

|| WEEKLY NEWS HIGHLIGHTS ||

BANGLADESH ENTERPRISE INSTITUTE (BEI)

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

|| 26 September -03 October , 2023 ||

BUSINESS AND INVESTMENT

GOVT LOOKS TO REGAIN ECONOMY'S PRE-COVID MOMENTUM BY THE END OF CURRENT FISCAL; GOVT GOES SLOW ON AIIB PROJECT LOANS, OPTS FOR BUDGET SUPPORT; SOLAR SOON TO BE THE MOST AFFORDABLE ELECTRICITY SOURCE FOR BANGLADESH: BLOOMBERG

According to the Ministry of Finance, the growth trajectory of the Bangladeshi economy was slowed down by the COVID pandemic and the subsequent Ukrainian-Russian war. The Financial Division forecasts that if the current economic growth rate keeps continuing, then there is hope of achieving 8% of GDP growth in FY 2025-26. For that economic recovery, the government aims to foster private investment along with public investment. To sustain this process, the government expressed that the level of investment needed to be disbursed is higher. The IMF suggested the Financial Division take the necessary measures to reduce inflation.

The government of Bangladesh seems caution regarding taking more projects from the China-led Asian Infrastructure Investment Bank (AIIB), rather focusing on budget support. The AIIB is disbursed US\$4.2 billion for Bangladesh, but the Economic Relations Division (ERD) of Bangladesh mentioned that they are seeking loans for US\$910 million for two electric transmissions (\$510 million) and budgetary support (\$400 million), but the approval will depend on the further economic condition of Bangladesh.

BloomberNEF (BNEF) reported that the high dependency of Bangladesh on fossil-fuel thermal plants impacts the local environment, energy security, and drainage of foreign reserves in Bangladesh. According to BNEF, renewable energy, particularly solar energy, could be a better alternative to reduce ongoing fossil fuel demands. Through proper utilization of solar power, as estimated by the levelized cost of electricity (LCOE), Bangladesh could get a range of \$97-135/MWh today, compared to \$88-116/MWh for a combined gas turbine and \$110-150/MWh for a coal power plant. BNEF mentioned that Bangladesh could achieve its high electric demand by using low-cost and effective renewable solar power sectors. Therefore, the government should consider the sector as necessary for overall development and formulate policies and technological advances regarding solar energy.

<https://www.tbsnews.net/economy/govt-looks-regain-economys-pre-covid-momentum-end-current-fiscal-710446>

<https://www.tbsnews.net/economy/govt-goes-slow-aiib-project-loans-opts-budget-support-709398>

<https://www.tbsnews.net/bangladesh/energy/solar-soon-be-most-affordable-electricity-source-bangladesh-bloomberg-710470>

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Bangladesh

BANGLADESH ELECTED MEMBER OF IAEA BOARD; BANGLADESH TO BECOME TRANSIT POINT FOR REGIONAL DEVELOPMENT; JAPAN ENVOY; BANGLADESH CALLS ON OIC NATIONS TO SUPPORT ROHINGYA LEGAL COSTS AT ICC

For the third time, Bangladesh was elected as a member of the Board of Governors of the International Atomic Energy Agency (IAEA) at the 67th General Conference of the IAEA held in Vienna. As a representative, Bangladesh will cover both the Middle Eastern and South Asian geographic regions. Bangladesh will focus on and advocate for the peaceful projection of nuclear power for non-traditional security issues, i.e., food security, health and nutrition security, environment protections, etc., and the safe transfer of nuclear technologies in the abovementioned regions, including Bangladesh.

The construction of the Matarbari deep seaport with the support of Japan will add a new dimension for Bangladesh by advancing her connectivity with the north-eastern part of India, as addressed by Iwama Kiminory, the Japanese ambassador to Bangladesh. The ambassador highlighted that such connectivity will foster the regional integration process between India and Bangladesh, key figures for the Bay of Bengal; will forward the motto of a peaceful, prosperous, and secure Indo-Pacific region; and will unleash a great business opportunity for three of them. The government of Bangladesh is concerned regarding the unresting situation in the Indian northeast but is showing readiness for such regional connectivity projects, said Shahrar Alam, the state minister for foreign affairs of Bangladesh. He also mentioned the essentiality of Bangladesh importing hydroelectricity from Nepal via India.

At the annual coordination meeting of the OIC in New York, AK Abdul Momen, the foreign minister of Bangladesh, addressed the Rohingya issue, which has become a global concern rather than just Bangladesh. Therefore, as a part of the world, the members of the OIC need to provide more support to the Gambia for legal procedures they are undertaking against Myanmar. He estimated that the firm managed US\$6.5 million against a total of US\$12 million. Momen has requested that the members of the OIC support more of the Rohingya cause. Moreover, he showed sympathy towards the victims of the earthquake in Morocco and criticized the recent anti-Islamic incidents that took place in both Sweden and Denmark.

<https://www.newagebd.net/article/213701/bangladesh-elected-member-of-iaea-board>

<https://www.newagebd.net/article/213577/bangladesh-to-become-transit-point-for-regional-development-japan-envoy>

<https://www.newagebd.net/article/212844/bangladesh-calls-on-oic-nations-to-support-rohingya-legal-costs-at-icc>

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AFGHAN GOVT SHOULD BE HELD ACCOUNTABLE FOR ITS PROMISES: IRAN'S ENVOY

Iran's special envoy for Afghanistan Hassan Kazemi Qomi says Moscow format meeting was held at a time when Afghanistan is still an important issue in the foreign policy of the region and the world and that the Islamic Emirate is accountable for what it promises.

Speaking to Iranian media, Qomi said that Afghanistans neighboring countries have come to the conclusion to change the conditions in Afghanistan in a collective move in cooperation

with the caretaker government's officials.

<https://www.ariananews.af/afghan-govt-should-be-held-accountable-for-its-promises-irans-envoy/>

INDIA: GOOGLE IN PARTNERSHIP WITH HP START MANUFACTURING CROMEBOOKS IN INDIA; INDIA-US TIES AT ALL-TIME HIGH, WILL TOUCH MOON: JAISHANKAR IN WASHINGTON

Google in partnership with HP has started manufacturing Chromebooks in India, the PC maker said on Monday. The Chromebook devices are being manufactured at the Flex Facility near Chennai, where HP has been producing a range of laptops and desktops since August 2020. Were partnering with HP to manufacture Chromebooks in India - These are the first Chromebooks to be made in India and will make it easier for Indian students to have access to affordable and secure computing, Google CEO Sundar Pichai on Monday said in a post on X.

Addressing Indian-Americans at the India House in Washington DC on Saturday, Jaishankar said that like the Chandrayaan mission, India-US ties will go to the Moon, maybe even beyond. India and the US earlier used to deal with each other, and now they work with each other, he said. DISPELLING APPREHENSION that the India-Canada diplomatic row may cast a shadow on India-US ties, External Affairs Minister S Jaishankar has emphasised that Delhis relationship with Washington is at an all-time high, and the two countries have moved to a

position where they see each other as very desirable, optimal and comfortable partners.

<https://www.telegraphindia.com/business/google-in-partnership-with-hp-start-manufacturing-cromebooks-in-india/cid/1970535>

<https://indianexpress.com/article/india/india-us-relations-jaishankar-washington-8963547/>

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MALDIVES: CHINESE LEADER CONGRATULATES MUIZZU, SEEKS TO REINFORCE TIES; PRESIDENT-ELECT MUIZZU CALLS ON MDP TO OPERATE AS A 'RESPONSIBLE' OPPOSITION; MUIZZU: WILL COMMENCE EFFORTS TO REMOVE FOREIGN SOLDIERS ON FIRST DAY IN OFFICE

Chinese President Xi Jinping congratulated Dr. Mohamed Muizzu on winning the Maldives presidential election on Tuesday, expressing keenness in deepening the age-old ties between Maldives and China. In a post on X on Tuesday, Chinese ambassador Wang Lixin shared a message sent by Xi, congratulating the Maldivian president-elect. In the message, Xi noted that the friendly relations between Maldives and China date back to ancient times.

President-elect Dr. Mohamed Muizzu has called on the incumbent administrations main ruling party, Maldivian Democratic Party MDP, to operate as a responsible opposition party during his upcoming presidential term. Muizzu, noting MDP will become an opposition party after November 17th, said he welcomes the

party to operate as a responsible opposition party. This is a democracy.

President-elect Dr. Mohamed Muizzu, stressing no foreign soldiers can be based in the Maldives against the wishes of Maldivian people, has stated he will commence efforts to remove all foreign soldiers based in the Maldives on the first day in office. Speaking at an event held at the Social Centre on Monday night to mark his victory in the presidential election he underscored his pledge to ensure the independence of Maldives, adding that people had voted for him due to the pledge.

<https://en.sun.mv/85073>

<https://en.sun.mv/85060>

<https://en.sun.mv/85059>

NEPAL: CHINA VISIT HAS CONSOLIDATED CLIMATE OF BILATERAL TRUST BETWEEN TWO COUNTRIES: PM DAHAL CHINA WANTS NEPAL TO IMPLEMENT AGREEMENTS

Prime Minister Pushpa Kamal Dahal has said that his official visit to China has further strengthened the climate of mutual confidence between the two countries. He informed today's House of Representatives meeting about his participation in the 78th Session of the United Nations General Assembly and the official visit to China, asserting that the visit to China has played a key role in further strengthening the historical relations between the two countries.

Stating that his discussions with the Chinese President and Prime Minister during the visit have helped elevate Nepal-China ties to new heights, the Head of the Government maintained that commitment has been expressed for implementing the memorandum of understanding reached in the past.

China is waiting for implementation of bilateral agreements and memorandum of understandings with Nepal that were inked during the recent official visit of Prime Minister Pushpa Kamal Dahal, said Rajib Kumar Jha, a Nepali professor in

China. Shared commitments in the joint statement along with the agreements and memorandum of understanding reached between Nepal and China during the visit of PM Dahal are in the welfare and development of Nepal and they are good.

However, China is also waiting for their implementation in the context of non-implementation of such agreements in the past, said Prof Jha. The cross border railway agreement reached during the visit of the PM is important for Nepal, he viewed. It will not take time for Beijings prosperity to reach Kathmandu if the Nepal-China cross border railway is constructed.

<https://thehimalayantimes.com/nepal/china-visit-has-consolidated-climate-of-bilateral-trust-between-two-countries-pm-dahal>

<https://thehimalayantimes.com/nepal/china-wants-nepal-to-implement-agreements>

PAKISTAN: PAKISTAN FLOODS LITMUS TEST FOR CLIMATE JUSTICE; GUTERRES; PAKISTAN EMERGES AS TOP INTERNATIONAL DEVELOPMENT ASSOCIATION BORROWER IN 2023

The United Nations has revived efforts to persuade the international community to fulfill the pledges they made last year to help Pakistan rebuild as the UN chief called the 2022 floods a litmus test for climate justice. Triggered by torrential monsoon rains, the 2022 floods submerged one third of Pakistan. The deluge affected over 33 million people and killed 1,700 or more. Nearly 8 million people were displaced, with many still living in tents and makeshift homes. We are here for the people of Pakistan, UN Secretary-General António Guterres, who visited Pakistan in August 2022, said in his keynote speech to the delegates in the UN Trusteeship Council chamber.

Pakistan was the top borrower of the International Development Association IDA in fiscal year 2023, securing 2.3 billion in funding, the World Bank

said in its annual report. The bank helped Pakistan respond to devastating floods with nearly 1.7bn for five projects in the worst-affected Sindh province to build resilient housing, restore crop production, provide health services for mothers and children, and strengthen social protection and the local government's disaster response capacity.

<https://www.dawn.com/news/1778436/pakistan-floods-litmus-test-for-climate-justice-guterres>

<https://www.dawn.com/news/1778869/pakistan-emerges-as-top-international-development-association-borrower-in-2023>

SRI LANKA: IMF UNVEILS 16-POINT PLAN TO ADDRESS GOVERNANCE CHALLENGES IN SRI LANKA; DO NOT RAISE THIRD PARTY CONCERNS WITH US-SL TELLS USA, JAPAN

The International Monetary Fund IMF has recommended sixteen priority actions in its recently released Governance Diagnostic Assessment GDA on Sri Lanka to address systematic and severe governance weaknesses and deep-rooted corruption vulnerabilities across State functions in order to unlock the country's growth potential. Sri Lanka became the first country in Asia to undergo an IMF governance diagnostic under the global lenders rescue package. Accordingly, an International Monetary Fund IMF mission undertook a governance diagnostic assessment from the 9th of March to the 31st of March this year.

KARACHI Sri Lanka has informed the United States and Japan to have direct dialogue regarding matters of their own geopolitical concerns but not those of any third party, Daily Mirror learns. Daily Mirror reliably learns that Foreign Minister Ali Sabry conveyed such a message to these coun-

tries when he met with their representatives including U.S. Under Secretary of State Victoria Nuland in recent times. The minister had a series of bilateral engagements on the sidelines of the UN General Assembly. Mr. Sabry is reported to have requested these countries to raise their concerns on any matter directly but not those of any third country. Sri Lanka is currently under trilateral pressure involving India, Japan and the U.S. over the planned visit of the Chinese research vessel 'Shi Yang 6'. China insists that the ship visit should take place in October though Sri Lanka wants it to be deferred till November.

<https://www.dailymirror.lk/top-story/IMF-unveils-16-point-plan-to-address-governance-challenges-in-Sri-Lanka/155-268334>

<https://www.dailymirror.lk/top-story/Do-not-raise-third-party-concerns-with-US-SL-tells-USA-Japan/155-268307>

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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. For more information about BEI and our work, please visit <https://www.bei-bd.org/>

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