



Bangladesh Newsflash

Edition 35, August 2014

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

- Delta Plan Bangladesh 2100 launched to frame long-term development plan for Water and Food Security - Netherlands is providing Tk 870 million to finalize the plan by 2015
- Government approved 1200mw coal-fired power plant – the largest development project of the country
- Government is set to make public the inspection reports on 600 garment factories by September 2014 following the pressure from international arena including right groups
- VF Corporation, a founding member of the Alliance, vows to spend USD 17 million to improve working conditions in the Bangladesh's apparel sector
- ADB to give USD 100 million in loans to the government to improve capacity, efficiency and safety of the Bangladesh Railway
- FDI proposals drop 13 per cent in the last fiscal – BoI investment indices on gradual decline
- Dhaka to negotiate with WTO on extending waiver on patent protection for pharmaceutical products upto 2015

Political update

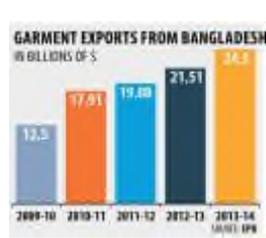
- Mirza Fakhrul Islam Alamgir, BNP's Secretary General announced a fresh round of agitation on 12 August, which began with a black flag procession across the country on 16 August to protest Israel's recent attack on Gaza. A rally at Dhaka's Suhrawardy ground was also held on 19 August to protest against the new broadcasting policy. The BNP Alliance at the same time initiated mass communication across the country between 21 – 31 August as a groundwork for a future nationwide agitation to demand new elections under a non-party government. There were no reports of violence or any untoward incidents during these events.
- The draft of the 16th constitutional amendment, seeking restoration of Parliament's authority to impeach judges of the Supreme Court, was placed before the Cabinet meeting on 18th August and was approved. This would allow Parliament's authority to impeach the Supreme Court judges in cases of "misconduct or incapacity". Currently, the power to impeach the apex court

judges is vested with the Supreme Judicial Council. Former President Ziaur Rahman had abolished the constitutional provision through the Fifth Amendment to the Constitution in 1975.

- A writ petition was filed with the High Court (HC) on 18th of August challenging the legality of the recently formulated National Broadcast Policy-2014. The petition sought the HC directive upon the government to formulate a guideline for talk-shows and other programs aired by broadcast media houses. It also sought the HC directive to issue a rule asking the government to explain why the broadcast policy should not be declared illegal. The petition alleged that the national broadcast policy 'curtailed the freedom of press'.

Textile and Ready Made Garments (RMG)

Optimistic outlook for garment exports despite slow start (The Daily Star)



Despite some unfavorable numbers in July, Bangladesh's outlook on garment exports is bright this year too, with high demand from western

customers due to competitive prices, industry insiders said. Exports of woven garment declined by 4.14 percent to \$1.21 billion in July, and knitwear export grew only by 4.32 percent to \$1.3 billion, according to the Export Promotion Bureau. Bangladesh has targeted \$26.9 billion in garment exports for fiscal 2014-15. Bangladesh exported garment products worth \$24.5 billion in fiscal 2013-14, which is 13.86 percent higher than in the previous fiscal year, despite a prolonged political crisis and two major industrial disasters including Tazreen Fashions fire and Rana Plaza building collapse.

Very few RMG units have trade unions - Owners blamed for creating barriers (The Financial Express)

Very few readymade garment (RMG) factories, inspected by the concerned government agency during April-June period, have trade unions (TUs) despite the last year's amendment of labor law that had given workers' rights to form TUs, sources said. Inspectors of the Department of Inspection for Factories and Establishments (DIFE) visited 653 factories during the period. Of these, 358 are members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and 89 members of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The remaining 206 are not members of any

association. However, 73 per cent of the BGMEA and the BKMEA factories and 89 per cent of non-member factories have participation committees. Participation committee is a body manned by representatives from both factory owners and workers.

Remediation of errant RMG units uncertain over funding - Experts suggest tapping ILO, stakeholders' assistance (The Financial Express)

Uncertainty looms large over remediation of non-compliant garment factories identified under a government-led inspection drive prompted by a recent crisis as the necessary funding matter is not effectively settled, industry-insiders and officials have said. Under the government-ILO scheme, BUET has already assessed 250 garment units and is expected to inspect about 1300 to 1500 factories left out of the purview of inspection by the two retailers' groups Accord and Alliance. The two have raised the issue of worker safety and factory conditions against the backdrop of workplace tragedies. Twenty-five percent of the BUET-inspected units were marked red and amber while the rest were marked yellow and green. Of the factories marked red, two were closed so far. BUET has handed over the reports on inspected 200 factories to the Department of Inspection for Factories and Establishments (DIFE) and the latter started on July 2 distributing the reports with corrective action plan to the factory owners concerned.

Accord to inspect factories that were already assessed -Duplication of inspection to create confusion (The Financial Express)

The Accord will inspect the factories that have already been assessed by the third party auditors of

the Alliance brands. "The Accord has adopted a policy regarding the joint Accord-Alliance factories and according to it Accord cannot consider Alliance inspection reports prepared as per direction of Alliance brands," Accord's Executive Director Rob Wayss said. "The Accord will give qualified consideration to inspection reports by firms working for the Alliance staff and utilize these reports in the formulation of corrective action plans," he added. However, industry leaders said the duplication of inspection would create confusion among the manufacturers and also create additional burden and unnecessary hassle for them. There are about 340 to 350 factories that produce apparel products for both Accord and Alliance-signatory brands and retailers, according to sources. Out of them, Walmart, a signatory to Alliance, alone has assessed 203 garment factories by third party auditor, they added. More than 200 garment factories are likely to face overlapping in inspection, they further noted.

Improving BD apparel sector working conditions- VF Corpn vows to spend \$ 17m (The Financial Express)



The VF Corporation, a founding member of the Alliance, has pledged to spend at least US\$ 17 million to improve working conditions in Bangladesh's apparel sector. The American apparel giant, owner of brands such as the North Face, Wrangler and Timberland, made a progress report, which was available on 14 August 2014, about the safety and working conditions at its supplier factories in Bangladesh. "As an Alliance member and through independent actions, VF has pledged to spend at least 17 million US dollars in the near future to improve working conditions in Bangladesh," a statement issued by VF said. The Alliance members have backed over \$ 100 million in capital for safety improvements in their respective supply chains and have formalized direct loans to factories.

50 non-compliant RMG units being relocated for safety - Land scarcity, lack of adequate gas, power hit shifting (The Financial Express)

Owners of some non-compliant readymade garment (RMG) factories have started

relocating their units to new places. Many of them are considering such an option for their survival in the face of ongoing work-place safety issues, industry insiders said. But, non-availability of suitable lands, gas and electricity, and unwillingness of the factory workers to be shifted have emerged as major impediments to the initiatives of such factory owners, they mentioned. Reaz-Bin-Mahmood, vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) also confirmed that more or less 50 factories have already been shifted or are in the process to relocate mainly on safety and compliance grounds. On the other hand, labor leaders alleged that workers are losing their jobs and are deprived of their lawful rights of compensation and other service benefits following such relocation move.

Pressure from international arena- Govt set to make public inspection reports on 600 RMG factories (The Financial Express)

The government is set to make public the inspection reports on about 600 garment factories, assessed by both the government the western retailers-appointed experts, by next month following the pressure from international arena including rights groups, sources said. Some 200 reports of each from three initiatives-Accord, Alliance and BUET-are expected to be published in the first phase, they added. The National Tripartite Committee headed by Labor Secretary Mikail Shipar approved the common template on August 26 for making all the inspection reports public, they added. The latest move has come in the wake of upcoming meeting with secretaries from foreign, commerce and labor ministries, which will also be participated by foreign diplomats including the EU, the US and Canada in the second week of September, they said. However, the BGMEA has expressed its concern over the regular follow-up of the reports saying if the updates of assessed factories are not taken into account even after their corrective measures, then it might create confusion among the buyers and cause serious problems. Recently, the EU Trade Commissioner Karel De Gucht and the Human Rights Watch (HRW), separately, have called upon the government to disclose the findings

of ongoing apparel factory inspections carried out by the government and other groups both in Bengali and English to help the workers to know actual conditions of their workplaces.

Infrastructure

1200mw coal-fired power plant approved-Tk 359.84 billion Matarbari plant country's biggest (The Financial Express) On 12 August 2014, the government approved Bangladesh's largest development project under which a gigantic 1200-megawatt supercritical coal-fired power plant will be set up at Matarbari coast at a cost of Tk 359.84 billion. The National Economic Council (ECNEC) endorsed the project where Japan government would provide major portion of funds, according to the Planning Minister AHM Mustafa Kamal. "The Japan International Cooperation Agency (JICA) would lend Tk 289.39 billion while the rest of the total Tk 359.84-billion costs will come from government's own resources," he said. The state-owned Coal Power Generation Company Bangladesh Limited will install the power plant along with a small deep-sea port for unloading the imported coal to be used to run the proposed plant. A coal silo, ash-disposal area, Matarbari-Anwara 61.5-kilometre 400-kilovolt transmission line and an access road are also in the package.

PMB river training contract-Legal experts clear stake of Chinese co (The Financial Express) Legal experts have given the green signal for awarding the river-training work under the Padma Multipurpose



Bridge project to a Chinese company which drew criticism for poor performance in an important highway expansion project, sources said. Bangladesh Bridges Authority (BBA), the executing agency of the US \$ 3.0 billion project, sought legal advice from a reputed private firm after facing disapproval by different quarters about awarding Sinohydro Corporation Limited being the lowest bidder. Of the three firms that had submitted the

financial offers for the Tk 90 billion river-training works, Sinohydro was found the lowest offering Tk 87 billion. The gap was Tk 40 billion with the second-lowest offer. Hyundai Engineering and Construction Co Ltd of Korea and Jan De Nul NV of Belgium participated in the tender.

WB to support infrastructure development under IPFF (The Financial Express) The World Bank has developed a pipeline of sub-projects in diverse sectors to provide its financial support at low interest rate through Investment Promotion and Financing Facility (IPFF) Project. The project is aimed at promoting private sector participation in infrastructure development of the country. The pipeline includes financing a fiber optic cable network expansion sub-project across the country, partial debt-financing for a 195 MW gas-fired power plant at Ashugonj, setting up a dry dock facility near Chittagong Port, and another 55 MW power-plant at Manikganj which are expected to commence during 2015, said a WB update on IPFF following a project review mission. The update issued on 3 August said so far \$129 million has been disbursed, and during the current phase, the IPFF has provided financing for a 55 MW power plant at Nawabganj, an inland container depot at Chittagong and two water treatment plants.

JICA funds likely for widening, renovating 200 bridges (The Financial Express) Japan has hinted at financing a bridge improvement project to widen and renovate nearly 200 bridges in the country's western zone. The fund will help the government fine-tune those with its future plan of turning four-lane national highways, officials said. According to source, a mission of the Japan International Cooperation Agency (JICA) identified the Western Bridge Improvement Project to be a prospective one in its 36th Official Development Assistance programme at the end of its visit last month. The mission also signed minutes of meeting with the Economic Relations Division after reviewing the project's preparatory work. The JICA is now assisting the government to widen and improve 118 bridges in the eastern zone of

the country under the Eastern Bridge Improvement Project.

ADB to give \$100m in loans for BR's development (The Financial Express) The Asian Development Bank (ADB) will provide US\$100 million in loans to the government to help improve the capacity, efficiency and safety of the Bangladesh Railway. The fund is the third tranche of the \$430 million multi-tranche financing facility agreed upon between ADB and Bangladesh government in 2006 to revamp the Bangladesh's entire railways system through the Railway Sector Investment Programme. The loan will have a 25-year term, including a five-year grace period and an annual interest rate determined in accordance with ADB's London Inter-bank Offered Rate (LIBOR)-based lending facility. Economic Relations Division (ERD) Secretary Mohammad Mejbahuddin and Country Director for ADB's Bangladesh Resident Mission Mr Kazuhiko Higuchi recently signed an agreement in Dhaka for confirming the \$100 million loan.

Fresh tender soon to pick developer for Mongla SEZ - Past bid draws poor response from int'l bidders (The Financial Express) The government will float fresh tender shortly to appoint a site developer for the proposed Special Economic Zone (SEZ) at Mongla in Bagerhat as the past invitation got poor response from international contractors, an official said. Bangladesh Economic Zones Authority (BEZA) invited request for financial proposal (RFP) in June this year to select the site developer from the two companies, short listed through a 2013 Expression of Interest (Eoi). Dubai Holding Commercial Operation Groups and Wishark Enterprises Ltd, Shanghai did not submit any investment proposal. BEZA asked for the permission of the cabinet committee on economic affairs (CCEA) to float fresh tender and not Eoi to avoid lengthy process. Moreover, through the open tender there will be scope for both local and international developers to participate by meeting the specifications, experience, terms and conditions mentioned in the RFP, according to BEZA.

Govt revives Bangabandhu Int'l Airport Project (The New Age) The government has revived a project to build a new international airport which was stalled as the site, then selected, a vast wetland in Munshiganj, drew violent protests in January 2011. The government had taken the plan to build Bangabandhu Sheikh Mujib International Airport at Arial Beel in Munshiganj without any feasibility study. In July, the civil aviation ministry sent a fresh proposal to the Public Private Partnership Office under the Prime Minister's Office, to conduct a thorough feasibility study for building the new international airport. The PPP Office facilitates development of core infrastructure and services under the public sector. The civil aviation ministry shortlisted four possible sites one in Dhaka, two in Munshiganj and one in Madaripur on the bank of the Padma River for the proposed mega airport. The PPP Office would float international tenders for appointing project consultants for site selection, feasibility studies.

ADB to offer \$125m loan for improved municipal services (The Financial Express) The Asian Development Bank (ADB) will offer \$125 million in loans to improve services and governance of the municipalities to make them more livable and attractive. Secretary of Economic Relations Division (ERD) Mohammad Mejbahuddin, and Country Director for ADB in Bangladesh Kazuhiko Higuchi signed a loan agreement at ERD in Dhaka on 27 August 2014. The project will provide financial assistance to 30 municipalities including 20 district headquarters across the country, home to nearly 2.2 million populations. Under the project, new roads, drainage and sanitation, piped water supplies, and solid waste collection and disposal systems will be built. It will also strengthen the ability of municipalities to carry out urban planning, financial management, and service delivery.

Oil, Gas & Energy

Gazprom invited to set up JV with Bapex (The Financial Express) State-owned Petrobangla has offered Russian oil and gas major

Gazprom to create a joint venture (JV) with the country's sole oil and gas exploration company to carry out oil and gas exploration jointly, a top official said. Officials said Petrobangla's proposal to create a JV with the Russian firm followed by the visit of the Chief Executive Officer of Gazprom International Valery Gulev in early July. The Gazprom CEO expressed the interest for creation of the JV with state-owned Bangladesh Petroleum Exploration and Production Company Ltd (Bapex) during a meeting of Gazprom delegation with Bangladesh Prime Minister Sheikh Hasina in Dhaka on July 10 last. The proposed JV between Gazprom and state-owned Bangladesh Petroleum Exploration and Production Company Ltd could be used to identify and implement new projects in Bangladesh, Russia or any third countries.

Petrobangla finds single bids for 3 deep-water HC blocks 'acceptable' (The Financial Express) The state-owned Petrobangla has found all the three bids submitted by the consortium of US major ConocoPhillips and Norwegian energy firm Statoil responsive for awarding three deep water hydrocarbon (HC)

Water/Maritime

Delta Plan 2100 launched for water, food security (The Financial Express) The government launched the Delta Plan 2100 project under which



a long-term development plan would be framed for water and food security. The Plan aims at turning Bangladesh into a sustainable economically-developed country. Planning Minister AHM Mustafa Kamal launched the project on 27 August 2014 in Dhaka. Disaster management and relief minister Mofazzel Hossain Chowdhury Maya and water resources minister Barrister Anisul Islam Mahmud, state minister for planning and finance MA Mannan, ambassador of the Netherlands Gerben de Jong and high officials concerned were present. The Netherlands

blocks in the Bay of Bengal, a senior official said. Petrobangla has forwarded the evaluation report to the Energy Division under the Ministry of Power, Energy and Mineral Resources (MPEMR) for approval. The JV of ConocoPhillips and Statoil was the single bidder for all three deep water blocks for oil and gas exploration. The JV has committed to invest a total of US\$327 million to explore three deep water blocks-DS-12; DS-16 and DS-21 during the period for exploration, which will be a total of eight years with a five-year initial exploration period and a three-year subsequent exploration period.

government is providing Tk 870 million in grants to Bangladesh in a bid to finalize the BDP 2100 by the year 2015. General Economics Division (GED) under the Planning Commission will frame the long-term development plan aimed at ensuring sustainable development. The BDP will focus more on climate change impact and food security of the people in this delta. A 19-member panel of experts would review the plan document where a joint inter-governmental committee of Bangladesh and the Netherlands will assist the work.

Indo-Bangla Trade -New shipping routes on trial -Bangladesh to earn from goods transported thru' coastal shipping (The Daily Star) Bangladesh and India are expected to open shipping routes using non-deep-sea vessels by end of the year, with dry runs beginning as soon as October 14. The two sides are close to reaching an agreement on standard operating procedures for trans-shipment using the proposed routes, diplomatic sources said. It would make transport of exports and imports cheaper and

promote trade. India is interested in getting cheaper and quicker transport facilities to and from its eastern and south-eastern Indian states and Bangladesh is banking on getting huge foreign currency and employment opportunities in return. A high number of Bangladeshi vessels are likely to be used for commercially transporting cargo to and from India through Chittagong and Mongla ports, officials said. In the absence of direct shipping arrangements, Dhaka and New Delhi are now heavily dependent on costly land routes for the over \$6 billion bilateral trade. According to rough estimates, the coastal shipping routes might reduce the cost of transportation by 20 to 40 percent compared to rail or road transportation.

CPA cancels deal with Malaysian co on Karnaphuli dredging - Repeated failure to implement project invites action (The Financial Express) The deal with Malaysian Maritime and Dredging Corporation on capital dredging and bank protection of the Karnaphuli River has been cancelled for the foreign firm's repeated failure to implement the project, vital for operation of the Bangladesh's main seaport, sources said. A

Agriculture

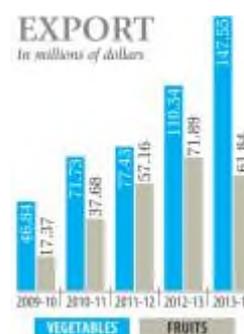
ADB gives \$111m to upgrade irrigation, tackle river erosion (The Daily Star) On 14 August, the Asian Development Bank (ADB) signed two agreements with the government to give Bangladesh \$111 million in loan to support the country's efforts to improve farmland irrigation systems and also to tackle river erosion. ADB will give \$46 million to support the government's Irrigation Management Improvement Project designed to realize the full production potential of large-scale irrigation schemes. The project expected to be completed in June 2019 will address the need for sustainable management, operation, and maintenance; increase water productivity and introduce innovative infrastructure modernization, ADB said in a statement. The project will specifically focus on modernizing the Muhuri Irrigation Project in Chittagong.

letter to this effect has been sent to the company recently by Chittagong Port Authority (CPA). The project started in May 2011 and was supposed to have been completed by January 2013. The Tk 2.295 billion project aimed at removal of 3.6 million cubic feet of mud and waste from the Karnaphuli riverbed, constructing 400 meters of jetty in Sadarghat area and constructing 2.61 kilometres of embankment on the riverbanks.

Western Marine to build hi-tech ship for Kenya (The Financial Express) Western Marine Shipyard entered into contract with JGH Marine A/S Denmark to build an offshore patrol vessel (OPV) for the Kenyan Ministry of Fisheries, Livestock and Agriculture. JGH Marine, a Danish business partner of Western Marine having its regional office in Nairobi, will work together with the shipyard in completing this project. The design of the OPV is from design house Icarus in South Africa, which specializes in designing offshore vessels.

EU ban looms on vegetables, fruits exports (The Daily Star)

The European Union has warned that it will restrict shipments of vegetables and fruits from Bangladesh if the country fails to ensure pest-free exports. The warning comes in the face of rising incidents of pest detection in export consignment from Bangladesh, and fraudulence in phytosanitary certificates that confirm shipments have met certain requirements of importers. The EU countries have found such certificates were fake or missing in a number of consignments, according to a letter sent to the government by the European Commission's Health and Consumers Directorate-General. The EC said a ban will be imposed if corrective measures are not taken before September 30. Export receipts from vegetables and fruits rose 15 percent year-on-



year to \$209 million in fiscal 2013-14, according to Export Promotion Bureau.

SC vacates stay-Jute bag mandatory for packaging (The Financial Express) On 5 August, the Appellate Division vacated a High Court Division order of stay on a government circular making mandatory the use of jute bags for product packaging, paving the way for enforcement of the law, court sources said. Earlier, the HC in its ad-interim order had stayed the circular relating to the mandatory jute-bag use and issued a rule on the matter upon a writ petition. Following the latest court order, the legal bar on using jute bags in commercial packaging of different items, including rice, was removed, a state law officer said. The circular, issued by the Ministry of Textiles and Jute in September 2013, stated about mandatory use of jute bags for commercial packaging of items by the private rice millers, husking millers and rice traders.

Other news

Forex reserves hit record: \$22b (The Daily Star) The country's foreign exchange reserves reached a new high on 7 August, crossing the \$22 billion-mark for the first time in the



nation's history. Reserves stood at \$22.05 billion, according to data from the Bangladesh Bank. On June 16 this year, the reserves crossed the \$21-billion mark. The central bank attributed the extraordinary rise to the significant increase in remittance, steady export growth and an increase in corporate borrowing from foreign sources. BB officials also said the central bank's resolve to maintain a stable taka-dollar exchange rate and stimulus to exporters including the expansion of the export development fund drove the reserves to a record high.

BD airspace to get Wi-Fi as Swiss co bags contract (The Financial Express) The government has awarded a Swiss company

the job for establishing internet connectivity to all incoming and outbound aircraft in Bangladesh, a senior official said. Switzerland-based OnAir powered by Airbus, a leading aircraft manufacturer, and SITA, another IT solution provider to the air-transport world, has got the networking work.

Euromoney honours Citi as best trade bank in Bangladesh (The Daily Star) Euromoney, a leading magazine on global financial markets, has awarded Citi Bangladesh as the Best Trade Bank in the country at its annual Trade Finance Awards for Excellence 2014, the bank said in a statement published on 13 August 2014. In the global category, the bank also won the Best Overall Global Trade Finance Bank award, the Best Short-Term Trade Finance Bank award, and the Best Energy Finance Bank award at the ceremony, according to the statement. Citi also picked up Best Bank and Best Investment Bank in India and Best Bank in Taiwan. Euromoney Awards for Excellence have been recognized as among the most prestigious in the financial services industry for two decades.

Young start-ups to get collateral-free loans at low interest (The Daily Star) New entrepreneurs can take up to Tk 10 lakh as collateral-free loans at maximum 10 percent interest rate under a new initiative by the central bank. The opportunity for young entrepreneurs came after Bangladesh Bank signed a deal with 32 banks and financial institutions to disburse money from its Tk 100 crore refinancing fund on 10 August 2014. The fund will be used to lend up to Tk 10 lakh against only personal guarantee and on easy terms to entrepreneurs trained and selected through programmes launched by public or private organizations like Dhaka Chamber of Commerce and Industry (DCCI).

Remittance accelerates to record \$1.48b in July (The Daily Star) Migrant workers last month sent home \$1.48 billion, the highest inflow of remittance in a single month in Bangladesh's history. The record flow of remittance could be attributed to celebrations of Eid-ul-Fitr in the last week of July, the country's biggest festival. The amount is 15.19 percent higher than in the previous

month and 19.67 percent from July last year, the central bank said in a statement on 4 August 2014. Last month's receipts surpassed October 2012's \$1.45 billion, the highest for a single month previously. Remittance is a significant source of income for the economy, and is the second largest source of dollars after exports.

FDI proposals drop 13pc last fiscal - Bol investment indices on gradual decline (The Financial Express) Proposals for joint ventures and cent-percent foreign investment in the country fell about 13 per cent in the last fiscal year from the level a year ago, according to the registrations made with the Board of Investment (BoI). Such downturn in the proposals by foreign entrepreneurs has continued over the last three financial years in a row for reasons that, according to analysts, include indecision on part of investors for political uncertainties. According to BOI sources, about 124 investment proposals for joint ventures and 100-percent foreign investment worth about USD2.383 billion were registered with the BoI in the fiscal year 2013-14 as against 219 proposals worth about USD2.733 billion in the previous fiscal. The amount was 4.4470 billion dollars in fiscal 2011-12.

Prime Bank loses mobile banking license (The Daily Star) On 6 August, the central bank cancelled Prime Bank's mobile banking license due to "gross violations of rules" by the company that Prime had appointed to run the service. "The central bank was not satisfied with Prime Bank's response. So, we have formally withdrawn our NOC [no objection certificate] for the bank's mobile banking service," according to Mr Dasgupta Asim Kumar, executive director of Bangladesh Bank. The board of directors of Prime Bank also took the issue seriously and decided to launch an investigation to identify the culprits within the bank responsible for the irregularities. The BB issued guidelines for mobile banking in 2009 and subsequently allowed 28 banks to offer the service. Formal mobile banking, however, began in 2011 with BRAC Bank's venture, bKash.

Japanese IT co to train up, recruits BD people (The Financial Express) Renowned Japanese IT (Information Technology) company FUJISOFT plans to train up people with IT skills in Bangladesh to recruit them in their offices as an alternative to India, officials said. Company officials visited Bangladesh to check the status of IT resources here and determine the way to train these resources properly. It has been providing many of IT services including robot technology, cloud integration service, security solutions, broadcast solutions, hospital solutions and digital living solutions. The company's sales proceeds from software and other IT solutions stood at \$13 billion last year. Bangladesh-Japan Information Technology (BJIT), a local IT farm, currently provides skilled Bangladeshi IT resources to FUJISOFT onsite offices. According to Export Promotion Bureau (EPB) data Bangladesh's income from IT service exports was \$ 114 million in last 2013-14 financial year.

Pharmaceutical Industry -Dhaka to negotiate with WTO for waiver on patent protection till '25 (The New Age) Dhaka will engage in negotiation with World Trade Organization in Geneva on extending the current waiver up to 2025 from maintaining mandatory patent protection under the intellectual property rights criteria for pharmaceutical products, a senior trade official said. The move has been taken to protect the thriving local pharmaceutical industry from international barriers, the official added. As the current waiver on the IPR issues will expire on December 31 next year, commerce ministry has advised Bangladesh's Permanent Representative to the WTO last week to push forward the issue with the multilateral trading organization for an extension of 10 years from 2016.

Tokyo wants 'single window' facility for investment in Bangladesh (The New Age) Tokyo has attached a set of conditions including 'single window' facility for ensuring a speedy approval process for investment in Bangladesh, said the officials. They have also asked to simplify the procedure for getting VISA, work permit and so on to boost economic relations and step up Japanese

investment in Bangladesh. The Japanese side put forward the condition ahead of the first meeting of the proposed Bangladesh-Japan Public-Private Economic Dialogue, scheduled to be held in Dhaka on August 21. Japan expressed willingness to invest for development of industrial sites and the special economic zones, said officials of finance ministry. The dialogue has been scheduled after the prime ministers of Bangladesh and Japan in a joint statement in late May had agreed to form a joint platform to enhance bilateral investment.

Japan sets up 12th SME platform in Dhaka (The Financial Express) The Japanese government has set up the 12th SME overseas expansion platform in Bangladesh as part of its five-year programme to support 10,000 Japanese small and medium enterprises (SMEs) in the emerging countries. Norihiko

Ishiguro, Vice-Minister, Ministry of Economy, Trade and Industry and Shiro Sadoshima, Ambassador Extraordinary and Plenipotentiary of Japan launched the 12th platform in Bangladesh on 21 August 2014. According to the Japan External Trade Organization (JETRO), 10 SME platforms were launched in various countries last year. The 11th SME platform was launched in Phnom Penh in 2014 just before Dhaka. Another 5 (five) will be launched in USA, China and Germany. The SME platform in Dhaka having its secretariat at JETRO Dhaka office will be supporting the Japanese SME companies which would like to choose Bangladesh as their destination of business.

Events

All Sector Trade Mission: September 8-11, 2014 From September 8th – 11th, 2014 an economic mission to Bangladesh will take place, organized by Nyenrode Business University in cooperation with the Netherlands Embassy in Dhaka. The trade mission will facilitate 15 Dutch businesses looking towards Bangladesh and show how its potential provides direct business opportunities. Together with the Dutch Embassy various matchmaking meetings, corporate site and field visits, networking events and informative seminars will be organized. This will provide 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 Dutch businesses.

Safety Expo, 2014 will host participants, exhibitors and speakers at the Bangabandhu Convention Center in Dhaka. Factories, brands, government officials, international guests, trade union leaders, product and service company exhibitors and NGOs are invited to come see the newest and most technologically advanced products and services in building and fire safety. Factories are now being invited to submit their applications for participation. Please check the following website for further information: <http://www.buildingandfiresafety.com/>

International Trade Expo for Building and Fire Safety in Bangladesh – From December 7th – 9th, 2014, the second Building and Fire

Tenders

Invitation for International Tender Ministry of Science and Technology issued a tender for Procurement of laboratory equipment. Tender was published on 22 July 2014, last selling on 7 September 2014 and closing on 8 September 15:00 hrs. For details, please contact: Swapan Kumar Ray, Project Director, Fibre & Polymer Research Division, BCSIR Laboratories, Dr Qudrat-I-Khuda Road, Dhanmondi, Dhaka, Bangladesh. Phone: +8802 9667003; email: dfpl_bcsir@yahoo.com

Invitation for International Tender Ministry of Home Affairs issued a tender for purchasing public safety and security items for Bangladesh Police. Tender was published on 31 August 2014, last selling on 12 October 2014 and closing on 13 October 2014 12:00 hrs. For details, please contact: Md Harun Ar Rashid, Assistant Inspector General (Equipment), NCCOM Building, 5th Floor, Room 607, 6, Phoenix Road, Police Headquarters, Dhaka, Bangladesh. Phone: +8802 9585304; email: aige_t@police.gov.bd

Invitation for International Tender Ministry of Industries issued a tender for transportation of 75,000MT 10% granular urea from Ruwais, UAE to Chittagong port, Bangladesh. Tender was published on 22 August 2014, last selling on 01 September 2014 and closing on 02 September 11:00 hrs. For details, please contact: Md Kamruzzaman, GM, BCIC, Purchase Division – 12th Floor, BCIC Bhaban, 30-31, Dilkhusha C/A, Dhaka, Bangladesh. Phone: +8802 9567091; email: bcicpur@dhaka.net

Invitation for International Tender Bangladesh Chemical Industries Corporation (BCIC) under the Ministry of Industries issued a tender for 2500 M.Tons. UREA FORMALDEHYDE. Tender was published on 22 August 2014, last selling on 01 September 2014 and closing on 02 September 11:00 hrs. For details, please contact: Md. Mostafizur Rahman, Managing Director, Jamuna Fertilizer Company Limited. Tarakandi, Jamalpur, Bangladesh. Phone: 00880-751-63884~5 Fax: 00880-751-63889 Email: mdjfcl@gmail.com. <http://www.cptu.gov.bd/ShowDetailTender.aspx?ADId=41892>

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.