



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.

CITY BANK

Covid-19 won't affect LDC graduation

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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

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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

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"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

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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

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