

# Bangladeshi goods will reach highest global standards soon

US envoy says at the opening of AmCham's permanent office

**STAR BUSINESS REPORT**  
Bangladeshi goods will reach highest global standards in the near future thanks to the increased efforts of the local manufacturers to improve quality, US Ambassador to Bangladesh Earl Robert Miller said.  
Bangladesh's ranking in the ease of doing business index, transparency in business practices and workers' rights will also improve, he said on Saturday.  
The US envoy said at the opening of the permanent office of the American Chamber of Commerce and Industry (AmCham) in the capital.  
AmCham is the first and only

single country chamber in Bangladesh that has moved to its own office premises. The new 3,100 square feet office is situated at Pearl Trade Centre on Pragati Sarani.  
"Incredible progress has been made in workplace safety in Bangladesh. All workers have the rights to dignity and justice in the workplace, a fair wage, grievance system, safety protection and right to organise themselves," Miller said.  
The ambassador said he believes that 'Made in Bangladesh' products will soon reach 'global gold standards'. Bangladesh is rising rapidly to achieve the middle-income status, he said.  
Miller said the United States and

Bangladesh are indispensable partners in this extraordinary progress. The US will continue to be its strongest support in Bangladesh's remarkable journey, he added.  
The bilateral trade hit \$8.2 billion last year, which has more than doubled in the last 10 years, and around 95 percent of the workers the US firms have in Bangladesh are local, Miller said.  
Former AmCham presidents Forrest E. Cookson, Aftab Ul Islam, Syed Ershad Ahmed and Mahbubur Rahman, president of International Chamber of Commerce - Bangladesh also spoke. Former finance minister M Syeduzzaman was present.



US Ambassador to Bangladesh Earl Robert Miller, sixth from right, opens the permanent office of the American Chamber of Commerce in Bangladesh (AmCham) on Pragati Sarani in Dhaka on Saturday.



## Citi India CEO visits Bangladesh

**STAR BUSINESS DESK**  
Ashu Khullar, Citi India CEO and Citi South Asia cluster head, visited Bangladesh last Thursday, highlighting before clients, key stakeholders and community partners the potential of sustainable long-term economic growth and significance of the Bangladesh economy in the global market.  
"For over three decades, Citi has been a proud partner of Bangladesh's economic development. This visit served as an opportunity for me to meet with businesses and learn firsthand about what we can do more to support their growing aspirations," he said.  
"We look forward to continuing our journey in Bangladesh and enabling growth and economic progress through innovation and global solutions."  
Khullar started his journey with Citi India in 1988 and worked in management roles. He was last head of capital markets origination business for Asia Pacific based in Hong Kong.

# Jahaji mobile app launched to facilitate inland navigation

**STAR BUSINESS REPORT**  
A new mobile phone application called "Jahaji" was launched yesterday to facilitate the renting, booking and tracking of lighter vessels operating inside the country.  
The app will especially benefit ship owners, goods suppliers, agents and brokers and it will also make possible the purchase of goods like sand or stones from moving vessels, according to a press release.  
Jahaji Co-founder and CEO Kajal Abdullah said anyone can book a lighter vessel and track its position by using this app.  
"At the same time, Jahaji allows people to check the price and quality of goods and their purchase from moving vessels. No other country offers this kind of service for lighter vessels."  
State Minister for Shipping Khalid Mahmud Chowdhury inaugurated the app at a programme at the National Press Club in Dhaka.  
The app will make life easy for a huge number of people involved in the shipping industry, Chowdhury said. "Shipping is a promising sector. We always welcome young entrepreneurs to this industry."  
He also urged all to come forward to advance the government's development efforts. "The young entrepreneurs of Jahaji want to change this country from within. I hope the entrepreneurs like them would help build this country."  
Former president of Bangladesh Cargo Vessel Owners Association Mahbub Uddin Bir Bikram said, "I have known this sector for the last few decades. I think Jahaji app is going to be a game changer in the sector."

Jahaji's Technology Consultant Naimuzzaman Mukta said this app will contribute to the digitisation of the inland water transportation sector, thus paving the way for Prime Minister Sheikh Hasina's vision of building the Digital Bangladesh.  
Although naval transportation is easy, cost-effective, and environment-friendly, this industry's growth is slowing down recently, Jahaji CEO said.



According to government estimates, there are less than 7,000 lighter vessels in the country but in reality the number exceeds 30,000, Abdullah said.  
"More than Tk 3 crore was spent on renting of vessels only last year... But there is no platform from where people of this sector can get reliable information," he said.  
In the conventional system, it is almost impossible to verify the rent, capacity or position of the vessels. The Jahaji app will help these people, he said.  
Jahaji app is available on Google Play Store for android phones. The iPhone version will be launched soon.

## Exports tumble

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Leather and leather goods exports are performing well again after two years.  
Earnings from shipments of leather and leather goods increased 1.32 percent year-on-year to \$185.41 million in the first two months of the fiscal year.  
Export of handicrafts increased 12 percent year-on-year to \$3.36 million.  
Frozen and live fish exports declined 5 percent to \$82.85 million, agricultural products 24.36 percent to \$134.4 million jute and jute goods 0.43 percent to \$130.57 million.  
Also, terry towel, furniture and home textile performed poorly in the first two months of the year. Some sectors like plastic goods, pharmaceuticals, footwear and bicycle performed well in the first two months of the current fiscal year.

# BRI to enhance trade, beef up infrastructure

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"For Bangladesh, BRI provides an opportunity to seize benefits, particularly in areas of trade, investment, connectivity, education and tourism, through strong ties with countries particularly in the Southern Asia region, more specially, with China and India," said CPD Executive Director Fahmida Khatun in a keynote presentation.  
Launched by Chinese President Xi Jinping in 2013, the BRI initiative, also known as the New Silk Road, aims to connect Asia with Africa and Europe via land and maritime networks through infrastructure and other connectivity related investments.  
The BRI aims to build connectivity and cooperation across six economic corridors: New Eurasia Land Bridge, China-Mongolia-Russia economic corridor, China-Central Asia-West Asia Economic corridor, China Indochina Peninsula Economic corridor, China Pakistan corridor and Bangladesh-China-India-Myanmar (BCIM) economic corridor, she said.  
China plans to rebuild the land network connecting China to Europe via Central Asia and the maritime route from China to Southeast Asia, South Asia, the Middle East and Eastern Africa, Khatun said.  
By the end of July 2019, 136 countries and 30 international organisations signed cooperation document in this regard.  
The BRI spans across the territories of 72 countries, which covered 66.09 percent of world population and 33.65 percent of global GDP as of 2018.  
The initiative has generated a lot of discussion and speculation across the world and China has

established a Silk Road Fund with \$40 billion.  
Large Chinese banks have also become engaged in financing BRI projects in other countries.  
Bangladesh is connected with the BRI initiative through the BCIM economic corridor that covers 1.65 square kilometres and includes 440 million people.  
It connects China's Yunan province with Bangladesh, Myanmar and India through road, rail, water and air linkages, according to Khatun.  
The Kunming-Kolkata corridor can reduce the costs of transport and benefit Bangladesh through enhanced trade and investment.  
Bangladesh has become a part of the BCIM and China promised to provide \$40 billion investment in Bangladesh in bilateral assistance for infrastructure projects and joint ventures.  
Until now, the largest proportion of the BRI projects have been taken in the energy and transport sectors, she said.  
"Thus, BRI effectively and efficiently fills in the infrastructure gaps in Bangladesh."  
But sustainable financing of the BRI projects in the participating countries is an important issue.  
"This is the most important issue. In many countries, Chinese loans have become questionable," Khatun added.  
China will need to structure its terms for financing of its BRI projects so that recipients can sustain the debt and repay it through enhancement in their production base and its diversification, said CPD Chairman Rehman Sobhan.  
The BRI is indeed a global initiative to construct a new international order based on enhancing development and ending poverty across the South within the framework of a more equitable world

order.  
Sobhan suggested that countries such as Bangladesh engage in dialogue with China and open up a much broader conversation on issues related to industry, infrastructure and research initiatives on various issues.  
"In the end, the BRI initiative is with individual country."  
The BRI looks at south-south cooperation (cooperation among developing countries) and integration but so far the BRI initiatives by China are bilateral and it needs to open up broader conversation.  
"In the absence of any collective move to construct a new order China will have to work out the specifics of its more comprehensive vision on a bilateral basis," he said, adding that work on identifying project priorities would be important.  
Sobhan also suggested Chinese and Indian think-tanks to come together to assess the concerns of the Indian government, which has so far kept them out of the BRI process.  
The BRI initiatives are viewed as development initiatives as the participating countries are benefiting from investments made by China in infrastructure projects, said Sachin Chaturvedi, professor and director general of the Research and Information System for Developing Countries (RIS), New Delhi.  
But partner countries often bring in issues like transparency in the projects, environmental concerns, non-employment of local labour in construction and operations and other works, he said, citing some projects in Myanmar, Thailand, Sri Lanka and Lao PDR.  
He, however, said when such mega projects are

launched issues are likely to come up.  
"And the BRI is evolving as China has undertaken several mechanisms such as debt sustainability programme," he said, adding that China should initiate the BRI in a framework that reconciles with other global initiatives.  
Industries Minister Nurul Majid Mahmud Humayun stressed on ensuring a win-win situation with China and others when dealing with the BRI issues.  
Bangladesh Ambassador-Designate to China Mahbub Uz Zaman suggested being mindful of cost overruns and the interest rate of loans taken under the BRI projects.  
"The BRI is good but it has to be BRI plus Europe," said Syed Manzur Elahi, member of board of trustees of the CPD.  
At the end of the day, Bangladesh needs developed markets to sell its products to, he added.  
In another session on economics of the BRI, Asif Ibrahim, executive council member of ESCAP Sustainable Business Network (ESBN), said joint ventures and technology transfer are important for Bangladesh.  
The BRI projects should be developed in a way that factories remain in close proximity to those. "I would like to see more exports going to China through BRI initiative," he said.  
At the session, CPD Distinguished Fellow Mustafizur Rahman said governance of the BRI projects has become important.  
Sun Xiqin, editor of South and Southeast Asian Studies Journal, Yunnan Academy of Social Sciences, Kunming, China, said no country would fall into a debt trap because of cooperation from China.

## ADB to gauge potential of northeast economic corridor

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It will not only increase intra-regional trade and investment but also play a pivotal role in integrating economies across the region, Hong noted.  
The ADB had earlier shared a study on a similar corridor on the southwest, stating that the region could contribute to economic growth, with industrial output of up to \$148 billion by target industries and 25 million corridor-induced employment by 2050.  
Addressing the programme, Planning Minister MA Mannan said the government would undertake necessary projects to utilise the northeastern trade potential.  
"We will emphasise connectivity over air, road, rail and river and urge the line ministries to implement the project," he said, adding that the ADB was ready to provide funds for the corridor development.  
Salman F Rahman, the prime minister's private industry and investment adviser, said the government has already realised the region's trade potential with India's northeastern states.  
He said the government has undertaken

a plan to establish 100 economic zones around the country and aid the movement of their produce by utilising the corridor's trade potential. He also appreciated the ADB's assistance.  
Manmohan Parkash, country director of the ADB, highlighted the region's resources and strategic location.  
He stressed the need for developing a comprehensive plan for the region for coordinated and holistic development of industry and infrastructure.  
"The study will identify promising industries in the region and propose infrastructure and urban services needs for planned industrial development, offering solutions for inclusive and regionally balanced high economic growth," said Parkash.  
Abul Kalam Azad, principal coordinator of SDG affairs at the Prime Minister's Office, said river connectivity through the Brahmaputra, Meghna and Padma along with that through air and road could reap the corridor's trade potential.  
Sirazul Islam, executive chairman of Bida, and M Aminul Islam, the immediate past one, also spoke at the programme.

## Assess costs, benefits of natural resources

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He emphasised on prioritising SDGs based on the national context as a couple of SDGs are not that much relevant for Bangladesh while some are of paramount importance. The economist discouraged taking up prestigious mega projects only because of their symbolic value by trimming down health and education budget and ignoring socio-economic and environmental costs.  
"Whenever there is a resource crunch, the first budget cut is slaped on crucial education and health and social sectors. Development of human resources suffers the first onslaught. We must change this approach to ensure sustainable development. We must remember, human is the centre of the very concept of sustainable development," he said.  
FEJB Chairman Quamrul Islam Chowdhury favoured setting national targets for SDGs and raising budgetary allocations for implementation of SDGs. Environment expert Rezaul Karim called for raising public awareness about sustainable development.

## Merger can cure banking woes: analysts

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"But we have to be very careful and need to reform the rules due to misuse or bad sides of merger and acquisition," Islam added. The country's banking sector has been facing some sorts of challenges in recent years: some banks are doing well while some are passing through a difficult situation, said M Farhad Hussain, chairman of PBIL.  
"A time-befitting policy for mergers and acquisition will help the banking sector to mitigate its challenges," he said.  
Atique Islam, vice-chancellor of North South University; Md Shirajul Islam Mollah, director of Prime Bank; Md Tabarak Hossain Bhuiyan, managing director of PBIL; and Alex Shteriev, managing partner of Beacon Mergers and Acquisition, also spoke, among others.

## Govt to amend law for single person company

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The press release was issued after an advisory meeting held at the law ministry between the representatives concerned of the government and stakeholders. The legislative research and reform project under the legislative and parliamentary affairs division of the law ministry organised the meeting with Law Minister Anisul Huq in the chair.  
AHM Mustafa Kamal, finance minister; Salman F Rahman, prime minister's adviser on private industry and investment, and Tofail Ahmed, chairman of the parliamentary standing committee on commerce ministry, also attended the meeting.

## Joint meeting next month to speed up China-funded projects

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But before next month's meeting, officials from the Economic Relations Division, Chinese embassy and the ministries concerned will meet today in Dhaka to set the agenda for the meeting next month.  
At the meeting today Bangladesh may present 10 priority projects, said a finance ministry official.  
The 10 priority projects include: the \$1.16 billion Dhaka-Ashulia Elevated Expressway; establishment of a full-fledged TV station; balancing, modernisation, rehabilitation and expansion of public sector jute mills; and establishing digital connectivity.  
Of the 27 projects that China had agreed to finance, five are at the implementation stage: the Padma Bridge rail link, Karnaphuli river tunnel, phase III of the Info-Sarkar project, installation of a single-point mooring with double pipeline in Maheshkhali and modernisation of telecom network for digital connectivity.  
The loan agreements for all five projects involving \$3.9 billion were signed between October 2016 and April last year, but so far there has been little disbursement of funds.  
The signing of the loan agreement for the \$689.35-million Karnaphuli river tunnel project took place in October 2016, and thus far only \$194.81 million has been released.  
Besides, in November 2017 the loan agreement for the \$550.67-million single point mooring project was signed and only \$82.73 million has been disbursed so far.  
Only \$44.94 million was released for the \$224.96 million project on modernisation of telecom network for digital connectivity. The loan agreement on it was signed in April last year. In the same month, a loan agreement for the \$2.67-billion Padma Bridge rail project was struck. And so far \$533.58 million has been disbursed.  
One project which saw fast disbursement is the phase III of the Info-Sarkar project. As of now, \$125.50 million of the agreed

\$151.64 million has been released since the signing of the loan agreement in October 2017.  
The officials of both the countries will discuss at length the Padma Bridge rail link and Karnaphuli tunnel projects in today's meeting.  
Some 30 percent of the total project cost of Tk 39,247 crore for the Padma Bridge rail link has so far been spent, said a railway ministry official.  
There was a delay in the rail link project because of minor flaws in designs, but those now have been fixed, he added.  
As of August, the financial progress of the Karnaphuli tunnel project is 38.42 percent and physical progress is 47.10 percent, he said.  
Both sides had agreed to sign the loan agreements for \$20 billion by 2020. But as things stand, the deadline will not be met, opening the window to reassess the necessity of the projects, said another finance ministry official.  
"After the reassessment, next projects might be presented," he added.  
During the PM's China tour, loan agreements involving \$1.76 billion for three projects were signed.  
Of the amount, \$1.2 billion is for a project to expand and strengthen the power supply network under Dhaka Power Distribution Company.  
Another loan agreement involving \$280.49-million was struck as part of the \$1.12 billion project to strengthen the power grid network under the Power Grid Company of Bangladesh (PGCB).  
There was another Chinese grant of \$72.71 million for economic and technical cooperation between the two governments.  
In total, three loan agreements involving \$3.86 billion will be signed by this year.  
Those include the remaining loan agreements for the PGCB projects and also that for the construction of Dhaka Ashulia Elevated Expressway involving \$1.15 billion

## Local govts can finance only 14pc of their spend

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There exists high rent-seeking activities, corruption and a lack of political will to strengthen the institutions while competition among the institutions on working more efficiently is non-existent as allocations are not based on merit, he said.  
"A policy paralysis" is going on here so none of the political elites talk about the reforms. If this continues, the country will face a setback in attaining the development it dreams of, Raihan said.  
"So, what is very important to me is the

empowerment of the local governments with the right capacity," he added.  
Ishar Judge Ahluwalia, chairperson of the Indian Council for Research on International Economic Relations, said there was no getting away from putting elected people in charge. "In India, there are empowered mayors in only 5-6 states, and this situation needs to be changed," said Ahluwalia.  
Analysts from India, Pakistan, Sri Lanka and Bangladesh presented their papers and discussed those in several sessions of the conference.