

## || WEEKLY NEWS HIGHLIGHTS ||

### BANGLADESH ENTERPRISE INSTITUTE (BEI)

|| Brief Highlights on Current Issues of South Asia ||

|| 17 NOVEMBER -23 NOVEMBER , 2022 ||

#### BUSINESS AND INVESTMENT

#### **BANGLADESH SEEKS GSP SUPPORT FROM ITALY TO FACE POST-LDC CHALLENGES; CARRY OUT REFORMS, GET MORE LOANS, WB VP SUGGESTS**

Commerce Minister Tipu Munshi has sought GSP support from Italy for Bangladesh to face the post-LDC challenges after its final graduation as a developing nation. The minister also called upon the European country to increase mutual understanding between the two nations on trade and investment. He said while at a views exchange meeting with Italian Ambassador to Bangladesh, Enrico Nunziata, at the Bangladesh Secretariat in the capital on Monday. Terming that Bangladesh's trade and economic relations with Italy are long-standing, the minister said Italy is a big market for Bangladeshi garments and many Bangladeshis are working with reputation in the country. The current trade between the two countries now reaches \$ 2.263 billion.

The World Bank suggested the government carry out the reforms earlier tagged with the lender's ongoing budgetary support worth US\$500 million to pave the way for such loans in future, officials said on Monday. We've been advised to complete the reforms as we sought extended support," a senior official at the Ministry of Finance (MoF) told the FE. The government has sought another budgetary support, at least \$500 million, from the same institution to facilitate recovering from the adverse impacts of the current global economic crisis.

<https://thefinancialexpress.com.bd/economy/bangladesh-seeks-gsp-support-from-italy-to-face-post-ldc-challenges-1669029661>

<https://thefinancialexpress.com.bd/economy/carry-out-reforms-get-more-loans-wb-vp-suggests-1668480370>

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## AFGHANISTAN: AFGHAN-IRAN JOINT TRADE SESSION SEEKS TO ENHANCE COOPERATION; AFGHANS FACE ECONOMIC HARDSHIP AS WINTER LOOMS

The fifth session of a trade relations meeting between Herat and Iran's Khurasan Rizwi province was held in Herat city. Representatives of the private sector from both sides attended the meeting to discuss the enhancement of trade on the border. Khorasan Razavi province of Iran is located alongside the border with Afghanistan's Herat province. The meeting was the first since the Islamic Emirate came into power. The meeting discussed bilateral cooperation related to transit, gas, fuel, industry, and agriculture.

Martin Schoep" the chief director of the International Committee of the Red Cross, who traveled to Kabul to visit and prepare a working report on the economic situation in Afghanistan, says that "The economic problems are

very serious and people will struggle for their lives." He describes the coming winter as days full of hardship for Afghans, a winter in which, according to him, Afghans must strive for survival. While the sanctions against the interim government of Taliban have caused the suspension of bank transfers and the seizure of billions of dollars of Afghan assets by the United States, have restricted the access of Afghanistan's dependent economy to international and monetary institutions, Schoep said that Prices are spiking due to a whole set of reasons, but also the issue of sanctions has led to massive consequences.

<https://www.afghanistantimes.af/afghan-iran-joint-trade-session-seeks-to-enhance-cooperation/>

## BANGLADESH: FAIR ELECTION VITAL FOR BANGLADESH'S ECONOMIC GROWTH: BRITISH ENVOY; ENERGY, FOOD SECURITY COOPERATION WITH SIX ARAB COUNTRIES TO

British high commissioner Robert Chatterton Dickson has said ensuring institutional quality is key to continue economic growth for Bangladesh in next decade and beyond and holding a free and transparent election is important to ensure the quality of institutions. He said while speaking at discussion titled 'Untangling the myriad of multilateral frameworks in the Indo-Pacific' in a city hotel on Monday. Adding that democracy leads to prosperity and resilience of a country, Peter Haas said, "We'll work to strengthen democracy both at home and around the world and we will not be shy about championing human rights."

Bangladesh has signed a Memorandum of Understanding (MoU) on partnership dialogue with Gulf Cooperation Countries (GCC). Foreign minister AK Abdul Momen and GCC secretary general Nayem Falah M Al-Hajraf signed the MoU on the sidelines of the 'Manama Dialogue-

2022' at Manama in Bahrain on Friday. This MoU with six oil rich Arab countries, opens Bangladesh's door of cooperation on various issues including energy, food security, tackling the impacts of climate change, trade and investment. The members of the Riyadh-based alliance are Saudi Arabia, United Arab Emirates (UAE), Kuwait, Bahrain and Oman. In a press release issued from the Bangladesh embassy in Riyadh, it was said, under this MOU both sides will hold regular consultations for political, economic, and cultural, people-to-people contact, climate change, agriculture, food security and environment protection cooperation.

<https://en.prothomalo.com/bangladesh/cw14wfd6ma>

<https://en.prothomalo.com/bangladesh/lfmggzsm17>

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## BHUTAN: JAPAN, BHUTAN SIGN TECHNICAL COOPERATION PROJECT ON DIGITAL HEALTH

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To improve healthcare services, the Japan International Cooperation Agency (JICA) and the Ministry of Finance (MoF) signed a record of discussions in Thimphu for implementation of the project "Strengthening government capacity for using digital technology and data" yesterday. Representatives from the Ministry of Information and Communications (MoIC) and the Ministry of Health (MoH), which will implement the project, attended the signing ceremony. JICA will dispatch long-term experts and provide the necessary

training to achieve the project's purpose. According to the MoIC Secretary Phuntsho Tobgay this project would enhance the e-governance and service delivery of the health sector. The project would assist to raise public awareness of one's health management. The project starts on February 2023 and ends on February 2027.

<https://kuenselonline.com/japan-bhutan-sign-technical-cooperation-project-on-digital-health/>

## INDIA: 800MW TO COME FROM INDIA'S ADANI GODDA PLANT FROM DEC 16; INDIA-UAE TRADE SET TO SURPASS \$88 BILLION

The 1,600-megawatt Adani Godda Power Plant in India will start exporting half of its electricity to Bangladesh from December 16 this year, according to a report by the Bangladesh Power Development Board (BPDB). The report was submitted during a meeting of the parliamentary standing committee on the power, energy, and mineral resources ministry on Sunday November 20.

The thermal power plant in Jharkhand's Godda will start supplying the remaining capacity after commencing full production in March next year. At the meeting, officials of the power ministry and BPDB officials informed that the commercial operations date for Unit-1 of the Adani Godda Power Plant has been fixed on December 16 while that of Unit-2 is March 26, 2023. Engineered during Indian Prime Minister Narendra Modi's maiden visit to Bangladesh in 2015, Adani Power will supply most of the power it generates to the BPDB through a dedicated transmission line. According to the meeting minutes, both parts of the transmission line, which stretches 105.90 kilometers (km) from the power plant to Bangladesh's border and 29.5 km from there to the national grid, was completed last August. As such, the power synchronization for Unit-1 will be done on November 23 this year. As per the agreement signed on November 5, 2017, Adani Power would supply electricity to Bangladesh for 25 years from December 2021.

In other news, The UAE is India's third largest trading partner after the United States and China, and also one of the country's most important strategic partners in West Asia. Foreign ministers of India and the United Arab Emirates (UAE) on Tuesday November 22, reviewed bilateral ties in areas ranging from food security to two-way trade, which is projected to surpass \$88 billion in the current fiscal following the signing of a free trade deal. They also exchanged views on the global situation, various regional hotspots and cooperation between the two sides at the United Nations Security Council.

The UAE is India's third largest trading partner after the United States and China, and also one of the country's most important strategic partners in West Asia. The emirates are home to 3.5 million Indians, one of the largest concentrations of expatriates in the region. Sheikh Abdullah arrived in India with a high-level delegation on Monday for a two-day visit. The ministers noted that bilateral trade had shown "appreciable growth" since the bilateral Comprehensive Economic Partnership Agreement (CEPA) came into force on May 1. India's exports to the UAE during April-September 2022 were worth \$16 billion, an increase of 24% year-on-year, while imports increased 38% to reach \$28.4 billion in the same period, the external affairs ministry said.

<https://www.thedailystar.net/business/economy/news/800mw-come-adani->

## MYANMAR: RUSSIA AGREES TO ESTABLISH YANGON FLIGHTS AND NUCLEAR ENERGY HUB IN MYANMAR; MALAYSIA SAYS NO TO MYANMAR JUNTA'S POLL PLAN

Myanmar's junta and Russia have agreed to open direct flights to Yangon and to establish a nuclear technology hub in the city, according to the regime-controlled media. Junta delegations attended Transport Week and other international forums in Moscow last week. Science and technology minister Dr Myo Thein Kyaw signed a deal at the nuclear technology center in St Petersburg on Friday with Russia's state-run nuclear corporation, Rosatom, to establish a similar institution in Yangon. Russia is looking to expand the role of its oil and gas firms in Myanmar. The regime signed a road map for atomic energy cooperation with Rosatom in September, including a possible modular reactor project in Myanmar. The agreement was signed at the Eastern Economic Forum in Vladivostok, which was attended by Min Aung Hlaing.

Malaysia announced on Monday it will not support the Myanmar junta's planned election next year, becoming

the first among the 10 members of the Association of Southeast Asian Nations (ASEAN) to reject the polls. Malaysian Foreign Minister Saifuddin Abdullah said in a Facebook Live press conference on Monday, that it was not morally right for the junta to talk about elections after seizing power following previous elections that international observers had recognized as being largely free and fair. The US recently urged the international community to reject the military regime and its sham "elections." Malaysia has followed suit by becoming the first country in ASEAN, of which Myanmar is a member, to denounce the junta's election plan.

<https://www.irrawaddy.com/news/burma/russia-agrees-to-establish-yangon-flights-and-nuclear-energy-hub-in-myanmar.html>

<https://www.irrawaddy.com/news/the-world-myanmar/malaysia-says-no-to-myanmar-juntas-poll-plan.html>

## NEPAL: ELECTIONS: VOTING UNDERWAY ACROSS COUNTRY

Voting in the elections of the House of Representatives and provincial assembly is underway across the country. A total of 10,892 polling stations and 22,227 polling centers have been established besides 141 temporary booths for civil servants, security personnel, prisoners and people living in old-age homes to vote. Approximately 300,000 security personnel, including from Nepal Army, Nepal Police, Armed Police

Force and the National Intelligence Department, will be deployed during the elections. They are assisted by 115,000 temporary police recruits, according to the Ministry of Home Affairs.

<https://tkpo.st/3UV9BII>

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## PAKISTAN: PAKISTAN, TURKIYE, OTHERS 'AT HIGH RISK OF CURRENCY CRISIS'; GOVT SHARES REVISED BUDGET FRAMEWORK WITH IMF

The Japanese bank said that 22 of the 32 countries covered by its in-house "Damocles" warning system have seen their risk rise since its last update since May, with the largest increases in the Czech Republic and Brazil. It meant the sum of the scores generated on all 32 by the model had increased sharply to 2,234 from 1,744 since May. This is the highest total score since July 1999 and not too far from the peak of 2,692 during the height of the Asian crisis, Nomura economists said, calling it an ominous warning sign of the growing broad-based risk in EM currencies.

Despite the worst flood in the country's history and hundreds of billions of rupees in unbudgeted subsidies, Pakistan has initially projected only Rs990 billion fiscal slippages in this

financial year, hardly showing a negative impact of Rs55 billion on its revenues. Pakistan has shared the revised budget framework with the International Monetary Fund (IMF) amid the global lender's apprehensions about the reliability of these figures. The disagreement over the impact of the floods on the fiscal framework remains a key hurdle in the next visit by the IMF Mission to Pakistan for negotiations for the release of a \$1.2 billion loan tranche. The sources said that the discussions would take place on these numbers with the IMF and the government was open to revise the figures based on the input by the global lender.

<https://www.dawn.com/news/1722557/pakistan-turkiye-others-at-high-risk-of-currency-crisis>

## SRI LANKA : SRI LANKA LIKELY TO MISS IMF DEADLINE; SRI LANKA AND INDIAN RELATIONSHIP WILL GO STRENGTH TO STRENGTH: SRI LANKA'S FM ALI SABRY

Sri Lanka is likely to miss the December deadline for securing the International Monetary Fund (IMF) loan since the main bilateral debtor China has shown little or no interest in restructuring debt with Sri Lanka, financial analysts based in Washington DC said. If Sri Lanka missed the December IMF deadline, it will have to wait for March 2023 to secure a USD 2.9 billion loan from the IMF in eight equal tranches. On September 1, the IMF Staff and the Sri Lankan authorities reached a staff-level agreement to support Sri Lanka's economic policies with a 48-month arrangement under the Extended Fund Facility (EFF) of about USD 2.9 billion. It said debt relief from Sri Lanka's creditors and additional financing from multilateral partners will be required to help ensure debt sustainability and close financing gaps. Financing assurances to restore debt sustainability from Sri Lanka's official creditors and making a good faith effort to reach a collaborative agreement with private

creditors are crucial before the IMF can provide financial support to Sri Lanka, the IMF said while announcing the credit facility.

Even before the IMF agreed upon releasing a financing loan to Sri Lanka, it said the country needed to initiate talks with China on debt restructuring. "China is a big creditor, and Sri Lanka has to engage proactively with it on a debt restructuring," IMF's Asia and Pacific Department Director Krishna Srinivasan told Reuters.

On October 31, 2022, Sri Lankan President Ranil Wickremesinghe said obtaining the loan and having talks with creditors is a long process. "If we can move and come to an agreement by December, which means coming to an agreement by mid-November, and going up to the IMF Board in mid-December, we will gain a big advantage. However, we must aim to have it by January," Mr. Wickremesinghe said.

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## About Us

Bangladesh Enterprise Institute is a non-profit, non-political research centre. Established in October 2000, the Institute has established for itself a reputation for excellence in its research and advocacy work focusing on the growth of private enterprise in Bangladesh. The Institute promotes issues of importance to the private sector and seeks to initiate essential measures and influence policy for the development of a market-oriented economy. Through the promotion of sustainable growth in domestic trade, commerce and industry, BEI hopes to address the enormous challenge for Bangladesh in securing a fair share of the global market.

BEI has a particular interest in the support and growth of Small and Medium-Sized Enterprises (SMEs), which have the potential to be the engine of economic growth in Bangladesh. BEI also undertakes research and policy advocacy work focusing on the issues of foreign policy and security, particularly those of terrorism impacting Bangladesh and South Asia.

Being conscious of the enormous challenge to securing a fair share for Bangladesh in the global market as well as to address issues of trade and investment promotion, the Bangladesh Enterprise Institute (BEI) was established under the initiative of some leading business personalities of the country. Salman F. Rahman, Deputy Chairman of the BEXIMCO Group, has been working as the Chairman of the Board of Governors, Ambassador Farooq Sobhan, former Foreign Secretary and Ambassador, and past Executive Chairman of the Board of Investment, has been working as a Distinguished Fellow and Member of the Board of Governors of the institute and M Humayun Kabir, former Ambassador, has been working as the President and Chief Executive of the institute.

The institute is registered with the Registrar of Joint Stock Companies, Bangladesh, under the Societies Registration Act.

## DISCLAIMER

In compiling this weekly news update, BEI has attempted to include the most relevant news accounts from the past week concerning South Asian Region. From time to time, news beyond South Asia has also been included if it finds relevance on any issues to the region. We recognize that some developments may have been overlooked, and that some sources may not be viewed by all as credible or balanced. Inclusion of a news story and its summary does not constitute any kind of endorsement or position taken by BEI, and the text and positions included in the above are solely extracted from various news articles published in the print media in various countries in South Asia and beyond. If you have any comments or feedback for us regarding this digest, please email at [bei@bol-online.com](mailto:bei@bol-online.com). For more information about BEI and our work, please visit <https://www.bei-bd.org/>

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