BUSINESS

Appropriate policy needed to Challenges facing SMEs protect intellectual property during pandemic protect intellectual property

in place, along with the international

treaties that Bangladesh is a signatory

to, which collectively form the IPR

for the IPR protection, encouraging

innovation and technology transfer

and the level of awareness of the

stakeholders need to be strengthened,"

He said challenges were inevitable

but everyone needs to act and work

together towards a common goal for

creating an effective and stronger IPR

regime in Bangladesh. It can bolster chances for

attracting more foreign investments,

encouraging and fostering innovations

and generating new employment

opportunities which will help attain

GDP growth and further advancement

discussion during the pandemic

thanks to technological innovation.

Protection of IP rights is key to

fostering such innovation and creativity," said JoAnne Wagner,

"We are attending a virtual

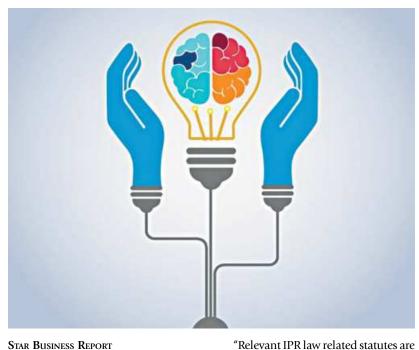
of the economy, he said.

"However, the overall importance

legal framework," he said.

said Ahmed.

Experts say at AmCham webinar



STAR BUSINESS REPORT

Bangladesh needs to have the appropriate policy for intellectual property (IP) protection, the legal framework of which is still incomplete, to encourage innovation and attract foreign investment, experts

The key challenge for protecting IP rights in the country lies in strengthening the IP system, including the establishment of a policy and legal framework, they said.

The remarks came at a virtual panel discussion titled "Intellectual Property Rights - Protection and Practices in Bangladesh" organised by the American Chamber of Commerce in Bangladesh (AmCham). They said the IP rights provide further impetus to innovation in that they require an inventor who seeks time-limited protection to publish the knowledge embodied in a product or process.

The intellectual property rights (IPR) in Bangladesh face several challenges when it comes to ensuring appropriate protection, said AmCham President Syed Ershad Ahmed

Bangladesh.

She said there were allegations from big brands that the IP rights have been violated in Bangladesh and it was really harmful for the country's reputation.

The chamber laid emphasis on formal, semi-formal and informal protection practices of intellectual output to enhance awareness and education on the IPR and academic institutions and publicly funded research laboratories as the forefront of knowledge creation and innovation.

highlighted leveraging intellectual property rights to create a niche and gain a competitive edge for start-ups and individual innovators.

The chamber suggested marking a specific period as a "Decade of Innovation and developing a national framework for creation and protection of the IPRs commensurate with global standards.

It also recommended forming a national and sectoral innovation council to create a roadmap, and strengthening the prominent entities involved in creation, protection and commercialisation of the IPRs and the institutional framework.

Other recommendations include setting up an inter-ministerial committee on the enforcement of the IPR laws, a copyright enforcement advisory council, an intellectual property appellate board and a centrally managed national intellectual property enforcement taskforce.

It also proposed strengthening of the IP stakeholders of Bangladesh and the IPR committees.

Md Abdus Sattar, registrar at the Department of Patents, Designs and Trademarks, and John Cabeca, IP counsellor for South Asia at United States Patent and Trademark Office, also spoke.

Syed Mohammad Kamal, vice president of the AmCham and country manager of Mastercard Bangladesh, moderated the session while Barrister ABM Hamidul Mishbah, managing partner at Old Bailey Chambers and an AmCham member, was the chargé d'affaires at the US embassy in keynote speaker.



Bangladesh, small medium enterprises (SMEs) have heterogeneous characteristics, which are evident from their diverse business activities. However, the discussion on SMEs has a fundamental problem related to the definition and scope.

As the term SMEs is more popular, often MSMEs are also referred to include micro-enterprises. There are also references to CSMEs to include cottage industries. These definitional anomalies create problems in undertaking the right policies and programmes for the betterment of these sectors.

Furthermore, the nature and depth of challenges faced by the cottage, micro and small enterprises are more acute than those of medium enterprises. Therefore, there is a valid



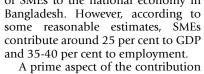
argument of separating medium of SMEs to the national economy in industries to have a focused discussion on the problems and needs of the

micro, cottage, and small enterprises. Keeping in mind the definitional debates, in the article, we will continue to use the term SMEs where small will mean micro, cottage and small

SMEs play a critical role in the economic development of a country. Their functions concerning production, employment generation, contribution to exports and facilitating equitable income distribution are vital.

Experiences from East and Southeast Asia suggest that SMEs can significantly contribute to economic growth by stimulating competition, innovation, entrepreneurship, and skill dissemination. However, in Bangladesh, we haven't yet been able to acquire the full potential of SMEs.

There is an absence of any consistent data on the contribution



of SMEs in the economy is their role in the different segments of the value chains of goods and services. And a large part of the activities of SMEs is

Micro and small enterprises, among the SMEs, enjoy low entry barriers due to their informality and small size. However, the low entry barrier does not necessarily mean low entry and exit costs for these enterprises in proportion to their business sizes. Therefore, a pandemic like Covid-19 can permanently force many micro and small enterprises out of the business operation.

There are three areas of challenges for SMEs in Bangladesh: financing, infrastructure and skill. These problems are common to many businesses. However, these problems become more acute for SMEs, especially micro and small enterprises.

The financing challenges for SMEs are enormous. SMEs have limited access to institutional finance due to scale obstacles and market failures stemming from policy deficiencies and institutional rigidities. Therefore, formal financing processes, through the banking channels, are not readily available for them. Banks consider financing SMEs costly and risky.

The high entry barriers into the formal financing processes at affordable costs function as significant impediments to SME growth and expansion. Though, as per the instructions of the central bank, 20 per cent of all bank loans must go to SMEs, in reality, SME entrepreneurs are not getting that amount of loans.

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The challenges faced by the cottage, micro and small enterprises are more acute than those of medium enterprises.

GLOBAL BUSINESS

US company profits bigger than Wall Street's lofty targets

REUTERS, New York

Much stronger-than-expected profit reports from US companies in recent weeks have ratcheted up already high Wall Street forecasts on how second-quarter earnings growth will look versus last year.

Earnings are now expected to have climbed about 90 per cent in the second quarter versus analysts' forecasts of 65.4 per cent at the start of July, according to IBES data from Refinitiv, with results in so far from roughly 300 of the S&P 500 companies as of Monday morning.

Nearly 89 per cent of the reports are beating analysts' second-quarter profit estimates the highest percentage on record, based on Refinitiv data going back to 1994.

year's pandemic-induced profit collapse.

"Except for a few disappointments here and there, everybody has had solid earnings. It has been a tremendous earnings season, but it was supposed to be," said Jake Dollarhide, chief executive officer of Longbow Asset Management in Tulsa, Oklahoma.

"It will be interesting when you start getting deeper into third and fourth quarters. The market might be anticipating a bit of a

Third-quarter earnings are estimated to climb 29.6 per cent from a year-ago quarter. Fourthquarter earnings are seen gaining 21.2 per cent,

In aggregate, companies are reporting A gangbuster second quarter is expected earnings 16.6 per cent above expectations, to mark a peak for recent US earnings growth compared with an average of 20.1 per cent including Walmart.

as companies recover from the depths of last for the prior four quarters and an average of 3.9 per cent going back to 1994, based on Refinitiv data.

Companies that have contributed the most to the big gains in profit growth include Apple, Wells Fargo, Exxon Mobil and JPMorgan Chase. Financial companies make up half of the top 10 contributors to growth so far this season, Refinitiv data shows.

"Surprises have been positive, large and broad-based across sectors and industry groups," but "returns on results" have been mixed, UBS strategists including Keith Parker wrote in a note Monday.

The S&P 500 is roughly flat since the unofficial start of the earnings season on July 13. Among companies left to report on the quarter are many of the big US retailers

Delta variant bears down on China economy



A medical worker in protective suit collects a swab from a resident for nucleic acid testing following new cases of the coronavirus disease in Zhengzhou, Henan province, China on August 2.

REUTERS, Beijing

The Delta variant poses new risks for the world's second-biggest economy as it spreads from the coast to China's inland cities and presents fresh challenges to authorities who have for months managed to avert any widespread outbreak of the coronavirus.

Barely a month after disrupting industry in the southern export hub of Guangdong, cases of the Delta variant were detected in Nanjing, capital of Jiangsu province on the coast. The infections were traced back to a flight from Russia.

Since Nanjing confirmed its first Delta cases on July 20, numerous cities in southern China and a few in the north including Beijing have reported infections. The tally of locally transmitted cases stood at 353 as of Sunday (August 1).

It was not immediately clear whether Nanjing was the source of all the infections, as some authorities have yet to disclose the outcome of their virus-tracing efforts.

Jiangsu, the province with the secondlargest economic output after Guangdong in 2020, is by far the worst-hit, accounting for about 80 per cent of the confirmed

The emergence of the variant, which is more transmissible than the original strain first detected in the city of Wuhan in late 2019, has seen the return of tough counter-

epidemic measures. Many cities have warned against non-

essential travel, required proof of negative tests for those who do travel, and launched mass-testing for the virus. Policymakers are under pressure to ensure that while populations are protected, economies are not excessively strained.

China's overall economy is not invulnerable. It grew more slowly than expected in April to June, due to persistently high raw material prices, cautious consumer spending and a subdued real estate market. "The Delta variant is the biggest test

of China's zero-Covid strategy since the initial outbreak last year," said Julian Evans-Pritchard, senior China economist at Capital Economics. But given the country's track record in

dealing with the virus so far, our assumption is that they will quash the outbreak before it gets out of control. Of course, doing so will come at some economic cost.'

Yangzhou, near Nanjing, has been battling rising coronavirus cases since last Wednesday. Many factories and logistics firms in the city of 5 million have been shut as employees joined queues of people to get tested, some up to three times a week.

"We cannot deliver goods because the delivery firm informed us that they've suspended their services," said a manager of a toy factory surnamed Wang.

"In the past few days, many places have been gradually locked down. We were officially told to stop operations today, and all our employees didn't come to the factory.'

Lenders hatch plan for closure of coal power plants

RETUERS, London/Melbourne

Financial firms including British insurer Prudential, lenders Citi and HSBC and BlackRock Real Assets are devising plans to speed the closure of Asia's coal-fired power plants in order to lower the biggest source of carbon emissions, five people with knowledge of the initiative said.

The novel proposal, which is being driven by the Asian Development Bank, offers a potentially workable model and early talks with Asian governments and multilateral banks are promising, the sources told Reuters.

The group plans to create public-private partnerships to buy out the plants and wind them down within 15 years, far sooner than their usual life, giving workers time to retire or find new jobs and allowing countries to shift to

renewable energy sources. It aims to have a model ready for the COP26 climate conference which is being held in

Glasgow, Scotland in November. "The private sector has great ideas on how to address climate change and we are bridging the gap between them and the official-sector actors," ADB Vice President Ahmed M. Saeed said.

development banks, under pressure from large investors, pull back from financing new power plants in order to meet climate targets.

The initiative comes as commercial and

Saeed said that a first purchase under the proposed scheme, which will comprise a mix of equity, debt and concessional finance, could come as soon as next year.

to replace those plants sooner and retire them raising low cost, blended finance which would be sooner, but not overnight, that opens up a more predictable, massively bigger space for renewables," Donald Kanak, chairman of Prudential's Insurance Growth Markets, who came up with the idea, told Reuters.

the world's greenhouse gas emissions, making it the most of the billions already spent and switch to biggest polluter. The proposed mechanism entails renewables has proved a major challenge.

used for a carbon reduction facility, while a separate facility would fund renewable incentives. HSBC declined to comment on the plan.

Finding a way for developing nations in Asia, which has the world's newest fleet of coal plants Coal-fired power accounts for about a fifth of and more under construction, to make the



REUTERS/ FILE

"If you can come up with an orderly way Smoke billows from Belchatow power station, Europe's largest coal-fired power plant, in Poland.