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CPD

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FROM the editor's desk

Regional and international events occupied an important place in CPD's activities during the fourth quarter of 2010.

One major international event organised by the CPD was the Dhaka International Dialogue titled *Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV* which was held during 24-26 November 2010. The objective of the dialogue was to design a set of recommendations in view of the Fourth United Nations Conference on LDCs (UN LDC IV) which is going to take place in Istanbul, Turkey on 9-13 May 2011. LDC IV will assess the outcomes of various development initiatives, particularly the Brussels Programme of Action (BPoA) adopted at the UN LDC III in 2001, and design a new international programme of support for the LDCs. It was a highly successful event where a large number of stakeholders both from Bangladesh and outside discussed the issues of interest and concern to the LDCs, and put forward their views which were reflected in the Dhaka Declaration that was successfully adopted.

It is hoped that policy suggestions that emerged from the papers and the rich discussions that followed the presentations at the Dhaka International Dialogue will enable the LDC governments to design actionable agendas to address the concerns and interests of these countries. In continuation of the Dhaka dialogue, CPD will also organise events in Geneva, New York and Istanbul to disseminate the Dhaka recommendations.

Yet another event with which CPD was deeply involved was the 3rd South Asia Economic Summit (SAES) which was held during 17-19 December 2010 in Kathmandu, Nepal. The theme of the 3rd SAES was Regional Economic Integration, Climate Change and Food Security Agenda for the Decade 2011-2020. CPD was one of the co-organisers of the summit along with the South Asia Watch on Trade, Economics and Environment (SAWTEE) and the South Asia Centre for Policy Studies (SACEPS). Five researchers from CPD presented papers and chaired various sessions at the SAES. It may be noted here that the 4th SAES is scheduled to be held in Dhaka. CPD is to act as the focal point of this important event which is expected to assemble noted economists and thinkers from South Asia and other regions of the world.



Rehman Sobhan is addressing the audience at the inaugural session while (from left) Mustafizur Rahman, Patrick Guillaumont, Carlos E Alvarez, Fazle Hasan Abed, Hon'ble Minister for Finance A M A Muhith, MP, H B Lunogelo, Stefan Priesner and Debapriya Bhattacharya are also seen

LDCs should Formulate Appropriate Strategies to Face New Challenges

Said Finance Minister at the CPD-OECD International Dialogue

"LDCs should formulate appropriate strategies to face new challenges such as global warming and fragile global economy," said Finance Minister A M A Muhith, MP at the inaugural plenary session of the International Dialogue titled *Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV* which he attended as the Chief Guest. In view of the upcoming UN LDC IV conference in Istanbul, Turkey during 9-13 May 2011, CPD and the OECD Development Centre, Paris jointly organised the dialogue in partnership with the United Nations Development Programme (UNDP), Dhaka; Commonwealth Secretariat, London; and International Centre for Trade and Sustainable Development (ICTSD), Geneva. The dialogue was held during 24-26 November 2010 at the Ballroom of Dhaka Sheraton Hotel, Bangladesh. The primary objective of the dialogue was to generate policy recommendations towards a framework for a new international partnership agreement in favour of the LDCs, and to provide inputs for developing specific elements of such a partnership. The event concentrated on five broad areas which are: (1) enhancing trade: product and market diversification, (2) promoting investment: domestic and foreign, (3) access to technology, (4) ODA for productive capacity development, and (5) domestic institutional and policy reforms. These issues were covered in two plenary and five working sessions. 34 overseas participants from 22 countries

across the continents were present at the sessions along with distinguished economists, eminent experts, academics, bureaucrats, members of civil society, development partners, business leaders and leading lawmakers of Bangladesh.

Sir Fazle Hasan Abed, Founder Chairperson of BRAC and Member to the UN Secretary General's Eminent Persons' Group on UN LDC IV attended the inaugural session as the Special Guest. Professor Patrick Guillaumont, President, Foundation for International Development Study and Research (FERDI), France; Dr H B Lunogelo, Executive Director, Economic and Social Research Foundation (ESRF), Tanzania; and Dr Debapriya Bhattacharya, Distinguished Fellow, CPD, Bangladesh were present as the Panel Discussants of the session. Professor Rehman Sobhan, Chairman, CPD chaired and moderated the plenary session. Professor Mustafizur Rahman, Executive Director of CPD and Mr Carlos E Alvarez, Deputy Director of OECD Development Centre made statements on behalf of the organisers, while Mr Stefan Priesner, Country Director of UNDP, Bangladesh made a statement on behalf of the partners.

The Finance Minister remarked, "LDCs have failed to make any significant progress in poverty reduction over the last decade and they lack a strategy for finding an effective way out of the categorisation." He also demanded that 0.2 per cent of gross national income of rich countries be

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Bangladesh Needs Immediate Automation of All Custom Houses for Trade Facilitation

Stressed CPD Dialogue

The dialogue on *Trade Promotion Through Trade Facilitation* was organised by CPD in collaboration with Asia-Pacific Research and Training Network on Trade (ARTNeT), UNESCAP, on 21 October 2010, at the CIRDAP Auditorium, Dhaka where Mr Md Ghulam Hossain, Hon'ble Secretary, Ministry of Commerce attended as the Chief Guest.

The dialogue was based on a CPD-ARTNeT study which was

undertaken to review the business process analysis of selected commodities in order to identify the steps and associated costs involved in an international trade. The objective of the study was to design a set of policy recommendations to be taken into account both by the policymakers and business community with a view to simplifying and improving the overall trade process.

While presenting the keynote paper titled "Simplification of Trade Processes and Procedures in Bangladesh: Results from Business Process Analysis (BPA) of Export and Import Procedures for Selected Commodities," Mr Syed Saifuddin Hossain, Senior Research Associate of CPD observed that export/import processes in Bangladesh are, in general, business-friendly and even the number of documents required to complete the process is also within an acceptable limit. However, problems arise when different trading partners ask for different documents in the process of exporting or importing of the same product. The study revealed that it takes 25 days in Bangladesh to complete the official procedures of exporting across the border, whereas in India, Japan and Thailand the procedures can be completed in 17, 10 and 14 days respectively. In case of import procedures, Bangladesh needs 32 days, whereas India, Japan and Thailand spend 20, 6 and 13 days respectively. CPD recommended immediate automation of all customs houses, and establishing a 'Single Window' so that all the actors involved in the business process are linked together. The study also suggested that strengthening collaboration between government and business chambers must be ensured for a better business environment in the country. Dr Yann Duval, Economic Affairs Officer of UNESCAP, while presenting his keynote paper titled "Trade Facilitation: An Asia-Pacific Perspective" said that trade facilitation aims to increase the cost-effectiveness of international trade transactions and the simplification and harmonisation of international trade procedure. He cited the benefits of the trade facilitation such as lower transaction cost, reduced average transaction time, increased timeliness and compliance with



Hon'ble Secretary for Ministry of Commerce Md Ghulam Hossain is speaking at the dialogue; (from left) Syed Saifuddin Hossain, Mir Nasir Hossain, Mustafizur Rahman, Mostafa Abid Khan and Yann Duval are seen listening to the speaker

new security initiative requirements resulting in improved trade competitiveness and improved economic growth prospect.

Speaking as the Special Guest, Mr Mir Nasir Hossain, the Former President of FBCCI said that trade facilitation measures are initiated to enhance the procedure of trade by lessening the cost and time. Chittagong Port, being the lifeline of the

country, is so ill-managed that it has become too difficult to handle. The RMG export business depends on the timely delivery of the product, which if missed, becomes costly both for the exporter and importer, he added. He emphasised the need for a large port immediately and a good expressway for the Dhaka-Chittagong route. He recommended to form a private sector forum for negotiation with the government to facilitate any trade-related problems. Capacity building is required for both public and private sector, he added.

Commerce Secretary Mr Md Ghulam Hossain credited the government along with the business community for the country's robust performance in export, resulting 33 per cent growth rate in the first quarter of the FY2010-11, despite fierce competition. Talking about trade facilitation, he said, "We have still long way to go, and there are at least 4 dimensions - clearance of goods, customs procedure, regulatory framework and information technology." The Secretary observed that compliance is a very serious issue in Bangladesh, and the persistent ignorance about this indicates that there are serious capacity problem. Lack of awareness among people regarding the services that government provides is another important issue to be addressed, said the Secretary.

Among the Discussants, Bangladesh Tariff Commission's Joint Chief Dr Mostafa Abid Khan observed that government has to play the vital role to increase country's export growth, and the private entrepreneurs need to be equipped with smooth information system for this purpose. In his concluding remarks, CPD Executive Director Professor Mustafizur Rahman said that Bangladesh is lagging behind her competitors though she is doing well and there is still room to improve. However, Bangladesh has to work on the ICT sector, infrastructure development, formulation of correct trade policy and strengthening government organisations in order to benefit properly from trade facilitation. In this regard, he noted that non-tariff barriers are the issues need to be addressed today more than the tariff issues.

LDCs Need to Undertake Adequate Preparation in view of the Upcoming UN LDC IV Conference

Said CPD in its Pre-dialogue Press Briefing

LDCs have to look for more options including searching for more markets for their products, more employment for workers, more investments to develop infrastructure and better access to technology from the upcoming Istanbul Conference, said Dr Debapriya Bhattacharya, Distinguished Fellow of CPD in a press briefing on 23 November 2010, at the CPD office. And for that they have to prepare themselves really well, he added. CPD organised the press briefing prior to holding the International Dialogue titled *Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV* on 24-26 November 2010. Professor Mustafizur Rahman, Executive Director of CPD; Mr Carlos E Alvarez, Deputy Director of OECD Development Centre; Dr Anna Batyra, Coordinator, Development Finance Network (DeFiNe), OECD Development Centre; and Dr Fahmida Khatun, Head of

Research, CPD were present at the session and briefed the media about the significance of the UN LDC IV Conference for countries such as Bangladesh and the importance of the Dhaka dialogue in this context. They mentioned that based on the three-day discussions an outcome document will be prepared containing the summary of the major issues discussed and the key recommendations which would be put forward, and fed into the national preparatory process of the LDCs, shared with relevant actors in the international development community, and provided to the UN Office of High Representatives for the LDCs (OHRLLS). Talking about OECD Development Centre's interest for organising the Dhaka dialogue, Mr Alvarez reiterated that OECD is committed to support the endeavors of the LDCs towards development of their economies through aid, trade and other forms of support.

International Dialogue in Dhaka on

Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV

Working Session I

Enhancing Trade: Product and Market Diversification

The first working session of the International Dialogue was on *Enhancing Trade: Product and Market Diversification*. Dr Cheikh Tidiane Dieye, ENDA Tiers-Monde, Senegal moderated the session, where the keynote presentations were made by Ambassador Love Mtesa, Chairman, Executive Board and Advisor of CUTS International, Zambia; Dr Willem Van der Geest, Lead Economist, International Trade Centre (ITC), Switzerland; Dr David Laborde, Senior Research Staff, International Food Policy Research Institute (IFPRI), USA; and Dr Seid Nuru Ali, Senior Research Fellow and Head, Macroeconomic Division, Ethiopian Economic Association (EEA), Ethiopia.

The speakers of the session opined that a universal preferential, secured and predictable system of market access for all LDCs in the markets of developed and developing countries, support towards 'horizontal' and 'vertical' expansion of investments in the production of tradable goods and services, and channeling of required funds and technical assistance for trade facilitation measures in both 'software' and 'hardware' are the key issues in the context of enhancing the trade performance of the LDCs. Ambassador Mtesa noted that most of the LDCs face supply-side constraints while diversifying exports. Dr Laborde called upon the LDCs to go for full duty-free and quota-free access without waiting for the Doha Round. He said that there should be more transparent, simplified and harmonised rules of origin as well. He also asked the LDCs to invest more to create business network. While talking about the fair trade movement, Dr Geest commented that measures which seek to promote fair trade must be consistent with facilitating market access instead of being a hindrance. Drawing example from Africa, Dr Seid Nuru Ali said that Africa can be a large market for food and other commodities but it would require investment in labour-intensive manufacturing industries such as textile.

Working Session II

Promoting Investment: Domestic and Foreign

The second working session titled *Promoting Investment: Domestic and Foreign* was moderated by Professor Mehmet Arda, Galatasaray University, Turkey. Dr Christian Kingombe, Research Officer, Overseas Development Institute, London, UK; Mr Matthias Meyer, Executive Director of PRAXIMONDO, Switzerland; and Professor Vicente Pinto de Andrade from Catholic University of Angola were present as the main speakers.

Economists present at the session remarked that the LDCs should strive to attract domestic investors, develop capital market and implement projects under public-private partnership (PPP) initiative instead of depending on the declining FDI only. Professor Arda noted that there is a tendency among the LDCs to give better treatment to the foreign investors compared to the locals, and this attitude needs to be changed. Mr Meyer put forward some suggestions which include LDCs should enhance tax collection, fight against tax evasion and fraud, apply bargaining power through competitive selection of investments, and fight

mispricing and smuggling of traded goods. FDIs are the keys but these may have negative externalities which need to be screened. In this connection, other speakers suggested to target diasporas for bringing foreign investment, but they reminded that political will also plays an important role behind the FDI issue. Professor Andrade recommended the LDC governments to use fund for public expenditure for initial construction, and then seek private investment for management and operation of the project. Mr M Syeduzzaman, Former Finance Minister of Bangladesh government, urged the LDCs to improve technical education, social and physical infrastructure to attract more FDIs.

Working Session III

Access to Technology

The third working session was on *Access to Technology*, where the speakers called for supports for the LDCs to help them build capacities and adopt available technology. They said that technology is the master key to development, whereas the state of access to technology across LDCs is quite poor and this is one of the most important reasons for their low productivity, poor economic performance and underdevelopment.

The keynote papers were presented by Mr Christophe Bellmann, Programme Director, ICTSD, Switzerland; Ms Luciana Mermet, Policy Specialist, Trade & Human Development, UNDP, USA; and Dr Apollinaire Ndorukwigira, Manager, Knowledge, Evaluation and Learning Department, African Capacity Building Foundation (ACBF),

Zimbabwe. Dr Toufiq Ali, Former Permanent Representative of Bangladesh to the WTO and the UN Offices in Geneva moderated the session.

The speakers at the session recommended that LDCs should be supported to transform their economies through faster penetration of ICT in their economies and improve the quality of their workforce to accelerate economic diversification and trade. The need for promoting development-friendly intellectual property rights regime was also mentioned. Professor Jamilur Reza Chowdhury, Former Vice Chancellor of BRAC University mentioned that the Article 66.2 of TRIPS (Trade Related Aspects of Intellectual Property Rights) is not working at all in transferring technology to the LDCs. Mr Bellmann called for agreeing on a common definition of technology transfer (TT) and suggested that on the issue of ICT the focus of UN LDC IV should include an evaluation toolkit to monitor the implementation of TRIPS article 66.2, bringing in a "third party" (PPP) to promote TT as main operation and sustain a "no profit no loss model," and a global fund for innovation. In this connection, participants also discussed the possibilities of south-south, triangular and sub-regional cooperation and need to set-up new institutional arrangements.

Working Session IV

ODA for Productive Capacity Development

The fourth working session was on *ODA for Productive Capacity Development*. Mr Antonio Tujan, Director, International Department,

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AB Mirza Azizul Islam is seen speaking at a working session while (from left) Francois Paul Yatta, Mustafizur Rahman, Anna Batyra and Fahmida Khatun are paying attention



International Dialogue

(From page 3)

IBON Foundation, Philippines; Dr Mohammad Razzaque, Economic Adviser, Economic Affairs Division, Commonwealth Secretariat, UK; Mr Offah Ako Obale, Programme Officer, Trade for Development Programme (TDP), South Centre, Switzerland; and Dr Suchat Katima, Director, Mekong Institute, Thailand were the key speakers of the session. Dr Saman Kelegama, Executive Director, Institute of Policy Studies (IPS), Sri Lanka moderated the session. The speakers of the session mainly discussed some specific ODA commitments for LDCs, improving quality of aid flows, aid management policy, and ODA for regional cooperation.

Dr Razzaque in his presentation, said that in order to achieve robust economic growth, structural transformation is a must. He mentioned that if the LDCs have to move towards dynamic products, they need human capital which is available in most of the LDCs. Aid for trade has become politically significant and it has positive impact on infrastructure. But stability and predictability are required to realise the benefits from this, he opined. Dr Kelegama observed that though ODA had increased over time, the agreed target could not be reached due to various bottlenecks such as aid allocation, division of labour, LDCs' lack of capacity to absorb, etc. Speakers also mentioned about the practical experiences of ODA development through regional cooperation in the Mekong sub-region of Thailand and strategies that the Rwandan government has undertaken for effective utilisation of aid in their country.

Working Session V Domestic Institutional and Policy Reforms

Dr A B Mirza Azizul Islam, Former Advisor to the Caretaker Government of Bangladesh, moderated the fifth and last working session which was on *Domestic Institutional and Policy Reforms*. Dr Francois Paul Yatta, Coordinator, Local Economic Development Network of Africa (LEDNA),

Nigeria; Dr Posh Raj Pandey, Chairman, South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal; Dr Clement Ahiadeke, Director, Institute of Statistical Social and Economic Research (ISSER), University of Ghana; Mr Lawrence Bategeka, Senior Research Fellow, Makerere University, Uganda; and Mr Yaroslav Turianskyi, Researcher, South African Institute of International Affairs (SAIIA), South Africa presented the keynote papers.

During the working session, Dr Pandey suggested the need to broaden international support measure from policy to a mechanism that ensures financial and institutional means through which these measures are implemented. He suggested to reorient public finance and financial system by improving revenue efforts and public expenditure management. Dr A B Mirza Azizul Islam said that the LDCs need to identify specific areas where they want institutional and policy-level changes. He stressed that policies and institutional reforms must be accepted after critical scrutiny, policies should be put in place to expand the ownership of the productive assets to the larger section of the country, especially the poor. Dr Mehmet Arda said that for any product diversification or transformation, there is a risk which the government should take so that the process becomes easier and helpful for the citizens and for the country.



Overseas participants and resource persons of the international dialogue are all seen together in this picture

LDCs Should Not Just Prepare Documents; They Need to Work on Follow-up Activities

Stressed Foreign Secretary at the Closing Plenary Session of CPD-OECD Dialogue

Speaking as a Guest of Honour at the closing plenary session of the dialogue, the Foreign Secretary Mr Mohamed Mijarul Quayes said that LDCs' responsibility doesn't end, just with formulation of the recommendations; they have to work further on follow-up activities. The LDCs have to think beyond Istanbul and the development partners have to come forward, he added. The ERD Secretary Mr

Mohammad Musharraf Hossain Bhuiyan, also a Guest of Honour at the session, said that LDCs have to redefine their positions at the economic front of the new world order, and restructure their relationships with developed countries in order to reap more benefits. Professor Mustafizur Rahman, Executive Director, CPD gave the introductory statement.

Dr Fahmida Khatun, Head of Research, CPD presented the dialogue recommendations which included a total of 137 recommendations that emerged from discussions during the three-day international dialogue. The recommendations will be finalised before the Istanbul Conference. These include a universal preferential, secured and predictable system of market access to developed and developing countries for the LDCs; increased investments in productive sectors; early conclusion of the Doha Development Round negotiations; expansion of duty-free quota-free access for LDCs; flexibilities of rules of origin in trade; investments for expansion of LDCs' capacity building and for ensuring food security; access to sector-wise technology; and flexibility in intellectual property rights regimes.



Foreign Secretary Mohamed Mijarul Quayes is seen at the closing plenary session along with (from left) Fahmida Khatun, Mustafizur Rahman, Rehman Sobhan, Mohammad Musharraf Hossain Bhuiyan, Debapriya Bhattacharya and Anna Batyra

Dr Debapriya Bhattacharya observed that the primary demands of the LDCs are food security, availability of adequate funds for adapting with climate change, access to foreign markets, and foreign direct investment. Without proper attention from international development partners and the required political will, nothing can happen no matter how good the documents are, he opined. He also said that the Istanbul Conference will be a litmus test

for all. He noted that regional cooperation will be a new issue that will be discussed in the Fourth LDC Conference, and China, India and Brazil can emerge as major partners in the conference. Dr Anna Batyra of OECD Development Centre observed that the entry of emerging economies in the global scenario could not be ignored, and how these emerging economies could contribute to help the LDCs reach their targets should be carefully worked out. She also said that the LDCs should bring domestic reforms, and mobilise internal resources to help themselves.

In his comments as chair of the session, Professor Rehman Sobhan remarked that the world is changing rapidly, and the new dynamics is not North-South relations, rather it is East-West relations. He predicted that the principal market for the Middle-Eastern oil and East-Asian energy will soon be relocated to Asia from Europe and America. The LDCs will have to take into account these realities to redefine their positions in the current global system. The new architecture of the global economic system must be redefined now to reflect the new realities, and the definition of LDCs needs to be adjusted accordingly.



South Asia is Lagging Behind in Trade and Human Development Compared to Other Regions of the World

Reveals Human Development in South Asia 2009 Report

The study report on *Human Development in South Asia 2009: Trade and Human Development* suggested improvement of bilateral relations among the South Asian countries since the region was lagging behind in trade and human development compared to other regions of the world. The report was prepared by Pakistan-based Mahbub ul Haq Human Development Centre (MHHDC) and CPD launched the study report in a dialogue on 28 October 2010, at the BRAC Centre Inn Auditorium, Dhaka. Dr Masihur Rahman, Economic Affairs Advisor to the Hon'ble Prime Minister attended the dialogue as the Chief Guest while Ms Khadija Haq, President of MHHDC was the Guest of Honour. Mr M Syeduzzaman, Member, CPD Board of Trustees and Former Finance Minister chaired the dialogue. Dr Khondaker Golam Moazzem, Senior Research Fellow, CPD made presentation on the report.

According to the report, agricultural trade liberalisation in Bangladesh could result into adverse terms-of-trade which may increase incidence of poverty and inequality of income. Agricultural liberalisation has worsened the overall food security situation of South Asia by increasing the number of hungry people by 2.3 million in every 10 years. Because of the liberalisation, the net food exports remained negative between 1990 and 2006 in all South Asian countries except India. The report noted that projected welfare gains through the emergence of the WTO did not materialise in developing countries as promised in the Uruguay Round, and the trade openness had not led to a decline in poverty. The report also showed that the share of manufacturing sector in output and employment did not rise in tandem with the fall of the share of agricultural sector in GDP which declined to 19 per cent in 2005 from 41 per cent in 1965.

While presenting the report, Dr Moazzem said that due to intra-regional trade facility, 55 per cent of the region's trade potentials are yet to be tapped despite having huge potentials for regional trade. More than USD 1.8 billion worth of bilateral trade potential between India and Pakistan remains unutilised. On the other hand, India-Bangladesh trade potentials amounted USD 1.6 billion, he added. He pointed out that



(from left) Khondaker Golam Moazzem, Khadija Haq, M Syeduzzaman, Masihur Rahman, Selim Raihan and Mustafizur Rahman are seen at the report launching

South Asia as a region witnessed its Human Development Index (HDI) increase from 0.498 in 1995 to 0.617 in 2006, though it remained lower than that of South East Asia (0.687). He mentioned that Trade and Development Index (TDI) rankings between 2005 and 2006 showed that India and Pakistan had been able to improve their TDI rankings during that period, while Bangladesh and Sri Lanka saw their TDI rankings decline, implying that the linkage

between trade and development had weakened.

The report stated that developing countries can benefit from South-South trade cooperation. To improve volume of Intra-South Asian trade, different logistic and transaction cost should be minimised. Ms Khadija Haq said that extra-regional trade dominates South Asia's overall trade structure with 93.7 per cent of the region's total exports and 96.1 per cent of the region's total import. Intra-regional trade grew in a very slow rate but extra-regional trade grew at a faster rate, she commented.

The speakers at the dialogue remarked that real development will not take place unless the regional trade opportunities are tapped and trade barriers are removed. They also suggested to reduce transport costs among the South Asian countries. Commenting on the keynote paper, Dr Masihur Rahman said that the fiscal policy of Bangladesh should be attuned to the country's economic agenda to achieve the growth target. He took note of the positive indicators in the HDI report particularly with regard to women's empowerment and the role country's RMG sector has played in this respect.

In his concluding remarks, Mr M Syeduzzaman stated that regional trade in South Asia, particularly between Bangladesh and India, is important from the perspective of economic growth of Bangladesh. He opined that the link between trade, growth and human development has been neither direct nor consistent in South Asian economies. Bangladesh is the only country that has not entered into any new bilateral trade agreement since SAFTA was adopted. Her achievement would be lower than the projections relating to MDGs, Poverty Reduction Strategy and Human Development if she fails to take advantage of regional trade deals, he added.

CPD-ARTNeT Capacity Building Training Workshop on

Trade Facilitation

A group of 26 participants with research and academic background attended a Capacity Building Training Workshop on Trade Facilitation, jointly organised by the CPD and ARTNeT of the UN-ESCAP, on Thursday 21 October 2010, at the CIRDAP Auditorium, Dhaka. Dr Selim Raihan, Associate Professor, Department of Economics, University



Selim Raihan, Yann Duval, Fahmida Khatun and Amitava Chakraborty are seen with the workshop participants

of Dhaka and Dr Yann Duval, Economic Affairs Officer, UNESCAP were present at the workshop as Resource Persons. Dr Fahmida Khatun, Head of Research, CPD chaired the workshop while Mr

Amitava Chakraborty, Director General (WTO Cell), Ministry of Commerce was present as the Co-Chair.

Dr Selim Raihan delivered a lecture on *CGE Modeling in Trade Facilitation* at the workshop. In this session, participants were given exposure to the concept of CGE modeling and its various uses. Dr Yann Duval briefly discussed

about the indicators of trade facilitation and made the participants familiar with UNESCAP's database. He also taught them how to make use of the gravity model online from the UNESCAP website.



CPD Professionals in International Fora

Rehman Sobhan, Chairman

- Attended the 10th Indira Gandhi Conference on "Indian Social Democracy Integrating Markets, Democracy and Social Justice," organised by Rajiv Gandhi Foundation, on 19-21 November 2010, in New Delhi, India.
- Chaired the plenary session and participated as the Panelist of the concluding session on the "3rd South Asia Economic Summit," jointly organised by South Asia Watch on Trade, Economics & Environment (SAWTEE) and South Asia Centre for Policy Studies (SACEPS), on 17-19 December 2010, in Kathmandu, Nepal.

Mustafizur Rahman, Executive Director

- Attended a meeting on "OECD Development Finance Network (DeFiNe) Annual Assembly: Public Expenditure for Inclusive Growth-Infrastructure," organised by OECD Development Centre, on 10-12 October 2010, in Paris, France.
- Participated in the "Think Tank Initiative Official Launching Program in South Asia," organised by International Development Research Centre (IDRC), on 30 October - 2 November 2010, in New Delhi, India.
- Participated in the World Bank Workshop on "Trade and Development in the LDCs: The Aid for Trade Facilitation Agenda," organised by the World Bank, on 13 December 2010, in Geneva, Switzerland.
- Attended the "3rd South Asia Economic Summit," jointly organised by SAWTEE and SACEPS, on 17-19 December 2010, in Kathmandu, Nepal.

Debapriya Bhattacharya, Distinguished Fellow

- Attended a meeting on "OECD Development Finance Network (DeFiNe) Annual Assembly: Public Expenditure for Inclusive Growth-Infrastructure," organised by OECD Development Centre, on 10-12 October 2010, in Paris, France.
- Participated as the Group Leader of the Working Session on *Development Challenges, 2010-2025* at the conference on "The Future of the UN Development System," organised by Wilton Park, on 18-21 November 2010, in UK.
- Attended the "3rd South Asia Economic Summit," jointly organised by SAWTEE and SACEPS, on 17-19 December 2010, in Kathmandu, Nepal.

Rounaq Jahan, Distinguished Fellow

- Participated in an Expert Group Meeting on "National Mechanisms for Gender Equality and Women's Empowerment," organised by UN Division for the Advancement of Women (UNDAW), on 6-10 October 2010, in New York, USA.

Fahmida Khatun, Head of Research

- Participated in the Global Forum on "Trade 2010 on Globalisation, Comparative Advantage and Trade Policy," organised by OECD Development Centre, Paris, on 14-15 October 2010, in Chengdu, China.
- Made a presentation on *Trade in Environmental Goods and Services* at the "3rd South Asia Economic Summit," jointly organised by SAWTEE and SACEPS, on 17-19 December 2010, in Kathmandu, Nepal.

Khondaker Golam Moazzem, Senior Research Fellow

- Presented the country report on *Making SAFTA Effective: An Approach to Prune Sensitive Lists in South Asia - A Bangladesh Perspective* in the final meeting of the cross-country study, organised by Indian Council for Research on International Economic Relations (ICRIER), on 13 December 2010, in New Delhi, India.
- Made a presentation on *An Approach to Prune SAFTA Sensitive Lists of Bangladesh: Preliminary Findings from a Cross-Country Study* in the Thirteenth Sustainable Development Conference on "Peace and Sustainable Development in South Asia: The Way Forward," organised by the Sustainable Development Policy Institute (SDPI), on 21-23 December 2010, in Islamabad, Pakistan.

A K M Nazrul Islam, Research Fellow

- Made a presentation on *Trade Liberalisation and the Growth of Transport Services in Bangladesh: An Environmental Impact Assessment Study for Dhaka City*, at the workshop on "Reforming Services for Inclusive and Sustainable Development of Asia and the Pacific," jointly organised by ARTNeT and Asian Development Bank Institute (ADBI), on 11-12 October 2010, in Bali, Indonesia.
- Participated as a Panelist for the regional symposium on "Low Carbon Economy: Trade, Investment and Climate Change-Towards a win-win Solution to Climate Change Mitigation," organised by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), on 13-14 October 2010, in Bali, Indonesia.
- Attended a short course on "Cropping System Model: Applications in Land Resource Management," organised by International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT), on 18-22 October 2010, in Hyderabad, India.
- Participated in a research workshop on "Trade Diversification in the Context of Global Challenges," jointly organised by ARTNeT, UNCTAD and WTO, on 27-28 October 2010, in Vientiane, Lao PDR.
- Attended the "4th ARTNeT Multi-Stakeholder Steering Committee (MSC) Meeting," on 29 October 2010, in Vientiane, Lao PDR.

Syed Saifuddin Hossain, Senior Research Associate

- Presented a Bangladesh Country Study on *Simplifying Trade Processes and Procedures* at the "ARTNeT Trade Facilitation Research Team Meeting," organised by ARTNeT, on 4 October 2010, in Kuala Lumpur, Malaysia.
- Participated in the Asia-Pacific Regional Forum on "Trade Facilitation" on 5-6 October 2010, in Kuala Lumpur, Malaysia.

CPD Visit by Australian High Commissioner

H E Dr Justin Lee, High Commissioner; Kilmeny Beckering Vinckers, Deputy High Commissioner of Australian High Commission; and Mark Pierce, Assistant Secretary, South and Central Asia Branch, Department of Foreign Affairs and Trade, Australian Government visited CPD on 12 December 2010. Dr Debapriya Bhattacharya, Distinguished Fellow; Dr Fahmida Khatun, Head of Research; and Ms Anisatul Fatema Yousuf, Director, Dialogue and Communication of CPD discussed the organisational activities with them.



Debapriya Bhattacharya is seen in conversation with H E Dr Justin Lee, Kilmeny Beckering Vinckers and Mark Pierce



Research Division Report

State of the Economy in FY2009-10

Under its flagship programme, Independent Review of Bangladesh's Development (IRBD), CPD, as in the previous years has prepared an analysis of the state of the economy for the fiscal year 2009-10. Based on most recent data, the report examines the dynamics of key macroeconomic indicators and reviews some important policies pursued by the government. The report also flags some emerging challenges for the government in the FY2010-11. The report was prepared by CPD IRBD 2010-11 Team.

Vulnerability to Climate Change: Adaptation Strategies and Layers of Resilience – A Comparative Study of Perceptions and Capacities of Selected Villages in Bangladesh

The study tries to explore the micro-level realities by understanding the variability and magnitudes of changes in climatic indicators such as rainfall and temperature, and compare them with the macro-level parameters. Extensive field surveys on different agro-ecological zones of Bangladesh were conducted under this study. The study team consists of A K M Nazrul Islam, Research Fellow; Uttam Deb, Additional Director, (currently on leave); Muhammad Al Amin, Senior Research Associate; Nafisa Khaled, Senior Research Associate; Ashiqun Nabi, Research Associate; Mazbahul Golam Ahamad, Research Associate; and Kaniz Tasnima, Former Research Associate of CPD.

Developing a Framework for Comprehensive Trade Policy for Bangladesh

This study aims to develop a trade policy framework with a view to attain medium and long term development targets of Bangladesh. During September to December 2010, a survey was carried out to identify the major gaps in policies, and weaknesses in their operational modalities. Khondaker Golam Moazzem, Senior Research Fellow, CPD; Nazneen Ahmed, Research Fellow, BIDS; and Syed Nasim Manzur, Vice-President, Apex-Adelchi are the Lead Researchers, while Tariqur Rahman, Senior Research Associate and Mehruna Islam Chowdhury, Research Associate of CPD are also involved with the study.

Capital Market of Bangladesh: Volatility in the Dhaka Stock Exchange and Role of Regulators

This study has been conducted as part of CPD's regular research under the IRBD programme. Using Vector Auto-regressive analysis, the study found statistically significant relationship between decisions taken by the regulatory authority of Bangladesh, the Securities and Exchange Commission and volatility in the Dhaka Stock Exchange. Jointly authored by Md Tariqur Rahman, Senior Research Associate and Khondaker Golam Moazzem, Senior Research Fellow of CPD, the paper has been accepted for publication by the International Journal of Business and Management.

CPD Professionals in National Fora

Mustafizur Rahman, Executive Director

- Presented the keynote speech at a seminar on "Bangladesh in International Business: Opportunities, Challenges and Policy Options in Trade Competitiveness and Regional Integration," organised by Department of International Trade, University of Dhaka, on 8 November 2010.
- Participated as a Designated Discussant in a meeting on "Food Grain Market Situation: Prices and Government Response," organised by Ministry of Food and Disaster Management, on 9 November 2010.
- Attended as a Special Guest at a seminar on "Contribution of Packaging and Garment Accessories Industry to Export Earnings of Bangladesh: Analysis of the Problems and Concerted Efforts towards its Development," organised by BCCAMEA, on 11 December 2010.
- Participated in a meeting on "Preparing 11th Issue of Monetary Policy Statement," organised by Bangladesh Bank, on 26 December 2010.
- Chaired the meeting of Sub Committee for transit permission of India, Nepal and Bhutan, organised by Bangladesh Tariff Commission, on 30 December 2010.

Rounaq Jahan, Distinguished Fellow

- Chaired the session on *Mass Mobilization and the Generation of Political, Religious and Cultural Appeal*, at the international conference on "Islam and Politics in South Asia," organised by BRAC Development Institute, BRAC University, on 18-19 December 2010.

Khondaker Golam Moazzem, Senior Research Fellow

- Worked as a member of a sub-committee constituted by the Ministry of Commerce, Government of Bangladesh for preparation of a booklet on "Ensuring Social Compliance and Workers' Rights in Bangladesh: RMG, BEPZA and Frozen Foods."
- Prepared a commentary for the Ministry of Commerce, Government of Bangladesh on the proposal submitted by the Bureau of International Labor Affairs, US Department of Labor on "Improving Labor Compliance and Competitiveness in the Readymade Garments Sector of Bangladesh."

CPD-OECD International Dialogue

(From page 1)

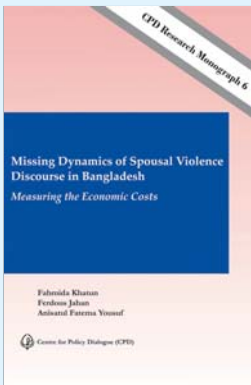
spent for LDCs. He informed that Bangladesh government is working to prepare a charter of demands that will be used to negotiate on the upcoming UN LDC IV Conference in Istanbul. The recommendations from this dialogue will certainly help the LDC governments to state their demands more specifically and confidently in the Conference, he hoped.

While speaking on behalf of the organisers, Professor Rahman mentioned that the dialogue will focus on ways to strengthen partnerships among the LDCs for reaching a common goal of upgrading the economic status of approximately 0.85 billion people of the 49 LDCs which is 15 per cent of the total world population. A majority of these people live below the poverty line, he added. Mr Alvarez urged the participants to discuss and find out why the global partnership for the LDCs has not been very successful, and how the LDCs and development partners should work to change this situation. Talking about the lack of capacity of most LDCs in critical areas such as negotiation, planning, implementation and monitoring, Mr Priesner observed that a more tailored approach is required on the part of the developed world to help the LDCs build the necessary institutions and systems. Speaking about the sustainable economic growth of the LDCs, Sir Abed said that addressing environmental issues and institutional good governance, and promoting the growth of private sector are the prime engines for growth in the LDCs. He stressed the need for reaching a common powerful and sustainable plan of action in Istanbul.

Among the panelists, Professor Guillaumont proposed two approaches to move ahead towards a new partnership: use of LDC identification criteria for aid allocation principles, and making room for LDCs in world governance. Dr Lunogelo remarked that it is high time for the LDCs to fight for a fairer economic order at both the domestic and international fronts. This will require investment in institutions for research and capacity building so that decisions for reforms are made based on well-researched evidences, which is convincing to the policymakers and national leaders, he opined. Dr Bhattacharya projected that without breaking into double digit growth, Bangladesh will not be able to cross the threshold level of 'Low Middle Income Country' by 2021. He said, "Bangladesh should go to Turkey with a strategic graduation plan for becoming a middle income country, and in order to graduate from the LDC status, growth should be human development centric, and we need investments to boost the human assets indices."



Publications



CPD Research Monograph 6 Missing Dynamics of Spousal Violence Discourse in Bangladesh: Measuring the Economic Costs

Fahmida Khatun, Ferdous Jahan and
Anisatul Fatema Yousuf

The study presented in this monograph was undertaken by CPD in view of the serious social and economic consequences of spousal violence which impacts negatively on national income and productivity in the country. The study has undertaken in-depth interviews of 200 revealed cases of spousal violence victims

to estimate the costs involved for availing healthcare, shelter, criminal justice, legal services and social services. The study finds that total cost per victim for getting these services was about Tk. 18,900. Extrapolating the costs per victim for all the women who suffer from spousal violence, the study finds that the cost of spousal violence is equivalent to 2.86 per cent of the GDP of Bangladesh. The study underscores the need to take appropriate measures to address this social scourge.

CPD-SACEPS Monograph Series 6 Eradicating Rural Poverty in Bangladesh: Strategy for Empowerment Bimal Kumar Saha and Nasreen Khundker



The two papers included in this monograph, on *Land Reform and Peasant Movements in Bangladesh: A Study of Political Economy, and Strengthening the Capacity of the Poor to Compete in the Market Place*, were prepared as contributions to the work programme of the CPD and the SACEPS on *Eradication of Poverty in South Asia Through the Empowerment of the Poor*. This monograph, *inter alia*, addresses the

issues of lack of access to productive assets and inequitable participation of the market by the resource-poor. Both the studies explore the scope for augmenting the asset base of the poor in order to provide them with access and control over productive resources. The studies viewed together point to the course of action by the Government of Bangladesh, as part of its agenda for both elimination of poverty, as well as social transformation (*din badoi*), to revisit agendas for agrarian reforms more creatively so that farmers have adequate access to land to meet the requirements of their livelihoods.

Other Publications of CPD Researchers

Rehman Sobhan. 2010. The Quest for an Indian Social Democracy. *The Daily Star*. 7 December.

Rehman Sobhan. 2010. Honouring Ourselves. *The Daily Star*. 17 December.

Rehman Sobhan. 2010. ক্ষুদ্রঋণ বিতর্ক: আমরা কীভাবে আমাদের মান-মর্যাদা রক্ষা করব। *The Prothom Alo*. 23 December.

Rounaq Jahan. 2010. অতীতের পুনরাবৃত্তি থেকে উত্তরণ। *The Prothom Alo*. 4 November.

Debapriya Bhattacharya. 2010. "Reflections on a Tumultuous Decade for LDCs." *Trade Negotiations Insights*.

Debapriya Bhattacharya. 2010. "Helping the World's Least Developed Countries." *Making It Industry for Development*.

Debapriya Bhattacharya. 2010. "Ten Strategic Considerations for UN LDC IV." *Trade Insight*, 6 (3-4).

Fahmida Khatun. 2010. "Are We There Yet?" *ICE Business Times*.

Fahmida Khatun. 2010. "Is the Environment Stupid?" *ICE Business Times*.

Fahmida Khatun. 2010. "A New Horizon." *ICE Business Times*.

Fahmida Khatun. 2010. Green Growth Strategy. *The Daily Star*. 12 December.

Khondaker Golam Moazzem and Kishore Kumer Basak. 2010. An Approach to Prune Sensitive Lists of Bangladesh: Preliminary Findings from a Cross-country Study, Abstracts. Islamabad: Sustainable Development Policy Institute.

Khondaker Golam Moazzem. 2010. পোশাক শিল্প: নতুন বেতন কাঠামোতে বেতন কেন নয়? *The Prothom Alo*, 13 November.

Hasanuzzaman. 2010. Politics of Parliament: What Next? *The New Age*. 2 October.

Hasanuzzaman. 2010. Hartal: Welcome Back. *The New Age*. 22 November.

Hasanuzzaman. 2010. Honey, Where is the Moon? *The New Age*. 27 December.

Syed Saifuddin Hossain, Towfiqul Islam Khan and Ashiqun Nabi. 2010. "Addressing Technology Needs of LDCs." *Trade Insight*, 6 (3-4).

CPD Staff News

Md Ashiq Iqbal, Senior Research Associate who was on Study Leave from 12 January 2010, has rejoined CPD on 19 December 2010 after completing his Masters Degree in Development Studies from the University of New South Wales, Sydney, Australia.

Farzana A Misha has joined CPD on 1 December 2010 as a Senior Research Associate.

Obaida Shammama has joined CPD on 4 October 2010 as a Programme Associate.

Mohammad Sakhwat Hossain from Temple University, USA has joined CPD on 10 October 2010 as an Intern for a period of three months.

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