Use demographic dividend for socio-economic benefits

Speakers tell virtual discussion

STAR BUSINESS REPORT

Bangladesh currently has a window of opportunity to use its demographic dividend to bring out socio-economic benefits amid the ongoing pandemic, speakers told an e-conference yesterday.

"Defying the emerging challenges induced by Covid-19, the country should stay en-route to reap its demographic gift," they said.

During the inaugural session, Planning Minister MA Mannan highlighted how the coronavirus has impacted Bangladesh's population indicators.

The two-day "International Conference on Emerging Population Issues" was jointly organised by the Department of Population Sciences of the University of Dhaka and United Nations Population Fund (UNFPA).

To address the Covid-19's fallouts, Mannan emphasised on the need for multidimensional investments through government-NGO collaboration to grasp the first, second and third demographic dividends.

MAJOR POINTS

- More than **63**% are working age population
- Bangladesh started getting demographic dividend since 1990s
- Demographic dividend to continue until 2039
- Ratio of dependant and elderly population to rise after 2039
- Bangladesh is yet to reap full advantage
- Investment in health and education needed
- Requires more employment generation

"The government is committed to address the country's population and development issues," he said, adding that only through public-private partnerships could the country grasp all its opportunities.

Similarly, Dr Asa Torkelsson, UNFPA representative to Bangladesh, urged all stakeholders to devise and implement innovative social interventions, especially in health and education, to lower the dependency ration and develop a better social landscape.

Past the Covid-19 pandemic, it will be imperative to realise the country's three transformative results, namely zero maternal death, zero unmet need for family planning and zero incidence of gender-based violence, Torkelsson added. While inaugurating the conference, Dr Md Akhtaruzzaman, vice chancellor of the University of Dhaka, said the coronavirus pandemic has left a number of socio-economic impacts on the country's population.

"But with prompt, supportive, and empathic collaboration between the government, its development partners, citizens and health experts, Bangladesh will be able to achieve its goals," he said.

Recovering employment after Covid-19 outbreak and beyond

SAYEMA HAQUE BIDISHA

Despite showing signs of recovery, there is no denying the fact that the Covid-19 outbreak has resulted in a strong dent on the country's development efforts.

According to the projection of the IMF, Bangladesh is expected to be one of the top performers in terms of economic growth in 2020. Such news though deserves appreciation, and we must keep in mind that meaningful recovery should be associated with recovering livelihoods of millions who have lost their employment or suffered a loss in income.

Besides, with the second wave of infection already affecting our trading partners, the scenario of employment generation and recovery through large-scale export-oriented industrial activities is not that optimistic as well.

In addition, the inflow of foreign remittances though acting as a key driver of economic recovery, many of the potential migrants along with the returnees are finding it difficult to explore the foreign labour markets and will eventually join the pool of local labour force.

Against this backdrop, the task of recovering employment and income is indeed a daunting one.

As for the impact of the Covid-19 on the labour market, though a significant proportion of coronavirus-induced temporarily unemployed have regained employment and the business owners been able to revive their business activities in recent months, some are still struggling to find a new job or to re-open their businesses.

Besides, many of the self-employed are yet to regain profitable business activities as before. In order to confront such challenges of the labour market, change of job, mainly to a relatively inferior one, has been a coping strategy for many.

Migrating back to the rural areas and thereby curtailing the expenses of urban dwelling has been a strategy as well, at least for the short term for some of the households.

The coping strategies in the face of employment and income shock often have included depletion of assets and savings to meet current expenses during the time of income shortfall.

Such strategies can, however, have long-term consequences on the ability of capital accumulation for establishing new businesses or a broader and longer-term vision?

In this context, one such challenge of the labour market is unemployment and more importantly, youth unemployment.

According to 2016/17 Quarterly Labour Force Survey, youth (18 to 29 years) unemployment rate was as high as 10.6 per cent as opposed to the national average of around 4.2 per cent, with as high as 29.8 per cent of youths being not in employment, education or training (NEET).

There is no denying that such unemployment problem has both supply and demand-side obstacles.

The slow growth of large-scale industrialisation due to the Covid-19, coupled with changes in the production process due to increased automation and fourth industrial revolution and the declining importance of routine and manual tasks, the challenges of employment are more significant than ever before.

The other side of this shortage of skilled labour force is the persistent mismatch of skills between the supply and demand side of the labour market with high (11.2 per cent) unemployment rate of those even with tertiary education.

SK ENAMUL HUQ

Siddiqur Rahman, talking on a mobile phone, and three of his friends, came to Dhaka from Sirajganj recently in search of jobs. The photo was taken from the capital's Farmgate area yesterday.

for expanding the existing ones.

While designing relevant strategies and policies for confronting the coronavirus-induced challenges, it must be kept in mind that even prior to this pandemic, several constraints existed in the labour market of Bangladesh.

The question, therefore, remains whether our target is to recover the labour market to its pre-existing level or to deal with the inherent challenges through For example, with as high as 8.79 per cent of youths having no formal education and only 5.90 per cent having tertiary education, the youth labour force is not endowed with required skills consistent with the growing demand.

Besides, it is not only the youths per se, majority of the workforce still consists of those engaged in mid-skill occupations (47.5 per cent), with only around 8.9 per cent being in high skill occupations.

It is, however, not only employability per se, in the absence of trade unionism and minimum wage legislation in many of the sectors, meeting the requirements of the decent job as required by the ILO is indeed a key challenge of the labour market as well.

In order to recover the livelihood of the people in a true sense, confronting the Covid-19-induced challenges will therefore not be enough -- the policy focus must be towards resolving the bigger constraints.

While short-term strategies, on the one hand, should be directed towards regaining business confidence and stimulating private investment, priorities should be centred around an effective implementation of existing incentive packages for the SMEs in particular.

In this regard, alternative financing arrangements involving the microfinance institutions (MFIs) and further relaxation of the terms and condition of loans for the relatively smaller firms should be considered on an urgent basis.

Preparation of nationwide database along with quick and low-cost registration services would help the informal firms and returnee migrants avail the incentives.

With a declining employment elasticity of growth (employment elasticity fell from 0.55 between 2005/06 to 2009/10 to 0.25 between 2009/10 to 2017/18), the long-term focus should, however, be on the job-creating capacity of GDP growth rather than on the growth numbers per se.

Also, the declining importance of routine intensive tasks and challenges of both the fourth industrial revolution (4IR) and increased automation requires productivity enhancement of the labour force.

On the one hand, emphasis should be on modernising skill training programmes involving cognitive and interpersonal skills. On the other hand, mainstream education programmes need to be aligned with the changed demand of both local as well as global markets.

Furthermore, we must take into account the fact that the Covid-19 has posed additional challenges of long-term skill formation due to dropout of students at different stages of education along with a digital divide among students.

Urgent policy focus is required to this end to bridge the gap and support those at the lower end of the distribution.

The writer is an economics professor at the University of Dhaka.

Directors of 28 listed firms fail to comply with minimum shareholding rule

Boards to face restructuring as per BSEC decision

AHSAN HABIB

The directors of 28 listed companies have failed to hold at least 30 per cent shares of their companies collectively within the November 30 deadline set by the regulator.

Now, their boards will be restructured as per a decision of the Bangladesh Securities and Exchange Commission (BSEC).

On November 25, the regulator decided to restructure the boards of the companies that fail to hold at least 30 per cent shares of their firms collectively by November 30.

In 2011, the regulator ordered sponsors and directors to hold a minimum of 2 per cent shares of their company individually and 30 per cent jointly.

All the directors did not follow it despite repeated orders from the commission. The regulator had fixed October 27 as the deadline to fulfil the collective minimum shareholding requirement and later extended it by a month.

The directors of 43 companies had to meet the minimum shareholding condition by the deadline, which expired on Monday. Of them, the directors of 15 companies were able to meet the criteria. The companies include Maksons Spinning, Meghna Life Insurance, Metro Spinning, Northern Islami Insurance, Beximco Ltd, Beximco Pharmaceuticals and City Bank.

Olympic Industries, Tallo Spinning, Active Fine Chemicals, Aftab Automobiles, Apex Footwear and Agni Systems are among the companies whose directors have failed to hold the minimum shares collectively, according to a document of the BSEC.

The stock market edged up yesterday thanks to a rise in demands for shares of banking and non-banking financial institutions (NBFIs).

The DSEX, the benchmark index of the Dhaka Stock Exchange, rose 37.11 points, or 0.76 per cent, to close the day at 4,903.95.

Investors went after the stocks, as the financial institutions have seen good profits until September and would announce dividends at the end of December, said Mohammed Rahmat Pasha, managing director and CEO of UCB Capital Management.

If banks take the policy support of the central bank, their profits will be higher than the previous year, he pointed out.

On the other hand, some funds that were stuck to several initial public offerings have recently become free for use. As a result, institutional investors are pouring money now, he added.

No banking stock experienced a price drop yesterday as 26 out of 30 listed banks rose and four remained unchanged.

Out of the 23 listed NBFIs, 17 advanced, three fell and the rest three ended the day without any change, according to DSE data.

Mostly, changes in banking shares leave an impact on the stock market because of their higher contribution to the market capitalisation. Banks' market capitalisation is 16.84 per cent where NBFIs contribution is around 5 per cent.

Turnover, another important indicator of the stock market, dropped 17 per cent to Tk 663 crore.

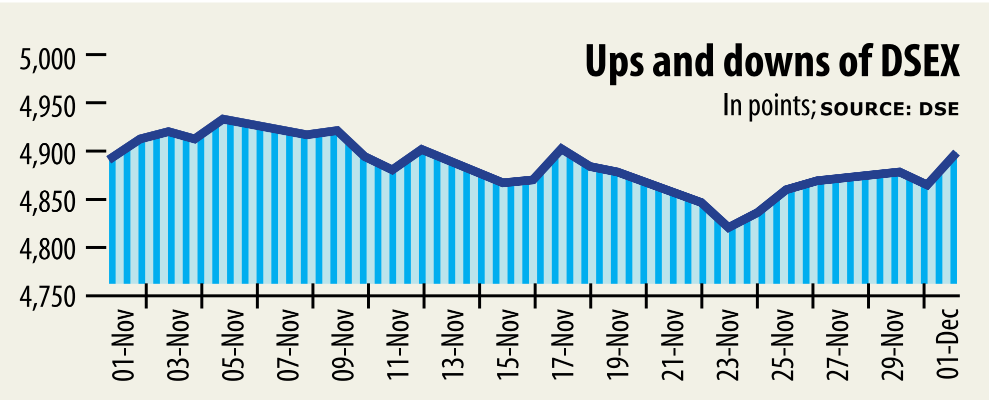
Delta Spinners topped the gainers' list advancing 10 per cent, followed by Aamra Networks, Agni Systems, National Feed Mill, and Hamid Fabrics. Beximco Pharmaceuticals was the most traded stock with shares worth Tk 31.9 crore changing hands, followed by Pragati Insurance, IFIC, Beximco Ltd and Aamra Networks.

Of the 341 securities, 149 advanced, 92 declined and 109 remained unchanged.

United Power Generation declined the most as it lost 12 per cent followed by Tallu Spinning, Savar Refractories, Bangladesh National Insurance Company and Familytex BD.

The Chattogram Stock Exchange also witnessed a rising trend. The CSEX, the prime index of the port city bourse, rose 59 points, or 0.75 per cent, to 8,486.

Out of the total 242 companies' stocks, 106 rose, 71 fell and 66 remained the same.



DIRECTORS OF COMPANIES WHO FULFILLED MINIMUM SHARE-HOLDING

- Maksons Spinning
- Meghna Life Insurance
- Metro Spinning
- Northern Islami Insurance
- Peoples Insurance
- Southeast Bank
- Standard Ceramic
- Baraka Power
- Bay Leasing
- Bangladesh Thai Aluminum
- Beximco Ltd
- Bangladesh General Insurance Company
- Beximco Pharmaceuticals
- City Bank
- Emerald Oil

Japanese medical device maker launches JV with JMI

MAHMUDUL HASAN

NIPRO Asia Pte, owned by Japanese NIPRO Corporation, has formed a joint venture with local JMI Group to provide medical devices in the domestic market.

NIPRO Corporation made a Tk 128 crore foreign direct investment (FDI) for the launching of NIPRO JMI Marketing, which will market medicine and medical equipment manufactured by JMI Group in the local market, said a press release.

This takes the NIPRO Corporation's total investment with the JMI to around Tk 680 crore.

"JMI Group has achieved our trust by producing quality products. That is why we have not hesitated further in investing with the company," said Shigetomi Hisao, a representative of NIPRO Asia Pte, in a statement.

"We hope that the NIPRO JMI Marketing Ltd like our other ventures with the JMI Group will satisfy the consumers by ensuring the products' quality," said Hisao following the launch of the venture at JMI's headquarters in Dhaka yesterday.

The NIPRO's equity in the joint venture is 70 per cent while the JMI's the rest, said Abhijit Paul, head of business development at JMI Group.

JMI Group Managing Director Md Abdur Razzaq said the fresh investment from the NIPRO was a testament of the quality of the JMI's products.

JMI Group has been manufacturing and supplying medical devices and pharmaceuticals in the country since 1999.

The NIPRO Corporation, listed on the first section of the Tokyo Stock Exchange, Japan, is one of the world's biggest manufacturers of medical devices, pharmaceuticals and pharma-packaging.

The duo's other joint ventures are NIPRO JMI Company, NIPRO JMI Pharma and JMI Syringes and Medical Devices.

Asian factories continue recovery from pandemic woes as China booms

REUTERS, *Tokyo*

Asian factories continued to recover steadily in November thanks to a boom in economic powerhouse China, private surveys showed on Tuesday, offering hope the region was shaking off the drag from the COVID-19 crisis.

But a global resurgence in coronavirus infections has made the outlook highly uncertain, keeping governments and central banks under pressure to maintain or ramp up their massive stimulus programmes, analysts say.

China's factory activity accelerated at the fastest pace in a decade in November, a private survey showed on Tuesday, a sign the world's second-largest economy is recovering to pre-pandemic levels.

The upbeat findings were in line with an official survey that showed activity at Chinese factories expanded at the fastest pace in more than three years in November, with growth in the services sector hitting a multi-year high.

"Manufacturing continued to recover and the economy increasingly returned to normality as (the) fallout from the domestic COVID-19 epidemic faded," said Wang Zhe, senior economist at Caixin Insight Group.

China's Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) rose to 54.9 from October's 53.6, marking the highest level since November 2010.

The gauge stayed well above the 50-level that separates growth from contraction for the seventh consecutive month.

A steady recovery in global demand also helped Japan's factory activity move a notch closer to stabilisation in November, and that of South Korea to accelerate at the fastest pace in nearly a decade.

The final au Jibun Bank Japan Manufacturing PMI hit 49.0 in November, up from the previous month's 48.7 and a preliminary 48.3 reading.

South Korea's IHS Markit PMI rose to 52.9 in November from 51.2 in October, the highest reading since February 2011 and marking the second month of activity expansion.

Factory activity also grew in Taiwan and Indonesia, a sign the pick-up in Chinese demand was underpinning the region's economy.