

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|------------|-------|--------|--------|-------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | CNY | |
| 0.35% | 0.60% | \$1,896.86 | \$42.82 | 0.76% | 0.96% | 0.19% | 0.20% | 83.95 | 97.72 | 107.54 | 12.23 | |
| 4,916.97 | 8,423.37 | (per ounce) | (per barrel) | 40,182.67 | 23,647.07 | 2,543.11 | 3,218.05 | BUY TK | 84.95 | 101.52 | 111.34 | 12.86 |
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WB sees U-shaped recovery

The lender says Bangladesh should spend proactively and tap into international resources

REJAUH KARIM BYRON and MD FAZLUR RAHMAN

Bangladesh's economy may make a U-shaped recovery if the government spends proactively and can tap into international resources even though output is set to fall drastically in the next two fiscal years because of the prolonged coronavirus pandemic, World Bank said yesterday.

U-shaped recoveries happen when a recession occurs and the economy does not immediately bounce back but tumbles along the bottom for a few quarters.

In its twice-a-year regional update, the WB maintained its GDP forecast for Bangladesh at 1.6 per cent for the current fiscal year and 3.4 per cent for the next fiscal year, assuming that the impact of the Covid-19 crisis would extend.

"Bangladesh would experience a

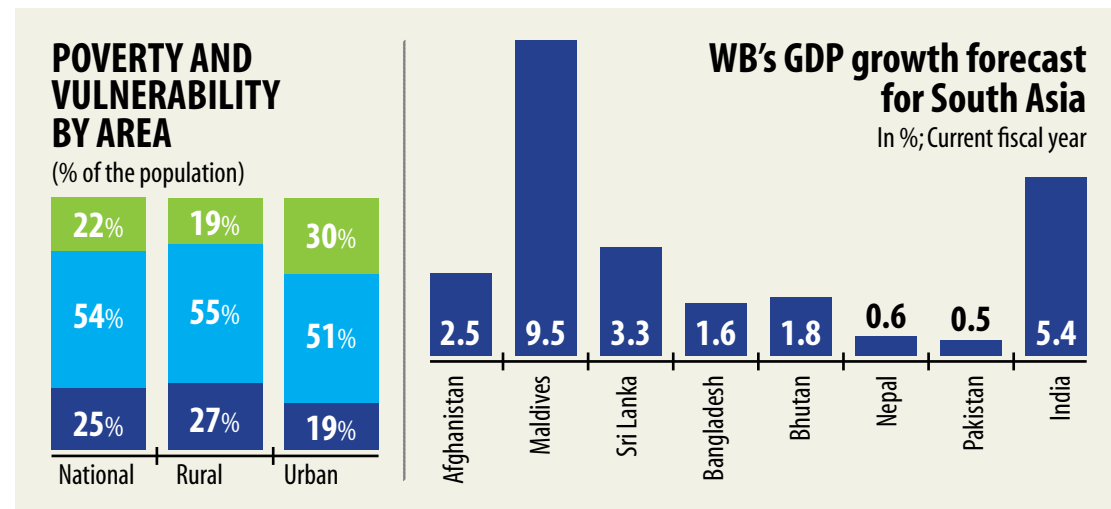
fall but would recover quickly (a "U-shaped" recovery)," said the latest South Asia Economic Focus.

Speaking on the report, Mercy Tembon, World Bank's country director for Bangladesh, said the global economic downturn will impact Bangladesh's economy like all the economies in South Asia.

However, the policies that the government has undertaken to mitigate the impacts are in the right course, she said.

"For resilient recovery, the government needs to continue to save lives, protect the poor and vulnerable, save its debt and fiscal positions, build financial sector health and create a conducive environment for private sector development and job creation."

The WB forecast came as South Asia is set to plunge into its worst-ever recession as the devastating impacts of the Covid-19 on the



region's economies linger on, taking a disproportionate toll on informal workers and pushing millions of South Asians into extreme poverty.

It forecasts a sharper than expected economic slump across the region, with regional growth expected to contract by 7.7 per cent in 2020.

"The collapse of South Asian economies during the Covid-19 has been more brutal than anticipated, worst of all for small businesses and informal workers who suffer sudden job losses and vanishing wages," said Hartwig Schafer, World Bank vice president

for the South Asia Region, in a press release.

In Bangladesh, private consumption growth is likely to remain subdued with depressed wage income and a decline in remittance inflows, while anemic private investment is projected due to heightened uncertainty.

Investment and exports will suffer amid major uncertainty about the resumption of demand for ready-made garments. Demand in Europe and the United States is stabilising but the recovery is fragile.

Moreover, while remittance inflows have surged over the

past three months, this may be the result of repatriated savings by returning overseas workers. Remittances are forecast to decline in FY21 with weaker demand from migrant-receiving countries such as the oil-producing Gulf states.

Weaker demand and financing constraints may further reduce industrial production, while flooding in early FY21 may hamper agriculture production. However, GDP growth is projected to recover to 3.4 per cent in FY22, supported by a rebound in export demand, remittance inflows and public investment.

READ MORE ON B3

Strengthen audit for better compliance

BB asks four state banks

AKM ZAMIR UDDIN

The central bank yesterday asked four state-run commercial banks to strengthen their audit function to bolster internal control and compliance.

Such measures will help the banks give a boost to the corporate governance as well.

The Bangladesh Bank came up with the instruction at a meeting with four state-owned banks – Sonali, Janata, Agrani and Rupali – at the central bank headquarters in the capital. BB Governor Fazle Kabir chaired the meeting, while the top executives of the four banks and senior officials of the central bank were present.

The meeting was organised as part of the memorandum of understanding between the BB and the lenders. It is usually organised once in every three months as part of an effort to strengthen the ailing financial health of the state lenders.

The audit division has a big role to play to ensure the sound health of banks and it also protects them from financial corruption.

The banks have been facing a wide range of financial irregularities that have pushed their defaulted loans up and caused the capital shortfall to widen.



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State banks asked to disburse SME stimulus funds quickly

STAR BUSINESS REPORT

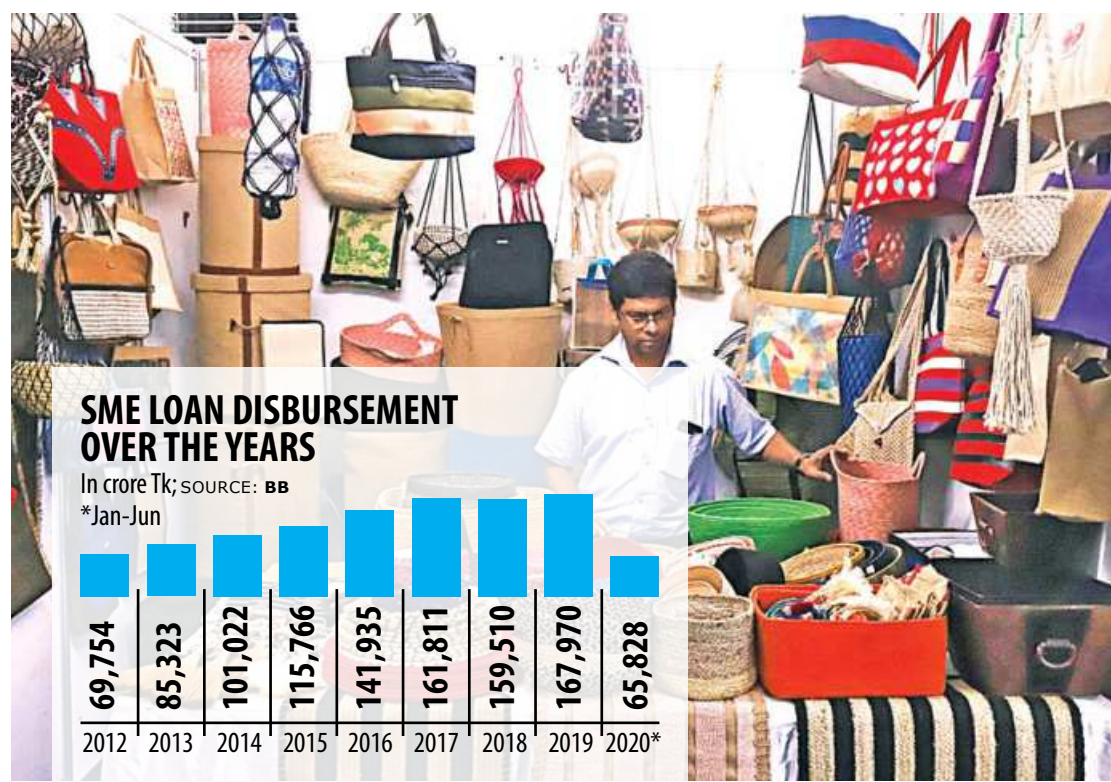
The finance ministry yesterday asked state-run banks to speed up their SME loan disbursement under the central bank's stimulus package in a bid to recover the economy at a faster pace.

Six state lenders -- Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development Bank -- have been asked to detect their hurdles for disbursement of cottage, micro, small and medium enterprises (CMSME) loans.

As of September 30, banks gave out Tk 5,883 crore, or 29.41 per cent of the total stimulus fund to the tune of Tk 20,000 crore, according to data from the Bangladesh Bank.

But the disbursement ratio of the state banks is very low compared to the performance achieved by the overall banking sector.

The six banks disbursed only 12 per cent of their disbursement



target of Tk 2,974 crore as of September.

The banking regulator introduced the stimulus package for the CMSME sector on April 13 so that the small borrowers can tackle the economic fallout.

Banks will have to complete disbursing the stimulus fund within this month as per the central bank's instruction.

The dismal performance of the lenders has forced the finance ministry to convene a meeting.

Md Ashadul Islam, senior secretary of the financial institutions division, chaired the virtual meeting attended by the managing directors of state banks and senior officers of the central bank.

Quoting Islam, a senior official of the banking watchdog told The Daily Star that the ministry has asked the state banks to inform the central bank about their problems in the disbursement of the SME stimulus funds.

READ MORE ON B2

Officials of the state lenders assured the banking regulator of complying with the instruction and appointing more staff to fortify the audit division in the quickest possible time, said an official of a state bank, who took part in the meeting.

A central banker said the banks had also been asked to strengthen the default loan recovery process.

The BB asked them to concentrate more on recovering non-performing loans (NPLs) rather than going after the top 20 defaulters.

Recovering NPLs from the top 20 defaulters is highly difficult, so the lenders should give the equal importance to realise delinquent loans from all defaulters, the central banker said, quoting the governor.

Default loans at the four banks stood at Tk 34,609.60 crore, which is 36 per cent of the outstanding NPLs of Tk 96,117 crore in the banking sector as of June this year.

The four banks were ordered to speed up the SME loan disbursement under the central bank's stimulus package as their performance is not good given the overall lending scenario.

The central bank also instructed them to give efforts to fortify their capital base as they have been facing the capital shortfall for long. Three out of the four banks faced a large amount of capital shortfall at the end of the second quarter.

Capital shortfall at Janata Bank stood at Tk 3,569 crore, Agrani at Tk 2,195 crore and Rupali at Tk 159.23 crore. Sonali Bank, however, managed a capital surplus of Tk 3.35 crore as of June.

Covid-19 won't affect LDC graduation

Says Debapriya Bhattacharya

STAR BUSINESS REPORT

Bangladesh will graduate from the least developed country (LDC) status in 2024 despite the Covid-19 fallout as it will attain all three of the required criteria, said Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD).

Bangladesh became the first LDC to qualify for graduation by meeting the required levels of all three criteria -- gross national income (GNI), human assets and economic vulnerability index (EVI).

The most recent data available suggests that Bangladesh's GNI per capita as well as human asset index (HAI) have increased significantly since the last triennial review. "But despite having slightly deteriorated, the country's EVI also remains positive," he said while addressing an online discussion on "LDC graduation prospect of Bangladesh in the context of COVID-19".

The event, organised by the CPD, was held yesterday.

According to Bhattacharya, graduating from the LDC category will have serious implications for Bangladesh.

This includes loss of preferential access to foreign markets and subsidies on



Debapriya Bhattacharya

agriculture alongside increased compliance with intellectual property rights and payment of institutional fees.

The transition of Bangladesh to a lower middle-income country back in 2015 had created challenges for accessing concessional development finance.

This posed the challenge of "dual transitions", he said.

The coronavirus outbreak across the country began in early March and has had a trickle-down effect on the core graduation criteria as well as the supplementary criteria.

READ MORE ON B3

Canada should open visa office in Dhaka to boost trade

Businesses say at CanCham meeting

STAR BUSINESS REPORT

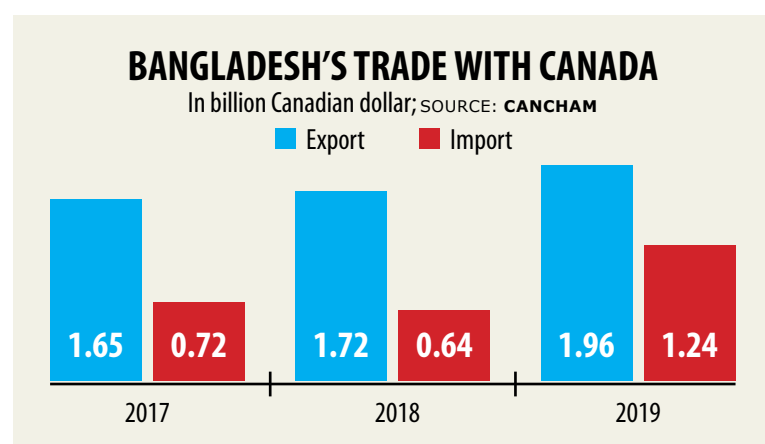
Bangladeshi businesspeople have demanded that Canada open a full-fledged visa office here, citing the fast rate at which bilateral trade has been growing.

The North American country is a very important business partner of Bangladesh.

Bilateral merchandise trade has increased from 600.5 million Canadian dollars in 2004 to over 3 billion Canadian dollars in 2019, according to data from the Canada Bangladesh Chamber of Commerce and Industry (CanCham).

Canadian merchandise exports to Bangladesh amounted to 1.24 billion Canadian dollars in 2019. On the other hand, Bangladesh's exports to Canada grew 14.53 per cent year-on-year to 1.97 billion Canadian dollars in 2019.

"You will be happy to know that current bilateral trade between Canada and Bangladesh is over 3 billion Canadian dollars and targets to reach over 5 billion



Canadian dollars within a few years," said CanCham President Masud Rahman.

But Bangladeshis intending to go on visits are bound to obtain Canadian visas from neighbouring countries such as India and Sri Lanka or from Singapore, which is a time consuming and expensive process.

The relocation of the visa office is

important to explore new business opportunities, to diversify and expand bilateral business in private sectors and to increase student enrolment in Canadian universities and colleges, said Rahman.

"The Canadian government should ease the visa processing system to encourage more people into visiting Canada. It now can relocate the visa office to Dhaka

in order to fast track the visa processing system," he said.

"It is a very important subject and a big demand of our private sectors. The Canadian government should seriously look into this matter," Rahman said.

The CanCham president was speaking at a virtual meeting on "Canada Bangladesh Bilateral Trade, Investment and Education and how to take it to the next level" on Wednesday night.

The Immigration, Refugees and Citizenship Canada statistics of 2019 show that Canada was receiving the highest number of students from India (172,600) followed by China (142,985), Republic of Korea (24,195), France (22,745), and the US (14,620), Rahman said.

"On the contrary, only 6,520 students enrolled in Canada from Bangladesh. Canada and Bangladesh needs to look into this area and strengthen education action plan between Canada and Bangladesh," he said.

READ MORE ON B2

Google must talk to French publishers about paying for their content, court says

REUTERS, Paris
Google must open talks with publishers in France about paying to use their content, an appeals court confirmed on Thursday, paving the way for an industry-wide deal in the country.

The ruling may reverberate outside France, as it compels Google to sit down with publishers and news agencies to find a way to remunerate them under the "neighbouring right" enshrined in revamped EU copyright rules, which allows publishers to demand a fee from online platforms for showing news snippets.

It differs from last week's pledge by Alphabet's Google to pay \$1 billion to publishers globally for their news over the next three years, because the French arrangement would involve finding a sustainable methodology to remunerate publishers and news agencies for news.

Google's vehicle to remunerate news publishers, dubbed Google News Showcase, is set to launch in Germany, where it has signed up German newspapers including Der Spiegel, Stern, Die Zeit, and in Brazil with Folha de S.Paulo, Band and Infobae.

The French court's ruling comes hours after Google, the world's biggest search engine, said it was set to reach with a deal to pay French publishers for their news in the latest move to

placate media groups and head off regulators siding with publishers seeking a level playing field.

"Our priority remains to reach an agreement with the French publishers and press agencies," Google said in a statement.

"We appealed to get legal clarity on some parts of the order, and we will now review the decision of the Paris court of appeal."

The ruling confirms a decision in April by



A Google sign is seen at one of the company's office complexes in Irvine, California.

REUTERS/FILE

France's competition authority, which ordered Google to negotiate with publishers and news agencies "the remuneration due to them for any re-use of protected content."

Under the same decision, the antitrust regulator ordered Google to open talks within three months of being asked to do so by publishers.

Businesses need to adopt a new marketing law: 80/20 rule is over

FROM PAGE B4

Prof Sharp and his team are the first group of researchers who challenged the well-known axiom of the 80/20 rule. Then the successive studies found results around 60/20, 53/20 or 50/20, and 65/20 rule. Erik Brynjolfsson, Yu (Jeffrey) Hu, and Duncan Simester in 2011 interestingly said "Goodbye Pareto Principle!"

In the last 12 years, the Ehrenberg-Bass Institute for Marketing Science carried out researches along with several academics and they finally concluded that "It's wrong to talk about an 80/20 law in marketing."

Another researcher Prof Gerald Goodhardt unveiled a 20:30:50 law which is closer to real-life findings. This law states that the 20 per cent heaviest buyers account for 50 per cent of purchases, the 50 per cent lightest buyers account for 20 per cent of purchases, and so the middle 30 per cent of buyers account for 30 per cent of purchases. In short, 20:30:50 buyers accounting for 50:30:20 purchases.

Different thoughts from other industries and countries, including Bangladesh

In the banking industry in Bangladesh, I found the 80/20 rule works. I researched while designing priority banking services at Prime Bank in 2013.

I worked with the IT department's executives who manage the core banking software and we pulled out the individual customer's data from important branches such as Gulshan, Banani, Uttara, Motijheel and Dhanmondi. We found that the top 20 per cent account-holders keep the cash, deposits or FDR worth of 80 per cent fund of the branch. Thus, they get priority banking services.

The high net-worth and profitable customers are pampered to keep these funds with the bank so that banks can do business with the idle money. In return, the top-tier customers enjoy five-star facilities within or outside bank premises.

Then we looked at countrywide data where it is found that the top 25 per cent of the bank account-holders account for 80 per cent of the cash flow.

I can recall a Nielsen RMS team came to us with a proposition to sell one of their products. The product deals with retailers' database and transaction details (universe) where they told us that Nielsen can give us the transactions profile (but not the names) of the top 20 per cent retailers who usually dictate 80 per cent sales in the fast-moving consumer goods (FMCG) sector. However, we did not ponder that proposal further as there was no commitment of such assumptions and claims except their priming with the Pareto Law as theory only.

Recently, a report outlined that Facebook's top 100 advertisers contributing only 16 per cent of their revenue. Three million businesses advertise on Facebook.

Some people argued that, for private level products, the 80/20 rule works. Just think of Foxconn, a Taiwanese contract manufacturer that makes electronic products for major American, Canadian, Chinese, Finnish, and Japanese companies. Products manufactured by Foxconn include BlackBerry, Kindle, Nintendo DS, iPad, iPhone, iPod, Nokia devices, Xioami devices, Wii U, Xbox 360, Xbox One, PlayStation 3 and PlayStation 4.

The top 20 per cent customers of Foxconn must deliver 80 per cent of its revenue. Another example is Intel, which supplies microprocessors to computer system manufacturers such as Apple, Lenovo, HP and Dell. Here again, I assume, the top 20 per cent customers of Intel must provide 80 per cent of its revenue.

Recently, I was talking to a seasoned marketer in Bangladesh. His background is in cigarette, food and beverage industries and is now working at the CXO level. He confirmed that he noticed 70/30 sales rule in the FMCG sector in recent years. I believe this rule works

in the business-to-business segment more than the business-to-customer segment.

In the consumer package goods market in Bangladesh, we did not find similar conclusions. But I can say the 80/20 rule does not apply to consumer products or brands. In one hand, millions of small retailers comprise our sales. On the other hand, hundreds of millions of consumers encompass the total sales, which consist of heavy, medium and light buyers.

Researchers rightly pointed out that it is reasonable to expect that almost half of the brand's sales will always come from the very lightest 80 per cent of buyers. So, similar to Prof Sharp, I also conclude: "It's reasonable to talk of a Pareto Law but wrong to refer to it as 80/20."

I also argue that when most of the scholars and practitioners used this as a principle, Prof Sharp termed it as a law. However, specifically, in the B2B marketing, banking and in some other businesses, this 80/20 rule may still have a value to the people who work smart and are hypothesis-led.

When I showed the draft of this write-up to John Bows, R&D director of PepsiCo, UK, he said: "I personally think it is often possible to use the 80/20 principle in R&D trials - I can get to 80 per cent of the physics with 20 per cent of the design of experiment effort, if I have some reasonable starting knowledge of the food system I'm investigating."

This further shows the implications of the 80/20 rule in marketing or product development are pervasive. However, in agreement with Prof Sharp, I also can ascertain that in consumer brands and fast-moving consumer-packaged goods this may be true that the "80/20 rule is over" and it is pragmatic to accept marketing's Pareto Law as 60/20.

The author is deputy general manager for marketing at Ispahani Tea Ltd. He can be reached at didarulhasan@gmail.com.

Canada should open visa office in Dhaka to boost trade

FROM PAGE B1

"We from the private sector should drive forward educational partnership. Canadian universities are recognised as the best institutions globally," Rahman also said.

Canada can grab this opportunity either by direct admission processes or by setting up information or representative offices of those universities in Bangladesh, he said.

The Canadian high commission could also biannually organise virtual education fairs, said the CanCham president.

Its Bangladeshi counterpart could also do the same to disseminate Canadian university admission processes and other related information among Bangladeshi students, he said.

The number of students intending to study in Canada might go up as household incomes are increasing notably in recent times, said Rahman.

Benoit Préfontaine, Canadian high commissioner in Bangladesh, termed Bangladesh an important trading partner of Canada.

Currently, Bangladesh is the 25th largest trading partner of Canada globally, he said, adding that both governments had taken some important steps to increase bilateral trade.

Mizanur Rahman, Bangladeshi high commissioner in Canada, also advocated for the opening of a Canadian visa office in Bangladesh so that people could easily travel there to explore new business opportunities.

Both countries have been working to increase preferential trade benefits for increasing bilateral trade, he said.

In 2019, Canada imported leather goods and footwear worth \$3.43 billion, said Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

Of it, Bangladesh accounted for \$32 million, which was 1.31 per cent of Canada's global import and 8 per cent of Bangladesh's total leather and leather footwear export, he said.

Canada has a lot of opportunities to invest in Bangladesh's leather and leather goods and footwear industry, he said.

Commerce Secretary Md Jafar Uddin said Bangladesh has been working towards signing preferential trade agreements.

It is holding negotiations with some countries for signing free trade agreements to enjoy duty benefits even after its status graduation to a developing country from a least developed one, he said.

Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, moderated the meeting.

Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services; Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission; and Sultana Afroz, CEO of Public Private Partnership Authority Bangladesh, also spoke.

Diplomats of both countries, government high-ups, businesspeople and business chamber leaders also participated.

State banks asked to disburse SME stimulus funds quickly

FROM PAGE B1

If required, the policy of the stimulus package will be reviewed to give a boost to the ongoing economic recovery process.

The state lenders, however, said clients were reluctant to take fund from the stimulus package due to the ongoing slowdown brought on by the coronavirus pandemic.

But the ministry threw a counter logic to their excuse saying Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank have so far disbursed half of their target.

The six banks were asked to follow the strategies of the two specialised banks in order to get good results in SME loan disbursement.

The package has to be implemented by banks and they will get 50 per cent of the fund from BB.

As per the guidelines of the stimulus package, CMSMEs can take working capital at 9 per cent interest. Of the interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

| Government of the People's Republic of Bangladesh Custom House, Chattogram Re-Tender Notice | | | | |
|--|---|---|--|--|
| 1 | Ministry/Division | Internal Resources Division (IRD), Ministry of Finance (MOF). | | |
| 2 | Agency | Custom House Chattogram, National Board of Revenue (NBR). | | |
| 3 | Procuring entity name | Commissioner of Customs, Custom House, Chattogram. | | |
| 4 | Procuring entity code | N/A. | | |
| 5 | Procuring entity district | Chattogram. | | |
| 6 | Invitation for | Tender Non-Consulting Services Single Lot | | |
| 7 | Invitation Ref. No. | File No. S-4/22/ADMIN/GL(PROC)/2020-2021 | | |
| 8 | Date | 09/10/2020 | | |
| KEY INFORMATION | | | | |
| 9 | Procurement method | NCT | OTM | |
| FUNDING INFORMATION | | | | |
| 10 | Budget and source of funds | Revenue Budget | GOB | |
| 11 | Development partners (if applicable) | N/A. | | |
| PARTICULAR INFORMATION | | | | |
| 12 | Project/programme code (if applicable) | -- | | |
| 13 | Project/programme name (if applicable) | -- | | |
| 14 | Tender Package No. | S-4/22/ADMIN/GL(PROC)/2020-2021 | | |
| 15 | Tender package name | 2 (two) years Operations & Maintenance of 4 units container scanner (1 unit mobile container scanner and 3 units fixed container scanner) and 10 units of radiation detection equipment at Chattogram Port. | | |
| 16 | Tender publication date | 09/10/2020 | | |
| 17 | Tender last selling date | 22/10/2020 | | |
| 18 | Pre-bid meeting | The pre-bid meeting shall not be held. | | |
| 19 | Name and address of the office(s) | Address | | |
| 19.1 | -Selling tender document (principal) | Admin/GI Branch (2nd Floor), Custom House, Chattogram. | | |
| 19.2 | -Selling tender document (others) | N/A. | | |
| 19.3 | -Receiving tender document, date and time | Room # 204, 1st Floor, Office of the Assistant/Deputy Commissioner of Customs (Preventive), Custom House, Bandar Road, Nimtala, Chattogram. Date: 25/10/2020, From 9.30am to 12.00pm. | | |
| 19.4 | -Opening tender document, date and time | Conference Room, 1st Floor, Customs House Chattogram, Bangladesh. Date: 25/10/2020, 12.30pm (Bidder representative may present). | | |
| INFORMATION FOR TENDERER | | | | |
| 20 | Eligibility of tenderer (who will attend) | As per Tender Data Sheet (TDS) of tender schedule. | | |
| 21 | Brief description of services | 2 (two) years Operations & Maintenance of 4 units container scanner (1 unit mobile container scanner and 3 units fixed container scanner) and 10 units of radiation detection equipment at Chattogram Port. | | |
| 22 | Amendment of bid documents | At any time, prior to the date of submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective tenderer, modify the tender documents by amendments, which will be an integral part of tender documents. | | |
| 23 | Price of tender document (Tk) | Non-transferable bid document containing the description of the items and terms & conditions can be purchased from the Office of the Commissioner of Customs, Custom House Chattogram against the payment of the cost of bid document through a Treasury Challan which is Tk 2,000/- (Taka two thousand) (non-refundable). The purchase price (non-refundable) of the tender schedule will be deposited on Misc. code is 1-1131-0010-0421 at Sonali Bank, Chattogram Branch or Bangladesh Bank in favour of | | |
| 24 | Clarification of bid | A prospective bidder requiring any clarification of the bid documents may notify Custom House Chattogram in writing. The response will be made in writing to any request for clarification of the bid documents that it receives earlier than two weeks prior to the deadline for the submission of Bids. Written copies of the response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective bidders that received the bid documents. However, it may be noted that clarifications do not form part of the tender document, and it is only informed for the clarity of the prospective bidders. | | |
| 25 | Conduct of tenderer | Conduct of tenderers or any of their consortium members may affect the outcome of their tender response, including non-consideration of the tender. Tenderer warrant to CCH that they (and their consortium members) have not and will not engage in any of the following activities in relation to this tender process: a. Lobbying of or discussions with anyone or any groups during this tender. b. Attempt to contact or discuss the tender process with officers, any member of staff or contractor currently working in CCH or any agent of this Department. c. Provision of gifts or future promise of gifts of any sort to the previously mentioned personnel. d. Accepting or providing secret commissions. e. Seeking to influence any decisions of CCH by an improper means; or otherwise acting in bad faith, fraudulently or improperly. | | |
| 26 | Lot No. | Identification of lot | Location | Tender security/earnest money deposit amount |
| | 1. | 2 (two) years Operations & Maintenance of 4 units container scanner (1 unit mobile container scanner and 3 units fixed container scanner) and 10 units of radiation detection equipment at Chattogram Port. | Custom House Bandar Road, Nimtala, Chattogram-4100 | Tk 40,00,000.00 (forty lac) (refundable) (either Pay Order or Bank Guarantee from any local or international scheduled bank) |
| PROCURING ENTITY DETAILS | | | | |
| 27 | Name of official inviting tender | Mohammad Fakhru Alam. | | |
| 28 | Designation of official inviting tender | Commissioner of Customs. | | |
| 29 | Address of official inviting tender | Custom House, Bandar Road, Nimtala, Chattogram-4100. | | |
|  Mohammad Fakhru Alam Commissioner of Customs Custom House, Chattogram Phone: +88031713918 Fax: +88031713988 Email: customhousecta@gmail.com | | | | |
| GD-1604 | | | | |



CITY BANK

Mashrur Arefin, CEO of City Bank, launches the country's first "Real Time Cash Deposit Machine" on the ground floor of the bank's head office in Dhaka on Wednesday. Customers now can deposit money in real-time at any account of the bank using the machine.

Covid-19 won't affect LDC graduation

FROM PAGE B1

Bangladesh's graduation has been the most affected by this pandemic among its South Asian peers, Bhutan and Nepal, he added.

Regarding how the Covid-19 fallout has impacted the three criteria, Bhattacharya said the country's GNI per capita could fall below \$1,640, which is far above the threshold for graduation.

However, the HAI will be the most affected as the sub-indicators of health such as maternal mortality ratio, under-5 mortality rate and prevalence of stunting are at a higher risk than those of education, which are adult literacy rate, gross secondary enrolment ratio and gender parity index of gross secondary enrolment.

The EVI will be least affected with export instability being its most reactive economic sub-indicator while the environmental sub-indicators should not show much change.

Therefore, it is difficult to assume that Bangladesh will slip on more than one criterion due to the immediate impact of Covid-19 as the country's scores on all three are high enough to withstand erosion.

Regarding the LDS graduation of fellow aspirants, Bhattacharya said Myanmar has also actively explored ways to expedite

the process since 2015 while Laos has also recently shown similar intentions.

Others, such as Nepal, Angola and Timor-Leste, are in a more difficult situation though due to overdependence on tourism and oil.

However, none of these countries have yet to inform about any intention to delay their graduation dates.

The Committee for Development Policy (CDP) has undertaken a comprehensive study to assess the pandemic's implications on LDCs in general but with a particular focus on the ones graduating.

The CDP, a subsidiary body of the United Nations Economic and Social Council, will decide the countries approved for graduation during its next meeting scheduled for the last week of February 2021.

With regard to securing early graduation, Bhattacharya said there is a need for an evidence-based political decision on the matter as soon as possible.

It would only be politically opportune for Bangladesh if the triennial review in 2021, which coincides with the country's 50th anniversary of independence, provides the final go, he added.



KAM Majedur joins AK Khan and Company as CEO

STAR BUSINESS DESK

KAM Majedur Rahman has recently joined AK Khan and Company as chief executive officer.

He was previously acting as a consultant for multilateral development agency projects on capacity development and financial management, says a press release.

Rahman served as managing director of Dhaka Stock Exchange from 2016 to 2019. He also served Premier Bank as CEO and managing director and Bank Alfalah as country head.

He also worked at AB Bank, IPDC Bangladesh, Standard Chartered Bank, ANZ Bank, Australia and Grindlays Bank, London, and Mashreq Bank, Dubai in various capacities.

Rahman obtained his postgraduate degree from the University of Dhaka.

PTA with Nepal by this year

FROM PAGE B4

Currently, Bangladesh as an LDC enjoys zero-duty benefits, preferential trade benefits and regional trade benefits on exports to 38 countries, including 28 EU countries.

Also, in the US, Bangladesh enjoys zero-duty benefit for 97 per cent of its products. But unfortunately, Bangladesh's main export items, including garment, are not included in the package.

As a result, Bangladeshi exporters have to face 15.62 per cent duty on export of apparel items to US markets. Nevertheless, the US is the single largest export destination for the country.

Some 74 per cent of Bangladesh's export earnings come under preferential trade as an LDC. Of that percentage, 64 per cent comes from the EU and 10 per cent from Japan, Canada and other developed countries.

Bangladesh's exports will decline by 5.7 per cent annually if the Everything but Arms (EBA) facility is not extended and local exporters will have to face an 8.7 per cent duty to the EU.

So, there is a possibility of losing more than \$2 billion-worth export business annually after graduation, according to the UN body.

Use tech to stamp out stock gambling: experts

FROM PAGE B4

"The ongoing Covid-19 pandemic has taught us a lesson on the importance of digitalisation," said CSE Chairman Asif Ibrahim.

The market was shut down for about two months during the nationwide lockdown aimed at curbing the spread of the Covid-19.

"If the market was properly digitalised, we could have continued

trading even during that time," he said, adding that both bourses are expected to be fully digitalised in 2021.

The capital market has been in a good shape in recent times as investors regained some confidence after a new commission was appointed, said Prof Abu Ahmed, a market analyst.

However, some junk stocks are appearing in the top gainers' list without any reasons. There must

be some players behind the sharp increase of the price of the stocks, he said.

"The stock market regulator can easily identify perpetrators using surveillance software."

SM Sohrab Uddin, a faculty member of the business administration department at Chattogram University, and Mamun-Ur-Rashid, managing director of the CSE, also spoke.



Mujibur Rahman Chowdhury, a lawmaker, and M Parvez Tamal, chairman of NRB Commercial Bank, open the bank's 76th branch at Sari Potti of Bhanga upazila in Faridpur yesterday.

NRB COMMERCIAL BANK



Syed Habib Hasnat, managing director of NRB Global, presides over the bank's "3rd Quarter Managers' Conference-2020" at its corporate head office in Dhaka yesterday.

NRB GLOBAL

WB sees U-shaped recovery

FROM PAGE B1

Inflation is projected to remain above target due to expansionary monetary and fiscal policies and higher food prices. The current account deficit is expected to widen with a decline in exports, due to continued low external demand, and a decline in remittances, due to the return of workers from overseas.

The fiscal deficit is likely to rise as recurrent expenditure on social protection measures remains elevated in the near term and capital expenditure increases in the post-Covid-19 recovery phase.

Poverty is expected to increase substantially in the short term, with the highest impact on daily and self-employed workers in the non-agricultural sector and salaried workers in the manufacturing sector.

Urban areas will continue to be disproportionately affected, with an estimated 68 per cent of directly affected workers located in Dhaka and Chattogram.

Downside risks to the outlook are substantial, the WB said.

Domestic risks include additional waves of the Covid-19 that may require renewed restrictions. In the government's Covid-19 response programme, risks include ineffective implementation of infection prevention measures and limited operationalisation of credit programmes.

In the context of Covid-19 disruptions, fiscal risks may arise, particularly if tax reforms are delayed or infrastructure projects face cost

overruns.

"Increased deficit financing from domestic banks may put upward pressure on interest rates and may further constrain credit to the private sector."

In the financial sector, challenges include deviations from international regulatory and supervisory standards, the absence of a bank resolution framework and weak governance in state-owned banks.

"Financial sector challenges are particularly severe in Bangladesh due to deviations from international regulatory and supervisory standards, the absence of a bank resolution framework, the introduction of interest rate caps, and weak governance in state-owned banks."

The resolution of rising non-performing loans (NPLs) will require substantial policy dialogue to reduce credit risks, limit moral hazard and manage fiscal risks.

"While growth is expected to recover over the medium term, downside risks include a prolonged Covid-19 pandemic and financial sector fragility."

External risks also remain elevated, the WB said.

While external demand for garment products is stabilising, the recovery is fragile. Lower oil prices may limit demand for Bangladesh's overseas workforce in the Gulf region, impairing remittance inflows.

"Also, the continued appreciation of Bangladesh's real exchange rate would adversely impact export demand and remittances."

Going forward, the report said the government's Covid-19 response would remain a paramount priority, including testing, quarantining and treating patients and providing economic relief to the poor and vulnerable.

"Other ongoing priorities include strengthening fragile banks, diversifying exports, accelerating reforms in business regulation, and deepening fiscal reforms."

The WB said for any country with projected new average daily coronavirus cases of 5 per 100,000 people or less on or before the last quarter of 2020 are assumed to see economic activities go back to normal levels by end-October due to lifting of restrictions, necessity or both.

"Within the region, Afghanistan, Bhutan, Pakistan and Sri Lanka had already reached that milestone by September 2020, while Bangladesh is forecasted to reach it as well."

Early, proactive spending by governments combined with the possibility of full access to international markets at reasonable rates could catalyse a faster recovery, the WB said.

This scenario assumes that governments undertake a faster expenditure switch from current transfers and supporting consumption

to activities that can help revive the economy, such as temporary work programmes.

Moreover, it assumes that external financing will be forthcoming at historical rates and terms. Under these assumptions, the recession would be much more muted than in the baseline scenario for all countries.

The simulations suggest that prudent fiscal and financial policies are important, but the availability of external financing makes a critical difference in the rate of economic recovery in the region and in minimising the income loss.

Even if a buildup in external debt does not materialise, many countries with low debt-to-GDP levels have domestic vulnerabilities that could transform into a public debt problem in the form of contingent liabilities.

"Bangladesh, Pakistan and Sri Lanka are expected to see a rise in domestic debt in the baseline forecast. Moreover, rising non-performing loans in the domestic sector have been cited as an issue in Bangladesh, Bhutan, India and Pakistan."

The report said the Covid-19 impact is biased against informality. Informal sector workers have suffered the largest declines in employment, and most of the households who have fallen into poverty during the pandemic are dependent on informal workers, largely daily casual wage workers from the middle of the income distribution.

Almost all the workers in the bottom 50 per cent of the earnings distribution in Bangladesh are informal.

"Informal workers and women are losing livelihoods, and considerable uncertainty remains."

A large share of Bangladeshi workers is engaged in sectors directly impacted by the Covid-19. Compounded with pre-existing vulnerabilities and the absence of formal safety nets, households tend to manage income shocks with their own resources.

Relief measures should, for example, consider the high vulnerability of casual and temporary wage workers. Expanding income assistance in the form of transfers linked to a poverty threshold may be sufficient to protect some of these workers, the WB said.

And other forms of support, such as in-kind transfers or public works, may also be effective.

"However, since a large group of affected informal workers may not qualify for poverty-tested transfers, there may be a need to loosen the conditions for eligibility."

"Immediate relief has dulled the impacts of the pandemic, but governments need to address the deep-seated vulnerabilities of their informal sectors through smart policies, and allocate their scarce resources wisely."

Government of the People's Republic of Bangladesh

WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1
Level-12 (West side), Probashi Kollayan Bhaban
Eskaton Garden Road, Dhaka-1000



Memo No. 26.00.0000.066.07.028.20-355

Date: 08/10/2020

Request for Expressions of Interest (Consulting Firm)

Name of the Service: Selection of Consulting Firm for Conducting Diagnostic Studies to Assess Female Traders and Entrepreneurs Export Potential in the ICT Sub-sectors under BRCP-1.

Name of the Project: Bangladesh Regional Connectivity Project 1, Ministry of Commerce

Credit No.: 60020; Project ID No.: 154580

Reference number: BRCP/MOC/SD-10

Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

The objective of the study is to conduct a diagnostic analysis of the role of ICT sub-sector in facilitating and promoting export sectors of Bangladesh and the role that women currently (or can) play in the ICT enablement of exports.

To accomplish this, the diagnostic study will assess: (a) the current role of ICT in export facilitation for the top ten leading exports of Bangladesh 1; (b) compare and contrast the use of ICT in the aforementioned export sectors and the role of women as ICT workers and entrepreneurs/business owners; (c) identify barriers to ICT adoption in aforementioned export sectors, including regulatory barriers, infrastructure needs, and barriers to engaging women in ICT sector; (d) identify actionable ways in which to increase women's participation in ICT.

The Project Implementation Unit BRCP-1-MOC on behalf of the Ministry of Commerce invites eligible consultants to indicate their interest in providing the service. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, general qualifications, description of similar assignments, general experience in similar conditions, financial capability, number of key staff and so forth as per TOR). Consultants may associate to enhance their qualifications. Details of the qualification requirements and responsibilities are available in TOR.

The attention of interested Consultants is drawn to paragraphs 3.14 to 3.18 of the World Bank Group's Procurement Regulations for IPF Borrowers, Procurement in Investment Project Financing, Goods, Works, Non-Consulting and Consulting Services, July 2016 ("Procurement Regulations"), setting forth the World Bank Group's policy on conflict of interest. A Consultant will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Procurement Regulations.

Terms of Reference (TOR) will be available in the office of the undersigned and also at www.mincom.gov.bd and <http://brcp-1.gov.bd/>. Further information can be obtained at the address below during office hours (i.e. 09.00 to 17.00 hours). Expressions of interest must be delivered in a written form 2 (two) copies (one original and one copy) and one soft copy (in MS Word) in sealed envelope to the address below (in person) by 12.30pm on October 27, 2020.

The authority reserves the right to accept or reject any or all EOIs without assigning any reason, whatsoever.

Md. Mijanur Rahman
Project Director (Joint Secretary)
Phone: +8802-55138022
E-mail: pdbrcp1moc@gmail.com

GD-1608

PTA with Nepal by this year

Says govt official; zero duty sought for 140 products

REFAYET ULLAH MIRDAHA

Bangladesh has demanded zero-duty benefit on export of 140 products to Nepal as both governments look towards finalising a preferential trade agreement (PTA) on the third week of next month, Commerce Secretary Md Jafar Uddin said yesterday.

Leading Bangladesh in a secretary-level virtual negotiation with his Nepalese counterpart, he said Nepal would be the second among South Asian nations after Bhutan with which the bilateral PTA would be signed.

"We will hold some technical committee meetings between the two countries before finalising the draft of the PTA. But we have targeted to finalise the draft of the agreement by November," said Jafar Uddin after the meeting.

Md Abdus Samad Al Azad, joint secretary to the commerce ministry's Free Trade Agreement (FTA) Wing, who also took part in the negotiations, said they have a target to sign the deal by this year.

Nepal demanded duty facility for 130 of its products, while Bangladesh sought duty-free benefit for export of garment items, including men's t-shirts, knitwear and children's clothes, fruit juice, cement and agro-

processed food items like noodles and pastas, he said.

On the other hand, Nepal demanded duty-free benefit on shipment of agricultural products, handicrafts and brooms.

Nepal also demanded that Bangladesh's customs set the minimum import value, based on which duties are imposed on Nepalese products, he said.

Nepalese customs also has two such rates for products entering it from abroad, a low one for India and a higher one for the rest of the world. Bangladesh demanded that its goods be valued as those of India, he said.

He said once the draft of the PTA was finalised, it would be sent to the cabinet meeting for approval for formal signing between the two countries as soon as possible.

It is expected that the PTA between Bangladesh and Nepal can be signed by the end of this year after completion of all formalities, he said.

In yesterday's meeting, both sides also elaborately discussed some important issues for increasing bilateral trade.

These include railway connectivity for improving people-to-people contact and goods transportation and air connectivity

MAJOR POINTS

- Bangladesh demanded zero-duty benefit on export of 140 products to Nepal
- Nepal sought duty benefits for 130 goods
- Bangladeshi products are mostly garment items
- Nepali goods are mainly agricultural and handicraft items
- Bangladesh wants to finalise the draft of the agreement by third week of next month
- Both the countries want air and road connectivity

between Bangladesh's Saidpur and Nepal's Viratnagar airport, according to a statement from the commerce ministry.

They also discussed ways to improve cooperation for the tourism industries of both countries, avoiding double taxation, easing Nepali visa processing for Bangladeshi businesspeople and feasibility of

Bangladeshi investment in Nepal's hydroelectricity generation and pharmaceuticals industries.

Cooperation on removing tariff and non-tariff barriers in trade between the two countries and signing memoranda of understanding between the Department of Agricultural Extension and its Nepalese counterpart were also discussed.

Last month the cabinet committee of Bangladesh approved a PTA between Bangladesh and Bhutan to strengthen bilateral trade.

Bangladesh is currently in negotiations with a few other countries to finalise FTAs in order to enjoy duty free benefits even after its graduation from the least developed country (LDC) category.

For instance, a joint study is ongoing over signing a proposed Comprehensive Economic Partnership Agreement (Cepa) between Bangladesh and India.

Cepa is a comprehensive partnership between the two countries, which also includes investment, whereas the PTAs and FTAs cover tariff issues.

Bangladesh will have to sign different trade pacts like FTAs, PTAs and Cepa with potential trading countries or trading blocs for enjoying trade benefits after its

status graduation to a developing country.

Bangladesh should also sign FTAs with vital trading partners or trading blocs like the Association of Southeast Asian Nations (Asean) and European Union to ensure benefits after the graduation, which will eliminate guaranteed duty privileges, according to experts.

Currently, Bangladesh has no FTA with any country although the government has long been trying to sign such a deal.

As per the country's previous economic development records, the UN Committee for Development Policy (UN CDP) is scheduled to complete the final round of assessment of Bangladesh's LDC graduation in 2021.

If the UN CDP finds its assessment of Bangladesh to be positive, the country will graduate to a developing country in 2024.

Once the country graduates, all tariff benefits will be lifted.

Only, the EU will allow its tariff benefit to Bangladesh for a grace period of another three years. That means, Bangladesh will enjoy the zero-duty benefit to the EU until 2027 but regarding other countries, the tariff benefits will be withdrawn from 2024.

READ MORE ON B3

Tax, fee payment becomes easier

Taxpayers in tax zone-4 to use automated treasury challan as piloting begins

STAR BUSINESS REPORT

The finance ministry yesterday rolled out an automated system for depositing tax and government fees, in a step that would lessen the hassles faced by taxpayers and service-seekers and ensure immediate deposit of funds at the state coffers.

Initially, individual and corporate taxpayers registered under the Tax Zone-4 would use the automated treasury challan system to deposit taxes.

The scope will be expanded gradually to other field offices of the tax administration after the successful completion of the piloting, said officials of the finance ministry.

It has been introduced to lessen the hassle faced by taxpayers and other service-seekers while making the deposits through the existing manual procedures, reduce the tendency of dodging revenues through submission of fake challans and ensure the receipts of revenues without delay, the ministry said.

Abu Hena Md Rahmatul Muneem, senior secretary of the Internal Resources Division and chairman of the National Board of Revenue and Abdur Rouf Talukder, finance secretary, jointly inaugurated the system virtually.

After the completion of the piloting, taxpayers under other tax zones and service-seekers would pay taxes and fees through the electronic method.

Besides, people will be able to pay fees for other services such as passport through branches of four state-owned commercial banks -- Sonali, Rupali, Janata and Agrani -- in Dhaka city.

READ MORE ON B3

Marico to invest Tk 227cr in new factory to meet rising demand

STAR BUSINESS REPORT

Marico, a listed multinational company based in India, is set to invest Tk 227 crore to establish a new manufacturing plant in Bangladesh in a bid to meet the country's growing demand for consumer goods.

The investment will be made in phases to set up a new facility at a special economic zone under the Bangladesh Economic Zones Authority, Marico said in its price sensitive information published on the stock exchanges' website yesterday.

News of this investment fuelled the company's stock prices, which rose by 2.59 per cent to Tk 2,099 as of yesterday.

Besides, the stock's movement was halted for a few moments as there were no sellers, data from

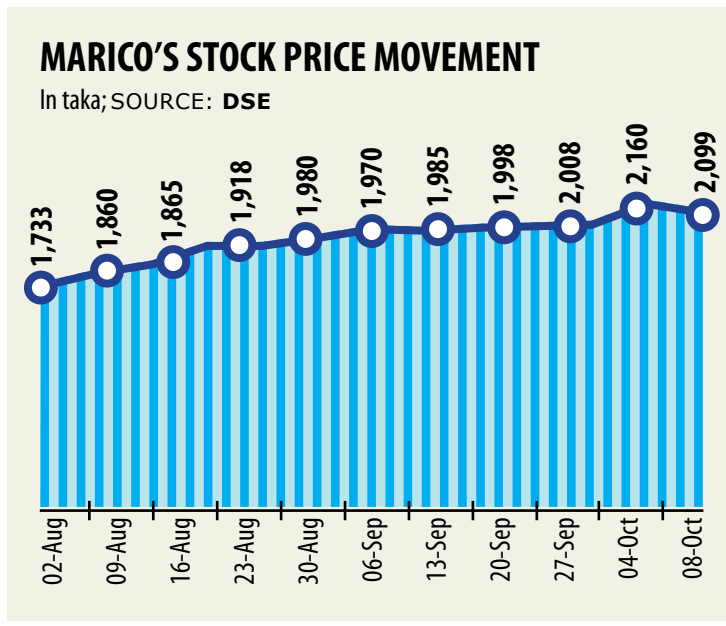
the Dhaka Stock (DSE) Exchange shows.

"Our products have huge demand so we think that we will not be able to sustain the growing demand beyond 2023 with our present facilities," said Ashish Goupal, managing director of Marico Bangladesh.

"So, we are going to invest the amount in order to meet our products' incremental demands," he told The Daily Star in an interview.

Although the DSEX, the benchmark index of the DSE, was bearish yesterday, Marico's stocks were among the most highly demanded ones due to the investment news, according to market analysts.

DSEX dropped 20.17 points, or 0.40 per cent, to 4,914.28 while turnover, another important



indicator of the market, dropped 10 per cent to Tk 793.8 crore yesterday.

Bangladesh General Insurance Company topped the gainers' list that rose 9.96 per cent followed by Northern Insurance, Islami Insurance, Phoenix Insurance and Republic Insurance.

Northern Insurance was the most traded stock with shares worth Tk 22.52 crore changing hands followed by Continental Insurance, Islami Insurance, Beximco and Beximco Pharmaceuticals.

Walton Hi-tech Industries shed the most, dropping 7.49 per cent followed by Tosrifia Industries, C&A Textiles, Kattali Textile and NCC Bank First Mutual Fund.

Of the total 355 traded companies, 106 advanced, 202 declined and 47 remained unchanged.

READ MORE ON B3

Use tech to stamp out stock gambling: experts

STAR BUSINESS REPORT

Increasing the use of technology and digitalisation across every aspect of the stock market may reduce gambling and ensure good governance, said analysts yesterday.

Technology is important for at least three reasons, said Shaikh Shamsuddin, a commissioner of the Bangladesh Securities and Exchange Commission (BSEC).

"This includes making the process quicker, reducing costs and ensuring good governance, accountability and transparency," he said.

Nowadays, there is no way to make progress other than ensuring the use of modern technologies and digitalisation in the stock market, he added.

Shamsuddin made the comments while addressing a webinar styled, 'Necessity of Digitalisation in the capital market in current pandemic situation', organised by the Chittagong Stock Exchange (CSE).

Officials from the BSEC and other stakeholders attended the event organised to mark the World Investor Week 2020, an initiative of the International Organisation of Securities Commissions.

"However, digitalisation does pose some risks, so the bourses should be cautious to ensure that any use of technology is investor-friendly," the commissioner said.

Investors also have a part to play and they can help reduce the gambling opportunities only by adopting new technologies.

READ MORE ON B3

South Asia faces worst ever recession, tipping millions into poverty: World Bank

REUTERS, New Delhi

Millions of people in South Asia are being pushed into extreme poverty as the region where a quarter of humanity lives suffers its worst-ever recession due to the devastating impact of the coronavirus pandemic, the World Bank said on Thursday.

The multi-lateral lender forecast a record economic contraction of 7.7 per cent for South Asia this year, and said workers in the informal sector were being hit hardest, and private consumption was unlikely to recover quickly from the blow.

"The impact on livelihoods will even be larger than the GDP forecast suggests... This implies that the region will experience a sharp increase in the poverty rate," the bank said in its bi-annual report.

India, the region's biggest economy, is likely to see its economy contract by 9.5 per cent this year, the report said.

The report warned that South Asia's economies could end up worse than the forecast as the pandemic continues to surge, making foreign investors more wary, limiting governments' ability to increase spending and putting more strain on banking systems already heavily burdened with bad loans.

With 6.84 million people infected, including 105,000 dead, India's COVID-19 caseload is second only to the United States, despite the country going under the strictest lockdown in the initial phase of the pandemic in March.

Pakistan and Bangladesh have recorded over 317,000 cases each, while the rest of the countries in the region have combined total of over 149,000 cases.

Businesses need to adopt a new marketing law: 80/20 rule is over



SM DIDARUL HASAN

Recently Prof Byron Sharp, an eminent marketing thinker from the Ehrenberg-Bass Institute for Marketing Science in Australia, confirmed that marketing's Pareto Law is 60/20. This is an interesting argument whereas the business world and marketing fraternity is deep-rooted with the fact and fallacy of the 80/20 rule.

Prof Sharp is a pioneer in evidence-based marketing and he challenged hundreds of American marketing books, researchers, and universities for spreading wrong assumptions and old knowledge.

Pareto Principle, or widely known as the 80/20 rule, is a commonly used theory in marketing and business world. This is mostly applied now in customer relationship management (CRM) practices while a portion of marketers thinks of making profitable decisions based on customer database.

Also, important decisions are made using that database that executives manage to keep utilising the advantage we have now due to the usage of technology and digitalisation. There is nothing wrong with this other than the 'obsolescence' of the Pareto Principle itself in the marketing world.

What is Pareto Law?
Joseph M Juran, a quality management consultant, suggested the Pareto Principle and named it after Italian Economist Vilfredo Pareto, who noted the 80/20 connection in 1896. Interestingly, scholars, practitioners and people across the world accepted the Pareto Principle but ironically did not remember Juran much on this topic.

Vilfredo Pareto's studies revealed that about

80 per cent of the land in Italy was owned by the 20 per cent of the population, according to Juran.com. Juran also realised that the same 80/20 rule could also be used in the contexts of the distribution of income, wealth among the population and in quality management issues. Gradually over the last century, it has become an axiom in the business world that 80 per cent of sales come from 20 per cent clients.

In the simplest form, it can be said that 20 per cent input produces 80 per cent of the output. In the 1990s, this was popularised by the UNDP's Human Development Report where inequality was convincingly displayed. This showed that the distribution of global income is highly uneven or skewed, with the richest 20 per cent of the world's population controlling 82.7 per cent of the world's income. In the 2010s, this inequality has aggravated further.

The 80/20 rule has examples and implications in economics, mathematics, sports, team management and R&D trials. At the same time,

some people also argue that this rule is a precept, not a hard-and-fast mathematical law.

What is there for marketers in the 80/20 rule?
Prof Sharp and Prof Jemi Romaniuk revealed in their study in 2007 that in marketing, the 80/20 rule does not work like as it is conventionally thought of. In their book "How Brands Grow (2010)", they articulated that "the '80/20 law' is a misleading simplification". They also argued that it may work like 60/20 but not as extreme as 80/20.

After 12 years of their first claim, they confirmed in 2019 that a brand's heaviest 20 per cent buyers generally contribute not much more than half of its sales and these same buyers will contribute less in the following period. Indeed, even for stable brands, half of last year's heavy buyers will not even qualify to be in the top 20 per cent, while the people who were light or non-brand buyers last year will contribute more to sales this year than they did last year.

READ MORE ON B2



A man wearing a protective face mask walks past a labourer resting on a handcart in a closed wholesale market in Kolkata.



It is reasonable to expect that almost half of a brand's sales will always come from the very lightest 80 per cent of buyers.