

## ACI Motors celebrates Yamaha's 65th anniversary

STAR BUSINESS DESK

ACI Motors, sole distributor of Yamaha motorcycles in Bangladesh, celebrated the 65th anniversary of the Japanese motorcycle manufacturer at Yamaha 3S Centre in Tejgaon on Wednesday.

Subrata Ranjan Das, executive director of ACI Motors, inaugurated the event where motorcycle enthusiasts and customers were in attendance.

Yamaha Motor Co started its journey in Japan in 1955. Their first production motorcycle was named YA-I. The company's modern motorcycle production has gained popularity across the world. Its other products include bicycles, fishing boats and golf carts.

The celebration also took place at 31 dealer points across the country. ACI Motors also distributed food among the underprivileged.

ACI Motors is also Yamaha's technical collaboration partner in Bangladesh. As a subsidiary of ACI, ACI Motors started its journey in 2007. There are more than 70 3S (sales, service, spares) dealer points of ACI Motors across the country.

## Thailand unlikely to join Asia-Pacific trade pact this year

REUTERS, Bangkok

Thailand will take until September to study whether to join a trans-Pacific free trade agreement, potentially missing a window for entry this year amid widespread concern that joining the pact may harm its farm and healthcare sectors.

Thailand's commerce ministry has said joining the 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) would boost the country's economy and offset the impact of the coronavirus outbreak, while making sectors including electronics and agriculture more competitive against rivals like Vietnam and Malaysia, both CPTPP members.

Opposition parties and some civil groups oppose membership, saying tariff-free access to other CPTPP members could lead to a flood of agricultural and pharmaceutical imports and hurt those industries in Thailand.

A parliamentary committee will study the costs and benefits of the CPTPP by mid-July. But the committee needs two more months to finish its study, chairman Werakorn Khumprakob told Reuters.

## Small business owners hold their breath post-confinement

AFP, Paris

After months of economic turmoil triggered by the long coronavirus lockdown, battered small and medium-sized businesses are attempting to pick up the pieces.

The post-confinement world remains a deeply uncertain one, with many business owners battling for survival and hoping they can hang on long enough to benefit from an economic upturn, when it comes.

Lockdowns brought activity in countless sectors grinding to a halt, forcing governments to make available billions in aid to see them through the worst of the crisis.

Such businesses form the backbone of many national economies and are therefore vital to the resumption of activity which the International Monetary Fund forecasts will be more sluggish than hoped for as recession looks sure to bite.

The picture emerging from a swathe of AFP interviews with professionals in a range of industries across the world was initially very bleak -- but some now see tentative reasons for optimism.

Among those daring to hope for better times is Rubel Ahmed, 40, the owner of Dibbo Fashion, a sweater factory at Ashulia, a major Bangladeshi garment and textile manufacturing hub just outside the capital Dhaka.

The married father-of-two set up the factory in 2013 and employs nearly 300 workers. He annually exports some \$5

million of goods -- much of it to retailers in Spain, one of Europe's countries worst-hit by the virus.

"There were countless times I even prayed to Allah for improvement of the virus situation in Spain," he told AFP at an empty factory on April 6 after a lockdown that started on March 26.

Some 84 percent of Bangladeshi exports are garment-orientated in a country where much employment is informal.

The pandemic caused \$3.2 billion worth of orders for Bangladeshi goods -- destined for top Western retailers such as H&M, Primark and JC Penny -- to be delayed or cut altogether.

Ahmed feared for his firm's future as he monitored news from Spain on a daily basis.

But on June 18, interviewed again post-lockdown, he was feeling confident.

Nearly all his staff were busy ahead of a first post-virus shipment since exports were halted in January and "so far everything is running smoothly," he said.

Despite making a loss, and taking out loans from family, friends and the government to pay staff wages during lockdown, Ahmed said proudly: "I didn't fire a single worker.

In fact, I appointed some 10-12 new workers to catch up with the shipment deadline.

"But he added: "If my shipments are refused and the crisis worsens, then, God forbid, I will be done with business. I will

not be able to bear all the losses and the loans on my accounts."

Swanky Manhattan may be a world away from Bangladesh -- but COVID-19 did not spare New York-based dog spa, Biscuits & Bath.

Prior to the virus, the firm employed about 220 people in 13 boutiques.

Late March saw the 20-year-old company close its doors and lay off the bulk of its employees.

But grooming services resumed in mid-April due to "overwhelming" demand, said marketing and sales manager David Maher, and business is now back to roughly a third of what it was.

Staff must follow strict protocols that include sterilising leashes, wiping down dogs as they come and go, and directing customers to text a few minutes ahead of pick-up and drop-off to minimise contact with workers wearing face coverings.

Biscuits & Bath averaged \$1-to-\$2 million turnover per month prior to COVID-19. Revenues are now on track to grow back to \$300,000 in June.

The company is confident it will survive because it has maintained contact with its long-term customers, new ones are coming onboard and other competitors may struggle for lift-off in the post-COVID landscape.

As a perennial favourite tourist destination, Paris has meanwhile suffered from the collapse in tourism worldwide.

Hotels such as the Celeste near trendy

Montmartre were forced to close for two months and even post-lockdown the reservations are barely taking off.

"When there are some there are often last-minute cancellations, the day before or even on the day itself," explains Khadija Radja, director of the independent art deco-style establishment with 30 rooms.

Early June saw restrictions on travel relaxed in France, the globe's premier tourist destination, and venues such as the Eiffel Tower have recently reopened.

But Radja, 49, says business is poor despite some price reductions. "People are still hesitating to come to Paris," says Radja, whose hotel has seen a 70-percent drop in business, forcing her to temporarily lay off six staff as she struggles to cope with fixed costs, as well as a loan for a 2.5-million-euro (\$2.8-million) renovation two years ago.

Only government support, including a loan guarantee, has kept her afloat she says, warning that "the crisis is not yet over".

Even the worst crisis has its winners. In Germany, Claus Mueller, 63, owner of the century-old firm Plexiglas Riesner in Wiesbaden, told AFP in March -- when the crisis was at its peak -- that there was more demand for protective plexiglass than his firm could handle.

"Things have definitely calmed down now. The protective screens were necessary to allow businesses to reopen, and most now have them so the situation has normalised," he said.

## Pandemic downs garment shipments to a decade-low

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Primarily, thousands of retail stores were shut in the Western world and secondly, factories were shut in Bangladesh due to coronavirus.

However, the retailers in Europe and the US started reopening their stores from May.

As a result, garment shipments and production in the local factories are rebounding gradually.

A quarter-wise analysis of export performance reveals that the industry was already distressed with many challenges including an increase in the cost of production and stronger currency exchange rate, according to BGMEA President Rubana Huq.

The decline in export during the fiscal

year in actual amount is \$6.6 billion, which is around one-fifth of what Bangladesh exported last year.

A closer look reveals that of the \$6.6 billion, \$1 billion worth of export was lost in the first half of the year and the remaining \$5.6 billion in the latter half.

"We lost \$4.8 billion worth of export just in three months, i.e. April-June 2020. This shows the severity of the COVID's impact on the industry," Huq said.

According to global projections and forecasts by industry insiders, currently, the factories have orders equivalent to 55 per cent of their capacities on an average, which is expected to pick up a bit by the year's end, that is by 70 per cent of the

capacity by December 2020.

A long-term prediction may not be pragmatic in this volatile situation. Yet, it can be hoped that as much as 80 per cent of regular exports may be regained towards the middle of 2021.

However, concerns remain over the fact that factories are still struggling with cash flow and credit, with the amount of resulting unsettled liability/payables assumed to be about \$1.9 billion.

Since March, 179 factories were forced to shut down and more may follow the trail, Huq told The Daily Star.

Garment exports started rebounding because of the reopening of the economies in Europe and the US, said Ahsan H

Mansur, executive director of Policy Research Institute (PRI).

However, some reforms are needed in the garment sector and the BGMEA has been trying to bring those about, he said.

For instance, Bangladesh is much too dependent on cotton fibre-based garment items and needs to make garment items from manmade fibres.

Only five basic items comprise nearly 80 per cent of the exports and at least 50 such items should be developed, he said.

Mansur, who is also a former economist of the International Monetary Fund, also suggested grabbing more export destinations in Asia, Central Asia and Latin America along with Europe and the US.

## Pandemic was supposed to quash remittance. But inflows hit an all-time high.

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The economies of both the Middle East and Europe have recently opened and this might have pushed the remittance up.

The Gulf economies are rebounding, which has played a role in boosting the remittance flow, he added.

The 2 per cent incentive for the remitters since the initial period of last fiscal year has had a good impact on remittance flow, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The repatriation of workers has had a positive effect on remittance for the time being.

"We need 2-3 months more to say whether the inflow will continue in the months to come," said Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of the CEO of private banks.

The upward trend of remittance boosted the country's foreign exchange reserve to a great extent last month.

In May, the reserves ballooned to \$34 billion before swelling up to \$36 billion, also aided by lower-than-expected imports.

"We have never seen such a growing

trend of the reserve in a month. This is quite good given the ongoing recession," said a Bangladesh Bank official.

Lower imports and soft loans provided by the multilateral lenders have helped widen the reserve.

The Asian Development Bank approved an additional \$500 million loan to strengthen the Bangladesh government's efforts to manage the impact of the coronavirus pandemic on the country's economy and public health.

The International Monetary Fund (IMF) sanctioned \$732 million and the World Bank \$1.05 billion.

The central bank is also buying dollars from banks amid a decline in imports, helping the BB to augment the reserves.

The BB purchased \$50 million on June 30 to inject the local currency. This will help banks enjoy adequate liquidity during the meltdown, Mansur said.

The rising remittance trend might not last in the coming days if a recent projection of the IMF comes true.

Continued remittance weakness in the coming months will lead to a 7 per cent fall in fiscal 2020-21, it said.

## bKash users can now send money to non-account holders

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Launched in 2011, bKash operates as a payment service provider that offers a broad range of digital financial services. During the ongoing pandemic, it has added around 40 lakh customers, bringing its total client base to 4.43 crore.

The company disbursed the salaries and wages of workers at more than 1,000 garment factories during this period as well.

Despite the sluggish inflow of remittance through regular channels amid the Covid-19 outbreak, the value of remittance sent home by Bangladeshi expatriates through digital or wallet-based money transfer services has risen.

In April, Bangladeshi expatriates transferred

more than Tk 100 crore through bKash, up from Tk 27 crore in March.

Another service unveiled by bKash during the pandemic allows users to pay water bills in Dhaka, Chattogram and Sylhet.

Around 15 lakh distressed families received Prime Minister Sheikh Hasina's cash aid through the MFS provider and more than 1.2 million secondary-level students received stipends before Eid.

bKash recently launched Visa and Amex credit card bill payment services. Customers can add or send money from bKash accounts to 14 banks that issue local VISA and Mastercard.

Although people's reliance on mobile

financial services rose during the pandemic, the amount of transactions made daily slightly decreased, thanks to the lockdown, which stalled the economy.

Transactions made through MFSs totaled TK 29,029.14 crore in April, down from TK 39,785.23 crore in March.

Average daily transactions fell 24.6 per cent to Tk 967.64 crore in April from March, when it was Tk 1,283.39 crore.

However, the number of registered clients increased 3.1 per cent to around 8.51 crore in April from a month ago, according to data from the Bangladesh Bank. Of them, 2.81 crore users are active now.

## BB orders banks to disburse all stimulus funds by next month

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The central bank will distribute the whole of Tk 8,000 crore of the two stimulus packages from its own sources by constituting separate refinancing schemes.

Even though lenders have been showing a reluctant attitude in giving out loans, borrowers are repeatedly seeking funds from banks.

Lenders will get loans at the highest interest

rate of 9 per cent from the package.

For instance, the SME clients can take working capital at 9 per cent interest from the stimulus package for the sector. Of the interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

The economy will not get the expected recovery from the ongoing meltdown if lenders continue to show unwillingness in implementing the

packages, a central bank official said.

Some banks think that their disbursed loans will become defaults if they give out funds at this moment.

"But such a situation will create a vicious cycle for them. They will only protect their financial health by way of disbursing loans since this is the single path to ensuring desired profits," the official said.

## A policy brief to accelerate technology delivery in agriculture

FROM PAGE B4

Recently, it has been made mandatory for the agro-input dealers to get a diploma from KVKs to qualify as the dealership.

The Agricultural Technology Management Agencies (ATMA) works at the district level with the support of the government of India.

Initiated by the National Agricultural Technology Project (NATP) in 2004, the ATMA's mission is to implement the agricultural technology plan of the government of India under the ministry of agriculture and farmers welfare.

The ATMA has a state-level management committee and working committee where state agricultural universities (SAU), KVK and ICAR institute and farmers' advisory committee are the part of the decision-making and implementation plan with different ministries at the state level.

There is a successful model in the US where land grant universities provide cooperative research and extension services.

In Bangladesh, agricultural universities are provided with research funding from different sources like BARC, Krishi Gobeshona Foundation (KGF), University Grants Commission (UGC) etc.

This supports universities in their development of knowledge and technology, which is useful for addressing production constraints. This service needs to be utilised to the fullest by the extension system.

Bangladesh has experience of developing research and extension coordination through project support since 1996 involving crops, livestock and fisheries.

However, the nodal platforms at the upazila level did not sustain.

A model for formalising agricultural education-research-extension coordination is

proposed here.

In developing this model envisaging active participation of the universities having knowledge, expertise and technologies, past and present experiences have been reviewed.

Also, past lessons on coordination and linkage systems in Bangladesh and experiences of some other countries have been taken into consideration.

The proposed model seeks to pool the knowledge, skills and technologies at the disposal of the research centres, i.e. the universities and NARS institutions into one platform and utilise these through the extension services and to ensure pluralistic, participatory, quick and reasonable returns from the huge investments the country makes in the universities as well as in the NARS institutes and private sector.

The ERE will mostly be responsible for the efficient cycle and recycling of technology development, refinement, validation and feedback among research, extension and education centring the producer.

**STRUCTURE OF THE NODAL PLATFORMS AT DIFFERENT TIERS**

In the ERE mechanism, the National Executive Body (NEB) will be the central framework with the authority and responsibility to formulate policies and plans, set research and extension priorities and provide implementation guidelines to field level actors through the regional executive body for ERE linkages and coordination in agriculture.

The national executive body will be chaired by the executive chairman of BARC.

The director (proposed to be upgraded to member director) of TTMU will act as member secretary, director generals (DGs) of NARS institutes, DGs of extension departments

(Department of Agricultural Extension-DAE, Department of Fisheries-DOF and Department of Livestock Service-DLS), a high-level academic representative of UGC, Department of Marketing (DAM), Bangladesh Agricultural Development Corporation (BADC), development partners, relevant NGOs and private organisations will take part.

TTMU of BARC will coordinate the affairs of the national executive body, including the planning and execution processes, fund accumulation and distribution, guidance for the regional executive body.

The major function will focus on the following:

- Coordination among different actors
- Set research/extension priorities
- Evaluation of the technology transfer process and identify constraints

The Regional Executive Body (REB) will be represented and coordinated by TTMU of BARC, regional research stations under NARS, director of research and extension of a regional university, extension departments in the region, BADC, DAM, Agricultural Information Service (AIS), NGO and private sector.

REB will have the structure and authority to oversee ERE coordination at the regional level in light of the guidelines and directives provided by the national executive body.

The prime job will be to strengthen BARC with adequate financial and institutional capacity and upgrade TTMU to be supported by leadership capacity.

The REB will focus on the following function:

- Technology and or knowledge transfer to end-users through line departments until grassroots (union).
- Act as a common platform for coordination among universities, research

institutes, extension organisations and other development actors

· Management of REMU and budget accumulation and disburse to REMU

**CONCLUSIONS AND RECOMMENDATIONS** Agricultural education, research and extension (ERE) deliver best in terms of boosting agricultural production and net farm income when they function in a coordinated and complementary way.

The existing ERE linkages in Bangladesh need to be strengthened and the agricultural research and extension systems are functioning mostly under separate administrative and management units.

There is a compelling need for strengthening the ERE linkages for bringing accountability and efficiency of research resources through better coordination of the actors under a rational and functional coordination mechanism.

It is evident that policymakers and education, research and extension leaders are keen to develop a formal structure to establish a meaningful ERE coordination.

Performing its routine jobs, line departments and actors will continue one additional responsibility to serve in the linkage mechanism for technology refinement, validation, feedback and dissemination.

The agricultural universities are the centres of agricultural education, are makers of the professionals who ultimately man the NARS institutions and extension agencies, they generate knowledge and develop technologies, the faculty members are involved in agricultural research projects entailing huge investments from domestic resources and international assistance.

Yet, the universities have so far remained rather alienated from the national research-

extension continuum.

It is high time that the universities are brought under the umbrella of an ERE linkage-coordination system to tap the potential, add value to returns from the investments.

With the lessons being learnt under present pandemic and consequent impact in agro-based livelihood and future food security, it is essential to utilise all frontiers of innovations, including innovative marketing to win the battle of today and tomorrow.

Reviewing the existing institutional arrangements related to agricultural ERE and considering the need for strengthening the linkage for agricultural development, a model for coordination is proposed.

With the mandates notated in BARC Acts 1996 and 2012, BARC is authorised to coordinate overall agricultural research across different disciplines.

It is proposed that BARC through its TTMU take the lead role in coordinating research and technology transfer across all disciplines of agriculture.

The TTMU of BARC may be supported with strong scientific manpower with managerial skills and adequate funding to coordinate education, research and extension.

As a pilot test of the model, a regional university (say Patuakhali University of Science and Technology and or Bangladesh Agricultural University) may house the REMU partnering with regional research stations and public, NGO, private extension agencies and assist in the coordination work.

The technical, financial and managerial support for this may come from TTMU of BARC.

*The writer is the former executive chairman of Bangladesh Agricultural Research Council*