

# CHINA

## A worthy trade partner

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PERIPHERALLY YOURS

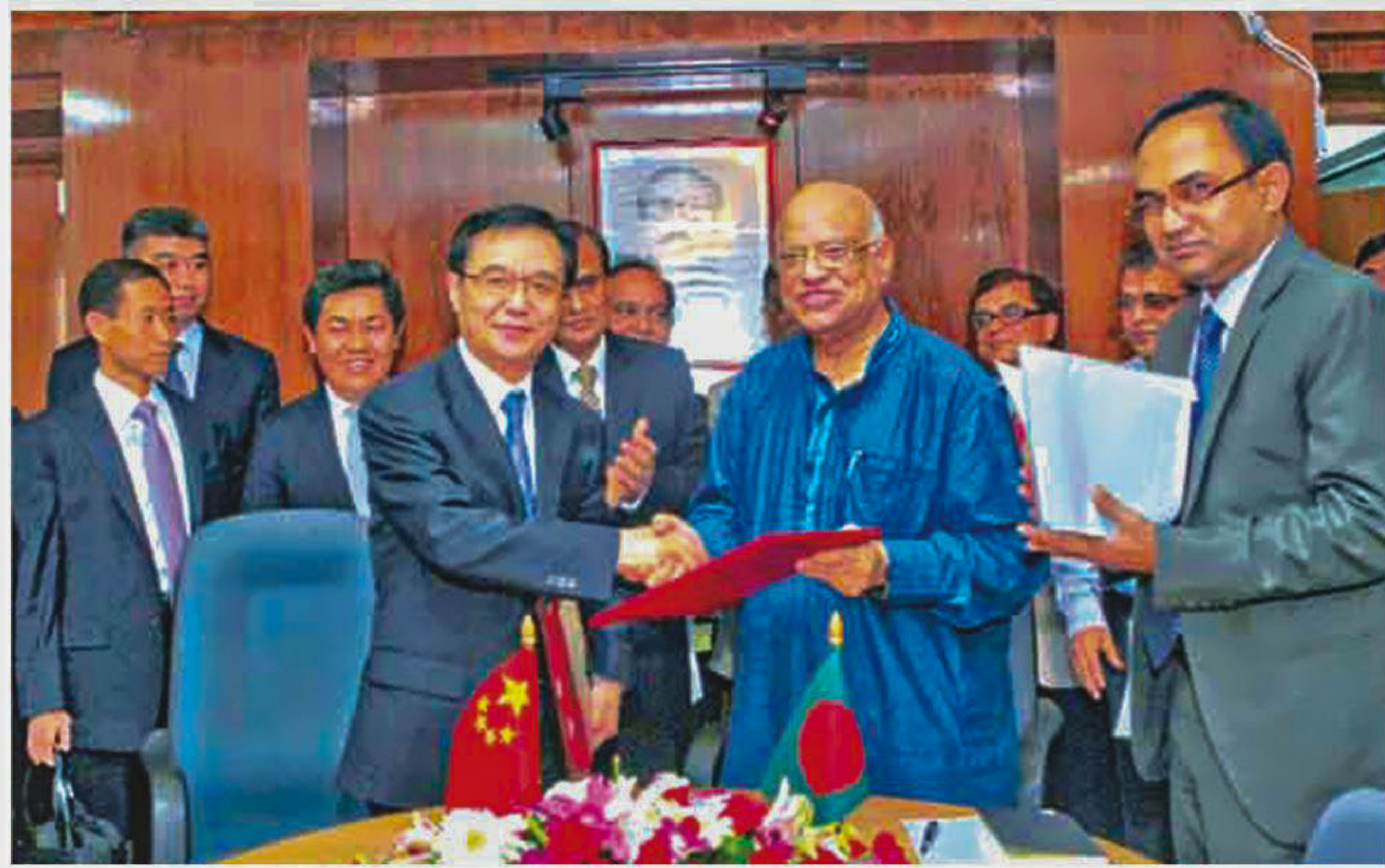


SHAHNOOR WAHID

**T**HE recent visit of Chinese Commerce Minister Gao Hucheng to Dhaka no doubt reinvigorated the existing bilateral relations, laying greater emphasis on boosting trade and commerce between the two friendly countries. Gao Hucheng is a politician and has been the Commerce Minister of China since March 2013. He formerly served as the Vice Minister of Commerce and Vice Chairman of Guangxi Zhuang Autonomous Region. Experts consider Gao as a competent technocrat and tenacious negotiator with an understanding of Chinese political system.

The visit to Bangladesh by such an important minister can be termed as coming one step closer to a neighbour, as China's foreign policy now gives more emphasis on developing good relations with the countries in the neighbourhood. A high level visit like this has surely given the much needed personal touch and helped discover more avenues for increasing trade and commerce and further improving the already existing friendly relations. Such visits also point to the fact that Bangladesh is being taken more seriously now by our larger neighbours than ever before, as it has become quite clear to them the benefits good relations with the country would bring for their own people. These countries now recognise Bangladesh's potential to graduate from a middle-income country to a high-income one within the

next decade, as technology will speed-up the pace of development by that time. It is good news that Commerce Minister Gao Huchen termed Bangladesh a development partner and said that China was interested to invest substantially in various projects. For example, China will build the Bangladesh-China Friendship Exhibition Centre in Purbachal on the outskirts of the capital and it has offered 15 to 20 billion dollars in soft loan to Bangladesh, to help expand the railway network across the country. On her part, Bangladesh Prime Minister Sheikh Hasina announced



allocation of land in Chittagong's Anwara upazila for establishing a Chinese Economic and Industrial Zone. She further said that her government will set up 22 special economic zones to facilitate such investments. She reiterated that Bangladesh and China have enormous potential in developing joint venture industries. What is worth noting is the announcement of our prime minister that Bangladesh would invite the Chinese president and premier to the celebrations marking 40 years of diplomatic relations between the two countries this year. A glimpse from the past would reveal the basis of the claims of

Bangladesh-China friendship. According to a Chinese Embassy source, China-Bangladesh trade volume reached a record high of \$10.3 billion with a growth rate of 21.9 percent in 2012, 10 times that of 2002. The same source reveals that the accumulated investment (including investments from Hong Kong and Taiwan) in Bangladesh EPZ reached \$1.42 billion at the end of 2013, providing jobs for more than 76,000 Bangladeshis. A growing number of Bangladeshi businessmen are now conducting business in China. Our export record to China so far looks healthy and encouraging.

According to media reports, we exported goods worth \$746.19 million in 2013-14, which is a 63 percent increase year on year. In July 2010, China offered a zero-duty benefit for exports of 4,721 types of Bangladeshi products. What might surprise many is that China is likely to be our next big garment export destination. According to Export Promotion Bureau, garments export to China rose by 73.48 percent year on year to \$241.37 million in FY 2013-14. In the last fiscal, in July-December period, Bangladesh earned \$136.5 million, with 24 percent growth year on year. According to a RMG sector leader, our garment export to China can cross \$1 billion in a year or two. Besides readymade garments, there is tremendous potential for boosting export of our jute, leather and leather-based goods to China. Agriculture products could also be added to our list of exports to China soon. China believes that because of strong support from Bangladesh, the initiative of the Bangladesh-China-India-Myanmar Economic Corridor could make substantial progress. Many mega projects and six friendship bridges in Bangladesh have been built by China, and the seventh is under way, including the prestigious Padma Bridge. Many other mega infrastructure projects are progressing with Chinese funds and technical support. The potential of developing two-way traffic with China in terms of business and socio-cultural exchange is immense. The government surely deserves kudos for being able to forge friendship with a worthy partner like China, standing tall and on equal terms.

The writer is Special Supplements Editor, The Daily Star.

# Tapping the potential of informal sectors

SARAH AMENA KHAN

**A**LTHOUGH Bangladesh has achieved a lower middle-income status, there are not enough jobs in the formal sector to absorb 1.8 million young people entering the labour force each year. According to ILO estimates, 88 percent of Bangladesh's labour force is employed in the country's informal sector. As a hotbed for learning

highlights innovative practices in the informal economy where technicians improve engineering knowledge of mobile phones by engaging in hands-on, crafts-based innovation through repair work. Unlike formal repair services offered by brand companies such as Nokia and Symphony, informal repairers focus on repairing rather than replacing damaged mobile parts. Using problem-solving abilities, acquired knowledge and skills, they address

to Dhaka's *bhangari* or scrap collection trade. *Bhangari* shops often import cheap, high-quality, rubbish electronics from countries such as China with the aim to re-manufacture, repair or dismantle the goods. Dismantlers, in particular, separate useable from non-useable components. In turn, as most mobile phones in use in Bangladesh are manufactured outside the country, informal mobile phone repairers rely heavily on *bhangari* for key accessories such as spare batteries, replacement screens and so forth. Interestingly, these activities display how both repairers and *bhangari* traders recognise hidden value in broken electronics; additionally, they creatively add value to products by keeping them functioning over time.

Repairers also collaborate with each other to deal with issues of newer, fast-changing mobile phone models. Moreover, they draw on global resources to study the devices by regularly browsing the internet; workers often overcome language and literacy barriers by turning to circuit diagrams published on international online forums.

China is widely known as the leading producer of knock-off goods. The economy, however, has quietly established itself as a strong global competitor by bringing innovative products to the market. Instead of focusing on technological breakthroughs, China emphasises on *accelerated innovation* i.e. incorporating new, commercially viable ideas that add value to existing, sophisticated technologies. It is highly prominent in the country's *Shanzhai* or "no brand" cell phone manufacturing industry. On the surface, *Shanzhai* phones copy the exterior designs and trademarks of brand name cell phones. On closer inspection, the producers harness user feedback to develop the final product. While some improvements are minor, studies indicate that *Shanzhai* phones have functions and technologies that rival Samsung, Apple and Sony's products. Given the influx of cheap Chinese handsets in the Bangladeshi mobile phone market, repairers are advantageously positioned to improve their skills and knowledge by studying these distinctive forms of Chinese innovation. On another level, local mobile phone manu-

facturers can benefit from tapping into the repairers' skills, knowledge and networks and thus, expand Bangladesh's mobile manufacturing industry.

With nearly 126.87 million mobile phone subscribers across the country, as per Bangladesh Telecommunication Regulatory Commission (BTRC) estimates, Bangladesh is one of the fastest growing mobile markets worldwide. While smartphones account for 20 percent of all handsets in the country, demand for both smartphones and feature phones that lack cutting-edge functionalities, has persistently grown over the past few years. Mobile phone imports, however, have been sluggish as the Bangladeshi government raised its taxes from 10 percent to 21.75 percent in the past fiscal year. In turn, the high tax on mobile imports has been a boon for local mobile producers such as Walton group.

According to *The Financial Times*, with assembly lines based in Bangladesh, Walton has captured nearly a third of the domestic market share by selling about 140,000 smartphones per month; since last year, it has also started exporting mobile phones to Saudi Arabia, Nepal and Qatar. Like its Southeast Asian peers, the company, however, counts on Chinese engineers to design its mobile products. Instead, Walton can employ large pools of repairers in its assembly lines to harness skills, further bringing down production costs and reduce its dependence on Chinese workers.

Bangladesh's informal mobile phone repairers are not an isolated case; rather, they represent the largely invisible yet skilled labour present in the informal economy. Sadly, however, Bangladesh continues to brand the sector as highly unproductive. The government and private enterprises need to actively study the sector and create stronger links with the informal economy so that it can promote new opportunities for industrial growth. These initiatives can create pathways for existing workers to shift away from the informal to the formal sector.

The writer is a graduate of Mount Holyoke College.



PHOTO: STAR

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and innovation, it provides opportunities for acquiring skills and work, particularly for disadvantaged groups who fail to complete basic general education.

According to a recent Cornell study on Dhaka's informal mobile phone repair market, repair work is a critical, technological vocation that goes unrecognised in the Bangladeshi economy. Moreover, it

complex problems related to the design, function and durability of sophisticated, fast changing mobile phone technologies. Moreover, these workers often do not attain technical degrees; instead, they rely on years of apprenticeship and highly skilled practice gained through working in the informal or semi-formal sectors. Informal mobile repair activity is closely linked

## A WORD A DAY

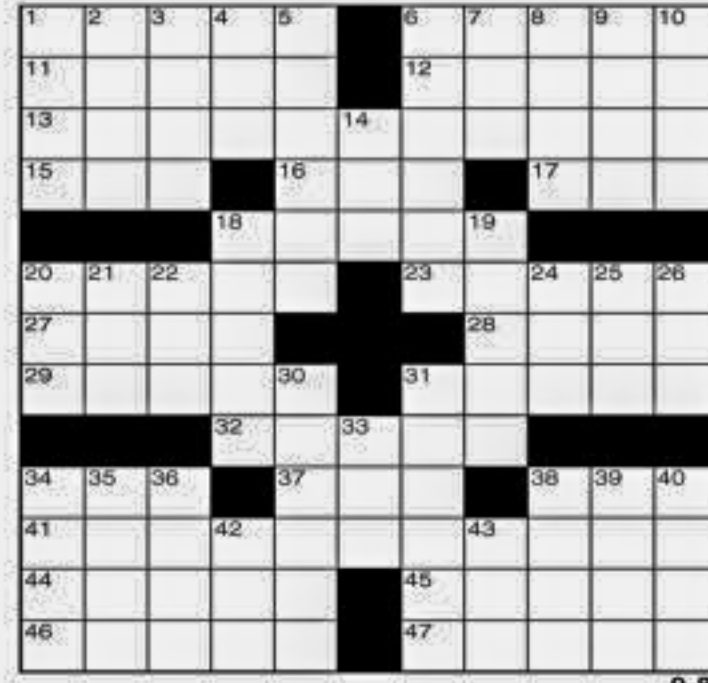


**NOETIC**  
[nō-'et-ik]

Of, relating to, or based on the intellect

### CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- 1 Components
  - 6 Stop, as rain
  - 11 Match in value
  - 12 Sports setting
  - 13 Stretchy loops
  - 15 Bandleader Kyser
  - 16 Pupil's place
  - 17 Young one
  - 18 Compete in a bee
  - 20 Unoccupied
  - 23 Crouton's place
  - 27 Infield corner
  - 28 Binary digit
  - 29 Short
  - 31 Coral communities
  - 32 Water lily
  - 34 Swiss peak
  - 37 Brink
  - 38 Use a straw
  - 41 Amateur rock groups
  - 44 Kept in reserve
  - 45 Stellar goat
  - 46 Tourney makeup
  - 47 March honoree, for short
- DOWN**
- 1 Make coffee
  - 2 Blue hue
  - 3 July birthstone
  - 4 Bar bill
  - 5 Nodding, perhaps
  - 6 Nutritional info spots
  - 7 Pitcher's stat
  - 8 Circus sight
  - 9 Take apart
  - 10 Years gone by
  - 14 Reuben bread
  - 18 Sword metal
  - 19 Takes it easy
  - 20 Flow out
  - 21 Spoil
  - 22 Letter before omega
  - 23 Sheltered side
  - 24 Sandy's sound
  - 26 Uno doubled
  - 30 Smiths' workplaces
  - 31 Cuban dances
  - 33 Make knots
  - 34 Wildly eager
  - 35 Turner of Hollywood
  - 36 Prudish
  - 38 Scissors sound
  - 39 Notion
  - 40 "Hey, you!"
  - 42 High card
  - 43 Museum focus



### YESTERDAY'S ANSWER



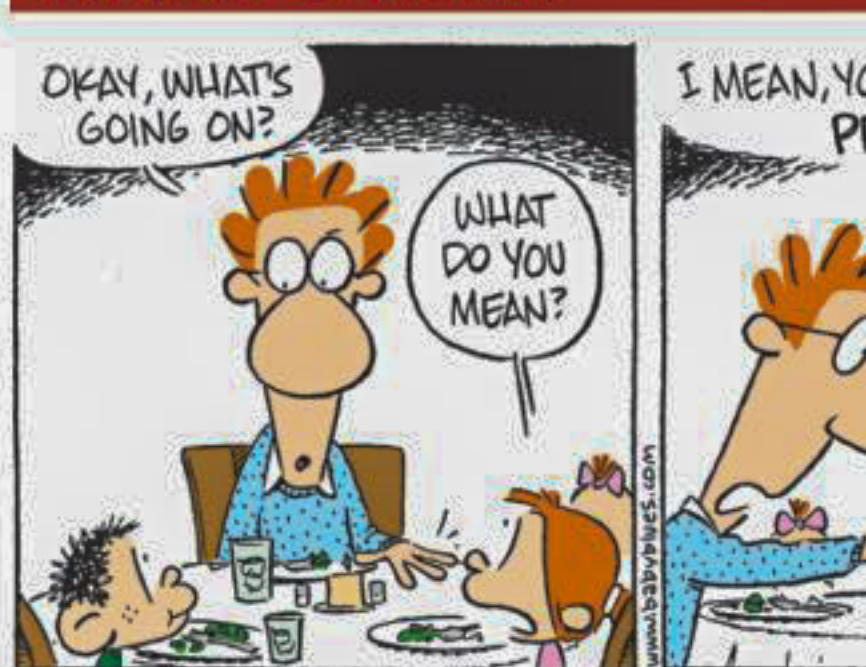
### BEETLE BAILEY



### by Mort Walker



### BABY BLUES



### by Kirkman & Scott

