

NEWSLETTER

新闻通讯

December 2021



বাংলাদেশ চায়না চেম্বার অফ কমার্স এন্ড ইন্ডাস্ট্রি
孟中商业工业协会
BANGLADESH CHINA CHAMBER OF COMMERCE & INDUSTRY



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Bangladesh China Chamber of Commerce & Industry (BCCCI)

FROM THE GLORIOUS PAST TOWARDS A BRIGHTER FUTURE

The trade links between ancient Bengal and China is a rich treasure of history by itself. Following earlier records of such links by 14th-15th century the exchange of trade missions is evidenced in the chronicles of these trade relations. The first mission from Bengal came to China in 1404 during the reign of the independent Sultanate of Bengal. Thereafter in 1412 it was graciously returned by the first Chinese trade mission to Bengal. In tune with the trace of trade links between China and Bangladesh came into being the Bangladesh China Chamber of Commerce & Industry (BCCCI) was formally established in 2003 - an exclusive bilateral trade embodiment - with the aim of further promoting trade and investment in Bangladesh and China looking forward towards the potential scope of trade and commerce and economic cooperation and to establish stronger business bonds between the two friendly countries. BCCCI negotiates with the common stakeholders to ensuring the best benefits from this business body to take Bangladesh-China trade and economic relations to a newer height.

Apart from extending economic and defense cooperation, China has all along lent its support for Bangladesh in different international forums. The Padma Bridge is the glaring example of China's whole-hearted cooperation in the development of Bangladesh. The BCCCI incorporated itself as a member of the Joint Stock Companies and firms, Bangladesh, on 13th May, 2003. Subsequently BCCCI also received affiliation of the Federation of Bangladesh Chambers of Commerce and Industry, FBCCI on 23rd June, 2003. BCCCI enjoys the status of an 'A' Class chamber with the FBCCI. The chamber aims to make positive contributions in the promotion of trade, commerce and industries between Bangladesh and China, and provides as much as logistical, technical and other supports to the investors of both the countries. It takes all possible pragmatic steps in fostering ties, particularly strives to diversify China's business and investment in Bangladesh.

BCCCI functions as a spokesman for the business and professional community and translates the group thinking of its members into action; secondly, it renders a specific range of services that can most effectively be beneficial to the business community. In other words the Chamber's mission is to create an environment in which businesses can prosper and flourish. The main function of BCCCI is to promote interest in business possibilities.

BCCCI serves with periodical publications of various economic and commercial character, publishes newsletters focusing bilateral trade issues and prospects, holds issue-based seminars and symposia, informing its members and the media about regulations in the field of economic activity, commercial usage, and about foreign currency issues and other related issues concerning export, import and investment.

Vision of BCCCI

Accelerate the economic momentum of Bangladesh through harnessing the huge Chinese market and investment potentialities through trade and economic cooperation.

Mission Statement of BCCCI

With the valuable expertise of the honorable members from different business fields from both the countries, BCCCI is committed to provide assistance and facilitation for the business community of Bangladesh and China at every possible step of promoting trade and investment for economic prosperity of both the countries.

Aims & Objectives

1. To promote and protect the trade, commerce, mercantile & industrial relations between Bangladesh & China.
 2. To foster a spirit of co-operation among all members so that they may work together for the development of economic, business, commercial, industrial and financial ties between Bangladesh and China.
 3. To render to government or other authorities including media about such assistance, information and advisory services with an aim to enable them to promote commerce, trade and industry.
 4. To watch over and protect the general commercial interests of all members.
 5. To collect and circulate to members of the Chamber statistics and other information relating to trade, commerce & industry and manufactures.
 6. To develop commercial activities and economic co-operation between Bangladesh and China.
 7. To promote, trade, commerce, science, industry, service and technology of Bangladesh and China.
 8. To promote educational and cultural bondage in all spheres and the development of export and import business between Bangladesh and China.
 9. To develop a congenial atmosphere for further growth & development of China and Bangladesh.
 10. To assist members to explore new business areas and establish joint venture business between China and Bangladesh.
 11. To exchange ideas with government and other trade bodies.
 12. To maintain liaison with the Federation of Bangladesh Chamber of Commerce and industry.
 13. To exchange delegations and business information between Bangladesh and China on commerce, trade and industries at govt. level and people's level.
 14. To hold seminars, Symposium, Trade Fair, Trade Exhibition, for the promotion of trade and commerce between Bangladesh and China.
 15. To set up multistoried buildings for marketing Bangladesh products in Dhaka, Chittagong, Rajshahi, Khulna, Sylhet, Rangpur step by step.
 16. To exchange delegations between Chambers of Commerce, Trade & Industries of different organizations of Bangladesh and China.
 17. To promote Direct Foreign Investment in different business sectors in Bangladesh and China through exchange of foreign investors exchange program.
 18. To organize a trade fairs of Chinese products primarily in Dhaka and Chittagong every year.
 19. To organize a trade fair of Bangladesh products in Beijing, Shanghai, Guangzhou or other cities of China every year.
 20. To try to solve all disputes between Bangladeshi and Chinese companies though friendly constant exchange of views, negotiations and mutual understanding.
- Merits of BCCCI Membership

1. Special Benefits:

- 1 Trade Fair: BCCCI members will get the opportunity to participate in Trade Fairs organized by BCCCI (both in Bangladesh and in China) at a discounted rate.
- 2 Seminars/workshops: BCCCI members will get the priority to join the Seminars/workshops organized by BCCCI at special rate along with other facilities.

3 Information Services: BCCCI members will be provided with important business information services.

2 Export/Import Benefits:

- ❖ For Bangladeshi Exporters, BCCCI provides related information about Chinese importers and necessary market information of China.
- ❖ For Bangladeshi importers, BCCCI provides related Information about Chinese Exports.

3 Investment Benefits:

- ❖ For interested companies who are looking for a joint Venture with Chinese Company, BCCCI will provide all possible relevant information on potential Chinese investors.
- ❖ For companies who are interested to invest, relocate or FDI in Bangladesh, BCCCI will provide information about Bangladeshi investment Climate and Investment Procedure.

4. Communication Benefits:

- ❖ With the support of BCCCI, Members will be assisted in meeting with the Embassy of China in Bangladesh.
- ❖ BCCCI will assist its members visit to China for business purpose.
- ❖ Through BCCCI, Members will get the opportunity of closer interaction with other Chinese Chambers as well as Bangladeshi Chambers for business purpose.

Eligibility of BCCCI Membership:

1. General Members:

Open to any firm/company/organization/institution which has Bangladeshi or Chinese registration/incorporation and is presently engaged in business/manufacturing/other activities involving these two countries.

The Board may invite any distinguished and reputed person to become Honorary Member of BCCCI.

Membership Fees for General Members

Entry Fee Tk. 35,000/- (Thirty Five Thousand Taka)

Annual Fee Tk. 20,000/- (Twenty Thousand Taka)

Membership Procedure:

- ❖ Interested Business personals/companies /organizations can collect Membership Application Form from the BCCCI office/website: bccci-bd.org and submit the same along with required membership fee Tk.35,000/- as entry fee).
 - ❖ Interested Business Personals/companies/organizations have to submit the following supporting documents (if applicable) along with the application for General Membership:
 - ❖ Passport size Photo
 - ❖ Visiting card
 - ❖ Copy of Trade License
 - ❖ Copy of Certificate of Incorporation
 - ❖ Copy of TIN
 - ❖ Copy of Banker's Certificate
 - ❖ Copy of the Memorandum and Articles of Association, duly signed by all the Subscribers (if the company is a Limited Company)
 - ❖ Name of the Partners and Photocopy of Partnership Deed/ Certificate of Registration duly signed by all the partners (if the company is a Partnership Company)
 - ❖ The application should be proposed & supported with the and signature of two existing members of the BCCCI.
 - ❖ The membership is subject to approval by the Board of Directors of BCCCI.
- Ongoing Activities
- ❖ To organize Bangladesh Trade Fair in China for promoting bilateral trade and investment.
 - ❖ To send Trade and Investment Delegation from Bangladesh to China and to organize Bangladesh Investment Seminar/Business Forum over there to encourage more Chinese Investment and widening tradelinks in Bangladesh.
 - ❖ To continue the membership drive.

MESSAGE FROM THE HONORABLE PRESIDENT



I take the immense pleasure of sharing my great esteem for the Bangladesh China Chamber of Commerce & Industry (BCCCI), the bilateral trade body that dedicated to expand the horizon of trade relations between Bangladesh and China, in leaving its mark in terms of aligning with the wellbeing of the potential entrepreneurs and innovative initiatives of Bangladesh in making an access to as huge a market as China. I personally believe that the close economic relations with the world’s next biggest economy could be a better destination of the enterprises of Bangladesh with BCCCI.

It is indeed a matter of great appreciation that BCCCI has been publishing its Newsletter as an ongoing archive of its institutional activities. As such the publication henceforward is being redesigned for having a better look and better communication material of BCCCI.

Any publication has its built in look as well as flaws. There are a lot of events, however, that could not be covered due to space and editing limitations, which we hope to undertake in the concurrent next issue as the Newsletter is a continuous flow of information and on BCCCI-related events and programs. We apologize for any missing link or failure in detailed updates.

I wish BCCCI Newsletter a greater success in the days to come.

Gazi Golam Murtoza
President
BCCCI

MESSAGE
FROM
THE

HONORABLE SECRETARY
GENERAL



The BCCCI Newsletter has been a window of this bilateral trade body, through which the message of BCCCI is more effectively communicated. Bangladesh China trade and commerce has always been a subject of much interest to the concerned, especially to the policy makers, researchers and media economic resource persons. It has also been taken with the same effectiveness by diplomats, academicians, regulators and banking professionals. We have a plan to develop this Newsletter to be a respected forum in between the BCCCI and all others concerned.

The BCCCI Newsletter acts as a ready-reckoner and a dynamic chronicle of this organization that relates to anything and everything of business and investment between Bangladesh and China. It would, therefore, my fervent request to the honored members of BCCCI to go through it as mark of their passion for BCCCI. It is your window. So look through it to your views and visions, activities and event of BCCCI, the insightful essays and write-ups and thoughts of concerned analysts and dignitaries. Your suggestion towards further go a long way in improving the content and presentation quality and overall get-up of this publication will always be highly appreciated. A publication's ultimate source of inspiration is its readers. Your combined suggestions and guidance will be a precious contribution in bringing out this Newsletter regularly with high quality of content and relevance with the trade and commercial relations between Bangladesh and China.

I wish the uninterrupted publication of this Newsletter.

Md. Shahjahan Mridha
Secretary General, BCCCI

Increasing Bangladesh's Exports to China

Dr Mahfuz Kabir*



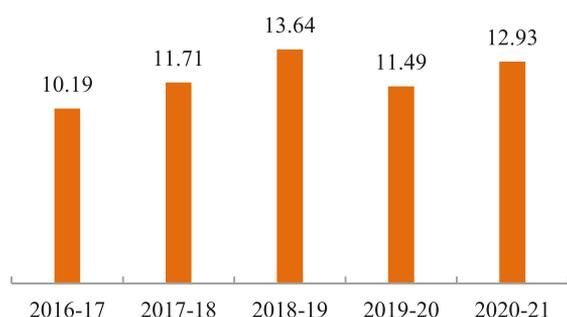
Bangladesh-China relations have been historically dominated by trade, investments and development. China is the biggest trade partner of the country. Some of the major elevators of the bilateral trade

and investment are: Agreement of Economic and Technological Cooperation and the Agreement of Trade Payment, 1977; Joint committee on economy, trade and science and technology, 1983; Agreement of Trade 1989; Avoidance of Double Taxation 1996; Agreement on Economic and Technical Cooperation, 2002; Concessions for Bangladesh as a Least Developed Country (LDC); joint statement during the visit of the Chinese President Xi Jinping to Bangladesh in 2016, and joint statement during the visit of the Bangladesh's Prime Minister Sheikh Hasina to Beijing in 2019.

China very appropriately looks at Bangladesh as a trading nation.

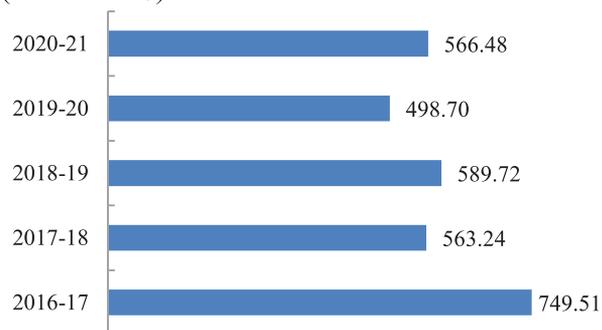
Bilateral trade relations between the two countries grew steadily over the past two decades. The volume of trade increased significantly. In 2016-17, imports of goods from China crossed the landmark of ten billion dollar, which continued to increase till 2018-19. In 2019-20 it went down significantly because of Covid-19 pandemic, which again rose sharply in 2020-21.

Figure 1: Bangladesh's imports of goods to China (billion US\$)



Source: Bangladesh Bank, *Import Payments of Goods and Services* (various years).

Figure 2: Bangladesh's exports of goods to China (million US\$)



Source: Bangladesh Bank, *Export Receipts of Goods and Services* (various years).

In the import side, Chinese products are dominated by capital machinery and parts, electronics, cotton, plastic and articles, fabrics for readymade garments (RMGs), iron and steel, chemicals, etc. In fiscal year 2020-21, the total value of goods imports from China was US\$12.93 billion. The top imported products were machinery and mechanical appliances (15.6 percent), cotton (11.9 percent), electrical machinery and equipment (11.7 percent), plastics and articles (6.7 percent), knitted or crocheted fabrics (6.7 percent), man-made filaments (6.4 percent) and man-made staple fibres (5.2 percent) (Bangladesh Bank, 2021a)¹. These products are mostly used in industrial production and export-oriented RMG sector of the country. Thus, Chinese imports have been working as components of the bilateral value chains where China is an upstream country, while the finished products are being exported to China and other countries as the downstream of the value chains.

In the exports side, the main Bangladeshi products are RMGs, jute and jute goods, base metal and articles, leather and leather goods, and articles of feather and artificial flower. In fiscal year 2020-21, the total

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¹ Bangladesh Bank (2021a), *Import Payments of Goods and Services 2020-2021*, Dhaka: Bangladesh Bank.

value of goods imports from China was US\$50.99 billion. The top imported products were jute and jute goods (22.6 percent), knitwear (22.1 percent), woven garments (15.6 percent), leather & leather goods (8 percent), iron and steel (7.8 percent), copper waste and scrap (2.5 percent), and mineral products (2.3 percent) (Bangladesh Bank, 2021b).² Thus, compared to imports, exports to Chinese market are concentrated on few goods.

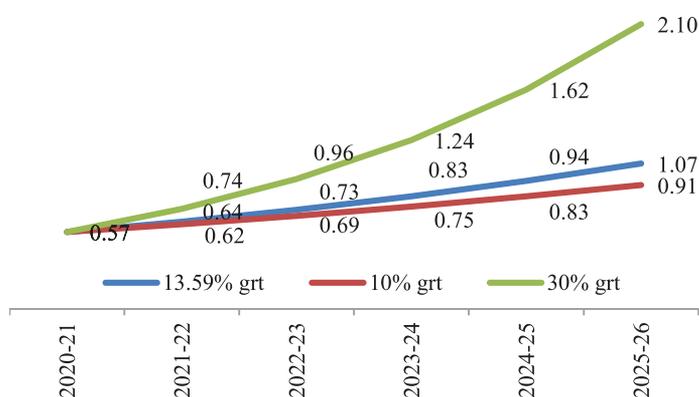
Table 1: Bangladesh's exports of goods to China by major product (million US\$)

Products	2016-17	2017-18	2018-19	2019-20	2020-21
Knit	146.94	133.16	189.97	135.45	125.06
Woven	149.39	123.72	161.47	129.70	88.19
Jute	107.06	118.79	100.20	95.50	127.98
Leather & leather goods, travel bag	202.44	95.90	35.44	26.18	45.04
Iron and Steel		0.21	0.26	0.11	43.97
Fish and crustaceans	38.37	38.97	52.86	52.47	8.48
Total	749.51	563.24	589.72	498.70	566.48

Source: Bangladesh Bank, *Export Receipts of Goods and Services* (various years)

If the current trend prevails, the export performance would not be that impressive. The goods exports would be only US\$1.07 billion in 2025-26, while in an optimistic growth scenario (30 per cent growth), then it would be US\$2.10 billion by that time.

Figure 3: Project of exports of Bangladesh to China (billion US\$)



Source: Author's simulation

Beside goods, Bangladesh exports a number of services to China. In the fiscal year 2020-21, the main exported services were construction related; office maintenance; legal, accounting, management consult & publication related; other trade related services; architectural, engineering and other technical; air transport (others); and agency commission. Amongst them, the highest value of exports were construction

services (53 percent), which was followed by publicly provided office maintenance (25 percent). There is large number of other services, such as manufacturing services on physical inputs, indenting commission, advertising, sea transport and financial services even though their export values are not significant. However, total export earnings from services were notably higher than that of goods, which were 43 and 37 percent greater in fiscal year 2019-20 and 2020-21, respectively. Since Bangladesh aspires to become a high-middle income country by 2031 and developed country by 2041 which would require massive infrastructural development, transportation, trade and expansion of information technology (IT), the country has a great potential in exporting various services to China in the coming years.

² Bangladesh Bank (2021b), *Export Receipts of Goods and Services 2020-2021*, Dhaka: Bangladesh Bank.

Table 2: Bangladesh's exports of Services to China (US\$ million)

Category	2019-20	2020-21
Construction services	110.84	414.44
Government goods and services n.i.e. - Office maintenance	420.76	197.51
Legal, accounting, management consult & pub. rel	31.25	40.44
Trade related services - Others n.i.e.	27.57	30.35
Architectural, engineering and other technical	7.23	13.17
Air transport (others)	6.89	11.86
Agency Commission	10.65	11.80
Manufacturing services on physical inputs owned by others	8.07	9.03
Indenting Commission	8.61	8.66
Advertising, market research and public opinion polling	2.34	8.02
Sea transport (others)	9.44	7.24
Financial services (Other than insurance)	3.44	7.04
Government goods and services n.i.e. - Establishment expenses of international missions, international organizations and others	44.07	2.97
Others	21.08	15.06
Total to China	712.22	777.57
Services export to as % of total services export	12.70	12.65
Total	5,606,201	6,144,398

Source: Bangladesh Bank (2021), *Export Receipts of Goods and Services 2020-2021*.

Bangladesh is exposed to significant trade imbalance in favor of China for many years, and it has been increasing exponentially. In 2016-17, the annual trade gap was US\$9.44 billion, while it increased to US\$12.36 billion in 2020-21. The Government of Bangladesh (GoB) had long been pursuing to reduce mounting trade gap since duty-free access at Chinese market through Asia-Pacific Trade Agreement (APTA) was not enough to lessen the enormous cumulative deficit. In response to strong perusal of the Ministry of Foreign Affairs of Bangladesh as a part of the government's economic diplomacy, which has subsequently been approved by the State Council of the Chinese Ministry of Finance, the Chinese government provided duty-free and quota-free (DFQF) the access of 97 percent products as a least developed country (LDC) under the World Trade Organization (WTO) provisions, which is effective from 1 July 2020. Currently, the number of duty-free goods are 8,549, which include RMGs, leather and leather goods, processed food and beverages, jute and jute products, plastic and plastic products, rubber and rubber products, mineral fuels and oils, dairy products and fish, sulfur, stone, cement, chemicals, etc.

Now, the question is whether Bangladesh is able to derive benefits of the duty-free access before its graduation from LDCs. It was expected that Bangladesh exports to China will register a significant rise with the effectiveness of new duty-free market access. However, it did not happen as per the expectation. This was mainly because of the lack of a diversified product basket and readiness according to the duty-

free product list. In addition, Covid-19 pandemic impacted the exports through disruption in the global supply chain. By now exporters know about the duty-free products since the Ministry of Commerce of Bangladesh has uploaded the detailed English-translated list in its website. However, it would take time as the exporters are yet to get ready as the Covid-19 pandemic had brought about uncertainty in the preferences and willingness of the Chinese buyers to source Bangladesh for those products. It normally takes time to establish relationship with the buyers who already have active contract with other sources.

Strengthening of value chain is imperative to benefit textiles and clothing sector of Bangladesh. China is a cheap source of raw materials, which is being utilized to maintain trade surplus with the European and North American countries. Cost of importing garment inputs from China can be reduced in two ways: reducing time of clearance in sea ports by improving capacity of Chittagong port and extending Chinese production base of non-cotton RMG inputs by constructing relevant factories in Bangladesh. Though the earlier option is immediately required, the later would help China's costly and declining industries to locate gainful place like Bangladesh and strengthen bilateral value chain.

The country needs to attract investment from China to reap the benefits under the duty-free access as labor costs were low in Bangladesh and the country is improving trade-related infrastructure. It would help move towards higher value addition and to produce goods beyond traditional basket. Bangladesh can attract more investment in manmade fiber and high valued products as the Chinese investors are experienced in these segments. Joint venture investment can be attracted in IT, high-end and non-cotton RMG, leather and footwear, light engineering, shipbuilding, and agro-processing leather goods including shoes, foods, high value added textile products. In addition, exporters need to standardize products quality to meet Chinese standard requirement. Exporters have to develop a wide range and diversified as well as value-added products. Demand and preferences of the Chinese consumers has to be taken into consideration in manufacturing the products.

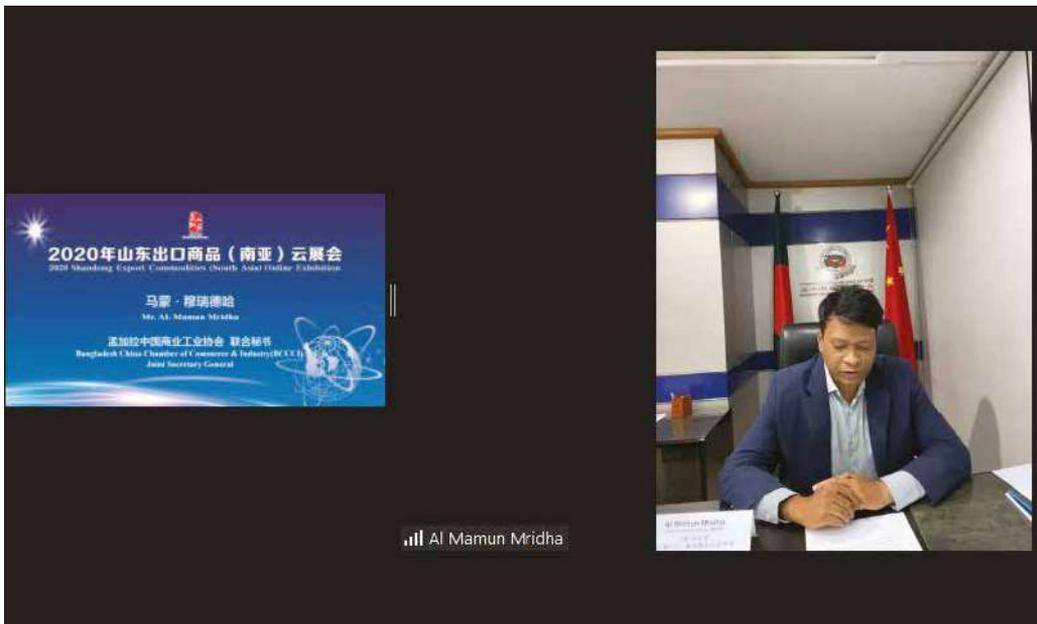
In order to receive the duty-free market access to the Chinese market, the domestic value addition must be at least 40 percent of the total value of the products. However, the duty-free market access under the APTA that covers 3,700 HS Codes, the domestic value addition needs to be at least 35 percent value addition. Therefore, Government of Bangladesh should request the Chinese Ministry of Finance to reduce the Rules of Origin of APTA and Zero Tariff Treatment for Bangladeshi goods to 25 per cent. Otherwise, it would be difficult for Bangladeshi exporters to utilize the duty-free benefits of Chinese market.

Bangladesh and China need to sign a bilateral Free Trade Agreement (FTA) or comprehensive economic partnership agreement for boosting exports to the Chinese market under which the country can negotiate with China to reduce the Rules of Origin requirement. In addition, a comprehensive market research is required to understand the dynamics of preferences of Chinese consumers and the buyers. Bangladeshi exporters need to identify the potential buyers and establish business relationship with them with the support of Bangladesh's diplomatic missions in China, which would significantly help increase exports of Bangladeshi products in China. Finally, attention should be paid on increasing services exports to China through devising a comprehensive services export strategy and plan of action.

Shandong Export Commodities (South Asia) Online Exhibition



Mr. Al Mamun Mridha, the Honorable Joint Secretary General of Bangladesh China Chamber of Commerce & Industry (BCCCI) speaking on 2020 Shandong Export Commodities (South Asia) Online Exhibition, organized by Shandong Brightway International Exhibition Co., Ltd. in association with the Bangladesh China Chamber of Commerce & Industry (BCCCI), India China Economic and Cultural Council (ICEC) and Savor International Limited.



Participants in the 1st phase numbered 450 persons out of which 320 were from China, including the leader of business system of Shandong Province, Chinese export & import enterprises, and 130 from Bangladesh and India, that included the leader of Bangladesh association , Indian association, Savor International Limited and eminent exporters and importers from both Bangladesh and India. In his speech Mr. Al Mamun Mridha, Joint Secretary General of Bangladesh China Chamber of Commerce & Industry underscored the need for more intensive and easier communication to facilitate the stakeholder in trade and commerce between Southeast Asian countries and China.

Minister-designate to Bangladesh Embassy in China underscored the prospect of more Chinese investment in private sector



Minister-designate to Bangladesh Embassy in China, while paying a visit to BCCCI, underscored the prospect of more Chinese investment in private sector, especially in agro-processing sector

Dr. M. Nazrul Islam is on schedule to be appointed as Minister to Bangladesh Embassy in Beijing, China. Before availing himself of his new diplomatic posting Dr. M. Nazrul Islam paid a courtesy visit to Bangladesh China Chamber of Commerce & Industry (BCCCI) office at Dilkusha Commercial Area, Dhaka on 17th November 2020 to sharing his views and in-depth perception of potential augmentation bilateral trade between China and Bangladesh, including more investment opportunities from China, especially in the private sector of the country.

He underscored the need for more efforts to be undertaken in this mission from both the Government and the private sector.

Citing an example, exporting agro - products can be a way to enter the vast Chinese market with the rich and fabulous fruit pulps and processed fruit extracts among many more agro-products from Bangladesh.

Dr Nazrul Islam during an exchange of views with BCCCI officials, inspired the innovative entrepreneurs in these sector and sought cooperation from BCCCI in facilitating these types of initiatives to contribute more value of exports from Bangladesh to China.

Budget proposal Meeting of BCCCI with NBR



Mr. Gazi Golam Murtoza, BCCCI President, Mr. Al Mamun Mridha, Hon'ble Joint Secretary General, SK Amin Uddin, Director and Mr. Mashuque Ahmed FCA, Hon'ble member of BCCCI attended a budget proposal meeting for National Budget for FY 2021-2022 arranged by National Board of Revenue at NBR Office on 9th March 2021. The Chair of the meeting assured that the proposal submitted by the BCCCI might be considered on the National Budget for FY 2021-2022.

BCCCI Election 2021-2023 Result Declaration



The Newly elected Executive Committee Members of BCCCI



Members of the BCCCI Election Board

ERF Congratulates Mr. Al Mamun Mridha and the newly elected Board of BCCCI



Mr. S M Rashidul Islam, General Secretary of Economic Reporters Forum (ERF) visited Bangladesh China Chamber of Commerce & Industry (BCCCI) office and congratulated Mr. Al Mamun Mridha Joint Secretary General of BCCCI and the entire newly elected board of BCCCI for the tenure 2021-2023.

Both the organisations expressed their keen interest to work together more closely in future days Mr. Al Mamun Mridha thanked ERF general Secretary and the entire media (television, print and online) for being with BCCCI in multidimensional aspects.

BCCCI made a courtesy call on FBCCI



A BCCCI delegation led by honorable President Mr. Gazi Golam Murtoza and Mr. Md. Shahjahan Mridha Benu honorable Secretary General of BCCCI in a courtesy call on Mr. Jashim Uddin, honorable President of FBCCI on 24 May 2021 at FBCCI office to discussed issues relating to bilateral trade & investment opportunities between Bangladesh & China. BCCCI other respected board members were also present there.



BCCCI Delegation meets Hon'ble Minister for Industries



A BCCCI Delegation led by Hon'ble President of BCCCI Mr. Gazi Golam Murtoza and Md. Shahjahan Mridha Benu Hon'ble Secretary General of BCCCI in a courtesy call on Mr. Nurul Majid humayun, the Hon'ble Minister for Industries at his office discussed various issues of common interest. Other respected Board members of BCCCI were also present there.

BCCCI delegation meets the Hon'ble Minister for Commerce





Agenda of discussion of BCCCI with the Hon'ble Minister for Commerce

1. To discuss about the feasibility of signing a Comprehensive Economic Partnership Agreement (CEPA) between the Bangladesh & China.
2. To discuss about bilateral trade disputes between the two nations.
3. To discuss about the permanent pavilion of Bangladeshi products in Free Trade Zone in China.
4. To discuss about the recognition BCCCI to all business bodies in both the countries.
5. Promote Bangladeshi products in China.
6. H.S. Code (China 6 digit, Bangladesh 8 digit)
7. RMB issues



BCCCI leaders meet importers and assemblers of Chinese vehicles in Bangladesh

BCCCI leaders in a meeting with the major importers and assemblers of Chinese vehicles in Bangladesh. Various issues regarding light and heavy Chinese vehicles and construction equipments were discussed in the said meeting held on 18th October 2020.

Mr. A T M Azizul Akil Senior Vice President, Mr. Al Mamun Mridha Honorable Joint Secretary General, Ms. Meherun Nessa Islam Director & MD. Naim Hossain Bhuiyan Director were present in the meeting from BCCCI's side , Mr. SK. Amin Uddin CEO, Akij Motors, Mr. Jashim Uddin (Sapon) Honorable General Manager of Energypac, Engr. Md. Mozibul Haque Managing Director of Earthmoving solution Ltd. & other representatives from all major importer and assembler companies were also present at that auspicious meeting.

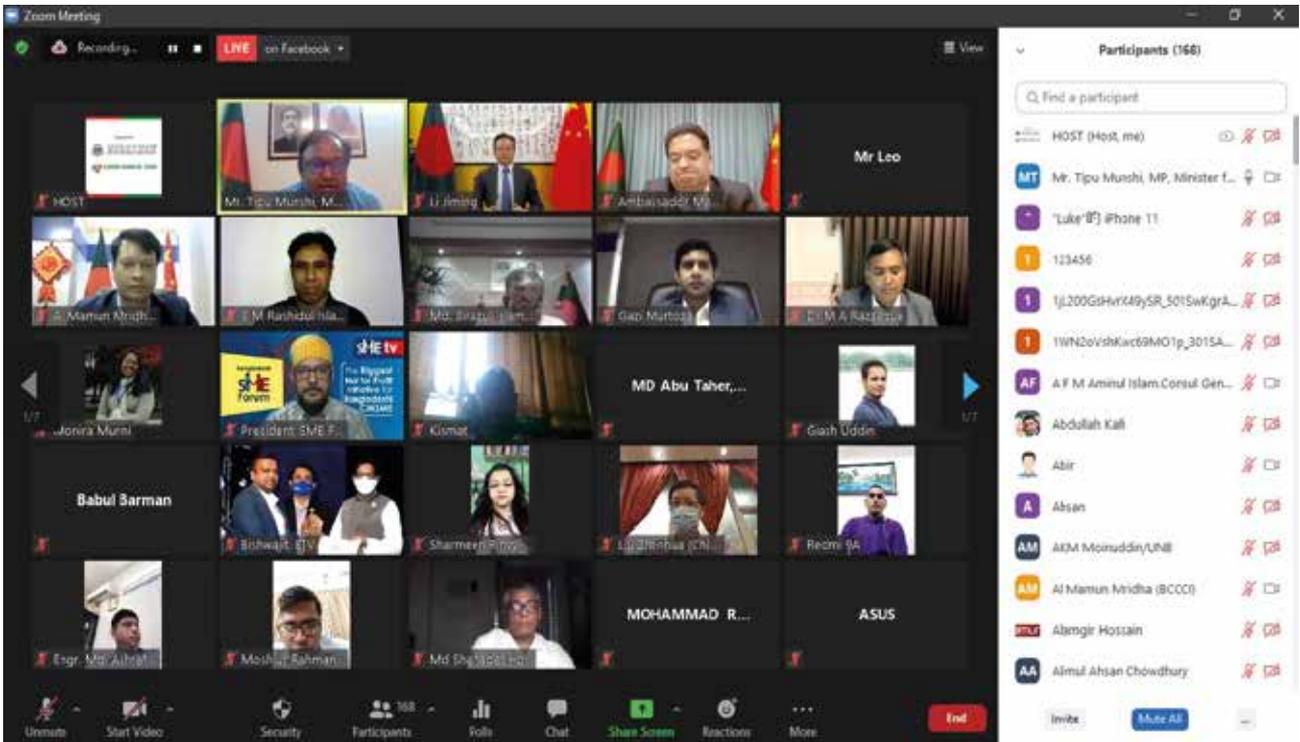


BCCCI holds 14th AGM

Bangladesh China Chamber of Commerce & Industry (BCCCI) President Mr. Gazi Golam Murtoza presided over its 14th Annual General Meeting on 28th June 2021 held both physical and virtual platform. Secretary General Md. Shahjahan Mridha Benu, Joint Secretary General Mr. Al Mamun Mridha, Senior Vice Presidents, Vice Presidents, Directors and Members also joined the AGM.



BCCCI HELD VIRTUAL DISCUSSION ON Bangladesh-China Economy and Trade Relations During & Beyond the Pandemic



BCCCI- ERF Virtual Discussion on Bangladesh-China Economic and Trade Relations in the aftermath of the COVID-19 Global Pandemic

A summary of keynote presentation by:

Dr Abdur Razzaque

Research Director, Policy Research Institute of Bangladesh (PRI)

9 June 2021

I. Background

The Covid-19 global pandemic has caused an unprecedented health and economic crisis for the globaleconomy. Bangladesh made an impressive socio-economic progress over the past decades before beinghit by the pandemic. Sustained economic growth with the rising per capita income had enabled Bangladesh in 2015 to climb up to the ranks of 'lower-middle-income' countries from the 'low-income' category, as classified by the World Bank. **Furthermore, the country's impending graduation from the group of least developed countries (LDCs), set to take place in 2026, testifies to its solid economic development process. COVID-19 has thus struck at a time when Bangladesh is passing through a criticaldevelopment transition. The pandemic has caused**—according to the International Monetary Fund (IMF)—the world economy to shrink by 3.3 per cent with the advanced economies contracting by close to 5 per cent. In contrast, Bangladesh has so far been quite resilient posting a GDP growth, in 2019-20, of 5.24 per cent, which is however much lower than the expected growth rate of 8 per cent. As a second coronavirus wave looms large, economic activities and growth prospects remain subdued.

Effectively dealing with COVID-19, revitalising the export-led growth process, and a renewed dynamism in investment activities are amongst the most important drivers that can put Bagladesh back in its recent past track record of high economic growth, poverty alleviation, and making progress on achieving Sustainable Development Goals (SDGs). Proactive and productive engagements with China can greatly help achieve these objectives.

China has emerged as a global economic superpower having achieved remarkable transformations of its economy and in the process becoming the world's largest exporter and one of the most important sources of foreign investment. While most developed countries including the United States, the United Kingdom, and the European Union experienced falling output due to the Covid-19 pandemic, China boasts its resilience by registering 2.3 per cent growth rate in the last year. China is already the world's largest economy when gross domestic products of global economies are measured in purchasing power parity 2 (PPP) dollars. There are now projections that by 2028 China will also become the world's largest economy measured in U.S. dollars. China is expected to capture almost one third of the world output (in PPP terms) by 2050.

For suppliers from across the world, China thus presents an unprecedented opportunity for export expansion. Along with its growing economic and political significance, China has

also started proactive engagements with many countries through investment activities. In recent years, advancing connectivity to facilitate trade and promote economic cooperation arrangements has become a priority agenda for Chinese policymakers.

As Bangladesh aims to become an Upper Middle-Income Country (UMIC) and by FY2031, and a High-Income Country (HIC) status by FY2041, China can be an important trade and development partner supporting Bangladesh growth prospects and economic transformation in a post pandemic world. China has been the largest trading partner of Bangladesh for more than one-and-a-half decades and the bilateral partnership, in recent years, has reached new heights. Bangladesh needs to make the most from a stronger and more integrated trade and economic relationship with China.

II. Bangladesh-China: Bilateral Trade and Investment Flows

In 2018-19, the value of bilateral trade between the two countries was about \$15 billion with Bangladesh's exports to China being less than \$1 billion. As the pandemic hit the worldwide trade flows, both exports to and imports from China declined and the trade between the two countries declined to \$12 billion in 2019-20. Exports to China declined by 28 per cent to reach \$600 million in 2019-20, while imports slumped by 15 per cent to \$11.4 billion. China accounts for more than one-fifth of Bangladesh's total imports although its share in Bangladesh's exports is very small: just around 2 per cent.

Apparel items-knitwear (HS 61) and woven garments (HS 62)-account for more than 60 per cent of Bangladesh's exports to China. Amongst others, jute yarn and textile fibres (HS 53), fish and crustaceans (HS 03) and leather and leather goods (HS 41 and 42 and 6403) are major export products. On the other hand, major imported products comprise machinery and mechanical appliances (HS 84), cotton (HS 52), electrical equipment (HS 85), knitted or crocheted fabrics (HS 60), etc.

As part of its unilateral market access schemes for LDCs, China has allowed duty-free access to Bangladesh for 97 per cent of its tariff lines which became effective from July 1, 2020. Under this initiative, 8,256 Bangladeshi products enjoy zero tariff facility for exports in this market. Bangladeshi enterprises however could not take advantage of this comprehensive duty-free market access offers due to the pandemic. Previously, Bangladesh was enjoying duty free access for 61 per cent of Chinese tariff lines.

Between 2009 and 2020, worldwide overseas investment and construction activities by Chinese stateowned enterprises (SOEs) and private companies accumulated to a staggering \$18 trillion, much of which was under the Belt and Road Initiative (BRI). The cumulative Chinese investment pledged (through SOEs, private FDIs, and concessional loans) for Bangladesh during 2009-2020 is about \$28.4 billion. However, the realized FDI so far from China amounts to just around \$2 billion, or 7 per cent of all pledged investments.

In 2018-19, China became the largest source of FDI for Bangladesh, accounting for about one-third of all FDI inflow, amounting \$1.16 billion. It declined to just \$80 million in 2019-20

in the wake of COVID-19-related disruptions. **As China bounces back strongly, FDI inflows should increase. The power and energy sector has been the traditional focus of Chinese FDI. Textile and apparel, leather, construction, and trading are top investment activities, while non-conventional sectors such as agroprocessing and digital commerce platforms are also becoming important. The Belt and Road Initiative (BRI) is an important avenue for strengthening economic integration with China and other East Asian countries by attracting investments.**

III. Utilizing Bangladesh's Export Potential and Market Prospects in China

Geographical proximity and the sheer size of China's economy would suggest huge potential for bilateral trade between the two countries. Bangladesh should ideally be exporting much more to many Asian countries with India and China being the markets where very large export potentials remain unutilized. Econometric estimates from a gravity model—an analytical workhorse most popularly used in predicting bilateral trade flows between countries—shows that **Bangladesh exports to China should rise by at least \$4 billion from its current level of less than \$1 billion. Another quantitative assessment by the International Trade Centre (ITC) shows that Bangladesh is utilizing just 30 per cent of its export potential in China. While these estimates make use of current supply-side capacities in determining export prospects, export potential should be much greater given the growth dynamics in China and a rapid rise in the demand for imports into its economy.**

A comparative export prospect analysis considering market shares of rival suppliers reveals that the Chinese market is highly diversified in terms of sources of imports. Bangladesh has some considerable market shares in woven and knitwear products. However, Bangladesh accounts for only 0.05 per cent of all imports into China, while

pondering shares of market leaders are as follows: the Republic of Korea - 9.6 per cent, Japan - 8.6 per cent, Chinese Taipei - 8.4 per cent, and the United States - 7.3 per cent. Among developing countries, Brazil (3.6 per cent), Malaysia (3.0 per cent), Vietnam (3.0 per cent), and Indonesia (1.6 per cent) are prominent exporters. Over the past several years prior to Covid-19 shocks, Bangladesh's exports to China had growth of just 7 per cent, which is much lower than that of many other developing countries including Cambodia and Myanmar. As the Chinese total import market is worth of more than \$2.4 trillion, even a small increase in market share would generate huge export earnings for Bangladesh.

Bangladesh currently has a market share of 7 per cent in knitwear and 8 per cent in woven items. In these product categories, Cambodia, India, Indonesia, Myanmar, Pakistan and Vietnam are prominent rivals of Bangladesh. The Chinese apparel market, currently worth \$322 billion, is getting bigger every year, and is expected to soon become the largest market replacing the United States (worth about \$370 billion). Over the past five years before the Covid-19 hits, Bangladesh's RMG exports (woven and knitwear items 4 together) to China has expanded at an annual average rate of 15.1 per cent against its overall world export growth rate of 7.4 per cent. However, exports from Cambodia, Indonesia and Vietnam grew even faster.

IV. Towards a Strengthened Bangladesh-China Trade and Economic Cooperation

- **The miraculous growth performance and development history of China provide an opportunity of learning important lessons for Bangladesh. Furthermore, considering the geographic proximity and strong economic prospects of the two can be an even more important trade and development partner in the coming years. A proactive and productive economic cooperation between these two countries should be a win-win situation for both. In the immediate aftermath of Covid-19, Chinese investment and exporting opportunities in China would be an important boost for revitalizing Bangladesh's economy and the export sector.**
- Although China is one of the largest importers in the World, Bangladesh's presence in that market is negligible. Bangladesh should target and proactively seek options to expand its market share in the Chinese market. China should also help Bangladesh expand its exports and reduce the bilateral trade deficit at a reasonable level. If Bangladesh can achieve a one-percent share of the Chinese market, export earnings from China alone could be in the range of \$20-25 billion. This should be target of Bangladesh-China cooperation during the decade of 2021-30.
- **After LDC graduation more than 42 per cent of Bangladesh's exports to China will be subject to 15-20 per cent tariff. Another 35 per cent exports will fall under the tariff range 10-14.9 per cent. Therefore, the impending graduation will have implications for Bangladesh's competitiveness. A partial equilibrium model-based simulation exercise seems to suggest that exports to China could be subject to an adverse shock of 12.5 per cent of the current export receipts if Bangladesh loses the LDC-specific preferential access. Bangladesh should therefore ask China to consider measures including, following the EU example, granting of an extended transition period after graduation.**
- After LDC graduation followed by an extended period of transition, China should consider gradual phasing out of tariff preferences for Bangladesh. Bangladesh should propose complete phasing out of preferences over a period of five years after the extended transition period.
- Establishing a full-fledged free trade area (FTA) is an option to retain the available market access in China, but it comes with reciprocity, i.e. offering the FTA partner similar preferential treatment. There are estimates to suggest that a comprehensive bilateral FTA would have an overall positive impact on Bangladesh's exports by 22 per cent of current exports to China. On the other hand, Chinese exports to Bangladesh could increase by about 16 per cent.
- There is some concern that an FTA with China will trigger import surges with consequent loss of import revenues. However, close to 45% of imports from China in 2018/19 were duty-free coming through bonded warehouse facilities or EPZ imports.

- **Any FTA deal with China should be backed by an investment agreement from which Bangladesh should be able to expand its exports and can keep bilateral trade deficits 5 margins. Chinese FDI will be important for enhanced global value chain participation and promoting emerging sectors that are increasingly becoming an important determinant of export success.**
- **Since Chinese companies have global dominance in R&D, e-commerce, retailing and other GVC activities, Bangladeshi suppliers can benefit from joint ventures.** Besides, measures to incentivise more Chinese investments in technology-intensive sectors will be helpful in the overall digital and technological transformation of the country.
- As part of industrial restructuring and shifting comparative advantages, China is leaving space for other countries to enter the global export market by specializing in some relatively labourintensive and less-skilled manufacturing activities. This opens a new window of opportunity for Bangladesh in attracting FDI in garment, footwear, and other manufacturing export activities.
- **China is emerging as a tech giant with the recent trends showing it as a leading innovator both globally and domestically.** China is already the world leader in patent applications with 40 percent of the global total. Bangladesh can immensely benefit from an extended economic cooperation with China through transfer of technologies. China is already one of the most important sources of capital goods used by Bangladeshi firms. However, joint venture projects can foster the process acquisition of appropriate technologies and their adaptation. China should consider setting up a tech-hub in Bangladesh to target global export markets in the relevant areas. This will also help China expand network of supply chains.
- **Bangladesh can benefit from BRI initiatives through infrastructural development and improved connectivity. Making the most of investment support available under BRI will also depend good governance and transparency in project selection, prudent macroeconomic management, judicious handling of geo-political tensions, etc. Some BRI activities have been subject to criticisms and thus Bangladesh should draw lessons in deriving benefits.** Bangladesh must avoid any debt problems arising from external loans for large-scale infrastructural projects by accepting most productive loans only, securing soft terms for repayment, and ensuring effective and timely completion of projects. Bangladesh should engage to ensure transparency of the projects (including terms and conditions) and due implementation in a timely manner.
- **Finally, it must be pointed out that with the rise of China as a global power, the world has also seen escalated geoeconomic tensions and geopolitical rivalry. Given the rise of the geoeconomic and escalated geopolitical tensions. In making use of opportunities associated with a proactive relationship with China, Bangladesh must also deploy its judicious foreign policy options to avoid being a victim of geopolitical rivalries.**

Webinar on Chinese Investment: Prospects & Challenges in Bangladesh

LIVE ON : 1. BCCCI
Facebook.com/bccci.bd

Bangladesh: 03:00 pm
China: 05:00 pm

Date: **25** SEPTEMBER, 2021 | Day: Saturday

To join the Discussion:
Zoom ID: 858 8028 5678
Passcode: 123456

Special Guest
H.E. Mr. Mahabub Uz Zaman
Ambassador of Bangladesh to China

Chief Guest
H.E. Dr. Shamsul Alam
State Minister for Planning
Government of the People's Republic of Bangladesh

Special Guest
Ms. Mahsina Yasmin
President Director
International Development Foundation, ICF

Panelists

Keynote Speaker
Dr. Md. Rakibul Hoque
Associate Professor, IIT

Welcome Remarks
Gazi Golam Murtaza
President, BCCCI

Vote of Thanks
A T M Anisul Akil David
Senior Vice President, BCCCI

Moderator
Siban Shakana
Executive

Panelists

MS Siddiqui
Legal Consultant &
Co-Convener, ICF

Dr. Muzamir Hossain
Research Director
Bangladesh Institute of Development Studies (BIDS)

Dr. M. Abu Eusuf
Professor, Dhaka University &
Executive Director, ICFIS

Md. Muzahid Hoque
Executive Analyst

BCCCI Webinar on

Chinese Investment: Prospects and Challenges in Bangladesh



Dr. Md. Rakibul Hoque
Associate Professor
Department of Management Information Systems
University of Dhaka

A Glimpse of the Past

- 1976: Diplomatic Relations.
- 1980: Military, Commercial and Cultural Relations.
- 2000: 25th Anniversary of Diplomatic Relations.
- 2005: Bangladesh-China Friendship Year.
- 2011: Closer Comprehensive Partnership.

A Glimpse of the Past

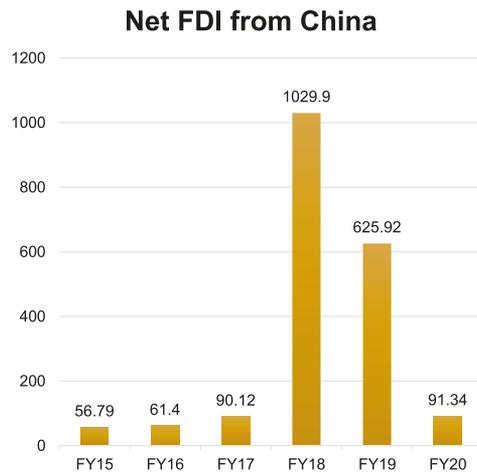
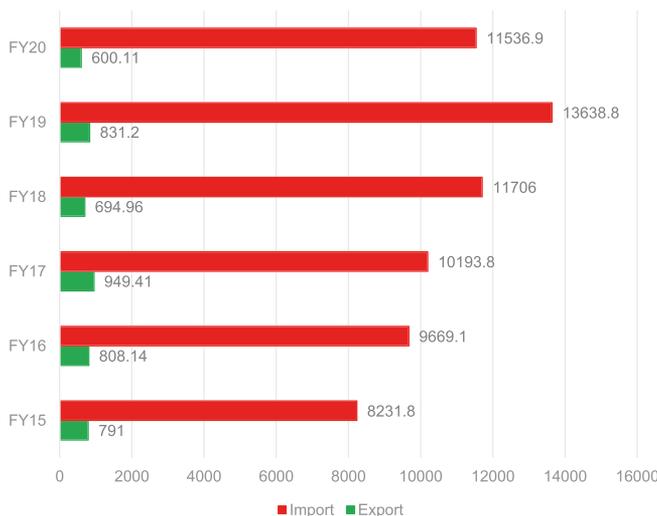
- 2014: The Prime Minister of Bangladesh visited China.
- 2016: Chinese President visited Bangladesh.
- 2016: Joined China's "One Belt One Road".
- 2017: Year of Friendship and Exchanges.



China-Bangladesh Trade Relations

- China is the largest import partner of Bangladesh.
- Bangladesh is third largest trade partner of China in South Asia.
- China has announced a tariff exemption for 97% of Bangladeshi products.
- A total of 8,256 Bangladeshi products will come under this zero-tariff treatment. It was 84 in 2001.
- China mainly imports raw materials from Bangladesh like leather, cotton textiles, fish, etc.
- China's major exports to Bangladesh include machinery and electronic products, nuclear reactor, iron and steel, etc.

China-Bangladesh Trade Relations



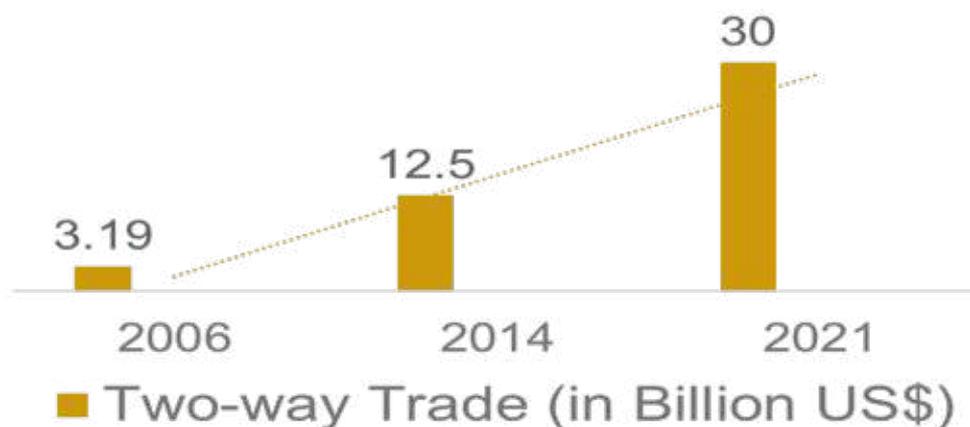
China-Bangladesh Trade Relations

Commodity	2019-2020 (In Million US\$)	2018-2019 (In Million US\$)
Nuclear reactors, machinery	2325.00	2924.10
Cotton	1702.00	2198.60
Electrical machinery and equipment	1104.10	1636.90
Knitted or crocheted fabrics	671.70	744.00
Man made staple fibres	668.60	756.30
Man made staple filaments	660.40	668.50
Iron and Steel	372.70	612.70
Plastics and articles	417.50	385.20
Organic Chemicals	292.70	254.50
Mineral fuels	180.10	90.60

Export to Bangladesh

China-Bangladesh Trade Relations

- The two-way (bilateral) trade between the two countries could exceed USD 30 billion by 2021.



Chinese Investment in Bangladesh

- In recent times Bangladesh has seen an influx of Chinese investment.
- Investments and loans: \$24 billion
- Investment in joint ventures: \$13.6 billion
- Largest sum (\$38 billion) to Bangladesh by a single country.



Chinese Investment in Bangladesh

Name of Projects	Chinese Fund (in million \$)
Padma bridge project	3,200.00
Padma bridge rail link	2,667.94
Payra 1320 MW Thermal Power Plant	2480.00
Expansion and strengthening of power systems network under DPDC	1,402.93
Power Grid network strengthening project under PGCB	970.02
Tunnel under Karnaphuli river	705.80
Installation of single point mooring with double pipeline	550.67

Chinese Investment in Bangladesh

Name of Projects	Chinese Fund (in million \$)
Dasherbandi sewerage treatment plant	280.00
Modernization of telecom network for digital connectivity	224.96
Extension of Runway at Cox's Bazar Airport	184.00
Tier IV national data centre	154.00
National ICT infra-network for Bangladesh govt phase III (Info-Sarkar)	151.64
Bangladesh-China Friendship Exhibition Centre	100.00
8th Bangladesh-China Friendship Bridge	50.00

Prospect

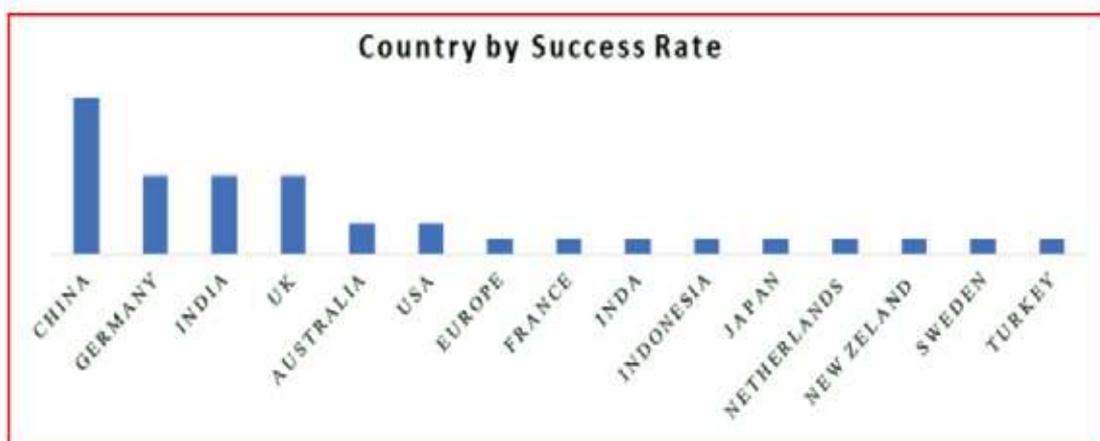
- Bangladesh is, by nature, historically a business hub.
- Next eleven emerging market economy.
- 2025: 34th largest economy in the world and 2nd place in South Asia.
- 2035: The world's 25th largest economy.
- 2041: The center point of the economy of Asia
- Steady 6+ GDP growth for the last ten years.
- Abundant supply of low-cost work force.
- The inclusive growth strategy of 8FYP.
- Active encouragement for Foreign Private Investment.
- Special Economic Zones to Chinese investors.

Prospect

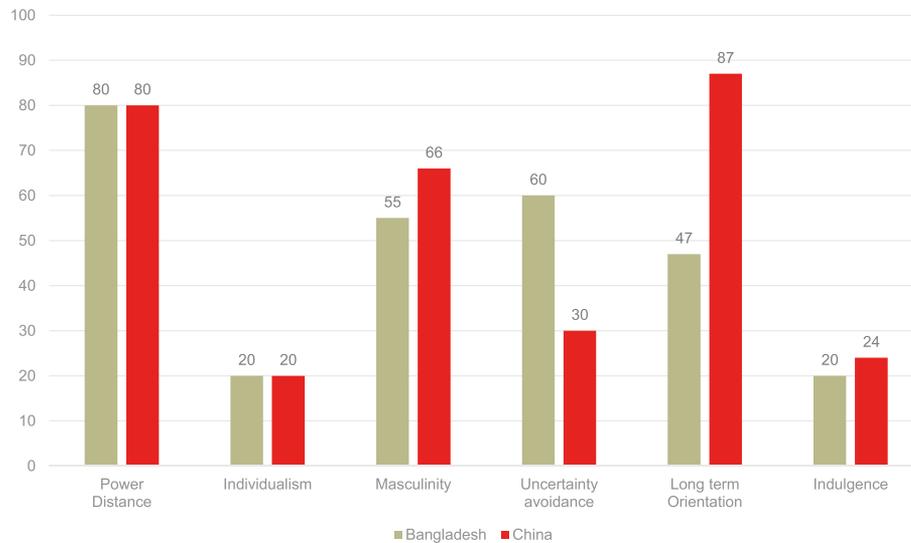
- China pursues 'neighbourhood policy'.
- China has a huge capacity and zeal to accelerate the current development in Bangladesh.
- China has more than 400 companies that are doing business in Bangladesh. There were only 20 Chinese companies in Bangladesh 22 years ago.
- Many Chinese companies have become global leaders in their specific industries.
- There are vast prospects for a robust economic partnership between Bangladesh and China.

Prospect

Business Deal Success Rate



Prospect



Challenges

- External Challenges
 - Geo-politics
 - China's alternative investment destinations.
- Internal Challenges
 - Unskilled Labor Force
 - Languages
 - Registration Process
 - Ease of Doing Business
 - VISA Complexity
 - Security
 - Lack of infrastructure
 - Bureaucracy

Way Forward

- Friendship Building
- Balancing Diplomatic Ties
- Streamlining Research and Development
- Chinese currency of Yuan (RMB) as a means of exchange

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SPEAKERS AT THE BCCCI-ERF BEST REPORTING AWARD ON BILATERAL RELATION BETWEEN BANGLADESH AND CHINA

Business at the crux of Sino-Bangla relationship

Commerce Minister Tipu Munshi termed China as a “great friend” to Bangladesh and emphasised the need to enhance bilateral relations between the two countries with focus on trade in the days ahead. “There is no doubt that China is playing a big role in our development efforts,” he said. The commerce minister made these comments while addressing the “BCCCI-ERF Best Reporting Award on Bilateral Relationship between Bangladesh and China” Jointly organised by the Bangladesh China Chamber of Commerce and Industry (BCCCI) and Economic Reporters’ Forum (ERF) on October 10, 2021 at the ERF auditorium in Dhaka.

China is the largest supplier of various types of machinery and goods for Bangladesh and it is also the country’s biggest trading partner. Besides, Bangladesh’s garments industry would have found it difficult to survive the ongoing Covid-19 pandemic had raw material imports from China been halted. Munshi went on to say that China accounts for nearly half of Bangladesh’s global trade, which really means a lot for the country.

Chinese Ambassador Li Jiming spoke on the occasion as a special guest. Jiming said Bangladesh has made remarkable achievements in economic development and also in different socio-economic fields over the last 50 years while the country attained the Millennium Development Goals (MDGs) ahead of schedule. “I’m sure that Bangladesh is going to graduate from the UN’s list of least developed countries by 2026 and also could be among the top 25 economies by 2030,” he added.

Referring to the issue of development cooperation, Ambassador Jiming said that everyone should keep in mind the new industrial revolution which is gaining momentum with the emergence of new business models and the digital economy. “The Covid-19 pandemic has provided new opportunities for countries like Bangladesh to leapfrog into developing ones,” he added.

The Chinese ambassador went on to say that Chinese President Xi Jinping during his address at the just concluded 76th United Nations General Assembly (UNGA) had proposed a global development initiative which would pursue stronger, greener and healthier global development. Ambassador Jiming said “I hope Bangladesh will actively support this global development initiative, which will also be the guideline for future Bangladesh-China trade and economic relationships.”

Jiming invited Bangladeshi businesses and the commerce minister to take part in the upcoming China International Import Exposition and the Canton Fair, being held in China.

Chaired by BCCCI President Gazi Golam Murtoza, BCCCI Secretary General Md. Shahjahan Mridha Benu and ERF General Secretary SM Rashidul Islam gave the welcome remarks while ERF President Sharmeen Rinvy gave the vote of thanks.

The Commerce Minister Tipu Munshi MP, along with the distinguished guests, distributed awards to the 10 best reporters in 10 different categories. Each of the recipients received a crest, certificate, and cheque of Tk 50,000.

The awardees in the BCCCI-ERF Best Reporting Award are:



Category: Bilateral Business Relations:
Jointly Abul Kashem & Sajjadur Rahman, The Business Standard



Category: investment of Chinese state-run companies in major infrastructure projects
in Bangladesh: Shakhawat Hossain, New Age



Category: Chinese private sector investment in Bangladesh:
Ahsan Habib, The Daily Star



Category: Bangladesh's private sector's growing ties with Chinese companies:
Mousumi Islam, Alokito Bangladesh



Category: Life of Chinese investors and their workers in Bangladesh and the small businesses they have set up here: Jasim Uddin Haroon, The Financial Express



Category: Challenges facing booming Bangladesh-China relationships: Z. M. Anas, The Financial Express



Category: China as a destination of higher education for thousands of Bangladeshi students: Babu Kamruzzaman



Category: Bangladesh-China Private and public sector ties in the health sector, especially in the coronavirus pandemic and post pandemic scenarios: Alamgir Hossain
Jamuna Television



Category: Bangladesh-China Private and public sector ties in tourism, hospitality and cultural sectors: Tahidul Islam, Gazi Television



Category: Geo-economics/economic diplomacy, particularly focusing Bangladesh and China: Masuduzzaman Robin, Jamuna Television

Sourcing Bangladesh

A BCCCI -EPB Webinar on “Prospects of Bangladeshi Products in Chinese Market: How to Realize the Potential of Preferential Treatment”

SOURCING BANGLADESH
VIRTUAL EDITION 2021

www.sourcing-bangladesh.com

Join Live Webinar on
“Prospect of Bangladeshi Products in Chinese Market: How to Realize the Potential of Preferential Treatment”

13, NOV Saturday 2021
11:00 AM to 12:30 PM (Bangladesh Time)
01:00 PM to 02:30 PM (China Time)

Chair & Closing Remarks
Mr. A.H.M. Ahsan
Vice-Chairman of EPB

Guest of Honor
H.E. Mahbub Uz Zaman
Hon'ble Ambassador of Bangladesh to China

Keynote Speaker
Dr. Mohammad Mahfuz Kabir
Research Director (BISS)

Welcome Remarks
Mr. Al Mamun Mridha
Joint Secretary General (BCCCI)

Panelist
Mr. MS Siddiqui
Legal Economist
Co-Convenor
Bangladesh Columnist Forum

Panelist
Dr. M Abu Eusuf
Professor
Dhaka University and
Executive Director, RAPID

Panelist
Dr. Nazneen Ahmed
Country Economist
UNDP, Bangladesh

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Link : <https://us02web.zoom.us/j/86318846726>
Meeting ID : 86318846726

Speakers at the BCCCI-EPB webinar said on 13 November (Saturday) that Bangladesh should target China to expand its market share for a smooth LDC graduation. As China is one of the largest importers in the World, Bangladesh's presence in that market is negligible.

They made this observation at a webinar “Prospects of Bangladeshi Products in Chinese Market: How to Realize the Potential of Preferential Treatment” jointly organized by Bangladesh China Chamber of Commerce and Industry (BCCCI) and the Export Promotion Bureau (EPB) on 13 November



2021. China has maintained its position as the world's largest manufacturing country, It is also one of the largest importers of the world. It has about a \$40 trillion domestic market, said Dr. Abu Eusuf, Chairman RAPID and Professor Department of Development Studies, University of Dhaka. “If Bangladesh can achieve a one-percent share of the Chinese market, export earnings from China alone could be in the range of \$20-25 billion”, he added. The next five years are very crucial for Bangladesh. That is why the Chinese market should be the target for a smooth graduation of Bangladesh.

UNDP Bangladesh Economist Dr Nazneen Ahmed said Bangladesh should focus on the Chinese investment and export market equally for a smooth graduation from LDC. She also mentioned that one belt and road initiative would be a trump card for business negotiation with China. Mahub Uz Zaman, Bangladesh Ambassador to the People's Republic of China was Guest of honor while Export Promotion Bureau (EPB) Bangladesh director general Mahbubur Rahman presided over the event. Bangladesh Ambassador to China Mahub Uz Zaman said we should focus on diversifying the export basket to materialize the given duty free access. The government is also working for a permanent exhibition center at Shanghai in China to display Bangladeshi products. BISS research director Dr Mahfuz Kabir presented the key-note paper and Bangladesh Institute of Development Studies (BIDS) Research Associate Siban Shahana was moderator of the webinar. Dr Mahfuz Kabir said the top five items constituted around 76% of total exported goods to China in 2020-21, off the total export Woven garments 21%, Knitwear 19%, Raw hides & skins and leather 9% Iron and steel 6% and Other vegetable textile fibers 21%. “The merchandise exports would be only US\$1.28 billion in 2025-26 and in an

optimistic growth scenario (30% growth), then it would be US\$2.53 billion by that time, he added. Dr Kabir said China has granted duty-free access of 97% (8,256) Bangladeshi products effective from July 1, 2020, which expected to bring new opportunity for Bangladeshi exporters and businesses as almost all items of RMG, jute and jute products, fish, leather and leather products, shoes, home textiles, medicines, perfumes, cosmetics and other toiletries, soaps, plastic and plastic products, rubber and rubber products, stone, cement, etc.

BCCCI Joint secretary Al Mamun Mridha said Bangladesh and China traditionally have been enjoying friendly bilateral relations for thousands of years. In recent years, the development of Bangladesh China relations has been promoted onto the fast track. “The bilateral trade between the two countries almost takes on a single way of traffic, which is tilting heavily for China. And the trade gap keeps on increasing, because of less realization of utilizing the unbelievable preferential tariff package granted by China,” he added. Al Mamun Mridha said China accounts for more than one-fifth of Bangladesh's total imports although its share in Bangladesh's exports is very small: just around 2%. “China should also help Bangladesh in further expanding its exports and reduce the bilateral trade deficit at a reasonable level” he added.

“We have been informed by EPB about the Scarcity of the CO form, But we have been assured by both the side Bangladesh Embassy in China and Chinese Embassy in Bangladesh that there is no such crisis of the CO form as both traditional and online system are in place” both the embassy's commercial department is doing their best to upraise the bilateral trade and minimise the difficulties. We (BCCCI) are also Working hard in this regard so if there are any problems faced by any exporter in any point of the export they can let us know about it. we will try our level best to solve the issue, he added.

In 2018-19, the value of bilateral trade between Bangladesh and China was about \$15 billion with Bangladesh's exports to China being less than \$1 billion.

The pandemic hit the worldwide trade flows, both exports to and imports from China declined and the trade between the two countries declined to \$12 billion in 2019-20. But Exports to China declined by 28% to reach \$600 million in 2019-20, while imports slumped by 15% to \$11.4 billion.

In 2020-2021 exports to China have increased slightly to \$680.65 million; at the same time imports from China have risen to \$13.55 billion.

BCCCI and CEAB Call for Joint plan of Action in Strengthening Bilateral Trade Relationship and following Signing of a Co-operation Agreement



Dhaka 27 November 2021 : A BCCCI delegation led by its Honorable President Mr. Gazi Golam Murtoza and Joint Secretary General Mr. Al Mamun Mridha of Bangladesh China Chamber of Commerce & Industry (BCCCI) paid a courtesy call on Mr. Ke Changliang, the Honorary president of Chinese Enterprise Association (CEAB) in Bangladesh on 25 November 2021 at CEAB office to discuss bilateral issues and to explore ways and means to overcome the existing difficulties and bottle-necks in trade and commerce between two countries.



BCCCI President, Gazi Golam Murtoza presenting a flower bouquet to Mr. Ke Changling, President of CEAB

Gazi Golam Murtoza, President of BCCCI

The Honorable President of BCCCI mentioned the need of cultural exchanges and ideas of friendship should be included within the discourses related to trade and commerce and free flow of information. He also mentioned that we should have a joint forum together to have a meaningful dialogue where specific ideas and problems could be heard and addressed. He said that BCCCI was already on the move to get the terms of legal regimes and duty protocols favoring the trade and investment opportunities between the two countries.

Mr. Ke Changling, President of CEAB

The Honorable President of CEAB provided the attendees of BCCCI with a brief introduction on the CEAB including its election of the seventh council. The BCCCI delegation expressed their all-out cooperation for the common cause of further developing and bonding the trade ties between the two countries to make the potential Joint Actions more effective and productive, saying, **‘A joint effort by the two trade bodies with similar mission, vision, aim and objective would be more effective in identifying the areas of challenges and provide suggestions to address and resolve those outstanding issues with combined stakes and efforts.’**

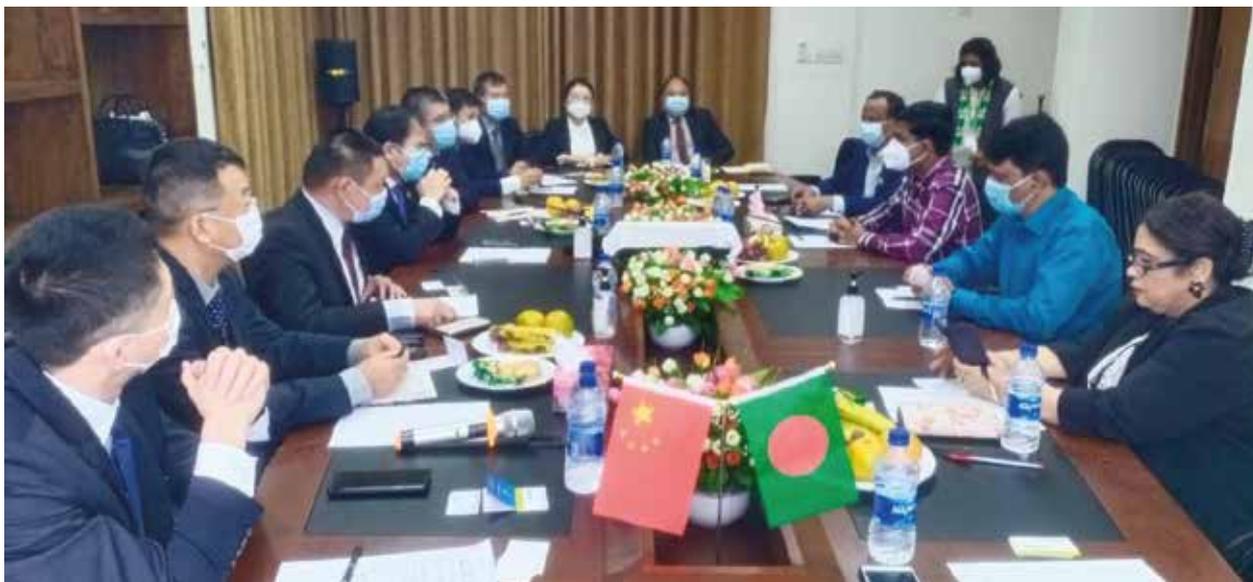
Mr. Al Mamun Mridha, Joint Secretary General of BCCCI

The Honorable Joint Secretary General of BCCCI explained the need of forging greater working relation among BCCCI and CEAB and about the prospects of forming a joint task force to exchange our ideas and difficulties and identifying the actions addressing the increasing trade disputes at both ends (Bangladesh and China), especially at the concerned government functional authorizes seeking easier and quicker resolve of disputes for the businessmen of both the countries.

Wang Xiaojiao, Secretary-General, CEAB

The Honorable Secretary General of CEAB has shared the agenda and future plans for the coming month and underscored the effective outcome of working closely with BCCCI. He acknowledged the existing ties between BCCCI and the national media and remarked that there are many such areas where we should learn from BCCCI.

Ms. Meherun Nessa Islam, Honorable Director of BCCCI proposed for signing a Co-operation Agreement to work more closely in future days.



The BCCCI Delegation while calling on the CEAB officials exchanged their views on present trade issues as, taxation policy, visa processing, letters of credit, and customs clearance, establishment of Chinese banks, dispute resolution, and free trade zones. The meeting underscored the need for making a joint effort to solve all these and give opinions to come up with the remedial suggestion as a positive contribution for further broadening the trade ties between Bangladesh and China.

BCCCI and CEAB have, most importantly, agreed to sign a Co-operation Agreement by as soon as possible to work collaboratively to extend the business opportunities including resolving the issues related to Chinese investment in Bangladesh as well as Bangladesh entrepreneurs doing business in China, and facilitate the bilateral business relations particularly by providing a permanent access for round-the-year exhibition of export products of Bangladesh in any Free Trade Zone in China, and also regarding establishing a Chinese Bank in Bangladesh.

Vice President, BCCCI, Mohammad Ishaqul Hossain Sweet, Vice President, BCCCI, Ms. Meherun Nessa Islam, Director, BCCCI, Nasima Jahan Bijly, Director, BCCCI and Md. Abu Taher, office Secretary, BCCCI were present during the call-on meeting.

Li Jixiang, Deputy President, CEAB, Zhang Wensheng, Deputy President, CEAB, Tang Qun, Director, CEAB, Zeng Qingming, Consultant, CEAB and Zhou Meimei, Secretary, CEAB attended the meeting as well as shared their experiences in investments and opined on the issues which were discussed

Chinese firm to build 42.5MW waste-to-power plant in Gazipur

The Chinese company will construct, operate and maintain the power plant while the Gazipur City Corporation will supply waste alongside providing land for the project



Representational image. Picture: Pixabay

China-based Canves Environmental Investment Company Limited has got the approval of the Cabinet Committee on Public Purchase to set up a waste-to-energy plant in Gazipur City Corporation area.

The Chinese company will construct, operate and maintain the power plant while the Gazipur City Corporation will supply waste alongside providing land for the project.

The plant would generate 42.5MW of electricity, which the Power Division would buy for \$0.215 per kilowatt under a 25-year contract, said Shamsul Arefin, additional secretary to the Cabinet Division, after the cabinet committee meeting on Wednesday. The meeting was chaired by Finance Minister AHM Mustafa Kamal.

Shamsul Arefin said, "If the value of \$1 is Tk80, the tariff of the electricity generated at the plant will be Tk17.20 per kilowatt. The tariff will change with changes in dollar price."

According to the Power Division, the power plant will be set up in the Kaultia area of Gazipur city.

The Chinese company will arrange the entire Tk14,408 crore of estimated cost for the construction and operation of the plant. The city corporation will supply more than 3,000 tons of waste daily.

The cabinet committee meeting on Wednesday approved the contracts to build a 50MW solar power project in Chuadanga and another 60MW solar project at Sujanagar in Pabna by Singapore-based Cyclect Energy PTE Ltd, and a 3MW solar-battery-diesel hybrid power plant at Manpura in Bhola by Western Renewable Energy (Pvt) Ltd.

The committee also approved the signing of an agreement to purchase power from a 60MW solar park at Sujanagar in Pabna and another 68MW solar park in Sirajganj, established by Bangladesh-China Renewable Company.

Apart from the two city corporations in Dhaka, Narayanganj and Chattogram city corporations are also planning to set up waste-to-power plants, according to officials.

Local Government Minister Mohammad Tajul Islam last week said that said all divisional cities and municipalities that produce more than 600 tonnes of waste a day would be allowed to build such power plants.

Shamsul Arefin said Bangladesh-China Renewable Energy Company will set up a 60MW solar park in Sagarkandi union of Sujanagar upazila at a cost of Tk1,689 crore. The Power Division will buy the electricity generated at the plant at \$0.108 (Tk8.48 when \$1=Tk80) per kilowatt.

Besides, the same company will implement a 68MW solar park project in Sirajganj Sadar upazila at a cost of Tk1,798 crore. The government will buy electricity generated there at \$0.102 (Tk8.12 when \$1=Tk80) per kilowatt for 20 years.

Western Renewable Energy Pvt will construct the 3MW hybrid power plant in Bhola at an estimated cost of Tk459 crore. The government will buy electricity generated at the plant at a rate of Tk21.25 per kilowatt for 25 years.

Additionally, the Cabinet Committee on Public Purchase on Wednesday approved a proposal by the Directorate of Primary Education to purchase 41,000 laptops and 41,000 speakers from Walton Digi-Tech Industries for distribution in government primary schools, involving an estimated cost of Tk216 crore.

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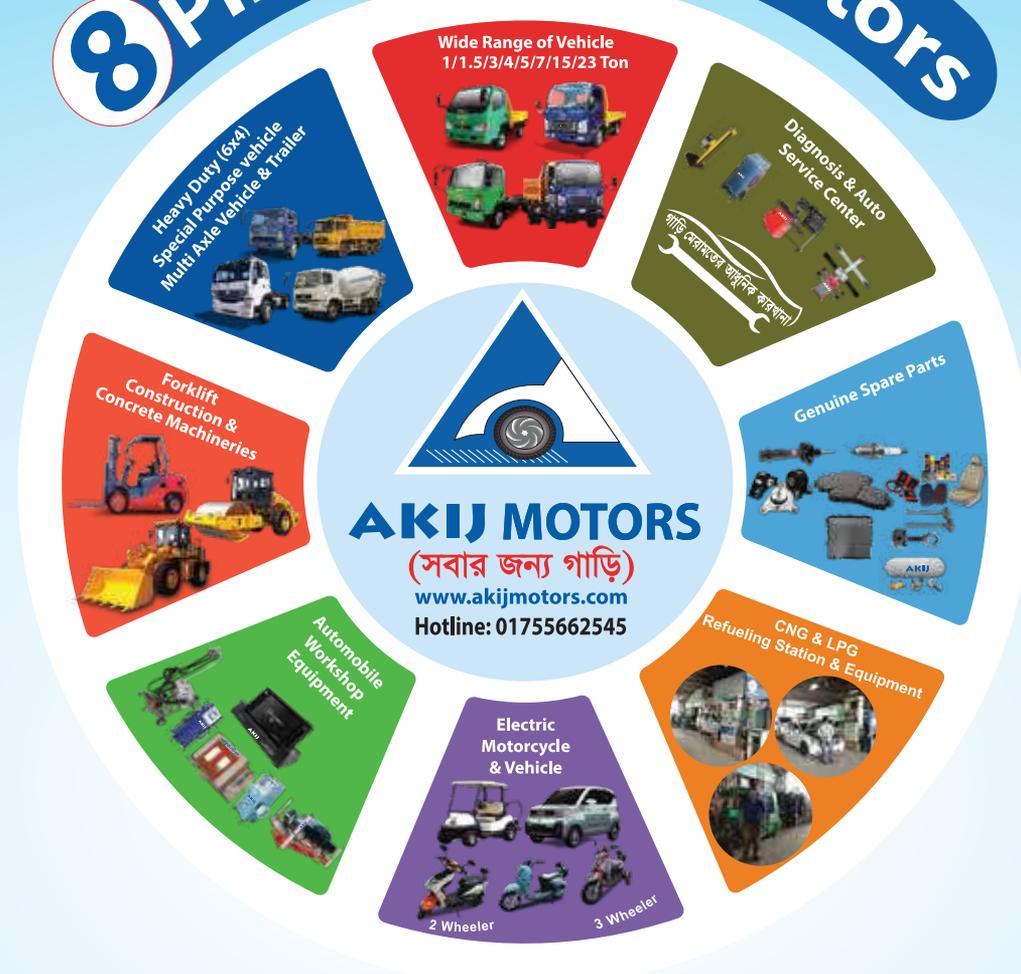
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