

## || WEEKLY NEWS HIGHLIGHTS ||

### BANGLADESH ENTERPRISE INSTITUTE (BEI)

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

|| 01 DECEMBER – 07 NOVEMBER, 2022 ||

#### BUSINESS AND INVESTMENT

#### **BANGLADESH SEEKS ZERO TARIFF ON APPAREL EXPORTS TO US AT 6TH TICFA MEETING; CHINESE COMPANY TO INVEST \$40M IN BEPZA ECONOMIC ZONE ;**

Bangladesh made the proposal at the 6th meeting of the US-Bangladesh Trade and Investment Cooperation Forum Agreement (TICFA) held in Washington DC on December 6, reports UNB to zero tariff on finished apparel products — made with American cotton — being exported to the US. Tapan Kanti Ghosh, Senior Secretary of the Ministry of Commerce, and Christopher Wilson, Assistant US Trade Representative (USTR) for South and Central Asia, led the Bangladesh and US delegations respectively at the meeting. The head of US delegation Wilson agreed to continue further discussion on the proposal made by Bangladesh. Both sides agreed to hold the 7th TICFA Meeting in October 2023 in Dhaka, said the Bangladesh Embassy on Wednesday.

Chinese company Fenix Garment Limited will set up a high-end garments manufacturing industry in the Bangladesh Export Processing Zones Authority (BEPZA) Economic Zone (EZ) with an investment of around US\$ 40 million. They signed an agreement with BEPZA to this effect at BEPZA Complex in Dhaka, reports BSS citing a press release. Ali Reza Mazid, member (investment promotion) of BEPZA, and Ma Zhuang, Chairman of Fenix Garment Limited, signed the agreement on behalf of their respective organizations. According to the proposal of Fenix Garment, they will produce annually 10 million pcs of different types of high-end garment products including Sports Jacket, Motorcycle Safety Jacket, Coverall, Hospital Gown, PPE, Luggage, Backpacks etc. The factory will create employment opportunities for 15,820 Bangladeshi nationals. BEPZA signed an agreement with total of 15 companies including Fenix Garment to establish factories here. The total proposed investment of the companies is US\$ 363.65 million.

<https://thefinancialexpress.com.bd/economy/bangladesh-seeks-zero-tariff-on-apparel-exports-to-us-at-6th-ticfa-meeting-1670396408>

<https://thefinancialexpress.com.bd/economy/chinese-company-to-invest-40m-in-bepza-economic-zone-1670153148>

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## BANGLADESH: US WON'T LET ROHINGYA BECOME FORGOTTEN CRISIS: US ASSISTANT SECRETARY; LI JIMING AT PROTHOM ALO OFFICE 'IMPORTANT STRIDES MADE IN BANGLADESH-CHINA RELATIONS DURING PANDEMIC';

Visiting US Assistant Secretary for the Bureau of Population, Refugees and Migration Julieta Valls Noyes holds meeting with officials from different UN agencies including UNHCR, IOM, UNICEF, UNFPA, AFP and WHO in Dhaka on 4 December said that her country along with UN agencies would not let the Rohingya issue become a "forgotten crisis". Noyes expressed her gratitude to all US partners who work tirelessly to improve the conditions for and advance the rights of forcibly displaced Rohingyas. The US Assistant Secretary arrived Dhaka on Saturday on a five-day official tour of Bangladesh to visit Rohingya camps in Cox's Bazar and Bhasan Char.

Ambassador Li Jiming made these remarks at the Prothom Alo office on Sunday that Bangladesh offered its helping hand to China during the early days of the Covid outbreak. After the situation in China improved, China in turn offered their helping hand to Bangladesh. After the meeting, Li Jiming spoke in an interview with Prothom Alo about bilateral relations, cooperation and more. He added He said Bangladesh was the first country to jump on board the Belt and Road Initiative (BRI) in South Asia and sign the MOU in this regard. Over the past three years, BRI has had a lot of achievements, he said, pointing to the examples of Payra power plant, the Karnaphuli Tunnel and the Dasherbandi Sewerage Treatment Plant. After his stint of more than three years in Bangladesh, Li Jiming will be leaving Dhaka in the second week of December.

<https://en.prothomalo.com/bangladesh/5dh36cltcz>

<https://en.prothomalo.com/bangladesh/siz624stg2>

## AFGHANISTAN: INDONESIA, QATAR VOWS SUPPORT FOR AFGHAN WOMEN'S EDUCATION; WEST MEETS WITH AFGHAN LEADERS, TRADERS IN UAE

The International Conference on Afghan Women's Education, co-chaired by Indonesia and Qatar, and was convened in Bali, Indonesia on 8 December 2022. The Participants reaffirmed their strong support for and solidarity with the people of Afghanistan in attaining durable peace, stability, and prosperity, and underlined the importance of women's education in that regard. Afghan girls and women have been facing growing uncertainty since the new government took control of the country last year, with an estimated 3 million secondary school girls kept out of school for more than a year.

The US special envoy for Afghanistan, Thomas West, met with Afghan leaders and members of the Afghan business community during a recent visit to the United Arab Emirates. Referring to his meeting with Afghan businesspeople, West said he discussed continuing challenges as well as progress achieved for bankers, construction interests, entrepreneurs, airlines, and more. The US envoy said that he also held talks with some Afghan political leaders, including former Afghan president Hamid Karzai.

<https://www.afghanistantimes.af/indonesia-qatar-vows-support-for-afghan-womens-education/>

<https://tolonews.com/index.php/afghanistan-181092>

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## INDIA: Russia welcomes India's stand to not support G7's price cap on crude oil

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Russia has welcomed India's decision to not support the price cap on Russian oil announced by the G7 countries and their allies. Russian Deputy Prime Minister Alexander Novak made the statement during his meeting with India's Ambassador to Russia, Pavan Kapoor.

"The Deputy Prime Minister welcomed India's decision not to support the price cap on Russian oil, which was imposed on 5 December by the G7 countries and their allies," the Russian Foreign Ministry said in a statement.

The Group of Seven major powers (G7), the European Union and Australia last week agreed to a \$60 per barrel price cap on Russian seaborne crude oil after EU members overcame resistance from Poland. The price ceiling seeks to restrict Russia's revenue as punishment for its assault on Ukraine while making sure Moscow keeps supplying the global market.

Novak described introducing a price cap on Russian oil as an "anti-market measure" which he stressed affects supply chains. "The introduction of a price cap on Russian oil is an anti-

market measure. It disrupts supply chains and could significantly complicate the situation in global energy markets. Such non-market mechanisms disrupt the international trading system as a whole and set a dangerous precedent in the energy market," Novak said in the statement. According to the statement issued by the Russian Foreign Ministry, Russian oil imports to India rose to 16.35 million tonnes in the first eight months of 2022. Notably, India continues to import oil from Russia despite the ongoing war between Moscow and Kyiv.

During the summer, Russia was ranked second in terms of oil shipments to India. Furthermore, deliveries of oil products and coal also increased. However, Union minister for petroleum and natural gas Hardeep Singh Puri recently said that the price cap on Russian crude oil will not affect India as the country's exposure to Russian oil is not significant.

<https://www.livemint.com/news/world/russia-welcomes-india-s-stand-to-not-support-g7-s-price-cap-on-crude-oil-11670726844900.html>

## MALDIVES: WORLD BANK VICE PRESIDENT VISITS MALDIVES, EMPHASIZES BUILDING RESILIENCE IN CHALLENGING GLOBAL CONTEXT

World Bank Vice President for South Asia, Martin Raiser, recently concluded his four-day visit to the Maldives. On his maiden visit to the Maldives since assuming office in July 2022, Raiser highlighted the challenges of high debt and climate risks facing the country and reiterated the World Bank's support for important reforms and investments to secure continued, resilient growth.

In Male', Raiser met with President Ibrahim Mohamed Solih, Minister of Finance Ibrahim Ameer, Minister of Economic Development Fayyaz Ismail, and Minister of Environment, Climate Change and Technology Aminath Shauna. He reflected on the strong partnership between the World Bank and the Maldives over the past 44 years and expressed the World Bank's commitment to supporting challenging fiscal reforms and investments in strengthening resilience in the face of global macroeconomic and climate change shocks. He commended the government for the recent tax increases, which are important for rebuilding fiscal buffers.

"Maldives has developed from absolute poverty to middle income in a little over a generation and has managed the COVID-19 crisis well. But high levels of debt, the impact of the war in Ukraine on commodity prices, and the risks of climate change and rising sea levels are creating new challenges," said Martin Raiser. "Sound fiscal policies and smart investments in resilience and cost effective service delivery will be critical to sustain Maldives rapid growth story."

Raiser joined senior officials of the Maldivian government to break ground on the installation of 5MW solar Photovoltaic (PV) in Male', supported by the World Bank's Accelerating Sustainable Private Investment in Renewable Energy (ASPIRE) project. The project will reduce the costs of electricity compared with traditional diesel generation by more than half, making a critical contribution to saving scarce budget and foreign exchange resources. He also attended the closing ceremony of a high-level, two-day workshop organized by the World Bank and the Government of Maldives to explore the use of innovative digital solutions and data for climate adaptation.

<https://www.miragenews.com/world-bank-vice-president-visits-maldives-913165/>

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## MYANMAR: ASEAN ENVOY SCRAPS PLANNED THIRD VISIT TO MYANMAR; RUSSIAN TRADE DELEGATION SIGNS SEVEN AGREEMENTS WITH MYANMAR JUNTA; INDIA AND MYANMAR JUNTA USING RAKHINE TRUCE TO FINALIZE TRADE CORRIDOR

The Association of Southeast Asian Nations (ASEAN)'s special envoy on Myanmar has canceled his announced trip to the country, reflecting growing tensions between the regional bloc and the Southeast Asian country's military regime. Luy David, secretary of state at Cambodia's Ministry of Foreign Affairs, told Khmer Times on Monday that Prak Sokhonn wouldn't be able to visit Myanmar due to time constraints and is due to attend the ASEAN-EU Commemorative Summit in Brussels from Dec. 14. Nearly three weeks ago, Prak Sokhonn said in a statement that he would visit Myanmar for the third time in "coming weeks" after the regime's mass prisoner amnesty, which included some political activists detained since the coup. The Myanmar regime has remained quiet on the cancellation.

After talks with Myanmar junta boss Min Aung Hlaing and his ministers, Russian economic development minister Maxim Reshetnikov met business owners and signed seven agreements. No details were provided by the junta but Russian state news agency Tass reported that a joint protocol on trade, disease control, education and science was signed. According to the junta's media Min Aung Hlaing and Reshetnikov discussed technical cooperation in arable and livestock farming and iron and steel, pharmaceuticals, mining and energy production. Min Aung Hlaing and Reshetnikov discussed technical cooperation in arable and livestock farming and iron and steel, pharmaceuticals, mining and energy production, according to the junta's media. The two also discussed direct flights to develop tourism.

New Delhi is using the informal truce between Myanmar's military regime and the Arakan Army (AA) in Rakhine

State to finalize its mega transport project linking the two countries. At Friday's meeting, the two sides discussed the official opening of Sittwe's seaport and its Kaladan River route inland through Rakhine's Kyauktaw to Paletwa in Chin State. They also discussed the incomplete section of the project — a two-lane highway running 109 kilometers from Paletwa to Zorinpui on the Myanmar-India border that passes through rugged terrain and a conflict zone. As well as diplomatic support, New Delhi has also offered to help the junta organize what it calls an election next year. The plan has been rejected by UN representatives, the US and others as an attempt to legitimize military rule and achieve Min Aung Hlaing's long-held ambition to become president.

<https://www.irrawaddy.com/news/the-world-myanmar/asean-envoy-scraps-planned-third-visit-to-myanmar.html>

<https://www.irrawaddy.com/news/the-world-myanmar/russian-trade-delegation-signs-seven-agreements-with-myanmar-junta.html>

<https://www.irrawaddy.com/news/burma/india-and-myanmar-junta-using-rakhine-truce-to-finalize-trade-corridor.html>

## NEPAL: NEPALI CONGRESS-LED ALLIANCE LIKELY TO FORM GOVERNMENTS IN ALL SEVEN PROVINCES; LEADERS IN TALKS FOR NEW COALITION WITH SEVERAL EYEING PRIME MINISTER'S POST

Just as in the case of federal parliament, the post-poll positioning of political parties is coming into focus in the provincial assemblies too. The shape and size of the federal government will have a big impact on government-formation in provinces. If the ruling Congress-led alliance gets a majority in the federal parliament, and forms a government at the central level, the alliance members are likely to agree to a package deal including the provinces, say political watchers. The leaders of the Congress-led alliance have also started claiming that the five-party alliance will make the federal government.

With almost all results from the November 20 federal and provincial elections already in and no party winning a clear majority, big parties have intensified discussions to form a new government with the help of smaller parties. Although the current ruling five-party alliance led by the Nepali Congress is determined to form a new government again, it is still uncertain whether the coalition member parties

will win a simple majority of 138 seats in the House of Representatives. Prime Minister Sher Bahadur Deuba held separate meetings with the leaders of two of the coalition partners, CPN (Maoist Centre) chair Pushpa Kamal Dahal and CPN (Unified Socialist) chief Madhav Kumar Nepal and discussed which other party(ies) to admit to the alliance if the five parties failed to achieve the mandatory total of 138 seats. The scene is still not clear, but in the event of the alliance failing to win enough seats, it needs support from either the Nagarik Unmukti Party or some independent candidates, said a leader close to Deuba.

<https://kathmandupost.com/politics/2022/11/28/nepali-congress-led-alliance-likely-to-form-governments-in-all-seven-provinces>

<https://kathmandupost.com/politics/2022/11/29/leaders-in-talks-for-new-coalition-with-several-eyeing-prime-minister-s-post>

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## PAKISTAN: PAKISTAN TO GET \$32B LOANS THIS YEAR; IMRAN UNDERMINING DEMOCRACY, WARNS PM

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Renowned economic and political experts said that there was no immediate chance of imposing an economic emergency in the country as the government still hopes that it would get \$32 billion in loans this year. Anchorpersons, Shahbaz Rana and Kamran Yousaf, while discussing current economic and political issues, noted that Pakistan's official foreign exchange reserves had dropped to four years' lowest level of \$6.7 billion and the critical phase had begun. During the show, the hosts discussed the government's claims that the country's economy was moving towards stability and that the IMF programme was getting back on track.

Prime Minister Shehbaz Sharif criticised Pakistan Tehreek-e-Insaf (PTI) Chairman and former Prime Minister Imran Khan, accusing him of "undermining" democracy in the country just for making

his way back to power again. In a tweet a day after the PTI chairman lamented that the coalition government had rejected his offer for talks, the Prime Minister noted that Imran's recent diatribe against parliamentary democracy was the latest in a series of attacks that flew in the face of how democracy functioned in modern nation-states.

<http://www.adaderana.lk/news/85635/us-assistant-secretary-of-state-donald-lu-arrives-in-sri-lanka>

<http://www.adaderana.lk/news/85634/sri-lanka-secures-long-term-credit-line-from-russia-to-procure-fuel>

## SRI LANKA: SRI LANKA TO RESUME NEGOTIATIONS ON STALLED ETCA TRADE AGREEMENT WITH INDIA; IMF CHIEF KRISTALINA GEORGIEVA CALLS ON CHINA TO SPEED UP RESTRUCTURING OF SRI LANKAN DEBT

Sri Lanka will soon resume talks with India on the stalled Economic and Technological Cooperation Agreement (ETCA), authorities said, as Colombo looks to trade pacts and foreign direct investments to rebuild its crisis-hit economy.

“We hope to commence negotiations on the ETCA later this month,” said K.J. Weerasinghe, Chief Negotiator of FTAs at the International Trade Office, recently set up under the Presidential Secretariat.

“We had finished 11 rounds of bilateral talks the last time [between 2016 and 2019] with the aim of broadening and deepening the [ISFTA] that is in force since India-Sri Lanka Free Trade Agreement,” said the senior official, who was formerly Director General of the Department of Commerce, following several diplomatic stints focusing on Sri Lanka’s international trade interests.

However, the Maithripala Sirisena and Ranil Wickremesinghe-led government that was in power at the time could not complete negotiations. The ETCA faced considerable resistance from sections within Sri Lanka, mainly from nationalist groups and trade unions who saw the pact as giving India an unfair advantage. The ETCA itself followed decade-long, but futile, negotiations on yet another pact — the “Comprehensive Economic Partnership Agreement (CEPA)”. Sri Lanka’s recent emphasis on FTAs and FDIs is part of President Ranil Wickremesinghe’s strategy for economic recovery in the island nation, reeling under the impact of its worst economic crash. The country’s economy contracted by an estimated 9.2 % this year and is estimated to contract by a further 4.2 % in 2023, according to the World Bank.

Meanwhile, the government is talking to its creditors to restructure its foreign debt and qualify for IMF support early next year.

In other news, IMF Chief Kristalina Georgieva has called on China to speed up the restructuring of Sri Lankan debt. In a statement released after the 7th 16 roundtable in China, Ms. Georgieva said that there is a need to accelerate and finalize the debt treatments for Sri Lanka, which would allow for disbursements from the IMF. China is a top lender to Sri Lanka along with Japan, the Asian Development Bank and India.

Meanwhile, China has informed Sri Lanka that they will also hold bilateral discussions with the IMF and World Bank. As per a recent report, China held 19.6 percent of the Sri Lankan debt as of the end of 2021. Some of China’s infrastructure loans have also been questioned for lack of proper feasibility plans including Lotus tower, Hambantota port and an airport that has largely remained unused. Earlier this year, Sri Lanka had suspended repayments on its international debt due to the economic crisis. The forex reserves in the island nation had plummeted resulting in acute shortages in fuel, food and medicines.

<http://www.adaderana.lk/news/86737/sri-lanka-to-resume-negotiations-on-stalled-trade-agreement-with-india>

<https://newsonair.com/2022/12/10/imf-chief-kristalina-georgieva-calls-on-china-to-speed-up-restructuring-of-sri-lankan-debt/>

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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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