

# Export targets for Bangladesh embassies and economic diplomacy

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THE Commerce Secretary recently announced a number of stern measures including closing down or relocating commercial wings of Bangladesh Embassies for failure to meet his Ministry's export targets. This reminded me of my own experience with export targets as an Ambassador. My first try with export targets came in Egypt when the Commerce Secretary expressed disappointment in a letter after my Embassy failed to meet the target. That depressed me but not for too long for soon I learnt that the Embassy that topped the list as the most successful Embassy was one in the Middle East that was headed by a non-career Ambassador, a former private college Principal, whose main concern was politics with the Bangladeshi community. In Japan, in the space of a few months, I was once "congratulated" by the Commerce Secretary for surpassing the "target" but "reprimanded" the following quarter when the Embassy fell short. In four years in Japan, I was "congratulated" and "reprimanded" on export targets without realizing why my Embassy "failed" or "succeeded!" The strange fact was that there was really no tangible reason for such failure or success.

I hope readers do not get any wrong impression because the issue is a very serious one for Bangladesh. We either export more or perish. We are just on the wrong track. When I was in Japan, I was very interested to know the reasons behind Thailand's dramatic inroads into the Japanese market. In the 1970s, Thailand's export to Japan was a few hundred million US dollars. By 2002, Thailand was

exporting to Japan in just poultry alone, more than US\$2 billion. The Thai Ambassador in Japan who became a good friend explained the reasons. He said that the dramatic expansion in Thailand's export to Japan was the result of nearly 3 decades of painstaking work of the Thai private sector. Since the early 70s, the Thai private sector had targeted Japan by participating regularly in trade fairs there in the areas where they had potentials. By such participation, the Thai private sector won the confidence of the Japanese private sector in commodities of comparative advantage and expanded its exports that are now worth several billion US dollars. The Thai Foreign Ministry and its Embassy in Japan created the favourable field for its private sector by providing critical market information; negotiating favourable bilateral trade deals through which import restrictions were relaxed/removed; and backed its private sector in a manner that created confidence of the Japanese importers. In actual export, the Thai Embassy or its Government did not come into the scene directly for that was not their business.

The Thai experience is relevant for us to understand that we are on the wrong track. Our export targets are set arbitrarily. The Commerce Ministry does not consult the Embassies in setting targets. Embassies are given figures and a list of commodities without the platform to interface with the actual sellers, the exporters. They are thus "shadow" sellers who never see the goods they are asked to sell. To complicate matters further, they often find items in their list that they alone know would just not sell within the year

for a variety of reasons as lists are prepared not just arbitrarily but also without professional market survey. When I was in Japan, pharmaceutical was one item in my mission's list. That was an impossible task for achieving in a year for import requirements for pharmaceuticals into Japan was and still is a very complex issue. Our pharmaceuticals have good prospect in Japan but it would require many years of coordinated efforts of the Embassy, the Foreign Ministry and the Ministry of Commerce to achieve the desired result.

Another questionable aspect about export targets is the importance it places on the officers of the Commercial Wing to achieve it given their background. A Commercial Counselor/First Secretary is chosen from non-BCS (FA) cadres, often a District Commissioner or a Customs/Income Tax officer. To expect such an officer to be able to deliver the export targets in a foreign environment, sometimes where language is a barrier is a fond wish and the weakest link in the entire process of setting export targets. There is also a very serious misperception about how diplomacy and diplomats work.

The most serious flaw, however, is the fact that export targets for Embassies are unrealistic. In a post cold war globalized world, governments are no longer directly involved in international trade. Today it is entirely a private sector matter where governments create the right environment for such trade. Rules and regulations for it are set in forums such as the WTO and bilateral trade negotiators. Governments and diplomatic missions today concentrate all

their efforts to get the maximum advantage for their private sector for exporting commodities across national frontiers through such negotiations and with professional market information/assistance which automatically enhances exports.

There is thus a serious disconnect in both policy formulation and its implementation in the way we are trying to increase exports. All governments have export targets but as a part of that country's economic diplomacy. Unfortunately, we have no economic diplomacy except slogans and vague notions. In the 15 years of elected governments, a lot has been said about economic diplomacy. Yet nowhere in government is there a concept paper about what this means to our overall diplomacy. More vague still is the operating mechanism for achieving the goals of our so-called economic diplomacy that are often set arbitrarily and in an ad-hoc manner. The dangers of this are all around but no one takes notice while the country suffers. When BNP came in 2001, the Industries Ministry cancelled two agreements that were signed with China and Japan by the AL Government disregarding the views of the Foreign Ministry and international law. It upset China and Japan and stalled bilateral relations till the projects, DAP 1 and DAP 11, were reactivated a year and a half after cancellation. This is just one example in a long list of serious flaws in the implementing mechanism of a nonexistent policy of economic diplomacy. While posted in Japan, I felt that Japan could be extremely important for Bangladesh as an investment destination, the way it was in the case of the Malaysian



economic miracle. As a result of historical problems between Japan and China, hundreds of billions of USD of Japan's investments in China have become unstable in recent years. Many Japanese investors are seriously considering relocating their investments in China in a new destination where Bangladesh can and has figured seriously to the Japanese given our large population, being a bridge between South and Southeast Asia and the prospects of South Asia being a free trade area under SAFTA. I tried my best to impress the government about this prospect

by the only means available, addressing letters that interested nobody at home as there was no single authority to take lead in such matters. When Prime Minister Khaleda Zia visited Japan in 2005, her address at an investment seminar was attended by some 250 Japanese businessmen and investors, a few corporate giants among them, but did not lead to anything substantial as she was unable to impress them with any clear vision of what Bangladesh could do to attract Japanese investment. Our oft-repeated cliché that Bangladesh is the best investment

destination in our region is a stale one and has no takers. Khaleda Zia failed to take advantage to impress her Japanese audience because her government then had no policy on economic diplomacy. It still does not have one.

No crystal ball is needed to predict that the stern warning of the Commerce Secretary will have no impact; it will merely have a Que Sera Sera outcome. Given the importance of exports for Bangladesh, however, it is imperative that we develop very urgently our so-called economic diplomacy into a detailed and

professional one; streamline the mechanism for its implementation; and fit our need to increase exports as part of it. We have a very vibrant private sector today that has turned our exports from almost nothing to a multibillion US dollar industry with very little help of the government. It needs the government and embassies now to make the playing field for international trade favourable for them by protecting their interests in multilateral and bilateral trade negotiations; with in-depth information of the market abroad for access; and helping them establish contacts with business abroad to achieve the success of Thailand. If they are professional in helping the private sector, exports will increase much faster. The need to set targets for Embassies would become totally redundant, as it should. Unfortunately, most Bangladesh Embassies are not assisting the private sector pro-actively, partly due to their shortcomings and partly due to lack of pro-active direction from home. Half of Bangladesh Missions have no website and those that have are not professional websites that would meet our private sector's requirements. Finally, here is a question for the Commerce Secretary. Suppose an Embassy in a developed country failed to meet the so-called targets. Where would he re-locate that mission's commerce wing? Timbuktu? Economic diplomacy, exports included, is a serious matter that does not work by threats and arbitrariness!

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## Strategic players in the Middle East

BARRISTER HARUN UR RASHID

THE hallmark of the Bush administration is not to engage in diplomacy with America's adversaries. During his visit to Israel in the second week of May, President Bush criticised Democratic Presidential contender Senator Barack Obama's readiness to pursue diplomacy with the so-called 'perceived' enemies of America. The President called the strategy as 'appeasement' repeatedly discredited by history.

What President Bush meant was that Britain and France did not resist the expansionist moves of Hitler's Germany. Historians believe that Britain and France at the time perceived more evil in Communism or Soviet Union than they did for Nazism.

The Bush administration looks at most problems that have a simple solution, often a military solution. US Vice President Cheney told long time ago that he had no faith that diplomacy would work with Iran. He said that he would not be surprised if Israel decided to take out Iran's nuclear facilities. It is reported that lately Cheney has

been advising the President to go for a military solution before he leaves office, if Iran does not halt its uranium enrichment nuclear program.

The US, instead of diplomacy, wants to increase the military power of some of its allies in the Middle East. It reportedly would provide US\$30 billion aid to Israel over 10 years, representing a 25% increase from present levels. Already Israel has replenished the weapons that were lost during the Lebanese war.

The US wants to strengthen Egypt's ability to "address shared strategic goals" by giving US\$13 billion worth of weapons as the Secretary of State reportedly stated. What is the shared goal? Saudi Arabia and other five Arab countries are expected to get US\$20 billion worth of advanced weapons as a counterweight to Iran and Syria.

The goal is to contain influence of Iran and Syria in the Middle East and to lobby for Israel among Arab States to soften their attitude towards Israel.

Human Rights Watch said the arm-sales would undermine US goals in the Middle East. This will reduce pressure on Egypt and the

Arab states to reform their political system through participation of ordinary people in governance through elected representatives.

On 28th July, 2007, the Democrat congressman Anthony Weiner and Robert Wexler said that they would oppose the deal and move a resolution of disapproval to block the deals to Saudi Arabia. Mr. Weiner reportedly said: "Saudi Arabia should not get an ounce of military support from the US until they unequivocally denounce terrorism and take tangible steps to prevent it." The congressman pointed out that 15 out of 19 hijackers who carried 9/11 attacks were Saudi nationals.

The Middle East is in a mess. The countries in the region privately blame the flawed policies of the Bush administration. By isolating itself, it is believed the US has dwindled its credibility.

It is interesting to note that Dr. Aaron David Miller, who worked under both Republican and Democratic administrations, in his book "The Much Too Promised Land", (March 2008) writes that the Bush team in eight years has managed to put America in the unique position in the Middle East where

"it is not liked, not feared, and not respected".

It is a pity that the US has cut off itself from the region on the false assumption that it can somehow maximise pressure on its adversaries by withholding contact, choose to show off its military power and some say pushed its local allies in civil wars.

Over the past five years, favourable ratings for the US have decreased in 26 of the 33 countries. Pew report said: "Global distrust of American leadership is reflected in increasing disapproval of the cornerstone of US foreign policy."

Many think that Iraq would go down in history as the greatest disaster in American foreign policy. George Soros further has stated in his book titled "The Age of Fallibility" (2006) that the root-cause of trouble of the Bush administration "is a false metaphor, the war on terror. It has done terrible damage to our standing in the world and endangered our open society at home."

When the Bush administration has withdrawn itself from engaging its adversaries, it has also missed the opportunity to broker peace in the region through its diplomacy. As a result the countries in the region have stepped up and took initiative to resolve some of the intractable issues of the region, namely, Israel-Hamas conflict, Israel-Syria confrontation and Lebanon's crisis between Hezbollah and government.

Egypt, Turkey and Qatar, close allies of the US filled the vacuum. The Gaza-Israeli deal is being brokered by Egypt, Turkey is using its good offices between Israel and Syria, and Qatar mediated the Lebanon's crisis.

It is not known whether the initiatives by Egypt, Turkey and Qatar would end in positive result or not.

It is acknowledged that Palestinian Chairman would have been much stronger in a deal with Israel if Hamas and Fatah groups of Palestinians forge unity, Lebanon's Siniora government would have been effective if it would have agreed earlier the power-sharing formula with Hezbollah and if Israel and Syria could settle on the illegal occupation of Golan Heights of Israel, peace would dawn in the Middle East.

Plenty of examples in history shows clearly diplomatic engagement with adversary brings fruitful results. One of the examples is the Bush administration's direct engagement with North Korea has helped shut down its nuclear reactor at Yongbyon and disclosure of its nuclear programmes.

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### NATO chief calls for closer EU ties

NATO and the European Union need to support each other's operations with greater pooling of their capabilities, NATO Secretary General Jaap de Hoop Scheffer told a June 3 gathering of officials in Brussels at an event sponsored by the Security and Defence Agenda think tank.

Called "NATO in the Next Decade," the conference also featured a discussion of Russian-NATO relations.

NATO and the EU especially need to pool transport and helicopter, cooperate on research and development efforts, and harmonize force structures and training methods, De Hoop Scheffer said.

Warning that both organizations will suffer "if we cannot bring them closer together," the NATO leader said he would like to see the North Atlantic Council and the EU's Political Security Committee meet more often to share analyses on the world's crisis areas.

Noting that many countries had pooled resources to fund a C-17 for strategic airlift, De Hoop Scheffer said he would like to see the same done for the A400M. He also cited the U.K.-French initiative to upgrade helicopters and train pilots as a good example of common funding. The longstanding method of financing, which says "costs lie where they fall," will not survive the next decade, he said.

De Hoop Scheffer also said there were issues where NATO and Russia did not "see eye to eye," such as Kosovo and Russia's decision to suspend its participation in the Conventional Forces in Europe Treaty.

He said Russia's decision to send soldiers into Abkhazia in Georgia was "not helpful."

But he stressed that it was important to engage with Russia because "I cannot see how NATO can do without Russia or how Russia can do without NATO."

Meanwhile, Dmitry Rogozin, Russia's ambassador to NATO, said cooperation between Russia and NATO works better at the military level than at the political or diplomatic level, and that Russia would be strengthening its military cooperation in Afghanistan.

Also, a political agreement was reached between Russia and the European Union in April under which Russia has offered helicopters for the EU's peacekeeping mission in Chad. The Chad mission was agreed by EU foreign ministers in January and is under way.

But Rogozin criticized what he termed NATO's dogmas, including on missile defence.

"We are told that we should not fear plans to install missile defences in Poland and the Czech Republic as it is directed at the bad guys in Iran," he said. Perhaps this reflects "a compass problem here," as Iran is to the south and Poland is closer to the Baltics. Similarly, he asked why, if NATO thinks that all its threats are from the south, it is enlarging to the east.

### DoD weapons procurement broken, Auditor warns

The Defense Department's procurement system is failing to deliver U.S. troops the weapons they need while running up nearly \$300 billion in cost overruns, a government auditor warned June 3.

Katherine Schinas of the Government Accountability Office told lawmakers the procurement system is broken.

"First, it has failed the war-fighter because it is delivering capability late and in fewer quantities than planned, or both," she told the Senate Armed Services Committee. "And many times when equipment is delivered to the field it is not what's needed for the current operations," she said.

The GAO, a congressional audit agency, last month reported that cost overruns of major U.S. weapons programs grew to \$295 billion last year, 26 percent over initial cost estimates for 72 major weapons programs.

The Defense Department expects to invest about \$900 billion over the next five years on development and procurement, the report said. "There is cost growth coming that we don't yet know about," Schinas said. "If you look at the period 1992-2007, the cost needed to complete DoD's portfolio [of weapons programs] has increased over 100 percent, but the funding provided to do so increased only 57 percent. So the bow wave is going to continue."

John Young, Undersecretary of Defense for acquisition, acknowledged many of the problems but said the Pentagon is striving to change the procurement culture.

Still, he said, the Defense Department's acquisition work force has gotten smaller, even though procurement is up 34 percent since 2001 and research and development budgets are up 70 percent.

Sen. Carl Levin, D-Mich., the committee chairman, translated the \$295 billion in cost overruns into weapons that the Pentagon might otherwise have been able to buy.

He said it was equivalent to two new aircraft carriers, eight attack submarines, 500 V-22 Ospreys, 500 Joint Strike Fighters, 10,000 mine-resistant armored vehicles and the Army's entire \$130 billion Future Combat System program.

Schinas gave some examples of procurement breakdowns. "The Army is spending billions of dollars that it did not plan to on legacy radio because its developments efforts for a new radio have gotten so bogged down," she said.

"The Navy is apt to [have] a net loss in its carrier fleet capacity because it has been delayed in developing a new carrier beyond the point where it will have to start retiring current carriers. The Marines will have to wait five years to get half the quantity of expeditionary vehicles that it has planned."

Schinas said part of the problem was that military requirements for weapons were "based on wants, not needs." She said that had been exacerbated by the Pentagon's move away from matching requirements to threats early in the current administration.

But she added that requirements set by the military departments "reflect parochial interests rather than current war-fighter needs." Moreover, the Pentagon increasingly relies on the defence industry for solutions to its requirements - an industry that has shrunk to a handful of companies.

"Some believe that more money is the answer. But the DoD has already tried spending more money. Investment in weapon acquisition programs is now almost at the highest level in two decades, and the outcomes have only gotten worse," she said.

Source: www.defensenews.com

### First multispectral camouflage systems for Abrams main battle tanks

In less than six months, Saab Barracuda has delivered prototype camouflage systems fitted to the Australian Army for the M1A1 Abrams Main Battle Tanks and M88A2 Hercules Armoured Recovery Vehicles, giving them higher survivability on the battlefield.

The contract worth \$4.2 million AUD was signed in December 2007 to design, manufacture and fit camouflage to these tracked vehicles after the Australian Army identified the need to reduce the multispectral signatures and to reduce the solar heat transfer into the vehicles while operating in Australian conditions.

These special camouflage systems are designed to significantly reduce the visual, near-infrared, thermal infrared, and radar signature of the vehicles. The second part of this requirement is achieved using Saab's Heat Transfer Reduction technologies which are designed to make the internal environment of the vehicle more liveable in the extreme conditions of northern Australia.

The effectiveness of the multispectral camouflage systems is being verified in tests conducted by the Defence Science and Technology Organisation.

"Saab has been supplying the Australian Defence Force with its signature management capability for thirty years, and this project reaffirms their trust in Saab's capability and experience," says Bob Fuller, Managing Director of Saab Barracuda Pty Ltd.

The design and manufacture was carried out by Saab Barracuda in Sydney with materials and support from Saab Barracuda, Sweden, and other local suppliers. This camouflage system now has export potential for the other countries using advanced classes of main battle tanks.

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers' changing needs.

Source: www.defencetalk.com

