

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 4.07%	▲ 4.85%	\$1,838.20	\$55.99	▲ 1.43%	▲ 2.36%	▲ 2.97%	▼ 0.17%	BUY TK 83.95	102.49	113.30	12.84
5,621.77	9,859.77	(per ounce)	(per barrel)	48,782.51	28,139.03	2,993.19	3,570.11	SELL TK 84.95	106.29	117.10	13.50



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## EU trade privilege hinges on human rights record

Says Rensje Teerink, head of the EU Delegation to Bangladesh

REHMET ULLAH MIRDHA and PORIMOL PALMA

Bangladesh will have to meet the European Union's new criteria on human rights to retain its duty-free market access to the bloc as the EU looks to increase accountability and fight impunity, said a top diplomat.

The EU is scheduled to assess the trade privilege in light of the human rights situation after the bloc became more cautious about it.

"As a major beneficiary of the EBA (Everything but Arms), Bangladesh will have to comply with the new criteria on the human rights to enjoy the benefit on exports," said Rensje Teerink, head of the EU Delegation to Bangladesh.

Some 61 per cent of Bangladesh's exports are destined for the EU.

Garment export, which accounts for about 85 per cent of the national sales abroad, rose from \$12.49 billion in fiscal 2009-10 to \$27.95 billion in 2019-20, according to a recent study by the Bangladesh Garment Manufacturers and Exporters Association.

Of the total export, more than 90 per cent are apparel items and 96.4 per cent goods are covered by the GSP scheme.

On December 7, the European Council adopted a decision and a regulation establishing a global human rights sanctions regime.

This will allow the EU to target individuals, entities and bodies – including state and non-state actors – responsible for, involved in or associated with serious human rights violations and abuses worldwide, no matter where they occurred.

"The new regime enables us to impose sanctions regardless of where human rights violations and abuses occur..." said Josep Borrell,



Rensje Teerink

*"As a major beneficiary of the EBA (Everything but Arms) scheme, Bangladesh will have to comply with the new criteria on the human rights to enjoy the benefit on exports."*

high representative of the EU for foreign affairs and security policy and vice-president of the European Commission.

"...without having to create new, country-specific sanctions regimes as we had to do until now. This means we have new tools to increase accountability and fight impunity," he said in a blog.

The EU can also respond to human rights violations by suspending development aid or withdrawing EBA trade preferences, Borrell said.

"So, Bangladesh needs to protect the EBA facility by complying with the new conditions of human rights," Teerink said in an exclusive interview with The Daily Star recently.

"The Director-General Trade and DG Employment of the EU have been closely monitoring the human rights situation in Bangladesh to be assessed for the next eligibility."

The new condition on human rights has been communicated with the ministries of commerce, labour and employment and foreign

affairs, she said. Retaining the trade privilege in the EU is important for Bangladesh because the current economic growth of the country happened significantly riding on the bloc's generous trade benefit over the last five decades.

Once the country graduates to a developing nation from the least-developed country (LDC) grouping in 2024, Bangladesh will face a lot of competition from other countries in the EU, and there is a possibility of losing the market share due to erosion in preference, the envoy said.

"It is very difficult to say exactly how much Bangladesh would be affected due to graduation," Teerink said, adding that the EU would remain a major market for Bangladesh even after the graduation.

After the expiry of the current EBA, obtaining the GSP Plus status to the EU by Bangladesh would also be very difficult because of a strong export base of the country to the EU.

For instance, the minimum threshold of import value by the bloc from a GSP eligible country should be less than 7.4 per cent of the total imports from all beneficiary countries during the last three consecutive years on an average. Bangladesh's share was 24.4 per cent in 2018.

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## Gojek writes off Pathao investment

The main investor of Bangladesh's ride-hailing firm makes the move to clean up balance sheet

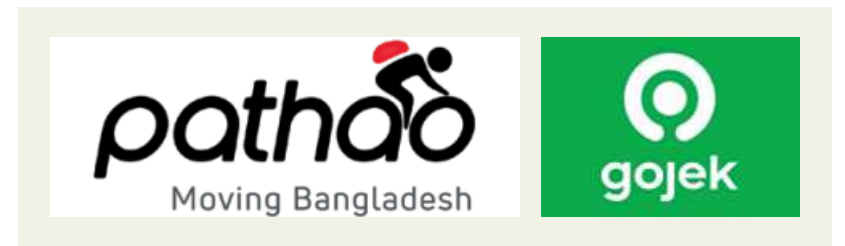
SHAHRIAR RAHMAN

Gojek Singapore, the main investor of Pathao, had a tenfold increase in year-on-year loss in 2019, largely stemming from its investment in Bangladesh's ride-hailing service as it moved to clean up its balance sheet.

Tech in Asia, a startup and tech news media, reported recently that Gojek's losses before income taxes were around \$28.6 million, of which Pathao contributed \$17 million.

In the financial statement, these "convertible notes" to Pathao were written off as "impairment loss".

In accounting, impairment describes a permanent reduction in the value of a company's asset,



typically a fixed asset or an intangible asset.

When contacted, Pathao, the largest ride-sharing, e-commerce delivery, and food delivery platform in Bangladesh, said: "The article refers to an accounting treatment made by Gojek over a year ago in May 2019, related to its investment in Pathao,

as reported in Gojek's financial statements for 2019."

"Gojek continues to be one of Pathao's major shareholders," it said in a press release yesterday.

Founded in 2015, Pathao is among the fastest-growing tech startups in Asia.

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## Kalapara awaits another 1,320MW power plant

SOHRAB HOSSAIN, Patuakhali

Another coal-based power plant is being set up in Dhankhali area under Kalapara of Patuakhali district to generate 1,320 megawatts (MW) of electricity.

The plant will cost an estimated Tk 20,000 crore with joint investment from Bangladesh's Rural Power Company and China's Norinco International Cooperation.

It will generate electricity at Tk 6 per unit, officials said.

With about 27 per cent of the infrastructure development work already been completed, the plant is scheduled to start production in February 2023.

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SOHRAB HOSSAIN

Construction work of the power plant in Kalapara, Patuakhali is going on.

## Bangladesh gets its first fully-automated dairy farm

KONGRON KARMAKER, Dinajpur

Eon Group has established the country's first automated dairy farm in a village of Badarganj upazila in Rangpur.

The state-of-the-art facility will mainly produce pasteurised milk alongside other milk-based products such as ghee, curd and ice cream.

Fisheries and Livestock Minister SM Rezaul Karim inaugurated the farm as chief guest yesterday.

He expressed deep satisfaction over the facility, which will retail products

under a Barakah brand.

The dairy farm was built on 50 acres of land in Shantoshpur village at the end of 2019.

The same year, Eon Group imported 225 pregnant Holstein Friesian cows from Australia which are now being reared at the farm.

The cows started producing milk in December last year.

During a visit to the site on Saturday, this correspondent found the cows in several large sheds separated by gender and age.

A milk processing plant was also

installed at the farm, which employs 45 people.

Dr AKM Serajul Haq, an adviser to the farm, said all aspects of the facility were fully automated, from preparing the fodder to packaging the milk.

"We are not using our hands at all in the process. The control machine runs all the steps for producing safe milk while cutting expenses," he said.

Besides, IOT sensors have been set up on every cow to monitor their health, food intake, application of drugs and breeding as well.

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As the cowsheds were designed using a Swedish model, the animals feel more comfortable in these sheds.

## 2<sup>nd</sup> HSBC Business Excellence Awards

As the leading international bank, HSBC has always supported the progress of Bangladesh's thriving business sector. The pandemic has created many unprecedented economic and business challenges for Bangladesh and the business community as a whole this year. We will therefore be recognising the most successful entrepreneurs and organisations who have displayed incredible resilience and acted with exceptional purpose throughout the pandemic.

Nominations are now open across the following 8 categories:

- ◆ Export Excellence - Ready Made Garments (RMG)
- ◆ Export Excellence - Supply Chain and Backward Linkage
- ◆ Export Excellence - Non-traditional and Emerging Sectors
- ◆ Best in Import Substitution
- ◆ Leader in Inbound Investment and Infrastructure
- ◆ Excellence in Sustainability
- ◆ Best in Innovation & Technology
- ◆ Special Achievement Award

Entry for nominations close on 28 January 2021. We look forward to receiving your entries.

For more information on the nomination criteria and application process, visit: [business.hsbc.com.bd/bea](http://business.hsbc.com.bd/bea) or call +8809666331000



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