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BUSINESS

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Prepare for challenges in post-LDC era: analysts

STAR BUSINESS REPORT

Bangladesh must take adequate preparation and come up with a well-thought-out strategy for its life as a developing country from 2024 onwards, experts said.

The country is on course to joining the group of developing countries in 2024, after being an LDC since 1975.

After the graduation, the country will get three years to adjust to the modalities of being a developing country, after which its quota-free and duty-free access to developed economies, eligibility to low-cost financing along with other benefits will come to an end.

"We actually have before us a ten-year gap," said Rehman Sobhan, chairman of the Centre for Policy Dialogue, at a discussion styled 'Bangladesh and the LDC Graduation Challenges', organised by the think-tank at the capital's Lakeshore Hotel yesterday.

"And in this 10 years, if we do not shape us then we should be facing not just a variety of economic problems but a variety of social and political problems as well, which may become even more unmanageable."

For instance, Bangladesh now gets 15 percent tariff benefit over developing countries in terms of market access to the developed countries; this benefit will be lost upon graduation.



Rehman Sobhan, chairman of Centre for Policy Dialogue, speaks at a discussion at Lakeshore Hotel in Dhaka yesterday. Md Shahriar Alam, state minister for foreign affairs, Wahiduddin Mahmud, an economist, and Fahmida Khatun, executive director of CPD, are also seen.

So entrepreneurs should use the time to enhance their export competitiveness such that they can compete even after the end of the tariff benefits, he said.

As Bangladesh does not have enough natural resources, it can learn from Japan, South Korea and other countries and turn its huge population into a resource.

"Invest in quality education. We should see our people as resource and invest in them," he added.

In a paper presented at the event,

CPD Distinguished Fellow Mustafizur Rahman said Bangladesh might be included in the graduation list in next year's review by the United Nations.

The Committee for Development Policy (CDP), a body of the UN Economic and Social Council, is responsible for reviewing the status of LDCs and monitoring their progress following graduation from the category.

The CDP reviews a country's position based on three criteria:

gross national income per capita calculated based on three-year average, human asset index (HAI) and economic vulnerability index (EVI).

A country has to pass the threshold in two of the three criteria.

Bangladesh will be considered for graduation because of passing the threshold in HAI and EVI, Rahman said, adding that the third threshold is expected to be conquered by the time of 2021 review.

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Aman Group invests Tk 2,700cr to set up 3 plants in economic zone

STAR BUSINESS REPORT

Aman Group has put in about Tk 2,700 crore for setting up three factories at its economic zone in Narayanganj, with more investment on the way to establish various manufacturing plants.

Cement manufactured at the unit will hit the market within the next couple of days, while commercial production at the packaging unit will start next month, said Rafiqul Islam, chairman and managing director of Aman Group.

The group has set up a shipbuilding plant at the zone, where the manufacturing of 12 vessels is going on in full swing, he said, adding that there are plans to set up an LPG plant, food and beverage unit and power plant in the economic zone.

An economic zone is a designated area in a country with special economic regulations that differ from the rest of the country.

An entrepreneur can enjoy various benefits, including tax incentives, from the authorities by setting up an industrial unit in an economic zone.

Aman Group got the final nod for the economic zone from the Bangladesh Economic Zones Authority yesterday, making it the third company from the private sector to do so.

Meghna Group was the first private sector player to receive the final licence from the Beza. Abdul Monem Ltd is the other player to get the final licence.

Other local and foreign entrepreneurs from various sectors including construction materials, light engineering, petrochemical,

garments and textiles, shipbuilding and IT can invest in the zone.

"We have already received some proposals from entrepreneurs from countries like China, Germany, India and Canada, and the discussions are going on," he added.

Paban Chowdhury, executive chairman of Beza, handed over the licence to Islam at a function in Dhaka.

Aman Group completed the environmental impact assessment and feasibility study and prepared a master plan on the economic zone as per the conditions of a prequalification licence it received in February last year.

The zone is situated on 83 acres of land at Sonargaon in Narayanganj, which is in close proximity to the Dhaka-Chittagong highway and the Meghna Ghat river port. The zone, however, can be extended up to 150 acres.

Chowdhury said they are planning to offer 4,000 acres of land for development under private or public-private initiatives in the next one month.

Beza has so far offered about 1,300 acres of land for development in its four economic zones.

"We will provide all the necessary support to the private sector for economic zone development," he said.

Beza has so far awarded pre-qualification licences to 10 other local private companies to set up 13 economic zones. It is also setting up four economic zones in the public sector.

The authority is aiming to create jobs for one crore people in 100 economic zones by 2030 and produce goods and services worth \$40 billion.

Women lack access to financial services: study

STAR BUSINESS REPORT

Women contribute 26 percent to bank deposits but they get only 2 percent as credit out of total outstanding loans, according to a study launched yesterday.

Despite better use of loans than men, women entrepreneurs face a lack of access to formal finance because of high transaction costs, asymmetric information, dearth of collateral and personal guarantee, and cumbersome documentation for loan application.

Rural women lack an access to savings and other financial services, according to the study presented at a conference on 'Women's Economic Empowerment (WEE) – Investing in Emerging Priorities'.

CARE Bangladesh organised the programme for International Women's Day at Spectra Convention Centre, Dhaka, to bring together development actors, the private sector, policymakers and stakeholders.

Microenterprises are transforming women's livelihoods in Bangladesh by engaging them in non-farming activities, according to a presentation. There were three



Meher Afroze Chumki, state minister for women and children affairs, Jamie Terzi, country director of CARE Bangladesh, and Christine Hunter, country representative of UN Women, attend a conference at Spectra Convention Centre in Dhaka yesterday.

plenary sessions -- Women and Market, Women and Financial Inclusion and Women and Dignified Work.

Only money and education can

empower women as financial solvency is the source of power, said Meher Afroze Chumki, state minister for the women and children affairs ministry, who

attended as the chief guest.

Financial independence enables a woman to fight back oppression, she added.

Women's fate will have to

change if we want to achieve a middle income country status, said the minister.

"In our society, men are powerful as they have income, but women lag behind in earnings. Financial dependence on men makes women weak."

The ministry is working on women empowerment by taking up projects to train them in different sectors including driving and mechanics, she said. The ministry recently took a project worth Tk 250 crore to train women across the country in 18 sectors.

Christine Hunter, country representative of UN Women, said, "We have to talk about women empowerment as girls are still facing many inequalities."

The economic empowerment of women will bring a big change in their lives, she added.

There are different types of changes required, like building women's choices and giving them the ability to choose how they want to pursue their life, Hunter said. "We have to remove the barriers that limit women's choice."

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First e-commerce tech park in the offing

MUHAMMAD ZAHIDUL ISLAM

The e-Commerce Association of Bangladesh (e-CAB) has taken an initiative to set up the country's first private e-commerce technology park in Dhaka.

"This scheme will solve the office space accommodation problems for a good number of e-commerce entrepreneurs. They will also get courier and payment gateway facilities over there," said Razib Ahmed, president of e-CAB.

The association signed an agreement on Monday to rent 24,000 square feet of space (two floors) in a building in Mohakhali from Nasima Akter Nisha, owner of the ten-storied building.

The agreement will initially be for ten years; it might be extended later.

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Curb import of solar panels to boost local industries

Manufacturers call for better policies

STAR BUSINESS REPORT

Local solar panel manufacturers have called for policies that support growth of the sector, as well as measures to deter imports.

In a statement, the Solar Module Manufacturers Association of Bangladesh (SMMAB) said people are being cheated by the import of substandard solar panels.

Nine local companies that are members of the association have the ability to produce 100MW.

"The local producers have the ability to meet the demand but they cannot survive in the face competition from imported panels," Moin said. High tariff could be imposed on imported panels as a measure, he added.

Golam Baki Masud, general secretary of the association, said although the prime minister has attached priority to solar power as an alternative fuel, no definite regulation has been formulated to this effect.

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ERD issues guideline on limited tendering for China

STAR BUSINESS REPORT

The Economic Relations Division of the finance ministry has issued a guideline on limited tendering for selection of contractors for projects financed by China.

Under the guideline, Bangladesh's ministry or division will send project proposals to China through the ERD seeking Beijing's finance.

Beijing will forward a short-list of Chinese companies and Dhaka will carry out the limited tendering among the candidates as per the rules of Bangladesh.

"Chinese contractors for all projects financed by China will be selected through the limited tendering process," according to the guideline, released on March 9.

However, Bangladesh will continue to allow China to select contractors through processes other than the limited tendering for projects that work in the interests of both countries, such as setting up of economic zones or attracting investment. With the new guideline, Bangladesh is moving away from the direct procurement method allowed to China for projects it bankrolled through concessional loans and preferential buyer's credit.

The direct procurement method is deemed unsolicited and the cabinet committee on economic affairs, in August 2015, recommended for avoiding it in all cases except those special ones.

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Fulfil govt job quota for indigenous people: ILO

STAR BUSINESS REPORT

A study of the International Labour Organisation in Bangladesh has called for steps to ensure that the government job quota for indigenous and tribal people is fulfilled. Currently, 5 percent of Class I, II, III and IV government jobs are set aside for ITPs. But nearly 90 percent of the seats go unfilled, according to a study.

The study, authored for the ILO by Barrister Raja Devasish Roy, has highlighted how job reservation policies could be adjusted to help more indigenous and tribal people (ITPs) get government jobs in Bangladesh.

The study titled -- Job Reservation Policies for Indigenous and Tribal Peoples in the Civil Service in Bangladesh -- provides a comprehensive analysis of the quota policy for recruitment of ITPs in government service and the status of its implementation.

A workshop held at the Sonargaon hotel in Dhaka yesterday reviewed the findings and provided input to help fulfil

the report, said the ILO in a statement.

Speaking at the programme, Gagan Rajbhandari, deputy director of ILO Bangladesh, said it is envisaged that the report would be used as an advocacy instrument and a basis for policy dialogue towards improving or revising the job quota policy.

It is expected that the knowledge generated will address the root causes of exclusion, such as limited access to skills training and education, he said.

Enhancing access to high-quality primary, secondary and tertiary education, including mother tongue-based multilingual education at the primary level, is a crucial step, according to the report.

This will help build longer-term capacity of ITP candidates for both government and private jobs on merit basis as well as for reserved quota positions.

The other recommendations include the reservation of a percentage of the ITP quota for members of the most marginalised ITP communities and for ITP women and people with disabilities.

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