Futamura Chemical Ltd. Signed MoU on 'Sonali Bag' production

A Memorandum of Understanding (MoU) was signed on October 2 between Bangladesh Jute Mills Corporation (BJMC) and Futamura Chemical Ltd., a United Kingdom-based company, for producing 'Sonali Bag' commercially. Sonali Bag is a biodegradable and environment-friendly jute-made ploy bag.

BJMC Deputy Secretary AKM Tareq and Graeme Coulthard, general manager of Futamura Chemical Ltd., signed the MoU and a Non-disclosure Agreement (NDA) on behalf of the respective sides. Bangladeshi scientist Dr

Mubarak Ahmad Khan, a scientific advisor of BJMC and former chief scientific officer of Bangladesh Atomic Energy Commission, invented the Sonali Bag from jute cellulose.

Primary Pilot Plant (PPP) for producing Sonali Bag was set up at Latif Bawani Jute Mills in Demra. State Minister for Textiles and Jute Mirza Azam,

senior secretary of the ministry Faizur Rahman Chowdhury, BJMC Chairman Dr Md Mahmudul Hasan



and the inventor Dr Mubarak Ahmad Khan, among others, were present at the signing ceremony.

### Meghna bags \$82m foreign loan for sugar plant

Meghna Sugar Refinery Ltd, a sister concern of Meghna Group of Industries, has managed an \$82 million loan or around Tk 688 crore from a consortium of foreign financial institutions to establish a sugar refinery plant at Meghna Economic Zone in Narayanganj. The company will produce around 4,000 tonnes of liquid and invert sugar—an edible mixture of glucose and fructose—every day, said Mostafa Kamal, chairman of the group.

“We will use state-of-the-art technology and this will be the first Bangladeshi plant to produce invert sugar here.” Kamal shared the info at a programme on November 26 when the group signed a deal with the consortium at The Westin Dhaka. The consortium includes German financier DEG, Dutch development bank FMO, Austrian development bank OeEB and the Islamic Corporation for the Development of the Private Sector (ICD), which is the major private sector development

arm of the Islamic Development Bank Group.

Eastern Bank Ltd (EBL) will be facilitator, security agency and accounts bank of the deal for the low-cost loan that will come with an eight-year tenure. Kamal along with Hubertus Pleister, director and head of corporate Asia at DEG; Steven Duyverman, manager and head of FMO Agribusiness Asia, FMO; Ahmed Al-Akwaa, division head for portfolio and follow up at ICD,

and Ali Reza Iftekhar, CEO of EBL, signed the deal at the programme.

Bangladesh has achieved miraculous development in the last 10 years, when it achieved a threefold growth in gross domestic product, Md Abul Kalam Azad, principal coordinator for SDG at the Prime Minister's Office, said at the deal signing



ceremony. It was possible due to the contribution of entrepreneurs, financial institutions and leadership, he said.

He also sought support from the development partners for skills development of the new entrants that are added to the workforce every year. Peter Fahrenholtz, German ambassador to Bangladesh, and Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority, also spoke.

### GSK Bangladesh to sell 82pc stake to Unilever

British multinational GlaxoSmithKline Healthcare (GSK) Ltd will sell its 82 per cent stake in its Bangladesh subsidiary and other related brand rights for GSK's



consumer healthcare nutrition activities in certain other countries to Anglo-Dutch company in Unilever, for which the former is expected to receive cash proceeds equivalent to 566 million pounds.

Besides, GlaxoSmithKline Plc's Indian arm GSK Consumer Healthcare has decided to merge with Unilever's Indian subsidiary

Hindustan Unilever Ltd (HUL) in an acquisition valued at 3.74 billion pounds in India's largest merger & acquisition deal in the consumer goods segment. The boards of the two companies have agreed for the two separate deals in India and Bangladesh.

Sources said GSK is selling its food and refreshment subsidiaries in Bangladesh and India to help mobilize money for its 13-billion dollar buy-out of leading drug-maker Novartis' stake in their consumer healthcare joint venture. GSK Bangladesh is a Dhaka Stock Exchange listed unit. The total consideration for the merger & acquisition in India is valued at around 3.1 billion pounds. Popular

health drink Horlicks and other nutrition products are sold by GSK Consumer Healthcare in which GSK of the UK holds a 72.5 per cent stake — will now come under the fold of HUL.

After the merger in India, GSK will own approximately 5.7 per cent of HUL. The merger values GSK Consumer Healthcare at Rs 31,700 crore in total following completion of the transaction expected by a year. Following the merger, the HUL's food and refreshment business will exceed Rs 10,000 crore and become one of the largest businesses in India and place it ahead of key competitors Britannia and Nestle.

GSK's consumer nutrition business globally, comprising mainly malt-based beverages, fetched 550 million dollars last year and roughly 80 per cent of the sales came from India.

### Bangabandhu Hi-Tech City to create 5,250 new jobs

About 5,250 new job opportunities were expected to be created with an investment of Tk 558 crore in the country's first hi-tech park, Bangabandhu Hi-Tech City, in Gazipur as plots had already been allotted to more seven companies to set up their industries in the park. The companies received their plots for the next 40 years by signing an agreement at a function held at the meeting room of Bangladesh Hi-Tech Park Authority in Dhaka on December 10.

Under the agreement, 20.41 acres of land were allocated to the seven companies. Of those, Data Soft

got 2.75 acres of land while Amra Holdings received 3.50 acres, Devnet Limited two acres, Spectrum Engineering Consortium Limited two acres, Media Soft Data System Limited one acre, UY System Limited one acre and SB Tel Enterprise 8.16 acres.

Earlier, on November 28, the SB Tel Enterprise also signed an agreement with

Bangladesh Hi-Tech Park Authority. Bangabandhu Hi-Tech City, to be established on 355 acres of land at Kaliakair in Gazipur, was a flagship project of the park authority.



## Energy costs to double by 2031: Jica



Energy costs in the industrial and transport sectors will stand at \$20 billion by 2031, double that of 2021, said Hitoshi Hirata, chief representative at the Bangladesh office of Japan International Cooperation Agency (Jica). Jica has been assisting Bangladesh in efforts to cut energy cost which is very crucial for the country's future development, he said.

Hirata was addressing the launching of the three-day "Green & PPP Convention and Expo 2018" organised by state-run Bangladesh

Infrastructure Finance Fund Limited (BIFFL) at Bangabandhu International Conference Centre in the first week of October. Finance Minister AMA Muhith inaugurated the expo as the chief guest. The BIFFL gave a cheque worth Tk 64 crore to Muhith as dividend.

Hirata said efficient use of energy in Bangladesh is very crucial as the country has been importing power alongside going for low-cost natural gas-based electricity generation. To minimise costs, the power tariff has also been increased, he said. The Jica representative said energy-efficient machines have to be set up in industries, something for which Jica has been assisting Bangladesh for the last couple of years. Hirata said Jica has provided Bangladesh \$100 million whereas the demand was \$1 billion. The BIFFL organised the expo to

promote green and energy-efficient technology as well as public private partnership (PPP) for sustainable infrastructure development in the country. A BIFFL statement said the convention provided a platform for the participants to share experience from global best practices and collate recommendations for policymakers to formulate enabling policies and regulations towards fostering the green movement in Bangladesh.

The BIFFL has been organising the convention and expo as a part of its nationwide promotion of widespread usage of energy-efficient and environment-friendly technology in energy intensive industrial sector and infrastructure development work that will lead to savings in power and energy.

Source : *The Daily Star*

## Local indigo goes global

Indigo, which reminds of an episode of cruelty during the British colonial rule, is being farmed once again and the famous blue has recently found its way to the US from Bangladesh. Last month, one tonne of indigo dye was shipped to the US by Living Blue, a firm co-owned by Care Enterprise Inc and Nijera Cottage and Village Industries.

"This appears to be the largest recorded export of the indigo dye from Bangladesh to the world since the 1860s," said Mishael Ahmad, manager of Living Blue. The social business enterprise buys indigo from growers in the northwest district of Rangpur to make dye with the objective to enable growers to generate more income.

"This is a big achievement for us and our farmers. This shipment will enable us to make a breakthrough in the major markets of indigo." Marked by resistance of Bengal farmers against the oppressive indigo production system and European

indigo planters, who forced farmers to grow indigo for the world market, cultivation of indigo began to disappear from the Bengal since the movement in 1859-62 and became extinct for more than a century, according to Banglapedia.



Its cultivation has been revived in recent decades by some non-governmental organisations to enable farmers to earn more by catering to the global demand for the natural dye. "Living Blue dedicates the watershed moment to all indigo farmers who were exploited during

British India and to the thousands of farmers in Rangpur who cultivate now with pride, dignity and love and this time with a big smile."

Living Blue, which began its journey 10 years ago to produce indigo and handmade textiles, found a buyer for the natural dye in 2013. The next year its local sales rose 20 percent to 240 kilogrammes and the social enterprise made its way to the global market for the first time. Living Blue exported 15 kilogrammes of the item in 2014, according to the company, which has its own atelier in Rangpur.

Shipment halved the following year only to rise to 21 kilogrammes in 2016. The volume of export rose to 35 kilogrammes and the local sale to 271 kilogrammes in 2017, Ahmad said. Living Blue started with 200 growers and the number of farmers, mostly landless, rose over time. The production of indigo also rose.

As the stock built up, the company kept its indigo production halted in 2017 and 2018. "We were trying

to find a big buyer and at last got one,” Ahmad said. Following the shipment, Living Blue has already started working with growers to cultivate indigo next year.

The social enterprise now works with 3,000 indigo farmers and more than 200 artisans and dyers. It buys indigo leaves from growers to make natural indigo dye and high-end textile. However, locally made indigo has to compete with indigo producers from other countries. India and El Salvador are the two biggest producers of natural indigo. There is also presence of cheap chemical indigo and impure indigo mixed with synthetic dyes.

Living Blue is now considered globally as one of the very few producers of authentic, true Bengal Indigo dye, according to Ahmad. Ahmad said farmers in the northwest district had been growing indigo even before Living Blue started making indigo dye.

Locals were unaware that this was indigo plants. They gave a different name to it and grew the plant for green manure for crops. Banglapedia said historical records suggest that indigo was produced in Bengal for use as a dye even in ancient times. But then it was cultivated more for catering to domestic and ritual needs than to serve as a commercial commodity. Its cultivation for

commercial purpose appears to have begun in the 18th century. Indigo production and its export was a booming business in the early part of the 19th century.

But it fell in the 1840s and as a result profit from indigo production became uneconomic at the peasant level, it said, adding that by the late 19th century farmers preferred to cultivate rice and jute since indigo was no more a profitable crop. When coerced by planters to cultivate indigo, farmers organised a resistance movement during 1859-60. As a result indigo cultivation gradually disappeared from Bengal.

Source: *The Daily Star*

### Bangladesh 7th most affected countries : Global Climate Risk Index 2019

Dhaka, Dec 5 (UNB) - Bangladesh is the seventh most affected country in the world due to “extreme weather events” over the last 20 years from 1998 -2017, says a new global report. The other top nine affected countries are Puerto Rico (1), Honduras (2), Myanmar (3), Haiti (4), the Philippines (5), Nicaragua (6), Pakistan (8), Vietnam (9) and Dominica (10), according to Global Climate Risk Index 2019 released in Poland on December 5.

Of the 10 most affected countries and territories (1998–2017), eight were developing countries in the low-income or lower-middle income country group, one was classified as an upper-middle income country (Dominica) and one an advanced economy generating high income (Puerto Rico). Bangladesh’s climate risk ranking is 9th in 2017 against 13th position in 2016.

The report said massive rainfalls have led to floods across Nepal, Bangladesh and India, which affected more than 40 million people. Some 1200 people lost their lives in these three countries and millions were displaced throughout the region.

The floods spread across the foothills of the Himalayas and

brought landslides leaving tens of thousands of houses and vast areas of farmland and roads destroyed. Nepal experienced flashfloods and landslides in August across the southern border, amounting to US\$ 600 million in damages. Nearly 250 people were killed by collapsed buildings or drowning in regions of India, Nepal and Bangladesh. 950, 000 houses were damaged or destroyed in the floods.

Between 1998 and 2017, Puerto Rico, Honduras and Myanmar were the countries most affected by extreme weather events. Altogether, more than 526 000 people died as a direct result of more than 11 500 extreme weather events; and losses between 1998 and 2017 amounted to around US\$ 3.47 trillion (in Purchasing Power Parities).

Storms and their direct implications – precipitation, floods and landslides – were one major cause of damage in 2017. Of the ten most affected countries in 2017, four were hit by tropical cyclones. Recent science has found a clear link between climate change and record-breaking precipitation of 2017’s hurricanes.

It also suggests that the number of severe tropical cyclones will increase with every tenth of a degree in global average temperature rise. In many cases, single exceptional disasters have such a strong impact that the countries and territories concerned are also ranked high in the long-term index.

Over the last few years another category of countries has been gaining relevance - countries like Haiti, the Philippines and Pakistan that are recurrently affected by



Puerto Rico, Sri Lanka and Dominica were at the top of the list of the most affected countries in 2017.

catastrophes continuously rank among the most affected countries both in the long-term index and in the index for the respective year.

The Climate Summit in Katowice should adopt the 'rulebook' needed for the implementation of the Paris Agreement, including the global adaptation goal and adaptation communication guidelines, said the report. Furthermore, COP24 must increase efforts to properly address loss and damage, which appears as a cross-cutting issue referenced throughout various negotiation streams, with significant risk of

being omitted from final negotiation text, reads the report.

The risks of future climate-related losses and damages are far too severe to simply function as a negotiation chip. The Global Climate Risk Index 2019 analyses to what extent countries and regions have been affected by impacts of weather-related loss events (storms, floods, heat waves etc.). The most recent data available — for 2017 and from 1998 to 2017 — were taken into account. The countries and territories affected most in 2017 were Puerto Rico, Sri Lanka as well as Dominica. For the

period from 1998 to 2017 Puerto Rico, Honduras and Myanmar rank highest.

This year's 14th edition of the analysis reconfirms earlier results of the Climate Risk Index: less developed countries are generally more affected than industrialised countries. Regarding future climate change, the Climate Risk Index may serve as a red flag for already existing vulnerability that may further increase in regions where extreme events will become more frequent or more severe due to climate change.

### Bangladesh to be 26th largest economy by 2030: HSBC report

Bangladesh will likely to be the biggest mover in the global gross domestic product rankings in 2030, says a report of HSBC Global Report. The report titled "The World in 2030: Our long term projections for 75 countries" says Bangladesh is becoming the 26th largest economy in the world from the current 42nd position. Bangladesh will be followed by Philippines, Pakistan, Vietnam and Malaysia.

"The starting point for a country is a key part of its potential growth. It is very clear that a country such as Bangladesh has far more potential growth than one like Norway, which is far richer," it said. According to the report, the real GDP growth of Bangladesh would be 7.1% per year up to 2030 and the country will be a \$700 billion economy in 2030 from \$300 billion now.

The report focuses on six main categories of economic indicators:

catch-up potential, population (size and shape), human capital (education and healthcare), politics, openness and technology. It said China is set to continue to be the single biggest contributor to global growth and on our modeled estimates over the next decade and by 2030, and will have become the world's largest economy.

It also said one of the striking rises amongst the rankings will be by India which is set to become the world's third-largest economy in just over a decade, up from seventh today – leapfrogging the second- and third-largest developed economies of Germany and Japan. "...the projections and rankings contained in this report are based on assumption that policymakers will continue to make progress on addressing economic flaws (education, ruled of law etc) and that they avoid wars and remain open to global trade and capital.

Poorer countries will have room to catch up by simply adopting best practice elsewhere, and those with strong governance are more likely to facilitate investment and growth. Environmental challenges will be one of the policy challenges, said the report. The report said population shape matters not just population growth. Young and educated people are likely to be productive.

Projected ranking changes by 2030 compared with 2018

Biggest Economies (In 2030)		Biggest Risers	
Country	Ranking Change	Country	Ranking Change
China	+1(2to1)	Bangladesh	+16(42to26)
US	-1(1to2)	Philippines	+11(38to27)
India	+4(7to3)	Pakistan	+10(40to30)
Japan	-1(3to4)	Vietnam	+8(47to39)
Germany	-1(4to5)	Malaysia	+5(34to29)

Source: HSBC Estimates and Projections

It said the quality of institutions will play a big role in delivering on the potential growth in a country. Without a regulatory environment that makes investment attractive and facilitates investment, potential growth will be lower.

### Bangladesh ranked 39th in global brand value



The brand value of Bangladesh has been rising as the country has ranked 39th in the global brand value index

2018 reflecting its socioeconomic vivacity. Bangladesh has a brand value of US\$257 billion, up 24 per cent from last year, according to the 'Nation Brands 2018' report released by London-based Brand Finance. Bangladesh's rank was 44th in the index in 2017. Bangladesh is ahead of Pakistan and Sri Lanka in the global

brand value index 2018 as these two neighbours have ranked 51st and 61st in the index.

The brand value of Bangladesh was US\$ 208 billion in 2017 and US\$170 billion in 2016. Brand Finance is the world's leading independent brand valuation and strategy consultancy

and they measured the strength and value of the nation brands of 100 leading countries using a

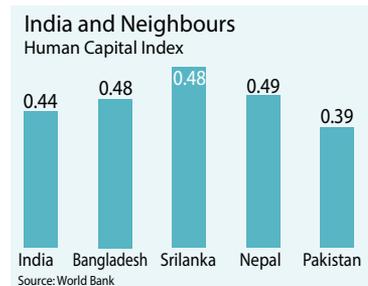
method based on the royalty relief mechanism. Topping the table as the world's most valuable nation brand,

the USA's brand value has gone up 23 per cent over the past year to US\$25.9 trillion, said the report.

### WB Human Capital Index : Bangladesh ranked higher than neighbours

Bangladesh has ranked above India in the World Bank's Human Capital Index (HCI); which is a new system to rank countries based on how successfully they develop human capital. The ranking also prods governments to invest more effectively in education and healthcare. The index was launched at the World Bank and International Monetary Fund's annual meetings on the Indonesian island of Bali, on October 11. Bangladesh scored higher than its closest neighbours India and Pakistan.

on a scale where 625 represents advanced attainment and 300 represents minimum attainment. Factoring in what children actually learn, expected years of schooling is only 6.5.



In India, 83% of 15-year olds will survive until the age of 60. Compared to India, this is slightly higher in Pakistan – 84% – while the rate is 85% in Nepal. The World Bank report also revealed that in Bangladesh, the HCI for girls is higher than for boys. It also showed that in 2017, Bangladesh's HCI is higher than the average for its region but slightly lower than the average for its income group.

An average child born in Bangladesh, today, will be 48% as productive as one born with complete access to the country's education and healthcare. Around 97 out of 100 children born in Bangladesh have strong odds of surviving to age 5. In Bangladesh, a child who starts school at the age of four can expect to complete 11 years of school by his or her 18th birthday. Students in Bangladesh scored 368

Across Bangladesh, 87% of 15-year olds will survive until the age of 60. This statistic is a proxy for the range of fatal and non-fatal health outcomes that a child born today would experience as an adult under current conditions. Around 64 out of 100 children are not stunted, but the rest are at risk of cognitive and physical limitations that can last a lifetime.

The Human Capital Project seeks to raise awareness and increase demand for interventions to build human capital. It aims to accelerate better and more investments in people.

The Project has three elements—the Human Capital Index; a program to strengthen research and measurement about human capital, and support for countries to accelerate progress in raising human capital outcomes.

### Bangladesh ranked 88th out of 199 countries in Global Hunger Index: IFPRI

Bangladesh has ranked 88 out of 119 countries on the global hunger index, the International Food Policy Research Institute (IFPRI) said in a report. Bangladesh has a "serious" hunger problem, according to the report. However, Bangladesh is ahead of its neighbours India and Pakistan. Bangladesh stood at 90th position among 118 countries in 2017 ranking.

Myanmar 77 in this year's hunger index. The report said: "India is ranked 100th out of 119 countries, and has the third highest score in all of Asia - only Afghanistan and Pakistan are ranked worse," IFPRI said in a statement on Thursday.

undernourishment, child mortality, child wasting and child stunting. According to this year's scores, the level of hunger in the world has decreased by 27% from the 2000 level.

According to the report, among other South Asian countries India ranked 100, Pakistan 106, Nepal 72, Sri Lanka, 84, and Afghanistan 107. Meanwhile, China ranked 29 and

The Global Hunger Index has been ranking countries since based on four key indicators -

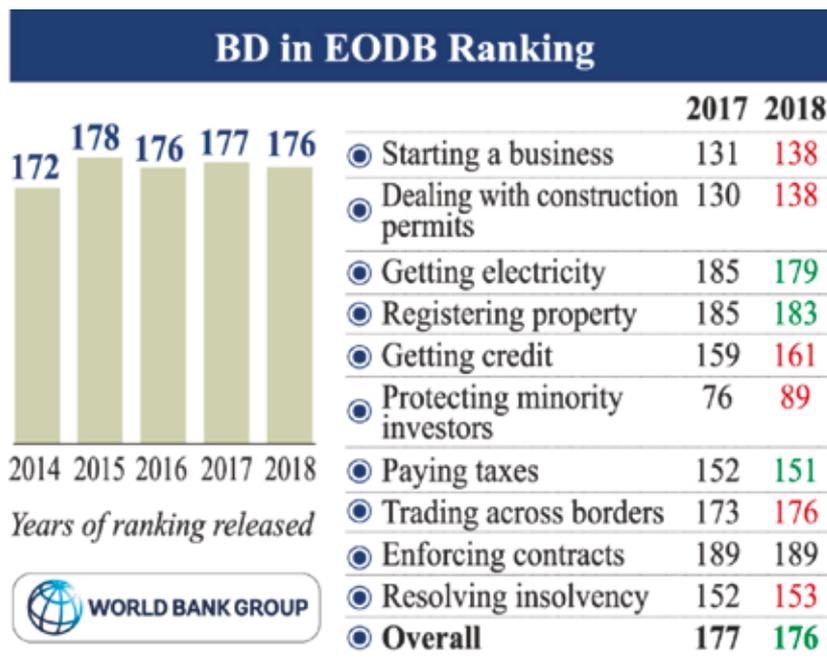


### Ease of Doing Business: Bangladesh lowest in South Asia

Among South Asian nations, Bangladesh stands lowest, with India ranking at 77, Bhutan 81, Sri

Lanka 100, Nepal 110, Pakistan 136, Maldives 139, Afghanistan 167, with Myanmar at 171. Bangladesh needs

more reforms to improve ease of doing business, said a World Bank report.



According to the World Bank (WB) Group's report, "Doing Business 2019: Training for Reform" released on October 31, Bangladesh ranked 176th out of 190 countries for ease of doing business, up from a ranking of 177 last year. Out of 100, Bangladesh scored 41.94, which is 0.91% higher

than the previous year, the WB report said.

Bangladesh has seen improvement in providing electricity and ranked 179 from last year's 185. For registering property it ranked at 183 from a previous 185, and its rank in paying

taxes the country stands at 151 from last year's 152. Better performance in these areas has pushed Bangladesh up a notch this year, the report added.

On the other hand, Bangladesh's ranking saw a downward trend on issues such as starting a business, getting credit, protecting minority investors, dealing with construction permits, and trading across borders. To improve its ranking, the World Bank recommended regulatory reforms to make doing business easier.

The marginal change in position indicates that the country has taken some initiatives to make doing business easier, but the pace of reforms needs to be increased significantly, said the report.

Last year, among the eight South Asian countries, Bangladesh was only ahead of Afghanistan. But this year, the war-torn country too left Bangladesh behind: it came in at 167th in contrast to 183rd last year.

## Bangladesh a notch down : WEF global competitiveness Index

Bangladesh slipped down to 103rd position among 140 countries from 102th in last year in Global Competitiveness Index 2018 released by World Economic Forum (WEF) though its overall score increased by 0.7 percentage points this year.

Bangladesh's competitiveness has been weakened in most of the indicators (both in rank and score). Among 12 pillars of this survey, Bangladesh ranked below 50 in one pillar on Market Size (36th). Bangladesh ranked between 80 to 100 in two other pillars on Macroeconomic Stability (88th) and Health (96th), said the report. Centre for Policy Dialogue (CPD), the local partner of WEF, released the report.

Bangladesh is partially better in terms of Macroeconomic Stability, Health and ICT adoption and far behind in terms of Business Dynamism and Institutions compared to other developing

countries of South Asia, the report said. Corruption remained at the top of the problematic factors in doing business in Bangladesh, which was also at the same position in last year's index. Inadequate infrastructure and inefficient government bureaucracy are also major obstacles, it added.

Meanwhile, USA ranked top in the 2018 GCI followed by Singapore,

Germany and Switzerland respectively 2nd, 3rd and 4th without any change with that in 2017, revealed the report. Among the South Asian countries, India gained by advancing five positions (58th), in GCI 2018. Bangladesh (103), Pakistan (107) and Nepal (109) slipped by one position each and Sri Lanka by four positions (85).



## Regional News

### Trump- Xi summit agree on trade war ceasefire

China and the United States agreed to a ceasefire in their bitter trade war on December 1 after high-stakes talks in Argentina between U.S. President Donald Trump and Chinese President Xi Jinping, including no escalated tariffs on Jan. 1. Trump will leave tariffs on \$200 billion worth of Chinese imports at 10 percent at the beginning of the new year, agreeing to not raise them to 25 percent “at this time”, the White House said in a statement.

top diplomat, State Councillor Wang Yi, said the negotiations were conducted in a “friendly and candid atmosphere”.

“The two presidents agreed that the two sides can and must get bilateral relations right,” Wang told reporters, adding they agreed to further exchanges at appropriate times. “Discussion on economic and trade issues was very positive and constructive. The two heads of state

financial markets and weighed on the world economy. After the 2-1/2 hour meeting, White House chief economist Larry Kudlow told reporters the talks went “very well,” but offered no specifics as he boarded Air Force One headed home to Washington with Trump.

China’s goal was to persuade Trump to abandon plans to raise tariffs on \$200 billion of Chinese goods to 25 percent in January, from 10 percent at present. Trump had threatened to do that, and possibly add tariffs on \$267 billion of imports, if there was no progress in the talks. With the United States and China clashing over commerce, financial markets will take their lead from the results of the talks, widely seen as the most important meeting of U.S. and Chinese leaders in years.



“China will agree to purchase a not yet agreed upon, but very substantial, amount of agricultural, energy, industrial, and other product from the United States to reduce the trade imbalance between our two countries,” it said.

“China has agreed to start purchasing agricultural product from our farmers immediately.” The two leaders also agreed to immediately start talks on structural changes with respect to forced technology transfers, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft, services and agriculture, the White House said.

Both countries agreed they will try to have this “transaction” completed within the next 90 days, but if this does not happen then the 10 percent tariffs will be raised to 25 percent, it added. The Chinese government’s

reached consensus to halt the mutual increase of new tariffs,” Wang said.

“China is willing to increase imports in accordance with the needs of its domestic market and the people’s needs, including marketable products from the United States, to gradually ease the imbalance in two-way trade.”

“The two sides agreed to mutually open their markets, and as China advances a new round of reforms, the United States’ legitimate concerns can be progressively resolved.” The two sides would “step up negotiations” toward full elimination of all additional tariffs, Wang said.

The announcements came after Trump and Xi sat down with their aides for a working dinner at the end of a two-day gathering of world leaders in Buenos Aires, their dispute having unnerved global

Trump told Xi at the start of their meeting he hoped they would achieve “something great” on trade for both countries. He struck a positive note as he sat across from Xi, despite the U.S. president’s earlier threats to impose new tariffs on Chinese imports as early as the next year. He suggested that the “incredible relationship” he and Xi had established would be “the very primary reason” they could make progress on trade.

Xi told Trump that only through cooperation could the United States and China serve the interest of peace and prosperity. Washington and Beijing have also increasingly been at odds over security in the Asia-Pacific region. At the same time, Trump again raised with Xi his concern about the synthetic opioid fentanyl being sent from China to the United States, urging the Chinese leader to place it in a “restricted category” of drugs that would criminalize it.

The White House said Xi, “in a wonderful humanitarian gesture”,

had agreed to designate fentanyl a controlled substance. Xi also said that he was open to approving the previously unapproved Qualcomm-

NXP deal should it again be presented to him, the White House added. "This was an amazing and productive meeting with unlimited

possibilities for both the United States and China. It is my great honor to be working with President Xi," Trump said in the statement.

### Global trade wars risk 'millions of jobs': WTO chief

Escalating trade wars "pose real risks" to the global economy, potentially threatening millions of jobs, head of the World Trade Organization (WTO) Roberto Azevedo warned in a London speech on October 17. US President Donald Trump is locked in a trade war with China, rolling out billions of dollars in tariffs in a bid to tackle its trade deficit and rein in what Washington considers unacceptable Chinese trade practices.

Trump has also targeted the EU, and WTO director general Azevedo told business heads at the Mansion House speech that there appeared to be "no end in sight" to the tit-for-tat action, pleading with world leaders to negotiate. "A continued escalation of tensions would pose real risks," he warned.

WTO economists calculate that "a complete breakdown in international trade cooperation would see a sharp

rise in tariffs, knocking up to 17 percent off global trade growth, and 1.9 percent off overall global



economic growth. "These effects would cause significant disruptions for workers, firms, and communities as they adjust to this new reality," said Azevedo. "Potentially millions of workers would need to find new jobs; firms would be looking for new products and markets; and

communities for new sources of growth," he added.

Responding to claims that unfair trade practices were going unpunished under the current system, Azevedo said there needed to be political solutions and he called on leaders to work towards them at next month's G20 summit in Argentina.

Trump has so far slapped tariffs on \$250 billion worth of Chinese goods imported by the US and threatened to go even further. He has also boosted military support for China rival Taiwan and accused China of interfering in US elections. The US accuses China of rampantly stealing technology and seeking an unfair trade advantage by forcing foreign businesses to work with local partners, handing over their know-how in the process.

### G20 sealed landmark deal on WTO reform by ducking 'taboo words'

Many delegates from the world's 20 largest economies arrived at a summit in Argentina in the first week

of December determined to clinch an agreement to reform the global trade system, pushed to a breaking

point by tensions between the United States and China. To do so, they had to bow to U.S. and Chinese



demands to drop some of the pledges that have become hallmarks of the Group of 20 industrialized nations, which represents two-thirds of the global population. But they left with a communique committing for the first time to reform the dysfunctional World Trade Organization (WTO), the body supposed to regulate global trade disputes.

“A number of words that we used to have always in G7 and G20 summit communiqués became kind of taboos,” a European official said on December 1 in the midst of the negotiations. “We have American taboos and Chinese taboos.”

First among those taboos is “protectionism”. The U.S. administration has become sensitive to criticisms after President Donald Trump has imposed tariffs not only on \$250 billion of Chinese goods but also on steel and aluminum imports that hit several of his G20 partners. As a result, for the first time since G20 leaders held their inaugural

meeting in Washington in 2008, their communique did not contain a pledge to fight protectionism.

China, meanwhile, steadfastly opposed the inclusion of the usual calls for “fair trade practices,” delegates said. Beijing rejects criticisms from the United States, Europe and Japan for dumping, industrial subsidies, abuse of intellectual property rights and technology transfers, amongst other practices.

Even the word “multilateralism” itself has fallen out of favor in a group designed to foster international cooperation.

Central to getting the United States to sign up to a phrase recognizing the importance of “multilateral trading system” was acknowledging that the system was falling short of its objectives, delegates said. The United States is unhappy with what it says is the WTO’s failure to hold Beijing to account for not opening

up its economy as envisioned when China joined the body in 2001. To force reform at the WTO, Trump’s team has blocked new appointments to the world’s top trade court, which is rapidly running out of judges, meaning it will be unable to issue binding rulings in trade disputes. He has even threatened to withdraw the United States from the global body.

The final statement said the group supports the “necessary reform of the WTO to improve its functioning”, allowing U.S. officials to claim a victory. While there were no details of the proposed reform, many delegates hailed a breakthrough in committing Washington to global solutions.

“For the first time China and the United States agreed to engage on the WTO,” said one delegate closely involved in drafting the communique. “Given Trump’s earlier threats, to end up with the G20 saying it would work together on WTO reform is interesting.”

### **New G20 chair Japan wants global trade imbalances and impact of aging population on 2019 agenda**

Japan will put issues ranging from global trade imbalances to the impact of aging populations on the agenda when it chairs next year’s meetings of leaders from the Group of 20 major economies. At the end of the G20 summit in Buenos Aires, Finance Minister Taro Aso unveiled the “priority issues” to be taken up by his counterparts and central bank governors next year when Japan takes over the chairmanship from Argentina.

Japan will host a G20 financial leaders’ meeting in Fukuoka in western Japan on June 8-9, followed by a leaders’ summit in Osaka on June 28-29. Tokyo will assert that global current account imbalances should be fixed via multilateral policy coordination rather than bilateral trade deals. Excessive imbalances should be adjusted by improving the ratio of investment and saving

through macroeconomic policy and structural reform, they added.



Global imbalances had once been a key topic at G20 meetings with a focus on each country’s current account balance, or the overall flow of money including, but not confined to, trade. This approach runs counter

to President Donald Trump’s focus on narrowing the U.S. trade deficit using import tariffs and bilateral deals. His “America First” policies and the U.S.-China trade war have overshadowed debates at recent G20 meetings.

Japan plans underscore Tokyo’s view that instead of focusing too much on bilateral trade imbalances, there should be more emphasis on overall capital flows and structural factors behind the U.S. deficit - such as a lack of domestic savings. Saddled with its own aging population and the industrial world’s heaviest public debt burden, Japan will also highlight the issue of aging and its impact on fiscal and monetary policies at next year’s G20 meetings, the officials said.

Bank of Japan Governor Haruhiko Kuroda has said an aging population

could pose “serious challenges” for central banks, as it undercuts economies’ growth potential and requires them to use more monetary

firepower than before to boost growth. Also on the agenda under Japan’s G20 chair will be the need to ensure debt sustainability, given

rising debt in low-income countries, and to promote high-quality infrastructure investment.

### World ‘way off course’ in climate change fight: UN chief Antonio Guterres

The world is “way off course” in its plan to prevent catastrophic climate change, United Nations Secretary-General Antonio Guterres said on Dec 3 as the COP24 summit officially opened in Poland. After a string of damning environmental reports showing mankind must drastically slash its greenhouse gas emissions to avert runaway global warming, Mr Guterres told delegates “we are still not doing enough, nor moving fast enough”.

The nearly 200 nations that signed up to the 2015 Paris climate deal must in December finalise a rulebook to limit global temperature rises to well below two deg C, and to the safer cap of 1.5 deg C if possible. But the rate of climate change is rapidly outstripping mankind’s response.

With just one deg C of warming so far, Earth is blighted by raging wildfires, extreme drought and mega-storms made worse by rising sea-levels. “Even as we witness devastating climate impacts causing havoc across the world, we are still not doing enough, nor moving fast enough, to prevent irreversible and catastrophic climate disruption,” Mr Guterres said.

Some of the nations most at risk from climate change had the chance to plead the case for immediate action. Mr Frank Bainimarama, prime minister of Fiji and president of last year’s COP climate talks, said nations must act now to stave off disaster. “Or, God forbid, (we) ignore the irrefutable evidence and become the generation that betrayed humanity,” he said.

A firefighter is silhouetted by a burning home along the Pacific Coast Highway during the Woolsey Fire in Malibu, California, on Nov 9, 2018.



The World Bank said on it will give equal weight to curbing emissions and helping poor countries deal with the “disastrous effects” of a warming world as it steps up investments to tackle climate change in the first half of the 2020s. The bank and its two sister organisations plan to double their investments in climate action to about US\$200 billion (\$273 billion) from 2021-2025, with a boost in support for efforts to adapt to higher temperatures, wilder weather and rising seas.

The latest figures on climate funding for developing countries show barely a quarter has been going to adaptation, with the bulk backing adoption of clean energy and more efficient energy use, aimed at cutting planet-warming emissions. “We must fight the causes, but also adapt to the consequences that are often most dramatic for the world’s

poorest people,” said World Bank CEO Kristalina Georgieva.

Of the US\$100 billion the World Bank plans to make available in the

five years from mid-2020, half would go to adaptation measures, it said. Those include building more robust homes, schools and infrastructure, preparing farmers for climate shifts, managing water wisely and protecting people’s incomes through social safety nets, Dr Georgieva added.

British broadcaster and environmentalist David Attenborough, who was given a “People’s seat” on December 3 the two-week climate conference in the Polish coal city of Katowice alongside two dozen heads of state and government, urged world leaders to get on and tackle “our greatest threat in thousands of years”.

“The continuation of our civilisations and the natural world upon which we depend, is in your hands,” said the naturalist.

### World leaders need to fix broken economic models : IMF chief

World leaders need to fix global trading systems instead of trying to tear them down, International

Monetary Fund chief Christine Lagarde said on October 10, in a rebuke to nationalist politicians

pushing tariffs and protectionism. Her comments come as a trade spat between China and the United States

threatens economic growth around the world, with IMF experts warning of "new vulnerabilities" in the global system. "We need to work together to de-escalate and resolve the current trade disputes," Ms Lagarde said at an IMF and World Bank gathering in Bali. "We need to join hands to fix the current trade system, not destroy it," she added.

Around 32,000 members of the global financial elite are on the Indonesian holiday island for a week of discussions that have been clouded by US President Donald Trump's America First trade policy. Trump has levied or threatened tariffs on goods from economies around the world, notably China, but also on traditional allies such as the European Union.

A raising of US interest rates has also helped send emerging market currencies into a tail spin, as countries that borrowed heavily in dollars race to pay back their debt.

The IMF's latest report on world financial stability, released October 10, said global growth could be at risk if emerging markets deteriorate further or trade tensions escalate. "New vulnerabilities have emerged and the resilience of the global financial system has yet to be tested," it said in the twice-yearly Global Financial Stability Report.

Market participants "appear complacent" about the potential risks from a "sudden, sharp tightening of conditions" -- like rising interest rates or declining access to capital.

More tariffs and their countermeasures "could lead to a broader tightening of financial conditions, with negative implications for the global economy and financial stability," the fund warned. Lagarde told her audience that she did not feel overly gloomy about global conditions. "It's



tempting to be a bit depressed about this perspective but I'm actually hopeful because there is a clear appetite to improve and expand trade," she said.

Prominent US academic Jeffrey Sachs was less diplomatic in his assessment of Trump's shepherding of American trade relationships, slamming the president's repeated claims that deficits with China and other nations meant Americans were being taken advantage of.

"Trade deficits don't (necessarily) mean cheating by the other side... This is the United States trying stop China's growth -- it's a terrible idea," Sachs, director of the Center for Sustainable Development at Columbia University, told a seminar in Bali. "All the accusations against

China are completely trumped up... Grossly exaggerated."

As interest rates rise in advanced economies, prompting investors to take their money in search of higher returns, the IMF said emerging economies should take steps to insulate themselves from an exodus of funds. That would include boosting foreign currency reserves that could be used in a crisis, as well as working with local bond markets to build a local investor base, rather than relying on financing from abroad.

The fund also pointed to risks from high corporate debt and too much government borrowing, a hangover from fiscal stimulus measures and government rescue spending in the wake of the 2008 global financial crisis. Since the last stability report in April, global economic conditions have become less balanced, with a more pronounced divergence between advanced and emerging economies.

Despite the Federal Reserve's interest rate increases, financial conditions "have eased further" in the US as equity valuations have stayed lofty. Conditions in Europe and other major advanced economies have also remained "relatively easy," although investors have pushed back their expectations for the European Central Bank to lift interest rates, the report said. In China, the situation remains "broadly stable," although corporate debt is above historical levels and household borrowing is at the high end among emerging countries.

## EU agrees 'best possible' Brexit deal urges Britons to back May

European Union leaders finally sealed a Brexit deal on November 25, saying the package agreed with Prime Minister Theresa May was the best Britain will get in a warning to the British parliament not to reject it. "Those who think that, by rejecting the deal, they would get a better deal, will be disappointed," European

Commission President Jean-Claude Juncker told reporters after the 27 other EU leaders formally endorsed a treaty setting terms for British withdrawal in March and an outline of a future EU-UK trade pact.

Asked whether there was any chance Brussels would reopen the pact if an alliance of pro- and anti-Brexit

forces votes it down in the British parliament, Juncker said "this is the best deal possible," although summit chair Donald Tusk sounded more guarded, saying he did not want to consider hypotheticals.

May used a post-summit news conference to make a sales pitch for her plan, telling television viewers at

home that it was the “only possible deal”, offering control of UK borders and budgets while maintaining close alignment with EU regulations that was good for business and the security of Britain and Europe.

“In any negotiation, you do not get everything you want. I think the British people understand that,” said May, who arrived after the endorsement to voice hopes for continued close ties. Parliament’s vote could open the door to a “brighter future” or condemn the country to more division, she said. “I will make the case for this deal with all my heart,” she added, declining to answer whether she would resign if parliament rejects it.

German Chancellor Angela Merkel, the bloc’s veteran guiding force, echoed that unwillingness to speculate on what she called a “historic day” that was both “tragic and sad”.

Amid praise for Michel Barnier’s team of negotiators for bringing home a deal after 18 months of grueling talks, Juncker said it was

“no time for champagne”, as one of Europe’s great powers quits after a 2016 referendum. The harder work



of forging new relations now lies ahead, he added.

The EU leaders took barely half an hour to rubber-stamp the 585-page withdrawal treaty, aimed at an orderly exit in March to be followed by two to three years of a status-quo transition period. The outline of a future trading and security partnership was just 26 pages long. May’s critics say it leaves Britain tied to EU regulations that it will no longer have a say in setting.

European Council President Tusk said the bloc was determined to have as close as possible a partnership

with Britain, which has long been skeptical about EU integration: “We will remain friends until the end of days. And one day longer,” he said.

French President Emmanuel Macron said Britain’s Brexit vote showed Europe needed reform. He stressed that Paris would hold Britain to tight EU regulations, in return for giving it easy trade access. He also foreshadowed coming, fraught, negotiations by demanding access to British fishing grounds after Brexit.

### Asia to grow as expected in 2018 and 2019, trade war poses downside risks: ADB

The Asian Development Bank expects developing Asia to meet its growth forecasts for this year and next on strong domestic demand and

12 maintained its 2018 and 2019 economic growth estimates for the region at 6.0 percent and 5.8 percent, respectively.

welcome development, ADB Chief Economist Yasuyuki Sawada said “the unresolved conflict remains to be the downside risk to economic prospects in the region.”



easing inflation pressures, though it warned of downside risks from a rising tide of trade protectionism. ADB released an update of its Asian Development Outlook on December

The ADB also kept its 6.6 percent and 6.3 percent growth projections for China as well as its 7.3 percent and 7.6 percent growth expectations for India for both years. Early this month, U.S. President Donald Trump and Chinese counterpart Xi Jinping agreed to a 90-day truce on further tariffs as they try to negotiate a deal. But while the truce was a

The 2019 growth outlook for Central Asia was raised to 4.3 percent, from the September projection of 4.2 percent, the ADB said, but the forecasts for Southeast Asia and South Asia for next year lowered to 5.1 percent and 7.1 percent, respectively. Easing commodity prices and central bank policy actions could cause the pace of inflation in developing Asia to settle at 2.6 percent this year and to 2.7 percent in 2019, the ADB said, down from its 2.8 forecast in September for both years.

## Climate change could cost US 'hundreds of billions' a year: study

Climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth, according to a major new study. Climate change is already hurting the global economy and will cost the US hundreds of billions of dollars annually by century's end unless drastic action is taken to cut carbon emissions, a major US government report warned on November 23.



"With continued growth in emissions at historic rates, annual losses in some economic sectors are projected to reach hundreds of billions of dollars by the end of the century—more than the current gross domestic product (GDP) of many US states," the latest edition of the National Climate Assessment said.

"Without substantial and sustained global mitigation and regional

adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century," it added. The effects will spill over into global trade, affecting import and export prices and US businesses with overseas operations and supply chains, it added.

Some of these impacts are already being felt in the United States, the report said, and recent extreme weather and climate-related events can now be attributed "with increasingly higher confidence to human-caused warming."

Compiled by more than 300 scientists, the Fourth National Climate Assessment Volume II is a congressionally mandated report that spans more than 1,000 pages.

Trump yanked the United States out of the landmark 2015 Paris climate accord, signed by more than 190 nations to limit carbon emissions. David Easterling, director of the technical support unit at the

National Oceanic and Atmospheric Administration's National Centers for Environmental Information, said there had been "no external interference" in the report.

Scientists found "clear and compelling evidence that global average temperature is much higher and is rising more rapidly than anything modern civilization has experienced," he told reporters. "And this warming trend can only be explained by human activities, especially emissions of greenhouse gases into the atmosphere."

"Because several GHGs, in particular carbon dioxide, reside in the atmosphere for decades or longer, many climate-influenced effects are projected to continue changing through 2050, even if GHG emissions were to stop immediately," said the report.

Sea levels are continuing to rise, and extreme events like heavy rain and floods continue to increase worldwide, which will "cascade across economic sectors," Easterling said, warning of "substantial net damage to the US economy." The report said it was "very likely that some physical and ecological impacts will be irreversible for thousands of years, while others will be permanent."

## Major cities can fight climate change and make billions: researchers

Implementing green strategies like bike lanes and better building codes could bring 94 world cities a collective \$583 billion worth of benefits, while fighting climate change, according to research by a global network of cities.

C40 Cities pinpointed transport, buildings and industry as priorities to be incorporated into climate change policies. Doing so would encourage large investments and avert 223,000 premature deaths, as people live and work longer.

"This research quantifies and provides the business case for what

mayors have long known to be true: taking bold climate action also improves public health," C40 executive director Mark Watts said in a statement. "There is no longer any trade-off for cities between delivering policies that benefit the environment, drive economic growth and improve the health of citizens."

Cities are key in the fight against

climate change, according to the World Bank Group's International Finance Corporation (IFC). More than half the global population lives in cities, which consume over two-



thirds of the world's energy, and account for more than 70 percent of all carbon dioxide emissions, the IFC says.

C40 researchers said cities should implement walking, cycling and mass transit policies, introduce stringent emission standards, promote zero-emissions vehicles and establish zero emission areas. Cities should also adopt strict regulations for new buildings and retrofit older buildings to improving heating, ventilation,

air conditioning, water heating and lighting systems, researchers added.

Industry and businesses should use energy efficient technologies. Emissions capturing and maintenance and monitoring are all important if climate goals are to be achieved, they said. By focusing on green approaches to transport, buildings and industry, cities could reduce greenhouse gas emissions by 87 percent and hazardous airborne pollutants known as PM2.5 by 49

percent, according to the researchers. "Where the problem lies in terms of emissions, is also where the solution lies," said Milag San Jose-Ballesteros, director for East, Southeast Asia and Oceania at C40 Cities in Singapore. Although many C40 cities have already identified or implemented some of the measures suggested in the report, the three key areas in the research needed to be fully reflected in strategies by 2020 and in place or adopted by 2030, she added.

### Gas to overtake coal as world's second largest energy source by 2030: IEA

Natural gas is expected to overtake coal as the world's second largest energy source after oil by 2030 due to a drive to cut air pollution and the rise in liquefied natural gas (LNG) use, the International Energy Agency (IEA) said on December 11. The Paris-based IEA said in its World Energy Outlook 2018 that energy demand would grow by more than a quarter between 2017 and 2040 assuming more efficient use of energy - but would rise by twice that much without such improvements.

Global gas demand would increase by 1.6 percent a year to 2040 and would be 45 percent higher by then than today, it said. The estimates are based on the IEA's "New Policies Scenario" that takes into account legislation and policies to reduce emissions and fight climate change. They also assume more energy efficiencies in fuel use, buildings and other factors.

"Natural gas is the fastest growing fossil fuel in the New Policies Scenario, overtaking coal by 2030 to become the second-largest source of energy after oil," the report said. China, already the world's biggest oil and coal importer, would soon become the largest importer of gas and net imports would approach the level of the European Union by 2040, the IEA said.

According to Reuters calculations, based on China's General

Administration of Customs data, China has already overtaken Japan as the world's top natural gas importer. Although China is the world's third-biggest user of natural gas behind the United States and Russia, it has to import about 40 percent of its needs as local production cannot keep pace.

Emerging economies in Asia would account for about half of total global gas demand growth and their share

The United States could account for 40 percent of total gas production growth to 2025, the IEA said, while other sources would take over as U.S. shale gas output flattened and other nations started turning to unconventional methods of gas production, such as hydraulic fracturing or fracking.

Global electricity demand will grow 2.1 percent a year, mostly driven by rising use in developing economies.



of LNG imports would double to 60 percent by 2040, the IEA report said. "Although talk of a global gas market similar to that of oil is premature, LNG trade has expanded substantially in volume since 2010 and has reached previously isolated markets," it said. LNG involves cooling gas to a liquid so it can be transported by ship.

Electricity will account for a quarter of energy used by end users such as consumers and industry by 2040, it said. Coal and renewables will swap their positions in the power generation mix. The share of coal is forecast to fall from about 40 percent today to a quarter in 2040 while renewables would grow to just over 40 percent from a quarter now.

However, the world's coal plants make up one third of energy-related carbon dioxide (CO2) emissions today. Many of those are in Asia, where average coal plants are on average 11 years old with decades left to operate, compared with an average age of 40 years in the United States and Europe. "We can create some room for maneuver by expanding the use of Carbon Capture Utilization

and Storage, hydrogen, improving energy efficiency, and in some cases, retiring capital stock early. To be successful, this will need an unprecedented global political and economic effort," said Fatih Birol, the IEA's executive director.

Energy-related CO2 emissions could reach a record high this year, the IEA said, and will continue to grow at a

slow but steady pace to 2040. From 2017 levels, the IEA said emissions would rise by 10 percent to 36 gigatonnes in 2040, mostly driven by growth in oil and gas.

But this is "far out of step" with what scientific knowledge says would be required to tackle climate change, it added.

## Google-Temasek study sees \$240 billion Southeast Asia internet economy by 2025



Southeast Asia's internet economy is expected to exceed \$240 billion by 2025, a joint study by Google and Temasek Holdings showed, a fifth more than previously estimated, as more consumers use their smartphones to go online. The study, first published in 2016, encompasses ride-hailing, e-commerce, online travel and online media. The latest report released on November 19 adds new sectors such as online food delivery, as well as subscription music and video on demand.

It estimated that the gross merchandise value (GMV) of the region's internet economy has reached \$72 billion in 2018, rising 37 percent from the year earlier. The GMV of e-commerce in the region

will exceed \$23 billion in 2018, the report said, and rise more than four times to exceed \$100 billion by 2025, helped by increased consumer trust. It credited e-commerce companies - Alibaba Group Holding Ltd's Lazada, Sea Ltd's Shopee, and Indonesia's Tokopedia - for helping develop the sector.

The report estimated that the GMV of the competitive ride hailing sector, with the addition of online food delivery, has reached \$7.7 billion in 2018. "Powered by the ambitions of Go-Jek and Grab to become Southeast Asia's 'everyday apps', we project that ride hailing will reach almost \$30 billion by 2025," the Google-Temasek study said.

Both Alphabet Inc's Google and Singapore state investor Temasek [TEM.UL] have invested in Go-Jek. Temasek-backed Vertex Ventures is an early investor in Grab. The Indonesian internet economy is

forecast to grow to \$100 billion by 2025, accounting for \$4 of every \$10 spent in the region, the report said. It added that 2018 was on track to be a record year for fundraising for the region's internet economy companies, with \$9.1 billion raised in the first half of the year, nearly as much as in all of 2017.

The research covers Southeast Asia's six largest economies - Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The growth is being boosted by the world's most engaged internet users, of whom more than 90 percent connect to the web through their smartphones, it said.

The report said the increasing availability of affordable smartphones and the rollout of faster and more reliable mobile telecommunication services were supporting Southeast Asia's growing internet user base.

## EU Enlists Asia in Anti-Trump Push on Trade and Climate

The European Union won Asian political support in campaigns aimed at countering U.S. President Donald Trump's challenges to global trade rules, the fight against climate change and the international nuclear accord with Iran. In a final statement at an Asia-Europe summit in Brussels on October 19, the EU said the government leaders agreed on "the vital need of maintaining an open world economy and upholding the rules-based multilateral trading system, with the World Trade

Organization at its core."

European and Asian leaders also recognized "the serious challenge posed by climate change, its tremendous impact felt



worldwide and the need for urgent and effective action,” according to the statement. Furthermore, the text cites “collective support” at the summit for the United Nations-backed agreement to prevent Iran from developing atomic weapons.

“The summit shows that countries gathering from Europe and Asia want rules-based world trade and a commitment to multilateralism,” German Chancellor Angela Merkel said on Friday in the Belgian capital.

“That’s an important signal because almost two-thirds of global gross domestic product is gathered here.”

The meeting highlights the global political maneuvering to address the consequences of Trump’s “America-First” agenda, which has led the U.S. to question the relevance of the WTO, abandon a landmark 2015 UN agreement to fight global warming and pull out of a hard-fought international accord the same year to curb Iran’s nuclear activities.

“When it comes to climate change, it’s important to win these countries as partners,” said Chancellor Sebastian Kurz of Austria, which currently holds the EU’s rotating six-month presidency. “It’s important that we act as one.” The Oct. 18-19 summit brought together the heads of state or government of more than 50 European and Asian countries including the 28 EU members, Russia, China, Japan and South Korea.

### US ‘green growth’ duo win Nobel Economics Prize

US economists William Nordhaus and Paul Romer on October 8 shared the 2018 Nobel Economics Prize for constructing “green growth” models that show how innovation and climate policies can be integrated with economic growth.

Working independently, they have addressed “some of our time’s most basic and pressing questions about how we create long-term sustained and sustainable growth,” the Royal Swedish Academy of Sciences said in a statement.

Nordhaus is a professor at Yale University. Romer is a former World Bank chief economist now at New York University’s Stern School of Business. The academy said their models, both developed in the 1990s, have “significantly broadened the scope of economic analysis”. The prize announcement came as the UN warned in a landmark report that an “unprecedented” transformation of

society and the world economy was needed to avoid global climate chaos.

It said time was running out to avert disaster, noting that Earth’s surface has warmed one degree Celsius (1.8 degrees Fahrenheit). Romer told the Swedish academy in a live phone interview at the prize announcement that he was confident the world could reduce greenhouse gas emissions and still improve standards of living in the future.

“We can absolutely make substantial progress to protecting the environment, and without giving up the chance for sustained growth,” he said. “One of the problems with the current situation is that many people think that dealing with protecting

the environment will be so costly and so hard that they will ignore the problem and deny it exists,” he said. “I hope the prize will help people see humans are capable of amazing



accomplishments when we try to do something.”

The jury said that while Nordhaus and Romer “do not deliver conclusive answers ... their findings have brought us considerably closer to answering the question of how we can achieve sustained and sustainable global economic growth.”

### Nearly half of German firms expect further escalation of trade tensions between Europe and US

Forty-four percent of German firms expect a further escalation of trade tensions between Europe and the United States, which is likely to continue to dampen new investments, the RND newspaper chain reported, citing a survey by the IW economic institute. Thirty-four percent do not see trade ties growing more strained, RND

reported. It said 41 percent of firms surveyed considered it unlikely that the United States and the European Union (EU) would reach agreement on a transatlantic trade agreement.

U.S. President Donald Trump and European Commission President Jean-Claude Juncker struck an agreement in July that should shield

European firms from U.S. auto tariffs while the two sides continue to work on trade issues. But the EU’s trade commissioner, Cecilia Malmstrom, last week said any U.S.-EU trade deal would be limited in scope, covering industrial goods, but not agriculture.

Pascal Lamy, the former director general of the World Trade



Organisation said the EU should also prepare for its companies to be targeted by U.S. sanctions in a worsening trade dispute between the United States and China. The IW study said continued uncertainty about the global trade environment would weigh on firms' willingness to

invest, which in turn would depress German firms' export prospects in the United States and elsewhere.

"Given worldwide economic developments, the downturn of the German economy is expected to continue," IW said in the study, according to RND.

The DIHK German Chambers of Commerce also sees no signs that the United States will change course and back away from threatened tariffs, a situation that is of particular concern to German automakers, the media

group reported. DIHK President Eric Schweitzer said it was imperative to continue dialogue with Washington, with the goal of negotiating a longer-term free trade agreement that would give industry more certainty and room for maneuver.

"For the moment, we are far from such a reasonable agreement with our second most important trading partner, the United States," he added. He said the group had halved its export growth forecast for 2018 to 2.8 percent, and expected modest growth of just 2.5 percent next year.

### Beijing eases back on 'Made in China 2025' amid trade talks with U.S.

China appears to be easing its high-tech industrial development push, dubbed "Made in China 2025," which has long irked the United States, amid talks between the two countries to reduce trade tensions, according to new guidance to local governments. Beijing has dropped references to "Made in China 2025", an initiative intended to help China catch up with global rivals in sophisticated technologies and promoted aggressively since 2015.

The strategy is core to China's aim to transform itself into a global superpower by 2050, and rival U.S. dominance in sectors such as semiconductors, robotics, aerospace, clean-energy cars and artificial intelligence. But its open efforts to deploy state support and subsidies to close a technology gap has provoked alarm in the West and blowback from the United States.

U.S. Commerce Secretary Wilbur Ross said it was clear China has been de-emphasizing the 2025 plan in response to objections from the United States and other countries, "but that doesn't mean they've dropped it." He told CNBC television that he expects China to move into more advanced technologies and he has no objections to that.

"We do object to using inappropriate methods, like stealing secrets, like forced technology transfers, that sort

of thing," Ross said of China. "We're perfectly happy to compete with them toe-to-toe, as long as it's a level playing field."

Local governments that have seen results in their promotion of stable industrial growth and upgrading will be given priority support, the state-



China has repeatedly denied the U.S. allegations that it systematically misappropriated U.S. intellectual property through policies that effectively coerce U.S. firms to transfer technology to Chinese joint venture partners, through outright theft by cyber and other means and state acquisitions of U.S. firms.

In its 2016 guidance to local governments, the State Council, or cabinet, said local governments that promoted the implementation of "Made in China 2025" while encouraging industrial growth and manufacturing upgrading would be given priority support. In its latest guidance reported by state media on December 12, references to "Made in China 2025" were omitted.

backed China Information News said, citing a new document from the State Council.

U.S. President Donald Trump and Chinese President Xi Jinping agreed at a Dec. 1 meeting in Argentina to a truce between the world's two largest economies that delayed by 90 days a planned Jan. 1 U.S. increase of tariffs to 25 percent from 10 percent on \$200 billion worth of Chinese goods.

The two sides are expected to negotiate over U.S. demands for stronger Chinese protections for U.S. intellectual property, an end to forced technology transfers and greater market access to China for U.S. companies.

## India- Japan sign \$75 bn currency swap agreement

India and Japan on October 29 concluded a USD 75 billion bilateral currency swap agreement, a move that will help in bringing greater stability in foreign exchange and capital markets in the country. The agreement will further strengthen and widen the depth and diversity of economic cooperation between the two countries.

Prime Minister Narendra Modi and his Japanese counterpart Shinzo Abe held delegation-level talks during which the two leaders discussed a range of bilateral, regional and global issues including the situation in the Indo-Pacific region. “With a view to enhancing financial and economic cooperation, governments of Japan and India welcomed the agreement to conclude a Bilateral Swap Arrangement (BSA) of USD

75 billion,” said India-Japan Vision Statement issued after the summit-

India...This facility will enable the agreed amount of foreign capital



level meeting between the two leaders.

The swap agreement, a Finance Ministry’s release said, should “aid in bringing greater stability to foreign exchange and capital markets in

being available to India for use as and when need arises“. Recognising the unparalleled potential for development of relations between the two countries, the prime ministers reviewed the significant milestones achieved over the last four years.

## China largest internet user in Asia

Bangladesh has been ranked fifth largest internet using country in Asia, according to Internet World Stats. There were 0.1 million internet users in Bangladesh in 2000. The internet reached 80 million people of the country by the end of 2017, reports Asia News Network.

China is leading the way with 772 million, the highest number in Asia, internet users in 2017, which is followed by India, Indonesia and Japan. The internet has grown widely

in all parts of the world in what is termed the digital age and Asia has shown impressive growth trends in last 10 years.

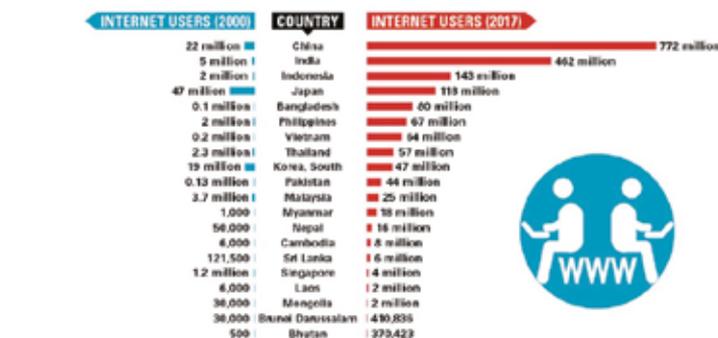
South East Asia has seen the most penetration with China leading the way. In the last decade, China had grown tremendously by providing internet from 22 million people to 772 million people. China’s internet availability rate has reached 55.8 percent, exceeding the world average by 4.1 percentage points.

In India, internet penetration in last 10 years jumped from five million to 462 million by 2017. It is expected to grow up to 500 million this year. However, there is a rural-urban divide in the country in terms of internet penetration.

In the last decade, internet penetration in Indonesia grew from 2 million to 143 million. The country is followed by Japan with 118 million. Although Japan had been far ahead of other countries 10 years back with the internet penetration at 47 million in 2000. In the Philippines and Vietnam, 67 million and 64 million people respectively, have access to internet. Thailand made internet available to 57 million people in last 10 years.

South Korea was second to Japan in 2000 with internet availability to 19 million people. The internet reached 47 million people by the end of last year. Pakistan improved considerably from providing access to 0.13 million

**HOW HAS INTERNET USAGE GROWN IN ASIA SINCE 2000?**  
Internet usage has grown all over Asia with China, India and Indonesia leading the way



Compiled by: ANN/atal/EAUS

Source: Internet World Stats, 2018

people a decade ago to 44 million by the end of last year.

Malaysia, Nepal and Myanmar made internet available to 25 million, 18 million and 16 million people respectively by 2017. By the end of last year, 8 million people in Cambodia had access to internet

followed by Sri Lanka and Singapore with internet availability to 6 million and 4 million people respectively.

Laos and Mongolia have provided internet availability to 2 million people. The smaller countries like Brunei and Bhutan have made internet available to more than 4

lakh and 3 lakh people. Even with these impressive numbers, level of connectivity still has to improve considerably, especially in South Asia. There are many challenges in terms of infrastructure, affordable devices, data plans and digital literacy that need to be overcome.

### Alibaba's Jack Ma to set up an institute to train tech entrepreneurs for ASEAN countries



Jack Ma, executive chairman of China's Alibaba Group Holding, said on October 13 that he discussed with Indonesia's government the possibility of opening an institute to train tech entrepreneurs in the Southeast Asian country.

Ma, who already advises the government on e-commerce, said he had talks with the government about opening a Jack Ma Institute of Entrepreneurs, but no specific details had been agreed. "We're giving a lot of opportunities for young Indonesian people to learn," Ma told reporters

after meeting Indonesian ministers on the sidelines of the International Monetary Fund and World Bank meetings being hosted by Indonesia.

The co-founder of Alibaba, China's biggest e-commerce firm, said it is important for Indonesia to invest in human capital because "only when people improve, when people's minds change, when people's skills improve, then we can enter the digital period". Indonesia has a shortage of trained engineers in technology and Jack Ma said Alibaba will train hundreds of developers and engineers on cloud computing to help make Indonesian businesses more digital-savvy.

The country is a key market for Alibaba, whose cloud computing arm Alibaba Cloud launched a data center in Indonesia in March. Ma said his company would continue to

invest "not only on e-commerce, but also cloud computing, logistics and... infrastructure" in Indonesia, while also helping local businesses to grow.

Indonesian Communications Minister Rudiantara told Reuters in September that Indonesia was partnering with Ma to look into ways to harness Alibaba's businesses to increase its exports, particularly to China. McKinsey estimated in a report released on Aug. 30 that the value of Indonesia's e-commerce market will surge to at least \$55 billion (£42 billion) by 2022 from \$8 billion in 2017.

On October 12, Ma told a panel discussion at the IMF and World Bank meetings that "the internet is designed for developing countries", with "great opportunities in Africa" also.

### Many U.S. firms in China eyeing relocation as trade war bites: survey

More than 70 percent of U.S. firms operating in southern China are considering delaying further investment there and moving some or all of their manufacturing to other countries as the trade war bites into profits, a business survey showed on October 29.

U.S. companies operating in China believe they are suffering more from the trade dispute than firms from other countries, according to the poll by the American Chamber of Commerce in South China, which surveyed 219 companies, one-third from the manufacturing sector.

Sixty-four percent of the companies said they were considering relocating production lines to outside of China, but only 1 percent said they had any plans to establish manufacturing bases in North America. "While more than 70 pct of the U.S. companies are considering delaying or cancelling investment in China, and relocation of some or all manufacturing out of China, only half of their Chinese counterparts share the same consideration," the AmCham report said.

The trade war is shifting both supply chains and industrial clusters, mostly towards Southeast Asia, the survey

found. U.S. companies reported facing increased competition from rivals in Vietnam, Germany and Japan, while Chinese companies said they were facing growing competition from Vietnam, India, the United States and South Korea.

Customers are slowing down orders or not placing them at all, Harley Seyedin, president of AmCham South China, told Reuters. "It could very well be that people are holding back on placing orders until times are more certain or it could very well be that they are shifting to other competitors who are willing to offer cheaper products, even sometimes at

a loss, in order to get market share," he said.

Companies in the wholesale and retail sectors have suffered the most from U.S. tariffs, while agriculture-related businesses have been most hit by Chinese measures, the survey found. The survey was conducted between Sept. 21 and Oct. 10, shortly after the U.S. imposed tariffs on another \$200 billion worth of Chinese goods. That prompted Beijing to retaliate with additional tariffs on \$60 billion of U.S. products, escalating a tariff war between the world's two largest economies.

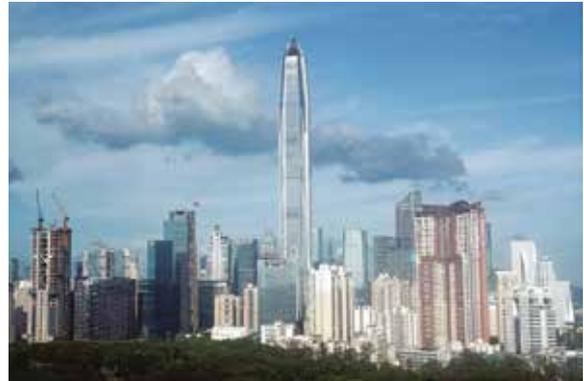
Nearly 80 percent of the survey respondents said the tariffs have knocked their businesses, with U.S. tariffs having slightly more impact than the Chinese ones. Around 85 percent of U.S. companies said they have suffered from the combined tariffs, compared with around 70 percent of their Chinese counterparts.

Companies from other countries also reported similar impacts as their American counterparts.

The top concern of companies surveyed was the rising cost of goods sold, which resulted in reduced profits. Other concerns included difficulties managing procurement and reduced sales. One-third of companies estimated the trade dispute had reduced business volumes ranging from \$1 million to \$50 million, while nearly one in 10 manufacturers reported high-volume business losses of \$250 million or more.

Nearly half the companies surveyed also said there had been an increase in non-tariff barriers, including increased bureaucratic oversight and

slower customs clearance. Analysts have warned of such a risk to U.S.



firms as China is increasingly unable to match U.S. measures on a dollar for dollar basis. The survey's findings add to evidence that export-reliant Chinese cities and provinces are facing growing strains. Guangdong, China's biggest province by gross domestic product, reported a drop in exports in the first eight months from a year earlier.

### China agrees US\$9b currency swap with Argentina

China and Argentina signed a US\$9 billion currency swap deal to boost the crisis-stricken South American country's foreign currency reserves, its central bank announced on December 2. Struggling to recover after a currency crisis earlier this year, Latin America's third largest economy sought the help of the International Monetary Fund - which approved a US\$56 billion loan package.

Now, this latest agreement will "contribute to greater financial stability and also facilitate trade" between China and Argentina, according to the bank's statement. A currency swap sees two parties agree to exchange a certain amount of foreign currency at a pre-determined rate, protecting against fluctuations. Argentina's central bank will be able to draw on these funds in an emergency.

The agreement followed the G20 summit in Buenos Aires, as Chinese President Xi Jinping was received by his Argentine counterpart Mauricio Macri for a state visit. The two countries signed 30 trade and financial agreements in total.

"We are extending cooperation on economic, agricultural, financial and infrastructure issues," Xi told a press conference. After Brazil, China is Argentina's second largest trade partner.

In 2017, the relationship was firmly in Beijing's favour: China exported US\$17 billion of goods to Argentina, while importing US\$8 billion of goods from that country.

Beijing and Buenos Aires also agreed another currency swap in 2014, which provided US\$11 billion for Argentina's depleted treasury reserves.



## GM's Cruise will get \$2 billion from Honda to build a new self-driving car

Cruise Automation, the self-driving unit of General Motors, is teaming up with Honda, one of the world's largest automakers, the company



announced on October 3. The two auto giants will collaborate on a purpose-built autonomous vehicle that can serve a “wide variety” of use cases and be manufactured at high volumes for global deployment. Honda will devote \$2 billion to the effort over 12 years, which,

together with a \$750 million equity investment in Cruise, brings the total commitment to \$2.75 billion.

GM bought Cruise in 2016 for \$1 billion to jump-start its self-driving efforts. The company says it plans to deploy its fully driverless cars, without steering wheel or pedals, for commercial ride-hailing use as early as 2019.

By committing to rolling out fully driverless cars in a shortened time frame, GM is seeking to outmaneuver rivals both old and new in the increasingly hyper-competitive race to build and deploy robot cars. Ford has said it will build an autonomous car without a steering wheel or pedals by 2021, while Waymo is preparing to launch its first commercial ride-

hailing service in Phoenix featuring fully driverless minivans later this year.

There was a flurry of partnerships and investments around self-driving cars in 2016 and 2017, but that activity has since mostly died down, leading some critics to claim that the technology now finds itself in the “trough of disillusionment.” To be sure, there are still huge sums of money exchanging hands despite this lull. There was the Cruise-SoftBank deal in May. And in August, Toyota and Uber said they would join forces to build self-driving cars, in a deal that involved the Japanese automaker committing \$500 million to the ride-hailing giant. There may be disillusionment in this trough, but there are huge piles of money, too.

## Google to spend \$1 billion on new campus in New York

Alphabet Inc's Google is investing more than \$1 billion on a new campus in New York, becoming the second major technology company after Amazon to pick America's financial capital to expand and create thousands of jobs. The 1.7 million square-foot campus, called Google Hudson Square, will include leased properties at Hudson Street and Washington Street, the company said in a blog post on December 17. The new campus will be the main location for Google's advertising sales division, the Global Business Organization.

Google hopes to start moving into two Hudson Street buildings by 2020, followed by a Washington Street in 2022 and will have the capacity to more than double its New York headcount, currently more than 7,000, in the next 10 years.

The company's plans to invest outside its home base mirror those of other U.S. tech giants such as Apple Inc (AAPL.O), which said it would spend \$1 billion to build a new 133-acre campus in Austin,

Texas. In the month of November Amazon.com Inc (AMZN.O) said it would open offices in New York and the Washington, D.C. area, creating more than 25,000 jobs.

Mountain View, California-based Google's move to invest in prime real estate on the lower west side of Manhattan also underscores the growing importance of New York as a hub for innovation and an incubator for technology companies. With a plethora of white-collar workers and good infrastructure, the city provides a better option to other places that would require more investment.

“We're growing faster outside the Bay Area than within it,” said Ruth Porat, chief financial officer of Alphabet and Google. It is a “fairly sensible” move for Google given the amount of available talent pool, Atlantic Equities analyst James Cordwell said. It also makes sense for Google as New York has been the center for their core advertising business, Cordwell added.

U.S. corporations are also under pressure from the Trump

administration to create more jobs domestically. Companies that have moved jobs overseas or closed factories have drawn sharp rebukes from President Donald Trump. The Wall Street Journal reported in November that Google was nearing a deal to buy or lease an office building in New York City that could add space for more than 12,000 new workers.



Google's first New York office at 111 Eighth Avenue is one of the city's largest buildings that it bought in 2010 for \$1.77 billion. Earlier this year, the company announced a \$2.4 billion purchase of the Manhattan Chelsea Market. It also has leased space on Pier 57 jutting into the Hudson, which will create a four-block campus.

## IBM to acquire software company Red Hat for \$34 billion

IBM Corp said on October 28 it had agreed to acquire U.S. software company Red Hat Inc for \$34 billion, including debt, as it seeks to diversify its technology hardware and consulting business into higher-margin products and services. The transaction is by far IBM's biggest acquisition.

It underscores IBM Chief Executive Ginni Rometty's efforts to expand the company's subscription-based software offerings, as it faces slowing software sales and waning demand for mainframe servers.

IBM, which has a market capitalization of \$114 billion, will pay \$190 per share in cash for Red Hat, a 63 percent premium to 26 October's closing share price. Founded in 1993, Red Hat specializes in Linux operating systems, the most popular type of open-source software, which was developed as an alternative to proprietary software made by Microsoft Corp.

Headquartered in Raleigh, North Carolina, Red Hat charges fees to its corporate customers for custom features, maintenance and technical support, offering IBM a lucrative source of subscription revenue. Red Hat is one of the very few companies in the cloud computing sector that has both revenue growth and free cash flow, Rometty, who has been IBM's CEO since 2012, said in an interview with Reuters.



"This acquisition we are clearly doing for growth synergies. This is not about cost synergies at all," Rometty said in the interview. The acquisition illustrates how older technology companies are turning

to dealmaking to gain scale and fend off competition, especially in cloud computing, where customers using enterprise software are seeking to save money by consolidating their vendor relationships.

IBM is hoping the deal will help it catch up with Amazon.com Inc, Alphabet Inc and Microsoft in the rapidly growing cloud business. IBM shares have lost almost a third of their value in the past five years, while Red Hat shares are up 170 percent over the same period.

IBM was founded in 1911 and is known in the technology industry as Big Blue, a reference to its once ubiquitous blue computers. It has faced years of revenue declines, as it transitions its legacy computer maker business into new technology products and services. Its recent initiatives have included artificial intelligence and business lines around Watson, named after the supercomputer it developed.

## JPMorgan Chase to build a Silicon Valley Campus

JPMorgan Chase & Co. plans to open a fintech campus in Palo Alto, California, part of the bank's efforts to attract more Silicon Valley talent. The campus, scheduled to break ground early next year and open in 2020, will have more than 1,000 employees, JPMorgan said in a statement on October 19. The new financial-technology offices will make it easier for workers across business lines to host events and collaborate on new products and services, the company said.

"The addition of a first-class location is a key step for growing our presence in the Bay Area," Bill Wallace, head of digital, consumer and community banking at JPMorgan, said in the statement. "This is an important market for us, and we're looking forward to expanding our footprint and attracting more of the area's top talent."

JPMorgan has been moving further into fintech. Late last year, the company acquired the startup WePay, founded in 2008, to help its 4 million small-business customers accept payments faster, and has formed partnerships with fintech companies Bill.com and On Deck

Capital Inc. More than 275 WePay employees along with its chief executive officer and co-founder, Bill Clerico, will move to the Palo Alto campus, according to the statement. New York-based JPMorgan already has an office on Mission Street in San Francisco.



## WTO News

### Trade Dialogues: ICC and B20 present recommendations on strengthening global trade

The International Chamber of Commerce (ICC) and B20 Argentina, the business arm of the G20, presented at the WTO Public Forum on 2 October a list of recommendations on how to

DG Azevêdo said: "Reaching consensus amongst businesses is just one element of the equation. You also have to bring your ideas and suggestions to the members themselves, and work with them

make sure that the actions from the multilateral trading system and the WTO are in support of that as well."

Mr Funes de Rioja said: "We are all convinced of the need for a strong multilateral trading system, with the main values of open trade and a level playing field for all for achieving inclusive development. Certainly, the WTO has been the cornerstone of this system. We ask the WTO to have the proper mechanism, not only to avoid trade distortions but also to adapt the rules for the new digital age. We are ready to play our role in order to have a good multilateral system. We think the future of fair global trade is based on multilateralism.



reinforce global trade in support of inclusive growth and development. Building on the outcomes of the Business Forum held in Buenos Aires at the end of 2017 and the Trade Dialogues meeting held at the WTO in June 2018, these recommendations cover e-commerce, investment facilitation, small businesses and sustainable development.

The meeting in June was the second Trade Dialogues event with the business community. It was held at the request of the ICC and the B20, and facilitated by the WTO. Following the June meeting, four groups of business representatives continued discussions on how to deal with today's trade challenges.

The resulting business recommendations were presented during a session at the Public Forum by ICC Secretary General John Denton, the B20 Chair Mr Daniel Funes de Rioja and B20 Policy Sherpa Fernando Landa. Director-General Roberto Azevêdo attended the session and delivered the opening remarks.

to drive your issues forward. "For that to happen, it is vital to engage with governments directly, and with other stakeholders who also inform members' positions. This must be a constant process. Therefore, I am delighted you are using the Public Forum for this continued exchange."

Secretary General Denton said: "We know it is a particularly challenging time for the multilateral trading system and the point we made when we met in June was that the ICC stands willing and able to engage in constructive discussions to facilitate a continuing role for multilateralism in global commerce. We think it is in everyone's interest and we also think that it is the higher probability that this will lead to peace and prosperity.

"We would like to see some movements in the role of the WTO to support e-commerce and the digital economy and also on the role of the multilateral trading system in supporting the achievement of the Sustainable Development Goals. The business community is extremely engaged in the SDGs and we want to

"Business encourages the WTO to capitalise on the current engagement on regulatory cooperation in the area of investment. We believe a multilateral approach in investment can be a cost-effective alternative to bilateral negotiations. An investment facilitation agreement should focus on transparency, predictability and cutting red tape."

Mr Fernando Landa said: "When we talk about small and medium sized enterprises, the issue cuts across every trade aspect that you can think of. Predictable rules are fundamental for MSMEs, and the availability of information is also important to them. Trade facilitation has a great impact on MSMEs. We need to better acknowledge that trade is increasingly happening in small packages, and we need to be prepared to deal with this. We need to consider how to revisit these areas that are important for MSMEs.

"We need to discuss things that are simple and also those that are difficult. The initiative on MSMEs is one that should move forward. This is something that we would encourage

our B20 leaders to get involved in and to be proactive."

In their recommendations, the business representatives reaffirm their strong support for the WTO and stress that the stability, predictability

and transparency provided by the multilateral trading system are crucial for supporting growth, development and job creation.

The Trade Dialogues event in June 2018 brought together over 60

senior business representatives to discuss the challenges they face in global trade. Participants were from small and large enterprises, from developed, developing and least-developed countries and from a variety of sectors.

### Azevêdo welcomes G20 leaders' commitment to improve the functioning of the WTO

Director-General Roberto Azevêdo strongly welcomed the communiqué agreed by G20 leaders at the summit in Buenos Aires, Argentina, on 1 December and said he would work with all WTO members to improve and strengthen the trading system. The Director-General also called on the leaders to act urgently to address the blockage in the WTO dispute settlement system.

Speaking in Buenos Aires at the close of the summit, the Director-General said:

"This has been a very productive G20 summit. I have heard firm support for trade and the WTO throughout my meetings with leaders in Buenos Aires and heard a range of ideas about strengthening our work. This is reflected in the leaders' declaration, which I strongly welcome. The declaration represents a very important moment in tackling the current challenges in global trade. With this statement, the leaders underline the vital importance of



trade and of the multilateral trading system in supporting growth, productivity, innovation, job creation and development. They call for improvements and "necessary reforms" to the functioning of the WTO to ensure that it can continue playing this essential role. I will work with WTO members to take this forward in the interests of all"

The key paragraph of the declaration agreed by the G20 leaders on trade issues is as follows:

"International trade and investment are important engines of growth, productivity, innovation, job creation and development. We recognize the contribution that the multilateral trading system has made to that end. The system is currently falling short of its objectives and there is room for improvement.

We therefore support the necessary reform of the WTO to improve its functioning. We will review progress at our next Summit."

### WTO members fix dates for Astana Ministerial Conference

WTO members have agreed that the organization's next Ministerial Conference will take place from 8 to

11 June 2020 in Astana, Kazakhstan. The dates were endorsed at an 18 October meeting of the WTO's

General Council. The General Council agreed on 26 July to accept Kazakhstan's offer to host the 12th Ministerial Conference in the Kazakh capital. Director-General Roberto Azevêdo met with President Nazarbayev of Kazakhstan in Astana on 27 September, where they reviewed preparations for the Ministerial Conference.

The Ministerial Conference is the WTO's top decision-making body and the Marrakesh Agreement establishing the organization instructs members to hold one at least every two years. The event is



attended by trade ministers and other senior officials from the

organization's 164 members. The previous Ministerial Conference

(MC11) was held in Buenos Aires in December 2017.

### WTO, IMF, World Bank and OECD heads call for new focus on trade as a driver of growth

At a meeting in Bali, Indonesia, on 10 October, the heads of four international organisations issued a

conference under the theme “How global trade can promote growth for all.”

“Today the WTO covers around 98% of global trade. It has overseen a historic opening of markets and integration of economies. Since 1980, average tariffs have been cut by two thirds.



The system has provided stability and predictability in global trade — holding firm even during the financial crisis. And, as a result, it has helped to fuel unprecedented growth and development around the world, as well as a dramatic reduction in poverty. The system has real value. So we have to keep working at it.

“We have to explore all avenues which could ease the current tensions and strengthen the trading system. We all know the risks of further escalation — risks to the economy and risks to the trading system itself, which would multiply the economic risks over the long term. We can't let that happen. We need trade and the trading system to play their part in fuelling growth — just as they have done so effectively for seven decades.”

strong call to ease trade tensions and refocus on the importance of trade and the multilateral trading system in fuelling economic growth. This call was made by Director-General Roberto Azevêdo, together with IMF Managing Director Christine Lagarde, World Bank President Jim Kim and OECD Secretary General Angel Gurría, at a jointly-organised

**DG Azevêdo said:**

“The trading system is not perfect — but it represents the best efforts of governments around the world, working together for 70 years, to find ways to cooperate on trade issues. It took a lot of people and a lot of time to push the boulder this far up the hill. Even keeping it in place requires constant effort.

### WTO, UNCTAD, ITC sign MoU to provide businesses with better access to trade data

The WTO, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC) signed on 23 November a Memorandum of Understanding to advance the development of an online platform — the Global Trade Helpdesk — aimed at providing businesses, and particularly small businesses, with faster and easier access to trade data and information on potential export markets.

UNCTAD agree to further develop the platform, with the aim of improving the quality and accessibility of trade information needed by businesses — and in particular, micro, small and medium-sized enterprises (MSMEs) — to access market opportunities. As part of the agreement, the three organizations will provide technical assistance to developing countries to help them maintain up-to-date information in the Global Trade Helpdesk and will raise awareness among MSMEs about how to benefit from this trade information.

easier for companies across the world to increase their participation in world trade and reduce trade costs. It will help policymakers make better-informed decisions about trade and investment policies and will ensure that the international community provides better support to MSMEs.

**WTO Director-General Roberto Azevêdo said:**

“Gaining access to information on tariffs and other requirements for accessing export markets imposes costs on firms wishing to trade, and for small businesses this can be a substantial barrier to market entry. The Global Trade Helpdesk is a

An early version of HelpMeTrade.org was launched at the WTO's 11th Ministerial Conference in Buenos Aires, Argentina, in December 2017. Under the MoU, the WTO, ITC and

By making trade data freely available through a user-friendly interface, the Global Trade Helpdesk will make it

joint endeavour to help remove this barrier by providing businesses with the critical information they need. It will be particularly helpful for micro, small and medium-sized enterprises, which need reliable data to pinpoint export opportunities. I look forward to continuing this partnership with UNCTAD and ITC – and with WTO members. Much of the success of this initiative will depend on the engagement of all WTO members to make information related to trade available so that it can be fed into the Global Trade Helpdesk. We all have a role to play to make this vital project a success.”

**Mukhisa Kituyi, Secretary-General of UNCTAD, said:**

“The Global Trade Helpdesk is a practical tool that enables companies to access the data they need to make informed decisions about trade. It is an innovation that helps level the information playing field. Working hand in hand with our partners at the ITC and WTO, we’re addressing the needs of the trade community in a concrete fashion, and helping to transform actions into real results.”

**Arancha González, Executive Director of the ITC, said:**

“ITC is extremely pleased to partner with UNCTAD and the WTO to ensure greater

coordination and efficiency on trade information. Trade and market intelligence is fundamental for companies’ decision-making and competitiveness, in particular for



micro, small and medium sized enterprises, and the Global Helpdesk is an important platform to facilitate greater coordination amongst the three agencies in delivering effective trade-related capacity building on the ground.”

The Helpdesk will contain comprehensive information from various sources on market requirements (such as tariffs, taxes, relevant health and safety standards for export products), export and import procedures (such as pre-shipment formalities, certification

and inspection processes), business opportunities (such as market prices and upcoming events) and current trade statistics. Development of the Helpdesk will take place over three

three-year phases. However, it is scheduled to be fully functional in phase 1.

In addition to drawing on data from ITC, UNCTAD and the WTO, the Global Trade Helpdesk will integrate trade information from a number of other international organizations and development banks, including the Inter-American Development Bank (IDB), the United Nations Industrial Development Organization (UNIDO) and the World Bank Group.

### World Trade Report 2018 highlights transformative impact of digital technologies on trade

The 2018 edition of the WTO’s flagship publication, the World Trade Report, finds that digital technologies — namely the Internet of Things, artificial intelligence, 3D printing and Blockchain — will have a profound impact on global trade, adding up to 34 percentage points to trade growth by 2030. However, they could also create a challenging environment for those seeking to keep up with the latest innovations. The Report was launched on 3 October at the WTO Public Forum.

The report shows that digital technologies are likely to further reduce trade costs and boost trade significantly, especially in services and for developing countries. Global trade is projected to grow by an additional 2 percentage points annually between 2016 and 2030 as a result of digitalization, falling trade costs and the increased use of services.

This corresponds with a 31-34 percentage point higher trade growth over 15 years.

The share of services in global trade is projected to grow from 21 per cent in 2016 to 25 per cent in 2030. The report also finds that the reduction in trade costs could be especially beneficial for micro, small and medium sized enterprises (MSMEs) and firms from developing countries, provided they have the ability to keep up with the adoption of digital technologies. In the best scenario, developing and least-developed economies’ share in global trade is predicted to grow to 57 per cent by 2030, from 46 per cent in 2015, whereas if they cannot keep

up, this share is predicted to rise to 51 per cent.

Digital technologies can also significantly affect what the world

quality of digital infrastructure and market size as well as institutional and regulatory determinants of comparative advantage, including intellectual property protection, might become more relevant. 3D printing, furthermore, may to some extent reduce the need for outsourced assembly, the number of production steps and other factors related to global value chains.



The report discusses how digital technologies can unlock savings, such as through better route planning, autonomous driving and smart inventories made possible by artificial intelligence and robotics. Blockchain solutions — a system of decentralized, digital transactions — can reduce time spent on customs compliance and logistics. The Internet of Things, the networking and processing capabilities of everyday objects, can help to improve operational efficiency through better preventative maintenance of machinery and products. These technologies can therefore reduce transportation and storage costs, which represent a major share of overall trade costs.

trades. For example, remote controlled robotics have led to revolutionary advances in trade in services and the emergence of new services such as telesurgery. Enhanced technological capacities which allow faster and simpler processing of traded products could also foster trade in time-sensitive, certification-intensive and contract-intensive goods.

The report argues that new technologies are likely to change the established ways the world trades, with comparative advantages predicted to change across economies. AI, 3D printing and advanced robotics could reduce the role of labour as a source of comparative advantage, while factors such as the

The report identifies certain areas which may warrant international cooperation. These include key initiatives being undertaken by multilateral organizations such as facilitating a favourable legal and regulatory framework, competition-related issues, intellectual property rules, supporting MSMEs, promoting digital inclusion, and addressing challenges related to trade facilitation and infrastructure for information communication technology. The report concludes that, overall, the expansion of digital trade holds the potential to generate considerable benefits if it takes place under conditions that adequately address important public policy challenges. Issues concerning inclusiveness, privacy protection and cybersecurity are likely to figure prominently in debates on the future governance of digital trade.

## WTO joins with IFC, regional development banks and IMF to boost financial inclusion in trade

WTO joins with IFC, regional development banks and IMF to boost financial inclusion in trade Event on 9 October organized by the WTO and the International Finance Corporation, entitled “Financial Inclusion in Trade: Reducing the Global Trade Finance Gap”, in Bali, Indonesia. At a special session during the Annual Meetings of the World Bank and the International Monetary Fund (IMF) in Nusa Dua, Bali, Indonesia, the organizations committed themselves to finding ways to close the gaps in trade finance provision.

During the event Director-General Roberto Azevêdo said:

“Despite the importance of trade finance, a number of problems have emerged since the financial crisis. Supply and demand have become unbalanced. Perceived regulatory risk, combined with the low capacity of the financial sector in some countries, has resulted in big gaps in provision. Today, the Asian Development Bank estimates that the global gap in trade finance is about \$1.5 trillion. This gap represents a significant barrier to trade. It is of particular concern that

this gap affects developing countries and smaller businesses the most. Today, 60% of trade finance requests by SMEs are rejected.

“Opportunities for growth and development are being lost. So it's clear to me that action is needed. Over recent years we have been building a coalition to that end.

Philippe (Le Houérou, CEO of the International Finance Corporation) and I joined forces and started reaching out to the heads of the regional development banks, the Chair of the Financial Stability Board, and many others. Together

I think we've taken some important steps.”

DG Azevêdo outlined the significant progress that has already been made in recent years, including to enhance the trade finance programs of key institutions. These programs are expected to support over \$35 billion of trade this year, which is an increase of more than 50% over two years. He also outlined progress in addressing the knowledge gaps in local financial institutions, and in increasing dialogue with regulators to ensure that necessary financial regulations do not have unintended consequences for trade finance, which is a very low risk form of lending. He pointed to further

actions which are needed in each of these areas.

“We need to make global trade more inclusive. But trade inclusion needs financial inclusion. So we need to continue developing concrete

ideas and solutions that make a real difference. Working with a range of partners — including the private sector — can help provide momentum to this work,” DG Azevêdo said.



### DG Azevêdo and Premier Li Keqiang discuss how to safeguard the WTO

Director-General Roberto Azevêdo visited Beijing, China, on 6 November to participate in the “1+6” roundtable

in the context of the 40th anniversary of the country’s process of reform and opening-up.

playing their full role in fuelling growth – just as they have over the last 40 years. However this could be undermined by the current tensions in global trade. Continued escalation is a real possibility, so this is an extremely serious situation. It threatens stability, jobs and growth. We have to act now, both to ease tensions and strengthen the trading system.



meeting hosted by Chinese Premier Li Keqiang, together with five other heads of major international economic organizations and financial institutions (the IMF, World Bank, ILO, OECD and the Financial Stability Board). They discussed the current global economic landscape, the need to safeguard the multilateral trading system, and China’s economy

**The Director-General said:**

“China's transformation over the last 40 years has been truly remarkable. I am pleased that the WTO has been part of this historic journey, by facilitating the process of opening-up, reform and liberalisation. Looking ahead, we need trade and the trading system to continue

“The situation is unprecedented, both in terms of risks and opportunities. The stakes are higher than ever. Doing nothing is not an option. We need significant political engagement and political will to ensure that the trading system is equipped to meet the challenges of today and tomorrow. I hope that we will see this at the G20 summit in Buenos Aires at the end of the month. I will be there – and I will be bringing a very clear message about the need to preserve and strengthen the trading system in the interests of all. I count on China's continued leadership and engagement to that end.”

### DG Azevêdo and Prime Minister Abe discuss easing global tensions and strengthening WTO

Director-General Roberto Azevêdo met with Japan’s Prime Minister

Shinzō Abe in Tokyo on 8 November to discuss the current situation

in global trade, efforts to ease the growing tensions between major

trading partners and the emerging debate on strengthening the WTO. The Director-General welcomed 'WTO reform and the path forward' and delivered a keynote speech at the International Symposium



Japan's continuing leadership on these points.

During his visit the Director-General also met with Japan's Minister for Foreign Affairs, Mr Taro Kono, and the Minister for Economy, Trade and Industry Mr Hiroshige Seko. In addition, he took part in a roundtable discussion with Keidanren (the Japan Business Federation), spoke at a panel discussion organized by the Japan Institute of International Affairs on

for the 60th Anniversary of the Establishment of the Japan External Trade Organization, JETRO.

In his remarks to the JETRO event the Director-General said:

"Japan is currently the world's 4th largest exporter of goods and the 4th largest importer. One out of every 10 Japanese jobs is linked to exports. You are also working to further increase your integration

with other markets. Prime Minister Abe signed a free trade deal with the EU in July. The CPTPP is set to enter into force at the end of the year. And of course Japan is a very prominent member of the WTO. In fact, Japan's representative to the WTO, Ambassador Junichi Ihara, is currently the chair of the General Council. This is one of the most important roles in the organisation. All of this shows how much you value trade and the trading system – including the WTO.

"In these times of rising tensions, and questions about the WTO's future, I think it's vital that we remember the system's fundamental importance. In my view we must work together to ensure that we can meet the trade challenges of today, and be ready to face the challenges of tomorrow. I am confident that we can do this – and ensure that the global trading system goes from strength to strength. I know that we can rely on Japan's leadership and support in that endeavour. In the end, this is how we will continue to support growth, development and prosperity for the years to come."

### DG Azevêdo meets Prime Minister Trudeau in Ottawa; welcomes strong support for WTO

Director-General Roberto Azevêdo met with Canadian Prime Minister Justin Trudeau in Ottawa on 24 October to discuss the current state of global trade and the emerging discussions about reform of the WTO. DG Azevêdo welcomed the Prime Minister's strong support for multilateralism and for the WTO and his commitment to work to strengthen and improve the trading system. The meeting took place ahead of a meeting of ministers to discuss WTO reform, which has been convened in Ottawa by the Canadian government.

**The Director-General said:**

"Canada has a very strong history of support for the multilateral trading system, and this is continuing

today with Prime Minister Trudeau providing real leadership on this issue. This is very welcome, particularly in the current circumstances with trade tensions rising between major trading partners. I congratulate the Prime Minister on Canada's initiative

to convene a meeting of ministers in Ottawa this week to discuss how potential WTO reforms might help to address some of the current issues. I look forward to that discussion and to Canada's continued engagement here."



## About ICC Bangladesh

International Chamber of Commerce (ICC) - The world business organization was founded in 1919 by a few visionary business leaders of Europe immediately after the First World War; having its HQs. in Paris. ICC has been promoting Free Market Economy, formulating various rules and guidelines for cross border trade and investment. ICC's over 6 million member companies in over 130 countries have interests spanning in every sector of private enterprise. ICC works in close cooperation with national governments and multi-national institutions such as G-8/G-20, World Bank, WTO, Asian Development Bank, UNCTAD, OECD and several UN agencies for promotion, protection and development of world economy.

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

Bangladesh National Committee of ICC, established in 1994, is comprised of major Chambers of Commerce & Industry, Business Associations, Stock Exchange, Banks, Non-banking Financial Institutions, Insurance Companies, Trans-national companies, Law Firms and large Corporate Houses having significant interest in international trade.

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

- 10-11 November 2000: ICC Asia Conference on "[Investment in Developing Countries: Increasing Opportunities](#)" organized in Dhaka was inaugurated by the Prime Minister of Bangladesh and attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & WTO Director General Designate, ADB President, UN-ESCAP Executive Secretary and Chinese Vice Minister for Foreign Trade & Economic Cooperation. More than 250 participants from 24 countries participated in this event.
- 17-18 January 2004: International Conference on "[Global Economic Governance and Challenges of Multilateralism](#)" was held in Dhaka, coinciding with 10th Anniversary of ICC Bangladesh. The Conference was inaugurated by the Prime Minister of Bangladesh and Thai Prime Minister was the Keynote Speaker. WTO Director General, EU Commissioner for Trade, UNESCAP Executive Secretary, Governor of Japan Bank for International Cooperation, six Ministers from three continents, Bangladesh Ministers, ICC Chairman, ICC Vice Chairman, ICC Secretary General and more than 500 participants from 38 countries attended this event.
- 27-28 September 2005: Regional Seminar on "[Capital Market Development: Asian Experience](#)". The Seminar held in Dhaka was inaugurated by the President of the People's Republic of Bangladesh and attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.
- 13 April 2010: Conference on "[Energy for Growth](#)" was held in Dhaka coinciding with the 15 years of ICC's presence in Bangladesh. The Conference was inaugurated by the Finance Minister of Bangladesh and attended by ICC Global Chairman, Minister for Commerce of Bangladesh, Minister for Development Cooperation of Denmark and Adviser to the Bangladesh Prime Minister for Energy & Mineral Resources. Some 800 delegates from home and abroad including energy experts and international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA attended the event.
- 25-26 October 2014: International Conference on "[Global Economic Recovery: Asian Perspective](#)", was in held in Dhaka coinciding with the 20 years of ICC's presence in Bangladesh. The Conference was inaugurated by the President of the People's Republic of Bangladesh H.E. Mr. Md. Abdul Hamid. Minister for Finance & Minister for Commerce of Bangladesh, UNCTAD Secretary General, Ministers from Myanmar and Nepal; ICC Vice Chairman; ICC Secretary General; ICC Research Foundation Chairman; Director of ICC National Committees and more than 500 participants attended this event.
- 8-9 February 2017: The first ever "[UNESCAP Asia Pacific Business Forum: Regional Integration to Achieve Sustainable Development](#)" was organized by ICC Bangladesh jointly with UNESCAP under the patronage of the Ministry of Commerce, Government of Bangladesh. The Forum was inaugurated by the President of the People's Republic of Bangladesh H.E. Mr. Md. Abdul Hamid. Ministers from Bangladesh, Sri Lanka, Nepal, UNESCAP Under Secretary General, UNCTAD Secretary General, business leaders and some 600 delegates from home and abroad attended the Forum.

As part of its activities, ICC Bangladesh has been organizing Workshops / Seminars on International Trade Finance, mainly for bankers of Bangladesh, in various countries since 2014. So far such events have been organized in Kuala Lumpur (April 2014); in Colombo (February 2015); in Kunming (August 2015); in Yangon (November 2015); in Hanoi ( April 2016); in Jakarta ( April 2017), in Vienna (May 2017); in Bangkok ( December 2017) and in Phnom Penh (April 2018) .

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

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



The world business organization

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