

Aiding transcontinental manufacturing, trade

TWV (Trade World Virginia) is a piece of brick-and-mortar transcontinental trade infrastructure. To connect all facilities and entities in the system securely, there is a technology network component to it, named TWEX/NET. It is a secure electronic exchange for transnational transactions and payments, writes **Mohammad Afzal Hossain**



If a nation doesn't sell abroad enough, it is doomed to limit its market size, support its less competitive but lower-quality products, have a lower per capita wage and thus reduce the standard of living. Therefore, the volume of exports and the quality is an indicator of the nation's standard of living. Unfortunately, except the European Union (EU), the United Kingdom (UK) and the United States (US), most countries with good trade relations with Bangladesh have unfair, unbalanced and poorly-negotiated trade situations. Bangladesh cannot sell reciprocally. This means these trading nations are not adding significantly to the quality of living in Bangladesh.

Economic policies of a nation decide the higher or lower minimum wages. Minimum wage is a direct indicator of how well a nation is taking care of its vulnerable workers. Unfortunately again, except the EU, the UK and the USA, most nations with strong trade relations with Bangladesh have extremely poor minimum wage situation in their own countries too. As a result, these unfair trading partners are also not good role models, when it comes to setting economic policies or workers' compensation.

Regrettably, Bangladesh faces an extremely high export competition, and it is more likely to get worse. The country's main export item is manufactured clothing. It needs to import most of the raw materials for the sector while labour is the primary value addition factor. In essence, Bangladesh is exporting labour through manufactured clothing. Other

exportable merchandises like leather products and pharmaceuticals see much smaller trade volumes. As ironic as it may sound, a list published by the United Nations shows the top ten exported merchandises as various types of manufactured clothing. Despite many efforts, Bangladesh is unable to diversify exports. The reasons behind the dismal performance are mostly internal. The poor skill level of the workforce, misguided and overly emphasised policies, sticking to unfair trade alliances, poor strategy and poor execution are behind the poor performance while limits of existing systems have already been exhausted.

Looking for new export opportunities, we have reviewed global trade from Bangladesh's point of view. Bangladesh needs to create new opportunities for expanding exports, establish new fair trade relationships, and improve skills of the workforce. In addition, to maintain social integrity and broader inclusion, there is an urgent need for profitable agricultural revitalisation. All of these are extremely difficult to do for Bangladesh alone. It needs the help of export partners who are not only willing to completely open up their internal markets to Bangladesh but also simultaneously extend the helping hands to develop its manpower's skill alongside providing required capital.

That's a big question. Not too many nations are capable, willing or friendly enough to engage in these almost impossible partnerships. Fortunately, there are nations and peoples who are willing to go extra miles, if mutually win-win opportunities are clearly identified and pursued. Only for example, Bangladesh's fine-grain supply chain coopera-

tion in manufacturing of clothing can create thousands of new farming jobs in the USA and in return, Bangladesh may benefit from larger export shares. A supply chain cooperation in semiconductor manufacturing can create thousands of high quality jobs in both countries, generating billions of dollars in shared revenue for them.

On the other hand, in the absence of appropriate alliances and cooperation, a trade war is brewing among the world's top performers. We have reviewed global trade from several developed nations' point of view as well. Several ills of the current paradigm have not spared the developed nations either. No one seems to fully know who are enjoying the bulk of the immense profits made from the massive global trade. Communities are left behind, in the developed world, in the developing nations and in far away island nations, in no particular patterns. There is a general sense that people deserve more for their work and they can have more. In search of a better system and better society, chaos is gripping trade, politics, social fabrics and even economic policies of many developed nations. Together we must come up with innovative ideas to address many of the problems. The innovations can level the playing fields of global trade to the benefit of larger peoples, dispersed more evenly across societies, across the globe. We believe there is at least one idea, if not more, that might solve the problems. Here lies the relevance of the Trade World Virginia or TWV.

TWV is the embodiment of an emerging opportunity in transcontinental trade for bet-

terment of mankind. It is a global open system. The goodness is in the details. Since TWV is at the definition stage, we present it as an example of an early stage idea only, which leaves it open to further discussions.

The opportunity is in the restructuring of global trade to make it further fair to all parties, to make it include relatively more across many more societies, nations and peoples and to drastically reduce barriers to entry for anyone interested to work in global trade, service, and manufacturing. Toward these objectives, the TWV plans to create massive American manufacturing zones in several strategic parts of the world. There are several layers of the idea. At the highest layer, there is a global trade infrastructure company which we call Trade World Virginia or TWV. TWV plans to operate the global manufacturing zones. Each massive facility will be built on several thousand acres of land. TWV is a company that rents manufacturing and service sites to tenant companies. This takes us to the next layer. At the second layer there are real companies that engage in global trade. Examples of such companies can be the existing behemoths, such as Apple Computer, Amazon, or small newcomers such as Future Manufacturer, Inc. or Future Global Online Shop, Inc., etc. These second-layer companies are the potential global tenants of TWV. The third layer includes the governments, financial services, logistics, customs, banking, safety and security. Each TWV facility will have an inland port, a built-in customs and trade research centre and a business incubator. Because of the inland ports, a TWV facility

can be located far away from coastal areas, even in land-locked nations. Global logistics, banking, insurance and government functions are the intrinsic services of TWV.

The benefit of TWV is an ability to manufacture goods at one of the lowest costs known to us, and doing business globally with much simplified logistics with lesser efforts and smaller barriers to entry. But one of the crucial benefits will be enjoyed by the workers and their families. TWV will integrate American style education, healthcare, sports, recreation and employee compensation in each facility, thereby creating a new global standard for employee benefits, health and safety. To add further to that, TWV will promote entrepreneurship and dynamic capitalism to create sustainable worker equity in the system. Yet another crucial benefit will be enjoyed by a large number of displaced people in the world. TWV has several functions, features and services that can be used to meet basic needs of the displaced people, including jobs, banking, healthcare, education and food, all in an economically-sustainable manner.

Toward agricultural revitalisation and to help the farmers, TWV will include a purpose-built commodity futures market. A commodity futures market helps farmers manage risks and determine demand and price at a future time. For example, when a crop is planted in May and harvested in August, the four-month period poses significant risks to a farmer. However, the current commodity futures markets are country-specific or regional. The current commodity futures are derivative products, mostly not the real things, while

very few small farmers actually use it. On the other hand, TWV is global, the farmers are dispersed across the globe and their needs are very specific. They need help to complete a future crop sale across the globe. When that is combined with shipping logistics, a farmer can have a complete solution to sell their future products across the globe without having to worry about logistics.

TWV is a piece of brick-and-mortar transcontinental trade infrastructure. To connect all facilities and entities in the system securely, there is a technology network component to it, named TWEX/NET. It is a secure electronic exchange for transnational transactions and payments. But, a secure system is good only, when it is used by good people, and it can be very dangerous otherwise. TWEX/NET uses enhanced cyber security principles. Enhanced Root of Trust Computing is an evolutionary novel concept, we presented that first time at the Fifth International Conference on Informatics, Electronics and Vision on May 13-14 in 2016 at the Dhaka University.

TWV business incubators bring various support services as well. These services combined with global presence can take a small start-up to the global arena since the day one.

When combined, TWV+TWEX/NET is an operating system for global manufacturing, services and trade. Participation in the TWV system is voluntary, open and global.

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