

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.27%	▲ 0.06%	\$1,763.34	\$73.51	▲ 0.04%	▼ 0.19%	▲ 0.19%	▼ 0.01%	BUY TK 83.95	98.50	115.03	12.76
6,069.40	10,583.45	(per ounce)	(per barrel)	52,344.45	28,964.08	3,144.16	3,525.10	SELL TK 84.95	102.30	118.83	13.41

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## Jobs treble despite trading units decline

BBS survey finds

REJAUL KARIM BYRON

Despite a decline in the number of wholesale and retail trade units in Bangladesh, employment in the sector nearly trebled to 1.41 crore in the past decade, according to the provisional data of the Wholesale and Retail Trade Survey 2020.

Carried out by the Bangladesh Bureau of Statistics (BBS), the first survey in a decade finds that the number of establishments operating in wholesale and retail trade declined 4 per cent to 25.4 lakh units in 2019-20 from 26.5 lakh a decade ago.

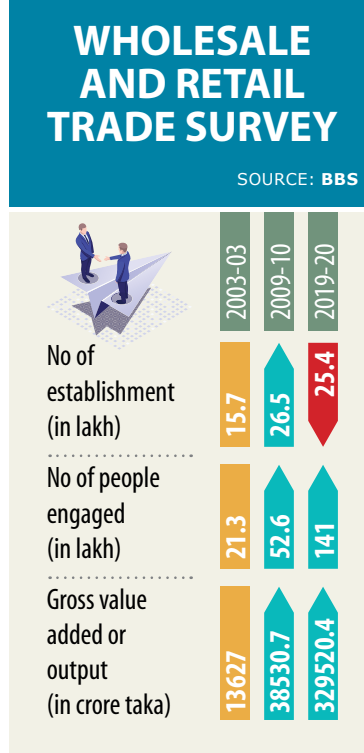
On the other hand, the sector, one of the major pillars of Bangladesh's around \$350 billion GDP, created additional 88 lakh jobs, taking the total number of employed to 1.41 crore since the last survey was done in 2009-10.

Wholesale and retail trades account for 14 per cent of GDP.

Wages or salaries from the



A glimpse of cloth retailers trying to attract customers. Wholesale and retail trades account for 14 per cent of gross domestic product. Photo was taken from Bogura.



jobs and productivity surged, and a leading economist described the change as a reflection of structural transformation in the economy.

"Supermarkets and departmental stores have replaced the traditional mom-and-pop shops," said Zahid Hussain, a former lead economist of the World Bank office in Bangladesh.

"Clearly, there has been a

structural transformation in this sector over the past decade," he said, adding that the size of individual establishments had grown tremendously while the small ones disappeared.

The latter caused the number of establishments to decline, he said.

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## Increase public spending, expand social protection

Economists recommend at Sanem conference

STAR BUSINESS REPORT

Increasing public spending and widening social protection measures with a proper registry of people could prove effective in reviving the economy during the pandemic, as occurred in some countries, according to two noted economists.

Brazil spent 8 per cent of its GDP on the disbursement of cash among citizens in one go when the pandemic surfaced. As a result, its economy is still healthy compared to other Latin American nations, said Martin Rama, chief economist of the World Bank for Latin America and the Caribbean.

Brazil was able to properly channel the stimulus money among people as it has very good social registry systems, he said.

"Creating a reliable social registry is one of the priorities for governments that will come to big use in the future," said Rama.

"I would like to see Bangladesh spending more," said David Hulme, a professor of development studies at the University of Manchester.

"Also, you need a well-developed social registry process, and it is a lesson for the country. Scale up the social protection."

They spoke at the concluding session titled "Covid-19 Recovery: Contexts and Priorities - Developing Countries' Perspective" at the Sanem Development Conference on Saturday night.

The South Asian Network on Economic Modeling (Sanem) organised the virtual discussion, where its executive director, Selim Raihan, moderated the concluding session.

Brazil did not face any complex challenge

### KEY TAKEAWAYS

- Higher public spending and social protection to help revival of the economy
- Brazil spent 8% of its GDP at one go and enjoys the benefit
- Proper social registry should be priority to transfer funds to people
- Bangladesh should utilise the Chinese recovery by diversifying value chain
- Improve the health system, particularly ICU

in disbursing the stimulus and testing and tracing Covid-19 patients because of its strong social registry. In contrast, its peers have been facing many difficulties for not having such a well-prepared database of citizens, said Rama.

"We should not go for a magic solution to save us from the pandemic. Probably we need to learn how to live with the pandemic," he said while responding to a query on the future of the global economic recovery from the fallouts of Covid-19.

The economist was cautiously optimistic about the recovery.

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## Largest rooftop solar plant starts producing electricity

KEPZ to meet its entire power demand, supply to national grid

MOHAMMAD SUMAN, Chattogram

Youngone Corporation, the Korean multinational conglomerate, yesterday launched the country's largest rooftop solar power plant in its Korean Export Processing Zone (KEPZ) to meet its electricity demand through renewable sources.

The company will produce 40 megawatts of solar power on the rooftops of the factory buildings with an investment of \$40 million. The first phase of the project began producing 16MW of electricity yesterday.

It was jointly inaugurated by Nasrul Hamid, state minister for power, energy and mineral resources, and Lee Jang-keun, South Korean ambassador to Bangladesh.

Separate solar PV



State Minister for Power Nasrul Hamid is seen visiting Youngone Corporation's rooftop solar plant along with Korean Ambassador Lee Jang-Keun and Youngone Chairman Kihak Sung in Chattogram yesterday.

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(photovoltaic) units to generate the remaining 24MWs of power will be established in two phases within the next one and a half years, according to KEPZ officials.

There are 34 factories currently operating in the economic zone. Solar panels were installed on the roofs of 16 factories to generate electricity in the first phase.

The other units will be equipped with panels over the next two phases. Solar panels that will generate 4MW of power will be installed on six more factories in October.

The panels to generate another 20MW will be set up in the third phase.

The KEPZ currently uses 14MW of electricity from Bangladesh Power Development Board.

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## Stocks rise despite floor price removal

IFIC to raise Tk 1,000 crore by issuing perpetual bond

STAR BUSINESS REPORT

The country's stock market rose yesterday thanks to a boost in confidence among institutional investors, despite the removal of floor prices of all listed companies.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose by 16 points, or 0.27 per cent, to 6,069.

After deciding on lifting the floor price on Thursday, the Bangladesh Securities and Exchange Commission (BSEC) implemented it yesterday.

The market regulator had initially lifted the floor price of 66 companies in April.

On March 19 last year, the BSEC imposed floor prices for all stocks by calculating their average prices of the preceding five days of trade to stop the index from falling amid the pandemic.

Although most market analysts and foreign investors criticised the decision, general investors welcomed it and repeatedly urged for the policy to be retained.

However, the BSEC decided to lift the floor prices considering the demand from foreign investors and potential long-term negative impacts on the market.

"Many general investors feared that the market would drop after the decision was implemented, but this did not happen as institutional investors are active in the market," said a merchant banker.

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## 'Black money whitening bar to curbing corruption'

STAR BUSINESS DESK

The opportunity to whiten black money is a big barrier to curbing corruption in the country, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue yesterday.

He made the comment while speaking as a chief guest at a programme titled "This Budget in Corona Perspective" organised by the Debate for Democracy at the Bangladesh Film Development Corporation at Tejgaon in the capital, says a press release.

"There is a lot of apprehensions over the implementation of the current fiscal year's budget during the coronavirus pandemic," he said.

"Maybe the budget will be revised after 6-7 months like in the previous occasions and attempts would be made to implement it. The implementation of the budget has to be qualitative and standard," he said.

Prolonging the deadline of projects to increase the expenses is not acceptable in any way, he said.

Around Tk 50,000 crore to Tk 60,000 crore is being drained away from the country in illegal ways every year, the economist said.

As a result, the whitening of black money couldn't make any contribution to the employment generation and social protection of the country, Rahman said.

He said the country's various watchdogs had to come out from their traditional means and try different ways to stem money laundering.



Stressing the importance of a digital platform for tax collection, Prof Rahman said the government had to lay more emphasis on direct tax in place of indirect tax.

Bangladesh needs increased organisational capability, good governance, and political will to implement the budget in quality ways.

He said Bangladesh was yet to face any food crisis even if the entire world was in an economic, health and food risk during the pandemic.

"But we have to address economic and health hazards," he added.

## TAX BREAK ON SETTING UP HOSPITALS

### Fiscal relief inadequate to attract investors

SUKANTA HALDER

Entrepreneurs might not be interested in setting up large hospitals outside of Dhaka, Chattogram, Narayanganj, and Gazipur despite a 10-year tax break.

A shortage of qualified doctors and healthcare workers, their unwillingness to stay away from the major cities because of a lack of amenities, and uncertainty about the return on investment may prevent the government from making quality health services accessible to citizens.

Finance Minister AHM Mustafa Kamal offered the tax break in his budget speech on June 3 to ensure better healthcare facilities and decentralise medical services by reducing pressure on the four cities.

A huge amount of investment would be required to set up a 250-bed general hospital and a 200-bed specialised hospital to avail the tax benefit offered by the National Board of Revenue, according to entrepreneurs and analysts.

Besides, the number of patients who could potentially visit such a healthcare provider is insufficient to make such an investment justifiable, they said, adding that a lack of amenities in most districts encourages doctors to live in major towns or cities.

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Finance Minister AHM Mustafa Kamal has offered a tax break to ensure better healthcare facilities and decentralise medical services.

RAJIB RATHAN