ICC BANGLADESH
INTERNATIONAL
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ICC Bangladesh

NEWS BULLETIN

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Gas exploration: the best option to overcome energy crisis

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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Editor's Note

Gas exploration : the best option to overcome energy crisis

The global energy landscape has been impacted by increased market uncertainty due to the Russia-Ukraine war. Even before the war began, there was rebound in energy demand triggered by supply constraints and price spikes for multiple commodities. While gas price hit a 30 year low at the start of the pandemic in 2020, it reached a nearly two-decade high in 2021. Power prices show similar volatility.

The transition to a low-carbon economy is continuing to gain momentum in the long-term shift to low-carbon energy systems and has been accelerating in several respects. In the context of COP26, developed countries as well as many large corporate houses have committed to achieving the net zero emissions within the next few decades to fight the climate change catastrophe.

Russia-Ukraine war is certainly a reason for global energy crisis which also affected Bangladesh. But experts said with all certainty that even if the war had not taken place, Bangladesh would have still faced an energy crisis. The production and supply from local gas fields has been declining since 2015 and will continue to decline in the near future. On the other hand geoscientific studies testify that there is more untapped natural gas in Bangladesh than what has so far been extracted.

A two-year joint study (2001) by the US Geological Survey (USGS) and Petrobangla shows that Bangladesh has mean probability (50%) of undiscovered natural gas resource to the tune of about 32 trillion cubic feet (Tcf). The Norwegian Petroleum Directorate (NDP) and Hydrocarbon Unit (HCU) in another joint study (2001) suggested that mean probability of Bangladesh's undiscovered gas resources is 42 Tcf. In 2011 Ramboll, a European oil and gas consultant, updated the undiscovered gas resource assessments for Bangladesh and suggested that it is 34 Tcf in 90% probability.

According to experts, Bangladesh consumes about one trillion cubic feet of gas per year. It means that by exploring the untapped gas ressource of 32-34 Tcf, the country can be ensured of gas supply for the next 30 years. Although Bangladesh has further potential in the gas sector, the number of exploration gas wells is less than many other gas basins in the world.

Bangladesh has an area of 147,000 sq. km and has so far drilled about 100 exploratory wells in total. Indian State of Tripura , on the other hand, has an area of 10,000 sq. km and has drilled more than 150 exploratory wells. Such statistic shows how poor the rate of exploration in Bangladesh actually is. Yet, Bangladesh discovered more gas reserves than Tripura.

Out of 25,500MW of electricity generation capacity, 3,500 MW is off-grid (solar home and captive), while 4,000 MW cannot be operational because of forced/ unforced shutdown and fuel shortage. To meet up the present crisis and to meet future need for electricity generation, Bangladesh has started importing liquefied natural gas (LNG).

In 2026, Bangladesh will become a middle income country and as such is going to lose a number of benefits of LDCs. Besides, with the declining foreign exchange reserve, the country is expected to be hard-pressed in the next 2/3 years time when the debt re-payment becomes due. In addition, US$26 billion debt re-payment of the private sector borrowing may also make it difficult to manage foreign debt re-payment.

Therefore, dependence on LNG imports may work out in the short-term, but in the long-run, the price volatility and current global economic uncertainty would make import unsustainable and put pressure much needed foreign exchange reserve.

Bangladesh Government is targeting to achieve export earnings of US$100 billion by 2026. But with the on-going energy crisis it might be difficult to achieve the target as production in most of the industries are well below their capacity due to frequent shut down.

It has been 10 years since the Government has successfully own the maritime boundary dispute in the Bay of Bengal. According to experts, the deltaic build of mainland Bangladesh and its offshore, for all geo-scientific reasons, have been rated as highly prospective areas for natural gas. Proof of such rating is evidenced in the adjacent areas bordering Bangladesh, notably the offshore Rakhaine basin in Myanmar where large-scale gas fields have been discovered since the maritime dispute with Bangladesh was settled in 2012.

Bangladesh should move faster with its exploration activities both on-shore and off-shore to replace expensive LNG with its own natural gas reserve as long as such a resource base is scientifically reckoned.

ICC Bangladesh News

ICC Webinar on Navigating Vessel Tracking and Trade Compliance in Bangladesh

ICC Bangladesh, *The world business organization,* organized Webinar on NavigatingVessel Tracking and Trade Compliance in Bangladesh jointly with The London Institute of Baking and Finance (LIBF) and TradeSun on 24 September 2022 for the bankers of Bangladesh. The Webinar was inaugurated by ICC Bangladesh Banking Commission Chairman Muhammad A. (Rumee) Ali. The inaugural session was also addressed by ICC Bangladesh Secretary General Ataur Rahman and Head of Trade and Transaction Banking, LIBF Alex Gray. The Webinar was attended by some 325 bankers from Bangladesh.



Speakers at the Webinar Navigating Vessel Tracking and Trade Compliance in Bangladesh.

The Speakers of the session, moderated by Alex Gray, were Lutfor Rahman, Head, Import Settlement and Offshore Banking Operation, BRAC Bank and Manoj Saxena, Chief Product Officer, TradeSun.

ICC Bangladesh Banking Commission Chairman Muhammad A (Rumee) Ali, in his inaugural address said that the issue of Navigating Vessel Tracking and Trade Compliance in Bangladesh is very important part of the country in view of the current world scenario and sanctions imposed due to Russia-Ukraine War. He mentioned to three reasons for vessel tracking: first, international trade accounts for upto 25% of GDP; second, RMG sector, which is vulnerable in many ways to this risk and accounts for 80% of total export earnings and it also employs the largest numbers of women in all this industries; and third, remittance of US$22billion per year which is very important part of the country's total foreign exchange earning.

The Chairman observed that trade compliance is fundamental in managing the risk of avoiding penalized sanctions. This requires compliance to three sets of regulatory frameworks: one is the exporter bank; second is the importer bank and the third is international regulatory framework. "Since only non-compliance in international regulatory framework can lead to potential severe penalties, we must adopt all necessary methods to manage this risk in an effective way as well as minimize money laundering and illegal remittances. We need training and monitoring mechanism for the bankers to track and monitor trade flow on the ground, real-time tracking mechanism of vessels which includes air, land and sea bound trade must be adopted.", Mr. Ali observed. He thanked Alex Gray, Ataur Rahman, Manoj Saxena, Lutfor Rahman and the bankers for joining this event.

Earlier, ICC Bangladesh Secretary General Ataur Rahman in his welcome address thanked LIBF and TradeSun for arranging the joint webinar on this very important topic. He also thanked LIBF for their continuous support to ICC Bangladesh in organizing on-line courses and workshops for promotion of professional qualifications of the banking sector officials.

Mr. Rahman mentioned that earlier this year, the Bangladesh Bank instructed all banks operating across the country to improve trade compliance capabilities by deploying vessel tracking systems to reduce the risk of trade-based financial crime, following guidance issued in 2019. In view of this, ICC Bangladesh has arranged the webinar, he added.

Mr. Rahman said that the objective of the Webinar is to examine the unprecedented new rules and how they are paving the way for enhanced trade compliance in Bangladesh. The speakers at the webinar will explore technologies enabling vessel tracking as well as other crucial aspects of compliance, such as sanctions screening, bill of lading tracking, fair price check, and container verification, he said.

LIBF Head of Trade and Transaction Banking Alex Gray, in his opening remarks, briefed about the various professional qualifications courses that are being offered by LIBF.

He thanked ICC Bangladesh and TradeSun for co-organizing the Webinar.

Lutfor Rahman presented and discussed about trade based financial crime, Money Laundering Prevention Act, Import Policy Order; Export Policy; Bangladesh Bank Guidelines for Foreign Exchange Transactions (GFET), BFIU Guidelines for Prevention of Trade Based Money Laundering; Price verification; Vessel/Container Tracking; Various screening Activities; Import Policy Order; Combat trade based financial crime and Vessel Tracking Challenges etc.

Manoj Saxena also presented and discussed about Trade Compliance key requirements i.e. Maritime Tracking, Price verification, Sanction Screening, Dual use Goods and TBML Red flags.

ICC Workshop on International Trade Payment Finance
-Practice, compliance, operations & legal analysis.

ICC Bangladesh organized a day-long Workshop on International Trade Payment and Finance-Practice, compliance, operations & Legal analysis in Chattogram on 6 August. The Workshop conducted by Mr. A.T.M. Nesarul Hoque, Senior Vice President of Mutual Trust Bank was attended by a total of 80 participants from 29 Banks & 3 from KAFCO.



Group picture of participants at ICC BangladeshWorkshop on International Trade Payment and Finance-Practice, compliance, operations & Legal analysis in Chattogramon 6 August 2022. ICC Bangladesh Secretary General Ataur Rahman and Workshop Resource Person & Senior Vice President of Mutual Trust Bank ATM Nesarul Hoque are seen in the group picture with the participants.

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 Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as the global commodity prices increase amid the uncertainty created by the war in Ukraine. The complete shutdown of supply of essential commodities from Russia, Ukraine, and Belarus, followed by the export ban of palm oil by Indonesia and India's recent export restriction on wheat have not only disrupted the supply chain but also increased the commodity prices further. Furthermore, the imposition of massive sanctions against Russia by US, EU and a number of other countries and Russia's sanctions against them, have complicated the global situation. In this global context, LCs, both for imports and exports to and from Russia, Ukraine, Belarus, India, and Indonesia may be at different stages of the LC cycle and need extra care for settlement. Therefore, it is essential for the bankers dealing with trade finance to be extra cautious while making their own decisions. The Workshop will help the participants understand the rules from the legal, compliance and operational perspectives, he said.

Mr. Rahman thanked the commercial banks for nominating their officials for attending the workshop. He also thanked Mr. Hoque for conducting the day-long workshop and hoped that the participants will benefit from the deliberations to be made by the resource person.

The topics of the daylong workshop presented by Mr. Hoque included: Legal Analysis of Independent Principle of UCP 600; Incoterms® 2020; Covid-19 and its effect in documentary credit; trade based

financial crime including court case; discussion on ICC Global Banking Commission official opinions and recent updates on open account export trade in Bangladesh and way forward.

ICC Bangladesh Banking Commission Meeting discussed about future programme

ICC Bangladesh Banking Commission Meeting was held on 15 September at the National Secretariat. The Meeting, presided by ICCB Banking Commission Chairman Muhammad A. (Rumee) Ali was attended by ICC Bangladesh President Mahbubur Rahman and Banking Commission members, namely, Former Bangladesh Bank Executive Director Md. Ahsan Ullah, Former Pubali Bank Managing Director Helal Ahmed Chowdhury, Dhaka Bank Managing Director Emranul Huq, Summit Alliance Port Managing Director Syed Ali Jowher Rizvi, Eastern Bank Additional Managing Director Ahmed Shaheen and ICC Bangladesh Secretary General Ataur Rahman.

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.

ICC Bangladesh President Mahbubur Rahman endorsed the observation made by the Chairman, thanked the Members for their active participation in the carrying out various activities of the National Secretariat and assured full cooperation of the ICCB Executive Board on the implementation of the various new activities to be proposed by the Banking Commission during the meeting.

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 Chairman proposed Formation of Task Forces on the following suggested Sub-Sectors: International Trade Finance, Environmental and Social Performance of Financial Institutions, Climate and Sustainable Finance, Digitalization and Cyber Security of Financial Institutions, Credit Risk Management: Managing Loan Portfolio to reduce default loan, Inclusivity in Banking: MSME and Extending Financial Services to the unbanked sector, Islamic Banking, Gender based issues in Financial Sector and Access issues in Financing and Employment (HR)

The Banking Commission reviewed the activities of the National



ICCB Banking Commission Chairman Muhammad A. (Rumee) Ali (4th from left) presided over the meeting held at ICC Bangladesh Secretariat which was attended by ICC Bangladesh President Mahbubur Rahman (4th from right) and Members (from R-L) are : Dhaka Bank Managing Director Emranul Huq, Former Pubali Bank Managing Director Helal Ahmed Chowdhury, Former Bangladesh Bank Executive Director Md. Ahsan Ullah, ICCB Secretary General Ataur Rahman, Eastern Bank Additional Managing Director Ahmed Shaheen and Summit Alliance Port Managing Director Syed Ali Jowher Rizvi.

Secretariat and recommended a Plan of Action for 2023, propose to ICC Global Banking Commission for hosting Global Banking Commission Meeting in Dhaka in 2024 on the occasion of 30th Anniversary of ICC Bangladesh and setting up ICC Entrepreneur hub in Dhaka.

The Chairman also suggested 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.

ICC Bangladesh Executive Boad Meeting held

The 88th Meeting of the Executive Board of ICC Bangladesh was held on Monday, 8 August at ICC Bangladesh Secretariat. The Meeting presided over by ICC Bangladesh President Mahbubur Rahman was attended by Vice Presidents Rokia Afzal Rahman & A. K. Azad and the following Board Members : Anwar-Ul-Alam Chowdhury (Parvez), Tapan Chowdhury, Mohammad Ali Khokon, Rizwan-Ur Rahman, Mohammad Hatem, Naser Ezaz Bijoy & Simeen Rahman and Secretary General Ataur Rahman. ICCB Banking Commission Chairman & BIAC Vice Chairman Muhammad A. (Rumee) Ali also attended as special guest. The other members could not attend due to prior engagements.



ICC Bangladesh Executive Board Meeting in progress

The Board reviewed the activities of the National Committee during April-June 2022. ICCB President thanked the Executive Board Members and ICC Bangladesh members for their generous contribution to provide relief to the flood affected people of Sunamganj. He mentioned that ICC Bangladesh with the help & support of Hameem Group & Envoy Group distributed relief materials through Army and local administration. The Executive Board endorsed the proposal of the President to construct houses for some selected villagers who do not have funds for rebuilding their home. The Executive Board was informed about the Income and Expenditure of ICC Bangladesh during January-June 2022.

The Executive Board agreed to hold a joint Webinar proposed by ICC Court to celebrate ICC Court centenary (2023) in Dhaka on 21 March 2023. The Executive Board also decided to use the new logo of ICC which was formally launched by ICC HQs. during its World Council meeting held in Mexico on 14 June 2022.

New York State Assembly honours FBCCI President Jashim Uddin



FBCCI President Md. Jashim Uddin receiving the honour from New York State Assembly Member Yudelka Tapia at an event named "Celebrating 50 Years of US-Bangladesh Relations" held in New York on 24 September.

The New York State Assembly has honoured Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Md Jashim Uddin. He received the honour from New York State Assembly Member Yudelka Tapia at an event named 'Celebrating 50 Years of US-Bangladesh Relations' held in New York on 24 September. Mr. Jashim Uddin is the very first Bangladeshi business leader, honoured by the Assembly for his exemplary services to career, community and families through his endless dedication for the betterment of society.

Foreign Minister Dr. A. K Abdul Momen was the Chief Guest at event which was also attended by Consul General of Bangladesh in New York Dr. Mohammad Monirul Islam, former Bangladesh Bank Governor Dr. Atiur Rahman and NYC Court Judge Ms. Soma Syed.

FBCCI President Md. Jashim Uddin said that the event will open doors for taking Bangladesh and USA relationship to a newer height. He urged the 3rd and 4th generation Bangladeshis living in the USA to help Bangladesh's businesses enter the mainstream market of the US.

ICC Academy & LIBF Online Professional Qualifications Courses

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)

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)

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DBL Group Managing Director MA Jabbar honoured with DHL-Daily Star Business Person of the Year Award

DBL Group Managing Director MA Jabbar was honoured as the Business Person of the Year by DHL-The Daily Star sponsored Bangladesh Business Award. Planning Minister MA Mannan, M.P. handed over the trophies to the winners at a gala event held in Dhaka on 2 September in presence of Senior Vice-President South Asia and Managing Director of DHL Express India RS Subramanian, Managing Director of DHL Express Bangladesh Md. Miarul Haque and The Daily Star Editor Mahfuz Anam.

Pran-RFL Group received the Enterprise of the Year Award and leading mobile financial service provider bKash received the Best Financial Institution Award in the 20th edition of the Award introduced by DHL Express and The Daily Star.



Planning Minister MA Mannan, M.P. handing over the Business Person of the Year Award to MA Jabbar, Managing Director of DBL Group at a gala event held in Dhaka on 2 September 2022.

DBL Group is a family owned business which started in 1991. The first company, Dulal Brothers Limited had a modest garment factory of 300 workers. The company was struggling to survive for want of work orders from abroad. Mr. Jabbar, after completing his study in computer science and technology at the University of Texas, Dallas, returned to Bangladesh in early 90s and joined the family business.

Over the years, under the dynamic leadersgip of Mr. Jabbar, the company evolved into a diversified conglomerate in Bangladesh. Today, Dulal Brothers has transformed into DBL Group, a conglomerate of 24 business and industrial units in areas ranging from textile, spinning, dyeing, finishing, garment, pharmaceuticals, ICT, dredging, ceramics and packaging. With a dedicated workforce of 42, 000 employees, the annual turnover of the Group during 2020-2021 was US$ 780 Million.

The organization has financial investments from IFC of the World Bank, DEG-KfW (Germany), and Swedfund (Sweden). DBL engaged in its first offshore business in Ethiopia for Apparels and Textiles, creating employment opportunities for 4,500 people.

ICC HQs News

Ground-breaking repository of paperless trade solutions seeks submissions

The International Chamber of Commerce and The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) are calling on public and private service providers to submit best practices for a new online repository of cross-border paperless trade initiatives and solutions.



Launched during the Asia-Pacific Trade Facilitation Forum by UNESCAP's Chief of Trade Policy and Facilitation, Yann Duval, in partnership with the ICC Digital Standards Initiative, the one-stop Cross-border paperless Trade (CBPT) Database aims to showcase projects and services relevant to cross-border paperless trade.

The publicly available online repository of legal instruments and implementation instruments will support trade facilitation and promote close and sustained collaboration between countries, including through the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.

During the Forum, delegates further encouraged ratification of the Framework agreement, which has the potential to step up paperless trade development, while harmonizing and building upon a number of bilateral and subregional instruments already developed.

Mr Duval said: "Finding reliable information on cross-border paperless trade projects remains a challenge, as many projects are still at the pilot or PoC stage. The new database provides a one-stop shop to learn from existing project cases and services, to promote harmonisation and cooperation among public and private stakeholders. It covers G-to-G, B-to-G and B-to-B initiatives to exchange trade-related data electronically across borders. We look forward to further developing the database in close cooperation with ICC DSI.

The database will be an essential source of information for ESCAP member states as they proceed with implementation of the UN treaty on cross-border paperless trade facilitation in Asia and the Pacific, but also to all those who want to further accelerate the digitalization of their trade processes. Achieving seamless cross-border paperless trade is ambitious but is expected to cut trade transaction costs by at least 13% across the region."

Since 2009, the Asia-Pacific Trade Facilitation Forum (APTFF) has been the leading regional platform for the exchange of good practices and knowledge on trade facilitation attracting over 250 participants from over 30 countries and offering extensive opportunities for capacity building and cooperation.

This year's event underscored the importance of accelerating trade digitalisation and the move to paperless trade. In addition to a 13% reduction in trade costs, achieving paperless trade would be equivalent to planting 400 million trees.

Hannah Nguyen, Director of Digital Ecosystems for the ICC Digital Standards Initiative (DSI) led a Forum workshop looking at international standards for trade facilitation aiming to raise awareness of existing international standards. The ICC and WTO recently launched the Standards Toolkit for Cross-border Paperless Trade to help drive adoption, identify potential gaps and promote interoperability.

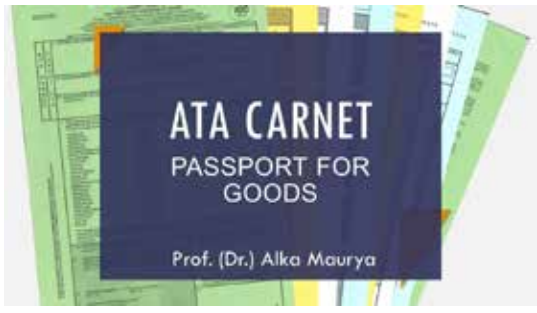
Ms Nguyen also represented ICC as a judge of the APTFF Trade Facilitation Innovation Award.

Ms Nguyen said:

"Through the DSI and other pioneering initiatives ICC remains committed to ensuring that systems used by all stakeholders are interoperable, and that businesses and government stakeholders are enabled to significantly improve cross-border trade efficiencies, visibility and resilience to enhance the overall performance and sustainability of supply chains."

Use of ATA Carnet approved for FIFA World Cup broadcast equipment

Customs authorities in Qatar have approved the use of ATA Carnet, an international customs document that permits duty-free and tax-free temporary import of goods, for professional products such as broadcasting equipment on an exceptional basis during the upcoming 2022 FIFA World Cup.



While Qatar implemented the ATA regime in 2018 with an initial application limited to goods displayed or used at exhibitions and trade fairs, professional equipment such as broadcasting equipment was originally unable to be imported into Qatar under the cover of ATA Carnets for temporary admission.

Considering the need of the media industry during the 2022 FIFA World Cup and in an effort driven by the International Chamber of Commerce (ICC), the Qatar Chamber of Commerce and Industry (QCCI) played a key role negotiating with the Qatari customs authorities resulting in agreement/ measures to expand the ATA scope to include professional equipment on an exceptional basis during the competition – from October till the end of December 2022.

The final date of re-exportation will be stipulated by Qatari customs officials at the time of entry, taking into consideration the time needed to import and re-export from Qatar.

Ruedi Bolliger, Chair of the ICC World ATA Carnet Council (WATAC): "On behalf of all members of the World ATA Carnet Council, I would like to express our gratitude and appreciation for the tremendous contribution made by the Qatar chamber in enabling broadcasters from all member countries to have the necessary equipment moved in and out of Qatar using ATA carnets, the most convenient customs formality for temporary admission."

Established under the ATA Convention and the Istanbul Convention as a trade facilitation tool, ATA is a system allowing the free movement of goods across frontiers and their temporary admission into a customs territory with relief from duties and taxes.

The goods are covered by a single document known as the ATA Carnet that is secured by an international guarantee chain administered by ICC's World Chambers Federation.

More than 118,000 pieces of equipment were recently imported temporarily into China for 2022 Beijing Winter Olympics and Paralympics thanks to the use of ATA carnets.

Business leaders and policymakers gather for a more sustainable world tax order

The International Tax Conference jointly hosted by the International Chamber of Commerce (ICC), Business@OECD and Business Europe highlighted how a consistent global tax system is essential for business and will foster cross-border trade and investment.

Under the theme "Towards a Sustainable World Tax Order?", the International Tax Conference, held in Munich, Germany (21-22 July), gathered business leaders and policymakers from around the world over two days to address key, current and emerging topics in international tax policy. The sessions underscored the importance of certainty, clarity and simplification for effective implementation of the new international tax rules, as well the need for continued cooperation, collaboration and engagement from the business community as a key stakeholder in the process.

The event brought together a great line up of speakers from ICC, the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN), the European Commission, tax administrations and business representatives to discuss tax policy and implementation issues related to the OECD/G20's two-pillar solution to address the tax challenges arising from the digitalisation of the economy. Other tax issues at global level such as carbon pricing and cross-border mobile working were also discussed.

Speaking at the conference, Christian Kaeser, Chair of the



ICC Global Taxation Commission said: "Current and emerging issues require that everyone is on board to take active steps forward in promoting harmonised approaches to strengthen effectiveness. Globally coordinated efforts are needed to ensure that future international tax rules are workable and applicable in an increasingly digitalised economy as well as driving efforts for net-zero climate objectives."

Divided into six sessions, each composed of an interview and followed by a panel discussion with distinguished speakers, the conference provided a platform for an exchange between business and key UN, OECD and EU representatives as well as national government officials on the fundamental architecture and elements endorsed by G20 Finance Ministers.

ICC Global Taxation Commission member Georg Geberth gave the welcome address while Wendy Miles, ICC Working Group on Carbon Pricing Co-Chair also spoke at the first session.

Black Sea grain exports deal must enable full agricultural value chain

ICC has issued a statement following the signature of a deal to allow the resumption of grain exports via the Black Sea.

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

"The strategic importance of today's agreement for global food security cannot be overstated. Projections from our network suggest that restoring shipments of Ukrainian grains and vegetable oils via the Black Sea is absolutely imperative to avert a severe cost-of-living – and potentially hunger – crisis in the developing world".

"We applaud the leadership of the UN Secretary General in forging today's agreement – and especially welcome the opportunities that have been afforded to the private sector to inform elements of this crucial diplomatic accord. The deal must work to enable the full agricultural value chain to start moving produce to the markets that need it without delay. We encourage careful monitoring by the United Nations to address any unanticipated real-economy frictions that arise in the implementation of the agreement".



"From a global food security perspective, it's vital that the accord to reopen the Black Sea is implemented as an integrated package with a corresponding political focus on unblocking agricultural exports from the Russian Federation. Trade in Russian fertilizers must resume in the coming weeks if the international community is to avert the risk of lower crop yields creating further food insecurity for millions in 2023.

We welcome the clarification this week from the European Council that prevailing EU sanctions should not affect trade in any agricultural products – and encourage all governments to work with the private sector to create the conditions necessary to restore exports of Russian fertilizers to close to pre-war levels."

ICC announces appointment of leading supply chain executive to head Digital Standards Initiative



The International Chamber of Commerce (ICC) 7 July announced the appointment of Pamela Mar as the incoming Managing Director of its Digital Standards Initiative (DSI).

Pamela Mar will join ICC in early September from her current role as Executive Vice President – Knowledge and Applications at the Fung Group, Hong Kong.

She brings over 20 years of experience working across global supply chains and industry on sustainability, technology and global policy issues — having held roles based in Hong Kong, Shenzhen and Geneva. Ms Mar was named in the Eco-Business Sustainability A-List in 2019 and has published and spoken widely on corporate sustainability and supply-chain issues.

Ms Mar will lead the continued growth of ICC's DSI global programme from its hub in Singapore – working with industry, governments and key standards setting organisations worldwide to accelerate the adoption of digital trade processes, enabling technologies, and regulatory environments.

ICC Secretary General John W.H. Denton AO said: "Following an extensive global search, we are delighted to appoint Pamela to lead the work of our Digital Standards Initiative. Her track record, depth of international experience and commitment to ICC's institutional mission makes her the ideal person to accelerate our work in the trade digitalisation space."

Ms Mar added: "Trade is a proven means to create jobs, empower people, and generate the resources for sustainable inclusive growth, and digitalisation could amplify this many times over. The ICC DSI is uniquely positioned to help bridge the digital trade gap wherever it exists, creating both public good and private sector opportunities. I look forward to working with our partners worldwide to make this happen sooner."

Speaking on the appointment, Gina Lim, Director of Financing Ecosystem Development at Enterprise Singapore said: "We are delighted to welcome Pamela as the Managing Director of the ICC Digital Standards Initiative. Along with our industry partners, we look forward to her leadership in helping to achieve alignment on global trade digitalisation and inter-operability to enable greater and smoother trade flows."

Steven Beck, Head of Trade and Supply Chain Finance at the Asian Development Bank added: "Pamela will provide DSI with the leadership required to make digitalisation of global trade a reality — bridging private and public sectors, and driving consensus on standards throughout the trade ecosystem."

Global piracy and armed robbery incidents at lowest level in decades

The ICC International Maritime Bureau (IMB) received the lowest number of reported incidents for the first half of any year since 1994 – a testament to its pivotal role in raising awareness to make waters safer.

IMB's latest global piracy report details 58 incidents of piracy and armed robbery against ships – the lowest total since 1994 – down from 68 incidents during the same period last year. In the first six months of 2022, IMB's Piracy Reporting Centre (PRC) reported 55 vessels boarded, two attempted attacks and one vessel hijacked.

IMB Director Michael Howlett said: "Not only is this good news for the seafarers and the shipping industry it is positive news for trade which promotes economic growth. But the areas of risk shift and the shipping community must remain vigilant. We encourage governments and responding authorities to continue their patrols which create a deterrent effect."

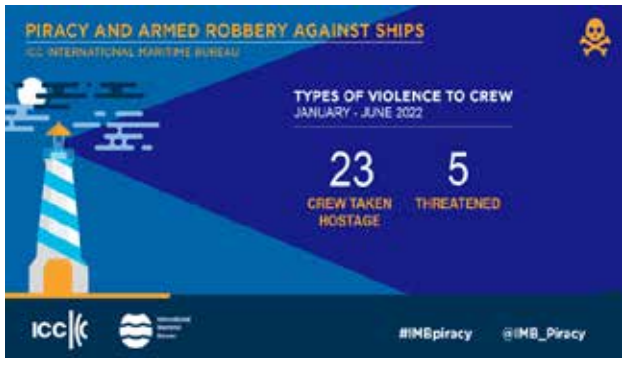
While the reduction in reported incidents is indeed encouraging, the IMB PRC continues to caution against complacency – vessels were boarded in 96% of the reported incidents. Despite no crew kidnappings reported during this period, violence against and the threat to crews continues with 23 crew taken hostage and a further five crew threatened.

Cautious gains in the Gulf of Guinea

Of the 58 incidents, 12 were reported in the Gulf of Guinea, ten of which defined as armed robberies and the remaining two as piracy. In early April, a Panamax bulk carrier was attacked and boarded by pirates 260NM off the coast of Ghana. This illustrates that despite a decrease in reported incidents, the threat of Gulf of Guinea piracy and crew kidnappings remains.

On being notified of the incident, IMB PRC immediately alerted and liaised with the Regional Authorities and international warships to request for assistance. An Italian Navy warship and its helicopter responded and instantly intervened, saving the crew and enabling the vessel to proceed to a safe port under escort.

IMB PRC commends the prompt and positive actions of the Italian Navy which undoubtedly resulted in the crew and ship being saved. It urges the Coastal response agencies and independent international navies to continue their efforts to ensure this crime is permanently addressed in these waters which account for 74% of crew taken hostage globally.



ICC Chair Maria Fernanda Garza appointed to UN Internet Governance Forum Leadership Panel

The recently elected Chair of the International Chamber of Commerce (ICC) Maria Fernanda Garza has been appointed to serve on the United Nations Secretary-General's inaugural Internet Governance Forum (IGF) Leadership Panel.

In line with the mandate of the IGF and as recommended in the UN Secretary-General's Roadmap for Digital Cooperation, the UN Secretary-General established a new Leadership Panel as a strategic, empowered, and multi-stakeholder body to support and strengthen the forum.

ICC Chair Maria Fernanda Garza and nine other distinguished members were appointed to the inaugural panel following an open call for nominations to address strategic and urgent issues and highlight forum discussions and possible follow-up actions, in order to promote greater impact.

Hailing from all regions of the world and serving a two-year term during the 2022–23 IGF cycles, the complete, inaugural panel is as follows:



Maria Fernanda Garza, Mexico; Vint Cerf, United States of America; Hatem Dowidar, Egypt Lise Fuhr, Denmark; Toomas Hendrik Ilves, Estonia; Maria Ressa, Philippines and United States of America; Mr. Alkesh Kumar Sharma, India; Ms. Karoline Edtstadler, Austria; 'Gbenga Sesan, Nigeria and Lan Xue, China

Recognised as one of the most significant outcomes of the 2005 World Summit on the Information Society (WSIS), the IGF annual event brings together the global Internet governance community and is a unique platform for candid and open discussion on the future governance of the Internet. The 17th edition of the forum is set to take place from 28 November to 2 December 2022, in Addis Ababa, Ethiopia.

As the leading private sector representative, ICC BASIS ensures business is represented in relevant discussions at all levels to exchange perspectives with governments and other stakeholders on recent developments. Its goal is to demonstrate the value of business' role and engagement in policy discussions and to ensure that governance of the Internet remains open, secure, stable and inclusive.

ICC mourns the death of Her Majesty Queen Elizabeth II

On behalf of business leaders worldwide, ICC pays tribute to Her Majesty Queen Elizabeth II, who died peacefully on 8 September.

The International Chamber of Commerce is saddened by the death of Her Majesty Queen Elizabeth II. We extend our sympathies to our members and communities in the United Kingdom and all Commonwealth countries at this historic moment. During her reign of more than 70 years, The Queen was a constant source of stability through economic and social transformation and volatility, most recently bringing reassurance during the Covid pandemic.



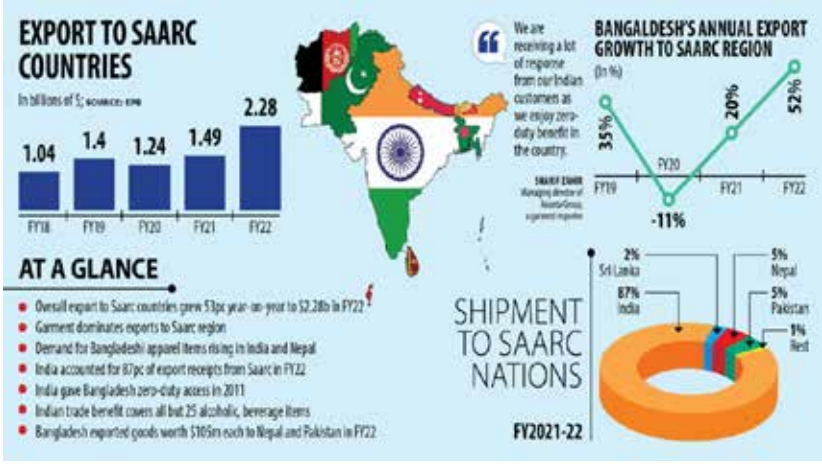
A globally recognised symbol of tradition and resilience, her dedication and sense of duty to the people she served was rarely seen in modern times and has inspired leaders across geographies and generations, particularly those in the business world.

ICC wishes to impart our sincere condolences to the Royal Family and all those close to Her Majesty. She will be greatly missed.

Bangladesh Economy

Bangladesh exports to SAARC Countries on the rise

Bangladesh's exports to South Asian nations are rising, as the country's RMG sector works towards diversifying its export basket. India's zero-duty benefit for most Bangladeshi items aided the growth, particularly in the last fiscal year, when overall exports to eight countries in the region grew 53% year-on-year to US$ 2.28 billion in FY22.



The demand for garments made in Bangladesh has been growing in Indian and Nepalese markets on the back of their expanding middle-income population. Moreover, sourcing is on the rise by foreign retailers and brands like Walmart for Indian markets and by the neighbouring country's domestic retailers and brands such as Reliance and Aditya Birla.

India alone accounted for US$ 1.99 billion or 87% of the total exports receipts from the South Asian Association for Regional Cooperation (SAARC) in fiscal year 2021-22. Asian countries such as India, Japan and China are the target markets for Bangladesh as the country is set to lose its preferential market access in 2026 following its graduation from the group of least-developed countries.

Previously, the country's exports to the region were mainly confined to formal woven shirts. Now, garment manufacturers send inner garments, denim and causal knitwear products apart from other consumer goods. With the buoyancy in export growth to the region, the SAARC region's share in Bangladesh's total exports of US$ 52 billion grew by one percentage point to 4%, according to EPB. From basic to polo shirts, casual and formal dresses are the main export items to the SAARC nations.

Bangladeshi exporters believe jackets are going to be the next major export item to Nepal because of the relatively colder weather and lengthy winter season in the Himalayan nation. Shipments to Nepal and Pakistan were also encouraging. Bangladesh exported goods worth more than US$ 105 million each to Nepal and Pakistan in FY22.

South Asia is the least-integrated region in the world and despite being one of the most populous regions, intra-regional trade sits at less than 5% of its total trade, according to a World Bank study. Border challenges mean it is about 20% cheaper for a company in India to trade with Brazil instead of a neighbouring South Asian country, it said.

Trade has been limited by several factors, such as inadequate roads and marine and air transport, protective tariffs, real and perceived non-tariff barriers, restrictions on investments and a broad trust deficit throughout the region, it added. Inter-regional trade stands at 35% in East Asia and 60% in Europe.

Newsweek highlights Bangladesh's tremendous development

Renowned US weekly magazine Newsweek has highlighted Bangladesh's incredible development and significant improvements in cutting poverty in its latest issue. In a story titled 'Bangladesh: A greener future for a young nation going places fast' published on 24 July with a picture of Prime Minister Sheikh Hasina and the names of some industrial establishments on the cover, the magazine said Bangladesh is entering its second half-century in strong shape after celebrating the 50th anniversary of its founding in 2021.

According to the report, Bangladesh is currently one of the fastest growing economies in the Asia-Pacific region

with continued developments across key sectors of the economy and significant improvements in reducing poverty levels, which are now down to just 12.5 percent, according to the World Bank.

Before the pandemic, Bangladesh's GDP was also growing at a fast pace, it said. In 2019, the economy grew by 8.2 percent and in 2020, at the height of the pandemic, it still expanded by 3.5 percent, followed by 6.9 percent in 2021. "We expect to attain over 7 percent growth rate in the current fiscal year," said Bangladesh's long-serving Prime Minister Sheikh Hasina at the 27th Nikkei Future of Asia conference held in May 2022.

Hasina, the daughter of Bangladesh's founding father Sheikh Mujibur Rahman, has been the country's prime minister since 2009 and has overseen a rapid transformation of the domestic economy, the report said.

Industry's contribution to Bangladesh's economy grew from less than 20 percent to more than a third between 2010 and 2018, while manufacturing's contribution to GDP has doubled since 1980, with exports growing 20-fold since the 1990s to be now worth more than USD 40 billion a year, it said.

According to the Bangladesh Bureau of Statistics (BBS), the country's industrial sector is set to grow by more than 10.4 percent in the current fiscal year after expanding by 10.3 percent and 3.6 percent respectively over the last two years. Meanwhile, manufacturing growth is expected to tick up to 12.3 percent in the current fiscal year, from 11.59 percent in 2021.

The country is also doing well when it comes to empowering larger shares of its population of more than 165 million; the female work participation rate in Bangladesh reached 35 percent last year, the report said citing the World Bank.

It said sectors like the ready-made garment (RMG) industry have also helped to put Bangladesh on the map with the country now one of the world's largest garment exporters and the RMG sector alone accounting for 84 percent of Bangladesh's exports, according to McKinsey & Company.

Bangladesh is considered a frontrunner in transparency regarding factory safety and value-chain responsibility, after a tragic accident almost a decade ago. Nowadays, Bangladesh is a nation that is truly looking towards the future.

The report further mentioned how Bangladesh has become a model of development in the face of poverty, drought, floods and natural disasters, how the entire population has been integrated into development, each person has engaged in production according to his ability, the backward people have been shown the way of light and how villages are developing like cities, etc.

Newsweek has highlighted the contribution of Bangladesh's top business houses to the economy. It mentioned the names of Concord Group, Envoy Group, Transcom Group, United Group, Sikder Group, Confidence Group, Hosaf Group and Multimode Group.

BB takes further measures to stabilise forex market

The Bangladesh Bank on 14 July created scope for freeing up US dollars held by banks, businesses in exporters' retention quota accounts and the banks' offshore banking units to tackle instability on the foreign exchange market. To this end, the central bank issued two separate circulars on the day.

Besides, the central bank also decided to reduce the banks' foreign currency holding limit, officially known as open position limit, for a particular day to 15 per cent from 20 per cent, a BB official said. The respective open position limits of banks are determined based on total capital and some other qualitative factors.



The reduction in open position limit would compel banks to sell US dollars beyond the limit through the interbank money market and thus make the fund available for other uses. All the relaxations will remain valid till December 21, 2022.

Under one of its circulars, the BB on the day slashed exporters' retention quota to half to increase supply of US dollars by about $350 million immediately amid a continued depreciation of the taka due to a dollar crisis. esides, the BB also allowed banks to use their offshore banking units' funds for the domestic banking units so that the banks can use the same for import purposes.

The BB instruction would make about $2 billion in funds of the banks OBU useable for their domestic banking operations, including import payments of their customers. All the three measures were taken to tackle the high import-driven instability on the foreign currency market.

The central bank issued the instructions at a time when the country's reserve has been on the decline, weakening the country's capacity to meet up import costs, and the taka has been on depreciation on high import spending, which is stoking inflation further.

As a result of the BB instruction, banks will have to encash about $350 million of money their customers hold in ERQ accounts. In another circular on the day, the central bank allowed banks to use their offshore banking units' currency including US dollars for domestic banking operations.

Under the scope, the banks will be able to use fund amounting up to 25 per cent of their total regulatory capital for settle the import payment of capital machinery, industrial raw materials and imports by the government.

Bangladesh is not in a crisis situation: IMF

Bangladesh is not in a crisis situation and its external position is "very different from several countries in the region," said Rahul Anand, division chief in the IMF's Asia and Pacific Department. The IMF official briefed on the current economic situation of Bangladesh in support of his stand during an online conference on 16 August.

He said Bangladesh's external debt is relatively low, close to 14% of GDP. "Bangladesh has a low risk of debt distress and is very different from Sri Lanka," he added. In refer to the Bangladesh government's loan appeal to IMF, Rahul Ananad said the request is "pre-emptive."



"The IMF stands ready to support Bangladesh, and the staff will engage with the authorities on program design as per the established policies and procedures of the Fund," an IMF spokesperson said following the request by Bangladesh government. As the country recently faced several rounds of currency devaluation in the wake of dwindling reserves, Rahul said the devaluation of taka is not comparable to what we have seen" in other countries.

Even though Bangladesh's reserves have come down, he said the stocks are still high enough to cover four to five months of prospective imports.

UN maintains strong ties with Bangladesh : Yoka Brandt

Executive board president of UNDP, UNFPA, and UNOPS, Yoka Brandt has said that the UN has a 'strong relationship' with the government of Bangladesh and wants to further build on that to facilitate the achievement of the Sustainable Development Goals by 2030. 'We are here to see how we can work together more efficiently to that end, especially as the country is poised for LDC graduation,' said Brandt, also permanent representative of the Kingdom of The Netherlands to the UN.

A high-level delegation of the executive board of the United Nations Development Programme, United Nations Population Fund, and United Nations Office for Project Services visited Bangladesh on a week-long mission to see the projects implemented by the UN and meet the government. Led by the board's president, Yoka Brandt, the delegation arrived in Dhaka on June 25 and left on July 1.

Foreign secretary Masud Bin Momen said that the UN had been a strong development partner for Bangladesh, and this mission was giving the scope to review and evaluate areas that needed to be focused. 'It is a very timely visit. The UN has been a partner of the government and the people of Bangladesh since 1971, and this mission will allow us to take stock of where we stand and guide our future interventions,' said UN resident coordinator Gwyn Lewis.



Brandt was accompanied by ambassadors and permanent representatives of Guatemala, Sweden, and Bulgaria to the UN, respectively, Luis Antonio Lam Padilla, Anna Karin Enestrom, and Lachezara Stoeva, ambassador and deputy permanent representative of Kenya to the UN Njambi Kinyungu, International Aid Researcher at Qatar Fund for Development Mashael Muftah, deputy secretary of the executive board, Dalita Balassanian, chief of the UNFPA executive board

branch, Samuel Choritz, and the head of the UNOPS New York board and external relations office, William Axelsson.

The mission began with a meeting with the UN Bangladesh country team headed by the UN resident coordinator, Gwyn Lewis. They also visited the Ministry of Health and Family Welfare and the Ministry of Foreign Affairs on the second day before flying off to Cox's Bazar to see project activities.

The mission visited UNDP's solid waste management and disaster risk management activities, UNFPA Women Friendly Space/Women-led Community Centres, and a health clinic implemented by UNOPS in the Rohingya camp, learned about a joint UN inter-agency initiative on Sustainable Development Goal localisation, and met with district representatives and the refugee, relief, and repatriation commissioner.

They also observed the UNDP's district development plan initiative, climate displaced communities, and the health and gender support joint programme of UNFPA and other agencies in Cox's Bazar. Following their return to Dhaka, the delegation visited the directorate general of Drug Administration to see UNOPS activities and attended several meetings with the Economic Relations Division of the Ministry of Finance, the Local Government Division, the Ministry of Disaster Management and Relief, Forest, Environment, and Climate Change, and the Ministry of Foreign Affairs.

They also learned about UNDP's Aspire to Innovate (A2I) programme and how it's supporting the country to make Bangladesh more digital. The delegation also visited the National Resilience Programme, a partnership with the government of Bangladesh and UNDP, UNOPS, and UN Women, and visited urban slums, which demonstrated a UNFPA-WFP joint programme on menstrual health and hygiene support for adolescent girls and the joint UNDP and UNV National Urban Poverty Reduction Programme.

UK's new trading scheme
Bangladesh to get easier access to UK market in post-LDC era

The United Kingdom (UK) on 16 August launched the Developing Countries Trading Scheme (DCTS), offering 65 developing countries, including Bangladesh, an easier market access to their market with reduced tariff rates and simpler terms of trade. "Bangladeshi businesses will have easier access to UK markets under the new scheme," said British High Commissioner in Dhaka Robert Chatterton Dickson.

"Even after Bangladesh graduates from the least developed country (LDC) status in 2026, it will retain duty-free access to the UK for 98 per cent of its products, including ready-made garments." Mr Dickson said the DCTS will harness the power of trade and the private sector to enable developing countries like Bangladesh to grow and prosper.

The UK is one of Bangladesh's biggest export markets with annual trade partnership worth over $4.0 billion. "We look forward to increasing trade in both directions as an increasingly prosperous Bangladesh buys more high quality UK goods and services," he said in a communication, following the launching of the scheme.



The DCTS will be one of the most generous sets of trading preferences of any country in the world, helping to grow trade, boost jobs and drive economic growth, said a spokesperson at the British High Commission in Dhaka. He said the new scheme will replace the UK's Generalised Scheme of Preferences (GSP) and will come into force in early 2023, the spokesperson added.

This new scheme demonstrates the UK's commitment to strengthening a longer-term and mutually beneficial economic relationship with Bangladesh, he added.

The DCTS will provide a clearer and streamlined trading arrangement for Bangladesh. Under the scheme, Bangladesh will continue to benefit from duty-free exports to the UK on everything but arms.

The DCTS contributes to developing countries' integration into the global economy, creating stronger trade and investment partners for the future. It also reflects the UK's commitments on human rights and labour standards, incorporating powers to alter trade preferences in the event of serious human or labour rights violations.

The DCTS will also support the UK's obligation on anti-corruption, climate change and environment conventions.

Bangladesh gets free transit offer from India to export products to third countries

India has offered free transit to Bangladesh for exporting its products to third countries as Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi have reiterated their strong commitment to strengthen bilateral relations further. "Indian has offered free transit via its territory to Bangladesh for exporting its products to third countries through specified Land Customs Stations/Airports/ Seaports," according to a joint statement issued on 7 September.

In this regard, the Indian side invited Bangladesh business community for using its port infrastructure for transshipment to third countries. Mentioning that India has also been providing free transit to Bangladesh for exporting its products to Nepal and Bhutan, it said that Bangladesh also requested rail connectivity with Bhutan through the newly inaugurated Chilahati–Haldibari route, and India agreed to consider the request, based on its viability and feasibility.

To make this and other cross border rail links viable, the joint statement said India requested Bangladesh to remove port restrictions, inter alia at the Chilahati–Haldibari crossing. The two leaders also agreed to



expedite efforts to improve bilateral and sub-regional connectivity through early operationalisation of the BBIN Motor Vehicle Agreement.

India requested Bangladesh for cooperation for initiating new sub-regional connectivity projects including a highway from Hili in the West Bengal to Mahendraganj in Meghalaya through Bangladesh and in this regard, proposed preparation of a Detailed Project Report. In the same spirit, Bangladesh reiterated its eagerness to partner in the ongoing initiative of the India – Myanmar - Thailand trilateral highway project.

Both Bangladesh and Indian premiers welcomed the recent finalization of a Joint Feasibility Study, which recommended that Comprehensive Economic Partnership Agreement (CEPA) will be beneficial for both countries.

The two sides underscored the need to work for strengthened regional cooperation through regional organizations. The Indian side appreciated the contribution of Bangladesh in hosting the BIMSTEC Secretariat and developing its infrastructure. India reiterated its support to Bangladesh in its capacity as the Chair of Indian Ocean Rim Association (IORA).

Momen calls ASEAN leaders for concerted efforts to tackle regional challenges

Foreign Minister AK Abdul Momen emphasised on collective efforts by the ASEAN leaders to tackle challenges faced by the ASEAN region while delivering a speech on 5 August at the 29th Meeting of ASEAN Regional Forum (ARF) under the theme "ASEAN A.C.T.: Addressing Challenges Together".

During his remarks, Momen highlighted some key challenges including recurring waves of new variants of Covid -19, global turmoil due to conflict in Europe, climate change, economic recession, and food and commodity crises that can only be adequately and effectively addressed through mutual trust and cooperation underpinned by multilateral arrangements like ARF.

While presenting an overview of Bangladesh's socio-economic development in the last decade and a half, he stated with the Father of our Nation Bangabandhu Sheikh Mujibur Rahman's vision of a world free of economic inequalities, social injustice, exploitation, aggression, and threats of nuclear war, Bangladesh government is working relentlessly under the dynamic leadership of Prime Minister Sheikh Hasina to transform Bangabandhu's vision into a reality.

Dr. Momen raised that in the fifth year of the Rohingya crisis, not a single Forcibly Displaced Myanmar Nationals has been repatriated to Myanmar. He sought more focus and active support from the ARF countries for a durable solution to this crisis, particularly the ASEAN

leaders' support, and request them to strengthen their ongoing efforts to help create an environment within Myanmar that will encourage the Rohingyas to return.

Dr. Momen also raised the issue of the high FDI Myanmar secured despite the genocide it committed and atrocities it did. He also points out that after the 2017 Rohingya invasion, even EU countries' trade and investment increased substantially. In terms of foreign direct investment, the EU was the 5th largest foreign investor following other Asian Countries. He also reminiscent the history that during the 1970s, 1980s, and 1990s, there was economic sanction on Myanmar and therefore, they repatriated thousands of their nationals in the 1970s and 1990s through dialogue and discussions. He requested the western leaders to impose strong economic sanction on Myanmar as unless economic sanction is imposed on Myanmar, Myanmar is not likely to listen to world leadership.

Meanwhile, he pointed out that delaying the repatriation process may pose a security threat to the entire region and beyond.



Bangladesh to continue to attract increasing investment despite issues: US govt.

Bangladesh will likely continue to attract increasing investment, despite severe economic headwinds created by the global outbreak of Covid-19, said the United States. The US sees sustained economic growth over the past decade, a large, young, and hard-working workforce, Bangladesh's strategic location between the large South and Southeast Asian markets, and vibrant private sector as some positive things to attract investment.



Bangladesh has made gradual progress in reducing some constraints on investment, including taking steps to better ensure reliable electricity but still there are issues that hinder foreign investment, said the US government in its latest report. The US Department of State's investment climate statement noted that inadequate infrastructure, limited financing instruments, bureaucratic delays, lax enforcement of labour laws, and corruption continue to hinder foreign investment.

Bangladesh's Foreign Direct Investment (FDI) stock was $20.87 billion through the end of September 2021, with the United States being the top investing country with $4.1 billion in accumulated investments. Bangladesh received $2.56 billion FDI in 2020, according to data from the United Nations Conference on Trade and Development (UNCTAD). The rate of FDI inflows was only 0.77 per cent of GDP, one of the lowest rates in Asia.

Sectors with active investments from overseas include agribusiness, garment/textiles, leather/leather goods, light manufacturing, power and energy, electronics, light engineering, information and communications technology (ICT), plastic, healthcare, medical equipment, pharmaceutical, ship building, and infrastructure.

Bangladesh offers a range of investment incentives under its industrial policy and export-oriented growth strategy with few formal distinctions between foreign and domestic private investors, said the US government. The US government said Bangladesh's efforts to improve the business environment in recent years show promise but implementation has yet to materialize.

Slow adoption of alternative dispute resolution mechanisms and sluggish judicial processes impede the enforcement of contracts and the resolution of business disputes, according to executive summary of Bangladesh chapter. The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world.

They analyze a variety of economies that are or could be markets for U.S. businesses. The Investment Climate Statements are also references for working with partner governments to create enabling business environments that are not only economically sound, but address issues of labor, human rights, responsible business conduct, and steps taken to combat corruption.

The reports cover topics including openness to investment, legal and regulatory systems, protection of real and intellectual property rights, the financial sector, state-owned enterprises, responsible business conduct, and corruption.

Buoyed by a young workforce and a growing consumer base, Bangladesh has enjoyed consistent annual GDP growth of more than six percent over the past decade, with the exception of the COVID-induced economic slowdown in 2020. Much of this growth continues to be driven by the ready-made garment (RMG) industry, which exported $35.81 billions of apparel products in fiscal year (FY) 2021, second only to China, and continued remittance inflows, reaching a record $24.77 billion in FY 2021.

As a traditionally moderate, secular, peaceful, and stable country, Bangladesh experienced a decrease in terrorist activity in recent years, accompanied by an increase in terrorism-related investigations and arrests following the Holey Artisan Bakery terrorist attack in 2016, said the US report.

Rohingya Issue:

Bangladesh continues to host one of the world's largest refugee populations. According to UN High Commission for Refugees, more than 923,000 Rohingya from Burma were in Bangladesh as of February 2022. This humanitarian crisis will likely require notable financial and political support until a return to Myanmar in a voluntary and sustainable manner is possible, said the US government.

Workers' Rights:

International retail brands selling Bangladesh-made products and the international community continue to press the government of Bangladesh to meaningfully address worker rights and factory safety problems in Bangladesh, said the US government. With unprecedented support from the international community and the private sector, the Bangladesh garment sector has made significant progress on fire and structural safety, it said.

Critical work remains on safeguarding workers' rights to freely associate and bargain collectively, including in Export Processing Zones (EPZs), according to the US government. The Bangladeshi government has limited resources devoted to intellectual property rights (IPR) protection and counterfeit goods are readily available in Bangladesh. Government policies in the ICT sector are still under development.

Current policies grant the government broad powers to intervene in that sector. Capital markets in Bangladesh are still developing, and the financial sector is still highly dependent on banks.

Standard Chartered Bangladesh transmits first ever end-to-end digital cross-border LC

Standard Chartered Bangladesh has recently completed the transmission of the country's first ever fully paperless and digital cross-border Letter of Credit (LC). The first client to complete a fully paperless application for Letter of Credit issuance is Heidelberg Cement Bangladesh Ltd, according to a press release.

The transaction was made possible by a recent amendment to the country's Import Policy Order, advocated for by Standard Chartered. As per the new order, which was published on 24 April by the Ministry of Commerce, clients can now apply for a Letter of Credit online using their bank's online portal. There is no requirement to submit a signed physical copy of the LC application.

Naser Ezaz Bijoy chief executive officer, Standard Chartered Bangladesh said, "Digitising trade is a critical lever to accelerate economic development and improve productivity. We would like to thank the Ministry of Commerce, the Chief Controller of Imports and Exports, Bangladesh Bank, and everyone involved with the Import Policy Order for this timely revision. The revised policy that now allows online LC application, is a milestone in the digital trade journey of Bangladesh."

Jashim Uddin Chowdhury, chief financial officer, Heidelberg Cement Bangladesh Ltd said, "We were informed by Standard Chartered about the recent change in the Import Policy Order, which now allows clients to apply for Letters of Credit

issuance online. We welcomed this change, as it would reduce the time taken for forwarding an application to the Bank and would also reduce the dependency on our signatories being available at the office to physically sign the application. We were excited to apply for the issuance of a Letter of Credit on Standard Chartered's online portal, Straight2Bank."

Stanley Sia, managing director, Co-Head, Asia, Digital Channels & Data Analytics, Standard Chartered, said, "Bangladesh has always been a top priority market for trade digitalisation in the Standard Chartered global footprint, given its immense potential. This revision in the Import Policy Order is a change we have long been waiting for and whole-heartedly welcome. We believe that this amendment in the policy is a big, positive step towards making Bangladesh's trade more globally competitive."

13 person get agriculturally important person' status

For the first time, the Agriculture Ministry gave away its 'Agriculturally Important Person (AIP)' awards to 13 individuals at a programme held at the Osmani Memorial Auditorium in Dhaka on 27 July. griculture Minister Muhammad Abdur Razzaque handed over the awards as chief guest.



The minister said that the AIP award is a great effort to honour the people who are the driving forces behind the agricultural revolution that's happening in the country.

"We want to make agriculture both a commercial and an honorable profession in the coming days. We want that more and more educated people will take part in agriculture. The AIP award will help us reach these goals," Razzaque said. The government drafted the AIP policy in 2019 to acknowledge the efforts of the farmers, the scientists, and the entrepreneurs and encourage them to continue contributing to the country's agricultural sector.

The AIP award for the year 2020 handed over on 27 July. The AIP-achievers will receive perks enjoyed by the Commercially Important Persons (CIPs'). Nurunnahar Begum, an AIP award recipient, said that she had never thought of receiving an award for doing agriculture. "I don't want anyone to give me money for doing farming. But receiving an award is a different thing altogether. Such recognition makes our hard work count. I wholeheartedly thank the prime minister for such an initiative," said Nurunnahar.

Md Shamsuddin Kalu, another recipient of the award, said that one of his friends who hailed from a reputed family didn't join him in his fish business fearing the loss of honour. "An uneducated, simple man like me receiving such an award shows that doing agriculture is a dignified profession. This award will inspire other people like me to value agriculture and take it up as a profession," Kalu said.

Bangladesh truly a champion on migration management : IOM

The International Organization for Migration (IOM) has appreciated Bangladesh's overall migration management and gradual prevention of irregular migration enabling regular migration. "On migration management, Bangladesh is really a champion. There is quite a big that your government has done…. fair enough to say very strong on migration management," said Deputy Director General of IOM Ugochi Daniels while responding to a question on 26 July.

During a small group media briefing at a city hotel, Daniels appreciated bilateral agreements on workers recruitment which will help prevent irregular migration. She laid emphasis on continued efforts to address the root causes - access to education, healthcare and

access to livelihoods – and make people well-prepared with adequate knowledge, skills and requirements – before going abroad. "That is what is going to ultimately end the irregular migration."

The IOM DDG said Bangladesh has sent more than 13 million Bangladeshi nationals overseas since 1976 to date who have contributed to the national economy through remittances and contribute to their host societies and countries. Bangladesh sends the 6th most migrants of any country in the world and receives the 8th highest remittances.

She highlights that, to date, IOM Bangladesh has provided return and reintegration assistance to more than 130,000 Bangladeshi migrants while positively impacting the lives of over 16 million people in Bangladesh through assistance, knowledge transfer and information on safe immigration and reintegration since 2015.

Daniels stressed that IOM continues to support the government of Bangladesh to view migration as a positive and beneficial phenomenon, holistically and strategically. Increasingly this support is framed in the context of the Global Compact for Migration for Safe, Orderly and Regular Migration (GCM) – which Bangladesh is a 'Champion Country' of.

She assures that IOM is committed to assist the government of Bangladesh in leveraging opportunities and addressing challenges across the fields of migration governance and development, border management, migrant protection, migration and displacement data, migration health, migration environment & climate change, and assistance to stranded migrants.

Daniels acknowledged that the government of Bangladesh has this month launched one of the first ever inter-ministerial coordination mechanisms for GCM titled the "Bangladesh Migration Compact Taskforce (BMCT)," and this would be an example to others.

Bangladeshi students win the 'World Cup' of debate

BRAC A, a team from Bangladesh has clinched the title of World Universities Debating Championship (WUDC), otherwise known as the World Cup of debate. They are the first Asian team to achieve this feat. The World Universities Debating Championship is the world's largest debating tournament and one of the world's grandest yearly international student events.

WUDC is held in the British Parliamentary Debate format. Belgrade, the capital of Serbia, hosted the tournament this year. The event was held online owing to COVID-19 constraints. A total of 364 teams from all around the world took part in this competition. The 8-days-long WUDC 2022 was inaugurated on July 20.

BRAC A consisted of Sajid Asbat Khandaker and Sourodip Paul, two postgraduate students of BRAC University. Both of them completed their undergraduate program at the Institute of Business Administration, Dhaka University. Sajid and Sourodip, the stalwarts of the Bangladesh debating fraternity, have already gained the hallmark of debating in their sparkling careers.



This duo recently won the Cambridge IV, another prestigious BP debate competition. Sourodip Paul was awarded the best Australasian debater when his team from the Australia National University won Australs 2020. BRAC A accumulated 21 points in the preliminary rounds of WUDC 2022 and was the 5th-breaking team advancing to the knockout rounds. During those rounds, they outranked Harvard, Oxford, Sydney, and some other prestigious universities.

In the quarter-finals, BRAC A again defeated Harvard and 3 other prominent universities to burst their way into the semi-final where they denied the Asian powerhouse Ateneo getting a ticket to the finals. In the open final, BRAC A defeated Ateneo, the National University of Singapore, and Princeton University with a 9-0 unanimous ballot to grab the cup in style. Sajid Khandaker from BRAC A also became the 9th best overall speaker of the competition.

Bangladesh Debating Council is a thriving debating force in the Asian debate circuit, and this triumph will undoubtedly boost its stature. Every year, hundreds of school children participate in the BDC national campaign to represent the red and green. Sajid and Sourodip, these two names will continue to ring hope in their minds for days to come.

The debating circuit of the country erupted in ecstasy following the results. Asif Mehedi Adi, former president of the BDC, shared his feelings with the Financial Express upon hearing the news. "I'm still in disbelief. As the former chair of BDC, I think this is what we all worked for. English debating in Bangladesh became active around 2002 to attend the WUDC and it was individually driven, never institutionalised." BRAC A's success drew worldwide attention and was lauded by numerous notable debaters.

First Bangladeshi student achieved Global Undergrade Awards

Zareen Tasneem Sharif, student of Bangladesh University of Engineering and Technology (BUET), has



become the "Global Winner 2022" of Global Undergraduate Awards in the category of "Architecture and Design" , for her undergraduate thesis titled "Waste in the City: Agglomerating Local Economy of Matuail Landfill".

She is the first Bangladeshi to have achieved this accolade, which is often referred to as the "Junior Nobel Prize". The prestigious academic awards accepts submissions in 25 categories to allow students from a broad range of disciplines to submit their academic coursework. Submissions are accepted through their online platform, and evaluated by a group of professional academics.

The programme is split into seven regions: Africa and Middle East, Asia, Europe, Ireland, Latin America, Oceania, the US and Canada. Submissions are awarded in three levels per category: "Highly Commended Entrants", "Regional Winners" and "Global Winners".

While Bangladeshi students have achieved "Highly Commended Entrants" and "Regional Winner" before, this year – among the 2,812 submissions from 73 countries – Zareen's work was the first for someone in Bangladesh to achieve this honour among 25 other global winners.

Her project was an envisioning of an active landfill as an energy efficient industrial ecology, that integrates the culture and lives of the people of Dhaka and brings back the lost agricultural traditions of Matuail.

Chattogram world's 64th busiest seaport

The Chattogram seaport has become the 64th busiest port among the top 100 container ports across the world, reports BSS. The ranks have been detected in terms of annual container handling in 2021, according to Lloyd's List, one of oldest shipping journals in the world.

In 2020, the port held the 67th place in the list. The latest edition of Lloyd's List One Hundred Ports was published on 18 August, 2022. Earlier, Chattogram seaport was ranked 70th, 71st, 76th and 87th in the four previous editions of the journal. This year, the port advanced three notches in the latest edition.

According to the report, Chattogram seaport handled a total of 3,214,548 TEUs (twenty-feet equivalent units) of containers in 2021, up from 2,839,977 TEUs in the previous year, posting 13.2 percent annual growth in container handling. Confirming the matter, Chattogram Port Authority secretary Md Omar Faruk said it is possible as all stakeholders of the port are contributing to its progress. He conveyed thank to everyone for attaining the success. The success of the port achievement is possible for increasing foreign trade in recent years and government steps of infrastructural development with logistics supply, he added. Omar Faruk hoped that the position of Chattogram Port on Lloyd's List will advance further.

Chattogram port has been gradually advancing its position on Lloyd's List as one of the world's busiest ports since 2014.



EPZs see record growth in investment, export, employment in FY22

Export earnings from EPZs cross the $8 billion mark for the first time

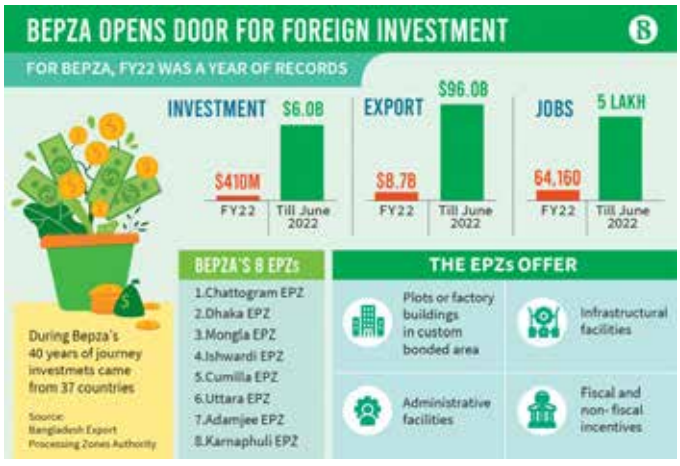
The FY 22 was a prolific year for the Bangladesh Export Processing Zones Authority (Bepza), with its eight export processing zones (EPZs) posting the highest-ever growth in investment, export and employment. The EPZs received investments to the tune of $410 million last fiscal year, which is 20.26% higher than that of the previous year, according to Bepza.

During the same period, export earnings from the EPZs grew 30.41% to $8.7 billion while the number of new jobs surged by 36.13% to 64,160. Bepza Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman has attributed the marked growth in these crucial indicators even amid the hard times of the Covid pandemic mainly to the country's investment-friendly atmosphere and the prevalence of labour- and environment-friendly working conditions at the EPZs.

The government's far-sighted investment-friendly policies and several incentives to businessmen are attracting not only domestic investors but also foreign investors. Due to this, the overall investment in Bangladesh has increased. The Bepza executive chairman explained the factors for positive growth in all areas of EPZs.

He said over the four decades since their journey started in the country in 1980, the EPZs have built up a highly skilled team with expertise and dedication. "Investors want to see how government policies are being implemented. Bepza officials are very sincere about this matter. Investors find Bepza ideal in terms of ease of doing business, which is why many of them are attracted to invest.

"We are ensuring a constant vigil to make sure the rights of the workers are properly implemented. Industrial units at the EPZs are conducting operations in compliance with our Compliance Policy. Foreign buyers are attracted to buy products from here because of the presence of green factories," the Bepza executive chief said.



As of June this year, 456 industrial entities, including 149 from the apparel sector, are operational at the eight EPZs in the country – Chattogram EPZ, Dhaka EPZ, Mongla EPZ, Ishwardi EPZ, Cumilla EPZ, Uttara EPZ, Adamjee EPZ, and Karnaphuli EPZ.

Many renowned global brands – including Nike, Reebok, Lafuma, H&M (Sweden), Gap, Brouks, JCPenney, Walmart, Kmart, Ospig (Germany), Mother Care (UK), Lee, Wrangler, Dockers, Nba, Tommy Hilfiger, Adidas, Falcon(USA), Edie Bauyer, Eagle, Releigh (UK), Emmilee, Free Spiril (UK), Miles (Germany), American Eagle, Hi-Tech (UK), Phillip-Maurice (UK), Wins More, Decathlon – buy products from the Bangladeshi EPZs.

Investment

The $409.8 million investment that Bepza attracted in FY22 is the highest in a single year in the history of the government agency. The previous highest was $406.35 million in FY15. Of the total investment earned last year, Chattogram EPZ received the highest $88.86 million, followed by Dhaka EPZ at $71.07 million, Adamjee EPZ $70.62 million, Cumilla EPZ $67.46 million, Karnaphuli EPZ $45.15 million, Ishwardi EPZ $42.78 million, Mongla EPZ $18.68 million, and Uttara EPZ $5.18 million.

Investors from 37 countries, including South Korea, China (Taiwan and Hong Kong), Japan, India, the UK, and the USA along with those from Bangladesh have invested $6,040.43 million in the eight EPZs under Bepza as of June 2022.

Export

Export income from the operational enterprises in the country's eight EPZs hit the $8 billion mark for the first time in FY22. The previous highest export earnings from the EPZs in a single fiscal year was $7524.11 million in FY19.

Although the pandemic caused serious disruptions to trade and businesses by inducing huge work

order cancellations in the previous two financial years, Bepza made a turnaround from this stagnant economic condition in FY22 and achieved a new milestone in export earnings. Of the total export receipts by the EPZs in FY22, the highest $2.59 billion was earned by Chattogram EPZ, followed by Dhaka EPZ $2.1 billion, Karnaphuli EPZ $1.4 billion, Adamjee EPZ $935.76 million, Cumilla EPZ $814.82 million, Uttara EPZ $376.66 million, Ishwardi EPZ $209.06 million, & Mongla EPZ $158.24 million. Total exports from the EPZs reached $96 billion as of June 2022.

Apparel shipments accounted for 54.68% of the total exports from EPZs, although the sector contributes to 85% of the country's total exports. Other sectors such as garment accessories, footwear and leather goods, textile, tent, caps, plastic goods, and electronics captured a fair share in the export earnings from the EPZs, which proves that EPZs have turned into hubs for producing products of diverse natures.

BEPZA Executive Chairman Abul Kalam Mohammad Ziaur Rahman said the total land area of the eight EPZs is 2,300 acres, while the EPZs accounted for 16.65% of the country's total export income in FY22.

Employment

Of the total 64,160 new jobs created from Bangladeshi nationals in EPZs last year, 19,111 were in Chattogram EPZ, followed by Dhaka EPZ 10,451, Adamjee EPZ 9,924, Cumilla EPZ 9,792, Karnaphuli EPZ 7,319, Ishwardi EPZ 3,002, Uttara EPZ 2,599, and Mongla EPZ 1,962. As of June 2022, the cumulative employment opportunities created at the EPZs stand at 5,02,365.

More investment in pipeline

In FY22, 14 business organisations placed proposals to invest $173.34 million in the country's eight EPZs, which is expected to create employment opportunities for 18,970.

Besides, 10 business entities received the authorities' nod to set up industries at the under-construction Bepza Economic Zone in Bangabandhu Sheikh Mujib industrial city in Chattogram. The firms have put forward investment proposals to the tune of $215.66 million, which is expected to create 45,876 jobs.

Three new EPZs coming

BEPZA is developing another three EPZs at Patuakhali, Jashore, and Gaibandha. The Bepza executive chairman said they are focusing on attracting business organisations that will manufacture technological products as well as other diversified goods in the new EPZs. They are making efforts so that backward linkage industries are set up there, he added.

"We provide one-stop service to investors. We are working in coordination with the Bangladesh Investment Development Authority (Bida), the Bangladesh Hi-Tech Park Authority, the Bangladesh Economic Zones Authority, the Public Private Partnership (PPP) Authority to speed up investment," he concluded.

Source : The Business Standard

Export earnings surpass $52b in FY22

The country's merchandise export earnings maintained hefty growth in the just-concluded fiscal year (FY22), recording over 34 per cent rise to $52.08 billion year-on-year following the excellent performance of apparel shipments. Bangladesh fetched $38.75 billion in the July-June period of the fiscal year 2020-21, according to provisional data from the Export Promotion Bureau (EPB). The overall export earnings also surpassed the set target by 19.73 per cent.



Besides, the single-month export earnings growth in June increased by 37.29 per cent and earned $4.90 billion. Since September last, with an exception of May this year, the country's single-month export earnings had surpassed the four-billion mark. Of the total $52.08 billion export income during the July-June period, the RMG sector fetched $42.62 billion, posting a 35.47 per cent growth over last fiscal's rate.

A breakdown of the clothing-sector performance shows that the knitwear subsector of RMG earned $23.21 billion from exports, registering 36.88 per cent growth. Earnings from woven garments export have amounted to $19.39 billion in the past eight months, up by 33.83 per cent. Home-textile exports also recorded over 43 per cent growth to $1.62 billion in the first eleven months of this fiscal.

BEPZA economic zone gets $28m more investment

M/s Nova Intima Limited, a Hong Kong-British Virgin Island owned ladies undergarments manufacturing company, has signed an agreement to invest $ 28 million in BEPZA Economic Zone (BEPZA EZ). Eleven companies including M/s Nova Intima have signed agreements with BEPZA to establish industries in BEPZA EZ with an investment of $243.71 million in total.

In presence of Major General Abul Kalam Mohammad Ziaur Rahman, the Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA), Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Vijay Uttam, Managing Director of Nova Intima Limited signed the agreement on behalf of their respective organisations at BEPZA Complex in Dhaka on 1 August.

M/s Nova Intima Limited will produce annually 60 million units of ladies undergarments and fabrics and accessories for producing those undergarments. 5,625 Bangladeshi nationals will get employment opportunities in this factory. Mentionable, there are two other companies in Chattogram and Karnaphuli EPZ under the same owner who have invested about $ 22 million for producing ladies undergarments. Around 6,000 Bangladeshi nationals are working in these factories.

Among others, Member (Engineering) Mohammad Faruque Alam, Member (Finance) Nafisa Banu, Executive Director (Administration) Md. Zakir Hossain Chowdhury, Executive Director (Public Relations) Nazma Binte Alamgir, Executive Director (Investment Promotion) Md. Tanvir Hossain, Executive Director (Enterprise Services) Md Khorshid Alam and Project Director of BEPZA EZ Md Hafizur Rahman were present at the agreement signing ceremony.

BEZA to see $457m investment in hotels, pharma industries

A total of six companies are set to invest US$457.13 million in the country's two economic zones (EZs) for establishing five hotels and a pharmaceuticals manufacturing unit. Five businesses will construct hotel, motel and resorts in Sabrang Tourism Park (STP) in Cox's Bazar at a cost of $57.13 million.

Besides, Healthcare Pharmaceuticals Ltd. will install a penicillin product manufacturing unit in Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) making an investment worth $400 million in phases. All the companies will sign land lease agreements with the Bangladesh Economic Zones Authority (BEZA) at its office in the city's Sher-e-Bangla Nagar area on 21 September.

The investment altogether will generate employment for over 8,000 people when the facilities will start operations. Healthcare Pharma is developing three industrial units on 40 acres of land in phases. BEZA has already allotted 30 acres of land in favour of the drug maker.

Ifad Motors Limited, a subsidiary of Ifad Group of Bangladesh, will build a three-star hotel on one acre of land in Sabrang. According to their investment proposal, the 10-storied hospitality complex having 370 rooms will create 350 direct employment opportunities. Three subsidiaries of the DIRD Group will establish three accommodation facilities including hotels, motels, resorts and cottages in the exclusive tourism park.

Two complexes will be established on two acres of land each and the remaining one will spread in one acre. They will make investments worth $17.29 million, $14.25 million and $6.67 million respectively, and create employment for nearly 700 people.

According to the proposals, DIRD Group started operation back in 1984 in business areas including garment, textile, engineering, software and agricultural sector. A Dhaka-based company in the tourism sector, East West Travels & Tours, will establish a hotel in the STP making an investment worth $2.72 million.

BEZA is developing the Sabrang Tourism Park at Teknaf upazila of Cox's Bazar District as the country's first exclusive tourism park encompassing an area of 1,027 acres. The tourism park is expected to give an impetus to the country's tourism sector by drawing a good number of foreign tourists.

BGMEA set target $100b export by 2030

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) targets



exporting US $100 billion worth garment items from the country by 2030 as the local apparel suppliers are diversifying the products and markets. The local exporters are depending more on man-made fibre, technical clothing items and value-added garment items to achieve the $100 billion target, according to BGMEA.

They said at a press conference and BGMEA new logo inauguration ceremony at a hotel in the capital on 5 July. Speaker of the Parliament Dr Shirin Sharmin Chaudhury was present there as chief guest and also launched the trade body's new logo. BGMEA President Faruque Hassan, former president Abdus Salam Murshedy and other senior officials of BGMEA were also present at the event.

Bangladesh fetched $42.62 billion from RMG exports in FY22, which is about 82 per cent of the total $52.08 billion. Parliament Speaker said, "The problems need to be identified now to maintain this trend of development of the country. We have to solve all the problems and go further. Besides, political stability must be maintained in the future. We have to move forward by tackling all the challenges of our development."

BGMEA President said, "It is a great achievement to be able to earn $ 50 billion in export earnings on the occasion of 50 years of independence. Over the past few years, Bangladesh has been showing unprecedented success in garment exports. Bangladesh is now the second largest exporter of garments in the world. And in denim, we are in the first position behind all the countries in Europe and the United States."

The BGMEA president said after Bangladesh becomes a developing country in 2026, we will be deprived of priority assistance in export of goods, which is a big challenge for us. In order to overcome that situation, we must pay more attention to reducing business management costs and increasing efficiency in order to facilitate business operations and reduce product production costs.

He said that BGMEA has started the work of building sustainable industries long ago, especially after some accidents in the industry, we have taken a vow to restructure and transform the industry by turning mourning into strength.

The safety of each factory has been assessed and remediation has been done by local, foreign experts along with the government, buyers and ILO.

Bangladesh's RMG exports have valued US $ 42.61 billion in FY'22 – its highest ever, according to EPB. The growth has been phenomenal in FY '22 as Bangladesh witnessed a surge of 35.47 per cent over FY '21.

The beginning of FY'22 was disappointing as Bangladesh's RMG exports declined by 11 per cent in July'22 on Y-o-Y basis, but the country never looked back after that and export earnings from RMG averaged US $ 3.61 billion from August'21 till June'22.

The exports to the EU valued US $ 21.40 billion (up 33.87 per cent), while the US market contributed US $ 9 billion (up 51.57 per cent) to the total RMG export earnings of Bangladesh in FY'22. Not just FY'22, Bangladesh has also witnessed record high apparel export revenues US $ 35.81 billion in CY'21, while in first six-month period of CY'22, the country has clocked US $ 22.70 billion in its apparel exports, noting 42.85 per cent Y-o-Y surge.

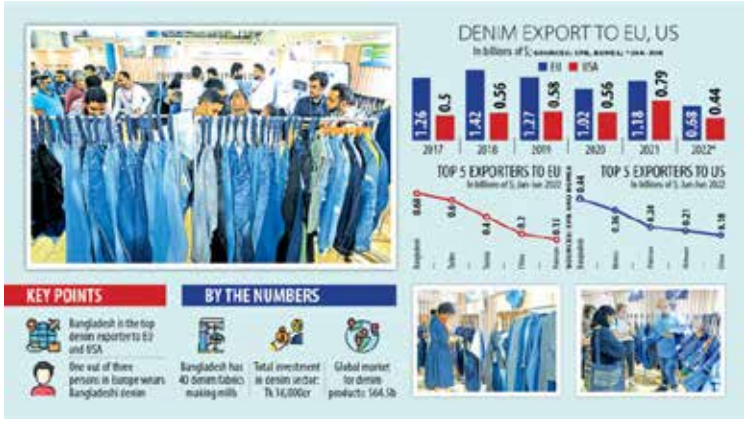


Bangladesh leads global denim market

Bangladesh's dominance in the global denim market has continued thanks to a surge in demand driven by the trade tension between the US and China. Owing to higher demand, denim product manufacturers have surpassed their Chinese counterparts in Europe and the US, the two major export destinations for Bangladesh.

Bangladesh exported denim products worth $689.69 million to European Union in the January–June period of 2022, registering a 37.26 per cent year-on-year growth, according to data from the Export Promotion Bureau and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It was $502.45 million during the corresponding period of 2021.

Turkey was the second-largest denim exporter to the EU with products worth $604.07 million shipped. China, the largest apparel exporter in the world, supplied denim items worth $204.84 million to the EU, up 10.15 per cent. Similarly, Bangladesh is the top denim exporter in the US, fetching $445.51 million in the first half, an increase of 57.06 per cent from $283.65 million during the identical six-month period last year.



In the US, Mexico was the second-largest denim exporter, raking in $362.02 million between January and June. During the same period, China came fifth as it shipped denim products worth $188.25 million. On a fiscal year basis, Bangladesh has been the top denim exporter to the EU since 2017 with one out of three people in the continent donning denim pants produced in the country.

Bangladesh's share in the global denim market is 24.64 per cent and it is growing every year. The entrepreneur thinks that the sales of denim items will go up further once the war comes to end and the global recession fears peter out as new denim-producing mills have been set up. Currently, Bangladesh's 40 mills can produce 80 million yards of denim fabrics a month and the investment in the sector is Tk 16,000 crore.

The global market for denim jeans is estimated at $64.5 billion in 2022 and is projected to reach $76.1 billion by 2026, growing at a rate of 4.8 per cent annually. The denim jeans market in the US, the single largest apparel export destination for Bangladesh, is estimated to be $15.8 billion this year. China will have a denim market of $15.5 billion in 2026, with an annual growth of 7.2 per cent.

Source : The Daily Star

3 more garment factories get global green recognition

Three more Bangladeshi garment factories on 12 September received international recognition of being green, taking the total to 171, although international clothing retailers and brands are still not paying premium prices for apparel items produced by those suppliers. The three received a platinum-rated Leadership in Energy and Environmental Design (LEED) certification from the United States of Green Building Council (USGBC).

They are namely the Sharaf Apparels Washing & Dyeing Industries at Norosinghopur, Debonair and Orbitex Knitwear at Ashulia, and Fatullah Apparels at Jalkuri. Of the certifications attained by Bangladeshi entities, 53 are rated platinum, 104 gold and 10 silver while four simply received certifications, according to BGMEA. Some 550 more factories are registered with the USGBC, on way to receive the LEED certifications.

Nine out of the top 10 greenest factories in the world are located in Bangladesh, making it a global champion in green garment production. Moreover, out of 50 of the greenest garment factories, 41 are located in Bangladesh. Local apparel makers started focusing on constructing green garment factories after the nation's deadliest twin industrial disasters – the Tazreen Fashions fire and Rana Plaza building collapse -- mainly to brighten the image of the sector and the country before international communities.

However, international retailers and brands still do not pay a premium price for products sourced from the green factories. "Buyers are not

obliged to pay premium prices as they do not suggest for construction of green factories," said Fazlee Shamim Ehsan, proprietor of knitwear factory Fatullah Apparels, the most recent recipient of the highest rated platinum certification. Previously, another Narayanganj-based knitwear factory, Plummy Fashions, was the world's greenest knitwear factory in the world, said the BGMEA.



Ehsan, who spent Tk 30 crore for his new unit, however, said he could negotiate with buyers now that his factory being green indicated better compliance to laws and protection of environment while doing business. "We are showing our responsibility with construction of green factories. Now is the time to show the buyers' responsibility to pay more," said Ehsan, who employs 600 workers and ships knitted jackets, hoodies and nightwear worth $6 million a year. Fazlul Hoque, managing director of Plummy Fashions, echoed him.

Source : The Daily Star

Frozen fish exports rebound, hit 6-year high

Frozen fish exports from Bangladesh rebounded and a hit six-year high in the just concluded fiscal year powered by an increase in the price of black tiger shrimp and freshwater prawn farmed in the Southern coastal region.

Exporters fetched $532 million by shipping frozen fish abroad in fiscal 2021-22, which was $477 million in previous year, growth was 12 per cent, according to Export Promotion Bureau (EPB). The latest proceeds are the highest since fiscal 2016-17, when Bangladesh registered $526 million in export receipts from frozen fish.

Bangladesh's frozen fish exports were on the decline a year after overall receipts touched $638 million in the fiscal 2013-14 as locally grown black tiger shrimp and freshwater prawn faced stiff competition from the cheaper vannamei shrimp grown in large quantities in India, China, Vietnam and Thailand. The trend reversed in the last fiscal year.

The recovery in shipments started since 2021 as demand for shrimp and its prices shot up in the main markets, such as Europe, owing to supply disruptions caused by Covid-19. There were media reports of empty shelves in stores due to the supply disruption and our exports grew under such a situation.

Source : The Daily Star



Furniture exports hit decade high

The global demand for furniture "made in Bangladesh" has risen considerably due to improvements in product quality, diversification in design, cash incentives, availability of manpower and lower wages in the industry, according to market players. As such, the country recorded a decade-high $110.36 million in furniture exports during FY22, according to EPB.



However, manufacturers and exporters said the industry could do even better with the help of policy support. They said the main reason behind the increased exports is the availability of cheaper manpower compared to that of competing countries. Another reason is, in the past importing countries would depend on a single source for any given product but they now rely on multiple suppliers from all over the world. They do this because if there is any problem in the future, the importer can buy the product from an alternative source without delay, they added. This

helped the industry expand its export earnings by a whopping 251 per cent compared to what it was in FY13, when outbound shipments fetched a total of $31.41 million. Bangladesh currently exports furniture to India, the US, Japan, Spain, South Korea, Canada, Norway, France, Saudi Arabia, Qatar and the UK.

Bangladesh making advances in carpet export

Bangladesh has once again started to export jute-based carpets and earnings from shipment of floor coverings have been rising gradually. Exporters fetched $36.8 million, the highest on record, from selling carpets abroad in FY22, up 10 per cent year-on-year, according to EPB.



Rising awareness about the environment and changing tastes of Western customers are driving the popularity of carpets made in Bangladesh. This was the fifth consecutive year carpet export has grown consistently since fiscal year 2017-18, when total sales proceeds from carpets stood at $19.49 million.

Exporters said Bangladesh, the world's second biggest jute producer after India, used to export carpets in the 1980s to various countries of the world, including the US, Australia and New Zealand. Exports gradually declined in the 1990s. And in 1995, all seven carpet mills existing in Bangladesh closed down.

Global warming is one of the key reasons for the increase in demand for jute carpets and other textile floor coverings in the global market. People are increasingly becoming more and more environmentally conscious day by day. Developed countries have promised not to pollute the environment on various international platforms and were insisting on the use of jute products instead of plastic products.

Bangladesh exports carpets and other textile floor coverings to countries such as the US, the UK, China, Germany, Australia, Denmark, France, South Korea, the Netherlands, Poland, Sweden, India, Uruguay, Portugal, Spain, Canada, and Ireland.

Exporters said the government was extending a lot of cooperation for the development of the sector. But the drawback is that some entrepreneurs are not capable enough to capture the international market and they need to make more improvements. Doing business sustainably in the sector is not easy since compliance to international regulations is a big factor. But if someone runs businesses being compliant, they can grow, experts added.

IT exports shoot up 52% in July-April of FY22

Bangladeshi businesses in the information technology (IT) sector are receiving an increasing volume of orders for software, data processing and IT-enabled services (ITES) from global clients, pushing the country's ICT exports to great heights. According EPB, local IT companies saw export earnings go up by 52% year-on-year (YoY) to $369 million in the July-April period of FY22, earning 35.59% more than the target set for the sector in that period.

The sector recorded $242 million worth of exports in the first 10 months of FY 2020-21, crossing the $300-million mark by the year-end as global demands for ICT services peaked due to the pandemic. As per industry insiders, the demand for such services is still coming in although foreign countries have returned to normal economic activities.

The higher export earnings in the first 10 months of the last fiscal were driven by the sales services, such as data processing, web hosting, consultancy, and product installation and maintenance.

Receipts from ITES exports, namely data processing and web hosting, grew by around 61% YoY in the July-April period to $277.9 million. Similarly, IT consultancy services recorded earnings of $31 million in the first 10 months of fiscal 22, up from $22 million a year ago, while software exports rose to $51 million from $42.6 million at the same time. Export receipts for the installation, maintenance and repair of computers and peripheral equipment increased by around 86% during the July-April period of FY22 to $9 million.

However, as per Basis, export earnings from IT services are more than $1 billion, far higher than the EPB figures as government figures do not include the earnings of freelancers and service providers who bring their export proceeds through unofficial channels. But, industry insiders said that the Russia-Ukraine war has adversely impacted the global economy with inflation rising across the globe, which includes some of the top export destinations of the country, slowing down the pace of growth.

Ukraine was one of the top IT and ITES providers prior to the ongoing war, and some of their orders are being diverted to Bangladesh. Additionally, work orders are coming in from EU and US markets as IT firms in those markets are struggling to meet demands as job switching has intensified.



According to market players of the country, any declining trend of investments for businesses around the globe will have an impact on the local IT sector and the impact of the global economic uncertainty on the sector can be assessed further in the coming months.

Leather goods export now reaches decade-high

Leather, leather goods and footwear exports from the country reached a 10-year-high in the FY 22. Exports were at a record high of $1,245 million in FY22 as importing countries reduced their dependency on China and other producing nations amid the Covid-19 pandemic. Besides, there are new products and innovations in the local industry, according to business insider.

Exports were at their lowest point in the last decade during FY13, when $979 million worth of leather products were shipped abroad. The last time exports came close to the current record was in FY17, when international buyers purchased $1,234 million worth of leather products from the country, according to EPB.

Buyers are reducing their dependence on China considering the current state of the global economy, which is recovering from Covid-19 at a time when the Russia-Ukraine war has disrupted the global supply chain.



Leather goods are one of the top three highest export earning sectors of the country. Meanwhile, the government is drawing up a ten-year perspective plan that includes a target to increase the leather sector's export earnings to $10-$12 billion by 2030.

The global leather goods market size is anticipated to reach $624.08 billion by 2028, registering a CAGR of about 5.9% over the forecast period, according to a report by Grand View Research.

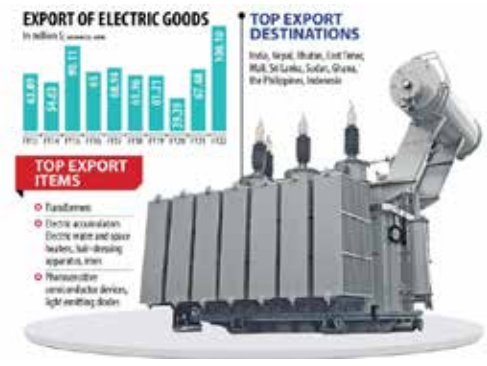
Environmental issues are holding back the export of Bangladesh's leather to Europe and the US and a potential earning of up to $10 billion a year, according to traders and exporters. Industries are selling raw (wet blue) leather at $1 per square foot to some specific countries which is possible to sell at 50%-60% higher prices in Europe and US by achieving environmental standards.

In 2020, the global market for leather goods was worth $394 billion. Bangladesh can earn $5 to 10 billion annually from leather goods export, if environmental issues are solved.

Exports of electric goods surge to $100m

Locally manufactured electric products, namely transformers and accumulators, are gaining popularity abroad as the industry's annual export earnings touched a record-high of $100 million in the last fiscal year. The last time export proceeds from electric goods even came close to the current level was back in FY15, when outbound shipments fetched a total of $90 million.

The industry's annual foreign earnings had fallen to around $65 million the following fiscal and despite a slight recovery in the year after, export receipts continued on a downward trend, hitting a low point of around $39 million in FY20. Exports then ballooned by about 71 per cent in FY21 before going on to hit $67 million in FY21, according to EPB.



Industry insiders said the growth in exports was possible due to an increase in skilled manpower, production quality, branding, and acceptance in international markets. It took a lot of effort for the industry to reach its current milestone as local manufacturers and exporters are tirelessly working to grab a bigger share of the global market.

Other electric goods exported from Bangladesh include, but are not limited to, cables, distribution boards, tube lights, insulators, fans, heat and speed control systems, magnetic contractors and switches etc.

Source : The Daily Star

Pacific jeans to set up 708KW solar plant

A rooftop solar power plant with automatic cleaning system with a capacity of 3.5mw per day has been installed at Universal Jeans Ltd, a concern of Pacific Jeans. This 3.5mw electricity will meet 10% of the total power demand in the factory. Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA) Major General Abul Kalam Mohammad Ziaur Rahman inaugurated the solar plant recently.

The solar plant having a total of 1,299 pieces of photovoltaic modules of solar panels on more than 49,000 square feet has a capacity of 708-kilowatt (KW). Earlier Pacific Jeans installed a 70KW solar plant on the roof of NHT Fashions Ltd, another concern of the Group, in April this year.

The Group is also setting up its largest solar plant on the roof of its unit Pacific Jeans Ltd, the daily capacity of which will be 5.5mw per day and that's scheduled to be launched by this year too. The total amount of carbon offset since installation of the first solar plant stands at 638 tons.



Pacific Jeans Group has planned to set up rooftop solar power plants in all its manufacturing units by 2025 in a bid to get at least 20 per cent of the group's energy requirement from renewable sources. The Group has set a target to reduce its carbon emissions by 65 percent within 2030.

Private producer to set up a 3 MW hybrid power plant at Monpura

The government has signed a contract with a private company to set up a 3 MW hybrid power plant--a combination of solar, battery and diesel-run generator--at southern Monpura Island in the Bay of Bengal.

As per the contract signed on 25 July, Western Monpura Solar Power Limited (WMSPL) will set up the power plant from which the state-owned West Zone Power Distribution Company Limited (WZPDC) will purchase electricity over the period of 20 years. The power will be supplied to consumers in Monpura, an island of about 77,000 inhabitants living in an area of 373 square km in Bhola district.



Nirodh Chandra Mondal, joint secretary of the Power Division, Md Alamgir Kabir, secretary of the WZPDC and Bashir Ahmed, managing director of the WMSPL signed the implementation agreement (IA) and power purchase agreement (PPA) on behalf of the respective sides at a function at Biduyt Bhaban in the city.

Power Division officials said the hybrid plant will generate at least 30,000 kilowatt hours of electricity per day to serve about 20,483 consumers. The consumers at Monpura will get electricity from the plant at the same rate, fixed by the Bangladesh Energy Regulatory

Commission (BERC) for consumers in other areas, according to the Power Division.

As a result, the electricity in Monpura will play a role in the improvement of life and livelihood of the island through employment generation, industrialisation and flourishing the tourism industry.

IDCOL to get $256.5m to promote energy efficiency in RMG

Infrastructure Development Company Limited (IDCOL) has signed a Funded Activity Agreement (FAA) with Green Climate Fund (GCF) as its direct access entity to receive $256.5 million concessional financing to promote energy efficiency in textile and RMG sectors of Bangladesh. This is the first concessional GCF credit line for Bangladesh, as well as the first private sector financing of GCF in the country, according to a press release.

This fund will catalyse climate finance in low-emission and climate-resilient development of the industrial sector. The signing ceremony was held online on 20 July. Sharifa Khan, Secretary of Economic Relations Division and Focal Point of NDA to GCF as well as Chairman of IDCOL, mentioned that the Program rightfully chose the two main industrial sectors of Bangladesh that have the potential to pursue sustainable energy management to contribute to the global carbon emission reduction.

She also emphasised strengthening the relationship between GCF and Bangladesh to achieve the country's ambitious agenda to support green, clean and resilient development. Alamgir Morshed, Executive Director and CEO of IDCOL also expressed his hope and optimism in enhancing access to climate finance for the country. He thanked NDA and GCF for their continuous support in accessing the fund.

Tk 50cr project to perk up muslin

The government has lined up a roughly Tk 50 crore project aimed at developing and expanding the production of muslin fabrics in the country. Under the project, styled "Bangladesh's Golden Tradition Muslin Yarn Making Technology and Recovery of Muslin Fabrics (Phase-2)", a training centre will be set up at the Dhakai Muslin House in Rupganj upazila of Narayanganj.

Besides, a testing laboratory will be set up at the hub for muslin textile research while the number of spinners available will be increased to 300. Ayub Ali chief planning officer of the Bangladesh Handloom Board (BHB), went on to say that by the end of phase one, which began in July 2018 and concluded in June 2021, the number of trainee weavers under the project had gone from a measly six to 75.

Since then, the number of trainee weavers at Muslin House has gone on to hit 226 at present. Similarly, phase two of the project will have a three-year tenure. BHB sources said a development project proposal in this regard will be submitted to the Ministry of Textiles and Jute in the month of August, after which it will be sent to the Planning Commission for final approval.

The BHB was supposed to bring muslin fabrics to the domestic market by the middle of this year but Ali said they could not keep this commitment for various reasons. "There is no end to development in the making of this elite fabric, with which it costs about Tk 6-7 lakh to make a sari. As everyone can't afford this, we are now testing if it can be used for simpler clothes. Let's see what happens," he added.

Phase one of the project, which involved Tk 12.1 crore, came into being after Prime Minister Sheikh Hasina asked the Ministry of Textiles and Jute in October 2014 if the long-lost craft could be restored. A committee for this purpose was eventually formed consisting of experts from the BHB, Bangladesh Textile Mills Corporation, Cotton Development Board, Bangladesh University of Textiles, University of Dhaka and Rajshahi University.

Although they were handed a much larger budget, the work was completed for only Tk 4 crore and



when the BHB offered to return the rest, the government decided to expand the project and connected the construction of Muslin House to it. As such, Muslin House was built on the banks of Shitalakhya River in the Tarab municipal area, the air around which is suitable for weaving muslin cloth.

In the first phase of the project, a research team featuring experts and spinners crafted 19 muslin fabrics, from which six saris, seven veils and six sample cloths were made. Following their breakthrough, the team claimed that the fabrics are similar to the muslin preserved in the UK's Victoria and Albert Museum, and National Museum of Bangladesh.

Manjur Hossain, chief scientific officer of the project, said they will find more advanced cotton varieties for spinning muslin. Currently, the cotton with which they are making the required yarn has a lot of seeds in it. "Farmers will also benefit if there are less seeds and so, a research centre for this purpose has been set up on four bighas of land inside the Rajshahi University campus, where phuti carpus cotton is being cultivated," he added.

Muslin is a symbol of Bangladesh's golden heritage and nobility. The Moroccan traveller Ibn Battuta, Greek tourists Pintoni, Taylor, Urey and others described the muslin of Bengal in their writings. Among the different types of cotton textiles, Dhakai Muslin was well-known all over the world. Muslin was made from very smooth yarn prepared from phuti carpus cotton. In the medieval period, muslin cloth made by weavers of Dhaka became a status symbol for the rich and aristocratic class. In 1747, Dhakai Muslin exports fetched Tk 28.5 lakh, the researchers found.

The fall of the Mughal Empire, lack of patronage from British rulers, expansion of the East India Company, Industrial Revolution in England, imposition of high taxes on muslin and the cutting of the fingers of weavers were the main causes behind the loss of muslin cloth since the middle of the 19th century.

Source : The Daily Star

Home procurement of wheat fails
20 tonnes bought locally, import drops to decade low

Public wheat procurement has mostly failed the target this year amid higher market prices, thereby putting the government in a tight spot to source the staple from a war-hit global market. Import also dropped to a decade low of 4.0-million tonnes in the last fiscal year (FY22), causing a big hike in the prices of local wheat flour.

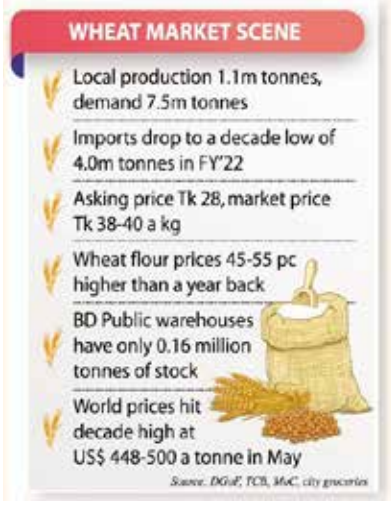
Every year, the government buys at least 0.1-million tonnes of wheat grain from the domestic source which is above 10-12 per cent of local harvest. This time, only 20-tonne wheat could be bought when public warehouses have only 0.16-million tonnes of stocks, according to reports of the Directorate General of Food (DGoF).

In the last three years, a DGoF official says, only 0.1 million to 0.103 million tonnes of wheat could be procured annually which were above the targets. Sourcing became tough at the same price this year amid high market prices as the Russia-Ukraine war began in February which almost stopped exports from the two key wheat-growing countries.

"We need 0.6-0.8 million tonnes of wheat for government distribution. Of them, nearly 90 per cent are being imported," DGoF director (procurement) said. "This year, we have also set a target to purchase 0.6-0.7 million tonnes from the international market." Primary estimates of the Bangladesh Bureau of Statistics show wheat production was 1.1-million tonnes this year, a slight rise in output than last year's.

But import declined to only 4.0-million tonnes in the just ended FY22 amid persisting high global prices, according to food ministry data. Wheat import was more than 5.4-million tonnes in FY21. Wheat flour prices hit an all-time high during the May-June period this year in Bangladesh as maida (finer flour) hit Tk 72 and atta (coarse flour) Tk 56 a kg. The current prices are 45-55 per cent higher than that of last year, according to the Trading Corporation of Bangladesh (TCB) and city groceries.

Global wheat prices hit a decade high of $448 (European) and $500 (North-American) a tonne on May 16, forcing private traders to squeeze imports, says value-chain expert Prof Golam Hafeez Kennedy. Prices of the grain started to increase from



the beginning of 2022 which was further fuelled up by the ongoing war, he adds. Prof Kennedy further says that prices of all kinds of food items, made of flour, rose by Tk 30-55 per cent, battering the people on low incomes amid sky-rocketing prices of other essentials like rice, oil, pulses, sugar and fuel.

WB to give $6.05b over next 3 years

The World Bank Group is scaling up its lending to Bangladesh in non-concessional terms by as much as three times to prepare the country for its impending LDC graduation, which would close the doors to low-cost funds. At present, all the loans that Bangladesh gets from the Washington-based multilateral lender come from the International Development Association, its concessional lending arm for the world's poorest countries.

As the country's economic position improves, it graduates from IDA and into the International Bank for Reconstruction and Development (IBRD), the WB arm that lends to middle-income countries at commercial rates. IDA scales up the share of loans in IBRD terms as the country nears graduation to prepare for borrowing at market-based rates.

Bangladesh is now at that stage, which is a "blend" country in the WB's categorisation. So in IDA20, the IDA's latest three-year lending programme starting from July 2022 and ending in June 2025, Bangladesh would be receiving $6.05 billion, 33 percent of which would be on market-based rates. In IDA19, where Bangladesh was the largest recipient country, 13.7 percent of the loans were on market-based rates.

The country was officially informed last week of its share in IDA20, which began a year ahead of schedule after the global coronavirus pandemic depleted the previous pot in two years instead of three. Of the record $93 billion raised for IDA20, Bangladesh has been allocated 6.5 percent, while 39 African nations would be getting 70 percent of the pot. In IDA19, Bangladesh got 5.5 percent of the pot of $82 billion.

The reason Bangladesh is getting a bigger share of the pie this time is because of the country's improved project selection sense and capacity to utilise funds. In the last year of the three-year IDA cycle, unused allocations are redistributed to other countries.

"Previously, African countries would be looking at Bangladesh's way for unutilised allocations. After 2015-16, the situation reversed. Bangladesh now hopes that the African nations and the Middle East countries would have unutilised allocations."

Bangladesh's demand for loans has increased in line with its aspirations of becoming a middle-income country by 2030 and a high-income country by 2041, which would necessitate vast swathes of public investment. Subsequently, the country's production line of bankable projects, particularly in the environment, social sector, health, education and energy sectors, has expanded.

Of the $6.05 billion that Bangladesh would be getting over the three-year cycle, $2.45 billion would be coming from the $54 billion pot for Performance-Based Allocations (PBA), which are based on countries' performance and needs. In IDA19, Bangladesh got $3.4 billion from PBA, which is on concessional terms. The interest rate for loans in this category for Bangladesh, a lower middle-income country since 2015, is 2 percent and the repayment period is 30 years with a grace period of five years.

When Bangladesh was a low-income country, the interest rate for PBA loans was 0.75 percent and the repayment period was 40 years with a grace period of eight years. Other than the PBA, countries can access additional resources through the five IDA windows, with one of them coming at IBRD terms.

And it is for the non-concessional window that Bangladesh's allocation has increased by more than three times, raising the exigency for the country to improve its project implantation capacity markedly.

Bangladesh would be receiving $2.6 billion from the $14.1 billion Scale-up Window (SUW), which aims to increase financing in eligible IDA countries for high-quality, transformational, country and/ or regional operations with strong development impact and help meet heightened external financing needs in the aftermath of COVID-19.

In IDA20, the SUW will have two different portions: the regular SUW at IBRD terms and concessional shorter-term maturity loans (SUW-SML). Bangladesh would be getting $2 billion under the regular SUW, up from $620 million in the previous cycle. The interest rate for loans

under the regular SUW is based on LIBOR but capped at 2.5 percent. The repayment period is 25-30 years with a grace period of five to six years.

Another $600 million will come from SUW-SML, which will allow countries to scale up investments needed in the short- and medium-term as part of COVID-19 response. There is no service charge or interest rate for this loan and the repayment period is 12 years with a six-year grace period.

Bangladesh will get $1 billion from the $7.9 billion Regional Window (RW), which supports IDA countries in collaborating to find solutions to shared regional challenges, address issues of small and fragmented markets, and promote global or regional public goods. In IDA20, the RW provides more flexibility, as only two countries (instead of three in IDA19), of which at least one should be an IDA-eligible country, will be required to qualify as a regional operation.

Bangladesh got $495 million from RW in IDA19, the interest rate for which is concessional. With the IDA20, the WB will have provided Bangladesh with about $43.05 billion. As of fiscal 2021-22, the multilateral lender has provided about $37 billion, 59.5 percent of which came after 2012, when the Bangladesh government got into a tussle with the WB over the financing of the Padma Bridge.

Source : The Daily Star

$300m credit deal with World Bank for COVID

The Bangladesh government has signed a $300 million financing agreement with the World Bank to strengthen the country's local urban institutions to respond to and recover from the COVID-19 pandemic. The project will benefit 39.9 million urban residents in all eight divisions and also help cities and towns prepare for future shocks, including climate change, disasters, and disease outbreaks, WB said in a statement on 7 August.

In addition, 329 municipalities and 10 city corporations will receive funds bi-annually from the project to improve critical urban services and infrastructures to mitigate and respond to climate change impacts, disasters, and future disease outbreaks.

"Bangladesh is rapidly urbanising. With around 36 percent of the population living in urban areas the city corporations and the municipalities can play a critical role in helping the urban poor recover from the pandemic as well as prepare to handle future shocks" said Mercy Tembon, World Bank country director for Bangladesh and Bhutan. "This project will help local government institutions take the right measures to move toward climate-smart urbanisation and prepare for resilience in future shocks."

The project will carry out labour-intensive public works that on one hand will ensure water supply and sanitation, drainage, and other critical services benefitting the low-income areas, slums, and areas exposed to high disease outbreak and disaster risks and on other hand create jobs for the poor urban people, according to the statement. It will create 1.5 million days of short-term work as well as jobs for 10,000 women under the public works scheme.

All infrastructure will incorporate energy efficiency measures, including solar panels and cool roof measures in municipal buildings and services. The project will install hand-washing stations and toilets, including separate facilities for women and improve sanitation in public spaces such as markets, burial grounds, and offices.

It will also help people with disabilities access municipality-owned health clinics and conduct awareness programmes on vaccines and other COVID-19 protocols, as well as outreach on gender-based violence and climate risks.

The credit is from the World Bank's International Development Association (IDA), which provides concessional financing. It has a 30-year term, including a five-year grace period. Bangladesh currently has the largest ongoing IDA programme totaling $14.7 billion.

12 point reforms for $1.5b budget support : WB

The World Bank has set forth 12 conditions for extending budget support of about $1.5 billion to Bangladesh over the next three years. The conditions were put forward during quarterly tripartite meeting on September 11 and 12, according to finance ministry. Earlier in June, the government sought budget support to offset the fallout of the Ukraine war on the Bangladesh economy.

Of the $1.5 billion, $250 million would come from the 'Bangladesh Green, Resilient and Inclusive Development Policy Credit (GRID DPC)' programme and another $250 million from the 'Bangladesh Second Recovery and Resilience DPC' scheme. The project under which $1 billion would be extended would

be decided during the forthcoming visit of Martin Raiser, the WB's vice-president for South Asia.

Save for two Bangladesh has met the conditions for the GRID DPC, which would be approved by the WB board in April next year. The country can expect $250 million each year under GRID DPC from 2023 to 2025. And should the country commit to more ambitious policies, the WB would increase the credit amount.

"The funds will help in meeting the government's budget deficit, prop up foreign exchange reserves and give impetus to the reform plans." The ambitious policies include energy efficiency and renewable energy policies, foundational steps for establishing carbon pricing, particularly the creation of an emissions registry and monitoring, verification and reporting (MRV) system.

For the other DPC, which would be approved by the WB board in March next year, the government is yet to meet any of the 12 conditions, which encompass reforms in fiscal policy and financial sector and setting guardrails to future shocks. The conditions for the $1 billion loan would be tangential to this DPC's.

One of the conditions is getting the cabinet to approve the National Tariff Policy, which would bring down the tariffs and simplify the tariff structure. The commerce ministry has approved the framework for the policy, including institutional responsibilities and implementation arrangements. Should the government implement the policy by the next fiscal year, Bangladesh's average nominal tariffs on imports would come down to 25 percent from the existing 29.6 percent.

Rolling out the automated challan system for deducting income tax at-source in all tax zones across the country by fiscal 2023-24 is another condition put forth by the WB. The move would bolster the National Board of Revenue's collections from income tax and value-added tax by as much as 64 percent to Tk 244,200 crore.

The WB also called for full implementation of the e-Government Procurement system, which would bring down the average procurement lead time (from invitation to contract award) to 50 days from 70 days at present. For that to happen, the Bangladesh Public Procurement Authority Act must be enacted.

The Department of National Savings must adopt an automated system to link the issuance of the General Provident Fund and the Contributory Provident Fund instruments to national identity cards. This would bring down the net sales of costly savings instruments by as much as 52 percent by fiscal 2023-24 from Tk 41,960 crore in June last year. The WB has given special emphasis to improving the banking sector's health.

It has called for an amendment to the Bank Company Act to strengthen the supervisory framework in line with good international practice, recovery plans for weak banks and Prompt Corrective Action (PCA) for all undercapitalised banks, including the state ones. The finance ministry has to issue a notice with strengthened corporate governance requirements for state banks in line with international best practices.

The WB's conditions are also aimed at strengthening the country's resilience to future shocks. One of the conditions for budget support is expanding cash transfer programmes this fiscal year by more than five times to cushion the poor from the brunt of the elevated price levels at home and abroad.

Cash transfers of Tk 24,040 crore must be made to the mobile financial service accounts of the reclassified list of beneficiaries by the ministry of social welfare. Another condition is the use of the National Household Database for beneficiary identification by major social protection programmes.

The WB has also called for allowing private sector players in power transmission projects. However, competitive bidding must be ensured in the private sector's participation in power transmission projects.

WB approves $500m in loans for Bangladesh's disaster preparedness

The World Bank has approved $500 million in credit to Bangladesh to improve disaster preparedness against inland flooding in 14 flood-prone districts, benefiting over 1.25 million people.

The Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) project aims to help Bangladesh reduce vulnerability to riverine and flash floods by constructing over 500 multipurpose flood shelters, access roads, and climate-resilient community infrastructure, WB said in a press release on 15 July.

When there is no flooding, the shelters will function as primary schools and will be equipped with solar energy systems, water, sanitation, and hygiene facilities that cater to the needs of women and vulnerable populations. The project will also help strengthen the capacity of communities and government

agencies to prepare and respond to floods and undertake behavioural change interventions.

Bangladesh, a low-lying delta, is highly vulnerable to the effects of climate change-related natural disasters, including floods and cyclones. With climate change, the magnitude and intensity of floods are increasing. Every year, floods and riverbank erosion affect about one million people but in some years, the numbers can be substantially higher, the World Bank said.

The project will help save lives and properties in the highly flood-prone districts in the Teesta-Brahmaputra-Jamuna, Padma, and Surma-Meghna river basins, which include Nilpamari, Lalmonirhat, Kurigram, Rangpur, Gaibandha, Bogura, Pabna, Sirajganj, Rajbari, Faridpur, Gopalganj, Madaripur, Sunamganj, and Habiganj.

The project will also develop a database on the availability and condition of flood shelters, which will be critical for disaster preparedness and future investment planning. The project will support the Bangladesh Delta Plan 2100, a long-term plan to achieve a safe, climate-resilient, and prosperous delta, as well as the World Bank Group's Climate Change Action Plan 2021-2025.

The credit is from the World Bank's International Development Association (IDA), which provides concessional financing, and has a 30-year term, including a five-year grace period. Currently, Bangladesh has the largest ongoing IDA programme in the world.

Bangladesh, others face severe localised food insecurity: ADB

Countries such as Bangladesh and Pakistan are facing severe localised food insecurity as the world is witnessing the worst threats to global food security in decades, said the Asian Development Bank (ADB) recently. In an article on 22 August, the Mania-based multinational lender said currently, millions of people are facing chronic food shortages.



Record price spikes in food and fuel threaten to push many low-income families, who spend a large proportion of their household budget on these commodities, into extreme poverty. Asia and the Pacific are in the eye of this storm with half of the world's 600 million people classified as hungry, living in the region.

In Sri Lanka, food price inflation has exceeded 90 per cent and, combined with a debt crisis, is threatening to push millions into a prolonged period of hunger and poverty, while countries, such as Bangladesh and Pakistan face severe localised food insecurity, the ADB said.

"A perfect storm of events has combined to create the worst threats to global food security in decades, highlighting the need for coordinated action to halt a worrying surge in hunger, and to respond to longer-term challenges to the very future of sustainable food production."

Pressures on food security are coming from multiple sources. The Russian invasion of Ukraine is the main driver of food price inflation but other factors are at play including the ongoing coronavirus disease pandemic which has disrupted food supply chains, macro-economic challenges, and the imposition of trade restrictions by some countries which have affected the availability of a number of food commodities.

Hovering over these issues is the even greater challenge of climate change which is already having deep and lasting impacts on agricultural production, with a recent study showing that global farming productivity has been suppressed by 21 per cent as a result of climate extremes.

While some food prices and trade restrictions had eased by July 2022, and grain shipments from Ukraine have resumed, prices remain sharply elevated from a year ago and the outlook for food security remains deeply uncertain, said the ADB.

The rising cost and shrinking availability of fertilizers because of the Russia-Ukraine war is a major concern.

The increasing severity and frequency of extreme climate events, meanwhile, is alarming. In India, the world's second-largest wheat producer, drought conditions are expected to cause an 8 per cent decline in yields in 2022 and Bangladesh experienced devastating flooding in May and June 2022 that created serious food shortages.

"Anything less will jeopardise the achievement of the Sustainable Development Goals, including the critically important goal of ending hunger and malnutrition by 2030."

ADB to provide $9.05b loan to BD in three years

The Asian Development Bank will provide $9.05 billion over the next three years to Bangladesh, up 84.7 per cent from the preceding three years, as the lender is mobilizing greater resources to help well prepare the country for graduation from the LDC bracket in 2026. In ADB's indicative allocation plan for Bangladesh, $3.29 billion would come in 2023, $3.21 billion in 2024 and $2.55 billion in 2025.

However, 69.5 percent of the funds would be on near-market terms in line with the country's rising per capita GDP. In the previous three years, the share of such loans was 57.5 percent. Loans at near-market terms have a repayment period of 25 years with a grace period of five years and the interest rate is LIBOR + 0.75 percent. Concessional loans for Bangladesh have the same repayment schedule but the interest rate is fixed at 2 percent.

The higher non-concessional financing has raised the stakes for the government to be more disciplined and prudent in project selection and more efficient in project implementation. The projects must be of very good quality and must have a direct contribution towards economic growth, economic diversification, infrastructural development, human capital development or strengthening social protection.

Of the allocation, $2.15 billion would be going towards up skilling Bangladesh's human capital, creating employment opportunities and enhancing social safety net guardrails and healthcare. The multilateral lender is providing $300 million in 2023 for setting up a vaccine manufacturing and research centre in Gopalganj.

Another $2 billion has been earmarked for projects under the ADB's flagship SASEC programme that aims to promote regional prosperity and improve economic opportunities for the people of Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal and Sri Lanka. Expenditure for projects for laying dual-gauge rail lines from Laksam-Chattogram and Tongi-Akhaura, setting up Dhaka-Northwest corridor road and improving the South corridor fall under the SASEC overhead.

For improving Bangladesh's water supply and urban infrastructure, $1.45 billion has been earmarked. Projects pertaining to urban development of Narayanganj, Dhaka's sewerage system development, enhancing Khulna's water supply and establishment of water supply system in cluster and coastal towns fall under this bracket. About $820 million would be going to projects that would mitigate the effects of climate change and $743.5 million for enhancing the power system.

Projects for developing economic zones and strengthening economic structure for LDG graduation have been included in the indicative allocation plan for the three years. But in this fiscal year, the majority of the funds would be going towards budget support and mitigating the effects of the Ukraine war, according to finance ministry.

28 firms set to invest $1.3b in three economic zones

Twenty-eight companies, including Walton, have got the nod from the authorities concerned to invest a total of $1.3 billion in Bangabandhu Sheikh Mujib Industrial City, Jamalpur Economic Zone, and Sabrang Tourism Park. The Bangladesh Economic Zone Authority (Beza) on on 7 July also allotted 363.53 acres of land to these firms.

Beza said the approved investment by the 28 companies would create 36,000 jobs. Beza Executive Chairman Sheikh Yusuf Harun said land lease agreements would be signed with these companies soon. The proposed investments would help diversify the country's export basket, he expected, adding that this would also help the country achieve sustainable development goals (SDGs) alongside increasing the living standards of the people.

Among the approved companies, Walton Hitech Industries Limited, RHPL Health of India, Abdul Monem Economic Zone Limited, Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA), KIAM Metal Industries Ltd, Healthcare Pharmaceuticals Ltd, Fakir Knitwear Ltd, and Israq Spinning Mills Ltd



will invest in Bangbandhu Industrial City.

Of them, the electronic giant Walton alone will invest $640 million as it has been allotted 100 acres of land. The company will manufacture electronics products, including refrigerators, televisions, and air conditioners, at the plant. The company has taken up an initiative to set up a factory in Mirsarai Economic Zone to facilitate the delivery of goods to Chattogram port for export.

Seven companies are going to invest in Sabran Tourism Park and among them Dird Group and Ifad Group will invest in the hotel and tourism sector. Akij Textile Mills Ltd. and Fervent Multiboard Industries Ltd, a subsidiary of Walton Group, are among the six investment proposals in the Jamalpur Economic Zone.

Canada-China owned company to invest $91.15 mn in Ishwardi EPZ

Canada-China owned enterprise Big Dipper Textile Mills Ltd is set to establish a textile industry in Ishwardi Export Processing Zone (IEPZ) in Bangladesh. An agreement to this effect has been signed between the Bangladesh Export Processing Zones Authority (BEPZA) and Big Dipper Textile Mills Ltd at BEPZA Complex, Dhaka.

The executive chairman of BEPZA and member (investment promotion) Ali Reza Mazid and chairman of Big Dipper Textile Mills Ltd Wong Jammy Kwok Chan signed the agreement on behalf of their respective organisations. Major General Abul Kalam Mohammad Ziaur Rahman was also present at the event, according to BEPZA press release.

The fully foreign owned factory is expected to produce 15,422 MT yarn annually and employ around 1209 Bangladeshi nationals. Big Dipper Textile Mills Ltd also has three other industries operating in Ishwardi and Dhaka EPZs, added the release.



Among others, member (engineering) Mohammad Faruque Alam, member (finance) Nafisa Banu, executive director (administration) Md. Zakir Hossain Chowdhury, executive director (public relations) Nazma Binte Alamgir, executive director (investment promotion) Md. Tanvir Hossain, and executive director (enterprise services) Md. Khorshid Alam were also present during the agreement signing ceremony.

Chinese firm to invest $8m in BEPZA EZ

Chinese company M/s. KPST Shoes (BD) Co. Limited is going to establish a Shoes Accessories manufacturing industry in BEPZA Economic Zone (BEPZA EZ). This fully foreign owned company will invest US$ 8.07 million where 2650 Bangladeshi nationals will get employment opportunities.

The company will produce annually 30 million pairs of Insole, Outsole & Midsole and 0.3 million Cubic Meters EVA & PU Foam. The dependency on import of the above mentioned materials of export oriented shoe industries of the country will be decreased by the operation of the factory.

Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Mr. LUO Zhexian, Managing Director of KPST Shoes (BD) Co. Ltd. signed an agreement to this effect on behalf of their respective organizations on 3 August at BEPZA Complex, Dhaka. BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, ndc, psc witnessed the agreement signing ceremony.

Mentionable, including M/s. KPST Shoes, BEPZA approved total 12 enterprises to establish industries in BEPZA EZ, the largest venture of BEPZA. The total proposed investment of these enterprises is US$ 251.78 million.

Trendy Textiles to invest $39m in DEPZ

Bangladeshi company Ms Trendy Textiles Limited is going to establish a knit composite textile industry in Dhaka EPZ. This fully Bangladeshi owned company will invest US$ 38.99 million where 2993 Bangladeshi nationals will get employment opportunities, according to BSS. The company will



produce annually 15 million pcs of T-Shirt, Tank-Top, Polo-Shirt, Sweat-Shirt, Cotton and CVC Fleece Jacket and Trousers, Hoody Jacket, Fancy Ladies and Children Wear, Sports Wear. Mentionable, this agreement is signed aiming to re-operate a closed factory of Dhaka EPZ by the new ownership which is sold out through auction process.

Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Nafees Muntasir Khan, Managing Director of Trendy Textiles Limited on 23 August signed an agreement to this effect on behalf of their respective organisations at BEPZA Complex in Dhaka. BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, ndc, psc witnessed the agreement signing ceremony.

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

Dutch, Bangladeshi firms to invest 6m euros in aquaculture

The Dutch government has teamed up with some Bangladeshi companies to invest 6 million euros to ensure sustainable growth of Bangladesh's aquaculture sector. The parties will establish three centres of excellence in Sylhet, Khulna, and Cox's Bazar to introduce and demonstrate different types of improved and more sustainable techniques for fish breeding and cultivation.

Moreover, research and trials with on-farm products such as feed additives, aqua specialties and antibiotic replacers will be conducted and technical assistance to fish breeders and farmers will be provided. In addition, the partnership will upgrade an aqua feed line in Dhaka to increase the availability of domestically produced specialised fish feed.

The Dutch embassy in Bangladesh and a partnership of Dutch and Bangladeshi companies headed by Larive International BV launched the start of the cooperation on 1 September. The partnership consisted of Aftab Bahumukhi Farms, Gemini Sea Food, Nutreco, Viqon, LightCastle Partners, and Larive International.



Birgitta Tazelaar, deputy director-general for international cooperation at the foreign affairs ministry of the Netherlands, signed an agreement with Abu Lutfe Fazle Rahim Khan, director of Aftab Bahumukhi Farms, and Mahmud Riyad, general manager for operations at Gemini Seafood, on August 31. The deal signing ceremony took place at Aftab Bahumukhi's head office at Banani in the capital.

"The Dutch embassy in Bangladesh supports the development of more sustainable agri-food value chains in Bangladesh and encourages Dutch companies to locally invest together with local stakeholders," said Anne van Leeuwen, ambassador of the Netherlands in Bangladesh.

"We are glad that via this cooperation we will be able to contribute to increased food security, more sustainable water usage and strengthen the cooperation between the Dutch and Bangladeshi private sector."

Ananta Group gets $14m French loan

Proparco, the private sector financing arm of the Agence Française de Développement Group (AFD Group), on 28 July provided $13.8 million to local Ananta Huaxiang, a subsidiary of Ananta Group in Bangladesh, to expand its sweater manufacturing facilities in Narayanganj. This will strengthen the company's competitiveness in the international market.

Ananta Huaxiang ranks among the top 10 sweater producers in

Bangladesh, exporting mostly to Europe for various international brands. The company will be better able to serve customers by producing over 10 million pieces of sweaters of a higher quality and price than before by 2023.

"It gives us immense pleasure to support (Ananta Huaxiang), a responsible actor in Bangladesh's garment industry committed to gender diversity," Diane Jegam, regional director – South Asia, Proparco, said.

Source : The Daily Star

Daraz to invest Tk 1,000cr in 4 years

Daraz intends to invest Tk 1,000 crore in Bangladesh in the next 3-4 years to ramp up its operation by building infrastructure and ecosystem, the Alibaba Group-backed e-commerce venture said on 27 August.

Bjarke Mikkelsen, founder & chief executive of Daraz Group, announced the plan marking the e-commerce company's eight years of operation in Bangladesh. In 2014, Daraz began its journey in Bangladesh with just five employees and a website. The e-commerce platform has now 7 million customers, 41,000 sellers and numerous partners and stakeholders.

The disclosure comes at a time when 1,800 e-commerce platforms are operating in Bangladesh to feed the growing demand for online shopping. Industry operators said annually nearly Tk 7,000 crore worth of products are sold through e-commerce firms in Bangladesh.

"With over 50,000 seller partners, we have expanded the horizon for e-commerce ventures across the country and enabled businesses while transforming consumer behaviours. The acquisition by Alibaba played a major role behind this strength of ours," said Syed Mostahidal Hoq, managing director of Daraz Bangladesh, at a celebration ceremony at InterContinental in Dhaka on 27 August.

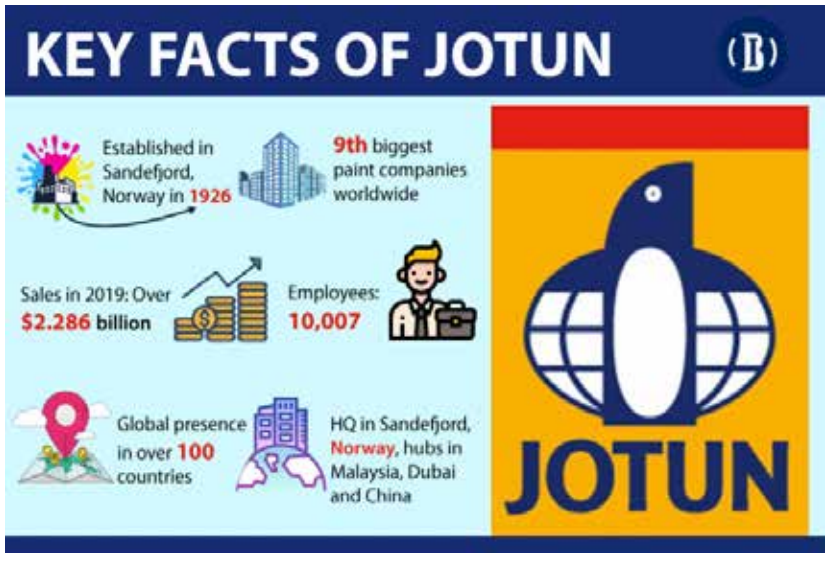
Norway's Jotun opens $7.6m paint factory

Jotun Bangladesh Limited (JBL), a subsidiary of Norway-based paint and coatings manufacturer Jotun Group, has opened its maiden plant inside the Meghna Industrial Economic Zone (MIEZ) with an investment of $7.6 million. Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), inaugurated the plant at the MIEZ in Sonargaon area of Narayanganj on 16 August.

"This factory will allow us to better serve our customers and contribute further to the development of Bangladesh by creating new employment opportunities, boosting the country's gross domestic product and bringing in more foreign direct investment," said Percy Jijina, managing director of JBL.

Jotun Group is one of the world's top paint and coatings manufacturers, operating in over 100 countries with 41 production facilities that cater to the four main segments, namely decorative paint, protective coatings, marine coatings, and powder coatings. JBL has been operating in Bangladesh for the last six years and currently employs more than 90 people. But following the opening of its new factory, the company plans to increase its workforce even further, creating hundreds of additional jobs over the next few years.

The nearly $471 million paint and coatings industry in Bangladesh has registered steady growth for the last decade. The Asia-Pacific region occupies a substantial share of the global paints market with China, India, Vietnam and Bangladesh



witnessing good investment in this sector.

Annual paint consumption in Bangladesh currently stands at about 180,000 tonnes with the industry recording more than 6 per cent year-on-year growth in recent times. Mostafa Kamal, chairman of Meghna Group of Industries, Silje Fines Wannebo, deputy head of mission of the Royal Norwegian Embassy in Dhaka, and Morten Fon, chief executive officer and president of Jotun Group, were present at the event.

Around 40 local and multinational paint and coating companies are now operating in the local market, which was once dominated imports. The future of decorative painting in Bangladesh is bright as the market has been increasing rapidly, encouraging many foreign companies to invest in the sector.

Berger is the current market leader with a 55 per cent share of the local market while major local companies include Asian Paints, Roxy Paints, Elite Paint, Pailac Paints, Moonstar Paints, Ujala Paints and Al-Karim Paints & Chemicals. Meanwhile, global powerhouses AkzoNobel of the Netherlands and Nippon Paint of Japan are now trying to grab a share of the growing local market as well.

Private firms' foreign loans jump to $26b

The amount of foreign loans availed by the private sector in Bangladesh has been swelling fast since 2020, creating a major headache for the country's economy at a time when its foreign exchange reserves are plummeting. Various private companies in the country took foreign loans to the tune of $25.95 billion collectively as of June this year, up 39 per cent year-on-year.

Besides, short-term external debt accounted for 68.4 per cent of all foreign loans taken by the private sector till June. The repayment tenure for a majority of these short-term loans is a maximum of three years. Experts said repaying the short-term foreign loans will place additional pressure on the foreign exchange reserves, which have been under stress due to blistering import payments since the last quarter of fiscal 2021-22.

The reserves now stand at less than $38 billion in contrast to more than $46 billion a year ago. Businesses chiefly took a hefty amount of foreign loans during the pandemic, when the LIBOR and other benchmark rates nosedived to below 1 per cent in the global market. Local businesses were allowed to take foreign loans at the benchmark rate plus 3.5 per cent as set by Bangladesh Bank.

But things are completely different now as the benchmark rates have ballooned to more than 3 per cent in the foreign market in keeping with the recovery of the global economy from the business slowdown caused by Covid-19.

The exchange rate of taka stood at Tk 106.75 for each US dollar on 18 September in contrast to Tk 85.25 a year ago. The global supply chain disruption resulting from the ongoing Russia-Ukraine war mainly created an excessive pressure on the country's external sector. The disruption had hiked commodity prices in the global market and that subsequently shot up Bangladesh's import payments.

The country paid a record of $82.49 billion for imports while it earned $49.2 billion by shipping goods abroad in the last fiscal year, causing the trade gap to rise to $33.2 billion.



Global/Regional News

Sri Lanka crisis a warning to countries with high debt and limited policy space: IMF chief

Maldives and Bangladesh are two nations which are on the verge of witnessing an economic crisis if situations are not brought under control. IMF chief Kristalina Georgieva has cited the example of the unprecedented economic crisis in Sri Lanka to warn other countries that they could also face a similar situation in the face of high debt levels and limited policy space.

"I wish the global economic outlook was as bright as the sky in Bali, but unfortunately, it is not. The outlook has darkened significantly, and uncertainty is exceptionally high. Downside risks about which the IMF had previously warned have now materialised," International Monetary Fund Managing Director Georgieva said at the meeting of G20 Finance Ministers and Central Bank Governors in Indonesia.

"Countries with high debt levels and limited policy space will face additional strains. Look no further than Sri Lanka as a warning sign," Georgieva said. "As per the IMF, there is a $4 billion gap," the minister, Miftah Ismail, told a news conference in Islamabad, referring to the shortfall in foreign reserves.

The comments from the IMF MD came as Sri Lanka is going through its toughest economic crisis and is in a hard position where it cannot pay for its essential imports, fuel, food and medicine due to an acute forex crisis. The government declared bankruptcy in mid-April by refusing to honour its international debt.



President Gotabaya Rajapaksa was forced out of power due to his poor handling of the economy. Georgieva said that developing nations had also been experiencing sustained capital outflows for four months in a row, putting their dreams of catching up with advanced economies at risk.

While she did not directly indicate the names of any nations, the same global headwinds – rising inflation and interest rate hikes, depreciating currencies, high levels of debt and dwindling foreign currency reserves – have affected other economies in the region, the BBC reported. Pakistan is one of the nations, which has been witnessing a shaky economy for some time now.

Fuel prices in Pakistan are up by around 90 per cent since the end of May, after the government ended fuel subsidies. It's trying to rein in spending as it negotiates with the IMF to resume a bailout programme, the report said. The economy is struggling with the rising cost of goods. In June, the annual inflation rate hit 21.3 per cent, the highest it has been in 13 years, the report added.

Maldives and Bangladesh are two nations which are on the verge of witnessing an economic crisis if situations are not brought under control. The Maldives has seen its public debt swell in recent years and it's now well above 100 per cent of its GDP. Like Sri Lanka, the pandemic hammered the economy of the Maldives that was heavily reliant on tourism.

On the other hand, in Bangladesh Inflation has hit an 8-year high in May in Bangladesh, touching 7.42 per cent, the report said. With reserves dwindling, the government has acted fast to curb non-essential imports, relaxing rules to attract remittances from millions of migrants living overseas and reducing foreign trips for officials, the report said.

Pandemic sets back fight against poverty in Asia by at least 2 years has likely hurt social mobility

The COVID-19 pandemic has set back the fight against poverty in Asia and the Pacific by at least 2 years, and many in the region will likely find it harder than before to escape poverty, according to ADB report. The region's economic growth this year is expected to reduce extreme poverty—defined as living off less than $1.90 a day—to a level that would have been achieved in 2020 had the pandemic not happened, according to Key Indicators for Asia and the Pacific 2022, released on 24 August. Data simulations

also show that people in the region with lower pre-pandemic levels of social mobility—the ability to escape poverty—may experience longer-lasting setbacks.

The COVID-19 crisis interrupted a long trend of poverty reduction in Asia and the Pacific. Although economies are recovering, progress is uneven. The pandemic may also have worsened forms of poverty beyond income, such as food insecurity and inadequate access to health services and education, according to the report.

"The poor and the vulnerable have been hit hardest by COVID-19, and while economies are recovering, many people may find that getting out of poverty is even more difficult than before," said ADB Chief Economist Albert Park. "Governments in the region should focus on resilience, innovation, and inclusiveness to provide more balanced economic opportunities and greater social mobility for everyone."

By 2030, the prevalence of extreme poverty in the region is expected to drop below 1%. At the same time, about 25% of the population is projected to achieve at least middle-class status, defined as having income or consumption of $15 or more a day, adjusted for purchasing power parity.

However, this outlook is threatened by differences in social mobility as well as other uncertainties. Developing Asia faces the potential for stagflation, ongoing conflicts involving key global actors, increased food insecurity, and energy price shocks.

ADB cuts GDP growth forecast for SAARC countries

The ADB lowered the growth projection for the region in the current fiscal year to 4.3% from the April projection of 5.2%. The growth forecast for next year has been lowered to 4.9% from 5.3%. The report projected 6.5% growth for the South Asia region, which remained the same with the previous fiscal year's and 0.9 percentage points lower than the April projection of 7.4%.

The ADB dropped average growth for South Asia in 2023 to 6.5% from the previous projection of 7.4% mainly, reflecting the pattern of growth in India, which accounts for 80% of the sub-regional economy. GDP growth for India is revised down from 8% in the next year to 7.2% as price pressures are expected to adversely impact domestic consumption, and sluggish global demand and elevated oil prices will likely be a drag on net exports.

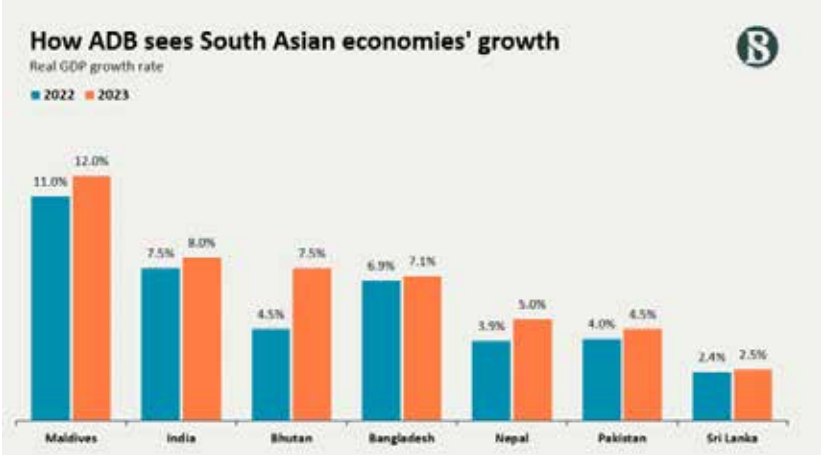
Growth prospects for the rest of South Asia's economies will be mixed, revealed the report. Sri Lanka's economy contracted by 3.3% in 2023, which was projected to grow by 2.5% earlier.

The severe balance of payments and debt crisis that led to a default, a shortage of foreign exchange reserves, supply bottlenecks, and the need for fiscal tightening will take a heavy toll on the Sri Lankan economy this year and the next, the report added.

The ADB released the update of the Asian Development Outlook from its headquarters in Manila highlighting the economic growth in developing Asia and the Pacific, amid mounting challenges, including increased monetary tightening, fallout from the protracted Russian invasion of Ukraine, and recurrent Covid-19 lockdowns in China.

The Asian Development Bank (ADB) has trimmed its growth forecast for Bangladesh's gross domestic product (GDP) to 6.6% for the current fiscal year from a 7.1% projection made in April. In its September report of the Asian Development Outlook 2022 revealed on 21 September, the lender said the growth momentum in Bangladesh continued in 2022, but it will slow in 2023 because of lower consumption expenditure on weaker export demand and income, an uncertain outlook, and domestic production constraints.

The government placed a target to achieve 7.5% GDP growth in the current fiscal year. ADB's growth projection is 0.9 percentage points lower than the government target.



The moderately lower growth forecast reflects slower domestic demand and weaker export prospects due to slower growth in advanced economies, the ADB said, adding that the current account deficit is expected to narrow from 4.1% of GDP in FY2022 to 3.6% of GDP in FY23 as imports slacken and remittances increase.

Bangladesh Resident Mission of the ADB published a special chapter of the report at a press briefing arranged at its country office in Agargaon. ADB Country Director Edimon Ginting said at the event that the government is navigating the prolonged external economic uncertainties relatively well and has implemented appropriate policies to reduce the external imbalance.

But turbulent times like these are also a good time to accelerate reforms that would improve the country's growth prospects in the medium term. These reforms include improving domestic resource mobilisation, deepening the financial market, and enhancing competitiveness to promote the creation of productive jobs in the private sector, he added.

He also said uncertainties in the international energy market provide a good momentum to accelerate reforms to achieve the country's climate change goals and expand domestic renewable energy supply to reduce dependence on fossil fuels. The update states that private investment growth will be lower due to global uncertainty and energy shortages. With slower revenue growth and higher import costs, public investment growth will also be slower as a result of the government's austerity measures.

Presenting the report at the event, Chan Hong, senior country specialist of ADB's the Bangladesh office, said the economy of the developing Asia and the Pacific region is facing several downside risks, including a sharp deceleration in global growth, stronger-than-expected monetary policy tightening, escalation of the Russian invasion of Ukraine, deeper-than-expected deceleration in China, and negative pandemic developments. These challenges would hinder the growth in the region.

He also said weakening in exports is the main downside risk for Bangladesh with global uncertainty over prolonged Russian invasion of Ukraine. He also found adverse weather events are a perennial risk.

The agriculture growth would decline due to the unusually dry monsoon season, which has adversely affected Aman rice planting, he noted, adding that floods in the northeastern region during the early monsoon damaged infrastructure, affected economic opportunities and all other aspects of life. "Industry growth is expected to be lower due to lower demand from major export destinations and disruptions in power and energy supply," he said, pointing out that the Bangladesh Bank is expected to further tighten monetary policy to contain inflation and reduce the volatility of taka.

Inflation is projected to accelerate to 6.7% in FY23 due to the rise in global food and fuel prices driven mainly by the impact of the Russian invasion of Ukraine. With a relatively higher projected increase in expenditure compared to revenue, the budget deficit is expected to increase to 5.5% of GDP in FY23.

France, United Arab Emirates sign deal on energy cooperation

France and the United Arab Emirates on 18 July signed an agreement on energy cooperation to ensure oil and natural gas supplies from the Gulf country as Europe prepares for the possibility of a total gas cutoff from Russia in retaliation for sanctions over the war in Ukraine. The deal announced by the French economy ministry comes as President Emmanuel Macron is hosting UAE President Mohammed bin Zayed Al Nahyan in Paris.

"The agreement we are signing with the United Arab Emirates is of double strategic importance: it allows us to address the pressing challenges of energy security in the short term, while preparing for a de-carbonized future," French Finance Minister Bruno Le Maire said in a statement.

The ministry did not provide details on the agreement or when it will be signed. Other trade and energy agreements are expected to be signed during Sheikh Mohammed's first state visit to France since he was appointed president of the Western-allied nation of seven sheikhdoms in May. They include an agreement between the French



energy giant TotalEnergies and Abu Dhabi National Oil Company to ensure energy supply, the economy ministry said.

France has deep ties to the UAE, and the two leaders have developed a personal relationship. It paid off during Macron's visit to Abu Dhabi last year that resulted in a 16 billion-euro ($18 billion) arms deal with the Gulf ally, the largest-ever French weapons contract for export.

Their meeting on 18 July comes as the war in Ukraine rages into the sixth month and Europe is in the grip of a sweltering heat wave. European countries are bracing for a potential Russian gas shutdown amid soaring energy prices, inflation and a cost-of-living crisis across the 27-member bloc.

Russia has cut off or reduced natural gas — which keeps industry running, generates electricity and heats homes in the winter — to a dozen European countries. A major gas pipeline also closed for scheduled maintenance last week, and there are fears that flows through Nord Stream 1 between Russia and Germany will not restart.

Leaders have been scrambling to fill underground storage by the beginning of fall in an effort to avert an economic and political crisis in winter. Italian Prime Minister Mario Draghi is visiting Algeria to finalize deals boosting natural gas supplies from the North African country to Italy, while EU Commission President Ursula von der Leyen was in Azerbaijan to clinch a deal with President Ilham Aliyev on increased gas supplies.

Macron said that his government would prepare a "sobriety plan" to conserve energy and that France keeps looking to diversify gas sources. He called for a faster shift toward offshore windfarms and more European cross-border energy cooperation "as we prepare ourselves for the scenario where we have to go without all Russian gas."

Le Maire said that the country has been in discussions with the UAE regarding supplies of oil and diesel to find "an alternative to Russian petrol." TotalEnergies CEO Patrick Pouyanne said in Parliament that the French energy giant is "discussing an agreement to have access to diesel and fuel from the Emirates this winter."

He said the company's efforts are part of the French initiative to secure sufficient energy and make up for the loss of Russian supplies. The UAE's energy exports to France are dominated by refined petroleum products and reached the record sum of 1.5 billion euros in 2019.

The U.S. Energy Information Agency cites figures estimating the UAE holds the seventh-largest proven reserves of natural gas in the world, at over 215 trillion cubic feet. The country, which lies on the eastern coast of the Arabian Peninsula along the Persian Gulf, is among world's 10 largest oil producers, with most of country's oil and gas wealth concentrated in Abu Dhabi.

British businesses turning away from China

British businesses are cutting ties with China due to concerns about political tensions, a shift that is likely to stoke inflationary pressures, the head of the Confederation of British Industry (CBI) said in an interview published on 30 July.

"Every company that I speak to at the moment is engaged in rethinking their supply chains ... because they anticipate that our politicians will inevitably accelerate towards a decoupled world from China," CBI Director-General Tony Danker was quoted as telling the Financial Times newspaper.

China was Britain's biggest source of imported goods in 2021, accounting for 13% of the total, while it was the sixth-largest destination for goods exports, according to Britain's official trade statistics.

However, British security concerns have risen in recent years, fuelled by disagreements with China over Hong Kong and other issues. Last week, the head of Britain's foreign intelligence service, Richard Moore, said China was now his top priority, ahead of counter-terrorism work. Both the remaining candidates in the Conservative Party leadership contest - Foreign Secretary Liz Truss and former finance minister Rishi Sunak - have said they intend to take a tougher line on China.

Danker said growing U.S. concern about China had also made British companies more wary about being



dependent on Chinese suppliers, and that going elsewhere was would be "more expensive and thus inflationary". "It doesn't take a genius to think cheap goods and cheaper goods may be a thing of the past," he added. British inflation hit a 40-year high of 9.4% last month, partly because of the surge in energy prices caused by Russia's invasion of Ukraine.

China grows rice in space using new zero-gravity laboratory

Rice plants have been cultivated from seeds in space for the first ever time in an experiment that could have major implications for future long-term missions. Chinese astronauts, known as taikonauts, carried out the experiment onboard the Wentian space laboratory, which was launched into orbit on 24 July and is docked with the core module of the Tiangong space station.

It marks the first time that scientists have attempted to produce the full life cycle of a rice plant in a zero-gravity environment, going from a seed to a mature plant capable of producing its own seeds. The taikonauts are also experimenting with the plant Arabidopsis thaliana, a member of the mustard family that is often used to study mutations.

"The rice seedlings are growing very well," Professor Huiqiong Zheng, a researcher at the Centre for Excellence in Molecular Plant Sciences at the Chinese Academy of Sciences, told China Daily. "We want to investigate how microgravity can affect the plant flowering time on the molecular level and whether it is possible to use the microgravity environment to control the related process."



Rice is one of the most popular foods on the International Space Station (ISS) and has been a staple for astonauts since the Apollo missions. Nasa astronauts Neil Armstrong, Michael Collins and Buzz Aldrin ate meals of freeze-dried chicken and rice during the Apollo 11 mission, which saw Aldrin and Armstrong become the first people to walk on the Moon.

Since then, astronauts have relied on food grown and cultivated on Earth, however hopes of longer missions to Mars and beyond may depend on the ability to grow plants and crops in space. "If we want to land on and explore Mars, bringing food from Earth is not enough to suffice for the astronauts' long journey and mission in space," said Professor Zheng. "We have to find a sustainable food source for long-term space explorations."

Kazakhstan to Start Oil Sales Via Azeri Pipeline to Bypass Russia

Kazakhstan is expected to sell some of its crude oil through Azerbaijan's biggest oil pipeline from September, as the nation seeks alternatives to a route Russia threatened to shut. Kazakh oil exports account for more than 1% of world supplies, or roughly 1.4 million barrels per day (bpd). For 20 years, they have been shipped through the CPC pipeline to Russia's Black Sea port of Novorossiisk, which provides access to the global market.

In July a Russian court threatened to shut the CPC, prompting the Kazakh government and major foreign producers to set up contracts for other outlets as a precaution. None of the alternatives are as practical as the CPC pipeline, raising the risk of further volatility on energy markets. Shortly after Russia invaded Ukraine in February, international crude prices hit 14-year-highs and prices have stayed high, sustaining an average above $100 a barrel in July.

Kazakhstan's state oil firm Kazmunaigaz (KMG) was in advanced discussions with the trading arm of Azerbaijan's state firm SOCAR to allow 1.5 million tonnes per year of Kazakh crude to be sold through the Azeri pipeline that delivers oil to Turkey's Mediterranean port of Ceyhan. At just over 30,000 bpd, the volume is a trickle compared to the usual 1.3-1.4 million bpd that flows through the CPC pipeline. The final contract is due to be signed at the end of August with flows through the Baku-Tbilisi-Ceyhan (BTC) pipeline starting up a month later, the source said.

Another 3.5 million tonnes per year of Kazakh crude could start flowing in 2023 through another Azeri pipeline to Georgia's Black Sea port of Supsa. Combined with BTC flows, the volume would equate to just over 100,000 bpd, or 8% of the CPC flows. KMG declined to comment and SOCAR declined to comment on the specific deal.



Relying on Azerbaijan would allow Kazakhstan to side-step Russian territory. Last month, BP Azerbaijan said it would redirect flows away from the Baku-Supsa pipeline to the larger BTC pipe. However, the new BTC route means Kazakhstan will have to rely on a fleet of small tankers to take its oil across the Caspian Sea to Baku from its port at Aktau that has limited spare capcity, the sources said.

Russia becomes India's third-largest coal supplier in July

Russia became India's third-largest coal supplier in July, with imports rising by over a fifth compared with June to a record 2.06 million tonnes, according to Indian consultancy Coalmint data. Russia has historically been the sixth-largest supplier of coal to India, behind Indonesia, South Africa, Australia, and the United States, with Mozambique and Colombia alternatingly featuring in the top five.



India expects its central bank's recent approval to allow payments for commodities in the Indian rupee to provide a major fillip to bilateral trade with Russia. India's imports from Russia have jumped nearly five times to over $15 billion ever since Russia invaded Ukraine. India, the world's second-largest producer, importer and consumer of coal, has historically imported more coking coal — used mainly in steelmaking — from Russia, with Australia being the other key supplier.

However, steep discounts offered by Russian suppliers to Indian consumers in the recent months have incentivized higher buying of thermal coal — used mainly in power generation — especially as global prices have traded at near-record highs due to western sanctions choking traditional trade.

Thermal coal imports from Russia jumped 70.3% in July, compared with June, to a record 1.29 million tonnes, while coking coal imports rose by over two-thirds to more than 280,000 tonnes. Indonesia was the top supplier, while South Africa was marginally ahead of Russia, the data showed. Higher coal imports from Russia were mainly driven by cement manufacturers and steelmakers, according to data.

Overall Indian coal imports, including shipments of anthracite and PCI coal, were nearly 10% lower in July at 23.8 million tonnes, compared with record imports of 26.29 million tonnes in June, the Coalmint data showed.

U.S. and Saudi Arabia sign 18 agreements in energy, other areas

The United States and Saudi Arabia signed 18 partnership agreements in fields including energy, communications, space and healthcare during a visit by U.S. President Joe Biden, Saudi state TV al-Ekhbariya reported.

The agreements include deals with U.S. aerospace and defence firms Boeing and Raytheon , as well as healthcare companies Medtronic (MDT.N), Digital Diagnostics, and IQVIA, according to Saudi state news agency (SPA). There were also agreements in clean energy projects, nuclear energy and uranium, it said.

Wealthy Gulf OPEC members like Saudi Arabia and the UAE are investing in renewable and clean energy while also stressing the continued importance of hydrocarbons for global energy security at a time of growing calls for a shift away from fossil fuels.



Trade war with China could cost Germany six times as much as Brexit : study

Germany would face costs almost six times as high as Brexit if it and the European Union were to shut China out of their economies, the Ifo institute said on 8 August, citing the results of a study. The biggest losers of a trade war with China would be the automotive industry with a 8.47% loss of value-added, manufacturers of transport equipment with a 5.14% loss and mechanical engineering with a 4.34% loss, the Ifo said.

The authors of the study, commissioned by the vbw industry association, said companies should pivot towards other countries to reduce dependency on certain markets and authoritarian regimes. The goal of German and EU economic policy should be "to establish strategic partnerships and free trade agreements with like-minded nations such as the U.S.," co-author Florian Dorn said.



The analysis simulated five scenarios, including a decoupling of Western economies from China combined with a trade agreement between the EU and the United States. While such an agreement could cushion the effects of a trade war with China, it would not offset them entirely. Rather, it would result in the net costs of a trade war equalling roughly the expected costs of Brexit, Ifo said.

Ukraine and Russia sign UN-backed deal to restart grain exports

Ukraine and Russia have signed a UN-backed deal to allow the export of millions of tonnes of grain from blockaded Black Sea ports, potentially averting the threat of a catastrophic global food crisis. A signing ceremony at Dolmabahçe Palace in Istanbul was attended by the UN secretary general, António Guterres, and Recep Tayyip Erdoğan, Turkey's president, who had played a key role during months of tense negotiations.

Guterres said in remarks at the ceremony that the deal would open the way to significant volumes of food exports from Ukraine and alleviate a food and economic crisis in the developing world. He said "the beacon of hope was shining bright in the Black Sea" and called on Russia and Ukraine to fully implement the accord.

In Kyiv, there is deep scepticism about Russia's intentions but Mykhailo Podolyak, an adviser to Ukraine's president, Volodymyr Zelenskiy, said Ukraine was trusting in the UN and Turkey to police the agreement. The aim of the deal is to secure the passage of grain and essential goods such as sunflower oil from three Ukrainian ports, including Odesa, even as the war continues to rage elsewhere in the country. The UN had warned that the war risked mass malnutrition, hunger and famine.

The arrangement also seeks to guarantee the safe passage of Russian-made fertiliser products, essential for ensuring future high yields on crops, amid efforts to ease a global food crisis provoked by Russia's invasion of Ukraine. UN officials said they hoped preliminary shipments of grain could begin as soon as 23 July, with the hope of reaching prewar levels of export from the three Ukrainian ports – a rate of 5m metric tonnes a month – within weeks.



Kubrakov said the agreement was made possible thanks to the Ukrainian military's defence of waters off Ukraine's Black Sea coast. In June, Ukraine pushed Russian forces from Snake Island near Odesa. Ukraine claimed Russia had planned to use the island to launch a land invasion. The agreement would help boost the Ukrainian economy, he added. "More than 20m tons of grain have been in warehouses since last year," he said. "If the president's team did not manage to move this issue from a dead end, Ukrainian farmers would question the very need to sow fields for the next year."

The agreement is the product of months of constant and difficult negotiations between UN officials, including Guterres, and leading Russian and Ukrainian officials, who first broached the issue in April.

US officials had accused the Russian government of effectively "weaponising food" by taking Ukrainian grain hostage in order to reduce the effects of sanctions on Russian exports. Still, the US and EU have both reassured businesses carrying Russian agricultural goods that they are not violating sanctions ahead of the signing of the deal.

Senior UN officials said prior to the signing of the agreement that demining Ukraine's coastline had not been seen as a viable option. Ukrainian officials expressed concerns that removing defensive mines from their coastline would

increase their vulnerability to Russian attacks.

But the final text contains provisions for a potential minesweeping operation by an agreed party to check that the maritime route for the ships remains safe, as well as a potential search and rescue vessel in the Black Sea.

UN officials emphasised that the deal to prevent attacks only included specific areas in Ukraine's ports covered by the grain agreement. They added that they had engaged with the shipping industry and insurers to ensure the commercial costs of insuring the grain shipments does not become punitive, thereby raising the cost of the grain on the international market.

The details were finalised after Erdoğan met Russia's president, in Tehran earlier this week, officials in Ankara said. Turkey has the authority over sea traffic entering and leaving the Black Sea. İbrahim Kalın, a spokesperson for Erdoğan, said the arrangement would be "critical for global grain security".

Ukraine is the world's fifth-largest wheat exporter but exports have badly stalled since the war began, with about 20m tonnes of grain stuck in silos at Odesa close to the frontline. The US state department said it welcomed the deal "in principle" and was focused on holding Russia accountable for implementing it.

While Russian grain exports were not sanctioned by the US, some shipping companies have avoided carrying Russian goods because of the financial and reputations risks involved. Robert Mardini, director general of the International Committee of the Red Cross, said the deal was "nothing short of life-saving for people across the world who are struggling to feed their families".

U.S. and China reach landmark audit deal in boon for Chinese tech companies

Beijing and Washington took a major step on 26 August towards ending a dispute that threatened to boot Chinese companies, including Alibaba, from U.S. stock exchanges, signing a pact to allow U.S. regulators to vet accounting firms in China and Hong Kong. U.S. regulators have for more than a decade demanded access to audit papers of U.S.-listed Chinese companies, but Beijing has been reluctant to let overseas regulators inspect its accounting firms, citing national security concerns.

The deal marks a partial thaw in U.S.-China relations amid tensions over Taiwan and will come as a relief for hundreds of Chinese companies, investors and U.S. exchanges, giving China the chance to retain access to the world's deepest capital markets if it works in practice.

If not, some 200 Chinese companies could be banned from U.S. exchanges, U.S. Securities and Exchange Commission (SEC) Chair Gary Gensler said. The agency has previously identified Alibaba Group , JD.Com Inc , and NIO INC among those at risk.

Announcing the deal, U.S. officials struck a cautious note, warning it was just a first step and that their view on China's compliance would be determined by whether they are able to conduct their inspections unobstructed, as the deal promises. "Make no mistake though: The proof will be in the pudding," said Gensler. "This agreement will be meaningful only if the PCAOB actually can inspect and investigate completely audit firms in China."

Still, the Public Company Accounting Oversight Board (PCAOB), which oversees audits of U.S.-listed companies, said it was the most detailed agreement the regulator has ever reached with China. The China Securities Regulatory Commission (CSRC) said the agreement was an important step towards addressing the auditing issue and benefited investors, companies and both countries.



In principle, the deal appears to give the PCAOB what it has long-demanded, namely full access to Chinese audit working papers with no redactions, the right to take testimony from audit company staff in China, and sole discretion to select which companies it inspects. U.S. officials said they had notified the selected companies on Friday morning and expected to land in Hong Kong, where the inspections will take place, by mid-September.

Google faces $25.4B damages claims in UK, Dutch courts over adtech practices

Alphabet unit Google faces damages claims for up to 25 billion euros ($25.4 billion) over its digital advertising practices in two suits to be filed in British and Dutch courts by a law firm on behalf of publishers. Google's adtech has recently drawn scrutiny from antitrust regulators following complaints from publishers.

The French competition watchdog imposed a fine of 220 million euros on the company last year while the European Commission and its U.K. peer are investigating whether Google's adtech business gives it an unfair advantage over rivals and advertisers.

"It is time that Google owns up to its responsibilities and pays back the damages it has caused to this important industry. That is why today we are announcing these actions across two jurisdictions to obtain compensation for the EU and the U.K. publishers," Damien Geradin at law firm Geradin Partners said in a statement on 13 September.

Google criticized the imminent lawsuits, saying that it works constructively with publishers across Europe. "This lawsuit is speculative and opportunistic. When we receive the complaint, we'll fight it vigorously," a spokesperson said.

The British claim at the U.K. Competition Appeal Tribunal will seek to recover compensation for lost revenue from the sale of advertising space on the websites of news publishers and any site funded by online advertising.

The Dutch claim is open to publishers affected by Google's actions. Litigation funder Harbour is funding both lawsuits.

UAE invests $2 bln in hi-tech Indian crop-growing 'food parks' to ease shortages

The United Arab Emirates has pledged $2 billion to help develop a series of "food parks" in India to tackle food insecurity in South Asia and the Middle East, a joint statement said on July 14. Speaking in Jerusalem at a virtual summit with UAE, Israeli and Indian leaders, U.S. President Joe Biden said the investment could "increase India's food yields in the region three-fold in just five years".



The parks would bring farmers, processors and retailers together using advanced climate technology to minimise waste, conserve water and maximise crop yields, focusing at first on crops including potatoes, rice and onions. The four countries would also advance renewable energy projects in India, including wind and solar energy plants, they said.

The projects would be supported by the Israeli and U.S. private sectors, Biden said at the summit on food security and clean energy amid fears of global food shortages caused by the war in Ukraine. Russia and Ukraine are the world's third and fourth largest grain exporters, respectively, while Russia is also a key fuel and fertiliser exporter.

The war has disrupted their exports, pushed world food prices to record levels and triggered protests in developing countries already contending with elevated food prices due to COVID-related supply chain disruptions. Economic fallout from the pandemic, climate change, food insecurity and volatile energy markets, Biden said, had been "made worse by Russia's brutal and unprovoked attack" on Ukraine.

"All these issues require cooperation and coordination, and none of us can mount a comprehensive response on our own," Biden said. U.N. agencies warned this month that the war in Ukraine and climate change could push starvation and mass migration to unprecedented levels.

Apart from benefiting local farmers, the food parks would help reduce trade barriers and unify food safety standards. They would also provide India with an opportunity to benchmark its perishable food products for global export and allow Indian produce access to the strategic Gulf markets starting with UAE, Kwatra said.

He said Indian states Gujarat and Madhya Pradesh - both ruled by Prime Minister Narendra Modi's Bharatiya Janata Party - were exploring setting up these parks, which would initially cultivate bananas, potatoes, rice, onions and spices.

Gulf Arab states import as much as 80-90% of their food and while their oil wealth renders them less vulnerable to rising global food prices than poorer countries in the region, disruptions threaten their supply chains. India, the world's third-biggest oil importer and consumer, depends on Gulf state for meeting most of its oil needs.

Wealthy Gulf states have invested heavily in farmland overseas and have been investing domestically more in agritech, which is also a fast-growing sector in Israel.

Crop yields are relatively low in India, which despite being a major farm goods producer, lacks regular irrigation for around half its farmland. Venture capital firms are increasingly pouring money into local agritech start-ups.

China plans real estate fund worth up to US$44b for distressed sector

China will launch a real estate fund to help property developers resolve a crippling debt crisis, aiming for a war chest of up to 300 billion yuan (US$44 billion) in a bid to restore confidence in the industry. The move would mark the first major step by the state to rescue the beleaguered property sector since the debt troubles became public last year.

The size of the fund would initially be set at 80 billion yuan through support from the central bank, the People's Bank of China (PBOC). State-owned China Construction Bank will contribute 50 billion yuan into the 80 billion yuan fund, but the money will come from PBOC's relending facility. If the model works, other banks will follow suit with a target to raise up to 200 to 300 billion yuan, he added.

A key pillar of the world's second-largest economy, China's property sector has been lurching from one crisis to another, and has been a major drag on growth over the past year. A revolt by homebuyers this month heaped more headache for authorities. Some analysts said a fund would only provide part of the solution.

"We don't know details of the fund yet. If just 80 billion it's not enough to solve the problem," said Larry Hu, chief China economist at Macquarie. "I believe the fund would be part of the bigger package to solve the current debt and mortgage crisis, because it alone would not solve all the problems ... we need a real estate recovery."



Global investors are fixated on any twists and turns in China's property market, which along with related sectors such as construction, accounts for more than a quarter of the country's gross domestic product (GDP).

According to a source the fund will be used to bankroll the purchases of unfinished home projects and complete their construction, and then rent them to individuals as part of the government's drive to boost rental housing. Such a move would underline the importance the central government attaches to providing more affordable homes for young people at a time when some local governments have been reluctant to build rental housing because land sales are a major source of income.

Henan-government backed Zhengzhou Real Estate, which set up one of the first local bailout funds in the country with state-owned Henan Asset Management amid the mortgage boycott, plans to use 20 billion yuan to acquire 50,000 units and turn them into rental housing, according to a notice by the Zhengzhou authorities this month seen by Reuters.

WTO News

WTO, FIFA team up to use trade and football as drivers of economic and social development

The WTO and FIFA have agreed to work together to examine how international trade and football can serve as catalysts for economic growth and social inclusion. The collaboration, spelled out in a Memorandum of Understanding signed by WTO Director-General Ngozi Okonjo-Iweala and FIFA President Gianni Infantino, seeks to foster synergies in relation to the economic dimension of sport and empowerment, especially for least-developed countries (LDCs) and women. Cooperation within the context of the WTO's cotton programme is also a central element of the agreement.

The WTO and FIFA agreed to collaborate by exchanging views on their respective activities and by preparing and implementing common strategies and projects in areas of shared interest. Regarding the WTO's cotton programme, the WTO and FIFA will explore opportunities to enhance the participation of the "Cotton Four" (C4) countries (Burkina Faso, Benin, Chad and Mali) and other LDC cotton producers in global football apparel value chains.

The two organizations will also work together in the development of publications, including a joint study on the economic impact of football and its role in unlocking global economic growth potential, and will explore options for the development of capacity-building activities that support the use of football as a tool for women's empowerment, particularly in LDCs.



On behalf of the C4 countries, as well as Côte d'Ivoire and all the African countries and LDCs that produce and export cotton, Ambassador Ahmad Makaila of the Republic of Chad welcomed this "excellent initiative" undertaken in the framework of the collaboration between FIFA and the WTO.

"For the C4, signature of the Agreement between the WTO and FIFA strengthens a common vision, an inclusive and lasting partnership and a choice to favour cooperation and negotiation at the WTO in the search for the most appropriate solutions to the cotton issue," he stated. "This robust cooperation is more than ever indispensable to ensure that our countries bounce back from the many crises we are currently facing, undertake better reconstruction and help achieve the Sustainable Development Goals."

Under the MoU, which will remain in force until 31 December 2027, the WTO and FIFA will exchange information and expertise on the economic dimension of football, through participation in conferences, regular meetings and contribution to studies. Once a year, a joint review will be undertaken to assess the collaboration and identify specific activities or projects to be implemented the following year. These activities and projects will be reflected in a Collaboration Plan.

Following the signing of the MoU, DG Okonjo-Iweala and Mr Infantino had a conversation on sustainable and inclusive trade as part of the WTO Public Forum (27-30 September) which this year takes place under the theme "Towards a sustainable and inclusive recovery: ambition to action".

Agency heads call for urgent action to address global food security crisis

Heads of the UN Food and Agriculture Organization, International Monetary Fund, World Bank Group, World Food Programme and the WTO issued a joint statement on 21 September calling on governments to take urgent and coordinated action to address the acute food crisis. They underscored the importance of maintaining momentum on ongoing work and building resilience for the future, which "will require a continued comprehensive and coordinated effort to support efficient production and trade, improve transparency, accelerate innovation and joint planning and invest in food systems transformation".

Second Joint Statement by the Heads of FAO, IMF, WBG, WFP, and WTO on the Global Food Security and Nutrition Crisis

Food and Agriculture Organization of the United Nations (FAO) Director General Qu Dongyu, International Monetary Fund (IMF) Managing Director Kristalina Georgieva, World Bank Group (WBG) President David Malpass, World Food Programme (WFP) Executive Director David Beasley and World Trade Organization (WTO) Director General Ngozi Okonjo-Iweala issued the following second joint statement calling for urgent action to address the global food security crisis.

The war in Ukraine continues to exacerbate the global food security and nutrition crisis, with high and volatile energy, food and fertilizer prices, restrictive trade policies, and supply chain disruptions. Despite the reprieve in global food prices and the resumption of grain exports from the Black Sea, food remains beyond reach for many due to high prices and weather shocks. The number of people facing acute food insecurity worldwide is expected to continue to rise. Fertilizer markets remain volatile, especially in Europe, where tight natural gas supplies and high prices have caused many producers of urea and ammonia to stop operations. This may reduce fertilizer application rates for the next crop season, prolonging and deepening the impact of the crisis.

There has been considerable progress in four key areas we had highlighted in our first joint statement. Announced or implemented social assistance measures across all economies quadrupled from 37 to 148 between April and September 2022. We welcome the efforts of the Global Crisis Response Group and the Black Sea Grain Initiative: through the Joint Coordination Centre, over 3 million metric tons of grain and foodstuffs have already been exported from Ukraine. We are encouraged by the downward trend of trade restrictive measures implemented by countries and hope that the trend continues. International financial support to the most vulnerable countries is increasing from various initiatives. The World Bank is implementing its $30 billion program to respond to the food security crisis and frontloading resources from the IDA20 Crisis Response Window. The IMF is proposing a new food shock window within the IMF emergency lending instruments. The FAO has proposed a series of policy recommendations and launched detail soil nutrition maps at country level to increase efficiencies in the use of fertilizers.

Maintaining momentum on these fronts and building resilience for the future will require a continued comprehensive and coordinated effort to support efficient production and trade, improve transparency, accelerate innovation and joint planning and invest in food systems transformation:

Support efficient production and trade: Governments in all countries need to urgently re-examine their agricultural trade and market interventions, such as subsidies and export restrictions, to identify and minimize distortions. Shorter interventions cause less harm than indefinite ones. Promoting the production of nutritious foods and repurposing the US$639 billion support per year provided to agriculture by governments can transform food systems and improve food security and nutrition. Preserving open trade in food, agriculture, and energy can reduce price distortions that dilute incentives for efficient production. Countries should follow through on commitments made at the WTO's 12th Ministerial Conference to restrain export restrictions on food and fertilizers and put in place trade facilitation measures. We also welcome clarifications of relevant regulations to allow critical agricultural inputs such as fertilizers to move swiftly to countries in need.



Improve transparency: Food market monitoring serves as an important and efficient early warning mechanism and must be supplemented with transparent tracking of financing by the international community to respond to the food crisis. Governments should provide necessary data and resources to support Agricultural Market Information System (AMIS), which enhances transparency in food markets through monitoring the prices and availability of major food crops and promoting policy responses. In addition, the Global Alliance for Food Security (GAFS) is harmonizing existing tracking systems in a dashboard to enable governments and country teams to identify needs and channel financing to respond to the crisis.

Accelerate innovation and joint planning: Agricultural research and development is a chronically underinvested sector, while it has one of the highest returns on public spending. Innovation is crucial for meeting the long-term challenges to global food security and nutrition posed by climate change, land and ecosystem degradation, pests, and transboundary plant and animal diseases. Disseminating best practices from FAO and supporting the Consortium of International Agricultural Research Centers (OneCGIAR) are important actions to address these challenges. Such efforts should also lead to more systematic coordination and joint planning to connect short-, medium- and long-term opportunities and deliver support in a timely manner.

Invest in food systems transformation: Strengthening the resilience of food systems to risks, including conflict, extreme weather events, economic shocks and diseases is key for the longer-term response. Addressing both infrastructure bottlenecks and input supply bottlenecks (e.g., fertilizers and seeds) are critical to an efficient food supply system. Effective and sustainable support to smallholder farmers will be vital to ensure they are part of the solution and to localize supply chains. The private sector has a critical role to play, and the International Finance Corporation (IFC) will establish a Global Food Security Platform that will provide working capital and longer-term financing for sustainable agribusinesses and related sectors in the food supply chain. Deeper integration of markets can also help avoid price spikes of essential goods and drive economic diversification and job creation to build overall resilience.

We remain committed to working together to address immediate food security and nutrition needs, tackle structural market issues that may exacerbate adverse impacts, and build countries' resilience to prevent and mitigate the impacts of future crises.

WTO, OECD to redouble collaborative efforts in addressing challenges of the global commons

A high-level delegation of the Organisation for Economic Co-operation and Development (OECD), led by Secretary-General Mathias Cormann, visited the WTO on 13 September and met with Deputy Director-General Angela Ellard. The visit was part of a Swiss initiative to deepen collaboration between international organizations and to underline Geneva's importance as a multilateral hub where key decisions for the lives of people across the globe are taken. The WTO and the OECD share a long-standing and fruitful history of collaboration in areas such as subsidies, trade and international cooperation.

DDG Angela Ellard welcomed the OECD delegation, which included 35 Ambassadors accredited to the OECD in Paris. She noted that the visit came at an opportune time to strengthen the inter-agency collaboration and to underpin the principles of International Geneva, an initiative by the Swiss government referring to the network of international and non-governmental organizations, scientific and academic actors, civil society and the private sector based in Geneva working for a world of peace, rights and prosperity.



In her remarks to the Ambassadors, DDG Ellard stressed that international cooperation can work even in the face of a fractious geopolitical climate, as evidenced by the successful WTO 12th Ministerial Conference (MC12) in June this year. The outcome of MC12 "defied expectations", she said. "Our members worked very hard and were able to deliver many significant outcomes."

DDG Ellard emphasized the importance of MC12's "Geneva Package", which includes the Agreement on Fisheries Subsidies as well as decisions on the COVID-19 pandemic response, food insecurity, the e-commerce work programme and moratorium, and WTO reform. She also stressed the need for the international community to work hard so that these agreements have

a real impact on people's lives across the world. "We cannot rest on our laurels. There is a lot of work to do, and the challenges keep changing every day," she said.

DDG Ellard expressed the WTO's eagerness to work with the OECD to keep WTO members well-informed and to provide a forum for discussion of policy choices. As an example of such cooperation, she noted the role of data and research by the OECD on fisheries subsidies. This provides the factual basis of discussions on fisheries subsidies and encourages further cooperation on the next wave of negotiations to address overcapacity and overfishing, she said.

DDG Ellard called on OECD members to complete their domestic acceptance of the Agreement on Fisheries Subsidies as soon as possible so that the Agreement can enter into force. She also highlighted the importance of the Fisheries Funding Mechanism established under the Agreement for providing technical assistance to developing country members in meeting their obligations.

OECD Secretary-General Mathias Cormann highlighted the excellent cooperation and dialogue between two organizations that share the commitment to promote well-functioning global markets and a rules-based international trading system with the WTO at its centre. "In several of our recent Ministerial Council meetings, we have especially expressed our support for the important role of the WTO underpinning the rules-based international trading system," SG Cormann said.

"Our mission, as an organization under our convention, is the preservation of individual liberty and to increase economic and social well-being for people across OECD countries and beyond. The sustainable expansion of global trade was seen by our founders as the central ingredient of driving that increase in economic and social wellbeing around the world," he added.

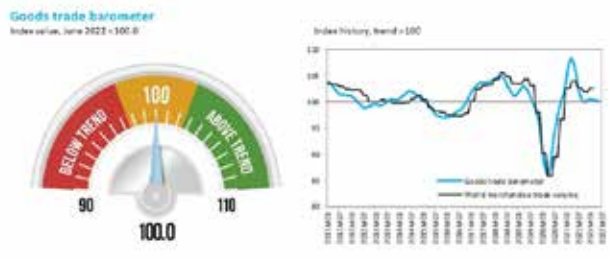
OECD Ambassadors took the floor, congratulating the WTO and its members for achieving significant outcomes at MC12. They asked questions on a wide range of issues, from WTO reform and the critical impasse for the dispute settlement mechanism to carbon pricing as part of the response to climate change, the impact of the war in Ukraine on international trade, the "plurilateral" joint initiatives and the interaction with the private sector and civil society.

Goods Barometer points to stagnating global trade growth

The latest WTO Goods Trade Barometer issued on 23 August was steady but below the recent trend line for merchandise trade, suggesting that global goods trade continued to grow in the second quarter of 2022 but that the pace of growth was slower than in Q1 and is likely to remain weak in the second half of the year.

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. The latest reading of 100.0 coincides exactly with the baseline value of the index, indicating on-trend trade expansion.

However, the overall barometer remains below a companion index representing actual merchandise trade volumes, suggesting that year-on-year trade growth may slow further but remain positive when official Q2 statistics become available, with trade simultaneously weighed down by the conflict in Ukraine and buoyed by the lifting of COVID-19 lockdowns in China.



The volume of world merchandise trade plateaued with year-on-year growth slowing to 3.2% the first quarter of 2022, down from 5.7% in fourth quarter of 2021. The slowdown in Q1 only partly reflected the impact of the conflict in Ukraine, which broke out in late February. Lockdowns in China also weighed heavily on trade in the first quarter.

The components of the goods barometer are a mixed bag, with most indices showing on trend or below trend growth. The forward-looking export orders index (100.1) is on trend but has turned downwards. The automotive products index (99.0) is only slightly below trend but has lost its upward momentum. Indices for air freight (96.9) and electronic components (95.6) are below trend and pointing down, while the raw materials index (101.0) has recently risen slightly above trend. The main exception is the container shipping

index (103.2), which has risen firmly above trend as shipments through Chinese ports have increased with the easing of COVID-19 restrictions.

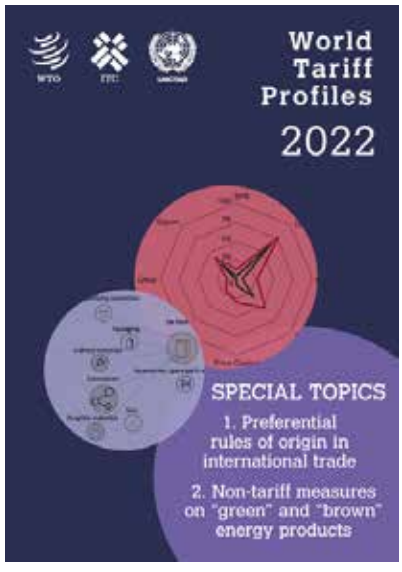
The latest barometer reading is consistent with the WTO's most recent trade forecast from last April, which predicted 3.0% growth in the volume of world merchandise trade in 2022. However, uncertainty surrounding the forecast has increased due to the ongoing conflict in Ukraine, rising inflationary pressures, and expected monetary policy tightening in advanced economies. A revised forecast will to be issued in early October.

WTO issues new edition of World Tariff Profiles

The WTO issued on 29 July the 2022 edition of "World Tariff Profiles", which provides comprehensive information on the tariffs and non-tariff measures imposed by over 170 countries and customs territories. The report was jointly prepared with the International Trade Centre and the United Nations Conference on Trade and Development (UNCTAD).

Summary tables at the start of the publication provide cross-country comparisons of the average "bound" or maximum tariff each economy may apply to imports from other WTO members and the average tariffs it applies in practice. Data is provided for the category of "all products" as well as for agricultural and non-agricultural products. Import and export profiles provide cross-country comparisons on the value of imports, export diversification, and relevant tariff data.

One-page profiles in Part 2 of the report provide more detailed data for each economy, with tariffs broken down by product groups. Each profile also shows the economy's main trading partners and the tariffs



levied on their exports by these markets.

Statistics on non-tariff measures (NTMs), such as anti-dumping measures, countervailing measures and safeguards, complement the data on tariffs.

This edition also includes two special topics. The first analyzes the preferential rules of origin in international trade. It discusses the complexities involved in determining whether available preferential import tariffs can be utilized and highlights that highly technical and complex rules are among the main factors hindering the utilization of preferential treatment under trade agreements.

The second special topic looks at the use of NTMs on "green" and "brown" energy products. It notes that the transition from fossil fuels to renewable energy in response to climate change adds an urgency to liberalising trade in green products. The analysis reveals that NTMs are currently more widespread for brown energy products than for green products in terms of frequency of use, coverage and prevalence. One of the reasons for this may be the fact that green products are normally innovation products, and countries have not yet developed regulations for those products.

In a world of polycrisis, Aid for Trade Global Review focuses on recovery, resilience

In a world buffeted by the continuing COVID-19 pandemic, the war in Ukraine, food insecurity and climate change, the 2022 Aid for Trade Global Review opened on 27 July at the WTO with a focus on how Aid for Trade can help developing and least developed countries recover from multiple crises and build resilience to ensure long-term sustainable development. In her remarks to the opening plenary session, WTO Director-General Ngozi Okonjo-Iweala told participants that the future of trade will increasingly focus on three key issues that are the themes of this year's Global Review: sustainable development, digital connectivity and women's economic empowerment.

"The Aid for Trade initiative can and should aim to help develop critical trade infrastructure while supporting climate friendly, resilient and socio economically inclusive outcomes," she declared.

A joint Aid for Trade at a Glance 2022 report issued today by the WTO and the Organisation for Economic Cooperation and Development notes that Aid for Trade commitments increased by 18 per cent in 2020, reaching an all-time high of USD 64.6 billion. A total of USD 556 billion in Aid for Trade was disbursed between 2006 and 2020.

The report shows that 51 per cent of the Aid for Trade commitments made in 2020, worth about USD 33 billion, include climate related objectives. "Environmental issues increasingly feature in the development and trade strategies of developing and least developed countries," the Director-General noted.

Aid for Trade disbursements for digital connectivity and e-commerce have increased by 23 per cent since 2018 but, at USD 487 million, still accounted for a modest 1 per cent of expenditure in 2020. "There's so much scope in this promising area to do so much more," the DG said.



Women's economic empowerment "is an issue that I'm happy to say is starting to get the traction it deserves as a priority in development strategies," she continued, with Aid for Trade programmes targeting women entrepreneurs and the constraints they face in trade facilitation, access to trade, finance, networking, trade promotion and other issues.

The Director-General issued a call for increased private sector involvement in trade-related development assistance to ensure recovery and resilience. She suggested rebranding "Aid for Trade" as "Investment for Trade" in order to underline the importance of greater public-private sector cooperation.

"We need to keep working to reinvigorate the multilateral trading system, and Aid for Trade is part of ensuring that developing and least developed countries, who have been so hard hit by the pandemic, by the consequences of the Ukraine war, by climate change, benefit from the multilateral trading system," she said.

"An essential part of what is being left out is the private sector," the Director-General added. "There are some opportunities staring us in the face during this crisis. We want to change the way supply chains work … by trying to shift the private sector supply chains more into these developing and least developed countries, to attract private sector help to lay down the appropriate infrastructure and help us bring them into the framework of global trade."

The WTO-led Aid-for-Trade initiative encourages developing country governments and donors to recognize the role that trade can play in development. In particular, the initiative seeks to mobilize resources to address the trade-related constraints identified by developing and least-developed countries.

The purpose of the Global Review is to strengthen the monitoring and evaluation of Aid for Trade to provide an incentive to both donors and recipients for advancing the Aid for Trade agenda.

In her remarks to the opening session, International Trade Centre Executive Director Pamela Coke-Hamilton underlined the importance of ensuring that Aid for Trade delivers results for its ultimate beneficiaries. "Aid for Trade is about making trade happen," she said. "At the end of the day, it's about people, and if it doesn't translate into helping people, then everything we're doing comes to naught."

Ms Coke-Hamilton echoed DG Okonjo-Iweala's call for greater public-private sector cooperation to enhance the effectiveness of trade-related development assistance. "The biggest problem I see is the lack of capacity," she said. "The lack of capacity to put forward bankable proposals and the inability, once those proposals are through, to actually execute. The private sector is an important player in bringing that kind of expertise."

Noting that the "poorest of the poor are hit the hardest" by the current polycrisis, Gerd Müller, Director General of the United Nations Industrial Development Organization, issued a call for a transition from free trade to fair trade.

"We must be willing to rethink what we do, how we act," he said. "I'm convinced a world without hunger is possible, stopping climate change is possible. But only if we act now. The money is there … the industrialized world is spending trillions, not billions, trillions to support their economy. Developing countries cannot do this themselves. They need so much more global solidarity."

In a video message to the opening session, OECD Secretary-General Mathias Cormann said Aid for Trade can be a tool to foster resilience through the current crises and help contribute to the economic resilience of developing and least developed countries.

"The sustainable expansion of global trade and investment is one of the most important drivers of further economic development, better international relations and a lifting of living standards all around the world," Mr Cormann declared. "Indeed, this is precisely what Aid for Trade aims to do."

Hyginus 'Gene' Leon, President of the Caribbean Development Bank, said the absence of capacity to recover from the COVID-19 pandemic and build resilience "is the fundamental issue that we need to face going forward."

"Trade drives development. Without that, the ability to recover, the ability to generate resilience is not going to occur," he noted. But "without adequate and affordable finance, there is no way you can advance either the development or deployment of activities that can allow trade."

Hani Salem Sonbol, Chief Executive Officer of the International Islamic Trade Finance Corporation, said his organization is focusing its support on those countries most affected by the ongoing crises.

"We can see the reoccurrence of crisis now is becoming more frequent," he noted. "Any crisis that hits the world is definitely going to change the way we do business and to change trade."

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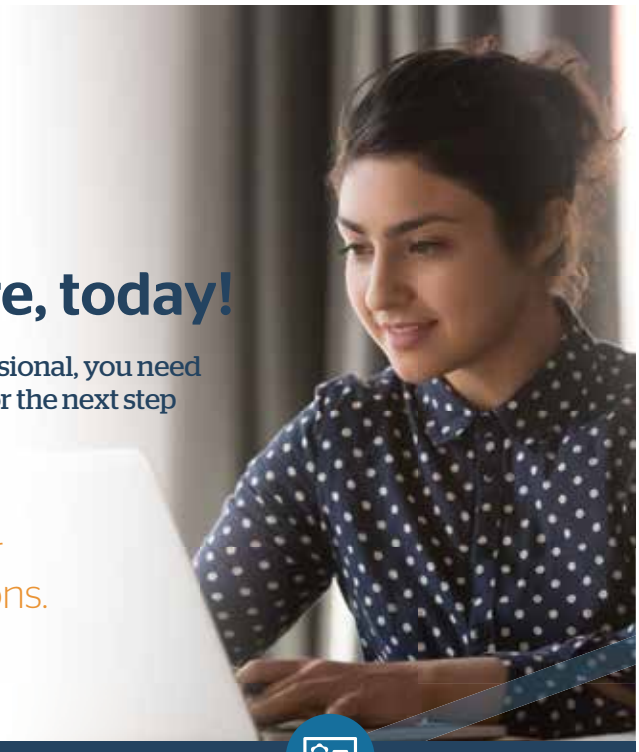
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