

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.07%	0.15%	\$1,868.55	\$48.55	45,608.51	26,467.08	2,825.63	3,410.18	83.95	100.67	111.18	0.79
5,049.80	8,713.63	(per ounce)	(per barrel)					84.95	104.47	114.98	0.83



Star BUSINESS

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Bumpy road awaits exporters

CPD says, citing major challenges such as impacts of LDC graduation, rise of trading blocs, weakened multilateral system

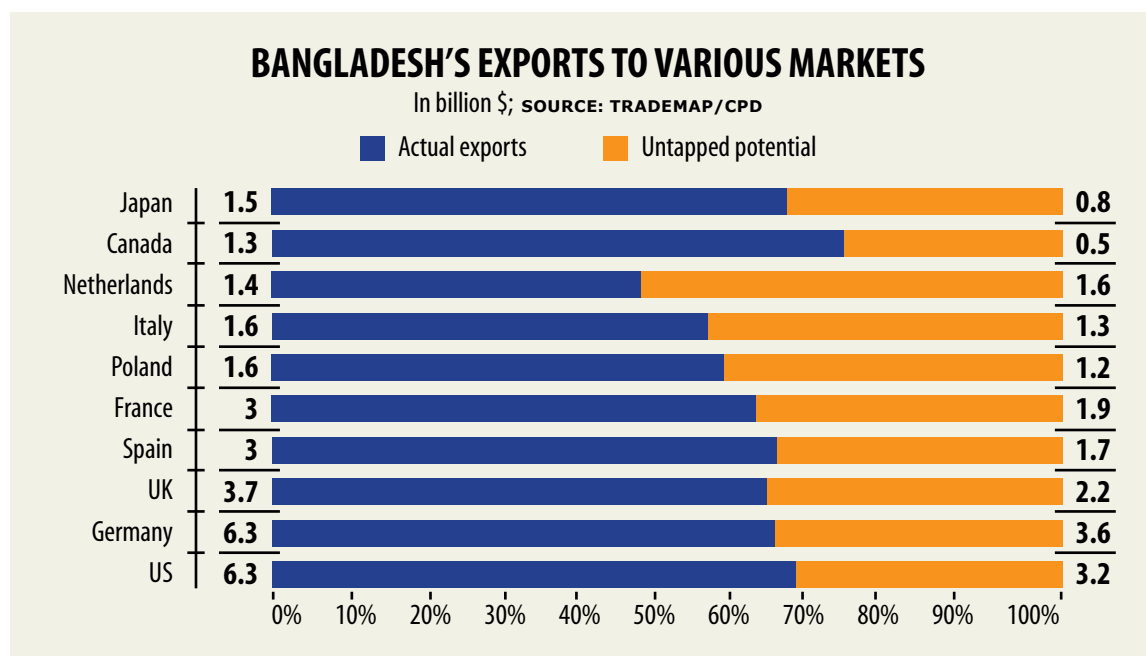
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The rise of mega trading blocs, potential adverse consequences of LDC graduation, growing competition in key markets and a weakened multilateral system will make Bangladesh's trade journey challenging during the eighth five-year plan period, a think-tank said yesterday.

Average tariffs facing Bangladesh's export are set to rise by 9 per cent, and potential shipment loss could be to the tune of 14 per cent following the graduation to a developing nation in 2024, the Centre for Policy Dialogue (CPD) said.

Following graduation, Bangladesh will lose 1 per cent to 4 per cent of its annual exports amounting to \$7 billion, said Shamsul Alam, a member of the General Economics Division of the Planning Commission.

He spoke during a virtual discussion on "The Eighth Five Year Plan: Addressing Covid-19 Challenges and Sustainable LDC Graduation", organised by the



CPD. The government will try to boost exports after the graduation through signing of preferential trade

agreement, free trade agreements (FTAs) and comprehensive economic partnership agreement (CEPA), Prof Alam said.

While presenting the keynote paper, Fahmida Khatun, executive director of the CPD, said if the ills of the banking sector were not cured, the economy would not fare well in the future.

"The banking sector needs to be strengthened by establishing good governance," she said.

The CPD paper said the loss of preferential market access as an LDC in major export markets,

particularly in the European Union, would have an adverse impact on the price advantages of Bangladeshi products.

The possible fall in the export (around 5.7 per cent annually) could cause a loss in employment, particularly in the garment sector.

An estimated 538,770 jobs could be lost due to preference erosion.

Sectors such as the pharmaceuticals could lose the current flexibilities in terms of patenting and licencing requirements, the think-tank said.

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Closure of Shyampur Sugar leaves stock investors in the lurch

AHSAN HABIB

Shyampur Sugar Mills recently announced that it would stop sugarcane processing for the rest of the current fiscal year, a development that has left its stock investors in a state of uncertainty.

The company's decision to stop processing sugarcane for a year will only enhance its loss burden and lead to further woes for investors, said stock investor Abdullah Hujaifah.

Shyampur Sugar took the decision to shut down the mill on December 2 as per instructions from the Ministry of Industries.

As part of the government notice, local sugarcane farmers who traditionally

supplied Shyampur sugar would now instead divert their supplies to other nearby mills.

"But what lies in wait next for us is the question," Hujaifah added. The company auditor said in its report for the year that ended on June 20, 2020 that considering the recurring losses, high production cost, net capital deficiency and classified loans, there was significant doubt over its sustainability without government support.

Since the company continues to suffer losses, its net capital deficiency had reached Tk 494.68 crore in total and Tk 989 per share at the end of the year, the auditor said.

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LOSS OF SHYAMPUR SUGAR

In crore taka; SOURCE: DSE



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Dutch tech can boost farm output of Bangladesh

Speakers tell investment summit

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Bangladesh needs a huge amount of Dutch investment and support of its superior technologies to boost productivity



OBSERVATIONS

- Dutch technology can be adopted in Bangladesh's agriculture sector
- Bangladesh can also draw huge Dutch investment for the farm sector
- Use of modern technology can reduce wastage during harvest
- Innovation and other tech solutions of the Netherlands can help develop Bangladesh's SMEs, dairy and fisheries

in agriculture, speakers told a summit yesterday.

Half of Bangladesh's population is engaged in agriculture, where there is scope for growth through the adoption of Dutch technologies, said FA Ansarey, managing director and chief executive officer of ACI Agribusiness.

He was addressing a session on agriculture and agri-food at "Bangladesh-Netherlands Investment Summit 2020" organised by the Bangladesh embassy in the northwest European country with support from the Dutch government.

Ansarey said the ACI was in joint collaborations with different organisations of the Netherlands to bring improvements in Bangladesh's agriculture sector.

Technology is a vital component, along with use of quality seeds, for Bangladesh's agriculture sector to increase production, he said.

Regarding quality seeds, he said ACI was providing that of the best quality to rural farmers which was contributing to ensure food safety and economic development.

Moderating the session, Bangladesh's ambassador, M Riaz Hamidullah, said the European technology was developing the country's agriculture sector.

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Multilateral lenders come to the rescue of small enterprises

ADB to provide \$50m for pandemic-hit businesses

REJAUUL KARIM BYRON

Multilateral lenders are joining with the government to boost financing for micro entrepreneurs in order to rejuvenate the tens of thousands of pandemic-hit micro and small enterprises.

Yesterday, the Asian Development Bank (ADB) said it would provide a \$50 million loan to help restore the economic activities of local micro businesses.

The development comes as the government plans to allocate another Tk 3,000 crore to increase the size of the credit guarantee scheme on the small loans announced in July to give a lifeline to cottage and micro-entrepreneurs, who account for more than 90 per cent of the 78.18 lakh firms in Bangladesh.

The government and the World Bank will provide the fund.

Fresh funds are in the pipeline of Bangladesh Small and Cottage Industries Corporation and SME Foundation for providing loans



STAR/FILE

Cottage and micro entrepreneurs account for more than 90 per cent of the 78.18 lakh firms in Bangladesh.

to small and cottage industries, top government officials and representatives of development partners said at an event last week.

ADB said its latest loan will scale up the ongoing Microenterprise

Development Project that it had approved in 2018 to provide a \$50 million credit line to the Palli Karma Sahayak Foundation (PKSF), a government development finance

and capacity building organisation.

Under the ongoing project, the PKSF, through its 77 partner organisations, has so far provided loans to 39,580 microenterprises, generating 91,430 jobs in rural areas, the Manila-based lender said.

"This additional financing will supplement the ongoing project by injecting liquidity into the rural economy by providing cheaper financing to microenterprises, helping them continue their business and retain employees, especially women entrepreneurs who have been heavily hit by the ongoing pandemic," said Jyotsana Varma, ADB's principal country specialist to Bangladesh.

"The project will increase access to financing for microfinance institutions and further contribute to the growth of microenterprises across the country," she added.

The ADB said the new credit line to the PKSF will provide loans to at least 30,000 pandemic-affected microenterprises, 70 per cent of which are women-led.

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Padma Bank seeks waiver of Tk 144cr fine

AKM ZAMIR UDDIN

Padma Bank has applied for a rare regulatory forbearance, requesting that Bangladesh Bank waives its penalty of Tk 144 crore.

The penalty was imposed for the bank's failure to maintain the stipulated cash reserve ratio (CRR) and statutory liquidity ratio (SLR) with the central bank.

The CRR is a minimum proportion or percentage of customers' deposits banks have to keep with the central bank in the form of cash. Similarly, the SLR is a percentage of deposits kept in the form of government securities.

The CRR and SLR mainly safeguard the money depositors keep in a bank.

Banks now have to keep 4 per cent and 13 per cent of their total clients' deposits with the central bank as the CRR and SLR respectively as per the rules.

Padma Bank Managing Director Md Ehsan Khasru said they applied to the central bank requesting to waive the penalty, which had been imposed before 2018.

But the central bank is not allowed to waive such penalties, as there is no clear provision to this end in the Banking Companies Act 1991.



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Guideline drafted for walkie-talkie, IoT device manufacturing

MAHMUDUL HASAN

The telecom regulator has drafted a guideline to give go-ahead to local firm to manufacturer and assemble devices related to telecom services.

The list of devices includes the Internet of Things (IoT) devices, but excludes mobile phones.

The Bangladesh Telecommunication Regulatory Commission (BTRC) took this initiative in order to help the country become more self-reliant in the IT industry amid the fourth industrial revolution, which has been marked by increasing automation across all sectors.

As per the draft guideline, two types of enlistment certificates will be awarded to interested candidates.

For category A, the applicant must have an adequate production capacity and its own testing lab with state-of-the-art facilities alongside a standardised layout for marketing and export.

Each lab will be required to have various testing facilities so that it is possible to produce world-

class telecom-related wireless equipment in Bangladesh.

For category B, the applicant



does not need to have a testing lab of its own but can instead contract outside testing lab for its products.

The BTRC will seek the opinions of various stakeholders, researchers and experts before finalising the draft.

The products which are permitted for domestic manufacturing and assembling are industrial, scientific and medical (ISM) equipment.

This includes radio frequency-based devices, such as transmission antennas and Walkie-Talkie sets, and also IoT devices like repeaters, boosters and Bluetooth devices.

The move will create opportunities for local entrepreneurs to manufacture and assemble these products, said Brigadier General Md Shahidul Alam, director general for Spectrum Division at the BTRC.

"This will also ensure that consumers use low-cost telecommunications equipment and reduce the scope for the

government to lose revenue by curbing illegal imports," he told The Daily Star.

Besides, this initiative will increase the country's tech-savvy manpower by creating employment opportunities in the technical field. It will also facilitate foreign exchange earnings through the export of telecommunication service related equipment, Alam added.

Bangladesh already assembles and manufactures most of the handsets retailed by top brands thanks to a BTRC policy that awards enlistment certificates to local entities.

The government first introduced a tax policy for assemblers in fiscal year 2017-18, which was later revised in the budgets of 2018-19 and 2019-20.

Walton became the country's first company to set up a mobile phone assembly plant in October 2017 and began locally assembling all of its handsets since mid-2018.

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