

STOCKS		Week-on-week	
DSEX	5,416.39	CSCX	9,441.15

COMMODITIES		As of Friday	
Gold	\$1,733.49	Oil	\$64.42

ASIAN MARKETS				Friday Closings	
MUMBAI	49,099.99	TOKYO	28,966.01	SINGAPORE	2,949.04

CURRENCIES				As on Thursday	
\$	83.95	€	101.13	£	117.90
BUY TK	83.95	EUR	101.13	GBP	12.78
SELL TK	84.95		104.93		121.70
					13.44

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# BUSINESS

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## Tougher tasks ahead

Experts say as UN panel recommends Bangladesh's graduation to a developing nation

AKM ZAMIR UDDIN, JAGARAN CHAKMA and SOHEL PARVEZ

Bangladesh's image will shine out amidst the global community on the back of the United Nations recommendation for its status graduation from a least-developed country to a developing nation.

But there will be some challenges for the economy after it achieves the new status, said experts.

So, the country should give its all-out efforts to tackle the challenges during the transition period and help the economy grow after 2026, they said.

The Committee for Development Policy (CDP) recommended the graduation on Friday.

In view of the Covid-19 pandemic's impact on the economy, the committee recommended that Bangladesh get five years to prepare for the transition instead of three.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said three major challenges would await the country when it turns into a developing nation.

"We will lose global supports for different arenas. Duty-free and quota-free markets will not be available for us. We will have to make a transition from preferential market access-driven competitiveness to productivity-driven competitiveness," he said.

The flexibility of intellectual property



Riding on stellar economic growth, Bangladesh has made impressive strides in reducing poverty while also raising life expectancy, literacy rates and food production.

rights under the provision of the World Trade Organisation will be reduced, the trade expert said.

"This will have an adverse impact on, among others, the pharmaceutical industry. So, we will have to strengthen our domestic compliance," he said.

Subsidies and cash

incentives can no longer be disbursed among different sectors when Bangladesh becomes a developing nation.

"This means the flexibility of policy space will be reduced as well. The country should take initiatives to resolve the challenges within the next five years."

"We will have to strengthen the competitiveness, productivity and the environment of the ease of doing business in tandem."

The connectivity triangulation -- transport, investment and trade -- will have to be improved a lot, Rahman said, adding that the potentiality of economic zones should be utilised properly.

"Our access to the regional and sub-regional market is still low. So, we should improve our integration to the arenas as the 21st century is considered as the Asian century."

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## Coming out of LDC, a welcome move from all sides

WAHIDUDDIN MAHMUD

Bangladesh's graduation from the list of least-developed countries (LDCs) is long overdue but the good news is that the country will graduate having met all three criteria.

The countries that had previously graduated did so by satisfying two out of the three criteria.

After graduation, Bangladesh will get a grace period to continue availing the trade benefits and other facilities given to the LDCs under the World Trade Organisation (WTO).

However, we must start preparing ourselves right away to perform in a global economy without those facilities.

We need to be proactive in trade negotiations to get duty concessions bilaterally or within multi-country trade agreements. For example, Vietnam has successfully negotiated several such trade agreements.

The improved image of an economy, which is no longer an LDC, will help but only if we can put in place policies for exploiting that advantage, particularly for attracting foreign direct investment.

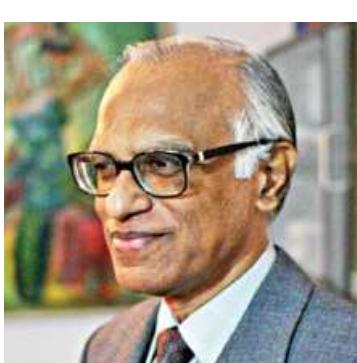
While rejoicing in our graduation from the LDC group, we need to be clear about the classification of countries used by various international agencies.

According to the World Bank's classification, we have already been elevated from a low-income country to a low-middle income country. The next step would be to graduate to the high-middle income category.

The UN, along with other affiliated bodies, including the WTO, formally and legally recognise only the LDC status for providing certain facilities. It does not have a formally defined definition of "developing countries".

The terms "developing country" or "least developed country" come from the academic literature of development economics to contrast with what is called "developed" or "industrialised" countries.

Wahiduddin Mahmud



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## Walton plans fresh \$640m investment

To set up second electrical, electronics unit focusing export

JAGARAN CHAKMA

Walton Hi-Tech Industries Ltd is going to make a fresh investment of \$640 million, equivalent to Tk 5,440 crore, to expand facilities to produce and increase export of electrical and electronic goods.

The company has already submitted its plan to the Bangladesh Economic Zones Authority (Beza), seeking 300 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

"Under the investment, the company intends to set up a second unit of Walton Hi-Tech Industries," said Walton Group Managing Director Golam Murshed.

"Our target is to complete the implementation work within two years and start commercial production."

The investment will be made over a period of eight years and would be comprised, in equal parts, of retained earnings and long-term bank loans.

**WALTON**

Proposed investment: US\$ 640m

Applied for land: 300 acres

Expected jobs: 15,000 people

Products: Refrigerator, airconditioner, compressor, TV and other home & electrical appliances

and television alongside cables and automobile components.

Murshed hopes to offer 15,000 jobs directly from the second unit.

Now Walton has an over 20,000-strong workforce in 22 production bases on 680 acres of factory area at Chandra, Gazipur. Its yearly production capacity is 10 million units.

When it comes to professional manufacturing of electrical and electronic goods, Walton has truly turned into a giant, gaining a reputation on providing competitive prices and ensuring a presence in more than 20 countries.

The Walton managing director hopes the second unit would widen its global footprint.

Walton set up its first manufacturing plant in 2008, and in 2016, it started manufacturing one vital component of refrigerators, compressors.

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The group plans to borrow from domestic and foreign banks.

Murshed said once the Beza gives the approval, Walton would sit to plan out the number of products to be manufactured and make an announcement at the stock exchange.

Among them will be home appliances such as refrigerator, compressor, air-conditioner, compressor, freezer, air-conditioner, compressor

### Agri minister doubts rice and potato statistics

STAR BUSINESS REPORT

Agriculture Minister Muhammad Abdur Razzaque

yesterday expressed doubts over the production statistics of rice and potato, saying that the price of the staple grain and tuber rose despite estimates of higher output.

"Reliable data on the agriculture sector is very essential. Future planning becomes easy and good when we have correct data on production and demand of various crops," he said while addressing a programme, according to a press release.

The Bangladesh Bureau of Statistics (BBS) organised the event at the Pan Pacific Sonargaon hotel marking

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## Graduates struggling to secure employment

Experts say at DCCI webinar

STAR BUSINESS REPORT

Graduates are struggling in the job market as the conventional education system does not equip students with the skills industries demand, according to Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI).

Bangladesh has a labour force of about 6.35 crore which is growing at 2.2 per cent, meaning that there are around 20 lakh new entrants every year.

However, 38.6 per cent of the graduates face unemployment, and it indicates a mismatch of skills, said Rahman at a webinar styled, "Industry-Academia Linkage: The New Frontier".

Industry-academia collaboration



COLLECTED

Graduates throw their caps in the air in jubilation, in front of the Raju Memorial Sculpture on campus.

has emerged as a new means to elevate the country's competitiveness in terms of developing a skilled workforce and innovation ecosystem.

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## Rice output to decline, says USDA



Repeated flooding in 2020 caused untold losses for farmers as many crops, including rice, were lost to incessant rain.

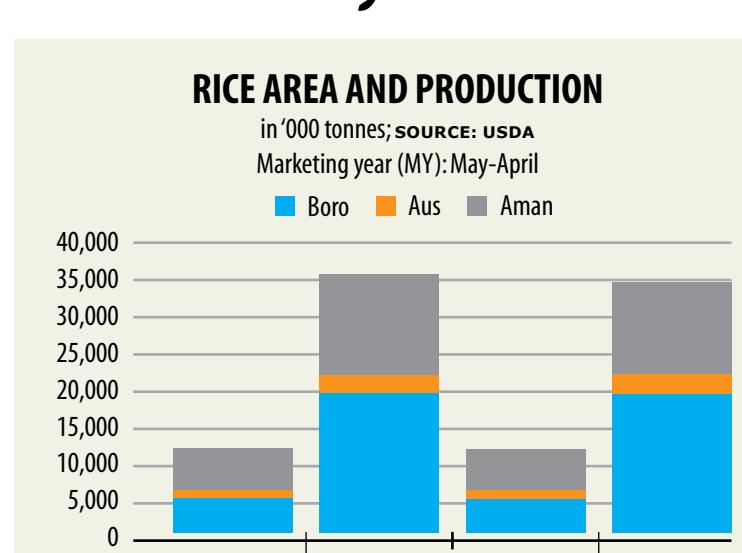
SOHEL PARVEZ

Bangladesh's rice production is likely to decline 2.93 per cent year-on-year to 3.48 crore tonnes in the current marketing year as recurrent floods damaged Aman crops and affected yields, said the US Department of Agriculture yesterday.

Severe flooding in June and July

last year submerged farmland and led to as much as 15 per cent crop losses in some lowland areas, said the USDA's Foreign Agricultural Service in its Grain and Feed Update on Bangladesh, citing farmers in the northeastern districts of Habiganj and Moulvibazar.

The agency said the rice harvest area was expected to narrow by 0.85 per cent year-on-year to 1.16 crore



hectares in the current marketing year of 2020-21, which ends in April.

The area dedicated to monsoon crop Aman, which provides nearly 40 per cent of the annual production of the staple grain, fell 3 per cent to 57 lakh hectares in the current marketing year owing to the floods.

The production of Aman,

harvested in November and December last year, is expected to decline by 8.5 per cent to 1.28 crore tonnes.

The USDA said the figure would likely change in the coming weeks as the government releases more data.

The cultivation of the biggest rice crop Boro has begun.

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## Assam, Meghalaya aim to boost trade with Bangladesh

DIPLOMATIC CORRESPONDENT

The Indian states of Assam and Meghalaya want regular exchanges of views between their trade representatives and those of Bangladesh to promote trade and settle complexities.

The comments were made during the visit of Mohammad Imran, Bangladesh's high commissioner to India, to the two states in the last three days, according to a press release from the high commission.

He met with the top leaders and officials of the states during his visit.

During the envoy's courtesy call on Assam Chief Minister Sarbananda Sonowal at his residence on Saturday, Imran emphasised that cooperation on various issues of mutual interest should be enhanced.

Informing about the economic condition of Bangladesh, he said Bangladesh has come a long way in terms of development and is in a very strong position economically.

He emphasised introducing the people of Assam to the current development scenario of Bangladesh, and establishing close communication between the people of the two regions through cultural and youth exchange programmes.

Chief Minister Sonowal called for regular

meetings between the trade representatives of the two countries and those directly involved in imports and exports to enhance bilateral trade and resolve trade complexities.

On Thursday, Imran visited Tamabil customs port immigration centre. He held meetings with