

# Majority of CEOs expect global economy to cool: PwC survey

REUTERS, Davos, Switzerland  
More than half of chief executives in an annual survey by PwC expect a slowdown in global economic growth this year, in marked contrast to the confidence that has lifted stock markets.

The survey, published on Monday ahead of the World Economic Forum annual meeting in Davos, found 53 percent of CEOs around the world forecast the rate of global growth will fall, compared with 29 percent the year before, the highest level of

pessimism since the accounting firm began asking the question in 2012. Meanwhile shares of many major companies are hovering near record highs, amid a thawing in U.S.-China trade tensions. A recent Deutsche Bank report said investors, betting on a bounce in global growth, now have the greatest exposure to equities in two years.

However, the 1,581 interviews with CEOs in 83 countries were carried out between September and October 2019, before China and the United States inked an initial deal resolving

some of their trade disputes and other geopolitical risks, such as Britain abruptly exiting the European Union, subsided.

Only 27 percent of CEOs surveyed said they were "very confident" in their company's growth over the next 12 months – the lowest level PwC has seen since 2009, and down from 35 percent last year. Extrapolating from these results, PwC said global growth could slow to 2.4 percent in 2020.

"Given the lingering uncertainty over trade tensions, geopolitical issues and the lack of agreement on how to deal with climate change, the drop in confidence in economic growth is not surprising – even if the scale of the change in mood is," said Bob Moritz, chairman of PwC's international network.

CEOs are also increasingly concerned about cyber threats and climate change, PwC said. More than two-thirds of the CEOs surveyed believe that governments will introduce new legislation to regulate social media content and break up dominant technology companies.

While climate change does not rank among the top ten threats to CEOs' growth prospects, the survey found a strong desire among many business leaders to reduce their companies' carbon footprint.

CEOs are now twice as likely to "strongly agree" that investing in climate change initiatives will boost reputational advantage, PwC said.



An employee of a foreign exchange trading company works in Tokyo.



Quazi Osman Ali, CEO of Social Islami Bank, opens an ATM booth of the bank at Palashi in Dhaka yesterday.

## Rajuk begins demolition of BGMEA building today

FROM PAGE B4  
On April 16 last year, Rajuk arrived with the police and bulldozers in what seemed to be an attempt to bring down the BGMEA complex, which is built on a canal.

Eventually though, demolition was called off as authorities found that office bearers were still residing in the building. The office bearers were given a day to vacate and the building was sealed off. The then prime minister Sheikh Hasina laid the foundation stone of the building on November 28, 1998.

On October 8, 2006, the then prime minister Khaleda Zia inaugurated the 15-storey BGMEA premises but only afterwards was it found that it was constructed illegally.

Following a report on October 3, 2010, a High Court (HC) bench issued a suo moto rule to the authorities, asking why the structure should not be torn down.

On April 3, 2011, an HC bench ordered the demolition of the illegal building, however, two days later the Appellate Division stayed the order for six weeks and asked the BGMEA to file a leave to appeal petition against the verdict.

On March 19, 2013, the HC in its verdict ordered the relevant authorities to demolish the building within three months. The court, in the verdict, directed the BGMEA to provide refunds for the buyers of floor space in the building within a year.

In April last year, the appellate bench of the Supreme Court ordered the BGMEA building be demolished after April 12 this year.

The court termed the erection as 'a cancer on the Hatirjheel project' as it blocked water flow between Hatirjheel lake and the Begunbari canal.

The BGMEA building, constructed on two bighas of land, has a total

space of 2.66 lakh square feet; the association owned 1.40 lakh square feet of this space. The rest was sold, leased or rented out to different individuals or companies.

The main building had several conveniences such as restaurants, a gymnasium, swimming pool, conference rooms and two-storey basement car parking. The total value of the building is estimated at more than Tk 300 crore, according to BGMEA.

Of the building's 266,000 square foot area, BGMEA sold 125,000 square feet to different companies, including apparel manufacturers and exporters and two commercial banks.

According to buyers, the BGMEA sold each square foot at Tk 5,000 a decade ago. So the price of the sold space (125,000 square feet) stood at Tk 62.5 crore at the time. Currently, the BGMEA has shifted their operations to the Uttara and Gulshan areas.

## Govt failing to create jobs for youths fast enough

FROM PAGE B1  
About 12.2 per cent of the total of 2 crore youth are unemployed in the country. Of them, 74 lakh youth have no scope for education, training or involvement in employment.

A big chunk of them are from marginalised groups with no access to various facilities availed by their peers in urban areas, the report said.

The number of youth rises to a third of the total labour force if they cover those aged between 15 and 29 years.

Poor economic condition as well as backward position in education and training compared to their peers in urban areas push the marginalised groups further in the job market, said Khondaker Golam Moazzem, research director of the CPD, in his presentation.

As a result, the youth, particularly those from plain-land indigenous groups and slum youths, find the level of challenge for accessing jobs high, he said.

Some social safety net programmes of the government are playing a role in improving the livelihood of marginalised communities but it is not sufficient

to solve the housing problem they face.

A lack of transparency of state-run service providers is a major concern for slum-dwellers, particularly related to their housing issues, he said.

The youth in the marginalised communities could not receive minimum education. They do not have access to adequate number of skilled teachers and also cannot afford private tuition, the report said.

Third gender youth cannot complete study due to discrimination and humiliation at schools and physically challenged youths are facing constraints in pursuing education, according to Moazzem.

Absence of accountability and transparency mechanism disproportionately affect the marginalised youths, he added.

The youth in the marginalised communities are deprived of minimum educational facilities and hardly meet the cost of education. The government should increase the stipend allocation to help them cover all education-related expenses.

The study found that despite fierce competition in the domestic job market, particularly in the low-skilled jobs and low-earning business activities, the desire to work abroad is rather low among the marginalised youth.

Only a third of the total youth are interested to go abroad for jobs, perhaps due to limited financial capacity to bear migration-related cost.

Besides, students who go to madrasas cannot meet the skill demand of the market because of the traditional educational system.

Md Mujibul Haque, chairman of the parliamentary standing committee on labour and employment ministry, stressed the need for need-based education instead of higher education.

He called for a change to the mind set about madrasa-based education and incorporating modern education to help them compete in the job market.

Nahim Razzaq, a lawmaker, criticised the government's vocational institutes, saying their quality is poor due to a lack of proper monitoring.

Only 14 per cent students in

the country receive vocational education, which is very low compared to developed countries, said Rumeen Farhana, another lawmaker.

She blamed the social mind set as vocational education is not well regarded.

There is a lack of flow of information, coordination and skilled human resources standing in the way of delivering government facilities to the youth of marginalised groups, said Debapriya Bhattacharya, a distinguished fellow of the CPD.

Fahmida Khatun, executive director of the think-tank, suggested other ministries along with the youth and sports ministry should implement programmes for the youth in rural levels for skill development.

She called for increasing budgetary allocation for education and training from existing 2 per cent of gross domestic product.

Tahsinah Ahmed, executive director of the UCEP, and Tanjia Akhter Tania, a dweller in Karail slum, also spoke. Mustafizur Rahman, a distinguished fellow of the CPD, was present.

## Bank of Japan lifts growth outlook

AFP, Tokyo  
The Bank of Japan on Tuesday slightly upgraded its growth forecast for the world's third-biggest economy but kept its super easy monetary policy unchanged.

The central bank said after a two-day policy gathering that it now expects a 0.9-percent expansion in the year to March 2021, an upgrade from a previous projection of 0.7 percent.

The brighter assessment came after a stimulus package launched by Prime Minister Shinzo Abe last year to prop up the economy and dampen the effects of an October hike in consumption tax from eight to 10 percent.



## Bank Asia gets new DMD

STAR BUSINESS DESK  
SM Iqbal Hossain has recently been promoted to the post of deputy managing director of Bank Asia.

He was previously the senior executive vice president and head of international business and export finance division, according to a statement.

Hossain started his banking career at Sonali Bank in 1984. He attained his graduation and postgraduation degrees in economics from the University of Chittagong.

## BSCIC park will now cost twice

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Of the projects, the largest plan is to set up technical schools and colleges in 329 upazilas in a bid to increase the number of skilled workers. The project is estimated to cost about Tk 20,525 crore.

The Directorate of Technical Education, under the education ministry, intends to complete the project by December 2024.

Implementation of the plan is already in its second phase as construction is currently going on in 100 upazilas.

For the construction of the academic-cum-administrative buildings, Tk 8,948 crore has been allocated, while Tk 3,438 crore was set aside for girls' hostels.

For the construction of Liberation War monuments, which will feature at each institute, Tk 329 crore was allocated. For Shaheed Minars, each school and college was given Tk 98 crore. Each school and college will also feature water bodies such as ponds and traditional foliage, for which Tk 87 crore is allotted.

## BPO can make banks cost-smart

FROM PAGE B4  
Banks usually take call centre support and data entry services from BPO companies, but they could take many other services like cyber security, data analysis and IT audit and so on, he said.

Lenders have to invest huge sums of money to set up and operate data centres, but they can transfer the operation to BPO companies, which will reduce their costs significantly, Palak added.

Md Mahbubur Rahman Alam presented a paper on Outsourcing in Financial Service Sector, where he highlighted different outsourcing services that will help banks to expand their businesses at a lower cost.

BPO companies will help banks to: verify know-your-client, monitor their employees, get early alarms for fraudulent transaction, collect deposits and settle payment processing, he said.

Md Akhtaruzzaman, director general of BIBM; Shah Md Ahsan Habib, professor and director of BIBM; Sami Ahmed, Policy Adviser of LICIT; Md Rezaul Karim, project director of LICIT, spoke among others.



Nur Mohammed, chairman of the Jamuna Bank Foundation; Kanutosh Majumder, a director of Jamuna Bank; and Mirza Elias Uddin Ahmed, CEO, open a sub-branch of the bank in Kamalaghat, Munshiganj.

## Lack of digital literacy main barrier

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This would enable them to attain more financial stability, meet their, and their family's day-to-day needs and better prepare for the future, she added.

Hidden charges involved in online transactions could deter the general public, seeing as they feel as though they were paying just to withdraw their own money, said Mohammad Abdul Momen, a director of the Bangladesh Garment Manufacturers and Exporters Association.

When factories bore the costs, workers were more inclined towards online payment services. He said more factories need to join the initiative.

Before a digital wage system was introduced, workers lined up for hours on payday to collect their salaries.

However, after the advent of online transactions, the workers found that it was indeed easier to collect their pay digitally as the money is secure and can be withdrawn at any given time.

Momen also spoke of the need to form a universal platform to receive wages and make payments for any product or service.

Bangladesh Bank Deputy Director Salahuddin Mahmud echoed the sentiment.

The central bank is working on creating a singular platform, which could be completed by the end of the month, to help ease bank-to-bank transactions.

A paradigm shift is required to educate and change people's views on digital payments, said Abedur Rahman Sikder, chief retail business officer of Dutch-Bangla Bank.

## Bangladesh needs better air connectivity to boost tourism

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Rahman also pointed out the need for proper measures to protect the environment and ecology before developing tourism.

"Cox's Bazar was a pristine sea beach and far more beautiful 30 years ago, when tourism hadn't developed much like it is today," Rahman said.

The tourism is flourishing in the town in an unplanned manner, making it an unattractive destination, he added.

The critical biodiversity of the beach town, a major tourist attraction, faces grave risk due to high level of human interventions following the Rohingya influx from Myanmar.

Already, more than 2,000 hectares of forest have been lost as a result of the expansion of campsites after the arrival of more than 750,000 Rohingyas since August 2017.

Before the latest influx, more than 300,000 Rohingyas were already

living in the area, according to two recent studies.

Environmentalists say that the city would face more acute environmental hazards in the near future as the government initiated a project to set up an industrial zone there by cutting forests and even reserve forests, which have been serving as a shield against sea storms in Cox's Bazar since time immemorial.

"The domestic tourism sector has been booming in Bangladesh for the past decade. If proper transportation and accommodation are provided, the sector will develop further," said Rahman, who previously served in the Bangladesh Air Force.

Bangladesh does not get significant number of foreign tourists, while the exact number of domestic tourists is unavailable.

According to tour operators, the number of domestic tourists was about 80 lakh to 90 lakh in 2019.

The country's other major tourist destinations are Dinajpur, Bogura, Sylhet, Cumilla, Bagerhat, Kuakata and St Martin's Island.

Rahman also touched upon the challenges facing the airline industry. "Achieving carbon neutrality is now a major challenge," Rahman added.

Carbon neutrality refers to achieving net zero carbon dioxide emissions by balancing carbon emissions with carbon removal or simply eliminating carbon emissions.

The United Nations aviation body forecasts that airplane emissions of carbon dioxide, a major greenhouse gas, will reach just over 900 million tonnes in 2018, and then triple by 2050, the New York Times reported in September last year.

Mes-bah-ul-Islam, head of marketing and sales of Novoair, also spoke.

## Mosquito repellent brands grin as phobia reigns

FROM PAGE B1  
"The mosquito-borne diseases are rising at an incremental rate and it was a much talked-about issue nationally."

Since it is a low-cost solution to combating mosquitoes, most people opt for smoke coils, disregarding the latent health risks, Nahid added.

The price of a pack of 10 smoke coils starts at Tk 30 and goes up to Tk 85.

Aerosol prices start at Tk 170 and go up to Tk 450, while a vaporiser refill starts at around the Tk 100-mark.

The market for vaporiser in Bangladesh will expand in future though it is still low in comparison to other two mainstream forms of mosquito repellents, said an official of Godrej Bangladesh requesting anonymity.

Godrej, Indian fast-moving consumer brand, has cornered the market for vaporisers: its brand Goodknight has 97 per cent of the market.

But, he believes mosquito repellent ointments and sprays, which are applied on one's body, like Purnava and Odomos have "huge" potential.

"Because, school going and office going people will need such solutions," he said, adding that there was a huge crisis of such products last year during the hot and humid season when mosquito phobia hit an elevated level.

At that time, Odomos was sold out in most of the shops in Dhaka. Not just that, shops were selling the product with at least a 30 per cent mark-up although the product's face value remained the same.

"But the high prices did not deter the consumers from buying it. That's how desperate they were," he added.

Islam, the shopkeeper at Jatrabari, said the prices of smoke coils did not increase to that extent then, but those of aerosols and vaporisers edged up 8 to 15 per cent.

However, mosquito control product makers said their price hike was just yearly inflation adjustment though the inflation rate was below 7 per cent.

"People are still not cautious about mosquitoes. When a news comes out that dengue patients are dying they start using repellents," said Adib Al Ibrahim, product manager of Purnava, who makes a spray that has the same effect as Odomos.

Purnava failed to meet the surge in demand that ensued in the months of July and August last year, he said.

"People should be cautious about mosquito repellents because some of them are not good for health," Ibrahim said, adding that some personal repellents can cause skin diseases.

The best solution for all would be if the city corporations procure effective repellents to destroy mosquito larvae.

In fiscal 2019-20, DSCC was allocated Tk 43.30 crore for mosquito control, up 56.03 per cent from a year earlier. DNCC was given Tk 49.3 crore, almost thrice the budget from fiscal 2018-19.