

NEWS BULLETIN

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Least integrated region in the world

About ICC Bangladesh

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

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

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

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

The activities of ICC Bangladesh include promotion of foreign trade and investment, trade policy reviews, business dialogues, seminars & workshops both at home and abroad on related policy issues, harmonization of trade law & rules, legal reforms, updating businesses with the ICC rules & standards for cross border business transactions. ICC Bangladesh has so far organized following regional & international conferences.

- 10-11 November 2000: ICC Asia Conference on "[Investment in Developing Countries: Increasing Opportunities](#)" organized in Dhaka was inaugurated by the Prime Minister of Bangladesh and attended by a number of high profile dignitaries including the Thai Deputy Prime Minister & WTO Director General Designate, ADB President, UN-ESCAP Executive Secretary and Chinese Vice Minister for Foreign Trade & Economic Cooperation. More than 250 participants from 24 countries participated in this event.
- 17-18 January 2004: International Conference on "[Global Economic Governance and Challenges of Multilateralism](#)" was held in Dhaka, coinciding with 10th Anniversary of ICC Bangladesh. The Conference was inaugurated by the Prime Minister of Bangladesh and Thai Prime Minister was the Keynote Speaker. WTO Director General, EU Commissioner for Trade, UNESCAP Executive Secretary, Governor of Japan Bank for International Cooperation, six Ministers from three continents, Bangladesh Ministers, ICC Chairman, ICC Vice Chairman, ICC Secretary General and more than 500 participants from 38 countries attended this event.
- 27-28 September 2005: Regional Seminar on "[Capital Market Development: Asian Experience](#)". The Seminar held in Dhaka was inaugurated by the President of the People's Republic of Bangladesh and attended by Chairmen/CEOs of securities & exchange commissions, stock exchanges, capital market operators, financial institutions and investors from 15 Asian countries.
- 13 April 2010: Conference on "[Energy for Growth](#)" was held in Dhaka coinciding with the 15 years of ICC's presence in Bangladesh. The Conference was inaugurated by the Finance Minister of Bangladesh and attended by ICC Global Chairman, Minister for Commerce of Bangladesh, Minister for Development Cooperation of Denmark and Adviser to the Bangladesh Prime Minister for Energy & Mineral Resources. Some 800 delegates from home and abroad including energy experts and international financiers from Australia, China, Denmark, India, Germany, Japan, Singapore, Switzerland, UK and USA attended the event.
- 25-26 October 2014: International Conference on "[Global Economic Recovery: Asian Perspective](#)", was in held in Dhaka coinciding with the 20 years of ICC's presence in Bangladesh. The Conference was inaugurated by the President of the People's Republic of Bangladesh. Minister for Finance & Minister for Commerce of Bangladesh, UNCTAD Secretary General, Ministers from Myanmar and Nepal; ICC Vice Chairman; ICC Secretary General; ICC Research Foundation Chairman; Director of ICC National Committees and more than 500 participants attended this event.
- 8-9 February 2017 : The first ever "[UNESCAP Asia Pacific Business Forum: Regional Integration to Achieve Sustainable Development](#)" was organized by ICC Bangladesh jointly with UNESCAP under the patronage of the Ministry of Commerce, Government of Bangladesh. The Forum was inaugurated by the Hon'ble President of the People's Republic of Bangladesh. Ministers from Bangladesh, Sri Lanka, Nepal, UNESCAP Under Secretary General, UNCTAD Secretary General, business leaders and some 600 delegates from home and abroad attended the Forum.
- 10-12 December 2019 : "[The Asia Pacific Conference on Financing inclusive and Sustainable Development](#)" was organized by ICC Bangladesh jointly with UNESCAP, ADB and LIBF (The London Institute of Banking & Finance) under the patronage of the Financial Institutions Division (FID), Ministry of Finance, Government of Bangladesh to celebrate 100 years of ICC and 25 years of ICC Bangladesh. The Hon'ble President of the People's Republic of Bangladesh inaugurated the Conference. Video Messages from UN Secretary General Mr. AntónioGuterres and 8th former United Nations Secretary General Mr. Ban-Ki moon were also played during the inauguration. Ministers from Bangladesh, Cambodia, Maldives and Sri Lanka, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP, Central Bank Governors, Business Leaders, Policy Makers, Experts and some 800 delegates from home and 30 foreign countries attended the Conference.

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

The National Committee also arranged participation of Bankers from Bangladesh at ICC Annual Banking Meetings held in Singapore (April 2015), in Jakarta (April 2017) and in Beijing (April 2019). Besides, ICC Bangladesh arranged participation of Bankers at ICC Austria Global Trade Conference held in Vienna in May 2017, June 2018 and May 2019, FCI Annual Meeting in Vietnam (June 2019), ICC Academy 8th Supply Chain Summit in Singapore (February 2019), International Financial Crime Forum in Kuala Lumpur (July 2019), World Conference on Banking Institutions (WCBI) organized by London Institute of Banking and Finance (LIBF) in London (September 2019), ICC 12th World Chambers Congress in Dubai (November 2021) and ICC Global Trade Facilitation Summit in Dubai (March 2022), Webinar on ICC Court Centenary (March 2023).

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

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

International Chamber of Commerce

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Editor's Note

South Asia : Least integrated region in the World

South Asia is one of the least integrated regions in the world in terms of trade and people-to-people contact. According to World Bank, regional cooperation has the potential to produce significant gains across all countries of South Asia. Intra-regional trade now stands at just one-fifth of its trade potential. An electricity market of the BBIN countries -- Bangladesh, Bhutan, India, and Nepal -- would save an estimated \$17 billion in capital costs. Improvements in transport and logistics can reduce 50 percent higher cost for container shipments in South Asia compared to OECD nations.

SAARC countries signed the SAPTA (SAARC Preferential Trading Arrangement) in April 1993 which came into force in December 1995, with the aim of promoting intra-regional trade and economic cooperation within the SAARC region. SAPTA was replaced by the South Asian Free Trade Area (SAFTA) in January 2006. Besides SAFTA there are three bilateral free trade agreements (FTAs) in South Asia, which are India-Sri Lanka, India-Bhutan and Pakistan-Sri Lanka. Furthermore, the Bangladesh-Bhutan-India-Nepal (BBIN) Agreement signed in June 2015, is another initiative for sub-regional cooperation. The deepening relationship among BBIN countries on regional trade and transport is reflected by the increasing number of connectivity agreements. However, opportunities for growth through regional trade remain largely untapped

But despite all these initiatives, intra-regional trade in South Asia remains much below the actual potential of trade cooperation. At present, regional trade in South Asia accounts for only 5 percent of estimated \$23 billion in trade flow; well below the potential trade of \$67 billion. While the ratio of trade in other regions are East Asia: 50 percent, ASEAN: 26 percent, EU: 67 percent, NAFTA: 62 percent, LAC and COMESA 22 percent.

In a region with a population exceeding 2 billion and a robust \$4.1 trillion economy, India has firmly established itself among the booming economies of the 21st century, with 1.4 billion people and a \$3.4 trillion economy. By 2035, India will be the third-largest economy. Bangladesh is well placed to play a key role in regional trade and logistics networks and act as a transit country in South Asia.

Despite huge potential, bilateral trade between India and Bangladesh was only \$11 billion in FY22, out of which export from Bangladesh to India was only \$1.27 billion. Minimizing various trade barriers, Bangladesh's export to India can grow by 300 percent if it can just fetch only one percent of total Indian imports. Estimates by the WB suggest that Bangladesh's exports to India could increase by 182 percent from the current levels if the countries implement a free trade agreement. Improving transport connectivity between the two countries could increase exports even further, yielding a 297 percent increase in Bangladesh's exports to India.

Bangladesh and other countries in the region trade on better terms with distant economies than with their neighbours. For example, the WB's Connecting to Thrive Report found that it is less expensive for a company in Bangladesh to trade with a company in Germany than with a company next door in India.

A well-established transport network is pivotal to trade connectivity. It can promote regional cooperation and integration by enhancing trade and investment. Besides, well-placed transport connectivity can also positively impact social and cultural development by promoting people-to-people cooperation through tourism and cultural exchanges.

For more prosperous South Asia, SAARC Leaders agreed to the vision of a phased and planned process eventually leading to a South Asian Economic Union (SAEU). But, to achieve this vision, it would be necessary for the region to have appropriate infrastructure, establish good connectivity, remove all trade barriers; including mind-set.

India's G20 presidency brings immense opportunities for South Asia to address economic challenges, foster regional cooperation in climate and energy, and lead innovation based on favourable demographics. However, to better capture the economic opportunities that this occurrence propels, it is in the interest of India and countries in South Asia to accelerate cooperation and move toward regional integrity.

WE MOURN



Professor Nurul Islam
1 April 1929 – 9 May 2023

Professor Nurul Islam, the first Deputy Chairman of the Planning Commission of independent Bangladesh, breathed his last in Washington DC on 9 May. Professor Islam is noted for his active part in the independence war of Bangladesh from Pakistan in the early seventies as well as for his leadership role in the economy, from 1972 to 1975. He was one of the closest advisors to, and confidants of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. He was a primary contributor to the 6-Point Programme presented to the West Pakistan government during the struggle for independence. Prof. Islam was the Emeritus Fellow of the International Food Policy Research Institute (IFPRI). He also served as the Director General of the Economic and Social Development Department of the Food and Agriculture Organisation (FAO) of the United Nations.

After graduating in economics from the Dhaka University and earning his PhD from Harvard University, he started his career in 1960 as Associate Professor of Economics Department of Dhaka University. In 1965, he left the University to become the Director of the Pakistan Institute of Development Economics. Prof. Islam was the first Chairman of Bangladesh Institute of Development Studies (BIDS). He also served as a Rockefeller fellow at the Netherlands School of Economics, and was a fellow at St Antony's College, Oxford.



Rokia Afzal Rahman
24 September 1941 - 5 April 2023

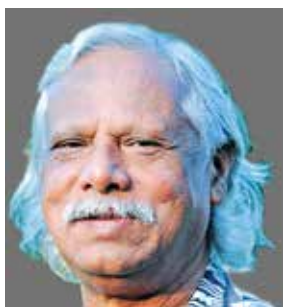
Mrs. Rokia Afzal Rahman, ICC Bangladesh Vice President died on 5 April in Singapore. She was Vice President of ICC Bangladesh The world business organization for about 11 years from 2012 and was a Former Advisor to the Caretaker Government of Bangladesh (having the rank of a Cabinet Minister). She also served as President of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka and Bangladesh Employers' Federation (BEF).

Mrs. Rahman started her career in 1962 as a Banker, one of the few women who chose to be a banker, and became the first woman Bank Manager in 1964. In 1980 Mrs. Rahman ventured into her own agro based industry. As Chair and CEO of two agro industries she worked with 15000 small farmers. She facilitated loans to farmers by standing as guarantor to a commercial bank taking loans for them and retailing the loan to them.

She was a sponsor Director of MIDAS Financing Limited, Director in Reliance Insurance Ltd., Chairperson of Media World Limited the owning company of The Daily Star, Director in the Mediastar and ABC Radio. She was the chairman of the board of directors of the Asian University for Women Support Foundation in Bangladesh.

Mrs. Rahman also served for three years as Member of the Board of Directors of Bangladesh Bank, BRAC, Manusher Jonno Foundation, Bangladesh Freedom Foundation and NGO Foundation.

Mrs. Rahman was founder President of the first Women Entrepreneurs Association in Bangladesh (formed in 1994), Bangladesh Federation of Women Entrepreneurs' (BFWF) – formed in 2006. In 1996 she formed Women In Small Enterprises for development of small enterprises. In 1991, she was recognized as one of the Leading Women Entrepreneurs of the World in Monte Carlo, and the 'Businessperson of the Year' in 2003 by the American Chamber. She also received the 'Priyadarshani' Award in India.



Dr. Zafrullah Chowdhury
27 December 1941 - 11 April 2023

Dr. Zafrullah Chowdhury, founder and trustee of Gonoshasthaya Kendra (People's Health Center) died on 11 April. Dr. Chowdhury, a freedom fighter, was a well-known physician and public health activist. After completing his MBBS degree in 1964 and left for UK for post-graduate studies in general and vascular surgery. However, in 1971, he left UK without completing his studies and joined the Liberation War for independence of Bangladesh.

The unique Field Hospital was initially established by him during the 1971 Liberation War for providing health services to the freedom fighters and the refugees in India. The centre focuses on providing basic healthcare to the rural areas. The centre also runs a university, vocational training centre, agricultural cooperatives, hospital, a printing press, community schools and a generic drug manufacturing plant. Gonoshasthaya Kendra has been very successful in providing family planning services, lowering maternal, infant mortality rates. Though limited in its reach, it pioneered the introduction of cheaper generic drugs. In 1973, Gonoshasthaya Kendra introduced a Rural Healthcare Insurance System, the first of its kind in Bangladesh.

Dr. Chowdhury was the architect of the 1982 National Drug Policy. In 1977 he received the Swadhinata Padak (highest Independence Day Award) for his work in population control. Among other awards, he received Ramon Magsaysay Award in 1985 and the Right Livelihood Award in 1992 for his work in the public health sector.

May Allah (SWT) rest their souls in peace in heaven for the good works done by them for the well being of the people and the country.

ICC Bangladesh News

Expressway to Chattogram must for seamless communication observed experts and business leaders at ICC Roundtable

Business leaders and experts on May 27 called for constructing an elevated expressway between Dhaka-Chattogram corridor to establish seamless connectivity between the capital and the Port City. Only widening the Dhaka-Chattogram highway which is considered the economic lifeline of the country will not be enough to facilitate the smooth movement of vehicles.

Bangladesh huge investment on the communication infrastructures of the Dhaka-Chattogram corridor during the last few decades, but seamless movement of passengers and cargo is yet to be ensured, business leaders said. They recommended developing elevated structures on the entire corridor, particularly to facilitate increased cargo movements to and from the fast developing economic hub of the country-Chattogram Port.

The speakers made the observations during a Roundtable on Investment for Infrastructure Development, organized by ICC Bangladesh. Planning Minister M.A Mannan, M.P. was present at the Roundtable as Chief Guest which moderated by ICC Bangladesh President Mahbubur Rahman.

Their demand came at a time when the Roads and Highways Department (RHD) has started working to determine whether the four-lane Dhaka-Chattogram Highway will have six lanes or eight. Two separate plans one for an elevated expressway and another for an expressway with some elevated parts on the Dhaka Chattogram Highway were dropped in 2016 and 2019 respectively.

A Dhaka-Chattogram expressway can create effective and smooth connectivity across the country

as well with Nepal, Bhutan, the northeastern region of India and the Asian Highway.

ICC Bangladesh President Mahbubur Rahman said with the opening of the Padma Bridge and the completion of an expressway in Gazipur (from Gazipur's Bhogra to Narayanganj's Madanpur) connecting the northwestern region of the country to Chattogram traffic is expected to increase manifold." However, according to experts, the existing four-lane highway will not be able to facilitate smooth movement of vehicles as our plans of large-scale investment and greater exports unfold," he said.

Mahbubur Rahman highlighted the future traffic demand to be created on the Dhaka-Chattogram highway after the completion of some mega projects like Dhaka Elevated



H.E. Mr. M. A. Mannan, M.P., Hon'ble Planning Minister (3rd from left) was the Chief Guest at the Roundtable on Investment for Infrastructure Development held in Dhaka on Saturday, 27 May organized by ICC Bangladesh which was Medorated by ICC Bangladesh President Mahbubur Rahman (Centre). Also seen in the picture are : Prof. Dr. Md. Shamsul Hoque (2nd from right) and ICCB Executive Board Member Mir Nasir Hossain(extreme left), Vice President Mr. A. K. Azad (2nd from left), Former Principal Secretary to the Prime Minister Mr. Abul Kalam Azad (3rd from right) & ICCB Secretary General Ataur Rahman (extreme right).

Expressway and the 3rd Terminal of the Hazrat Shahjalal International Airport and Karnaphuli Tunnel.”The economic importance of this route is immense considering the Chattogram Port as an access point to the international market. A Dhaka-Chattogram expressway can create effective and smooth connectivity across the country as well with Nepal, Bhutan, the northeastern region of India and the Asian Highway,” he added.

Mr. Rahman recommended making investment of well over US\$100 billion to build ports and roads, set up rail lines for management of goods, increase power generation and distribution capabilities, provide utilities and services to meet the ever-increasing demands of the economy. He expected the Dhaka-Chattogram expressway to establish an effective and smooth connectivity within the country and the region comprising Nepal, Bhutan and the northeastern states of India.

He also explained the importance of this route considering the port connectivity, Matarbari economic hub of BIG-B, BCIM and potential connectivity within the BIMSTEC and SASEC through Asian Highway.

Planning Minister M A Mannan, M.P. said he noted down the demand of the businesses regarding the Dhaka-Chattogram elevated expressway and assured that he will try to forward the suggestion to the relevant decision-making bodies. He said that a heavy investment has also been made on the Dhaka-Chattogram railway sector while work on developing the double track is more than 80% complete. He admitted that some of the investment was wrong due to lack of adequate knowledge and consciousness at the beginning and stressed the need for holding

consultations with the stakeholders concerned at the planning stage.

Transport expert Prof Shamsul Hoque, who presented the keynote, said merely widening the existing roads without proper planning and design will not accomplish anything.” The construction of an expressway would cater to long-distance mobility along the corridor, while the existing highway could serve as an alternative route and provide accessibility for local traffic,” he added. He stressed the development of access control highways not only on the Dhaka-Chattogram corridor, but also on all other highways across the country to make sure the characteristics of the thoroughfares.

The keynote speaker highlighted various causes of downsizing the characteristics of highways from the planning and design and said the level of services cannot be ensured without access control while elevated structures may help solve many bottlenecks in the investment. He proposed setting strategies like “look globally, think locally” for ensuring smart development by considering lifecycle cost and environment-resilience as well as social fabrics, and recommended going for unitary authority to integrate planning of road, rail and waterways infrastructures.

Dr. Shamsul Hoque stressed various causes of downsizing the characteristics of highways from the planning and design and said the level of services cannot be ensured without access control while elevated structures may help solve many bottlenecks in the investment. Though the expressway concept has become popular in the world after 1905, he said its absence prompted building many faulty infrastructures and placed the country in the

backseat of global ranking on infrastructure, he added.

The BUET professor said a sheer wastage of investment is visible due to planning-and design-stage faults that have failed to ensure signal-free roads, and caused a captive like situation at the crossing points.

Former Principal Secretary Abul Kalam Azad said now it takes about 4.5 hours to travel from Mongla port to Dhaka due to the inauguration of the Padma Bridge. “About 93% of vehicles operating on this route are carrying cargo. The bridge has impacted positively on business, trade, and investment,” he added.

Syed Ersahd Ahmed, President of American Chamber of Commerce in Bangladesh highlighted the need for ensuring smooth supply chain and port-handling capacity to tap not only the domestic market but also the international market, and said infrastructure investment on Inland Container Depot is necessary along with the elevated expressway.

Dr. Mujeri stressed on conducting proper feasibility studies to find the best solution to the infrastructures like the elevated expressway, and said proper planning can check the cost-and-time overrun in the project and find the best solution for the country.

ABM Sertajur Rahman, a superintendent engineer of RHD, said this is the right time to discuss the Dhaka-Chattogram Highway as RHD is currently carrying out a study for its improvement. He, however, expressed that a cost-benefit analysis should be done before deciding on the construction of an elevated expressway.

Mir Nasir Hossain, Former FBCCI President said that proper

investment in the corridor is likely to bring multiple benefits including reduction of lead time, operational costs and environmental benefits.

ICC Bangladesh Vice-President and other speakers also highlighted the importance of the proper planning, accountability of bureaucrats and

unitary authority for all kinds of infrastructures for ensuring ownership of the projects and making the projects bankable.

ICC Bangladesh Annual Council suggested addressing key issues to attain Middle Income Country status

The global economy surpassed \$100 trillion for the first time in 2022, but is likely to stall in 2023 due to last year's multifaceted shocks and challenges. Russia's war against Ukraine, lingering COVID-19 pandemic and supply-demand mismatches have slowed the global economic outlook. The war also accelerated a series of cascading and interconnected global crises in food, fuel and energy as well a concern of global security said ICC Bangladesh President Mahbubur Rahman while presenting the Executive Board Report at the 28th Annual Council of ICC Bangladesh held in Dhaka on 10 June. According to the World Economic Forum (WEF), more than 100 million people today are on the run from conflict and disaster and 340 million are projected to require humanitarian assistance in 2023.

Developing economies are facing incredibly difficult choices as they struggle to manage rising food costs, the harms of climate change, and unsustainable debt burdens exacerbated by an inflation and liquidity crisis, he added.

Mr. Rahman mentioned that IMF, in its latest World Economic Outlook, projected that growth will bottom out at 2.8 percent this year before rising modestly to 3 percent next year. Global inflation will fall, though more slowly than initially anticipated, from 8.7 percent last year to 7 percent this year and 4.9 percent in 2024. The latest Global Economic Prospects Report of the World Bank also downgraded almost all of its forecasts for advanced economies in the world, cutting the global growth outlook to 1.7% for 2023. The Bank,

earlier projected the world economy to expand by 3% in 2023.

In 2023, there is going to be a series of crucial reviews to assess where the world stands against ambitious global agreements on sustainable development, climate change, gender equity, financing, natural disasters and universal health coverage and other economic criterion set out to achieve 2030 SDGs, the Executive Report stated.

ICC Bangladesh President said Bangladesh economy was growing consistently high over a decade crossing 7.0%. The COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20, grew by 6.94 percent in FY 2020-21. According to the provisional estimates of Bangladesh Bureau of



ICC Bangladesh President Mahbubur Rahman (5th from left) presided over ICC Bangladesh Annual Council (AGM) 2022 held in Dhaka on 10 June 2023. Also seen in the picture from left to right are : ICCB Executive Board Members : Md. Fazlul Hoque; Md. Sameer Sattar; Naser Ezaz Bijoy; Tapan Chowdhury; Vice President A. K. Azad; Aftab Ul Islam, FCA; Kutubuddin Ahmed; Anwar-ul-Alam Chowdhury (Parvez) and Secretary General Aatur Rahman.

Statistics (BBS), the GDP growth stood at 7.25 percent in FY 2021-22, per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 22.

The general index of industrial production (medium and large scale manufacturing) during July-January of FY23 increased by 8.88 percent (y-o-y). The industrial sector contributed 35.47 percent (FY22) to GDP, out of which the contribution of manufacturing sector was 22.96 percent at the same period.

Bangladesh currently bags around 70 million tonnes of agricultural products, a majority of which are rice and potato; while fruits, vegetables and spices make up about 17 per cent. Local firms process a portion of the produce for export and the domestic market, which is expected to expand in coming years owing to the rising income of the growing middle-class and urbanization, he added.

Mr. Rahman mentioned the potential of agribusiness in Bangladesh is tremendous. There are business opportunities in agro-processing, marketing and distribution. Bangladesh exports 700 basic and processed products valued at around \$2 billion while the domestic agro-processing market is worth more than \$3 billion. Besides, Bangladesh's food market is expected to amount to 54 billion kilogrammes by 2027. Globally, there is huge opportunity for Bangladesh, being an agricultural country.

Fisheries and aquaculture also play a key role in the economy of Bangladesh directly and indirectly by reducing poverty, improving living standards, and contributing to food security, and employment. The "World Fisheries and Aquaculture report (SOFIA) 2022" of FAO stated that Bangladesh has become one of the top fish producers of inland

water capture fisheries globally, he also noted.

To achieve its vision of attaining middle-income status by 2026 and upper middle-income status by 2031, the ICCB Executive Board observed that Bangladesh needs to address among others the following challenges:

Inflationary Pressure: Rising energy and food prices have fueled higher inflation in many countries including Bangladesh. According to experts, there should be appropriate monetary and fiscal policies in order to contain the inflationary pressure as well as increase local production of both agricultural and industrial products for import substitution.

Energy Sector: Bangladesh's power sector was apparently sailing smoothly until the Russia-Ukraine war. The power generation capacity of the country is more than 26,000MW and the maximum generation level is around 15,000MW. However, increasing dependence on imported fossil fuels, LNG & Coal for power generation has intensified risks, negatively affecting foreign currency reserves and swelling subsidy burdens. Bangladesh should move faster with its exploration activities both on-shore and off-shore to replace expensive LNG with its own natural gas reserve as well as establish Nuclear/Renewable energies to avoid adverse affect of climate change.

Due to insufficient power distribution capacity, the total power generation cannot be utilized. Besides, despite a very high level of surplus capacity, Bangladesh Power Development Board (BPDB) still procure costly power due to contractual obligations. As such, already engulfed by subsidy burdens, the government might need to allocate additional funds to the power sector to lower average

generation costs. So, reshaping the Power Sector is crucial.

Balance-of-Payments deficit : Rising commodity prices and a surge in imports in the second half of FY22 resulted in a Balance of Payments (BoP) deficit. There is an urgent need for Bangladesh to diversify its export market and products and sign FTAs with major Asian countries. RMG contributes to over 10% of Bangladesh's gross domestic product (GDP) and 85% of its total exports. RMG sector products diversification and market diversification is also needed. Besides, appropriate measures should be taken to attract inward remittances through proper channel.

Infrastructure: With the opening of Padma Bridge, completion of 55 km. elevated Expressway from Gazipur connecting northwestern region of the country to Chattogram, movement of traffic is expected to increase manifold. But, according to experts, the existing 4 lane highway will not be able to facilitate smooth movement of vehicles.

Appropriate Dhaka- Chattogram, Elevated Expressway is expected to create effective and smooth connectivity across the country as well with Nepal, Bhutan, north-eastern region of India and the Asian Highway. Our international trade exceeded \$100 billion and is expected to grow considering export diversification potentials. The evolving economic target requires deep and inclusive connectivity and communication development with far-reaching implications.

As Bangladesh strives forward, infrastructure will play a crucial role in stimulating and crowding-in private sector investment. By some estimate, Bangladesh will require to make investments of well over \$100 billion in the course of

the next decade to infrastructure development.

Project implementation : According to Bangladesh Institute of Development Studies (BIDS) one month extension raises project cost by 0.95 percentage points which is alarming for the economy. Therefore, there is ensuring timely project implementation to save cost as well as time is crucial.

Non Performing Loans (NPL): The total volume of non-performing loans (NPLs) has increased by more

than 70 million people, either directly or indirectly. We must closely follow global adaptation technologies and concentrate more on new examples of climate adaptability which is best suited for us. More emphasis should be given on agricultural mechanisation and the use of ICT in farming, as this will help us greatly in fighting back against climate change.

In 2020, Bangladesh produced 1.25 million tons of captured fish (inland), which represented 11% of the total global production. India

professionals, about six lakh people are involved in freelance outsourcing in the country. We should focus on re-skilling and up-skilling freelancers.

Human Resource Development: Several studies conducted by the Bangladesh Institute of Development Studies (BIDS) have revealed a substantial gap in the skill sets of workers in labour-intensive industries such as readymade garments (RMG), light engineering and electronics, leather and footwear, and agro-food processing.



Group picture of the Delegates at the 28th Annual Council 2022 (AGM) of ICC Bangladesh held in Dhaka on 10 June.

than three times in the last 10 years. Non-performing loans stood at Tk 1316.21 billion as of March 31, up 9 per cent from three months ago and 16 per cent from a year earlier. In March, the NPL ratio accounted for 8.8 per cent of the outstanding loans of Tk 14,963.46 billion, according to latest Bangladesh Bank Report. Our state-owned banks and some private banks are also facing capital shortfalls due to loan defaults. The banking sector needs more stringent lending policies and their enforcement, in order to tackle the problem of NPLs.

Agriculture Sector: The agriculture sector is one of the key economic pillars of Bangladesh. The farming sector has individually employed

and China have topped the rank with 16% and 13% respectively. In this sector, there may be concerns about the sustainability and environmental impact of increased activity. Policymakers and industry leaders need to ensure that the fisheries sector's long-term growth is sustainable.

IT Industry : Technology is currently used in every facet of life to benefit Bangladesh's digital economy. Although the human resources in the IT sector are increasing in the country, they need to be developed to be suitable for the industry. These new-age jobs require a high level of technical skills. Apart from IT

The BIDS research, conducted between 2021 and 2022 under the government's Skills for Employment Investment Programme (Seip), indicates skill gaps and mismatch ranging from 45% to 70% in these sectors.

The studies highlight that these skill gaps result in low productivity in factories and the hiring of foreign workers at managerial levels, leading to a loss of foreign currency. "It is said that around 50,000 foreigners are currently working in Bangladesh due to the lack of skilled leadership in managerial positions, resulting in an annual loss of \$5-6 billion. But the actual numbers will be much higher."

Similarly, the agro-food processing sector is facing a 47% skill gap, primarily due to the lack of specialized training and knowledge in food safety, sanitation, and food testing procedures. The study also highlights the inadequate skills acquired through educational degrees as a contributing factor to this gap.

Enterprises have emphasized the need for demand based educational system and increasing appropriate training activities to minimize these gaps.

The Annual Council adopted the Executive Board Report, approved the Audited Accounts for the year ending 31 December 2022 and appointment of the Auditor & remuneration thereof for Auditing the ICC Bangladesh Accounts for 2023.

The Annual Council was attended, among others, by ICC Bangladesh Vice President A.K. Azad, Executive Board Members : Kutubuddin Ahmed, Anwar-ul-Alam Chowdhury (Parvez); Aftab Ul Islam, FCA; Md. Fazlul Hoque & Tapan Chowdhury; Md. Sameer Sattar, President, DCCI; Naser Ezaz Bijoy, President, FICCI; Muhammad A. (Rumee) Ali, Chairman, ICCB Banking Commission & Vice Chairman, BIAC; ICCB Secretary General Aatur Rahman; Syed Ali Jowher Rizvi, Managing Director, Summit Alliance Port Limited; Bibhabasu Sengupta, Managing Director, Linde Bangladesh Limited; M. Shah Alam Sarwer, Managing Director, IFIC Bank Limited; Md. Abdur Rahim, Acting Managing Director, BASIC Bank Limited; Mohammad Shamsul Islam, Managing Director, National Housing Finance and Investments

Limited; Md. Abdul Haque, FCA, Managing Director, Eastland Insurance Company Limited; Khawza Manzer Nadeem, Managing Director, United Insurance Company Limited; M.H.M Fairoz, Managing Director & CEO, Singer Bangladesh Ltd.; Md. Naimul Haq Majumder, CEO, Financial Excellence Ltd.; Abul Kasem Khan, Managing Director, A. K. Khan Telecom Ltd.; Imran Faiz Rahman, Managing Director, Arlinks Limited; Md. Samsul Alam Mallick, Managing Director, New Zealand Dairy; Rizwan Rahman, Managing Director, ETBL Securities & Exchange Limited; Md. Habibullah Monju, Chief Financial Officer, Karnaphuli Fertilizer Co. Ltd. (KAFCO) and Mrs. Rachel Wu, Managing Director, LSI Industries Ltd.

ICC Bangladesh President & Vice President attended ICC World Council held in Geneva

The ICC World Council 2023 was held in hybrid format in Geneva on 20 June. Delegates from a number of National Committees attended physically and virtually. ICC Bangladesh President Mahbubur Rahman, Vice President A. K. Azad and Secretary General Aatur

Rahman attended the Meeting virtually. ICC Chair Maria Fernanda Garza delivered her welcome address and Secretary General John Denton presented the ICC Report.

The Council deliberated on various items of the Agenda including

adoption of previous Executive Summary of 2022, approval of the audited accounts for 2022 election of Members of the ICC Executive Board for a 3-year term starting from 20 June 2023 and establishment of ICC National Committees in Norway, Azerbaijan, Israel, Tunisia, Uzbekistan, Tajikistan and Kyrgyzstan, National Committees and Groups contributions for 2024, establishment of new ICC Dispute Resolution Services case management office in China, Report on activities of the International Court of Arbitration and Report on activities of the ICC World Chambers Federation. The Council decided that the 2024 Meeting of the ICC World Council will be held in June 2024, in Paris, France (exact date to be confirmed).



ICC World Council 2023 was held in Geneva on 20 June. ICC Bangladesh President Mahbubur Rahman, Vice President A. K. Azad and Secretary General Aatur Rahman attended the Meeting virtually.

The new members of the Executive Committee are Arancha

Gonzalez (Spain), Patricia Nzolantima (Democratic Republic of the Congo), Rifat Hisarcı klioğlu (Türkiye), Omolara Ololade Akanji (Nigeria) and Cameron McKenzie (Puerto Rico). Besides, the following were confirmed to continue as Executive Board Members for second term of three years: Shinta Kamdani (Indonesia), Sheikh

Khalifa bin Jassim bin Mohammed Al-Thani (Qatar), Valentina Mintah (Ghana), and Dario Gallina (Italy). With the election of the ICC Executive Board, the representation of women on the board increased to 48%, surpassing the gender balance target of 40%. The new Executive Board composition also scored high on regional diversity, with five

members from Africa, five from the B-MENA region, eight from Europe, five from Asia and four from the Americas. Ajay Banga formally stepped down from his role as Honorary Chair of ICC before he took on his new role as President of the World Bank. The World Council thanked him for his service and wish him well in his new role.

ICC Heads of National Committees Meeting held in Geneva attended by ICC Bangladesh Secretary General

The ICC Permanent Heads of National Committees Meeting was held in a hybrid format in Geneva on Tuesday, 20 June. A number of National Committee Heads attended the Meeting. ICC Bangladesh Secretary General Aatur Rahman attended the Meeting virtually.

Welcoming the National Committee Delegates, ICC Secretary General John W.H. Denton AO briefed about various activities of ICC as well as about the ICC World Council and World Chambers Congress which were held in Geneva on 20 June and 21-23 June 2023 respectively. ICC Chair Maria Fernanda Garza also spoke at the beginning of the Meeting.

ICC International Court of Arbitration President by Claudia Salomon briefed about ICC Dispute Resolution Services, celebration of 100 year of ICC Court and recent developments and outlook of the ICC Court.

Nicolas Uribe Rueda, Chair of World Chambers Federation (WCF) spoke on the strengthening of Multilateral Cooperation, Update on WCF Strategy and increased collaboration with the NC network. Julian Kassum, Global Partnerships and Development Director informed the Meeting about 13th World Chambers Congress which was held on 21-23 June 2023.

The Meeting was also informed, among other items about the latest development of Centre of Entrepreneurship initiative of ICC, upcoming activities of Digital Standards Initiative, ICC –FAO Agri-Food Hubs, results of the HQ/ NC Engagement Model Pilot, NC Project Fund and plan for Merchants of Peace Fund.



The Meeting of the ICC Permanent Heads of National Committees was held in Geneva on 20 June. ICC Bangladesh Secretary General Aatur Rahman attended the Meeting virtually.

ICC Bangladesh-ADB Workshop for Women Entrepreneurs held in Dhaka

ICC Bangladesh organized jointly with ADB a Workshop for Women Entrepreneurs: How to Best Engage in International Trade in Dhaka on 9 May. This is the first time that ICC Bangladesh has arranged such an event for the women entrepreneurs. A total of 100 women entrepreneurs attended the event.

Mr. Vincent O'Brien, Director, ICC UAE was the main speaker at the workshop. He explained about various aspects of International Trade and Finance, including Trends in Global Trade & Finance, International Contract of Sale, Incoterms 2020, Documentary Letters of Credit, Standby Letters of Credit and International Guarantees.

Ms. Afsana Asif, Managing Partner, AsIX and one of the participants at the Workshop presented a paper on Challenges for SMEs in International Trade. Mr. A.T.M. Nesarul Hoque, Senior Vice President of Mutual Trust Bank also briefed the participants about the rules and regulations of the Bangladesh Bank with regard to international trade.



ICC Bangladesh organized jointly with Asian Development Bank (ADB) a Workshop for Women Entrepreneurs : How to Best Engage in International Trade held in Dhaka on 9 May. Group Picture of 100 Women Entrepreneurs with ICC Bangladesh Vice President A. K. Azad (sitting 8th from left); Former Chairman & Director of MIDAS Mrs. Parveen Mahmud FCA (sitting 7th from left); ADB Advisor and Head of Trade and Supply Chain Finance Steven Beck (sitting 6th from left); ICCB Secretary General Ataur Rahman and ICC UAE Director Vincent O'Brien.

The participants at the workshop thanked ICC Bangladesh and ADB for organizing the workshop and requested for organizing such programme more frequently so that the women entrepreneurs can learn more about international trade, supply chain as well as how

to get connected to the international market.

Ms. Mahia Juned, Additional Managing Director, The City Bank Limited was the Chief Guest at the opening of the workshop and Mrs. Parveen Mahmud FCA, Director &

Former Chairman, MIDAS was the Chief Guest at the closing session. ICC Bangladesh Vice President A. K. Azad Chaired the closing session which was also addressed by Mr. Steven Beck, Advisor and Head, Trade and Supply Chain Finance, Asian Development Bank, Manila.

Meeting with ADB Officials at ICC Bangladesh

A meeting of the ICC Bangladesh Banking Commission Members with Mr. Steven Beck, Advisor and Head, Trade and Supply Chain Finance, Asian Development Bank, Manila

was held at ICC Bangladesh on 9 May.

ICC Bangladesh Banking Commission Chairman Muhammad

A. (Rumee) Ali thanked Mr. Steven Beck and his team for accepting the invitation to attend the meeting with the Banking Commission Members. He hoped that ADB will continue to



Mr. Steven Beck, Advisor and Head, Trade and Supply Chain Finance, Asian Development Bank (ADB), Manila having meeting with ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali, ICC Bangladesh President Mahbubur Rahman and Members of the ICCB Banking Commission.

support ICC Bangladesh activities in furtherance of international trade.

ICC Bangladesh President Mahbubur Rahman welcoming Mr. Steven Beck and his team to ICC Bangladesh said that ADB has been the number one development partner of Bangladesh since its independence and extended necessary fund for implementation of various projects for rebuilding the war ravaged economy. He also thanked Mr. Beck for joining ICC Bangladesh under the ADB TFP in organizing a number of international conferences in Dhaka as well as in organizing the first workshop for women entrepreneurs, which was held in Dhaka on 9 May 2023. He hoped that ADB will continue to support and collaborate with ICC Bangladesh in organizing various activities.

Discussions were held about future collaboration between

ICC Bangladesh and ADB TFP regarding various issues faced by the banking sector including, supply chain finance, policy formulation for implementation of Digital Trade Standards Initiative (DSI), open account operation, international factoring for both export and import and cyber security as well as training for capacity of bankers and women entrepreneurs.

Mr. Steven Beck thanked Chairman Ali for inviting him to attend the Meeting and exchanging views on various issues raised by the Members and assured to continue to working with ICC Bangladesh for strengthening Bangladesh banking sector, in particular issues related to international trade finance.

The Meeting presided by Mr. Muhammad A. (Rume) Ali was attended by ICC Bangladesh President Mahbubur Rahman and

Secretary General Ataur Rahman and the following Members: Former Bangladesh Bank Executive Director Md. Ahsan Ullah, Dhaka Bank Managing Director Emranul Huq, First Security Islami Bank Managing Director Syed Waseque Md. Ali, Mutual Trust Bank Managing Director Syed Mahbubur Rahman, Trust Bank Managing Director Ms. Humaira Azam, bKash Chief Executive Officer Kamal Quadir, Khondkar Morshed Millat, Chief Advisor, Sustainable Finance, GreenTech Foundation Bangladesh; Senior Vice President of Mutual Trust Bank A.T.M. Nesarul Hoque.

Mr. Steven Beck was accompanied by Ms. Neha Noronha, Investment Specialist and Ms. Aparna Soni Bhalla, Relationship Manager (Consultant), Supply Chain Finance Program, Private Sector Operations Department; ICC UAE Director Mr. Vincent O'Brien.

ADB Country Director meet ICC Bangladesh Executive Board

Edimon Ginting, Country Director, Bangladesh Resident Mission, Asian Development Bank attended a meeting with ICC Bangladesh President Mahbubur Rahman and Members of the Executive Board held at ICC Bangladesh Secretariat on 21 May. Welcoming Mr. Ginting, President Mahbubur Rahman said that Asian Development Bank has been the key development partner of Bangladesh over the last 50 years and provided funds for implementation of important projects.

The Meeting was attended by Vice President A. K. Azad and the following Board Members :Afath ul Islam, Faruque Hassan, Md. Fazlul Hoque, Md. Jashim Uddin, Md. Sameer Sattar, Mir Nasir Hossain, Naser Ezaz Bijoy, Simeen Rahman, Immediate Past President of DCCI Rizwan-ur-Rahman and Secretary

General Ataur Rahman. ADB Country Director was accompanied by Senior Investment Officer Bidyut Kumar Shah and Investment Officer Md. Mehedi Hasan.

The members pointed out that Bangladesh, with graduation to middle-income country will not be able to avail the various facilities like GSP and other benefits availed by LDCs. Therefore, Bangladesh has to be competitive, cost effective and need to diversify its export destination and products. They suggested ADB to consider undertaking projects for power distribution, both on-shore and off-shore exploration for oil and gas, pipeline for transmission of newly found gas in Bhola to the national grid, investment in renewable/ solar energy sector, investment for strengthening logistics to ensure

smooth movement of goods, strengthening PPP authority to ensure providing better services to attract FDI under PPP, skill development based on the market demand and development IT sector.

Bangladesh has made remarkable achievements in agriculture sector which has created opportunities for development of agro-based industries for both local consumption and export. So, ADB could support private sector for investment in this sector. It was also suggested that ADB could support in setting up industries either for manufacturing or packaging of chips for exports.

Mr. Ginting thanked ICC Bangladesh President Mahbubur Rahman for inviting to meet the Members of the Executive Board. He also thanked the Members for their very valuable suggestions and observations. He

said that ADB has so far provided around US\$29.71 billion for 834 project since it started its operation in Bangladesh.

He said that the COVID-19 pandemic and the Russian invasion of Ukraine slowed Bangladesh's high economic growth that had been sustained over the past decade. To rally growth, ADB is supporting government efforts on strengthening public financial management and the social protection system. ADB is responding to Bangladesh's need for greater climate resilience, quality education, improved

infrastructure, and skills development to realize the government's goal of becoming an upper middle-income country by 2031.

The Country Director pointed out that ADB's current country partnership strategy supports will support to Bangladesh's efforts to achieve prosperity and inclusiveness by boosting competitiveness, employment, and private sector development; promoting green growth and climate resilience; gender equality, strengthening human capital and social inclusion;

strengthen institutional capacity and governance, deepen regional cooperation and integration, and promote new technology and innovation. During 2023–2025 period, ADB has a pipeline of 44 firm projects worth \$9.5 billion and 34 standby projects worth \$7.6 billion.

ADB is responding to Bangladesh's need for greater climate resilience, quality education, improved infrastructure and skills development to realize the government's goal of becoming an upper middle-income country by 2031, Mr. Ginting said.



ADB Country Director Edimon Ginting having meeting with ICC Bangladesh President Mahbubnur Rahman and members of the Executive Board.

Meeting with US Embassy Officials at ICC Bangladesh

ICC Bangladesh Vice President A. K. Azad, welcoming the US Embassy Official, said that bilateral trade between Bangladesh and the United States have grown significantly in the past five years in favour of Bangladesh.

Mr. Arturo Hines, Political Unit Chief, Mr. Joseph Giblin, Economic Unit Chief and Mr. Asif Ahmed, Economic & Commercial Specialist of the US Embassy visited ICC Bangladesh on 12 June and discussed with ICC Bangladesh Executive Board Members about various bi-lateral issues regarding further

promotion of trade and investment between the two countries.

ICCB Executive Board Members Abdul Hai Sarkar and Aftab ul Islam; ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali; Green Textiles Managing Director Tanvir Ahmed; CEO of A. K. Khan & Company K. A. M. Majedur Rahman and ICC Bangladesh Secretary General Ataur Rahman took part in the discussion.

Mr. Azad mentioned that the largest Foreign Direct Investment (FDI) in Bangladesh is from USA, with huge

investment in gas/oil exploration. The bilateral trade volume in FY 2022 was approximately \$14 billion and Bangladesh is the 46th largest trading partner of USA. There is ample scope for further growth in the volume of Bangladesh's trade with US provided some of the existing trade barriers like Bangladesh's lack of access to the US's Generalised System of Preference (GSP) could be removed.

The members suggested that US may consider extending GSP facilities to Bangladesh RMG products which were produced with imported

cotton and non-cotton yarn from USA. It was also suggested that there is tremendous opportunities for investments by US companies in Bangladesh, particularly in the growing agro-based industrial sector, logistics and infrastructure, IT sector

as well as further investment in the oil and gas exploration both on-shore and off-shore.

Mr. Arturo Hines, thanked Vice President A. K. Azad and the members present for giving the

opportunity to discuss with them about furtherance of bilateral trade relations with USA. He assured of continuing their efforts in attracting more US investment and increasing trade with Bangladesh.



ICC Bangladesh Vice President A. K. Azad having meeting with Mr. Arturo Hines, Political Unit Chief; Mr. Joseph Giblin, Economic Unit Chief of US Embassy which was also attended by ICCB Executive Board Members Abdul Hai Sarkar and Aftab ul Islam; ICCB Banking Commission Chairman Muhammad A. (Rumee) Ali; Tanvir Ahmed, Managing Director, Green Textiles; K.A.M. Majedur Rahman, CEO, A.K. Khan & Company and ICCB Secretary General Ataur Rahman.

ICC Bangladesh Executive Board Meeting held

The 91st Meeting of the Executive Board of ICC Bangladesh was held on Sunday, 21 May at ICC Bangladesh Secretariat. The Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by Vice President A. K. Azad and the following Board Members : Afatb ul Islam, Faruque Hassan, Md. Fazlul Hoque, Md. Jashim Uddin, Md. Sameer Sattar, Mir Nasir Hossain, Naser Ezaz Bijoy, Simeen Rahman and Secretary General Ataur Rahman. Immediate Past President

of DCCI Rizwan-ur-Rahman also attended as special guest. The other members could not attend due to prior engagements.

The Executive Board was informed about the activities of the National Secretariat during March-May period of 2023, including First Meeting of ICC Bangladesh Commission on Arbitration and ADR, ICC Bangladesh Banking Commission Meeting, organizing a webinar jointly with ICC Court of Arbitration

on 21 March on the occasion of celebrating the ICC Court Centenary 2023, organizing ICC Bangladesh-ADB Workshop for Women Entrepreneurs: How to Best Engage in International Trade in Dhaka, Meeting of the ICC Bangladesh Banking Commission Members with Asian Development Bank officials from Manila and ICC Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance which was held in Chattogram.

ICC Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance

ICC Bangladesh organized a day-long Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance in Chattogram on 20 May. ICC Bangladesh Secretary General Ataur

Rahman in his opening remarks briefed the participants about various activities of the National Committee including upcoming events.

Mr. Rahman said that Bangladesh has made a strong economic recovery

from the COVID-19 pandemic. During FY22, the RMG export was \$42.62 billion, which is about 82 per cent of the total export of \$52.08 billion. The Bangladesh Garment Manufacturers and Exporters



Group picture of participants at Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance held in Chattogram on 20 May with ICCB Secretary General Aatur Rahman and Workshop Resource Person & SEVP of Islami Bank Bangladesh Mahmudur Rahman.

Association (BGMEA) is targeting to export US\$100 billion worth of garment items from the country by 2030 as the local apparel suppliers are diversifying the products and markets. Bangladesh is going to lose a number of benefits when it becomes a developing country in 2026. Therefore, RMG exporters, in

order to face the challenges, need to pay more attention to reduce management expenses, operational costs and increase efficiency. ICC Bangladesh Secretary General said that the day-long workshop has been designed to discuss on the back-to-back letters of credit operations, the challenges of export financing and

how to minimize costs to be more competitive.

Mr. Mahmudur Rahman, SEVP of Islami Bank Bangladesh Ltd. was the Resource Person. A total of 78 participants from 25 Banks, 2 from KAFCO and 9 officials of clients of Eastern Bank and Prime Bank attended the workshop.

Standard Chartered received 3 awards at The Asset Triple A Digital Awards 2023

Standard Chartered has been recognized for having Bangladesh's "Best Mobile Banking Application" and as being the nation's "Digital Bank of the Year" at The Asset Triple A Digital Awards 2023. In addition to these accolades, the Bank also won the "Best Digital Upgrade" category award. In recent months, Standard Chartered has completed the transmission of the country's first ever fully paperless and digital cross-border Letter of Credit (LC) along with the first ever automated over-the-weekend loan disbursement. These significant steps forward have helped clients to enjoy greater transparency, convenience, and efficiency.

In addition to these milestones, the bank has also played an active role in making it possible for businesses across Bangladesh to streamline their

operations by designing automated cash management solutions. The bank's SC Mobile Application and iBanking platform received the



award for "Best Mobile Banking Application." The online portals are easy to access and house a wide range of features.

The bank's innovative and secure Digital Trade Counter (DTC) was

recognised as the "Best Digital Upgrade." The offering enables clients to manage, track, and stay up to date on all matters pertaining to the trade application process. The DTC is designed to suit the needs of individuals living in a post-pandemic world.

Speaking on the occasion, Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, said, "Innovation in the digital space enables us to bring newer and more elevated experiences to our clients and customers. The Bank's SC Mobile Application, iBanking platform, and Digital Trade Counter make banking faster, safer and more efficient. These paperless digital solutions are available round-the-clock – making the finance space more sustainable and accessible."

New Edition of International Standard Banking Practice (ISBP) 2023



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Since its initial publication in 2002 (Publication 645), International Standard Banking Practice (ISBP) has become an invaluable aid to trade finance professionals when creating documents for presentation under, or for the examination of documents presented under, a documentary credit.

New Edition

The 2023 edition of ISBP covers, practices identified from Opinions approved by ICC national committees since 2013, and clarifies amongst others:

- Terminology
- Preliminary conditions
- Signatures and signs
- Multimodal transport document
- Insurance documents

International Standard Banking Practice — 2023 edition is the most up to date guide for the examination of documents under documentary credits reflecting practices agreed by ICC national committees. It also serves as an aid to a beneficiary of a documentary credit in its creation and presentation of documents to a nominated bank or issuing bank. The publication should always be read in conjunction with UCP 600.

Authors:

- Gary Collyer, Collyer Consulting
- Manuel José Gao Sánchez, Banco Santander
- Mohammad Imam, Jordan Islamic Bank
- Birgit Karpp, LBBW
- A. T. M. Nesarul Hoque, Mutual Trust Bank
- Glenn Ransier, Wells Fargo
- Kim Sindberg, Nordea

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ICC HQs News

ICC elects five new members to the Executive Board

ICC has announced the election of five new members to its 27-member Executive Board: Arancha Gonzalez (Spain), Dean of the Paris School of International Affairs at Science Po Paris, Patricia Nzolantima (Republic Democratic of Congo), Founder and Chair of Bizzoly Holdings, Rifat Hisarcıklıoğlu, President of TOBB (Türkiye), Chair of ICC Türkiye, Omolara Ololade Akanji (Nigeria), Former Director General Trade and Exchange at Central Bank of Nigeria, and Independent Director on the Board of Sterling Bank Plc and Interswitch, and Cameron McKenzie (Puerto Rico), President of the Puerto Rico Chamber of Commerce.

The leaders were formally elected

during the annual meeting of the ICC World Council on 20 June 2023. Each will serve a three-year term effective 20 June 2023.

The recent additions to ICC Executive Board bring further diversity with 48% women representation on the Board, a first for the organisation, surpassing its target of at least 40%. The new Executive Board also scores high on regional diversity with five members from Africa, five from the B-MENA region, eight from Europe, five from Asia and four from the Americas.

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

financial affairs of ICC. It is vested with all the necessary powers to fulfill these objectives.

During the World Council meeting Shinta Kamdani, CEO of Sintesa Group (Indonesia), Sheikh Khalifa bin Jassim bin Mohammed Al-Thani, Chairman ICC Qatar (Qatar), Valentina Mintah, CEO, West Blue Consulting (Ghana), Dario Gallina, President, Torino Chamber of Commerce (Italy) were all also elected to serve on the ICC Executive Board for a second term.

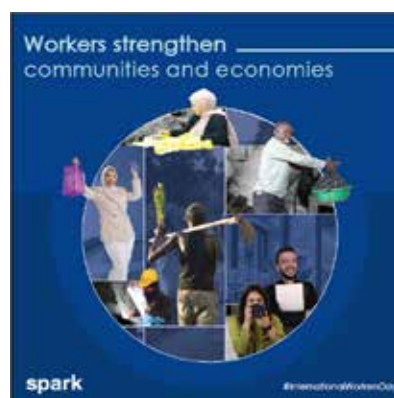
Outgoing Board members Sebastian Escarrer, Chair ICC Spain, and Patrick Obath, Chair ICC Kenya, have both completed their mandates as ICC Executive Board members.

ICC and DHL join forces to support Ukrainian SMEs

ICC's Centre of Entrepreneurship in Ukraine has announced a partnership with DHL to enhance the cross-border trade potential of Ukrainian small- and medium-sized enterprises. The CoE Ukraine will implement the DHLgoTrade programme in Ukraine to provide capacity-building for SMEs in the region and build resilience of Ukrainian businesses.

Launching under the Ukraine CoE's cross-border trade stream, the

programme is in line with objectives set out in ICC's five-point plan to support Ukraine's private sector and



build resilience through trade and supply chain inclusion.

Comprising 13 modules, the training aims to raise awareness of modern terms and conditions in international trade and shipments, customs and compliance, e-commerce, and to improve business skills needed to boost Ukrainian SME exports. In its first phase, the programme will train up to 100 SMEs as well as representatives from regional chambers of commerce.

13th World Chambers Congress key takeaways

The key takeaways from the 13th edition of the World Chambers Congress that took place in Geneva from June 21-23 under the theme "Achieving peace and prosperity through multilateralism".

The transition to a more sustainable future is a collective responsibility that will require companies to put their supply chains under greater scrutiny and think creatively to attract the right skills. Under the theme of Future-

proofing sustainability, the third and final day of the 13th World Chambers Congress in Geneva explored the risks and opportunities facing businesses as they look to secure a sustainable and prosperous future for all.

“Ultimately, what’s the overarching objective we have here? It’s being able to conduct business in a responsible way where we have the licence to operate, not from a legal point of view but from a stakeholder point of view,” said Yannick Hausmann, Non-Executive Chairman of HSBC Private Bank (Suisse) SA and incoming chair of ICC Switzerland, during the day’s opening remarks.

Responsibility and reputation

With environmental crimes increasingly in the spotlight, the opening session highlighted the reputational risks facing companies if they fail to put in place the proper checks and balances in their supply chain.

Environmental crimes — ranging from illegal trade of endangered wildlife and logging of timber to fishing and extraction and trade of minerals — are the third most lucrative criminal activity after drug trafficking and counterfeiting goods, said Maria Kotsovou-Dullin, a project administrator in the Environmental Security Programme, International Criminal Police Organization (INTERPOL), during the day’s opening session.

The complex supply chains used by international companies are increasingly being exploited by malignant actors, meaning organisations need to be increasingly vigilant about the provenance of goods. “Do not think that intention is required to prove liability. We see more and more cases where negligence is prosecuted,” said Ms Kotsovou-Dullin.

A host of innovative tools are now available for companies to implement proper due diligence processes. While this will undoubtedly incur costs, the reputational damage will be far greater if companies don’t

comply. “Please think that in the end it’s the global sustainability and your company’s security that will pay back,” she said.

An engine of shared future growth

Making the supply chain more responsible not only protects against risks, but also represents a huge opportunity to drive prosperity for more people on the planet.



“If you want sustainable peace, you have to cultivate social justice,” said Gilbert Houngbo, Director General of the International Labour Organization (ILO), during the session on Understanding supply chain responsibility. “The supply chain is there to increase growth and help get people out of poverty.”

A concrete example of how companies can create value for all stakeholders, and not just their shareholders, came from Giuseppe Lavazza, Chairman of coffee company Lavazza, which created a foundation in 2004 with the purpose of helping to improve the livelihoods of coffee growers.

Lavazza now runs 53 projects involving 180,000 coffee growers in 21 countries. The objective is to improve farmers’ position in the value chain and tackle topics that are increasingly relevant for sustainable development, such as gender equality and inclusion.

Touching on the theme of multilateralism from day one, Jérôme Bellion-Jourdan, Deputy Secretary-

General International Organisation of Employers (IOE), said that states and business needed to work hand in hand to guarantee human rights in the supply chain.

He pointed to the EU’s Corporate Sustainability Due Diligence Directive that will require companies to conduct due diligence on, and take responsibility for, human rights abuses and environmental harm throughout their value chain. At the same time, governments must provide support to small- and medium-sized enterprises as they navigate this new legislation so that it doesn’t inadvertently put a stranglehold on growth, he said.

Patrick Odier, Chairman of Building Bridges, highlighted the role played by the finance sector to irrigate the future economy at a time when the world is undergoing “a transformation that is as deep as the industrial revolution and as fast as the digital revolution.”

“I think there’s never been a better period to redeploy capital, and you can do it a way that will probably solve some of the problems that the planet has. The environmental ones, of course, but also problems in social cohesion, something that is necessary to make sure that the economic model develops in a harmonious way,” he said.

For example, the finance sector can help re-think what needs to be done to de-risk investment in certain countries and incentivize investment in certain areas, such as to regenerate land usage or provide better access to credit.

Trust and transparency

Key challenges hampering the ability of companies to have better oversight

of their supply chains are lack of transparency and the multiplicity of actors involved. This presents an opportunity for blockchain technology to create a traceable digital ledger that can measure sustainable impact from the first mile to the end product, said Susanne Emonet, CEO of Farmer Connect.

“When I drink my cup of coffee, I can tell you whether I am okay with the quality or not, but I cannot tell you automatically if this comes from a deforestation zone or an area in which child labour has been involved,” she said.

To achieve true transparency and traceability over supply chains, trustworthy data will be critical. “We need to make sure that there are the right certifications, the right checkpoints, independent data points, especially on deforestation, which we track with satellite data,” said Ms Emonet.

While new technology like AI represents a huge opportunity here, panellists concluded that people will play a pivotal role in driving the implementation of ethical supply chains, be that through exerting pressure on politicians and companies or voting as consumers with their wallets.

Re-imagine how you define talent

The session Getting and keeping the right people examined how finding and nurturing talent is key to company growth and competitiveness. Future employees are no longer just after a competitive salary but are searching for greater flexibility and purpose in the work.

They will scrutinise potential employers to see if their values match their own.

Against the backdrop of aging populations and rapid change in the skills needed for the future of work, companies need to re-imagine how they define talent, said Sophie White, Partner at law firm Evershed Sutherland. This involves looking beyond traditional qualifications.

“What are the wider skills of these individuals? And what can we do to upskill and cross-skill them into different professions? I think if you look narrowly, it’s a very small pool of talent, but if you start thinking much wider, if you look in different places and invest in people, you’ll get the skills you need,” she said.

Carole Hubscher, President of the Board, Caran d’Ache, highlighted how the maker of art materials and writing instruments has integrated people with disabilities into their workforce for the past 15 years, adding that this had a positive impact on the entire workforce by giving others a sense of purpose.

Refugees are another huge source of untapped talent, said Kelly Clements, Deputy High Commissioner at the Office of the United Nations High Commissioner for Refugees (UNHCR). Excluding Sudan, there are some 108 million forcibly displaced people worldwide, of which 35 million have left their home countries.

Too often, however, refugees find themselves unable to work and support themselves because of restrictive laws. Ms Clements called

on business to advocate for a change in policy to facilitate and better integrate refugees into the workforce, as was seen last year with Ukraine, when the European Union made it possible for those fleeing the war to work.

Changing the narrative around the contributions that refugees can bring to the workforce is also essential. Ms Clements highlighted the case of Brazil that have put a seal of approval for inclusion on businesses that actively welcome refugees. IKEA also has a long-standing partnership with UNHCR to hire refugees.

“We have to think very differently about how we, as businesses, can support the talent that is out there and really just waiting to be untapped,” said Ms Clements.

In the concluding keynote session of the Congress Michel Barnier, former European Union Chief Negotiator lamented the slow and gradual decline of multilateralism saying “When we witness the amount of crises we have faced in only 15 years – financial crisis migration, Brexit, the Covid pandemic, war in Ukraine – when we witness ravages of terrorism and conflict in Africa provoking inexorable migration, when we imagine the cost of potential confrontation in Asia, especially over fundamental technologies and raw materials ... we can only advocate for multilateralism in the framework of international organisations. We must act together with no naivety, just respect. It is simply in our common interest.”

IMB records lowest level of Q1 piracy since 1993 in 2023 report

The ICC International Maritime Bureau (IMB) has recorded the

lowest level of reported global piracy and armed robbery incidents since

1993, but calls for continued vigilance and naval response in its first quarter

piracy and armed robbery report for 2023, released on 13 April.

The report reveals 27 incidents were reported in the first quarter of the year, representing a marked decline from 37 incidents for the same period in 2022. Of the 27 incidents, perpetrators boarded the victims' vessels in all but two cases, recorded as attempted incidents. Despite the encouraging drop in numbers, the threat of violence remains – six crew kidnapped, two taken hostage, two threatened and one assaulted.

Gulf of Guinea

Pirate and armed robbery activity continues to decrease in the Gulf of Guinea, an area which had become a relative hotbed for this crime in recent history. Just five incidents were reported in Q1 2023 compared to eight in 2022 and 16 in 2021.

Despite these improvements, the IMB Piracy Reporting Centre is

calling for coastal response agencies and international navies to maintain efforts in the region. On 25 March, a product tanker was boarded 140nm WSW of Pointe Noire, The Congo. The vessel effectively lost all communications for nearly seven days and when located by a French naval asset, six crew were reported as kidnapped. This highlights the continued need for vigilance and swift naval responses when incidents are reported.

Singapore Straits

Almost 30% of Q1 2023 incidents occurred in the Singapore Straits, with eight recorded cases – a decrease from the 15 incidents reported in Q1 2022. While incidents in this region tend to be cases of petty theft,

the threat of violence remains a worrisome possibility, with knives sighted and reported in two of the incidents.



South America

About 33% of global incidents occurred in South America, with Callao anchorage, Peru remaining an area of particular concern. Five reported incidents occurred there in Q1 2023, a number which has remained steady in recent years. Crew, however, continue to be at risk with two crew taken hostage and one each assaulted and threatened.

ICC Arbitration Rules selected for biggest educational arbitration moot

The ICC Arbitration Rules have been named as the official rules to be used to resolve mock international commercial disputes during the 31st Willem C. Vis International Commercial Arbitration Moot. Živa Filipič, Acting Deputy Secretary General of the ICC Court, made the announcement during the 2023 edition of the moot which concluded in Vienna on 6 April.

The arbitral rules applied for each edition of the Vis Moot rotate yearly among the arbitration rules of co-sponsoring institutions of the Moot. In recognition of the ICC Court Centenary, the ICC Rules of Arbitration will be used by over 300 competing teams taking part in the next moot starting in the Fall of 2023.

Ms Filipič, who also participated in the semi-finals of this year's moot in the role of arbitrator, said:



ICC is committed to building capacity of the next generation of arbitration professionals in line with pledges set out in the ICC Declaration on Dispute Prevention and Resolution, to lead the future of dispute resolution and maximise the potential of all. As such, we are

delighted that the ICC Rules of Arbitration will once again be used for the 2024 Vis Moot, of which ICC is a proud co-sponsor.

The biggest arbitration educational event of the year, the 2023 Vis Moot gathered 380 teams from across the world for oral rounds in Vienna as well as 1,200 practitioners who acted as arbitrators, including Ms Filipič and several members of the ICC Secretariat in Paris. In the lead up to this year's edition of the moot, ICC played host to the pre-moot competition in Paris and supported other pre-moots, including in New York. ICC also supported the Willem C. sister competition, the Vis East Moot which took place in Hong Kong last month.

Bangladesh Economy

Parliament approved Tk 7.61tn budget for FY24

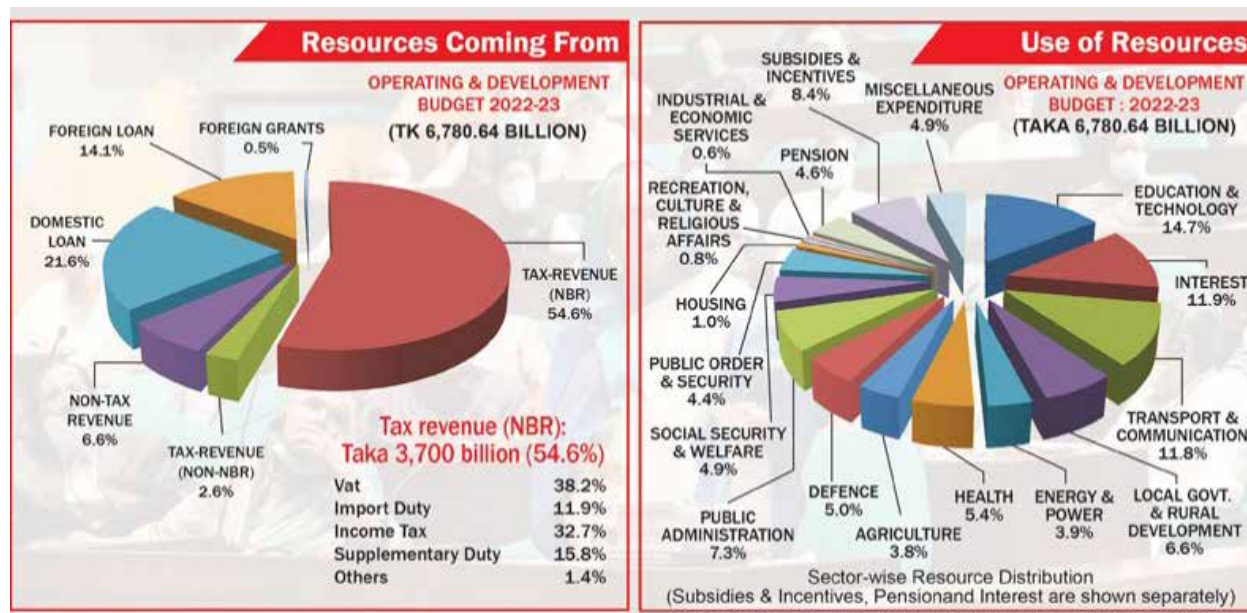
Parliament approved the Tk 7.61 trillion spending plan for fiscal 2023-on 26 June to facilitate the development of a 'Smart Bangladesh'. It comes a day after the passage of the finance bill in parliament. Finance Minister AHM Mustafa Kamal tabled the expansionary budget in parliament on Jun 1.

In the latest budget, the finance minister has set the National Board of Revenue's tax collection target at Tk 4.30 trillion, a 16 percent rise from the revised budget. Development plans once again took centre stage with an allocation of Tk

2.78 trillion, a 15 percent jump from the revised budget for FY23. Of this amount, Tk 2.63 trillion will go to the Annual Development Programme. The budget also runs a record fiscal deficit of Tk 2.61 trillion, or 5.2 percent of total GDP.

The budget set out an ambitious growth target of 7.5 percent for FY24. Though the government had set the same target for FY23, its most recent estimate suggests that GDP growth for this period will only hit 6.03 per cent. The government also set an optimistic inflation target of 6 percent for FY24. However,

consumer prices have hovered at 9 percent inflation for 10 months of the outgoing fiscal year. Regarding taming Inflation, Finance Minister said: "Due to the decrease in the prices of fuel, food, and fertilizer in the global market, along with the adjustment of fuel prices in the domestic market and government initiatives to keep the food and supply systems normal, inflation will remain much controlled in the next fiscal year and annual average inflation is expected to stand at around 6%."



UN unanimously adopts Bangladesh's Culture of Peace resolution

The United Nations General Assembly has unanimously adopted Bangladesh's flagship resolution on the 'Culture of Peace'. The Permanent Representative of Bangladesh to the UN in New York, Ambassador Muhammad Abdul Muhith, introduced the resolution at the UNGA on Wednesday, according to UNB.



While introducing the resolution, Ambassador Muhith highlighted the continued relevance of the culture of peace in today's world, characterised by complex challenges and boundless opportunities. "Indeed, it is more urgent today than ever to promote a culture of peace; to prioritize dialogue and rapprochement over violence and confrontation," said

Ambassador Muhith The resolution was first adopted on September 13, 1999, during the first tenure of Prime Minister Sheikh Hasina. Since then, Bangladesh has been facilitating this resolution at the assembly every year and also convening a high-level forum on the culture of peace in the General Assembly. The last High-Level Forum, which was held on September 6, 2022, focused on the transformative role of culture of peace to ensure justice, equality, and inclusion for advancing peace-building.

This year, the resolution centred on collective efforts to address global risks and challenges with the United Nations playing a central role. It underscored

the importance of strengthening preventive diplomacy, dialogue, and healthy debates at all levels.

While reaffirming the invaluable role of women in conflict prevention and resolution, it called for fully equal and meaningful participation of women in such processes. Among others, the resolution stressed the need to address the underlying drivers of violence and conflict and also to promote a culture of peace in the context of ongoing digital transformation.

Bangladesh's Permanent Representative stated that the resolution of the Culture of Peace has, over time, grown in relevance

and evolved into a dominant theme, finding larger footprints and recognition in all major UN discourses. "In the rapidly changing global situation, it has proved to be a useful means to complement UN Charter obligations of maintaining peace in the world," he added.

This year's resolution has been cosponsored by more than 100 countries, showcasing a broad-based endorsement from a diverse representation of UN member states. Bangladesh's continued facilitation of this resolution each year stands as a testament to the international community's profound confidence in Bangladesh as a steadfast advocate for global peace.

Unexploited potential for Bangladesh in South Asia

The World Bank has launched a \$1.03 billion inter-country connectivity project in the South Asia region that will lead to an increase in national income by over 16 percent in Bangladesh. At present, Bangladesh and Nepal are the participants of the flagship regional programme titled Accelerating Transport and Trade Connectivity in Eastern South Asia (ACCESS).

Of the \$1.03 billion allocated for the programme, Bangladesh will get \$753.45 million and Nepal \$275 million. The project was launched on 14 June in Bangladesh, two days

after it was unveiled in Nepal. "This project is part of a flagship regional programme aimed at increasing the efficiency and resilience of transport and trade -- not just in Bangladesh -- but across the eastern South Asia region," said Guangzhe Chen, the WB's vice-president for infrastructure, at the event.

In the second phase of the programme, the WB will give \$100 million to Bhutan. The lender is in discussions with India to get the largest country in the region on board. Trade and regional transport connectivity in South Asia is critical, especially for Bangladesh. The forthcoming graduation from least-developed country status is a testament to its development success, Chen said, adding that LDC graduation will help it attract investment and spur economic activity.

However, it will also bring challenges caused by the phasing-out of preferential market access, which could lead to an annual reduction in exports by as much as 11 percent.

Bangladesh will therefore need to find new drivers of exports and growth. The intra-regional trade could offer a new, and largely unexploited avenue for growth.

In South Asia, regional trade is about 5 percent of total trade. This compares poorly with East Asia, where intra-regional trade accounts for 50 percent of total trade. Each country in the region has unexploited potential for regional trade; for Bangladesh, the unexploited potential is estimated at 93 percent. This low level of intra-regional trade reflects the high cost of connectivity.

Bangladesh and other countries in the region trade on better terms with distant economies than with their neighbours. For example, the WB's Connecting to Thrive, Report found that it is less expensive for a company in Bangladesh to trade with a company in Germany than with a company next door in India. Enhanced trade and transport connectivity can bestow significant gains for Bangladesh.



Estimates by the WB suggest that Bangladesh's exports to India could increase by 182 percent from the current levels if the countries implement a free trade agreement. Improving transport connectivity between the two countries could increase exports even further, yielding a 297 percent increase in Bangladesh's exports to India. "The economic benefits from removing all border frictions on the movement of trucks between countries would be vast," Chen said.

The WB estimates that full transport integration between Bangladesh and India, where exports and imports would be cleared at the destination, could lead to an increase in national income by over 16 percent in Bangladesh, contributing to job creation and poverty reduction, he added. The \$753.45 million given to Bangladesh will go towards projects to be implemented by the Bangladesh Land Port Authority, the National Board of Revenue and the Road and Highways Department for completion by 2029.

One of the components involves upgrading the 43-kilometre two-lane Sylhet-Charkai-Sheola road to a climate-resilient four-lane road, connecting the Sheola land port with the Dhaka-Sylhet Highway and in so doing, cutting down the travel time by 30 percent. The programme will support digital systems, infrastructure and more streamlined processes at Benapole, Bhomra, and Burimari land ports, the three largest land ports in

Bangladesh handling approximately 80 percent of land-based trade. There is little communication (electronic or otherwise) between the customs and the Bangladesh Land Port Authority on what goods are present at any given time at the land ports.

Arriving goods for import are normally discharged from trucks and unless they are perishable, are stored in warehouses under the jurisdiction of the BLPA before customs clearance begins. This has created a system of "border men" that collect documents from truck drivers on the Indian side of the border before arrival and "proxy" customs and freight (C&F) agents standing in line to ensure that the slot is kept while the C&F agents interact with the NBR or other government agencies elsewhere.

Such human facilitation highlights the need for improved processes, which the project will address. The project will support the development and improvement of IT-enabled services for trade, to reduce touch points and human interaction, enhance transparency and reduce congestion and truck idling, resulting in faster border clearance time and greater cargo throughput. Electronic tracking of truck entry and exit, electronic queuing and smart parking would be installed.

It will also support the modernisation of the Chattogram customs house, which handles 90 percent of all import/export declarations in Bangladesh and services more than 45,700 unique traders per year. The

rapidly growing trade volumes have overburdened the Custom House, Chattogram, which was initially constructed in 1920.

Subsequently, the project will entail constructing a state-of-the-art green-building certified, resilient Custom House Chattogram with enhanced capacity to process rapidly growing trade volumes with required infrastructure, collaborative laboratory and other facilities including facilities for women.

It will also support the country's implementation of the World Trade Organisation's Trade Facilitation Agreement and Customs Modernisation Strategic Action Plan and preparation for the Motor Vehicles Agreement (MVA) implementation.

The MVA was signed on June 15, 2015 by the transport ministers of Bangladesh, Bhutan, India and Nepal. The agreement will permit the member states to ply their vehicles in each other's territory for transportation of cargo and passengers, including third-country transport and personal vehicles. But due to the lack of necessary infrastructure, MVA is yet to take off.

The loan agreement was signed in May during Prime Minister Sheikh Hasina's visit to the WB headquarters in Washington DC to celebrate 50 years of partnership between Bangladesh and the WB.

GDP growth not over 5.3% in FY23 : WB, ADB

Asian Development Bank (ADB), its latest report released on 4 April downgraded the growth projection of 6.6 percent made in September last year to 5.3 percent, while the World Bank maintained its

downgraded growth projection of 5.2 percent made in January. Should the Bangladesh economy grow at 6.5 percent this fiscal year as per the government's projection, it would be defying the forecasts of multilateral

lenders like the World Bank and the Asian Development Bank.

The ADB's slower growth forecast reflects subdued domestic demand in an inflationary environment,

lower investment caused by austerity measures and weaker export expansion due to slow global growth following the Russian invasion of Ukraine. The World Bank cited the elevated inflation, tighter financial conditions, disruptive import restrictions and modest export growth for the lower growth forecast. Inflation, it appears, is the bane of the Bangladesh economy.

In the first nine months, inflation averaged 8.81 percent, way above the budgetary target of 5.6 percent, according to data from the Bangladesh Bureau of Statistics. In March, inflation stood at 9.33 percent, the highest in seven months. And yet, Bangladesh would register the third-highest GDP growth in South Asia, the WB said in the latest edition of 'South Asia Economic Focus, Expanding Opportunities: Toward Inclusive Growth'.

The WB projects regional growth to be an average of 5.6 percent in 2023, a slight downward revision from the October 2022 forecast. All countries in the region except Bhutan have downgraded their forecasts. In India, South Asia's largest economy, growth would be 6.3 percent, while Pakistan's GDP growth is projected to drop to 0.4 percent this year. In Sri Lanka, GDP is expected to contract by 4.3 percent this year. The Maldives would grow at 6.6 percent and Nepal at 4.1 percent.

"The situation in Bangladesh is not similar to Pakistan and Sri Lanka in that there is no imminent crisis, especially not after an agreement was reached with the IMF," said Hans Timmer, the WB's chief economist for South Asia, at a virtual press conference on 4 April.

But there are challenges that need to be addressed. "The challenges are very much concentrated on the balance of payments and the financial sector," he said, while calling for reducing the distortions

in the economy and putting the fiscal situation on a sustainable path. A widening BoP deficit from the second half of fiscal 2021-22 led to a sharp decline in foreign exchange reserves, said the WB's Bangladesh Development Update.

The declining reserves were further exacerbated by a multiple exchange rate regime that has disincentivised export and remittance inflows. The BoP deficit surged in the first half of the fiscal year, but resilient export growth and slowing imports narrowed the current account deficit, the WB said. "Downside risks to the outlook are rising and external risks remain elevated."

A further rise in commodity prices could increase imports and worsening global economic



conditions would limit export growth. "Continued import controls and energy rationing would disrupt industrial production. Unresolved financial sector vulnerabilities may disrupt financial sector intermediation," it added.

Bangladesh's post-pandemic recovery has been disrupted by elevated commodity prices, rising interest rates and slowing global growth, said Abdoulaye Seck, the WB's country director for Bangladesh and Bhutan, at the event to unveil the report. "The dollar became dearer, commodity prices rose, but peoples' wages did not rise in every sector at the same pace. So, real wages declined and people's purchasing power dropped."

He went on to call for three policy reforms: removal of the lending rate

cap, international standard legislation for banks and market-determined exchange rate. Bangladesh must also reform its trade policy by removing trade barriers, he added.

The latest edition of ADB's Asian Development Outlook, also released on 4 April, made similar observations. Inflation is forecast to accelerate from 6.2 percent last fiscal year to 8.7 percent as price pressures increase due to the upward adjustment of domestic-administered prices for fuel oil, gas, and electricity, and higher global commodity prices.

The current account deficit is anticipated to narrow from 4.1 percent of GDP in fiscal 2021-22 to 1.6 percent of GDP as imports loosen and remittances grow. "The main risk to this growth projection is a greater economic slowdown in Bangladesh's major export destinations driven by global uncertainty over the prolonged political tensions."

The Asian Development Outlook April 2023 states that private investment growth will be lower because of energy shortages and higher production costs. With a shortfall in revenue collection, austerity measures, and depleting foreign exchange reserves, public investment growth will also be slower.

"The ongoing geopolitical crisis is an opportunity to increase economic resilience of Bangladesh by carrying out key reforms," said ADB Country Director Edimon Ginting at the launch of the report. Expected graduation from least-developed country status in 2026 and aspiration to become an upper middle-income country by 2031 and a high income-country by 2041 have also created an urgent need for carrying out key reforms, he added.

Source : The Daily Star

Bangladesh's GDP to grow at 5.5% this year, 6.5% next year: IMF



The International Monetary Fund has kept Bangladesh's gross domestic product growth forecast for the current fiscal year (FY23) unchanged at 5.5%, lower than the government's

target of 6.5%. Yet, Bangladesh is expected to remain one of the fastest-growing economies globally, with only seven countries projected to grow at a higher rate, the global lender says in its latest outlook. Earlier in January this year, the IMF set Bangladesh's growth forecast at 5.5%.

The IMF's projection is slightly higher than that of the World Bank and the Asian Development Bank, which predicted 5.2% and 5.3% growth

respectively for Bangladesh in the current fiscal. In the latest version of its World Economic Outlook released on 11 April, the IMF said Bangladesh's GDP will grow at 6.5% in the next fiscal (FY24).

The Washington-based lending agency forecasts inflation may stand at 8.6% for the current fiscal year, down from its January projection at 8.9%. It expects Bangladesh's inflation to cool down to 6.5% next fiscal year.

Bhola's Ilisha-1 declared as 29th gas field

The Ilisha-1 well in Bhola district has been declared as the country's 29th gas field. State Minister for Power, Energy and Mineral Resources Nasrul Hamid announced this at a press conference at Baridhara in the city on 22 May. The new gas field is expected to have about 200 billion cubic feet of gas reserves. Total gas production capacity is expected to reach 20 to 22 million cubic feet per day, and gas will be collected for 26-20 years, said Nasrul Hamid.



The market value of gas stored in Ilisha-1 is Tk 6,500 crore, and if we consider the price of imported LNG, then the price will be Tk 28,000 crore, he said. On April 28, the Bangladesh Petroleum Exploration

and Production Company Limited (Bapex) started experimental gas exploration from the ninth well of the Ilisha-1 gas field in Bhola.

The exploration was officially inaugurated under the management of Gazprom, a Russian majority state-owned multinational energy corporation. Basically, the government wants to supply this gas to industrial establishments. This will bring some relief to the industrial factories of Dhaka, Gazipur and Narayanganj.

Export earnings stood at US \$55.6b in FY23

Bangladesh's merchandise export earnings in the just concluded financial year 2022-23 stood at \$55.55 billion, which fell short by 4.21 per cent from its target of \$58 billion set by the government for the financial year, according to the Export Promotion Bureau data. However, the country's export earnings in FY23 grew by 6.67 per cent or \$3.47 billion compared with those of \$52.08 billion in

FY22, the data showed. Exporters and experts said that although the country's export earnings remained in a positive territory in FY23, the earnings missed its target mainly due to a global economic slowdown caused by the Russia-Ukraine war. Amid the global economic turmoil, Bangladesh's readymade garment sector still remains competitive while the performance of non-RMG sector has been poor for long, they said.

Export earnings in June 2023 grew by 2.51 per cent to \$5.03 billion year-on-year compared with those of \$4.90 billion in the same month of 2022. The earnings in June 2023 also fell 9.61 per cent short of the government-set target of \$5.56 billion for the month. Export earnings from readymade garment in FY23 grew by 10.27 per cent to \$46.99 per cent compared with \$42.61 billion in FY22.

Earnings from woven garments export in the just concluded financial year 2022-23 increased by 9.65 per cent to \$21.25 billion compared with those of \$19.39 billion in FY22. Earnings from knitwear export in FY23 grew by 10.87 per cent to \$25.73 billion compared with those of \$23.21 billion in FY21.

Export earnings from non-RMG sectors except plastic goods witnessed a big drop in the financial year 2022-23. Export earnings from home textiles in FY23 fell by 32.47 per cent to \$1.09 billion compared with those of \$1.62 billion in FY22. Earnings from leather and leather goods export in FY23 declined by 1.74 per cent to \$1.22 billion compared with those of \$1.24 billion in FY22.

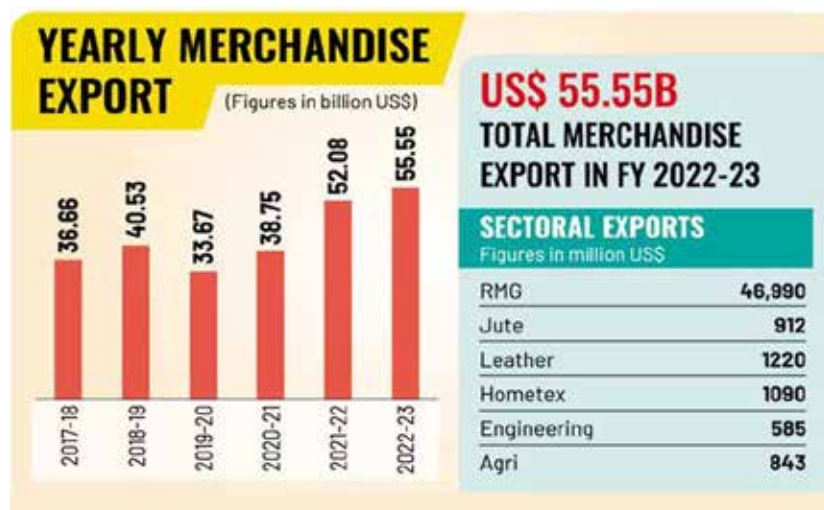
Export earnings from leather footwear in the just concluded financial year decreased by 6.93 per cent to \$703.81 million compared with those of \$756.18 million in FY22. Earnings from jute and jute

goods export in FY23 decreased by 19.1 per cent to \$912.25 million compared with those of \$1.12 billion in FY22.

Export earnings from agricultural products, including vegetables, fruits and spices, fetched \$843.03

\$422.28 million compared with that of \$532.94 million in the previous financial year.

Export earnings from shrimps in FY23 fell by 26.27 per cent to \$300.26 million compared with those of \$407.25 million in FY22. Export



million in FY23, which was 27.47 per cent lower than the earnings of \$1.16 billion in FY22. Export earnings from frozen and live fish in FY23 declined by 20.76 per cent to

earnings from plastic products in the just concluded financial year increased by 26.23 per cent to \$209.86 million compared with those of \$166.25 million in FY22.

Export to Asian Markets growing

Bangladesh's exports to Asian markets are growing steadily due to increasing demand from several major markets but the country needs to sign trade pacts and diversify products in a continent where the consumer class is fast expanding. Between July and March of the current financial year, exporters shipped \$5.26 billion worth of goods to Asian countries, an increase of 16 per cent from \$4.54 billion recorded in the previous year.

According to EPB, the shipment growth in the Asian market doubled the overall 8 per cent expansion seen in national exports in 2022-23. The share of Asian markets to the country's overall export receipts of around \$42 billion grew to 13 per

cent in the current financial year from 12 per cent a year ago.

Exports to the continent started falling in 2019-20 largely owing to the impacts of the coronavirus pandemic. The disappointing sales continued in the following year as the health crisis dragged before reversing the trend in 2021-22.

Two exporters linked the buoyancy to duty-free entry benefits, the government's 4 per cent incentive aimed at encouraging exports to markets other than Europe and North America, and the increased confidence and business relations between exporters and importers.

India has emerged as the biggest export market for Bangladesh in

Asia, followed by Japan, South Korea, China and Malaysia. The five markets accounted for four-fifths of the export receipts from Asian nations. Of the destinations, exports grew fast in South Korea, India, Malaysia and Japan in terms of value and percentage. The shipment to Korea surged 78 per cent and to India 70 per cent in the five years to 2022-23.

In Malaysia, export rose 45 per cent since 2018-19 while the extent of growth was 35 per cent in Japan. The only exception is China where earnings registered a 26 per cent plunge.

Bangladesh fetched 11 per cent higher export receipts of \$1.69

billion from India in July-March. It was \$1.53 billion in the same period a year ago. Of the sum, earnings from apparel shipment were \$830 million, up 58 per cent year-on-year, according to BGMEA. The rest of the earnings came from the sales of non-garment items.

Japan, the second-biggest export destination for Bangladesh, bought \$1.45 billion worth of products

from the country in the first three quarters of FY23, an increase of 40 per cent from \$1.04 billion a year ago. According to the entrepreneur, the shipment to China has fallen largely because of the lockdowns the world's second-largest economy had maintained for a longer period to contain Covid-19.

Besides, a number of Bangladesh's competitors are part of regional

trade agreements such as the ASEAN and the Regional Comprehensive Economic Partnership, and they get duty benefits while shipping goods to the region. The duty issue will receive more attention in the coming years as Bangladesh is expected to lose preferential access to advanced markets after its graduation from the group of least-developed countries in 2026.

Bangladesh 12 notches up in World Bank's Logistics Performance Index

Bangladesh has climbed 12 notches in the World Bank's Logistics Performance Index 2023 to competent and high-quality logistics services, timely shipments, and effective customs and border

for years been dominant players across international supply chain networks. Singapore and Finland are in the lead with scores of 4.3 and 4.2, respectively. Denmark, Germany, the Netherlands, and Switzerland scored 4.1 to rank third jointly.

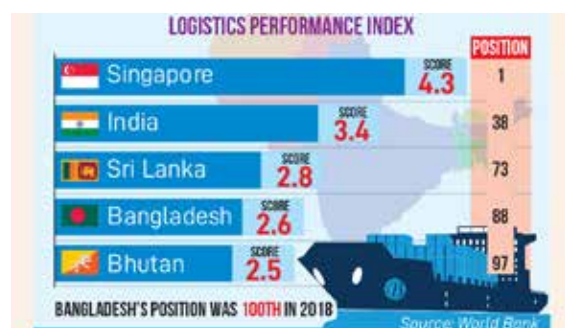
The survey-based LPI provides country-wide assessments of six aspects of logistics performance: trade- and transport-related infrastructure, customs and border

quality", "Timeliness", and "Customs" components. According to the report, Bangladesh's rank moved up 21 places in the "Logistics competence and quality" component to rank 81st in 2023 from 102nd in 2018.

With a jump of 20 places, Bangladesh ranked 87th in "Timeliness" this year from its previous position of 107th in 2018. This component measures the frequency with which shipments reach consignees within the scheduled or expected delivery time. The country climbed 20 notches in the Customs category, which measures the efficiency of customs and border management clearance, to rank 101st in 2023 from 121st in 2018.

In "International Shipments", Bangladesh witnessed a 13-place jump in rankings, from 104th in 2018 to 91st in 2023. This component measures the ease of arranging competitively priced international shipments. Meanwhile, Bangladesh slipped 26 notches in "Tracking and Tracing" – which measures the ability to track and trace consignments – to rank 105th this year from 79th in 2018.

The country also moved down eight spots in "Infrastructure" – which measures the quality of trade



management. According to the seventh edition of the "Connecting to Compete" report released on 21 April, the country's rank has improved to 88th out of 139 countries, from 100th in 2018.

The country was 87th among 160 economies in 2016 and 108th in 2014. With a score of 2.6 on a 5-point scale, Bangladesh came in third among the five South Asian economies assessed in the 2023 index, behind India (38th) and Sri Lanka (73rd). Afghanistan placed at the bottom of the index, while Bhutan ranked 97th. Both Mongla and Chattogram ports showed improvement in operations.

Top performers

The top 12 scorers are high-income economies, and most of them have

management, logistics service quality, timeliness of shipments, ability to track and trace, and the availability of competitively priced international shipments.

The 2023 survey, conducted from 6 September to 5 November 2022, included 4,090 assessments of 139 countries by logistics professionals. The survey asks a given country's partners to assess how easy or difficult it is to trade in manufactured products transported in unit forms such as shipping containers.

Bangladesh's performance in the six components

Bangladesh's overall performance was backed by its better performance in "Logistics competence and

and transport infrastructure – to rank 108th in 2023 from 100th in 2018. “Logistics are the lifeblood

of international trade, and trade in turn is a powerful force for economic growth and poverty reduction,”

said Mona Haddad, Global Director for Trade, Investment, and Competitiveness at the World Bank.

Bangladesh can be the next big outsourcing destination: PwC

Bangladesh has tremendous potential to become the next big outsourcing destination banking on its demographic dividend and government initiatives aimed at attracting investments, a new study has said. In its flagship report titled “Destination Bangladesh”, PwC Bangladesh, a leading consulting firm, said Bangladesh managed to be an example of resilience in terms of economic recovery.

The economy recorded a 6.9% growth in the fiscal year 2020-21 and 7.2 % in 2021-22, despite the implications of the pandemic. “With a high proportion of university-educated youth under 25 years of age, the outsourcing opportunity is attractive for the growth of the ICT or outsourcing-tech-savvy sector,” the report said.

The PwC Bangladesh’s report also highlighted the facilities Bangladesh was providing to attract foreign companies, including setting up 100 economic zones, in both public and

private sectors. Many of those are already operational and ready for investments and exports, said the PwC. The report also underscored Bangladesh’s extensive investment in the export sector and said it had provided 100% tax exemption to IT and IT-enabled service providers up to 2024.



It further highlighted the ICT infrastructure in the country, including the plan to develop IT professionals through 35,000 Sheikh Russel Digital Labs, and 39 hi-tech IT parks. The report also touched upon the government undertaking various mega infrastructure projects, such as the Padma Bridge, metro rail and the Bangabandhu Sheikh Mujibur Rahman Tunnel under the Karnaphuli river. “Significant

progress has been made in terms of infrastructure development after the opening of the Padma Bridge,” it said.

The PwC report said the incremental growth of the economy will be beneficial for the country in terms of its global economic standing. Investment in higher education, training, and healthcare from both public and private sectors will rise as a result of the country’s graduation to a developing nation in 2026. “Besides, the sovereign rating is also expected to lower risk premiums while making investments in debt and equity-based instruments,” said the report.

It said Bangladesh has until 2027 to build the necessary infrastructure to remain competitive following the withdrawal of duty-free and quota-free market access after the country graduates from the group of least-developed countries. Planning Minister MA Mannan launched the report at an event at a city hotel.

Bangladesh announced its Indo-Pacific outlook

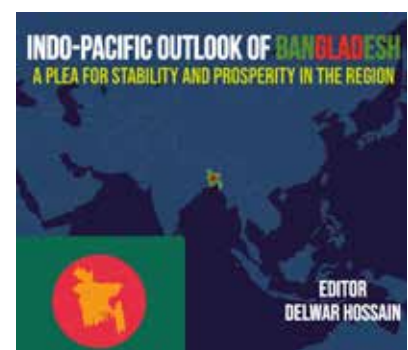
Bangladesh, on 24 April, announced an Indo-Pacific outlook ending the curiosity of a number of countries on its position over the growing geopolitics in the Indo-Pacific region. The 15-point outlook emphasised security as a prerequisite for economic prosperity and clarified that Dhaka leaning towards no side in the growing geopolitical competition between China and the United States centering the region.

Bangladesh announced its Indo-Pacific outlook that emphasised a free, open, peaceful, secure, and

inclusive Indo-Pacific for the shared prosperity for all. State minister for foreign affairs Md Shahriar Alam unveiled the final outlook in presence of foreign minister AK Abdul Momen at a press conference at the foreign ministry in Dhaka.

The US announced its Indo-Pacific Strategy (IPS) centring the Indian Ocean and the Pacific Ocean in 2017 with Japan, India and Australia joining this strategic initiative. On the other hand, Beijing sees the US Indo-Pacific strategy as a move

to counter the progress of China. Washington has been calling Dhaka to join in its Indo-Pacific strategy since 2018.



In the meantime, Japan, South Korea, Australia, ASEAN countries clarified their position on the Indo-Pacific region. European Union, UK, France, Germany and Canada announced their Indo-Pacific strategy recently.

According to foreign affairs analysts, Bangladesh announcing its Indo-Pacific outlook day before its prime minister Sheikh Hasina's visit to Japan carries a great deal of significance. Dhaka joined China's Belt and Road Initiative after signing

a memorandum of understanding (MoU) with Beijing in 2016. This time, Dhaka will give a message during Sheikh Hasina's visit to Tokyo that the country has clarified its position on the Indo-Pacific Strategy (IPS).

WB to give \$2.75b over next 5 years

The World Bank is set to provide \$2.75 billion by way of six projects over the next five years to help Bangladesh achieve greener and more resilient development and greater inclusion. Financial agreements for five of the projects took place during the celebrations of 50 years of partnership between the WB and Bangladesh at the lender's headquarters in Washington DC on May 1.

The projects are being funded by the International Development Association, the WB arm that offers concessional loans and grants to the world's poor nations. Those loans are to be repaid in 30 years with a grace period of five years. A yearly service charge of 0.75 percent and an interest rate of 1.25 percent needs to be paid on the withdrawn amount of the loans. Besides, a maximum annual commitment fee of 0.50 percent is payable on the unwithdrawn financing balance.

For one of the projects involving \$500 million, a different financing structure is being used: 65 percent of the amount is being treated as a Short-term Maturity Loan. The \$324 million has to be repaid in 12 years with a grace period of six years. No service charge and interest will be applicable on the withdrawn amount of the loan.

Of the six projects, three were approved by the WB board last year but their loan agreements were not signed. The other three were approved ahead of Prime Minister

Sheikh Hasina's visit to Washington DC for the celebrations. The loan agreement for one of the projects will be signed later.

Of the sum, \$753.45 million will be given by way of the \$1.05 billion Accelerating Transport and Trade Connectivity in Eastern South Asia (ACCESS) Programme Phase 1 project. The project, which was approved by the WB board on June 28 last year, will help improve regional trade in Bangladesh and Nepal by reducing trade and transport costs and transit time along the regional corridors.



It will upgrade the 43-kilometre two-lane Sylhet-Charkai-Sheola road to a climate-resilient four-lane road, connecting the Sheola land port with the Dhaka-Sylhet highway. This will cut down travel time by 30 percent. The project will support digital systems, infrastructure, and more streamlined processes at Benapole, Bhomra and Burimari land ports, the three largest land ports in Bangladesh handling approximately 80 percent of land-based trade.

It will also support the modernisation of the Chattogram customs house

which handles 90 percent of all import/export declarations in Bangladesh. The implementing agencies are the National Board of Revenue, the Roads and Highways Department and the Bangladesh Land Port Authority.

Another \$500 million will come through the Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) project, the first major investment project to support the Bangladesh Delta Plan 2100. The project, which was approved by the WB board on July 15 last year, will help improve disaster preparedness against inland flooding in 14 flood-prone districts benefiting over 1.25 million people. The Local Government Engineering Department of the Local Government Division is the implementing agency.

The WB will give \$250 million towards the \$483.7 million Bangladesh Environmental Sustainability and Transformation (BEST) project. The project, which was approved by the WB board on December 1 last year, will help the country strengthen environmental management and promote private sector participation in green investment.

It will support the Department of Environment to strengthen its technical and administrative capacity, help construct four vehicle inspection centres and an e-waste management facility. The Bangladesh Road Transport Authority, the

Bangladesh Bank and the Bangladesh High-Tech Park Authority are also part of the project.

Both the ACCESS and RIVER projects are expected to wrap up in June 2028 and BEST in December 2028. The \$500 million First Green and Climate Resilient Development Credit will help the country's transition to green and climate-resilient development.

The project, which was approved on April 27, will (i) enhance public planning, financing and delivery of green and climate-resilient interventions; and (ii) promote key sector reforms for greener and more efficient production and

services. The Finance Division is the main implementing agency for the programme. The amount, which will come as budget support will be released by June 30, 2024 subject to compliance with certain prior conditions, according to a press release of ERD.

The \$250 million Sustainable Microenterprise and Resilient Transformation (SMART) project will help transform the micro-enterprise sector into a more dynamic, less-polluting, resource-efficient and climate-resilient growth sector. The project, which was also approved on April 27, is scheduled for completion by December 31, 2028

by Palli Karma-Sahayak Foundation.

At the same board meeting on April 27, the WB approved \$543 million for the Programme on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience (PARTNER) project. The \$4.57 billion project will help promote diversification, food safety, entrepreneurship and climate resilience in the agri-food systems once it wraps up on December 31, 2028.

Sharifa Khan, secretary of the Economic Relations Division, and Abdoulaye Seck, the WB's country director, signed the loan agreements for all six projects save for PARTNER.

Import restriction, energy crisis weigh on Bangladesh economy: WB

Bangladesh is grappling with persistent import suppression measures and energy shortages, which have adversely affected industrial production and the service sector, said the World Bank on 7 June. The global lender made the observation in its report titled 'Global Economic Prospects' for June 2023 and pointed out some challenges to the economy of Bangladesh.

'Continued import suppression measures and energy shortages have weighed on both industrial production and the service sector in Bangladesh,' it said. Ratios of non-performing loans to total loans elevated and have recently been rising in Bangladesh and Sri Lanka, it observed. Weak corporate governance and capital buffers also increase the risk of stress in Bangladesh financial sector, it said. Despite an improvement in employment, real household earnings have not yet rebounded to pre-pandemic levels, the report said.

Recognising the urgency, Bangladesh approved a policy programme supported by the International

Monetary Fund in January, aiming to proactively address balance of payments pressures and unwind import suppression measures. The World Bank report revealed that several economies, including Bangladesh, Nepal, Pakistan, and Sri Lanka, have recently eased import restrictions due to improved external balances and alleviated exchange rate pressures.

Nevertheless, Bangladesh is among the countries where food export bans are expected to persist throughout 2023, despite falling global prices, it said. These restrictions have significantly hindered economic activity, particularly in Bangladesh's industrial production and service sector.

The World Bank report projected a potential slowdown in Bangladesh's economic growth, estimating a 5.2 per cent growth rate in FY2022-23, down from 7.1 per cent in the previous financial year. The report highlighted elevated inflation, policy uncertainty and weakening external demand as the primary factors contributing to

the decline in GDP growth.

Gains in market share in key export markets are expected to sustain export growth, offsetting the effects of weaker growth in advanced economies. The report anticipated a rebound to 6.2 per cent growth in FY 2023-24 as inflationary pressures ease, reform implementation accelerates and major transportation and energy infrastructure projects reach completion.

In Bangladesh, while the central bank raised policy rates, transmission to the broader economy has been impaired by a cap on lending interest rates. The report said that high government and external debt, low foreign exchange reserves, and socioeconomic tensions heighten the risk of financial crises in several economies in the region.

Rising interest payments on debt and the need to consolidate government expenditure following pandemic-related stimulus, may undermine efforts to support vulnerable communities and economic activity in the face of global headwinds, it said.

ADB, AIIB and Jica teamed up for US\$ 1b in budget support

About \$1 billion in budget support is from three development partners to help the government meet its deficit financing for FY24. Of the sum, \$400 million is coming from the Asian Development Bank, another \$400 million from the Asian Infrastructure Investment Bank and \$216 million from the Japan International Cooperation Agency. On 13 June, the boards of the AIIB and the ADB approved the loan.

The amounts would enter the Bangladesh Bank's vault as soon as the loans are approved by the boards as Bangladesh has been able to meet more or less all the conditions. However, the inflow would not be enough to prop up the country's net

international reserves enough to meet the \$24.46 billion floor set by the International Monetary Fund to get the second tranche of the \$4.7 billion sanctioned. All three loans' conditions are synchronised and drawn upon by the ADB, which is serving as the lead financier.



The conditions would "enable Bangladesh to enhance revenues, promote efficiency and transparency in public spending and public

procurement, deepen the reforms of state-owned enterprises and help small businesses and micro entrepreneurs to access low-interest affordable credits from the banking sector", said Aminur Rahman, principal public management economist for ADB's South Asia region.

With a strong focus on gender, climate change and digitisation, the conditions would also enable the government to strengthen its efforts to support income generation for the poor and vulnerable, Aminur Rahman said in a press release. One of the major conditions is securing parliamentary approval to amend the Income Tax Ordinance, 1984.

ADB to provide \$230m for flood rehabilitation in Bangladesh

The Asian Development Bank (ADB) will provide Bangladesh with US\$230 million in loan to help the rehabilitation and reconstruction efforts in north-eastern Bangladesh affected by devastating floods in May-June in 2022. An agreement to this effect was signed between the Asian Development Bank (ADB) and the government of Bangladesh on 17 April.



Secretary of Economic Relations Division Sharifa Khan and ADB Country Director for Bangladesh Edimon Ginting signed the agreement on behalf of their respective sides. The assistance under the Flood Reconstruction Emergency Assistance Project aims to help in

the reconstruction, improvement of resilience, and economic recovery of northeastern districts of Brahmanbaria, Habiganj, Kishoreganj, Moulvibazar, Mymensingh, Netrokona, Sherpur, Sunamganj, and Sylhet. Record rainfall in northeastern Bangladesh in May-June in 2022 caused massive flooding, especially in the low-lying Haor region, affecting 7.2 million people, it said.

"The project will address the climate change impacts by developing innovative climate-resilient infrastructure under the build-back-better principles in line with the government's national adaptation plan," the statement said. "The project will also help improve living conditions, livelihoods, and climate resilience in the flood-affected northeast region of Bangladesh by reducing flood risks in 79,233 hectares of land; improving climate-resilient irrigation infrastructure and water delivery services in at least 10,000 hectares of land; reconstructing and

rehabilitating 757 kilometers (KM) of rural roads, 34 km of rail track, 80 km of river embankment and 11,900 tube wells; and planting 100,000 trees," Mr Ginting was quoted as saying.

The project will incorporate safety features in infrastructure designs, particularly for the elderly, women, children, and people with disability. In line with the build-back-better approach, the infrastructure design will consider historical and projected climate scenarios including maximum flood depth and velocity, and temperature and rainfall, it mentioned.

The project will also support water management through alternative wetting and drying technology, direct seeded rice, and the use of solar irrigation for climate adaptation and mitigation, said the ADB statement.

An additional \$1.0 million technical assistance grant from ADB's Technical Assistance Special Fund will support implementing agencies in building

their capacities in climate adaptation and disaster risk management,

improving project implementation and monitoring, and strengthening

flood risk management and early warning system, it said.

\$400m ADB loan for Ctg-Cox's Bazar railways: Deal signed

The Asian Development Bank (ADB) will provide the government with US\$400 million as credit to build a dual-gauge railway connecting Chattogram and Cox's Bazar to promote trade, investment and tourism in Bangladesh. To this effect on 25 June Secretary of Economic Relations Division Sharifa Khan and ADB Deputy Country Director for Bangladesh signed an agreement on behalf of Bangladesh government and ADB, according to ADB Press Release.

The assistance forms the third part of \$1.5 billion ADB loans for the SASEC Chattogram-Cox's Bazar

Railway Project, it said, adding that the loan would help complete the construction of the 102 kilometers of new railway line between Chattogram and Cox's Bazar. ADB is assisting the government to shift from road to rail, which is a climate-friendly, safe, affordable, and efficient mode of transport.

"The project is a priority investment and will open up the unserved areas of Cox's Bazar region by promoting investment, trade and tourism. The project also integrates features that are friendly to the elderly, women, children, and people with disabilities," according to ADB.

The new rail link, which is expected to open in 2023, aims to transport 2.9 million passengers annually between Chattogram and Cox's Bazar by 2024. The construction of this railway section is one of several ADB railway projects to help Bangladesh meet its targets under its Eighth Five-Year Plan and Railway Master Plan.

Chattogram-Cox's Bazar Railway is part of the Trans-Asia Railway network, an initiative led by United Nations, aiming to provide seamless rail links between Asia and Europe to better connect people and markets, it mentioned.

\$3b from Korea on easy terms over next 5 years

Bangladesh is set to get \$3 billion in concessional loans from South Korea over the next five years, becoming the second largest recipient of the East Asian nation's official development aid. The loan is being given under the Economic Development Cooperation Fund (EDCF) for 2023-2027. Korea provided \$700 million under the EDCF for 2021-2025.

With the substantial increase of the concessional loan to Bangladesh, it is expected that Korea will be able to support mega projects in Bangladesh, thus contributing to the continuous socioeconomic development of Bangladesh, said Lee Jang-keun, the Korean ambassador, in a press release after the framework agreement for EDCF was signed on 4 May.

Kisun Bang, the first vice-minister for Economy and Finance of Korea, and Sharifa Khan, secretary of the Economic Relations Division, signed

the framework arrangement on the sidelines of the 56th annual meeting of the Asian Development Bank taking place in Incheon, South Korea.

The repayment period of the EDCF loans will be 40 years, including a 15-year grace period. The interest rate would range from 0.01 percent to 0.05 percent, said the press release from the Korean embassy in Dhaka. The terms appear to have become more favourable for Bangladesh at the time of putting pen to paper to the financing agreement.

In the letter of understanding signed in March, the interest rate was mentioned as 1 percent and the repayment period 30 years with a grace period of seven years. There was also a 0.4 percent management fee. So far, two transport sector projects have been selected for funding from the latest EDCF: procurement of CNG buses and modernisation of railway signalling system.

Some 340 air-conditioned buses will be procured for the state-owned Bangladesh Road Transport Corporation under the project, said its chairman Tazul Islam. The other project will modernise the signalling system at 20 stations on the Ishwardi to Parbatipur route at a cost of Tk 648.08 crore. Of the total project cost, Tk 475.78 crore is expected in project aid.



Both the development project proposals have been sent to the planning commission for approval. A Memorandum of Understanding was also signed on the cooperation for Dhaka MRT Line 4. Korea

has expressed interest to finance the feasibility study as well as the construction of the line, said Mohammad Abdur Rouf, company secretary of Dhaka Mass Transit Company Limited.

According to the arrangement, candidate projects will be identified

in the future in close consultation between the two governments. The Korean government has been providing soft loans through the EDCF for the development of socioeconomic, infrastructure and ICT sectors in Bangladesh since 1993.

Already 16 projects involving \$619.78 million have been completed with assistance from the EDCF and another seven projects involving \$616.28 million are ongoing.

Source : The Daily Star

UNDP and H&M Group collaborate to drive climate action in Bangladesh's apparel industry

United Nations Development Programme (UNDP) Bangladesh and H&M Group have signed a partnership on 14 June at the UNDP Bangladesh office to work on climate action and help Bangladesh to achieve the Sustainable Development Goals.



Leyla Ertur, Head of Sustainability at H&M Group, and Van Nguyen, Deputy Resident Representative at UNDP Bangladesh, signed the Memorandum of Understanding (MoU) on behalf of their respective organisations. Ziaur Rahman,

Regional Country Manager at H&M Group, was also present along with other representatives from both organizations at the signing ceremony.

With its extensive knowledge and expertise, UNDP is dedicated to supporting countries in translating their Nationally Determined Contributions (NDC) targets into tangible actions. Recognising the crucial role of the fashion industry in national and global greenhouse gas emissions, UNDP aims to empower all relevant stakeholders in the apparel industry of Bangladesh to drive climate action through a collaborative, whole-of-society approach.

Expressing her excitement about the partnership, Van Nguyen, Deputy Resident Representative of UNDP Bangladesh, stated, "I believe our partnership with H&M Group will

set an example for all relevant actors in the apparel industry of Bangladesh to drive climate action by adopting a whole-of-society engagement approach."

This partnership will play a pivotal role in initiating policy dialogues focused on reducing CO2 emissions, developing climate-responsive power policies, establishing Power Purchase Agreements (PPA), and identifying climate-smart investment opportunities. Furthermore, the collaboration will provide crucial support for promoting the circularity of post-industrial textile waste and implementing measures to conserve, reuse, and recycle water within the industry. By joining hands, UNDP and H&M Group are demonstrating their shared commitment to fostering sustainable practices in Bangladesh's apparel industry and contributing to the country's broader climate objectives.

Summit & JERA signed \$2b deal

Summit Corporation Limited (Summit), a subsidiary company of Summit Power International Limited, and JERA Asia Pte Ltd (JERA Asia) a subsidiary company of JERA Co Inc ("JERA") signed a Memorandum of Understanding (MoU) on 27 April. The MoU was signed in the presence of Prime Minister Sheikh Hasina and her entourage - Salman F Rahman,

private industry and investment adviser to the HPM, Abdul Momen, minister for Foreign Affairs, Zunaïd Ahmed Palak, state minister of ICT Division, Prof Shibli Rubayat Ul Islam, Chairman, BSEC, Lokman Hossain Miah, Executive Chairman of BIDA, senior Japanese officials— H.E. Iwama Kiminori, Japanese ambassador to Bangladesh, Norihiko

Ishiguro, Chairman of JETRO, Muhammed Aziz Khan, founder Chairman of Summit Group and Faisal Khan, additional Managing Director of Summit Corporation.

Toshiro Kudama, CEO of JERA Asia, and Ayesha Aziz Khan, Director of Summit Corporation and MD & CEO of Summit Power International

signed the MoU. Valued around USD 2 billion, the objective of the MoU is to collaborate in providing cost-effective and reliable long-term Liquefied Natural Gas (“LNG”) and other fuels supply in addition to developing both on-shore and off-shore regasification and storage infrastructure for Bangladesh.

“JERA is keen to assist Bangladesh’s objective to secure a reliable energy supply and is pleased to be able to do that by building up the existing relationship with

Summit. The signing of the MOU is a significant first step towards achieving the objective. JERA looks forward to further contributing to Bangladesh’s reliable energy supply in collaboration with Summit,” said Kudama.

Muhammed Aziz Khan, Founder Chairman of Summit Group said, “A country’s energy consumption has become the main index to its affluence and development. Like the rest of the world, Bangladesh is also facing energy security concerns as a

result of high-interest rates, supply-chain shock, and market volatility. At Summit, we are offering solutions through the development of much-needed LNG storage and supply infrastructure with our partner, JERA.”

As Bangladesh approaches the transition to a ‘developing country’ status in 2026, it faces global energy supply challenges. Summit and JERA’s collaboration offers Bangladesh an alternative affordable energy supply solution by bringing down the cost of importing essential fuels into Bangladesh. It also dovetails with the International Monetary Fund’s (IMF) intent to reduce Bangladesh’s balance of payment pressure due to import-intensive climate investments as the recipient of the Resilience and Sustainability Facility (RSF).



Apparel export to EU increased by 3.9%

Bangladesh’s apparel export to European Union has shown value-wise growth by 3.9% during the January-March period of 2023 to \$5.6 billion from \$5.4 billion in January-March 2022. Also, with 24.07% share of the EU’s total RMG import (in terms of dollar value), Bangladesh remains the second largest apparel import source for the EU after China (China’s share 24.55%) during January-March 2023.

However, according to the quantity-wise import statistics (measured in kilogram), Bangladesh became number “one” sourcing country for EU during the mentioned months of 2023. In fact, Bangladesh secured the top position in EU’s apparel sourcing list in terms of quantity in 2022 as well.

In quantity term, import from Bangladesh saw a decline by 3.67%,

or 11.84 million KGs, says a statistic recently published by Eurostat. The quantity decline was caused by inflated unit price (due to raw materials, transportation and other production cost hike) which was increased by 7.86% in January-March of 2023.

The Eurostat statistic said, apparel import from the world in the mentioned period has declined by 4.94% compared to the corresponding period of 2022, about 1.22 billion dollars decline. In terms of quantity, EU’s clothing import had a stiff downturn by 12.64%, which is 136.88 million KGs less than Jan-Mar 2022.

EU’s import from China the 2nd largest apparel import source

has declined by 17.80% in value terms to \$5.7 billion during the mentioned period from U\$6.99 dollars. In terms of quantity, the decline is recorded 22.46 % or 65 million KGs. Among the top ten apparel-sourcing countries Bangladesh, India, and Vietnam have shown positive growth while EU’s apparel import from other countries including Turkey, Pakistan, Sri Lanka, and Morocco has declined.

As per the data, during January-March 2023, EU’s imports from



Turkey the third largest apparel import source of EU has dropped significantly by 12.79%. Yet, EU's

imports from India and Vietnam have increased by 5.75% and 3.73% respectively in value terms. Though

volume-wise, EU's import from all the top countries has shown negative growth.

Synthetic footwear exports increased by 6.2%

The shipment of synthetic footwear and sports shoes from Bangladesh grew 6.21 per cent year-on-year in July-May of the outgoing fiscal year. Non-leather footwear exporters bagged \$433.53 million during the 11-month period of 2022-23, up from \$408.18 million a year earlier, according to EPB.

The receipts built on a 30.39 per cent whopping shipment growth seen in the previous year when manufacturers brought home \$449.15 million. This came although leather footwear exports from Bangladesh posted a declining trend in recent months owing to slower demand. Sales of leather footwear slipped 4.28 per cent in July-May owing to lower orders from Europe, the main market for Bangladesh

Sales of leather footwear slipped 4.28 per cent in July-May owing to lower orders from Europe, the main market for Bangladesh, as the cost-of-living crisis persists in the continent because of the lingering energy crisis fuelled by Russia's war in Ukraine. In 2021-22, leather and non-leather footwear jointly generated \$1.21 billion in export earnings, with the non-leather segment accounting for 37 per cent.



Bangladesh supplies synthetic shoes to international buyers and brands such as H&M, Puma, Decathlon, Fila, and Kappa. The main export destinations are Spain, France, the Netherlands, South Korea, India, Italy, and Germany. The products being sourced from Bangladesh include sandals, flip-flops, boots, jute-based espadrilles, rubber shoes, and sneakers.

According to industry people, consumers across the world are switching to products made from jute, plastics, textile, and polyurethane leather on the back of their growing health consciousness. "Buyers are gradually shifting to Bangladesh from China as we have enhanced the quality of our products and offered competitive prices. This has given a boost to exports.

Chinese company opens \$22m factory

ISMARTU Technology BD Ltd, a concern of Chinese mobile assembling company Transsion Holdings, has inaugurated a factory inside Meghna Industrial Economic Zone in Narayanganj on 23 May. Representing brands such as TECNO, itel, Infinix, oraimo and Syinix, the ISMARTU invested about \$22 million to set up the smart device manufacturing plant inside the zone of the Meghna Group of Industries (MGI).

According to ISMARTU Technology BD Ltd it has a manufacturing capacity of one million mobilephones per month, including smartphones and feature phones. Its covering an

area of over 22,000 square meters, is expected to generate employment opportunities for over 2,000 local individuals, contributing to the local economy.

Transsion Holdings Chairman George Zhu acknowledged Bangladesh to be a strategic market for the company's business expansion. He expressed optimism that the investment would not only accelerate the company's local development but also contribute to the digitalisation and modernisation of Bangladesh.

Virtually inaugurating the factory as chief guest, Posts and Telecommunications Minister

Mustafa Jabbar applauded Transsion for coming up to offer affordable devices in line with the government's commitment to bridging the digital gap among the people.

ISMARTU

According to the ISMARTU's market assessment, the annual demand for mobile phones was around 2.5 crore. A total of 15 plants have so far been established in Bangladesh, producing 10.35 crore handsets as of 2022, according to Bangladesh Telecommunication Regulatory Commission (BTRC), which provides manufacturing permits.

Chinese company to invest \$9.5m in Mongla EPZ

Chinese company M/s Yuanshun Enterprise Co Limited is going to set up a packaging industry in Mongla Export Processing Zone (Mongla EPZ). They will invest \$9.49 million where 490 Bangladeshi nationals will get employment opportunities, according to a Press Release. This 100 per cent foreign owned company will produce annually 10 million pcs of different kinds of boxes for packaging like paper boxes, jewelry boxes, jewelry bags, watch

boxes, gift boxes including cartons. Bangladesh Export Processing Zone Authority (BEPZA) and M/s Yuanshun Enterprise recently signed an agreement to this effect at BEPZA Complex in the city.

Ali Reza Mazid, member (Investment Promotion) of BEPZA, and Lin Yuan, managing director of Yuanshun Enterprise Co Limited, signed the agreement on behalf of their respective organizations. BEPZA Executive Chairman Major

General Abul Kalam Mohammad Ziaur Rahman, ndc, psc witnessed the agreement signing ceremony.

Among others, Member (Engineering) Mohammad Faruque Alam, Member (Finance) Nafisa Banu, Executive Director (Investment Promotion) Md. Tanvir Hossain, Executive Director (Enterprise Services) Md. Khorshid Alam were present in the signing ceremony.

Japanese realtor to invest \$20m



Japanese real estate and construction company JP Building opened its new Bangladesh chapter "JP Build BD Co", through which the realtor plans to invest \$20 million or Tk 216 crore in the local market in the next three years. JP Build BD Co. will provide Bangladesh's real estate sector with construction solutions and sophisticated technology, according to JP Building statement on May 23.

Japanese Ambassador to Bangladesh Iwama Kiminori and JP Build BD Co Ltd's Chairman Akio Yamamoto inaugurated the company and its first product Nippon elevator at a programme in Dhaka on May 21.

JP Build Company entered into the real estate and construction business in Japan in 2018 and the company's core strength is its quality products and use of modern technology in construction, according to the statement. JP Build extends services related to solar power plant, eco energy power generation facilities, real estate business and consultation

services along with construction work. JP Build BD Co Ltd will play a special role in the development of Bangladesh's economy and manpower, Yamamoto said at the opening ceremony.

Md Amin Helaly, vice president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI); Susumu Saki, chairman of JBS Holdings Limited; Md Iqbal Hossain Chowdhury, director of FBCCI, and Kamal Chowdhury, CEO of JBS Holdings Limited, also attended the programme.

Kazi Badam to invest \$17.22M in BEPZA Economic Zone

Bangladeshi company Kazi Badam Limited is going to set up an Agro Processing (Cashew Nut) industry in BEPZA Economic Zone (BEPZA EZ). The company will invest \$17.22 million to produce Cashew Nut Kernel and Cashew Nut Shell Liquid, according to a Press Release. This would be the first agro-based industry in the BEPZA Economic Zone.

Kazi Badam Limited signed an agreement with Bangladesh Export

Processing Zones Authority (BEPZA) to this effect at BEPZA Complex, Dhaka on 28 May. Ali Reza Mazid,



Member (Investment Promotion) of BEPZA and Kazi Zahedul Hasan, Chairman of Kazi Badam Limited signed the agreement on behalf of their respective organisations. BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman witnessed the signing ceremony.

Kazi Badam Limited will produce annually 13,050

tonnes of Cashew Nut Kernel and Cashew Nut Shell Liquid where 494 Bangladeshi nationals will get employment opportunities. Member (Engineering) Mohammad Faruque

Alam, Member (Finance) Nafisa Banu, Executive Director (Public Relations) Nazma Binte Alamgir, Executive Director (Investment Promotion) Md Tanvir Hossain, Executive Director

(Enterprise Services) Md Khorshid Alam and Project Director of BEPZA EZ Mohammad Anamul Haque were present at the agreement signing ceremony.

A month's delay increases project cost by 0.95%: BIDS

A month delay in the duration of development projects leads to an average of 0.95 percentage point increase in their implementation costs, according to findings of a research conducted by the Bangladesh Institute of Development Studies (BIDS). For perspective, a project estimated at Tk10,000 crore can cost Tk95 crore more when its tenure faces escalation for a month due to various reasons, particularly delay in land acquisition.

Without any reformation in existing practice of land acquisition, it would be difficult to mitigate time and cost overruns, the BIDS said. The information was revealed at a session on the second day of the BIDS Research Almanac 2023 on 18 May. Jayed Bin Satter, research associate of the BIDS presented the highlights of a research titled "Time and Cost Overrun in Development Projects: Evidence from Audit Reports of Roads Projects".

Other key reasons for time escalation include delayed work order placements, price escalations, lack of skilled manpower, negotiation with stakeholders, and consultant

recruitment by donor agencies. Development projects in Bangladesh have a tendency to go through multiple phases of revision resulting in time escalation and cost escalation, the research finds.

Time and cost overruns delay expected benefits from the project



making them irrelevant, and in financial terms, delays cause welfare loss and hurt complementary private investment. "In the case of projects financed through borrowing, longer implementation periods have high rates of interest and add to more repayment schedule," according to research findings.

For instance, the Roads and Highways Department (RHD) managed to implement only 13.61%

of its development projects within the stipulated time and cost in the last ten years, Jayed Bin Satter said at the event. Furthermore, the tenure of about 80% of projects implemented by the RHD from FY13 to FY22 has seen an increase. At the same time, the cost of about 56% of the projects has been increased.

He said the government placed the highest priority on the transportation and communication sector in the last decade and the allocation for the sector increased to 28.7% of the total Annual Development Programme (ADP) in the current fiscal year from 23.3% in FY14.

Dr Mohammad Emdad Ullah Mian, member of the Physical Infrastructure Division of the Planning Commission said that land acquisition is not the single reason for the delay in project implementation. Although much importance is given by the concerned organisation at the time of project preparation and approval, it is neglected during the implementation phase, he added. He also acknowledged that financing constraints are a significant cause of delays.

Summit to set up 3rd floating LNG terminal at Moheshkhali

The government has approved a proposal in principle for awarding Summit Oil and Shipping Company Limited the work of setting up the third floating LNG terminal at Moheshkhali in Cox's Bazar. The proposed floating LNG terminal

would have a regasification capacity of dealing with 600 million cubic feet (mmcf) LNG per day.

The approval came from the meeting of the Cabinet Committee on Economic Affairs held on 14 June virtually with

Finance Minister AHM Mustafa Kamal in the chair. Briefing reporters after the meeting virtually, Cabinet Division's Additional Secretary Sayeed Mahbub Khan said the meeting also approved three proposals in principle from the industries ministry and a

proposal in principle from the Health Services Division.

The government is going to sign a Build-Own-Operate-Transfer (BOOT) contract with the Summit Group next month, said a source at the Bangladesh Oil, Gas and Mineral Resource Corporation (Petrobangla). Summit Group would net around \$6.5 million per month from the upcoming project, said the source.

It is expected to be operational by 2026, Mohd Nurman, Summit's general manager for long-term supply and infrastructure development, told Kpler, the leading provider of intelligence solutions for commodity markets, during the FSRU Asia Summit in Singapore on 1 June.

In an official statement, Summit Group said an estimated investment of \$500 million would be required

in order to provide storage for about 170,000 cubic metres of LNG along with port services and vessel management in deep sea including the ability to do Ship-to-Ship (STS) transfer of LNG.

"The FSRU will supply at least 600 million cubic feet per day (mmcf) gas, capable of increasing to 800 mmcf and the location of this facility will be about five kilometres off Moheshkhali island in the deep seas, utilising the vast Bay of Bengal areas," according to the statement.

"We will lay an approximately five-km subsea pipeline, 24 inches in diameter, at 5 metres depth into the sea bed. These pipelines will connect to the National gas transmission network with the FSRU," it further added. At present, Bangladesh has two FSRUs at Moheshkhali in Cox's Bazar with a capacity to re-gasify 1,000 mmcf (500 mmcf each) gas per day.

One FSRU is owned and operated by the American company Excelerate Energy and the other one is by Summit Group. The government



has to pay \$4,54,000 per day as the capacity charge for the two existing LNG suppliers. At present, the country has a gas demand of 3,500 million cubic feet (mmcf) per day while the supply is 3,000 mmcf. Of the total supply, 750 mmcf to 800 mmcf comes from LNG imports and the rest from local gas fields.

Petrobangla projected that the daily demand would reach 4,000 mmcf by 2026 and contribution from LNG imports would cross 1,500 mmcf.

Two Bangladeshis among top 100 Asian scientists

Two Bangladeshi scientists have made it to the 2023 list of the "best and brightest" 100 Asian scientists for their contribution to research. Child Health Research Foundation's Dr Senjuti Saha and Dhaka University's Dr Gawsia Wahidunnessa Chowdhury have been included in the eighth edition

of the list published by Singapore-based magazine Asian Scientist. This year's list includes researchers and inventors from across a range of scientific disciplines for their groundbreaking achievements to transform our world -- from understanding glacial cycles and structural geology to advancing

space exploration. "Asia's researchers continue to dream big and serve marginalized communities. Pushing the boundaries of the unknown, the awardees, with the help of their teams, accomplished huge successes," the Asian Scientist Magazine said in a press release. Dr Gawsia Wahidunnessa Chowdhury has been included in the list for her contribution in the field of sustainability.



Dr Chowdhury is a professor of zoology at the University of Dhaka. She obtained her PhD in zoology (wetland ecology) from the University of Cambridge. She is a board member of the internationally renowned conservation organization WildTeam. WildTeam works to protect the rapidly disappearing natural assets of Bangladesh.

Global/Regional News

G7 leaders agree to new initiative to fight economic coercion

Group of Seven leaders on 20 May agreed to a new initiative to counter



economic coercion, and pledged action to ensure that any actors attempting to weaponise economic dependence would fail and face consequences. The initiative, dubbed Coordination Platform on Economic Coercion, will use early warning

and rapid information sharing on economic coercion with members meeting regularly for consultations, according to the leaders statement.

“The world has encountered a disturbing rise in incidents of economic coercion that seek to exploit economic vulnerabilities,” the G7 leaders said in a statement following a meeting in Hiroshima, Japan. The statement did not identify China, but in details released on 19 May that outlined the proposed initiative, the British government pointed to attempts by China to use its economic power

in political disputes with Australia and Lithuania. The statement also committed the G7 leaders to deepen cooperation on hardening supply chains and called for a bigger role for lower income countries in promoting economic resilience. They urged all nations to adhere to principles of “transparency, diversification, security, sustainability, and trustworthiness and reliability” in building supply chain networks.

The group also agreed to deepen cooperation in information sharing as it looks to establish new standards for next generation technologies.

Next five years set to be hottest period: UN

It is near-certain that 2023-2027 will be the warmest five-year period ever recorded, the United Nations warned on 17 May as greenhouse gases and El Nino combine to send temperatures soaring. Global temperatures are soon set to exceed the more ambitious target set out in the Paris climate accords, with a two-thirds chance that one of the next five years will do so, the UN's World Meteorological Organization said.

The hottest eight years ever recorded were all between 2015 and 2022 -- but temperatures are forecast to increase further as climate change accelerates. “There is a 98-percent likelihood that at least one of the next five years, and the five-year period as a whole, will be the warmest on record,” the WMO said.

The 2015 Paris Agreement saw countries agree to cap global warming at “well below” two degrees Celsius above average levels measured between 1850 and 1900 -- and 1.5C if possible. The global

mean temperature in 2022 was 1.15C above the 1850-1900 average.



The WMO said there was a 66 percent chance that annual global surface temperatures will exceed 1.5C above pre-industrial levels for at least one of the years 2023-2027, with a range of 1.1C to 1.8C forecasted for each of those five years.

- ‘Uncharted territory’ -

While this does not mean that the world will permanently exceed the Paris benchmark, “WMO is sounding the alarm that we will breach the 1.5C level on a temporary basis with increasing frequency”, said the agency's chief Petteri Taalas. “A warming El Nino is expected to develop in the coming months

and this will combine with human-induced climate change to push global temperatures into uncharted territory. “This will have far-reaching repercussions for health, food security, water management and the environment. We need to be prepared.”

El Nino is the large-scale warming of surface temperatures in the central and eastern equatorial Pacific Ocean. The weather phenomenon normally occurs every two to seven years. Conditions oscillate between El Nino and its opposite La Nina, with neutral conditions in between. The WMO said earlier this month that the chances of El Nino developing were 60 percent by the end of July and 80 percent by the end of September.

Typically, El Nino increases global temperatures in the year after it develops -- which in this cycle would be 2024. Despite the cooling influence of La Nina conditions over much of the past three years, the warmest eight years on record have all

been from 2015 onwards, with 2016 the hottest. Heat gets trapped in the atmosphere by so-called greenhouse gases, which are at a record high. The three major greenhouse gases are carbon dioxide, methane and nitrous oxide.

- *Temperatures rising since 1960s* -

Global land and sea mean near-surface temperatures have increased since the 1960s. The chances of temperatures temporarily exceeding

1.5C above the 1850-1990 average have risen steadily since 2015, a year when they were considered close to zero. Britain's Met Office national weather service is the WMO's lead centre on yearly to 10-yearly climate predictions.

While there is a 66 percent chance that one year between 2023 and 2027 will exceed the 1.5C threshold, there is now a 32 percent chance that the entire five-year mean will do so, the Met Office said.

"Global mean temperatures are predicted to continue increasing, moving us away further and further away from the climate we are used to," said Met Office expert scientist Leon Hermanson. Temperatures in 2023 are likely to be higher than the 1991-2020 average in almost all regions except for Alaska, South Africa, South Asia and parts of Australia, the WMO said. Parts of the South Pacific Ocean are likely to be cooler than average.

World food prices down by a fifth on 2022: UN

World food prices are still high but have fallen by a fifth compared to a year ago when prices soared to a monthly record high after Russia invaded agricultural powerhouse Ukraine. Prices have fallen 20.5 percent since March last year after a 12th straight monthly drop, the Food and Agriculture Organization said.



But in releasing its latest data tracking monthly changes in international prices of a basket of food commodities, the FAO said food remained expensive notably for developing countries highly dependent on imports. The FAO said the fall in benchmark prices was "driven by declines in world quotations for cereals and vegetable oils."

The UN agency added: "A mix of ample supplies, subdued import demand and the extension of the Black Sea Grain Initiative

contributed to the drop." A deal negotiated by Turkey and the United Nations allows Ukraine -- one of the world's top grain producers -- to export grain through a safe corridor in the Black Sea.

It was agreed after the Russian invasion in February 2022 blocked

20 million tonnes of its grain in port. The FAO index averaged 126.9 points, down 2.1 percent from the end of February and down by 20.5 percent since March 2022. The fall was aided by international wheat prices sliding 7.1 percent, notably on strong Australian output and improved crop conditions in EU states but also high Russian supplies and "ongoing exports from Ukraine from its Black Sea ports". A record Brazilian harvest also saw world maize prices drop by 4.6 percent, the FAO said.

FAO chief economist Maximo Torero said, however, prices remained "very high and continue to increase in domestic markets, posing additional challenges to food security... particularly so in net food importing developing countries," struggling additionally with weak currencies.

Global energy efficiency investments need to triple by 2030: IEA

Annual investments in improving energy efficiency must triple by 2030 in order for the world to remain able to keep global warming below 1.5 degrees Celsius, the International Energy Agency (IEA) said on 7 June. Driven by spending on buildings and strong electric vehicle sales, global energy efficiency investment reached

a record 600 billion U.S. dollars in 2022, the IEA said in its report titled Energy Efficiency: The Decade for Action.

In 2023, this figure is expected to increase to 624 billion U.S. dollars, but the year-on-year growth rate would be lower than in 2022 as the

high cost of capital weighs heavily on potential new projects, the IEA warned.



In its report, published on the occasion of the IEA's 8th Annual Global Conference on Energy Efficiency, the agency said that doubling annual energy efficiency progress to 4 percent annually by 2030 would require investment in the sector to rise from 600 billion

U.S. dollars to over 1.8 trillion U.S. dollars by 2030.

The agency stressed that the 4 percent goal by 2030 would deliver vital reductions in greenhouse gas emissions and at the same time create jobs. According to the report,

energy efficiency activities could generate 12 million jobs globally by 2030. "Importantly, more efficient and lower energy demand supports faster progress towards universal access to modern and affordable energy in emerging and developing economies," it noted.

Global demand for electric cars booming

Global sales of electric cars are set to surge to yet another record this year, expanding their share of the overall car market to close to one-fifth and leading a major transformation of the auto industry that has implications for the energy sector, especially oil.

The new edition of the IEA's annual Global Electric Vehicle Outlook shows that more than 10 million electric cars were sold worldwide in 2022 and that sales are expected to grow by another 35% this year to reach 14 million. This explosive growth means electric cars' share of the overall car market has risen from around 4% in 2020 to 14% in 2022 and is set to increase further to 18% this year, based on the latest IEA projections.

"Electric vehicles are one of the driving forces in the new global energy economy that is rapidly emerging – and they are bringing about a historic transformation of the car manufacturing industry worldwide," said IEA Executive Director Fatih Birol. "The trends we are witnessing have significant implications for global oil demand. The internal combustion engine has gone unrivalled for over a century, but electric vehicles are changing the status quo. By 2030, they will avoid the need for at least 5 million barrels a day of oil. Cars are just the first wave: electric buses and trucks will follow soon."

The overwhelming majority of electric car sales to date are mainly

concentrated in three markets – China, Europe and the United States. China is the frontrunner, with 60% of global electric car sales taking place there in 2022. Today, more than half of all electric cars on the road worldwide are in China. Europe and the United States, the second and third largest markets, both saw strong growth with sales increasing 15% and 55% respectively in 2022.

Ambitious policy programmes in major economies, such as the Fit for 55 package in the European Union and the Inflation Reduction Act in the United States, are expected to further increase market share for electric vehicles this decade and beyond. By 2030, the average share of electric cars in total sales across China, the EU and the United States is set to rise to around 60%.

The encouraging trends are also having positive knock-on effects for battery production and supply chains. The new report highlights that announced battery manufacturing projects would be more than enough to meet demand for electric vehicles to 2030 in the IEA's Net Zero Emissions by 2050 Scenario. However, manufacturing remains highly concentrated, with China dominating the battery and component trade – and increasing its share of global electric car exports to more than 35% last year.

Other economies have announced policies to foster domestic industries that will improve their competitiveness in the EV market in years to come. The EU's Net Zero Industry Act aims for nearly 90% of annual battery demand to be met by domestic battery manufacturers. Similarly, the US Inflation Reduction Act places emphasis on strengthening domestic supply chains for EVs, batteries and minerals. Between August 2022, when the Inflation Reduction Act was passed, and March 2023, major EV and battery makers announced investments totalling at least USD 52 billion in EV supply chains in North America.

Despite a concentration of electric car sales and manufacturing in only a few big markets, there are promising signs in other regions. Electric car sales more than tripled in India and Indonesia last year, albeit from a low base, and they more than doubled in Thailand. The share of electric cars in total sales rose to 3% in Thailand, and to 1.5% in India and Indonesia. A combination of effective policies and private sector investment is likely to increase these shares in the future. In India, the government's USD 3.2 billion incentive programme, which has attracted investments worth USD 8.3 billion, is expected to increase battery manufacturing and EV rollout substantially in the coming years. In emerging and developing

economies, the most dynamic area of electric mobility is two- or three-wheel vehicles, which outnumber cars. For example, over half of

India's three-wheeler registrations in 2022 were electric, demonstrating their growing popularity. In many developing economies, two- or three-

wheelers offer an affordable way to get access to mobility, meaning their electrification is important to support sustainable development.

Fossil fuel company net zero plans “largely meaningless”

The number of fossil fuel companies setting net-zero emissions targets has risen sharply over the past year, but most fail to address key concerns, making them “largely meaningless”, according to a report published on June 12. Some 75 of the world's largest 112 fossil fuel companies have now committed to reaching net-zero - the point at which greenhouse gas emissions are negated by deep cuts in output elsewhere and methods to absorb atmospheric carbon dioxide.

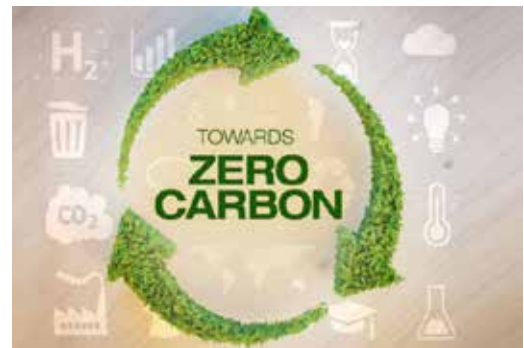
That's up from just 51 a year ago, according to the assessment of publicly available data by Net Zero Tracker, run in part by the Britain-based Energy and Climate Intelligence Unit and the University of Oxford. But most targets do not fully cover or lack transparency on

Scope 3 emissions — which include the use of a company's products, the biggest source of emissions for fossil fuel companies — or don't include short-term reduction plans, the report added.

That made them “largely meaningless”, it said. The report also found that none of the fossil fuel companies were making the needed commitments to move away from fossil fuel extraction or production. As it stands, some 4,000 countries, states, regions, cities and companies globally have now committed to net-zero. Last November, the U.N. issued guidance on what a ‘good’ net-zero

strategy should look like to avoid greenwashing.

“We haven't yet seen a huge move from fossil fuel companies or other companies on meeting those (guidelines), so there's still a lot of work to do to come up to that level,” said Thomas Hale of the University of Oxford, who co-authored the report.



Amazon to investment US\$26b in India by 2030

Amazon.com Inc said on 23 June it will take its investments to US\$26 billion in India by 2030, adding US\$6.5 billion in new planned investments in an announcement made after chief executive officer Andy Jassy met Prime Minister Narendra Modi in the US. Though Jassy gave no breakdown, the announcement follows Amazon's cloud computing unit Amazon Web Services saying last month it will invest 1.06 trillion rupees (US\$12.9 billion or RM60.48 billion) in the country by the end of 2030.



Earlier, Amazon had announced a US\$6.5 billion investment plan, largely to boost its e-commerce business, where it competes with Walmart's Flipkart and billionaire Mukesh Ambani's Reliance Retail. The investment amount committed now comes to around US\$6.5 billion.

The e-commerce giant's announced investment during Modi's trip adds to other companies, including US semiconductor toolmaker Applied Materials and memory chip firm Micron Technology, which have made commitments during the Indian prime minister's state visit. Modi and Jassy spoke about supporting Indian start-ups, creating jobs, enabling exports, digitisation, and empowering individuals and small businesses to compete globally.

Separately, Google will open a global financial technology operation center in GIFT City in India's western state of Gujarat, CEO Sundar Pichai told reporters in a video shared on Twitter by Reuters partner ANI company. “We shared that Google is investing US\$10 billion in the Indian digitisation fund, and we are continuing to invest through that,” Pichai said. Google did not immediately respond to a Reuters request for comment on further details of the new centre, outside of business hours.

On the final day of his Washington trip, Modi met with US and Indian technology executives, including Apple's Tim Cook, Google's Pichai and Microsoft's Satya Nadella, and appealed to global companies to “Make in India”.

UN adopts first 'historic' treaty to protect high seas

The United Nations has adopted the first-ever international treaty to govern the high seas and



protect remote ecosystems vital to humanity, after more than 15 years of discussions. On 19 June, UN Secretary-General Antonio Guterres hailed as a "historic achievement" the pact that will establish a legal framework to extend environmental protections to international waters, known as the high seas, which cover more than 60 percent of the earth's surface.

Climate change is disrupting weather patterns and ocean currents, raising sea temperatures, "and altering marine ecosystems and the species living there", Guterres said, adding that marine biodiversity "is under attack from overfishing, over-exploitation and ocean acidification". "Over one-third of fish stocks are being harvested at unsustainable levels," the UN chief said. "And we are polluting our coastal waters with chemicals, plastics and human waste."

Scientists have increasingly come to realise the importance of oceans, which produce most of the oxygen we breathe, limit climate change by absorbing CO₂, and host rich areas of biodiversity, often at the microscopic level. But with so much of the world's oceans lying outside individual

countries' exclusive economic zones, and thus the jurisdiction of any single state, providing protection for the so-called "high seas" requires international cooperation.

UN member states finally agreed on the text for the treaty in March, and Guterres urged all countries to spare no efforts to ensure that it is signed and ratified as soon as possible. Officially known as the Treaty on Biodiversity Beyond National Jurisdiction, it falls under the UN Convention on the Law of the Sea, which came into force in 1994. It will be opened for signatures on September 20, during the annual meeting of world leaders at the UN General Assembly, and it will take effect once it is ratified by 60 countries.

Eurozone in recession at the start of 2023

The eurozone entered into a technical recession at the start of the year, shrinking by 0.1 per cent for a second consecutive quarter, according to EU's statistic agency on 8 June. Eurostat revised down an earlier forecast that had predicted slight growth, after economic powerhouse Germany said last month it had fallen into recession. The worse-than-expected figures come as inflation and higher interest rates have curbed

demand in Europe's largest economy. Eurostat slashed its earlier prediction of 0.1 per cent growth in the final quarter of 2022 and 0.2 per cent in the first quarter of 2023 to 0.1 per cent contractions in both periods.

Two consecutive quarters of shrinking gross domestic product is the threshold for a technical recession. The bad news comes after a painful year for European

economies as surging energy prices sparked by Russia's war on Ukraine sent inflation spiralling.

The European Central Bank has responded by hiking its key rates by 3.75 per centage points since embarking on an unprecedented campaign of monetary tightening in July last year. The latest figures cast doubt over more optimistic predictions for the whole 2023.

AI could replace 80 per cent jobs 'in next few years'

Artificial intelligence could replace 80 per cent of human jobs in the coming years -- but that's a good thing, says US-Brazilian researcher Ben Goertzel, a leading AI guru. Mathematician, cognitive scientist and famed robot-creator Goertzel, 56, is founder and chief executive of SingularityNET, a research group he launched to create "Artificial General Intelligence," or AGI artificial intelligence with human cognitive

abilities. With his long hair and leopard-print cowboy hat, Goertzel was in provocateur mode last week at Web Summit in Rio de Janeiro, the world's biggest annual technology conference, where he told AFP in an interview that AGI is just years away and spoke out against recent efforts to curb artificial intelligence research. If we want machines to really be as smart as people and to be as agile in dealing with the unknown,

then they need to be able to take big leaps beyond their training and programming. And we're not there yet. But I think there's reason to believe we're years rather than decades from getting there.

What do you think of the debate around AI such as ChatGPT and its risks? Should there be a six-month research pause, as some people are advocating? I don't think we

should pause it because it's like a dangerous superhuman AI... These



are very interesting AI systems, but they're not capable of becoming like human level general intelligences, because they can't do complex multi-stage reasoning, like you need to do science.

They can't invent wild new things

outside the scope of their training data. They can also spread misinformation, and people are saying we should pause them because of this. That's very weird to me. Why haven't we banned the internet? The internet does exactly this. It gives you way more information at your fingertips. And it spreads bullshit and misinformation.

Scientists demonstrate wireless power transmission from space to Earth

Scientists have successfully demonstrated for the first time that solar power can be wirelessly transmitted in space and also beamed to Earth. The space solar power prototype, dubbed Maple, is one of three key technologies being tested by the California Institute of Technology's (Caltech) Space Solar Power Project (SSPP), which aims to harvest solar power in space and transmit it to the Earth's surface.

Maple, short for Microwave Array for Power-transfer Low-orbit Experiment, consists of an array of

flexible, lightweight microwave power transmitters, built using custom electronic chips, to beam the energy



to desired locations. For successfully achieving its outcome, scientists said such energy transmission arrays need to be lightweight to minimise

the amount of fuel needed to send them to space, and flexible so they can be folded up and transported in a rocket. "Through the experiments we have run so far, we received confirmation that Maple can transmit power successfully to receivers in space. We have also been able to program the array to direct its energy

toward Earth, which we detected here at Caltech," Ali Hajimiri, Electrical Engineering professor at Caltech, said in a statement.

World's 'oldest' tree able to reveal planet's secrets

In a forest in southern Chile, a giant tree has survived for thousands of years and is in the process of being recognized as the oldest in the world. Known as the "Great Grandfather," the trunk of this tree measuring 4 meters (13 feet) in diameter and 28 meters tall is also believed to contain scientific information that could shed light on how the planet has adapted to climatic changes.

Believed to be more than 5,000 years old, it is on the brink of replacing Methuselah, a 4,850-year-old Great Basin bristlecone pine found in California in the United States, as the oldest tree on the planet. "It's a survivor, there are no others that have

had the opportunity to live so long," said Antonio Lara, a researcher at Austral University and Chile's center for climate science and resilience, who is part of the team measuring the tree's age.

The Great Grandfather lies on the edge of a ravine in a forest in the southern Los Rios region, 800 kilometers (500 miles) to the south of the capital Santiago. It is a Fitzroya cupressoides, a type of cypress tree that is endemic to the southern part of the continent. In recent years, tourists have walked an hour through the forest to the spot to be photographed beside the new "oldest tree in the world."

Due to its growing fame, the national forestry body has had to increase the number of park rangers and restrict access to protect the Great Grandfather. By contrast, the exact location of Methuselah is kept a secret. Also known as the Patagonian cypress, it is the largest tree species in South America.

It lives alongside other tree species, such as coigue, plum pine and tepa, Darwin's frogs, lizards, and birds such as the chucao tapaculo and Chilean hawk. For centuries its thick trunk has been chopped down to build houses and ships, and it was heavily logged during the 19th and 20th centuries.

WTO News

Strong and effective WTO a vital tool for building economic resilience — DG Okonjo-Iweala

Speaking to a ministerial gathering at the Organisation for Economic Cooperation and Development in Paris on 7 June, Director-General Ngozi Okonjo-Iweala said a strong and effective WTO is a vital tool for building resilience in an

While some reshoring looks inevitable and businesses are already using the term “derisking” strategy, “letting re-shoring turn into a wider policy-induced retreat from trade would be costly and probably ineffective,” the DG warned.

path to resilience lies in deeper, deconcentrated and more diversified global chains, achieved by bringing more countries and communities from the margins of the global economy to the mainstream,” she told ministers. “At the WTO, we are calling this “re-globalization”.”



increasingly shock-prone global economy. She called for a strategy of “re-globalization” which would build greater resilience by bringing more marginalized countries and communities into the global economic mainstream.

In her address to the OECD Ministerial Council Meeting, the Director-General noted that trade has been a shock absorber through one crisis after another and an enabler of resistance. Nevertheless, “shortages and bottlenecks of the past three years have exposed genuine vulnerabilities in the way supply chains are organized,” she said. “Together with rising geopolitical tensions, this has spurred growing calls for re-shoring, near-shoring and friend-shoring.”

“Costly because it would disrupt the US\$ 31.4 trillion worth of global goods and services trade in 2022, equivalent to roughly 30 per cent of global GDP,” she noted. In addition, she noted, WTO researchers estimate decoupling into two separate economic blocs would reduce long-term real GDP by at least 5 per cent, with the IMF estimating it at up to 7 per cent. In comparison, the 2008–09 financial crisis lowered OECD countries’ real incomes by 3.5 per cent.

Re-shoring could also make supplies even more concentrated, increasing vulnerabilities. Reduced cooperation on trade would make it harder to tackle global commons problems — adding risks to growth and sustainability, the DG said. “A better

Some deconcentration is already happening as companies add suppliers in places like South East Asia, India and Mexico to reduce costs and manage risks. “We need to take this process further, to encompass parts of Africa, Latin America and Asia that are still on the margins,” the DG said.

For re-globalization to work, an open and predictable multilateral trading system centred on the WTO is a prerequisite. “That’s why shoring up the WTO and keeping it fit for purpose is so important,” the DG added. “You and your colleagues took important steps forward last June at MC12 (the WTO’s 12th Ministerial Conference). We need to keep this up en route to MC13 in Abu Dhabi next February.”

“And perhaps a bit of the brainpower and financing currently being devoted to re-shoring could instead be put towards the policy reforms and supply-side investments that would help bring marginalized places and people into global markets.”

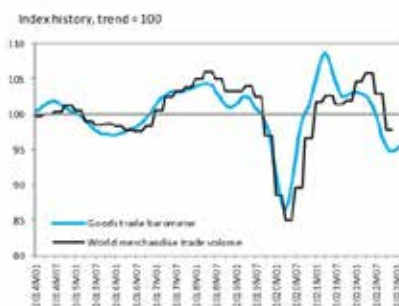
Goods barometer stabilizes, indicating possible turning point for trade

Global goods trade remained depressed in the first quarter of

2023, but forward-looking indicators point to a possible turnaround in

the second quarter according to the latest WTO Goods Trade Barometer

Goods trade barometer
Index value, March 2023 = 95.6



issued on 31 May. The value of the barometer index rose to 95.6 in the latest reading — up from 92.2 in March — but remained well below the baseline value of 100, suggesting a below-trend stabilization and the beginnings of an upturn in merchandise trade volumes. Mixed signals in the barometer's component indices nevertheless suggest that the road to trade recovery may be bumpy.

The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. Barometer values greater than 100 are associated with above-

trend trade volumes while barometer values less than 100 suggest that goods trade has either fallen below trend or will do so in the near future

The volume of merchandise trade in the fourth quarter of 2022 was down 2.4% compared to the previous quarter and 0.8% compared to the same period in the previous year. The Q4 slump was driven by several related factors, including the ongoing war in Ukraine, stubbornly high inflation in advanced economies, and tighter monetary policy globally.

The easing of pandemic controls in China starting in December 2022 appears to have boosted port traffic in the country, but this was

outweighed by reduced vessel traffic in Europe. Preliminary data suggest that trade remained depressed in Q1 of 2023, but the recent pickup in export orders points to an increase in demand for traded goods in the second quarter. These results are broadly consistent with the WTO's most recent trade forecast issued on 5 April, which projects 1.7% growth in world merchandise trade in 2023.

The barometer's component indices are currently mixed. The automotive products index (110.8) has risen firmly above trend on the back of strong sales in the United States and Europe. The highly predictive export orders index (102.7) has also returned above trend after a dip following the outbreak of war in Ukraine. In contrast, the indices representing container shipping (89.4), air freight (93.5) and electronic components trade (85.2) all continue to signal weakness. The index of raw materials trade (99.0), meanwhile, finished just below trend. The combination of strong positive and negative indicators makes the short-term outlook less certain than usual.

WTO members praise value of capturing lessons learned from COVID-19 pandemic

At a meeting of the Committee on Market Access on 26-27 April, WTO members adopted a document reflecting lessons learned from trade in COVID-19 related goods and indicating practices members might want to consider in the event of future emergencies. Members were updated on the notification of quantitative restrictions (QRs) and addressed a high number of trade concerns.

The Committee document on lessons learned (G/MA/409) is the result of the six experience-sharing sessions held since March

2022 where members exchanged information and practices on the measures they implemented on trade in COVID-19 related goods within the mandate of the Committee. At each session, members volunteered to share information and data on their national experiences in relation to a series of topics identified by the Committee.

The topics included:

definition and update of essential goods to combat the pandemic; classification of COVID-19 essential goods within the Harmonized

System (HS) and challenges faced with tariff classification monitoring and measurement of trade in COVID-19 essential goods sharing of information on measures aimed at easing trade in COVID-19 goods improving transparency in export restrictions, including experiences on choices underpinning the use of such restrictions.

In light of the close relationship between some of these topics with the Harmonized System (HS), the World Customs Organization (WCO) was invited to participate in the sessions on the classification and

monitoring of trade in COVID-19 goods. External stakeholders shared their views in a session on lessons learned from the COVID-19 pandemic, including representatives from the Organisation for Economic Co-operation and Development (OECD), DHL, Western Union, the Coalition for Epidemic Preparedness Innovations (CEPI) and Medtronic, a medical device company.

The six experience-sharing sessions took place on 4 March 2022, 26 April 2022, 18 July 2022, 16 September 2022, 21 November 2022, and 24 March 2023.

The Chair of the Committee, Kenya Uehara, echoed “the general sentiment that the Committee on Market Access (CMA) experience-sharing sessions on trade in COVID-19 related goods have been very useful for members to better understand how we have collectively reacted during this unprecedented situation and also how we could do better in the future.”

Mr Uehara encouraged members to continue to share with the Committee information on actions taken in response to the pandemic. “This is a continuous process from which we can all learn something new that can be applied in the case of future crises,” he noted.

Members praised the flexible and bottom-up approach by the Committee in conducting these sessions and supported maintaining this approach for additional technical dialogues on other topics. Members underlined the thorough and helpful nature of the experience-sharing sessions resulting in the adopted document, which will help members to better implement best practices in the future.

The lessons learned document will be maintained as an evolving document,

open to further contributions from members.

HS classification of essential medical goods

Another key outcome of the experience-sharing sessions on COVID-19 was the submission of a communication to the WCO Harmonized System Committee (G/



MA/406) by the Chair on behalf of the Committee. The letter proposed amendments to the Harmonized System (HS) and suggested clarifying the classification of certain medical goods which are essential not only for the COVID-19 pandemic but for other future health emergencies.

Gael Grooby, WCO Deputy Director of Tariff and Trade Affairs, reported on the last meeting of the Harmonized System Committee (HSC) in March, where the HSC adopted some of the proposals suggested in the CMA communication. This has resulted in the creation of two additional HS subheadings for ambulances and mobile clinics

These amendments will be part of the package of provisionally approved amendments that will go to the WCO Council for formal acceptance. If accepted, they will be incorporated into HS 2027.

Ms Grooby underlined the importance of further strengthening the collaboration between the two organizations. The cooperation that has been established between the CMA and the HSC in the area of COVID-19 should continue and be extended to cover other critical

topics of relevance to the work and mandate of the two bodies, she said.

The Chair of the Committee invited members to familiarise themselves with the WCO’s initiative on “Greening the HS” and how the HS could be amended to meet the future needs of environmental policy. Understanding how the HS will be changed to better respond to environmental concerns and the possible implications of such changes on members’ tariffs and trade-related measures is of key importance to this Committee, said the Chair.

Quantitative restrictions (QRs)

Members were updated on the state of play of QR notifications received by the WTO Secretariat, compiled in document G/MA/W/114/Rev.5. The report indicates that as of 14 April 2023, 85 members have submitted notifications of their restrictions and prohibitions on imports and exports of goods currently in force.

Quantitative restrictions are, generally speaking, non-tariff measures in the form of prohibitions or restrictions that are imposed on imports or exports, which can be implemented through several policy measures. While QRs are generally prohibited, they are allowed by the WTO under exceptional circumstances and many WTO members use them to achieve certain legitimate objectives, such as the protection of the environment or human, plant and animal health.

The Chair emphasized that QR notifications are an important transparency tool. He noted that while notifications submitted by members under the QR Decision contributed to increasing transparency on trade measures taken in response to the COVID-19 pandemic, the compliance level with the QR Decision is far from being satisfactory.

The Chair informed members of the Capacity Building Workshop on Notification of Quantitative Restrictions organized by the WTO Secretariat on 24-26 April. The

workshop provided training to capital-based officials in charge of QR notifications to help them prepare such notifications for the first time or to improve existing ones. The 29

capital-based officials attending the workshop in Geneva benefited from technical working sessions with the Secretariat and attended the formal meeting of the Committee on 26 April.

WTO, World Bank, WEF launch joint effort to provide tailored trade and climate analysis

The World Trade Organization, the World Bank Group and the World Economic Forum on 20 April launched “Action on Climate and Trade” (ACT), a new initiative that aims to help participating developing

Adaptation Plans and Nationally Determined Contributions under the Paris Agreement on climate change. Egypt has taken interest in ACT and is likely to join the pilot phase.

using every tool in the toolbox. Trade policy offers WTO members, including developing members, a wide variety of options to enhance their climate change adaptation and mitigation strategies. This new pilot initiative by the World Bank Group, the World Economic Forum, and the WTO Secretariat will focus on supporting developing members to leverage trade to improve their climate resilience and decarbonization plans in a way that is aligned with their specific needs and local circumstances.”



economies, including least-developed countries, use trade to meet their climate change mitigation and adaptation goals. The new initiative, which starts with a pilot phase, will focus on working with participating developing economies to develop climate-related analysis specific to their trade circumstances.

ACT will provide participating developing economies with tailored insights so that they can plan for the impacts of climate change on trade, leverage opportunities for climate action and trade growth, and define areas of collaboration with trade partners.

Analysis will be adapted to each economy’s specific situation and will explore how trade policy can support the achievement of National

Domestic stakeholders will be involved in ACT’s policy analysis through public-private dialogues, providing participating economies with an opportunity to explore specific ways in which trade can be leveraged to enhance climate change mitigation and adaptation efforts.

In addition, ACT will help policymakers and stakeholders in developing economies engage in international processes where appropriate, such as the WTO’s Committee on Trade and Environment, and the WTO’s Trade and Environmental Sustainability Structured Discussions.

WTO Trade and Environment Division Director Aik Hoe Lim said: “The climate crisis is calling for rapid and effective collective action

Mona Haddad, Global Director for Trade, Investment and Competitiveness of the World Bank Group said: “By prioritizing sustainable practices and harnessing the power of international trade, developing countries can not only mitigate the impacts of climate change but also create new economic opportunities and build a better future for their citizens.”

Sean Doherty, Head, International Trade and Investment, World Economic Forum, said: “Urgent action is needed to meet climate goals. Many companies are undertaking supply chain decarbonization and looking to green trade. Developing economies must be empowered to identify new opportunities and shape a future net-zero global economy.”

As highlighted in the WTO’s World Trade Report 2022, global cooperation on international trade and related investment needs to be mobilized to enhance the mitigation of and adaptation to climate change, support a just low-carbon transition, and minimize trade frictions.

DG Okonjo-Iweala: WTO must contribute solutions to economic challenges the world is facing

WTO members need to do more to boost global trade growth by investing in multilateral cooperation and contributing solutions to the economic challenges the world is facing, Director-General Ngozi Okonjo-Iweala said on 19 April.

In remarks delivered to a meeting of the WTO's Trade Negotiations Committee, which she chairs, the Director-General noted that the slowdown in global trade which WTO economists projected in their recent annual forecast "should be a cause for concern for all of us." WTO economists said on 5 April that the volume of world merchandise trade is expected to grow by 1.7% this year following 2.7% growth in 2022.

"Slower economic growth will, over the long-term, mean lower living standards and opportunities for people around the world," she told members. "It is important to internalize digital trade as a new source of growth and ensure we're providing the enabling environment, the level playing ground and the rules for this to thrive."

"We should also ensure we play a role as a multilateral arena for global cooperation that can deliver for people. We did this at MC12 (the WTO's 12th Ministerial Conference in June 2022) and I know we can do it again." "As the multilateral organization providing the framework for trade relations among 164 members, it is our responsibility

to contribute solutions to economic challenges the world is confronting."

With regards to the 13th Ministerial Conference (MC13) set to take place in Abu Dhabi, United Arab Emirates, in February 2024, the Director-General said MC13 "is an important opportunity on the horizon." Given the current global situation, "we cannot afford to have MC13 without any deliverables," she warned. "The world is counting on the WTO. To deliver results, it is essential to find the right balance between ambition and pragmatism."

"Having back-to-back successes from MCs is crucial to show that we have restored the WTO as a place for action. It is also our responsibility to the people whose lives and livelihoods have been severely battered by the polycrisis."

The Director-General's intervention was preceded by reports from the chairs of the WTO negotiations on agriculture, fisheries subsidies, services and development delivered by Ambassador Alparslan Acarsoy of Türkiye, Ambassador Einar Gunnarsson of Iceland, Ambassador Zhanar Aitzhanova of Kazakhstan and Ambassador Kadra Hassan of Djibouti respectively.

Members also received a report from the chair of the General Council, Ambassador Athaliah Molokomme of Botswana, on her recent consultations relating to MC13 and

the way forward on WTO reform. Commenting on the reports of the chairs, the Director-General said there is a "real need for a greater sense of urgency" in the substance and pace of negotiations.



"While it is good that we have an uptick of activities in WTO bodies, we should not let ourselves slip into a pattern of simply continuing technical work ad infinitum," she warned. "From today's reports, frankly speaking, we have to get moving. If we want to succeed at MC13, we have to genuinely start negotiating on substance."

Noting that the Trade Negotiations Committee will next meet in July, the Director-General encouraged members to make the most of the two and a half months before the subsequent gathering.

"Consensus cannot be built overnight and if we do not dramatize our work in Geneva, we cannot de-dramatize the work of the ministers," she declared. "I do not want to have to report in July that, despite hard work from all sides, we are still far apart. So, the onus is on you to deliver."

New report calls for G20 coordination to address causes of food insecurity

A new report issued by the WTO, the UN Food and Agriculture Organization (FAO) and the World

Bank Group (WBG) on 13 April urges the G20 to coordinate efforts on tackling the root causes of food

insecurity. The report emphasizes the need for a unified approach and suggests that the G20 is in a unique

position to facilitate collective action. It recommends focusing on



improving the supply of development finance to support agriculture investments and to promote sustainable and inclusive economic growth in rural areas.

The report, titled “Rising Global Food Insecurity: Assessing Policy Responses”,

was produced at the request of G20 leaders in their G20 Bali Declaration of November 2022, where they asked the FAO and WBG to undertake a mapping exercise on the global response to rising food insecurity, identify any gaps in this response, and recommend further actions to eradicate hunger.

Trade growth to slow to 1.7% in 2023 following 2.7% expansion in 2022

Global trade growth in 2023 is still expected to be subpar despite a slight upgrade to GDP projections since last fall, WTO economists said in a new forecast on 5 April. Weighed down by the effects of the war in Ukraine, stubbornly high inflation, tighter monetary policy and financial market uncertainty, the volume of world merchandise trade is expected to grow by 1.7% this year, following 2.7% growth in 2022, a smaller-than-expected increase that was pulled down by a sharp slump in the fourth quarter.

The WTO’s trade projections, set out in the new “Global Trade Outlook and Statistics” report, estimate real global GDP growth at market exchange rates of 2.4% for 2023. Projections for both trade and output growth are below the averages for the past 12 years of 2.6% and 2.7% respectively.

WTO Director-General Ngozi Okonjo-Iweala said: “Trade continues to be a force for resilience in the global economy, but it will remain under pressure from external factors in 2023. This makes it even more important for governments to avoid trade fragmentation and refrain from introducing obstacles to trade. Investing in multilateral cooperation on trade, as WTO members did at

Merchandise trade volume and GDP growth, 2019-2024p

	2019	2020	2021	2022	2023p	2024p
World merchandise trade volume	0.4	-5.1	9.4	2.7	1.7	3.2
Exports						
North America	0.4	-8.9	6.5	4.2	3.3	3.1
South America	-1.3	-4.9	5.3	1.9	0.3	0.6
Europe	0.4	-7.7	8.1	2.7	1.8	2.0
CIS	-0.1	-0.9	-3.0	-4.9	2.8	2.2
Africa	-0.3	-7.2	3.5	0.7	-1.4	1.4
Middle East	-1.0	-6.6	-2.4	9.9	0.9	4.7
Asia	0.8	0.6	13.1	0.6	2.5	4.7
Imports						
North America	-0.6	-5.9	12.5	6.0	-0.1	1.4
South America	-1.8	-10.8	25.6	4.2	-1.6	2.3
Europe	0.3	-7.2	8.5	5.2	-0.6	1.8
CIS	8.3	-5.5	9.1	-13.5	14.9	0.8
Africa	3.3	-14.8	6.4	5.6	5.6	5.5
Middle East	11.2	-10.1	8.3	9.4	5.5	4.3
Asia	-0.5	-0.8	10.5	-0.4	2.6	5.2
World GDP at market exchange rates	2.6	-3.3	5.9	3.0	2.4	2.6
North America	2.1	-3.3	5.5	2.2	1.5	1.0
South America	0.5	-6.5	7.4	4.0	1.4	2.0
Europe	1.7	-5.6	5.9	3.4	0.9	1.8
CIS	2.6	-2.5	4.9	-0.9	-0.9	0.7
Africa	2.6	-2.4	4.7	3.4	3.5	3.9
Middle East	1.0	-4.1	4.2	5.8	2.9	3.1
Asia	4.0	-0.9	6.2	3.3	4.2	4.3
Memo: Least Developed Countries (LDCs)						
Volume of merchandise exports	0.2	-1.6	-2.6	2.0	4.8	2.1
Volume of merchandise imports	2.2	-11.0	7.4	3.6	4.8	5.4
Real GDP at market exchange rates	4.6	4.9	0.4	2.1	4.4	4.4

Sources : WTO and UNCTAD for historical trade data, WTO for trade forecasts and consensus estimates for GDP.

our Twelfth Ministerial Conference last June, would bolster economic growth and people's living standards over the long term."

The 2.7% increase in world trade volume in 2022 was weaker than the WTO's October forecast of 3.5%, as a sharper-than-expected quarter-on-quarter decline in the fourth quarter dragged down growth for the year. Several factors contributed to that slump, including elevated global commodity prices, monetary policy tightening in response to inflation, and outbreaks of COVID-19 that disrupted production and trade in China.

Notably, trade growth last year turned out to be in line with the 2.4% to 3.0% baseline scenario in the WTO's March 2022 initial report

on the war in Ukraine, and well above its more pessimistic scenario in which trade would have grown just 0.5% as countries started to split into competing economic blocs. In the event, international markets remained broadly open. A follow-up study the WTO released last month documented how vulnerable economies were able to compensate for essential food supplies cut off by the war by finding alternative products and suppliers.

The 1.7% forecast for trade growth in 2023, meanwhile, is up from the previous estimate of 1.0% from last October. A key factor here is the relaxation of COVID-19 pandemic controls in China, which is expected to unleash pent-up consumer demand in the country, in turn boosting international trade.

WTO Chief Economist Ralph Ossa said: "The lingering effects of COVID-19 and the rising geopolitical tensions were the main factors impacting trade and output in 2022 and this is likely to be the case in 2023 as well. Interest rate hikes in advanced economies have also revealed weaknesses in banking systems that could lead to wider financial instability if left unchecked. Governments and regulators need to be alert to these and other financial risks in the coming months."

Looking ahead to 2024, trade growth should rebound to 3.2%, as GDP picks up to 2.6%, but this estimate is more uncertain than usual due to the presence of substantial downside risks, including geopolitical tensions, food supply shocks, and the possibility of unforeseen fallout from monetary tightening.

WTO members highlight importance of "digital industrialisation" to economic growth

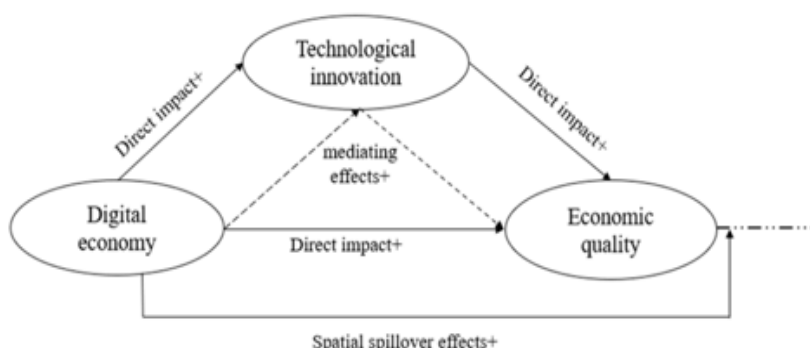
WTO members on 23 June acknowledged the importance of digital industrialization for economic growth, highlighting the measures needed to support this process, such as investing in digital literacy and strengthening the legal and regulatory framework underpinning the digital economy. The discussions took place in a dedicated session under the Work Programme on Electronic Commerce.

Singapore noted that the growth of the digital economy had introduced new risks and challenges as well as opportunities for workers and businesses. In its view, governments must invest in digital upskilling and digital transformation to leverage the opportunities and to prepare workers and businesses for the new

challenges. It further highlighted that policies and programmes in this area must incorporate adaptability, resilience and openness to change. Other members shared their national initiatives to promote digital industrialization and shared information about their development programmes and international cooperation initiatives.

Ambassador Usha Dwarka-Canabady of Mauritius, the

facilitator of the Work Programme on Electronic Commerce and the e-commerce moratorium on imposing customs duties on electronic transmissions, welcomed members' exchanges on their national experiences and their discussion on the role of the WTO in this area. She informed members that the next dedicated discussion will be held on 18 July, with a focus on the moratorium.





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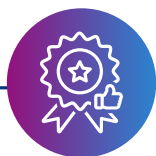
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