

EU trade benefits may continue even after LDC graduation

Govt officials hope as they will meet EU counterparts online on Oct 12

REEYAT ULLAH MIRDHA

Bangladesh may continue to enjoy duty-free trade benefits in the European Union for a few more years even after its graduation from the group of least developed countries (LDCs) as the pandemic fallouts have ravaged the economy, government officials said.

“We will hold a virtual meeting with the EU trade officials on October 12 to place our demand for an extension of the trade benefits as both the economy and employment have been severely affected by the ongoing pandemic,” said Md Jafar Uddin, commerce secretary.

The EU is set to review its duty-free facilities under the Everything But Arms (EBA) agreement in November. Under the EBA, all imports to the EU from the LDC are duty- and quota-free, with the exception of armaments.

In the meeting, the secretary will lead the Bangladesh delegation, featuring various secretaries from the labour and foreign ministries and two other government bodies that he could not immediately mention.



LDCs, such as Bangladesh, which are set to graduate within the next few years are demanding their developing and developed counterparts to extend the duty-free benefits for preferably the next five years as most economies have been badly affected by this unprecedented global crisis.

At the meeting, Bangladesh will mainly raise the issue of continuing the EU’s Generalised System of Preferences (GSP) facility, Uddin said.

Officials of other countries with also make the same demand as their economies have also been affected by Covid-29, the commerce secretary added.

Another facility that could be extended is the duty-free benefit for LDCs outlined by the World Trade Organisation (WTO).

On behalf of all LDCs, the African nation of Chad already submitted a proposal to the WTO last month, seeking an extension of the GSP facilities on exports to developed and developing countries for a few years.

Bangladesh is a major player in the LDC group under the WTO initiative.

“I hope the WTO initiative will be successful because it is a step that was taken collectively by all LDCs,” Uddin said.

Earlier, Bangladesh joined hands with its peer LDCs to appeal to the WTO for a continuation of the trade benefits they currently enjoy following graduation to developing nations considering the pandemic’s ill-effect on economies.

Noting Bangladesh’s economic development record, the UN Committee for Development Policy (UN CDP) is scheduled to complete the final round of assessment for the country’s graduation in 2021.

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BSEC gets tough on Doel Group

Four of its companies, two debentures will be delisted; Tk 57cr will be returned to investors

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has decided to delist four companies and two debentures of Doel Group of Industries, which will compel the group to return around Tk 57 crore to its investors.

The companies are Bangladesh Chemical Industries, Bangladesh Dyeing & Finishing

“Investors will get back at least some of their money,” he added.

The stock exchanges will have to maintain an escrow account to return investor’s money at face value or a negotiated price, the commission said in a press release on Tuesday.

An escrow account is an account where funds are held in trust whilst two or more parties complete a transaction.



Industries, Bangladesh Luggage Industries and Bangladesh Zipper Industries.

All the companies are listed with the over-the-counter market. They are not performing well and have not paid any dividends to investors for at least the last decade.

This prompted the BSEC to permanently remove the companies from the country’s stock exchanges.

The debentures that are going to be delisted are BD Zipper 14 per cent Debenture and BD Luggage 14 per cent Debenture.

Now, Doel Group will have to return around Tk 57 crore to the investors for the delisting, said a top official of the stock market regulator.

Doel Group of Industries started its venture in 1981 through manufacturing and marketing of artificial leather and rexine materials by setting up the Bangladesh Chemical Industries in Pagla, Narayanganj, according to the company’s website.

It later added knit and woven fabrics, zippers, nylon and tafetta fabrics, readymade garments and sweaters, sportswear, jackets, travel bags, soft luggage, polypropylene tapes and Portland cement.

Entrepreneurs raise money for a period by issuing debentures, a type of debt instrument that is not backed by any collateral. There are eight debentures on the DSE board now.

All currently listed debentures are

DOEL GROUP'S COMPANIES TO BE DELISTED FROM OTC MARKET		
Company name	Paid-up capital (in crore taka)	Sponsor shareholding
Bangladesh Chemical Industries	11.75	43%
Bangladesh Dyeing & Finishing	12	40%
Bangladesh Luggage Industries	20	50%
Bangladesh Zipper Industries	8.8	34%

DEBENTURE FUNDS TO BE RETURNED TO INVESTORS			
Bond Issuer	Fund raised (in crore taka)	Listing year	Coupon rate in %
Bangladesh Luggage Industries	13.5	1996	14
Bangladesh Zipper Industries	2.24	1995	14

matured and are still listed due to some incomplete legal proceedings, according to the BSEC’s website.

As a result, they have not returned the money to investors, prompting the BSEC to come up with a strict move.

Investors welcomed the BSEC’s decision.

“The decision will enhance investors’ confidence as investors will get their money back which was almost gone,” said Abdur Razzaque, a retired government official, who has an investment in the stock market.

“It will give a message to other issuers that there is no way to cheat investors,” he added.

On Tuesday, the commission approved an open-ended mutual fund, SAML Income Unit Fund. The targeted fund is Tk 10 crore.

Of the amount, Tk 1 crore will be funded by sponsors and the rest will be open for investors.

The fund manager is Shahjalal Asset Management and the trustee and custodian of the fund would be Sandhani Life Insurance and Brac Bank respectively.

Bangladesh should make the most of fourth industrial revolution: experts

STAR BUSINESS REPORT

A clear understanding of automation, the use of modern technologies and presence of skilled human resources are essential to adapting to the fourth industrial revolution (4IR) and making opportunities out of the challenges presented by the prevailing situation, experts said yesterday.

“This is a need to clearly understand the challenges faced by any industry in order to design a solution that will help it become successful in this world dominated by the internet-of-things (IoT), and automation,” said Mehdi Anwar, a professor of electrical and computer engineering at the University of Connecticut.

Anwar made the comments while making his keynote presentation at a webinar styled “Challenges & Opportunities for Entrepreneurship and Employment in the context of current status of Skill Development and readiness for Fourth Industrial Revolution (4IR)”.

The event was jointly organised by the Bangladesh Investment Development

Countries like China, South Korea and Taiwan have successfully managed to mitigate the pandemic's economic fallouts by utilising 4IR tools such as artificial intelligence and big data

Authority (BIDA) and the France Bangladesh Chamber of Commerce and Industry (CCIFB).

Aside from understanding the challenges, there is a need to establish relevant communication-related infrastructures and generate a qualified workforce to reap the full benefit of 4IR, Anwar said.

Planning Minister MA Mannan assured that the government would provide full support for the formulation and implementation of a national strategy to make Bangladesh 4IR-responsive.

He emphasised a collective effort from

the academia, industry and the government to use different 4IR tools to address any challenges and harness opportunities to promote innovations, investments and growth in line with the country’s sustainable development goals.

CCIFB President Syed Mahmudul Huq said the Covid-19 pandemic has put immense pressure on individuals, enterprises and societies, forcing them to accelerate the use of 4IR tools.

Countries like China, South Korea and Taiwan have successfully managed to mitigate the pandemic’s economic fallouts

by utilising 4IR tools such as Artificial Intelligence and Big Data.

By deploying the same tools and technologies, local manufacturers could create new products, industries and jobs, Huq added.

Satya Prasad Majumder, vice-chancellor of the Bangladesh University of Engineering and Technology, said that planning for the 4IR requires identification of possible challenges posed to local industries, assessment of technology gaps, and a trained workforce.

There is a need to formalise the establishment of a network of universities, both local and international, and industries to promote innovation and address local and global challenge and generate a qualified workforce, he said.

Identifying financial resources while forming a marketing strategy in partnership with local and global partners and participating universities and industries to support the establishment of the network could be another good option, he added.

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Affordable online learning to ensure efficient human capital for future



MOHAMMAD RASHEDUL ALAM

Bangladesh, the world’s eighth most populous country, has a very youthful population with currently about 34 per cent being under the age of 15.

The country’s population pyramid is a clear indication of its possibilities for future economic growth, which has a strong correlation with human capital.

Human capital is a key factor behind sustained economic growth and poverty reduction for many nations in the 21st century, the World Bank said in a statement.

Theodore William Schultz, a famous American Nobel Laureate for economics, once said there are five ways to develop human capital, of which the most effective is education.

Over the last two decades, the government has consistently

improved upon this sector as Bangladesh’s human development index (HDI) has gone from 0.39 to 0.61, a 58.3 per cent increase, between 1990 and 2018.

However, the country still ranks below Sri Lanka, India and Bhutan on this index.

In 2020, the ongoing coronavirus pandemic created the biggest disruption to the education system in history but developed countries fared better in this aspect compared developing nations.

Currently, there are 3.6 million students out of school and in light of the situation, the government introduced online admissions for HSC students and completed the process by September 17.

This year, a total of 1.69 million students passed the SSC or equivalent examinations while about 1.40 million applied for college.

Secondary education creates a bridge that ensures regularity and continuity for further education and this stage is crucial for any student given that it is a part of developing human capital.

To make the government’s target to introduce distance learning for HSC students from October onwards a reality, a combined effort is needed



Online education is expensive in Bangladesh as a student needs a suitable electronic device, such as a smartphone or laptop, along with a strong internet connection.

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to ensure that online classes are held routinely and effectively.

As per the statistics from a couple of years ago, 26 to 28 per cent of all HSC students dropped out of school for numerous reasons but mainly due to financial constraints.

It is well known that Covid-19 has had significantly adverse impacts on the employment and income levels among medium and

low-income groups.

So under these circumstances, the government should provide special financial support for the education sector and recommend full waivers for college admission fees, monthly tuition and other costs according to a student’s needs.

Online education is actually more expensive than traditional learning in Bangladesh as a student needs to have

a suitable electronic device, such as a smartphone or laptop, along with strong internet connectivity to attend virtual classes.

Since many students do not have the financial capacity to buy the required devices, the government, its development partners and business houses should come forward to lend their support in this regard.

By simply owning a computer,

Since many students do not have the financial ability to buy the required devices, the government, development partners and business houses should come forward to lend their support in this regard

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