# Eco-friendly customs: shaping the future of green economy

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TRADE, if accompanied by suitable policies for the environment and society, can be the key driver of the transition to an inclusive green economy, and that is where the role of customs comes in.

The traditional role of customs officers as guardians of the trading system is evolving into a more diversified one encompassing different dimensions of sustainable development related to the well-being and protection of society.

Now, the customs officers are supposed to be at the frontline of not only of trade but also of environmental protection and to contribute to the greening of trade.

For this cause, the Green Customs Initiative was launched in 2001 after a series of collaborative activities carried out by the United Nations Environment Programme (UNEP) and its partner organisations with the view to raising the awareness of customs and border control officers on several trade-related multilateral environmental agreements (MEA).

It is particularly targeted to prevent the illegal trade in environmentally-sensitive commodities such as ozone-depleting substances (ODS), toxic chemical products, hazardous wastes, endangered species and living-modified organisms and to promote trade in environmental goods (EG) and low carbon goods (LCG).

The World Customs Organisation (WCO) is one of the most important partners of the Green Customs Initiative.

The other partners of the Green Customs Initiative comprise secretariats of the relevant multilateral environmental agreements (Basel, Cartagena, CITES, Montreal, Rotterdam & Stockholm), Interpol, the Organisation for the Prohibition of Chemical Weapons, UNEP and also a number of other national, regional and international agencies.

In order to understand the purpose of the Green Customs initiative we need to know the idea and focus of these MEAs.

The Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal was adopted on 22 March 1989 by the Conference of Plenipotentiaries in Basel, Switzerland in response to a public outcry following the discovery of toxic wastes being deposited in Africa and other developing countries from the developed world.

The main objective of the Basel Convention is to protect human health and the environment against the adverse effects of hazardous wastes.

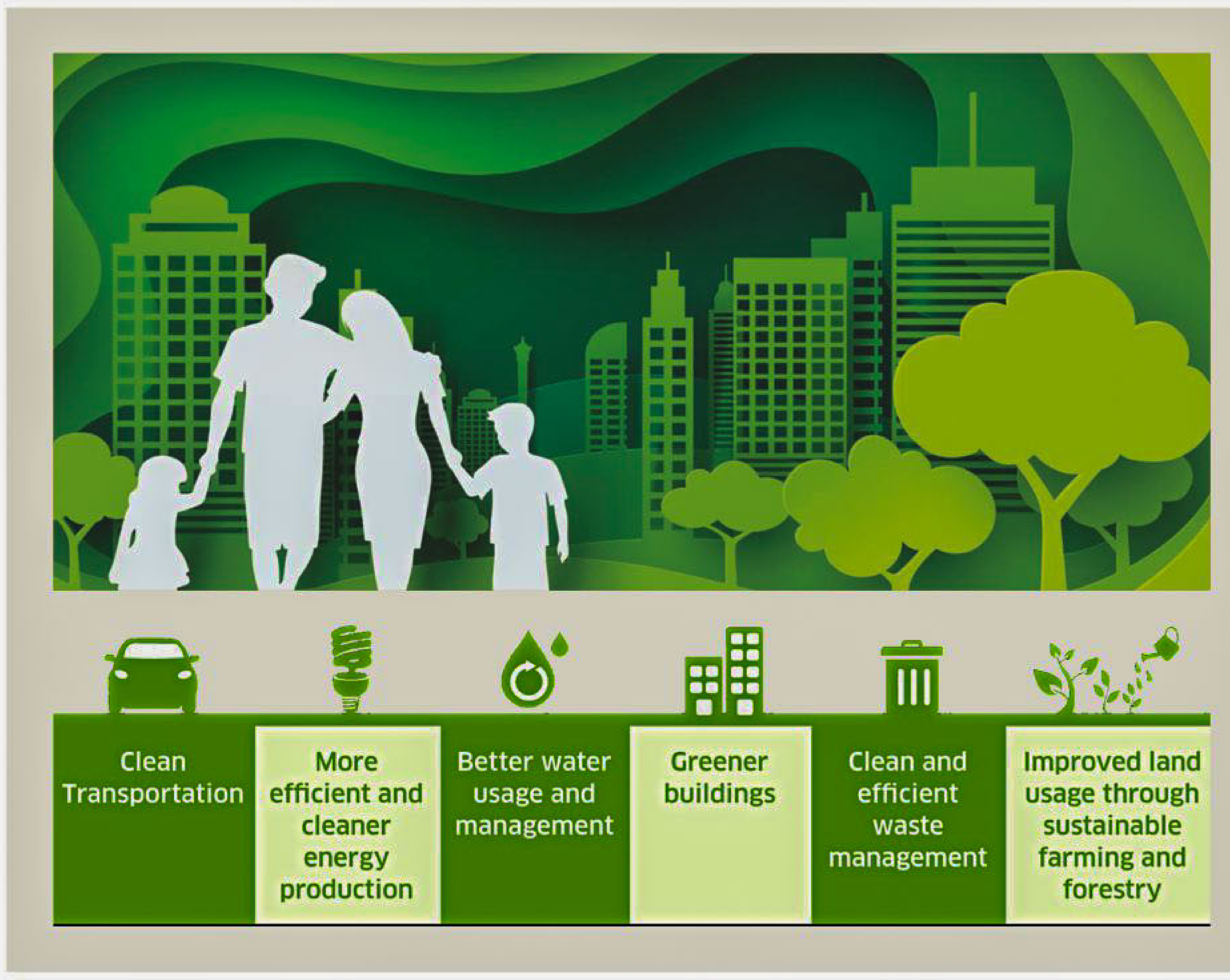
The Stockholm Convention on Persistent Organic Pollutants (POPs) was adopted in 2001. It bans or severely restricts production, trade and use of 12 POPs known as the "dirty dozen" that are mostly used as insecticides and pesticides. As a quick reference, DDT is one of the most infamous and widely used POPs.

These POPs are organic compounds that are resistant to environmental degradation through chemical, biological and photolytic processes and hence poses significant threat on human health and the environment.

Rotterdam Convention promotes shared responsibility and cooperative efforts among parties in the international trade of certain hazardous chemicals in order to protect human health and the environment from potential harm.

The Montreal Protocol is an international treaty designed to protect the ozone layer by phasing out the production of numerous substances that are responsible for ozone depletion.

Ozone-depleting substances (ODS) are chemical substances -- basically chlorinated, fluorinated or brominated hydrocarbons -- that have the potential to react with ozone molecules in the stratosphere.




In most developing countries like Bangladesh, the largest sector in which ODS are used is refrigeration and air conditioning.

The Cartagena Biosafety Protocol tries to fulfil the objectives of ensuring an adequate level of protection in the field of safe transfer, handling and use of living modified organisms (LMOs) resulting from modern biotechnology (Genetically Modified Organisms) that may have adverse effects on the conservation and sustainable use of biodiversity.

The CITES Convention is a multilateral treaty to protect endangered plants and animals aimed at ensuring that international trade in specimens of wild animals and plants does not threaten their survival. Bangladesh is also a party to CITES.

In addition to collecting revenue as import duties, the role of customs administration in facilitating trade while protecting the society has significantly increased over the past decade.

Protection and security has become key elements in the work of the customs administration and is certainly not related to only the domestic market or the health and safety of individuals.

Rather, the scope and application is very broad and wide. Customs officers ensure that any goods entering or leaving a country comply with the relevant national laws.

If any country is a party to one or more multilateral environmental agreements (MEAs), then these agreements are likely to be included in the national laws and regulations.

The 2030 Sustainable Development Agenda recognises international trade and investment as one of the key and cross-cutting means of imple-mentation for the Sustainable Development Goals (SDGs).

Since 2002, the volume of international trade has more than tripled in monetary terms. Global trade in environmental goods is presently estimated at $1 trillion annually and is anticipated to grow to $2-3 trillion by 2020.

Hence, there lies huge export opportunity for Bangladeshi entrepreneurs to tap this global green market for environmental goods and services.

Although national territories must be protected and safeguarded, a balance between compliance and facilitation so as not to introduce costly and ineffective controls which could adversely affect trade flows, investment, employment and economic development should also be maintained.

To perform these multifaceted tasks and rise to these challenges, our customs administration needs to operate on an international basis and customs services need to develop their ability to exchange information and intelligence both nationally and globally.

Although Bangladesh is a signatory to a few MEAs described above, we are still not an active member of this green customs initiative, which may prove very costly for us in the future.

Hence, as part of our commitment of achieving the Sustainable Development Goals, joining this initiative and accordingly building capacity of our administration could very well be the very first step towards shaping our green future and grabbing our share of the global green economy.

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# Global FDI skids 19pc on Trump tax reform: UN

REUTERS/FILE

**James Zhan, director of the division on investment and enterprise of the United Nations Conference on Trade and Development, attends a press conference in Geneva.**

REUTERS, *Geneva*

GLOBAL foreign direct investment (FDI) fell 19 percent last year to an estimated $1.2 trillion, largely caused by US President Donald Trump's tax reforms, the United Nations trade and development agency UNCTAD said on Monday.

FDI, comprising cross-border mergers and acquisitions (M&A), intra-company loans and investment in start-up projects abroad, is a bellwether of globalisation and a potential sign of growth of corporate supply chains and future trade ties.

But it can also go into reverse as companies pull investments out of foreign projects or repatriate earnings.

The lowest net global FDI since 2009 was the result of US firms repatriating $300 billion or more in accumulated earnings to take advantage of Trump's tax break. Net investment flows into Europe slumped by an unprecedented 73 percent to $100 billion, a level not seen since the 1990s, as US firms pulled years of profits out of affiliates in Ireland, Switzerland and elsewhere.

UNCTAD investment chief James Zhan told reporters that US repatriation of profits had slowed down and an FDI rebound was possible this year, but there were also growing risks.

"It's what we call the potential trade-investment-technology war that will affect global investment, and we see that the rising protectionist measures of a number of countries and the prospects for global economic growth are worsening," Zhan said.

The United States remained the top destination for FDI in 2018, attracting $226 billion, 18 percent less than in 2017. Second was China, up 3 percent to $142 billion, and third was Britain, which saw a 20 percent jump to $122 billion, mainly due to a doubling of reinvested earnings and a tripling in the value of M&A deals.

"Despite the huge uncertainty related to the Brexit, the UK government has intensified its effort to promote and facilitate new investment, as well as to retain existing investment in the country, including formulating a strategy and adopting new measures for attracting foreign investment," Zhan told Reuters.

Notable megadeals included Comcast's $40 billion acquisition of Sky, Vantif's $10 billion purchase of Worldpay, and the acquisition of Unilever's margarine & spreads business for $8 billion by KKR & Co.

One major growth area in 2018 was the value of newly announced "green-field" investments into developing countries in Asia, which rose 84 percent to $390 billion.

Zhan said the rise was largely due to firms restructuring supply chains in Southeast Asia, driven by a desire to avoid getting caught up in trade tensions, as well as by new opportunities from the 11-country Comprehensive and Progressive Trans-Pacific Partnership Agreement and investment liberalisation in China.

# Qatar to buy $500m of Lebanese govt bonds

AFP, *Doha*

Wealthy Qatar said on Monday it will purchase $500 million of government bonds in debt-ridden Lebanon a day after the country's emir visited Beirut to attend the Arab economic summit.

"The state of Qatar will buy Lebanese government bonds valued at 500 million US dollars," Foreign Minister Mohammed bin Abdulrahman Al-Thani said in a statement carried by the Qatar News Agency.

The purchase would "strengthen the Lebanese economy", and the decision was taken after a meeting on Monday between Qatar's Emir Sheikh Tamim bin Hamad Al-Thani and Lebanese President Michel Aoun, he said.

"We wish stability and prosperity for the Lebanese republic and the Lebanese people, and that the Lebanese economy will recover."

The move comes amid huge financial strains for the Lebanese government.

Lebanon's finance minister spooked markets earlier this month with comments about the country's public debt, thought to be among one of the worst in the world.

Lebanon's economy has looked on the brink of collapse for some time but a Paris conference dubbed CEDRE in April made aid pledges worth $11 billion.

But France last month warned that Beirut could lose those pledges if it continued to be without a government almost eight months after general elections because of political disputes.

# From Mao to Trump: China's economic roller-coaster since 1949

AFP, *Shanghai*

AFTER remarkable growth and change for decades, most economists believe China's economy is entering a period of slower, steadier growth.

The world's second-largest economy grew 6.6 percent last year, government figures showed on Monday, the slowest rate since 1990.

Here is a brief look at China's economic roller-coaster since 1949:

When Mao Zedong's communists seized control in 1949 after decades of strife, China was a basket case: agricultural output had cratered, industry was hopelessly backward and hyper-inflation raged.

Adopting Soviet-style central planning, Mao's regime brought stability by nationalising industries, regulating the monetary system, and redistributing land to boost agriculture.

But leaders courted crisis with ideologically-driven campaigns like the "Great Leap Forward" -- an ill-advised bid to super-charge industry and agriculture that caused wide-spread famine.

Stability was eventually restored but Mao brought China to its knees again through his radical leftist "Cultural Revolution" from 1966-76, which severely weakened the economy.

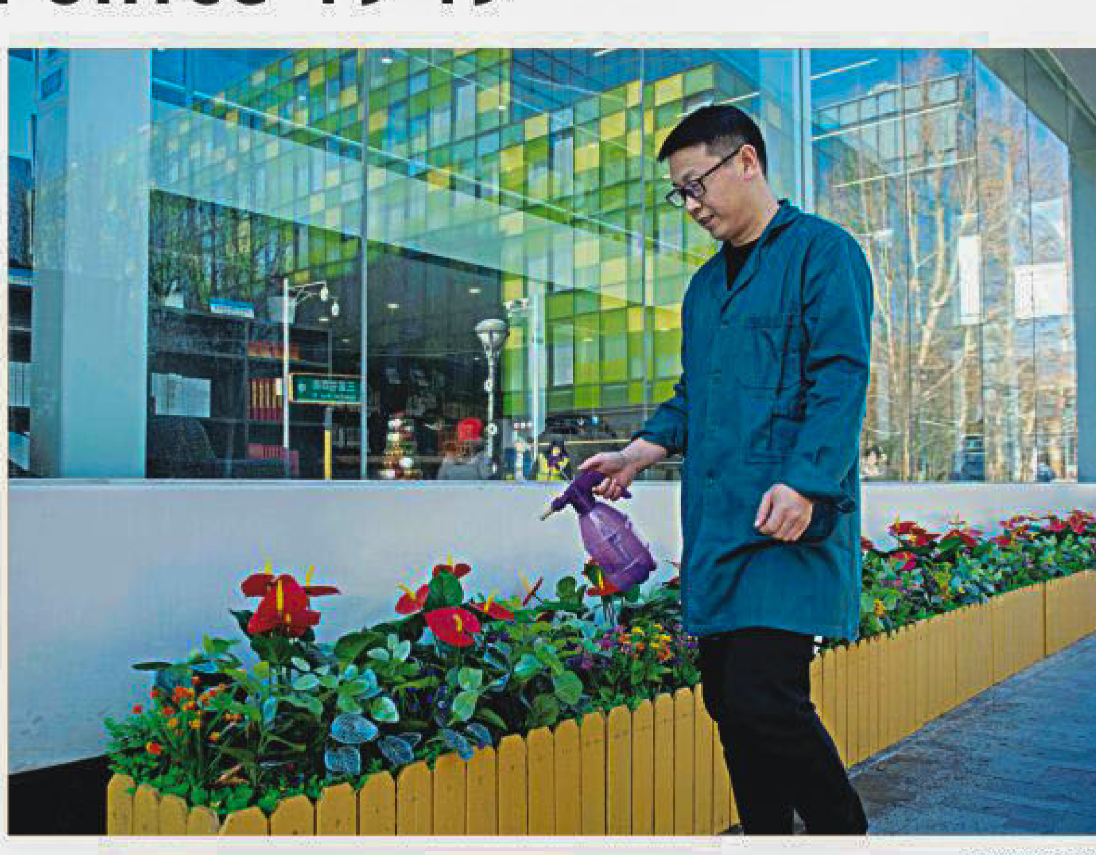
After Mao's death in 1976, Deng Xiaoping -- purged twice by Mao over his reform tendencies -- rose again, taking power in 1978.

He turned away from ideology and isolationism toward a more pragmatic, results-oriented approach, and slowly re-connected China with the world.

Reforms began to modernise the economy and introduce market-based mechanisms, best exemplified by a handful of new coastal "special economic zones" like Shenzhen, where foreign investment in export-oriented industries was welcomed.

Such zones posted rapid growth, encouraging more reforms that would eventually give China the reputation as the "factory of the world".

By the early 1980s, Deng's reforms had re-energised China, which became the fastest-growing major economy for most of the next four decades.



REUTERS/FILE

**A worker sprays water onto a plastic plant display outside a shop in Beijing.**

This was briefly threatened in 1989, however, when Deng and other party elders sent tanks to crush Tiananmen Square demonstrations demanding commensurate political reform.

Growth sputtered in the aftermath and hard-liners pushed back against further reform.

But the wily Deng visited coastal export zones in 1992 in his famous "southern tour" that cemented "reform and opening" once and for all as China's guiding philosophy.

Incomes and living standards soared, Shanghai's stock exchange re-opened in 1990 after a four-decade hiatus, and China symbolically rejoined the global economy with WTO membership in 2001.

But growth brought other ills like inflation, corruption, and environmental degradation, and reform of inefficient state enterprises in the 1990s deprived millions of the "iron rice bowl" of cradle-to-grave employment.

By 2010, China had become the world's second-biggest economy after the United States, a commercial, technological and military juggernaut which used that growing clout to extend its global influence.

But the era of double-digit expansion also ended around that time, due to an ageing workforce, gradual shift of foreign investment to lower-cost developing countries, and other factors.

China also began deliberately downshifting to curb environmental damage, wealth inequities, and other growth side-effects, while launching a re-balancing of the economy to rely more on domestic consumption, and less on volatile foreign export demand.

Slower, but more stable, expansion is forecast in the years ahead, but economists say that may limit China's ability to grow its way out of two major new challenges: huge domestic debt and US trade hawkishness.

A $586-billion stimulus package helped China weather the 2008-09 world financial crisis better than other major economies, but it contributed to a mountain of debt that the IMF has called "dangerous".

Beijing launched a debt crack-down a year ago, but it faced a new challenge as US President Donald Trump launched a trade war with China that has prompted both sides to slap tariffs on more than $350 billion in two-way commerce.