

# Youth unemployment to double this year

Says ILO-ADB report

REJAU KARIM BYRON

Youth unemployment in Bangladesh may more than double in 2020 if the country takes six months to contain the coronavirus pandemic, which has caused economic output and demand to fall drastically, said a new report.

In 2019, the youth unemployment rate was 11.9 per cent and it is expected to go up to 20.5 per cent this year in the case of a three-month short containment scenario and 24.8 per cent in the case of a six-month-long containment, said the report titled 'Tackling the Covid-19 youth employment crisis in Asia and the Pacific'.

The report, which was jointly published by the Asian Development Bank and the International Labour Organisation, is based on two scenarios: one in which the spread of the virus is contained within three months and the other within six months.

The jobs losses are for the whole of 2020 and are full-time

equivalents.

The report said 11.17 lakh youth would lose jobs in Bangladesh in case of a short containment. The number would go up to 16.75 lakh if the country takes six months to curb the deadly virus.

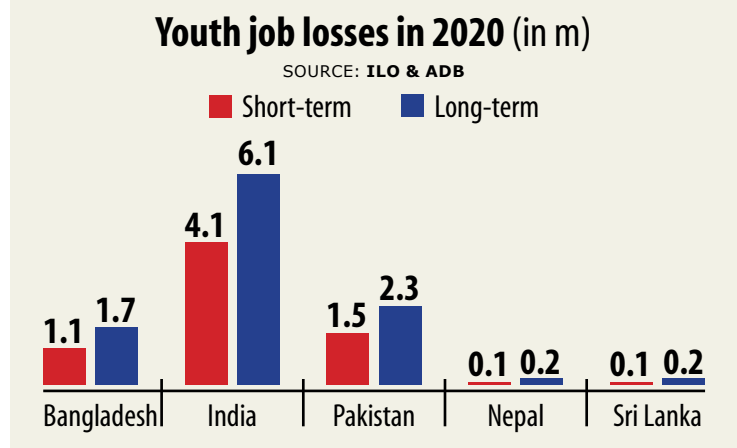
Agriculture, retail trade, hotels and restaurants, inland transport, other services, construction and textiles sectors would account for 75.9 per cent of the job losses in Bangladesh.

In South Asia, countries like Pakistan and Nepal would also see their youth unemployment double because of the pandemic.

In 2019, Pakistan had a youth unemployment rate of 8.9 per cent, which is projected to go up to 21.5 per cent in case of a long containment.

Similarly, youth unemployment in Nepal would go up to 4.8 per cent in case of a short containment and 6.1 per cent in case of a long containment, from 2.3 per cent in 2019.

India's youth unemployment rate would jump to 32.5 per cent in case of a long containment, from 23.3 per cent a year ago.



Sri Lanka's youth unemployment would climb to 32.5 per cent and 37.5 per cent in short and long containment scenarios respectively, up from 21.1 per cent in 2019.

Youth unemployment was high relative to the overall unemployment even before the pandemic, said Zahid Hussain, a former lead economist of the World Bank Dhaka office.

The widespread and deep

disruption caused by the pandemic to economic activities in manufacturing and services has exacerbated the pre-existing condition.

The pandemic also disrupted education, which, in turn, affected the future labour market entry and employment prospects of the youth.

The already high number of youths not in employment, education and training must also

have increased significantly, he said.

"Activity levels are recovering with the reopening, but employment and income recovery have so far been slow and fragile."

Sectors such as banking and fast-moving consumer goods that used to provide quality jobs to educated youth are struggling because of the recession despite the reopening.

"Productivity and confidence will remain suppressed as long as the fear of contracting the virus remains alive and well in the minds of consumers and investors. This is the biggest barrier to restoring youth employment to the pre-coronavirus levels."

The government has taken a few initiatives to support self-employment of youth by setting up a start-up fund, but it is allegedly not implementing well, according to the economist.

COVID-19 has created a demand for specific types of skills in health, pharmaceuticals, hygiene products and e-commerce. But there is a skill mismatch.

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## Bangladesh needs free trade agreement with the UK

Says local business community

STAR BUSINESS REPORT

Bangladesh needs to sign a Free Trade Agreement (FTA) with the UK if it hopes to increase bilateral trade and private sector investment between the two countries, according to various local businessmen.

The UK is Bangladesh's third-largest export destination with last year's shipments amounting to nearly \$3.5 billion, of which garment items accounted for more than 93 per cent.

In fiscal 2018-19, Bangladeshi exports to the UK totalled \$4.8 billion. However, the ongoing coronavirus pandemic has disrupted trade between the two countries.

Aside from being a major export destination, the UK acts as a hub for Bangladeshi shipments to other parts of Europe.

Besides, the UK provides a considerable amount of foreign direct investment (FDI) for Bangladesh as more than 200 British companies currently have \$2.5 billion invested in the country.

It is for these reasons and the significant historical relationship between the two nations that the UK is an integral part of Bangladesh's global trade.

More than seven lakh Bangladeshis now reside in the UK for education or business-related purposes if not as naturalised citizens.



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## Slow delivery of goods halts imports through Benapole

OUR CORRESPONDENT, Benapole

Slow delivery of goods has caused an acute space crisis in Benapole port, leaving more than 4,000 trucks waiting in India's Petrapole port to enter Bangladesh.

About 1 lakh tonnes of goods are now stuck in Benapole port, which is much higher than its handling capacity of 40,000 tonnes, said Mamun Kabir Tarafdar, deputy director for the traffic of the port.

None of the goods that arrived 10 days before and 10 days after Eid-ul-Azha was delivered from the port mainly due to the government restrictions for coronavirus outbreak, monsoon and poor condition of ferries.

Poor demand for goods has also influenced the businesses to take delivery of their imports from Benapole port, the biggest channel for trade between Bangladesh and India, at an unhurried pace, Tarafdar added.

Regardless, the traders are losing money



Benapole port is going through an acute space crisis for slow delivery of goods. Currently it is having to deal with about 1 lakh tonnes of goods whereas its handling capacity is 40,000 tonnes. Moreover over 4,000 trucks are waiting in India's Petrapole port to enter Bangladesh.

STAR

in two ways for the congestion, according to Ali Hossain, general secretary of Benapole Import-Export Association.

Firstly, they are paying extra waiting charges at Kalitola Parking at Bongaon in India due to their failure to enter Bangladesh.

Secondly, some local influential people are restricting the trucks when they are ready to leave the parking and are extorting about Tk 2,000 a day from each truck, Hossain said.

To clear the space, Benapole Custom House has issued a public notice to auction off the shipments that are left at the port for a week. Undelivered goods are normally auctioned after a month of their arrival.

The notice has helped the port reduce the congestion, as many importers have started taking their goods. However, some are seeking more time to take delivery of their goods.

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## Investors suffer for slow DSE website

AHSAN HABIB

Investors suffered yesterday as they were unable to access information on time as the website of the Dhaka Stock Exchange (DSE) was slow to load.

Stockbrokers alleged that they have been facing difficulties in executing and modifying trading orders on the system for the last couple of days when the turnover of the market had gone up.

"I could not see the share prices on time due to the problem of the website. But every second is very important in stock trading," said stock investor Mostafa Amin.

This type of problem can dent investors' confidence, so the bourse should be serious on it, Amin added.

A DSE official preferring anonymity said the bourse launched a new website on Tuesday with a mobile view for the convenience of investors.

But some technical problems arose on the first day causing the investors' sufferings to arise, the official added.

The stock market regulator is seriously displeased with the premier bourse's top officials for launching the new website without a test run.

It could have run the new website simultaneously with the old one for a few days, said a top official of the Bangladesh Securities and Exchange Commission, preferring anonymity.

Once the new one was found to be running okay and flexible then the old one



could have been shut down, he said. "This is the practice the world over."

But the DSE suddenly changed its website without carrying out a test run and the bourse even did not inform the regulator that a new website will be run, the BSEC official added.

Regarding the problems with trading, Md Rasel, manager of Brac EPL Stock Brokerage, said it takes three to four minutes to post pre-orders.

During trading hours, it sometimes takes 15 to 30 seconds to post an order or make modifications, he said, adding that sometimes the system also froze, again taking too long to execute orders.

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## BPC to buy 150,000 tonnes marine fuel for Tk 438.8cr

STAR BUSINESS REPORT

The cabinet yesterday approved proposals to buy 150,000 tonnes of marine fuel for Tk 438.8 crore for the July-December period.

In a meeting, the cabinet committee on purchase approved the premium and price to import 75,000 tonnes of marine fuel through international tenders during the second half of the year. The cost would be Tk 222.1 crore.

The committee gave the go-ahead at a virtual meeting with Finance Minister AHM Mustafa Kamal in the chair.

Marine fuel is heavy residual fuel oils used in the majority of motor ships.

On 23 May, the economic affairs committee approved a proposal from the Bangladesh Petroleum Corporation (BPC) to buy 50 per cent of marine fuel through government-to-government arrangements and the rest through international tenders from May to December.

Accordingly, when the government floated the tenders to import marine fuel containing 0.5 per cent Sulphur for July to December, four companies submitted bids and all of them were responsive.

As per a recommendation of the tender evaluation committee, the lowest bidder, ENOC Singapore Pte, got the contract.

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## Weavers in Tangail struck down by pandemic and flood

MIRZA SHAKIL, from Tangail

Jony Miah's factory of 48 power looms at Singair Mondhyopara village in Kalihati upazila has remained shut since 26 March, when the government directed a general shutdown to curb the spread of the novel coronavirus.

That day the factory's 37 workers left for their homes in the area and nearby districts. "I can't explain how I have been passing my days for the last five months without any income. On top of that, I have loans."

The looms and raw materials of Miah's factory have been getting damaged one after another for lying unused for so long.

To compound matters, floodwaters have entered the factory and caused more damage. "I cannot make out how I will survive," said a disconsolate Miah.

Like Miah, hundreds of weavers running small and large handloom and power loom units around the district are going through the same struggle.

There are about 25,500 handlooms registered under Bangladesh Handloom Board (BHB) in the district's 12 upazilas. Another 25,000 power looms are affiliated with the Ministry of Textiles and Jute.

Some 15 lakh workers are engaged in the handloom and power loom factories. About half of them are locals while the rest from districts including Sirajganj, Pabna, Kurigram and Rangpur.

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The pandemic-induced slump in sales was already wringing the life out of Tangail's weavers and recent floods are about to be the final nail in the coffin if immediate government support was not made available. The photos were taken recently.

MIRZA SHAKIL