

Garment factories in SME category to get cash incentive

REJAUL KARIM BYRON and
REFAYET ULLAH MIRDHA

The government has extended policy support to garment exporting factories falling under the small and medium enterprise (SME) category to improve their competitiveness during this time of the coronavirus pandemic.

The Bangladesh Bank (BB) yesterday issued a notice stating that such garment factories focusing knitwear, woven items, sweaters, terry towels and home textiles would get a cash incentive.

Factories whose exports amount to up to \$5 million are considered as SMEs in the garment sector. So, they will enjoy the benefit.

A 4 per cent incentive would be provided on 30 per cent value addition even if the garment items were made out of imported

fabrics and yarn, the notice said.

The SMEs will even be able to avail the benefit on export receipts of last fiscal year, it added.

The big units have been enjoying a 4 per cent cash incentive on export receipts on use of local yarn and fabrics in production and manufacturing of garment export.

The government has been providing it since 2009 when the local factories were suffering from the fallout of the global financial recession of 2007 and 2008.

Now the government has decided to give this benefit to the SMEs to help them grow and create new entrepreneurs in the country.

“Our small industries will be benefitted from this move,” said Mohammed Abdus Salam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Currently, the small and medium units cannot compete with the bigger ones.

So, the move will improve the competitiveness of the SMEs and one day they will turn into big exporters of the country, he said, adding that the new move would also increase employment.

The export volume and value will also increase, he added.

Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), echoed the same.

More than 50 per cent or 1,500 of factories are SMEs, he said. “It was our long-time demand from the government,” he said.

But Arshad Jamal Dipu, vice-president of the BGMEA, said the SMEs might not be greatly benefited from the new move by the government.

“We proposed that the government expand the definition of SMEs this year. We suggested the government consider units as SMEs if their exports were \$15 million but it was finally left at \$5 million,” he said.

A Matin Chowdhury, former president of the Bangladesh Textile Mills Association, said the local primary textile sector would be affected a little by the move but it was also true that the government needs to assist the local SMEs so that they could expand and grow.

“This is a special kind of support to the SMEs from the government,” said Matin Chowdhury.

Currently, the local spinners can supply nearly 90 per cent of raw materials to the knitwear sector and 40 per cent of raw materials to exporters of woven items.

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The stalks of water lilies are eaten as a vegetable in Bangladesh. People dive into water bodies, including marshlands where the flower grows aplenty naturally, to cut off the stems from the bottom and harvest the vegetable for sale in local markets. Despite the effort, their abundance make them unbelievably cheap, each stalk selling for just around Tk 1. The water lilies in the photo were collected in Gopalganj district and brought to Pirojpur Old Bus Terminal some 60 kilometres away for sale recently.

HABIBUR RAHMAN

Two more projects see allocation increase

Ecneec approves 5 projects involving Tk 2,570.2cr

REJAUL KARIM BYRON

The government has revised upwards the allocation for two projects at a time when it is strict about approving funds amid drastic fall in revenue because of the coronavirus pandemic.

It came as the Executive Committee of the National Economic Council (Ecneec) gave its consent to five development projects involving Tk 2,570.2 crore, which included two revised ones.

Prime Minister Sheikh Hasina presided over the virtual meeting of the Ecneec.

The prime minister, Finance Minister AHM Mustafa Kamal and Planning Minister MA Mannan joined the meeting from Ganobhaban through a videoconference, while the other Ecneec members were connected from the NEC Auditorium.

The third phase of the Artificial

Reproduction Activities Expansion and Fetus Transfer Technology Project has been revised.

The allocation for the project has increased to Tk 471.7 crore, up from Tk 265.4 crore initially set aside. The project implementation period is January 2016 to December 2022.

An additional 1,000 unions have been added to the project's coverage area.

Ecneec gave its go-ahead for the first revision of the strengthening publicity programmes to improve the living standard of the rural population.

The activities would aim at helping the government implement 10 special initiatives.

They include One Household One Farm project, Shelter Project, Digital Bangladesh, Education Support Programme, Women Empowerment, Electricity at every household, Community clinic, social safety

net and protecting the environment.

The initiatives aim at improving the living standard of the rural population, increase their incomes and turn Bangladesh into a middle-income country.

Under the project, the government would raise awareness against drugs, about traffic laws, child marriage and preventing terrorism.

The budget for the project went up to Tk 107.4 crore, which was Tk 59.6 crore when it was undertaken. It would be implemented by November 2021.

The project has been revised as the underprivileged sections in 4,554 unions as well as in municipalities and city corporations have been left out while implementing one of its components, the proposal said.

Ecneec gave its consent for another project to carry out research on buffalo and boost the capacity to increase milk production

from river buffalo.

The 63.17-crore project would be implemented in 12 districts between July 2019 and June 2024.

Under the project, the laboratory capacity of the Bangladesh Livestock Research Institute (BLRI) would be expanded, shades would be built for buffaloes and a community nucleus of buffaloes capable of producing higher amount milk would be formed.

Ecneec has approved a project that aims to set up substations and capacitor banks in the power system and introduce smart grid in Dhaka Power Distribution Company (DPDC) areas.

The project would create an infrastructure to add 1.2 lakh more customers.

The project would cost Tk 1,454 crore and be implemented between July 2020 and June 2023.

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Trial run of Sonamura-Daudkandi waterway to begin next month

PALLAB BHATTACHARYA, from New Delhi

The inland waterways on the Sonamura-Daudkandi route that connects Tripura to Bangladesh will have its first trial run in the first week of September when barges carry 50 tonnes of cement across the canal, according to Biplab Kumar Deb, the chief minister of Tripura.

The 93-kilometre stretch was included in the list of India-Bangla protocol (IBP) routes in May earlier this year.

During the trial run, barges loaded with cement will head from the Daudkandi upazila of Bangladesh to the Sonamura subdivision in Tripura.

“This is the first time in history that any imported good will reach Tripura by ship,” Deb said in a social media post, adding that the 60-kilometre journey has been approved by the Bangladesh Inland Water Transport Authority.

As a part of the India-Bangla international inland waterways connectivity project, a floating jetty was installed on the Gomati river in Tripura on 4 July.

Traders of both nations had demanded that a trial run be held before allowing operations on the Sonamura-Daudkandi route to officially begin, various officials said.

A team of senior officials from the Bangladesh Shipping Ministry surveyed the route on 12 August, according to Subrata Majumder, the sub-divisional magistrate of Sonamura.

Around 89.5 kilometres of the 90-kilometre stretch is within Bangladesh, he added.

Mangetout was always a winter harvest. Now it can be grown all year round

Sylhet Agricultural University researchers invented a new variety grows throughout the year

MINTU DESHWARA, from Moulvibazar

A mangetout seed invented by a team of researchers of Sylhet Agricultural University (SAU) has opened new opportunities for farmers to grow the winter crop round the year.

The team led by Md Shahidul Islam started the research in 2015 on how to grow this crop all year round, said Kazi Lutful Bari, deputy director of the Department of Agricultural Extension (DAE) in Moulvibazar.

This highly complex research was expected to take seven to eight years. But the team completed the task fast and invented the new bean sprout in 2018, he added.

Mangetout seed SAU-1 and SAU-2 were invented for cultivation in summer and monsoon seasons while there are two other varieties: white flower



Farmer Shipon Mia checks the quality of mangetouts of his land at Srimangal's Dengar Bon village in Moulvibazar. The photo was taken last week.

Navigating New Waters: a guideline for post LDC graduation

REFAYET ULLAH MIRDHA

It is a historic event for any citizen when their beloved country makes the graduation from a least-developed country (LDC) to a developing country thanks to the unanimous recognition of its economic performance by a UN body.

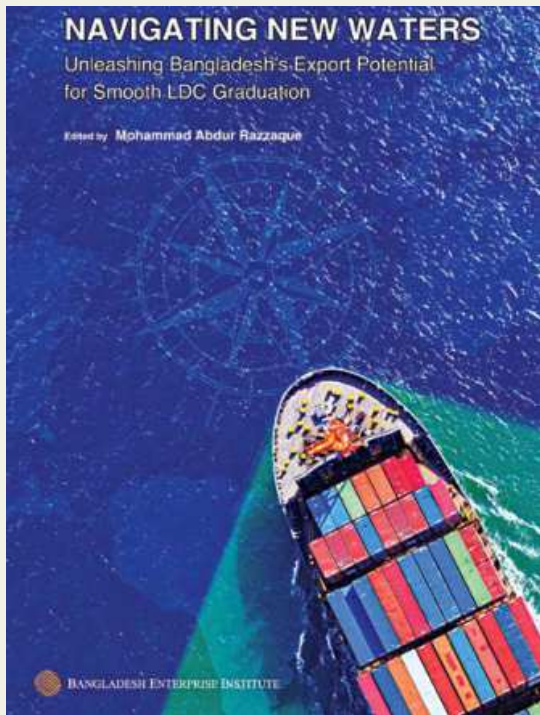
There is nothing to challenge the graduation of the country because it happened in reality as certified by the UN body. And it is also internationally recognised.

The UN Committee for Development Policy (UN CDP) is scheduled to review Bangladesh's progress in graduation in 2021 and it is expected that the country will finally come out from the LDC bracket in 2024.

We are very proud of and happy over our country's unimaginable and amazing success story.

Here, the success story is of course greatly supported by the export-oriented sectors over a journey of four decades.

And of course, specifically, the rise of the garment sector's extraordinary performance expedited the once bottomless basket to a bag full of potential.



It is like turning tragedy into strength, ashes to gold. The country boasts to be the second-largest apparel supplier worldwide.

Three important heroes must be credited for this achievement: the governments over the years, resilient entrepreneurs and our beloved workers.

Now, let us talk about the graduation to be a developing country.

So far, our economic trajectory has been well appreciated as we are performing well in international trade.

Here, local entrepreneurs who have been engaged in business are doing fine on the back of preferential trade benefits.

Bangladesh is one of the luckiest countries in the world and of course among the LDCs as it has been able to take advantage of nearly 70 per cent of the trade benefits given to the LDCs by the EU.

The country has been enjoying the generalised system of preferences (GSP) to the EU since 1973.

Probably this is the highest ever consumption of preferential trade benefits given for the LDCs by any trade bloc like the EU in history.

That's because the EU is the largest export destination for Bangladesh as the local exporters send 58 per cent of their goods there.

Let us think about the cumulative impact preferential trade benefits given by the EU had in our exports, job creation and our whole economy.

In one word, it is almost unimaginable. Here it is not my purpose to highlight the great deeds of the EU for my country. It is just an example of how an economy can be turned into a robust one on the back of trade preferential benefits.

In fact, it is only trade that has been playing the main role in eliminating poverty and creating a level playing field at least in economics.

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