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Bangladesh, Japan to sign partnership deal soon

Tipu Munshi says

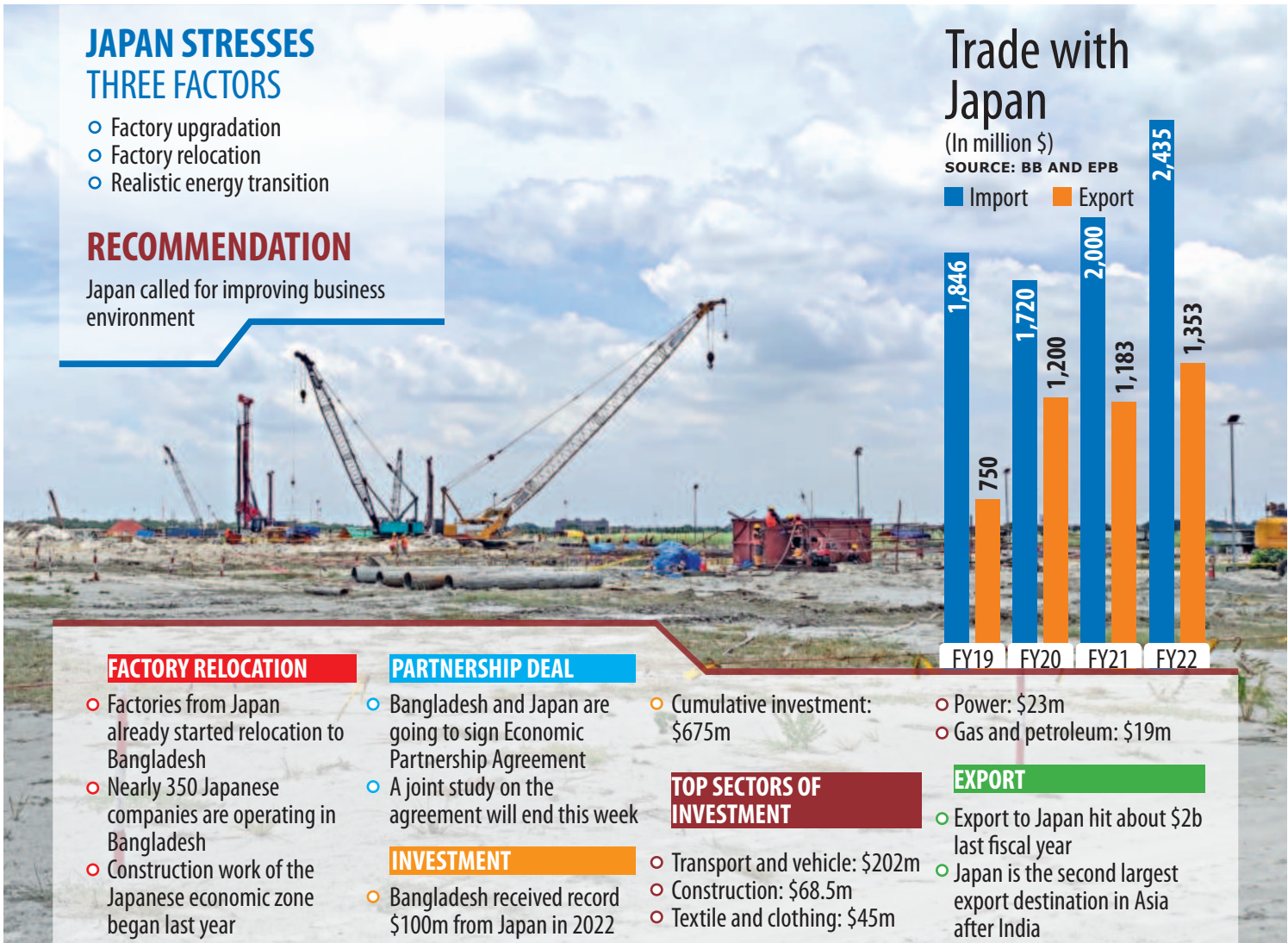
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Bangladesh and Japan have agreed to sign the economic partnership agreement (EPA) soon to deepen and expand bilateral trade and investment between two nations, the commerce ministry said yesterday.

To take the matter forward, the second round of talks will begin tomorrow in Dhaka and end on the next day, according to the ministry.

“We are working on EPA to take the bilateral relations to new heights. The problems faced by Japanese investors will be solved in the light of EPA. This will accelerate foreign investments and industrial production,” said Commerce Minister Tipu Munshi.

He shared the information after a meeting with visiting Economy, Trade, and Industry Minister of Japan



Leather value lost for lack of certification

Highlights researcher at seminar

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Only two companies in Bangladesh have certification of Leather Working Group (LWG), one of the lowest in the world, said a researcher yesterday.

Another firm is undergoing audits for the certification, added the researcher, M Abu Eusuf, executive director of the Research and Policy Integration for Development.

The LWG is a global body for compliance and environmental certification in the leather and leather goods sector. The certificate is mandatory for market access to Europe, the US and some developed Asian countries.



In the absence of the certification, Bangladesh's leather exporters are having to ship their goods mainly to China at 30 per cent to 40 per cent lower prices, said Eusuf at a seminar in Pan Pacific Sonargaon Dhaka in the capital.

The Asia Foundation and the Bangladesh Labour Foundation jointly organised the seminar styled “Bangladesh Tanneries: Towards Compliance”.

The leather industry of Bangladesh bears considerable growth and investment potential since the raw materials were locally available, Eusuf said in a presentation.

In contrast, 247 firms have certifications in India, 201 in China, 44 in Pakistan, 22 each in Taiwan and Thailand, 18 in South Korea, 17 in Vietnam and 11 in Indonesia.

Besides, there are one each in Malaysia, Saudi Arabia, Singapore and Tajikistan.

So far, 1,858 firms in the world have received LWG certification, according to the LWG website.

The LWG was first formed in 2005 as a collaborative initiative between footwear, apparel and upholstery brands and leather manufacturers,

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“We are working on EPA to take the bilateral relations to new heights. The problems faced by Japanese investors will be solved in the light of EPA,” said Tipu Munshi

More Japanese investors to flock to Bangladesh

Says Yasutoshi Nishimura, economy, trade and industry minister of Japan

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Bangladesh has the potential to attract Japanese companies shifting operations to various parts of Asia, said Yasutoshi Nishimura, economy, trade and industry minister of Japan, yesterday.

He said factory relocation has already started.

Japanese company Honda has opened its factory in Bangladesh and BJIT, an information technology firm, has started production in the country.

“I do expect that more companies will come to Bangladesh,” Nishimura said while speaking at a daylong summit styled “Bangladesh-Japan Economic Relations for the Next 50 Years: for the industry upgradation of Bangladesh” at the Pan Pacific Sonargaon Hotel in Dhaka.

Japan's relationship with Bangladesh has reached a strategic relationship from the previous comprehensive relationship during a summit in Tokyo in April, the minister said, suggesting improving the business environment for more trade and investment.

The Japan External Trade

Organisation (Jetro), in collaboration with the Bangladesh Investment Development Authority (Bida), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the Japan Bangladesh Chamber of Commerce and Industry,

economic growth, which has maintained between 5 per cent and 8 per cent GDP expansion annually over the last many years, saying the country has developed more than they had imagined.

Regarding Bangladesh's



the Chittagong Chamber of Commerce and Industry, and the Japanese Commerce & Industry Association in Dhaka, organised the summit.

Nishimura said the economic relationship between Bangladesh and Japan for the next 50 years will be based on three pillars: Bangladesh's industrial upgradation, the shift by Japanese companies, and the realistic energy transition.

He praised Bangladesh's

industrial upgradation, the minister said Japan has already started supporting the construction of various infrastructures through the Japan International Cooperation Agency (Jica).

The projects include the Matarbari power plants and the deep seaport.

In April, the Jica also signed a memorandum of understanding (MoU) for the capacity-building of the industry promoting agency

in Bangladesh.

“Jica is also supporting Bangladesh in the IT sector development,” he said.

The Bangladesh Special Economic Zone, also known as the Japan economic zone, is being developed at Araihaazar in Narayanganj while the Metro rail in Dhaka has already been partially opened to the public.

Currently, nearly 350 Japanese companies are operating in Bangladesh, with more than \$380 million in combined investment.

Of them, 85 per cent want Bangladesh and Japan to sign an Economic Partnership Agreement (EPA) to accelerate trade and investment between the two countries.

In 2022, Bangladesh received more than \$100 million in investment from Japan, a record, as the number of Japanese companies quadrupled in the country over the last one decade, Nishimura said.

In order to strengthen the bilateral relations, both countries are now working to sign the EPA and it is expected that a joint study for the deal will be completed by this week.

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STOCKS		
	DSEX ▼	CASPI ▼
	0.36% 6,342.56	0.20% 18,739.57

COMMODITIES			AS OF FRIDAY
	Gold ▼	Oil ▲	
	\$1,961.85 (per ounce)	\$76.80 (per barrel)	

ASIAN MARKETS					FRIDAY CLOSINGS
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
	▼ 1.31% 66,684.26	▼ 0.57% 32,304.25	▲ 0.12% 3,278.30	▼ 0.05% 3,167.74	



Umbrella repairmen in Bangladesh are seeing heightened demand amid the return of monsoons. Though they used to earn just Tk 300 to Tk 400 per day in previous months, they are now getting up to Tk 1,500 daily. The picture was taken from Surma Market in Sylhet city recently.

PHOTO: SHEIKH NASIR

Forex reserves slip further

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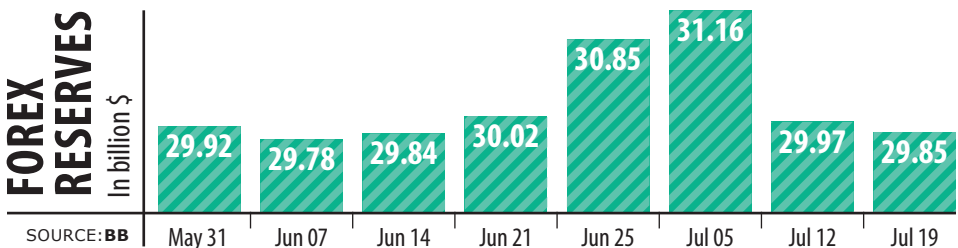
Bangladesh's foreign currency reserves have slipped further as per the definition of the International Monetary Fund's (IMF) balance of payments and investment position manual.

The central bank began publishing the gross international reserves (GIR) in line with the manual on July 12 to ensure that the country's dollar stockpile is reported

rose 6.67 per cent year-on-year to \$55.55 billion in the just-concluded fiscal year, while remittance inflow grew 2.75 per cent to \$21.61 billion.

The change in reporting the reserves comes as part of the conditions agreed with the IMF for the \$4.7 billion loan programme.

As per the conditions for the programme, Bangladesh's gross foreign currency reserves need to be \$25.32 billion by September 30



accurately. On the day, it stood at \$23.58 billion.

On July 19, the GIR fell to \$23.45 billion, central bank data showed.

The GIR includes gold, cash US dollar, bonds and treasury bills, reserve position at the IMF and special drawing rights holdings, a form of international money created by the lender.

Bangladesh's reserves have been under strain for months due to higher imports against the lower-than-expected export earnings and remittances.

Earnings from merchandise shipment

and \$26.81 billion by the end of 2023.

It failed to meet June's reserves floor of \$24.46 billion.

The central bank forecasts that the GIR will stand at \$31.5 billion at the end of the current fiscal year.

It was \$46.39 billion in 2020-21 and \$41.83 billion in 2021-22.

The BB also reported gross foreign assets by adding the Export Development Fund and other foreign assets with the GIR.

It showed the reserves were \$29.85 billion on July 19, down nearly 25 per cent from \$39.69 billion a year earlier.