

Lofty promises, real challenges

AL, BNP vow to accelerate growth, create jobs though risks loom over financial sector, business climate

STAR BUSINESS REPORT

Bangladesh has achieved impressive economic expansion in the past decade averaging a 6.5 percent GDP growth rate. For the three past consecutive years the growth went past 7 percent, making the country one of the fastest growing ones in the world.

Per capita income rose to \$1,751 in 2017-18 from \$703 in 2008-09. Other economic indicators such as export, import, eradication of poverty, inflow of remittance, inflation and foreign exchange reserve paint a success story about Bangladesh.

The government's go-ahead to a raft of mega projects and 100 economic zones also deserves credit despite slow implementation.

Achieving and celebrating success is a common thing for any government, business or individual. The Awami League-led government, which has been ruling the country for the past decade, can boast that it has achieved something worth celebrating.

But there are some fault lines in the economy that equally warrant attention from the political parties competing with each other for power.

At the foremost of these faults is the deteriorating health of the banking sector as some businesses have grown the tendency of making money by taking loans but not returning those afterwards, something evident in the growing amount of non-performing loans. The NPL, also called toxic assets, has increased more than four times to nearly Tk 1 lakh crore in the past decade.

The NPL figure would be almost double, according to many analysts, if loans that had been written off and rescheduled were taken into account.

Growing asset concentration to single borrowers is another concern. The government's plan to allow three more banks may hurt the banking sector further.

As the country's equity market is highly dependent on banks, political parties must focus on the banking sector to establish discipline.

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AL recognises banking crisis

Promises steps

JEBUN NESA ALO

The ruling Awami League yesterday said it would take steps to rescue the ailing banking sector if it retains power, in an apparent recognition of the crisis that has been plaguing the industry for years.

The party vowed that it would deal with loan corruption with an iron hand and take legal actions against the bankers and clients involved with the scams, according to the manifesto, which was unveiled yesterday.

The party said it would empower the Bangladesh Bank to beef up its supervision over the scheduled banks and financial institutions.

A research conducted by the Centre for Policy Dialogue estimated that loan scams in 14 banks cost Tk 22,502 crore in the past decade.

The AL also made a promise to bring down default loans, a major concern for the banking sector.

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ECONOMIC ASPECTS OF POLLS PLEDGES

AL



- GDP growth target 10pc by 2023-24; per capita income \$2,750
- Poverty rate to be cut to 12.3pc in five years from 21.8pc now; zero poverty by 2041
- Creation of 1.28cr jobs in 5 years
- Overseas jobs for 1,000 men, women in every upazila each year
- Equal wages for men, women
- Industrial cities like Singapore to be built on both sides of Padma bridge
- Farm subsidy to continue
- Steps to reduce cost of doing business
- Zero tolerance to corruption
- Stern actions against loan scams; punishment for bankers, borrowers and offenders
- Devising effective system to implement bankruptcy law
- Excavation of four rivers surrounding Dhaka city

BNP



- Economic growth to be raised to 11pc (no timeframe mentioned)
- Probe report of BB reserve heist to be published
- Banking division at the finance ministry will be closed down
- No development project will be stopped
- Audits to unearth corruption in mega projects
- No hike in gas and electricity prices at household level in the first year
- Task force to probe high cost of power from rental projects
- 1cr jobs to be created in 5 years
- 2 lakh people to be appointed in govt services in the first 3 years
- Farm subsidy to continue
- Introduction of crop, livestock, fisheries and poultry insurance
- RMG minimum wage to be raised to Tk 12,000 within 2 years

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Accord hearing now pushed to Jan 21

STAR BUSINESS REPORT

The Supreme Court yesterday deferred for a fifth time the date for hearing of an appeal filed by the Accord for extending its stay in Bangladesh.

The apex court fixed January 21 for further hearing on the leave-to-appeal petition filed by the Accord, an agency formed with over 200 retailers and brands mostly European to ensure workplace safety in Bangladesh's garment sector.

The petition was filed challenging a High Court directive that asked the Accord to stop its activities and operations after November 30.

Yesterday, a seven-member bench of the Appellate Division headed by Chief Justice Syed Mahmud Hossain passed the order after Accord's lawyer AM Aminuddin sought the adjournment.

Aminuddin told The Daily Star that he sought the adjournment as he would have to talk to the high officials of the Accord for placing arguments before the court.

He added there was no legal bar for the Accord to run its activities till January 21 following the SC order.

"I hope the Accord will agree to follow the conditions by this time," said Additional Attorney General Murad Reza, who appeared for the government.

The government has set eight conditions and asked Accord to fulfill the conditions if it wants to stay in Bangladesh.

However, the Accord wants to continue its operations without any conditions.

As of November, the Accord-affiliated factories have completed 90 percent of remediation works. Of the nearly 1,600 factories inspected, 91 have fully completed their remediation.

Cut cost of business to boost exports

FBCCI chief urges govt at CIP card distribution ceremony

STAR BUSINESS REPORT

Designers say that during it is a matter of Bangladesh's great regret that independence Bangladesh in 1971." The ranks 176th higher profit in among 190 Bangladesh nations in the compared to ment should ease of doing any country in give more focus business the world is to improve the index," said the helping the business envi- chief of the local businesses ronment and Federation oft to survive, reduce the cost Bangladesh although they of doing busi- Chambers of are burdened ness to achieve Commerce and with a lot of further export Industry problems, he growth, FBCCI (FBCCI). said. President "They also Mohiuddin Shafiul Islam say that the was addressing Mohiuddin condition of four a programme at said yesterday. port is still the TCB building "Many for- same as it was auditorium in

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Commerce Minister Tofail Ahmed speaks at a programme at TCB building auditorium in Dhaka yesterday when the government distributed CIP cards for 2016.

Tea workers deprived of proper wages: TIB

STAR BUSINESS REPORT

Development remains a far cry for tea workers whom garden owners still deprive of proper wages and basic necessities while trampling on their dignity, said Transparency International Bangladesh (TIB) yesterday.

Labour laws and regulations, alongside the gardens' job contracts, stipulate that the owners are to provide all basic necessities to the workers.

The Berlin-based organisation presented a research paper on "Working Environment & Worker's Right in Tea Garden: Governance Challenges and Way Forward" through a press conference at its Dhaka office.

The research data was derived from permanent workers of 64 gardens between August 2017 and May 2018. There are 156 gardens registered in Bangladesh.

The TIB found the wages of tea workers to be the lowest amongst those in all of the industries. The highest monthly wage was Tk 5,231 while non-permanent workers got less than what their permanent peers got.

In contrast, the minimum wage was the highest for workers in the ship breaking industry (Tk 16,000), followed by tannery (Tk 12,800), alu-



Dr Iftekharuzzaman, TIB executive director, speaks at a press conference at its Dhaka office yesterday.

minium (Tk 8,700), pharmaceuticals (Tk 8,050), readymade garments (Tk 8,000), tea packaging (Tk 7,080), saw mills (Tk 6,850), bakery (Tk 5,940), automobile (Tk 5,930) and cotton (Tk 5,710).

The research paper says the tea workers cannot put on any form of headwear in front of garden managers, assistant managers and heads of panchayets (village councils).

People who hold these three posts sometimes even go as far as ordering tea workers to come and take off their shoes.

Dr Iftekharuzzaman, TIB executive director, said he could not term tea workers' work environment and living standards as that of slavery as labour rules and regulations now exist, something not available when the subjugation was in practice in the past.

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