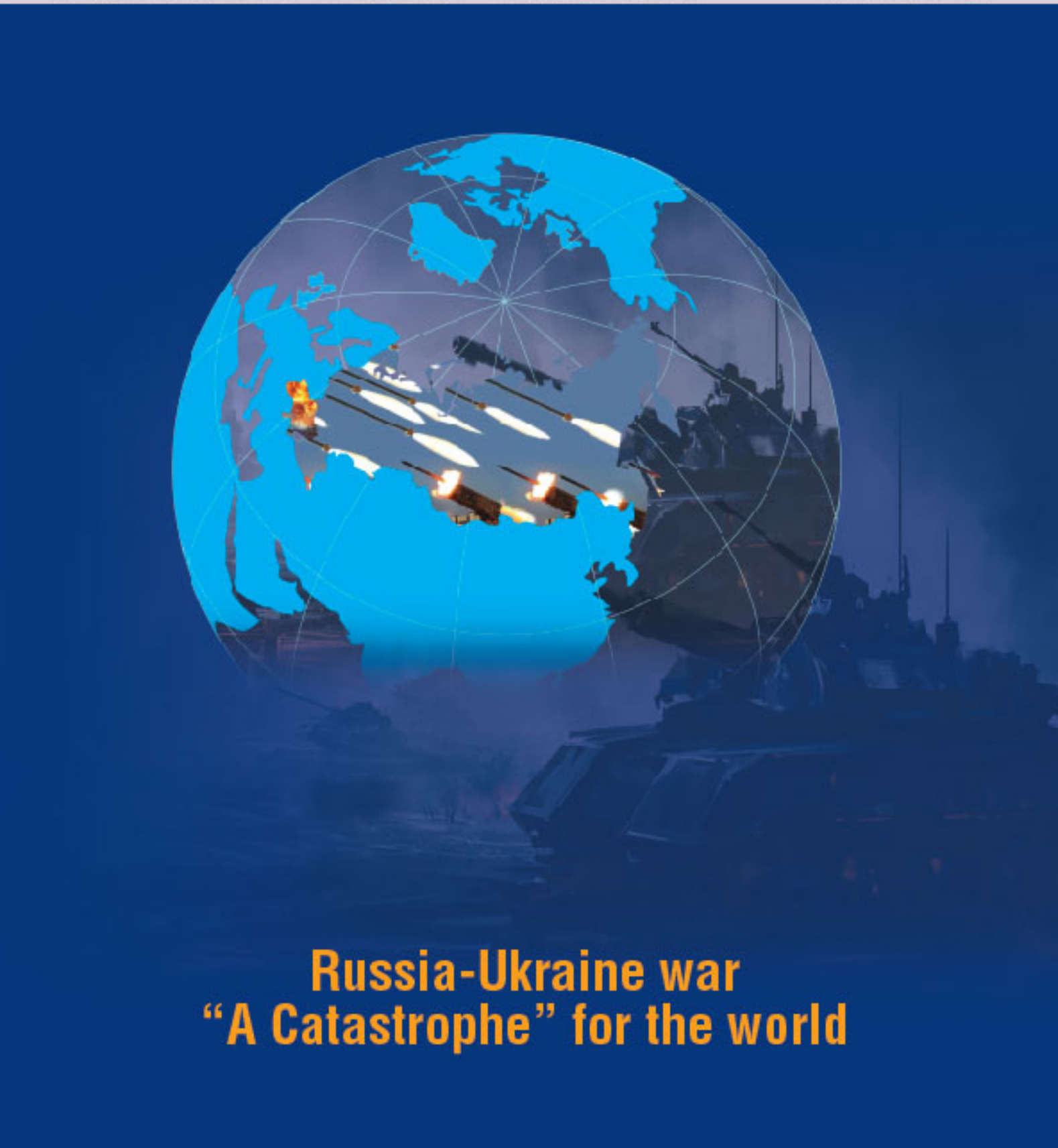
ICC BANGLADESH
INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

ICC Bangladesh

NEWS BULLETIN

We make business work for everyone, everyday, everywhere

A Quarterly Newsletter of ICC Bangladesh | Volume 25 > Issue 98 | April - June 2022



Russia-Ukraine war
"A Catastrophe" for 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 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. António Guterres 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) and World Conference on Banking Institutions (WCBI) organized by London Institute of Banking and Finance (LIBF) in London (September 2019).

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 in most of the World Chambers Congress & ICC World Congresses held every two years and WTO Ministerial Meetings as well as ICC Regional Consultative Group Meetings. The National Committee also arranges visit by Bangladesh Business delegation to different countries for promotion of trade and investment.

International Chamber of Commerce

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ICC BANGLADESH
The world business organization

The Executive Board

President
Mahbubur Rahman
Chairman & CEO, ETBL Holdings

Vice Presidents
Rokia Afzal Rahman
Former MCCI President
A. K. Azad
Managing Director, Ha-Meem Group

Members
Abdul Hai Sarker
Chairman, Purbani Group
Aftab ul Islam
Chairman, IOE (Bangladesh)
Anwar-Ul-Alam Chowdhury (Parvez)
Managing Director, Evince Group
Faruque Hassan
President, BGMEA
Kutubuddin Ahmed
Chairman, Envoy Group
Mahbubul Alam
President, CCCI
Md. Fazlul Hoque
Managing Director, Plummy Fashions
Md. Jashim Uddin
President, FBCCI
Mir Nasir Hossain
Managing Director
M/S. Mir Akhter Hossain
Mohammad Ali Khokon
President, BTMA
Mohammad Hatem
Executive President, BKMEA
Naser Ezaz Bijoy
President, FICCI
Rizwan Rahman
President, DCCI
Sheikh Kabir Hossain
President, BIA
Simeen Rahman
CEO, Transcom Group
Tapan Chowdhury
Managing Director, Square Group

Editor
Ataur Rahman
Secretary General

Editorial Associate
Syeda Shahnewaz Lotika
Deputy General Manager

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Editor's Note

Russia-Ukraine war "A Catastrophe" for the world

The world, after getting battered by the pandemic, supply chain chokeholds and leaps in prices, is now faced with worst human and economic catastrophe due to uncalled for Russia-Ukraine war. This war is a major humanitarian crisis affecting millions of people and a severe shock to sustained economic development of the world.

According to World Food Programme (WFP) some 276 million people are facing acute food insecurity. Food and Agriculture Organization (FAO) estimates that the impact of the war could lead to 11-19 million more hungry people.

The War has compelled more than six million Ukrainians to take refuge in neighbouring countries. This has added to the already existing 26.4 million refuges globally, including some more than one million Rohingyas in Bangladesh. According to UNHCR at the end of 2020 there were 82.4 million forcibly displaced people in the world, of which more than a quarter (26.4 million) are refugees.

WFP Executive Director has announced it's decision of cutting food rations for refugees by as much as half, as it faces a hunger crisis worsened by war in Ukraine and funding constraints.

Ukraine is the world's biggest producer of sunflower oil, with Russia number two, according to S&P Global Platts. The two countries account for 60% of global production. Besides, Ukraine grows enough food to feed 400 million people worldwide, which includes 10% of the worldwide grain supply and 13% of global corn supply.

According to FAO, spiralling costs of farm inputs like fertiliser could deter growers from expanding production and worsen food security in poorer countries facing record import bills. As a result, some countries in the Sub-Saharan Africa and in Asia, such as Bangladesh and Indonesia, were also being highly impacted.

Oil and natural gas prices rose sharply following the invasion and they are expected to remain elevated this year. The energy supply crunch reminds the world of the 1970's oil crisis that stagnated global growth amid surging inflation.

NATO Secretary General Jens Stoltenberg said that Russia's war in Ukraine could take years. After US military aid in millions of dollars were disbursed and several billions more pledged, European leaders, including the French president and the German chancellor are also offering Ukraine more weapons and European Union's candidate status. Russian President, on the other hand, declared "the end of the era of the unipolar world". All these moves point to the prospects of a prolonged war.

The developed nations are experiencing record inflation in decades and taking tough steps to control spending, which will dampen consumer demand – a concern for Bangladesh that depends on exports to these countries.

The US Federal Reserve has hiked, for the first time in more than two decades, its benchmark interest rates by 0.75 percentage points, as it had has no choice but to address inflation more forcefully, regardless of the impact on markets. The Bank for International Settlement (BIS), considered as the Central Bank of Central Banks, in its Annual Economic Report has observed that the central banks must act quickly and decisively before inflation become entrenched, with the thread of stagflation looking over the global economy.

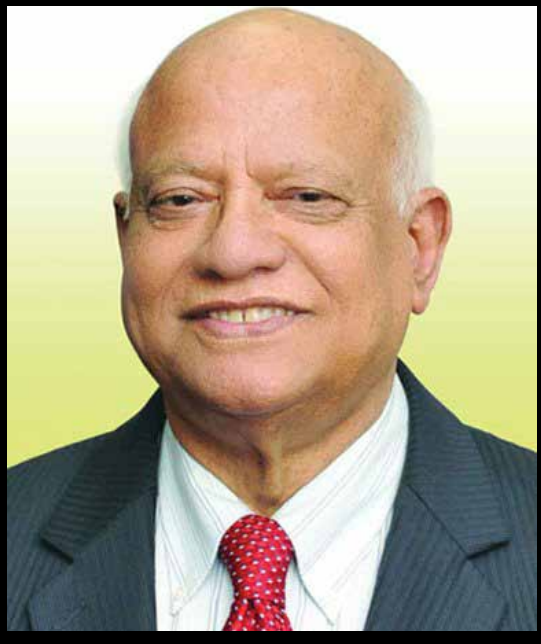
Bangladesh is already facing the affect of Russia-Ukraine war, with inflation reaching 7%, the highest in decades, reduction in exports to Russia and Ukraine as well as rise in import bills, mainly for oil and food.

Countries are preparing for the worse, depending on their immediate and long-term concerns. For the West, it is preeminently a security concern and they are gearing up accordingly, apart from efforts to find alternatives to energy and food supplies.

But for the rest of the world, the humanitarian sufferings and economic concerns come first as the war has disrupted the entire supply chain, making production, business and life unpredictable.

International Chamber of Commerce and its 45 million members in over 100 countries urge upon the super powers to abandon their fight for world supremacy at the cost of loss of millions life, sufferings of humanity and obstacle to continued global growth.

WE DEEPLY MOURN



Abul Maal Abdul Muhith
(25 January 1934– 30 April 2022)

ICC Bangladesh is deeply shocked and grieved at the demise of Mr. Abul Maal Abdul Muhith, Former Finance Minister of Bangladesh on Saturday, 30 April, 2022. Inna lillahi wa inna ilayhi raji'un.

With his departure, we have lost the architect of the country's golden era, a freedom fighter, a renowned civil servant, diplomat, parliamentarian, patriotic leader and an eminent economist.

We remember with gratitude the involvement and active participation of Mr. Muhith, as the Finance Minister, in all International Conferences organized by ICC Bangladesh. The National Committee of the International Chamber of Commerce, The world business organization was fortunate to have his continuous guidance and support in carrying out its activities.

Mr. Muhith held important positions in the public service and was the first diplomat of the Pakistan Embassy in Washington, who transferred his allegiance to Bangladesh during the Liberation War. In 1966, he was honoured with the Tamgha e Khidmat award by the Pakistan Government. During his service as the Chief and Deputy Secretary of Pakistan Planning Commission, he made a report on the discrimination between East and West Pakistan and that was the first submitted report on that issue in Pakistan National Congress.

He also played a vital role in drumming up global support for Bangladesh during 1971 liberation war. In 2016, he was conferred with Swadhinata Puroskar, the highest civilian award, for his contribution to the Liberation War. While in service, he studied at the University of Oxford during 1957–1958. He completed his Master of Public Administration degree from Harvard University in 1964.

His stewardship and future vision for the country as the iconic Finance Minister, Bangladesh has been able to achieve the Middle Income Country status. In his lifetime, Mr. Muhith has seen the benefits of his policies. He will go into the history of Bangladesh for his prudent and dynamic leadership as Finance Minister for more than 10 years.

He was one of the driving forces behind Bangladesh taking up mega projects. He retired from public service but continued working towards the welfare of people.

May Allah rest his soul in peace in heaven.

ICC Bangladesh News

ICC Bangladesh Annual Council
Endorsed to avoid hard loans and discourage luxury goods import

ICC Bangladesh strongly endorse the recent recommendation by the Finance Ministry to avoid hard loans and discourage the import of luxury goods as this may reduce pressure on our declining foreign exchange reserves. Also endorse recent austerity and regulatory measures taken by Govt. & Bangladesh Bank aimed at curbing non-essential imports, suspending the implementation of projects with high import components, we believe this will send a positive signal to the market and the economy as well as curbing inflation, said ICCB President Mahbubur Rahman while presenting ICCB Executive Board Report at it's 27th Annual Council held in Dhaka on 4 June.

ICCB also support the demand of the businesses not to increase the power and gas rates, fuels prices as well reduce the corporate rate taxes during the upcoming budget as these will be helpful in containing the inflation, said ICCB President.

At the very outset, President Mahbubur Rahman recalled with deep respect former President and former Chief Justice Shahabuddin Ahmed who had played a crucial role during 1991 for holding a free, fair election, Abul Maal Abdul Muhith, Former Finance Minister of Bangladesh, the architect of country's golden era. He said that Late Mr. Muhith always extended support to ICC Bangladesh and participated in all international and national events organized by ICC Bangladesh.

ICC Bangladesh President Mahbubur Rahman remembered with profound respect the business icon Late Mr. Latifur Rahman, Founding ICC Bangladesh Vice President who has passed away on 1 July, 2020." We have lost a visionary business leader who has made immense contribution in making a vibrant private sector in Bangladesh. In 2020 we have also lost ICC Bangladesh Executive Board Members Waliur Rahman Bhuiyan, OBE and Eminent Lawyer Barrister Rafique-Ul Huq, renowned educationist and founding principal of Sunbeams school Mrs. Niloufer Manzur, wife of Apex Group Chairman Syed Manzur Elahi. May Allah grant them eternal peace in heaven", he mentioned.

The report mentioned that over the last two years, the pandemic has played a major role in shaping the global economy. Many sectors have found themselves in difficulty and are still struggling and the countries dependent on those sectors are now quietly trying to get back up again. Despite the strong economic recovery in 2021, the financial difficulties are not over and may still cause economic slowdown. In addition, many countries are faced with an increasing debt burden, high inflation and burning issue of the moment, geopolitical tensions, which all play a major role.

The Executive Board Report observed that after getting battered by the pandemic, supply chain chokeholds and leaps in prices, the global economy is poised to be sent on yet another unpredictable course by Russia-Ukraine war. This war is a major humanitarian crisis



ICC Bangladesh President Mahbubur Rahman presiding over the ICCB Annual Council (AGM) 2021 held in Dhaka on 4 June. Also seen sitting in the head table are (R – L) : BIA President Sheikh Kabir Hossain, Apex Group Chairman Syed Manzur Elahi, ICCB Vice President A. K. Azad, Former Foreign Minister Barrister Anisul Islam Mahmud, M.P. and Square Textiles Chairman Tapan Chowdhury.

affecting millions of people and a severe economic shock of uncertain duration and magnitude. Prior to the war, the global recovery from the pandemic was expected to continue in 2022 and 2023, helped by continued progress with global vaccination efforts, supportive macroeconomic policies in the major economies and favourable financial conditions.

The magnitude of the economic impact of the war is highly uncertain, and will depend in part on the duration of the war and the policy responses, but it is clear that the war will result in a substantial near-term drag on global growth and significantly stronger inflationary pressures.The humanitarian cost of the war is high and growing. Around three million people have already fled Ukraine in the first three weeks of the war and that number is likely to increase further.

Sri Lanka, which is mired in a deep political and economic crisis, has announced it is suspending payments on its $51bn foreign debt. The island nation of 22 million people is experiencing acute shortages of food, fuel and other essentials, a crisis that has inflicted widespread misery in the worst downturn since independence from the United Kingdom in 1948.

The Executive Board Report observed that the Russian invasion of Ukraine poses the most severe risk to developing Asia's economic outlook. The war is already affecting economies in the region through sharp increases in prices for commodities such as oil and has heightened instability in global financial markets. COVID-19 continues to impact many parts of developing Asia, with some economies experiencing new surges in cases.

Bangladesh's journey of 50 years since its independence in 1971 has been tremendous and to many it is a 'land of impossible attainment'. The dominant narrative of Bangladesh has been of an economic miracle. Countries impressive score card is built on her success in terms of attaining a consistency high pace of economic growth and an impressive performance with regard to various development indicators, including those relating to the Millennium Development Goals (MDGs), ICCB President said.

The success in economic growth has led to Bangladesh's dual graduation-graduation from a Low-Income Country (LIC) to a Lower Middle-Income Country (LMIC) in 2015, according to the World Bank criterion and eligibility for graduation from the group of Least Developed Country (LDC) to Developing Country (DC) status in 2018, according to United Nations criteria, the report added.

Bangladesh is going to become a half-a-trillion-dollar economy in FY 2022-2023 buoyed by a successful vaccination campaign and a steady growth in agriculture and industry. As per the finance division's projection, the size of the Bangladesh economy would be $510 billion in FY 2022-23 after growing at 10.7 percent. The GDP is estimated to be $455 billion at the current price this fiscal year, up from $411 billion. The overall growth will reach 12.08 percent, according to the forecast of the Fiscal Coordination Council meeting.

Mr. Mahbubur Rahman said according to World Economic Forum Since its founding in 1971, Bangladesh has emerged from overwhelming poverty to be proclaimed by The World Bank in 2020 as 'a model for poverty reduction'. It achieved the highest cumulative GDP growth globally from 2010 to 2020 and is now on course to become a developed country by 2041.

Bangladesh, like other countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic which has constrained economic activities and reversed some of the gains achieved in the last decade. We have to remember that worldwide, trade is a key tool of development that has led to globalisation. Various Research institutions & experienced economists citing post-graduation challenges, apprehend serious hurdles on its elevation, if Bangladesh fails to devise smooth transition strategies for confronting the challenges posed by this transition.

Three major economic challenges, all tied to one another, as observed by experts include a persistent higher rate of inflation, the upward trend of the foreign exchange rate, and a deepening liquidity crunch in the banking sector.

Besides these challenges, Russia-Ukraine war will also affect Bangladesh's economy. Bangladesh is already feeling the heat of the Russia-Ukraine war in many ways. If the war continues for a longer period, the impact will intensify. The country is feeling the impact through reduction in exports and rise in import bills. Being an oil-importing country, Bangladesh is already feeling the pressure through high import payments, the report cautioned.

Chairman of the ICC Bangladesh Election Scrutiny Board Osama Taseer announced the new ICC Bangladesh Executive Board for the two years term from April 2022 to March 2024. The Council congratulated the new Board. The Council approved the Auditor's

Report of 2021 and appointed Auditor for the year 2022.

The Council Meeting was attended by ICC Bangladesh Vice President A. K. Azad; Apex Group Chairman Syed Manzur Elahi; Former Foreign Minister Barrister Anisul Islam Mahmud, M.P.; FBCCI President Md. Jashim Uddin; DCCI Acting President Arman Hoque; MCCI President Md. Saiful Islam; FICCI President Naser Ezaz Bijoy; BIA President Sheikh Kabir Hossain; BTMA President Mohammad Ali Khokon; NCCI President Tahrin Aman. Among others the meeting was also attended by Muhammad A. (Rumee) Ali, Chairman, ICC Bangladesh Banking Commission & Chairman, AB Bank Ltd.; Md. Arfan Ali, Managing Director, Bank Asia Limited; Syed Mahbubur Rahman, Managing Director & CEO, Mutual Trust Bank Limited; Mir Nasir Hossain, Managing Director, Mir Akhter Hossain Limited; Dr. Rubana Huq, Managing Director, The Mohammadi Limited; Md. Fazlul Hoque, Managing Director, Plummy Fashions Limited; Syed Ali Jowher Rizvi, Managing Director, Summit Alliance Port Limited; Mohammad Shamsul Islam, Managing Director, National Housing Finance and Investments Limited; Md. Abdul Haque, FCA, Managing Director, Eastland Insurance Company Limited; Mohammad Fazlul Azim, Managing Director, Azim Group; Kutubuddin Ahmed, Chairman, Envoy Garments Limited; Anwar-Ul-Alam Chowdhury (Parvez) Managing Director, Evince Group, Sayeed Hossain Chowdhury, Chairman & CEO, HRC Syndicate Limited; Mohammad Samsul Alam Mallick, Managing Director, New Zealand Dairy Products Bangladesh Limited; Asif A. Chowdhury, Managing Director, Bay Consolidation (Pvt.) Limited; K A M Majedur Rahman, Chief Executive Officer, A. K. Khan & Company Ltd.; Tanvir Ahmed, Managing Director, Green Textile Limited; Osama Taseer, Chairman, Four Wings Limited; Ahmed Shahin, Acting Managing Director, Eastern Bank Limited; Md. Habibullah Monju, Chief Financial Officer, Karnaphuli Fertilizer Co. Ltd. (KAFCO); Kaiser Ahmed Chowdhury, Chief Executive Officer, Bangladesh International Arbitration Centre (BIAC); M. A. Rahim, Vice Chairman, DBL Group; Sujeet Kumar Pai, Managing Director, Linde Bangladesh Limited, S. M. Mahbubul Karim, CEO, Nitol Insurance Co. Ltd. Deepal Abeywickrema, Managing Director, Nestle' Bangladesh Limited, Sanjida Awal, Deputy Managing Director, Prime Textile Spinning Mills Limited and ICCB Secretary General Ataur Rahman.

ICC Bangladesh Executive Board re-elected for two-years term



Rokia Afzal Rahman
Vice President



Mahbubur Rahman
President



A.K. Azad
Vice President

Mr. Mahbubur Rahman, Chairman & CEO of ETBL Holdings Limited has been re-elected as the President of International Chamber of Commerce (ICC) – Bangladesh, *The world business organization* while Mrs. Rokia A. Rahman, Former MCCI President & Chairman, Arlinks Limited and Mr. A. K. Azad, Managing Director, Ha-Meem Group have been re-elected as Vice Presidents of ICC Bangladesh for 2 years term from April 2022 to March 2024. The Announcement of the Election was made during the ICC Bangladesh Annual Council 2021 held on 4 June 2022 in Dhaka.

Re-elected Members of the Executive Board	
From Organization Group	
Md. Jashim Uddin	President, The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI)
Rizwan Rahman	President, Dhaka Chamber of Commerce & Industry (DCCI)
Mahbubul Alam	President, The Chittagong Chamber of Commerce & Industry (CCCI)
Naser Ezaz Bijoy	President, Foreign Investors' Chamber of Commerce & Industry (FICCI)
Sheikh Kabir Hossain	President, Bangladesh Insurance Association (BIA)
Faruque Hassan	President, Bangladesh Garment Manufacturers & Exporters Association (BGMEA)
Mohammad Hatem	Executive President, Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
Mohammad Ali Khokon	President, Bangladesh Textile Mills Association (BTMA)
From Corporate Group	
Abdul Hai Sarker	Chairman & CEO, Shohagpur Textile Mills Limited
Anwar-Ul-Alam Chowdhury (Parvez)	Managing Director, Evince Group
Aftab ul Islam	Chairman, IOE (Bangladesh) Limited
Kutubuddin Ahmed	Chairman, Envoy Group
Mir Nasir Hossain	Managing Director, Mir Akhter Hossain Limited
Md. Fazlul Hoque	Managing Director, Plummy Fashions Limited
Simeen Rahman	CEO, Transcom Group & Director, Transcom Limited
Tapan Chowdhury	Chairman, Square Textiles Limited.

ICC Bangladesh President & Vice President attended ICC World Council held virtually

The 212th World Council of International Chamber of Commerce (ICC), *The world business organization* was held in Mexico on 14 June 2022.

Delegates from a number of National Committees attended physically and virtually. ICC Bangladesh President Mahbubur Rahman, Vice President A. K. Azad and Secretary General Ataur Rahman attended the Meeting virtually. ICC Chair Ajay Banga delivered his welcome address and Secretary General John Denton presented the ICC Report.

The Council unanimously elected First Vice Chair of ICC Ms. Maria Fernanda Garzas ICC Chair for two years term from 1 July 2022 to 30 June 2024. Ms. Maria is the First Woman Chair of ICC. She is a Mexican businesswoman, CEO of Orestia, a manufacturing home improvement solutions company, with exports to USMCA region, Latin-America and Asia and was the Chair of ICC Mexico from 2014-2020



ICC World Council meeting on 14 June in Mexico

She thanked the Council Members for electing as the new Chair and assured her full commitment in carrying out various activities of ICC during the next two years. She hoped to receive full cooperation from the National Committees.

The Council also elected Mr. Philippe Varin as First Vice Chair of ICC, who is the Chair of ICC France; and two

ICC Vice Chairs: Prof. Dr. Nayla Comair-Obeid, Partner, Obeid Law Firm in Lebanon; and Mr. Harsh Pati Singhania,Vice Chair & Managing Director of J. K. Paper Ltd in India. The newly elected Executive Board Members are: Dr. Holger Bingmann, Chairman, ICC Germany & Founder of Melo Group, Germany; Ms. Rebecca Enonchong, founder and Chief Executive Officer of AppsTech, Marjorie YANG, Chairman of Esquel Group; Nicolás Uribe Rueda, Executive President & CEO, Bogotá Chamber of Commerce; Mr. Justin D'agostino, MH, Chief Executive Officer and Partner & chair Global Executive; and Dr. Lama Al Sulaiman, Shareholder and a Board Member of Rolaco Holdings, KSA.

Mr. Nicolás Uribe Rueda, Executive President, Bogotá Chamber of Commerce has been elected as Chair of the World Chambers Federation (WCF) for the period from 14 June 2022 to 1 July 2024.

The next Meeting of the ICC World Council will be held in June 2023, in Geneva, Switzerland.

Meeting with UNICEF Officials

A three-Member UNICEF Delegation called on ICC Bangladesh President Mahbubur Rahman on 9 May at ICCB Secretariat. The team briefed about the activities of UNICEF in Bangladesh and areas where both ICC Bangladesh and UNICEF can undertake joint programme. Ms. Dawn Gosling, Chief of Private Sector Fundraising and Partnerships, South Asia Income Hub, UNICEF South Asia Office, Bangkok thanked ICC Bangladesh President for organizing ICC Bangladesh- UNICEF Webinar on Demographic Dividend in Bangladesh: Role of Private Sector. Mr. Mahbubur Rahman thanked Ms. Gosling and her team for visiting ICC Bangladesh and sharing ideas about further collaboration.



Meeting with UNICEF Officials in Progress

Meeting of Permanent Heads of ICC National Committees attended by ICC Bangladesh Secretary General

The Meeting of the Permanent Head of ICC National Committees (NCs) was held virtually form ICC Hq. Paris. ICC Secretary General John W.H. Denton AO discussed about the state of global trade and implications of Ukraine/ Russia conflict; Strategic transformation agenda – update; and Upcoming governing body meetings in Mexico.

The Meeting of the Permanent Heads held virtually on 31 May was attended by ICC Bangladesh Secretary General Ataur Rahman and the Heads of ICC National Committees.

ICC Secretary General mentioned about the food crisis of unprecedented proportions which includes 276 million people facing acute food insecurity, as estimated by WFP. He also mentioned that around 400 million people are dependent on exports from Russia and Ukraine, particularly in Africa and Middle East. The War has also disrupted the supply chain leading to rising food / fertilizer prices and decrease in global agricultural output by some 15% and Food shortages risk inducing widespread political and civil unrest, he said.

The War has serious supply chain crisis, off the back of COVID 19, exacerbated by disruption to transport systems (Black Sea), record energy price hikes , and lack of access to Russian and Ukrainian metals and raw materials, lockdowns of China (thereby affecting manufacturing). A looming debt crisis - the fiscal position of many emerging markets indicates risk of sovereign debt crisis, placing a further drag on growth. All against backdrop of high inflation, weak multilateral governance and new complicated sanctions regimes, the Secretary General observed.



The Permanent Head Meeting was also informed about the Agenda and preparation of the World Council 2021 meeting scheduled to be held on 14 June; ICC Dispute Resolution Services: Recent developments and outlook; update on the HQ/ NC Engagement Model: Increasing ICC's Impact; and ICC re-branding and roll out.

ICC Workshop on International Trade Payment and Finance Practice, compliance, operations & Legal analysis

ICC Bangladesh organized a Workshop on International Trade Payment and Finance-Practice, compliance, operations & Legal analysis in Dhaka on 18 June. ICC Bangladesh Vice President A.K. Azad attended as Chief Guest at the Certificate Award ceremony which was chaired by ICC Bangladesh Banking Commission and AB Bank Chairman Muhammad A. (Rumee) Ali. The closing session was also attended ICC Bangladesh Secretary General Ataur Rahman and Workshop resource person ATM Nesarul Hoque, Senior Vice President of Mutual Trust Bank.

ICC Bangladesh Vice President A.K.Azad mentioned that Bangladesh like all other countries are faced with the after effect of the ongoing Ukraine/-Russia War. The whole world is now faced with the new challenge after fighting the global impact of COVID-19. The War is also seriously affecting the RMG export, as the western buyer are reducing their orders.

Mr. Azad, said that on top of this, the deadly fire on the night of June 4 at a private inland container depot (ICD) in Sitakunda upazila of Chattogram has not only caused loss of life but also economic loss of over $110 million. The containers loaded with export items, mainly RMG products and frozen food, were caught in the blaze. He referred to the claim of BGMEA (Bangladesh Garment Manufacturers & Exporters' Association) that apparel products worth over Tk1,000 crore might have been stored at the depot. A number of exporters will now be faced with settlement of their dues from the buyers, Azad said.

ICC Bangladesh Vice President hoped that the participants have benefitted from attending the day-long workshops. He urged the bankers to follow the international rules in settlement L/Cs and explain to their clients if there are any issues in this regard.

ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali, in his address said that the pandemic creates volatility and volatility means risk that demands mitigation. "People always try to mitigate risk, whether you are an importer or exporter or any other part of the supply chain," he said.

Mr. Ali observed that the international trade finance has gone and going through a lot of changes due to COVId-19 pandemic. The digitations might also cause cyber security and increase cyber-crime. As such, in order to protect our foreign exchange transaction, Bangladesh Bank should on priority basis develop a common programme/software package for all the banks to protect them from cyber security and cyber-crime. He called on the participants to understand risk mitigation tools and help clients.

ICC Bangladesh Secretary General Ataur Rahmanmentioned about various programmes that ICC Bangladesh has been conducting for the benefits of the bankers. He also advised the bankers to participate at various on-line courses that are being offered by ICC Academy and London Institute of Banking and Finance (LIBF). He thanked the sponsoring banks for nominating their officials for attending the workshop. He also thanked ATM Nesarul Hoque for agreeing to conduct the workshop.

A total of 101 participants from 26 banks attended the workshop. Participants from Agrani Bank, BRAC Bank, Dhaka Bank, Eastern Bank, First Security Islami Bank, HSBC Bangladesh, IFIC Bank, Islami Bank

Bangladesh, Janata Bank, Meghna Bank, Mercantile Bank, Mutual Trust Bank, NRB Bank, One Bank, Prime Bank, Pubali Bank, Rupali Bank, Shahjalal Islami Bank, Shimanto Bank, Social Islami Bank, Sonali Bank, Southeast Bank, Standard Chartered Bank, Trust Bank, United Commercial Bank and Uttara Bank.



ICC Bangladesh Vice President A. K. Azad (4th from left) distributed certificates among the participants at ICC Workshop on International Trade Payment and Finance-Practice, compliance, operations & Legal analysis held in Dhaka at a local hotel on Saturday,18 June 2022. Also seen in the picture are : ICCB Banking Commission Chairman & AB Bank Chairman Muhammad A (Rumee) Ali (Centre), ICCB Secretary General Ataur Rahman, General Manager Ajay B. Saha, Manager Md. Shakayet Hossain and Workshop Resource Person & Senior Vice President of Mutual Trust Bank ATM Nesarul Hoque. A total of 101 participants from 26 Banks participated at the Workshop.

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- Certificate in Principles of Payments (CertPAY)

For registration please contact:

ICC Bangladesh, Telephone: +8802-58810658-9, +88-09639112021
Email: info@iccbangladesh.org.bd;

ICC Bangladesh distributed relief materials to flood affected people of Sunamganj

The unprecedented flood during the month of June in Sylhet Division has affected more than seven million people(about 50 per cent children). There was no electricity in most of the areas and the whole communication system was disrupted. Around 90 percent of Sunamganj and over 80 percent of Sylhet were totally submerged. In order to provide relief to the flood affected people, ICC Bangladesh collected a contribution of Tk.10 million from it's member companies. With the help of Hameem Group and Envoy Group, ICC Bangladesh distributed relief materials to remote areas of Sunamganj District through Bangladesh Army and local administration. ICC Bangladesh also contributed Tk.1.5 million to UNICEF to support its programme of distributing items like hygiene kits, dignity kits, tents for adolescent girls and women and cans. With the help of Hameem Group, ICC Bangladesh handed over 3000 packets containing some basic food items to Bangladesh Army 38 ST Batalian, Sylhet Cantonment for distribution to the flood affected people. In addition, ICC Bangladesh, with the assistance of Envoy Group, also arranged distribution of food items, sarees and lungis among the flood affected people through local administration.




ICC Bangladesh with the help of Hameem Group handed over 3000 packets of relief materials to Bangladesh Army 38 ST Batalian for distribution to flood affected people of remote areas of Sunamganj.







ICC Bangladesh with the support of Envoy Group.handed over Sharees and Lungis to the flood Affected people with the help of local administration of Sunamganj district

From the Album



ICC Bangladesh Vice President A.K.Azad (extreme left) is interacting with Apex Footwear Chairman and Former Advisor to the Caretaker Government Syed Manzur Elahi (2nd from left), Managing Director of Mir Akhter Hossain Ltd. Mir Nasir Hossain (3rd from left) and BTMA President Mohammad Ali Khokan (extreme right) during the 27th ICC Bangladesh Annual Council held on 4 June 2022.



ICC Bangladesh Vice President A.K.Azad (extreme right) is seen interacting with Shasha Denim Chairman & Former Foreign Minister Barrister Anisul Islam Mahmood, M.P (2nd from right) and Envoy Group Chairman Kutubuddin Ahmed (extreme left) during the 27th ICC Bangladesh Annual Council held on 4 June 2022.



ICC Bangladesh Annual Council 2021 in session.

ICC HQs News

New fundraising campaign to support WFP's food assistance to the people of Ukraine

The International Chamber of Commerce (ICC) is proud to announce the launch of a campaign on World Food Programme's (WFP) crowdfunding platform ShareTheMeal to provide food assistance to the people of Ukraine.



Following a recent visit to Ukraine by ICC Secretary General, John W.H. Denton AO, and the anniversary of a strategic partnership signed between ICC and WFP, the fundraising appeal aims to support WFP's response strategy and efforts to reach six million Ukrainians by the end of June.

The unsolicited war that has been ravaging Ukraine since February has transformed what was once known as the breadbasket of Europe and the world, into one of the largest recipients of humanitarian aid. The situation on the ground is dire. One in three households is food insecure. When looking at displaced people in South and East Ukraine, the areas most affected by the war, 62% of people are affected by food insecurity.

Before the war, Ukraine's monthly export of agricultural produce was 4.5 million tonnes. This represented 12% of the planet's wheat and made it a strategic country for global food security. To put its strategic importance into perspective, WFP used to buy half of its grain to be used in all global crises in which it was involved from Ukraine.

Since the war started, seven million tonnes of wheat and 14 million tonnes of corn have been prevented from being exported by sea, and the land-based alternatives (road and freight transport) are far from having sufficient capacity to export such a large number of grain in such limited time. When coupled with the already existing effects of climate change and COVID-19, there is a risk of seeing tens of millions of people fall into food insecurity and malnutrition.

Since the conflict began WFP has supported 5.5 million Ukrainians with food or cash assistance by mobilising 163 staff in the country and opening six offices and 13 warehouses (seven in Ukraine and six in neighbouring countries). WFP's response strategy consists of three pillars:

- In-kind assistance to encircled cities and conflict-affected populations by providing food distribution to resident and internally displaced populations.
- Cash-based transfer assistance where markets are still functioning such as cash for essential needs and food vouchers.
- Preserving food market functionality by providing targeted cash to support national food systems and value chains and by identifying supply gaps to be remedied.

This latest partnership comes as ICC has taken a leading role in advocating for business action in response to the war in Ukraine since the conflict's onset. As the institutional representative of more than 45 million companies in over 130 countries, ICC has mobilised its global network and built historic collaborations with strategic partners to protect lives and livelihoods, support humanitarian efforts and promote business continuity and economic resistance.

ICC's leadership in response to the crisis was officialised by United Nations Secretary General Antonio Guterres, who appointed Mr Denton to represent the global private sector on a new Steering Committee of the Global Crisis Response Group, to address the immense interconnected challenges the world is facing.

Mexican businesswoman Maria Fernanda Garza elected as new ICC Chair

The International Chamber of Commerce (ICC) is delighted to welcome Maria Fernanda Garza as its new Chair. After serving as ICC First Vice-Chair for the past two years, the small business owner from

Mexico succeeds Ajay Banga as ICC Chair, making her the first woman to hold this position.

Maria Fernanda Garza has been elected ICC Chair for a period of two years following a meeting of the ICC World Council, held June 14 in Mexico City. The ICC World Council additionally elected Philippe Varin, Chair of ICC France, as ICC First Vice-Chair, and Nayla Comair Obeid and Harsh Pati Singhania as ICC Vice-Chairs.

Ms Garza is CEO of Orestia, a small manufacturing home improvement solutions company based in Mexico, with exports to the USMCA region, Latin-America and Asia. A lifelong advocate for small and medium businesses in her home country and around the world, she participated 19 years in the Mexican Employers' Association (COPARMEX) and served as Vice-President for four years.

In her new role, Ms Garza will continue to drive ICC's mission to make business work for everyone, every day, everywhere.

Commenting on her election, Maria Fernanda Garza said: "Given the magnitude of the downside risks facing the global economy, it's absolutely vital for us to have a united business voice committed to openness, fair competition and the enablement of peace through international trade."

"In a period that has been characterized by weak international cooperation, I believe that ICC has a vital role to play in harnessing the expertise, innovation and networks of the private sector to secure an effective response to major global challenges. Simply put, our mission to enable peace and prosperity through trade has never been more vital — and, indeed, more urgent."



New ICC Chair Maria Fernanda Garza

Ms Garza's interest in improving the business environment made her a prominent business leader at a young age. She was the ICC Regional Coordinator for the Americas and a member of the governing body of the ICC International Court of Arbitration. An ICC Executive Board member since 2014, Ms Garza became the first woman to be elected as ICC First Vice-Chair in 2020.

A strong advocate of business ethics and corporate governance standards, Ms Garza was Chair of ICC Mexico until June 2020 and is a former member of the International Affairs Advisory Committee of the Ministry of Labour and former member of the National Advisory Committee of ACLAN. She is also a Board Member of the Corporate Responsibility Alliance AliaRSE and was a member of the Corporate Responsibility Network of the Business and Industry Advisory Committee to the OECD. Effective 14 June 2022 for a two-year term, Ms Garza succeeds Ajay Banga in the role.

The ICC World Council also elected six new members of the ICC Executive Board for three-year terms, strengthening gender, ethnic and geographical diversity in ICC's leadership. New Members are : Holger Bingmann, Managing Partner, Bingmann Pflüger International GmbH (Germany); Rebecca Enonchong, CEO, AppsTech and Chair of Afrilabs (Cameroon); Marjorie Yang, Chairwoman, Esquel Group (Hong Kong); Lama Al Sulaiman, Shareholder and a Board Member of Rolaco Holdings, KSA, and LUX (Saudi Arabia); Nicolas Uribe, Chair, Bogota Chamber (Colombia); Justin D'Agostino, CEO, Herbert Smith Freehills (Hong Kong); Fredrik Cappelen, Chair at Dometic and Transcom (Sweden) and Candace Johnson, Vice-Chair at NorthStar Earth and Space (Luxembourg/United States) are starting second terms as members of the ICC Executive Board.

ICC outlines global business priorities for MC12

As negotiations continue at the World Trade Organization (WTO) Ministerial Conference (MC12), the International Chamber of Commerce (ICC) has released a statement on global business priorities outlining seven key recommendations for action.

The global business community views the WTO as an essential pillar in the multilateral trading system. As end-users of the system, the global private sector strongly encourages ministers to work towards ambitious outcomes that will meet the needs of modern economies and all stakeholders.

At a time of serious global economic challenges—in the wake of the Covid-19 pandemic, pressures on global supply chains, and the prospect of high inflation and recession—ICC has released a statement on global business priorities urging ministers to take the opportunity presented by MC12 to reinforce the role of the

WTO and to ensure its effectiveness to meet ongoing and new global challenges.

ICC secretary-general John W.H. Denton AO said: "World trade negotiations are now at a crunch point. Ministers need to take hard decisions and not underestimate the importance of outcomes for business. My message to them is that extending the e-commerce moratorium and curbing fishing and agricultural subsidies are all critical. But, above all, business needs a roadmap for WTO reform to make this organisation relevant again."

Seven areas stand out as priorities for the global business community: WTO reform, e-commerce, fisheries subsidies, food security, health, environmental sustainability and services domestic regulation:



WTO reform: Give political support to make the necessary reforms and improve the functioning of the WTO; E-commerce: Make permanent the moratorium on customs duties on electronic transmissions or, at a minimum, renew the moratorium for a further two years; Fisheries subsidies: Complete the long-overdue fisheries subsidies negotiations; Food security: Deal with the worsening food crisis through sensible measures at the WTO; Health: Adopt and go beyond the Trade and Health Initiative; Environmental sustainability: Contribute to solutions to the global challenges we face, including through the transition to more sustainable business practices and Services domestic regulation: Commit to the Services Domestic Regulation agreement at MC12.

Endorsement puts Nicolas Uribe on road to become WCF Chair

ICC's World Chambers Federation has announced the election of Nicolas Uribe, President of the Bogota Chamber of Commerce and Chair of ICC Colombia for formal ratification as WCF Chair by the ICC World Council when it meets in June. Marie-Christine Oghly, Vice-Chair in charge of International Affairs at the Paris Region Chamber of Commerce and Industry, will become WCF Deputy Chair.



The announcement was made during a meeting of the World Chambers Federation General Council on 17 May by current WCF Chair Hamad Buamim. The mandate for the WCF Chair, if ratified by the ICC World Council, and the mandate for the WCF Deputy Chair will begin 1 July 2022.



"As the representative of chambers of commerce worldwide, it is important that WCF continues to lead, inspire and connect chambers through exemplary and diverse leadership. The leadership elections reflect our deliberations and goals to drive an inclusive and impactful WCF future for chambers everywhere," said Mr Buamim.

Nicolás Uribe is a lawyer with studies in Colombia, the United States and Spain. He has held several positions in the public and private sectors, including as a Member of the House of Representatives and the High Presidential Counsellor for the Colombia Joven Programme (Young Colombia). He was also the CEO of an advisory firm on public relations, a professor at several universities, a newspaper columnist and radio commentator.

Mr Uribe is currently the Executive President of the Bogotá Chamber of Commerce, ICC World Chambers Federation Vice-Chair for Latin America and a member of several boards.

Having begun her career in the field of public relations, Ms Oghly went on to become General Manager of Amazon Technology, President of the French subsidiaries of Fluid Dynamics International and subsequently created EnginSoft

France, a company specialising in engineering and numerical simulation. Ms Oghly is a member of the Executive Board of Medef National and social welfare group Klesia. She is also President of the Women Business Leaders association which unites women business owners worldwide.

ICC calls for global action plan to restart agricultural trade with Ukraine and Russia

ICC on June 19 has called on G7 governments to spearhead a concerted diplomatic and logistical effort to restore trade in Ukrainian grains and vegetable oils – as well as fertilisers from Russia and Belarus.



Global food prices have been pushed to record highs since the onset of the war in Ukraine – a trend that will impact developing and low-income countries most acutely. Fertiliser prices have risen at an even steeper pace, raising concerns that crop yields in 2022 and 2023 could be severely diminished around the world.

A global food shortage risks major economic and political implications for developed countries – and, most worryingly, a threat of famine and a debt crisis in the emerging world. Prior to the war, Ukraine accounted for a significant proportion of the world's wheat and sunflower oil supply; while Russia was the largest global exporter of fertilisers. Current market projections suggest that this gap in supply cannot be closed by tapping alternative sources or bringing new supplies online alone.

In this context, ICC has called for the G7 – in coordination with the European Union – to implement a four-step approach to reopening the agricultural corridor with Ukraine, Russia and Belarus, specifically:

- Establishing a "humanitarian corridor" to enable the safe passage of Ukrainian grain and vegetable oil exports via the Black Sea – including guarantees from the Russian Federation that it will allow safe passage of all vessels transporting agricultural products.
- Accelerating the implementation of "Solidarity Lanes" to speed the shipment of Ukrainian agricultural products through ground routes, building on recent proposals from the European Commission to boost rail and road transport capacity and speed customs processes in neighbouring countries.
- Significantly scaling the availability of risk guarantees for trade finance and insurance coverage for transactions with Ukraine – ensuring that banks and insurers have the necessary capacity to facilitate a rapid resumption in food exports.
- Removing prevailing European sanctions on Russian and Belorussian fertilisers, coupled with the establishment of a political "safe-harbour" to provide the necessary legal certainty for trade in essential nutrients to resume.

ICC Secretary General John W.H. Denton AO said: "Without rapid and radical action it's clear that the world now stands of the brink of a catastrophic food security crisis that will hit the world's poorest most acutely. Re-establishing the agricultural corridor with Ukraine must be the principal priority of the G7 in the coming weeks. This is an impending – and entirely foreseeable – emergency that can only be averted by immediate political interventions.

"We very much welcome the call this week from the UN Secretary General to reopen the Black Sea to agricultural shipments from Ukraine. We now need all governments to get squarely behind this vital diplomatic effort.

New partnership forged to make the digital economy work for all

The UNCTAD-led eTrade for all initiative marks a new milestone with the enrolment of the International Chamber of Commerce as its principal private-sector counterpart. A new strategic partnership between the International Chamber of Commerce (ICC) and the eTrade for all initiative seeks to strengthen efforts towards more inclusive development outcomes from the digital economy. The partnership was announced on 25 April during the UNCTAD eCommerce Week held in Geneva and online, following a vetting process among the initiative's 34 members. UNCTAD Secretary-General Rebeca Grynspan welcomed the new role of ICC and said: "I am very proud to lead this unique global partnership that leverages each

partner's contribution to make the digital economy work for all."

Ms. Grynspan added: "By partnering with ICC, we will better leverage a global network of businesses



and resources that are active on the ground to help us boost our support and assistance to developing countries for greater impact." The eTrade for all initiative serves as a global helpdesk for developing countries to bridge the knowledge gap on e-commerce. It provides access to information and resources, promotes inclusive dialogues on e-commerce and the digital economy and catalyses partnerships.

The new cooperation will provide a trusted, neutral and global channel to bring private sector voices to the discussion and enhance coordination. It will enable consistent, systematic and strategic engagement of micro, small and medium-sized enterprises (MSMEs) across all sectors, which are affected by the increased digitalisation of economies in developing and developed countries.

ICC Secretary General John Denton said: "I've been incredibly impressed by the vision and track-record of UNCTAD's eTrade for all initiative over recent years. This new partnership provides an opportunity to take this important capacity-building work to a new level." He said the partnership would harness the expertise of businesses throughout ICC's network to deliver targeted support that unlocks the enormous potential of digital trade across the developing world.

"We look forward to working as a trusted partner to UNCTAD and governments to tackle key bottlenecks to digital development, driven by our overarching commitment to enable trade as a driver of peace, prosperity and opportunity for all," Mr. Denton added. ICC will serve as the main private-sector counterpart and ensure effective interaction between businesses around the world and eTrade for all. This will involve regular information sharing and ongoing cooperation activities by its members.

Representing more than 45 million companies in over 100 countries, ICC is the world's largest business organisation. It promotes international trade and investment as vehicles for inclusive growth and prosperity through a mix of advocacy, solutions and setting standards.

4 ways ICC is mobilising business to save lives and livelihoods in Ukraine

As the institutional representative of more than 45 million companies in over 100 countries, the International Chamber of Commerce has taken a leading role in advocating for business action in response to the war in Ukraine. Since the conflict's onset, ICC has mobilised its global network and built historic collaborations with strategic partners to protect lives and livelihoods, support humanitarian efforts and promote business continuity and economic resistance.

Condemning Russia's violent action and breach of international law

Following the Russian incursion into Ukraine on 24 February, ICC immediately issued a statement on behalf of the global business community, condemning Russia's breach of international law "in the strongest possible terms". The statement also warned of the significant repercussions to come for global supply chains in the weeks and months ahead:

"Setting aside the effect of sanctions, there's a heavy risk that the production of semiconductors, automobiles and medicines will be severely impacted by the disruption of legitimate business activities in Ukraine – which, in recent years, have become a key supplier of essential metals and raw materials into global value chains."

Mobilising business in support of those in need

With already thousands of lives lost, and millions of livelihoods destroyed through displacement and lost incomes, the war in Ukraine is becoming the fastest-growing humanitarian crisis in Europe since the Second World War.

Under the leadership of ICC Secretary General John W.H. Denton AO, ICC has taken a leading role in advocating for private sector action in response to the humanitarian crisis by leveraging partnerships with UNHCR, UNICEF, IOM, WFP and the WHO Foundation and calling on global business to help provide life-saving care and support to those in need.

Strengthening Ukraine's economic resistance

In a statement issued by Mr. Denton, ICC called for immediate action to enable the continued functioning of

Ukrainian business and proposed a five-point plan to keep Ukraine's private sector alive and progressively restore the country's productive capacity.

In this context, ICC also launched a dedicated Centre of Entrepreneurship for Ukraine aimed at strengthening resilience of Ukrainian SMEs and building durable opportunities for refugees. Leveraging the strength of ICC's global network, the Centre aims to support the survival of Ukrainian SMEs affected by the conflict, by building durable opportunities and hope through entrepreneurship. The Centre will also support the millions of displaced Ukrainians in Europe through access to tools and training aimed at enabling reintegration into the economy and rebuilding meaningful livelihoods.

Drawing from existing programmes in Accra, Beirut, Bogota, Buenos Aires, Casablanca, Istanbul, Jakarta, Lagos and Nairobi, the Centre aims to empower displaced people and business owners – with particular emphasis on women and youth.

ICC Secretary General John W.H. Denton AO said: "With the war set to have long-lasting consequences on the business and trade environment in Ukraine and beyond, the Centre will provide crucial support to Ukrainian businesses still reeling from two years of the COVID pandemic and now grappling with the devastation and disruption as a result of Russia's illegal invasion of Ukraine."

Representing the global private sector

ICC's leadership in response to the crisis was officialised by United Nations Secretary General Antonio Guterres, who appointed Mr Denton to represent the global private sector on a new Steering Committee of the Global Crisis Response Group, to address the immense interconnected challenges the world is facing.



Speaking at the GCRG Steering Committee's second meeting, Mr Denton urged the international community to keep trade and the Ukrainian economy going as much as possible and to support Ukraine's economic resistance to minimise the global damage of the crisis. "Only then will we be able to mitigate some of the worst effects of this totally unnecessary crisis," he said following the launch of the group's first report. "Developing countries are under the sword of Damocles."

The ICC Secretary General also reached out to IMF, the World Bank and regional development banks to ask for their assistance in managing the effects of crisis on the legitimate business activities of SMEs across the world.

"While we fully respect the decision of several governments to impose economic sanctions on Russia in recent days, a growing body of anecdotal evidence from our network suggests that the uncertainty caused by the conflict — and related policy interventions — is impacting SME trade in a broader range of sectors than may have been previously envisaged," reads the open letter.

ICC responds to WTO slashed outlook for global trade

Following reports that the World Trade Organization is to cut the outlook for trade growth in 2022 by half, ICC has issued the following statement.

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

"The WTO's anticipated projections are very much in line with the systemic disruption to trade that we're seeing throughout our global business network. At a micro-level this means yet more production outages, fewer jobs created and a worrying increase in consumer prices.

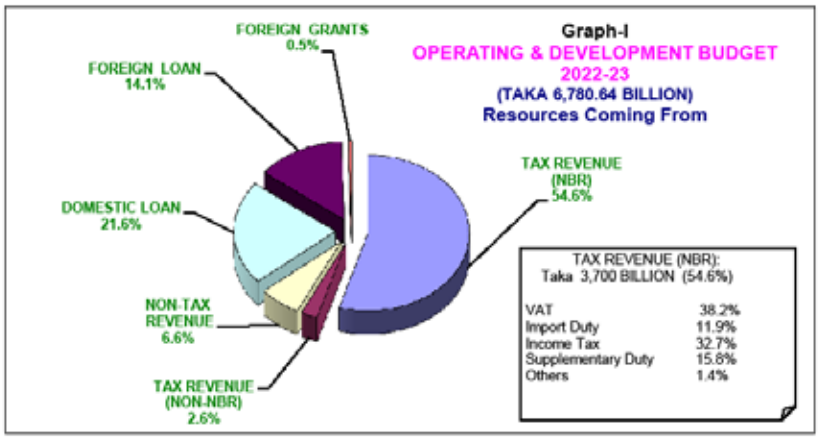
"As we've said consistently in recent weeks, governments and development banks need to take a far more proactive stance to cushion the real economy from the spillover effects on the sanctions imposed on Russia. The WTO's downgraded forecast must act as a wakeup call in this regard. "While we fully respect the decision of governments to impose sanctions on the Russian Federation, corresponding political interventions are also urgently needed to reopen essential trade corridors for food and agricultural inputs to avoid a global humanitarian crisis."



Bangladesh Economy

Parliament approved Tk. 6.78 trillion budget for FY2022-23

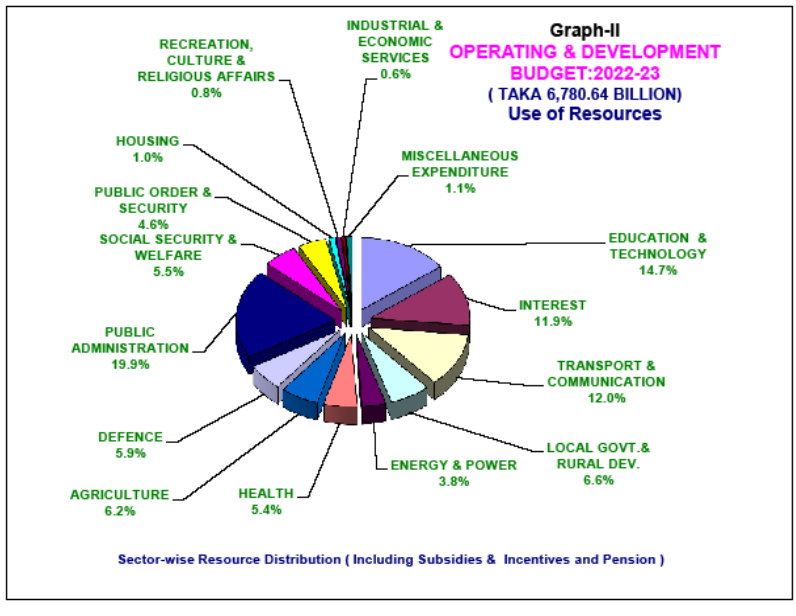
The Parliament on 30 June passed Tk. 6.78 trillion national budget for the Fiscal Year 2022-23. The theme of the budget is "Return to the Path of Development Leaving the COVID-19 Behind" and to overcome the impact of the Covid-19 pandemic and the Russia-Ukraine war on the economy. Earlier on 29 June, the House passed the Finance Bill 2022 with some changes.



The budget kept the GDP growth target at 7.5% and the GDP size estimated at Tk.44.50 lakh crore. The revenue target is set at Tk4.33 lakh crore, while the budget deficit is Tk2.42 lakh crore or 5.4% of GDP.

Spurred by a record GDP growth of 8.15 percent in FY19, the finance minister had again set a target of 8.2 percent GDP growth for fiscal 2019-20 but the number had to be revised down to 6.1 percent as the economy went through a turbulent phase. The country only achieved 3.45 percent growth that year. The growth rate increased to 6.94 percent in the fiscal year 2020-2021 and after riding out another wave of the pandemic, the GDP target was increased to 7.2 percent for the outgoing year. The government has targeted an average inflation rate of 5.6 percent in the coming fiscal year. It is refraining from adjusting domestic prices of chemical fertiliser, gas and power in order to stave off inflation.

After a deviation of two years due to the coronavirus pandemic, the government has geared up to get back on track with development by designing the budget with a massive deficit, planning to raise more than Tk 1 trillion from banks. Through the passage of a revised Finance Bill on 29 June, Finance Minister got his plan to offer amnesty to money launderers approved with some modifications. Now Bangladeshis will be able to bring back undeclared funds from abroad by paying taxes without facing any questions.



Padma Bridge: A symbol of nation's pride and ability says Prime Minister Sheikh Hasina

Padma Bridge is not a pile of brick and cement but a symbol of Bangladesh's pride, honour and ability, Prime Minister Sheikh Hasina said on June 25, as she celebrated the completion of the government-funded project. "The bridge belongs to the people of Bangladesh. It encapsulates our passion, creativity, courage,

endurance and perseverance," she said during the inauguration of the long-awaited Padma Bridge, the longest in Bangladesh.

The construction of the bridge had been set back by various plots and conspiracies, but eventually, all hurdles were surmounted, the prime minister said. But the bridge would not be standing tall without the courage and support of the people, according to Hasina.



Looking back on the arduous road to the realisation of a 'dream', Hasina noted the World Bank was supposed to finance part of the construction of the Padma Bridge. But the project was thrown into uncertainty when the global lender pulled out in 2012 after raising complaints of corruption over the appointment of consultants for the bridge.

"The Anti-Corruption Commission investigated the allegations and found that no corruption had taken place," said Hasina. "But when a Canadian court in its verdict said there was no corruption, everyone fell silent." After the World Bank withdrew its support as a lender, Hasina famously announced that the bridge would be constructed with Bangladesh's own funds. "After this announcement, the ordinary people stood by us. We went ahead with the strength they gave us."

She thanked people on both banks of the mighty river who gave up their land and homes to facilitate the construction of the bridge. "Some people said we would always beholden to others but the Father of the Nation Bangabandhu Sheikh Mujibur Rahman also stressed the importance of self-respect. Many people made contributions with whatever means they had -- the bridge was financed by the people after all."

Hasina also thanked the late Prof Jamilur Reza Choudhury, who led the panel of experts for the project, along with the various international organisations for remaining headstrong in the face of multiple challenges. The prime minister emphasised that no compromises were made in terms of the quality and standards of construction.

After the Amazon River, the Padma is the most "treacherous and unpredictable" river in the world. But the bridge was built using the best technology, with steel piles going 122 metres deep into the river bed. It will establish direct connectivity between Dhaka and 21 disadvantaged southwestern regions of the country by road and rail. This will end the long-standing sufferings of the people of the region on the one hand, and accelerate the economy on the other. Their businesses will expand and their standards of living will improve. The bridge is expected to boost economic growth by 1.23 percentage points.

"On this day of joy, there is no hatred, no animosity towards anyone. I want to express my deepest gratitude to the people of the country. Those who said it would not be possible, I have nothing against them. Many predicted that the economy would collapse if the bridge was built with our own funds," she said. "Today, the Padma Bridge has been built. Bangladesh's economy has not collapsed. We have faced the coronavirus pandemic and after that, the war in Ukraine, but the economy is still moving forward. To the people of Bangladesh, I salute you."

In her speech, Hasina once again called out the World Bank for pulling out of the project citing allegations of bribery and corruption, which were never proven. The World Bank was supposed to finance part of the construction of the Padma Bridge. A decade ago, Bangladesh finalised a $1.2 billion loan contract for the project at an initial estimated cost of $2.9 billion. But the Washington-based agency suspended its loan after raising complaints of corruption over the appointment of consultants for the bridge.

Uncertainty loomed over the bridge after the World Bank walked out on the project in 2012. Later, the Bangladesh government, which repeatedly denied the allegations, went ahead with its self-funded plan for the bridge. Hasina believes the 6.15-km bridge is a testament to Bangladesh's capability to thrive and provides a 'suitable response' to those who tried to undermine the project. "We have given them a suitable answer [through the Padma Bridge] and shown that Bangladesh can do it too."

"People [in the southwest] will not have to suffer anymore. No one has to lose their children, parents or siblings while crossing the fast-flowing Padma. We have now ensured they can get across without any hindrance. "We are building economic zones all over the country. Now that the Padma Bridge has been established, we will have more special economic zones, industrial zones, factories and employment. We will be able to process crops and fish for export. It will put an end to our sorrows and change our fortunes." PM added. Hasina later unveiled another plaque at the Zajira end to cap the inauguration ceremony.

Padma Bridge to put multidimensional impact on economy: economists

Two leading economists of the country said that the Padma Bridge, inaugurated on June 25 by Prime Minister Sheikh Hasina, would put a multidimensional impact on the country's economy alongside simplification of the communication system. They said with the inauguration of the bridge, the communication to and from Dhaka would be much easier with 21 districts of southern and southwestern region of Bangladesh and thus the economic scenario of that region would be changed.

Former Bangladesh Bank Governor Dr Atiur Rahman and distinguished fellow of the Centre for Policy Dialogue (CPD) Dr Mustafizur Rahman also opined that the Padma Bridge would be the main centre of economic corridor of the country while unimaginable changes would be brought into the landscapes and economy of those 21 districts.

Dr Atiur said that the Padma Bridge has been transformed into a symbol of economic emancipation while it would contribute immensely to the southern economy of the country. "Unthinkable changes will be brought into the society and economy of those 21 districts while people will be able to travel with ease and comfort and also in much less time through the bridge," he added.

He said with the inauguration of the bridge, Bangladesh for the first time, has come under an integrated communication system while the villages of southern region would also witness the "wind of change". Citing findings of a survey, Dr Atiur said that with the launching of the bridge, around 1.04 percent of the country's total workforce would be employed while around 10 lakh new employments would be created in the next five years which would triple after 10 years.



He mentioned that once the communication and investment environment is improved with the inauguration of the bridge, the poverty rate in this region would be reduced by 1.01 percent every year while the countrywide poverty rate would be reduced by 0.84 percent every year

The former central bank Governor also cited that due to the improvement in regional and international connectivity, the GDP growth of the southern region would be increased by 2.5 percent every year while that in national level by 1.26 percent per year. Besides, there will be additional one percent GDP growth once the rail communication is launched at the bridge. He also opined that with the inauguration of this much hyped Padma Bridge, the Prime Minister has set up a new milestone in the highway of economic emancipation.

Mentioning that the entrepreneurs from both home and abroad would be interested to set up industries in the southern region since the bridge has been inaugurated, Dr Atiur suggested for providing a special stimulus package for the southern region for the next five years.

Distinguished fellow of CPD Dr Mustafizur Rahman said that the day of inauguration of the Padma Bridge is a special day in the socioeconomic development of Bangladesh while it is also an exceptional milestone in national self dignity.

"With the launching of the bridge, an important geographical barrier will be removed while a scope for concerted and integrated economic development will be unveiled, which will be not only the precondition of economic growth, but also the precondition of inclusive development" he added.

He said that centering the bridge, there has been a plan for setting up

some 17 special economic zones in 13 districts alongside numerous industrial parks. Noting that the Padma Bridge would play an important role in inter-regional communication, Dr Mustafizur said that the role of this bridge would be very important in implementing the Bangladesh-Bhutan-India-Nepal (BBIN) motor vehicle agreement. The eminent economist said that the Padma Bridge would be an important center of regional and sub-regional economic activities considering the operations of Mongla and Payra ports, Trans Asian highway and rail connectivity. "The Padma Bridge will be the main center of economic corridor if there is a tridimensional successful coordination of communication connectivity, investment connectivity and trade connectivity," he added.

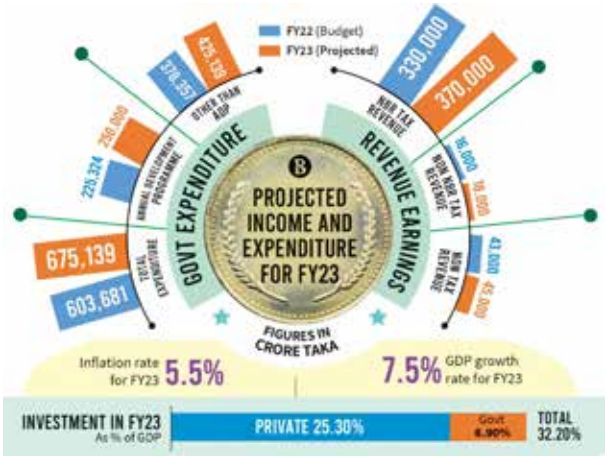
Source: BSS

Padma Bridge to boost Bangladesh's economic growth : WB

Padma Bridge will boost inclusive economic growth and reduce poverty in Bangladesh, said Mercy Tembon, country director of the World Bank for Bangladesh and Bhutan at the Padma Bridge opening ceremony. "As a long-standing development partner of Bangladesh, the World Bank recognises the many benefits the Padma Bridge brings to the people and economy of Bangladesh by boosting inclusive growth and reducing poverty," she said. Tembon shared her immediate reaction to The Daily Star following the inauguration of the bridge over the Padma river. Constructed at a cost of Tk 30,193 crore from the country's own coffer, the 6.15km bridge has connected the southwestern region with the rest of the country.

Government targets 7.5% GDP growth for FY23

A rather ambitious gross domestic product (GDP) growth target has been set by the government for the next fiscal year 2022-23 (FY23), despite high commodity prices globally and consistent Covid-19 pandemic-induced economic shocks. Officials have also retained their 7.2% growth target for the ongoing FY22, which will end this June. The growth projection was shared at a meeting of the Fiscal Coordination Council chaired by Finance Minister AHM Mustafa Kamal on 17 April. Top officials of the finance ministry, Bangladesh Bank and other ministries were present.



The growth target is higher than the forecasts by the World Bank and the Asian Development Bank. The World Bank has projected that Bangladesh's GDP would grow by 6.7% in FY23, while the ADB expected the economy to expand by 7.1%.

The inflation rate for FY23 was projected at 5.5%. When the budget for the current fiscal year was unveiled in June last year, the inflation goal was set at 5.3%. It was later revised upwards to 5.7% as prices went up for a combination of multiple factors. Inflation jumped to 6.17% in February, the highest in 16 months, driven by soaring costs of foods.

The inflation outlook has worsened due to the war in Ukraine and associated sanctions that resulted in higher global commodity prices, said the World Bank in its latest report on Bangladesh. Non-food prices are likely to remain elevated as well, driven by an increase in transportation costs and the knock-on effects on other products, said World Bank. According to the government's projection, the size of the economy would be $512 billion, or Tk44,12,849 crore in FY23, while it was Tk38,95,483 crore in FY22.

Bangladesh economy firing on all cylinders

There are bright sparks in all corners of the economy, according to the provisional GDP figures for fiscal 2021-22, which do not show a hint of a pandemic hangover when others are still plodding along. The Bangladesh economy will grow at a remarkable 7.25 percent this fiscal year, the third time since fiscal 2006-07 that the

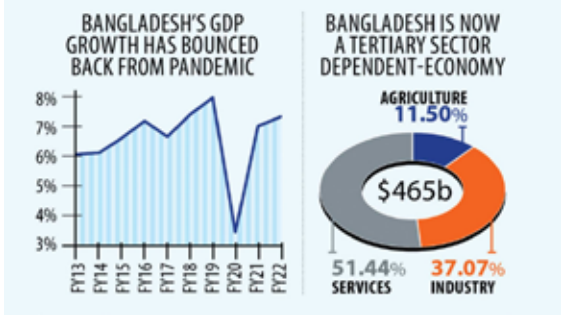
GDP growth will cross the 7 percent-mark, according to the computation made by the Bangladesh Bureau of Statistics based on data until March.

Incredulously, that is exactly the GDP growth target laid out in fiscal 2021-22's budget that was announced in June last year -- and surpasses the projections made by multilateral lenders as recently as last month. The World Bank and the International Monetary Fund said the Bangladesh economy would grow at 6.4 percent this fiscal year and the Asian Development Bank has forecast a 6.9 percent expansion.

The growth momentum is down to the industrial sector, which, according to the BBS data, is roaring, led by the manufacturing activities of the large industries, whose output is estimated to grow at 12.87 percent. And households are lapping up the output, too. Household consumption is estimated to grow at 13.18 percent, the highest in five years.

Exports, which grew at an impressive 35.14 percent in the first 10 months of the fiscal year, are propping up the economy well. Shamsul Alam, the state minister for planning, went on to cite the country's strong showing in the Nikkei Covid-19 Recovery Index, high vaccination rate and the improved performance in the Global Hunger Index as indicators of the economy's pink health.

"While the economy has not recovered fully from the pandemic, whatever recovery has been taken place is good enough." The final growth figure might be higher, according to Alam, as the provisional estimate did not factor in the shopping frenzy in April centring Eid-ul-Fitr, the country's biggest festival in Bangladesh, which was observed on May 3. Asked about the Russia-Ukraine war that has cast a pall of gloom on the global economic recovery from the pandemic trough, he said: "Admittedly, our recovery has been hampered but we are exercising good judgement."



Source : The Daily Star

Biden hopes to strengthen ties between Dhaka and Washington

US President Joe Biden on 4 April expressed his desire to witness new heights in Dhaka-Washington relations over the next 50 years based on the solid foundation that has been laid over the past five decades.





In this regard, he cited the United States' donation of about 61 million doses of coronavirus vaccine and $131 million to help Bangladesh face the challenges of the global coronavirus pandemic as examples of cooperation between the two countries.

Praising Bangladesh's $8.3 billion exports to the United States in 2021, he continued to encourage Bangladesh to make progress on labor rights to deepen the strong economic partnership.

Bangladesh elected to governing councils of UNESCAP's regional institutions

Bangladesh has been elected to the governing councils of all four regional institutions of the United Nations Economic and Social Commission for Asia and the Pacific, or UNESCAP, for the years 2022-25. It is the only country besides India to get elected to the governing councils in all four regional institutions of UNESCAP, according to the Embassy of Bangladesh in Bangkok.

The four regional institutions are the Statistical Institute for Asia and the Pacific (SIAP) based in Makuhari, Japan; the Asian and Pacific Training Centre for Information and Communication Technology for Development (APCICT) located in Incheon City, Korea; the Centre for Sustainable Agricultural Mechanization (CSAM) situated in Beijing and the Asian and Pacific Centre for the Development of Disaster Information Management (APDIM) headquartered in Tehran.

The election was held at the United Nations Conference Centre in

Bangkok, Thailand as well as at the ESCAP Subregional Office for the Pacific, Suva, Fiji, and at the UN Compound, Beijing, China simultaneously.



This victory is a "glaring evidence" of how the Asia-Pacific leadership values Bangladesh's leadership in this largest UN organization. It also reflects "confidence in our development model" which is progressing in an indomitable spirit and even showing great resiliency from shocks of COVID-19 and has started a turnaround at a great pace. Through the membership in the governing councils of these institutions, Bangladesh will have the opportunity to advise on the institutions' programmes and also in finance, and in other administrative matters and would likely get more focus in terms of capacity building, technology transfer, skill development in the area of ICT, agriculture, statistics, science and technology, and disaster management.

Bangladesh best in dealing with Covid in South Asia: Nikkei index

Bangladesh has progressed eight steps to rank first in South Asia in combating Covid-19, according to the latest recovery index Nikkei. With a score of 80 points, the country ranked 5th out of 121 countries in the Nikkei Covid-19 Recovery Index published on 5 May. In March, Bangladesh was in the 13th position.

Among South Asian countries, Bangladesh ranked the highest followed by Nepal which secured the 6th position with a score of 79. The index assesses countries and regions on infection management, vaccine rollouts and social mobility. The higher the ranking, the closer it is to recovery, characterised by lower infection and death rates, better inoculation coverage, as well as fewer movement restrictions.

Among other South Asian nations, Pakistan ranked 23rd, Sri Lanka 31st and India 70th. Qatar and the United Arab Emirates hold the top spot with 87 points.

Nikkei COVID-19 Recovery Index *(As of April 30)*

Rank	Country/region	Total score	Rank	Country/region	Total score
1	Qatar	87.0	62	Canada	63.0
1	UAE	87.0	62	Egypt	63.0
3	Cambodia	83.5	62	Italy	63.0
4	Rwanda	82.5	62	Japan	63.0
5	Bangladesh	80.0	62	Luxembourg	63.0
6	Nepal	79.0	62	Myanmar	63.0
7	Dominican Republic	78.0	62	Singapore	63.0
8	Chile	76.0	62	Vietnam	63.0
8	Kuwait	76.0	70	Haiti	62.5
10	El Salvador	74.0	70	India	62.5
11	Portugal	73.5	72	Hungary	62.0

Bangladesh launches e-gate as first South Asian country

Bangladesh has launched e-gate (automated border control system) as the first country in South Asia. This e-gate has been installed at Hazrat Shahjalal International Airport in Dhaka. As a result, one passenger can complete his/her immigration process by 18 seconds only.



Head of special branch (SB) of police additional inspector general of police (IGP) Monirul Islam and e-passport immigration project director Brigadier General Sadat Hossain were present at the inauguration of e-gate on 7 June. The immigration process of passengers were completed in front of them.

Confirming the matter, executive director of Hazrat Shahjalal International Airport group captain Kamrul Islam said a total of 15 e-gates were installed in Hazrat Shahjalal International Airport.

Bangladesh Bank approved $326m foreign loan to 20 businesses

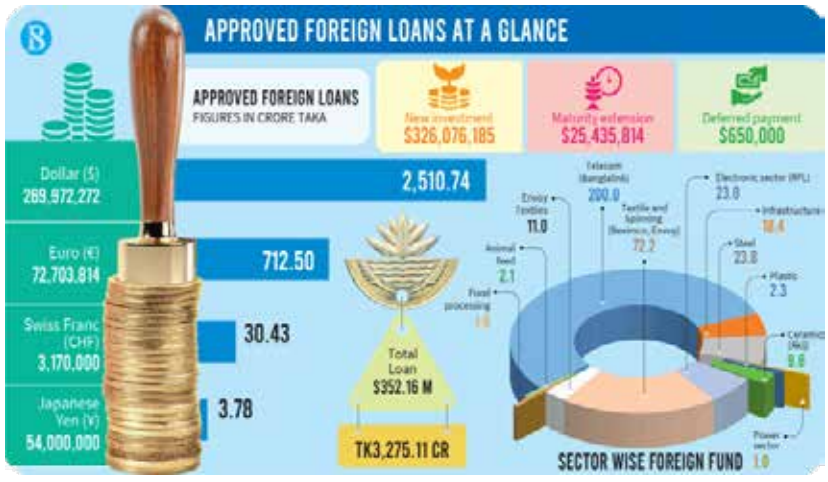
Large groups, such as Akij, Beximco Group, Abul Khair, and Envoy, are now going to expand their businesses with foreign loans, signalling good times for Bangladesh's economy even at this time of global uncertainty caused by the ongoing Russia-Ukraine war. This month at least 20 such companies

have secured approval from the scrutiny committee of the Board of Investment, chaired by Bangladesh Bank governor, for getting loans to the tune of $352 million, equivalent to Tk3,275 crore, from different foreign banks and multilateral agencies.

Most business entities that got the go-ahead for external loans are the textile and spinning industries. Besides, there are companies from steel, power, food processing, plastics and ceramics sectors. Some 11 companies will spend $326 million of the external loans approved on 5 June on importing capital machinery to implement their new investment plans, according to minutes of the loan scrutiny committee.

Besides, eight companies, which imported capital machinery with foreign loans to expand their business during the pandemic but could not make repayments on time, have now had their loans amounting to $25.43 million approved for maturity date extensions under refinancing facility. Mobile operator Banglalink Digital Communication Ltd has obtained approval of $200 million in loan from the committee to improve its quality of services across the country. Earlier the telecom operator said it had a plan to roll out 3,000 new base stations by the end of the current year to improve the quality of service across the country. It planned to invest around Tk4,870 crore in its network over the next 4 years to further improve and expand its service to cover more than 90% of the population nationwide and be fully competitive with the other two private mobile operators.

Banglalink will import capital machinery and equipment from China's ZTE Corporation, a global leader in telecommunication and information technology. In April this year, the company secured a five-year syndicated term loan of Tk1,200 crore. In a statement earlier, Banglalink claimed that under the signed agreement it will utilise STE's best-in-class products and technology solutions to enhance its network capacity over the next five years.



VEON, the parent company of Banglalink, invested through foreign direct investment accumulated around $1 billion, which was one of the highest amounts since independence of Bangladesh. According to the existing rules for borrowing from abroad, the debt-to-equity ratio has to be 70:30. Banglalink requested relaxing this ratio in the case of its $200 million loan, which was approved by the committee.

The scrutiny committee said Banglalink would take necessary steps to raise capital by selling shares to the public equal to at least 10% of its paid-up capital through initial public offering by December 2024.

Envy Textiles Ltd, a 100% export-oriented company, has secured permission to borrow $11 million from the Asian Development Bank to import capital machinery and equipment to increase its existing capacity.

To cater for both local and foreign demands, RFL Electronics Limited, a sister concern of the Pran-RFL Group, has got approval to take out a loan of $23 million from the UK-based British International Investment PLC.

Bangladesh Export Import Company Limited, commonly known by its trade name Beximco, applied for a loan of €33 million from ING Bank of Germany, which was approved by the scrutiny committee. Beximco will repay €29.33 million of the loan to German supplier Textima Export Import GmbH. The rest will be paid to Euler Hermes AG as an export credit agency premium.

The loan will be taken for Beximco Group's textile composite (spinning, woven, denim, knit fabric dyeing and finishing), sewing and PPE manufacturing industrial enterprise, based in Gazipur's Kashipur.

The scrutiny committee of the board of investment has also approved Akij Ceramics Limited's application for refinancing of €9.08 million for the

maturity date extension of its 18 bills. Akij Ceramics, a concern of Akij Group, engaged in manufacturing tiles and sanitaryware, is situated at Trishal in Mymensingh.

In an application to the committee, Akij Ceramics said the company was going to increase its annual manufacturing capacity. Hence, it had opened a Usance Payable at Sight (UPAS) letter of credit to import capital machinery and also implement the project. Its estimated date of implementation would be delayed by approximately one year, but liability against UPAS LCs had been created. To match its cash-inflow with the term loan repayment schedule, one year extension of the UPAS tenor was needed.

Abul Khair Strip Processing Ltd got approval from the committee to amend its €22.5 million loan proposal of Saudi Arabia-based Islamic Corporation for the Development of the Private Sector (ICD). The loan was approved by the company in June last year.

Abul Khair Group said after getting foreign loan approval from Bangladesh Investment Development Authority (Bida), the company had communicated the approval with its lender ICD. The ICD also took the initiatives for commercial and legal due diligence and also appointment of the international and local legal councils, but the process of due diligence and finalisation of the documentation had taken a long time as a result of Covid-19 restrictions and its impacts on the personnel of the teams. Meanwhile, the payment dates of the machinery became due and the company had to pay off all liabilities from its working capital on the due date to avoid financial defaults, it noted.

Besides, Ocean Knitwear Ind (pvt), Argon Spinning Ltd, Youth Spinning Mills ltd and Way Agro Industry Ltd got approval to get foreign currency loans for business expansion, while Matin Spinning Mills, Columbia Washing Plant Ltd, Banga Building Materials Ltd and Total Food Processing Pvt Ltd got approval of the proposed maturity extension. Guarantors of companies that got approval for foreign loans include United Commercial Bank, Exim Bank, One Bank, Islami Bank Bangladesh Limited, Standard Bank and Brac Bank.

Ahsan H Manur, chairman at Brac Bank and executive director at Policy Research Institute, told TBS that Bangladesh's private sector foreign debt amounts to about $18 billion. There is a need for approving new loans for the expansion of private sector businesses. In the current global situation, fresh investment in the private sector is definitely good news, which will boost exports as well as create employment, he noted. "However, since our balance of payments is in deficit at the moment, it will be reasonable to allow foreign borrowing only for the expansion of export-oriented industries," he added.

Source : The Business Standard

Envoy Textiles to get $11m from ADB

The Asian Development Bank (ADB) may extend a loan of $11 million to Envoy Textiles Ltd to help the Bangladeshi textile miller purchase machinery for its second spinning unit. The board of the textile company has given its consent to secure the loan from the ADB, according to Envoy Textiles posting on the website of the Dhaka Stock Exchange (DSE) on 16 May.

The repayment period of the loan is seven years, including a grace period of one and a half years. The ADB will disburse the loan on the fulfilment of the conditions of the due diligence agreement and the approval of the Bangladesh Investment Development Authority, according to the DSE website.

An export-oriented manufacturing company, Envoy Textiles started commercial operation in 2008 and became a public limited company in 2012. It set up the first denim facility in Bangladesh to use rope-dyed technology. Envoy has a production capacity of 4.5 million yards each month and its spinning facility is capable of producing 62 tonnes of yarn per day.



The denim manufacturing facility has secured the recognition of being the world's first LEED-certified platinum factory. The Leadership in Environmental and Energy in Design (LEED) certification is given by the United States Green Building Council.

On April 26, Envoy Textiles announced it had decided to go for signing of a know-how transfer and collaboration agreement with Jeanologia, a textile solutions company in Spain, to set up an eco-efficient lab facility on its factory premises at an initial cost of 270,000 euros for 12 months. The purpose of the deal is to set a joint work to transform the denim industry and become a global example in terms of innovation and sustainability and develop and explore new business models for the company to adapt to the challenges of the industry. Envoy Textiles made a profit of Tk 35.5 crore in the first nine months of the current financial year of 2021-22, up from Tk 9.48 crore earned in the entire 2020-21, the company's financial statement showed.

Ha-Meem Group eyeing US $ 1 billion apparel exports by 2024: Reports

One of the top textile and garment manufacturing entities in Bangladesh, Ha-Meem Group, is planning to export apparels worth US $ 1 billion by 2024, keeping with which it is going for massive expansion. This was maintained by media reports, which cited the owner of the Group in this direction.



Reports further added Ha-Meem is establishing the new denim factory with an investment of US $ 100 million to produce 5 million yards of denim fabrics/month even if its existing denim mill produces 5 million yards of fabrics, of which 40 per cent is consumed by the Group and the remainder is sold to other garment factories.

The Group is also planning to set up a spinning unit as well, which will, reportedly, produce woven fabrics for its own apparel units as well as those of the other apparel makers in Bangladesh. Reports further added, in 2021, Ha-Meem exported garment items worth US $ 580 million and another US $ 200 million worth of denim and woven fabrics were sold in the local markets (the local sales are considered deemed exports) even as it employs more than 65,000 workers, mostly in the textile and garment units.

Another 10,000 workers will be recruited soon for the garment and textile vertical, reportedly, underlined Chairman and Chief Executive Officer (CEO) of Ha-Meem, AK Azad.

DBL to set up sewing thread unit in Vietnam

One of the foremost Bangladeshi readymade garment (RMG) exporters DBL Group is going to invest in Vietnam to set up a thread factory. As numerous brands and retailers have chosen DBL's product to stitch clothes.

DBL Group has a plan to start operating the Vietnam factory within the next two or three years. DBL Group's Managing Director MA Jabbar said to media, "We will invest in Vietnam to produce our branded sewing thread Eco-Thread as our buyers are demanding for supplying more thread to them and nominated our sewing thread." MA Jabbar added, "We are already supplying a lot of sewing thread to many international retailers and brands." The group "Setting up a sewing thread factory is one kind of a support for our buyers as many US and EU buyers are sourcing from Vietnamese garment factories," said Jabbar.

At present, DBL is a leading sewing thread manufacturer making 10 tons of sewing thread daily. Jabbar added that DBL Group is expecting a 25% increase in RMG export earnings in 2022. And the group exported $480 million worth of apparel items in 2021.



Bangladesh 7th highest recipient of foreign remittance: World Bank

Bangladesh was the 7th highest recipient of remittance from abroad in 2021, says the World Bank report on migration and development published recently. It received over USD 22 billion as remittance last year which marked an increase of 2.2 percent over the year 2020. However, the remittance outlook for South Asia in 2023 is highly uncertain. Bangladesh is expected to have a growth of just about 2 percent in the year 2023, said the World Bank report.

India topped the list in the world receiving USD 89 billion in remittance followed by Mexico at



USD 54 billion, and China at USD 53 billion last year. The officially recorded remittance flows to low- and middle-income countries (LMICs) are expected to increase by 4.2 percent this year to reach USD 630 billion. According to the report the growth in remittance to Bangladesh was boosted mainly by government incentives and support from migrants for their families back home. The report notes that in Bangladesh, except for a 24 percent spike in March 2022 to mark the start of Ramadan, monthly remittance growth has been decreasing over the past 8 months.

Bangladesh ranks 52nd in Financial Secrecy Index 2022

Bangladesh has climbed up on the Financial Secrecy Index 2022, ranking 52nd out of 141 countries. According to the Tax Justice Network's Financial Secrecy Index 2022, published on 17 May, Bangladesh has climbed two notches from the 54th position it held two years ago.

Financial Secrecy Index 2022, a global ranking of jurisdictions most complicit in helping individuals to hide their finances from the rule of law, noted that the supply of financial secrecy services, like those utilised by tax evaders and corrupt politicians, has continued to decrease globally due to transparency reforms.

Bangladesh held an FSI value of 232 which is a measure of how much financial secrecy the jurisdiction supplies, resulting from the combination of the jurisdictions' Secrecy Score and Global Scale Weight. The report suggests that Bangladesh supplies 0.684% of the world's financial secrecy.

The Financial Secrecy Index ranks each country based on how intensely the country's financial and legal system allows individuals to hide and launder money extracted from around the world. The index grades each country's financial and legal system with a secrecy score out of 100 where a score of 0 is full transparency and a score of 100 is full secrecy.

The country's secrecy score is then combined with the volume of financial services the country provides to non-residents to determine how much financial secrecy is supplied to the world by the country.

The 2022 edition of the Tax Justice Network's biennial Financial Secrecy Index sees some of the world's biggest economies climb up the ranking. The US has topped the chart this year earning the worst rating ever recorded since the ranking began in 2009. The country dramatically expanded the gulf between itself and the rest of the world by enabling the biggest supply of financial secrecy ever recorded by the index – nearly twice as much as the second biggest supplier currently on the index, Switzerland.

In South Asia, Japan, which returned to the top 10 in 2020, has continued to climb the index, now ranking 6th. India ranked 36th, Sri Lanka 50th, Pakistan 74th, and Maldives ranked 91st out of 141 countries.

However, a higher rank on the index does not necessarily mean a jurisdiction has more secretive laws, but rather that the jurisdiction plays a bigger role globally in enabling banking secrecy, anonymous shell company ownership, anonymous real estate ownership or other forms of financial secrecy. Such activities in turn enable money laundering, tax evasion and the evasion of sanctions.



A highly secretive jurisdiction that provides very little financial services to non-residents, like Maldives (ranked 91st), will rank below a moderately secretive jurisdiction that is a major offshore destination, like Luxembourg (ranked 5th).

Bangladesh to remain RMG hotspot in future

Bangladesh will remain as the preferred sourcing destination for readymade garment (RMG) items well into the future as the country has substantially improved production facilities and on compliance with regulations over the last few years, said international clothing retailers and brands on 10 May.



Since the Rana Plaza building collapse in April 2013, Bangladesh's workplace safety and compliance with regulations improved a lot, said the foreign buyers. As a result, retailers and brands are coming over with an increased volume of work orders, especially with improvements in the Covid-19 situation, as the local apparel sector has also proved its strength.

"Bangladesh is the most important sourcing destination for our company," said Ziaur Rahman, Swedish retail giant H&M's regional head for Bangladesh, Pakistan and Ethiopia, on the sidelines of the 12th Bangladesh Denim Expo in Dhaka. "Bangladesh is a very important market for us. We will stay here," he said, adding that currently his company was sourcing apparel items from 300 garment factories.

"Bangladesh is in the right direction in terms of workplace safety, compliance and product diversification. It is possible to export $100 billion garment items in the next 10 years," said Rahman.

Even five years ago, Bangladesh was in a quite different situation. But now the country has improved a lot, he said, adding that he would increase the volume of items sourced from here by 11 per cent in the next five years. Bangladesh has the flexibility, is more mature and innovative, has more green garment factories and there are products available, he added.

Similarly, Shafiur Rahman, regional operations manager of Dutch designer clothing company G-Star, said his company sources garment items worth $70 million per year from Bangladesh and of it, 75 per cent was knitwear items. But recently his company diversified into sourcing non-knitwear items like denim products, he said. His company would increase the amount of items sourced from here, taking the value to $90 million, in the next three years, registering a 30 per cent growth. "We cannot even think of sourcing apparel items without Bangladesh," he said.

Alice Tonello, owner of Italian garment machinery manufacturer and supplier Tonello, said her company has been supplying machinery in Bangladesh over the last 28 years. So far, her company supplied 1,500 textile and garment production and washing machineries to Bangladeshi garment factories.

"Bangladesh is the most important market for us. The demand for our machinery in Bangladesh has been growing a lot every year. Absolutely, the garment sector will continue to grow in the future as well," said Tonello, representing the second generation of the family business.

Yilmaz Demir, regional sales manager for Asia of Turkish company Bossa, said his company sells about one million yards of denim fabrics worth €5 million in Bangladesh a year.

"I have been supplying denim fabrics over the last 16 years. I am looking after business in Bangladesh for many years. Bangladesh is doing good as the factories improved production facilities," he said. "But the prices of raw materials have increased a lot after the Covid pandemic. Bangladesh is the best," he said. But changes in the Generalised System of Preferences for Bangladesh may be an issue for the country in the future, he added.

Rashid Iqbal, executive director of Pakistan-based denim fabrics manufacturer Naveena Export, said his company has a lot of confidence in Bangladesh because of the country's improvements in compliance with regulations. His company ships 5 lakh metres of denim fabrics worth $1.7 million to Bangladesh in a month. He has an office in Dhaka and has been supplying denim fabrics to Bangladeshi partners over the last 15 years. "Bangladesh is a very strong market for us," said Rashid.

Dolly Thay, managing director of buying house Cloths "R" Us, said work orders were shifting from China, Vietnam, Sri Lanka, Myanmar and Sri Lanka as Bangladesh has grown a lot with respect to its capacity over the last few decades. However, the profit margin from the export of

garment items is still very low, she said.

"Bangladesh should be proud of what has been achieved. Bangladesh has made huge strides towards a more sustainable garment sector," said Anne Van Leeuwen, ambassador of the Netherlands to Bangladesh. "I often challenge people to give me another example of a sector that has turned around the image and its degree of compliance in such a short amount of time. I never get a serious reply," he said.

"But let's also not be complacent. Challenges remain. Garment workers in Bangladesh today are affected by the way sourcing takes place in Bangladesh," said Leeuwen. "And given the scale of the industry in Bangladesh, there is plenty of work to be done in decreasing the sector's environmental impact," he added.

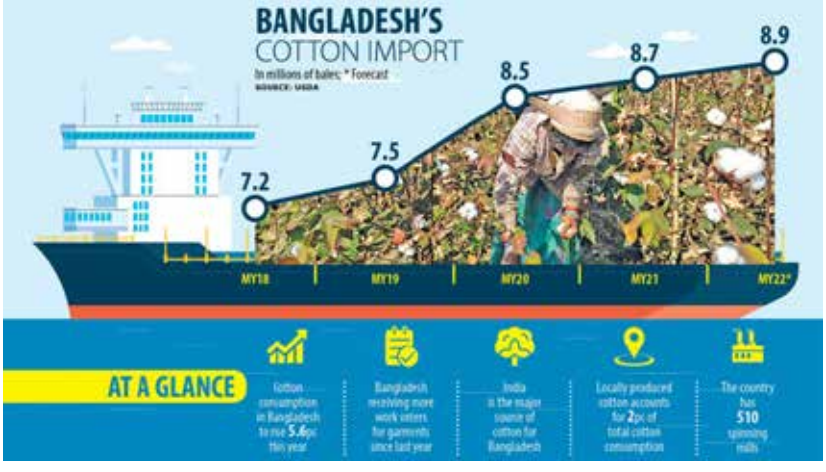
Mostafiz Uddin, founder of Bangladesh Denim Expo, said some 85 companies came to showcase their products, of which 30 were local and the rest foreign ones from 39 countries. "The response from the participants is beyond my imagination," he said, adding that after a gap of two years for the Covid-19 pandemic, it was the most successful denim expo yet in the country.

Source : The Daily Star

Buoyant apparel shipment raising cotton consumption

Cotton consumption in Bangladesh in marketing year (MY) 2022-23 will increase by 5.6 per cent year-on-year to 9.31 million bales. This can be expected for a rise in demand for yarn and fabrics for corresponding placements of work orders from international clothing retailers and brands, according to United States Department of Agriculture (USDA).

The USDA data also put domestic raw cotton consumption in the MY 2021-22 at 9 million bales, which is 2.27 per cent higher than initial USDA official estimates. The USDA data forecasts that in the MY 2022-23 yarn and fabric consumption would reach 0.96 million tonnes and 6.4 billion metres respectively. For the MY 2021-22, the data estimates



The marketing year in cotton sales starts from August and ends in July. Bangladesh has been receiving more work orders since the beginning of 2021 as many brands are shifting their orders from some of the competitor countries such as Vietnam and Indonesia, said the USDA. Contacts also stated that Bangladesh is expecting more work orders in the coming months due to recent Covid-19 lockdowns in China, said the USDA.

yarn and fabric consumption to be 0.95 million tonnes and 6.3 billion metres respectively. It forecasts that in the MY 2022-23 cotton imports would reach 8.9 million bales, up 7.2 per cent from the MY 2021-22 USDA official estimate, assuming increasing yarn and fabric demand by the garment industry.

The USDA estimates the MY 2021-22 cotton imports to be of 8.7 million bales, up 4.8 per cent over initial USDA official estimates. According to the National Board of Revenue data, Bangladesh has imported approximately 5 million bales of cotton in the first seven months of the MY 2021-22.

Of the import destinations, India accounts for the largest market share. In 2021, by quantity, Indian cotton made up 29 per cent of the imports, followed by Brazil (15 per cent), Benin (13 per cent), and the United States (9 per cent). The volume of US cotton exports to Bangladesh in 2021 was approximately 816,000 bales, 58 per cent lower than that in 2020.

Indian cotton is exported via Kolkata seaport and Benapole land port, with traders noting that transportation and logistics are cheaper as compared to other origins, with shorter shipment times due to geographic proximity. The USDA forecasts that stocks at the end of the MY 2022-23 would be at 2.25 million bales, approximately 11 per cent lower than the MY 2021-22 USDA official estimate.

Due to global cotton supply chain issues and increased prices, local spinners will reduce their stock. The USDA's post said in the MY 2021-22 the remaining stock of cotton was estimated to be 2.51 million bales, similar to the USDA official estimate. New orders for the Russian market

contacts note that garment exporters in Bangladesh are uncertain about receiving payments from Russian buyers as Russian banks have been cut off from SWIFT.

They are also worried about shipments of existing orders to Russia, as shipping lines are suspending container bookings to the country. According to the local news, the Bangladesh Garment Manufacturers and Exporters Association has asked exporters not to accept any new orders for the Russian market. The textiles industry in Bangladesh is composed of yarn, fabric and dyeing-printing-finishing mills. According to Bangladesh Textile Mills Association (BTMA), in calendar year (CY) 2021, the number of spinning mills reached 510 with an annual spindle capacity of 15 million bales, up 18 per cent and 7.1 per cent respectively from that the previous year. However, Bangladesh is currently only consuming approximately 8.5 million bales of raw cotton annually.

Bangladesh's yarn production recovered in 2021 following an extended period of market disruption due to Covid-19 induced lockdowns and restrictions in 2020. The USDA post forecasts the MY 2022-23 yarn production at 760,000 tonnes, up 1.3 per cent compared to that in the MY 2021-22. For the MY 2022-23, the USDA forecasts cotton harvest area at 46,000 hectares, up 2.2 per cent over the MY 2021-2022 USDA official estimate.

The post's forecast for MY 2022-23 cotton production is 155,000 bales, up 2.6 per cent over the MY 2021-22 USDA official estimate, assuming favorable weather conditions and continuous government support. Domestically produced cotton accounts for less than 2 per cent of total cotton consumption.

Total cotton cultivation in Bangladesh covers only 0.55 per cent of the country's 8.1 million hectares of arable land. Bandarban, Jhenaidah, Jashore, and Rangamati are the major cotton producing areas of the country.

Direct shipment from China begins in April

Mediterranean Shipping Company, headquartered in Switzerland and widely known as MSC, is all set to launch direct container lines on the China-Bangladesh route on 27 April, to facilitate direct shipping between the two Asian countries, with their bilateral trade booming. Initially, four ships will move under an MSC service named "Bengal Express" which is expected to halve the shipping time from 25 days to 12 days. Two more ships will be added to the fleet soon. The container lines will come to Bangladesh loading goods from different China ports and two ports in Singapore and Malaysia. However, the ships will unload goods only at Chattogram Port.

For the return trips, they will carry goods for trans-shipment ports. Bangladeshi importers will benefit from the service as their freight costs will also be reduced substantially.

The service will start with the ship MSC KYMEA starting out from Hong Kong Port on 27 April, Chattogram Port will see a container ship each week. Currently, 19 container lines belonging to Maersk, Hyundai and Sinokor, SITC Container lines and CNC, Cosco, are carrying goods between China and Bangladesh via a couple of trans-shipment ports, where they load and unload cargo, causing a delay in shipments. Appreciating the new MSC service, Bangladeshi traders said it would help the country increase bilateral trade with China, a major raw materials supplier in the world, as well as help RMG exports indirectly. A large portion of Bangladesh's imports come from China. The shipping time reduction is obviously a blessing for our economy, according to experts. Currently, Bangladesh sources 80-90% of RMG raw materials from China, brought by container ships.



Direct shipping between Chattogram-Liverpool begins

MV Amo – shipping cargo directly for the first time ever between Chattogram and Liverpool of UK – left the port on 20 May. It will head to Rotterdam in the Netherlands after passing through Liverpool, which is the second direct shipping route between Bangladesh and Europe. According to industry insiders, the Covid-19 pandemic triggered a crisis in the global shipping sector, complicating the import and export

of goods to and from Bangladesh. To alleviate this crisis, buyers of Ready-made garments in Europe and shipping companies took the initiative to operate direct shipping with Chattogram, the prime port of Bangladesh. As part of this process, the port authorities allowed direct shipping from Chittagong to various European routes, avoiding transshipment ports.



The Chattogram Port Authority (CPA) has given route permits to a total of three ships to operate the Chittagong-Liverpool-Rotterdam routes. Since last February, it has also allowed three ships to operate from Chattogram to two European ports in Italy, including Ravenna.

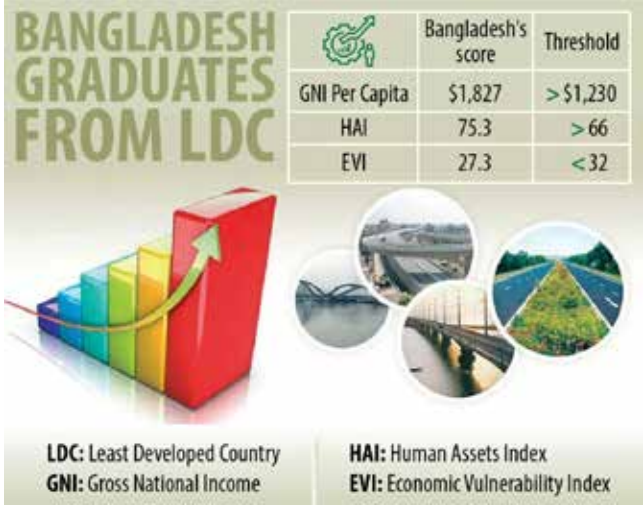
The launch of direct shipping from Chittagong, cargo shipment in this route will take around 20 days, nearly half of the usual period of 40-45 days. The direct shipping of cargo will save costs as well.

Bangladesh may lose $5.28b business annually in the EU in the post-LDC : study

Bangladesh is likely to lose $5.28 billion worth of businesses annually in the European Union in the post-LDC era because of the erosion of preferential trade benefits following the country's graduation from the group of the least-developed countries, according to a new study. Currently, Bangladesh enjoys tariff benefits in 38 countries as an LDC. But the duty-free trade benefit will not exist mostly once the country graduates to become a developing country in 2026 unless deals are signed to retain the support.

Goods bound for the EU market would be subjected to an 8.91 per cent tariff in the post-LDC period. As a result, 26.28 per cent of the exports to the bloc would be affected, showed the study. Mostafa Abid Khan, a former member of the Bangladesh Trade and Tariff and Commission (BTTC), presented the findings of the study at a seminar on "Export Challenges of Bangladesh after Graduation from LDC Status: Options for the Private Sector" organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on 16 April.

The study was prepared with data from the World Trade Organisation (WTO) to estimate the country's potential losses of businesses in five major export destinations following graduation. Bangladesh may lose $536 million worth of exports, which account for 42.05 per cent of the shipment to Canada, where exporters will face a 14.47 per cent duty. In Japan, the loss might stand at $388.12 million, representing 30.53 per cent of the exports to the world's third-largest economy. Exports would come under an 8.89 per cent duty in the post-LDC period.



In Korea, Bangladesh will face a 7.94 per cent duty and lose businesses amounting to $87.78 million, which makes up 27.53 per cent of the shipment to the country. There is a risk of suffering a loss of $76.55 million in China, or 8.29 per cent of the total merchandise sales, owing to a 2.96 per cent tariff. Exporters may face 4.62 per cent duty in New Zealand and lose $10.13 million, which is 11.90 per cent of the total export value, the study said. The study estimated the business loss in the five export destinations at $6.38 billion.

So, Khan suggested a reduction in trade costs for a smooth operation of the domestic industry in order to overcome the shock the country's export sector would face in the post–LDC period. He called for mobilising more revenues to make massive investments in developing physical infrastructures and human resources.

Bangladesh needs to bring in policy reforms and implement policies related to tariff, labour, environment,

and investment with a view to attracting more investments, from both local and external sources, he said. The country is scheduled to graduate from the LDC group in 2026, but the EU will continue the duty benefit up to 2029 as the world's largest trade bloc has extended a three-year grace period to pave the way for a smooth transition.

Ahmad Kaikaus, principal secretary of the prime minister, says the government has already formulated plans to tackle the challenges that would stem from graduation. "There is nothing to be worried about." In the US, where Bangladesh has not been enjoying any duty-free market access since 2013, the export is growing despite a 15.62 per cent duty, he said.

Tapan Kanti Ghosh, senior secretary of the commerce ministry, says Bangladesh has already ratified all of the conventions of the International Labour Organisation. "So, complying with labour standards might not be a major challenge for Bangladesh in the post-LDC period." Syed Nasim Manzur, managing director of Apex Footwear Ltd, suggested providing the same trade benefits extended to the garment sector to other sectors so that they too can grow and the country can diversify its export basket.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, called for expediting efforts to sign free trade agreements with major trading partners to offset graduation-related shocks.

"Bangladesh might be eligible for LDC-related privileges for five more years to 2031 as negotiations with the United Nations and the WTO are underway," said Mozibur Rahman, a former chairman of the BTTC.

Md Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority, recommended the private sector develop human resources in collaboration with the government. The government should continue fiscal and policy support for the private sector after graduation, said Md Jashim Uddin, president of the FBCCI.

Source : The Daily Star

Three Bangladeshis among 100 Global Tech's Changemakers

Bangladeshi tech entrepreneurs Sonia Bashir Kabir, Afeef Zaman, and Morin Talukder have been named on the Rest of World's 100 Global Tech's Changemakers' list. RoW had set out to find 100 of the most influential, innovative, and trailblazing personalities in fintech, e-commerce, policy, digital infrastructure, and a range of other sectors that intersect with and influence technology.



From tech leaders, innovators, and investors to activists, it identified those people outside Silicon Valley and the West, whose efforts directly impact countries where the majority of the world's population lives. Among the three Bangladeshis, Sonia Bashir Kabir is the founder and managing director of SBK Tech Ventures, a Bangladesh-focused venture capital fund, which invests in startups that support the digital development of rural areas. SBK's portfolio includes Dmoney, Solshare, and Praava Health.

Previously, as the country manager of Microsoft Bangladesh, Sonia partnered with donor agencies, banks, telecommunications companies, and students, to mobilise and grow the company's initiatives. She also worked to provide microloans to women to start IT businesses. Afeef Zaman is an expert in problem-solving in emerging markets, especially in Bangladesh. He is the CEO of ShopUp, the country's largest full stack business-to-business commerce platform for micro, small, and medium-sized enterprises.

Afeef bootstrapped Ice9 – a venture builder providing solutions for emerging economies – to success in his 20s. Following this, he decided to help the entrepreneurs who run the country's 4.5 million popular mom-and-pop stores but struggle to access its formal financial system due to a lack of digital presence.

Thanks to ShopUp, they can now access digital credit, B2B sourcing, logistics, and business management solutions. After closing South Asia's largest funding round worth $75 million in 2021, the company has added to its funds with a $34 million series B extension round.

Morin Talukder is the co-founder and CEO of Pickaboo, a Bangladesh-based e-commerce platform. Though

still in his 20s, he is a seasoned expert in the booming e-commerce industry, having founded the online shopping platform ehatbazaar.com in 2015, which he sold a year later to focus on Pickaboo. During its six years of operation and five funding rounds, it has gained the confidence of its customers. To stay competitive, Morin has prioritised offering a high-speed delivery service with turnarounds of as little as three hours and has turned Pickaboo into one of the first e-commerce retailers in Bangladesh to introduce monthly payment plans and customer membership plans.

'Together, the individuals featured on our Global Tech's Changemakers list influence how products are made and distributed, how entrepreneurs are funded, and how tech is regulated and its users protected far beyond their local markets,' RoW said.

'As a result of the extraordinary headwinds they face, our editorial team believes these leaders are more innovative, more thoughtful, and better at sharing new ideas than most people in the Western world understand.'

Eskayef inaugurates first factory to produce Insulin cartridge in Bangladesh

Novo Nordisk, a leading global healthcare company, in partnership with Eskayef Pharmaceuticals owned by Transcom Group, one of the leading pharmaceuticals in Bangladesh, will jointly produce insulin cartridge in a bid to facilitate the access of insulin to diabetes patients.

Simeen Rahman, Transcom group chief executive officer (CEO), Eskayef CEO and managing director; Lars Arnoldsen, Novo Nordisk vice president (Corporate), and its Bangladesh general manager Rajarshi Dey Sarkar on 24 May inaugurated a unit for producing cartridge at a separate building at the Eskayef medicine factory premises in the capital's Tongi.



Bangladesh Diabetes Association president professor AK Azad Khan, drug administration directorate director general major general Mohammad Yusuf and Denmark ambassador to Dhaka Winnie Estrup Petersen were present at the inaugural ceremony.

Several companies of the country import the cartridges and supply them to the market. The cartridge to be produced in Tongi would be the first International standard ones in the country, which is the reason why officials of both companies have termed the initiative of producing penfill a 'historic' event. The penfill validation process has been initiated in the factory soon after its inauguration.

However, the diabetic patients in Bangladesh will not be able to use the penfill right now. It will be made available in the market once the validation process is completed. According to officials, the countrymen would avail locally produced penfill after the first half of 2023. The pharma company has initially set a target to produce 50.2 million penfills per annum, but it is yet to take a decision on market price.

Earlier, Simeen Rahman shed light on the longstanding ties between Transcom Group and Nordisk at a programme on the penfill project at the Faraaz Ayaaz Hossain building at the Eskayef pharmaceuticals factory. She said Eskayef emphasizes the principles and values while doing business and does not compromise in case of quality. It produces drugs for Bangladesh, complying with the international standards.

Professor AK Azad Khan said, Bangladesh Diabetes Association's long-spanning relation with Novo Nordisk is the reason why there has never been a shortage of insulin in Bangladesh. Penfill will become easily available to the countrymen after its production will start locally. It can also be exported to other countries, he said.

Eskayef officials said, the machineries used to make penfills in Denmark have been imported to Bangladesh from Europe. Eskayef has successfully replicated the factory setting of the Novo Nordisk in Denmark which manufacture penfills. Director general of the department of drug administration major general Yousuf spoke about keeping the price of pencil within the purchasing power of the masses. He is hopeful that Eskayef can fulfill the local demand and export penfill abroad.

Danish ambassador Winnie Estrup Petersen said, Eskayef is an important organisation in Bangladesh's pharmaceutical industry. This joint venture of SKF and Novo Nordisk will play a part in achieving the sustainable development goals in the health sector.

Eskayef began working with Novo Nordisk about insulin in 2009. Since 2012, Eskayef has been producing Novo Nordisk insulin in their factories. Eskayef and Novo Nordisk signed an agreement on penfill production in 2018. Due to the Covid-19 pandemic, the venture got pushed back.

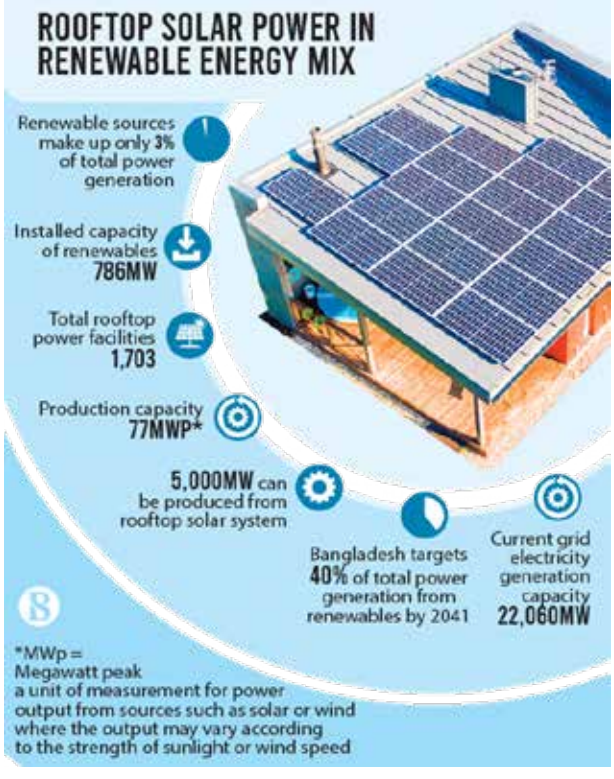
Novo Nordisk's vice president Lars Arnoldsen said, Novo Nordisk has collaborated with companies from across the world. But very rarely they have had the pleasure of working with a great partner like SKF. He said Eskayef have a creative mindset.

Novo Nordisk Bangladesh's vice president and general manager Rajarshi Dey Sarkar said Novo Nordisk has been working on insulin for 100 years. They have been operating in Bangladesh since 1958. The penfill project is primarily a technology transfer project. This will increase insulin's availability.

3.2MWp rooftop solar plant opens in Narayanganj

The country's largest rooftop solar power plant under the opex model, a 3.2-megawatt peak (MWp) array, was inaugurated in Narayanganj on 11 April. The facility has been established on a textile mill's buildings in Bhulta, on the outskirts of Dhaka city. Sustainable and Renewable Energy Development Authority (SREDA) Chairman Mohammad Alauddin inaugurated it on rooftops of multiple buildings of Robintex Group.

Joules Power Ltd (JPL), the country's first utility-scale solar power plant owner at Teknaf, funded over Tk 190.61 million to install the 'JPL-Robintex Rooftop Solar Power Plant'. The factory owner will buy electricity from the plant for a period of 20 years. The plant will also remain connected to the grid under the net-metering policy.



Under the opex model, an investor sets up a power plant on the land/rooftop of a factory owner who buys electricity from the plant at least 20 per cent cheaper than the grid power price. "Opex model adds value to the off-takers as they are purchasing power from JPL at a rate which is at least 20 per cent cheaper than the grid line," says JPL managing director Nuher Latif Khan.

"By executing a project under the opex model, the factory owner saves on investment and ensures the highest returns from the solar plant in terms of efficiency," he adds.

USAID launches $20m project for forests, wetland areas in Bangladesh

A new US$20 million ecosystems project has been launched to protect critical forests and wetland areas in Bangladesh from degradation. Planning Minister MA Mannan and USAID Deputy Administrator for Policy and Programming Isobel Coleman jointly launched the new five-year project. The launching ceremony was held in a city hotel on May 10.

USAID Mission Director Kathryn Stevens also joined to launch the new project along with other senior government officials.The project will bring together government agencies and local communities to protect critical ecosystems, and build resilience to climate change impacts in the Sundarbans Reserve Forest in Khulna, and forests and wetland ecosystems in Sylhet.

USAID
FROM THE AMERICAN PEOPLE

UK's-BII (CDC) to invest $450m in Bangladesh in 5 years

The British International Investment (BII), formerly known as the Commonwealth Development Corporation, has committed $450 million to invest in Bangladesh's private sector in the next four-five years, said Nick O'Donohoe, chief executive officer of the UK government's Development Financing Institution.

"Bangladesh is an important destination for British investments," he said. "We focus on countries having a strategic alliance with the United Kingdom, with ongoing development challenges, and ideally, having a stable government and stable economic policies, all of which are present here in Bangladesh."

Since Bangladesh recognises the importance of the private sector in economic development and BII finances development through debt and equity investments only in private firms, its balance sheet here in the country has grown to nearly $300mn, he added. Currently, the BII is aiming to retain its investments already made in Bangladesh. The committed fund for the next five years in Bangladesh accounts to over 4% of its global total.

Following a 2019 Dhaka visit by the entire board of directors of the then Commonwealth Development Corporation, the Development Financing Institution (DFI) has already built its local office and team here. Speaking on BII's priority sectors for investment, Nick O'Donohoe said that in line with the British government's commitment to climate finance, his firm puts green financing at a top spot, committing nearly one-third of its fund.

The BII would fulfil its climate commitment through investing in green factories and projects, said its



CEO. Infrastructure, manufacturing, healthcare, technology and financial sectors are the major areas of BII's interest, while it keeps green transformation, digital transformation, job creation, import substitution and trade facilitation in mind during investments.

O'Donohoe also pointed out that while the BII invests a lot in renewables in many other countries, the potential for wind and solar power in Bangladesh was less. He further said that Bangladesh could attract more foreign direct investments through better focusing its digital transformation.

BII's Country Director M Rehan Rashid said its foreign currency debt to three commercial banks significantly added to their foreign trade financing capacity, while the investor also focuses on climate and SME financing through its exposure in the country's financial sector. BII, as a fund of funds, has also invested in the Evercare Hospital in Dhaka. The BII believes that Bangladesh's manufacturing sector has a potential to widen its horizon to solar manufacturing, electronics industry and many others, following the leadership of apparel exporters who made the country the home to the maximum number of green textile factories, while pharmaceutical plants are also being recognised for their standard.

Being well aware of the ongoing reforms in Bangladesh for investment facilitation, the BII bosses said they read about the challenges and the need for process simplification in newspapers. As bright spots to Bangladesh's story, they mentioned local firms' access to low cost funds, reliable energy, improving connectivity and the upcoming factories in the special economic zones. Since BII believes in transformation through the private sector, it looks for good companies having good governance and climate sustainability standards to invest in.

BII is headquartered in London, the oldest development finance organisation. It tends to promote countries where it invests its funds and commercial investors also follow, because of the investment criteria and due diligence BII follows.

ADB approved $143m loan support for cross-border trade

The Asian Development Bank (ADB) has approved a $143 million loan package to support the government of Bangladesh's efforts to accelerate growth by improving the efficiency, predictability, and security of cross-border trade.

Bangladesh has been carrying out trade facilitation strategies to enhance export diversification and competitiveness by improving the quality of exports, signing bilateral trade and investment cooperation agreements, and promoting trade through better coordination among border agencies and private stakeholders.

"ADB's assistance supports the government's goal of accelerating economic growth through

industrialisation and trade," said ADB Principal Economist Tadateru Hayashi. "The programme will help diversify the country's export products and destinations. Improved connectivity will facilitate sub-regional trade and commerce among the South Asia Sub-regional Economic Cooperation countries," added Hayashi.

The ADB loan package includes a $90 million policy-based loan, which will support reforms in areas including bringing the country's customs legal frameworks in compliance with international standards, improving cargo clearance processes, and strengthening the capacity of the National Board of Revenue (NBR) and the Ministry of Commerce.

To complement the policy reforms, a $53 million project loan will construct integrated land customs stations and land ports of NBR and the Bangladesh Land Port Authority (BLPA) at Akhaura, Sonamasjid, and Tamabil border crossing points (BCPs). Facilities and equipment for customs clearance and cargo transshipment operations will also be installed.

ADB will provide a $1.5 million technical assistance grant from its Technical Assistance Special Fund to support the modernisation of the customs legal framework and coordination among the border agencies, prepare an operationalisation plan of central customs facilities, strengthen NBR's capacity to implement modernised customs operations at BCPs, and build the project implementation capacity of NBR and BLPA.



ADB to provide $250m to boost social protection system

Bangladesh will receive $250 million policy-based loan from the Asian Development Bank under an agreement signed on June 14. The fund will be used to further improve the social protection system in Bangladesh for supporting the vulnerable population against socioeconomic challenges.

Economic Relations Division secretary Fatima Yasmin and ADB country director Edimon Ginting signed the agreement virtually from their respective sides. The programme aims to accelerate reforms in increasing the coverage and efficiency of the social protection, improving the financial inclusion of disadvantaged people, and strengthening the response to diversified protection needs.

The loan is the second sub-program of the Strengthening Social Resilience Program approved in 2021, which helped implementation of institutional and policy reforms that strengthened the inclusiveness and responsiveness of social protection in Bangladesh.

ADB country director Ginting said that the integrated social protection programme would improve social safety net management, deepen financial inclusion, address needs based on demographic, geographical, age, gender, and other diversities, and widen the coverage and efficiency of social protection. The reforms supported under the programme will help improve efficiency by digitalization and integration of systems as well as harmonization of government's social protection programs. The reforms will help Bangladesh bring at least 80 per cent of social protection programs with cash-based benefits under a standardized and integrated management system with connection to G2P platform by June 2023.

At least 60 per cent of cash-based social protection benefits will be delivered to disadvantaged women, and social protection program fragmentation will be reduced in three ministries. The number of active mobile financial services accounts will be increased annually by 5 per cent.

At least 50 mobile clinics will start operating in 10 city corporations. At least one social insurance scheme (contribution-based protection scheme) will be initiated on a pilot basis by 2023.

WB to provide $250m loan as budget support

A loan agreement was signed between the government of Bangladesh and the World Bank (WB) under which the lending agency will provide US$ 250 million as budget support for the 'Bangladesh-First Recovery and Resilience Development Policy Credit (DPC1)'. Economic Relations Division (ERD) secretary Fatima

Yasmin and World Bank acting country director Mohammad Anis signed the loan agreement on behalf of their respective sides.

In response to the adverse effects of Covid-19, the government has provided stimulus incentives to economically affected industries, agriculture sector and export-oriented industries and to ensuring food security, the government extended the social safety net programmes and employment creation.

The World Bank has agreed to provide US$ 250 million as budget support titled 'Bangladesh-First Recovery and Resilience Development Policy Credit (DPC1), which would play a key role in sustaining the post Covid-19 economic recovery and development momentum. The DPC series will provide US$ 500 million in two consecutive fiscal years (FY22 and FY23). The main objectives of the DPC1 are to assist Bangladesh in its efforts to implement budget stimulus for the subsequent recovery of Covid-19 and to enhance resilience to future shocks. There are two sectoral focuses: A) fiscal and financial B) lives and livelihood for a resilient economy.

The interest rate of the above mentioned loan is 1.25 per cent and the service charge at the rate of 0.75 per cent and this loan has to be repaid in 30 years with a grace period of five years.

Global apparel retailers turning to "Made in Bangladesh" fabrics: Reports

With the aim to shorten lead time while also deal effectively with the sharply rising shipping cost (raw material), more and global brands and retailers are now favouring using fabrics made in Bangladesh to produce apparel items.

Media reports maintained this adding following this, garment exporters in Bangladesh are now able to supply finished goods to their buyers within 45 days to 60 days, down from what used to be 90 days to 120 days earlier when most fabrics were sourced from overseas destinations like South Korea, China, India, Pakistan and Indonesia.

Meanwhile, speaking to the media, Chairman of Ha-Meem Group, AK Azad, on his part, reportedly, underlined that it was difficult to keep up with the trends of fast fashion with imported fabrics as it takes a lot of time even as he maintained these days many renowned buyers were placing orders with lead time of two months because of the rapid change in fast fashion, which earlier used to be three months.



S Korean company to invest $35m in BEPZA economic zone

South Korean company HKD Bangladesh Limited is going to invest $35 million dollars to set up the tent, tent accessories, camping furniture and camping equipment manufacturing industry in the economic zone of Bangladesh Export Processing Zone Authority (BEPZA).

With the establishment of the industry, a total of 6,650 Bangladeshi nationals will get employment opportunities. Member (Investment Promotion) of BEPZA Ali Reza Mazid and Chief Operating Officer (COO) of HKD Bangladesh Limited Chul Hee Kim signed an agreement to this effect on behalf of their respective organizations at the BEPZA complex on May 26. BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman was also

present at the agreement-signing ceremony. Among others, 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 Md. Hafizur Rahman were present during the signing ceremony. HKD is a fully foreign-owned company started its operation in 1990 in Chattogram EPZ. It would be the 5th venture of the HKD group with BEPZA.

Chinese company to invest US$ 12.89 million in Mongla EPZ

China owned company M/s. Xihe Textile Technology Bangladesh Ltd is going to set up a garments manufacturing industry in Mongla EPZ with an investment of US$ 12.89 million. 2892 Bangladeshi nationals will get employment opportunity in this factory.

This fully foreign owned company will produce annually 5 million pcs of Woven garments and 2.3 million pcs Knit garments. Mentionable, they have another RMG factory named M/s. Garments Manufacture JINLITE Bangladesh in Mongla EPZ.

An agreement to this effect signed between Bangladesh Export Processing Zones Authority (BEPZA) and M/s. Xihe Textile Technology Bangladesh Ltd at BEPZA Complex, Dhaka on 5 April. Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Yang Jilai, Managing Director of Xihe Textile Technology Bangladesh Ltd signed the agreement on behalf of their respective organizations. The Executive Chairman of BEPZA Major General Abul Kalam Mohammad Ziaur Rahman, ndc, psc witnessed the signing ceremony.



Among others, Member (Engineering) Mohammad Faruque Alam, Member (Finance) Nafisa Banu, Executive Director (Administration) Md. Zakir Hossain Chowdhury, Executive Director (Public Relations) Nazma Binte Alamgir and Executive Director (Investment Promotion) Md. Tanvir Hossain were present during the signing ceremony.

AIIB extends $200m credit facility to IDCOL

The Asian Infrastructure Investment Bank (AIIB) will extend $200 million long-term credit facility to IDCOL for financing infrastructure projects in Bangladesh. To this end, a loan agreement has recently been signed by the Economic Relations Division (ERD), Ministry of Finance.

The credit facility will be utilised to finance priority private-sector infrastructure projects in sectors like energy, transport, ICT, energy efficiency, renewable energy and social infrastructure. IDCOL will extend the financing in both dollars and taka for eligible projects.

IDCOL, a government-owned non-banking financial institution, is the country's leading financier in the private sector infrastructure, renewable energy and energy efficiency sectors. IDCOL plays a significant role in catalysing private-sector investment across these segments.



Bangladesh to get US support in improving, widening coastal embankments

The US will support Bangladesh in improving and widening its coastal embankments as part of a climate change adaptation effort. Bangladesh will also get assistance from the US in improving renewable energy and afforestation. The assurance came as Foreign Minister AK Abdul Momen held a meeting with John Kerry, US President Joe Biden's special envoy for climate change, on the sideline of the 7th "Our Ocean Conference" during April 13-14. Momen attended the conference in Palau, an island country in the western Pacific Ocean,



at the invitation of Kerry. The US envoy lauded Prime Minister Sheikh Hasina's global leadership on the climate front and urged Bangladesh to join the Global Methane Pledge to get assistance in reducing emissions from solid waste. Countries joining the Global Methane Pledge commit to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030. Momen described the potential of Bangladesh in harnessing the promises of the blue economy and called for US support to create employment in this sector.

Unilever-CIRCULAR to collect 10,000MT of plastic wastes by May 2023

Unilever Bangladesh Limited and CIRCULAR, a social purpose-driven organization, will jointly collect 10,000 tonnes of plastic waste from Dhaka by May 2023 with the aim of preventing an impending environmental catastrophe. The two organizations will work on building a sustainable and equitable reverse supply chain for the recovery of all kinds of post-consumer plastic waste.

According to the World Bank, less than one-third (30%) of the plastic waste is collected in Bangladesh and only 37% of the collected plastic waste is recycled. An estimated 24,032–36,047 tonnes of plastic waste have been dumped in our river system. In 2021, Unilever launched the biggest municipal-backed plastic waste collection project in Bangladesh in collaboration with Narayanganj City Corporation and UNDP.

Zaved Akhtar, CEO and managing director of Unilever Bangladesh Limited, said: "Our value is to do business sustainably and leave behind a thriving world for future generations. We want to ensure that plastic stays in the economy and out of the environment.

"As a responsible company, we are committed to playing our part. However, plastic pollution is too big for us to solve alone. We believe that this is a collective responsibility, and each stakeholder needs to play an active role in managing plastic waste," he added. "We are advocating for systems change to create a circular economy for plastics. In reaching this important partnership with CIRCULAR, we both acknowledge that the issue of plastic waste is a shared responsibility," he further said.

The environmental crisis requires bold action across the value chain to develop and scale up the collection, which is critical in the transition toward a circular economy model. "We need to act immediately to take responsible actions and help Bangladesh's Green Growth Strategy as per the government's 2100 Delta Plan," he said.



Sewing thread: a new avenue of growth in textile

Hundreds of sewing thread manufacturing units have sprung up in Bangladesh in recent years, allowing the country to nearly attain self-sufficiency in the major garment accessory. As a result, apparel manufacturers have been able to cut their over-reliance on the imported raw materials and maintain strict lead time.

Sewing thread is mainly used in stitching garment items. And 10 years ago, local garment manufacturers and exporters were fully dependent on imported sewing thread. But now some of the major producers are even exporting the accessory after meeting local demand. Currently, 20 local and multinational sewing thread mills produce more than 100 tonnes of the item a day.

Although the contribution of the sewing thread is less than 1 per cent to the total garment export of $36 billion, it is vital for manufacturing a finished garment item. In the past decade, the sewing thread sector witnessed an investment worth Tk 1,000 crore. Sanzi Textile Mills, located in Kalurghat of Chattogram, invested Tk 100 crore in 1995 to make sewing thread. Today, it produces 30 tonnes of thread per day.

"We are meeting the rising demand in the domestic and international markets," said Syed Nurul Islam,

chairman of Well Group, the owning company of the textile company. Sanzi Textile Mills' market share in the sewing thread segment is 30 per cent, raking in $20 million annually. It also ships more than $6 million worth of the accessory a year. Islam puts the local sewing thread market at $150 million. Previously, garment manufacturers relied on China and Hong Kong for sewing thread. Now, local manufacturers can supply 95 per cent of the accessory, while the rest is imported owing to the special requirement from international retailers and brands.



DBL Group, a garment exporter, invested Tk 200 crore in 2016 to set up Eco Threads & Yarns to make quality sewing thread. It produces 10 tonnes of sewing thread a day at its Kashimpur factory in Gazipur. Of the produce, the company consumes 20 per cent and the rest 80 per cent is sold to other garment manufacturers, said MA Jabbar, managing director of the group. DBL Group is eyeing expansion in the segment. "I have a plan to set up a unit to produce sewing thread in Vietnam within two to three years as buyers are nominating our thread for their products due to its higher quality," Jabbar said.

Eco Threads & Yarns sells sewing thread worth $25 million annually at present and plans to double the sales by 2025. "Even a few years ago, local garment manufacturers were mainly dependent on multinational companies to procure sewing thread, but now local companies are capable of producing internationally standard sewing thread," Jabbar said.

Although the country has become self-reliant on sewing thread, the associated raw materials need to be imported, according to Abdul Kader Khan, managing director of Khan Accessories and Packaging Ltd. He invested Tk 7 crore to establish a sewing thread unit in Tongi a few years ago to produce 70 tonnes of thread a month. Nearly 200 manufacturers are engaged in producing sewing thread for export-oriented garment factories, but few of them dominate the market, said Abul Quasem Haider, president of the Bangladesh Sewing Thread Manufacturers and Exporters Association. Local manufacturers can supply more than 90 per cent of cotton-made sewing thread. But in the case of the synthetic-made thread, they can cater 70 per cent of the demand, and the remaining 30 per cent comes from imports, mainly from China. More than 100 small and medium-sized mills serve the local sewing thread market.

Source : The Daily Star

Trade with US: Three cheers for $12b

The bottom line remains that of a titanic $4.5 trillion annual trade of the US with the world, we could only capture a paltry 0.23 per cent market share. It is far less than 1 per cent, with the top three Canada, Mexico, and China holding 14 per cent of the pie each.

Bangladesh's total trade with the United States has crossed the $10-billion mark in 2021, a feat that we should celebrate and beat our drums in the run-up for 2022 that is beckoning a 12-billion-dollar milestone! First, let us look at blockbuster ten. Data from the United States Census Bureau tells us how we made it year by year, billion by billion.

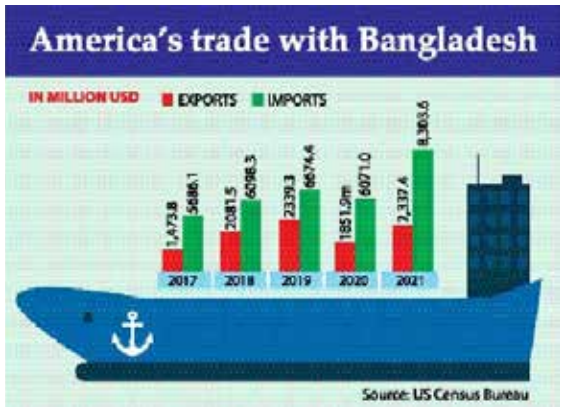
In 2016, it was only $6.82 billion of total trade, meaning export to the US and import from the US combined. With exports mounting higher and higher, the figures rose to $7.16 billion, $8.18 billion and $9.01 billion in three successive years. That says we could hit the 10-billion-dollar jackpot in 2020 had there been no pandemic.

We did quite well though. Braving the deadly disease, we exported $6.07 billion worth of goods lifting the total trade to $7.92 billion. And then came the lucky charm 2021: $2.33 billion in imports plus $8.30 billion in export took us to $10.64 billion in

the total trade, an astronomical 34.31 per cent rise, year-on-year.

There is not much of a change in imports from the US over the years, rather it is the steady growth of our export that did the trick. When new Boeings are added to our fleet, import goes up, or else it stays below $2 billion. The traditional biggies are seeds, scrap iron and steel, cotton, natural gas and liquefied natural gas.

The quite fascinating fact is that not only have we maximised our export volume, we also sprinted faster than



our rivals. From the 54th goods trading partner of America in 2016, we moved up to the 45th position last year, up eight notches in a span of six years, among 232 nations and territories that the US has trading relations with.

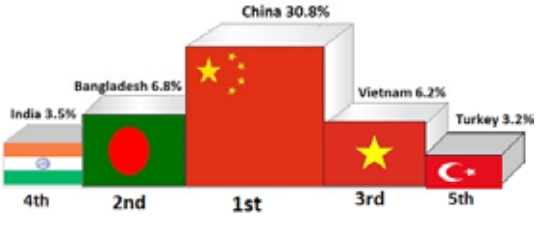
The first quarter of 2022 came out as the best three months ever in history! This is unprecedented, unmatched and extraordinary.

Source : The Dailuy Star

RMG exports to Russia withstand war headwinds

Despite the Russia-Ukraine war and a ban on some banks on the use of global payments messaging network SWIFT, apparel shipment from Bangladesh to Russia has largely remained unscathed because of the use of alternative routes and payment channels, according to exporters. When the war broke out on February 24, it was largely anticipated that Bangladesh's garment export to the emerging country would come to a halt owing to supply chain disruptions.

The uncertainty deepened when the European Union excluded seven Russian banks from the SWIFT (Society for Worldwide Interbank Financial Telecommunication). The US has also announced sanctions on some large Russian banks. What is more, SWIFT asked Bangladesh's banks to suspend transactions with the Russian lenders since they are facing sanctions from the US and the EU over Moscow's invasion of Ukraine.



But the garment export has not faced any major disruption since shipments are being made via alternative routes such as China and Hong Kong and the suppliers are receiving payments from China in the renminbi, the Chinese currency. There is no ban on exports to Russia. However, most of the shipments now going to Russia have been against the orders placed before the beginning of the conflict.

Russian importers are also placing a higher number of orders with Bangladesh to fill up the vacuum created after some large American and European retailers and brands pulled out of the market. Russian buyers are making advance payments to Bangladeshi garment exporters as well as the demand for apparel items has increased in the market. Only seven Russian banks have been brought under the purview of the SWIFT ban and the country's buyers are making payments to Bangladeshi sellers through other lenders.

Besides, most of the liaison offices of major retailers and brands in Russia are making payments from their offices in Hong Kong, China, and Turkey. Nearly 150 suppliers export garment items to Russia. Apparel shipment fetched $600 million last fiscal year, up 36 per cent. The export value may go up to $1 billion in the current fiscal year ending in June.

Home textile, an emerging player in export diversification

Home textile has gradually emerged as a new player in the textile production and exports from Bangladesh. Defying all odds, the sector claimed the title of the second main export earner of the country after the RMG sector. According to the recently released Export Promotion Bureau (EPB) data, the home textile exports earned $1.46 billion in July-May of the FY2021-2022, registering a year-on-year growth of 41.3%. Industry insiders said that home textile is one of the first-line export sectors in Bangladesh

with the ability to produce bulk products, which also accelerated the country to emerge as a global leader. The home textile export basket of the country includes bed linen, bed sheet and other bedroom textiles, bath linen, carpets and rugs, blankets, kitchen linen, curtains, cushions and cushion cover, and covers for quilts. Bangladesh entered the market of home textile in the 1980s. But Bangladesh only earned $150 million by exporting home textile products in the FY2004-05. However, the situation has changed now. Just a decade ago, buyers thought that home textile products were only produced in China, India, Pakistan and Turkey. Now the name Bangladesh has also been added to the list of the countries producing home textile products.

Industry insiders said that the reasons behind the upcoming lead of Bangladesh are investments in research, quality products, innovation and latest technology, sustainable growth, and government support. However, the number of home textile factories in Bangladesh is still less compared to woven or knit garments.



Sleeping Bags : The new major export item

Recently, China has suffered from a worker shortage, resulting in higher production costs. However, this has been an excellent opportunity for Bangladesh to upscale its position in the RMG/outwear industry and some other sectors as well. And following this situation, one of the most significant Bangladeshi exports is now sleeping bags. As a result, Bangladesh is becoming a major manufacturer of sleeping bags for the worldwide market.

The production of sleeping bags in Bangladesh is growing. In addition, the country is increasingly becoming a solid player in the outerwear industry, such as jackets, camping, skiing, sportswear, hunter, safety, workwear, and rainwear. As a result, many factories are now capable of making and supplying these products. Even a few years ago, only two or three multinational companies under the Bangladesh Export Processing Zones Authority (BEPZA) used to produce sleeping bags. But now, at least ten local players are in the industry manufacturing such export-quality items.

Outerwear shipment fetches nearly $4 billion annually for the country. The biggest buyer of these sleeping bags is the US, and despite the higher duty on the shipments of sleeping bags to the US, the item's earnings are around $500 million annually. Since then, local exporters have faced nearly 12 percent duty to export sleeping bags to the US markets. Still, investors from the US, Korea, and China have shifted their production units to Bangladesh to produce the item at competitive prices.



Russia is one of the top markets for sleeping bags from Eusebio Sporting, which ships nearly $3 million worth of the item to the country annually. The director of the Taiwanese company Eusebio Sporting Ltd located in Chattogram, Julio Lin, said, "I have not faced any challenge in exporting to Russia despite the ongoing war. I am shipping the goods as usual and receiving the payments from my buyers through third countries."

Sleeping bags are in high demand for people who go on outings like trekking and skiing. Therefore, there is a demand for sleeping bags in the Scandinavian, European, North, and South American countries.

The demand for sleeping bags has declined a bit in the last two years due

to the pandemic, and it may take two to three years for the segment to fully recover. However, the country leader of a French company that sources sleeping bags from several factories in Bangladesh says his company's sourcing growth is 7 to 8 percent annually. Bangladesh's share in the global sleeping bag manufacturing segment is rising as China loses its market. In 2021, the top importers of sleeping bags were the US, the European Union, Germany, Japan, the United Kingdom, Australia, and Spain, as per the data from the World Integrated Trade Solution portal of the World Bank showed.

Bangladesh becoming a key sweater sourcing hub

Bangladesh is turning into a major sourcing hub for sweaters for international clothing retailers and brands as work orders are shifting from China and global fashion trends are changing. Chinese manufacturers are no longer interested in making sweaters because of the complexities in the manufacturing process, higher cost of production, and shortage of skilled workers. As a result, exports of the item are rising from Bangladesh, the world's second-largest garment supplier after China. Earnings from sweater exports reached $4.05 billion in the fiscal year of 2020-21, up 12.62 per cent year-on-year, according to Export Promotion Bureau data. In FY20, the receipts stood at $3.59 billion, a decrease of 15.47 per cent from the previous year's $4.25 billion, as the severe fallout of the coronavirus pandemic took a toll.



The demand for sweaters is rising worldwide because of changes in fashion trends. Previously, people used to wear sweaters only during the winter season but now they put on lightweight sweaters all year round as a fashion item. The temperature has gone up in many cold countries because of climate change, driving down the demand for thick sweaters and pushing up the consumption of lightweight sweaters. Bangladesh has a strong position in the manufacturing of lightweight sweaters.

Moreover, the use of modern technologies such as the Jacquard machine in sweater production has raised productivity. Four or five workers are needed to run a manual sweater machine but only a single labourer can operate four to five Jacquard machines that have a higher production capacity. This technological transformation has made exporters more competitive globally.

A number of new markets such as South Africa, Japan, and Russia have emerged as promising sweater export destinations from Bangladesh in recent years. The largest sweater markets for Bangladesh are Canada, Europe and the US. Of the $600 million garments exported to Russia last year, the majority were sweaters. Russians use sweaters all year round and they offer better prices than other countries.

Sweater is a very trendy item, especially in European countries. As a result, the demand for the all-weather lightweight item is going up all over the continent. Sweaters are a knit item and people use them also as casual wear, globally the demand for casual wear is increasing because of the change in fashion trends.

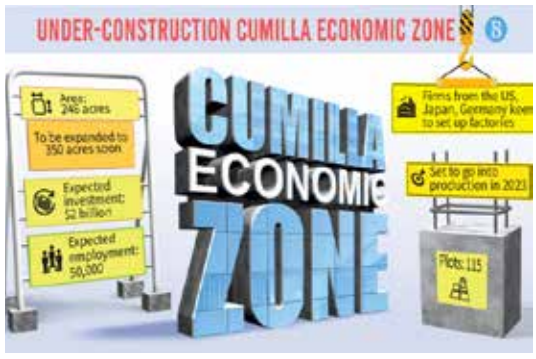
Source : The Daily Star

Cumilla Economic Zone gets BEZA licence

The government has given the final licence to Cumilla Economic Zone (CEZ). The Bangladesh Economic Zones Authority (BEZA), a centralised economic zones authority of Bangladesh, handed over the licence to the CEZ, a concern of the Meghna Group of Industries, at a ceremony at the InterContinental Dhaka in the capital on 10 April. The CEZ, which is the 12th private economic zone, is expected to draw an investment of $2.0 billion and generate about 50,000 employment opportunities. Prime Minister's Office Secretary Md Tofazzal Hossain Miah was present at the event as the chief guest while Shaikh

Yusuf Harun, executive chairman of the BEZA, chaired it. Mostafa Kamal, chairman of Meghna Group of Industries, attended the programme as a special guest.

The CEZ is expected to go into production by 2024. It is located at Meghna upazilla of Cumilla, adjacent to the Dhaka-Chattogram highway, covering an area of about 250 acres that will expand to 350-acres after completion of the first phase. In order to build a self-sufficient economic zone in the region, it plans to set up factories and administrative buildings, warehouses, logistics areas, water and waste treatment plants, roads and other facilities.



The environment-friendly technology will be used to prevent any harmful effects on the environment.

Shrimp export growth picking up

Following years of decline, the country's shrimp export has lately been picking up. The surge in export amid the pandemic-induced fallouts like shrinking demand and disruption in global sourcing is believed to be due to a change in overall shrimp business prompted by fast increasing demand and a considerable hike in international market prices. This has been responsible for the export from this country to pick up in the current fiscal year till April. Earnings from shrimp exports between July and mid-April in this fiscal witnessed 37 per cent increase from that of the corresponding period last year, according to Export Promotion Bureau (EPB) sources. Industry insiders are hopeful that the rise in prices to the tune of around 30 per cent will be a major motivation for local shrimp exporters to keep the momentum enjoyed in prospective markets, while also attempting to diversify exports beyond the traditional varieties of shrimps.

Export orders for the prime variety of shrimps from Bangladesh had been registering a steady fall for years due mainly to declining demand from the key markets of Europe and the US--- destinations of 80 per cent of Bangladesh's shrimp export. As a result, frozen food - comprising mainly shrimp - once the third major export item of Bangladesh next to RMG, jute and jute goods, has now dropped to seventh position.

Export is believed to have been hit by undiversified product range that adversely affected marketing. According to industry insiders, Bangladeshi shrimp, recognised as a delicacy as well as a highly priced kitchen item overseas, is struggling to retain its market share amid uneven competition with low priced varieties from other sources.



One of the reasons for the uneven competition is attributed to the low price of a shrimp variety called Vannamei (or whiteleg shrimp)-- a disease tolerant and high-yielding variety which gives an yield of 10-15 tonnes per hectare, as against a paltry 300-400 kgs from traditional cultivation in Bangladesh. The Vannamei variety, because of high yield and low cost of production, has already gained wide popularity capturing 77 per cent of global market, according to reports.

However, this variety is not officially approved for cultivation in the country, presumably because of its low quality compared to the high priced varieties cultivated and exported from Bangladesh. However, it has been reported that most shrimp producing countries in Asia have been cultivating Vannamei for export from the late eighties. Since it is a policy decision not to allow cultivation of this variety, the authorities may like to revisit the issue-given the need of the time. Needless to say, it is the consumers' choice that dictates the market.

That there is a visible turnaround in shrimp export thanks to price hike in global market, it is extremely important that capitalisation on the situation will depend on a host of factors including a shift in cultivation and processing as well as government policy to adequately nurture the industry in keeping with the global trends in product diversification and marketing.

Global/Regional News

Russia-Ukraine war 'will have no winner': UN

The UN crisis coordinator for Ukraine says war is costly for both Kyiv and Moscow and calls for an end to hostilities. Since Moscow launched what it called a "special military operation" on February 24, the UN estimates it provided immediate humanitarian aid to some eight million people across the country, including in besieged cities in the east of Ukraine.

More than 15.7 million people remain in need of humanitarian support, according to the international body, with hundreds of thousands not having access to water and electricity and millions being food insecure. "This war has taken an unacceptable toll on people and engulfed virtually all aspects of civilian life," UN said. "In just over three months, nearly 14 million Ukrainians have been forced to flee their homes – a scale and speed of displacement not witnessed in history."

The UN estimates more than three million children have had to suspend their education as schools, hospitals



and shelters have been engulfed in the conflict. "Our tireless efforts to respond to the war's devastating impact will continue, robustly and steadfast," UN representative said. "But above all we need peace." The UN crisis coordinator for Ukraine has also sounded the alarm on the global effect of the war in a country that caters to about 15 to 20 percent of the world's food needs.

Ukraine's Black Sea ports have been blocked, preventing the export of some 20 million tonnes of grain. UN officials have called on Russia to reopen the ports to avoid a global food crisis and the international community has raised the possibility of a relaxation of sanctions against Moscow in return for unblocking the ports. Speaking at an online UN news briefing from Geneva, UN crisis coordinator said there was an agreement "in principle" on the need for a deal on allowing exports but that more talks were needed.

G7 allies vow to support Ukraine 'until victory'

Leading democracies on 13 May pledged unwavering support for Ukraine in its war with Russia while the European Union promised to hike military support for Kyiv by more than half a billion dollars. Foreign ministers of the Group of Seven (G7) met on the second day of a three-day meeting in the Germany resort of Wangels, joined by their counterparts from Ukraine and Moldova.

French Foreign Minister Jean-Yves Le Drian said the G7 were "very strongly united" in their will to "continue in the long term to support Ukraine's fight for its sovereignty until Ukraine's victory." EU foreign policy chief Josep Borrell said the bloc was pledging an extra 500 million euros ($520 million) in military aid. The cash will raise the EU's total military aid for Ukraine to two billion euros, he said.

"The recipe is clear –- more of the same," Borrell said. "More pressure on Russia, with economic sanctions. Continue working on international isolation of Russia. Countering the disinformation about the consequences of the war... And presenting a united front to continue supporting Ukraine." British Foreign Secretary Liz Truss also called for further support for Ukraine. "It is very important at this time that we keep up the pressure on Vladimir Putin by supplying more weapons to Ukraine, by increasing the sanctions," she said.



They were joined by their Ukrainian counterpart Dmytro Kuleba, who praised their resolve to help Kyiv but also urged them to go further. "Today I asked G7 countries to adopt legislation and put in place all necessary procedures needed to seize Russian sovereign assets and give them to Ukraine to use this money to rebuild our country," he said. Kuleba also urged the EU to ensure that an embargo is placed on Russian oil, warning that an omission of the ban on the bloc's next package would mean its unity was "broken".

The war in Ukraine had led to greater unity among Western allies, the minister said. "It is Ukraine who made the G7 strong again. It is our struggle that brought back confidence in the G7 to lead, to shape international affairs and to counter attempts of authoritarian regimes to defeat democracy," he said.

The ministers were also joined by Moldovan Foreign Minister Nicu Popescu, whose country is facing a huge influx of refugees from Ukraine. Separately in the southwestern German city of Stuttgart, agriculture ministers of the G7 as well as their Ukrainian counterpart gathered on 13 May to discuss how to head off a looming international food crisis sparked by the war.

Accusing Russia of theft from Ukrainian farmers, Germany's agriculture minister Cem Oezdemir said this was "an especially repugnant form of war that Russia is leading, in that it is stealing, robbing, taking for itself grain from eastern Ukraine." Russia invaded Ukraine on February 24 but Ukrainian forces managed to push Moscow's forces back from Kyiv, and the conflict is now well into its third month.

Western countries have supplied Ukraine with weapons, including artillery, anti-aircraft missiles, anti-tank weapons and other powerful material, but Kyiv has been pushing allies for more support. Le Drian pointed to the global effects of what he called a "lasting conflict... particularly in the area of food security". German Foreign Minister Annalena Baerbock had also highlighted the growing impact of the war on poorer countries. "We as the strongest industrialised democracies have a special responsibility" to help poorer nations weather the food and energy squeezes caused by the war, she said.

Food, fuel price shocks from Ukraine war to last at least 3 years : World Bank

Global food and fuel price shocks linked to the Russia-Ukraine war are set to last until at least the end of 2024 and raise the risk of of stagflation, the World Bank said in its latest Commodities Market Outlook report. In its first comprehensive analysis of the war's impact on commodity markets, the bank, which provides loans and grants to low- and middle-income countries, said the world faces the biggest commodity price shock since the 1970s. It is being aggravated, it said, by restrictions in food, fuel and fertiliser trade that are exacerbating already elevated inflationary pressures around the world. "Policymakers should take every opportunity to increase economic growth at home and avoid actions that bring harm to the global economy," said Indermit Gill, the World Bank's Vice President for Equitable Growth, Finance, and Institutions.

Russia is the world's largest natural gas and fertiliser exporter, and second largest crude oil exporter. Together with Ukraine, it accounts for nearly a third of global wheat exports, 19% of corn exports and 80% of exports of sunflower oil exports. Production and exports of these and other commodities have been disrupted since Russia's Feb. 24 invasion of Ukraine.



As a result, the World Bank expects energy prices to rise more than 50 percent in 2022 before easing in 2023 and 2024, while non-energy prices, including agriculture and metals, are seen climbing by almost 20 percent in 2022 before moderating. The bank said commodity prices will only retreat slightly and stay well above the most recent five-year average for the medium term.

"In the event of a prolonged war, or additional (Western) sanctions on Russia, prices could be even higher and more volatile than currently projected," it said. In terms of policy responses to the crisis, the bank singled out tax cuts and subsidies that it said tend to exacerbate supply shortfalls and price hikes, calling instead for school feeding programmes as well as cash transfers and public employment programmes for disadvantaged groups.

War could halve 2022 global trade growth: WTO

Russia's war in Ukraine could almost halve world trade growth this year and drag down global GDP growth too, the World Trade Organisation projected. The WTO said that the Russian invasion had not only created a humanitarian crisis of "immense proportions" but had also dealt a "severe blow" to the global economy. It also said that in the longer term, the conflict could even spark a disintegration of the global economy into separate blocs.



The global trade body issued its first analysis of the impact of the war ahead of its annual world trade forecast report on 12 April. It said that while the shares of Russia and Ukraine in overall world trade and output are relatively small, they are important suppliers of essential products, notably food and energy. "Using a global economic simulation model, the secretariat projects that the crisis could lower global GDP growth by 0.7 to 1.3 percentage points, bringing growth to somewhere between 3.1 percent and 3.7 percent for 2022," the WTO said.

"The model also projects that global trade growth this year could be cut almost in half from the 4.7 percent the WTO forecasted last October to between 2.4 percent and three percent." Russia invaded Ukraine on February 24 and the war is grinding toward its seventh week. The WTO said that some regions would be more strongly affected by the war than others. Europe is the main destination for both Russian and Ukrainian exports and therefore is likely to experience the heaviest economic impact, the organisation said.

Reduced shipments of grains and other foodstuffs will boost the prices of agricultural goods, with negative consequences for food security in poorer regions, it added. Africa and the Middle East are the most vulnerable, as they import more than 50 percent of their cereal needs from Ukraine and/or Russia. The WTO said some sub-Saharan countries were facing the possibility of price hikes of up to 50 to 85 percent for wheat due to the war's impact on grain shipments.

"The brunt of the suffering and destruction are being felt by the people of Ukraine themselves but the costs, in terms of reduced trade and output, are likely to be felt by people around the world through higher food and energy prices and reduced availability of goods exported by Russia and Ukraine," the WTO study said.

"Poorer countries are at high risk from the war, since they tend to spend a larger fraction of their incomes on food compared to richer countries. "This could impact political stability." The WTO said one longer-term risk from the war is that it could trigger a disintegration of the global economy into separate blocs. It said sanctions could cause major economies to move toward "decoupling" based on geopolitical considerations, with the goal of achieving greater self-sufficiency in production and trade. Even if no formal blocs emerge, private actors might decide to minimise risk by reorientating supply chains.

The WTO warned that the income losses from such a development "would be severe, especially for emerging and developing economies". "At a global level, it could reduce GDP in the long run by about five percent, notably by restricting competition and stifling innovation," it said, cautioning that the GDP decline could be even more severe.

IMF hopes to mobilise $45b for new trust

Resilience and Sustainability Trust aims to aid broader range of countries

The International Monetary Fund hopes to mobilise around $45 billion for a new trust to help a broader range of countries, including some middle-income economies, deal with climate change and other longer-term challenges. The IMF's executive board is expected on 13 April to approve plans for the new Resilience and Sustainability Trust (RST) that were hammered out by IMF staff after the Group of 20 major economies backed creation of the instrument in October. Nearly three-quarters of the IMF's 190 members would be eligible

to borrow from the new trust, the global lender's first facility set up expressly to help countries manage balance of payments risks posed by longer-term challenges, the paper said.

"Today, even as IMF member countries confront the immediate challenges of rising inflation, constrained fiscal space and pandemic recovery — heightened by risks associated with the war in Ukraine — they are also calling on the Fund to help respond to longer-term challenges such as climate change and pandemic preparedness," the paper said.

Currently, the IMF offers low-cost and zero-interest rate financing to help countries deal with short-term challenges, such as capital flight, inflation or high commodities prices, and medium-term fiscal and financial challenges.

But it lacks a facility to help countries manage risk to balance of payments posed by longer-term threats, build economic resilience to shocks, and tap opportunities to achieve sustainable, inclusive growth. The IMF's Poverty Reduction and Growth Trust is also open only to low-income countries.



The RST, first proposed by IMF Managing Director Kristalina Georgieva in June, would fill that gap and offer countries affordable financing over extended repayment periods. The IMF has said it plans to begin lending under the program by October. It would be available to low-income and vulnerable middle-income countries, including small states, many of which were hit particularly hard by the pandemic and its economic impact.

To qualify for lending from the new RST, countries would still need to develop "credible policy and reform measures," have sustainable debt and adequate capacity to repay the IMF, and be part of a concurrent financing or non-financing IMF-supported program, the paper said. In addition to providing loans, the IMF also has policy coordination arrangements with other countries, including Serbia, Rwanda and Senegal, that do not entail funding.

The eligibility criteria were set up to "preserve economic stability" while mitigating financial risks to the fund, the paper said. Richer IMF member could contribute to the trust by donating their unneeded Special Drawing Rights, the IMF's own currency reserves, from a $650 billion allocation approved last August. The funding is also expected to serve as a catalyst for additional public and private financing, the paper said.

Climate Change : 4pc of global GDP at risk

A new study of 135 countries estimates that 4% of global annual economic output could be lost by 2050 because of climate change. Lower-income and lower-middle-income countries are more likely to face GDP losses, with South Asia most at risk. Over 60 countries could have their credit ratings cut by 2030 due to global warming. International support for many areas is vital to mitigate the impacts.

Ratings firm S&P Global, which gives countries credit scores based on the health of their economies, published a report on 26 April looking at the likely impact of rising sea levels, and more regular heat waves, droughts and storms.

In a baseline scenario where governments largely shy away from major new climate change policies - known as 'RCP 4.5' by scientists - lower- and lower-middle income countries are likely to see 3.6 times greater gross domestic product losses on average than richer ones.

Bangladesh, India, Pakistan and Sri Lanka's exposure to wildfires, floods, major storms and also water shortages mean South Asia has 10%-18% of GDP at risk, roughly treble that of North America and 10 times more than the least-affected region, Europe. Central Asia, the Middle East and North Africa and Sub-Saharan Africa regions all face sizable losses too. East Asia and Pacific countries face similar levels of exposure as Sub-Saharan Africa, but mainly because of storms and floods rather than heat waves and drought.

Countries around the equator or small islands tend to be more at risk, while economies more reliant on sectors such as agriculture are likely to be more affected than those with large services sectors. For most countries, exposure to, and costs from climate change are already increasing. Over the past 10 years, storms, wildfires, and floods alone have caused losses of around 0.3% of GDP per year globally, according to insurance firm Swiss Re. The World Meteorological Organization (WMO) also calculates that, on

average, a weather, climate, or water related disaster has occurred somewhere in the world every day for the last 50 years, causing 115 daily deaths and over $202 million in daily losses.



S&P's Sifon-Arevalo said that some countries have already suffered credit ratings downgrades due to extreme weather, such as some Caribbean Islands after major hurricanes. But he said the new data was not about to be plugged into the firm's sovereign ratings models, as there were still too many uncertainties such as how countries might adapt to the changes.

A study last year by a group of UK universities looking at a more extreme rise in global temperatures, predicted that over 60 countries could see their ratings cut because of global warming by 2030. Some experts have also suggested a sliding scale for ratings, where highly-exposed countries would have one credit score for the next 10 years or so and another one for further in the future when problems are likely to be biting.

Nearly 37 million children displaced worldwide – highest number ever recorded

Conflict, violence and other crises left a record 36.5 million children displaced from their homes at the end of 2021, UNICEF estimates – the highest number recorded since the Second World War. This figure includes 13.7 million refugee and asylum-seeking children† and nearly 22.8 million children who are internally displaced due to conflict and violence. These figures do not include children displaced by climate and environmental shocks or disasters, as well as those newly displaced in 2022, including by the war in Ukraine.

The record number of children displaced is a direct result of cascading crises – including acute and protracted conflicts such as in Afghanistan, fragility in countries like the Democratic Republic of the Congo or Yemen and linked shocks exacerbated by the impacts of climate change. Just like fragility, child displacement is spreading fast. During the previous year, the global number of displaced children increased by 2.2 million.

"We can't ignore the evidence: The number of children being displaced by conflict and crises is rapidly growing – and so is our responsibility to reach them," said UNICEF Executive Director Catherine Russell. "I hope this alarming number will move governments to prevent children from being displaced in the first place – and when they are displaced, to ensure their access to education, protection, and other critical services that support their wellbeing and development now and in the future."

Crises like the war in Ukraine – which has caused more than 2 million children to flee the country and displaced 3 million internally since February – come on top of this record high. Additionally, children and families are also being driven from their homes by extreme weather events, such as by drought in the Horn of Africa and the Sahel, and severe flooding in Bangladesh, India and South Africa. There were 7.3 million new displacements of children as a consequence of natural disasters in 2021. The global refugee population has more than doubled in the last decade, with children making up almost half of the total. Over a third of displaced children live in Sub-Saharan Africa (3.9 million or 36 per cent), one quarter in Europe and Central Asia (2.6 million or 25 per cent), and 13 per cent (1.4 million) in the Middle East and North Africa.

As the number of displaced and refugee children reaches a record high, access to essential support and services like healthcare, education and protection is falling short. Around two-thirds of all refugee children are enrolled in primary school, while only around one-third of refugee adolescents are in secondary school.

Uprooted children – whether refugee, asylum seeker or internally displaced – can face grave risks to their well-



being and safety. This is particularly true for the hundreds of thousands of unaccompanied or separated children who are at heightened risk of trafficking, exploitation, violence and abuse. Children account for approximately 34 per cent of detected trafficking victims globally.

UNICEF urges Member States to adhere to their commitments to the rights of all uprooted children, including commitments established under the Global Compact on Refugees (GCR) and the Global Compact for Migration (GCM), and to invest further in data and research that reflects the true scale of the issues facing refugee, migrant and displaced children. UNICEF calls on governments to take six actions to achieve equal rights and opportunities for all refugee, migrant and displaced children:

Provide equal support to all children – wherever they come from; Recognize refugee, migrant and displaced children as children first and foremost – with rights to protection, development and participation; Increase collective action to ensure effective access to essential services – including health care and education – for all uprooted children and families regardless of status;

Protect refugee, migrant and displaced children from discrimination and xenophobia; End harmful border management practices and child immigration detention and Empower refugee, migrant and displaced youth to unleash their talents and realize their full potential.

Migrants sent $605b home in 2021: UN

Migrant workers sent home an estimated $605 billion to low- and middle-income countries last year, a UN study said on June 13, boosted by an increase in payments sent via mobile phones. Global remittances rose 8.6 percent compared to 2020 and are projected to grow to $630 billion in 2022, according to the International Fund for Agricultural Development (IFAD). Such payments are a major source of income for many low-income households, with around 800 million family members expected to benefit in 2022. Between now and 2030, global remittances will amount to $5.4 trillion, the equivalent of twice the GDP of Africa in 2021, IFAD has estimated.

"Remittances lift people out of poverty, put food on the table, pay for education, cover health expenses, allow housing investments and many other family goals beyond consumption," IFAD president Gilbert Houngbo said.

However, the report warned that the upward trend would likely slow



this year as inflation erodes wages, and as a result of Russia's invasion of Ukraine. Many countries in central Asia depend on remittances from Russia, with payments accounting for as much as 30 percent of their GDP, said the report. But the decline in the value of the ruble and the economic impact of sanctions has triggered a "sharp decline in transfers," IFAD said. Most of the money sent home by migrant workers is transferred through bricks-and-mortar institutions with clients paying cash, but the coronavirus pandemic saw a important shift towards digital.

With lockdowns and border closures making physical services more difficult to access, mobile phone payments jumped by 48 percent in 2021. They still only accounted for three percent of the global total, but Pedro De Vasconcelos, manager of the Financing Facility for Remittances at IFAD, said the trend is set.

This matters because mobile payments are more convenient, particularly for those in rural areas, and are also cheaper. In Africa—which received $94 billion in remittances in 2021, an increase of 13 percent on 2020—transfer fees are the highest in the world.

World Bank plans $170bn financing to ease 'multiple crises'

The World Bank is preparing a $170bn package of financial help in response to the overlapping global crises of war, pandemic and inflation that are hitting the poorest countries particularly hard, WB President David Malpass said. He warned that Russia's invasion of Ukraine had added to pressures caused by the Covid-19 crisis and soaring cost of living, and there is need to provide assistance quickly. Under proposals that will be discussed with the World Bank's member governments at this week's spring meeting of the

Washington-based organisation, $50bn would be spent over the next three months, with a further $120bn of financing provided over the following year. "I'm deeply concerned about developing countries," Malpass told reporters. "They are facing sudden price increases for energy, fertiliser, and food, and the likelihood of interest rate increases. Each one hits them hard."

The World Bank president said dearer food and energy, higher interest rates, the war in Ukraine and China's coronavirus-related shutdowns meant the global economy is now expected to grow by 3.2% this year, compared with the 4.1% it had predicted in January.

The Bank's sister organisation, the International Monetary Fund, will downgrade its growth forecasts when it publishes its half-yearly world economic outlook. In a chapter of the outlook published ahead of its official launch, the IMF expressed concern about a buildup of private debt, which it warned could knock a cumulative 0.9% off growth in advanced countries and 1.3% off growth in developing countries over the next three years.

"People are facing reversals in development for education, health, and gender equality," Malpass said. "They're facing reduced commercial activity and trade. Also the debt crises and currency depreciations have a burden that falls heavily on the poor.

"Food crises are bad for everyone, but they are devastating for the poorest and most vulnerable. There are two reasons. First, the world's poorest countries tend to be food importing countries. Second, that food accounts for at least half of total expenditures in household budgets in low-income countries, so it hits them hardest."

Malpass said central banks should not rely exclusively on interest rates to tackle inflation. "Central banks need to use more tools under current policies. "The inequality gap has widened materially, with wealth and income concentrating in narrow segments of the global population. Rate hikes, interest rate hikes, if that's the primary tool, will actually add to the inequality challenge that the world is facing."

The World Bank president added: "We're preparing for a continued crisis response given the multiple crises. Over the next few weeks, we'll be discussing with our board a new 15-month crisis response envelope of around $170 billion to cover April 2022 through June 2023. We expect to commit around $50 billion of this amount in the next 3 months." Both the World Bank and IMF are concerned about the number of countries having problems paying their creditors at a time of slowing growth and rising global interest rates. Malpass said there needed to be improvements to the common framework – a mechanism for helping countries with their debt burdens – which has been criticised for being too slow and too limited in its scope. "Due to high debt and deficit levels, countries are under severe financial stress", he said.

EU must recycle more to hit green goals
Rare-earth minerals key part of strategy to reach net zero mark by 2050

Europe must act fast to secure supplies of crucial metals required for a green energy transition and its best bet is to recycle, a report said on 24 April. The 27-nation EU aims to be "carbon neutral" by 2050 - reducing greenhouse gases to a level where the amount produced is balanced out by the amount removed from the atmosphere.

To this end, it is seeking not only to use less energy but also to increase the amount of energy generated domestically from renewable resources. That includes producing electric vehicles and batteries, bringing in more wind, solar and hydrogen technologies, and creating infrastructure to distribute this clean power.

But expanding clean technologies will require substantial inputs of raw metals and - in initial stages at least - much of this will probably have to be imported, according to the study by Belgium's KU Leuven university. To bring carbon dioxide emissions down to "net zero" by 2050, the EU will need "35 times more lithium" than it uses today and "seven to 26 times the amount of increasingly scarce rare-earth metals," the Metals for Clean Energy report said.



The energy transition will also require far greater annual supplies of aluminum, copper, silicon, nickel and cobalt. Europe could be self-sufficient for 40 to 75 percent of its clean energy metal needs by 2050 if it invests heavily now in recycling infrastructure and cuts red tape, said the report, commissioned by the European association of metal producers and recyclers, Eurometaux.

For now, the EU remains import-dependent for much of these metals and, the study warns, "there is growing concern about the security of supply." "Europe needs to decide urgently how it will bridge its looming supply gap for primary metals. Without a decisive strategy, it risks new dependencies on unsustainable suppliers," said lead author Liesbet Gregoir.

If, on the other hand, it wants to become less reliant on external sources, Europe will need to open new mineral ore mines and refineries.

There is "theoretical potential" for new mines to provide between 5 and 55 percent of the continent's raw metal needs, the report said. But projects need to get going now if they are to be operational in time. Meanwhile, investments in refining are being stymied by Europe's energy crisis and soaring fuel prices.

The study concludes that "recycling is Europe's best chance to improve its long-term self-sufficiency," noting metals recycling produces significantly less carbon dioxide than primary metals production.

World faces biggest energy shock since 1970s : World Bank

Energy prices have surged since the Russian invasion of Ukraine and, along with other commodities, are likely to remain at "historically high" levels through 2024, endangering economic growth, the World Bank warned on April 26. "This amounts to the largest commodity shock we've experienced since the 1970s," said Indermit Gill, the World Bank's vice president for equitable growth, finance and institutions.

The shock — which is expected to push energy prices up 50% this year — is being aggravated by trade restrictions and rising prices for food, fuel and fertilizers. "These developments have started to raise the specter of stagflation," Gill warned in a statement on the World Bank's Commodity Markets Outlook report.

Echoing the call from other officials at the World Bank and International Monetary Fund in recent days, he urged governments to "take every opportunity to increase economic growth at home and avoid actions that will bring harm to the global economy." The report said the increases in energy prices in the past two years have been the largest since the 1973 oil crisis when the OPEC group of oil-producing countries declared an embargo.

Amid the war and Western sanctions on Moscow, the price of Brent crude is expected to average $100 a barrel this year, the highest since 2013, the report said. European natural gas prices are expected to be double what they were in 2021 and — along with coal — hitting record levels, it added.

Prices for grain, of which Russia and Ukraine are large producers, and fertilizers have seen the biggest price jumps since 2008, with wheat prices reaching an all-time high this year. Overall, non-energy commodity prices, including agriculture and metals, are projected to jump 20% this year before easing, but will remain above their five-year average, according to the World Bank.

Nevertheless, commodity prices are expected to remain well above the most recent five-year average. "In the event of a prolonged war, or additional sanctions on Russia, prices could be even higher and more volatile than currently projected," it added. Because of war-related trade and production disruptions, the price of Brent crude oil is expected to average $100 a barrel in 2022, its highest level since 2013 and an increase of more than 40 per cent compared to 2021.

Prices are expected to moderate to $92 in 2023—well above the five-year average of $60 a barrel, according to the outlook. Natural-gas prices (European) are expected to be twice as high in 2022 as they were in 2021, while coal prices are expected to be 80 percent higher, with both prices at all-time highs.

Commodity markets are experiencing one of the largest supply shocks in decades because of the war in Ukraine, said Ayhan Kose, director of the World Bank's Prospects Group, which produces the Outlook report. "The resulting increase in food and energy prices is taking a significant human and economic toll—and it will likely stall progress in reducing poverty. Higher commodity prices exacerbate already elevated inflationary pressures around the world."

Wheat prices are forecast to increase more than 40%, reaching an all-time high in nominal terms this year, it said adding, "That will put pressure on developing economies that rely on wheat imports, especially from

Russia and Ukraine." Metal prices are projected to increase by 16% in 2022 before easing in 2023 but will remain at elevated levels.

"Commodity markets are under tremendous pressure, with some commodity prices reaching all-time highs in nominal terms," said John Baffes, senior economist in the World Bank's Prospects Group.

"This will have lasting knock-on effects. The sharp rise in input prices, such as energy and fertilizers, could lead to a reduction in food production particularly in developing economies. Lower input use will weigh on food production and quality, affecting food availability, rural incomes, and the livelihoods of the poor."

World Bank to provide struggling Sri Lanka with $600m

The World Bank has agreed to provide Sri Lanka with $600m in financial assistance to help meet payment requirements for essential imports, according to Sri Lankan President's media division. According to the statement, the World Bank said it would continue to help Sri Lanka to overcome the current economic crisis.

Sri Lanka's worst financial crisis since independence in 1948 was caused by a drastic drop in its reserves that dropped 70 percent over the past two years, hitting $1.93bn at the end of March. This left Colombo struggling to pay for essentials, including fuel, medicines and food. Earlier this month, Sri Lanka kicked off talks with the International Monetary Fund (IMF) for financial assistance. Before the IMF finalises a programme for Sri Lanka, the country needs $3-4bn in bridge financing to help meet its essential expenses.

The Sri Lankan government has also appealed to multiple countries and multilateral organisations for bridge financing until the IMF comes up with its aid. India has helped Sri Lanka by assisting with $1.9bn, and Colombo is in talks with New Delhi for an extra $1.5bn to fund imports, including fuel. Sri Lanka is also negotiating with China for up to $1bn in a syndicated loan. Sri Lanka's Finance Minister Ali Sabry said Colombo would also seek assistance from the Asian Development Bank.

The country announced a suspension on some of its foreign debt repayments earlier April and said it would divert its meagre reserves to fund essential imports such as fuel, cooking gas and medicine.

Brazil & Guayana agree to widen energy cooperation

Brazil and Guyana on 6 May agreed to broaden energy cooperation during a visit by President Jair Bolsonaro to Georgetown, in which the South American neighbors also signed infrastructure and legal deals. Former British and Dutch colony Guyana has emerged as one of the main low cost oil production countries and is preparing to auction offshore oil blocks at the end of the year.

US giant ExxonMobil announced in April the discovery of three new oil deposits in Guyana, raising estimates of the country's oil reserves to the equivalent of 11 billion barrels. Those discoveries fueled Guyana's existing border dispute with Venezuela, which wants to explore territorial waters claimed by both countries.



Guyana President Irfaan Ali evoked the idea of creating an energy corridor through his country, Brazil and Surinam. "In the area of energy, we have discussed working together on a natural gas strategy and how that can be integrated in the development of Brazil and how we can coordinate and cooperate in this area," said Ali.

As part of the agreements, Brazil will provide Guyana with IT teams and programs to help in information gathering for defense and security, as well as the construction of a deep water port, road and rail links, hydroelectric energy development, fiber optic connectivity and agricultural projects.

They also signed legal cooperation agreements in civil and criminal matters.

EU eyes Israeli natural gas in deal with Egypt

EU nations seeking to reduce their reliance on Russian gas because of the war in Ukraine may soon be able to source supplies from Israel instead. On 15 June, the EU, Israel and Egypt signed a provisional

natural gas export deal at an energy conference in Cairo. The Israeli gas is expected to be sent to liquefaction plants in Egypt, then shipped north to markets in Europe.

Israel's energy ministry said it would allow significant exports of Israeli gas to Europe for the first time. Under the framework agreement, the EU will also encourage European companies to take part in Israeli and Egyptian exploration tenders, the ministry said. Exports of liquefied natural gas (LNG) to Europe were likely to rise under the deal, but it would probably take a couple of years before shipments could be expanded. The EU imported about 40% of its gas from Russia last year and is expected to remain a big gas consumer until about 2030. After that, it will seek to use less gas, with the aim of achieving zero-emission status by 2050. The memorandum of understanding was signed by Israel's Energy Minister, Karine Elharrar, along with Egypt's Minister of Petroleum, Tarek El Molla, and the EU's Energy Commissioner, Kadri Simson.



European Commission President Ursula von der Leyen, who was also there, described it as "a big step forward in the energy supply to Europe". "I see it as a first step leading to a Mediterranean-wide agreement, because I see that the energy supplies, [which] were mostly traditionally in the northern part, now are shifting towards the global south and east," she added.

Tourism recovering, but not back to pre-pandemic levels

Global tourism is roaring back to life despite Covid travel headaches and the effects of the war in Ukraine, but it has yet to return to its pre-pandemic health. International tourist arrivals worldwide have more than doubled, up 130 percent in January 2022 on the same period last year, according to the latest UN World Tourism Organization figures. Travellers are regaining confidence, and Europe and the Americas are leading the resurgence.

Worldwide, there have been 18 million additional visitors, the UNWTO said, "equivalent to the total increase recorded over the whole of 2021". In 2019, global tourism revenues reached $1.48 trillion. That figure dropped by almost two thirds due to the pandemic the following year. While January confirms the recovery trend that began in 2021, the UNWTO highlighted how the Omicron Covid variant recently put the brakes on the rise. International arrivals in January 2022 were still 67 percent lower than before the pandemic.

Most regions have seen travellers return and rebound from the low levels of early 2021, with Europe faring three times better and the Americas twice as well. That's still some way off pre-pandemic numbers.

The Middle East is also experiencing a boom, with arrivals up 89 percent on 2021, and so is Africa, with numbers up 51 percent -- but these two regions are still very far from their 2019 totals, according to the UNWTO. Perhaps unsurprisingly, the number of travellers is falling in the Asia-Pacific region, where several destinations remain closed. In January, international tourist arrivals were down 93 percent from pre-pandemic levels.

Travel by Chinese tourists, the world's biggest spenders before the pandemic, is also severely affected by China's zero-Covid policy. According to travel analyst ForwardKeys, the second quarter of 2022 still looks "more promising for international travel in the world than the first quarter".

The Caribbean and South America are drawing tourists looking for sea and sunshine in the northern hemisphere summer. Costa Rica, the Dominican Republic, Aruba and Jamaica are among the 20 most popular destinations, even exceeding pre-pandemic levels. In Europe, tourists are flocking to France, Spain, Portugal, Greece and Iceland, but not in the same numbers as before Covid.

France is doing well enough, though. In February, international tourism revenues in the country "came close to those of 2019", according to France's tourism minister Jean-

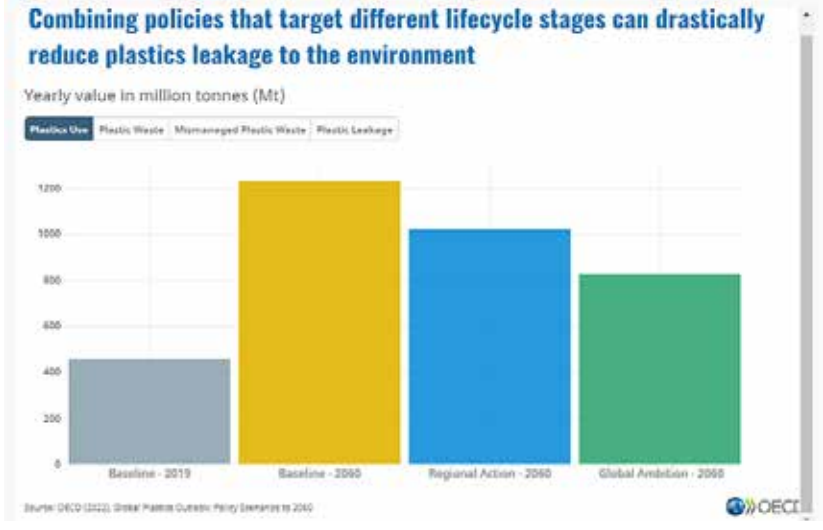
Baptiste Lemoyne. At 2.7 billion euros ($2.8 billion), revenues were up 1.5 billion compared to last year and down eight percent compared to 2019, he told reporters. In 2019, before the pandemic, the tourism sector in France represented 7.4 percent of GDP and 9.5 percent of jobs.

Global plastic waste set to almost triple by 2060 : OECD

The amount of plastic waste produced globally is on track to almost triple by 2060, with around half ending up in landfill and less than a fifth recycled, according to a new OECD report. Policy Scenarios to 2060 says that without radical action to curb demand, increase product lifespans and improve waste management and recyclability, plastic pollution will rise in tandem with an almost threefold increase in plastics use driven by rising populations and incomes. The report estimates that almost two-thirds of plastic waste in 2060 will be from short-lived items such as packaging, low-cost products and textiles.

"If we want a world that is free of plastic pollution, in line with the ambitions of the United Nations Environment Assembly, we will need to take much more stringent and globally co-ordinated action," OECD Secretary-General Mathias Cormann said. "This report proposes concrete policies that can be implemented along the lifecycle of plastics that could significantly curb – and even eliminate – plastic leakage into the environment." The report (available as a preliminary version ahead of its full publication later this year) projects global plastics consumption rising from 460 million tonnes (Mt) in 2019 to 1,231 Mt in 2060 in the absence of bold new policies, a faster rise than most raw materials. Growth will be fastest in developing and emerging countries in Africa and Asia, although OECD countries will still produce much more plastic waste per person (238 kg per year on average) in 2060 than non-OECD countries (77 kg).

Globally, plastic leakage to the environment is seen doubling to 44 Mt a year, while the build-up of plastics in lakes, rivers and oceans will more than triple, as plastic waste balloons from 353 Mt in 2019 to 1,014 Mt in 2060. Most pollution comes from larger debris known as macroplastics, but leakage of microplastics (synthetic polymers less than 5 mm in diameter) from items like industrial plastic pellets, textiles and tyre wear is also a serious concern.



The projected rise in plastics consumption and waste will come despite an expected increase in the use of recycled plastic in manufacturing new goods as well as technological advances and sectoral economic shifts that should mean an estimated 16% decrease by 2060 in the amount of plastic required to create USD 1 of economic output.

The share of plastic waste that is successfully recycled is projected to rise to 17% in 2060 from 9% in 2019, while incineration and landfilling will continue to account for around 20% and 50% of plastic waste respectively. The share of plastic that evades waste management systems – ending up instead in uncontrolled dumpsites, burned in open pits or leaking into the soil or aquatic environments – is projected to fall to 15% from 22%.

The new report builds on the OECD's first Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options, released in February 2022. That first report found that plastic waste has doubled in two decades, with most ending up in landfill, incinerated or leaking into the environment. Since that report release, UN member states have pledged to negotiate a legally binding international agreement by 2024 to end plastic pollution.

Global Plastics Outlook: Policy Scenarios to 2060 looks at the impact of two potential scenarios. The first, a regional action scenario comprising a mix of fiscal and regulatory policies primarily in OECD countries could decrease plastic waste by almost a fifth and more than halve plastic leakage into the environment without a substantial impact on global GDP, which would be lower by 0.3% by 2060. The second, a global action scenario comprising

more stringent policies implemented worldwide, could decrease plastic waste by a third and almost completely eliminate plastic leakage to the environment while lowering global GDP by an estimated 0.8%. The report also looks at how actions to reduce greenhouse emissions could reduce plastic pollution given the interplay between the plastics lifecycle, fossil fuels and climate change.

Losing Russian energy to weigh on Europe's economy

Europe can get by without Russian gas for six months, but beyond that, the economic impact would be severe, a senior International Monetary Fund official told AFP. Alfred Kammer, head of the IMF's European Department, urged countries in the region to take a series of steps to ease the blow, including reducing consumption to build up inventory.

The region relies on Russia for the vast majority of its energy needs, especially natural gas, and IMF economists looked at the economic cost of losing Moscow's supply. 'Over the first six months, Europe can deal with such a shut off (by) having alternative supplies (and) using existing storage,' he said in an interview on the sidelines of the spring meetings of the IMF and World Bank.

'However, if that gas shut off were to last into the winter, and over a longer period, then that would have significant effects' on the European economy, he said. Western countries have considered putting an embargo on Russian energy in retaliation for its invasion of Ukraine, while Moscow could also shut off exports to hit back at the damaging sanctions already imposed on the government.

The IMF projects that a total loss of Russian gas and oil supplies could cost the European Union three per cent of GDP, depending on the severity of the winter. He called for steps to prepare for the possibility. 'There is no single option, which has a large impact, but lots of smaller measures will have a larger impact,' he said, including by finding alternative suppliers, which some countries already have begun to do.



Consumers also have an important role to play and governments can raise awareness among their population through 'public campaigns to reduce energy consumption'. 'The consumer can act now,' he said, and reducing consumption means more fuel can be stored in case supplies are interrupted.

Although the war in Ukraine has slowed growth sharply, Kammer said it 'will not derail the recovery' and he does not expect a Europe-wide recession. The major eurozone economies, with the exception of Spain, will be 'weak in 2022' and will see a quarter or two of near-zero growth or even a technical recession with two negative quarters. But the IMF expects these economies to recover in the second half of this year.

The Russian attack on its neighbour also has caused a flood of about five million refugees, creating a challenge for European countries which face strains on their budgets as they deal with the influx. Poland, which has taken in the most Ukrainians, is particularly affected. What happens to those people, mostly women and children, after the war remains a question.

'Some of these refugees will stay in Europe, I'm sure about that,' said Kammer, who noted that could be 'a boon' for countries faced with an aging population and a lack of workers. 'But it could be a bad for Ukraine if too many of the refugees are going to stay.'

Japan, Russia sign fishing deal despite Ukraine tensions

Japan and Russia struck a deal on Tokyo's fishing quota to catch salmon and trout born in Russian rivers, Japan's fisheries agency said on 21 April, despite worsening ties over the crisis in Ukraine. With Russo-Japanese relations unravelling, the fate of annual talks between the two governments this year overshadowed the livelihood of Japanese fishermen in northern regions around disputed islands.

But the two countries agreed on Japan's quota of 2,050 tons in salmon and trout within its own exclusive economic zone for this year, the same level as last year, and that Japan would pay fees to Russia between



200 million yen ($1.56 million) and 300 million yen, depending on the actual catch, according to Japan's fisheries agency. Annual fishing negotiations kicked off in April with tensions between Tokyo and Moscow simmering. Since Russia's invasion of Ukraine, Japan imposed a series of sanctions against Moscow, expelling several diplomats and ending Russia's most-favoured-nation status. In response to Tokyo's sanctions, Russia, calling its actions in Ukraine a "special operation," pulled out of stalled peace talks with Japan and froze joint economic projects.

India, Australia ink interim trade deal

India and Australia signed an interim free trade deal on 2 April that cuts tariffs on billions of dollars of commerce as the two Quad partners bolster their economic ties. Both signatories are members of the Quad alliance with the United States and Japan, which is seen as a counterweight to an increasingly assertive China.

But while they both border the Indian Ocean, Canberra says India was only Australia's seventh-largest trading partner in 2020, and accounted for just over four per cent of its exports last year. The Economic Cooperation and Trade Agreement was signed simultaneously in New Delhi and Canberra by India's commerce minister Piyush Goyal and his Australian counterpart Dan Tehan in a joint ceremony.

India and Australia are 'natural partners, connected by shared values of democracy, rule of law and transparency', Goyal said. 'Our relationship rests on the pillars of trust and reliability aptly reflected in our deepening geo-strategic engagement through the QUAD and the supply chain resilience initiative.'

Two-way trade reached around $ 27.5 billion last year according to New Delhi, with resource-rich Australia exporting coal and other commodities, along with sheep meat, and India largely supplying finished goods and services. At the same time Canberra's relations with its biggest trading partner China are at their lowest point in a generation, with many Australian goods hit with punitive sanctions and ministerial relations frozen.



Beijing has been angered at Australia's willingness to legislate against overseas influence operations, to bar Huawei from 5G contracts and to call for an independent investigation into the origins of the coronavirus pandemic. India and China have also seen a sharp deterioration in ties after a high-altitude clash in 2020 left 20 Indian soldiers and at least four Chinese soldiers dead.

The agreement 'delivers a clear message that democracies are working together and ensuring the security and resilience of our supply chains', Australian prime minister Scott Morrison said. India's prime minister Narendra Modi added it would 'contribute to increasing supply chain resilience and to the stability of the Indo-Pacific region'.

Negotiations on a comprehensive deal between India and Australia were launched more than a decade ago but stalled in 2015. A full trade pact is now being negotiated and Morrison, who called Modi a 'dear and trusted friend', said he hoped it would be signed by the end of the year. The agreement cuts tariffs on more than 85 per cent of Australian exports to India.

In an accompanying statement, Morrison highlighted several products hit hard by the Chinese trade dispute — including coal, wine and rock lobsters — which will benefit under the Indian deal, calling it 'a big door into the world's fastest-growing major economy'.

AIIB considers granting $100m in emergency support to Sri Lanka

The China-backed Asian Infrastructure Investment Bank (AIIB) is considering granting $100 million in emergency support to Sri Lanka. Sri Lanka has requested foreign-exchange liquidity support

for state banks from the lender, it said in a statement. Hit hard by the pandemic, rising oil prices and populist tax cuts by the government of President Gotabaya Rajapaksa, the South Asian island's economy is in crisis, with usable foreign reserves down to $50 million. Shortages of imported food, fuel and medicines have brought thousands onto the streets in over a month of mostly peaceful protests. Rajapaksa declared a second state emergency in five weeks on 6 May. The multilateral AIIB, founded in 2014 to promote infrastructure investing throughout Asia, draws most of its funding from China.

China is Sri Lanka's largest bilateral lender, with an outstanding balance of $6.5 billion mostly lent over the past decade for large infrastructure projects, including highways, a port, an airport and a coal power plant.

Beijing has extended Sri Lanka a $1.3 billion syndicated loan and a $1.5 billion yuan-denominated swap to boost its reserves. The two countries are in talks for a $1.5 billion credit line and a fresh syndicated loan of up to $1 billion.



Colombo said this month that talks had started on refinancing Chinese debt after Sri Lanka suspended some of external debt repayments in April.

China UnionPay, Russia's potential payments backstop

Several Russian banks plan to issue payment cards that use the network of China UnionPay as well as that of home-grown payment system Mir, after Visa Inc (V.N) and MasterCard Inc (MA.N) joined other Western firms in suspending operations in Russia.

UnionPay and Mir are among few options left for Russians to make payments abroad since Russian banks were isolated from the global financial system following Russia's invasion of Ukraine. Russia calls its actions in Ukraine a "special operation".

Whereas many Western nations have condemned Russia's conduct, ally China has refrained from direct criticism, effectively allowing Chinese companies such as UnionPay to continue business as usual with Russian partners.

Several Russian lenders already issue cards with UnionPay. Still, the Chinese payment service is wary of cooperating with sanctioned Russian banks for fear that could lead to itself being sanctioned, the RBC business daily reported on Wednesday, citing five unidentified people at major Russian banks.



Iran, Venezuela sign two-decade cooperation deal: state media

Iran and Venezuela signed a 20-year deal on cooperation between the two allies subject to US sanctions during a visit on June 11 to the Islamic republic by Venezuela's President Nicholas Maduro. The inking of the agreement "shows the determination of the high-level officials of the two countries for development of relations in different fields," Iran's President Ebrahim Raisi said.

Maduro, speaking at a joint news conference in the Iranian capital, said the cooperation covered the energy and financial sectors as well as "work together on defence projects". Alongside the likes of Russia, China, Cuba and Turkey, Iran is one of Venezuela's main allies. And like Venezuela it is subject to tough US sanctions.



"Venezuela has passed hard years but the determination of the people, the officials and the president of the country was that they should resist the sanctions," Raisi said during the news conference, quoted by state television. "This is a good sign that proves to everyone that resistance will work and will force the enemy to retreat," the Iranian president added.

In addition to the 20-year accord inked by the two countries' foreign ministers, "Iran and Venezuela signed documents on cooperation in the political, cultural, tourism, economic, oil and petrochemical fields". "We have important projects of cooperation between Iran and Venezuela in the fields of energy, petrochemical, oil, gas and refineries," Maduro said.

WTO News

Barometer indicates continued services trade recovery despite Ukraine conflict

World services trade continued to grow into the second quarter of 2022, indicating resilience to the conflict in Ukraine according to the WTO's Services Trade Barometer, released on 23 June 2022. The latest reading of 105.5 is firmly above the previous reading of 102.5 in September 2021 and comfortably over the baseline value of 100 for the index, signalling that services trade is likely to post sustained gains in the second quarter once official statistics for the period are available.





The Services Trade Barometer is outpacing the Goods Trade Barometer, which points to a possible shift in consumption patterns away from goods and back toward services as the COVID-19 pandemic eases.

Among the Services Trade Barometer's component indices, the passenger air transport index (117.1) registered the strongest gain, contributing to the above-trend reading in the global index. Strong showings in the services Purchasing Managers' Index (105.1) and information and communication technology services (104.2) also helped lift the services barometer reading. While it remains above trend, the financial services index (101.7) appears to have lost momentum recently, possibly due to sanctions on the Russian Federation in connection with the conflict in Ukraine. Other indices including container shipping (101.5) and construction (101.1) remain slightly above trend.

Recent developments in services trade are illustrated by the Services Trade Activity Index, which provides an approximate measure of the real volume of world services trade accounting for changes in prices and exchange rates.

The index has shown slow but steady growth since services trade bottomed out in the second quarter of 2020 in the early stages of the global pandemic.

The index continued to move towards recovery in the fourth quarter of 2021 with a 15.6% year-on-year increase, although it remained 8.9% below its pre-pandemic peak in the second quarter of 2019.

g7+ Accessions Group urges WTO to play active role in promoting peace

Ministers of the g7+ WTO Accessions Group met on 12 June 2022 to adopt a declaration calling for the establishment of a dedicated Work Programme on Trade for Peace for fragile and conflict-affected states (FCS). The meeting was attended by Group members as well as other WTO members and acceding governments associated with fragility and conflict situations who asked for their special needs and challenges in the WTO context to be addressed.

The g7+ WTO Accessions Group held its second ministerial meeting on the margins of the 12th Ministerial Conference. The meeting took stock of the first five years of the Group's activities and reiterated the role of the WTO in promoting "Trade for Peace", as contained in the Group's proposal. The g7+ WTO Accessions Group includes eight members — three least-developed countries (LDCs) which recently acceded to the WTO (Afghanistan, Liberia, Yemen) and five acceding LDCs (Comoros, Sao Tome and Principe, Somalia, South Sudan and Timor-Leste). The Group, joined by the Democratic Republic of the Congo, Lebanon and Sierra Leone, adopted a Ministerial Declaration, which was circulated to participants in the WTO 12th Ministerial Conference held in Geneva on 12-17 June.

Chairing the meeting, Mawine G. Diggs, Minister of Commerce and Industry of Liberia, stressed the relevance of the Group's initiative: "The global challenges that we have faced in recent years have been unprecedented. Having gone through the devastating experiences of violent conflict, struggling with fragility constraints, FCS governments remain among the

most disadvantaged. We urgently need effective support to access the international trade tools provided by the WTO, for the benefit of our people."

Recounting the Group's experiences, Minister Diggs spoke about the fragility of peace-making and the serious humanitarian situations which prevented some of the Group members, such as Afghanistan and Yemen, from pursuing effective trade integration.



As Group co-coordinator, the Coordinating Minister for Economic Affairs of Timor-Leste and WTO chief negotiator Joaquim Amaral noted that the Work Programme on Trade for Peace "had the potential to help achieve stability and contribute to the shared goal of prosperity through the effective inclusion of FCS into the multilateral trade system, reinforcing the links among them and with the rest of the international community."

He called for the enlargement of the Group beyond g7+ members by accepting other WTO members and observers sharing the Group's objectives, with a view to achieving results before the 13th WTO Ministerial Conference (MC13).

Speaking on behalf of the Director-General, WTO Deputy Director-General Zhang Xiangchen commended the Group for its dedication and resolve in making the case for Trade for Peace in the WTO, which is making the institution more sensitive to the needs of the most vulnerable.

"I believe that the Group's goal is even more relevant today than ever as we experience increased tensions from conflicts in different parts of the world," said DDG Zhang.

The Minister of Planning and Economic Development of Sierra Leone, Francis Kai, who is currently the Chairperson of the g7+, stressed the trade-peace nexus and the need to give FCS governments fair access to global trade and economic opportunities, recognizing their unique situation. "The g7+ WTO Accessions Group is best placed to broaden its coalition and collectively share this perspective in related policy discourse," he said. His statement is available here.

The Minister of Industry and Trade of Yemen, Mohamed Al-Ashwal, underlined that WTO accession is an important building block in post-conflict recovery and called for members to support Yemen in its efforts to overcome the humanitarian crisis.

The Minister of Trade and Industry of Sierra Leone, Edward Hinga Sandy, underscored the relevance of effective participation in the WTO for FCS governments, which face increased risks due to the current geopolitical and economic situation.

The Minister of Economy and Trade of Libya, Muhammad Al-Hawij, stressed his government's strong desire to achieve post-conflict economic integration into the global economy through the necessary reforms and creation of credible frameworks, as integration is needed now more than ever.

WTO, Commonwealth Secretariat strengthen efforts to boost trade capacity of Commonwealth members

The WTO and the Commonwealth Secretariat signed on11 June a Memorandum of Understanding to strengthen cooperation between the two organizations and to enhance the participation of Commonwealth countries in the multilateral trading system. The MoU was signed by WTO Director-General Ngozi Okonjo-Iweala and Commonwealth Secretary-General Patricia Scotland.

In the MoU, both organizations agree to collaborate on trade-related technical assistance and trade capacity-building efforts for existing members of the Commonwealth and acceding countries.



The Director-General said: "Trade can be an instrument for inclusion

for women and MSMEs, who are able to join regional and global value chains. The purpose of the WTO as enshrined in the Marrakesh Agreement is all about people, how to enhance people's living standards, to help create employment and support sustainable development so we should be doing things that really focus on how we can lift people out of poverty. So, working with the Commonwealth to see how our common members can benefit from our work on issues such as women's empowerment, MSMEs, digital trade and trade facilitation is extremely important."

The two organizations also agree to cooperate on outreach initiatives, targeting key stakeholders for Commonwealth countries. In addition, the MoU emphasizes collaboration between the WTO and the Commonwealth Secretariat on research and analysis of issues of particular relevance to Commonwealth members in relation to WTO activities.

There are at present 49 WTO members and one observer government among the 54 members of the Commonwealth. A total of 32 of the world's 42 small states are Commonwealth members, each with a population of 1.5 million or less.

World Bank, IMF, WFP and WTO call for urgent coordinated action on food security

The heads of the World Bank, the International Monetary Fund (IMF), the United Nations World Food Program (WFP) and the WTO issued a joint statement on 13 April urging coordinated action to help vulnerable countries address growing threats to food security. The proposed actions include providing emergency food supplies and deploying financial support to households and countries, facilitating unhindered trade, and investing in sustainable food production and nutrition security.

World Bank Group President David Malpass, IMF Managing Director Kristalina Georgieva, WFP Executive Director David Beasley and WTO Director-General Ngozi Okonjo-Iweala issued the following joint statement ahead of the Spring Meetings of the IMF and World Bank Group next week:

"The world is shaken by compounding crises. The fallout of the war in Ukraine is adding to the ongoing COVID-19 pandemic that now enters its third year, while climate change and increased fragility and conflict pose persistent harm to people around the globe. Sharply higher prices for staples and supply shortages are increasing pressure on households worldwide and pushing millions more into poverty. The threat is highest for the poorest countries with a large share of consumption from food imports, but vulnerability is increasing rapidly in middle-income countries, which host the majority of the world's poor. World Bank estimates warn that for each one percentage point increase in food prices, 10 million people are thrown into extreme poverty worldwide."



"The rise in food prices is exacerbated by a dramatic increase in the cost of natural gas, a key ingredient of nitrogenous fertilizer. Surging fertilizer prices along with significant cuts in global supplies have important implications for food production in most countries, including major producers and exporters, who rely heavily on fertilizer imports. The increase in food prices and supply shocks can fuel social tensions in many of the affected countries, especially those that are already fragile or affected by conflict."

"We call on the international community to urgently support vulnerable countries through coordinated actions ranging from provision of emergency food supplies, financial support, increased agricultural production, and open trade. We are committed to combining our expertise and financing to quickly step up our policy and financial support to help vulnerable countries and households as well as to increase domestic agricultural production in, and supply to, impacted countries. We can mitigate balance of payments pressures and work with all countries to keep trade flows open. In addition, we will further reinforce our monitoring of food vulnerabilities and are quickly expanding our multi-faceted policy advice to affected countries guided by the comparative advantages of our respective institutions."

"We also urge the international community to help support urgent financing needs, including through grants. This should include financing of immediate food supplies, safety nets to address the needs of the poor, and for small farmers facing higher input prices. We also urge all countries to keep trade open and avoid restrictive measures such as export bans on food

or fertilizer that further exacerbate the suffering of the most vulnerable people. It is especially important not to impose export restrictions on humanitarian food purchases by the UN's World Food Program." "It is critical to quickly provide support for food insecure countries in a coordinated manner. We stand ready to work together with our multilateral and bilateral partners to help countries address this urgent crisis."

Russia-Ukraine conflict puts fragile global trade recovery at risk

Prospects for the global economy have darkened since the outbreak of war in Ukraine on 24 February, prompting WTO economists to reassess their projections for world trade over the next two years.

World merchandise trade volume is expected to grow 3.0% in 2022 (down from 4.7% previously) and 3.4% in 2023, but these figures may be subject to revision due to uncertainty about the course of the conflict in Ukraine. World GDP at market exchange rates is expected to increase by 2.8% in 2022 after rising 5.7% in 2021. Output growth should pick up to 3.2% in 2023, assuming persistent geopolitical and economic uncertainty. The CIS region should see a 12.0% decline in imports and a 7.9% drop in GDP in 2022, but exports should grow by 4.9% as other countries continue to rely on Russian energy. Regional disparities may narrow due to weak import demand in Europe and Asia. The volume of merchandise trade rose 9.8% in 2021. The US$ value of this trade grew 26% to US$ 22.4 trillion. The value of commercial services trade was also up 15% in 2021 to US$ 5.7 trillion.

Services trade will also be affected by the conflict in Ukraine, including in the transport sector, which covers container shipping and passenger air transport. The organization now expects merchandise trade volume growth of 3.0% in 2022 — down from its previous forecast of 4.7% — and 3.4% in 2023, but these estimates are less certain than usual due to the fluid nature of the conflict.

The most immediate economic impact of the crisis has been a sharp rise in commodity prices. Despite their small shares in world trade and output, Russia and Ukraine are key suppliers of essential goods including food, energy, and fertilizers, supplies of which are now threatened by the war. Grain shipments through Black Sea ports have already been halted, with potentially dire consequences for food security in poor countries.

The war is not the only factor weighing on world trade at the moment. Lockdowns in China to prevent the spread of COVID-19 are again disrupting seaborne trade at a time when supply chain pressures appeared to be easing. This could lead to renewed shortages of manufacturing inputs and higher inflation.

"The war in Ukraine has created immense human suffering, but it has also damaged the global economy at a critical juncture. Its impact will be felt around the world, particularly in low-income countries, where food accounts for a large fraction of household spending," Director-General Ngozi Okonjo-Iweala said. "Smaller supplies and higher prices for food mean that the world's poor could be forced to do without. This must not be allowed to happen. This is not the time to turn inward. In a crisis, more trade is needed to ensure stable, equitable access to necessities. Restricting trade will threaten the wellbeing of families and businesses and make more fraught the task of building a durable economic recovery from COVID-19," the Director-General said.

She said governments and multilateral organizations must work together to facilitate trade at a time of sharp inflationary pressures on essential supplies and growing pressures on supply chains.



"History teaches us that dividing the world economy into rival blocs and turning our backs on the poorest countries leads neither to prosperity nor to peace. The WTO can play a pivotal role by providing a forum where countries can discuss their differences without resorting to force, and it deserves to be supported in that mission," she said.

Under these assumptions, world GDP at market exchange rates is expected to grow by 2.8% in 2022, down 1.3 percentage points from the previous forecast of 4.1%. Growth should pick up to 3.2% in 2023, close to the average rate of 3.0% between 2010 and 2019. Output in the Commonwealth of Independent States (CIS) region — which excludes Ukraine — is expected to see a sharp 7.9% drop, leading to a 12.0% contraction in the region's imports.

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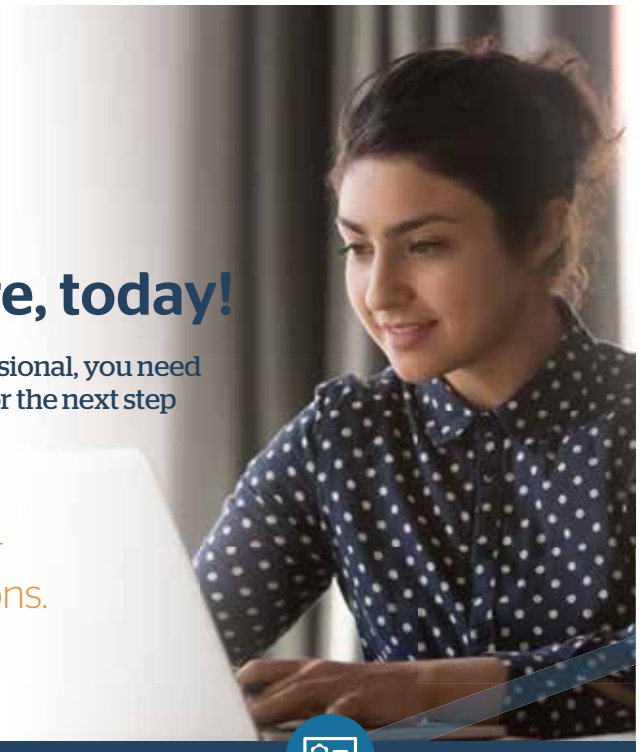
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