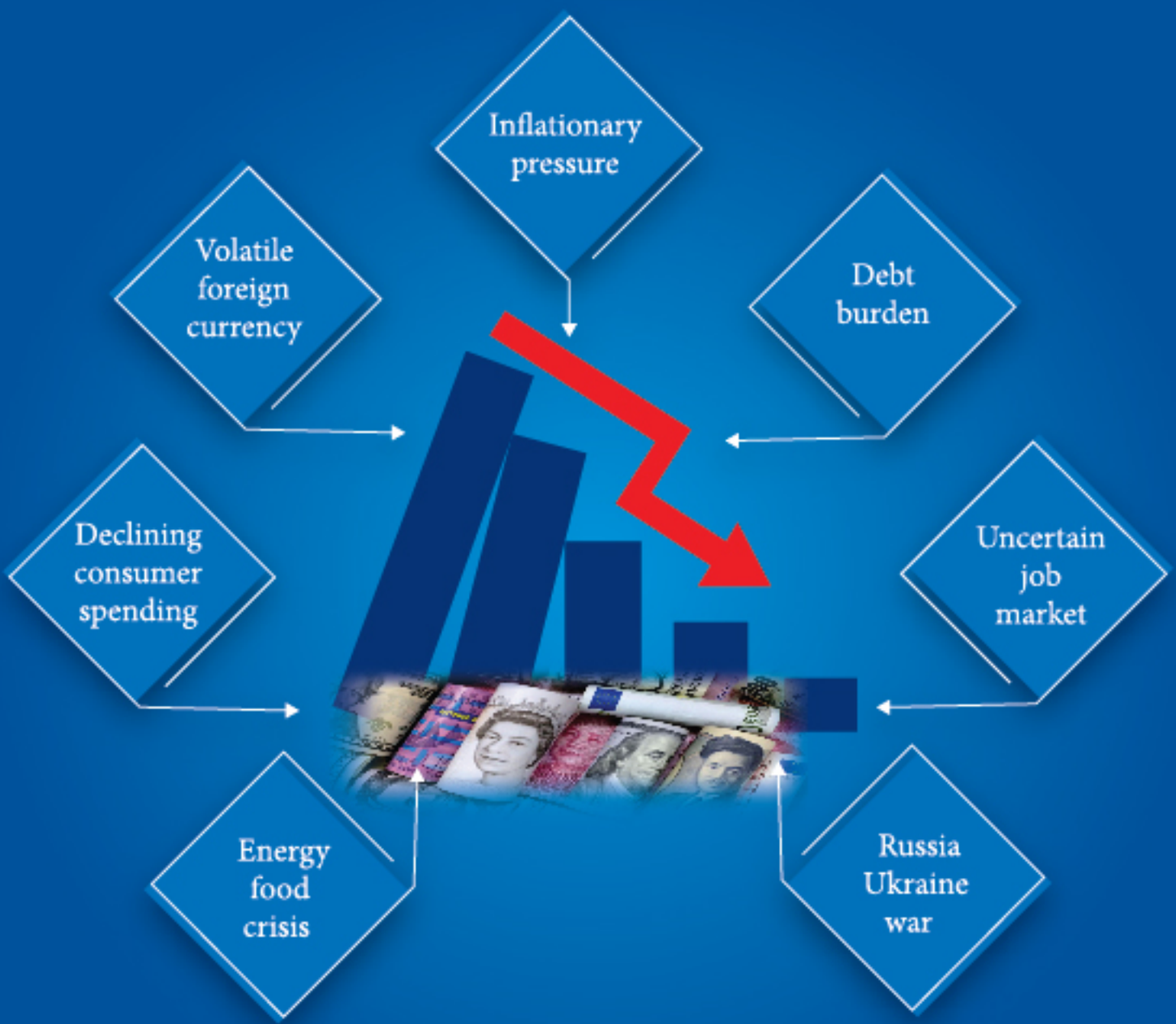
ICC BANGLADESH
INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

ICC Bangladesh

NEWS BULLETIN

We make business work for everyone, everyday, everywhere

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Global Recession in the offing

About ICC Bangladesh

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

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

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

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

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

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

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

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

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

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

International Chamber of Commerce

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ICC BANGLADESH
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Chairman & CEO, ETBL Holdings

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

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Chairman, IOE (Bangladesh)
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Kutubuddin Ahmed
Chairman, Envoy Group
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Managing Director, Plummy Fashions
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Simeen Rahman
CEO, Transcom Group
Tapan Chowdhury
Managing Director, Square Group

Editor
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Secretary General

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Contents

ICC Bangladesh News	4
ICC HQs News	15
Bangladesh Economy	21
Global/Regional News	46
WTO News	58

Editor's Note

World Recession in the Offing

The global economy surpassed $100 trillion for the first time in 2022, but is likely to stall in 2023 due to last year's multifaceted shocks and challenges. The three main global growth engines -- the US, Europe and China-- will experience slower growth in 2023. Higher-than-expected and persistent inflation, tightened financial conditions, Russia's war against Ukraine, lingering COVID-19 pandemic and supply-demand mismatches have further slowed the global economic outlook.

IMF Chief Kristalina Georgieva warns that one-third of the world economy could be in recession in 2023. Even countries that would not be in recession, would feel the recessionary pressure for millions of people, she adds. Russia's invasion of Ukraine not only threatens the lives of millions of Ukrainians but has also accelerated a series of cascading and interconnected global crises in food, fuel, and energy, resulting in rising cost of living further adding inflationary pressure in many countries. In addition, extreme weather conditions due to climate change pose downside risks to the global economic outlook, and increasing energy prices also hamper the path toward a green transition.

The persisting global challenges have caused rising debt vulnerabilities and hampered the way toward recovery, which further impacted the vulnerable groups, especially low-income and developing countries. The largest slowdown of global trade in generations, significant decline in FDI, private capital flows and remittances are also contributing to global recession. The likely recession in the developed world will spur capital outflows from the developing countries forcing them to devalue their currencies, thus adding to rising inflation and consequently to increasing interest rates.

According to a recent comprehensive World Bank study, the risk of global recession in 2023 has risen sharply as the central banks across the countries have hiked interest rates in response to inflation. Yet the indications so far show these policy actions may not be sufficient to bring global inflation back to normal. Indications are there that global consumer confidence has suffered a sharp decline. It is apprehended that unless supply disruptions and labor market pressures subside, the global core inflation rate may remain high. At the global level, the key will be to strengthen global trade networks to alleviate supply bottlenecks. Now is the time to promote a rules-based international economic order that prevents the threat of protectionism and fragmentation that would further disrupt trade networks.

In line with current global economic challenges, G20 members have reaffirmed their commitment to well-calibrated, well-planned, and well-communicated policies to support sustainable recovery and mitigate scarring effects to support strong, sustainable, balanced, and inclusive growth. In this regard, the G20 has reaffirmed the importance of macro-policy cooperation to preserve financial stability and long-term fiscal sustainability and safeguard against downside risks and negative spillovers.

Amazon founder Jeff Bezos, speaking to CNN recently warned consumers and businesses that they should consider postponing large purchases during the holiday season to keep their cash safe as an economic recession might be in the offing.

While the central banks should continue with their efforts to control inflation to help anchor inflation expectations and reduce the degree of monetary tightening, concerted actions are needed by other policymakers as well.

In Bangladesh, according to experts, a major effort should be directed toward strengthening macro-prudential regulations and building foreign exchange reserves. Fiscal measures should carefully regulate withdrawal of fiscal support measures while ensuring consistency with monetary policy objectives. A credible medium-term fiscal plan should in place, among others, to provide targeted relief to vulnerable households. The supply side measures should aim to ease labor-market constraints, increase labor-force participation, reallocation of displaced workers and reduce price pressures Effective policy coordination will be important in increasing food and energy supply. For the energy sector, policies should accelerate the transition to low–carbon energy sources and introduce measures to reduce energy consumption to face climate change.

Although Bangladesh may not go into recession, the country is significantly prone to many of the recessionary risks if appropriate steps are not taken to diversify the export product & basket, increase remittances through formal channels, streamline public sector expenditures, rationalize mega infrastructure and other projects and undertake effective financial sector reforms.

WE DEEPLY MOURN



Mrs. Anita Chowdhury
(5 August 1932 – 13 November 2022)

ICC Bangladesh is deeply shocked and grieved at the sad demise of Mrs. Anita Chowdhury, wife of founding Chairman of Square Group late Samson H. Chowdhury, on Sunday, 13 November 2022. She is considered 'Square Mother' for her role in setting up the Square Group.

Mrs. Chowdhury was one of those very rare individuals who touched many hearts and souls she came across for her motherly and friendly loving care. Anita Chowdhury was the prime motivation and encouragement to Late Samson H Chowdhury in his success in setting up one after another new ventures of businesses and thereafter becoming the largest business conglomerate of the country in the name and style of Square Group.

She was sponsor shareholder of Square Pharmaceuticals Ltd. (listed company), and other 25 private limited companies namely Square Hospitals Limited, Square Toiletries Limited, Square Formulations Ltd., Square Food & Beverages Ltd., Square Securities Management Ltd. and Maasranga Television under the Square Group.

Mrs. Anita Chowdhury volunteered to in serve many social and ecumenical organizations, eg. International Needs as Chairperson, Inner Wheel Club of Dhaka Buriganga as Treasurer, Bangladesh Baptist Fellowship School Committee as Member.

Her four children, three sons—Samuel Chowdhury, Chairman of Square Group; Tapan Chowdhury, Chairman, Square Textiles Limited and Anjan Chowdhury, Mnaging Director, Square Toiletries and only daughter Ratna Patra, Vice Chairman of Square Pharmaceuticals and her grandchildren are now taking the Square Group forward.

May God forgive her & rest her soul in eternal peace.

WE DEEPLY MOURN



Mahbub Jamil
(12 November1942 – 16 November 2022)

ICC Bangladesh is deeply shocked and grieved at the sad demise of Mahbub Jamil a former Member of ICC Bangladesh Executive Board (2009-2016), on Wednesday, 16 November 2022. Innalillahi Wainna Ilaihi Rajeun'.

Mr. Jamil was appointed Special Assistant to the Chief Advisor of the caretaker government in 2008 with the rank of a Minister. He was in charge of the Ministry of Civil Aviation and Tourism, Ministry of Industry, and Ministry of Sports and Youth Affairs. He also served as Chairperson of the Board of Directors of Bangladesh Biman.

Mr. Jamil retired as Managing Director of Singer Bangladesh Limited after serving for more than 24 years. After retirement he served as Vice President of Singer Corporation and Chairman of Singer Bangladesh ltd. He was Chairman of International Leasing and Financial Services Ltd, ICE Technology, ICE Technologies & Services Limited and IL Capital Ltd.

Mr. Jamil served as President of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka and Foreign Investors Chamber of Commerce and Industry (FICCI) for two terms (1993-97, 2003-05). He was founding Executive Director and Former Committee Member of American Bangladesh Economic Forum (now American Chamber of Commerce in Bangladesh). Mr. Jamil changing the name of the Agrabad Business Chamber to 'Foreign Investors Chamber of Commerce & Industry' while relocating their office from Chittagong to Dhaka.

Mr. Mahbub Jamil was also a member of Board of Directors of Robi Axiata; Eastland Insurance Company Ltd; MIDAS (Micro Industries Development Assistance and Services); Bangladesh Film Censor Board and Bangladesh National Film Awards committee; BRAC University's Academic Council and Governing Body of Bangladesh Medical Science & Technology Ltd. He has a number of publications on film, sociology and drama.

May Allah rest his soul in peace in heaven.



Masih-Ul-Karim
(1940-17 November 2022)

ICC Bangladesh is deeply shocked and grieved at the sad demise of Masih-Ul-Karim a former Member of ICC Bangladesh Executive Board and Managing Director of Berger Paints Bangladesh on 17 November 2022. Innalillahi Wainna Ilaihi Rajeun'.

Mr. Karim was the Chairman and Managing Director of Jenson & Nicholson (Bangladesh) Limited. He joined Berger Paints Bangladesh Limited in 1992 as Managing Director and successfully led the company till his retirement in 2008.

He also served as President of the Foreign Investors Chamber of Commerce & Industry (FICCI) from 2005 to 2007; Vice President of the Employers' Federation of Bangladesh and Director of Chittagong Stock Exchange.

Mr. Karim completed his Master's degree in Political Science from the University of Dhaka and, subsequently, another Master's degree in Public Administration from the University of Southern California. He began his career as Lecturer at Dhaka University in 1961 and served in two separate stints there. He also worked in many leading multinational companies of the country in various leadership roles.

May Allah rest his soul in peace in heaven.

ICC Bangladesh News

Dialogue on current global economy and its impact on Bangladesh

A dialogue on current global economy and its impact on Bangladesh economy was held at ICC Bangladesh on 23 October. Dr. Hossain Zillur Rahman, Former Advisor to the Caretaker Government, Chairperson of BRAC and PPRC shared his views with ICC Bangladesh Executive Board Members on the real economy of the country in view of the ongoing global economic crisis. He mentioned the ongoing crisis in the energy sector in the country, due to the global ostentatious situation caused by the Ukraine-Russia War and many other incidents, was inevitably felt on 4 October after the failure of the national power grid. Not only the energy crisis, the country is also facing problems in managing the economy in the backlash of reserve shortage and the rampant rise of the inflation rate. In this situation the country's progress in graduation from Least Developed Country (LDC) to Middle Income Country (MIC) and progressing towards upper middle-income country has been thwarted by all these events including Covid-19, he said.

Welcoming Dr. Rahman, ICC Bangladesh President Mahbubur Rahman said that Bangladesh economy is passing through a critical stage in view of the disruption in the overall supply chain due to the sudden outbreak of Russian-Ukraine War. He thanked PPRC Chairman Rahman for accepting the invitation to exchange views with the ICC Bangladesh Executive Board.

Dr. Hossain Zillur Rahman, in his presentation, identified four critical aspects, namely foreign exchange reserve, power and food crisis; sustainability of the current growth strategy; knowledge gap and priority for policy and reform thinking to understand the state of the real economy of Bangladesh.

PPRC Chairman said " We have to understand the immediate crisis in reserve, power and food for better planning of the upcoming crisis. Challenges in strategic planning and knowledge gap with additional aspects requires much focus for Bangladesh in progressing through the journey of upper middle income country". As the energy crisis is already happening, which is not a short-term issue, a medium term policy framework is essential in order to ensure sustainability of the current growth strategy, he mentioned.



Participants at the Dialogue

According to him, state of the skills is important to understand the pace of both technological advancement and business requirements. There are many unknown and important knowledge gaps for potential growth sectors, for example rural is turning into a new rural with a transformation and such necessary discussions are required in understanding growth issues in agriculture and what are the new growth drivers. To address the emerging critical issues there has to be policy and reform priorities; but what are these priorities and what sector should be highly prioritized are crucial to understand.

Dr. Rahman said that around four issued mentioned above, a deeper sense of understanding is necessary, including not from an academic angle but intertwining the perspectives

of the economists, business communities, entrepreneurs are also essential. A conversation between the knowledge sector and entrepreneur sector would be useful for pulling of energies. He, therefore, proposed that PPRC and ICC Bangladesh can collaborate on this initiative to high light actual picture of the real economy based on research for a compelling narrative.

ICC Bangladesh Executive Board Members also identified some crucial areas that need to be addressed including energy crisis, infrastructure shortages, transportation cost, efficiency of the ports, consistency in the policy infrastructure. They also stressed for sustainability education which may reduce the gap between academia and business. Professional training should be embedded in the current curriculum for the better readiness of the job market.

Businesses also stressed the need for finding an immediate road map of the problems and possible answers. Dr. Zillur Rahman summarized the discussion putting strong emphasis on three particular issues (i) skills development of new labor force for the current job market, (ii) resolve of institutional issues like governance and corruption and lastly (iii) new thinking in financial management like introduction of alternative currency.

The meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by ICCB Vice President A. K. Azad, Executive Board Members, namely Abdul Hai Sarker, Anwar-Ul-Alam Chowdhury (Parvez), Kutubuddin Ahmed, Mahbubul Alam, Md. Fazlul Hoque, Md. Jashim Uddin, Mir Nasir Hossain and Simeen Rahman; Immediate Past- President of FICCI Rupali Chowdhury, ICCB Banking Commission Chairman & BIAC Vice Chairman Muhammad A. (Rumee) Ali and Secretary General Ataur Rahman.

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

ICC Bangladesh organized a day-long Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance was organized in Dhaka on 5 November. Mr. Mahmudur Rahman, CDCS, Senior Executive Vice President & Head of Dhaka Central Zone of Islami Bank Bangladesh conducted the Workshop.

ICC Bangladesh Vice President A. K. Azad attended the closing and certificate award ceremony which was presided over by ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali. A total of 119 participants from 27 Banks including a senior official of Bangladesh Bank attended the Workshop. Eastern Bank sponsored 16 commercial officials of its export clients.

ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali, in his address at the closing ceremony said that introducing back-to-back letters of credit for the RMG sector was a unique system that has helped today the sector to become the leading export earner of the country. It has helped the exporters to meet the working capital required for completing the export. Mr. Ali advised the participants to be careful in allowing the use of the back-to-back LC in order to avoid misuse of the facility. Considering the current volatile world market and foreign exchange crisis both the bankers and the exporters must be extra cautious in order to avoid risks that demands mitigation. He observed that the international trade finance is going through a lot of changes including digitations. He cautioned that digitalizations might also cause cyber security and increase cyber-crime. As such, in order to protect our foreign exchange transactions, it is of utmost of importance for Bangladesh Bank to develop, on a priority basis, a common programme/software package to be used by all financial institutions, he observed. He advised the participants to understand the risk mitigation tools and help clients to receive export proceeds on time.

Chairman Ali thanked the banks for nominating their officials to attend this important workshop. He also thanked the Eastern Bank to sponsor commercial official of its export clients and hoped that the other banks will also follow the same for attending future workshops of ICC Bangladesh.

ICC Bangladesh Vice President A. K. Azad said that during FY22, the RMG export was $42.62 billion, which is about 82 per cent of the total export of $52.08 billion. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is targeting to export US$100 billion worth of garment items by 2030. In order to achieve this target it would be essential to diversify our products, develop own brands as well as explore new export destinations, in particular in the Asian countries. He observed that Bangladesh is going to lose a number of benefits when it graduates to a middle income country in 2026. Therefore, in order to face the challenges, it would be necessary to pay more attention

to reduce management expenses, operational costs and increase efficiency. Besides, we must diversify our export basket in order to reduce dependence on RMG sector, he said.

ICC Bangladesh Vice President hoped that the participants have benefitted from attending the day-long workshop. He urged the bankers to follow the international rules in settlement of L/Cs and explain to their clients if there are any issues in this regard. Considering the present situation in the banking sector, which is faced with huge loan defaults, he advised the bankers to be extra careful and make sure that their clients do not face any problem in L/C transactions for both import and export.

ICC Bangladesh Secretary General Ataur Rahman in his opening remarks briefed the participants about various activities of the National Committee including upcoming events. He said that the day-long workshop has been designed to discuss on the back-to-back letters of credit operations, the challenges of export financing and how to minimize costs to be more competitive.



ICC Bangladesh organized a day-long Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance on Saturday, 5 November at a local hotel in Dhaka. ICC Bangladesh Vice President A. K. Azad (Centre) attended as Chief Guest at the Certificate Award Ceremony which was Chaired by ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali (4th from right). The closing session was also attended by ICCB Secretary General Ataur Rahman (4th from left), SEVP of Islami Bank Bangladesh Ltd. &Workshop Resource Person Mahmudur Rahman (3rd from right) and ICCB General Manager Ajay B. Saha (3rd from left). A total of 119 participants from 27 Banks including Bangladesh Bank and 16 commercial officials sponsored by Eastern Bank attended the workshop.

ICC Bangladesh Banking Commission Meeting formed focus groups on banking sector

A meeting of the ICC Bangladesh Banking Commission was held at ICC Bangladesh Secretariat on 20 November. The Meeting presided over by Banking Commission Chairman Muhammad A. (Rumee) Ali discussed about the current, future activities and objectives of the ICC Bangladesh Banking Commission in the context of the current volatile global economic situation that is affecting the financial institutions and total supply chain. Chairman Ali outlined the objectives of the Banking Commissions both at ICC Paris and ICC Bangladesh.

ICCB Banking Commission Chairman, welcoming the Members, observed that in order to make ICC Bangladesh Banking Commission more active for the betterment of the banking sector, a review of the objectives and operating platform is necessary. Chairman Ali suggested that ICC Bangladesh Banking Commission could act as a platform to bring Financial Industry/Private Sector/Regulators together to enhance dialogue, understanding of issues facing the economy. The Commission can arrange series of dialogues/roundtables, seminars/ workshops, discussion among experts and creating awareness among different players and forward recommendations to the relevant stakeholders for consideration.

The Committee decided to form a few focus groups to deliberate on certain key issues and make some

recommendations to the policy makers for their consideration. The areas selected for the focus groups include International Trade Finance, Climate, Social Performance of Financial Institutions and Sustainable Finance, Digitalization and Cyber Security of Financial Institutions, Credit Risk Management: Managing Loan Portfolio to reduce default loan including Fraud Risk Management, Inclusivity in Banking: MSME and Extending Financial Services to the unbanked sector and Gender based issues in Financial Sector; Access issues in Financing, Employment (HR).

ICC Bangladesh President Mahbubur Rahman thanked the new Members for accepting the invitation to be a Member of the ICC Bangladesh Banking Commission and hoped that their suggestions / recommendations based on their vast experience in the banking sector will be of immense help for the policy makers to address to the key issues faced by the overall banking sector. He also mentioned that ICC Bangladesh, since its establishment in 1994, has been arranging seminars/workshops for the bankers on various issues on international trade finance, arranging printing of latest ICC publications such as UCP 600, ISBP, Incoterms 2020 locally in order to make it available at a lesser price.

The Banking Commission during the Meeting also decided to have a few categories of ICC Bangladesh Banking Commission Members, namely, main group may have 20-25 Members consisting of MDs/AMDs of Banks, Representatives from Bangladesh Bank and 2/3 senior experts in the Banking sector and second group could be by sector-wise having Additional MDs/ DMDs and/or divisional heads.

The Banking Commission reviewed the activities of the National Secretariat and recommended a Plan of Action for 2023, submit a proposal to ICC HQ Global Banking Commission for hosting Global Banking Commission Meeting in Dhaka in 2024 on the occasion of 30th Anniversary of ICC Bangladesh.

The re-constituted ICC Bangladesh Banking Commission was attended by: Supernumerary Professor of BIBM & Former Executive Director Bangladesh Bank Md. Ahsan Ullah; Social Islami Bank Chairman Dr. Md. Mahbub-ul-Alam; Dhaka Bank Managing Director Emranul Huq; First Security Islami Bank Managing Director Syed Waseque Md. Ali; Mutual Trust Bank Managing Director Syed Mahbubur Rahman; Prime Bank Managing Director Hassan O. Rashid; Trust Bank Managing Director Ms. Humaira Azam; Khondkar Morshed Millat, Chief Advisor, Sustainable Finance, GreenTech Foundation Bangladesh & Former Director, Sustainable Finance Department, Bangladesh Bank; Eastern Bank Additional Managing Director Ahmed Shaheen; Bangladesh Institute of Bank Management Professor and Director (Training), Prof. Shah Md. Ahsan Habib and ICC Bangladesh Secretary General Ataur Rahman.

The other Members of the re-constituted Banking Commission are Former Pubali Bank Managing Director Helal Ahmed Chowdhury; Summit Alliance Port Managing Director Syed Ali Jowher Rizvi; BRAC Bank Managing Director & CEO Selim R F Hussian; The City Bank Managing Director Mashrur Arefin; HSBC Bangladesh CEO Md. Mahbub Ur Rahman; IFIC Bank Managing Director M. Shah Alam Sarwer; Standard Chartered Bank CEO Naser Ezaz Bijoy and bKash CEO Kamal Quadir.



ICC Bangladesh Banking Commission Meeting in progress

ICC Bangladesh Executive Board Meeting approved Plan of Action and Budget for 2023

The 89th Meeting of the Executive Board of ICC Bangladesh was held on Sunday, 23 October at ICC Bangladesh Secretariat. The Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by Vice Presidents Rokia Afzal Rahman (attended virtually) & A. K. Azad and the following Board Members : Abdul Hai Sarker, Anwar-Ul-Alam Chowdhury (Parvez), Kutubuddin Ahmed, Mahbubul Alam, Md. Fazlul Hoque, Md. Jashim Uddin, Mir Nasir Hossain, Simeen Rahman and Secretary General Ataur Rahman. Immediate Past- President of FICCI Rupali Chowdhury and ICCB Banking Commission Chairman & BIAC Vice Chairman Muhammad A. (Rumee) Ali also attended as special guests. The other members could not attend due to prior engagements.

The Board reviewed the activities of the National Committee during August-October 2022 and confirming the Minutes of the 88th Meeting of the Executive Board.

The Executive Board also approved the recommendations of ICC Bangladesh Banking Commission for re-constituting the Commission by having 20-25 Members consisting of MDs/ CEOs and formation of a few focus groups to review various key issues of the banking sector and make recommendations to the relevant policy makers and the Plan of Action for 2023. The Board, among other things also approved ICC Bangladesh Budget for 2023, renewal of contract of Secretary General Ataur Rahman for another three years with effect from January 2023 and the membership of Maksons Spinning Limited, the company owned by BTMA President Mohammad Ali Khokan.



89th ICC Bangladesh Executive Board Meeting in progress

Participation at ICC-FAO Hand-in-Hand Initiative programme held in Rome

ICC jointly with FAO has taken up Hand-in-Hand Initiative project to support the implementation of nationally led, ambitious programmes to accelerate agri-food system. Under the Hand in Hand (HiH) initiatives, an 'Investment Forum' was held in Food and Agriculture Organization (FAO) HQ in Rome on 18-19 October 2022.

Agriculture Minister of Bangladesh Dr. Muhammad Abdur Razzaque made a presentation on investment opportunities in agro-industry sector for transformation of Bangladesh agriculture sector. He highlighted the areas where the Government is inviting investments. The areas included: Cold storage & Post harvest management -Including Multipurpose cold storage; Agro Processing & Marketing - Production of pulps, sauces, juices, etc.; Climate Smart Agriculture Stress - tolerant crop varieties Smart water management practices and; Irrigation & Water Management- Excavation of ponds, canals, lakes Buried pipeline for irrigation and drainage; Rain water harvesting. The Minister mentioned that the Ministry of Agriculture has prepared a plan for



Dr. Muhammad Abdur Razzaque, Minister for Agriculture speaking at the ICC-FAO Events. Among others ICC Bangladesh Vice President A. K. Azad, ICCB Executive Board Member Md. Fazlul Hoque, ICCB Secretary General Ataur Rahman; Mr. Mohammad Zahangir Alam, Executive Director (Strategy Planning), Square Group; Mr. Saso Martinov from FAO and Ms. Mio Oka from ADB attended the session virtually.

investment of US$2.58 billion during 2022-2023. Development partners like World Bank, ADB, IFAD and IDB are expected to provide fund for this sector. He said that Government welcome the private sector to avail this opportunity for investment in the agriculture sector, in particular in the agro-based industry and cold storages for various commodities.

ICC Bangladesh Vice President A. K. Azad, ICCB Executive Board Member Md. Fazlul Hoque, Mr. Mohammad Zahangir Alam, Executive Director (Strategy Planning), Square Group and ICCB Secretary General Ataur Rahman attended the session virtually. The Forum was also attended by officials of Ha-Meem Group, Purbani Group, Square Group and Pepsico of Transcom Group.

Second ICC Regional Asia-Pacific Meeting attended by ICC Bangladesh Secretary General

The Second Meeting of the ICC Regional Asia-Pacific Consultative Group was held virtually on 24 October. The Meeting presided over by ICC RCG Asia Pacific Regional Coordinator Mrs. Shinta W. Kamdani was attended by ICC Secretary General John W.H. Denton AO, ICC Bangladesh Secretary General Ataur Rahman and representatives of ICC National Committees from Australia, China, Indonesia, Japan, New Zealand, Philippines, Singapore, Sri Lanka, Thailand, ICC Vietnam(Observer) and ICC Qatar(Observer).

Mrs. Kamdani, welcoming all participants from the National Committee (NCs), conveyed her appreciation to the NCs and ICC HQ team for joining the Meeting virtually. She mentioned that during the last two years, the world has been facing with unpredictable geopolitical and major economic conditions, the impacts of which has made on the Asia-Pacific Region, while still recovering from the pandemic amidst facing new challenges from tightening global finances.

Mrs. Kamdani mentioned that GDP in Asia Pacific is projected to fall to 4.0 percent in 2022 and rise by 4.3% in 2023. The inflation rate has exceeded the majority of the central bank's targets and is expected to peak by the end of 2022, she added.

Mrs. Kamdani said that NCs in Asia-Pacific must continue to strive for strong multilateralism to remain relevant, deliver sustainable progress, resilient recovery and maintain Asia-Pacific as an economic powerhouse.

Mrs. Kamdani then mentioned the following five policy priorities by the ICC for 2023 with the target to enable a stronger and tangible contribution to Asia Pacific's economy, namely,



ICC Regional Asia Pacific Consultative Group Meeting held virtually in progress

the need to shape multilateral and regional trade agreements to enable growth to global trade; accelerating sustainable growth by workable policies to achieve global sustainability; renew multilateral co-operation; broaden access to dispute resolution and leading global advocacy to combat corruption; and promote and facilitate the use of consistent international standards for digital trade, cross border data flows, and infrastructure development.

Mrs. Kamdani provided an update on the B20 Indonesia Summit which held in Bali on 13-14 November 2022. She said that so far more than1800 participants from 66 countries have registered for attending and invited all the NCs to invite their members to attend the Summit.

ICC Secretary General John W. Denton emphasized on how ICC could represent MSMEs, entrepreneurs, and other sectors that help boost the economy at the micro level. Therefore, ICC has developed 5 strategic priorities in enabling global trade, accelerating sustainability & climate action, and renewing multilateral cooperation, enhancing access to and respect for rule of law, and shaping the digital economy.

Mr. Denton mentioned that ICC also aimed to push the integrative effort especially to establish a Asia pact which emphasized on the importance of the digital economy in order to have a more resilient MSMEs and bring economic inclusivity. He also stated that ICC has become much stronger and the role of NC in Asia pacific is important to push for better economic recovery through collaboration.

ICC Bangladesh Secretary General and other NC representatives briefed the Meeting about the activities of their respective NCs.

Participation at Meeting with ICC Court President

ICC Court President Claudia Salomon made quarterly call on 17-18 October with the heads of Arbitration Commissions/ Committees of National Committees. ICC Bangladesh Secretary General Ataur Rahman attended the ICC Court President's quarterly call held virtual on 18 October along with representatives of other national committees. President Salomon briefed about the activates of the Court and discussed about the new developments at the ICC Court, including ICC Case Connection, visits to the ICC Court by some NCs, new promotion and training opportunities and plans for the ICC Court Centenary in 2023.

ICC Court President in her concluded remarks said "It was



ICC Court President Claudia Salomon (2nd from right on top row) briefing NCs on Court activities

so wonderful to connect with so many of you this week during our quarterly call. As a follow up, ICC Dispute Resolution Services invites ICC National Committees to help us prepare our landmark ICC Court Centenary Declaration on the Future of Dispute Resolution. The Declaration will acknowledge our successes, recognize where we are now, and most importantly look at where we need to go in the future, driving change and continuing to shape the field of dispute resolution worldwide".

€10.80mn loan agreement signed between ADB and Envoy Textiles

A loan agreement of €10.80mn ($11.44) was signed between ADB and Envoy Textiles. The company will purchase spinning machinery and necessary equipment for the second spinning unit with the loan amount. Envoy Textiles will take the loan for seven years with a grace period of 1.5 years.

The loan is to be repaid in equal semi-annual instalments starting from the 1.5 years anniversary of the closing date of the facility. The loan will be used for the purchase and installation of spinning machinery and associated equipment for the second spinning unit.

The company also informed the new unit is automated and more energy efficient and will have an annual yarn production capacity of 3,600 tonnes mainly used for in-house production of denim fabrics.



Envoy Textiles Chairman Kutubuddin Ahmed (2nd from right) and ADB Vice-president for Private Sector Operations and Private-Public Partnerships Ashok Lavasa (2nd from left) signed the agreement. Also seen in the picture ADB Country Director Edimon Ginting (extreme left) and Envoy Legacy Managing Director (extreme right) Tanvir Ahmed.

New Member

Maksons Spinning Mills Ltd.

ICC Bangladesh Executive Board Meeting held on 23 October approved Membership of Maksons Spinning Mills Limited under Corporate Category. The company will be represented by the Chairman of the Company Mr. Mohammad Ali Khokan, Bangladesh Textile Mills Association (BTMA) President.

ICC Academy & LIBF Online Professional Qualifications Courses

ICC Academy

ICC Academy offering the following categories professional certification programmes:

Trade finance
- Global Trade Certificate (GTC)
- Certified Trade Finance Professional (CTFP)
- Certificate in Digital Trade Strategy

International business
- Export/Import Certificate (EIC)
- Incoterms® 2020 Certificate (INCO)
- Free Trade Agreement Certificate (FTAC)
- E-Invoicing Solutions Certificate (ESC)
- Microfinance Associate Certificate (MAC)

Regulation and compliance
- Certificate on the Common Reporting Standard (CCRS)
- IMB NVOCC Bill of Lading Certificate (NBL)
- Ethical Marketing and Advertising (EMA)

The London Institute of Banking & Finance

LIBF offering the following professional qualifications certificate courses:

- Certificate for Documentary Credit Specialists (CDCS)
- Certificate for Specialists in Demand Guarantees (CSDG)
- Certificate in International Trade and Finance (CITF)
- Certificate in Trade Finance Compliance (CTFC)
- Certificate in Supply Chain Finance (CSCF)
- 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 Member companies received National Export Trophy

The Ministry of Commerce and the Bangladesh Export Promotion Bureau jointly awarded National Export Trophy for the financial year of 2018-2019 to 71 companies in 29 secretors of export category. Of these, 29 won the trophies in the gold category, 24 in silver and 18 in the bronze category. The Export Trophy was awarded to the companies in recognition of their contribution to the country's overseas trade through higher sales, the addition of new products and markets and maintaining compliance.

The following five Member companies of ICC Bangladesh won Gold Trophy for their highest export earnings.

Bangabandhu Sheikh Mujib Export Trophy



ICC Bangladesh Vice President and Managing Director of Ha-Meem Group Mr. A. K. Azad received Bangabandhu Sheikh Mujib Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Rifat Garments Limited - a subsidiary of Ha-Meem Group.

National Export Trophy in Gold category

ICC Bangladesh Executive Board Member and Managing Director of Mir Akhter Hossain Limited Mir Nasir Hossain received National Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Mir Telecom Limited.





ICC Bangladesh Member and Managing Director of Green Textile Limited Mr. Tanvir Ahmed received National Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Envoy Textiles Ltd.

National Export Trophy in Gold Category



ICC Bangladesh Member and Chairman & Managing Director of Meghna Group of Industries Mr. Mostafa Kamal receiving National Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Tasnim Chemicals Complex Ltd.- a subsidiary of Meghna Group of Industries.



Mr. Taslimul Hoque, Director-Operations, Square Textiles Ltd. receiving National Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Square Textiles Ltd.

National Export Trophy in Silver Category



Mr. Md. Alauddin, Executive Director-Marketing & Merchandising, Square Fashions Ltd. receiving National Export Trophy from the Minister for Commerce Mr. Tipu Munshi, M.P., for Square Fashions Ltd.

ICC Bangladesh Action Plan for 2023

Workshops

- Workshop on Combating Financial Crimes-Means, Ways & Redress
- Workshop on Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance
- Workshop on Settlement of Documentary Credit Disputes through ADR: Review of ICC Arbitration & DOCDEX Cases
- Workshop on Global Sanctions and Compliance in Trade Finance
- Workshop on Open Account Export Transactions-pros and cons

Business Dialogues / Seminars

- Webinar on ADR to Celebrate ICC Court Centenary, 21 March 2023
- ICC UAE Global Trade Facilitation Summit, Dubai, March 2023
- Roundtable on current global economic situation, its impact on Bangladesh and role of businesses to face the future challenges
- Roundtable on Investment for Infrastructure Development
- Seminar on Factors Affecting the Environmental and Social Performance of Financial Institutions
- Roundtable on Greater Digitalization and Cyber Security of Financial Institutions
- Roundtable on Credit Management
- Roundtable on Financial Crimes and Risk Policy

Certificate Courses

- Certified Documentary Credit Specialist (CDCS) and
- Certificate of Specialists in Demand Guarantees (CSDG) Examinations

Publications

- Quarterly News Bulletin
- Media Blitz
- Annual Report

ICC HQs News

Strategic Framework of ICC for 2023

In 2023, ICC will strive to play a central role in preserving global economic interconnectedness - while enabling cross-border business to thrive and drive sustainable development. In doing so, we will make full use of ICC's unique institutional assets - including our network of national committees and the World Chambers Federation.

To this end, our global operations are guided by a strategic framework encompassing five defining themes for the future of international business:

1. Enabling global trade

- Champion and shape multilateral and regional trade agreements – and associated policies – that meet the real-world needs of business in today's economy.
- Support the delivery of tailored projects and capacity building to open-up new opportunities for small businesses to grow through international commerce.
- Deliver robust data and analytics to inform the development of effective policies at national, regional, and international levels.

2. Promoting access to justice, integrity and respect for the rule of law

- Broaden access to trusted and impartial dispute avoidance and resolution solutions.
- Enhance the efficiency of ICC's arbitration and other alternative dispute resolution services, leveraging new digital tools.
- Deliver effective tools, guidance and advocacy to promote integrity and responsibility in cross-border business and combat corruption.

3. Accelerating sustainability and climate action

- Inform the design of effective and workable policies to meet global sustainability and climate goals – promoting greater harmonization of national measures to avoid unnecessary barriers to international trade and investment.
- Develop, test and deploy standards and practical tools to enable business sustainability at scale.
- Build international understanding of key policy barriers to the adoption of sustainable business practices globally.

4. Shaping an open, trusted and interoperable digital economy

- Champion and facilitate the use of consistent international standards and tools – together with the adoption of legal reforms to accelerate the adoption of paperless trading.
- Inform the development and implementation of international norms and instruments to halt and reverse the growing trend of cyber-risks and cyber-crime.
- Shape and inform global policy approaches to enable the free flow of data with trust.

5. Strengthening multilateral cooperation

- Shape and contribute to an effective international response to major economic challenges and humanitarian crises.
- Champion and pilot innovative structures to enhance the engagement of business in intergovernmental fora.
- Provide business insights to guide the reform of key multilateral institutions.

COP27 leaves 1.5 goal on "life support" says ICC Secretary General

Following the conclusion of the COP27 climate summit, the International Chamber of Commerce (ICC) has issued the following statement.

ICC Secretary General John W.H. Denton said:

If Glasgow succeeded in 'keeping 1.5 alive', that goal sadly leaves Sharm-El-Sheikh on life support. #COP27 could have delivered much more for business and far more for the planet.



Business will certainly welcome the advances made to facilitate the trading of emissions across national borders. But the implementation decisions on Article 6 ultimately fall short of creating the robust and transparent systems that the private sector needs to accelerate investment in a net-zero future. Today's outcome must be seen as a step forward rather than an end state for international emissions trading.

The issue of financing — or, more specifically, the question of who pays — increasingly resembles a burning fuse under the entirety of the UN's climate process. While the creation of a fund on loss and damage has averted a potentially damaging breakdown in the UNFCCC process, the debate over the past two weeks needs to be viewed squarely in the context of the precarious fiscal position many developing countries find themselves in following the COVID-19 pandemic and the ripple effects of the war in Ukraine.

Our conclusion is that implementation of the Paris agreement now hinges on the whether the G20 can finally forge a comprehensive action plan to tackle emerging market debt — and, moreover, dramatically scale the availability of concessional financing from development banks.

The pledge made in Bali by G20 leaders to limit global temperature increases to 1.5 degrees Celsius will soon start to ring hollow without a corresponding effort to tackle the growing fiscal strains faced by the emerging world. The lesson from Sharm is that, in the current economic context, effective climate cooperation just isn't possible without genuine financial solidarity.

COP27: ICC reaffirms global business' commitment to working towards a net zero future

Speaking at the 2022 United Nations Climate Change Conference in Sharm El Sheikh, Egypt, ICC Global Policy Director Andrew Wilson sent a strong message to climate ministers on the importance of successful outcomes at COP27.

Excellencies, distinguished delegates, ladies and gentlemen – My name is Andrew Wilson. I am the Global Policy Director at the International Chamber of Commerce – the institutional representative of 45 million companies in over 130 countries. It is my honour to address you today on behalf of the Business and Industry Constituency at this meeting.

The global business community is fully aware of – and indeed directly exposed to – the severe headwinds facing the global economy at the current time. As well as the growing risks to energy and food security and financial stability. Let me be clear, however, these unforeseen pressures have not in any way dampened our commitment to working with all stakeholders to secure a net zero world by 2050. Indeed, we see ambitious, effective and coordinated climate



action as a vital bulwark against the multifaceted threats that we currently face. As well as a pathway towards a more resilient future in an increasingly interdependent world.

For business the goal of limiting global temperature increases to 1.5C is not a matter of political rhetoric: it is an absolute imperative given the growing impact of extreme weather events on the viability of businesses across the world. In this context, we urge you to ensure that all decisions taken at COP27 serve to accelerate the global economy's pathway to a net zero future. To this end, we encourage you to ensure that this Conference delivers, at a minimum, three fundamental outcomes:

First, a clear signal of Parties unswerving commitment to keeping 1.5 alive; Second, effective and immediate operationalization of decisions taken last year in Glasgow, in particular on Article 6 of the Paris Agreement; and, last but more certainly not least, a credible plan to mobilize the finance developing and climate vulnerable countries need to enable vital mitigation and adaptation efforts – at a scale the properly recognizes the severe fiscal constraints faced by emerging markets in the wake of the COVID-19 pandemic.

This must be a COP that delivers on the historic agreement made in Paris, the promise of the Glasgow Pact forged last year and finally delivers for those most vulnerable to climate change.

COP27: New industry framework to measure sustainability of trade transactions

The International Chamber of Commerce (ICC) has published a pilot version of the first-ever industry framework to assess the sustainability performance of trade transactions. The "Wave 1" framework is the product of a year-long consultation with banks, corporates and technology providers — in partnership with Boston Consulting Group — based on the roadmap announced by ICC at the Glasgow climate summit.



The new ICC framework sets out an agreed industry definition of sustainable trade – taking into account both environmental and socio-economic factors. It also embeds an approach that covers the entire lifecycle of an international trade transaction across five different dimensions – from the buyer and supplier to the nature and purpose of the goods or services sold.

The Wave 1 framework relies on simplified scoring system to allow it to be readily tested by banks and corporates – recognizing continued industry challenges accessing the high-quality data necessary for more granular sustainability assessments. Binary "ticks" for each component of a transaction will be used to show whether it meets ICC-approved sustainability standards.

At the COP27 climate summit, ICC Secretary General John W.H. Denton AO announced that more than 20 banks and corporates have pledged to pilot the application of the Wave 1 framework for transactions in the textiles sector. These include: BNP Paribas, Commerzbank, Lloyds Bank, Commonwealth Bank of Australia, DNB, Santander Bank, Société Générale, Wells Fargo, Yes Bank. ICC will be announcing other members joining the pilots in due course.

ICC will publish the findings from these pilots and set out how it will use these results to enhance the framework by mid-2023.

G20 takeaways for business

Here are three key takeaways from a business perspective:

A strong signal on environmental cooperation

G20 leaders succeeded where their environmental ministers had failed just days earlier in agreeing to the common goal of limiting global temperature increases to 1.5 degrees Celsius. This commitment sent a strong signal to the ongoing COP27 negotiations — which had previously seen several governments (including three members of the G20) advocating for weaker language on climate targets given

prevailing economic conditions. The communique also makes clear the G20's intent to secure "ambitious" targets on nature preservation at the upcoming "COP15" summit under the Convention on Biological Diversity.

Warm words for the WTO system

The communique arguably contains the strongest language on the G20's support for the multilateral trading system since 2016. A big step forward in tone, coupled with a clear commitment — mirroring an early pledge from the G7 — to reform the WTO system by the time of its next ministerial conference (expected end-2023). It's now very much incumbent on us to ensure that this positive political message translates into real momentum in WTO committee rooms in Geneva.



Continued complacency on emerging markets

Despite leaders recognising the severe debt and fiscal strains threatening emerging markets, the Bali summit failed to deliver any new mechanisms to support developing world in the context of the multifaceted crisis sparked by the war in Ukraine.

ICC will continue to push for fresh thinking on this agenda with the incoming Indian Presidency — not least given the very clear downsides to trade and global value chains of the G20's complacency regarding the precarious fiscal position of a growing number of emerging markets.

World Chambers in the spotlight at Ibero-American Summit

The ICC World Chambers Federation and the Bogotá Chamber of Commerce hosted the First Ibero-American Summit on Sustainability and Innovation in Business, during which international speakers, panellists and experts highlighted the crucial role played by chambers of commerce in encouraging the development of SMEs and fostering public-private partnerships around the world.

The Summit is the first major milestone of the global plan presented by WCF's new leadership in August to strengthen MSMEs along four axes: empowerment of women, sustainability, access to markets and adoption of digital tools.

The event was attended by international speakers such as ICC World Chambers Federation and the Bogotá Chamber of Commerce President Nicolás Uribe Rueda and ICC Chair María Fernanda Garza as well as Colombian Vice Minister of Business Development, María Fernanda Valdez, South Korean economist and SOAS professor Ha-Joon Chang, Front co-founder and president of Front Alan Mac Carthy, design historian Barry Katz and P4G Director Ian de Cruz.

More than 1200 business representatives attended the two days of the Ibero-American Summit with more than 100 companies participating in the relationship spaces organised by sectors. The 13th World Chambers Congress team was also present at the event to mobilise LATAM business and chambers ahead of the Congress set to take place in Geneva in June 2023.

Opening the Summit, Mr Uribe Rueda reminded attendees of the key role played by the chamber system as a bridge between governments and citizens: "The chambers of commerce are called upon to promote public-private articulation in the implementation of policies that encourage and facilitate



development, and they are the ones who can convene and make attractive markets available to MSMEs. The Chambers can jointly build solutions for the problems of the business sector and promote structural transformations in the business model to make them sustainable and productive".

MR Uribe Rueda also called for the productive sector to be increasingly sustainable and purposeful.

At her opening speech, the chair of the International Chamber of Commerce, María Fernanda Garza, reminded attendees of the enormous support required by micro, small and medium-sized companies in the world to overcome the current global crisis impacted by the war in Ukraine, the effects of the pandemic and inflation.

Ms Garza said: "In Latin America we need governments and companies to work in cooperation to maintain the economy and jobs. More than 60% of MSMEs have lower incomes than they had before the pandemic, and this directly impacts households. In developing countries, families have lost 1.5% of their income, just because of the increase in corn and wheat. As a business community we must be a source of solutions to solve current challenges, through innovation, but this cannot occur in a vacuum".

This ICC WCF Regional Summit was the first of a series planned by the new WCF Chairmanship. With them, WCF aims to address challenges that are particular to each regional and expand its presence worldwide, connecting chambers and MSMEs to work together to achieve peace and prosperity for all. The next ICC WCF Regional Summit should be announced shortly.

The ICC World Chambers Federation is ICC's unique and truly global forum connecting, leading and inspiring the global network of chambers and their respective business communities. In addition to strengthening links among chambers, WCF helps individual chambers become more productive. As a non-political, non-governmental body, WCF is the backbone of the chamber community providing a platform for chamber leaders to communicate and collaborate with each other on matters of mutual interest and facilitating beneficial partnerships.

Credit risk in trade, supply chain and export finance back to pre-pandemic levels, ICC confirms

The International Chamber of Commerce (ICC), along with their partners Global Credit Data (GCD) and Boston Consulting Group (BCG), has released its 2022 Trade Register report, confirming that credit risk in trade, supply chain and export finance have fallen back to pre-pandemic levels.

Following the impact of the COVID-19 pandemic in 2020 on trade volumes, 2021 reaffirmed the resilience of global trade with a strong and better than expected return to growth, with total trade flows reaching nearly 20% above pre-pandemic levels. This recovery in global trade, as well as its consistent growth over the last three decades, has been clearly supported by trade finance products that offer liquidity and risk mitigation solutions for importers and exporters, allowing them to transact with confidence across borders. Despite the current



macroeconomic uncertainty, BCG expects global goods trade to continue to grow at a further 5.6% compound annual growth rate (CAGR) over the next 10 years on a nominal basis, and 2.3% in real terms.

The ICC Trade Register continues to be the global authoritative source of default rates in trade, supply chain and export finance using its data set that represents nearly a quarter of all global trade finance transactions. For 2021, the report confirms decreases in default rates across all asset classes versus the prior year:

Import Letters of Credit: Obligor-weighted default rate decreased from 0.64% in 2020 to 0.29% in 2021 (-0.35 ppts.); Export Letters

of Credit: Obligor-weighted default rate decreased from 0.06% in 2020 to 0.05% in 2021 (-0.01 ppts.); Loans for Import/Export: Obligor-weighted default rate decreased from 0.92% in 2020 to 0.36% in 2021 (-0.56 ppts.); Performance Guarantees: Obligor-weighted default rate decreased from 0.49% in 2020 to 0.26% in 2021 (-0.23 ppts.); Supply Chain Finance: Obligor-weighted default rate decreased from 0.93% in 2020 to 0.06% in 2021 (-0.87 ppts.); Export Finance: Obligor-weighted default rate decreased from 1.01% for 2007-20 to 0.97% for 2007-21 (-0.04 ppts.).

While a fall in default rates versus 2020 would be expected, it is even more reassuring that in many cases 2021 default rates are below pre-pandemic averages; this is likely driven by rapid economic recovery following the deployment of effective COVID-19 vaccinations combined with continued government stimuli across many markets.

ICC Secretary General John W.H. Denton AO said: "These findings reinforce the findings of previous iterations of the Trade Register: trade finance products continue to be resilient and represent banks with low levels of credit risk, even during times of macroeconomic uncertainty. It is important for banks, investors, and regulators to recognise this and show continued support for this valuable asset class".

As part of ICC's ongoing ambition to improve the value the Trade Register brings to its member banks and the trade finance community, in this year's iteration the Trade Register introduces an improved data set for the calculation of loss given default (LGD), allowing for improved estimates of these values and, for the first time, LGD and expected loss estimates for supply chain finance.

In addition, ICC continues to operate its revised commercial model introduced last year. This is intended to improve the value proposition for member banks and over time help to grow the dataset to maximise the Trade Register's role in validating the risk characteristics of global trade.

ICC launches ICC Case Connect: Secure online case management made easy

The International Chamber of Commerce (ICC) has launched ICC Case Connect – a pioneering digital case management platform to connect parties, arbitral tribunals and the ICC Secretariat. From October 2022, users of ICC Arbitration are encouraged to file their requests for arbitration via ICC Case Connect and benefit from a secure, shared space for each new case.



ICC Case Connect enables more streamlined communication and file-sharing among parties, arbitral tribunal, and ICC case management teams. The new digital platform efficiently stores all case documents and data in one centralised, easily accessible location, using swift and user-friendly document sharing and new time-saving online forms for arbitrators.

Case Connect, case documents – and data formerly duplicated across different document storage and sharing systems by parties or sent via different communication channels –have been centralised in a single platform, providing a one-stop-shop to manage ICC Arbitration cases.

Accessible anytime, anywhere, from any device, the user-friendly ICC Case Connect:

"The trusted technology offered by ICC Case Connect provides easy-to-use, secure file-sharing . By digitising ICC Arbitration processes and eliminating often repetitive administrative actions for each case, our goal is to increase operational efficiency for all involved," said Alexander G. Fessas, Secretary General of the ICC International Court of Arbitration and Director for ICC Dispute Resolution Services (DRS).

ICC Case Connect has been developed in line with ICC goals to implement digital solutions that make business work for everyone, every day, everywhere, alongside other digital platforms including ICC Court Connect and ICC Chambers Connect that bring ICC's global network together and support digital transformation.

The launch of ICC Case Connect is a key milestone in ICC's ongoing drive to put those who use our services first and bring case management online. Committed to our role as a pioneer of dispute resolution and case management solutions, ICC will further develop the platform and its digital services in 2023.

Bangladesh Economy

Prime Minister Inaugurated first Metro Rail of Bangladesh
Government plans to build network of six MRT lines by 2030

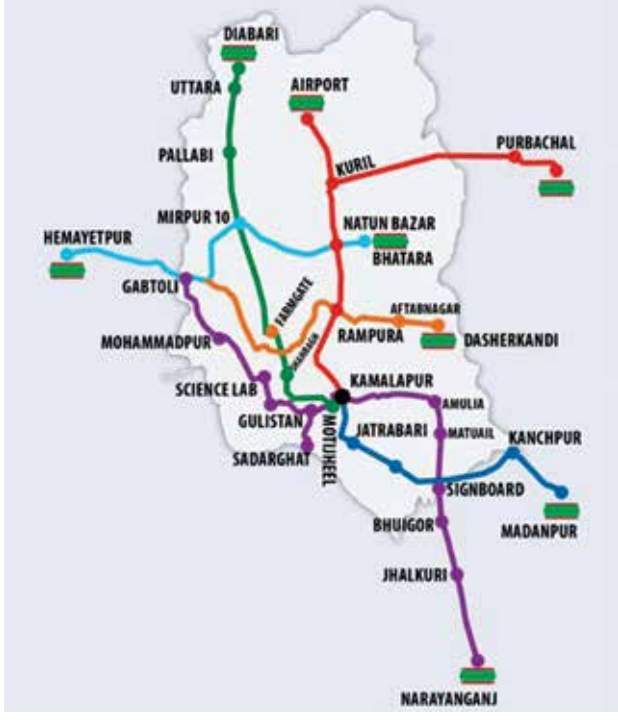
Bangladesh entered a new era as Prime Minister Sheikh Hasina inaugurated the country's first-ever elevated metro rail in the Capital Dhaka on 28 December.



"Metro rail is another achievement of Bangladesh," the Premier said opening the 11.73 km first-phase of the Mass Rapid Transit (MRT) Line-6 of the Metro Rail from Diabari, Uttara to Agargaon by unveiling its plaque at Diabari. The Prime Minister accompanied by ministers, diplomats, government officials among others tarvelled from Diabari to Agargaon.

Ms. Mariam Afiza, the first woman metro train operator of the MRT, said, "We are very excited. I feel proud and honoured to have Prime Minister Sheikh Hasina on board as the country witnessed its first-ever metro ride."

With the launch of a section of over 21km Mass Rapid Transit (MRT) Line-6, Bangladesh embarked on a new era of commuting with electricity-powered metro rail. Initially, the 12km section, from Uttara to Agargaon, of the 21.26km MRT Line-6 was opened. The section from Agargaon to Motijheel is expected to start its operation a year from now. MRT Line-6 is capable of carrying around 4.83 lakh people a day between Uttara and Motijheel. The trip will take 38 minutes, down from at least two hours on other modes of transport. The total length of MRT that is being



implemented under the time-bound Action Plan 2030 will be 128.741 Kilometers. Out of this total length 67.569 Kilometers will be elevated and 61.172 will be underground. There will be 104 stations. Out of these total stations 51 will be elevated and 53 will be underground. The physical work of the MRT Line-1 and MRT Line-5 (northern route) are expected to start next year. Physical work for the MRT-2 line was slated to start in 2024 but the finance-related changes are likely to cause more delays. The MRT-4 line is proposed to connect Kamalapur to Narayanganj, for which the government is looking for funds for a feasibility study.

IMF agrees to give $4.5b loan in 3 years

The International Monetary Fund on 9 November said that it would provide $4.5-billion loan in next three years, and observed that reserves would fall further as the government agreed to follow the international calculation standard to borrow the loan.

IMF calculated that the actual forex reserves would be able to meet the import coverage of only three and a half months following introduction of a net calculation method instead of the gross one by the Bangladesh Bank.

This was revealed by IMF mission chief Rahul Anand at a press conference on the concluding day of a fortnight-long negotiation over the loan sought by the government of Bangladesh to tackle the prolonged crisis of greenbacks.

The IMF advices its member countries to maintain forex reserves equivalent to a five-month import payment for staying in comfort zone.

The lender, meanwhile, has agreed to support the country's economic policies with a 42-month arrangement of about $3.2 billion in loans under the Extended Credit Facility and the Extended Fund Facility as well as about $1.3-billion loan under the Resilience and Sustainability Facility.

IMF wants the government strengthen the financial sector by reducing its vulnerabilities, strengthening oversight, enhancing governance and regulatory framework. It also wants development of capital markets to mobilise financing instead of banks.

Creation of a conducive environment to expand trade and foreign direct investment, consolidating financial sector, developing human capital, and improving governance to enhance business climate have been included into the policy.



The IMF policy also includes strengthening institutions and creation of an enabling environment to meet climate objectives and support large-scale climate investments. The last loan agreement between Bangladesh and the IMF expired in 2012.

The agreed policies also include creation of additional fiscal space by mobilising higher revenue through rationalisation of expenditures. Containing inflation and modernising the monetary framework are other major policies to stabilise macro-economy and buffer external shocks.

IMF mission chief Rahul hoped that the IMF loan would act as a catalyst for Bangladesh to borrow loans from other lenders on its way to graduate from the least developed country status and achieve a middle-income status by 2031.

According to BB governor under the agreed policies, the Bangladesh Bank needed to follow the net calculation method instead of the present gross one to determine the county's forex reserves. The central bank has to exclude about $8 billion from the reserve fund. Under the new calculation, the country's forex reserves will stand at about $26 billion as it now hovers about $34 billion from $48 billion recorded in August 2021.

A surge in demand for import after Covid-19 and the price hike of essentials due to the Russia-Ukraine war have led to a sharp widening of the current account deficit, rapid decline of foreign exchange reserves, rising inflation and slow growth, BB governor added.

He said that they expected first of the seven tranches of IMF loan in February, and the amount would be $447.48 million. The remaining six tranches each with $659.18 million will be disbursed in an interval of six months. The loan would bear less than two per cent interest rate on average and it would be repaid within 20 years while first 10 years would be a grace.

Bangladesh to become 9th largest consumer market globally by 2030: HSBC

Bangladesh is expected to overtake the UK and Germany and thus become the world's ninth-largest consumer market globally by 2030, according to the proprietary demographic database of HSBC Global Research.

As per the report, Bangladesh is expected to see the fastest growth in its consumer market - that is, the population earning more than $20 per day in constant PPP terms - in the current decade. It is followed by India, the Philippines, Vietnam, and Indonesia, the report mentioned.

Korea and Japan will see a drop in the overall market by 2030 and in terms of size, mainland China is expected to retain its dominant position as being the biggest consumer market in the world with more than 800m consumers by 2030 and 820m by 2040.

As one of the world's largest banking and financial services organisations, HSBC combines unparalleled local insights, global connectivity and professional integrity to deliver the best investment opportunities to the clients and HSBC stakeholders through fundamental analysis and thought-provoking ideas. HSBC Global Research plays a key role in this regard.

70% of women who lost jobs in pandemic return to work: study

About 70% of women who lost their jobs during the pandemic have been able to return to work, while many of the rest failed due to their involvement in home services such as looking after the elderly and children, finds a World Bank study.

It also found that almost all men have returned to work, but many are unable to earn the same as before the pandemic – meaning that the socio-economic impact of Covid-19 can be prolonged. "Many people have become poor again due to the pandemic," World Bank Senior Economist (Poverty and Equity Global Practice) Ayago Wambile said while presenting the study report at a seminar organised by the Bangladesh Institute of Development Studies (BIDS) in the capital on 26 October.

Complete information about the impact of the coronavirus-induced pandemic on employment, income, poverty, education, health and human resources is yet to be available, speakers at the event said and called for an extensive survey on the impact. They also urged the government to ensure adequate preparations to face such crises in the future.

BIDS Director General Binayak Sen stressed introducing an acceptable measure to define vulnerability and providing updated data on poverty. "We did not get an answer to the whole issue of what have been the trends in poverty. The unemployment rate doubled in the Covid period from 9% to 18%. Then what would be the scenario of the poverty rate is important."

"We are measuring poverty in terms of consumption and income. But the Covid-19 pandemic has shown us that even those who are not poor in consumption or income may be vulnerable because they have not enough savings."

Titled "Socio-Economic Impacts and Policy Responses to Covid-19 Pandemic in Bangladesh: Lessons for the Future", the study shows that the participation of people aged 15 to 64 in the labour market has decreased to 49% from 51%. "Unemployment rose from 9% to 18% in two phases of the pandemic," said the survey conducted in Dhaka, Chittagong and Cox's Bazar.

Besides, at least 31% of households did not have average earnings of Tk25,000 for meeting their emergency needs during the peak hours of the pandemic, it added and said that the number of such families, however, fell to 4% in May last.

"There were all the indications that the economy bounced back sharply from the impact of Covid-19. But, it has been a V-shape recovery. The situation is getting worse again due to the Russia-Ukraine war," Kazi Iqbal, senior research fellow at the BIDS said.

30pc people facing food scarcity : WB survey

Around 30 percent people in Bangladesh are facing food scarcity though the country's economy made a recovery from the pandemic-induced shocks, said a World Bank survey. The number of people, who went to sleep hungry, almost doubled to 13 percent in May this year from 7 percent in June last year, according to the survey.

WB Senior Economist Ayago Wambile presented the keynote paper on the survey at a seminar, organised by Bangladesh Institute of Development Studies (BIDS) in the capital on 26 October. Six percent of the people surveyed in May this year said they could not buy food. The figure was 5 percent in June last year. The number of those who didn't eat in 24 hours rose to 2 percent in May this year from 1 percent in June last year, the survey said.

However, there has been a significant decrease in the number of people, who ate smaller meals, over the last one year. It fell to 9 percent in May this year from 17 percent in June last year. Presenting the keynote, Ayago Wambile said, "Price increase is reported as a key challenge and impediment to food security."

He noted that food insecurity has heightened the vulnerability of the most food-insecure regions, including the countries in poorest areas. The WB survey said food security for 70 percent of Bangladesh's population has not changed in one year since June 2021.

Sailesh Tiwari, another senior economist at the WB, said, "The country's economy has seen a V-shaped recovery in the last two years since the onset of Covid pandemic but the recovery was uneven as people from all levels failed to get the result of such recovery." A V-shape recovery means a quick and sharp improvement in an economy after a sharp decline.

The survey titled "Tracking Impact of Covid-19 in Bangladesh: High Frequency Phone Survey" was conducted at 10 different times between June 2020 and May 2022. It was carried out at the national level as well as in urban and slum areas of Dhaka, Chattogram and Cox's Bazar. The sample size ranged from 1,300 to 7,700 people.

According to the study, during the time since the onset of the pandemic in June 2020, 31 percent people were unable to get Tk 25,000 in cash in case of emergency. The number fell to 4 percent in May this year.

BIDS Director General Binayak Sen said a large segment of the population faces difficulties in getting emergency cash in times of crisis. "In developed countries, the state ensured cash aid for people …," Binayak told the seminar titled "Socio-Economic Impacts and Policy Responses to Covid-19 Pandemic in Bangladesh: Lessons for the Future".

Referring to the study findings, he said the country's economy suffered during the lockdowns. It gradually bounced back, but everyone didn't equally reap the benefits of the recovery. In his presentation, Wambile said 55 percent people in slum areas were unable to pay rent in June 2020, while it came down significantly to 25 percent in May this year.

According to the study, 22 percent tenants in slum areas feared eviction by house owners in June 2020. The number dropped to 14 percent in May this year. Wambile called upon the Bangladesh government to prepare for natural disasters, and economic and health-related shocks.

Mentioning that the country's vulnerability to economic shocks has risen, he said the government should expand and strengthen the social safety net for the poor.

$250m WB loan for Bangladesh

The World Bank (WB) approved US$250 million financing to help Bangladesh strengthen environment management and promote private sector participation in green investment.

The Bangladesh Environmental Sustainability and Transformation (BEST) Project will support the Department of Environment to strengthen its technical and administrative capacity, according to a press release on 2 December.

The project will also support improving environmental regulations and enforcement to curb pollution and improve environmental quality.

The project will pilot new financing mechanisms to promote green investments in targeted sectors. It will also establish a Green Credit Guarantee Scheme to incentivize the financial sector to support green investments to reduce air pollution.

Successful implementation of the project will help the country tackle key pollution issues, benefitting over 21 million people living in greater Dhaka and beyond.

The project will help construct four vehicle inspection centers using

private-public partnership modality to inspect about 46,000 vehicles annually.

An E-waste management facility will be set up to process 3,500 metric tons of e-waste annually. The project will help reduce over 1 million metric tons of Green House Gas emissions from targeted sources.

Managing climate risks important for sustainable Development : WB report

Bangladesh is one of the most vulnerable countries to climate change. Managing climate risks has been central to Bangladesh's development story. Bangladesh's impressive economic growth was backed by its decades of systematic investments in climate resilience and disasters preparedness. The country has reduced cyclone-related deaths by 100-fold since 1970 and today is recognized as a global leader in climate change adaptation and disaster preparedness. But, the country continues to face severe and increasing climate risks. Without strong action, climate change will undermine Bangladesh's strong development trajectory and the poorest will be hardest hit.

The cost of climate change is high:

- Average tropical cyclones cost Bangladesh about $1 billion annually.
- By 2050, one-third of agricultural GDP may be lost due to climate variability and extreme events – a devastating figure as the agriculture sector represents around half of employment in the country.
- 13.3 million people may become internal migrants in next 30 years due to climate impacts on agriculture, water scarcity, and rising sea levels, with higher impacts on women.
- In case of a severe flooding, GDP could fall by as much as 9 percent.
- The costs of environmental degradation and natural disasters are predicted to rise over time, compounded by higher heat, humidity, and health impacts.

More climate financing is needed

Bangladesh will need at least $12.5 billion, approximately 3 percent of GDP in the medium-term for climate action. The financing gap can partially be covered through additional funds from budget prioritization, carbon taxation, external financing, and private investment. It will be critical to address immediate and urgent challenges for climate change and development.

Bangladesh has led the way in adaptation and disaster risk management. Over the past 50 years, it has reduced cyclone-related deaths 100-fold. Other countries can learn from this. But with ever-increasing climate risks, further adaptation efforts are vital, and a low-carbon development path is critical to a resilient future for Bangladesh.

Key priorities for Bangladesh Climate Resilient Growth

Bangladesh has demonstrated global best practices on disaster risk management and is a voice for climate vulnerable countries. Bangladesh was among the first to develop a Climate Change Strategy and Action Plan in 2009, which has become a blueprint for other climate-vulnerable nations. The government has put in place a series of proactive policies and investments that strengthen resilience against climate-related disasters, leveraging community-led action. This has led to the development of coastal embankment systems that protect over 6,000 km of vulnerable coastline and an early warning system for cyclones with more than 76,000 volunteers. But more needs to be done.

Priority Areas for Actions

The Country Climate and Development Report for Bangladesh outlines priority actions and financing needs to help Bangladesh address the climate crisis. The report highlights three priority areas of action for Bangladesh's climate resilient growth:

1. People-centric, Climate-smart Spatial Development

Communities exposed to multiple hazards show a substantially lower decrease in poverty, or even poverty increases over time. An approach which recognizes regional variations in climate impacts and builds on Bangladesh's rich history of locally-led action, is critical. Crop diversification and climate-smart technology is key to support higher agriculture productivity, better climate resilience, and higher incomes in rural areas.

Investment in public services and infrastructure, including shock-responsive social protection, access to quality skills training and jobs, affordable housing, resilient transport connectivity, water and waste management will be key for urban areas especially considering the influx of climate migrants. Investment prioritization and implementation of the government's Bangladesh Delta Plan 2100 will help achieve long-term development of the country's delta and river systems and promote sustainable

management of water and land resources.

2. Decarbonization of the economy

At just 0.4 percent, Bangladesh's current contribution to global greenhouse gas (GHG) emissions is not significant. But with its large population and fast economic growth, if the country follows a 'business-as-usual' development pathway, GHG emissions will increase substantially.

The report's analysis suggests that the country can exceed its commitments in the updated 2021 Nationally Determined Contributions (NDC) without compromising development objectives.

Bangladesh also faces a high level of air pollution, which costs about 9 percent of GDP annually. By implementing policies that abate both air pollution and emissions, Bangladesh can reduce deaths from air pollution by half or save nearly 1 million lives within 2030. Emissions can be reduced at relatively low-cost and yield other important benefits, such as the reduction of overall energy costs and increased income. Shifting industries to a more sustainable path will also be vital to their global competitiveness. Removing energy subsidies and domestic protection of inefficient industries will be critical to encourage domestic and foreign investment in energy and resource efficiency.

3. Enabling environment and institutional realignment

An immediate challenge for Bangladesh is to improve legislative and institutional capacity for the efficient implementation of existing policies and programs. Empowering local governments to plan and implement programs for efficient and effective adaptation will be key. Partnerships with civil society NGOs to deliver and monitor climate change programs will be necessary, given their urgency, scale, and complexity. Climate finance from the private sector has the potential to rise to around 0.2 percent of GDP (up to $1 billion) by 2025. Underlying financial sector vulnerabilities need to be addressed together with policies to green the financial sector. Increased domestic and foreign private sector involvement, such as in climate-smart agriculture and renewable energy, is necessary and feasible.

Given financial and institutional constraints, the most impactful and urgent actions to achieve climate resilient development must be prioritized. The Bangladesh Delta Plan 2100 and Mujib Climate Prosperity Plan recognize these priorities. Urgent Actions with high impacts—where cost of inaction would be high— are highlighted in the report.

World Bank cuts GDP growth forecast to 6.1% for FY22-23

The World Bank has revised down the GDP growth forecast for Bangladesh to 6.1% for the current fiscal year 2022-2023 from 6.7% growth projection made in April and June this year. South Asia Economic Focus of the World Bank, titled "Coping with Shocks: Migration and the Road to Resilience" revealed on 6 October found higher inflation and rolling electricity blackouts as major challenges for the economy and cut the growth outlook by 0.6 percentage points.

WB also found no significant symptoms to rebound the economy in the next fiscal year and projected a 6.2% economic growth in fiscal year 2023-2024. Previous projection by the World Bank for the next fiscal was 5.4% and now it has increased the growth rate by 0.8 percentage points.



The government set a target to achieve 7.5% growth of the GDP in the current fiscal year. The growth projection of the World Bank is 1.4 percentage points lower than the government target. The Asian Development Bank (ADB) also cut down growth projections for Bangladesh and projected 6.6% growth in the current fiscal year in Asian Development Outlook (ADO) 2022, revealed in the last week of September.

The World Bank projected 5.8% average growth for South Asian

countries, 1 percentage point lower than the previous projection made in June. Growth of Bangladesh would be significantly higher than the average of the region. Bangladesh would place third largest grower in the region following the Maldives 8.2% and India 7% growth. The economy of Sri Lanka would shrink by 4.2%. Bhutan, Nepal and Pakistan will achieve significantly lower growth than Bangladesh.

According to the World Bank release, higher inflation and rolling electricity blackouts dampen Bangladesh's post Covid recovery in consumption and investment. The lack of reliable high-frequency indicators creates difficulties for policy makers to track economic developments.

$250 million budgetary support from AIIB

The Asian Infrastructure Investment Bank (AIIB) has emerged as the first budget-support provider to Bangladesh in the current fiscal year as it confirmed US$250 million in fiscal support on 7 December. With this support, the Beijing-based lender has also appeared as a key development partner, confirming $1.05 billion in budgetary support to Bangladesh in three years, according to Economic Relations Division (ERD).

AIIB Vice President Urjit R Patel and ERD Secretary Sharifa Khan signed a deal in this regard. The credit will mature in 26.5 years with a grace period of three years. The AIIB will charge SOFR plus 1.3 per cent interest rate for the budgetary support. The government is also trying to get budgetary support from the International Monetary



Fund (IMF), World Bank, Asian Development Bank, and Japan.

According to the ERD, the budgetary support will mainly be utilised for improving inclusiveness and responsiveness of social development in the country. The government will use the loan to improve coverage and efficiency of the social protection and financial inclusion of the disadvantaged people, and strengthen lifecycle social and health needs.

Before confirmation of the $250 million budgetary support AIIB provided $800 million budget support in the last three years for combating Covid impact and its recovery. The AIIB started its journey in 2016 and has so far confirmed a total of 2.75 billion worth of assistance to Bangladesh to facilitate its development and cut poverty.

ADB ready to provide $20b subject to timely implementation

The Asian Development Bank is ready to give over $20 billion to finance Bangladesh's road and railway projects but raised concerns over the timely implementation of schemes. The lender mentioned the challenges facing implementation in a project portfolio review report submitted to the Bangladesh government in September.

"Lack of comprehensive detailed design, including quality survey and investigation, contributes to significant scope changes, and time and cost overruns," it said. In some transport sector projects, appointing a contractor took over 20 months after the bidding was approved, it said, adding that the main cause of the delay was poorly prepared bidding documents. "Land acquisition and resettlement is one of the major reasons transport projects require time extensions," the report added.



It is taking longer for development project proposal (DPP) preparation or revision, submission of the DPP to the line ministry and approval by the Executive Committee of the National Economic Council (Ecnec), it said. The ADB presented an outline of projects in which it is likely to finance about $4.16 billion in the next three years. A decade ago, ADB's finance in the country's transport sector was $741 million. In August this year, the lender's finance in the sector was almost $3 billion, according to the report.

Referring to certain projects, the ADB said approval of revised DPP took over a year causing delays in project implementation. The report cites a project titled "Transport Connectivity Improvement Preparatory Facility", for which the ADB approved a loan of $42 million in February, 2020.

The loan agreement for the project was signed in June 2020 and the

loan became effective in August that year. But no money has been spent from the fund yet. No consultants have been appointed to study the feasibility and finalise a detailed design of the project either. A $400 million fund for another project titled "Dhaka-Sylhet Corridor Road Investment (trance 1)", was approved by the ADB in September last year, but not a single penny has been utilised so far, the report said.

Project implementation also gets delayed over complications of land acquisition and compensation to the affected individuals, it said, adding that delays also take place in selecting and deploying resettlement NGOs or consultants for those who are evicted for the project.

Lack of understanding of FIDIC (International Federation of Consulting Engineers) contracts by the project management unit (PMU) or project implementation units (PIUs) staff, frequent changes of project directors, understaffed PIUs, and lack of coordination among supervision consultants and contractors delay the project implementation too.

FIDIC rules are the standard forms of contract for use between employers and contractors on international construction projects. Poor supervision by consultants and repeated replacement of experts are responsible for weak contract management in many cases.

Besides, the settlement of audit observations takes a long time, which results in non-compliance of financial management. Many audit observations are pending for a long time for most projects, the report observed.

Recommendations

The ADB recommends strengthening the reviewing capacity of the implementing agencies and experts to improve the quality of project design, cost estimate, and procurement packaging. Dedicated management teams at PMUs and PIUs, who are familiar with and experienced in working with the ADB in areas that include procurement, financial management, and FIDIC contracts, should be assigned. The consultant recruitment and procurement should be streamlined.

The ADB also suggests using its project readiness facility to improve design, procurement readiness and establishment of a management team. For land acquisition and resettlement, competent NGOs should be selected and the budget should be sufficient. The ministry concerned and the Planning Commission should take necessary measures to reduce the time for DPP and revised DPP or technical project proposal approval to expedite progress. To be able to meet the ADB's project readiness criteria, advanced contracting and retroactive financing may improve project readiness for approval and reduce the risk of implementation delays, it added.

The ADB has identified 16 road and railway projects the lender will finance in the next three years.

The projects include Laksam-Chattogram Dual Gauge Railway Project ($300 million); Dhaka-Sylhet Corridor Road Investment Project ($500 million); Dhaka Northwest Corridor Road Project-Phase 3 ($400 million); Line 5, Southern route of Dhaka Mass Rapid Transit Development Project ($300 million); Phase 1 of Dhaka-Cumilla Chord-line Project ($300 million); Phase 1 of Dhaka-South Corridor Road ($400 million); Dhaka-Chattogram PPP Highway Project ($400 million); and Phase 2 of Dhaka Northwest Corridor Road Project ($200 million).

Source : The Daily Star

PPP projects attracted $6.74b investments : ADB

Public Private Partnership (PPP) projects in Bangladesh have attracted investments of $6.74 billion, with a majority in the energy sector, according to ADB. The energy sector accounted for 76 per cent of the investments, while the port sector attracted more than 12 per cent of investments, it said.

It was disclosed in the PPP Monitor, a flagship publication of the lender aimed at monitoring PPPs. The PPP Monitor has been upgraded to provide a "one-stop" information source, derived from a consolidation of the previous PPP Monitor, leading PPP databases of multilateral development banks, such as the World Bank and the International Finance Corporation, and organisations like the Economist Intelligence Unit and the Global Infrastructure Hub, reports of a country's PPP unit, a country's legal framework and consultations with leading technical experts and legal firms as well as financial institutions.

The PPP Monitor is expected to become a knowledge base for assessing a country's PPP environment for the government and the business community. It said Bangladesh has developed its foundation for the PPP Authority in a structured manner. A policy and strategy for PPPs were introduced in 2010, which improved the regulation of PPP projects and established an office to promote PPPs. "However, the PPP Authority has no statutory authority."

A PPP Act was enacted in 2015 to facilitate the development of core sector public infrastructure and services. Following the PPP Act, the institutional set-up improved as the Office for PPP became the PPP Authority under the Prime Minister's Office, with responsibilities including appointing advisors, developing and approving PPP contracts, and supervising the progress of PPP projects.

A new PPP unit was established under the finance ministry, and it approves government funding to a PPP project. The review said the development of PPP projects in Bangladesh is reflected further by the Economist Intelligence Unit Infrascope Index. Among the 19 countries evaluated, Bangladesh scored an overall rank of 7th for PPPs, with strong showings in institutional structure and market maturity.

After the enactment of the PPP Act in 2015, the government has taken further measures to strengthen the regulatory framework and institutional set-up in the country, said the PPP Monitor. The country has also put in place clear guidelines and rules related to project screening, technical assistance financing, viability gap funding (VGF), and handling unsolicited proposals.

A total of 69 PPP projects across various sectors were implemented from 1990 to 2019. The energy sector has seen widespread interest in PPP in Bangladesh. Except for one project in the airport sector that was awarded and cancelled, the PPPs have largely been successful. According to the PPP Monitor, of the projects awarded in the information and communication technology sector, two were rated as distressed assets as of June 2020.

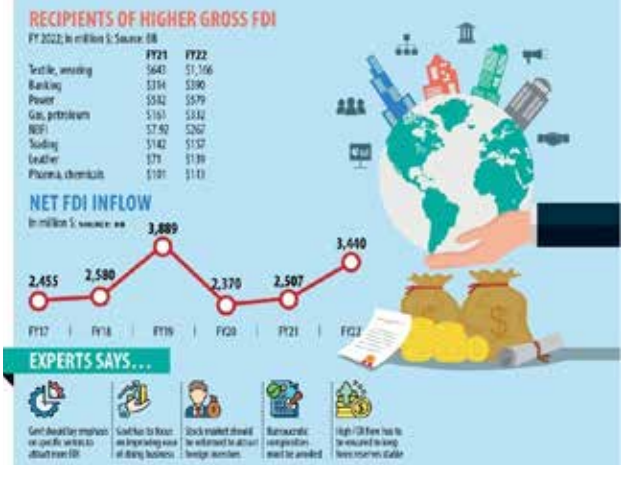
According to the official, 76 PPP projects involving $36.5 billion have been taken up since 2015. But only one project involving the setting up of dialysis centres in Dhaka and Chattogram implemented in association with Indian Sandor Medicaids has become operational. The PPP projects are at various stages of preparation and procurement, under implementation, feasibility study and under discussion with stakeholders.

Source : The Daily Star

FDI flow soars: 37pc despite economic jitters

Net foreign direct investment to Bangladesh rose 37 per cent year-on-year to $3.43 billion in the last fiscal year, a positive development for the economy amidst the ongoing foreign exchange volatility. The country is suffering from the deterioration of the foreign exchange reserves, caused by higher import bills and lower-than-expected export and remittance receipts.

Net FDI inflows are the value of inward direct investments made by non-resident investors, including reinvested earnings and intra-company loans. This excludes the amount that goes out of a country through the repatriation of capital and repayment of loans. Fresh investment, or equity capital, surged 65 per cent year-on-year to $1.35 billion in the financial year that ended on June 30, data from the Bangladesh Bank showed.



The injection of equity capital is considered the most important component of FDI inflow as it usually gives an indication that foreign investors have set up new plants or expanded their existing ones.

"The net inflow of FDI along with the rise in equity capital is certainly a positive indicator for the economy," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD). He thinks that investment might have been on the rise in the economic zones, pushing up the FDI flow as a whole.

At least 29 industrial units have begun their production in some of the country's economic zones, and another 61 units are scheduled to go into production. The investors have come from the countries such as Japan, China, India, Australia, the Netherlands, the US, the UK, Germany, Singapore, South Korea and Norway. The government plans to establish about 100 economic zones across the country.

"We should keep up the flow of FDI in the interest of the economy. If the upward trend continues this financial year, the foreign exchange reserves will receive a major boost," Rahman said. The reinvestment of

earnings, which shows the foreign investors' desire to expand their business using the proceeds from the existing operations, stood at $2.04 billion, up 29 per cent a year prior. Intra-company loans, however, dipped to $48 million in FY22 in contrast to $105 million in FY21. CPD's Rahman says that the red tape is still a major barrier to drawing the desired level of FDI.

"The policymakers should improve the ease of doing business as it plays a pivotal role in attracting foreign businesses." A central banker says it might be difficult for Bangladesh to maintain an upward trend of the FDI flow in the ongoing fiscal year owing to the ongoing volatility in the foreign exchange regime.

Foreign businesses usually look at the strength of a country's foreign exchange reserves before deciding on an investment. The textile sector was the biggest gross FDI recipient, netting $1.16 billion in the last fiscal year, an increase of 81 per cent year-on-year. The power sector received $579 million from $532 million earlier while non-bank financial institutions secured $7.92 million compared to $267 million a year ago.

Source : The Daily Star

PM opens 50 industrial units in economic zones

Prime Minister Sheikh Hasina on 20 November inaugurated 50 industrial units, projects and facilities in the Economic Zones (EZs) across the country. She opened the industrial establishments in the EZs virtually from her official Ganabhaban residence, marking the Golden Jubilee of the country's Independence and the Birth Centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

Four factories at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram and eight factories in different private EZs were launched among the 50 industrial facilities. These industrial units have already invested over US$967.73 million in the economic zones and will make further investments of nearly $331.27 million.

The premier laid the foundation stone of 29 industrial units in different EZs, which have so far invested $610 million and are in the process to invest $1,922.39 million more. Administration buildings of BSMSN, Jamalpur Economic Zone, Srihatta EZ, and Sabrang Tourism Park were inaugurated as well.

The prime minister also formally opened the 20-kilometre Sheikh Hasina Sarani, 230-KVA gridline and substation at the BSMSN and laid the foundation stone of a water treatment plant having 50 million litres per day (MLD) capacity.



The government will be setting up nine more economic zones in the country. The approval came at a recent governing board meeting of the Bangladesh Economic Zone Authority (Beza), chaired by Prime Minister Sheikh Hasina. With this, the number of approved economic zones currently stands at 102. Of the 93 previously approved economic zones, nine are currently in production.

The newly approved economic zones will be established at Nawabganj in Dhaka, Bhuapur in Tangail, Sandwip in Chattogram, Sapahar in Naogaon, Dinajpur Sadar, Companiganj in Noakhali, Chhatak in Sunamganj, Bera in Pabna and Hizla in Barisal.

The new economic zones will be set up on a total land area of 26,730 acres. The largest among these zones will be in Sandwip, on 13,000 acres of area covering Bathanbari, Chiringa, Kakrarchar, Boalia, Bagarchar and Char-Kaunia of the island upazila along the southeastern coast of Bangladesh.

BEZA aims to establish economic zones in all potential areas in Bangladesh, including backward and underdeveloped regions, with a

view to encouraging rapid economic development through the increase and diversification of industry, employment, production and export.

According to BEZA governing board meeting 192 local and foreign companies have made $26 billion worth of investment proposals for the previously approved economic zones. Once implemented, the investment proposals are expected to create employment opportunities for 10 lakh people. At the meeting, Beza also revealed that 26 companies have started production in 9 previously approved economic zones.

Another 27 factories are under construction, it said, adding that the institutions which have already gone into production have generated 35,000 jobs. An additional 1.5 lakh people are expected to get employment in the 27 under-construction factories.

Among the 192 institutions that have thus far made investment proposals in the country's economic zones, 131 are for the flagship economic zone of Sheikh Mujib Industrial City, according to Beza. Some 6,288 acres of land have been allotted in favour of these firms, among which there are companies from India, China, Japan, the United Kingdom, Singapore and South Korea.

The volume of investment proposed by investors who have been allotted land in Sheikh Mujib Shilpa Nagar is about $19 billion. The implementation of these investment proposals will create employment opportunities for eight lakh people. Beza informed the prime minister that about 15 lakh people will be employed in the industrial park in the next 20 years.

Investors can avail of tax holidays, and duty-free imports of raw materials and machinery at the economic zones. The economic zones have attracted foreign direct investments from different countries, including Japan, China, India, Australia, the Netherlands, Germany, America, the United Kingdom, Singapore, South Korea and Norway.

49.31% increase in short-term foreign debt pose economic risks : BB report

A continued increase in short-term external debt (STED) may entail a higher risk to the domestic economy, because such loans put significant pressure on the foreign exchange reserves, according to a latest Bangladesh Bank report.

The Financial Stability Report, 2021 – published on 17 October – mentions that STED had occupied 39.33 per cent of the reserves that year. An analysis of the central bank data shows that at the end of June 2022, short-term external debt took up 49.31 per cent of the reserves.

On October 12, the country's reserve position fell to $36.33 billion. Even if the STED had not increased after June this year, repaying the debt will take up 57 per cent of the reserves. A number of experts have voiced concerns over the country's economic situation.

Zahid Hussain, former lead economist of the World Bank Dhaka Office, said, "External short term loans must be repaid within a year. If such loans hit 100 per cent of a country's reserves, it is a red flag.

"Most of the STED are buyer's credit and deferred LCs. We can see that some banks have been unable to settle deferred LCs. Under such circumstances, if the amount of incoming STED goes down, and Bangladesh has to repay the entire amount, the USD crisis will spiral out of control."



The report highlighted that at the end of 2021, the outstanding amount of external debt increased 80.5 per cent to $90.8 billion, compared to 2017. Of the 2021 figure, $72.7 billion was long-term and $18.1 billion was short term last year. Total external debt amount was $50.3 billion in 2017, and of this figure, long-term debt was $39.6 billion and short-term was $10.8 billion. At the end of June'22, external debt position rose to $95.85 billion, and of this figure, $20.64 billion was short-term and $75.21 billion was long term debt. As of June 29 this year, the reserve position was $41.86 billion. The central bank report however mentions that external debt has been playing an important role in the economic growth of Bangladesh by largely meeting growing investment demand of the country.

However, rising external debt may crystallize some risk to losing capital in future when bulk of debt servicing will be required on accumulated debt. The external sector has tilted to moderate risk with growing current account deficit and considerable rise in private sector short-term external debt.

Private sector foreign debt increased to $25.95 billion in June'22, from $23.08 billion in December'21, according to the Bangladesh Bank. Moreover, 68.4 per cent of private

sector external debt was short term loan until June 2022, which was 67 per cent in December 2021.

The Financial Stability Report, 2021 also shed light on the banking industry health of last year, using two key indicators – non-performing loans (NPL) and capital position. According to the report, asset quality of the banking sector slightly deteriorated as gross NPL ratio showed a marginal increase in 2021. The gross NPL ratio of the banking sector reached 7.9 per cent in 2021 from 7.7 per cent in 2020. The banks and financial institutions (FIs) would remain moderately resilient to different shock scenarios. The stress test results indicate that loan concentration to top large borrowers and considerable level of NPL in some banks could raise concerns about overall financial stability.

Proper corporate practice in following the guideline on large loan/ single borrower exposure would be helpful to reduce the risks on banks' exposure to large corporate or to specific groups, sectors or regions, recommends the central bank.

Capital to risk-weighted assets ratio (CRAR) of the banking industry decreased to 11.08 per cent in 2021 from 11.64 per cent in 2020. The ratio however remained above the regulatory minimum capital requirement of 10 per cent.

UN-ADB to support fight against climate change

The United Nations and Asian Development Bank (ADB) will provide all necessary assistance to Bangladesh to combat climate change, including the implementation of Bangladesh's National Adaptation Plan (NAP).



United Nations Resident Coordinator in Bangladesh Gwyn Lewis and Asian Development Bank (ADB) Country Representative Edimon Ginting said this in two separate meetings with Environment, Forest and Climate Change Minister Md Shahab Uddin at the secretariat on 1 November. The minister said, Bangladesh needs 230 billion US dollars until 2030 to implement the National Adaptation Plan.

The minister said that a specific financing mechanism must be determined for the most vulnerable countries. In this regard, the 8.8 to 9.9 trillion US dollars required for developing countries by 2030 should be taken into consideration. He also said that the global community must work together to reduce greenhouse gas emissions by 45 percent by 2030 to save the planet.

Gwyn Lewis expressed his special interest in helping climate refugees as a result of climate change. Bangladesh is a role model in the world in dealing with climate change, said Edimon Ginting, country representative of ADB.

Various programs undertaken by Bangladesh are followed by other countries of the world. ADB is assisting Bangladesh in various projects and it will financially help the projects' proposal to address climate risk if the government sends, he added.

$50m climate loan for Pubali Bank : British International Investment

British International Investment, a UK-based development finance institution, has announced a $50 million loan for Pubali Bank Limited, according to a press release. It said that the loan facility would help increase climate-related lending and boost climate mitigation projects across Bangladesh. This green loan from the BII will primarily be used for projects in the renewable energy, green buildings, textile and manufacturing sectors. The BII will also provide a technical assistance package which will further strengthen Pubali's sustainable finance franchise, the release said. British high commissioner to Bangladesh, Robert Chatterton Dickson, said, 'I am delighted that British International Investment is backing Bangladesh's Pubali Bank in developing its green financing capacity and expanding its climate portfolio. This new UK capital, focused on climate action, will direct much-needed climate finance toward Bangladeshi corporates which contribute to reducing greenhouse gas emissions.'

Mohammad Ali, managing director and chief executive officer (CC) of Pubali Bank Limited, said, 'Our partnership with the BII will enable us to grow our climate finance offering and support a wider range of clients who are preserving the environment and strengthening the economy.'

M Rehan Rashid, country director, Bangladesh at the BII, said, 'We are thrilled to deploy our directed lending facility to help increase funding for climate mitigation projects and businesses that help reduce GHG emissions in Bangladesh.'

Bangladesh-Japan trade to cross $20b by 2030 : Outgoing Japanese Envoy

Bilateral trade between Bangladesh and Japan will reach $20 billion by 2030 from more than $3 billion at present as apparel shipments to the far eastern country are rising fast, said Ito Naoki, Japan's ambassador to Bangladesh. The envoy also said that garment exports from Bangladesh to Japan totaled $1.10 billion in the last fiscal year and it is expected that shipments will rise 10-fold to reach $10 billion by 2030.

At the same time, Bangladesh's imports from Japan will increase five-fold to reach $10 billion and as such, the bilateral trade volume will cross $20 billion, indicating growth in recent years. For instance, the number of Japanese companies in Bangladesh tripled over the last 10 years to hit 338 in 2022, and most of them are desperate to expand their business in the country.

Naoki was speaking at the 17th annual general meeting of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) at Lakeshore Hotel in Dhaka on 10 October. Most companies conducting bilateral trade between Bangladesh and Japan want the two nations to sign a free trade agreement (FTA) to retain duty privileges even after the former graduates from a least developed country in 2026.

However, Bangladesh needs to improve the business climate for signing an FTA, preferential trade agreement, or economic partnership agreement with Japan, he said. He also said that the bilateral relations between his country and Bangladesh are ever-growing.

For instance, the Japanese Special Economic Zone at Araihazar upazila in Nayaranganj will be the best in Asia in terms of facilities, infrastructure, labour and industrial relations, and business environment. Moreover, Naoki sought the government's cooperation in establishing the proposed management and technology centre for training skilled manpower at Purbachal town in Dhaka to fill up the gap of trained human resources.

Regarding the migration of skilled manpower from Bangladesh to Japan, Naoki said Bangladeshis would have the opportunity to go to Japan and work in the caregiving sector by April next year.

And shipments of this genre of apparel to the European Union-the largest Bangladesh readymade-garment market as a bloc- fetched $1.0 billion from January to August, marking a 40.20-percent growth, according to BGMEA data. The aforesaid ten months' denim-export earnings from the US also surpassed that of 2021, which was $798.41 million.

Exporters list a number of boosters and blessings in disguise for the denim-export buoyancy these days of a global dearth. These are a surge in demand driven by the trade spat between the US and China, Covid-induced supply disruption in China, enhanced capacity of local industry for setting up modern technology to produce quality and value-added items, and rise in unit prices due to high prices of raw materials.

Bangladesh has been the top supplier of denim goods to its single-largest destination - the US - since 2020. The exporters hope the country's position in North America would remain unchanged in 2022 - for a third consecutive year now. In 2019, Mexico was the top supplier of denim wears with its shipments having fetched $802 million. The figure stood at $654.87 million during the first ten months of 2022.



OTEXA data show that the total US imports of denim apparel from across the world increased by 22.66 per cent to $3.62 billion in the first 10 months of 2022, which was $2.95 billion during the corresponding period of 2021. Once the biggest denim exporter, China secured the fifth position on the US market with $312.92 million, marking a 3.78-percent negative growth. Pakistan and Vietnam secured third and fourth position with export of $419.12 million and $383.32 million respectively.

The country's denim export to the US has been on the increase for the last couple of years - due mainly to the 'China-plus one' sourcing strategy of

the western buyers, as geopolitical reasons prompted them to diversify their sourcing destinations. Besides, factories in China remained closed under the 'Zero Covid' policy. Meanwhile, Turkey shipped denim goods worth $799.37 million to the EU during the period, followed by Pakistan $590.45 million. Bangladesh has been sustaining its top position on the EU market since 2017, according to the data.

IT exports cross half a billion-dollar mark

Information technology exports from Bangladesh crossed a half a billion US dollars for the first time. Local IT companies export earnings shoot up 95 per cent year-on-year to $592.06 million in 2021-2022. , according to the Export Promotion Bureau (EPB).



"The export growth was backed by the business process outsourcing (BPO) sector," said Wahid Sharif, president of the Bangladesh Association of Contact Center and Outsourcing (BACCO). BPO includes customer service, back-office operations, image processing, graphic design, animation, data entry, accounting and legal process outsourcing, and data analytics.

Export of computer data processing and hosting service, which covers most BPO and IT-enabled services, swelled 106 per cent to $484.4 million. Growth has been phenomenal since the middle of last year as businesses around the world rebounded thanks to the improvement in the Covid-19 situation, according to industry people. According to the EPB, IT software exporters in Bangladesh, grew 40 to 50 per cent in the last fiscal year.

"Orders are flowing in," said Raisul Kabir, chief executive officer of Brain Station 23, which hired more than 200 people in the last one year to take its total employees to 670. Apart from traditional software such as payment gateway software, web application and mobile application, the demand for data science-related work is growing tremendously, the entrepreneur said.

"Products and services that drive the 4th industrial revolution-centric agenda, including machine learning, are also in great demand." Export receipts for the installation, maintenance and repair of computers and peripheral equipment increased by around 65 per cent to $9.93 million in 2021-2022.

"Due to higher inflation globally, many IT companies, especially from Europe, are going to cut costs and buy services from the countries in Asia." In September, consumer prices rose 8.2 per cent in the US and 10 per cent in the eurozone. Despite the phenomenal growth, Bangladesh's IT export has remained at a far lower level than those of its peers. For example, India's exports of software services were $156 billion in the last fiscal year, according to The Economic Times.

Even Pakistan's earnings from IT exports, including those related to telecommunication, computer and information services, surged 29.26 per cent to $1.94 billion in the July to March period of FY22, reports the Dawn.

Syed Almas Kabir, a former president of the Bangladesh Association of Software and Information Services, however, said the actual export earnings from the IT sector were much higher than the official figures. The estimated annual IT export now stands at $1.3 billion, he said. "This is because many firms and freelancers don't bring in their full amount."

In Bangladesh, there are about six lakh freelancers and more than 2.5 lakh people are employed in IT firms and the IT sections of businesses, financial organisations and government organisations. Raisul said the growth will be slower this fiscal year compared to FY22.

Source : The Daily Star

Apparel item gets 83% lower price compare to other cpuntries: ITC report

The International Trade Centre (ITC), in a study report, has recently found that global buyers were consistently paying lower than the global average price to apparel suppliers in Bangladesh but higher to some of the country's competitors even if in many cases, local garment manufacturers received 32 per cent to 83 per cent lower rates than the highest prices paid to the suppliers in other countries.

This is as per media reports, which cited the study report titled, The Garment Costing Guide for small firms in value chains, published in August by the ITC while adding as per the ITC, there is a growing argument that customers — retailers and brands — should pay their suppliers a fair free-on-board (FOB) price since they are often paying the prices that are below the factory costs.

Bangladesh's RMG export to US rises 51pc

The USA has imported RMG items worth $7.55 billions from Bangladesh during the January-September period of the current year which is around 51 per cent higher compared to the same period of last year.

According to the latest statistics from the Office of Textiles and Apparel of the United States, the import of RMG items by the USA from different countries of the world also increased by 34.61 per cent during this nine-month period.

Bangladesh has been able to maintain its position as the 3rd largest RMG sourcing country for the USA with a share of 8.54 per cent, according to BSS. Director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Mohiuddin Rubel said that the interest of USA buyers in procuring RMG items from Bangladesh has increased in recent times due to the various initiatives of the government and the entrepreneur during the Covid-19 period alongside the improved compliance situation in Bangladesh.

Besides, the USA has also reduced its import of apparel from China which has also come as a blessing for Bangladesh. According to official data, China is currently the largest source of apparel items for the USA with a share of 22.48 per cent followed by Vietnam in the 2nd position having a market share of 18.51 per cent. The USA also imports RMG items from Indonesia, India, Cambodia, Pakistan and South Korea.

Growth in Apparel Exports to the EU: Bangladesh surpasses China

The growth of apparel shipments from Bangladesh to the European Union (EU) not only surpassed that of China, but also all other major suppliers in the world between January and August 2022, according to the latest data from Eurostat.

Eurostat, a directorate general of the European Commission based in Luxembourg, mainly provides statistical information to various institutions of the EU. Bangladesh's apparel exports to the EU rose 45.26 per cent year-on-year to about $15.37 billion during the January-August period, when the trade bloc imported some $67.18 billion worth of clothing items from all over the globe. As such, Bangladesh remains the second largest apparel import source for the EU with a roughly 23 per cent share.



China, the EU's top apparel import source having 28 per cent share, shipped $18.85 billion worth of clothing items to the trade bloc during the same period, registering growth of 26.59 per cent year-on-year. Turkey, the EU's third largest sourcing destination for apparels, posted around 20 per cent growth compared to the same period the previous year. Similarly, shipments from India rose 28.85 per cent year-on-year to reach $3.56 billion.

Other sourcing countries that registered high growth in apparel exports to the EU include Cambodia

with 42.21 per cent, Pakistan with 31.34 per cent and Indonesia with 35.41 per cent. The EU played a massive role in Bangladesh becoming the second largest garment exporter in the world over the past four-and-a-half decades. Just after gaining independence in 1971, Bangladesh started enjoying trade benefits under the EU's Everything but Arms initiative, which eventually elevated the country to its current position. So, local suppliers are still upbeat about their potential exports once the country loses much of these benefits following its graduation from the UN's grouping of least developed countries (LDC) in 2026.

Sweaters: the next big item in export basket

Rising temperatures, shifting of orders from China, and changes in fashion have all made Bangladesh a major manufacturer of sweaters in recent years. In the past, western consumers used to don sweaters only during the winter season but now they wear lightweight sweaters all year round as a fashion item.

Besides, 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. Officegoers also use them as casual dresses. For instance, consumers in the European Union and the United States are preferring light sweaters to thick sweaters.

In another development, Chinese manufacturers are no longer interested in manufacturing sweaters because of the complexities in the production process, higher cost of production, and shortage of skilled workers. The demand for sweaters is rising worldwide because of the changes in fashion trends as well. In fact, sweaters have turned into an all-weather fashion item.



Today, Bangladesh is a major supplier of lightweight sweaters and international retailers and brands are coming up with higher orders for the items. The earnings from the shipment of sweaters are growing from Bangladesh.

Sweater exports climbed 39.25% year-on-year to $5.64 billion in the last financial year. It was $4.05 billion in 2020-21. The segment's earnings represented 13.23% of the total garment export value of $42.61 billion in 2021-22. In order to raise their share in the global sweater market worth more than $100 billion, local entrepreneurs have invested to expand their capacity.

A good number of factories are also making outerwear and jackets. And it is expected that the country may emerge as a major outerwear and jacket manufacturing hub in the future as well.

US thread manufacturer to double production capacity in BD

The American & Efird (Bangladesh) Ltd, one of the world's leading industrial sewing thread manufacturers, is making fresh investment in Bangladesh, aiming to double their production capacity despite the current slowdown in global demand.

The sustained export growth of the country's readymade garment (RMG), especially in the USA market, blended with quality and sophistication have lured the American & Efird (A&E), based in the USA, to set up its new facility with state-of-the-art technology at the Korean Export Processing Zone (KEPZ) in Chattogram.

The A&E has been producing industrial sewing thread in Bangladesh since 2004 when it established its first factory in Gazipur. Chris Alt, President of the A&E, a subsidiary of Elevate Textiles and also the second-largest industrial thread supplier, shared his company's expansion plan in an interview with The Financial Express during his visit to 'Bangladesh Denim Show' that ended on 28 October.

Terming Bangladesh an important market, Mr Chris said Bangladesh has sustained its position as the second-largest apparel exporter to the world. "We believe that they would continue to grow even though the market is down right now," he added, reiterating Bangladesh's potentials.

RMG exports fetched about $43 billion, out of a total of US$ 52.8 billion export earnings, he noted. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has set a target of US$100 billion

export earnings by 2030. Referring to his talks with global brands, particularly US brands and retailers, Mr Chris said, "It continues to be a destination for garments and the quality and sophistication continues to rise."

Bangladesh's RMG exports to the US market during January to September period of 2022 stood at US$7.55 billion, registering nearly a 51 per cent growth year-on-year. The country exported apparel worth US$5.0 billion during the corresponding period of last year, according to the US official data.

Despite the Covid-19 pandemic, Bangladesh earned $7.14 billion from RMG exports to the US in 2021, retaining the market's position as its single-largest export destination without any duty preference. "We are going to double our capacity," the A&E President said, adding that their growth over the years in Bangladesh shows the company's strength to go for expansion despite sluggish demand worldwide.

At present, A&E's Gazipur thread producing facility has a dyeing capacity of 22 tonnes of thread and a production capacity of 145,000 cones of thread a day. The A&E will continue to value their stringent environment, health and safety standards for their new establishment at Chattogram, Mr Chris said.

The A&E will start its new production facility in May 2023, he said. The Gazipur facility has created 600 employment opportunities while the new one at Chattogram is expected to generate 400 more jobs.

Source : The Financial Express

Apparel imports by US increased to $7.55b in Jan-Sep

The US has imported more than $7.55 billion worth of apparel from Bangladesh in the first nine months of this year (January-September). Imports increased by 50.97 percent. Office of Textiles and Apparels (OTEXA) under the US Department of Commerce has published the statistics recently. At the same time last year, the US imported apparel worth of $5.00 billion. On a month-on-month basis, apparel exports to the US rose 34.63 percent in September'22 compared to September'21. Bangladesh earned $912.90 million from apparel exports last September, up from $678.08 million in September'21, according to OTEXA data.

As a single market, the US is the largest destination for garments made in Bangladesh. According to the RMG sector officials, garment retail sales increased more than usual in the USA, mainly due to the recovery from the pandemic and increased consumer shopping.

Earlier, Bangladesh's apparel export to the USA achieved a landmark achievement in March 2022 – for the first time ever country's apparel export crossed $1 billion in the USA.

However, it remains to be seen how long this upward trend in growth will last in the fourth quarter of this year due to inflation and economic slowdown. Demand for winter clothing is also relatively low due to unusually long summers.

According to BGMEA Bangladesh's total garment exports maintained a significant growth rate till September. As a result, US imports from Bangladesh maintained a positive trend till September. But with the negative impact on retail sales due to economic volatility, buyers are now cautious.



BGMEA Vice President Shahidullah Azim said that the US is the single largest market for Bangladeshi-made garments. Export growth in the country is still continuing. But our monthly garment export figure is not very good.

He said, exports fell in August after July and fell further in September. However, growth in October was lower than expected. There is a fear that exports will decrease further in the coming days. We have already announced this forecast.

The growth we had in the past few days was due to previous purchase orders. But now the purchase order has decreased by 20-30 percent, he added.

Singer BD to invest $78m in Narayanganj Economic Zone

Singer Bangladesh Limited will invest US$78 million in Bangladesh Special Economic Zone (EZ) in Araihazar, Narayanganj, as it formally launched construction of its product-manufacturing plant on 10 October.

SINGER Bangladesh Limited

Singer Bangladesh, whose major share is owned by Turkish conglomerate Arcelik, is likely to start production at this plant by the end of next year - 2023, said Bedoura Farhana, head of marketing communication of Singer Bangladesh.

Singer, which currently assembles different home appliances for Bangladesh, will produce 90 per cent of its required products for Bangladesh at the proposed unit at the economic zone in Araihazar. The Turkish conglomerate Arcelik, a subsidiary of Koc Holding in Turkey, is a leading global player in the home appliance industry, with 21 manufacturing facilities in eight countries across the world.

The special economic zone at Narayanganj's Araihazar is now being developed under a Tk 25.82 billion cost development project of the Bangladesh government, in order to attract local and foreign investments. The economic zone was previously known as the Japan Special Economic Zone.

Turkish Ambassador to Bangladesh Mustafa Osman Turan, President of Durable Goods Companies of Koc Holding Dr Fatih Kemal Ebiclioglu, Chief Commercial Officer of Arcelik Cemal Can Dinçer, Managing Director and CEO of Singer M H M Fairoz, Executive Member of Bangladesh Economic Zone Authority (BEZA) Abdul Azim Chowdhury and Director for the Economic Zone Development Project Saleh Ahmed attended the inauguration ceremony.

Singer Bangladesh Limited said they would build their plant on 135,000 square metres of land at the special economic zone. The company claimed that the plant would create some 4,000 jobs. Singer will produce different home appliances, including television, refrigerator, washing machine and air conditioner, in the proposed plant.

Sino-Bangla Joint Venture Company to invest US$ 15.63m in Ishwardi EPZ

Jinqiu Global Textile Bangladesh Ltd., a China-Bangladesh joint venture company is going to establish a garments accessories manufacturing industry in Ishwardi Export Processing Zone (IEPZ) with an investment of US$ 15.63 million, according to a press release on 6 October.

An agreement to this effect signed between Bangladesh Export Processing Zones Authority (BEPZA) and M/s Jinqiu Global Textile Bangladesh Ltd. at BEPZA Complex, Dhaka.

Executive chairman of BEPZA Major General Abul Kalam Mohammad Ziaur Rahman, BEPZA & Jinqiu Global Textile signed the agreement. Member (investment promotion) of BEPZA Ali Reza Mazid and MD of Jinqiu Global Textile Josim Uddin Ahmed inked the agreement on behalf of their respective organizations.

This joint venture company will manufacture annually 250 million meters & 2 million cones of different types of garments accessories products. This company will create employment opportunity for 981 Bangladeshi nationals.

Member (engineering) Mohammad Faruque Alam, executive director (public relations) Nazma Binte Alamgir, executive director (investment promotion) Md. Tanvir Hossain, executive director (enterprise services) Md. Khorshid Alam and director of Jinqiu Global Textile He Ping were also present during the signing ceremony.



Lugang Technology to invest $23m in Ishwardi EPZ

Lugang Technology (Bangladesh) Limited, a Hong Kong (China) owned company, is going to establish a textile industry at Ishwardi Export Processing Zone (IEPZ).



Ali Reza Mazid, member (Investment Promotion) of Bepza and Ding Feng, vice general manager of Lugang Technology (Bangladesh) signed an agreement to this effect on behalf of their respective organisations on 16 November at Bepza Complex, Dhaka. Bepza Executive Chairman Maj Gen Abul Kalam Mohammad Ziaur Rahman, witnessed the agreement signing ceremony.

This fully foreign-owned company will invest US$22.99 million and 3182 Bangladeshi nationals will get jobs. The company will produce annually 5,100 tonnes of raw and dyed yarn.

Chinese firm Kaixi to invest $61m in Bepza economic zone

Chinese company Kaixi Lingerie Bangladesh Co Ltd is going to invest $60.85 million to set up a composite garments industry in Bepza Economic Zone.

Under the agreement, Kaixi will set up its company at Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram and annually produce 30 million pieces of lingerie items and textiles (fabric), accessories, hangers and foam. This investment will create employment opportunities for 11,000 Bangladeshi nationals, according to a press release of Bepza.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, congratulated Kaixi Lingerie for choosing Bepza economic zone for their investment destination.

He assured the new investor of providing all sorts of support for setting up the industry and starting operations. He also urged the investor to ensure optimum use of land during the construction of the factory. Rahman requested the company to use its factory rooftop for producing renewable energy.

KAIXI
凯熙服饰

IDCOL extends Tk 2.7b loan to Crown Cement

The Infrastructure Development Company Limited (IDCOL) has extended Tk 2.70 billion long-term loan to Crown Cement PLC, according to a statement by IDCOL. In this regard, a loan agreement has been signed between IDCOL and Crown Cement at the city recently.

Under this facility, IDCOL is providing a concessional loan to establish the 6th manufacturing unit of Crown Cement. This new unit will integrate Vertical Roller Mill (VRM) technology which happens to be the most energy-efficient technology in the cement manufacturing industry.

The VRM is expected to save 163 GWh energy compared to traditional ball mills over the loan tenure. IDCOL has so far extended financing worth Tk 13.70 billion to various industrial sectors for promoting different energy efficient initiatives.

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. It plays a significant role in catalysing private sector investment across these segments.

IDCOL
TOGETHER FOR TOMORROW

The signing ceremony was attended by Mohammed Jahangir Alam, Chairman, Crown Cement; Molla Mohammad Majnu, Managing Director, Crown Cement; Monira Sultana, Chairman, SREDA; Zaki Md. Ziaul Islam, Senior Program Manager, JICA Bangladesh Office, Alamgir Morshed, Executive Director and CEO, IDCOL, and Nazmul Haque, Chief Investment Officer, IDCOL.

Pacific Attires Ltd to invest $31.75m in Chattogrm EPZ

Pacific Attires Ltd – a concern of Pacific Jeans Group – to set up a value-added readymade garment (RMG) factory in Chattogram Export Processing Zone (CEPZ) with an investment of $31.75 million.

Recently, Pacific Attires Ltd and Bangladesh Export Processing Zones Authority (BEPZA) signed an agreement at Bepza Complex in Dhaka. Where, Syed Mohammed Tanvir, Managing Director of Pacific Attires Limited and Ali Reza Mazid, member for investment promotion, BEPZA signed the agreement for their respective organizations.

Pacific Attires Ltd will manufacture 18.72 million pieces of formal suits for men and women, jackets, coats, dress pants, casual wear, boys/girls casual wear annually. The new facility will generate 4,994 job opportunities for Bangladeshi nationals. Pacific Jeans Group has eight operational factories in Chattogram EPZ with 31,000 people employed.

At the event, Major General Abul Kalam Mohammad Ziaur Rahman, Executive Chairman, BEPZA; Mohammad Faruque Alam, Member for Engineering, BEPZA; Md Zakir Hossain Chowdhury, Executive Director for Administration; Nazma Binte Alamgir, Executive Director for Public Relations; Md Tanvir Hossain, Executive Director for Investment Promotion, and Md Khorshid Alam, Executive Director for Enterprise Services, were also present.

Japan to provide $3.41m for human resource development

Japan has pledges to provide $3.41 million grant to Bangladesh for the country's human resource development. In this regard, the exchange of notes and grant agreements were signed between the two countries on 26 October, according to a press release.

Economic Relations Division (ERD) Secretary Sharifa Khan and Japanese Ambassador to Bangladesh Ito Naoki signed the notes on behalf of their respective governments while the grant agreement was signed by Sharifa Khan and Ichiguchi Tomohide, chief representative of JICA Bangladesh Office.

The fund will be used for the 'Human Resource Development Scholarship' project being implemented by the ERD by 2025. Under the project, the grant provided by the Japanese government is being used for scholarships for the BCS cadre officers, Bangladesh judicial service officers and first class officers of Bangladesh Bank for their Masters and PhD courses at various universities in Japan. These scholarships will contribute to develop knowledge and skills acquired through higher education from Japanese universities. So far, 383 officials have achieved Master's degrees and two officials have achieved PhD degrees from different Japanese universities. At present, 89 officials are pursuing Master's degrees and 12 officials are pursuing PhD degrees in Japan. Japan so far spent approximately $40.45 million as grant for implementing this project for the period of 2001-2022.



Two more RMG factories recognised as 'green factory'

Two more RMG factories in the country have been recognised as 'green factory' totalling number of green factories to 178 in Bangladesh. Of the two newly recognised factories, one got platinum rating while the other got gold rating. In the current year, a total of 13 RMG factories got the recognition of green factories under platinum rating category, according to BSS.

The two new factories which got 'green factory' certificates are Bornali Collections Ltd at Hazaribagh in Narayanganj (gold rating) and Bangladesh Export Import Company Limited at Beximco Industrial Park in Gazipur (platinum rating).

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Director Mohiuddin Rubel told the news agency on 19 November. He said the latest recognition of two factories as 'green factory' would strengthen further the branding of

the RMG industry of Bangladesh and thus boost the buyers' confidence.

Besides, Rubel said this is good news for the RMG industry during this difficult time of global situation and also during the energy crisis. "Recognition of 13 factories as the platinum factory is a big achievement for us. When the orders of Bangladeshi RMG items are falling down in the global market during this economic crisis, then such kind of recognition would definitely boost our mental confidence," he added.

The BGMEA director mentioned that all concerned stakeholders are doing whatever is necessary to build safe and environment-friendly sustainable factories for which the confidence of buyers are now getting stronger towards Bangladesh side by side they are also supporting the RMG owners.



Bangladesh is now in the top position in terms of having green factories. There are now 58 factories with platinum rating, 106 factories with gold rating, and 10 factories with silver rating. However, four factories did not get any rating, but received certificates. BGMEA officials said that a good numbers of factories are also in the process of receiving leadership in Energy and Environmental Design (LEED) or green factory certificates.

Exports to Russia almost back to normal

After the Russia-Ukraine war started in February, it had been thought that Bangladesh's exports to Russia would stop. The transcontinental country, Russia was hit with a lot of sanctions and embargoes that made it hard for it to import goods. But now that alternative shipping routes and payment systems have been set up, shipments to Russia are almost back to full speed.

In recent years, Bangladesh has become a good export market for Russia, but the war temporarily stopped shipments, especially clothing. However, Bangladesh exported $33.52 million worth of goods to Russia during the first two months of this fiscal year, followed by $638.30 million in fiscal 2021-22. Despite a slowed growth rate, trade is back on track.

In the pre-war period, local exporters would send goods from Chattogram port to Finland. The goods would then be shipped to Saint Petersburg, Russia, where importers would receive them. But, because of the war, routes have changed and many new routes have opened up like Turkey, South Korea, Germany, China, Hong Kong, Singapore, and Poland.



Moreover, some exporters even send goods directly to Russia without any problems. This way, exporters also not having any trouble because the payment is coming from the third country in USD or RMB. The secretary of the Bangladesh Inland Container Depots Association, Md. Ruhul Amin Sikder, said that during the first few days of the war, a lot of shipments were stuck at Chattogram port because shipping lines didn't want to take goods to Russia. But there aren't any complaints like that right now because shipping lines have started taking different routes to get goods to Russia.

$18.5m programme by USAID for Bangladesh children with disabilities

The US Agency for International Development (USAID) has launched a five-year project to improve learning outcomes for children with disabilities in Bangladesh's government primary schools.

USAID will spend $18.5 million on everyone learns together project to develop materials and methods that can be scaled and adapted nationwide and will carefully test these new approaches in some of the hard-to-reach districts of the country. On 20 |November, primary and mass education Secretary Farid Ahmed inaugurated the project from 1 May 2022 to 30 April 2027 at a hotel in the capital. "We will have to ensure that

primary education is accessible for everyone, and we believe that such a major initiative will undoubtedly play a part in providing equitable and inclusive education," he added.

The secretary said the ministry also works for special children and others. In this project, USAID works together with the Ministry of Primary and Mass Education, the Directorate of Primary Education and other government and private institutions concerned.

USAID Mission Director Kathryn D Stevens said, "When it comes to education, we must ensure that no one lags behind, thus we feel that 'Shobai Miley Shikhi' will play an important role in that, and that this attempt will go well beyond simply linking children and parents. "We are enthused to launch this new project with our partners from the Government of Bangladesh as we strive to achieve our shared vision of helping children of all skill levels and abilities complete their studies," she added.

The project is being implemented jointly by the Research Triangle Institute International and its partners: Inclusive Development Partners, Save the Children, Center for Disability in Development and National Grassroots Disability Organization, according to the USAID.

The project will collaborate closely with the Government of Bangladesh to strengthen existing education reforms to enhance inclusive school environments and instruction: increase parents', caregivers, and communities' ability to support inclusive education; and expand the government's capacity to plan, deliver, and manage high-quality inclusive education.

With the goal of creating a more inclusive education system, the USAID Shobai Miley Shikhi project will train teachers to improve their skills in reaching students of all abilities in the classroom and provide specialised learning materials. The new project will engage parents, communities, and advocacy organisations for persons with disabilities to alleviate some of the unique challenges affecting students with special needs.

In the project to be implemented by Research Triangle Institute International, USAID will work closely with the Ministry of Primary and Mass Education in targeted upazilas to begin rolling out the new inclusive education project.

Brunei-Bangladesh signed 4 bilateral instruments

Bangladesh and Brunei on 16 October signed four instruments, including an air services agreement, to elevate the bilateral relations to a newer height. The bilateral instruments were signed in presence of visiting Brunei Sultan Haji Hassanal Bolkiah and Bangladesh Prime Minister Sheikh Hasina at the Prime Minister's Office following the official talks between the two leaders.

The three other bilateral instruments are: 'MoU on the Employment and Recruitment of Bangladeshi Workers,' 'MoU on the Field of Cooperation in the Supply of Liquefied Natural Gas (LNG) and other Petroleum Products;' and 'MoU on the Recognition of Certificate Issued under the Provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 as amended.'



Berger Paints to invest Tk 480cr in a new factory

Berger Paints Bangladesh Ltd has decided to invest Tk 480 crore to establish a factory in the Bangabandhu Sheikh Mujib Shilpa Nagar.

The project, located in the Mirsarai Economic Zone of the industrial enclave, is expected to complete in April 2025, said the local subsidiary of the multinational company in a filing on the Dhaka Stock Exchange. The investment excludes the price of the land that has already been purchased. The financing will come from its own source as well as loans from banks, said Berger Paints. It has factories in Chittagong and Savar.

Eskayef : first company from Bangladesh to export injectable products to US

Eskayef Pharmaceuticals Limited, one of the leading pharmaceutical companies of Bangladesh, started exporting complex injectable products to the most coveted market in the world, USA. It is the first time an injectable product from Bangladesh is being shipped to USA, according to a press release issued by Eskayef.



Earlier in September 2022, Eskayef was accredited with the prestigious US FDA approval for its injectable manufacturing facility. It is the 1st and only injectable manufacturing site in Bangladesh to achieve such a stringent accreditation. Prior to that, Eskayef received US FDA approval for its solid manufacturing facility, Faraaz Ayaaz Hossain Building (FAHB).

Other major global accreditations of Eskayef include UK MHRA, EU GMP, Brazil ANVISA, Australia TGA and South Africa SAHPRA. Eskayef's commitment to quality has driven to venture through a relentless journey of conquering all the major stringent approvals of the world.

Simeen Rahman, Group CEO of Transcom Limited and Managing Director and CEO of Eskayef Pharmaceuticals said, "Eskayef has reached a momentous milestone today. Being a Bangladeshi pharmaceutical company, we are now able to showcase our strength and capability in the US market with injectable products.

In this journey, we aim to focus on complex injectable products and technology driven molecules in our pipeline to address unmet patient needs. Eskayef's mission to serve mankind has always been driven by an unwavering dedication towards excellence. Our strategies are aligned with our ambitions in the journey forward to global markets."

The success of exporting lifesaving medicines by Eskayef stretches back to the era of Covid-19 pandemic, when the company launched three consecutive first timer anti-Covid generic medicines in the world, Remdesivir (Remivir), Molnupiravir (Monuvir) and Nirmatrelvir co-packaged with Ritonavir (Paxovir). Eskayef exported these anti-Covid medicines to 49 countries across the world.

Eskayef is growing more global and expanding its global footprint continuously. Currently the company is exporting its medicines to 68 countries across Asia, Africa, Europe, Australia, South America and North America.

Source : The Daily Star

First commercial crocodile farm eyes revival

The country's first commercial crocodile venture, The Reptiles Farm Ltd, is now making efforts to bounce back from the pandemic-induced business slowdown, riding on the exports of crocodiles and skins. The farm, located at Hatibeer of Mymensingh's Bhaluka upazila, suffered serious losses as many crocodiles died owing to food shortage and the export of the skins of the animals came to a complete halt because of the pandemic in the last two years.

Now the farm management has embarked on fulfilling its pending export orders for 2,000 skins this year and is hopeful of shipping 500 skins early next year. "The pandemic was a nightmare for people around the world and businesses. We are a victim of the crisis as well," said farm manager Abu Sayem Muhammad Arif.

Mushtaq Ahmed, a late writer, and Mesbahul Hoque, an entrepreneur, started working on crocodile farming in 2002. The two entrepreneurs jointly launched it investing Tk 5 crore with 49 per cent financial support coming from the Equity and Entrepreneur Fund of the government in the form of an interest-free loan.

Established on 15 acres of land, the farm received approval from the forest and environment ministry in 2004. The entrepreneurs first imported 75 salt-water crocodiles aged 15 to 28 years from Malaysia in the same year at a cost of Tk 1.25 crore. During the shipment, one



crocodile died while six more passed after reaching the farm.

The farm was sold to PK Halder in 2012. But when Halder's involvement in financial corruption surfaced in 2020, his ownership was cancelled. Following a petition by International Leasing & Financial Service Ltd, a nonbank financial institution, from where Halder took Tk 100 crore in loans, the High Court formed a six-member committee headed by an international repute crocodile expert Enam Hoque as its managing director in March this year to run the farm.

The farm is now home to more than 2,500 crocodiles. Of them, 93 are at the breeding stage and 500 are ready to shed skins that could be processed and exported. The production and skin processing are done at the farm. "The number of crocodile babies will increase gradually," said Enam, who has a crocodile farming and processing business in Australia.

Reptiles Farm has a target to raise the animal stock to 20,000 crocodiles in the next five years. it has a capacity to accommodate around 40,000 crocodiles.

Non-leather footwear exports can reach $1b by 2025

Exports and domestic sales of Bangladesh's synthetic and athletic footwear sector have been witnessing some of the highest growths among those of other sectors, according to a market assessment of Bangladesh Investment Development Authority (Bida).



Exports have been increasing at an average annual rate of about 20 per cent over the last six years. During the July-November period of the current financial year, non-leather footwear shipments bagged $209.50 million in export earnings, up by roughly 19.44 per cent year-on-year.

The industry's annual export earnings reached $449.15 million last year, a year-on-year gain of a whopping 30.39 per cent, according to Export Promotion Bureau. Footwear sales amount to $550 million, accounting for the largest share in non-leather goods, and have created employment for 165,000 people, according to Bida.

The growth in shipments is due to increasing work orders from renowned international buyers and brands such as H&M, Puma, Decathlon, FILA and Kappa, it said. The products being sourced include sandals, flip-flops, boots, jute-based espadrilles, canvas or rubber shoes, sneakers and molded polyurethane and PVC shoes. The main export destinations are Spain, France, the Netherlands, South Korea, India, Italy and Germany.

Due to increasing global preference for environment and animal-friendly products, consumers across the world are switching to products like jute, plastics, textile and polyurethane leather. Bangladesh has a robust ecosystem for manufacturing synthetic textiles and enjoys the availability of skilled and economical human capital, said Bida. Besides, the government designated it as a highest priority sector in its export policy, it said.

Regarding investment potentials of the sector, Bida said there was duty-free access to 52 countries, including the European Union under a generalized system of preference (GSP) framework for suppliers of non-leather goods. Investors from Taiwan and China have already showed interest to invest in the non-leather footwear sector through joint ventures with local investors, said Bida Chairman.

"We have discussed with local investors about potentials of the sector. There is the potential to increase exports to $1 billion by 2025 and $2 billion by 2030," he said. Bida said it was ready to cooperate with investors from home and abroad to promote the sector and increase foreign direct investment to develop the backward linkage industry.

Saudi company keen to invest at Patenga container terminal

Oil-rich Saudi Arabia's Red Sea Gateway Terminal Company has shown interest to invest in Bangladesh for the operation, maintenance and modernisation of the country's Patenga container terminal in Chattogram.

Vice-chairman of the Red Sea Gateway Terminal board of directors, Aamer A Alireza, made the proposal during a meeting with state minister of shipping Khalid Mahmud Chowdhury in Jeddah on 11 October.

Red Sea Gateway Terminal is the newest flagship container terminal at Jeddah Islamic Port, a world-class terminal spearheaded by the Saudi Industrial Services group SISCO, as well as the first privately funded BOT (Build, Operate and Transfer) development project in Saudi Arabia with investment of $1.7 billion up to 2050.

The Saudi company is an international terminal operator representing a partnership between the Red Sea Gateway Terminal of Saudi Arabia and the Malaysian Mining Company. Earlier, a delegation led by the state minister visited the head office and operations of the Red Sea Gateway Terminal Company. The company's CEO Jens O Floeand other senior officials of the company presented their plans and investment proposals for the modernisation of Patenga Container Terminal.



Nature names Professor Saleemul Huq, OBE among top scientists



Climate scientist Saleemul Huq, professor of environmental science and management and director of the International Centre for Climate Change and Development at Independent University, Bangladesh, has been chosen as one of the top ten scientists of 2022 by Nature, the leading international science journal.

Dubbed a 'climate revolutionary' by Nature, professor Saleemul Huq has been an advocate for climate change adaptation for decades and has been active in international climate negotiations, particularly as an adviser to climate-vulnerable countries by helping them put their needs on the agenda at the UN conferences, according to a press release issued on 17 December.

Earlier, Saleemul Huq received the prestigious Order of the British Empire honour in the UK government's New Years' Honours List and was awarded an honorary Doctor of Science degree by Northumbria University, UK, for his remarkable contributions and leadership to the global fight against climate change.

Bangladeshi researcher in Malaysia enlisted as 'The most influential scientists'

Bangladeshi professor Dr. MA Hannan has been recognized as the most influential scientist in the world. Dr. Hannan is a professor at Universiti Tenaga Malaysia (Uniten). UK-based 'Clarivate' Analytics has been recognized for its significant research on renewable energy.

Uniten said in a statement that researchers from 69 countries were recognized. Unique among them, MA Hannan has published 255 articles with seven thousand 911 citations in the Web of Science Index consistently in these 11 years from 2011 to 2021.

MA Hannan studied electrical and electronic engineering from Chittagong University of Engineering and Technology- CUET in 1990. At the same time he did his M.Sc. Earned his PhD from Universiti Kebangsaan Malaysia (UKM). He has more than 28 years of industrial and academic experience. Besides, he is the author or co-author of more than 300 articles published in international journals and conference proceedings.

Clarivate Analytics



MA Hannan's research interests include intelligent controllers, power electronics, hybrid vehicles, energy storage systems, image and signal processing, and artificial intelligence.

Global/Regional News

G20 summit 2022 in Bali, Indonesia agreed to limit global temperatute to 1.5 degree Celsius

Contrary to negative expectations, the diplomatic negotiators – the G20 Sherpas – agreed after six rounds of talks and over 17 days of negotiations on a draft text for the G20 Bali Leaders' Declaration. The final communiqué endorsed by the leaders includes 52 paragraphs and covers a series of topics, such as food and energy security, trade, climate and biodiversity, health and digital transformation.



The question of how the G20 would react to a war of aggression initiated by one of its members attracted significant media attention, not least since Ukrainian President Volodymyr Zelenskyy attended the summit by videoconference as a guest. Russian President Vladimir Putin did not attend and was represented by Foreign Minister Sergey Lavrov.

Although the leaders pointed out in their declaration that the G20 was a forum for global economic cooperation and not a forum to resolve security issues, the dominant security problem was addressed directly in the third point of the declaration, which stated that most members strongly condemned the war in Ukraine. Leaders also condemned the use of, or threats of the use of, nuclear weapons.

The language condemning Russia's war of aggression followed that of the UN General Assembly's 2 March 2022 resolution on Ukraine. It allowed in particular China and India to reiterate their position at the UN where they, together with South Africa, were the only G20 countries (other than Russia) to abstain and not explicitly condemn Russia's war of aggression.

Commentators underlined that the rather clear criticism of Russia and the fact that Russia gave up its resistance to the declaration could be interpreted as a sign that its traditional allies – China and India – had started to distance themselves from Russia on this point. However, the very fact that leaders endorsed the declaration was seen as a success, as there were many concerns that the summit would finish without a declaration. In fact, diplomats praised the Indonesian president Joko Widodo, the summit's host, and the Indian delegation for their constructive and mediating diplomacy.

The leaders' declaration also focused on macroeconomic measures to address the challenges confronting the global economy, namely public investment, private investment, stronger multilateral trade and more resilient global supply chains.

Responding to the Indonesian presidency's three priorities (global health architecture, sustainable energy transition and digital transformation) leaders underlined the importance of the World Health Organization's technical expertise and central coordination role in the global health architecture. They also recognised that extensive COVID-19 immunisation was a global public good and committed to make efforts to ensure timely, equitable and universal access to safe, affordable, quality and effective vaccines.

Another topic, also addressed by Ursula von der Leyen at the event on the Partnership for Global Infrastructure and Investment in the framework of the G20 summit, was the sustainable energy transition and the fight against climate change. With a view to the UN COP27 climate summit in Egypt, which took place from 6 to 18 November 2022, G20 leaders agreed to pursue the objective of limiting the global temperature increase to 1.5 degrees Celsius – confirming their intention to tackle climate change by strengthening the full and effective implementation of the Paris Agreement.

The leaders recognised the importance of the digital transformation in reaching the sustainable development goals and acknowledged that affordable and high-quality digital connectivity is essential for digital inclusion and digital transformation. Moreover, they advocated international collaboration to further develop digital skills and digital literacy, so

as to harness the positive impacts of digital transformation, especially for women, girls, and people in vulnerable situations.

On food security, leaders promised to take coordinated action to address food security challenges and called for an accelerated transformation towards sustainable and resilient agriculture and food systems and supply chains. They supported international efforts to keep food supply chains functioning and welcomed the Black Sea Grain Initiative brokered by the United Nations and Türkiye to open a safe maritime humanitarian corridor in the Black Sea.

The rules-based multilateral trading order, which is strongly supported by the EU, was backed by the leaders' commitment to a rules-based, non-discriminatory, free, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system, with the World Trade Organization WTO) at its core. The declaration goes on to stress the importance of reforming the WTO, including the dispute settlement mechanism. Notably, the G20 agreed to reinforce international trade and investment cooperation, to address supply chain issues and avoid trade disruptions.

Some reports found that one of the most interesting developments at this year's G20 summit was the role of the emerging nations from the Global South – India, Indonesia, Mexico, Argentina and South Africa – which were decisive in overcoming differences between the traditional geopolitical players and enabling the G20 to produce the final declaration.

Against this backdrop it is no surprise that a series of topics relevant for the emerging economies and the Global South are mirrored in the declaration, such as the need to address food insecurity, strengthen pandemic prevention, preparedness, and response (PPR) through the Pandemic Fund, boost access to education, and strengthen the tax and development agenda. Leaders also urged developed countries to fulfil their commitments to deliver on the goal of jointly mobilising US$100 billion in climate finance per year by 2020 and annually through to 2025 to address developing countries' needs.

The EU leadership welcomed the outcome of the 17th annual summit. Ursula von der Leyen stated that the G20 was showing its value as a leading forum to address global challenges and their consequences and 'reaffirming international law and peace order'.

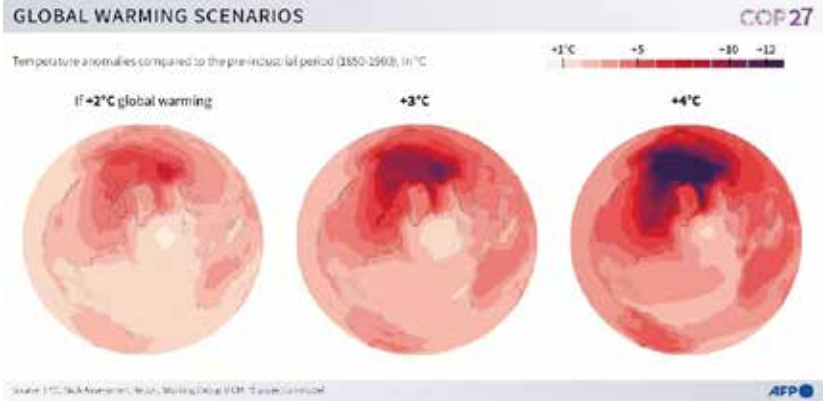
Climate pledges still 'nowhere near' enough for 1.5C: UN

nternational climate pledges remain far off track to limit temperature rises to 1.5 degrees Celsius, according to a UN report released on 26 October, less than two weeks ahead of high-stakes negotiations to tackle global warming.

The combined climate pledges of more than 190 nations that signed up to the 2015 Paris climate deal put Earth on track to warm around 2.5C (36 degrees Fahrenheit) compared to pre-industrial levels by the century's end, the UN said.

With the planet already battered by climate-enhanced heatwaves, storms and floods after just 1.2C of warming, experts say the world is still failing to act with sufficient urgency to curb greenhouse gas emissions.

"We are still nowhere near the scale and pace of emission reductions required to put us on track toward a 1.5 degrees Celsius world," said Simon Stiell, Executive Secretary of UN Climate Change. "To keep this goal alive, national governments need to strengthen their climate action plans now and implement them in the next eight years."



The UN's climate experts have said emissions -- compared to 2010 levels -- need to fall 45 percent by 2030 in order to meet the Paris deal's more ambitious goal. In this latest report, the UN said that current commitments from governments around the world will in fact increase emissions by 10.6 percent by 2030.

When nations met in Glasgow last year for a previous round of climate negotiations, they agreed to speed up their climate pledges to cut carbon pollution and increase financial flows to vulnerable developing nations. But only 24 countries, of 193, had updated their plans at the

time of the report, which Stiell said was "disappointing".

"Government decisions and actions must reflect the level of urgency, the gravity of the threats we are facing, and the shortness of the time we have remaining to avoid the devastating consequences of runaway climate change," he said.

He called on governments to revisit and strengthen their carbon cutting plans in line with the Paris temperature goals before the UN climate meeting, which held from November 6 to 18 in Sharm el-Sheikh, Egypt.

Scientists have warned that any rise above 1.5C risks the collapse of ecosystems and the triggering of irreversible shifts in the climate system. In the last year alone, the world has seen unprecedented floods, crop-withering heatwaves and wildfires across four continents.

With the impacts slamming hardest into countries least responsible for fossil fuel emissions, calls have grown louder for richer polluters to pay "loss and damage" to vulnerable nations.

In a landmark report this year on climate impacts and vulnerabilities, the UN's 195-nation Intergovernmental Panel on Climate Change (IPCC) warned that time had nearly run out to ensure a "liveable future" for all.

That report was signed off by the same governments that will return to negotiations in Egypt.

COP27 Reaches Breakthrough Agreement on New "Loss and Damage" Fund for Vulnerable Countries

The United Nations Climate Change Conference COP27 closed on 20 November with a breakthrough agreement to provide "loss and damage" funding for vulnerable countries hit hard by climate disasters.

Set against a difficult geopolitical backdrop, COP27 resulted in countries delivering a package of decisions that reaffirmed their commitment to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels. The package also strengthened action by countries to cut greenhouse gas emissions and adapt to the inevitable impacts of climate change, as well as boosting the support of finance, technology and capacity building needed by developing countries.

Creating a specific fund for loss and damage marked an important point of progress, with the issue added to the official agenda and adopted for the first time at COP27.

Governments took the ground-breaking decision to establish new funding arrangements, as well as a dedicated fund, to assist developing countries in responding to loss and damage. Governments also agreed to establish a 'transitional committee' to make recommendations on how to operationalize both the new funding arrangements and the fund at COP28 next year. The first meeting of the transitional committee is expected to take place before the end of March 2023.

Parties also agreed on the institutional arrangements to operationalize the Santiago Network for Loss and Damage, to catalyze technical assistance to developing countries that are particularly vulnerable to the adverse effects of climate change.

COP27 saw significant progress on adaptation, with governments agreeing on the way to move forward on the Global Goal on Adaptation, which will conclude at COP28 and inform the first Global Stocktake, improving resilience amongst the most vulnerable. New pledges, totaling more than USD 230 million, were made to the Adaptation Fund at COP27. These pledges will help many more vulnerable communities adapt to climate change through concrete adaptation solutions. COP27 President Sameh Shoukry announced the Sharm el-Sheikh Adaptation Agenda, enhancing resilience for people living in the most climate-vulnerable communities by 2030. UN Climate Change's Standing Committee on Finance was requested to prepare a report on doubling adaptation finance for consideration at COP28 next year.



The cover decision, known as the Sharm el-Sheikh Implementation Plan, highlights that a global transformation to a low-carbon economy is expected to require investments of at least USD 4-6 trillion a year. Delivering such funding will require a swift and comprehensive transformation of the financial system and its

structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors.

Serious concern was expressed that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 has not yet been met, with developed countries urged to meet the goal, and multilateral development banks and international financial institutions called on to mobilize climate finance.

At COP27, deliberations continued on setting a 'new collective quantified goal on climate finance' in 2024, taking into account the needs and priorities of developing countries.

The World Leaders Summit, held over two days during the first week of the conference, convened six high-level roundtable discussions. The discussions highlighted solutions – on themes including food security, vulnerable communities and just transition – to chart a path to overcome climate challenges and how to provide the finance, resources and tools to effectively deliver climate action at scale.

COP27 brought together more than 45,000 participants to share ideas, solutions, and build partnerships and coalitions. Indigenous peoples, local communities, cities and civil society, including youth and children, showcased how they are addressing climate change and shared how it impacts their lives.

The decisions taken also reemphasize the critical importance of empowering all stakeholders to engage in climate action; in particular through the five-year action plan on Action for Climate Empowerment and the intermediate review of the Gender Action Plan. These outcomes will allow all Parties to work together to address imbalances in participation and provide stakeholders with the tools required to drive greater and more inclusive climate action at all levels.

Young people in particular were given greater prominence at COP27, with UN Climate Change's Executive Secretary promising to urge governments to not just listen to the solutions put forward by young people, but to incorporate those solutions in decision and policy making. Young people made their voices heard through the first-of-its-kind pavilion for children and youth, as well as the first-ever youth-led Climate Forum.

In parallel with the formal negotiations, the Global Climate Action space at COP27 provided a platform for governments, businesses and civil society to collaborate and showcase their real-world climate solutions. The UN Climate Change High-Level Champions held a two-week programme of more than 50 events. This included a number of major African-led initiatives to cut emissions and build climate resilience, and significant work on the mobilization of finance.

World is on 'highway to climate hell' : UN Chief at Cop27

Humanity is on a "highway to climate hell", the UN secretary general has warned, saying the fight for a liveable planet will be won or lost in this decade. António Guterres told world leaders at the opening of the Cop27 UN climate summit in Egypt on 7 November: "We are in the fight of our lives and we are losing … And our planet is fast approaching tipping points that will make climate chaos irreversible.

He said the world faced a stark choice over the next fortnight of talks: either developed and developing countries working together to make a "historic pact" that would reduce greenhouse gas emissions and set the world on a low-carbon path – or failure, which would bring climate breakdown and catastrophe. "We can sign a climate solidarity pact, or a collective suicide pact," he added.

He said the world had the tools it needed to reduce greenhouse gas emissions, in clean energy and low-carbon technology.



The Cop27 conference got off to a slow start, with negotiators spending more than 40 hours over the weekend wrangling over what would be on the agenda. In the end, it was agreed that the vexed issue of loss and damage – which refers to the worst impacts

of the climate crisis, which are too severe for countries to adapt to – would be discussed.

Poor countries suffering loss and damage want a financial mechanism that will give them access to funding when disasters such as hurricanes, floods and droughts strike, destroying their infrastructure and tearing apart their social fabric.

It is not likely that these talks will provide a final settlement on loss and damage, but countries are hoping for progress on ways of raising and disbursing finance.

World is in the midst of Fifth Wave of Debt Crisis: World Bank President

World Bank President David Malpass has said the world is facing a "fifth wave of debt crisis" and called for more support for the countries that are in distress. He said about $44 billion in debt service payments from bilateral and private debt service have become due in 2022 alone.

He said, "I am worried about the debt levels, worried about the individual countries. In 2022 alone, around $44 billion in debt service payments from bilateral and private debt service have become due in some of the poorest countries, bigger than the foreign aid flows the countries could hope for.," Malpass added that the world right now is "in the midst of what I think is a fifth wave of debt crisis".



Separately, during a conference, he told reporters that India has been one of the leaders in digitisation that empowers and expands the social safety net, World Bank President David Malpass said on 7 October. He added that India, like other developing countries, suffers from rising interest rates in the world environment and from inflation also from being impacted by climate change as seen recently in terms of the flooding impacts. But, during the COVID-19 crisis, India was able to expand its social safety net.

Developing economies' debt more than doubled over decade: World Bank

The external debt of developing economies has more than doubled from a decade ago to $9 trillion in 2021, the World Bank said on 6 December, warning the debt crisis facing these countries has intensified.

The pandemic has forced many countries to take on more borrowing, and World Bank President David Malpass earlier warned that the world is facing a fifth wave of debt crisis. Many countries are already facing or at risk of debt distress with surging global inflation and rising interest rates. And global growth is slowing sharply this year, with an increased risk of world recession in 2023 amid "one of the most internationally synchronous episodes of... policy tightening" in 50 years, the World Bank said.

"A comprehensive approach is needed to reduce debt, increase transparency, and facilitate swifter restructuring – so countries can focus on spending that supports growth and reduces poverty," Malpass added.

The World Bank said in a release that the poorest countries eligible to borrow from its International Development Association (IDA) now spend more than a tenth of their export revenues to service their long-term public and publicly guaranteed external debt. This is the highest proportion since 2000, added the Washington-based development lender.

The external debt of IDA countries also nearly tripled in the decade leading up to 2021. "On the surface, debt indicators seem to have improved in 2021," the World Bank said, adding that "this was not the case for IDA countries." Vulnerabilities underscore an urgent need to improve debt transparency, the bank said.



Currency Depreciations Worsen Global Food, Energy Crises : World Bank

According to the World Bank, the global food and energy crisis is expected to worsen, while inflationary pressures could persist.

The World Bank's latest "Commodity Markets Outlook" report warned

that the depreciation of most developing economies' currencies is pushing up food and fuel prices, potentially exacerbating the global food and energy crises. Food prices have risen as a result of soaring energy commodity prices, which are also attributed to agricultural production, the report explained.

The World Bank's study found that nearly 60% of oil-importing emerging markets and developing economies saw higher fuel prices in local currency due to depreciation during this period. Nearly 90% of these economies experienced a higher rise in wheat prices in local currency than in dollars, the study confirmed.

According to the report, food price inflation in South Asia averaged more than 20% in the first three quarters of 2022, while it ranged between 12% and 15% in other regions. On the other hand, the study's findings revealed that food price inflation is low only in East Asia and the Pacific due to the stability of rice prices, which is the region's main staple.

'Huge, missing and growing:' US$65t in dollar debt sparks concern

Institutions outside the US are holding an estimated US$65 trillion in "missing" dollar debt off their balance sheets through currency derivatives, making it harder for global policymakers to anticipate the next financial crisis.

According to a paper from the Bank for International Settlements, this very short-term hidden borrowing forms part of a "huge, missing and growing" debt that the likes of pension funds owe through foreign-exchange swaps and other derivatives transactions.

This is a problem, the BIS noted, because FX swaps were flash-points during both the global financial crisis and the early days of the pandemic, when dollar funding stress forced central banks to step in to help struggling borrowers.

BANK FOR INTERNATIONAL SETTLEMENTS

"It is not even clear how many analysts are aware of the existence of the large off-balance sheet obligations," said researchers Claudio Borio, Robert McCauley and Patrick McGuire, noting that the lack of information into this form of dollar borrowing puts policymakers on the back foot.

"Thus in times of crises, policies to restore the smooth flow of short-term dollars in the financial system – for instance, central bank swap lines – are set in a fog," the report said.

The findings, based on data from a triennial survey of global currency markets earlier this year, offer a rare insight into the scale of hidden leverage. The total amount of dollar debt from the derivatives stands at more than US$80 trillion, exceeding the combined value of dollar Treasury bills, repurchase agreements and commercial paper, BIS said.

World is in its 'first truly global energy crisis': IEA Chief

Tightening markets for liquefied natural gas (LNG) worldwide and major oil producers cutting supply have put the world in the middle of "the first truly global energy crisis," the head of the International Energy Agency (IEA) said on 25 October.

Rising imports of LNG to Europe amid the Ukraine crisis and a potential rebound in Chinese appetite for the fuel will tighten the market as only 20 billion cubic meters of new LNG capacity will come to market next year, IEA Executive Director Fatih Birol said during the Singapore International Energy Week.



At the same time, the recent decision by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, known as OPEC+, to cut 2 million barrels per day (bpd) of output is a "risky" decision as the IEA sees global oil demand growth of close to 2 million bpd this year, Birol said.

"(It is) especially risky as several economies around the world are on the brink of a recession, if that we are talking about the global recession…I found this decision really unfortunate," he said.

Soaring global prices across a number of energy sources, including oil, natural gas and coal, are hammering consumers at the same time they are already dealing with rising food and services inflation. The high prices and possibility of rationing are potentially hazardous to European consumers as they prepare to enter the Northern Hemisphere winter.

Europe may make it through this winter, though somewhat battered, if the weather remains mild, Birol said. "Unless we will have an extremely cold and long winter, unless there will be any surprises in terms of what we have seen, for example Nord Stream pipeline explosion, Europe should go through this winter with some economic and social bruises," he added. For oil, consumption is expected to grow by 1.7 million bpd in 2023 so the world will still need Russian oil to meet demand, Birol said.

G7 nations have proposed a mechanism that would allow emerging nations to buy Russian oil but at lower prices to cap Moscow's revenues in the wake of the Ukraine war. Birol said the scheme still has many details to iron out and will require the buy-in of major oil importing nations.

A US Treasury official told Reuters that it is not unreasonable to believe that up to 80% to 90% of Russian oil will continue to flow outside the price cap mechanism if Moscow seeks to flout it. "I think this is good because the world still needs Russian oil to flow into the market for now. An 80%-90% is good and encouraging level in order to meet the demand," Birol said.

While there is still a huge volume of strategic oil reserves that can be tapped during a supply disruption, another release is not currently on the agenda, he added.

Global CO2 emissions to grow less than 1% in 2022- IEA

Global carbon dioxide emissions from burning fossil fuels are expected to rise by just under 1% this year, as the expansion of renewables and electric vehicles outweighed coal demand, the International Energy Agency (IEA) said. CO2 emissions are on course to increase by nearly 300 million tonnes to 33.8 billion tonnes this year, a far smaller rise than their jump of nearly 2 billion tonnes in 2021, the agency said in a report.

While that increase could have been much larger at possibly 1 billion tonnes with countries' coal demand surging as gas prices soared due to the war in Ukraine, deployment of renewable energy and EVs have kept a lid on the rise in emissions.



The report said solar photovoltaic and wind were leading an increase in global renewable electricity generation of more than 700 terawatt-hours (TWh), the largest annual rise on record in 2022. Without this increase, global CO2 emissions would have been more than 600 million tonnes higher this year. Despite droughts in several regions, global hydropower output is up year-on-year, contributing over one-fifth of the expected growth in renewable power. The European Union's CO2 emissions are on course to decline this year despite higher coal emissions. The rise in European coal use is expected to be temporary, as a strong pipeline of new renewable projects is forecast to add around 50 gigawatts of capacity next year.

In China, CO2 emissions are set to remain flat in 2022 due to weaker economic growth, the impact of drought on hydropower, and deployments of solar and wind.

Carbon emissions from energy to peak in 2025 in 'historic turning point': IEA

Global carbon emissions from energy will peak in 2025 to massively increased government spending on clean fuels in response to Russia's invasion of Ukraine, according to analysis by the world's leading energy organisation.

The International Energy Agency (IEA) said that government spending on clean energy in response to the crisis would mark a "historic turning point" in the transition away from fossil fuels, in its annual report on global energy.

The invasion of Ukraine has prompted an energy crisis around the world, with global gas prices initially surging. The crisis has caused steep inflation that has made households poorer around the world.

Governments have been scrambling to find other sources of energy. Some analysts have questioned whether fears over energy security could lead to the use of fossil fuels for longer, slowing the world's



race to net zero carbon emissions. Some countries – including the US and the UK under previous prime minister Liz Truss – have pledged to encourage fossil fuel extraction to try to ease prices.

However, Fatih Birol, the IEA's executive director and one of the world's most influential energy economists, said the energy crisis caused by Russia's invasion "is in fact going to accelerate the clean energy transition".

The IEA said planned investments in green energy in response to the crisis meant that – for the first time – government policies would lead to demand for polluting fossil fuels peaking this decade. The agency cited notable contributions from the US Inflation Reduction Act, the EU's emissions reduction package, and actions by Japan, South Korea, China and India.

China needs $14tn investment in power and transport sector to get net zero emission by 2026

China will need investment in power and transport estimated at $14tn to hit Beijing's goal of net zero emissions by 2060, according to a World Bank report, as the ruling party congress in the 4th week of October reinforced a commitment to a "green energy revolution".

The Chinese decarbonisation plan would need to decouple economic growth and emissions at a faster pace and at a lower income level than in advanced economies, the bank warned, as it made the "significant investments in a massive green infrastructure and technology scale up".

But China could also leverage some advantages, said the World Bank, such as its position at the forefront of advancing low carbon technologies. China is already home to one-third of the world's installed wind power and a quarter of its solar capacity.

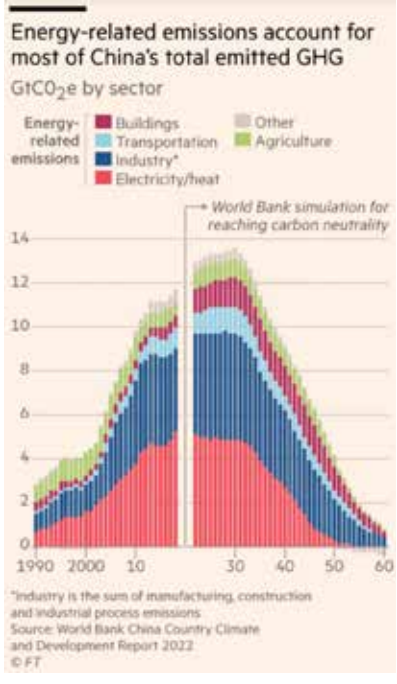
In his opening speech to congress, President Xi Jinping emphasised his plan to "basically eliminate" pollution, in spite of a central message emerging about energy security, food security and other key supplies powering the Chinese economy, the independent China Dialogue reported.

State-run media also quoted Wang Wenbin, the Chinese foreign ministry spokesperson, saying China hoped "countries can overcome difficulties as soon as possible and return to the right track of low-carbon and green development, so as to jointly achieve the goals of the Paris Agreement".

China, the world's largest producer of greenhouse gases annually, is "severely affected" economically by global warming, the World Bank noted. Its low-elevation coastal cities that account for a third of China's gross domestic product are affected by rising sea levels, storm surges and coastal erosion.

The inland provinces of northern and western China are increasingly exposed to heatwaves and droughts, intensifying water scarcity risks and impacting rural farmers.

President Xi pledged in 2020 that China would reach peak CO_2 emissions by 2030 and achieve net zero emissions by 2060. Reaching that target would require reducing coal demand in China, which accounts for half of the world's consumption, close to zero.



According to China's National Bureau of Statistics, coal represented 56 per cent of China's energy consumption in 2021. Lockdowns to contain coronavirus have depressed industrial demand in China, and coal consumption fell 3 per cent during the first half of 2022, the International Energy Agency has estimated.

Power outages earlier in the summer during bouts of extreme heat led Beijing to offer extra assistance to coal plants to help maintain electricity supplies as demand for power soared. China's power sector — the largest source of Chinese carbon emissions — would need to be decarbonised first to achieve the rapid decline in emissions needed over the next two decades, said the World Bank, with investments in solar and wind steadily reducing coal use.

Electrification and increased energy efficiency would boost decarbonisation of China's industry in the short term, the World Bank said. Continued investment in public mass transport systems and electrification would reduce emissions from that sector. Out of the estimated $14tn

in additional investments needed between now and 2060 for power and transport, the bank said the majority would need to be front-loaded to avoid locking in carbon intensive assets. Public investment would "be necessary but not sufficient to meet the overall investment needs," the World Bank said in its report.

15,000 killed by hot weather in Europe in 2022: WHO

At least 15,000 people have died in Europe due to hot weather in 2022 so far, the World Health Organization said on 7 November, with Spain and Germany among the worst-affected countries. The three months from June-August were the hottest in Europe since records began, and the exceptionally high temperatures led to the worst drought the continent has witnessed since the Middle Ages.

'Based on country data submitted so far, it is estimated that at least 15,000 people died specifically due to the heat in 2022,' the WHO's Regional Director for Europe Hans Kluge said in a statement. 'Nearly 4,000 deaths in Spain, more than 1,000 in Portugal, more than 3,200 in the United Kingdom, and around 4,500 deaths in Germany were reported



by health authorities during the 3 months of summer,' he added.

'This estimate is expected to increase as more countries report on excess deaths due to heat,' it said, highlighting the UN climate summit in Egypt and its calls for rapid action.

Successive heatwaves between June and July, which saw temperatures top 40 degrees Celsius (104 degrees Fahrenheit) in Britain for the first time, saw some 24,000 excess deaths in Europe.

'Heat stress, when the body cannot cool itself, is the leading cause of weather-related death in the European Region,' the WHO said. It added that extreme temperatures can be a danger to people who suffer from chronic heart disease, breathing problems and diabetes.

WHO said that increasing heatwaves and other extreme weather will 'lead to more diseases and deaths' in the next decades unless 'drastic' action is taken.

Food import costs highest in 2022 : threatening world's poorest

Food imports costs across the world are on course to hit a near $2 trillion record in 2022, piling pressure on the globe's poorest countries who likely shipped in considerably less volumes of food, the U.N. Food Agency said on 11 November.

World food prices soared to record levels in March after Russia invaded Ukraine, a key grains and oilseeds producer, and while they have since retreated somewhat, they remain above last year's lofty levels.

The increase is disproportionately affecting economically vulnerable countries, and is expected to continue doing so next year even as the overall agricultural supply situation is set to improve a bit.

"These are alarming signs from a food security perspective," the Food and Agriculture Organization (FAO) said its twice-yearly Food Outlook report.

The world's food import bill is projected to reach $1.94 trillion this year, up 10% year-on-year and higher than previously expected, the FAO said. It noted that low income countries' food import volumes are seen shrinking 10% as their food import bill for the year remains almost unchanged, pointing to growing accessibility issues.

In terms of agricultural inputs like fertilisers, which require a lot of energy to produce, the FAO said global import costs are set to rise nearly 50% this year to $424 billion, forcing some countries to buy and use less. This will inevitably lead to lower productivity, lower domestic food availability and "negative repercussions for global agricultural output and food security" in 2023, it said.

Looking to the 2022/23 season, the agency sees wheat production jumping 0.6% year-on-year to hit a record 784 million tonnes, but notes increases are expected mostly in China and Russia, leaving inventories down 8% in the rest of the world. Production of coarse

grains like corn, barley and sorghum is meanwhile seen falling 2.8% in the season.

On the plus side, however, the FAO said oilseeds output is seen rebounding 4.2% to hit an all time high, sugar output is seen rising 2.6%, while rice output is expected to remain at overall average levels.

ADB Lowers Growth Forecast for Developing Asia

The Asian Development Bank (ADB) has lowered its economic growth forecasts for developing Asia and the Pacific amid a worsened global outlook. The region's economy will grow 4.2% this year and 4.6% next year, ADB said in a regular supplement to the Asian Development Outlook (ADO) 2022, released today. ADB estimated in September that the economy would grow 4.3% in 2022 and 4.9% in 2023.



Monetary policy tightening by central banks globally and in the region, the protracted Russian invasion of Ukraine, and recurring lockdowns in the People's Republic of China (PRC) are slowing down developing Asia's recovery from the COVID-19 pandemic. Restrictions under the "zero-COVID" approach, along with a struggling property market, have led to another downgrade of the PRC's growth outlook.

"Asia and the Pacific will continue to recover, but worsening global conditions mean that the region's momentum is losing some steam as we head into the new year," said ADB Chief Economist Albert Park. "Governments will need to work together more closely to overcome the lingering challenges of COVID-19, combat the effects of high food and energy prices—especially on the poor and vulnerable—and ensure a sustainable, inclusive economic recovery."

ADB lowered its forecast for inflation in developing Asia and the Pacific this year to 4.4% from 4.5%. However, the bank raised its projection for next year to 4.2% from 4.0%, due to lingering inflationary pressures from energy and food.

The PRC's economy is forecast to expand by 3.0% this year, compared with a previous projection of 3.3%. The forecast for next year was cut to 4.3% from 4.5%, due to the global slowdown. Gross domestic product growth projections for India were maintained at 7.0% this fiscal year and 7.2% next fiscal year.

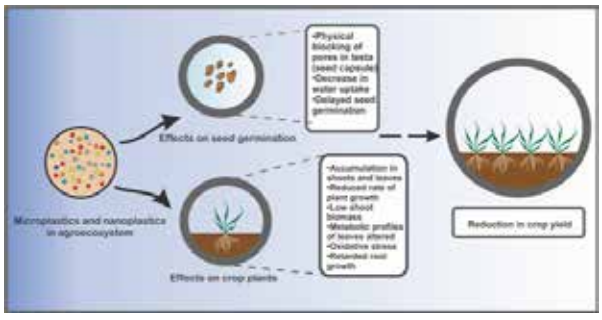
Even with the downgraded forecasts, developing Asia will still do better than other regions globally, both in terms of growth and inflation. ADB's growth forecast for Southeast Asia this year was raised to 5.5% from 5.1%, amid robust consumption and tourism recovery in Malaysia, the Philippines, Thailand, and Viet Nam. Projections for next year, however, were lowered to 4.7% from 5.0% due to weakening global demand. The growth forecast for the Caucasus and Central Asia this year was upgraded to 4.8% from 3.9%, while the projection for the Pacific was raised to 5.3% from 4.7%, due to a strong tourism recovery in Fiji.

Plastics are piling up in soil across the world : UN

Plastics used in farming activities are accumulating in agricultural soil worldwide at an alarming rate, a new report by the UN Environment Programme (UNEP) published on 17 October reveals. Plastics are used extensively in agriculture, from plastic-coated seeds to protective wraps used to modify soil temperature and prevent weed growth over crops. These synthetic materials also added intentionally to biosolid fertilizer, which is spread on fields, and are used in irrigation tubes, sacks and bottles. While all these products have helped increase crop yields, there is growing evidence that degraded plastics are contaminating the soil and impacting biodiversity and soil health, the report warns. Moreover, microplastics, such as the one used in some fertilizers, are also impacting human health when transferred to people through the food chain.

"There is only a finite amount of agricultural land available," said report's co-author Professor Elaine Baker from the University of Sydney.

"We are starting to understand that the build-up of plastic can have wide-ranging impacts on soil health, biodiversity and productivity, all of which are vital for food security".



Microplastics come in a large variety of sizes, colours and chemical compositions, and include fibres, fragments, pellets, flakes, sheets or foams. UNEP's experts explain that over time, big pieces of plastic can break into shards less than 5 mm long and seep into the soil. These microplastics can change the physical structure of the earth underfoot and limit its capacity to hold water. They also can affect plants by reducing root growth and nutrient uptake.

Currently the single-biggest source of microplastic pollution in soil, is fertilizers produced from organic matter such as manure. Although these can be cheaper and better for the environment that manufactured fertilizers, the manure is mixed with the same plastic microspheres that are known to be commonly used in certain soaps, shampoos, and makeup products.

While some countries have banned these microspheres, other microplastics continue to enter our water systems via discarded cigarette filters, tire components, and synthetic clothing fibres.

The report highlights that progress is being made to improve the biodegradability of polymers used in agricultural products. However, some protective films – used to prevent moisture loss – are now being marketed as fully biodegradable and compostable, which is not always the case. Bio-based polymers are not necessarily biodegradable, some may be as toxic as fossil fuel-based polymers, and their price is still an issue.

A solution proposed by the report authors are the so-called 'cover crops', which shield the soil and are not meant to be harvested. These nature-based solutions can suppress weeds, counter soil diseases and improve soil fertility, but there are concerns they could reduce yields and increase costs, UNEP warns.

"None of these solutions are a magic bullet. Plastic is inexpensive and easy to work with, which makes trying to introduce alternatives a hard sell", Ms. Baker explained.

However, the expert recommends governments to disincentivize" the use of agricultural plastics, following the path of the European Union, which earlier this year restricted certain types of polymers from being used in fertilizer.

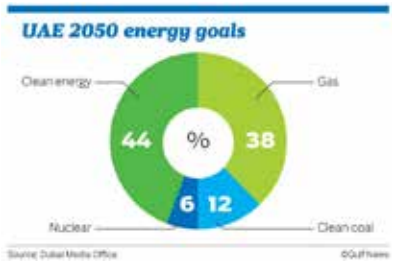
"Now is the time to adopt the precautionary principle and develop targeted solutions for stopping the flow of plastic from the source and into the environment", the Australian scientist underscored.

UAE targets clean projects at 50% of energy mix by 2050

The United Arab Emirates aims to increase the share of clean energy projects to 50% of its overall energy mix by 2050, state news agency WAM cited its energy minister as saying on 30 October.

Suhail al-Mazrouei also said the Gulf state would start revising its energy strategy at the beginning of 2023 to align it with the goal of achieving climate neutrality by 2050. It was not immediately clear how the state would accomplish that goal with fossil fuels still accounting for half of its energy supply.

He added that the UAE aimed to reach a 25% share of the hydrogen export market and that Japan, South Korea and Germany would be top destinations for it. "In addition to targeting other markets in Europe and East Asia, we aspire to be at the forefront of nations' clean hydrogen production with competitive advantages for blue and green hydrogen, and to build large-scale hydrogen and ammonia production facilities", he said. The UAE launched its energy strategy plan for 2050 in 2017.



Qatar signs world's 'longest' gas supply deal with China

QatarEnergy announced a 27-year natural gas supply deal with China on 21 November, calling it the "longest" ever seen as it strengthened ties with Asia at a time when Europe is scrambling for alternative sources. The state energy company will send four million tonnes of liquefied natural gas annually from



its new North Field East project to China Petroleum and Chemical Corporation (Sinopec), it said.

The deal "marks the longest gas supply agreement in the history of the LNG industry", said Saad Sherida Al-Kaabi, Qatar's Energy Minister and QatarEnergy's chief executive. Asian countries led by China, Japan and South Korea are the main market for Qatar's gas, which is increasingly being sought by European countries since Russia's invasion of Ukraine.

Negotiations with European countries have struggled as Germany and others have baulked at signing the sort of long-term deals made with Asian nations. North Field is at the centre of Qatar's expansion of its liquefied natural gas production by more than 60% to 126 million tonnes a year by 2027. China is the first country to seal a deal for North Field East. The Chinese company's chairman revealed that it had also requested a full share of the North Field South project that is dominated by Western energy giants.

$15b spend by WB on fossil fuel projects: The Big Shift Global

The World Bank has pumped $14.8 billion into fossil fuel projects globally in the period following the landmark Paris climate accord, a report said on 6 October. Though the lender pledged in 2018 to end financing for upstream oil and gas, and direct funding had declined, the move failed to include indirect financing, according to the report compiled by an NGO coalition called The Big Shift Global.

It comes amid growing pressure on US president Joe Biden to fire World Bank chief David Malpass, a Trump appointee who has dodged questions about the reality of human-driven climate change. 'Each time the World Bank invests in another fossil fuel project, it fuels more climate disaster,' said Sophie Richmond of Big Shift. 'There is no justification for using taxpayers' money to exacerbate the climate crisis.'

One of the main ways the Bank continued to fund fossil fuels was by exploiting a 'major loophole' by lending to intermediaries such as banks or financial institutions and by acting as a guarantor in case a country did not meet its obligations, the report said.

Under the 2015 Paris deal, world leaders committed to limiting long-term warming to 1.5 Celsius to avert devastating outcomes for the planet's future habitability. The biggest project listed in the report, called 'Investing in Climate Disaster: World Bank Finance for Fossil Fuels,' was the Trans-Anatolian Pipeline in Azerbaijan, funded in 2018 to the tune of $1.1 billion, with the Bank acting as a guarantor.

'It serves to perpetuate on-going use of fossil gas in Europe,' the report said, while noting that while the pipeline may increase gas export revenues, market volatility makes it an unreliable source of income.



The World Bank Group's own assessment stated the project was 'expected to have potentially significant adverse social and environmental impacts that are diverse, irreversible, or unprecedented' — but it gave a green light anyway.

Another project highlighted was the construction of two coal plants in Indonesia called Java 9 and 10, where the Bank supplied $65 million in indirect funds — despite the fact that the Java and Bali grid is already experiencing 40 percent oversupply of electricity.

'It is obvious that the new Java 9 & 10 coal-fired power plants will bring more disaster in terms of environmental, social and health issues, in an area already covered with coal plants and industries,' said Yuyun Indradi of Trend Asia, an NGO that promotes clean energy.

The report's authors also rejected the Bank's treatment of natural gas as a 'bridge' between fossil fuels and renewable energy, saying it crowded out needed investments in clean energy.

In a statement to AFP, the World Bank said, 'We dispute the findings of the report: it makes inaccurate assumptions about the World Bank Group's lending. 'In fiscal year 2022, the Bank Group delivered a record $31.7 billion for climate-related investments, to help communities around the world respond to the climate crisis, and build a safer and cleaner future.'

A separate report published by Oxfam said the World Bank 'supplies very little evidence to support its claims about the amount of climate finance it provides,' leaving the public to take their figures 'on faith.'

WTO News

Overview of developments in the international trading environment Annual report by the Director-General

Allow me to share with you my key take-aways from the Report, and to point to a few issues we have been watching closely since the mid-October close of the review period.



The global economy continues to face multiple challenges: continuing impacts of the pandemic, the repercussions of the war in Ukraine, high inflation — particularly for food and energy prices, and several climate change-related events that disrupted economic activity. In October we downgraded our outlook for international trade: we now forecast merchandise trade volumes will grow by just 1.0% in 2023, well below the 3.4% we had estimated in April.

The Report shows that since 2020, Members have increasingly implemented new trade restrictions, in particular on the export side, first in the context of the pandemic and more recently in the context of the war in Ukraine and the food security crisis.

Although some of these export restrictions have been lifted, many others persist. The Secretariat's ongoing monitoring shows that as of 24 November 2022, out of the 78 export restrictive measures on food, feed, and fertilizers introduced since the start of the war in late February, 58 are still in place, covering roughly USD 56.6 billion of trade. These numbers have increased since mid-October,and I've highlighted them repeatedly both at the General Council as well as in various international meetings — especially at the G20, because I believe it's a cause for concern.

As I told G20 Leaders at their summit in Indonesia a few weeks ago, lifting those export restrictions is fundamental to reduce price spikes and volatility and to allow goods to flow to where they are urgently needed.

With respect to the pandemic, the Report shows how trade policy helped in efforts to combat COVID-19. Global value chains held up, despite initial disruptions, and the multilateral trading system played an instrumental role in encouraging restraint in the use of trade restrictions in response to pandemic-related shocks. Most of the 443 COVID-19-related trade measures on goods introduced by WTO Members and Observers since the outbreak of the pandemic were trade facilitating, and this is a very good point.

During the mid-October 2021 to mid-October 2022 review period, Members continued to phase out pandemic-related measures, in particular restrictive ones. Nevertheless, 41 pandemic-related trade restrictions remain in place (27 export- restrictions and 14 import-restrictions), covering USD 134.6 billion worth of trade, according to information received by the Secretariat. As we look to improve access to vaccines, therapeutics, diagnostics, and other critical medical supplies globally, I urge members to end the remaining restrictions.

On a positive note, the number of new COVID-19-related measures on goods and services has decreased significantly over the past year. But pandemic-related shocks are still with us, and so there is a need for continued vigilance.

Another challenge which merits our attention, even if it does not make news headlines, is the slow but steady growth in the stockpile of import restrictions that have accumulated since the Trade Monitoring exercise began in 2009. As of mid-October 2022, some 9% of global imports were affected by import restrictions introduced since 2009 and still in force. The failure to roll back these measures is detrimental to the efficient functioning of global

commerce, and we need to gain a better understanding of what can be done to reduce this stockpile.

Before concluding, I want to note that the Report also includes an overview of the status of notifications across WTO bodies, an issue which I know is of great interest to Members and continues to merit close scrutiny, particularly as we work to move ahead in our discussions about reforming this and other pillars of the WTO's work.

In closing, let me reiterate that the Trade Monitoring Exercise — a unique multilateral and cross-cutting endeavour — is only as strong as Members want it to be. In other words, your participation is crucial. I thank all those that have participated in this important work, and urge all delegations to join in and help us strengthen this transparency exercise. I think the most favourite word in use at the WTO is transparency, so if we're really going to do this and be transparent, we need everyone to participate in this exercise.

The Secretariat has continued its outreach program to help delegations and capitals better understand what the exercise entails. In response to feedback from delegations, the Secretariat has developed a digital platform for on-line verification where Members can voluntarily participate and verify their measures. The online platform is still under development and is part of the Trade Monitoring Database. Early next year the Secretariat will get in touch with interested Members to provide guidance and feedback on how online verification is working. I urge Members to take advantage of this new development and participate more in the exercise.

Finally, I encourage you to also have a look at the 3-page Fact Sheet on the Report - a quick overview that the Secretariat has prepared and posted on the WTO website.

Parliamentarians from Latin America and Caribbean discuss challenges facing world trade, MC12 outcomes

More than 35 parliamentarians from Latin America and the Caribbean attended a joint Inter-Parliamentary Union (IPU)-WTO workshop in Buenos Aires on 28 and 29 November to discuss the challenges facing the multilateral trading system and the legislative work required to implement the outcomes of the WTO's 12th Ministerial Conference (MC12) held in June 2022. The event took place at the National Congress of Argentina.

The workshop was opened by Manzoor Nadir, Speaker of the Parliament of Guyana and co-chair of the Parliamentary Conference on the WTO (PCWTO), Tanya Bertoldi, member of the National Congress of Argentina and member of the PCWTO Steering Committee, and Said El Hachimi, Senior Counsellor overseeing WTO relations with parliamentarians and intergovernmental organizations and outreach.

Other participants in the discussions included experts, representatives from the private sector, academics and members of other organizations such as UN Women, the Food and Agriculture Organization of the United Nations (FAO), the Parliamentarians Network for Global Health (UNITE), FLACSO-Argentina, the Economic Commission for Latin America and the Caribbean (ECLAC) and the Argentine Development Bank (BICE).



Over the two days of the seminar, parliamentarians received detailed information on MC12 outcomes, with a special focus on the key elements of the so-called "Geneva Package", such as the pandemic response, the Agreement on Fisheries Subsidies, and Members' ongoing discussions on WTO reform.

Parliamentarians also had the opportunity to discuss regional trade integration, the challenges of digitalization, the need to boost trade from a gender perspective, and trade-related environmental issues.

Parliamentarians were in agreement regarding the encouraging outcomes of MC12. They emphasized that these

outcomes responded to the current complex socio-economic situation and should help international trade to contribute effectively to efforts to build a resilient environment in line with ongoing international community mobilization, as called for in the Statement of the Parliamentary Conference on the WTO (PCWTO) within the framework of MC12. Looking to the immediate future, parliamentarians undertook to communicate the MC12 outcomes and explore parliamentary actions for their implementation. They agreed to promote interregional dialogue on investment and international trade with a view to contributing to a sound and resilient socio-economic environment.

They also concurred on the need to facilitate the building of institutional capacities in the parliaments of the region and to seek support from these parliaments with a view to contributing to the work of the PCWTO and its Steering Committee.

Goods barometer sinks below trend as global import demand weakens

Trade growth is likely to slow in the closing months of 2022 and into 2023, according to the latest WTO Goods Trade Barometer released on 28 November, as the global economy continues to be buffeted by strong headwinds. The current reading



of 96.2 is below both the baseline value for the index and the previous reading of 100.0, reflecting cooling demand for traded goods.

The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. Values greater than 100 signal above-trend expansion while values less than 100 indicate below-trend growth. The barometer index (represented by the blue line above) has fallen below the merchandise trade volume index (the black line), which shows actual trade developments through the second quarter. The latter should eventually follow the barometer index down once quarterly trade statistics for the second half of 2022 are available. Recent divergence between the indices, as seen in 2021 and 2022, could be explained by delayed shipments of goods stemming from supply chain disruptions since the pandemic.

The downturn in the goods barometer is consistent with the WTO's trade forecast of 5 October, which predicted merchandise trade volume growth of 3.5% in 2022 and 1.0% in 2023 due to several related shocks including the war in Ukraine, high energy prices, and monetary tightening in major economies. Merchandise trade posted a 4.7% year-on-year increase in the second quarter after growing 4.8% in the first quarter. For the forecast to be realised, trade growth would have to average around 2.4% year-on-year in the second half of 2022.

The barometer index was weighed down by negative readings in sub-indices representing export orders (91.7), air freight (93.3) and electronic components (91.0). Together, these suggest cooling business sentiment and weaker global import demand. The container shipping (99.3) and raw materials (97.6) indices finished only slightly below trend but have lost momentum. The main exception is the automotive products index (103.8), which rose above trend due to stronger vehicle sales in the United States and increased exports from Japan as supply conditions improved and as the yen continued to depreciate.

22 November 2022 Agriculture

Committee establishes work programme to address food security, reviews farm policies

WTO members established a new work programme in the Committee on Agriculture to address food security concerns of least-developed countries (LDCs) and net food-importing developing countries (NFIDCs) at a meeting on 21-22 November, marking an important step in putting into effect a mandate in the MC12 Ministerial Declaration on the Emergency Response to Food Insecurity. The chair, Marcel Vernooij, was appointed as coordinator to facilitate discussions under the initiative in his personal

capacity. He welcomed members' efforts to approve the programme and laid out steps to launch work in December.

At the meeting, members continued examining each other's farm policies to ensure compliance with WTO rules while working through other implementation issues relevant to the WTO response to the COVID-19 pandemic and the Bali and Nairobi ministerial decisions. Members decided to defer the decision on the first triennial review of the operation of the Bali Tariff Rate Quota (TRQ) Decision to the next committee meeting slated for March 2023.

Members adopt work plan to support LDCs and NFIDCs

Consensus was reached on an urgent call to deliver aid quickly to those hit hardest by the acute food security crisis. Building on the intense discussions since June and the documents tabled by the WTO Secretariat and the main proponents, the approved work programme sets out the roadmap for the committee to advance discussions on the key concerns of LDCs and NFIDCs relating to food security, with the aim of achieving concrete solutions no later than 30 November 2023.

The guiding principles include keeping the forum open and flexible for all members to share experience, engaging with relevant international organizations for inputs, and organizing workshops for technical discussions.

The work programme outlines four primary themes to guide future discussions: access to international food markets, financing food imports, agricultural and production resilience of LDCs and NFIDCs, and a set of horizontal issues to foster collaboration. Members also appointed the current chair as the coordinator to lead a working group for topic-by-topic discussions in the coming months.

It was agreed that the working group can make use of topical questionnaires to collect information and understand the real needs of LDCs and NFIDCs while developing well-targeted solutions. Inputs from relevant international organizations and experience-sharing by countries will also be important sources of information.

The chair welcomed the adoption of the work programme and lauded the fruitful results achieved since the 12th Ministerial Conference (MC12) in June. He said he intended to convene a meeting in early December to kick off discussions, including seeking advice on the frequency of the working group meetings, suggestions on the questionnaire and a possible presentation by LDCs and NFIDCs.

WTO, FAO study calls for global action to improve access to fertilizers, avert food crisis

A study looking into current volatility in the fertilizers market and its impact on agricultural production was issued on 14 November by the WTO and the UN Food and Agriculture Organization (FAO). Calling for urgent action to address the fertilizer crisis, the study outlines policy recommendations for G20 governments, highlighting the importance of keeping the fertilizer market open to meet global demand and to avoid a food availability crisis.



Factors such as the war in Ukraine, high inflation, supply chain disruptions and the global economic downturn have led to soaring prices for fertilizers and agricultural products, notes the study titled "Global fertilizer markets and policies: a joint FAO/WTO mapping exercise", resulting in limited availability in many countries. The study forecasts that shortages in fertilizers will likely persist into 2023, threatening agricultural production and food security in Africa in particular, where farmers are heavily dependent on imported agricultural inputs.

The study also looks at the measures adopted by WTO members in relation to fertilizers between 1 January 2021 and 15 October 2022 and their impact on the global fertilizers market. The study shows 19 WTO members introduced 41 fertilizer-related measures during this period, with 75% of them in the form of trade policy measures. Export-restrictive measures accounted for as much as 41% of all fertilizer-related measures while increased tariffs and domestic subsidies have placed further upward pressure on international fertilizer prices, especially since late 2021, the study finds.

The study urges G20 governments to deploy all policy measures available to deal with the fertilizer crisis, underlining the need to make "every effort" to keep trade in fertilizers open so that supplies reach the countries in most need of them.

The study recommends, in particular, that G20 governments keep food, feed and fertilizer markets open and minimize disruptions to trade in fertilizers, including refraining from export restrictions inconsistent with WTO rules. It stresses the need to ensure access to fertilizers for the most vulnerable countries, including through mobilizing international financial support and leveraging risk management tools, such as fertilizer contract swaps to hedge against extreme price volatility. In addition, it underlines the need to increase market and policy transparency, through G20 members' timely and complete notifications of trade measures to the WTO and enhanced data and policy monitoring at the FAO and through the G20 Agriculture Market Information System (AMIS).

Finally, the study recommends improving soil fertility and accelerating innovation for more efficient use of fertilizers, with greater use of precision farming practices, reducing fertilizer subsidies and promoting sustainable and resilient food systems.

Trade must be a cornerstone of climate action, urges World Trade Report released at COP27

The 2022 edition of the WTO's World Trade Report presents new analysis and recommendations on how international trade and greater cooperation can amplify global efforts to address climate change and put the planet on a sustainable trajectory. The WTO's flagship publication, released on 7 November at the 27th United Nations Climate Change Conference (COP27) in Sharm el-Sheikh, Egypt, also examines the consequences of climate change on trading patterns and future prosperity.

"This report is being launched at the same time as COP27. What I hope to see emerge there and elsewhere is a trade and investment facilitation pathway in support of a just transition to a low-carbon economy," Director-General Ngozi Okonjo-Iweala, who is participating in the climate summit, said in her foreword to the report. "The report argues that trade is a force for good for climate and part of the solution for achieving a low-carbon, resilient and just transition," she said.

The report conveys four main messages: first, climate change is a major threat to future growth and prosperity due to potential productivity losses, production shortages, damaged transport infrastructure and supply chain disruptions. Furthermore, without significant reductions in global greenhouse gas (GHG) emissions, many countries are likely to find their comparative advantages changing, with agriculture, tourism and some manufacturing sectors particularly vulnerable to climate impacts.

Second, trade is a force multiplier for countries' adaptation efforts in the face of climate disruptions, reducing costs of technologies and critical goods and services. In the longer-run, open international markets would help countries achieve necessary economic adjustment and resource reallocation. This is particularly relevant for the most vulnerable economies — least-developed countries, small-island developing states and landlocked developing countries.

Third, trade can reduce the cost of mitigating climate change — by supporting the reduction or prevention of GHG emissions — and speed up the transition to a low-carbon economy and the creation of green jobs. WTO simulations presented in the report suggest that eliminating tariffs and reducing non-tariff measures on a subset of energy-related environmental goods could boost exports by 5 per cent by 2030, while the resulting increases in energy efficiency and renewable uptake would reduce global emissions by 0.6 per cent.

Finally, the report emphasizes that international cooperation on trade-related aspects of climate policy is vital for making climate actions more effective, and the low-carbon transition more just, minimizing



trade frictions and investor uncertainty. The report shows that, without global cooperation on ambitious climate policies, the world will not achieve the Paris Agreement's goal of limiting the global temperature rise to well below 2 degrees Celsius.





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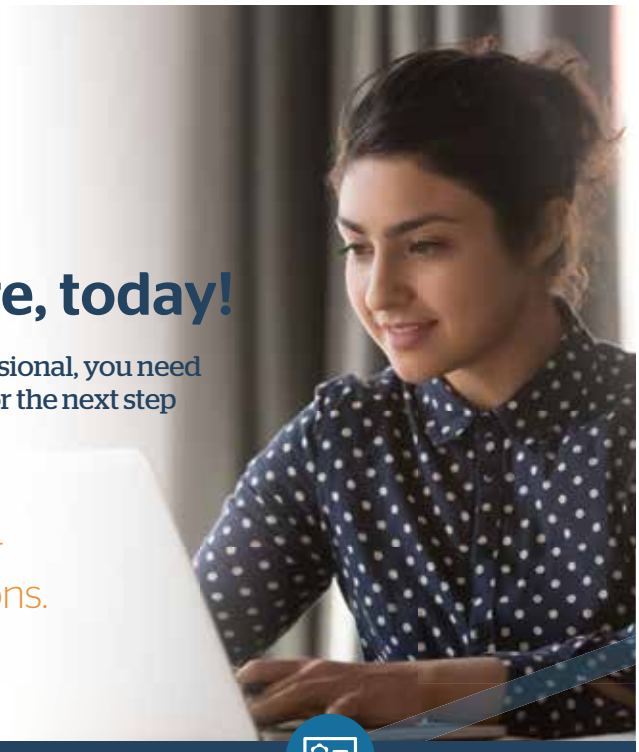
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