

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.88%	▲ 1.96%	\$1,798.31 (per ounce)	\$43.24 (per barrel)	▼ 0.39%	▼ 1.06%	▼ 0.63%	▼ 1.95%	BUY TK 83.95	94.23	104.95	11.79
4,061.57	6,989.24			36,594.33	22,290.81	2,652.65	3,383.32	SELL TK 84.95	98.03	108.75	12.40

City

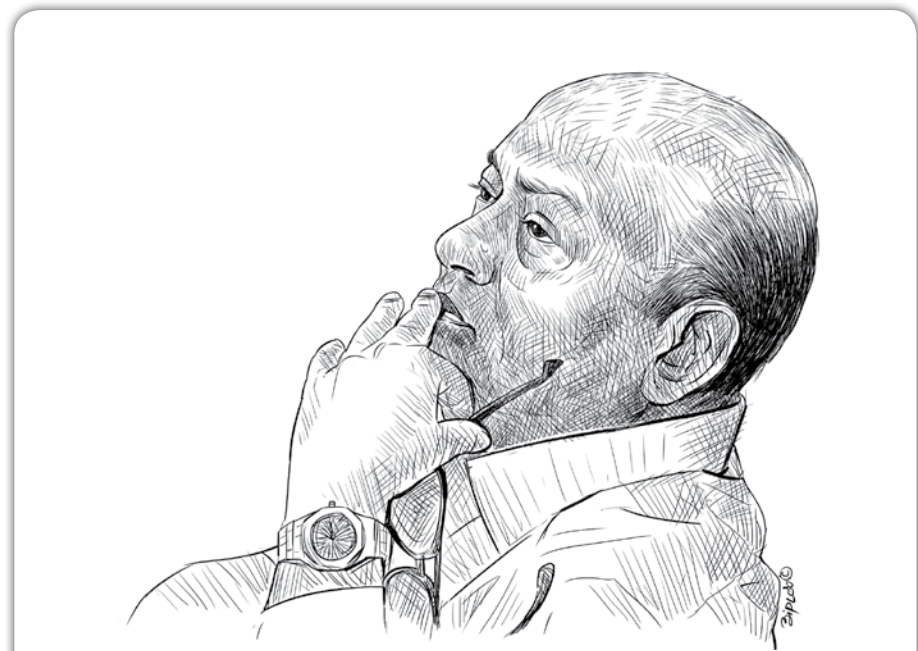
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A man of success, a man of values

Business leaders remember Latifur Rahman

STAR BUSINESS REPORT

Business luminaries yesterday paid a rich and heartfelt tribute to Latifur Rahman, founder, chairman and chief executive of Transcom Group, hailing him as the most patriotic entrepreneur and an icon for ethical business.

Rahman, who was best known for his ethical business practices at home and abroad, breathed his last on July 1.

The late entrepreneur was a towering figure in the corporate world of Bangladesh because of his well-known principles in running businesses.

He and his family members are also respected since they have not held

passports of other countries except Bangladesh as they love the country from their hearts, said top businessmen at a virtual remembrance event.

"Latifur Rahman was a symbol of ethics and determination," said Mahbubur Rahman, president of the International Chamber of Commerce Bangladesh (ICC-B).

"I can feel his absence. He was an exceptional friend of mine and my family."

Latifur Rahman took Bangladeshi businesses to a new height when he received the Oslo Business for Peace Award, and the Best Business Person Award from the Saarc, Mahbubur said.

READ MORE ON B3

Rice imports drop to four-decade low

Analysts point to challenges to sustain increased production

SOHEL PARVEZ

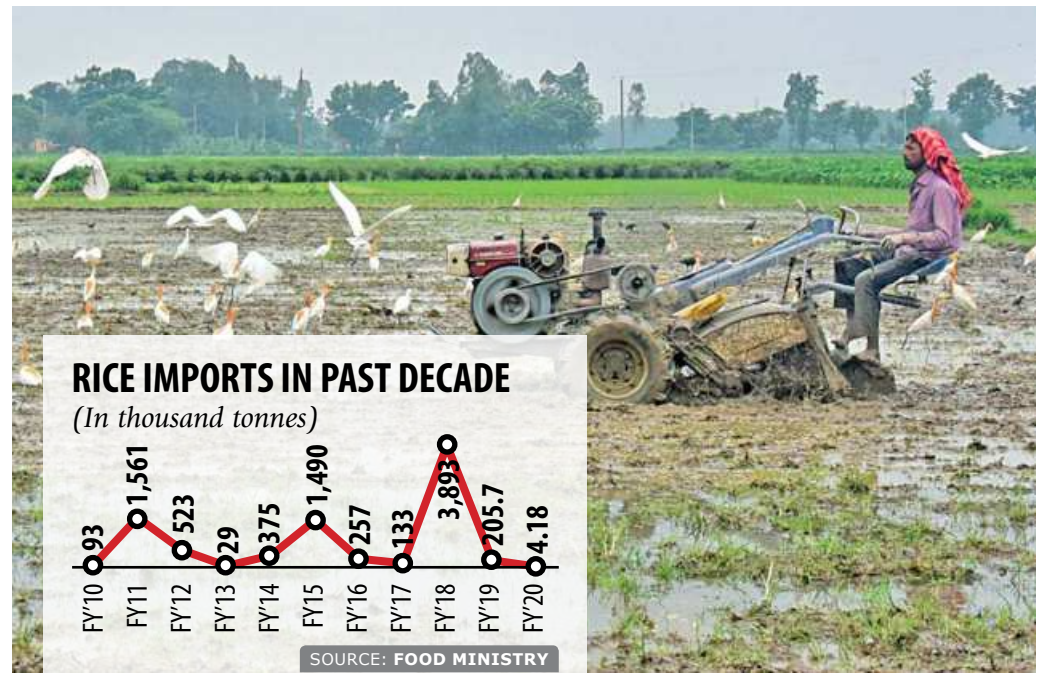
Bangladesh's rice imports fell to a nearly 40-year low in the fiscal year 2019-20 thanks to farmers' endeavour to increase the yields of the main crop and allow the nation to be self-sufficient in the cereal production.

Total import was 4,180 tonnes in the last fiscal year, marking a 98 per cent slump over the previous fiscal year, resulting from high import tariffs and adequate domestic production, food ministry data showed.

Agricultural analysts attributed the gain to rising production amid farmers' gradual shift to improved varieties and replacement of older varieties by the newer ones. And these were supported by favourable weather, better crop management and subsidies aimed at keeping the prices of fertilizers affordable for growers.

Annual rice output, which was less than 3 crore tonnes until the fiscal year 2007-08, crossed the mark in the subsequent year. Since then, upward trajectory continued except for the fiscal year 2016-17 when floods in the northeastern haor region damaged crops.

Production recovered a year later but encouraged by low import duty, private importers brought in 38.90 lakh tonnes of the cereal in FY2017-18, the highest in nearly three decades.



Total yearly rice production stood at 3.64 crore tonnes in FY2018-19, posting a marginal increase over the previous year. The production estimate for the last fiscal year is yet to be made available by the Bangladesh Bureau of Statistics.

However, the Food and Agriculture Organisation, in a report in May, said the country was expected to have produced 3.87 crore tonnes of rice in FY2019-20. Bangladesh consumes 3.2 crore tonnes of rice and 55 lakh tonnes of wheat annually, said the UN agency in the report.

"No doubt, Bangladesh has

made tremendous progress in rice production and food security," said Humnath Bhandari, the representative for Bangladesh at the International Rice Research Institute, in an email reply recently.

"Rice production this year has been excellent mainly due to favourable weather conditions in boro and hoping good aman production (if no natural calamities) as a result of a good price of rice and government efforts to increase rice production."

Farmers have been producing a higher amount of rice than the country's annual requirement for the last several years.

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Stimulus packages fall flat for implementation delays: ex-DCCI presidents

STAR BUSINESS REPORT

The government-announced stimulus packages failed to serve their purpose, which was to swiftly rejuvenate economic activities and protect jobs of millions, due to delays in their implementation, said leading businesspeople and an economist yesterday.

As a result, jobs continue to be lost, some 16 million so far, because of the coronavirus pandemic which has been severely affecting the economy.

The government announced stimulus packages amounting to more than Tk 103 lakh crore to help micro, small, medium and large enterprises face the fallout of Covid-19.

However, most of the enterprises, especially the micro, cottage and small ones, are yet to avail money from the fund for utilisation during the pandemic to avert financial and job losses.

In some cases, the situation had turned so acute that entrepreneurs of the micro, cottage and small enterprises are even losing capital as their sales have declined significantly.

- Quick disbursement of stimulus packages
- Cuts in bank borrowing by govt
- Brightening country image for the sake of int'l trade
- Strengthening capital market to reduce dependence on banks
- Tapping export potential of major Asian markets
- Promoting exports of PPEs, masks

The image crisis created over a private hospital issuing fake coronavirus test certificates may have adverse impacts on the international trade of Bangladesh, said the businesspeople.

They said the Italian authorities sent back more than 100 Bangladeshis last week centring the falsification.

If something similar happens to involve businesspersons and any country sends them back, the image crisis would severely affect Bangladesh's international trade.

"So, we should do something immediately so that our image is brightened and rebuilt before the world

and nobody falls victim to being told to return in any airport of the world," said Sabur Khan, a former president of the Dhaka Chamber of Commerce and Industry (DCCI).

"I also feel that this is the time to establish good governance," he told a virtual discussion on "Bi-annual economic state and future stance of Bangladesh economy: private sector perspective" organised by the DCCI.

Nine former DCCI presidents, an economist and Planning Minister MA Mannan participated at the event which was moderated by incumbent DCCI President Shams Mahmud.

Khan's views were echoed by Mannan. "Unfortunately a few people have been damaging our image during this time of crisis as well as the time of rebounding," he said.

The minister cited the example of Vietnam, saying that the country has so far been successful in tackling the pandemic and safeguarding the economy with discipline.

He said the government was unable to disburse money from the social safety net programmes for many beneficiaries as they do not have bank or mobile financial service accounts.

Mannan suggested that businesspeople explore export potential of the Asian markets such as China, India, Japan, Sri Lanka and Nepal for increasing the country's trade.

"You can also do a lot of business even with Myanmar although there are some problems," the minister said.

He also highlighted the need for obtaining observer status in the Association of Southeast Asian Nations to expand trade with the member states.

READ MORE ON B3

EBL to offer Bangla QR payments

AKM ZAMIR UDDIN

Eastern Bank Ltd will introduce an interoperable quick response (QR) payment system using mVisa platform in August in order to expedite the growth of cashless transactions in the country.

The lender is the first bank in Bangladesh that will launch the contactless payment method by way of using the platform of Visa, one of the global leaders in digital payments technology.

Paying for goods will no longer need point of sale (POS) terminals at shops or other places.

Clients will have to just use mobile banking apps linked to their debit and credit cards to scan QR codes displayed by merchants.

Bangla QR payments will allow interoperability and more convenience to customers for making contactless payments using their smartphone devices regardless of the transaction size, said Ali Reza Iftekhar, managing director of Eastern Bank.

Customers will be able to pay at any mVisa enabled QR merchant across the world, which will set a milestone in the payment industry of Bangladesh, he said.

The transaction method will encourage people to maintain social distancing, which will also help curb the coronavirus pandemic.

READ MORE ON B3

Digital cattle market for all Eid needs

STAR BUSINESS REPORT

Government agencies and e-commerce businesses have joined hands to introduce a digital platform, where customers can purchase sacrificial animals as well as slaughtering and delivery services, in a bid to maintain public health guidelines on Eid-ul-Azha amid the ongoing coronavirus pandemic.

"This year's situation is not like that of previous festivals and so, a good number of customers will try to buy their sacrificial animals online and would prefer a complete package, including slaughtering and delivery," said Md Abdul Wahed Tomal, general secretary of the e-Commerce Association of Bangladesh (e-CAB).

The joint initiative, featuring the Dhaka North City Corporation, Information and Communication



Technology (ICT) Division, e-CAB and Bangladesh Dairy Farmers' Association (BDEFA), was launched yesterday under the title 'Digital Haat'.

This is the single largest online cattle market of its kind with all similar private initiatives also being linked to the website, according to organisers.

Initially, an estimated three to four thousand sacrificial animals will be sold through the platform, half of which will include slaughtering and meat processing services, Tomal said.

"Orders will be taken till July 20 depending on demand and supply," he added.

The response has been huge as a fair number of cattle traders have already registered themselves on the platform.

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Engage micro lenders to disburse stimulus loans among SMEs: Sanem

STAR BUSINESS REPORT

Microfinance institutions should be involved in fund disbursements from the government's stimulus package to small and medium enterprises (SMEs) so that those firms have quick access to finance amid the ongoing coronavirus pandemic, according to the South Asian Network on Economic Modeling (Sanem).

"Although entrepreneurs are benefiting from the stimulus package, disbursements are being made through the banking system, which is a very slow process," said Sanem Executive Director Selim Raihan.

Raihan made these comments while speaking at a virtual discussion, held yesterday as a part of the Sanem Netizen Forum on Covid-19 Pandemic - Episode 8, styled 'assessing the overall current situation of the pandemic'.

The government previously announced a Tk 20,000 crore stimulus package for SMEs in a bid to provide the sector with enough working capital to survive the coronavirus fallout and continue its growth.

In his argument for why small-scale lenders should be authorised to make disbursements,

SANEM
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RECOMMENDATIONS

- Involve micro finance organisations to deliver credit to SMEs
- Monitor implementation of safety net programmes
- Include the new poor under safety net
- Create jobs for returnee expatriate workers
- Relax loan interest of SMEs who lost their working capital
- Resume economic activities in full swing controlling the pandemic

Raihan said that micro lenders primarily provide financing to SMEs and therefore, involving them would help the sector utilise the stimulus package to its fullest.

The Sanem executive director also expressed appreciation for the government's initiative to protect SMEs as it will help the sector recover alongside the overall economy.

However, he also suggested that authorities should monitor the implementation of the stimulus package to ensure that funds are being properly utilised.

Regarding the social safety net programme, Raihan said that the government is yet to bring people who were recently forced into poverty by the Covid-19 outbreak under the scheme.

Many self-employed individuals became redundant and ended up returning to their villages after failing to secure sufficient working capital due to the ongoing pandemic.

"So, they should be added to the list of eligible people and get full financial cooperation under the stimulus package," Raihan said.

Meanwhile, it is a good initiative to use the foreign exchange reserve to fund development activities. However, the reserve should not be overused as it will discourage foreign direct investment, he added.

READ MORE ON B3



Mizanur Rahman, senior executive vice president of Islami Bank Bangladesh, opens the bank's 'Khilkhet Sub-branch' under its branch in Nikunja in Dhaka on Thursday.

Chinese banks must brace for surge in bad loans, regulator says

REUTERS, Beijing

China's banks should brace for a big jump in bad loans due to coronavirus-induced economic pain, the financial regulator said on Saturday, noting the deterioration of asset quality at some small and mid-sized financial institutions was accelerating.

China's Banking and Insurance Regulatory Commission said in a statement that profit growth would slow sharply at some banks while others could see profits decline.

If banks were to make the minimum amount of provisions for their non-performing loans, which some have yet to do, profits for the sector would fall by more than 350 billion yuan (\$50 billion), the statement said.

Data from the commission shows that Chinese commercial banks booked 2 trillion yuan in profits in 2019, up 8.9 per cent from a year earlier.

Outstanding non-performing loans in the sector totalled 3.6 trillion yuan as of end-June, while the bad loan ratio rose to 2.10 per cent, 0.08 percentage points higher than the beginning of the year, the statement said.

Small firms have been allowed to delay loan and interest payments and

the central government has called on the country's financial institutions to sacrifice 1.5 trillion yuan in profits this year to help counter the economic impact of the virus on companies.

Beijing has also allowed local governments to use the proceeds of special bonds to replenish the capital of certain small banks.

The regulator warned of illegal fund flows into real estate and the stock market, and of renewed risks in the shadow banking sector without elaborating.

It also vowed to strengthen regulation of capital flows and crack down on speculation in the financial sector to prevent asset bubbles.



People wear protective face masks, following an outbreak of the novel coronavirus disease, at Lujiazui financial district in Shanghai, China.

IMF warns cutting spending too soon could derail recovery

AFP, Washington

As governments rushed out funding to prevent an economic collapse amid the coronavirus pandemic, global public debt swelled to the highest in history, but the IMF warned Friday that cutting back too soon could undermine the recovery.

Continuing to provide the support as the economic slowdown drags on will be "paramount," the International Monetary Fund's fiscal policy chief Vitor Gaspar told AFP in an interview.

"The risk of premature withdrawal of fiscal support is the dominant risk," even more than rising debt levels, Gaspar said, noting that the economic recovery from the global financial crisis was slowed by that misstep.

As the health crisis spread and businesses were shuttered worldwide to contain the spread of COVID-19, governments provided "a massive fiscal response" of close to \$11 trillion in just a few months to help support households and prevent bankruptcies, a "stronger and faster" response than in 2008-2010.

As a result, even amid record low interest rates, the debt figures are staggering. Global public debt will reach "its highest level -- as a percentage of GDP -- ever recorded in history," at over 100 percent of global GDP, Gaspar said.



IMF's Fiscal Affairs Chief Vitor Gaspar

Deficits in advanced economies are projected to be five times higher than pre-pandemic estimates for 2020. The Washington-based crisis lender, which historically has always advocated for governments to restrain spending, is in the unusual position of urging authorities to flood their countries with cash while also sounding the warning about pitfalls ahead, especially if

there is a renewed spike in virus cases.

With over 12 million cases worldwide and 555,000 deaths, "priority number one" is the health crisis and policies to contain the spread of COVID-19 so that life and the economy can return to normal, Gaspar said.

And as economic activity rebounds, government debt levels

should stabilize and begin to fall starting in 2021, he said. In the wake of the 2008 global financial crisis, many governments shut down their stimulus programs at the first sign their economies had stabilized, which led to a slower, more sluggish recovery.

Now, government spending "will need to remain supportive and flexible until a safe and durable exit from the crisis is secured," Gaspar said in a blog post co-authored with IMF chief economist Gita Gopinath.

"We are not out of the woods," they cautioned. But authorities should take steps to shore up their finances including improving tax collection, making taxes more progressive so those with higher incomes pay more, and eliminating subsidies on fuel while adopting revenue measures such as carbon pricing. In the face of "profound" transformations of their economies, when "many of the jobs destroyed by the crisis will likely not return," governments should focus their efforts on sectors that will survive, rather than those that will shrink, such as air travel. That could even include taking equity stakes in or temporarily nationalizing industries, which would "allow the taxpayer to share the upside" in companies benefiting from government support, Gaspar said.

After vigorous monsoon rains, crop planting gathers pace in India

REUTERS, Delhi

Indian farmers have planted 12 million hectares with summer-sown rice, preliminary farm ministry data for this year showed, up 25 per cent from last year as robust monsoon rains encouraged the expansion of acreage.

Buoyed by the plentiful rains, rice farmers are likely to harvest a record crop and step up overseas sales from the world's biggest exporter of the grain.

Farmers start planting rice, corn, cotton, soybeans, sugarcane and peanuts among other crops from June 1, when monsoon rains reach India. Nearly half of India's farmland lacks irrigation and planting usually lasts through July.

The Ministry of Agriculture & Farmers' Welfare issued preliminary figures for planting from June 1-July 10, which are subject to revision as it gathers more information from state governments. The area planted with cotton was at 10.5 million hectares, up from 7.8

million hectares at the same time last year.

Sowing of oilseeds was at 13.9 million hectares, compared with 7.5 million hectares at the same time in 2019.

Planting of pulses touched 6.4 million hectares, sharply higher than 2.4 million hectares in the previous year. India has received 14 per cent higher than average rain since the monsoon season began on June 1. India's weather office defines average, or normal, rainfall as between 96 per cent and 104 per cent of a 50-year average of 88 cm for the entire four-month season.



A woman plants rice saplings in Nagaon district, in Assam.

Billionaire Musk's net worth zooms past Warren Buffett's

REUTERS

Elon Musk's net worth soared past Warren Buffett on Friday as the chief executive officer of Tesla Inc became the seventh richest person in the world, according to the Bloomberg Billionaires Index.

Musk's fortune rose by \$6.07 billion on Friday, Bloomberg News said, following a 10.8 per cent jump in the electric carmaker's stock.

Buffett's net worth dropped earlier this week when he donated \$2.9 billion in Berkshire Hathaway stock to charity, the report added.

Tesla's shares have surged 500 per cent over the past year as the company increased sales of its Model 3 sedan.

The blistering rally also puts Musk in reach of a payday potentially worth \$1.8 billion, his second jackpot from the electric car maker in about two months.

The stock is up about 38% since the close on July 1, a day before the company reported its quarterly delivery numbers.

Tesla's solid delivery numbers heightened expectations of a profitable second quarter, which would mark the first time in its history that it would report four consecutive quarters of profit.



Tesla CEO Elon Musk

Amazon.com bans, then un-bans TikTok app from employee mobile devices

REUTERS

In the span of a few hours on Friday, Amazon.com Inc banned and then unbanned the TikTok video sharing app from employee mobile devices, calling the move a mistake.

The news generated widespread attention for the Chinese-owned social media platform coming the same week US Secretary of State Mike Pompeo said the United States is "certainly looking at" banning TikTok, suggesting it shared information with the Chinese government.

It was not immediately clear what led to the initial ban by Amazon. One person familiar with the matter said senior Amazon executives were unaware of the request to delete TikTok from employee devices. The ban was reversed after TikTok and Amazon representatives discussed the matter, according to an email sent to TikTok employees.

Earlier this week, Wells Fargo sent a note to employees who had installed TikTok on company-owned mobile devices telling them to remove the app immediately.

"Due to concerns about TikTok's privacy and security controls and practices, and because corporate-owned devices should be used for company business only, we have directed those employees to remove the app from their devices," Wells Fargo said in a statement.

"We have not been contacted by Wells Fargo, but as with any organisation that has concerns, we are open to engaging with them constructively and letting them know about the actions we have taken to protect data security for our users," a TikTok spokesman told Reuters in a statement.

The attention underscores the hotseat that TikTok's owner, China-based ByteDance, has found itself in over recent days.

The Chinese ownership of TikTok, among the fastest growing digital

platforms ever, has come under heavy scrutiny on issues including their handling of user data. India banned TikTok and other Chinese apps in June.

The company has said user data is stored in the United States with a backup copy in Singapore. One person familiar with the matter said TikTok's user data is primarily stored in the Google Cloud in its Virginia-based data center.

TikTok declined to comment. Google could not immediately be reached for comment.

That did not stop Pompeo from floating a possible ban of TikTok in the United States. Asked if Americans should download it, he told Fox News: "Only if you want your private information in the hands of the Chinese Communist Party."

On Friday, the Republican National Committee asked its members via email not to download TikTok. The Democratic National Committee (DNC) on Friday also reiterated its guidance from December to stop downloading the app.

A person familiar with the matter said the DNC has been advising campaign staff for months not to use

TikTok on their personal devices and to use a separate phone and account if they use the platform for campaign work because of the amount of data it tracks. A spokesman for the DNC did not immediately respond to a request for comment.

Two Republican senators in March introduced a bill aimed at banning federal employees from using TikTok on government-issued phones, citing national security concerns around the collection and sharing of data on US users with China's government.

Last year the United States Navy banned TikTok from government-issued mobile devices, saying the app represented a "cybersecurity threat."

Last November, the US government launched a national security review of TikTok owner Beijing ByteDance Technology Co's \$1 billion acquisition of US social media app Musical.ly, Reuters first reported last year.

To address concerns over its Chinese ownership, ByteDance has taken steps to shift its center of power away from China, Reuters previously reported. It is also looking to make changes to TikTok's corporate structure for the same reasons, a company spokesperson said this week.



Another 1.3m workers file for US jobless benefits

AFP, Washington

A spike in coronavirus cases in the United States has forced some states to again close bars and restaurants, but the longer-term effect on jobs is uncertain, with new claims for unemployment benefits dropping again last week.

Another 1.3 million US workers filed for unemployment benefits in the week ending July 4, the Labor Department reported Thursday -- down 99,000 from the week before. That continues the slowdown in the pace of layoffs as the world's largest economy gradually reopens and workers are recalled to their jobs.

But the level remains far higher than any pre-pandemic week. In the same week of 2019, only 211,000 people filed initial claims for jobless benefits. The decline in the latest week slowed the four-week moving average to 1.44 million, the Labor Department reported, while 18 million remained on the jobless rolls through the week ended June 27.

"The labor market has been improving, but the impacts from the virus resurgence could slow that progress," economist Joel Naroff said in a note. With cases spiking in a number of states including Florida, Texas and California, governors have reimposed some lockdown measures or suspended their reopening protocols.

President Donald Trump, who is counting on a strong economy to help in his tough reelection bid in November, has cheered the recent signs of recovery -- and minimized the resurgence in cases. Economists and the Congressional Budget Office nevertheless warn that it will take years for employment to return to pre-pandemic levels.

And the US could suffer a second wave of layoffs as more states see spiking case counts, and once expanded jobless benefits expire. "Filings remain high and are declining at a stubbornly slow pace," said Rubeela Farooqi of High Frequency Economics. "We could see upward pressure in coming weeks in response to a surge in virus cases and related closures of businesses." The unemployment rate in June dropped to 11.1 percent as 4.8 million jobs were added, with huge gains in the leisure and hospitality sector, which suffered the biggest blows from COVID-19 restrictions on travel and restaurants. Trump says the "crisis is being handled" and the economy is "roaring back."

Treasury Secretary Steven Mnuchin acknowledged the new virus "hotspots" in the country on Thursday, but overall offered an upbeat assessment. "We'll deal with those hotspots. People are beginning to learn how to be able to work in this environment," Mnuchin told CNBC.

"Certain businesses have recovered very effectively. Certain businesses will take longer," he added, naming the airline and hospitality industries as ones that will "need more help."

Experts call for ethical accounting

Say transparent record keeping can help countries recover from Covid-19 fallouts

STAR BUSINESS REPORT

Professional integrity among accountants, fair information, accountability and transparent public finances are required to build a strong, resilient economy, according to various chartered accountants.

"The strongest and most resilient economies are those where people can make well-informed decisions with trust in the information provided to them by their leaders, said Robert Hodgkinson, an executive director of the Institute of Chartered Accountants in England and Wales (ICAEW). Accountants will have to play a vital role for their respective countries to recover from the ongoing economic crisis brought on by the coronavirus pandemic.

They will have to ensure transparent, efficient and trusted information to help their nations recover, he added.

Hodgkinson made these comments while acting as keynote speaker at a webinar styled, 'Role of Chartered Accountants in Economic Recovery and Promoting Cross-Border Investments', organised by the Institute of Chartered Accountants of Bangladesh (ICAB) yesterday.

While addressing the webinar, Salman F Rahman, private sector industry and investment adviser to the prime minister, said that Bangladesh needs to find a way out of the crisis while one such solution could strengthen cross-border trade through an innovate approach.

Besides, stakeholders will also play a crucial role in minimising the economic losses caused by the coronavirus fallout.

ICAB's decision to organise this type of webinar was a timely initiative, Rahman said.

Chartered accountants (CA) are key to running cross-border trade and investments amid this unprecedented situation while auditors can also help things along by ensuring transparency in all sectors and following accounting principles.

"Small and medium enterprises should be given emphasis to help the country recover from the losses rapidly," he added.

Technical skills, an ethical approach and integrity are important aspects for any professional accountant and considering the current situation, everyone, including CAs, must be extra careful with their conduct and judgment, said Manil Jaysinghe, president of CA Sri Lanka.

Jaysinghe emphasised how an accountant's ethics and ability to make the right decisions have an effect on a nation's economic development while accurate record keeping helps businesses progress.

Accounting is a global profession that helps keep businesses safe from losses, according to the CA Sri Lanka president.

"Economies across the globe have been disrupted and businesses are threatened by the uncertainty and accountants have a vital role to play to address the issue," said Hodgkinson.

Behaving ethically often means having to make tough decisions. This entails putting public interest first and above and beyond all other interests, he added.

Citing some corrective measures taken by the UK amid the pandemic, Hodgkinson said that his government introduced unprecedented

economic measures to help businesses survive the crisis.

"Our profession is to help businesses and the overall economy stabilise and later recover from the ongoing pandemic," said In-Ki Joo, president of the International Federation of Accountants (IFAC).

Economic disruptions are not limited to any one country but instead, it is a global issue. Therefore, accountants should help economies recover by ensuring transparency in public amid the Covid-19 outbreak, Joo added.

According to the IFAC president, the multi-billion-dollar international trade market can be made even stronger and sustainable with the help from accounting professionals that have integrity.

The pandemic has slowed down Bangladesh's economic activities and jeopardised the country's advancement in areas such as poverty reduction, said ICAB President Muhammad Farooq.

ICAB is making recommendations to the government on how to prepare an economic recovery plan and action programmes aimed at tackling the coronavirus fallout, he added.

Expert professionals from ICAB are analysing the Covid-19 impact on various sectors before making suggestions for strategy plans.

"We have the very important responsibility of building business confidence among stakeholders," Farooq said.

ICAB Vice-Presidents Sabbir Ahmed and Mohammed Forkan Uddin, among others, spoke at the session, which was moderated by Md Humayun Kabir, council member and former ICAB president.

Evaly taking orders for Gloria Jean's, BFC

STAR BUSINESS DESK

Online marketplace Evaly has recently started taking orders for Gloria Jean's Coffees and Best Fried Chicken (BFC) and delivering those through its Evaly Food Express (e-food).

Customers of the capital's Gulshan will get deliveries from the coffeehouse chain's Gulshan 1 and 2 outlets while of Dhanmondi from that area's outlet, according to a statement.

The BFC's customers will get deliveries from its 17 branches across the capital.

Shamima Nasrin, chairman of Evaly, signed agreements in this regard with FM Murshed Elahy, head of business at Navana Foods, a Bangladesh franchisee of

the Australia-based coffeehouse chain, and Ashraf Ud Dowlah, the BFC's consultant.

"People should stay home as much as possible at this time. However, the culture of taking food together with the family is also an important means of entertainment for food-loving Bangladeshis," said Nasrin.

Evaly is working hard to provide that service to customers through "contactless" food delivery while ensuring proper health care, she said.

"With the addition of these two companies, the list of mouthwatering foods available though Evaly has been enriched," she added.

The signing ceremonies were attended by Mohammad Rassel, managing director and chief executive officer of Evaly.



Shamima Nasrin, chairman of Evaly, and FM Murshed Elahy, head of business at Navana Foods, pose in front of the outlet of Gloria Jean's Coffees in Gulshan 2, Dhaka, after signing a deal recently. Mohammad Rassel, managing director of Evaly, was present.

Stimulus packages fall flat for implementation delays: ex-DCCI presidents

FROM PAGE B1

Among the former DCCI presidents, Benjir Ahmed suggested that the government bring reforms in policies so that Chinese investment alongside work orders for the garment sector could quickly reach Bangladesh.

For instance, 21 types of permissions are needed for starting a garment factory in Bangladesh which is very discouraging for entrepreneurs, he said.

Ahmed suggested immediate implementation of the stimulus packages so that nobody ended up losing their jobs.

The Italian incident will have a negative impact on international trade of Bangladesh, said another former DCCI president, Sayeeful Islam. He also advocated for exploring opportunities in China.

Aftab Ul Islam suggested that entrepreneurs meet their financial needs from the capital market so that the pressure on the banking sector could reduce significantly.

If the entrepreneurs take money from the capital markets for investment rather than from the banking system, the percentage of nonperforming loans will also decline.

He also suggested that the government go for low cost borrowing from external sources to reduce dependence on the banking sector.

MH Rahman said the reduction in inflow of foreign remittance would usher a financial crisis which would affect the demand side of the consumers.

Decreasing demand will affect production in the factories and thus lead to unemployment. So Bangladesh needs to attract foreign direct investment from China now, he said.

Hossain Khaled, managing director of the Anwar Group of Industries, said borrowing past the predetermined target by the government from the banking system would affect the money flow to the private sector investors.

He also suggested that the government go for low cost borrowing from foreign sources to reduce pressure on the banking sector.

Abul Kasem Khan suggested that the government take measures to avoid a repetition of the return incident. Such incidents tarnish the image of the country, he said.

"Non-implementation of bailout packages is our collective failure and let us solve this issue collectively," he said.

Asif Ibrahim said the 11 per cent stock market capitalisation to GDP ratio of Bangladesh was the lowest among South Asian nations.

So the ratio of nonperforming loans is also high here, he said, adding that supplying money to the cottage, micro and small enterprises was a must if the country wanted to make the economy vibrant again.

Rashed Maksud Khan called for completing the construction of an effluent treatment plant at the new leather estate in Savar so that local exporters could get proper prices from foreign buyers from the sale of leather.

"We need to take measures to protect our overall employment as some 16 million people have already lost their jobs," said Masrur Reaz, chairman of Policy Exchange, a local think-tank.

It took seven years to revive the global economy after the recession of 2007 and 2008, he said.

A man of success, a man of values

FROM PAGE B1

The Metropolitan Chamber of Commerce and Industry (MCCI) and the ICC-B jointly organised the event.

"One has to be fortunate to get a friend like Latifur Rahman. And it is equally painful when such a friend departs," said M Anis Ud Dowlah, a former president of the MCCI.

Both of them met 43 years ago at the MCCI office and Dowlah, himself a noted entrepreneur, was recalling how much he was impressed by his personality.

Dowlah was the president of the MCCI at the time and was discussing with the secretary-general of the trade body how to elect Rahman as the president of the country's oldest chamber.

Rahman went on to become the president of the chamber in 1993. He held the position for a record seven times.

"His leadership helped the MCCI reach its current stage," said Dowlah, chairman of ACI Group.

Rahman also supported the Dhaka Chamber of Commerce and Industry and the Bangladesh Employers' Federation.

"Today I remember such a good friend with a heavy heart. The conglomerate that Latifur Rahman founded is the finest in the country. His demise is an irreparable loss to the country," said Dowlah.

Syed Manzur Elahi, also a former MCCI president, said anyone could disagree with Rahman politely. "His patriotism was admirable and a role model for ethical business."

The former caretaker government adviser said Rahman was extremely analytical. "He had been a business giant and whatever he touched had turned into gold."

Elahi recalled he first met Rahman at a dinner party in Dhaka in 1974. "I was impressed by his inherent goodness," said the chairman of Apex

Footwear.

"Latifur Rahman had done everything honestly and ethically."

Tapan Chowdhury, another former president of the MCCI, said Rahman was a friend of his family for a long time.

"He always talked about the prospects of the country. Nobody can raise questions about his integrity," said the managing director of Square Group.

Shiv Shivakumar, group executive president for corporate strategy and business at Aditya Birla Group of India, said Rahman was a true business partner, a true friend and a man who used to accept life as it comes.

"He was never angry. He believed in partnership responsibility in business."

Sanjiv Mehta, chairman and managing director of Hindustan Unilever Ltd, said Rahman set the highest standards in businesses in Bangladesh.

Mehta said he left Bangladesh 14 years ago but he had been in regular touch with Rahman. "Latifur Rahman was a true lover of his birthplace Bangladesh."

Rokia Afzal Rahman, a noted entrepreneur and a former caretaker government adviser, said she used to sit with Latifur Rahman on the boards of eight companies.

"His presence in the meetings always added value and made a difference. His presence used to change the environment of the meetings."

"Latifur Rahman has created history in ethical business in Bangladesh," said Kutubuddin Ahmed, chairman and founder of Envoy Group.

AK Azad, a former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said although he was a very successful businessman, he never interfered in the decision-making of the newspapers he owned.

Rahman was founding director of

Mediaworld, the owning company of The Daily Star, and chairman of Mediastar, the owning company of the Prothom Alo.

ASM Quasem, immediate past vice-president of the ICC-B, said Rahman was a natural leader.

"He was a man of courage and determination and he never gave up hope even in cases of the worst situations. He was a great patriot."

Fazlul Hoque, a former president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the late entrepreneur knew how to attract people with his natural love and affection.

Kamran T Rahman, president of the Bangladesh Employers' Federation, said Latifur Rahman used to guide him in any difficulty in running businesses.

"Rahman was a very good and caring travel partner," said Mir Nasir Hossain, a former president of the FBCCI, while recalling their visit to Australia.

"Latifur Rahman was a great personality," said CK Hyder, former secretary-general of the MCCI.

"My father always tried to take the country forward with ethical business," said Simeen Hossain, the eldest daughter of Rahman and also the managing director of Eskayef Pharmaceuticals Ltd.

She said her father's legacy would continue for generations. "It was a matter of pride for my father to represent Bangladesh in international arena."

She thanked the MCCI for naming a lounge of the chamber after the name of her father.

Zarif Ayaat Hossain, the grandson of Latifur Rahman; Sheikh Fazle Fahim, president of the FBCCI; Salman Ispahani, managing director of MM Ispahani Group, and Anis A Khan, vice-president of the MCCI, also spoke.

MCCI President Nihad Kabir moderated the virtual meeting.

Rice imports drop to four-decade low

FROM PAGE B1

"As a result, the country sees carryover stock every year," said Md Shahjahan Kabir, director-general of the Bangladesh Rice Research Institute.

Rice production has grown by 600,000 tonnes annually since 2009 and the amount was higher than the annual increase in demand for rice by 3 lakh to 3.5 lakh tonnes owing to population growth.

"There is no need to think of import. We are producing more food than required," Kabir said. Aromatic rice used for festivals and at hotels and restaurants is mainly imported now.

Nearly 39 lakh tonnes of rice were imported in FY2018-19. There would have been no problem had there been no import of the staple grain, said Agriculture Secretary Md Nasiruzzaman.

"Figures show that we are not only self-sufficient, but we also produced a large surplus in FY2019-20," said Subash Dasgupta, a former senior technical officer of the FAO.

"The major burning issue in this production is making the system sustainable. As of late, the current rice production system has become more unstable," he said in an email reply.

Earlier, he said, the major concern of production instability was associated with the unpredictability of monsoon.

"However, in 2017, we witnessed production

vulnerabilities in all three rice growing seasons -- aus, aman and boro -- which pose alarming consequences," he said.

"A very important point to note is that the growth rate in rice production has been decelerating."

For example, Dasgupta said, rice productivity rose by 2.3 per cent per annum in the first decade of the new millennium and slowed down to 0.87 per cent in the past decade from 2011 to 2019.

A rice self-sufficient country should have continuously increasing growth in rice productivity, alongside a competitive and stable production system, Dasgupta said.

Due to the current coronavirus pandemic, a significant percentage of the population will fall below the poverty line, resulting in increased rice consumption among them.

According to IRRRI Representative Bhandari, there are challenges in future rice production such as flood, drought, salinity, cold and heat.

Agriculture Secretary Nasiruzzaman said the government has prepared a rice vision to produce enough to meet the national requirement by 2050.

The government targets to produce 5 crore tonnes of rice under the vision.

The vision lays out ways how the country will increase production in line with the population

growth against the backdrop of a decline in farmland. "One of the ways would be to improve yield by variety replacement," the secretary said.

The Rice Vision prepared by the BRRI in 2015 said the population of Bangladesh will reach 21.54 crore in 2050 when 4.46 crore tonnes of rice will be required.

The vision paper said several hurdles, such as increasing population, decreasing resources and rising climate vulnerability, can stand in the way of achieving the target.

Three major interventions -- accelerating genetic gain, minimising yield gap and curtailing adoption lag -- are proposed to break the barriers to achieve the target.

Major challenges facing the implementation of the interventions include shrinking net cropped area, scarcity of water for irrigation and increasing pressure on soil fertility, the paper said.

BRRI DG Kabir said various improved varieties of rice have been released in recent years. In-bred varieties capable of withstanding stresses such as drought, flood and salinity have also been released. "We have several drought-, flood- and salinity-tolerant rice seeds already in the field. We have replacement varieties of mega varieties," he said, adding that the target has been set to attain 25-30 lakh tonnes of surplus rice.

Engage micro lenders to disburse stimulus loans among SMEs: Sanem

FROM PAGE B1

While Bangladesh's economic activities will not return to full-swing until the outbreak is brought to heel, East Asian countries like Vietnam are running at full steam after successfully controlling the spread of the deadly pathogen.

Addressing the discussion, Sayema Haque Bidhisha, professor of economics at the University of Dhaka, said that inward remittance rose sharply in recently times as expatriates are transferring all their earnings back home with a view to returning to the country.

"However, their return will also create challenges for the economy as they will

almost certainly head back to their villages and remain uninvolved in economic activities," said Bidhisha, also the research director of Sanem.

Besides, the other low-income people left Dhaka to save money on rent while some have even lost their jobs.

"So, this sector should be brought under the social safety net," she added.

Bidhisha also pointed out that SMEs are in not in any position to pay a 4 per cent interest on loans from the stimulus package and so, the government should ease some of the criteria. Mahtab Uddin, research fellow, and Eshrat Sharmin, research associate, also spoke at the discussion.

EBL to offer Bangla QR payments

FROM PAGE B1

Bangladesh Bank has recently drawn up relevant guidelines for the payment system, terming it Bangla QR.

All lenders including Eastern Bank will have to follow the application while introducing the payment method.

A few lenders and a mobile financial service have already introduced the QR payment system in the country but Eastern Bank's effort will give a boost to the financial sector to popularise the digital transaction mode, said another official of the lender.

He explained that nearly 80 per cent of the debit and credit cards issued by banks were now based on the Visa network.

Banks issued 1.93 crore debit cards and

15.99 lakh credit cards as of April this year.

Eastern Bank, one of the top credit card issuer banks in the country, will start the payment system initially by adding 2,000-3,000 merchants to its QR payment system.

The lender has so far issued a total of 5 lakh cards, including 1.60 lakh credit cards. Clients will make payments at places ranging from outlets of different brands to grocery shops.

Clients will have to use EBL SKYBANKING, the financial application of Eastern Bank, to settle transactions through the QR payment method.

Any bank can easily launch the service by way of completing the QR issuing certification.

Digital cattle market for all Eid needs

FROM PAGE B1

E-CAB will be responsible for delivering the animal to the buyer ahead of the day of sacrifice.

Dhaka North City Corporation's Mayor Atiqul Islam said that five locations have been pre-selected as places for slaughter while new sites are also being considered.

According to initial plans, 400 cattle will be slaughtered on the first day of Qurbani while

1,000 will be sacrificed on the second day and another 600 on the third, Islam added.

All payments will be made digitally while the postal department's digital financial service, Nagad, is offering a 1 per cent discount on payments made through their channel.

The platform was inaugurated by Local Government, Rural Development and Co-operatives Minister Md Tazul Islam during an

online ceremony.

Commerce Minister Tipu Munshi, Fisheries and Livestock Minister SM Rezaul Karim, State Minister for ICT Division Zunaid Ahmed Palak and FBCCI President Sheikh Fazle Fahim also attended the event.

E-CAB President Shomi Kaiser and BDEFA President Mohammad Imran Hossain also spoke on the occasion.

There is much to salvage from 2020 still

Says top executive of Berger Paints Bangladesh

AHSAN HABIB

Companies must innovate, manage expenditure meticulously and ensure the safety of employees to survive in the post-pandemic era, said a top executive of Berger Paints Bangladesh.

"Berger Paints is following these principles and is getting the results," Mohsin Habib Chowdhury, senior general manager for sales and marketing at Berger Paints Bangladesh, told The Daily Star in an interview last week.

The impact of the coronavirus on the global economic situation has been devastating and Bangladesh's economy has also come to a halt. Bangladesh's two important sectors -- garment and remittance -- both would be impacted by the global meltdown. The International Monetary Fund has forecasted that the growth of the Bangladesh economy may be around 3.8 per cent in the just-concluded fiscal year, which is way lower than the 8.15 per cent recorded for fiscal 2018-19.

"The impact would be huge on all industries," Chowdhury said.

Under these circumstances, the government needs to focus on treasury management, rationalising and prioritising projects and agricultural development.

As industrial production is yet to pick up, tax and duty are also going to be slid through lower imports.

"So, every penny of the government's spending should be well-managed so that there is maximum return," Chowdhury said.

For the private sector, all the companies need to take care of the safety and healthcare measures for employees, he said.

"It is important because when you fight against an adverse situation, you need to fight to take all the team members on board. The safety measures may motivate the employees. When employees are motivated, a firm gets its result automatically."

The market leader in the paints industry, Berger has made available all types of safety and healthcare equipment for its employees after the outbreak of the contagion. An extra allowance has been given for using designated transportation rather than public transport.

The multinational company has gone one step further and distributed safety and health equipment among external stakeholders such as painters, dealers and shopkeepers as well. It disbursed more than Tk 1.75 crore among the painters, allowing insurance policy for them



Mohsin Habib Chowdhury

along with dried foods. Innovation should be at the heart so that every opportunity in any area can be seized, Chowdhury said.

As part of the innovation drive, Berger has introduced some new products and services even during the pandemic and some are in pipeline. It rolled out a hand sanitiser under the brand name Mr Expert.

"We have offered a safe painting service so that people need not be worried about running painting activities. They can get full painting solutions from us safely," said Chowdhury, who joined Berger in 1995.

The company also initiated a sanitisation service under which its service team member works for a periodical sanitisation of customer's places, whether homes, premises or offices.

The service, available in Dhaka and Chattogram, is intended to provide consumers with a safe environment from all kinds of virus and germs, including coronavirus.

The research and development team is working to bring in a new product, anti-microbial coating. The anti-virus coating provides long-term protection, can't be washed out and lasts for the lifetime of the painting coat product.

"The coating protects our consumers against the virus. We already have an antibacterial

coating, which is our Breathe Easy series. However, this particular microbial coating that we are currently working on will protect against a virus similar to coronavirus."

Once the anti-microbial coating is applied on a surface, it causes no dis-colouration and any adverse effect, he said, adding that the company is bringing some textile products too.

The financial portfolio has to be well-managed because all companies don't have sound financial health, according to Chowdhury.

Expenditure management should be very meticulous so that investment in the necessary stage can be made and cash flow can meet the demands of necessary expenditure.

"Since revenue for all the companies is drying up, expense management should be looked into so that they can invest whenever it sees a profitable place," Chowdhury said.

Berger is a debt-free company and it hopes to withstand the current storm while optimising expenditure. "Enough cash-flow is very important in this juncture and we are mindful about that."

The financial situation needs to be shared with a company's stakeholders, especially employees, he said.

"Then employees would realise the condition of the company, how much they

should earn and how they should spend. Then transparency and confidence would be there and employees would be motivated to do their best for the betterment of the company."

Digitalisation is also required so that customers from all corners can be in touch with the company online, Chowdhury said.

"Berger has already sailed its boat for digitalisation so that there would be no communication gap between our company and consumers."

The pandemic had a detrimental impact on the paint industry as the construction industry has screamed to a halt owing to the shutdown.

Before the onslaught of the pandemic, Bangladesh's painting industry had been growing at 7 to 8 per cent per year in keeping with the economic growth of 7 to 8 per cent.

Businesses have been impacted because of the drastic drop in demand. For instance, demand for paints plunged about 50 per cent. "This year, the painting industry will grow

of the Bangladesh Paint Manufacturers Association.

The situation is getting better because of the partial resumption of economic activities.

"We hope July would be a good month for everybody as most of the businesses are trying to make up the losses they had incurred due to the shutdown."

The government implemented a general shutdown from March 26 to May 30 to contain the spread of the contagion.

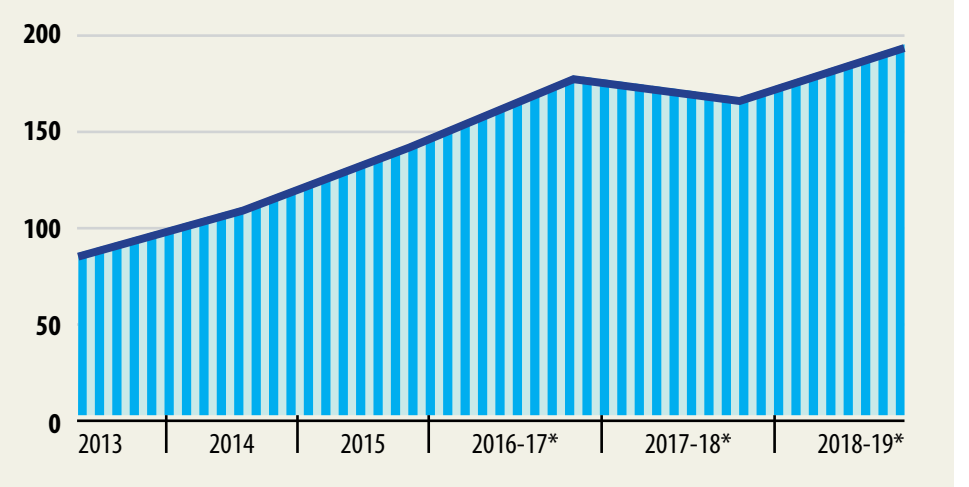
As there is no silver-bullet cure for the virus, companies need to survive in the coming months by taking precautions, Chowdhury said.

"We all should be prepared mentally that 2020 would be the worst year," he said, adding that the last quarter of the year would be better than the April-June quarter.

He said the government has taken the right steps so far and it needs to improve the testing facilities across the country and make sure isolation of the infected people to stop the

NET PROFIT OVER THE YEARS

(in Tk cr); *Apr-Mar



hardly. 2020 would be a very tough year for the construction industry as a whole and the paint industry as well," Chowdhury said.

There are some activities involving mega projects though they are moving at a slow pace.

"The re-painting segment can pick up this year," said Chowdhury, a former vice-president

raging contagion.

Listed on the Dhaka Stock Exchange in 2006, Berger provided 250 per cent cash dividend in 2019, 200 per cent in 2018, 600 per cent in 2017 and 370 per cent in 2015, according to the DSE data.

Its share ended 1.71 per cent higher at Tk 1,331 on Thursday.

Is duty-free facility enough to boost export to China?

SHAFIQUZ ISLAM

On June 16, 2020 China declared duty-free export facilities for the least-developed countries (LDCs), including Bangladesh on 97 per cent of their tariff line. The media reports that followed mentioned that China was going to provide duty-free export benefits to an additional 5,161 products from Bangladesh, taking the total number of products to 8,256, including the items admissible under the agreement of the Asia Pacific Trade Agreement (APTA).

The media reports gave a clear sense of prediction that with such a duty-free facility, exports from Bangladesh to China are going to be boosted in the near future at a significant level. People expect to grow our exports to the Chinese market, the most populous and the second-biggest economy in the world.

However, that expectation needs to be evaluated based on ground reality. We need to think first on whether the extension of the duty-free facility will help grow our exports. Then based on the proper evaluation, we should fine-tune the strategy and the government policy to enhance Bangladesh's exports to the Chinese market.

When China first declared the LDCs package of the duty-free facility in 2010, it covered about 61 per cent of their tariff line. Bangladesh availed such facility. Since the scheme was implemented, Bangladesh has been enjoying duty-free export facility on 5,054 products in China.

China extended the facility covering about 97 per cent of the tariff line in 2013. However, it attached a condition of signing a 'Letter of Exchange' by the beneficiary LDCs to avail the facility. Signing such a letter of exchange practically meant that any other benefits availed under any regional trading arrangements had to be sacrificed.

China and Bangladesh are the members of the APTA and both countries are availing duty benefits for each other's products. So, Bangladesh needed to sacrifice APTA benefits if it wished to avail the Chinese-extended package for the LDCs. The fourth round of trade negotiation under the APTA, which started in 2006, completed in 2017 where all the member countries offered greater concessions than before to the other members.

The APTA is a preferential trading arrangement where the members do allow duty concessions ranging from 5 per cent to 100 per cent on a certain percentage of the tariff line for the products to be exported from

the other members.

China, following the fourth round of the APTA negotiation, allowed duty benefits to 2,191 products under 'General Concessions' applicable for all other members and for 181 products under 'Special Concessions' applicable for the LDC members (Bangladesh and Laos) and it was implemented on July 1, 2018.

In the Chinese offer under the APTA, duty concessions for most of the products given under the 'General Concessions' were 35 per cent while the same was 100 per cent for most of the products under the 'Special Concessions'. Moreover, many of the products under the 'Special Concessions' were from the textile and leather sectors, which are considered more sensitive.

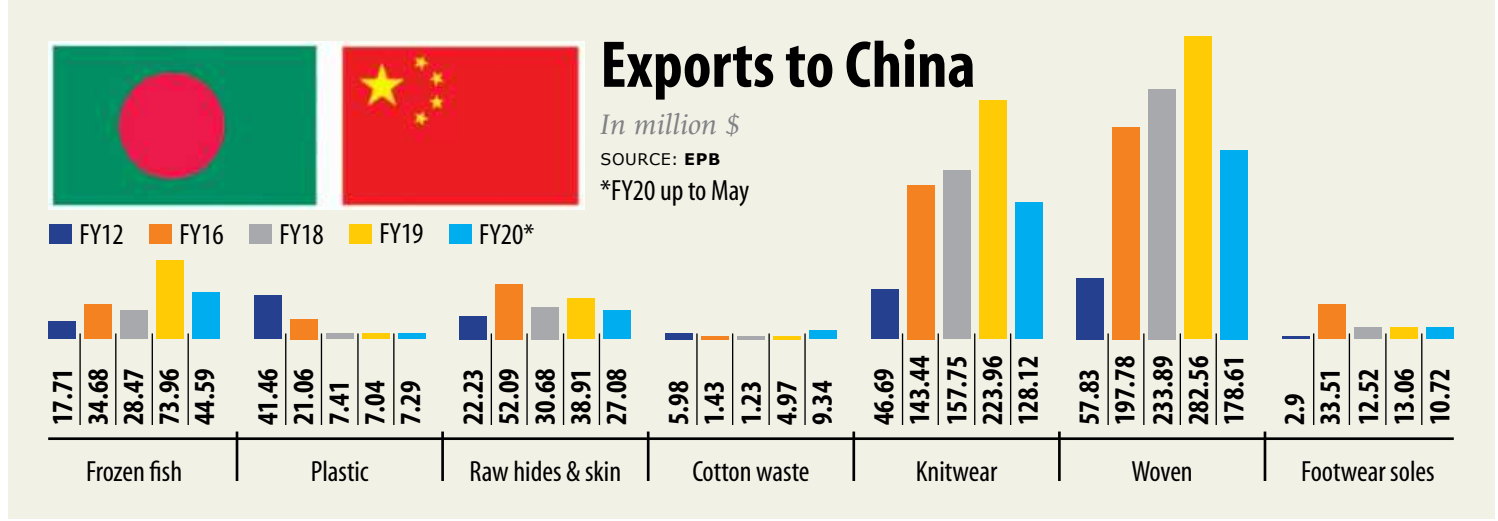
to China was worth \$791 million in fiscal year 2014-15, \$808 million in FY16, \$949 million in FY17, \$695 million in FY18, \$831 million in FY19 and \$557 million in July to May period of FY20.

Exports declined in the FY20 because of the Covid-19 pandemic. But the reasons for very little export growth or even decline in the remaining years are not understood. While Bangladesh's exports to the other countries, including the US and Europe showed very impressive growth over those years, the same to the Chinese market looked pathetic. That reality proves that duty-free export benefits, though helpful is not the major factor for boosting exports. Rather, other factors, including price competitiveness play a vital role.

the APTA negotiations.

Facing such a situation, Bangladesh requested China to bilaterally consider granting duty-free status on 17 products. The products included underpants and briefs for men and women, swimwear and tracksuits, sacks and bags made of polythene and polypropylene for packing articles, duster cloths, footwear soles made of rubber, textile and plastic, lead-acid accumulator, clothing accessories made of leather, plastics as packing materials, tobacco stripe and maize cereal.

China responded that out of the items requested, one (maize cereal) is not included in the package offered duty-free for the LDCs and the remaining 16 products could be allowed once Bangladesh signed the 'Letter of Exchange'.



Bangladesh, as an LDC, is entitled to duty concessions for the products under both concessions.

Major export items from Bangladesh to China include jute and jute products, plastic products, rawhide and skins, frozen fish like crabs and live eel fish, sesame seeds and cotton waste products.

Bangladeshi exporters are entitled to export most of the products to China duty-free since 2010. Additionally, duty benefits are enjoyed since long for many products from Bangladesh to China under the third round of the APTA negotiation. Because of the fourth round of negotiation, Bangladesh enjoys duty benefits at different rates for 2,372 products.

Despite all the duty benefits, exports to China are not growing much. According to the Export Promotion Bureau (EPB), total export

An analysis of the export trend to China reveals that most of the export items from Bangladesh do vary a lot. The export amount for most of the products is very fluctuating. It is true for all the time even if one excludes the very abnormal fiscal year of 2019-20. There was good growth for some items in a year or two before they slid in the following year. The only exception is ready-made garments, which showed consistent positive growth over the years, whatever little it be.

Before July 1, 2020, all the potential export items from Bangladesh were not entitled to duty-free entry into China. It happened as the extended offer from China covering 97 per cent products from the LDCs came in 2013 subject to signing a 'Letter of Exchange' and Bangladesh was not in a position to ink it sacrificing the duty benefits available under

Now with the recent declaration from China on allowing duty-free to 97 per cent products without sacrificing any duty benefits available under the regional trade agreements such as the APTA, the 16 products can be exported to China without any duty. Any other products under the package are entitled to the duty-free facility from now on to the Chinese market.

An analysis of the export status of the 17 products reveals that there were no exports of at least five products -- clothing accessories made of leather, plastic as packing materials, tobacco, maize cereal and accumulator -- in the last three years. Moreover, the remaining products had very little amount of export to China.

Products having either no actual export or very insignificant amount of export at

present are most likely not to have substantial exports even after its duty-free status. Thus, it can be very logically assumed that the recent declaration of China on allowing duty-free export facility for Bangladeshi products is not enhancing Bangladesh's exports there. If it grows, it will be for other reasons.

China is called the 'Factory for the World'. In terms of quality consideration, their products are so cheap that anyone can hardly dare to challenge them. Many of the products made in Bangladesh are also made there.

China is the top exporter in the world for so many products, including footwear and ready-made garments. Still, they produce a lot of products which Bangladesh does produce and export. So, it will be very challenging for Bangladesh, along with other developing countries, to capture a substantial share of Chinese domestic markets as long as China keeps its price competitiveness and produces those products.

The good news is that with its impressive economic growths over the years, China is moving forward to the higher value chain of economic activities. Chinese producers are gradually facing the higher cost of doing business and many of them are relocating to the other countries with cheap labour and reasonably good infrastructure.

In consideration of that reality, Bangladesh needs to emphasise framing policy positions accordingly to lure Chinese investors. More and more foreign direct investment from China should be the focus of our export development strategy.

With the establishment of factories in Bangladesh, the Chinese investors, on the one hand, can have available and cheap labour as required and on the other hand, the manufactured products could be exported to China with duty-free facilities. That will also benefit Bangladesh with greater employment generation as well as export growth. Thus, the utmost efforts should be given on the proper development of infrastructure, both physical and non-physical to attract foreign investors, especially from China.

Moreover, approval and facilitation should be provided to Chinese investors interested to establish the ready-made garments factories outside the export processing zones and special economic zones. If those are done properly, Bangladesh's export to China will grow at the expected level with the utilisation of the recently declared duty-free facilities.

The author is a former additional secretary