



# Newsflash Bangladesh April 2014

*Edition 31*



*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](mailto:dha-ea@minbuza.nl)*

*For further practical economic information about Bangladesh, please refer to the Netherlands Bangladesh Business Platform – [www.nbbp.org](http://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

- RMG steps encouraging - Dutch Minister for Foreign Trade and Development Cooperation, Lilianne Ploumen meets Bangladesh Foreign Minister in The Hague
- One Year Rana Plaza commemoration event jointly organized by the Government of Bangladesh and the ILO, with support from Canada, the Netherlands and UK
- Garment exports show resilience: Shipments rise 16pc in the last one year despite industrial disasters like Rana Plaza collapse
- One Chinese firm submitted a financial bid by April 24 for construction of the main part of Padma bridge
- Asian Development Bank has agreed to lend Bangladesh \$110 million to support private sector infrastructure projects and in renewable energy
- Govt moves to build 2nd LNG terminal
- World Bank offers \$210m for food storage capacity building
- Stable credit outlook for Bangladesh: Moody's retains Ba3 rating despite political uncertainty
- Dutch King's day celebrated in Dhaka on April 27
- **Tip of the Month:** Since January 2011, garments and other finished goods made in Bangladesh have been granted duty-free access to the EU if their imported components do not exceed 70% of the total value under the Generalized System of Preferences of EU. For more information on economic opportunities and interesting incentives for doing business in Bangladesh: <http://www.nbbp.org/?q=WhyBangladesh>



## Political Update

- On April 22, Bangladesh's main opposition party led by Khaleda Zia launched a long march towards Teesta Barrage demanding a "due share" in the waters of the Teesta river, bringing up the contentious issue that has been a major irritant in ties with India. The much-publicised 'Long March', consisting of an entourage of around 200 leaders and activists, was flagged off by the party's acting Secretary General Mirza Fakhru Islam Alamgir at Dhaka.
- Abu Bakar Siddique, husband of prominent environment lawyer and Bangladesh Environment Lawyers' Association (BELA) Chief Syeda Rizwana Hasan, was abducted on April 16 and found in the city's Kalabagan area following release by his abductors after 35 hours. Syeda Rizwana Hasan is the winner of Magsaysay Award 2012.
- Abductions in several parts of the country have led to demonstrations regarding the situation of Law and Order. Both major parties (Awami League and BNP) blame each other of being behind the abductions

## Textile and Ready Made Garments (RMG)



### **RMG steps encouraging - Dutch Minister for Development Cooperation and Foreign Trade Lilianne Ploumen meets Bangladesh Foreign Minister (BD News)**

The Netherlands finds the steps taken by Bangladesh "encouraging" to ensure factory safety and workers' rights after the worst-ever building collapse last year but feels a lot more needs to be done. The Dutch minister for Foreign Trade and Development Cooperation, Lilianne Ploumen discussed this in her meeting with the Bangladesh foreign minister Abul Hassan Mahmood Ali in The Hague on April 26 and mentioned that she is keen on

greater cooperation with Bangladesh on this matter. According to the Bangladesh foreign ministry, "the exact modalities for further cooperation" would be discussed during Ploumen's scheduled Dhaka visit at the end of next month. The two ministers discussed the need for creating the "necessary comfort level" in the ready-made garment industry about the factory inspections being done to ensure safety standards. Referring to bilateral cooperation in water management, the Dutch minister observed that the Netherlands' engagement with Bangladesh in the sector had now moved "from an aid-driven approach to a more public-private partnership model". In this context, she responded positively to the Bangladesh Foreign Minister's suggestion that the Netherlands undertake some concrete work along Bangladesh's coastal belt to help land reclamation.

### **One year after Rana Plaza: Progress and the Way Forward (ILO Press Release)**

Employer and union representatives joined the ILO, donors and Government of Bangladesh representatives at a high-level event in Dhaka to mark the one year anniversary of the Rana Plaza tragedy. Speakers at a high-level event to commemorate the one-year anniversary of the Rana Plaza tragedy stressed their commitment to continue to work together to ensure the safety and rights of workers in the ready-made garment (RMG) sector in Bangladesh. "The Netherlands strongly believes that the Government of Bangladesh, employers' associations, trade unions, brands and the international community must continue to work together towards the realization of the transformation of the RMG sector. The Dutch Minister for Foreign Trade and Development Cooperation has shown her personal commitment to this cause and supports Bangladesh through ILO in its efforts to ensure safe working conditions. Rana Plaza, never again," said Gerben de Jong, Ambassador of Kingdom of the Netherlands at the ceremony. The commemoration event was jointly organized by the Government of Bangladesh and the ILO, with support from Canada, the Kingdom of the Netherlands and the United Kingdom.



**Five ambassadors meet three gov't secretaries to get updates on RMG safety and workers' rights**

On April 16, 2014 a high level meeting on RMG was organised between the Secretaries of Commerce, Labour and Employment and Foreign Affairs with Heads of Missions of the EU, US, Netherlands, UK and Canada to get updates on progress made in the country's RMG sector related to workplace safety and labor rights. Further course of action to improve the conditions was also discussed at the meeting. The main issues discussed included an update from ILO on the progress to date, the launching of the public database containing information on factories and their inspections, the recruitment of 200 labour inspectors and the issue of legal reforms (particularly the implementing rules for the Bangladesh Labour Act and EPZ law reform). An important commitment was made by the government of Bangladesh when it was stated that import duties will be reduced for inputs related to fire and building safety. A number of these issues have been pre-discussed in the meeting of the Local Consultative Group (LCG) of Private Sector Development (PSD)- Trade held on March 31, 2014 and Co-Chaired by A.T.M Murtozaa Reza Chowdhury, Ministry of Commerce (MoC) and Carel Richter, Embassy of Kingdom of the Netherlands (EKN).

**CPD recommends commission for Rana Plaza victims (The Daily Star)**

The Centre for Policy Dialogue (CPD) suggested that the government should establish a national commission with strong executive authority to solve the problems affecting the Rana Plaza victims and the garment sector as a whole on April 24. Rehman Sobhan, chairman of the local think-tank, said the commission would be headed by a high-powered person with other responsible people from within and outside the government, particularly from the civil society and will have full executive authority and not just oversight responsibility. Sobhan said the victims would be able to contact the commission to inform about their problems. Sobhan also said there should be full transparency and accountability about the funds being mobilised in the name of Rana Plaza victims from both domestic and international sources. He urged the civil society to ensure that the voices of workers are heard if the government fails to deliver on its responsibilities.

**Retailers shy away from compensation (The Daily Star)**

All but one of the 29 international retailers that sourced from factories housed at Rana Plaza are yet to donate any money to the trust fund for victims of the building collapse. So far, only \$15 million has been collected in the trust fund managed by the International Labour Organisation against the required amount of \$40 million. Of the 29 retailers, only British retailer Primark has put in \$10 million. Roy Ramesh Chandra, general secretary of the local arm of IndustriALL, a global union federation, which initiated the trust fund to compensate the victims according to ILO Convention 121, said another 14 retailers have agreed to contribute to the trust fund but have not yet done so.

**Garment exports show resilience: Shipments rise 16pc in the last one year despite industrial disasters like Rana Plaza collapse (The Daily Star)**

The one word that describes the garment sector is resilience. Exports beat doomsayers, rising around 16 percent to \$23.86 billion year-on-year during April 2013 to March 2014 despite industrial disasters like the Rana Plaza building collapse. "Our apparel exports are on a growth trajectory as major global brands are working with local garment makers to improve workplace safety," said Mustafizur Rahman, executive director of Centre for Policy Dialogue. The initiatives of the global retailers and brands to ensure fire safety and structural integrity in the garment factories send a positive message to the international





community, he said. Apparel exports grew at double digits despite various hurdles as the garment makers have welcomed the transformation initiatives undertaken by major retailers, said Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association.

### **Tofail seeks envoys' support for Rana Plaza compensation (The Daily Star)**

Commerce Minister Tofail Ahmed has sought support of foreign envoys to realise compensation from major global retailers for to the victims of Rana Plaza collapse. He spoke at a photo exhibition at the residence of Canadian High Commissioner Heather Cruden in Dhaka on April 22. The Canadian High Commission arranged the exhibition on the life and struggle of garment workers in Bangladesh on the eve of the first anniversary of Rana Plaza collapse, in association with the British High Commission and the Netherlands Embassy in Dhaka. The Netherlands' Ambassador Gerben de Jong said the government, employers' associations, trade unions, brands and international community must continue to work together for the transformation of the garment sector.

**Alliance to pay workers during factory renovation (The Daily Star)** Workers of garment units that need to shut down temporarily for renovation will receive payment to cover two months' salaries, said North American buyers of apparel made in Bangladesh. "Upon inspecting the factories, we understand the state of the owners. The Alliance has agreed to pay 50 percent of the workers' two months wages, in case a factory needs to be partially closed for remediation," Ellen Tauscher, independent chair of the Alliance and a former US congresswoman, told a news briefing at The Westin Hotel in Dhaka. "If a factory is closed for an indefinite period, workers have the opportunity to go for jobs in other factories."

**Govt again fails to meet GSP conditions (The Daily Star)** The country has once again failed to fulfil the required conditions for reinstatement of GSP status to the US markets within the deadline of April 15, mainly due to bureaucratic tangles. This is the second time that the government has failed to make an impression on the Obama administration. The first progress report submitted in November last year disappointed the US so much that the second deadline of April 15 was set, a month ahead of Obama Administration's review of the suspension decision.

### **Steps on worker safety, rights under watch: German delegates say Europe is closely assessing Bangladesh's action, after worst industrial disaster (The Daily Star)**

Germany will critically assess Bangladesh's next moves towards improving factory safety and ensuring worker rights following the Rana Plaza tragedy, a German delegation warned on April 29. Stefan Rebmann, deputy head of a seven-member delegation from the German parliament, said Germany and the whole of Europe are attaching great importance to this development. He made the comment at a press briefing about the outcome of the delegation's four-day visit to the country. Speaking at the briefing, Dagmar G Woehrl, a member of the German parliament, said the Rana Plaza disaster came as a shock not only for Bangladesh, but also for the whole world. "We wanted to see with our own eyes what has been done in the meantime and what remains to be done in the future." Chairperson of the Committee on Economic Cooperation and Development of the German parliament, Woehrl said Bangladesh's garment sector, the second largest exporter to the world, has gone through a period of tremendous growth. "It is now time for better factories, higher health and safety standards, and for full compliance with ILO conventions." Germany is a prime destination for garment products manufactured in Bangladesh: about 17 percent of the country's total garment exports go to the European nation, making it the second largest market for Bangladeshi products.

**NBR to slap higher taxes on new factories in Dhaka (The Daily Star)** The National Board of Revenue plans to impose higher taxes on fresh investments in setting up industrial units in Dhaka and its surrounding areas. "It is often said that Dhaka has



become an unlivable city for increased congestion and industrialisation. New industrial plants should not be allowed in Dhaka and its adjacent areas for the sake of livability of the city," NBR Chairman Md Ghulam Hussain said on April 29. His comments came at a pre-budget discussion with representatives of Bangladesh Chamber of Industries, at the headquarters of the tax administrator. Hussain said the NBR might include the proposal of imposing higher taxes on such industrial units in the budget of the upcoming fiscal year.

**Industry owners urged to chip in (The Daily Star)**



Garment factory owners and their associations were urged to come forward to compensate the victims of Rana Plaza collapse at a human chain on April 24. IndustriALL Bangladesh Council (IBC), the local chapter of the IndustriALL Global Union that represents 50 million workers in 140 countries, organised the programme at the site of the collapse in Savar. Several hundred victims and their relatives took part in the programme which included a candle light vigil.

**Create special fund for factory safety upgrade: BB chief economist suggests (The Daily Star)**

The chief economist of Bangladesh Bank recommended that a separate fund be set up by high tariff-imposing countries like the US for upgrading factories in developing countries on April 29. The fund, to be named "Tariffs for Standards", could be administered by a third party such as the World Bank, said Hassan Zaman, chief economist of the central bank. Zaman's comments came at a seminar of Saarc Finance, a group of governors and finance secretaries in South Asia. The argument for this fund is strengthened by the fact that aid from the US to Bangladesh has only averaged \$150 million in the last five years. By contrast, Bangladesh is contributing \$850 million in export duty to the US Treasury. Zaman's recommendation comes at a time when the government is bargaining with the US to cut the higher duty on Bangladeshi garment exports.

**Uzbekistan to give incentives to Bangladeshi cotton importers (The New Age)**

The Uzbekistan government will offer special incentives to Bangladeshi cotton importers from their country, commerce minister Tofail Ahmed said on April 24. He said Tashkent assured of considering a proposal of Dhaka that sought duty-free market access for Bangladeshi readymade garment in their market. The minister was talking to reporters after a meeting with visiting Uzbek economic, trade and investment affairs minister Elyor Majidovich Ganiev at his secretariat office.

## Infrastructure

**Lone Chinese firm submits financial bid (The Daily Star)** Only one Chinese firm has submitted a financial bid by the April 24 deadline for the construction of the main part of Padma bridge, raising the company's prospects of winning the Tk 9,172 crore contract. The firm is China Major Bridge Engineering Co Ltd. The deadline for submitting the financial proposal has already been extended once from April 3. Two other companies -- Samsung C&T Corp and Daelim-L&T JV -- have appealed again for stretching the deadline by another 10 and 11 weeks. Talking to newsmen, Communications Minister Obaidul Quader said the appeals by the two firms were rejected as the Maunsell AECOM and the technical committee has opposed extending the deadline further. International consulting firm Maunsell AECOM and the technical committee will now scrutinise the financial proposal of the lone bidder, he added. The next decision in this regard will be made on the basis of their opinion, mentioned the minister.

**ADB to lend \$110m for infrastructure (The Daily Star)** The Asian Development Bank has agreed to lend Bangladesh \$110 million to support private sector infrastructure



projects and in renewable energy. Mohammad Mejbahuddin, secretary of the Economic Relations Division (ERD), and Oleg Tonkonojenkov, deputy country director of ADB's Bangladesh resident mission, signed a deal at the ERD in the capital on April 5. The loans will support the Second Public-Private Infrastructure Development Facility established under the state-owned Infrastructure Development Company Ltd (Idcol), ADB said in a statement. The World Bank and the Japan International Cooperation Agency will co-finance the project with \$99.5 million and \$96 million respectively. Private sector investors will also contribute \$50 million as equity financing and debt funding.

**Massive duty waiver for new luxury hotels (The New Age)** The National Board of Revenue has provided massive duty waiver on import of capital machinery and other equipments to build international chain and standard hotels to boost the local tourism industry. The revenue board issued a statutory regulatory order reducing import duty to only 5 per cent on import of interior decoration materials, kitchen and cooking equipments, building security equipments, fire fighting and protection equipments, electric substation equipments, furniture, lightings and equipments for health club for constructing international standard luxury hotels on April 8.



**Ecneec okays China-aided telecom network expansion project (The Financial Express)** The government's highest economic policy-making panel ECNEC on April 22 approved five development projects with a combined cost of Tk 20.72 billion including a telecommunication network expansion project. The approval came at the meeting of the executive committee of the national economic council (ECNEC) presided over by the Prime Minister Sheikh Hasina. The state-backed Bangladesh Telecommunication Company Limited (BTCL) will upgrade its network across the country through the "Setting up of NGN-based Telecommunication Network" project at a cost of Tk 18.63 billion, planning minister AHM Mustafa Kamal told reporters after the meeting.

## Oil/Gas/Energy

**Govt moves to build 2nd LNG terminal (The Financial Express)** The government has moved to build the country's second liquefied natural gas (LNG) terminal without awarding contract for the first one after four years of initial tendering, a top government official said. Power Cell, a state-owned entity under the Power Division of the Ministry of Power, Energy and Mineral Resources (MPEMR) has floated international tender seeking expression of interests (EOIs) from interested global players to build an onshore LNG import terminal to facilitate LNG import to run gas-fired power plants, he said. The second terminal will have the capacity to handle import of around 3.5 million tonnes of LNG per annum, which is equivalent to about 500 million cubic feet per day (mmcf). Tender was floated on April 19 last to build the land-based LNG import terminal at Matar Bari in Moheshkhali Island in the Bay of Bengal under Cox's Bazar district in southern Bangladesh.

**Kailashtila drilling starts in July for oil and gas (The Daily Star)** The drilling of the Kailashtila well 7 (KTL 7) in Golapganj upazila of Sylhet will begin in July, ten months after Prime Minister Sheikh Hasina laid the project's foundation last year. Preparation is almost complete for the drilling of the appraisal and development site, around 15km away from Sylhet city. "About 500 barrels of oil are expected to be produced a day as it is targeted as an oil well," said Harun Ur Rashid Molla, project director of the KTL 7 project and deputy general manager of state-run Sylhet Gas Fields Ltd yesterday. The well is likely to produce 25 mmcf gas a day. If oil is found, it will be the country's second oil well, after the first was drilled in the Haripur field in Jaintapur upazila in Sylhet in the 1980s. The Haripur field ran dry in 1994.



### **\$146.74m loans sought for 2 new hydro power units (The Financial Express)**



The government has sought US\$146.74 million concessional loans from donors to set up two new 100-megawatt (MW) capacity units at the Karnaphuli hydropower plant at Kaptai, officials said on April 12. Power Division officials said the state-owned Bangladesh Power Development Board (BPDB) had planned to set up 6th and 7th power units with 50MW capacity each at the existing Karnaphuli hydropower station site at

Kaptai to boost its total generation using water resources.

### **ConocoPhillips to continue exploration in other blocks (The Financial Express)**

The refusal of ConocoPhillips to sign production-sharing contract (PSC) for shallow water block SS-07 in the Bay of Bengal will not affect the US-based company's exploration activities in other blocks, a company insider said. "The decision on block SS-07 does not impact ConocoPhillips' commitment to exploration activities in Bangladesh," said the official. The company said, after further evaluation it found that block SS-07 located offshore Bangladesh in the Bay of Bengal was no longer competitive in the company's portfolio and hence it notified the Petrobangla that it couldn't sign the PSC under the current terms. "We will continue to be engaged with the Bangladesh government to explain the constraints associated with the PSC," the official said. The US firm last week refused to ink any PSC with Bangladesh for oil and gas exploration in the shallow-water block SS-07 saying that the current fiscal terms for the block are not favourable to it.

### **IDCOL funds country's first ever solar energy testing lab (The Financial Express)**

Infrastructure Development Company Limited (IDCOL) has teamed up with Bangladesh University of Engineering and Technology (BUET) for establishing the country's first ever Photovoltaic Testing Laboratory. The state-linked infrastructure and renewable energy financier (IDCOL) will fund around \$550,000 for establishing the country's first Photovoltaic Testing Laboratory. Two organisations signed a memorandum of understanding (MoU) to advance the project, IDCOL said in a statement.

## **Water/Maritime**

**High Level Gob Visit To Rotterdam Exploring Deep Sea Port Cooperation** The Netherlands Embassy in Dhaka hosted a high level delegation of four Government officials to the Netherlands in April 2014 in light of the Sonadia Deep Sea Port developments. The main focus of the visit was to discuss the Deep Sea Port business case development and effectively demonstrate Dutch expertise in this field. The tour included visits to key sites including a visit to the Port of Rotterdam, the Maasvlakte II, a visit to world renown STC Maritime Training and Simulation Centre and meetings with the Ministry of Foreign Affairs and representatives of private parties. On April 17 a meeting took place in The Hague, the Netherlands at the Ministry of Foreign Affairs with a focus on furthering effective contact with the Dutch Water and Logistics private sectors. The meeting was chaired by Deputy Director General Foreign Economic Relations, Mr. Marten van den Berg. The visit concluded with a very open and enlightening discussion on exploring Dutch government support for possible next steps. Since June 2013, after a Dutch delegation visit to Bangladesh to present the expertise the Netherlands has to offer in port development, the GoB is amongst others looking towards Dutch involvement in the development of Sonadia Deep Sea Port. This given the long standing relation of the Netherlands with Bangladesh, the Dutch business interest in this project and the available Dutch expertise both in financial, legal and ecological issues and in marine & port engineering issues. The aim is to develop a top technological and ecologically responsible port as a business case with Dutch perspectives on technological and financial feasibility.

**Chinese proposals for Deep-Sea Port, Satellite: Different govt voices being heard says Ambassador Li Jun (The Daily Star)** China said decisions about building



a deep-sea port and launching of Bangladesh's first satellite "Bangabandhu Satellite" in space now lay with Dhaka, as Beijing had already expressed its interest in the projects on April 25. The Bangladesh Institute of International Strategic Studies (BIISS) organised the session titled "China's Development and China-Bangladesh Relationship" in its auditorium with BIISS Chairman Munshi Faiz Ahmad in the chair. The Chinese envoy mentioned that these two projects and construction of an exhibition centre in Bangladesh were among several important projects discussed during Bangladesh prime minister's visit to China in 2010. Official sources said the government was examining the proposals of some countries to invest in the proposed deep-sea port at Sonadia Island in Cox's Bazar while the offer of China Great Wall Industry Corporation (CGWIC) over the launch of "Bangabandhu Satellite" was also under consideration.

**UAE deep-sea port investment proposal puzzles govt (The New Age)** Senior bureaucrats of the government are puzzled with a unique investment proposal from the United Arab Emirates linking their participation in Sonadia deep-sea port with awarding contracts for two other infrastructure projects. A senior official of DP World, a UAE government-owned company, placed their new investment proposal at a high-level meeting at the Prime Minister's Office with PMO principal secretary Abdus Sobhan Sikdar in the chair, informed sources said. The representative of DP World elaborating their multi-billion dollar investment plan for constructing deep sea port said they preferred investment in projects costing less than a billion US dollar before pouring huge investment in such mega project like Sonadia port. The port-related two infrastructure projects that the UAE showed interest in are--inland container terminal at Gazipur and equipping the New Mooring Container Terminal at Chittagong Port, a senior official of the government who attended the meeting said.

**Dhaka signs \$193m deal for 2 China subs (The New Age)** Dhaka has signed a deal with Beijing on the purchase of two submarines for \$193 million, officials said. Dhaka managed to reduce submarines price by \$10 million, or around Tk 80 crore, after bargain with Beijing early this year. Beijing asked for \$203 million when two sides entered the final bargain in November 2013, the officials said. The submarines of Ming class will have capacity of firing anti-ship missiles from its torpedo tubes. They are scheduled to reach Bangladesh in 2019 after the navy would pay China's state-owned suppliers the money in five years starting from the outgoing financial year.



## Agriculture

### **World Bank offers \$210m for food storage capacity building (The Daily Star)**

The World Bank will provide a credit facility worth \$210 million to Bangladesh to help build modern food storage systems and strengthen distribution. Under a deal signed between the two parties on April 5, the government will construct the food storage system that will be able to feed 10 million people under a new project. The facility will be provided for a term of 40 years, including a 10-year grace period, and carries a service charge of 0.75 percent. The Modern Food Storage Facilities Project will construct steel silos with a total storage capacity of 535,500 tonnes of rice. It will also support the distribution of smaller household silos to 500,000 households in the disaster-prone coastal areas.

## Other News

### **Unique Example of Cooperation between the Netherlands and Bangladesh on ICT (EKN Report)**

The ICT and Logistics trade mission organized by the Netherlands Embassy in cooperation with Nyenrode Business University resulted in a great success: SoundICT, offering entrepreneurial management services for business development in technology, telecom and media, has officially started its activities in Bangladesh. The signing of a joint venture between the two partners Sound Results in the Netherlands



and RedOrange Bangladesh took place during the trade mission at the Netherlands Embassy. During the visit another two Dutch and Bangladeshi companies signed a joint venture and Memorandum of Understanding. As the managing director of SoundICT puts it, "There are lots of opportunities waiting out there for Bangladesh and the Netherlands".

**Stable credit outlook for Bangladesh: Moody's retains Ba3 rating despite hovering political uncertainty (The Daily Star)** Leading international credit rating agency Moody's gave a stable outlook to Bangladesh's credit rating, a resounding endorsement for the government seeing that the uncertainty in the political arena is yet to dissipate completely following the parliamentary elections. Political turmoil and divisiveness, as seen in January 2014 ahead of parliamentary elections, have been a recurrent feature in Bangladesh. Moody's said its affirmation of the stable outlook for Bangladesh is based on the view that the country's underlying credit strengths have withstood the impact of recent political tensions, industrial accidents in the garment sector and the poor financial health of state-owned commercial banks. A healthy outlook for economic growth, progress on policy reform and limited vulnerability to fiscal and external funding stress were key drivers for the decision.

**Trade deficit shrinks (The Daily Star)** Trade deficit in the first eight months of the current fiscal year fell 22 percent to \$3.56 billion year-on-year due to higher exports and slow import growth. The fall in trade deficit raised the current account surplus to \$2.02 billion during July-February despite a decline in remittances. Thanks to a favourable external sector in recent times, the country's foreign currency reserves crossed the \$20-billion mark this month. The foreign exchange reserves were \$15.31 billion on June 30, 2013 and in the last eight months it broke four records to reach \$20.08 billion on April 15. During the period, remittances fell 6.63 percent but exports rose around 14 percent and imports 6.24 percent, which were the main reasons behind the decline in trade deficit and a surge in the reserves.

**Foreign funds surge in Dhaka stocks (The Daily Star)** Net foreign investment in Dhaka stocks rose 69 percent year-on-year in the first quarter this year. Overseas investors bought shares worth Tk 935.47 crore and sold stocks worth Tk 439.10 crore, taking their net investment to Tk 496.37 crore at the end of March, according to data from Dhaka Stock Exchange. The net foreign investment in the first quarter of 2013 was Tk 293.03 crore, after foreign investors bought shares worth Tk 440.33 crore and sold shares worth Tk 147.30 crore during the period. Foreign investors were mostly focused on fundamentally strong securities, which were still lucrative for investment, said a manager at a local stockbroker that deals with foreign investment.

**WB to give budget support (The Daily Star)** After five years, the World Bank once again looks likely to extend budget support to Bangladesh, a move which demonstrates the multilateral lender's renewed faith in the government. Finance Minister AMA Muhith earlier indicated that the government would seek \$500 million in budget support from the lender, but an official of the Economic Relations Division (ERD) suggested the figure would be in the region of \$300 million. The issue was discussed briefly on the sidelines of the spring meetings of the WB and IMF, which took place in Washington DC earlier this month. The ERD official said the WB seemed receptive of the proposal, so a formal request will be sent by next month.

**Ecneec approves Tk 1,050cr training project (The Daily Star)** Around three lakh people will be provided higher training to help them get jobs in six sectors including garment, light engineering, ship building and information technology, under a project going to be launched by the finance ministry. The Skills for Employment Investment Programme (SELP Phase-1) project worth Tk 1,050 crore received a green light from the Executive Committee on National Economic Council on April 29. It will provide technical education in private and public sectors. The Asian Development Bank will give Tk 780



crore in loans while the Swiss Agency for Development and Cooperation will grant about Tk 54 for the project. The project will provide technical education to turn manpower into human resource, Planning Minister AHM Mustafa Kamal told the reporters after the meeting. The finance ministry will supervise the implantation of the new project implemented under various ministries, said State minister for Finance and Planning MA Mannan.

**Labour, women in focus: US trade negotiator Delaney signals formation of two panels (The Daily Star)** The US plans to establish separate committees on labour and women's empowerment under the Trade and Investment Cooperation Forum Agreement to ensure due rights for workers and spur women's participation in the economy. Michael J Delaney, assistant US trade representative for South Asia, said the dedicated committees would enable the two countries to jointly work on the important issues with an interagency and inter-ministerial team of experts. The trade negotiator, who is currently in the capital leading a five-member US delegation for the inaugural Ticfa talks today, is optimistic about the efficacy of the arrangement, inked in November last year after decades of negotiations. Responding to a query about offering duty-free access to garment products to the US market, he said the issue is hinging on the outcome of the World Trade Organisation's Doha Round negotiations.

**Diversify exports, trade partners for better growth: PRI (The Daily Star)** Bangladesh needs to exploit the opportunities created by cross-border production networks to produce and export intermediate goods that could be assembled elsewhere, policy analysts said on April 25. "Around 98 percent of Bangladesh's exports are final consumer products with little or no intermediate goods. Trade and domestic policies have an anti-intermediate goods bias," said Zaidi Sattar, chairman of Policy Research Institute of Bangladesh (PRI). This needs to change as trade in intermediate goods is the fastest component of global trade, Sattar added. He spoke at a seminar on trade and investment for higher economic growth, organised by PRI at its office in Dhaka.

**Leather sector eyes \$5b from exports (The Daily Star)**

Bangladesh will be able to earn at least \$5 billion in exports from leather, leather goods and footwear in the next decade if it can properly address health, environment and compliance issues in the sector, analysts said on April 5. But the country lacks environment friendly tanneries to process leather, posing as the main bottleneck to increasing exports. Bangladesh now exports leather, leather goods and footwear worth around \$1 billion a year, which accounts for only 0.005 percent of the global market worth \$230 billion, said Shaheen Ahmed, chairman of Bangladesh Tanners Association (BTA).



**Banks asked to execute Basel III from July 1 (The New Age)** Bangladesh Bank on asked the scheduled banks to start implementation of international Basel-III guidelines by raising banks' capital bases from July 1. The banks will have to implement the new guidelines on capital arrangement in five and a half years. The BB issued a circular to managing directors and chief executive officers of all banks asking them to complete required preparations between April and June of this year before they (banks) start implementing Basel-III, a global, voluntary regulatory standard on banks' capital adequacy, stress testing and market liquidity risk. The BB circular on March 31 said that the central bank would issue guidelines on Basel-III for the banks within April and they (banks) would have to complete the full-fledged implementation of the guidelines by 2019.

**Bangladesh, Myanmar to resume direct Dhaka-Yangon flights** Biman Bangladesh Airlines resumed direct flights between Dhaka and Yangon (Myanmar) in 2013 opening up a new travel destination for those based in Bangladesh to visit "the Golden Land". Highlights to visit in the country are the impressive Golden Shwedagon pagoda in



Yangon, the quite ancient temple ruins in Bagan and the pristine Inle lake. The flight leaves from Dhaka every Thursday at 16:15 and returns on Monday evening at 20:45. A Dutch company, based in Myanmar, called Khiri Travel, has been set up by Edwin Briels who has lived over 10 years in Myanmar and is passionate about discovering the country. Amongst his first clients was Mr. Hennekens, who served as Ambassador of the Netherlands in Dhaka. For further information please contact Edwin Briels ([edwin@khiri.com](mailto:edwin@khiri.com)). He is happy to share his experiences about travelling or doing business in Myanmar.

## Events

### **The Netherlands King's Day in Dhaka: April 27, 2014**

On April 27, the Dutch celebrated their first King's Day in 124 years. Since the abdication of Willem III in 1890, only queens have ascended the throne. Last April, after 33 years of duty, Queen Beatrix decided to hand over the responsibilities of the monarchy to her eldest son Willem-Alexander, who has now completed his first year as King of the Netherlands. From this year onwards, he will have the pleasure of celebrating his birthday with the entire Dutch community. The Netherlands Embassy in Dhaka also paid tribute to his anniversary with the Ambassador hosting a King's Day reception at the residence. Among the 500 guests present there were several ambassadors, government officials, ministers, political and civil society figures and members of the Dutch and Bangladeshi business community. It was a very enjoyable and warm event with an opportunity to taste typical Dutch food. This year, the Embassy received four sponsorship offers for this event from Dutch-Bangladeshi businesses that were eager to seize this unique occasion to promote and expand their business, network and expertise. These companies are CIMSolutions, BM Container Depot Ltd, Dutch-Bangla Pack Ltd and Vosta-LMG and Karnafuly Ship Builders Ltd. The Embassy also published special supplements for this occasion, please visit <http://bangladesh.nlembassy.org/appendices/kings-day-2014.html> to view the supplements on different newspapers.



### **Diamond Sponsors**



### **Gold Sponsors**



**Rana Plaza commemoration: 'Bonded Stitches and Struggles' - April 24** marked the one-year anniversary of the Rana Plaza disaster. To commemorate this tragedy and to increase knowledge on the lives and struggles of the garment workers, a photo exhibition was organized by Andrew Biraj, a well-known Bangladeshi photojournalist. The exhibition was held in Drik gallery and in Savar, so the workers and survivors could also experience the photographs. The exhibit showed Andrew's work on Rana Plaza as well as other matters concerning the RMG-sector and lasted for eight days. The aim of the exhibition was to educate viewers on the harsh, but mostly unseen conditions garment workers often find themselves in. The event was hosted by the High Commissions of Canada and the UK and the Embassy of the Kingdom of the Netherlands.



### **Workshop on the Codex Alimentarius for Food Safety in Bangladesh: April 23, 2014**

A two-day workshop on the Codex Alimentarius was organized by the FAO Food Safety Project, funded by the Netherlands, targeting representatives from various ministries and private entities involved in food safety and food trade, including the Bangladesh Standards and Testing Institute (BSTI), consumer organisations and a number of larger Bangladeshi agri-business companies on April 23. The objective of the workshop was to explain what the Codex is about; what relevance it has for food safety, food imports and food exports in Bangladesh; how Bangladesh can make use of the Codex, and, how the country can effectively participate in Codex negotiations. The Codex provides international food standards, guidelines and codes of practice that contribute to the safety, quality and fairness of the international food trade. With this, consumers can trust the safety and quality of the food products they buy and importers can trust that the food they ordered will be in accordance with their specifications. While being compiled from recommendations through voluntary application of the members, the Codex standards serve in many cases as a basis for national legislation. Codex standards are based on the best available science assisted by independent international risk assessment bodies or ad-hoc consultations organized by FAO and WHO.



**Bangladesh StartUp Cup 2014: April 14 to May 7, 2014** The StartUp Cup is a global network of 68 accelerators "without walls" in 57 countries which was born in Silicon Valley and proven in Tulsa, Oklahoma over the past six years. The competition has been fine-tuned based upon feedback from participating entrepreneurs, judges, coaches, entrepreneurial services providers, and community leaders from around the world. This is first time it has come to Bangladesh. Local entrepreneurs interested in building their businesses through an experiential and mentorship driven process can apply on [Bangladesh.StartUpCup.com](http://Bangladesh.StartUpCup.com) between April 14 and May 7, 2014. For more information, please check [www.bangladesh.startupcup.com](http://www.bangladesh.startupcup.com) and their Facebook page: [fb.com/BangladeshStartUpCup](https://fb.com/BangladeshStartUpCup)

### **Upcoming Events**

**Trade Mission May 25 - 28, 2014: Sectors ICT And Logistics** From May 25th -28th 2014 an economic mission to the Netherlands will take place, organized by Nyenrode Business University in cooperation with the Netherlands Embassy in Dhaka. The trade mission will facilitate 15 Bangladeshi businesses looking towards the Netherlands and show how its potential provides direct business opportunities. Together with the Dutch Embassy various matchmaking meetings, corporate site 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 Bangladesh. More information about the upcoming trade mission or more information about doing business in Bangladesh can be found at [www.nbbp.org](http://www.nbbp.org).

### **Tenders**

**Invitation for International Tender** - Department of Fire Service and Civil Defence under the Ministry of Home Affairs issued a tender for Recue & Fire fighting appliances. Tender was published on 27 April 2014, last selling on 18 May 2014 and closing on 19 May 2014 12:00 PM. For details, please contact: Md. Ataul Haque, Joint Secretary & Chairman, Project Implementation Committee, Chairman, Project Implementation Committee of Bangladesh Bank Financed strengthen capability of ifre service & civil defence karmosuchee. Phone: 9556759 Fax: 9565657  
<http://www.cptu.gov.bd/ShowDetailTender.aspx?ADId=40331>



**Invitation for International Tender – Bangladesh Power Development Board** under the Power Division has issued a tender for Procurement of AGB (Accessory Gear Box) Complete Set for Barisal Gas Turbine Power Station, BPDB, Barisal. Tender was published on 27 April 2014, last selling on 09 June 2014 and closing on 10 June 2014 11:00 AM. For details, please contact: Abul Baser Khan, Director, Directorate of Purchase, BPDB, Dhaka. Wapda Building (9th Floor), Motijheel C/A, Dhaka. Phone: 9550532 & 7126144, Fax: 02-7126151 Email: dir\_pur\_pdb@yahoo.com  
<http://www.cptu.gov.bd/ShowDetailTender.aspx?ADId=40347>

**Invitation for International Tender – Bangladesh Sugar & Food Industries Corporation (BSFIC) under Ministry of Industries issued a tender for Stainless Steel Tube for Vacuum Pan, Evaporator & Juice Heater of Sugar mills.** Tender was published on 27 April 2014, last selling on 03 June 2014 and closing on 04 June 2014 11:00 PM. For details, please contact: Md. Harun Miah, Chief (Purchase), Bangladesh Sugar & Food Industries Corporation Chinishilpa Bhaban, 3, Dilkusha Commercial Area, Dhaka-1000 <http://www.cptu.gov.bd/ShowDetailTender.aspx?ADId=40349>

**Invitation for International Tender – Department of Roads and Highways under the Ministry of Communication has issued a tender for Procurement of New Inspection Vehicles - 2 (two) Turbo Diesel Pickup.** Tender was published on 27 April 2014, last selling on 19 May 2014 and closing on 20 May 2014 02:30 PM. For details, please contact: Deleep Kumar Guha, Project Director (ACE), RHD SASEC Road Connectivity Project House # 127 (2nd Floor), Road # 2, Block-A Niketan, Gulshan-1, Dhaka-1212, Phone: 01730 354231 Email: pdsasec@gmail.com  
<http://www.cptu.gov.bd/ShowDetailTender.aspx?ADId=40352>

**Request for Expressions of Interest (REOI) – Power Cell** under the Power Division has issued a REOI for CONSTRUCTION OF LAND BASED LIQUEFIED NATURAL GAS (LNG) REGASIFICATION TERMINAL. REOI was published on 17 April 2014 and closing on 18 May 2014 at 12:00 AM. For details, please contact: Mohammad Hossain, Director General, Power Cell, Ministry of Power, Energy and Mineral Resources Govt. of the People's Republic of Bangladesh Bidyut Bhaban (9th Floor) 1, Abdul Gani Road, Dhaka 1000, Bangladesh Phone: 02-9551261 Fax: 02-9554664 Email: dg@powercell.gov.bd  
<http://www.cptu.gov.bd/ShowDetailEOI.aspx?EOIID=2139>

**Request for Expressions of Interest (REOI) - Rajdhani Unnayan Karttripakhya** under Ministry of Housing and Public Works issued a REOI to maintain the Hatirjheel Integrated Project and to provide a few entertaining services in the project area. REOI was published on 15 April 2014 and closing on 26 May 2014 at 12:00 PM. For details, please contact: Md. Emdadul Islam, Chief Engineer, 4th floor, RAJUK Bhaban, Dilkusha, Dhaka-1000. Phone: 9559386 Email: rafiqbbs@gmail.com  
<http://www.cptu.gov.bd/ShowDetailEOI.aspx?EOIID=2141>

**Request for Expressions of Interest (REOI) - Project Director Haor Flood Management and Livelihood Improvement Project** Local Government Engineering Department (LGED) under the Local Govt Division issued a REOI for consulting services for a) Design, Construction and rehabilitation of rural development infrastructure such as village/ union/ upazilla roads, submergible roads, Rural Markets, Ghat (Boat landing station) etc. and b) livelihood improvement: fishery promotion support and small-scale income generation. REOI was published on 15 April 2014 and closing on 15 May 2014 at 11:00 AM. For details, please contact: SK. Md. Mohsin, Project Director, Haor Flood Management and Livelihood Improvement Project, Local Government Engineering Department (LGED), LEGD Bhaban, Level-11, Agargaon, Sher-e-bangla Nagar, Dhaka-1207, Bangladesh. Phone: 88-02-8151387 Email: mohsin300964@yahoo.com  
<http://www.cptu.gov.bd/ShowDetailEOI.aspx?EOIID=2135>



**Request for Expressions of Interest (REOI)** - Department of Social Services under Ministry of Social Welfare has issued a REOI to design, develop, test, pilot and implement a Management Information System (MIS) for managing and supporting the services provided by the JPUF through the IDSCs, and for supporting three social protection allowance programs that are administered through the DSS's District offices. REOI was published on 09 April 2014 and closing on 05 May 2014 at 5:00 PM. For details, please contact: A K M Fazluzzoha, National Project Director, Services for Children at Risk (SCAR) Project Department of Social Services (DSS) E-8/B-1, Agargaon, Sher-e-Bangladesh, Dhaka-1207, Bangladesh Phone: 8157511 Fax: 8157511 <http://www.cptu.gov.bd/ShowDetailEOI.aspx?EOIID=2129>

***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](mailto:dha-ea@minbuza.nl), or by phone (00882) 8822715-8.