

SASEC's new vision to transform subregion

HUN KIM
When Finance Ministers from member countries of the South Asia Subregional Economic Cooperation (SASEC) Programme meet today in Delhi, it will mark a significant step in the evolution of what is now Asia's fastest-growing subregion in terms of economic growth.

Up for endorsement is a new SASEC Vision statement designed to take the partnership to another level of economic growth. The subregion's recent stellar growth trajectory has already brought the first waves of prosperity, helping to insulate it from financial headwinds that have buffeted other parts of the world.

Harnessing growth and connectivity
The subregion is favored as well by a comparatively young demographic, which means it has a large cohort of people of working age. This "demographic dividend" is expected to continue rising for some time to come. If harnessed properly, it could be the vehicle that catapults the SASEC subregion into one of the fastest growing economic blocs in the world.

And with Myanmar joining the SASEC a little over a month ago, the grouping is well-positioned to deliver on its tremendous potential through high rates of economic growth that are also sustainable and inclusive.

Myanmar's inclusion will help to

deliver greater connectivity and stronger trade relations between economies of South Asia and those of Southeast Asia, as well as East Asia. Having Myanmar as a member reflects SASEC's determination to look beyond South Asia, and toward the very significant mutual benefits to be found by building cooperation with new partners and new regional markets.

With Myanmar's strategic location at the crossroads of Asia, regional connectivity in the transport and logistics sector, as well as in the energy sector, among others, should bring about significant benefits to all SASEC members and the Asia region more broadly.

Share resources, build networks, expand trade
The endorsement of the SASEC Vision in Delhi will transform it from a simple blueprint into an engine to drive an annual estimated \$70 billion in additional subregional GDP by 2025.

The Vision will help SASEC member countries plan how to transform national and subregional road transport corridors into industrial and economic corridors that bring jobs, promote domestic and foreign direct investment, trade and services, urban development, and sustainable economic growth.

Specifically, there are three main levers available to SASEC economies to deliver on the new agenda: share resources to feed latent industry demand; bolster industrial

networks by tapping individual country specialisations; and create symbiotic trade relationships by linking trade routes with stronger gateways and hubs to access regional and global markets.

What benefits could this deliver for the subregion?

Bangladesh could be able to use hydropower from other SASEC member countries to power its garment industry, while acting as gateway for its landlocked neighbors. India could benefit from exports of refined petroleum products to Bangladesh as India expands the market for the refineries located in its northeast region.

Bhutan's hydropower and mineral revenues could help diversify the Himalayan kingdom's economy, moving into floriculture, food processing, and paper mills. Northeast India could sell agricultural products and trade petroleum products with energy-thirsty Bangladesh.

Other examples are in the Maldives, where the lucrative tourism industry could benefit from intra-island and subregional connectivity, with potential future gains to be had if the country can put itself on the global transshipment map.

By transforming from a landlocked to land-linked economy, Nepal can further develop its agribusiness and tourism industries. Finally, Sri Lanka can realise its goal of reaching

high-income status by serving as a subregional hub for cargo container and LPG gas, and capitalising on its phosphate and rubber resources.

From planning to investing
SASEC's new Vision aims to build on an impressive recent track record. The SASEC Operational Plan 2016-2025 launched last year lists over 120 projects worth more than \$220 billion in sectors identified by South Asian governments as crucial to sustain economic growth over the next decade.

That plan is off to a good start. In 2016, ADB—as SASEC's lead financier as well as its secretariat—approved nine projects worth a total \$2.4 billion, a significant increase over the \$500 million annual average value of projects in the first 15 years of programme implementation. The approved projects include \$1.2 billion in economic and transport corridor projects in India.

Translating SASEC's new vision into reality, though, requires strong national ownership of the new agenda—as well as further sustained commitment.

Member countries must ensure cohesive planning and effective coordination of programmes, projects, and policies. It is up to the SASEC countries themselves to make good on their promise of powering the subregion in the 21st century.

The writer is the director general of South Asia Regional Department of the Asian Development Bank.



Ehsanul Kabir, managing director of Essential Drugs Company, and Mostafizur Rahman, chief marketing officer of Energypac Power Generation Ltd, attend a deal signing ceremony on "Supply, installation and commissioning of mechanical and electrical services", at the office of Essential Drugs.

China launches new economic zone in Hebei to promote integration

REUTERS

China will establish a new special economic zone in the heavily polluted province of Hebei in order to promote integration with the neighboring cities of Beijing and Tianjin, the government announced on Saturday.

The Xiongan New Area will be of the same national significance as the Shenzhen Special Economic Zone, which helped kickstart China's economic reforms in 1980, the official Xinhua news agency said, citing a circular released by the Chinese cabinet.

The zone is located around 100 km (60 miles) southwest of Beijing, close to the Hebei provincial capital of Shijiazhuang, and will house some of Beijing's relocated

"non-capital functions". It is currently 100 square kilometers in area but will eventually be expanded to 2,000 square kilometers.

China is currently implementing a plan aimed at integrating the economies of Hebei, Beijing and Tianjin, a heavily polluted region known as Jing-Jin-Ji.

The development of separate "fortress economies" in the region was blamed for widening income disparities and causing a "race to the bottom" when it came to environmental law enforcement.

Beijing, home to 22 million people, is trying to curb population growth and relocate industries and other "non-capital functions" to Hebei in the coming years as part of its efforts to curb pollution and congestion.

Coca-Cola extends Women Business Centre project

STAR BUSINESS DESK

Coca-Cola Bangladesh yesterday announced the extension of its Women Business Centre (WBC) project to the third phase in two upazilas of Jamalpur district.

In the third phase of the programme, it aims reach 20,000 additional women within 2018, taking the total count of women beneficiaries to 40,000, Coca-Cola said in a statement yesterday.

The main aim of the project is to contribute to the wellbeing and resilience of 40,000 women through economic empowerment, according to the statement.

The project aims to address common barriers women face in the marketplace by providing access to business skills training, market information, agriculture training and inputs, and mobile banking, nutrition, healthcare and counseling for women and mentoring and networking opportunities.

The project has been active in Jamalpur district of Dhaka division, and Khulna and Bagerhat of Khulna division, covering a total of eight upazilas. The announcement was made at a dialogue, jointly held yesterday with Business Initiative Leading Development (BUILD) to share good practices and critical challenges of rural women entrepreneurship development.

The dialogue engaged stakeholders from public, private and civil societies, media professionals and other relevant bodies to highlight cases of women entrepreneurship development, using Coca-Cola's Women Business Centre project, implemented by United Purpose, as a case study. The dialogue featured a panel discussion on economic growth of rural women entrepreneurs.



Md Mosharraf Hossain Bhuiyan, senior secretary to the industries ministry, and Shadab Khan, managing director of Coca-Cola Bangladesh, attend a programme yesterday where Coca-Cola Bangladesh announced the extension of its Women Business Centre Project to the third phase in two upazilas of Jamalpur district.

Mafuza Sultana, vice chairman and CEO of the Export Promotion Bureau (women development policy strategy), and Shubha Sekhar, director for sustainability of Coca-Cola India and South West Asia, attended the discussion, among others.

Md Mosharraf Hossain Bhuiyan, senior secretary to the industries ministry, shed light on the lives of rural women.

"This desire for economic independence is not new, it has always been there, and today we are lucky that a project such as this, by Coca-Cola, is making this process easier for rural women," he said.

"We all love to say that we are progressing,

and learning about a project like this makes me believe that the people of Bangladesh truly are progressing."

"I express my appreciation that a corporate house such as Coca-Cola has come forward to shoulder such a responsibility," said Asif Ibrahim, adviser to BUILD.

Shadab Khan, managing director of Coca-Cola Bangladesh, announced the extension of the programme.

"The WBC project in Bangladesh is adapted from Coca-Cola's global 5by20 vision, started with the aim to pull five million marginalised women up through economic empowerment by 2020," Khan

said. "Looking at women's workforce participation in Bangladesh, we can proudly say that women here are already doing better than most South Asian countries." "However, women workers continue to face harder obstacles, often arising from a lack of training and confidence. At Coca-Cola we have tried to bank on the potential of women first and success will follow," he said.

"Working with and investing in women is one of the most powerful ways to spur sustainable economic growth and development, said Shubha Sekhar. Ferdous Ara Begum, CEO of BUILD, also spoke.

Germany criticises Trump orders on trade deficits, import duty evasion

REUTERS

US President Donald Trump's executive orders on trade deficits and import duty evasion are a sign that Washington plans to move away from free trade and international agreements, German Economy Minister Brigitte Zypries said on Saturday.

Trump instructed his administration on Friday to study the causes of US trade deficits and clamp down on countries that abuse trade rules in two executive orders he said would open a new chapter for US workers and businesses.

Zypries said that while the executive orders were initially only reviews, "they

show, however, that the US obviously wants to move away from free trade and trade agreements."

"We must seek constructive dialogue and explain that the reasons for the US trade deficit are not just abroad," the minister said, adding that she would raise the issue in talks with US counterparts during a trip to Washington in May.

For years, the United States has been importing more goods from Germany than it exports to Europe's biggest economy, due to the relatively strong competitiveness of German firms and the high demand among US customers for 'Made in Germany' goods.

Iraq has pledged to fully comply with oil cut deal: Opec chief

REUTERS

Iraq has assured Opec it will fully comply with an agreement to cut oil supply in order to bolster crude prices, Opec Secretary General Mohammed Barkindo said on Sunday.

Compliance with the deal agreed by Opec and non-Opec producers at the end of last year to cut supply is "encouraging", Barkindo told an energy conference in Baghdad.

General compliance with supply cuts by the oil producers was 86 percent in January and 94 percent in February, he said.

"The focus is now to rebalance the market," he added. Opec ministers will meet in May to decide whether or not to extend the oil supply curbs beyond June.

Barkindo described as "very constructive" meetings he had on Saturday with Prime Minister Haider al-Abadi and other Iraqi leaders in Baghdad.

He saluted Iraq's "flexibility" in the talks that helped bring about an agreement between the Organisation of Petroleum Exporting Countries and non-member oil producers.

Iraq is Opec's second-largest producer, after Saudi Arabia.

US trade orders should respect international rules: China

REUTERS

China called on the United States to respect international trade rules and improve cooperation and dialogue in reaction to two new orders by US President Donald Trump calling for an investigation into trade abuses.

Any US trade enforcement measures should comply with generally accepted international trade rules and differences between the two countries should be handled properly, an unidentified spokesperson for China's Ministry of Commerce said in a speech on Saturday.

"China is willing to cooperate with the United States on a basis of equality and mutual benefit," the spokesperson said in the speech released on the ministry's website.

Trump signed executive orders on Friday aimed at investigating possible abuses causing large US trade deficits and stopping import duty evasion.

Dairy farms to get a boost

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Islam also suggested establishing a National Dairy Research Institute.

Mostafa Nurul Islam, former team leader of Strengthening the Dairy Value Chain (SDVC) Project of CARE Bangladesh, said other sectors of agriculture have developed a lot, but dairy is falling behind.

Formulation of a dairy development policy along with a board will guide development of the sector, he added.

Dr Md Ainul Haque, director general of DLS, said establishment of a dairy board would be established with the objective to make Bangladesh self sufficient in milk and milk based foods.

Budget to be revised down 7.4pc

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The trend will continue in the current fiscal year, said a finance ministry official.

In the first seven months of fiscal 2016-17, the government's total non-bank borrowing including savings instrument stood at Tk 29,997 crore -- already surpassing the whole year's target of Tk 22,610 crore.

The target for borrowing from banks was Tk 38,938 crore but in the first seven months the government has not borrowed a single taka. Rather, it has repaid Tk 17,675 crore.

State banks' loss-making branches soar

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Janata's profit slumped almost 48 percent to Tk 250.68 crore and Agrani's 9.7 percent to Tk 65.31 crore.

Rupali logged in loss of Tk 49.79 crore for 2016 compared to profit of Tk 23.50 crore in the previous year.

The operating expenses of Sonali, Agrani and Rupali exceeded the limit set by the BB in the performance agreement. Only Janata managed to keep its expenditure within the bounds set by the central bank.



M Harunur Rashid, chairman, Edison Health Care Ltd, and Rubana Haq, managing director of Mohammadi Group, attend the signing of a deal at a programme. Edison Health Care will provide the employees of Mohammadi Group with healthcare services. Jakaria Shahid, managing director of Edison Group, was also present.



Harun Ur Rahtid, senior general manager for sales and marketing at Elite Paint, and Aman Ashraf Faiz, managing director of GTV, attend a programme on March 29 to award the winners of a quiz of Elite Paint that was aired on the television channel.