March 2019

Monthly Magazine

FICCI

FOREIGN INVESTORS' CHAMBER OF COMMERCE & INDUSTRY

Contents


Official
partner of
the
everyday
beko
Europe's
NO.1
EAT LIKE
A PRO
beko
Now available at
SINGER

Disclaimer:

Table of Contents

Contact FICCI

Foreign Investors' Chamber of Commerce & Industry
Shama Homes, Apt # C3, House # 59, Road # 01, Block- I
Banani, Dhaka- 1213, Phone: +88 02 9893049, +88 02 9892913
Fax: +88 02 9893058, Email: info@ficci.org.bd , Web: www.ficci.org.bd

Design & Printing- Graphnet Ltd. 01715011303, 9354142 , graphnet@gmail.com

Feature

Emerging, Developing Economies to Face Challenges if Global Inflation Rises

Further upward acceleration of global inflation from record low levels may impair efforts in emerging and developing economies to sustain the low inflation environment achieved over the past several decades, the World Bank said in a groundbreaking examination of inflation in the emerging and developing world.

The adverse effects of high inflation can fall disproportionately on the poor, who hold most of their assets in cash and rely heavily on wage income, welfare benefits, and pensions, the World Bank said in Inflation in Emerging and Developing Economies: Evolution, Drivers, and Policies. High inflation has historically also been associated with slower economic growth, making efforts to maintain low and stable inflation crucial for reducing poverty and inequality, the World Bank said.

"Recent research into inflation, its causes and characteristics has largely ignored its impact on emerging and developing economies. This work fills that gap," said Acting World Bank Chief Economist and Senior Director for Development Economics Shanta Devarajan. "The new study will be extremely valuable in designing policies that will protect the most vulnerable people and economies from the regressive effects of high inflation."

To investigate the impact of inflation on emerging and developing economies, the World Bank's Prospects Group has produced the first wide-ranging analysis of inflation and its implications for these economies in a long time. The new study also includes a global inflation dataset that covers more than 175 countries over 1970-2017.

The study documents the confluence of structural and policy factors that have fostered low global inflation over the past five decades. Foremost among these has been unprecedented international trade and financial market integration. The adoption of more resilient monetary, exchange rate and fiscal policy frameworks among some emerging and developing economies has facilitated better control of inflation. However, external factors that have held inflation at bay over the past decades may lose momentum or be rolled back.

"Many emerging and developing economies have recorded an extraordinary decline in inflation over the past five decades. This is a monumental achievement," said World Bank Development Economics Prospects Group Director Ayhan Kose, a co-editor of the volume. "However, in a highly integrated global economy, maintaining low inflation can be as great a challenge as achieving low inflation. These economies need to be ready for sudden changes in global inflation by strengthening monetary, fiscal and financial policy frameworks."

With a focus on the emerging and developing world, the study looks into the evolution of inflation and the global and domestic factors that drive it; how inflation expectations affect price stability; and how exchange rate fluctuations can pass through to cause inflation. The study further looks specifically at how monetary policy and food price movements affect inflation in low-income countries.

"A nuanced policy approach is necessary to mitigate the impact of global food price shocks on poverty without adverse side-effects," said World Bank Development Economics Prospects Group Manager Franziska Ohnsorge, a co-editor of the volume. "The use of certain trade policies to insulate domestic markets from food price shocks may compound the volatility of global prices and may ultimately be counterproductive in protecting the most vulnerable people. Instead, storage policies and targeted safety net interventions can mitigate the negative impact of these shocks while avoiding the broader distortionary impacts of other policies."

The research's key findings include:

- A global inflation cycle appears to have emerged over the 2000s. Since 2001, movements in global inflation have accounted for a substantial share of inflation variation in advanced and emerging market and developing economies. The influence of this global inflation cycle has been most prominent in countries that are more developed and more integrated into the global economy.
- The global inflation cycle has fluctuated with movements in global demand and abrupt swings in oil prices.
- Inflation expectations in emerging market and developing economies are more sensitive to global and domestic developments than inflation expectations in advanced economies. Emerging market and developing economies with lower public debt and greater trade openness tend to experience better-anchored inflation expectations.
- Exchange rate movements can amplify the impact of global forces on national inflation in emerging markets and developing economies. Greater central bank credibility and independence have been associated with significantly lower pass-through of exchange rate fluctuations to inflationary pressures. The downward trend of exchange rate pass-through in the last 20 years may in part reflect improved central bank policies and a firmer anchoring of inflation expectations.
- The improved inflation performance of low-income countries appears, to a considerable extent, to have reflected external forces. If global inflation rises, low income countries may see rising inflationary pressures as well.

[http://www.worldbank.org/en/news/press-release/2018/11/07/emerging-developing-economies-to-face-challenges-if-global-inflation-rises]

Business News

BD Top Choice of Japanese Firms for Business Expansion: JETRO

Bangladesh remains in the highest position in business expansion plans by Japanese companies in next one or two years, according to a survey. The country gets the top position among Asian and Oceania regions despite problems in quality control, deregulation and securing labor force.

The study shows the country's position in operating profit forecast by the firms among the top three. The '2018 JETRO Survey on Business Conditions of Japanese Companies in Asia and Oceania' finds that 73.2 per cent firms surveyed want 'expansion' in Bangladesh. It is followed by India with 72.8 per cent and Myanmar with 72.1 per cent.

The Japan External Trade Organization (JETRO) survey found diffusion index higher in India, Laos, Vietnam, Bangladesh and Cambodia, indicating the companies' business confidence for 2018. Over 5,073 out of total 13,415 affiliated companies with direct and indirect investment from 10 or greater in 20 countries responded in the 32nd JETRO survey.

In Bangladesh, 57 out of 140 Japanese firms were surveyed. Thirty of the firms belong to large groups and 27 small-and-medium enterprise. According to the survey, 55.1 per cent of the firms questioned from October 09 to November 09 in 2018 selected 'expansion' as their approach to future business challenges.

This is up by 1.4 percentage point from 53.7 per cent in the 2017 survey. Although 4.2 per cent of firms forecast 'reduction' or 'transferring to a third country/region or withdrawal from current local markets', there is no such firm in this group from Bangladesh.

But 26.8 per cent of the companies responded to remain in the same position, meaning no expansion plan in the next one or two years. "Business confidence of the Japanese-affiliated firms is continuing to improve," the JETRO cited in the survey.

It said 61 per cent companies showed the reason for expansion as 'high growth potential' and 'sales increase in local market'. Some 41 per cent companies highlighted 'sales increase for export expansion' as the key reason. But the firms reacted to reasons like high receptivity for high value-added products, reconsideration of production and distribution networks, cost cuts, deregulation and ease of securing labor force.

On the average rate of annual rise in wages for all industries for 2019, it was the highest 10.0 per cent in Pakistan followed by 9.6 per cent in Bangladesh. The JETRO found that 62.5 per cent companies questioned quality of employees, 58.9 per cent of pay hike and 64.6 per cent difficulty in quality control.

Asian Carmakers Eye Bigger Share of Bangladesh Market

Bangladesh's growing automobile market, fueled by consistent economic growth and rising purchasing power, is drawing in automakers from around the globe, especially the Asian ones who seek to dominate the passenger car segment. Around 63 automobiles, including sport utility vehicles (SUVs), are now sold every day in Bangladesh while it was 29 in 2012 when the market started thriving, as per the Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA).

According to Bangladesh Road Transport Authority (BRTA), around 9,224 vehicles were sold in 2012 whereas it was 18,227 units in 2018, meaning there has been 98 percent growth in the past six years.

In 2017, car sales amounted to around Tk. 5,000 crore and the industry achieved 8 percent growth a year on an average since 2012, according to industry insiders. The figures seem tempting enough to awaken Subaru Bangladesh into launching four models of the Japanese brand -- Forester, BRZ, Impreza, XV -- today after a five-year gap.

Another indication of automakers' attention being focused on the country is four concurrent three-day automobile-centric shows being opened by CEMS Global at the International Convention City Bashundhara from March 14. The Subaru models are being launched in one of the four events, Dhaka Motor Show 2019. "I am optimistic about achieving the expected target very soon as Subaru has a brand image in Bangladesh," said Reyad Hussain, managing director of Subaru Bangladesh.

He said REL Motors Limited started importing brand new Subaru vehicles as the government changed the import duty slab. The company postponed the imports in 2014 due to the imposition of high import duty. Hussain said customers would get brand new mid-level SUVs in the range of Tk. 36 lakh to Tk. 65 lakh.

In an attempt to be the early bird, Indian automakers recently organized another auto show to increase its share of the cake. Moreover, the Society of Indian Automobile Manufacturers (SIAM) says it was trying to motivate the Bangladesh government into formulating an automobile manufacturing policy and bring changes to an existing automobile import policy.

Sugata Sen, deputy director general of SIAM, told that the Indian automakers were not competing with Japanese brands in Bangladesh, rather they wanted to provide high quality, brand new cars at cheap rates. "We want to make customers understand that Indian automakers are keen to help Bangladesh develop the industry locally for ensuring the best value for money," he added.

Acknowledging the present trend in economic growth, Sen said there was huge market potential for Indian brands as they introduced vehicles with sophisticated technologies and Bangladeshi customers would gradually realize the benefits. On the other hand, Korean automobile manufacturers Hyundai, Kia and SsangYong Motor are also looking to increase their market share in Bangladesh after sales of their cars rose 20 percent on an average in the last four years, said industry insiders.

The share of Korean automakers in the Bangladesh market reached 6 percent in 2017 and it continued to grow in 2018, showed an analysis of data from the BRTA and local agents. Data from local agents of Korean car retailers showed that around 1,700 of their cars had been sold in Bangladesh in 2018, up from 1,350 in 2017.

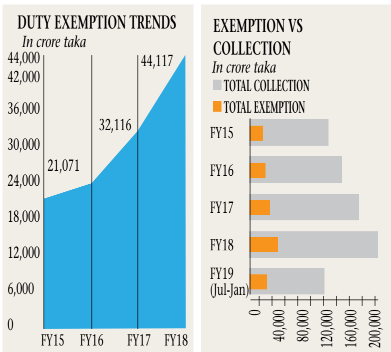
Farzana Khan, deputy director for sales of Hyundai Motors Bangladesh Ltd, said Hyundai was very keen on increasing its market share in Bangladesh. She said Hyundai's car sales rose 20 percent on an average annually in the last three years and it acquired 5 percent share of the market. The automaker has introduced nine models of cars in Bangladesh. Of them, two are SUVs, three sedans, two hatchbacks and two microbuses.

Besides, the Proton brand of Malaysia hit the Bangladesh market last year. PHP Group assembles the brand's vehicles at its Chittagong plant. It has so far brought together three models, Preve, Saga and Exora, by importing the parts from Malaysia. High-end cars are neither lagging behind. Their sales grew about 17 percent annually in the last three years thanks to Bangladesh's growing affluent class. Now, vehicles of luxury brands such as BMW, Audi, Mercedes-Benz, Lexus, Jaguar and Porsche as well as high-end models of Toyota, Nissan and Mitsubishi are a common sight on the Dhaka roads. Some 5,555 luxury cars were sold in 2018 while it was 4,425 in 2017. The number was not more than 300 before 2014, according to the BRTA.

Duty Exemption Doubles in 3yrs

The amount of import duty exemption extended to the industrial sector has doubled in three years, prompting calls for impact assessment of the tax break. In the fiscal year of 2017-18, Tk. 44,117 crore was extended as duty exemption on imports by various industrial sectors, according to data from the finance ministry. "This is tax expenditure," said Ahsan H Mansur, executive director of the Policy Research Institute (PRI) of Bangladesh.

The government could have spent this money for public purposes. One of the major reasons behind the slowing revenue growth is exemptions, Mansur said, while calling for restricting tax expenditure to a reasonable level. "Otherwise, it can continue to proliferate and then create problem for revenue," he added. Officials said the country would have got the amount as tax had there been no exemption extended on various occasions in the past to sectors such as apparel, textile, pharmaceuticals, poultry, mobile and computer-making, and shipbuilding. Capital machinery, defense items and industrial raw materials are the top items that enjoyed duty waiver last year.



Source: Finance Ninistry

A good amount of duty is exempted for imports of relief goods, goods brought by diplomatic missions and cars by lawmakers, data showed. Officials said the duty lost has been calculated by taking into consideration the rates of tariffs that would have been applicable had there been no exemption.

And the amount of overall tax breaks would be much higher if waiver and holidays in income tax and VAT are taken into account, they said. The amount of duty exemption for imports was equivalent to 17 percent of the total tax collection in 2014-15. It began to increase from 2016-17 and last fiscal year the ratio stood at 22 percent of total collection.

With growing import payments, duty exemptions have also increased, said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue. There should be a clear statement in the budget about the total amount of tax expenditure in the preceding year, Mansur said. "The government should bring it to the notice of parliamentarians how much it is really spending on these areas. Second, the government should specify how much new tax expenditures would be for proposed tax breaks."

Each item of tax expenditure should be quantified to estimate the revenue loss. "Otherwise, this will remain completely outside the limelight." If the data is made public, all including the government, lawmakers and others will be aware of the tax expenditure resulting from various exemptions, Mansur said. "Right now, there is simply no awareness on this matter," said Mansur, a former economist of the International Monetary Fund. Often in Bangladesh tax exemptions are granted without adequate scrutiny and understanding the costs and benefits, Khan said. "In view of Bangladesh's low tax-GDP ratio, it is critical that these tax exemptions are thoroughly revisited," he added. Mansur went on to call for an assessment of tax exemption given to every sector and an impact assessment on industrialization every three years.

"There should be a policy on which sectors should be given tax benefits and for how many years. But we have nothing of that sort," Mansur added. The amount of tariff exemption at import stage was Tk 27,108 crore, or 23 percent of the total tax collection, in the first seven months of the fiscal year.

Happiness Index: Bangladesh 10 Notches Down

According to World Happiness Report 2019 released on March 20, 2019 coinciding with the United Nations' International Day of Happiness, Bangladesh placed 125 among 156 countries while Sri Lanka and India are at 130th and 140th positions respectively.

Pakistan was ranked 67th while Bhutan 95th and Nepal 100th in the Happiness Index. In last year's index, Bangladesh was the 115th happiest country.

The report ranks countries on six key variables that support well-being: income, freedom, trust, healthy life expectancy, social support and generosity. The report was published by the Sustainable Development Solutions Network for the UN.

Finland is the world's happiest country for the second straight year followed by Denmark, Norway, Iceland, the Netherlands, Switzerland, Sweden, New Zealand, Canada and Austria. They are followed by Australia, Costa Rica and Israel.

People in South Sudan are the unhappiest with their lives, according to the survey, followed by Central African Republic (155), Afghanistan (154), Tanzania (153) and Rwanda (152). The rankings of the world's happiest countries came from an analysis of data from surveys in 156 countries taken from 2016 to 2018.

Since 2013, the United Nations has been celebrating the International Day of Happiness on March 20 as a way to recognize the importance of happiness in the lives of people around the world.

New Budget to Cross Tk. 5 Lakh Crore

Fiscal 2019-20's budget is set to cross the landmark of Tk. 5 lakh crore as the Awami League-led government, fresh from being elected to a third term, looks to scale up implementation of the mega projects announced in previous terms. The upcoming national budget, due to be placed in the parliament on June 13, will likely be about Tk. 5.23 lakh crore, up 12.50 percent year-on-year, according to the finance ministry's preliminary projections, which were made in December last year.

Finance Minister AHM Mustafa Kamal has already held three pre-budget meetings with economists and parliamentary standing committees, while Prime Minister Sheikh Hasina has advised him to discuss different issues of the budget with his predecessor.\ "Expectations will be high not just because it will be the new finance minister's first budget but also because it will be seen as the first concrete manifestation of how the government will go about fulfilling the pledges made in its election manifesto," said Zahid Hussain, lead economist of World Bank's Dhaka office.

The government's target is to complete the construction of some of the mega projects like the Padma Bridge and metro rail in the revised timeframe, said a finance ministry official.

The construction of the bridge, which will cost Tk. 30,000 crore, was supposed to be complete by December 30 last year, but it is still some way off. The new deadline is 2020.

As of February, a total of Tk. 18,264 crore has been spent for construction of the bridge, meaning about Tk. 12,000 crore needs to be made available over the next fiscal year. "The government wants to make visual progress in construction of some important mega projects like the Dhaka Metro Rail, Padma Bridge Rail Link and Rooppur Nuclear Power Plant -- they will need big allocations in the next budget."

So the projected size of the next budgetary allocation is not too high considering the demands of the mega projects and other expenditures of the government, he added. The total outlay for the annual development program will be Tk. 1.98 lakh crore in fiscal 2019-20, up 20 percent year-on-year.

"Whether or not the size of the budget is Tk. 5 lakh crore or less is not what matters for the economy," Hussain said. Past experience shows the large gap between the original size of the budget and its actual realization limits the former's relevance to no more than mere symbolism.

For instance, in fiscal 2016-17 a Tk. 3.41 lakh crore budget was announced but it was revised down to Tk. 3.17 lakh crore. But in the end Tk. 2.69 lakh crore was used. Similarly, last fiscal year the budget was originally fixed at Tk. 4 lakh crore only for it to be trimmed down to Tk. 3.71 lakh crore. Eventually, Tk. 3.21 lakh crore was put to use, according to data from the finance ministry.

"It will indeed be refreshing if we see a shift in emphasis from the sheer size of the original budget to greater focus on expenditure prioritization, revenue mobilization and improving implementation," Hussain said. The new finance minister has the opportunity to make a paradigm shift in the budgetary process, starting from reducing the inordinate length of the budget speech to making every word in the speech count by backing it up with an expenditure program.

He can craft a resource mobilization effort that will increase the tax-GDP ratio by making the taxation regime more efficient and taxpayer friendly, the World Bank economist said. According to preliminary estimates, the revenue collection target for next fiscal year will likely be Tk. 3.78 lakh crore, of which the National Board of Revenue will shoulder Tk. 3.25 lakh crore.

Meeting this target is largely dependent on the implementation of the VAT law from next fiscal year, said NBR officials. Kamal has already hinted that the VAT law will take effect from next fiscal year, with the highest slab brought down to 10 percent from 15 percent to appease the business community. "We would like to see a budget that sets expenditure and financing targets based on historic performance, economic conditions and stakeholder expectations. In short, we would like to see a budget that marries good economics with good politics," Hussain added.

Non-Profits' Part in Economy Growing

The contribution of non-profit organizations to the national economy has been substantial in recent years as the sub-sector is growing rapidly. Such non-profits tend to provide services rather than produce goods and they still consume goods and services just as a private company does.

It usually happens when an economy booms. Non-profits like religious bodies, political parties, non-governmental organizations and clubs now contribute nearly 1.0 per cent of the $274-billion economy, showed the Bangladesh Bureau of Statistics (BBS). The BBS has been including the sub-sector as 'Non-Profit Institutions Serving Households (NPISHs)' of the service sector since fiscal year 1998. This was done as per the international accounting norms on how to measure gross domestic product (GDP).

The first survey in the sub-sector was conducted in 1997, second in 2007 and third in 2016-they all found its growing trend in economy.

BBS officials said 361,672 non-profit organizations are in operation here and their contribution to GDP amounts to Tk. 274 billion per year. As many as 30.08 million people are involved in non-profits-1.4 million are paid employees. Even 77.6 per cent of the institutes are rural-focused.

According to officials, the growth rate of the NPISHs remained double digits for a decade now. "We're expecting the sector to grow by 20 per cent in the next survey which will kick off shortly," said Abul Kalam Azad, director of BBS national accounting wing.

This is robust because economy grows alongside enhanced service delivery like in Europe and North America. Of the NPISHs, 75 per cent or 271,812 units are in the religious group-250,399 mosques, 19,377 temples, 1,912 pagodas and 124 churches.

Political parties, trade unions, employees associations and NGOs comprise 39,072; 4,503 and 2,405 units respectively. However, only 27.3 per cent of the units were registered with various government agencies, according to the 2016 survey. "The 2016 survey aimed to provide data for compilation of the sequence of accounts for the NPISH sector and its contribution to GDP," said BBS joint director Ziauddin Ahmed. Of the total transfer income, 16.3 per cent generated from foreign aid and 18.9 per cent was sourced from individual grant, he told.

In neighboring India, the NPISHs are counted jointly with households whose contribution was above 10 per cent to GDP in 2018. In the European Union, households and NPISHs comprise 13 per cent of its $ 17.9 trillion GDP. Md. Habibur Rahman, director of mosque-based children and mass education at Islamic Foundation, said: "Our perception is -- religion has nothing to do with economy, but it has links."

A mosque is non-profit-making but the service it delivers generates income also, he added. Mr. Rahman said muezzin or imam of a mosque or a priest of a temple or other staff members can receive salary or honorarium for their service. A mosque may have shopping complexes and such shops can generate income of a place of worship, he cited. The director of the state entity said the income is ultimately used to provide service for the people who go there to say prayers.

NGO Affairs Bureau director general AKM Abdus Salam said NGOs have so far generated more than 0.3 million jobs in the country. The NGOs are not always non-profits, he pointed out. Mr. Salam said many NGOs are generating income rather than depending on foreign or local funds and meeting their own costs.

He said the NGOs are a part of economy. Some perform well and some badly. "We've even lists of loan defaulting NGOs."

According to economists, the inclusion of sectors like NPISHs helps get most accurate computation of the GDP.

Dr. Khondaker Golam Moazzem, director (research) at the Centre for Policy Dialogue (CPD), said: "The country's economy is growing. The service sector's spending and income are also being diversified in parallel." The 2016 BBS survey revealed that the NPISHs' spending for goods and services was 19 per cent of their total expenditure.

Dr. Moazzem said inclusion of such untapped sectors could help measure the GDP more accurately.

"Fresh survey on the sector is needed to get more precise data of non-profit institutions," he added.

Mr. Moazzem said the country needs to increase its revenue collection notably when it is going to be a middle-income one. "Involvement of more sectors also generates more revenue," he continued.

Mr. Azad, however, said the BBS had been working to introduce a new base year from July 2020 to assess GDP. The new survey on the status of the NPISHs would also be conducted targeting the new baseline, he added. The country's GDP at the current price is now $274 billion and per capita income is $1,751.

BD 39th among 50 Economies in EM Logistics Index

A weak regulatory framework and poor corruption prevention measures are undermining Bangladesh's potential as a big logistics market, says a new global report. At the same time, factors such as political uncertainty, long-standing risks of natural disasters and a struggling domestic banking system are casting a shadow over the long-term growth prospects of the country.

Such cautionary observations have been made in the latest round of 'Agility Emerging Markets Logistics Index' that got out last week. Leading global logistics giant Agility has been conducting this survey since 2009. Bangladesh has been ranked the 39th among 50 emerging economies (EMs), which were part of this logistics index this year. Only two other Asian nations including Cambodia and Myanmar have been placed behind Bangladesh in the ranking topped by India and China.

A deeper look at the index, however, revealed Bangladesh has been undone mostly by 'Business Fundamentals' sub-index which deals with issues like regulatory environment, credit and debt dynamics as well as domestic stability and market accessibility. Focusing on this -- the Agility report blamed the "weak frameworks covering finance, property rights and contract enforcement" as well as feeble corruption protections for Bangladesh's poor score in the 'Business Fundamentals' sub-index.

When contacted, industry insiders said a robust infrastructure is essential for enhancing the country's logistics framework. "Deficiency in infrastructure ultimately increases the cost of doing business, which badly impacts exports," said Mahbubul Anam, president of the Bangladesh Freight Forwarders Association (BAFFA).

Noting the lack of capacity and facilities in the country's sea ports and airports, he called increased privatization of these facilities. "India, for example, has already gone for the privatization of most of its major airports and seaports," Mr. Anam said. Meanwhile, the Agility report found that despite the country's weak regulatory framework, relevant professionals around the world are becoming increasingly optimistic about Bangladesh's future potentials as a logistics market.

In a survey of 507 logistics professionals about which country has the most potential to grow as a logistics market in next five years, Bangladesh was ranked the 15th -- up from the 20th place the country attained last year. Bangladesh is the biggest winner in the ranking, jumping five places to claim the 15th position, the report said.

“Bangladesh’s gain is likely related to robust economic growth driven by strong private consumption and investment,” it noted. “The economy of Bangladesh has been one of the top performers in Asia over the past decade, averaging 6.3 per cent growth annually and earning it the title the ‘new Asian Tiger,’” the report noted.

“However, political uncertainty, long-standing risks of natural disasters as well as a struggling domestic banking system cloud growth prospects,” it cautioned. The global report noted that labor costs, which have played a key role in attracting foreign investments in Bangladesh over the years, have also been climbing. In December 2018, the minimum wage for garment workers increased by 51 per cent, though this was followed by protests from garment worker unions, which are pushing for a threefold increase, the report said.

“The country’s approach to the issue will be a balancing act of offering competitive wages to maintain its role as a low cost manufacturing location, whilst carefully managing labor disputes,” it said. Meanwhile, from a global perspective, the Agility report said Brexit could benefit emerging markets as 59 per cent of executives surveyed as part of the report expected emerging markets to seek trade concessions and new deals from the UK in the aftermath of Britain’s departure from the EU.

Some 56 per cent of those surveyed say a prolonged trade standoff between the U.S. and China could benefit Southeast Asian countries, which offer manufacturing and sourcing alternatives to China. The report also observed that China’s US$4-US$8 trillion Belt & Road Initiative (BRI) infrastructure drive is a bigger plus for China than for the countries in Asia, the Middle East, Africa and Europe where it is investing. Sixty-four per cent of executives surveyed see the BRI boosting growth and trade for China while only 41.4 per cent believe it will help other emerging markets.

AIDE-MEMOIRE

To make the FICCI Monthly Bulletin more interesting/useful, please provide your company news & write ups for publication.

Market & Financial News

BOP Posts $975m Deficit in Seven Months

The country's overall balance of payments (BOP) registered a $975-million deficit during the July-January period of fiscal year (FY) 2018-19. The amount is $59 million less than the $1,034-million deficit in the July-January period of FY 2017-18, according to the central bank data.

The rise in the country's secondary income and a decline in the volume of trade deficit helped keep the country's overall deficit in the balance of payments at a lower level during the period. The country's trade deficit fell to $9,684 million during the first seven months of FY '19, compared to $10,077 million in the same period of the last fiscal.

Higher growth in the merchandise exports than that of imports helped narrow down the country's overall trade deficit during the July-January period of FY '19. The country's aggregate exports grew by 12.81 per cent to $23.80 billion during the July-January period of FY '19, compared to nearly $21.10 billion in the corresponding period of last fiscal.

On the other hand, the country's overall imports posted a 7.41 per cent growth to reach $ 33.48 billion in the first seven months of the current fiscal as against $ 31.17 billion in the same period of the last fiscal, according to the Bangladesh Bank (BB) data.

The country's secondary income also increased to $9362 million from $8526 million, according to the BB figures. However, the volume of financial account surplus fell to $3522 million during July-January period of this fiscal from $4282 million in the same period of last fiscal.

Besides, the amount of capital account surplus declined slightly to $156 million during the first seven months of this fiscal, compared to $163 million in the same period of last fiscal. The country's service trade gap also fell to $1944-million deficit during the said period of FY '19 from $2017-million in the same period of last fiscal.

Bangladesh Goes One Step Forward

Bangladesh graduated from the low income status to lower middle income nation (LMIC), meeting the World Bank's requirements comfortably. This will be seen as a giant leap forward for the country to become a middle income nation after being bracketed as a low income country for decades.

The promotion came on the back of the country's stride towards higher per capita income in recent years, riding on stable economic growth. The WB used last year's data to determine this year's ranking.

On July 1 each year, the WB revises the income classification of world's economies based on estimates of GNI per capita for the previous year. Bangladesh's per capita income was $1,080 in 2014 in line with the World Bank's gross national income (GNI) -- higher than the Washington-based lender's set threshold of $1,045. Myanmar, Kenya and Tajikistan also graduated to the LMIC status this year.

"This is a milestone in the progress on the journey towards reaching a comfortable middle income status," said Zahid Hussain, lead economist of the World Bank in Dhaka. He said the country could be proud that it was no longer a low income nation. "But the journey on the road to middle income status has just begun. Moving into the LMIC category is a formal recognition of the start," he told.

The government has targeted to be a middle income nation by 2021, when the country celebrates its 50th anniversary of independence. Bangladesh's per capita income rose to $1,314 in the fiscal year which ended on June 30, according to provisional figures of the government. It was $1,190 in 2013-14 and $1,154 in 2012-13.

At present, the WB recognizes a country as a middle income nation if it achieves at least an average per capita income of $1,045 for three consecutive years. The WB currently divides economies into four income groups: low, lower middle, upper middle and high.

A country is categorized as a low income one if its GNI is less than $1,045, lower middle income country if the GNI is $1,046-$4,125, higher middle income when the GNI is $4,126-$12,735 and higher income country if the GNI is more than $12,735.

The WB uses the Atlas conversion factor instead of simple exchange rates in calculating GNI in US dollars. The purpose of the Atlas conversion factor is to reduce the impact of exchange rate fluctuations in the cross-country comparison of national incomes.

The Atlas conversion factor for any year is the average of a country's exchange rate for that year and its exchange rates for the two preceding years, adjusted for the difference between the rate of inflation in the country and international inflation, according to the WB. The objective of the adjustment is to reduce any changes to the exchange rate caused by inflation.

First Floating Rate T-Bond Hits Market

The government has floated a three-year treasury bond based on the interest rate determined by the market -- a first for the country -- with a view to diversifying the securities market.

The existing government securities have fixed interest rates, so the new debt instrument -- Floating Rate Treasury Bond (FRTB) -- will encourage individuals to go to the secondary bond market as there will be a good possibility to enjoy a hefty return given the country's socioeconomic development.

"This is a good initiative," said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh, a platform of private banks' managing directors. The FRTB, which is worth Tk. 500 crore, was issued by the central bank on Monday in the primary bond market.

Three banks -- Sonali, NRB and South Bangla Agriculture and Commerce -- purchased Tk. 112 crore of the bond, while the remaining amount was mopped up by the central bank itself. The interest rate on the bond was set at 6.50 percent through an auction, which is higher than the existing 6.44 percent interest rate for five-year treasury bonds.

Before this, there were five government treasury bonds in the market with maturities ranging from two years to 20 years but with fixed interest rates. For instance, the interest rate on the five-year Treasury bond is now 6.44 percent and those who invested in the instrument will get the same return upon its maturity.

But those who invest in the FRTB can get more or less than 6.50 percent as the yield is floating. The interest rate of the instrument will change every three months. The clients are now enjoying interest two times a year from the traditional bond, but the facility is doubled for bondholders of the FRTB.

The interest rate on the FRTB will be fixed calculating the

Bangladesh Compounded Rate (BCR) and adding a spread set by lenders. The BCR is a daily rate announced by the central bank on its website. It is a compound rate calculated from the average interest rate of 91-day treasury bills in the previous 91 days.

Both individuals and institutional investors will be eligible to purchase and hold the FRTBs. Non-resident investors will have to purchase the FRTBs with funds from a non-resident foreign currency account, or a Non-Resident Investor's Taka Account (NITA) with a bank in Bangladesh in the name of the purchaser.

They can transfer coupon payments (interest) and resale or redemption proceeds abroad in a foreign currency. A Bangladesh Bank official said that the government might issue more bonds with floating rate to reinvigorate the bond market.

The bond market will be able to attract many individual and institutional clients if the reforms continue as a good number of people are shying away from the banking sector on the back of growing financial scams, he said. The FRTB will help the government manage its budget deficit, said Rahman, also the managing director of Dhaka Bank.

6FYP Misses Export, Import Targets

Bangladesh needs to boost its allocation in education and health sector, otherwise the country may face disparity in these areas in the near future, experts warned at a meeting on March 25. At the same time, there should be greater coordination between the finance and planning ministries on how budget is allocated, they said.

The views came at a meeting organized by the Planning Commission to share the final evaluation of the sixth five year plan in Dhaka. "One of the main reasons why Bangladesh has been so successful in the social parameters is that most of the social solutions have been brought to the rural poor at a very low cost," said economist Dr. Wahiduddin Mahmud at the meeting.

As a result, "The poor section of the society has made greater strides in the social parameters like health and education than the rich segment," he added. But there may be lesser opportunities available for social solutions at such a low cost in the near future, Dr Mahmud argued.

"In such a scenario, we have to allocate a bigger portion of our GDP in health and education in the near future," he said. Otherwise, the country may witness a greater disparity in the areas of health and education in the coming years, the eminent economist cautioned.

Dr. Mahmud's warning came after views at the meeting the government has failed to ramp up its allocation for health, education and social protection during the last decade. "In the sixth five year plan, our target was to increase our allocation to education to four per cent of GDP-but we were not able to do so," said member of the Planning Commission Professor Shamsul Alam.

Most of the Southeast Asian countries allocate 4.0 per cent of their GDP to education, he pointed out. In this context, Dr. Mahmud called for greater allocation of resources for education and health sectors to avert any future disparity in these social parameters. He also called for greater coordination between the finance ministry and the planning ministry when it comes to determining budgetary allocation.

The economist pointed out although domestic private investment as percentage of

GDP has increased during the sixth five year plan period, the growth was mainly driven by public investment while private capital remained stagnant at the same time.

The government data shows that while gross domestic investment as percentage of GDP has risen from 27.4 per cent to 28.9 percent between FY 11 and FY 15, private investment has inched down from 22.2 per cent to 22.1 per cent during the same period.

Meanwhile, public investment as percentage of GDP has increased from 5.3 per cent to 6.8 per cent during the 6th Five Year Plan period. "In recent years, there has been increased public investment in infrastructure but that investment is dependent on foreign loan," Dr. Mahmud said.

"Such increased burden of foreign loan could become a problem in the future if those costly infrastructure schemes cannot ultimately create the necessary environment for private and foreign direct investment," he said. Experts at the meeting observed the contribution of agriculture in GDP has decreased from 18 per cent in FY 11 to 16 per cent in FY 15.

Highlighting this, Dr. Mahmud said although, the contribution of agriculture in GDP has decreased to 16 per cent, around 40 per cent of the workforce is still engaged in agriculture. "So, we need to strengthen our human resources and equip them with the required skills, education and training to make the best use of our demographic dividend," he said.

Speaking on the occasion, planning commission officials also lamented the government's failure to increase the taxation to GDP ratio which, they said, nosedived during the 6th Five Year Plan period. "Exports and imports have failed to meet the target while inflation could not be brought down as expected," said Professor Alam.

Speaking during the meeting, agriculture minister Abdur Razzaque called for augmenting the domestic market's capacity. "One of the major challenges for our agriculture sector is that our domestic market does not have enough consumption capacity for our optimum agricultural production," Mr Razzaque said.

"Therefore, we have to boost our local income. And for that, we need more industrialization," the minister said. "We have to increase our domestic market while also explore the international market," he added.

Planning minister M A Mannan, in his speech, emphasized better prioritization of development schemes. "Currently, there are some imbalances in our prioritization", the planning minister said. He also emphasized long term investment in education and energy sectors. Principal Coordinator for SDG Affairs Md. Abul Kalam Azad also spoke during the meeting.

Climate Change to Eat Up 3.0pc of GDP by 2030

The country's fast-growing economy may be disrupted in the medium to long run, due mainly to a rising sea, researchers warn. Bangladesh is one of the most exposed and vulnerable countries to climate-related risks, according to Global Climate Risk Index-2018.

The warning against economic disruption from climate change came at a workshop organized by the finance division on Thursday in the city. A number of researchers presented papers linking climate change to the Bangladesh economy.

The researchers said that the country's gross domestic product growth loss due to the climate change ranges from 1.49 per cent to 3.02 per cent in the medium run depending on the scenarios of sea level rise.

The researchers forecast by using econometric tools up to 2050, medium run is assumed to be extended up to 2030 while the long run up to 2050. In the long run, the GDP growth loss on the same ground is huge, especially 3.02 per cent by 2050 in case of higher sea level rise scenario.

A number of researchers mostly from the ministry of finance showed the possible impacts on the economy by integrating the climate change into the macro economic variables, GDP, employment and investment. They said there are possible impacts on the public investments due to the climate changes.

They estimated the loss in public investment may range from 1.52 to 2.54 per cent depending on the scenarios of the sea level rise in the medium run. The researchers argued there is a need for public investment for adaption otherwise the GDP loss will linger and aggravate in future.

One paper also highlighted the 'potential GDP' arguing the loss of potential GDP may increase up to 2.86 per cent in 2024 at a time when Bangladesh will graduate to a developing nation status. Such losses may increase up to 5.01 per cent by 2030 when the SDGs (sustainable development goals) ends and up to 10.46 by 2050.

The annual loss of employment due to the damage of capital would be 2.21 million by 2024, while it would be 3.93 million by 2030 and 5.73 million by 2041 compared to the level of employment without the effect of climate change. This may cause capital loss like the land loss and people may migrate to the urban areas. The cumulative loss of employment would be enormous - up to 139.54 million between 2020 and 2050.

It estimated the amount of investment required for recovery. In 2020, the required investment would be Tk. 0.35 trillion, equivalent to 2.87 per cent of potential GDP. It would reach 0.7 trillion in 2030, and 2.58 trillion in 2041 at the time of Vision-2041 depending on the variation of temperature changes.

They suggest there is a need for domestic resource mobilization for financing climate change adaptation including the issuance of 'climate bond'. They said such type of bond may be on a pilot basis to observe the response of the institutions and market to such an innovative financing instrument.

They also said the government should devise a strategy to channel the private fund of corporate social responsibility for adaptation projects. The papers presenters were joint secretaries Dr. Altaful Alam and Sirajun Noor Chowdhury and research director at the Bangladesh Institute of International and Strategic Studies (BIISS) Dr. Mahfuz Kabir.

Article

Why Financial Inclusion Matters in Bangladesh

Mustafa K. Mujeri

Financial inclusion matters in Bangladesh. Access to formal financial services -- in payments, savings, credit, and insurance -- for financially excluded individuals transforms individual lives; and financial institutions can reach new customers creating a ripple effect that drives improvements across the economy.

Jesse Jackson once said, 'capitalism without capital is just plain -ism - and we can't live off -ism'; similarly, financial sector is sustainable when it provides required services to all in the society and the economy. The policies must work to narrow, and finally close, the gap between those who have access to formal financial services and those who live on the margins. The underserved population must be included into the larger financial ecosystem. Underserved individuals, entrepreneurs, and MSME (micro, small and medium enterprise) owners benefit from financial inclusion; while banks, financial institutions and the government benefit from including the underserved into the formal financial sector.

Financial inclusion improves income and increases savings enabling the previously underserved to invest in necessities, such as healthcare, education, food, growing their business, and managing financial risk. Digital inclusion, in particular, lowers the cost associated with sending and receiving payments such as subsidy payouts, or remittances, and paying recurring bills. Receiving social benefits through mobile phones saves recipients the commuting and waiting time. In other words, financial inclusion enhances economic empowerment, which in turn improves overall welfare while providing the building blocks for further growth.

entrepreneurs and their businesses into the formal financial sector is an important first step to building better-connected financial markets. It allows connecting with young entrepreneurs who need capital. Gaining access to financial services enables entrepreneurs and MSME owners to help invest capital and grow their businesses. This in turn empowers them to make better business decisions, which result in business expansion, job creation, and support economic prosperity.

Scale matters for the banks and financial institutions, and growing the business and the market means developing new and innovative products and services for the new segments of the financial economy. This is particularly true at present since technology is facilitating competition from new types of players who provide similar services and readily take advantage of the value of consumer data. Creating brand equity for new customer segments and reaching new, previously underserved customers helps create a valuable, enduring relationship.

Reducing the size of informal finance provides greater transparency in financial transactions by increasing security and regulatory oversight. Financial inclusion and account ownership can help reduce corruption, discourage tax evasion, and allow for more effective subsidy payouts. Reverting to digital payments for subsidy and pension payments instead of the traditional cash disbursement method cuts down administrative costs and improves efficiencies.

Over the past three years, financial inclusion has made great strides and delivered numerous benefits to all segments of society in Bangladesh. The Global Findex Report shows that 50 per cent of adults owned an account at a financial institution or through a mobile money provider in 2017. Financial institutions are the driving force in this inclusion story. In order to extend financial services to the un- and under-served populations, we need banks, policymakers, NGO-MFIs (non-governmental organizations and microfinance institutions), insurance companies, telcos and others to work together to eliminate obstacles and explore new solutions.

Financial inclusion, built on sustainable business models with mainstream financial service institutions, brings individuals and small businesses into an ecosystem where they can flourish and integrate into the broader formal economy. It is important to ensure that the works of industry, public sector, civil society, and other parties on financial inclusion are additive to one another, coherent and cohesive, and force multipliers. Only by working together can we make a difference and a lasting impact.

Technology is changing the cost equation in fostering financial inclusion and increasing the benefits for all parties involved. It is making more cost-effective for traditional financial institutions to reach previously untapped markets and allow new market entrants to better serve customers at every part of the economic pyramid. Financial institutions are digitizing the customer journey to create a seamless customer experience utilizing technology to increase customer reach, make access on-demand 24/7, and reduce transactional costs.

One particularly exciting improvement is modernizing the customer onboarding process. Regulators, in partnership with financial institutions, have introduced e-Know Your Customer (e-KYC) initiatives which have significantly increased the account ownership. Biometric information and digital NIDs (National Identity Cards) are being used to authenticate users and create credit histories, which in turn lowers default and fraud rates.

However, it is not enough for financial institutions to merely increase the number of underserved customers; they must also ensure that accounts are being used by the customers. One way to accomplish this is by developing innovative products focused on design and tailoring solutions to low-income consumer needs. The four basic products -- payments, savings, credit, and insurance -- have undergone massive transformations over the past several years. The use of digital payments, meaning access through a mobile phone or the internet, is on the rise. The electronic mobile wallet, an application that enables P2P, P2B, G2P, P2G, and other transactions, is a good example of an innovative product utilizing digital payments. Electronic wallets allow remittances and bill payments to be conducted in a matter of minutes, saving low-income segments valuable time and money.

Financial institutions have been increasing financial service accessibility in rural areas. They are using agent networks to reach underserved rural populations. These systems -- wherein financial institutions designate authority and responsibility to third parties in order to offer services to typically low-income or remote customers -- have increased customer trust, financial capability, and use of products. They have also lowered the costs associated with providing services to these underserved segments of the market and reduced the costs to savers who make smaller deposits. The use of technology by agents and tailoring savings products to the needs of savings groups and low-income segments will further ensure the underserved are being incorporated into the formal economy.

Globally, financial institutions are using data from social media, mobile call data records, bill payment patterns, and psychometric testing to establish credit profiles and target previously invisible consumers. Advanced analytical techniques enable financial institutions to provide access to credit to clients, with historically low financial transaction data, who are otherwise excluded from the formal financial sector. Predictive analytics are being used to assist financial institutions in forecasting the credit needs of MSMEs and low-income consumers, helping previously unbanked customers grow their businesses.

Machine learning is transforming insurance, analytical tools are re-defining traditional risk models, and identity and onboarding solutions are creating a more convenient on-demand service while decreasing costs for insurance companies. Safeguarding the underserved against financial risk can help people at the base of the economic pyramid manage the stresses of illness, crop failures, natural disasters, or income loss due to the death of wage earners. The development of micro insurance along with innovative delivery models of micro insurance products have opened up new avenues in the insurance sector.

Financial institutions have and will continue to innovate, creating products and services that are best suited for the unbanked market. High costs, long distances, lack of documentation, and distrust of the financial system have been identified as the main barriers to opening an account. At present, financial institutions have an unprecedented opportunity to dramatically grow their customer base in a sustainable manner by leveraging new technologies.

Incorporating the previously unserved is becoming a more attainable goal for financial institutions, and while financial institutions and regulators are embracing new technologies to make financial services more affordable and accessible, it is critically important to always keep the consumer's best interest in view. Educating underserved consumers, transparently communicating service offerings, and addressing the persistent gender and wealth gap are of utmost importance to increase trust in the financial sector.

Technology is the means to realize the vision of creating tailored financial products and services for vulnerable consumers. Digital technology is not an end in itself, it is a means to achieve broad-based financial inclusion and achieve the SDGs (Sustainable Development Goals). Emerging technologies are empowering financial institutions to go the extra mile and serve the underserved market.

As we progress towards a more digital age, it is critical to realize the right to financial inclusion. For Bangladesh, connecting the people to capital matters. Similarly, helping individuals to take advantage of economic opportunities and associated benefits also matters. And, this is why financial inclusion matters.

[Mustafa K. Mujeri is the Executive Director, Institute for Inclusive Finance and Development (InM). This article was earlier published in the daily Financial Express on March 11, 2019]

News from Member Companies

BATB: Top Employer 2019

BAT Bangladesh is the first ever organization in the country to have been recognized as a certified Top Employer in 2019. Although exciting and admirable, this does not come as a surprise for those who are and have been associated with the company. We have, time and time again, seen BAT Bangladesh thrive to be at its finest and to support its employees so they can operate efficiently.

Established over 25 years ago, the Top Employers Institute is the global authority on recognizing excellence in people practices. With offices around 11 countries, they have been studying the employee offerings of leading employers globally to certify them for their best employment practices. It is amongst the most prestigious Human Resources awarding bodies out there. This achievement acknowledges the key leadership practices and growth approach that BAT Bangladesh adopts. The diverse culture and working environment in the company enable all the members to develop professionally and personally, while driving business results. BAT Bangladesh has always come up with exemplary initiatives in the arena of Human Resource Management.

BAT Bangladesh is also consistently cited for endorsing women leadership throughout the workplace. The company is complementing the Government of Bangladesh to achieve its national goal of "Women Empowerment" and contributing to the United Nation's Sustainable Development Goal no. 5 – "Gender Equality" through vigorously promoting equality and co-existence within the office. Women leadership is promoted throughout the organization and as a result, female employees in the organization embrace manifold facilities and trainings to develop themselves as stronger, secured and successful leaders. In BAT Bangladesh, there is 13% current female representation in the workforce and 29% of the company's leadership roles are ably held by women; a fact that strongly supports the company's women economic empowerment. The initiatives and endeavors for encouraging a gender-diverse organization have recognized BAT Bangladesh with many awards such as 'Diversity Impact Award' and 'Most Female Friendly Organization Award' over the years.

Besides ensuring that women are supported thoroughly in the workplace, the company has recently announced the opportunity for employees who are geographically dispersed and work in continuous shifts to be able to avail maternity leave for nine months. A child day care has also been freshly designed in an exceptional way to provide daytime services and the latest amenities to the children of working parents, keeping their basic needs and security in mind. Working parents can now perform their professional duties without

having to worry about their children during their working hours.

BAT Bangladesh strives for excellence at all levels to support all their employees by providing them with appropriate opportunities based on their individual needs. Unlike most companies, BAT Bangladesh helps employees plan their career and future. The company helps employees find out about career options, possible employment routes, and teaches them how to progress within the industry. The company also offers plenty of training opportunities to ensure their employees gain the skills and experiences needed for them to reach their desired goals. BAT Bangladesh, being one of the oldest companies in the country, has been expanding its footprint nationally and setting new examples in the Human Resource Development area. By sharing the best practices of the company with the employees, BAT Bangladesh has been successfully creating strong leaders for the corporate arena of the nation.

As a company that strives to be the best, the well-being of employees is a central focus of BAT Bangladesh. Hence, the company has a dedicated Environment, Health & Safety team that works on optimizing the workplace atmosphere and ensuring a safe workplace that adheres to the Government's effort to achieve the Sustainable Development Goals of Sustainable Cities and Communities. Collaborating all these efforts of the company together, one can simply comprehend how BAT Bangladesh was able to earn the Top Employer recognition in 2019. As an independent certifying body, the Top Employers Institute awards companies that have a certain standard, which is set by the Institute. To earn this prestigious recognition and setting a global benchmark for others in the country, BAT Bangladesh had to go through a stringent assessment process involving an extensive review of the people management practices and the culture.

Commenting on the prestigious recognition earned by the company, Shehzad Munim, Managing Director of BAT Bangladesh said , "This is truly a remarkable recognition for us as we have been recognized as not only the first Top Employer in Bangladesh but it also ratifies our belief that we are truly performing at Global Standards. At the heart of our brand is one simple belief, 'from difference comes strength' and we revel in people's appetite for change, growth and excellence. While operating in an ambitious business that is always on the move, we invest in learning, prioritize development opportunities and with that support big beliefs, celebrate initiatives and take pride in what we do."

BAT Bangladesh earning its place on the list of awarded companies is a testament to the leadership practices and growth approach of the organization. The rigorous screening process for this certification recognizes the diverse culture, work environment and employment practices of BAT Bangladesh on a global standard.

Jumpstart Your Future

Chevron and Asian University for Women LaunchExceptional Summer School for TalentedScience Students in Bangladesh

Asian University for Women and Chevron are pleased to announce the launch of the AUW Science Summer School, powered by Chevron: a residential program that helps launch aspiring female scientists and mathematicians into top universities and careers. For five weeks, students of the Science Summer School will be engaging in math and physics lessons, mentorship from experts, and learning with like-minded peers. Upon successfully graduating from the program, students will be prepared to hit the ground running as a math or physics scholar at the university level.

Graduates of the AUW Science Summer School will receive a Certificate of Merit from AUW and Chevron andleave with a powerful network of friends and mentors who are as equally committed to STEM education and careers. Top performing students will additionally receive invitations to enroll at AUW as undergraduate students and may be eligible to secure partial or full scholarship support depending on their demonstrated financial need. The top-performing student will receive the AUW-Chevron Emerging Women Leader in STEM Award.

The five-week program will focus on classical mechanics, electricity and magnetism, bioinformatics, mathematics, and SAT exam preparation. Classes will be taught by a series of distinguished visiting teachers from Stanford University and Massachusetts Institute of Technology (MIT), as well as one of AUW'sown resident faculty members.Each year, up to 80 secondary school students will be invited to participate in this competitive program. Applications are due online or by mail by 30th April, 2019.

Picture Caption Ethan Goldbach, Faculty at AUW, Prof Ganesh Ray, Faculty for AUW Science Summer School, Suman Chatterjee , Director Marketing and Recruitment, AKM Moniruzzaman Mollah– Head of Science and Maths Program at AUW. Dr.DaveDowland , Registrar,AUW, Chevron Bangladesh Director PGPA, Ismail H Chowdhury and Chevron Bangladesh Community Affairs Manager, Obaidullah Al Ejazare seen in the launching ceremony.

The launch event took place at the Amari Dhaka at 3:00 p.m. on 25thMarch 2019.The Chief Guest of the event was Mrs. Rubana Huq, a member of the Asian University for Women Board of Trustees and the Managing Director of Mohammadi Group. Speaking at this official launch event, Rubana Huq emphasized the importance of the science summer school saying "This going to aspire female scientists to help them go the next level. AUW is always all about graduation to the next level. Five weeks of engaging with Maths and Physics, which starts from July 5 and ends on August 8, where we offer mentorship from experts and which will be taught by the doctoral candidates from Stanford and other top American research universities- that says a lot." Other speakers in support of the program during the launch includedMr. Ismail Hussain Chowdhury, Director PGPA, Chevron- Bangladesh and Dr. Dave Dowland, Registrar, AUW. Also, Principals, Senior School Science Teachers, career counselors and school representatives from over 17 reputed schools and colleges of Dhaka, such as Scholastica, International School Dhaka, Sir John Wilson School, Maple Leaf International, DPS STS, BAF Shaheen College and others gathered to discuss the future and the possibilities of this program.

Additional information about the Science Summer School, powered by Chevron is available online: http://asian-university.org/academic-programs/auw-science-summer-school/

Activities of the Chamber

TTTCA Subcommittee Meeting

March 03: A meeting of the Chambers' Trade, Tariff, Taxation & Company Affairs (TTTCA) Subcommittee was held on the day at FICCI conference room. The meeting was chaired by its Convener, Mr. Abdul Khalek.

FICCI President speaking at the seminar (3rd from right)

March 03: The President of the Chamber, Mr. Shehzad Munim attend a seminar on 'SDGs: Private Sector's Roles & Challenges' organized by the Institute of Chartered Secretaries of Bangladesh (ICSB) at its premise on the day.

FMCG Subcommittee Meeting

March 10: A meeting of the Chamber's FMCG Subcommittee was held on the day at the FICCI conference room. The meeting was chaired by its convener Mr. Kedar Lele.

16th EC Meeting

March 27: The 16th meeting of the Chamber's Executive Committee (2017-19) was held on the day at the FICCI conference room. The meeting was chaired by FICCI President Mr. Shehzad Munim.

Key Economic Indicators

Consumer Price Index & Inflation Rate

(2005-06=10)

CPI Classification	2015-16	2016-17	2017-18	2017-18				2018-19	
				Dec'17	Janu'18	Feb'18	Dec'18	Janu'19	Feb'19
1	2	3	4	5	6	7	8	9	10
National									
General index	219.86	231.82	245.22	245.03	248.13	247.81	258.13	261.58	261.36
Inflotion	5.92	5.44	5.78	5.83	5.88	5.72	5.35	5.42	5.47
Food index	234.77	248.90	266.64	267.06	271.06	270.25	281.17	285.50	284.96
Inflotion	4.90	6.02	7.13	7.13	7.62	7.27	7.28	7.33	5.33
Non-food index	200.66	209.92	217.76	216.79	218.18	719.04	228.60	230.91	231.10
Inflotion	7.43	4.61	3.74	3.85	3.23	3.36	5.45	5.57	5.51
RURAL									
General index	220.10	231.03	244.17	244.20	247.49	246.93	256.19	260.22	259.93
Inflotion	5.26	4.96	5.69	5.84	5.90	5.64	4.91	5.57	5.26
Food index	230.31	243.08	259.86	260.34	264.64	263.56	272.94	278.61	278.00
Inflotion	4.20	5.54	6.90	7.08	7.40	6.94	4.84	5.28	5.48
Non-food index	203.86	211.83	219.21	218.50	220.20	220.47	229.53	230.96	231.18
Inflotion	7.22	3.91	3.48	3.54	3.13	3.25	5.05	4.89	4.86
URBAN									
General index	219.31	231.29	247.17	246.57	249.31	249.42	261.72	264.09	264.01
Inflotion	7.11	6.37	5.95	5.82	5.86	5.87	6.17	5.93	5.85
Food index	245.66	263.09	283.19	283.44	286.72	286.55	301.22	302.30	301.96
Inflotion	6.55	7.10	7.63	7.22	2.13	8.02	6.27	5.43	5.38
Non-food index	196.39	207.38	215.83	214.50	216.77	217.12	227.35	230.85	231.00
Inflotion	7.72	5.60	4.08	4.25	3.37	3.50	5.99	6.50	6.39

Source: Bangladesh Bureau of Statistics


BEOL
Bangladesh Edible Oil Limited
adani wilmar
Gamma Oryzanol reduces bad cholesterol, improves good cholesterol.
The perfect balance of unsaturated fat keeps your heart healthy & strong.
Rich in antioxidants that protect against diseases.
WITH ORYZANOL 10/10
RICE BRAN OIL
Fortune™
Perfect 3 Seasons Rice
NURTURED OVER 3 SEASONS BY RIGHT AMOUNT OF SUN, RAIN AND COOL WEATHER
Basmati Rice
Ideal for every type of biryani.
World's longest Basmati grain.
Non- sticky grain texture.


বেশি দিয়ে খুশি ছড়াই
banglalink
টকটাইম কিংবা ইন্টারনেটে বাংলালিংক সবসময় বেশিই দিয়ে আসছে।
বেশি দেওয়ার চ্যাম্পিয়ন বাংলালিংক-এ
খুশি ছড়ানোর উৎসব চলবেই
বিস্তারিত: banglalink.net

largest producer of natural gas and condensate

moving bangladesh forward together

G4S FACILITY MANAGEMENT SERVICES

Delivering leading-edge facility services to enhance your workplace environment

Driven by a highly professional management team and with 800+ skilled and trained workforce, G4S FM Division is serving 40+ clients from various sectors including UN organizations, MNCs, Large Corporates, Financial and Banking Institutions, RMG etc. Networked across the major cities of Bangladesh, G4S FM has become an important center for many companies to outsource and hire relevant workforce and/or services.

WHY G4S FM?

| Professional Management & Supervision | Skilled & Trained Workforce | Staff Replacement & Backup |
| Quality Assurance (KPI Based Delivery) | Countrywide Operations | Global Best practices and compliance |

If you seek a professional, committed and reliable partner to assist in managing your facility services, you have found them. Our FM Services include -

Corporate Services


Front Desk / Receptionist


Office Assistant / Tea Boy


Chauffeur / Driver


Messenger / Runner


Admin Assistant

Cleaning Services


Specialized Floor Cleaning


General Cleaning


Glass cleaning Exterior & Interior


Vacuuming Trash Removal


Rest Room Cleaning

Maintenance Services


Electrician


Plumber


Carpenter


Landscaping / Gardener

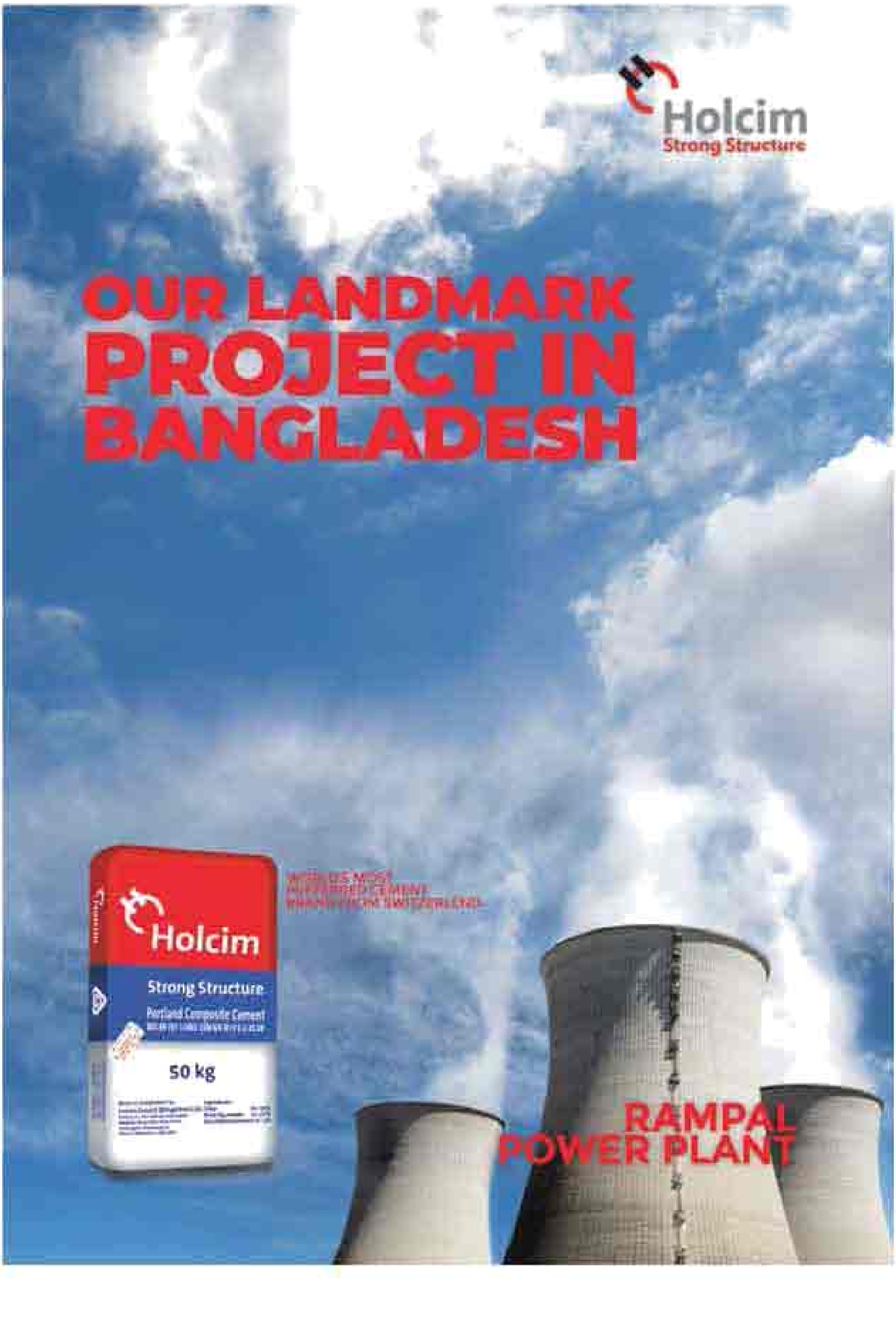

Painter

Integrated FM | **Total Home Care** | **Payroll Management**

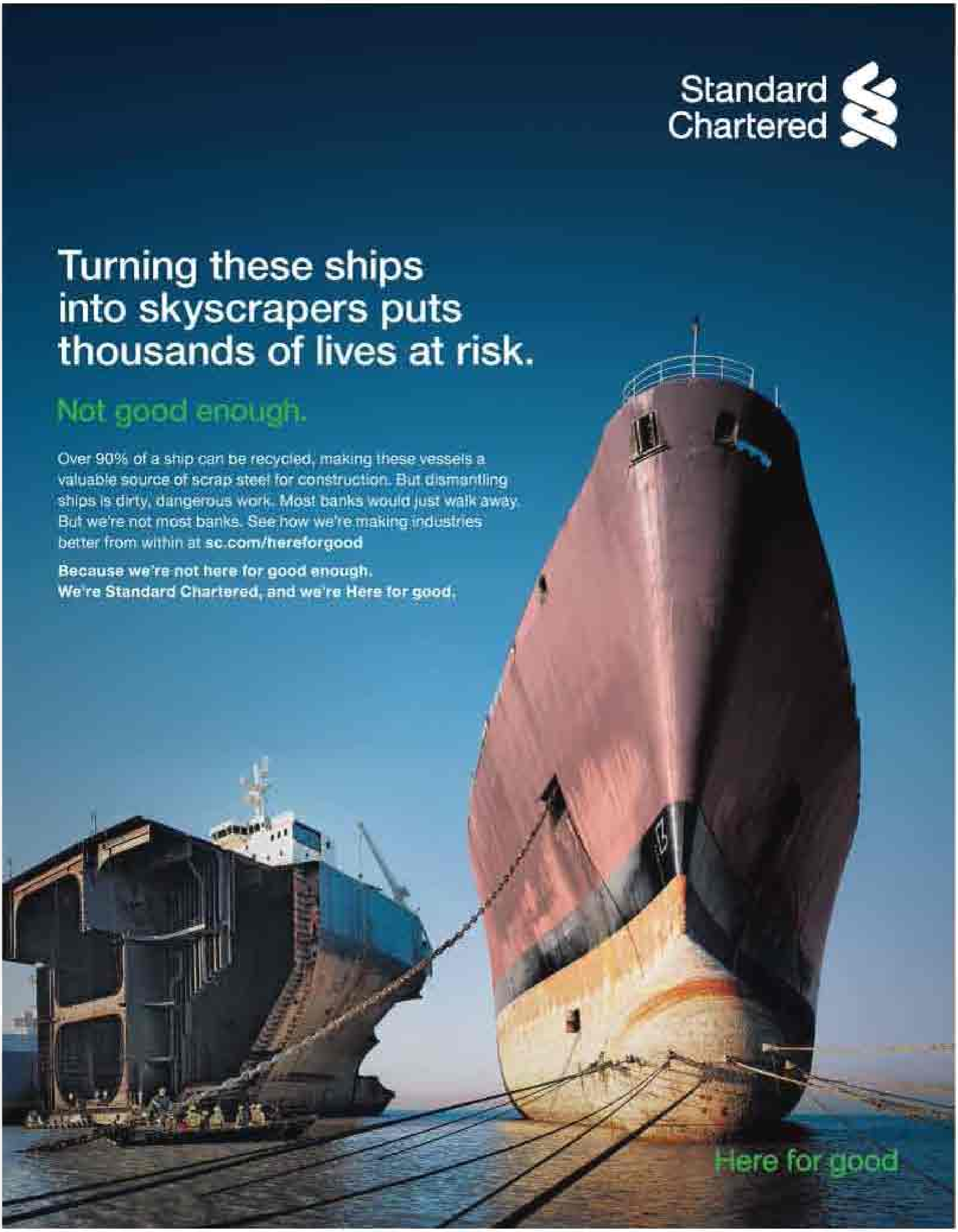
G4S
Securing Your World

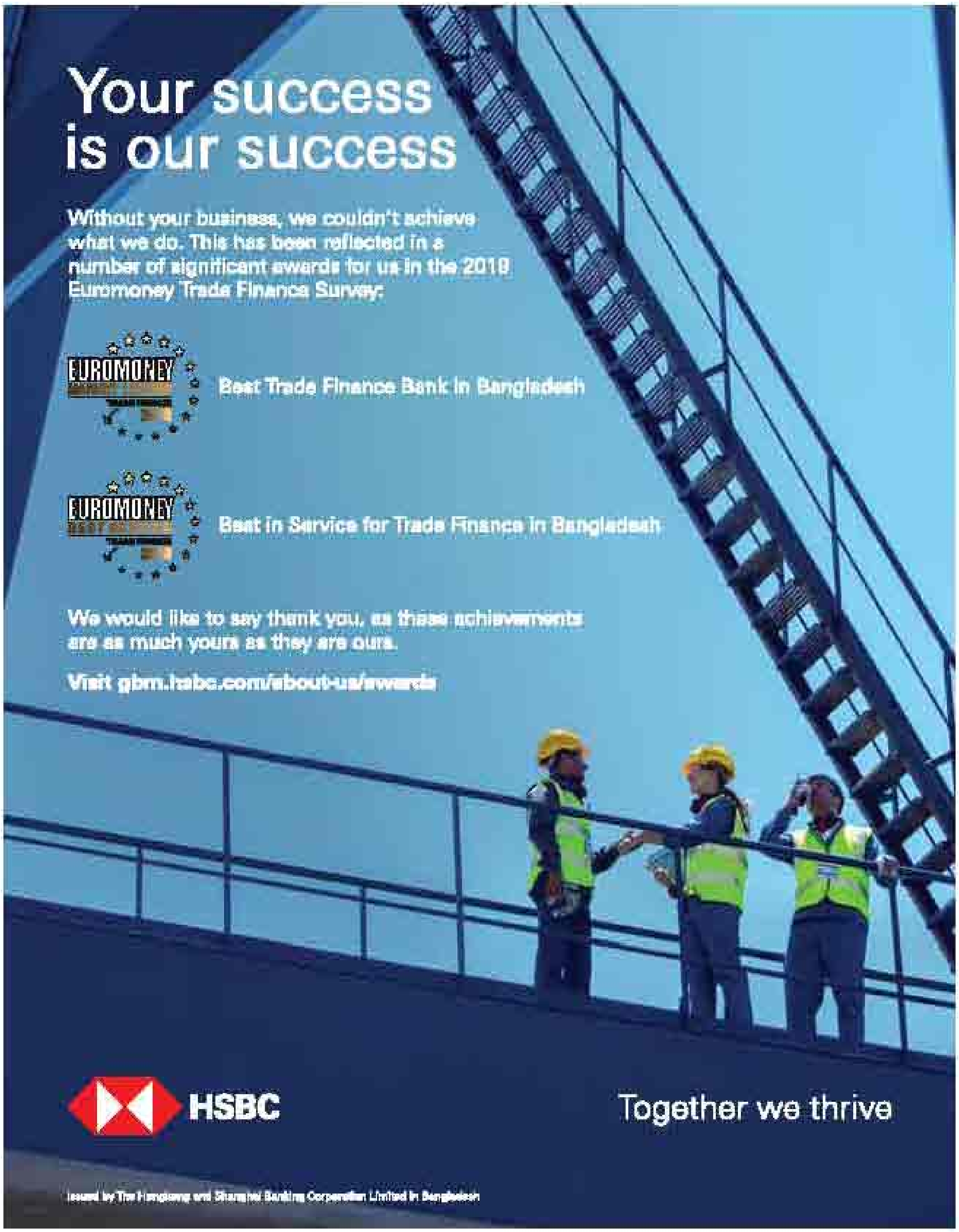
G4S Secure Solutions Bangladesh (P) Ltd.
Dhaka House, 22, Pragati Sharani, J Block
Baridhara, Dhaka-1212, Bangladesh
Phone: +88 02 9887316-17
Fax: +88 02 8810859

CONTACT US
E-mail: facility.service@bd.g4s.com
www.g4s.com.bd


Holcim
Strong Structure
OUR LANDMARK
PROJECT IN
BANGLADESH
Holcim
Strong Structure
Portland Composite Cement
50 kg
RAMPAL
POWER PLANT


Alpenliebe
POP
Now enriched with
Calcium and Vitamin C
in new exciting packs


Standard Chartered
Turning these ships into skyscrapers puts thousands of lives at risk.
Not good enough.
Over 90% of a ship can be recycled, making these vessels a valuable source of scrap steel for construction. But dismantling ships is dirty, dangerous work. Most banks would just walk away. But we're not most banks. See how we're making industries better from within at sc.com/hereforgood
Because we're not here for good enough.
We're Standard Chartered, and we're Here for good.
Here for good


Your success
is our success
Without your business, we couldn't achieve what we do. This has been reflected in a number of significant awards for us in the 2019 Euromoney Trade Finance Survey:
EUROMONEY
Best Trade Finance Bank in Bangladesh
EUROMONEY
Best in Service for Trade Finance in Bangladesh
We would like to say thank you, as these achievements are as much yours as they are ours.
Visit gbm.hsbc.com/about-us/awards
HSBC
Together we thrive


BERGER
LUXURY Silk
শুধুই দেয়াল নয়
স্মৃতির আঙিনা
BERGER LUXURY Silk
08000-123456

BAT BANGLADESH WAS AWARDED CORPORATE GOVERNANCE EXCELLENCE AWARD BY SAFA

(SOUTH ASIAN FEDERATION OF ACCOUNTANTS).

Head of Public Affairs & Company Secretary, Md Azizur Rahman received the award on behalf of the organization at a gala ceremony organized in Pune, India.