STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		$ USD	€ EUR	£ GBP	¥ JPY
▲ 0.12%	▲ 0.27%	▲ $1,465.10 (per ounce)	▼ $64.23 (per barrel)	▲ 0.43%	▼ 0.08%	▲ 0.32%	▼ 0.24%	BUY TK	83.95	92.28	109.72	0.75
4,512.39	8,324.44			40,412.57	23,391.86	3,172.90	2,924.42	SELL TK	84.95	96.08	113.52	0.79

Star BUSINESS

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Rise in sea level may reduce 24pc cropland by 2045

A report of fisheries ministry and WB finds

STAR BUSINESS REPORT

Bangladesh's agriculture sector is under threat from climate change, as the sea level rise may reduce availability of cropland by 24 percent in coastal divisions across growing seasons by 2045, a new report said yesterday.

"With two-thirds of the country at an elevation of less than 5 metres, Bangladesh is highly exposed to rising sea-levels, particularly the southern region. Rising sea-levels and salinisation are already being felt across coastal areas," according to the Climate Smart Agriculture Investment Plan (CSAIP) Bangladesh.

The report, jointly prepared by the fisheries and livestock ministry and the World Bank, was launched at an event at the Krishibid Institution Bangladesh in Dhaka.

The CSAIP has been prepared to address the impacts of climate change on agriculture and prioritise investments to improve productivity, resilience and mitigation in the agriculture sector.

At the event, a $500 million Livestock and Dairy Development Project (LDDP) was rolled out to improve livestock and dairy production as well as to ensure better market access for two million farmers and small and medium-scale entrepreneurs.

The WB said the LDDP is the largest livestock development project in its portfolio and the project would help stimulate private sector investment and the development of livestock value chains in Bangladesh.

According to the CSAIP, soil salinity has affected 62 percent of coastal land and salinity intrusion is predicted to advance 8kms north by 2030, reducing land availability for farming.

Apart from this, rising temperature will negatively impact yields of two main crops -- aman and boro rice -- and high water stress can lead to rice yield losses as high as 70 percent, the report said.

Bangladesh's agricultural productivity growth has been among the highest in the world and supported around 87 percent of the country's rural households.

"Climate change and sea-level rise pose a serious threat to Bangladesh's impressive growth in agricultural productivity," the WB said.

It said the agriculture sector is projected to stagnate under the business as usual scenario, and key national production targets by 2040 are likely to be missed unless action is taken.

"Due to sea-level rise and population growth, self-sufficiency targets for 2040 can be met only for rice and tubers," the report said, adding that greenhouse gas emissions were expected to rise by 2 percent between 2015 and 2040.

In addition, water consumption will increase by 0.8-1.7 million litres per year exacerbating water scarcity, which in some areas will become even worse under climate change.

The report said production of non-rice crops will fall short of government targets by 56 percent under the business as usual scenario.

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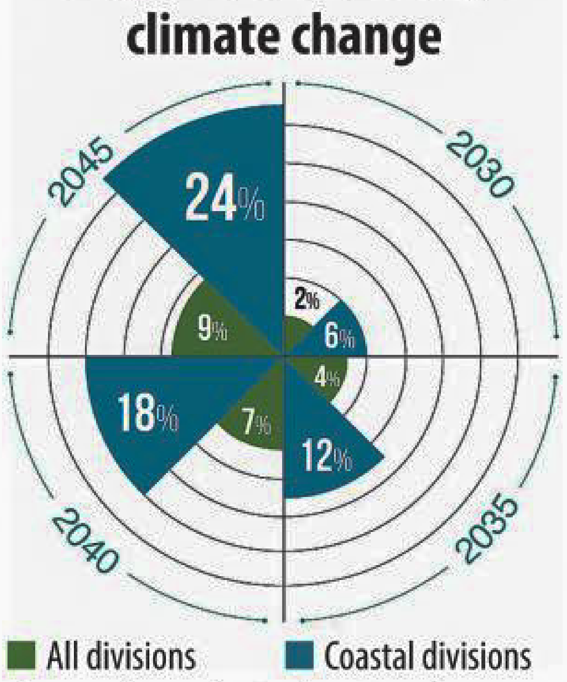
Cropland loss through climate change



BB moves to curb trade-based money laundering

STAR BUSINESS REPORT

Bangladesh Financial Intelligence Unit (BFIU) yesterday issued guidelines for banks to prevent money laundering in the name of export and import.

The intelligence agency has been forced to issue the guideline promptly following a Global Financial Integrity report, which said Bangladesh is one of the top countries facing the trade based money laundering.

As per the guidelines, all the banks will have to prepare own guidelines to prevent money laundering and submit those to the BFIU within March 10 of 2020.

Along with that, they will have to implement the guidelines within the first of June of the same year.

According to the guideline, trade-based money laundering related cases would be analysed with top priority.

To trace and analyse money laundering, a special committee has been formed which would be led by a deputy general manager.

If any suspicious transaction is found, the committee would take initiative to visit the corresponding bank after analysing the relevant export and import data.

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ADB maintains robust growth outlook for Bangladesh

Cuts forecasts for India, China

STAR BUSINESS REPORT

Bangladesh is expected to grow robustly in 2019 and 2020 riding on domestic consumption and strong remittance earnings, said the Asian Development Bank yesterday as it kept the growth outlook for the country unchanged.

In a supplement to its Asian Development Outlook 2019 Update, the Manila-based lender, however, trimmed its forecasts for economic growth in developing Asia this year and next year as growth in China and India is weighed down by both external and domestic factors.

The ADB now expects gross domestic product (GDP) in the region to expand 5.2 percent in both 2019 and 2020, down from the September forecast of 5.4 percent for this year and 5.5 percent next year.

According to the latest outlook, Bangladesh will post 8.1 percent GDP growth in 2019 and 8 percent in 2020, unchanged from its previous outlook published in September.

Bangladesh will post 8.1 percent GDP growth in 2019 and 8 percent in 2020

On Tuesday, the government released the final GDP figure for the last fiscal year. It showed that the economy grew 8.15 percent in 2018-19, the fastest in the Asia-Pacific region. The projection for the current fiscal year is 8.2 percent.

The ADB said Bangladesh's accommodative policy on credit to the private sector is expected to promote investment, and strong remittances, which surged by 20.5 percent in the first four months of the current fiscal year, will stimulate domestic demand.

"Despite a slight reduction in the first quarter, exports are expected to pick up thanks to trade redirection and the government's fiscal support to export-oriented businesses."

The ADB cut its economic growth forecasts for two of the region's biggest economies: India and China.

India's growth is now seen at a slower 5.1 percent in fiscal year 2019 as the foundering of a major nonbanking financial company in 2018 led to a rise in risk aversion in the financial sector and a credit crunch. Also, consumption was affected by slow job growth and rural distress aggravated by a poor harvest.

Growth should pick up to 6.5 percent in fiscal year 2020 with supportive policies. In September, the ADB forecast India's GDP to grow 6.5 percent in 2019 and 7.2 percent in 2020.

Growth in China is now expected at 6.1 percent this year and 5.8 percent next year due to trade tensions and a slowdown in global activity coupled with weaker domestic demand, with family wallets being hit by pork prices that have doubled relative to a year ago.

Growth could accelerate, however, should the United States and China come to an agreement on trade, the report says. In September, the ADB forecast GDP growth of 6.2 percent in 2019 and 6 percent in 2020.

"While growth rates are still solid in developing Asia, persistent trade tensions have taken a toll on the region and are still the biggest risk to the longer-term economic outlook. Domestic investment is also weakening in many countries, as business sentiment has declined," said ADB Chief Economist Yasuyuki Sawada in a press release.

Access to finance, market helps achieve SDGs: analysts

STAR BUSINESS REPORT

Access to finance, markets, convenience, skills and information are necessary to achieve sustainable development goals (SDGs) within 2030, said businessmen and policymakers yesterday.

Macroeconomic stability and political calmness are also very crucial in attaining the SDGs, they added.

The views came at a session titled "Inclusive financing for SDGs in Asia and the Pacific" on the second day of a three-day Asia-Pacific Conference on financing for inclusive and sustainable development at InterContinental Dhaka.

The International Chamber of Commerce (ICC) Bangladesh is organising the summit in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), Asian Development Bank's Trade Finance Programme and the London Institute of Banking and Finance.

"SDGs are people-centric development goals…To achieve that goals a platform is needed where at least five accesses must be ensured for all," said Ajith Nivard Cabraal, senior economic advisor to the Sri Lankan prime minister.

People need to have access to finance because it can develop entrepreneurship and create jobs, said Cabraal, who is also a former governor of the Sri Lankan central bank.

He said access to markets were also necessary for helping producers sell their products from every corner of a country, so roads and infrastructure have to be ensured.

And they need access to convenience, for example, water, healthcare, electricity and all other government services and it will improve peoples' standard of living, he said.

Access to information, education and communication is imperative and access to skills is also important, he said, adding that after ensuring all these accesses, a country needs to ensure macroeconomic stability.

Syed Manzur Elahi, a leading business icon and former advisor to a caretaker government in Bangladesh, echoed the same.

All the developed countries like Japan and South Korea put emphasis on skill development because skilled people are assets, he pointed out.

Elahi, also chairman of Apex Footwear, questioned how SDGs could be achieved without connectivity and how industrialisation could be promoted without improvements in electricity supply.

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Faster project implementation boosts access to finance: experts

COLLECTED

Planning Minister MA Mannan speaks at a session of the "Asia-Pacific Conference on Financing for Inclusive and Sustainable Development" organised by the International Chamber of Commerce Bangladesh at the InterContinental Dhaka hotel yesterday.

STAR BUSINESS REPORT

Faster implementation of projects is a key to achieving the Sustainable Development Goals (SDGs), Asian Development Bank Country Director Manmohan Parkash said yesterday.

"If we want higher achievements, we need higher capacity."

Financing will be simplified and access to finance will be enhanced if projects are implemented faster in the Asia-Pacific region, he said.

Parkash was speaking at a session on "Inclusive financing for SDGs in Asia and the Pacific" on the second day of the Asia-Pacific Conference on Financing for Inclusive and Sustainable Development at InterContinental Dhaka. Planning Minister MA Mannan moderated the session.

The Asia and the Pacific region is an evolving development story accounting for 60 percent of the human population and 35 percent of global gross domestic product (GDP).

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Chinese investors seek long-term, stable policies

JAGARAN CHAKMA

China has sought stable policies for longer term, including those on taxes and custom duties, to avoid uncertainty as investors from the world's second-largest economy look to broaden their footprint in Bangladesh and relocate factories.

A Chinese delegation led by Han Yong, deputy director general of the Chinese commerce ministry, raised the issue at a programme in Dhaka earlier this month when the Bangladesh Economic Zones Authority (BEZA), the Bangladesh Investment Development Authority (BIDA), and the Public Private Partnership Authority Bangladesh made presentations on investment facilities for Chinese investors.

Officials of the BEZA and the BIDA said the members of the delegation are happy with the existing rules and regulations for businesses. However, the Chinese side requested to introduce long-term policies.

Chinese investors want to invest in Bangladesh and even relocate factories, so they need long-term policies. This will help investors prepare their business plan, the officials said.

The delegation talked about the frequent changes brought to rules and policies of the National Board Revenue, officials said.

Speaking to The Daily Star, Paban Chowdhury, executive chairman of the BEZA, said most of the investors raised the same issue which is really logical.

"We should introduce long-term policies so that investors can take initiatives about investment. This is also needed to attract foreign direct investment," he said.

He said foreign investors do not raise questions about the existing policies in Bangladesh, but they want stable policies.

The delegation called for expanding cooperation for the rapid implementation of a special industrial park, where Chinese nationals will invest in various sectors.

On the Chinese Economic and Industrial Zone (CEIZ), Chowdhury said the project proposal has been sent to the cabinet for approval. From there, it will go to the embassy of China for evaluation.

The BEZA has requested the Economic Relations Division to expedite the signing of a loan agreement to implement the zone as per schedule.

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