



Newsflash Bangladesh February 2014

Edition 29



Women working in RMG factories

Embassy of the Kingdom of the Netherlands

Newsflash Bangladesh is a publication by the Embassy of the Kingdom of the Netherlands (EKN) in Dhaka. The newsflash provides an update in terms of economic developments, the most important tenders and a selection of other relevant business news related to Bangladesh. This newsflash is shared with a distinctive group of Dutch businesses with special interests in Bangladesh. It is put together on the basis of publicly available information from various sources such as news articles, press releases, and third party information. The Embassy of the Kingdom of the Netherlands in Dhaka is not responsible for the accuracy of the published information. If you do not wish to receive the Newsflash Bangladesh, or would like to add a person to the distribution list, or if -you desire to give us your comments, please feel free to send a message to dha-ea@minbuza.nl

For further practical economic information about Bangladesh, please refer to the Netherlands Bangladesh Business Platform – www.nbbp.org, developed by the Embassy of the Kingdom of the Netherlands in Bangladesh in collaboration with Dutch Business University Nyenrode for the Dutch-Bangladeshi business community. The platform bundles information on all that is relevant for doing business in Bangladesh, providing targeted sector analysis, insights into risks and opportunities of doing business, including concrete advice on good business practices, an overview of the most relevant government policies for intending investors and many more.

HIGHLIGHTS

- Harmonized factory inspection standards approved by Alliance, Accord and National Action Plan initiatives
- RMG buyers return with bigger import orders - Most factories booked for next few months thanks to improved working conditions and improved political situation
- Falling remittances to hit external sector hard - Economists for boosting manpower export through private sector
- IMF proposal to cap foreign loans draws sharp reactions - Government will protest against the IMF move, as it will affect the country's independence in borrowing and development
- **Tip of the months: DUTCH BUSINESSES ACTIVE IN ICT OR LOGISTICS** Several Dutch IT and logistics companies have already discovered the potential of Bangladesh, developing their software or ensuring reliable freight transport services in the booming textile industry. For those businesses looking to set up in Bangladesh: Nyenrode Business University in cooperation with the Netherlands Embassy has just completed two market scans focusing on these sectors and their potential for Dutch investors. Both reports can be downloaded from: www.nbbp.org/?q=Opportunities.



Political Update

The first two phases of the upazila (local) elections 2014 were held on February 19 and 27 in 209 Upazilas amidst sporadic violence and clashes. BNP backed candidates won 93 seats while Awami League backed candidates won 78 seats in the two phases. BNP ally Jamaat-e- Islam won a total of 20 seats. The third, fourth and fifth phases of the election will be held in March.

A.H. Mahmud Ali was appointed as the Minister for Foreign Affairs and Md. Nazrul Islam as State Minister for Water Resources. The newly appointed Ministers took oath on February 26. The Deputy Minister for Water Resources, Abdullah al Islam Jacob was reassigned to the Ministry of Environment and Forest.

Textile and Ready Made Garments (RMG)

Stimulus drives RMG exports to new destinations - Apparel shipments to non-traditional markets rise to \$3.5b in 2013 from \$800m in 2008 (The Daily Star) RMG exports to non-traditional markets advanced more than four times over the last six years following the government's incentive package in 2008 to encourage garment manufacturers to explore new destinations and offset the impact of the global financial crisis on the sector. Under the scheme, a 5 percent cash incentive was given to RMG exporters in FY10, a 4 percent in FY11 and a 2 percent in FY12, which is still in place.

EMERGING DESTINATIONS

- India
- Russia
- South Africa
- Brazil
- Mexico
- Malaysia
- China
- Japan
- Turkey
- Chile
- South Korea
- Australia
- New Zealand

Labor rights, factory safety - Diplomats urge govt to fulfil pledges by March (The New Age) Diplomats of US, Canada and European Union on February 13 urged Bangladesh to fulfil the pledges it had made on workers' rights and workplace safety by March, ahead of the first anniversary of the Rana Plaza building collapse on April 24. The diplomats said that although Bangladesh had made progress in some areas, including labor standard and fire safety, a lot more work needed to be done. US ambassador Dan Mozena, Canadian high commissioner Heather Cruden, Dutch ambassador Gerben de Jong and EU ambassador William Hanna, commerce, labor and foreign secretaries and representatives of Accord, Alliance, JICA and ILO, were present in the meeting.

Govt steps forward to meet factory safety standards (The Daily Star) The government has upgraded the office of the Chief Inspector of Factory and Establishment to a 'directorate'. This is an important step in the implementation of one of the commitments agreed upon by the government in the National Tripartite Plan of Action on Fire Safety and Structural Integrity, and EU Sustainability Compact issued on July 8, 2013. Under the directorate, 392 new inspectors will be appointed to increase the number to 575 from 183 positions at present. Bangladesh committed to the US and the EU to appoint 200 additional factory inspectors for workers' safety. In a statement, ILO considers this to be a significant step towards improving safety and workers' rights in the apparel sector of Bangladesh.

Govt to set up hotline for factory workers soon (The New Age) The government is going to set up a hotline for factory workers so that they can report any concerns about possible fire and building safety and worker rights related issues. This initiative is taken as per the requirement set by the international buyers through various initiatives. Factory owners have expressed concerns over the use of the hotline as they fear that it might be misused for false reports. They conveyed their concerns to the government and demanded legal protection for the factories under these circumstances.

Legal steps against people hindering activities of trade unions in RMG units (The Financial Express) Government will take legal actions against people hindering trade union activities in the RMG factories. The Ministry of Commerce (MoC) has asked



the Ministry of Labor and Employment (MoLE) to identify the people and take actions against them as per laws. There is an allegation that a vested quarter, mainly involved with management of the RMG factories, has been creating impediments to formation and operation of trade unions.

Sub-contracting RMG factories to come under regulations (The New Age)

Apparel factories involved in sub-contracting business must be compliant on labor issues, working conditions, wages and building construction, according to draft guidelines prepared by the government. The guidelines will come into effect by the end of Feb 2014 are aimed at regulating the sprawling sector, which still remains largely unaccountable for their low standard in industrial operations and abuse of workers. Commerce ministry in cooperation with BGMEA and BKMEA finalized the draft guidelines.

Thumbs-up to factory inspection standards (The Daily Star) Over 35 percent of factories, retailers, consultants, trade unions and rights groups in a survey have approved the international standard for factory inspections and called for immediate implementation. 11 percent termed the standards, set to be implemented by companies from North America and Europe and the government in over 3,500 factories, too stringent. Over 42 percent said the inspection standards are good but would be hard to implement. A total of 467 participants took part in the survey conducted by the Alliance for Bangladesh Worker Safety, a platform of 26 North American retailers at the two-day exposition on building and fire safety from 23-24 Feb in Dhaka. More than 2,600 participants and exhibitors representing 800 Bangladeshi factories and 40 engineering, technology and materials companies joined the fair, organised by the Alliance for Bangladesh Worker Safety, with support from Accord on Fire and Building Safety, BGMEA, C&A Foundation and IFC. Exhibitors from Bangladesh, India, the Middle East, China, the United States and Europe shared the latest in safety materials available to fortify factory enhancements.

Accord starts RMG unit inspection amid manufacturers' reservations (The Financial Express)

The Accord, a platform of western retailers, has started its inspection programme on garment factories in Bangladesh amid the apparel manufacturers' reservation over some of the standards. Rob Wayss, Executive Director - Bangladesh Operations of the Accord, confirmed that Accord's engineering teams started assessing its member factories that produce apparel products for its signatory members from February 19. According to him, the teams will submit their report to the Accord, its signatory brands and retailers, apparel makers and workers' representatives and a final report with a remediation plan will be prepared after consultation with all the four groups. The final report will be made public on its website, he added. In the meantime, government has initiated a move to address the local apparel makers' reservations over some standards, especially the use of sprinkler in the RMG factories, set by the western retailers and brands.



Alliance begins RMG factory assessment reservations (The Financial Express)



The Alliance for Bangladesh Worker Safety started its full-fledged readymade garment (RMG) factory assessment from February 26 with its nominated seven local engineering companies (Bureau Veritas, Shahidullah Associates, Uttaran, MK, BD Technology and EIMS) according to BGMEA President Md Atiqul Islam. Quoting the Alliance officials, Mr Islam said they also assured that the owners who have already installed safety equipment including fire doors and hydrants according to the individual Alliance members' requirement, will not need to install new ones though they don't have proper certification. "But those who are yet to install such safety equipment need to set up the certified ones," he added. There would be no further individual assessment by the buyers in the 222 factories that have already been assessed by some of Alliance



members like Walmart and Gap, the BGMEA president said. Furthermore, teams will only assess the factories and prepare a remediation programme and ask the owners to execute the plan within a time-frame.

Apparel unit owners demand rules for overseas inspectors (The New Age)

Experts and garment factory owners put emphasis on formulating rules and regulations for the overseas engineers who would inspect garment factories under the initiatives of global retailers. They demanded provision for the foreign engineers of taking approval from Institution of Engineers Bangladesh or any other professional institutions to work in Bangladesh. The observation came at a time when the EU Accord is going to start its factory inspection in Bangladesh from 19 February 2014.

BUET-surveyed RMG units - 15pc have structural flaws (The Financial Express)

About 15 per cent of the Bangladesh University of Engineering Technology (BUET) surveyed garment factories have structural flaws, while most of the units lack required fire and electrical safety measures, people connected with the inspection process said. BUET has already submitted its initial findings on 80, out of 200, surveyed garment factories to the government. Of the 80 factories, the teams recommended detailed assessments for 10 manufacturing units, as they were not satisfied with their structural designs and other safety compliances. The National Tripartite Committee, formed to implement the National Plan of Action on building and fire safety in RMG sector, will take the next decision in line with the final recommendations of the technical committee.

Five clothing brands roll out cash for Rana Plaza victims (The New York Times)

Five global clothing brands and retailers on 23 February became the first contributors to a new fund raising \$40 million for victims of the Rana Plaza factory disaster in Bangladesh and activists are campaigning to pressure other brands to also make donations. Compensating the victims has been an especially complicated issue, involving months of negotiations among clothing companies, labor groups, Bangladesh government and factory owners. Negotiations have produced the Rana Plaza Donors Trust Fund, which on 23 February reported the names of the first five companies to contribute: El Corte Inglés; Inditex; Loblaw; Mango; and Mascot.

BGMEA and Impactt to work to boost productivity in RMG sector (The New Age)



BGMEA and Impactt, a leading global ethical trading consultancy, will work together to enhance productivity in the RMG sector in Bangladesh. To this end, BGMEA and Impactt signed a memorandum of understanding on February 6 in Dhaka. The initiative under the Benefits for Business and Workers programme (BBW) will be helpful to improve efficiency for workers in 200 garment factories in the Dhaka and Chittagong areas by December 2015, according to Rosey Hurst, Chairman of Impactt Bangladesh Private Limited.

RMG buyers return with bigger import orders - Most factories booked for next few months (The Financial Express)

Manufacturers of readymade garments have expressed their optimism to achieve export growth target in the coming months thanks to improved working conditions and stable political situation, industry insiders said. International buyers are now coming back to Bangladesh following better business environment. Most of local exporters have already bagged bigger orders than before. According to Export Promotion Bureau, exports of garment increased in new destinations such as Japan, South Africa, Canada, China, India, Australia, New Zealand and in some Latin American countries. The country set a target to earn around \$12.57 billion with 13.87 per cent growth from woven garment export and \$11.58 billion with 10.50 per cent growth from knitwear for the FY14. During July-December period, the sector already exceeded its target despite facing a number of deadly incidents and political volatility.



Infrastructure

Billion-dollar project for three economic zones (The Daily Star) A new study has identified Sherpur in Maulvibazar, and, Mirershorai and Anwara in Chittagong as potential locations for economic zones to be built at an estimated cost of \$1.17 billion by investors. Japan Development Institute, Maxwell Stamp and Sheltech Private Ltd jointly conducted the study with financing from the World Bank and DFID UK.

Telecom, ICT merged into single ministry (The Daily Star) Government has merged the two ministries, namely Post and Telecommunication with Information and Communication Technology to form the newly coined Post, Telecommunication and Information Technology according to a government handout issued on February 10. The new ministry would include two divisions - Posts and Telecommunications and Information and Communication Technology - to fulfill the aims and objectives of the two ministries.

BTRC opens 2.4, 5.7 GHz band for internet service through Wi-Fi technology (The Financial Express) Bangladesh Telecommunication Regulatory Commission (BTRC) has opened 2.4 and 5.7 GHz bands for providing internet service through Wi-Fi technology across the country. The regulator took the initiative to make internet available to the people at a cheaper rate in a bid to accelerate digitalization activities across the country. It will allow an individual or an institution like mobile phone operators, private, corporate, public and national entities for establishing the Wi-Fi band in a short range at low power consumption to provide high speed digital wireless service.

Second submarine cable to boost internet services in Bangladesh (The Daily Star) Bangladesh will sign a contract with a consortium on March 7 in Kuala Lumpur to



install a second submarine cable that will increase internet bandwidth by seven-fold. The SEA-ME-WE-5 cable that will connect about 20 countries in the Asia-Pacific and Europe is expected to be installed in 22 months from the date of signing. The second cable will serve as a backup for the first undersea cable, which has a capacity of 200 Gbps and was installed eight years ago

BD cargo flights linking overseas nations go up, prompting air deals (The Financial Express) Cargo flight operations from Bangladesh increased significantly in the recent years, leading to the country's signing of bilateral air agreements with at least seven European and Asian destinations alone in 2013. Last year, Bangladesh signed air agreements and memorandums of understanding with Luxemburg, Azerbaijan, Iceland, Yemen, Hong Kong, United Kingdom and Turkey to operate an increased number of flights. Besides, signing bilateral agreements with Iraq and Italy and launch of air service with Uzbekistan are also under process. According to the Chairman of Civil Aviation Authority, demands for Bangladeshi vegetables and RMG in the European markets have been mounting significantly in the recent times which have resulted in the increased number of daily cargo flight operations.

ADB to give USD310m to boost power supply (The Daily Star) The Asian Development Bank (ADB) is set to provide a loan of \$310 million to enhance the country's power supply system and reduce power outages and shortages. The funds would be used to increase power transfer from Ghorashal to Tongi and boost transmission capacity to meet the increasing demand in Dhaka, Chittagong and Sylhet areas. The investments will also allow improved distribution networks in the Dhaka region by 2018 to minimize load-shedding caused by network constraints.



Germany to provide 10.5m Euro for renewable energy - KfW signs contract with ERD (The Financial Express) Germany will provide 10.5 million Euros to Bangladesh for the productive use of renewable energy programme in the remote areas. German



donor agency KfW signed an agreement on February 11 to this effect with the Economic Relations Division (ERD). As per the deal, the Infrastructure Development Company Limited will implement a project under the programme in between February 2014 and December 2018.

Rahimafrooz to produce solar power for national grid (The Daily Star)

Rahimafrooz Renewable Energy will produce solar electricity for Dhaka Power Distribution Company (DPDC) after installing a 50kw panel on the rooftop of the Bangladesh secretariat. Rahimafrooz, the nation's largest solar power system provider, will design, install, operate and maintain the project for 20 years with photovoltaic materials and technology. The panel will be set up in six months. The system will generate 75 megawatt hours of electricity per year and reduce carbon emissions by around 50 tonnes annually. This is the first solar power purchase contract in the country, according to the Chairman of DPDC.

Oil/Gas/Energy

Oil, Gas Exploration - Indian company awarded contract (The Daily Star) The government awarded two shallow water blocks in the Bay of Bengal to Indian state-run oil company ONGC Videsh to explore gas and oil, in efforts to overcome energy shortages. This is the first time that an Indian company received any sea blocks in Bangladesh for exploring hydrocarbon resources. Under the deal signed on February 17, the Indian company will explore offshore blocks SS-04 and SS-09 with an investment of \$144.8 million in partnership with Bapex and Oil India. Until the recovery of its investment, the ONGC will get 55 percent of the explored resources and rest will be shared between Petrobangla and ONGC.

Bangladesh to get USD1.2b IDB loan for oil imports (The Daily Star) Bangladesh will receive USD 1.2 billion in loans this year from the Islamic Development Bank (IDB) to help finance its oil imports, at cheaper rates than last year. IDB will provide the loan at a rate of 4.5 percent compared to 4.65 percent according to Bangladesh Petroleum Corporation (BPC). Bangladesh's oil imports are likely to rise to 5.7 million tons in 2014 from nearly 5.5 million last year. Suppliers for Bangladesh's middle distillates contracts are Kuwait Petroleum Corp, Malaysia's Petronas, Emirates National Oil Co, Philippines National Oil Co, Vietnam's Petrolimex, Indonesia's Bumi Siak Pusako, Maldives National Oil Co and Unipet. Bangladesh's fuel demand is growing sharply as a shortfall in natural gas forces it to turn to oil-fired power plants to resolve electricity shortages.

Water/Maritime

PM seeks more Dutch investments (The Financial Express)

Prime Minister Sheikh Hasina has called exploring avenues for more investments from the Netherlands to Bangladesh. The call was made when Bangladesh Ambassador-designate to the Kingdom of the Netherlands Sheikh Mohammed Belal called on her at her office on February 18, according to a foreign ministry press release. The Prime Minister directed the Ambassador-designate to explore potentials so that Bangladesh could also take lessons from the Netherlands' unprecedented success in their water resources conservation, coastal area management and reclamation of lands through embankment, among others. Referring to the "Blue Gold" project that Bangladesh has undertaken with the assistance of the Netherlands, Prime Minister said that the country should endeavor to implement a similar approach as Bangladesh tries to develop an "Ocean Economy".



ECNEC approves Tk 35.08 billion DWASA water treatment project (The Financial Express)

The Executive Committee of the National Economic Council (ECNEC) approved a project on February 11, titled 'Padma Water Treatment Plant' involving Tk 35.08 billion to bring water from the Padma River to Dhaka metropolitan area after treating it at



Munshiganj. Planning Ministry sources said that the water treatment plant will be set up at Jashaldia, Munshiganj for this purpose. On completion of the project, Dhaka WASA would supply additional 450 million liters of water a day. WASA is currently supplying 2,000 MLD water against the demand for 2,200 MLD in the capital. Exim Bank of China would provide Tk 24.13 billion for the project while WASA itself would provide Tk 0.22 billion. The project is expected to be completed by June, 2016.

MoS for allocating Tk 780m in next fiscal to equip Payra seaport (The Financial Express) The Ministry of Shipping (MoS) has requested the Finance Ministry to allocate about Tk 780 million for Payra seaport, inaugurated in November 2013, as operating cost and procure some equipment to make the country's third seaport operational, sources said. Of the total amount Tk 91 million will be spent for day-to-day requirements of the port while Tk 697 million will be spent for buying cargo handling equipment, navigational gears, vehicles and infrastructure development.

WMS building ship for NZ foreign ministry (The Financial Express) The Western Marine Shipyard (WMS) started building a vessel for New Zealand by laying the 130th keel of the shipyard on February 20 marking another achievement for themselves and the country's shipbuilding industry. This keel has been laid for a passenger ship which is being built for the New Zealand Ministry of Foreign Affairs and Trade. The contract value of the project is USD 6.6 million and the shipyard expects to complete the project by December 2014. The Southeast Bank Limited is the financial partner of the shipyard in this project.

CTG port widens container storage capacity by 18pc (The Daily Star) Users of Chittagong port are expected to get better services as it has increased container storage capacity by about 18 percent, adding new yards and creating more space in the existing ones. The port is now able to store 36,357 TEUs of containers against its previous capacity of 30,886 TEUs, according to a report from a three-member panel formed by Chittagong Port Authority. New yards were set up at the New Mooring Container Terminal and more space was created at the General Cargo Berth in the last few years. The port is now able to handle over 2.2 million TEUs of containers a year against its previous capacity of 2 million TEUs.

Agriculture

Govt to reinstate 20pc extra duty on tea import (The New Age) The government is going to reintroduce 20 per cent supplementary duty on import of tea to protect local producers from uneven competition with imported ones, officials concerned said. The National Board of Revenue (NBR) has prepared a summary in this connection which will be sent to the finance minister for his approval soon. NBR made the decision following demand of the Bangladesh Tea Association (BTA) and recommendation of the commerce ministry. Currently, the importers have to pay 61 per cent duties on tea import.



Russia agrees to resolve differences on shrimp export from Bangladesh (The New Age) Bangladesh and Russia agreed to resolve their differences regarding export of shrimps from Bangladesh to Russia. The decision was made at a meeting between the Russian Ambassador and Minister for Fisheries and Livestock held on February 25. Earlier in 2009, Russia had restricted imports of shrimp from Bangladesh and allowed only four companies to export shrimps and other frozen foods to Russia, which was elevated to a complete ban by November 2013.

Other News

Misuse of transfer pricing - NBR forms cell to stop capital flight by MNCs (The New Age) The National Board of Revenue (NBR) on February 12 formed a transfer



pricing cell which will investigate and undertake audit of international transactions made by Multinational Companies (MNCs) within associated enterprises to check capital flight from the country through misuse of the transfer pricing system. According to NBR, though transfer pricing was mainly relevant for MNCs, transactions of local companies within associated companies will also come under the purview of the cell. The NBR has also fixed a set of responsibilities for the cell, including conducting investigation to prevent capital flight through misuse of transfer pricing system. It will also create and preserve a database of international transaction prices. Several studies conducted by international organizations show that Bangladesh loses around US\$ 2 billion because of tax evasion and profit shifting through misuse of transfer pricing by the multinationals every year.

NBR imposes 10pc tax on mobile banking income (The Financial Express) The National Board of Revenue (NBR) on February 12 enforced a 10 per cent tax at source on banks, mobile phone operators and service delivery agents on their income derived from mobile banking services. According to NBR directives, mobile banking service providing banks will deduct the tax on behalf of the revenue board while making payment in the form of charge, commission, fees and revenue sharing to the mobile network operators, technology service providers and service delivery agents including businesses, non-government organizations and individuals. This decision will also be applicable to the mobile operators who perform role of the service providing agency.

2013 SME Loan - 65 percent goes to unproductive sector (The New Age) SME loan disbursement by the banks and non-bank financial institutions increased by 22.32 per cent in 2013 from that of 2012 although major amount of the loans went to trade or unproductive sectors bypassing the manufacturing zone, according to Bangladesh Bank (BB) data. The higher loan disbursement in the trading sector usually put a lower impact on the country's overall economy as such type of investments fail to create employment. The BB data showed that all banks and NBFIs had disbursed a total of Tk 85,323.25 crore in SME loans in 2013 against Tk 69,753.32 crore in 2012. According to BB, SME loan disbursement had increased significantly in the concluded year but it created little impact on the country's industrialization process.

H1 industrial credit flow up by 12.26pc (The Financial Express) Overall industrial credit disbursement rose by 12.26 per cent in the first-half (H1) of the current fiscal year despite political uncertainty and inadequate supply of gas and power. The industrial loans disbursed rose to Tk 803.56 billion in the first six months of the fiscal year 2013-14 (FY 14) from Tk 715.83 billion in the corresponding period of the previous fiscal year, according to the central bank statistics. The estimate includes disbursement of fresh credit, rescheduling of term loans and fund release for balancing, modernization, rehabilitation and expansion of industrial units.

Falling remittances to hit external sector hard (The Financial Express) Economists have warned that the declining trend in inward remittances will cause an adverse impact on the country's external sector from next fiscal year as imports have started rising. They also said there is a need for coordinated efforts to boost manpower exports in order to retain the external sector stability and government-to-government arrangement for manpower exports is not yielding desired results. The Bangladesh Bank, however, in its latest monetary policy said the decline in the flow of remittances will not affect external stability in fiscal year 2014. The country's remittance inflow dropped by nearly 3.0 per cent to USD13.83 billion in 2013 from USD14.17 billion in 2012. The fall is mainly attributed to drop in manpower exports during the period.

IMF proposal to cap foreign loans draws sharp reactions (The Financial Express) The International Monetary Fund (IMF) has planned to set a borrowing limit on all types of Bangladesh's foreign loans, which, economists and government officials feared, would cost the country's independence in taking external aid. IMF also proposed



monitoring both concessional and non-concessional foreign loans of the government under the WB's newly-introduced Debt Limit Policy. According to the government officials, they would protest against the IMF move. The IMF in a proposal to the government said it planned to put a ceiling on the country's borrowings - both concessional and non-concessional- from any of the foreign lenders including the World Bank, the Asian Development Bank and Japan and monitor all the external loans.

Govt accepts Chinese proposal to set up EZ in Chittagong (The Financial Express) The government has responded positively to a Chinese proposal for building an economic zone in Chittagong. The proposed zone will exclusively house units originating from China. However, location of the proposed zone is yet to be decided. If implemented, the port city will have four economic zones.

China grants \$33m for Bangladesh (The Daily Star) China is set to give Bangladesh a grant of \$33.11 million which can be used in any sector. Economic Relations Division Secretary Mohammad Mejbahuddin and Chinese Ambassador Li Jun signed a deal on the grant at the ERD office in Dhaka on February 23. The grant will be used for the economic and technical cooperation projects to be discussed and agreed upon subsequently by the two governments, the ERD said in a statement.

ECNEC approves Pharma Park after revision (The Daily Star) On February 4, the Executive Committee of National Economic Council (ECNEC) approved the second revision of the pharmaceuticals park project, raising the cost by 42 percent from the first revision. The cost of the revised project stands at Tk 332 crore and is expected to be complete by 2015. The pharmaceutical park will accommodate industrial units on 42 plots to produce active pharmaceutical ingredients. The cost revisions and time extensions were needed as a result of delays in land acquisition and adding new components to the project, according to the planning ministry. Under this project, a pharmaceutical industrial park would be built on 200 acres at Baushia and Laxmipur Mouza beside the Dhaka-Chittagong highway under Gazaria upazila in Munshiganj. The park will directly employ 25,000 people.

Govt preparing data on foreigners working in BD - Concern over locals' diminishing job prospect (The Financial Express) The government, for the first time, has taken a move to prepare comprehensive data by compiling profiles of foreigners working with different commercial and industrial units in the country. The move has been taken, as the number of foreigners working with the country's different types of commercial and trade organizations has increased sharply amid concerns that they are diminishing job prospect of the locals. A high official at the Special Branch office said nearly 400,000 foreigners were now working in the country and more than 100,000 of them did not have any work permit.

Govt to develop 20,000 woman IT freelancers at upazila level (The New Age) The government is going to launch the second phase of learning and earning programme at upazilas to create 55,000 freelancers at the grassroots level. Under the programme, a total number of 20,000 women freelancers will get basic IT literacy training at union and upazila levels alongside the outsourcing training. ECNEC approved the learning and earning project recently involving Tk 180 crore aiming to create employment opportunity for the unemployed educated people especially youths at the upazila and union levels.

Eco-friendly brick tariff value down by 33pc (The New Age) The National Board of Revenue (NBR) has lowered tariff value of machine-made bricks by more than 33 per cent in a bid to encourage production of environment friendly bricks in the country. NBR took the decision to discourage production of bricks in traditional brick kilns which pollute the environment and reduce agricultural lands and forest resources of the country. NBR on January 18 issued a statutory regulatory order in this connection lowering tariff value of machine-made bricks for both grade one and grade two.

**WB gives USD 535m loans for urban services, education (The Daily Star)**

Bangladesh has received USD535 million in soft loans from the World Bank (WB) for two projects designed to improve urban services and education in universities. Under the deals, the WB will provide USD410 million for municipal governance and services project and USD125 million in additional financing for the higher education quality enhancement project. The municipal project, which aims to improve governance and basic urban services in Dhaka, Chittagong, Rangpur, Sylhet and Mymensingh, is expected to benefit around 3.4 million people. The additional financing to the higher education project that started in 2009, aims to introduce innovation, accountability and better research facilities in public and private. The WB has already awarded 194 academic innovation funds to 27 public and two private universities.

BD plastic goods factories mull expansion to grab overseas market (The Financial Express)

The country's leading corporate houses are taking initiatives for expansion of their units to occupy a large portion of international plastic products' market. A good number of international buyers, comprising those both in traditional and non-traditional markets, have turned towards Bangladesh coming away from China, India and other countries. Due to their high quality, demand for Bangladeshi plastic products has been on the rise in international and local markets.

BASIS eyes USD1.0b export earning (The Financial Express)

Bangladesh Association of Software and Information Services (BASIS) has placed a five-year vision for the country's Information and Communication Technology sector targeting to earn USD 1 billion from the software export. The BASIS declaration also highlights creating of 1.0 million professionals IT manpower by five years, internet connectivity for 10 million people each year and 1 per cent contribution to the GDP from the sector.

BD exports to Turkey cross USD 1.0 billion mark (The Financial Express)

Bangladesh's exports to Turkey crossed USD 1.0 billion mark for the first time in 2013 following a significant rise in the shipment of garment products. Increased shipments of some other products including non-knitted products, jute yarn and ceramics also helped enhance Bangladesh's earnings from Turkey, a statement issued by Ministry of Foreign Affairs on February 5. Exports grew by more than 31 per cent in 2013 compared to that of 2012. The bilateral trade between the two countries stood at USD 1.2 billion showing the trade in favor of Bangladesh.

Upcoming Events**3rd Bangladesh Furniture and Interior Décor Expo-2014 (BFID Expo-2014), 23-25 March 2014**

a three-day exhibition showcasing country's competitiveness in Furniture and Interior Decor Items will be held from 23-25 March at Bangabandhu International Conference Centre in Dhaka. More information about the upcoming event can be found at <http://www.bfidexpo.com/index1.php>

**BASIS Softexpo 2014, 5-8 June, 2014**

a four-day IT exhibition to showcase software products, IT enabled services (ITES) and ICT system solution will be held from 5 – 8 June at Bangabandhu International Conference Centre in Dhaka. For more information please visit <http://www.softexpo.com.bd/index.php>

**6th Meditex Bangladesh 2014 International Expo , 8-10 May 2014**

Bangladesh's' biggest and O nly International Exhibition on Medical Equipment, Surgical Instruments, Healthcare, Hospital Equipment & Supplies will be held from 8-10 May 2014 at Bangabandhu International Conference Centre in Dhaka. For details, please visit <http://www.meditexonline.org/>





ICT & Logistics Trade mission – 1 to 4 April, 2014 From 1 to 4 April, an economic mission to Bangladesh will take place, organized by Nyenrode Business Universiteit in cooperation with the Netherlands Embassy. The trade mission will facilitate Dutch businesses looking towards the South Asian country and show how the potential of Bangladesh provides direct business opportunities. Events will include various matchmaking meetings, corporate site visits, networking events and informative seminars providing mission participants access to a large network and a host of business and promotional opportunities. The goal is to promote mutual trade between the Netherlands and Bangladesh and to profile the Netherlands. Participation in the mission is open to all Dutch companies active in the ICT and logistics sectors who are interested in doing business with Bangladesh. The mission has a maximum capacity of 15 companies. More information about the upcoming trade mission or more information about doing business in Bangladesh can be found at www.nbbp.org

Tenders

Invitation for International Tender - Design, Manufacture, Supply, Installation, Testing & Commissioning of Pre-Payment Metering System at Rangpur-1, Disjpur-2 & Gaibabdh Division of Distribution, Rangpur with 5(five) years Operational Support on Turn-key Basis. Tender was published on 28 January 2014, last selling on 23 March 2014 and closing on 24 March 11:00 AM. For details, please contact: Abul Baser Khan, Director, Directorate of Purchase, BPDB, Dhaka, WAPDA BUILDING (9th Floor), Motijheel C/A, Dhaka, Bangladesh, Phone: 9550532 & 7120887 Fax: 7126151 email: dir_pur_pdb@yahoo.com

Request for Expressions of Interest - Technical Assistant to the Bangladesh Power Energy Efficiency Project Implementation Consultant. REOI was published on 03 February 2014 and closing on 18 March 2014 on 12:30 PM. For details, please contact: Md. Zahurul Haque, Secretary, Bangladesh Power Development Board, WAPDA Building, BPDB, Dhaka.

Invitation for International Tender- Construction of Bibiyana South 400±10% MW Gas Based Combined Cycle Power Plant Project. Tender was published on 05 February 2014, last selling date on 31 March 2014 and closing on 01 April 2014 11:00 AM. For details, please contact: Md. Zahurul Haque, Secretary, Bangladesh Power Development Board, WAPDA Building, BPDB, Dhaka, Phone: 02-9554209, Fax: 02-9564765

Invitation for International Tender - Design, Engineering, Procurement, Supply, Installation, Commissioning, Testing and 01(one) year joint operation of 03 (Three) Gas Engine Driven Reciprocating type Natural Gas Compressors with auxiliaries and associated facilities on Turn-key basis at Bakhrabad Gas Field, Muradnagar, Comilla, Bangladesh. Tender was published on 13 February 2014, last selling date 27 April 2014 and closing on 28 April 2014 11:00 AM. For details, please contact: Md. Nurul Absar, Managing Director, Bangladesh Gas Fields Co. Ltd., Birashar, Brahmanbaria-3400, Phone: (0851) 58141, 58428 Fax: 880-851-59390 Email: bfcgcl@yahoo.com

Please remain updated on these and future tenders at the following website:
<http://www.cptu.gov.bd/Notices.aspx>

More information

The Embassy always welcomes your comments on, and suggestions for the Newsflash. We also encourage interested Dutch and Bangladeshi companies to place an article or message in our newsflash. For more information please contact our economic department at the Embassy in Dhaka through email dha-ea@minbuza.nl, or by phone (00882) 8822715-8.