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আমরা দিচ্ছি শ্রীআ হ ডি ডি সর্বাধিক ব্যাংকিং সেবার প্রতিশ্রুতি

More graduates join jobless queues

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More graduates join jobless queues

SOHEL PARVEZ

Unemployment among graduates rose in fiscal 2016-17 in a worrying development for a country with a sizeable young demographic.

The rate of unemployment among persons with education of up to tertiary level increased 11.2 percent in fiscal 2016-17 from 9 percent a year earlier, according to the latest Labour Force Survey (LFS) by the Bangladesh Bureau of Statistics (BBS).

Unemployment grew among those with other levels of education as well; only those with no education saw higher demand for jobs, BBS data shows.

"This is a structural mismatch. When we talk to relatives they say there are not enough jobs. But

when we talk to entrepreneurs they say where are the people for hire?" said Zahid Hussain, lead economist of the World Bank's Dhaka office.

It shows that the quality of education from the existing system does not match the requirements of the job market, he said.

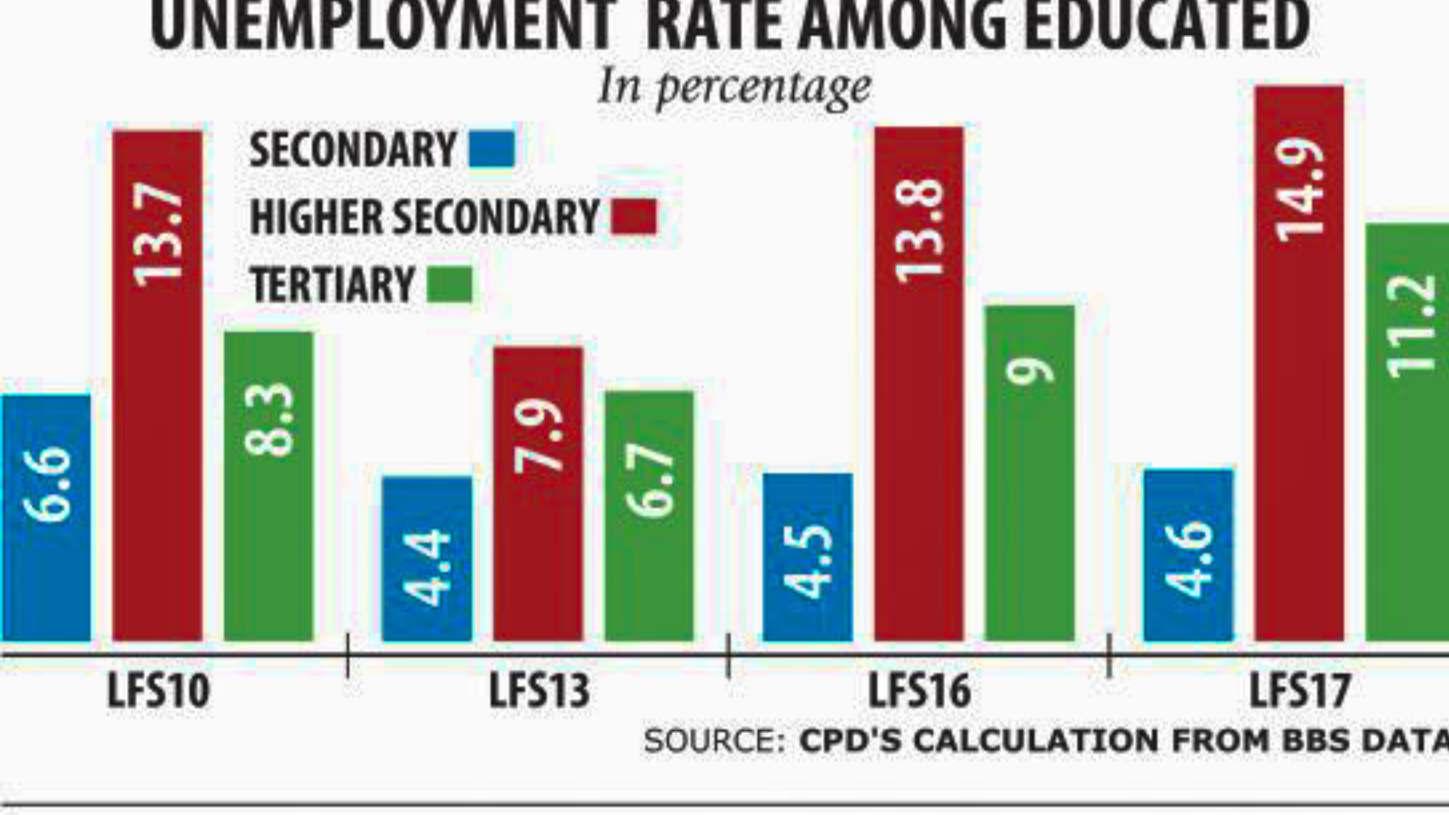
The rate of unemployment has increased at a time when higher numbers of graduates are coming out of universities and the economy is registering steady growth.

Some 4.55 lakh students graduated from public universities in 2015, up 8 percent from a year earlier, according to Bangladesh Education Statistics 2016.

"If you don't use your demographic dividend, the youth can go on to become a liability for the



STAR/FILE



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nation," Hussain said.

Demographic dividend is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working age population (15 to 64) is larger than the non-working age share of the population (14 and younger, and 65 and older).

The youth labour force (15 to 29) now stands at 2 crore.

The Centre for Policy Dialogue also noted the rising unemployment rate among the relatively more educated labour force, particularly among the educated.

On the other side, a high number of foreigners work here in various industrial sectors, including textile and garments, owing to a lack of technical skills of locally available labour force, it said.

No actual data is available on the number of foreigners working in the country as many come as tourists and work here without taking permits.

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Private sector foreign loans a latent danger

Analysts say as BIBM launches report

STAR BUSINESS REPORT

Misuse of funds and rising exchange rate are pushing many short-term foreign loans into the overdue territory and in so doing posing a concern for the economy, analysts said yesterday.

In 2017, short-term foreign borrowing, which tends to be for less than three years, stood at \$8.44 billion, which was 74.5 percent of the total private sector external borrowing for the year.

As a whole, private borrowing from external sources was 35 percent of the foreign currency reserves in 2017, according to a research paper titled "Private Commercial Borrowing from Foreign Sources in Bangladesh: An Anatomy" by the Bangladesh Institute of Bank Management (BIBM).

"Though the reserves at present can attend to the external liabilities, the rising demand for short-term foreign loans may put pressure on the reserves," said Prashanta Kumar Banerjee, professor and director of BIBM.

Between 2013 and 2017, the annual growth rate of short-term external loans was 35.15 percent. For long-term borrowing, the rate was 6.23 percent.

Banerjee's comments came at the unveiling of the paper at a seminar organised by the BIBM at its auditorium in the capital.

Instead of using the foreign loans for business purposes, many borrowers seem to service their local loans with the funds, said Helal Ahmed Chowdhury, supernumerary professor of the BIBM.

"The overdue short-term foreign loan amount is increasing and heading towards default due to diversion of funds," he added.

The higher demand for short term borrowing is coming from importers, according to the report.

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Alibaba buys 20pc stake in bKash

STAR BUSINESS REPORT

Alipay, a concern of China's e-commerce and tech giant Alibaba Group, has bought 20 percent stakes in bKash, Bangladesh's largest mobile financial service provider.

Kamal Quadir, chief executive officer of bKash, and Douglas Feagin, senior vice-president of Ant Financial, the operator of Alipay, signed the deal at the Radisson Blu hotel in Dhaka yesterday.

However, neither bKash nor Alipay gave any financial figure on the deal.

"This new investment opens many new opportunities for bKash and demonstrates the confidence a world class player is placing on Bangladesh," said Quadir after the deal was signed.

He said along with the investment, Alipay will bring the best payment technologies built by thousands of engineers and the knowledge of applying those technologies to the economy like China.

Alipay also expressed high hope about its investment in bKash.

"bKash can tap into the experience Alipay has built over the last decade serving 800 million users together with our strategic partners worldwide," said Eric Jing, executive chairman and CEO of Ant Financial.

Jing said there is a huge potential of mobile banking in Bangladesh as small and medium enterprises are growing rapidly.

As part of Ant Financial's global strategy Alipay is keen to share its technological know-how with partners like bKash, which has successfully brought financial services to the largely unbanked population, he said.

Brac Bank holds 51 percent stakes in bKash, while the remaining 49 percent is held by Money in Motion LLC, a US-based company, the International Finance Corporation and the Bill and Melinda Gates Foundation.

Abdul Kader Joaddar, chief financial officer of Brac Bank, said Alipay will receive 16 percent share in the first phase and the rest 4 percent later. He said the share sale would be finalised after the approval from the authorities concerned and it would take 15 to 20 months to complete the deal.

Selim RF Hussain, CEO of Brac Bank, said the partnership with Alipay will help bKash boost its activities across the country.

Alipay is a third-party mobile and online payment platform established in Hangzhou, China in 2004 by Alibaba Group Founder Jack Ma.

Alipay overtook PayPal as the world's largest mobile payment platform in 2013.

RANA PLAZA COLLAPSE

TIB for special tribunal to try people responsible

STAR BUSINESS REPORT

people responsible for the review" at its deadliest garment sector incident, the TIB said in its report.

The fourth fact-finding mission of the International Labour Office (ILO) on the Bangladesh collapse of strengthening workplace safety, he said.

The government unwillingness to set up a special tribunal to try the people responsible was noticed, it said in its report.

The lengthy judicial process TIB, at a press conference on the case is a bar to trying the



Sultana Kamal, chairperson of the board of trustees at Transparency International Bangladesh, speaks at a press conference on "Good governance in RMG sector: progress review", at TIB's Dhaka office yesterday. Iftekharuzzaman, left, executive director, was present.

Unwarranted extension for BSEC chief

STAR BUSINESS REPORT

Despite limited success as the head of the stock market regulator, M Khairul Hossain has been handed a two-year extension to take his tenure as the chairman of the Bangladesh Securities and Exchange Commission to nine years.

All previous chairmen -- Sultan-uz-Zaman Khan, MA Sayeed, Monir Uddin Ahmed, AB Mirza Azizul Islam and Faruq Ahmed Siddiqi -- had served a three-year term and they were not given any extension or were reappointed.

Hossain first became the BSEC chairman, a post which is equivalent to that of a senior secretary, on May 15 2011.

After the completion of the three-year term the government reappointed him for a further four years after the amendment of the Bangladesh Securities and Exchange Commission (Amendment) Act 2012.

The term was due to expire on May 18, but on Tuesday the government issued a notification confirming Hossain's extension.

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M Khairul Hossain

4G makes a tepid start

STAR BUSINESS REPORT

Only 26 lakh mobile phone users have embraced 4G technology since its rollout nine weeks ago although top operators expanded network robustly on the expectation of bringing more customers under the fourth-generation service quickly.

Despite the tepid growth, Robi yesterday celebrated reaching a milestone of 10 lakh 4G users.

Market leader Grameenphone said the number of its 4G customers is about 10 lakh and Banglalink said its users of the new service crossed five lakh recently.

But the pace at which the customers are embracing 4G has not been satisfactory, said operators.

Robi has brought 4,440 sites under the faster mobile data coverage in 420 upazilas.

GP upgraded nearly 2,000 sites and Banglalink 1,800 sites to offer 4G services.



The Bangladesh Telecommunication Regulatory Commission awarded the 4G licences to the three operators on February 19.

Operators said they are expanding network very fast but customers are not willing to convert their 3G SIMs to take the new service.

As of February, there are 7.75 crore active mobile internet connections in Bangladesh. Of them, 6.35 crore enjoy 3G services, while only 3.23 percent are now using 4G on their phones.

Mobile phone operators have invested about \$1 billion to roll out the 4G network so far but the response is not satisfactory, said TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh, recently.

The non-availability of cheaper 4G-enabled handsets is standing in the way of 4G.

Operators have demanded a tax cut levied on 4G handsets to make the service viable. There is about 30 percent tax on imported handsets.

Only 10 percent handsets in Bangladesh are 4G-enabled, according to industry people.

Speaking at the celebration, Mahtab Uddin Ahmed, chief executive officer of Robi, hailed the milestone as a significant achievement for the company.

Telecom Minister Mustafa Jabbar, State Minister for ICT Zunaid Ahmed Palak, Telecom Secretary Shyam Sunder Sikder and BTRC Chairman Shahjahan Mahmood were present.

Tea workers demand pay hike

DWOHA CHOWDHURY, Sylhet

Tea workers of 23 gardens in Sylhet observed work abstinence on Wednesday and threatened to go for an indefinite strike if their wages are not increased by tomorrow.

The tea labourers are paid under a wage agreement which determines their daily payments and other benefits, said Raju Guala, president of Bangladesh Cha Samik Union in Sylhet.

The garden owners raised the daily wages of the tea labourers by Tk 16 to Tk 85 through the last wage agreement, which is supposed to be updated once in every two years, he said.

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