

|| WEEKLY NEWS HIGHLIGHTS ||

BANGLADESH ENTERPRISE INSTITUTE (BEI)

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

|| 09 October—17 October , 2023 ||

BUSINESS AND INVESTMENT

GOVT TO PROCURE 4.5 LAKH TONNES OF WHEAT AS GLOBAL MARKET COOLS DOWN; PASSENGER, CARGO TRANSPORTATION BY AIR DOUBLED IN LAST 10 YEARS: AVIATION MINISTER; DHAKA EXPECTS UP TO \$1B IN LOAN GUARANTEE FROM WORLD BANK AGENCY

Bangladesh targets procuring 4.50 lakh tons of wheat from East European countries such as Russia, Romania, and Bulgaria. The government indicates that the current wave of wheat prices at the global level is lower than the previous couple of months. Therefore, it would be best to collect more on this occasion. The Ministry of Food estimates procuring approximately 3 lakh tons from Russia and 50 thousand tons from Bulgaria and Romania, respectively. The Ministry highlights that at the outset of the Russia-Ukraine war, the wheat price was up to \$400 per tonne, but now it is only \$266 per tonne. Food Minister Sadhan Chandra Majumdar, therefore, said that the Ministry has better procured more wheat at the recent price fall.

M. Mahub Ali, the State Minister for Civil Aviation and Tourism, referred to the fact that Bangladesh air transport facilities, i.e., passenger and cargo transportation, have increased compared to the last two decades. As a chief guest at the 58th DGCA conference, the Minister expressed that the government is working on creating Bangladesh into an aviation hub. The conference saw the participation of representatives from 47 countries and 13 international organizations in the Asia-Pacific region.

The Multilateral Investment Guarantee Agency (MIGA) – a member of the World Bank Group – is exploring the possibility of providing guarantees for short-term trade finance facilities to Bangladesh ranging from \$500 million to \$1 billion for essential imports, according to an official document. The guarantees will assist in procuring US dollar liquidity for the import of essential commodities including fuel oil. Independent economists and officials of the Economic Relations Division (ERD) view MIGA's offer for additional guarantee for essential imports as a great relief amid the current shortage of dollars that is delaying payment even of fuel import bills.

<https://www.tbsnews.net/bangladesh/govt-procure-45-lakh-tonnes-wheat-global-market-cools-down-718746>

<https://www.tbsnews.net/economy/aviation/air-passenger-cargo-transportation-doubled-last-10-years-aviation-minister-718990>

<https://www.tbsnews.net/economy/dhaka-expects-1b-loan-guarantee-world-bank-agency-713106>

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Bangladesh

FBCCI STRESSES ON STRENGTHENING BANGLADESH-MYANMAR TRADE RELATIONS; MOMEN PROPOSES VISA-FREE TRAVEL BETWEEN BANGLADESH AND INDIA; BANGLADESH DONATES MEDICINES TO SRI LANKA; VISION 2041: HOME MINISTER HOPES CHINA WILL CONTINUE SUPPORTING BANGLADESH.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) addressed the idea that strengthening trade relations with neighboring Myanmar could lessen the challenges unfolding between them. The FBCCI highlighted that there are a lot of potentialities for trading, but the trade ratio between the two neighboring countries is very low. The President of FBCCI, Mr. Mahabubul Alam, commented that the Myanmar Ambassador to Bangladesh, U Aung Kyaw Moe, should engage more closely in the matter of trading and focus on regional stability and integration. The Ambassador positively affirmed the argument and emphasized collaborating efforts on economic benefits and Rohingya crisis solutions.

AK Abdul Momen, the Foreign Minister of Bangladesh, proposed visa-free travel facilities between the two neighboring countries. He said that this initiative will facilitate people-to-people contact and collaboration between them. The foreign minister said that he received a good number of requests from Bangladeshis to help them obtain medical visas. Momen said that he discussed the matter with Jaishankar, the Foreign Minister of India, and Jaishankar assured that they would light on the issue with the Indian High Commission in Dhaka.

A large amount of medicine has recently been shipped to Sri Lanka. BAPI president Nazmul Hassan MP handed over the medicines to acting Sri Lankan high commissioner to Bangladesh Ruwanthi Delpitiya in a small ceremony held at the High Commissioner's Office on Wednesday. The supply consists of various essential and lifesaving medicines manufactured by leading pharmaceutical companies, namely Beximco Pharma, Square, Incepta, Renata, Unimed Unihealth, Healthcare, Beacon, Acme, Synovia Pharma, and Nuvista Pharma. Both Bangladeshi and Sri Lankan representatives keep their aspiration to extend their bilateral ties in the coming days.

Asaduzzaman Khan, the Home Minister of Bangladesh, thanked China for being a genuine developing partner of Bangladesh, he expected that China will continue this support for vision 2041 of Bangladesh. Chinese ambassador to Bangladesh said the Bangladesh-China Silk Road Forum created attention to China's development and China-Bangladesh relations and contributed a lot by putting forward valuable suggestions for the development of bilateral relations. The Ambassador highlighted that China never interfere any countries domestic affairs and respect on absolute sovereignty of Bangladesh to lead their own way of living. The Ambassador expressed that Sino-Bangladesh ties will be win-win friendship ties.

<https://www.bssnews.net/business/152741>

<https://www.newagebd.net/article/214792/momen-proposes-visa-free-travel-between-bangladesh-and-india>

<https://www.newagebd.net/article/214684/bangladesh-donates-medicines-to-sri-lanka>

<https://www.dhakatribune.com/bangladesh/foreign-affairs/327417/kamal-china-to-continue-support-for-materializing>

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AFGHANISTAN: MUSLIM COUNTRIES MUST NOT REMAIN INDIFFERENT TO OPPRESSION OF PALESTINIANS: IEA

Foreign governments and international organizations have expressed their sympathy following the powerful earthquakes that rocked Afghanistan's western Herat province on Saturday, killing and injuring thousands of people. Pakistan's Foreign Minister Jalil Abbas Jilani said that his country stands in solidarity with the government and people of Afghanistan in their hour of need. Our condolences with families of victims who have lost their loved ones in the devastating earthquake in Afghanistan. We are in

touch with Afghan authorities to help with rescue relief work, he said on X. Pakistan's ambassador in Kabul said Pakistan is prioritizing dispatch of search rescue teams, medicines, food and shelter items.

<https://www.ariananews.af/world-reacts-to-deadly-earthquakes-in-afghanistans-herat-province/>

INDIA: PRIME MINISTER NARENDRA MODI TO INAUGURATE THIRD EDITION OF GLOBAL MARITIME INDIA SUMMIT ON OCTOBER 17; INDIA'S HIGH QUALITY LABOUR-INTENSIVE GOODS TO GET BENEFIT FROM FTA WITH UK: GTRI

Prime Minister Narendra Modi will inaugurate the third edition of the three-day Global Maritime India Summit (GMIS), which will be held in Mumbai, via video-conferencing on Tuesday and unveil "Amrit Kaal Vision 2047", a long-term blueprint for the Indian maritime economy. In line with this futuristic plan, the prime minister will inaugurate, dedicate to nation and lay the foundation stone of projects worth more than Rs 23,000 crore, that are aligned with this vision for the Indian maritime blue economy, the statement said. Over 300 Memorandums of Understanding (MoUs) worth more than Rs 7 lakh crore for global and national partnership in the maritime sector will also be unveiled during the programme.

India's high quality labour-intensive goods such as apparel, footwear, carpets and cars will benefit from the removal of import duties by the UK, under the proposed free trade agreement between the two countries, according to think tank GTRI. However, the overall gains for India will be limited because most of the goods from

here are already entering the UK at low or zero tariffs (import or customs duties), the Global Trade Research Initiative (GTRI) said. However, there will be gains from reducing duties for Indian exports worth USD 5 billion and those items include textiles, apparel (shirts, trousers, women's dresses, bed linen), footwear, carpets, cars, marine products, grapes, and mangoes. GTRI added that while the duty elimination in the UK can help Indian exports, significant growth requires improvements in product quality and signing an FTA alone may not lead to a substantial increase in India's labour-intensive goods exports

<https://www.telegraphindia.com/business/indias-high-quality-labour-intensive-goods-to-get-benefit-from-fta-with-uk-though-overall-gains-limited-gtri/cid/1973670>

<https://www.telegraphindia.com/india/prime-minister-narendra-modi-to-inaugurate-third-edition-of-global-maritime-india-summit/cid/1973732>

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MALDIVES: CHINA RANKS 2ND IN TOP SOURCE MARKETS FOR TOURIST ARRIVALS

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Statistics released by the Tourism Ministry shows China is ranked second in the list of top source markets for tourist arrivals to Maldives this year. Tourism updates released by the authorities show that as of October 11, China made for 11 percent of the market share just 0.5 percent behind the top source market Russia. China had been the top source market for tourist arrivals to China up until 2019.

In 2019 before the Covid-19 pandemic Maldives registered 284,029 arrivals from China which made for 16.7 percent of the market share. Tourist arrivals suffered an unprecedented blow when China closed its borders due to the pandemic

in March 2020. The situation prevailed, until the country reopened its borders, three years later. In 2019, Maldives had registered a record 1.7 million tourist arrivals.

<https://en.sun.mv/85340>

NEPAL: MINISTER RAI VOWS TO INCREASE INVESTMENT IN EDUCATION; NEPAL'S ECONOMIC POLICIES MAY NOT ALIGN WITH PERSPECTIVES OF DONORS, SAYS FINMIN

Minister of Education, Science and Technology Ashok Kumar Rai has vowed to increase investment in education sector for its development. Addressing a programme organised on the occasion of the 60th anniversary of local Shivapuri Secondary School here today, Minister Rai informed that financial problems and constraints were hindering augmentation of investment in education. The government continues investing in education to the extent available resources allow, he said. Although there is an international standard that at least 20 percent of total budget should go to education, we are able to invest only 11.77 percent, he said. He assured that the government would certainly increase the budget after the country witnessed improved economy. According to him, education is the prerequisite of infrastructure development.

Finance Minister Prakash Sharan Mahat has said Nepal has its own economic policies and they may differ from those of donor agencies. The Minister upon arrival today at Tribhuvan International

Airport after attending the annual meetings of the World Bank Group and the International Monetary Fund IMF, said there is no obligation for Nepal to confirm that its economic and monetary policies are in line with of the donor agencies. Our economic policies and the perspectives of donors may not always be the same. They, the donor agencies, are okay with Nepal's interest to move on with economic policies of specific nature, the minister said, adding that it is not mandatory for Nepal to implement all recommendations and conditions set forth by donor agencies.

<https://nepalnews.com/s/nation/foreign-minister-updates-parliament-on-nepali-situation-in-israel>

<https://nepalnews.com/s/nation/citizen-s-direct-oversight-essential-to-strengthen-democracy-pm-dahal>

PAKISTAN: BEIJING TO STRENGTHEN CPEC FOR ANOTHER DECADE; 'PAKISTAN COMMITTED TO FOSTERING GLOBAL ECONOMIC TIES'

Chinese ambassador in Pakistan Jiang Zaidong has expressed his country's readiness to further promote the China-Pakistan Economic Corridor CPEC in partnership with Pakistan. We are ready to work with our Pakistani colleagues from all walks of life to further promote the projects in the next 10 years of CPEC, the Chinese ambassador said at a seminar, CPEC and My Life. What was agreed between President Xi Jinping and the Pakistani leaders for high-quality, sustainable and enhanced cooperation and support in the fields of security and development, we can implement with mutual consensus, he said.

Caretaker Finance Minister Dr Shamshad Akhtar on Sunday underlined Pakistan's commitment to promoting economic prosperity and fostering

global financial cooperation. The minister participated in a high-profile meeting of IMF chief Kristalina Georgieva with the finance ministers from the Middle East, North Africa and Pakistan Menap, as well as state bank governors in Marrakesh, Morocco. During the meeting, the discussions revolved around critical global economic matters and the collaborative initiatives aimed at enhancing financial stability.

<https://www.dawn.com/news/1781275/beijing-to-strengthen-cpec-for-another-decade>

<https://www.dawn.com/news/1781274/pakistan-committed-to-fostering-global-economic-ties>

to-israeli-atrocities

SRI LANKA: JAPAN-SL FTZ TO BOOST ECONOMY WITH US \$ 15BN INVESTMENT; SL WOULD BENEFIT IMMENSELY THROUGH MUTUAL CONNECTIVITY WITH INDIA: MODI

The national economy is slated to receive a fresh boost with plans afoot to set up a Japan-SL Free Trade Zone FTZ with an investment of US 15 billion. Investment Promotion State Minister Dilum Amunugama shared that the areas of Bingiriya and Irnavila have been selected for this purpose. The effort is supported by the Japanese-Sri Lankan Business Council and Japanese entrepreneurs interested in creating FTZs in Sri Lanka. Amunugama made the announcement during a news conference at the Presidential Media Centre, held under the theme Collective path to a stable country. Amunugama further elaborated on the progress related to the port city, which has been temporarily opened to the public. The port city is being developed under a third party agreement, with US 15 billion allocated for this purpose

Sri Lanka could benefit immensely through mutual connectivity with India, Indian Prime Minister Narendra

Modi said over the weekend. Mr. Modi made this remark at the commencement of ferry service between Nagapattinam and Kankesanthurai over the weekend. Mr. Modi recalled the vision document jointly adopted during the visit of the President of Sri Lanka to India in July 2023 for economic partnership between India and Sri Lanka, with the central theme of connectivity. He highlighted that connectivity brings closer the two countries and its people.

<https://www.dailymirror.lk/breaking-news/Japan-SL-FTZ-to-boost-economy-with-US-15bn-investment/108-269208>

<https://www.dailymirror.lk/print/front-page/SL-would-benefit-immensely-through-mutual-connectivity-with-India-Modi/238-269276>

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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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