\$1,789.40

primebank.com.bd

Excise & Import

Pay VAT, VDS,

duty instantly



BUSIN

■ DHAKA THURSDAY DECEMBER 2, 2021, AGRAHAYAN 17, 1428 BS ● starbusiness@thedailystar.net

Unbiased data key to sound economic policy-making

Noted economist Nurul Islam says at BIDS conference



Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, delivers a keynote virtually at the Annual BIDS Conference on Development at the Lakeshore hotel in Dhaka yesterday. MA Mannan, planning minister, Mashiur Rahman, economic affairs adviser to the prime minister, and Binayak Sen, director-general of the BIDS, were present.

STAR BUSINESS REPORT

FOR INQUIRIES

CALL US AT

© 16704

Independent agencies gathering data, analysing them, and getting the results for the guidance for the government is of utmost importance as it helps the authorities take informed decisions, a top economist said yesterday.

"If government agencies and politicians interfere in data analysis, they will never get the right answer and they will be blamed

tomorrow for their failure today," said Nurul Islam, former deputy chairman of the planning commission who worked with the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

"It is important to let the data gathering independently done and also research be done by independent agencies.

He spoke at the Annual BIDS Conference on Development at the Lakeshore hotel in Dhaka on the occasion of 50 years of

Bangladesh. Organised by the Bangladesh Institute of Development Studies, the three-day conference began yesterday.

[policy-makers] "They can accept the results. If they are unable, they can explain to the people why they are unable to do this.

READ MORE ON B3

MORE STORIES ON BIDS CONFERENCE IN B4

Unique BINs for e-commerce this month

REFAYET ULLAH MIRDHA

Every e-commerce and F-commerce company in Bangladesh will soon have to apply for a Unique Business Identification Number (UBIN) from the Digital Commerce Cell (DCC) as the commerce ministry is set to launch the registration from this month.

The commerce ministry sent a report on the final application form and its implementation guidelines to Cabinet Secretary Khandker Anwarul Islam on Tuesday, according to Hafizur Rahman, additional secretary to the commerce ministry. READ MORE ON B3

ICT Adviser Joy to inaugurate 5G on Dec 12

Bss, Dhaka

Sajeeb Ahmed Wazed, the prime minister's information and communication technology (ICT) affairs adviser, will inaugurate 5G services in the country on December 12.

"Prime Minister Sheikh Hasina's ICT Affairs Adviser Sajeeb Ahmed Wazed Joy will inaugurate the 5G technology services in the country in the month of victory," said Road Transport and Bridges Minister Obaidul Quader.

READ MORE ON B3



- Hundi is chiefly responsible for the decline in inflow
- Decreasing manpower exports put adverse impact
- Awareness should be beefed up to rein in hundi
- Forex reserve to face more pressure

Remittance slides to 18-month low

STAR BUSINESS REPORT

The flow of remittance to Bangladesh fell sharply in November as the country's expatriates continue to prefer informal channels for sending their money.

Expatriate Bangladeshis sent \$1.55 billion in November, down 5.48 per cent from a month earlier and 25 per cent year-on-year, according to data from Bangladesh Bank.

This was the lowest remittance earnings since June 2020, when the amount was \$1.83 billion.

Since then, the monthly inflow ranged between \$1.83 billion and \$1.64 billion until October this year.

As restrictions on public movement have been removed, the global hundi cartel which operates an illegal cross-boundary financial system has become active again.

major disruptions in the first quarter downward trend. of 2020 as international travels came to a halt due to the advent of Covid-19, fuelling the use of banks and other official channels to send remittance, a Bangladesh Bank official said.

However, the hundi cartel may face another roadblock as some countries recently reintroduced restrictions on public movement in order to clamp down on the latest coronavirus variant.

Many nations, including countries where most expatriate Bangladeshis work, had earlier enforced strict restrictions on public movement to contain the infection rate.

Remittance, which plays a major role in strengthening the country's foreign exchange reserves, fell 21 per cent year-on-year to \$8.6 billion in the first five months of the current fiscal

Reserves surpassed \$48 billion in The unofficial route had faced August but it has since maintained a

The reserves stood at \$44.94 billion in November 24, up 9 per cent from a year ago.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the increase in inward remittance last year, when the pandemic was at its peak, was unusual. Remittance soared 36 per cent year-

on-year in fiscal 2020-21, its sharpest increase in 30 years. Expatriates sent home \$24.8 billion that year compared to \$18.2 billion in 2019-20. Many Bangladeshi migrant workers

lost their jobs amid the economic slowdown, which had a negative effect on remittance.

"The ongoing declining trend in the flow of remittance is expected though given the lower trend of manpower exports compared to pre-pandemic levels," Rahman said.

READ MORE ON B3



standard chartered

11 reasons why this is the time to invest in Bangladesh

More than 100 representatives of the UK investor community heard why Bangladesh is Asia's most compelling growth story from the biggest names of nation's public and private sectors, at Showcase Bangladesh: UK-Bangladesh Investment Summit 2021.

*The sustained, broad-based growth Bangladesh achieved over the last decade did not happen by accident, it was achieved thanks to the visionary foresight of our Honourable Prime Minister. 99

Mr. Salman Fazlur Rahman, Private Sector & Investment Adviser to the Prime Minister

12 years after the declaration of Digital Bangladesh by Honourable Prime Minister, we have achieved major milestones as a nation and have graduated to middle income status. "

Mr. Zunaid Ahmed Palak, MP, Honourable State Minister for ICT, People's Republic of Bangladesh

Bangladesh's liberalized investment policies and concessions encourage foreign investment. Our Government is keen on facilitating more investments from the UK, which is a strong partner in our progress. 99

Mr. Mohammad Sirazul Islam, Executive Chairman, Bangladesh **Investment Development Authority**

The economy is set to cross the USD 500 billion threshold by FY 2025, with per capita GDP set to reach USD 3,000.9

José Viñals, Group Chairman, Standard Chartered Bank

66 We have a lot of opportunities for investment and trade across a lot of sectors - from shirts to ships.

Mr. Md. Jashim Uddin, President, Federation of Bangladesh Chambers of Commerce & Industry

The policy making and implementation mechanism has become much more receptive and now they are also walking the talk. There is very good communication, there are platforms for public-private dialogue where we have regular exchange of ideas and the Government machinery is much more responsive. 99

Ms. Nihad Kabir, President, Metropolitan Chamber of Commerce & Industry

Bangladesh is in the making – it is a meaningful country, it is looking for meaningful relationships and it is a meaningful

Ms. Rupali Chowdhury, President, Foreign Investor's Chamber of Commerce & Industry

We have been in the export business for the last 31 years. We get better prices in the north of Bangladesh in Bogura than we

Mr. Nasim Manzur, Managing Director, Apex Footwear & Member of Board of Director, MCCI

There are so many low hanging opportunities. The government is there to make room for you, so that you can package your investment to suit your own needs. 99

Mr. Tanjib-Ul-Alam, LL.B (London), Barrister, Head of Chamber, Tanjib Alam and Associates

66 There is stability in the economy. Tremendous amount of work has been done to bolster the physical and more importantly digital infrastructure. Huge social progress has also been made. All these factors are the real magic behind Bangladesh's sustainable growth journey.

Mr. Gavin Dunne, Director, M&A, Unilever UK

66 Bangladesh's achievement in terms of growth in nominal GDP in the first 36 years after independence was trebled in one third of the time, over the last 12 years. Despite the challenges posed by pandemic, the country is expected to maintain a growth trajectory that will enable GDP to exceed economies

like Malaysia, Hong Kong, Singapore, Denmark and others. 🤧

Mr. Naser Ezaz Bijoy, Chief Executive Officer, Standard **Chartered Bangladesh**

H.E. Mr. Robert Chatterton Dixon, British High Commissioner to Bangladesh; H. E. Ms. Saida Muna Tasneem, Bangladesh High Commissioner to the UK, Ireland and Liberia; Ms. Mohsina Yasmin, Executive Member, BIDA and Mr. Enamul Huque, MD & Head of Client Coverage, CCIB, Standard Chartered Bangladesh also shared their thoughts on the compelling growth story of Bangladesh, with solid fundamentals, evolving regulatory framework enhancing ease of doing business and sustainable growth drivers.



Scan the QR code to watch the full video











Zeeshan Group wins Best Indenting Service Exporters Award-2020

STAR BUSINESS DESK

The Zeeshan Group of Companies has won a "Best Indenting Service Exporters Award 2020" from Bangladesh Indenting Agents' Association (BIAA) for its contribution to the service export sector.

The printing and packaging solutions provider of 30 years has won the prize for the four consecutive time, according to a press release.

Shahab Uddin Khan, chairman of the group, received a crest from Planning Minister MA Mannan at InterContinental Dhaka recently.

Rafiqul Islam Masum, president of the BIAA, Sk Rafiqul Islam, chief controller of imports & exports, AHM Ahsan, vice-chairman of the Export Promotion Bureau, and Abu Helaly, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, were present.



Shahab Uddin Khan, chairman of the Zeeshan Group of Companies, receives a crest on winning a "Best Indenting Service Exporters Award 2020" from Planning Minister MA Mannan at InterContinental Dhaka recently.

ZEESHAN INTERNATIONAL AGENCIES

MASTERCARD EXCELLENCE AWARD

Standard Chartered Bangladesh gets three

STAR BUSINESS DESK

Standard Chartered Bangladesh has won three awards at the "Mastercard Excellence Award 2021" held recently in Dhaka.

The accolades came in the categories of "Excellence in Mastercard Credit Business (domestic) 2020-21", "Excellence in Mastercard Credit Business (international) 2020-21", and "Excellence in Mastercard Contactless 2020-21", a press release said. Mastercard, a US-based multinational

financial services corporation, organised the event to celebrate its 30 years of operations in Bangladesh and 50 years of the country's independence.

"Over the years, we have been consistently building on our pioneering legacy of having been the first to introduce credit cards in Bangladesh with a wide range of schemes that go beyond

the ordinary and suit the evolving lifestyle needs of our clients," said Sabbir Ahmed, managing director and head of retail banking at Standard Chartered Bangladesh.

"I am delighted that even during this challenging year, our team's pursuit of excellence has been recognised once again. We would like to thank our clients, regulators and the wider ecosystem for making this achievement possible," he

MA Mannan, the minister for planning; Md Khurshid Alam, executive director of Bangladesh Bank; Helen LaFave, charge d' affairs of the US Embassy in Dhaka; among other senior officials from partner banks, fintech companies, dignitaries and merchants from across the country attended the programme.

EBL clinches The Banker's 'Bank of the Year 2020' award

STAR BUSINESS DESK

Eastern Bank Ltd (EBL) yesterday won the title of 'Bank of the Year 2020' in Bangladesh awarded by London-based magazine The Banker.

EBL is the first bank in the country to win this award for a second consecutive year, according to a press release

This year, the award was announced by The Banker's Asia Editor Kimberly Long through a virtual ceremony.

"This is a global recognition of our efforts towards digital transformation and sustainability," said Ali Reza Iftekhar, managing director of EBL.

In an excellent display of resilience, EBL maintained a fine balance between liquidity, profitability and solvency throughout the coronavirus pandemic to post positive growth in 2020 which continued in

2021, he added. In addition, considering the global pandemic, the jury board this year continued to focus on resilience and services provided to customers by winning banks and how they have initiated digital transformations while emphasising sustainable

According to the judges, this year's awarded banks "truly demonstrated a level of stability that is a testament to their organisational strength".

Asian shares bounce sharply

REUTERS, Hong Kong

US and European share futures jumped on Wednesday, oil rose and Asian stocks were heading for their best day in nearly two months as traders reversed course after a sharp selloff the day before took the regional benchmark to a 12-month

Competing for the limelight, US Treasury yields climbed steadily after US Fed chair Jerome Powell signalled the Fed may speed up the pace of its bond-buying taper at its meeting later this month.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.3 per cent, which would be its best daily gain since early October, as traders decided Tuesday's declines, which sent the benchmark to its lowest since November

2020, had gone too far. While that helped the regional benchmark walk back this week's selloff, it is still sitting about 2 per cent below Thursday's close before news of the latest variant of the new coronavirus derailed markets.

The share rally in Asia looked set to continue into European and US trading.

US accuses China of economic warfare against Australia

US President Joe Biden's top Pacific envoy on Wednesday accused China of trying to "drive Australia to its knees" through a barrage of sanctions that amounted to "economic warfare".

In remarks to the Sydney-based Lowy Institute, veteran diplomat Kurt Campbell lampooned Beijing for strongarm tactics.

Painting China as increasingly bellicose and determined to impose its will overseas, Campbell said Beijing had engaged in "really dramatic economic warfare directed against Australia".

Over the last two years, China has introduced a raft of punitive sanctions on Australian goods in a fierce political dispute that has frozen ministerial contacts and plunged relations into the most serious crisis since the Tiananmen Square crackdown in 1989.

"China's preference would have been to break Australia. To drive Australia to its knees," said Campbell, who currently serves as the White House Indo-Pacific coordinator.

China has been angered at Australia's willingness to legislate against overseas influence operations, to bar Huawei from 5G contracts and to call for an independent investigation into the origins of the coronavirus pandemic.

cotton, hay, logs, rock lobsters, sugar, wine, beef, citrus fruit, grains, table grapes, dairy products and infant formula have all been subject to Chinese sanctions.

The US envoy said that under President Xi Jinping, China has become "more risk acceptant, more assertive, more determined to basically take steps that other countries would view as coercive".

The Biden administration has embraced a policy of "strategic competition" with China -- acknowledging rivalry between the two powers but maintaining ties so conflicts do not spiral out of hand.

Beijing repudiated the comments on Wednesday, claiming Australian politicians had "played up the China threat theory, accused and attacked China for no reason, provoked tension and created confrontation".

We hope the relevant people on the US side will not confuse right and wrong," foreign ministry spokesman Wang Wenbin said at a regular press conference.

Biden recently shocked many in the region by agreeing to share sensitive nuclear-powered submarine technology with Canberra, allowing Australia to dramatically increase its military deterrence.

Campbell indicated the move -- part of a broader three-way AUKUS agreement that includes Britain -- would bind the three allies for generations.



Over the last two years, China has introduced a raft of punitive sanctions on Australian goods in a fierce political dispute. PHOTO: AFP/FILE

আলহাজু খলিলুর রহমান আল–আরাফাহ্ | aibl 🎮 ইসলামী ব্যাংক লিঃ প্রেসিডেন্ট, চট্টগ্রাম মেটোপলিটন চেম্বার অব কমার্স এড ইভাস্টিড আলহাজু মীর আহমেদ সওদাগর

Khalilur Rahman, president of the Chattogram Metropolitan Chamber of Commerce and Industries, cuts a ribbon to inaugurate Al-Arafah Islami Bank's 196th branch at Shantirhat, Chattogram recently. Salim Rahman, chairman of the bank, Abdus Samad Labu, chairman of the executive committee, Mohammad Abdus Salam, vice-chairman of the executive committee, and Farman R Chowdhury, managing director, were present.

India reports 8.4pc quarterly growth

India's economy has recovered to its pre-pandemic size, official data showed Tuesday, boosted by a broadbased recovery in the July-September quarter after a deadly infection surge earlier this year.

third-largest economy maintained its virus bounceback with 8.4 per cent growth in the three months ending September 30, cent in the same quarter last year.

The country of 1.3 billion was hammered in 2020 by sudden Covid lockdowns that saw most industrial and manufacturing activity grind to a halt for months. Infections skyrocketed again earlier this year in an outbreak that overwhelmed hospitals and crematoriums.

A recovery in consumption during the recent festive season helped the economy make up some lost ground.

Credit rating agency ICRA's chief economist, Aditi Nayar, said however that "many indicators have displayed a flagging momentum in November 2021, suggesting that the revival in economic growth is yet to become durable".

The economy grew by a record 20.1

per cent in the April-June quarter, compared to a contraction of 24.4 per cent during India's most stringent virus lockdown last year. Compared to the previous quarter, India's economy expanded by 10 per cent at constant prices, according to an AFP estimate.

The government does not release quarter-on-quarter economic data.

grows over the spread of the highly infectious Omicron virus variant, has continued to maintain an which has weighed on global market

'Growth seems to be on the road to 9.1 per cent for the full year but a new Covid wave would put that estimate in danger," CARE Ratings chief economist Madan Sabnavis told AFP.

India has yet to detect any cases of the variant, health minister Mansukh Mandaviya told parliament Tuesday.

The World Bank and International Monetary Fund slashed growth forecasts for India earlier this year after the huge Covid-19 outbreak in April and May that killed more than 200,000 people.

The World Bank's most recent India forecast in October predicted 8.3 per cent growth for the 2021-22 fiscal year, after a record contraction of 7.3 per underreporting.

Tender No. KU/PD-259/2021-245

But some analysts had raised their

expectations in recent weeks in the wake of rising consumption and with new virus infections falling. US-based investment

Goldman Sachs said earlier this month that India was forecast to grow faster than any other major economy The latest figures come as concern this year and in 2022 and 2023. The Reserve Bank of India

> accommodative stance on monetary policy to support the economy even as inflation pressures rise. The central bank is expected to

> hold key interest rates steady at its meeting next week.

> The pace of vaccinations has meanwhile risen steadily in recent months as supply constraints ease.

> New virus infections fell to their lowest since late May 2020, adding just under 7,000 cases on Tuesday according to the government.

> India is the world's second mostinfected nation after the United States with more than 34.5 million cases and nearly 470,000 deaths.

> Experts warn that the actual toll could be much higher due to

SMEs and technology were game changers for IPDC

"If the local bond market doesn't develop, then NBFIs will face problems," said Islam, also chairman of the Bangladesh Leasing and Finance Companies Association.

Third, NBFIs cannot receive current

"So, if Bangladesh Bank allows the use of digital wallets, then we can get savings accounts and cater digital services without any cash transaction," he said, adding that the central bank of NBFIs should be treated well could analyse how to convert NBFIs into digital banks.

The managing director went on to amalgamation," Islam said. say that the legal framework for NBFIs in Bangladesh is still not conducive and so, wilful defaulters dare to roam about freely and even travel abroad.

Some NBFIs were even robbed by their rogue directors and senior officials who should face legal action. Considering the situation, "the legal framework should be more strong and strict".

Loans should be embedded with insurance to reduce the risks of banks and NBFIs. In the first stage, insurers need to charge low to popularise the

"On the other hand, the depositors and we should have a mechanism to reconstruct those institutions by

If an NBFI requires funds, the government could arrange it for the sake of depositors and thereby restore confidence in the sector. In the NBFI

sector, some companies are strong and big while others are quite weak. So, the same prescription cannot suit all. Strong restrictions are expected but the same restrictions for all will impact smaller firms badly.

For example, there are three types of rules and regulations for NBFIs in India depending on their business

Similarly, a strong bond market is necessary and so, the process of issuance should be very easy.

"We from the association are working to enhance our efficiency, promote good corporate governance and ensure that CEOs will get government support if they face any pressure from directors to participate in illegal works," Islam said.

Planning and Development Division

Khulna University, Khulna

Date: 01.12.2021

e-Tender Notice No. 03/2021-2022

e-Tender is invited in the National e-GP System Portal (http://www.eprocure.gov.bd) for the

procurement of			
Tender	Package No.	Name of the work	Online tender
ID No.			closing and
			opening date
623857	KU/PD-	Procurement and Installation of Scientific	23.12.2021
1	259/2021	Equipment for Agrotechnology Discipline of	11:30
		Khulna University	
623884	KU/PD-	Procurement and Installation of Scientific	23.12.2021
1	262/2021	Equipment for Fisheries & Marine Resources	12:00
		Technology Discipline of Khulna University	
623888	KU/PD-	Procurement and Installation of Scientific	23.12.2021
	263/2021	Equipment for Forestry and Wood	12:15
		Technology Discipline of Khulna University	
623897	KU/PD-	Procurement and Installation of Scientific	23.12.2021
1	270/2021	Equipment for Soil, Water and Environment	12:30
		Discipline of Khulna University	
623903	KU/PD-	Procurement and Installation of Scientific	23.12.2021
	269/2021	Equipment for Modern Language Center of	12:45
1		Khulna University	

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (http://www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered bank branches up to banking hours on e-GP System. Further information and guidelines are available in the National e-GP System Portal and e-GP help desk (helpdesk@eprocure.gov.bd).

> Signed Md. Mahbubus Sobhan Director (P&D)

There's still space for raising public debt

Institute The Bangladesh Studies Development arranged the event at the Lakeshore Hotel in Dhaka to mark 50 years of

Bangladesh's independence. "Limited political substantial procedural blockages and corruption compromise the good intentions," the economist said.

In his presentation on the economy, fiscal sustainability and implications for recovery, Hussain said mobility

came back to pre-pandemic levels. Factories are functioning and exports are rising while tourism and shopping activities have increased as a result of pent-up demand.

However there is radical uncertainty following the detection of the Omicron variant of the coronavirus.

Bangladesh remains at a low risk of external and total public debt distress despite the shock caused by Covid-19.

But increased debt would have a positive effect on growth if the additional government spending raises future productivity by increasing the productive stocks of public infrastructure and private human capital.

Caution is warranted though because of concerns regarding the government's ability to adjust if things go wrong.

"Low public debt levels and low risk of debt distress provide a buffer, not insulation," Hussain said.

He cited the risks of increasing public debt as external, financial and corporate debt risks.

The recent increase in energy prices alongside global supply chain disruptions blurred the distinctions between opportunities and risk," he

There are fiscal risks too because of a shortfall in international support for vaccination programmes, cost overruns on major infrastructure projects, and weaker domestic revenue, Hussain added.

GD-2225

Unique BINs for e-commerce this month

e-commerce and F-commerce company in Bangladesh will soon have to apply for a Unique Business Identification Numbers (UBINs) from the Digital Commerce Cell (DCC) as the commerce ministry is set to launch the registration from this month.

The commerce ministry already sent a report on the final application form and its implementation guidelines to Cabinet Secretary Khandker Anwarul Islam on Tuesday, according to Hafizur Rahman, additional secretary to the commerce ministry.

"We have not set any specific launch date but it will surely happen this month," Rahman told The Daily Star.

DCC Chief AHM Shafiquzzaman said his organisation would implement the UBIN for registered companies. Every e-commerce and f-commerce company in the country will have to obtain UBINs to ensure responsible business practices as reports recently surfaced regarding fraud by some of these firms.

A hard copy of the application form has been approved and now work is ongoing

to digitise it as applicants will have to apply through an online portal to obtain the UBIN, he added.

The DCC will manage the UBIN to prevent any cheating by e-commerce or f-commerce companies. Currently, more than 2,500 e-commerce and nearly three lakh f-commerce companies are operating in Bangladesh.

The DCC has called an important meeting on the e-commerce and f-commerce industry today as the commerce ministry along with other related ministries, departments and agencies have been working to pay back those affected by the irregular activities of some rogue e-commerce firms.

Refunds to these companies are still stuck at Bangladesh Bank's payment gateway though as it awaits vetting by the

On July 1 this year, the central bank launched an escrow service payment gateway to stop e-commerce companies from cheating their customers.

So far, some Tk 214 crore has been deposited in the escrow payment gateway for the non-delivery of goods.

Steps against money launderers to be made public soon

Says finance minister

AHM Mustafa Kamal

During yesterday's press briefing, in

reply to a question about whether the

minister has any mechanism to find

out the culprits who are laundering

money abroad, the minister said, "I

don't have any own mechanism. We

rather have law and legal procedures."

corruption or laundering money,

If anybody is found involved in

money launderers.

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday said the media would soon be informed about measures the government has taken against culprits who laundered money abroad in the past two to three years.

The government is taking legal steps and the culprits are being punished through legal procedures, he told a virtual press briefing following a meeting of the cabinet committee on government purchase.

Kamal said they got some names of persons who laundered money abroad through reports published in news media. "I believe that Bangladesh Bank and other related agencies are working on it," he said.

The finance minister on November 27 told parliament that he does not know who was laundering money abroad and called upon opposition lawmakers to provide him a list of cases are filed, culprits are arrested and sent to jail, he said. In reply to a query about whether

the ministry has any plan in the wake of a possible spread of new coronavirus variant named Omicron, the minister said it was vet to be known how dangerous the new variant was.

Mentioning that they earlier took every measure to face the previous waves of Cobid-19, he said the government was well prepared this

When asked about whether the government was considering reducing the fuel price taking into context the downward trend in the global market, the minister said the market was still at a flexible stage.

Mentioning that fuel prices in the global market sometimes come down by \$20, and again increase by \$2, he hoped that steps would be taken when a stable condition prevailed in the international market.

Australian economy shrinks in third quarter

AFP, Sydney

Pandemic-induced lockdowns caused Australia's economy to shrink 1.9 per cent in the third quarter, a downturn that bucked the trend of a steady recovery in other wealthy nations.

The Australian Bureau of Statistics on Wednesday reported the country's second quarterly contraction since the pandemic began.

Sydney, Melbourne and Canberra were all closed for chunks of the quarter, causing households to spend dramatically less on

There was a 21 per cent drop in spending on hotels, cafes and restaurants and a 40 per cent drop in spending on transport.

Govt support was scarce considering Covid fallout

ICT Adviser Joy to inaugurate

5G on Dec 12

and voice calls.

devices," he said.

Quader said,

Another way of looking at it is that the total package is 4 per cent of Bangladesh's gross domestic product with 3.16 per cent being growth oriented and the remaining 0.80 per cent being protection oriented.

The country's economy reopened in May 2020 amid a 20 per cent infection rate that was rising still.

"So, it is clear that direct protection was not considered for a prolonged period," Osmani said

He went on to say that the support was growth oriented to such an extent that some 60 per cent of the poor and lowincome groups who suffered severely due to the Covid-19 fallout did not receive any support from the public and private sectors.

In the immediate aftermath of the initial lockdown, the proportion of the crisis-hit new poor was found to be as high as 22.8 per cent.

The resumption of all economic activities only slightly reduced the rate to 21.7 per cent by the end of June.

The situation did not change even six months later because of the government strategies as the pre-mature reopening only prolonged the economic losses of a section of poorer people, that too amid soaring

The infection rate in Bangladesh was 20 per cent at the end of July last year and although this is less than that of other South

Quader, also the Awami League general

secretary, said Bangabandhu Sheikh

Mujibur Rahman's "Sonar Bangla" would

enter the 5G era in the month of victory,

as the state-run mobile operator Teletalk

initially was going to launch 5G on a trial

frontier technology" virtually and said

the government has pledged in the 2018

election to launch the latest mobile

technology service 5G in the country

Affairs Sub-Committee organised the

seminar with its chairman, Professor Dr

Awami League's Science and Technology

Following the promise, Teletalk

Bangladesh took preparations to launch

5G on a limited scale next December by

connecting to the existing 4G network at

the initial stage as per the directions of

Posts and Telecommunications Division

and Bangladesh Telecommunication

introduced in some important government

offices and business establishments in

Dhaka city. It is planned to extend this

service to other divisional cities and

industrial establishments of the country in

The Awami League general secretary said

phases by 2023," the minister added.

"First, limited 5G services will be

Regulatory Commission, he said.

He joined a seminar on "5G: the

FROM PAGE B1

basis to gain experience.

between 2021 and 2023.

Hossain Monsur, in the chair.

rate could have been much higher.

"But this did not happen for some unknown reasons," Osmani said.

China and New Zealand showed the perfect examples of how a premature of peoples' well-being.

Though, Bangladesh chose reopening of the economy came at the cost

this strategy even though large scale mortality has repeatedly undermined the government's political legitimacy.

The current regime had an opportunity to restore democracy in that regard.

Some Scandinavian countries have termed the current government as authoritarian as it wins one election after another. This finally led US President Joe Biden to publicly insult the country by leaving it out of his recent democracy

Asad Islam, a professor of Monash University, said although businesses are open, sales recovery is still below precoronavirus levels.

Recovery is lowest in female labour intensive sectors, Islam added.

In another presentation, Kazi Iqbal of the BIDS said about 6 per cent of the sample companies closed their businesses permanently and about 8 per cent of the sample workers lost their jobs, including those from both surviving and shuttered

the 5G technology services would not be

limited to customers' mobile broadband

industry, government and enterprise and

utility service providers will be able to take

advantage of critical mission service, smart

grid, smart city, smart factory using IoT,

human to machine, machine to machine

initiative in the year of Mujib Borsho. With

5G technology, mobile subscribers will be

able to use better quality voice calls and

users will be able to get 20 times faster

He said driverless vehicles would run

on roads through 5G, adding, "We hope

that the number of call drops will decrease

with introduction of 5G...5G will play an

important role in the development of big

Md Abdus Sabur delivered the welcome

speech while Bangabandhu Sheikh Mujibur

Rahman Digital University Vice-Chancellor

Prof Munaz Ahmed Noor and Teletalk

Bangladesh Managing Director Md Shahab

Vice Chancellor Professor Dr Mohammad

Mahfuzul Islam presented the keynote

speech. Sub-committee member Ranak

Canadian University of Bangladesh

Uddin were present as discussants.

Ahsan moderated the seminar.

Member Secretary of the Sub-Committee

mobile internet access than 4G.

data and artificial intelligence."

"This is a milestone

"Through use of this technology,

Get ready for LDC graduation challenges

to ask the business community to take preparations properly," she said.

The prime minister said this while inaugurating the 16-day gala celebration, arranged by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), on the occasion of the Golden Jubilee of the

She virtually opened the grand celebration programme at the amphitheatre adjacent to Hatirjheel, from her official residence Ganobhaban in the evening.

of a developing country. "As a developing country, we'll get many scopes to take the country forward further," she said.

one, she said her government has not come to do business but created all sorts of scopes for the business community to expand businesses and thus generate jobs for the socioeconomic development of people.

The prime minister asked the businesspeople to take income-generating programmes in their respective areas to change the fate of rural people by increasing their financial and purchasing capacities.

"You might be born in a village or have studied in a rural school. To change the fate of people, take some programmes alongside the government's ones in your respective areas so that their financial and purchasing

as their businesses and the market of their products will expand due to the rise in the purchasing capacity of people, said Hasina In collaboration with Dhaka North City Corporation

(DNCC), the country's apex business body arranged the celebration programme, titled "50 Years of Independence-Grand Celebration of Red and Green (the two colours of PM's Adviser Salman F Rahman and DNCC Mayor

Atiqul Islam also spoke at the function presided over by FBCCI President Md Jashim Uddin.

events, presentation of regional folk songs and Nazrul and Rabindra songs by noted singers, performances by distinguished dancers and programmes for women and

7:00pm every day till December 16 and are open to the

Digitalisation not contributing

The study said fixed broadband subscription per 100 people rose to 5.78 people on an average in 2020 from 0.3 in 2010, registering a compound annual growth rate (CAGR) of nearly 31 per cent.

Meanwhile, in case of mobile phone subscription, this

The percentage of the population using internet grew three times to nearly 68 per cent in 2020, recording a 14 per cent CAGR from 20 per cent in 2012, according to the presentation. Overall tele-density shot up during the period.

observed during the Covid-19 crisis, and therefore, for faster recovery, digitalisation efforts need to be strengthened," he said. Hossain emphasised focusing more on sectors producing ICT equipment and services and manufacturing sectors making use of ICT with possible fiscal and monetary policy incentives to encourage them to adopt large scale automation leading to innovations.

potentials and harness new development opportunities in more remote and economically lagging regions, leading to an inclusive and balanced growth," he said.

Stocks bounce back on optimism

Private sector credit growth in Bangladesh accelerated to 9.44 per cent in October, the highest in 13 months as the economy is running in full swing, shaking off the pandemic's fallouts, according to the central bank data.

Index Agro Industries topped the gainers' list, rising 9.91 per cent, followed by Sena Kalyan Insurance Company, Beximco, Envoy Textiles and First Security Islami Bank.

crore, followed by ONE Bank, First Security Islami Bank, Delta Life Insurance Company and Acme Pesticides. Tung Hai Knitting and Dyeing shed the most, dropping

11.7 per cent, followed by Aramit Cement, Dacca Dyeing, ONE Bank and Mithun Knitting & Dyeing. Chittagong Stock Exchange also soared yesterday. The CASPI, the main index of the port city bourse rose 383 points, or 1.95 per cent, to 19,998. Among 269 stocks to

OECD cuts global growth forecasts Its forecast for 2022 remains unchanged

The OECD warned Wednesday that the Omicron coronavirus variant threatens the global economic recovery as it lowered the growth forecast for 2021 and appealed for a swifter rollout of Covid vaccines.

The Paris-based Organisation for Economic Co-operation and Development the recovery has "lost momentum" as it cut the outlook of top economies including the United States, China and the eurozone.

The economy is now expected to expand by 5.6 per cent this year, down from an earlier forecast of 5.7 per cent, the OECD said in its updated economic outlook which warns that low vaccination areas could create "breeding grounds" for deadlier virus mutations.

at 4.5 per cent, but the report was released only days after Omicron was detected. "We are concerned that the new variant of

the virus, the Omicron strain, is further adding to the already high levels of uncertainty and risks, and that could be a threat to the recovery," OECD chief economist Laurence Boone said at a press conference.

While the OECD said it was "cautiously optimistic" about the recovery, it warned that health, high inflation, supply chain bottlenecks and potential policy missteps are "all key concerns".

"The top policy priority remains the need to ensure that vaccines are produced and deployed as quickly as possible throughout the world, including booster doses," the OECD said.

Remittance slides to 18-month low

Between January and September this year, some 3.8 lakh people went abroad for work. The figure was about 2.2 lakh last

year and seven lakh in 2019, according to data from the Bureau of Manpower, Employment and Training. Another managing director of a bank,

on condition of anonymity, said the hundi cartel was now offering Tk 3 to Tk 4 more than the rates offered by banks to the beneficiaries of remitters.

This has encouraged rem their money through the informal channel, the inflow as well, he added

he said, adding that the central bank should consider depreciating the local currency against the US dollar to some extent in order to weaken the hundi cartel. The inter-bank exchange rate of the taka

stood at Tk 85.8 per US dollar in contrast to Tk 84.8 a year ago. Abul Kashem Md Shirin, managing

director of Dutch-Bangla Bank, said that people had recently started to travel abroad, helping the informal channel to settle transactions smoothly. Manpower exports should be geared up to strengthen

Unbiased data key to sound economic policy-making

Mashiur Rahman, economic affairs adviser to the prime minister, said planning mechanism in Bangladesh is autonomous that has enjoyed independence without interference from the political leadership.

Nurul Islam, emeritus fellow of the International Food Policy Research Institute, called economic policy-making by the planning ministry and the finance ministry important.

"The analysis has to be non-political. Otherwise, economic policy-making is impossible.

'It can't be outsourced. I know, in Bangladesh, this kinds of researches are outsourced," he said, without disclosing any names.

"This is destructive in my view of the building the capacity of the government." Islam said when he ran the Pakistan Institute of Development Economics, he had enjoyed a complete independence

when it came to research. He worked with Bangabandhu from 1972 to 1975. "I discussed with him about corruption, mis-governance and other issues, and he was very frank with me."

"He allowed me to give him all the facts... the ruthless details. Bangabandhu also allowed facts to be out for that whether he would take decisions or not were his business," Islam said, adding that he had allowed total independence of data gathering and research.

Those who are the followers of Bangabandhu should remember how Bangabandhu treated independent data gathering and research, said the former planning commission deputy chief. He termed nepotism, favouritism,

embezzlement of funds, and capture of state power as corruption, and urged the BIDS to carry out research into these areas. He said there was something wrong

in the management of the ministries that don't allow incentives to the government officials to stay into research. Binayak Sen, director-general of the

BIDS, said Bangladesh was fast-becoming a manufacturing nation. To a large extent, this explains Bangladesh's catch-up performance with respect to its regional neighbours in economic and social parameters. "Success

of its success in manufacturing sector," he said while presenting a paper.

During his keynote presentation, Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, said in independent Bangladesh, loan financing from stateowned financial institution did serve to create a large entrepreneurship class.

"But this was achieved at the cost of

debt defaults from the new class of private

entrepreneurs. This default has been perpetuated and condoned over the years and remains with us as part of what is known as default culture. About the role of the working women in driving the entrepreneur revolution,

Prof Sobhan said what is noticeable in the entrepreneur revolution is the rise of women entrepreneurship at all levels. "It is arguable that this revolution had its roots in the microfinancing revolution

pioneered in Bangladesh by Muhammad Yunus through Grameen Bank and Fazle Hasan Abed through Brac.' Prof Sobhan said there have a considerable research evidence at hand to confirm that microfinance has served to reduce extreme poverty, created a capacity for entrepreneurship amongst women, and

into larger scale economic activities in the SME sector. Highlighting the entrepreneurial spirit of migrant workers, he said as a consequence of the courage and enterprise by the youth, Bangladesh earns around \$20 billion in official remittances and perhaps another

has provided a ladder for them to move up

\$5 billion in unofficial payments. This has served to raise the gross national savings, improve external balance payments and increase domestic payments. But they are exploited and exposed to a huge rent

extraction by unscrupulous intermediaries. He described the NGOs and social entrepreneurs as agent of

In a paper presented at the conference, Zahid Hussain, a former lead economist of the World Bank in Dhaka, said the implementation rate of the annual development programme declined to an

11-year low recently. "Our problem has never been the lack of intention to spend more; the problem is in our ability to turn intentions into in urbanisation of Bangladesh is reflective meaningful actions."

BB refutes BSEC statement

dividends from the profits of the recent financial year even if there were accumulated losses.

Shamsuddin Ahmed led a three-member BSEC team at the meeting in the central bank headquarters, while the host side was led by Deputy Governor AKM Sajedur

"In the meeting, we informed the stock market regulator that the two issues cannot be allowed as these are illegal so the BSEC was requested to bring necessary amendment in its notifications," the BB said in the press release.

The market exposure issue of banks and NBFIs was also discussed in the meeting. From the central bank side, it was made clear to the BSEC that there was legal

limitation to relaxingthe exposure. "But, no decision was taken yet on any topics," said the central bank.

Earlier, BSEC Commissioner Ahmed told On Tuesday, BSEC Commissioner The Daily Star that the central bank had agreed to consider the market exposure of banks and NBFIs on the basis of the cost value of their investments in the stock market instead of the market value of the shares.

The BB had also agreed to allow the lenders to exclude their bond investments from the calculation of the exposure, he

Taking into account the BSEC commissioner's statement, the stock market investors became optimistic, leading to a rise of the market.

The DSEX, the benchmark index of Dhaka Stock Exchange, rose 143 points, or 2.14 per cent, to 6,847 yesterday.

government, have taken the preparations. I would like

country's independence.

Sheikh Hasina said now Bangladesh has won the status

Describing the AL government as a business-friendly

capacities go up," she said, pointing at the businesspeople. The business community will ultimately be benefited

During the celebration, there will be fireworks, cultural

The programmes will start at the amphitheatre after

much to GDP growth: study

was double to 103 people from 46 people.

"An enormous benefit of digitalisation has been

"The digital economy could promote development

Stocks of Beximco were traded the most, worth Tk 122

undergo trade, 198 rose, 46 fell and 25 remained the same.

SMEs and technology were game changers for IPDC

Says Managing Director Mominul Islam in an interview with The Daily Star

AHSAN HABIB

IPDC Finance has recovered from a sinking position to become one of the best non-bank financial institutions (NBFIs) in Bangladesh by shifting its focus to untapped sectors, according to the company's Managing Director Mominul Islam.

Back in 2006, the country's first NBFI saw its default loan rate soar to 37 per cent while another 13 per cent was at risk of being rescheduled.

As such, IPDC's performance started lagging as it slipped from top spot to 21st among 33 financial institutions.

"So, we stepped forward and took some initiatives to bring radical changes to the company," Islam told The Daily Star in a recent interview.

"First, we worked to clean the balance sheet of bad assets," he said.

IPDC then worked to standardise its policies to prevent new loans from turning sour before going on to improve the technical know-how and efficiency of employees to make its business environment transparent and customer centric

After that, the NBFI took aim at some unexplored areas in the small-and-medium enterprise (SME) sector outside of Dhaka and Chattogram. Most lenders do not prefer SMEs even though there are more than 78 lakh cottage, micro, small and medium enterprises across Bangladesh that are a safe bet.

"Besides, our corporate directors were aware of the company's situation and did not force any measures on us and instead allowed us to take any decision necessary," Islam added.

Deposits with IPDC stood at about Tk 4,753 crore while its total loans and advances

amounted to Tk 6,136 crore as of September

IPDC's current classified loan ratio is 1.64 per cent, company data shows.

Islam said the NBFI set aside around Tk 120 crore, or 2 per cent of its total loans, as an additional provision to protect against any

unexpected impacts of Covid-19. But rather than falling prey to the coronavirus fallout, IPDC's profits surged to Tk 70 crore in 2020, up 25 per cent from Tk 56 crore the year before. Meanwhile, its profits have already soared to Tk 84 crore in the first nine months of this year.

IPDC became the first non-bank financial institution in the country back in 1981 with an aim to support private sector growth.

Aligning with this goal, IPDC helped fund many private sector initiatives from five-star hotels to international standard hospitals, the managing director said.

The NBFI also kicked off a number of financial products in Bangladesh, such as housing finance, venture capital, preferred shares, and so on.

IPDC's struggle for survival began when private banks first started popping up across Bangladesh as it faced serious competition from traditional lenders that have no restriction on providing long-term loans.

In many countries, banks are not allowed to provide such loans and mostly deal with short-term disbursements or other services. Instead, NBFIs are there to cater to long-term loans for industrialisation.

Even in Sri Lanka, no banks are allowed to disburse loans for a period of more than three years. So, NBFIs in the country do not face much competition in this regard.

But since there is no such bar on banks



Mominul Islam

in Bangladesh, IPDC had suffered for its failure to strengthen its internal capacity and business strategy in line with the new economic environment.

Besides, funds from international financiers had dried out, forcing the NBFI to start borrowing from commercial banks to only redisburse the funds as long-term loans.

"That was a huge mistake," Islam said. At one stage, assuming that IPDC might go bankrupt, many employees left the business.

But despite all these challenges along the way, IPDC bounced back strongly after some young and energetic blood was injected into the company alongside Islam in 2006, when it had no star players.

And after the NBFI introduced some fresh policies and risk management criteria, and cleaned its balance sheet, Brac came forward in 2015 to invest in it.

Now, the non-government development

organisation holds a 25 per cent stake in IPDC while the government holds 22 per cent, the Ayesha Abed Foundation holds 10 per cent, Uttara Group holds 11 per cent, RSA Capital holds 5 per cent, and the rest is owned by stock market investors.

"We reshaped our business plan and targeted SMEs as there were several banks that lent to big industries but micro, cottage, small and medium enterprises had no one to turn to for finance even though it was a vast and untapped sector," he said.

IPDC also targeted people, including women, outside Dhaka and Chattogram who could hardly avail any financial service despite an increase in their income level.

"Our target was to lend at a very small ticket and the response has been fantastic as their repayment behaviour is much better than big borrowers," the managing director added.

However, the company's distribution channel and systematic process to reach SMEs both inside and outside the two major

Deposits with IPDC stood at about Tk 4,753 crore while its total loans and advances amounted to Tk 6,136 crore as of September this year

metropolitan zones was not very cost effective. IPDC then realised that technology would

be a key driver to reach these clients in a quick and cost-effective way. Since SMEs do not have any collateral

to offer against their loans, IPDC issues disbursements against their work orders or

"We have already built up a digital platform with the help of IBM, so now everything from work order issuance to bill submission can be done online and with that, IPDC can sanction a loan within three working days," Islam said.

The NBFI also introduced a blockchain based product called Arjon to lend to retailers. IPDC lent about Tk 1,000 crore last year through the blockchain system.

"We have been working with Unilever and British American Tobacco Bangladesh as well to lend their suppliers in rural areas," he

IPDC already catered to the loans of 13,000 customers through its Dana project and aims to reach 10 lakh customers by 2026. Its app based system is underway.

For a better distribution channel, the company went for collaborations with many companies, such as BSRM, Berger, and bKash, to make the lending process easy and cost-

These collaborations and the introduction of new technology were game changers.

Regarding challenges in the NBFI sector, Islam said the first issue is image building as the poor performance of some companies affects the entire industry.

The second challenge is ensuring long-term financing for the sector.

READ MORE ON B2

Stocks bounce back on optimism

DSE key index soars 2.14pc

STAR BUSINESS REPORT

Bangladesh stocks bounced back yesterday following Tuesday's big sell-off after a statement came from the Bangladesh Securities and Exchange Commission (BSEC) on the outcome of its meeting with Bangladesh Bank.

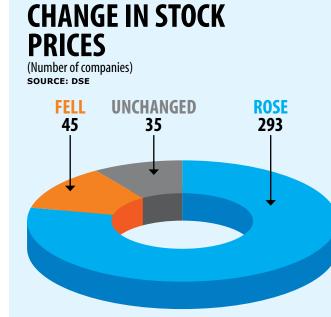
The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), soared 143 points, or 2.14 per cent, to 6,847 following its 92 point decline the previous day.

market rose due to hopes prevailing among investors of banks and non-bank financial institutions increasing their participation as some issues of dispute had been solved in the meeting held at the central bank on Tuesday.

After the meeting, Shamsuddin Commissioner Ahmed said Bangladesh Bank had agreed to consider the market exposure of banks and NBFIs based on the cost value of their investments in the stock market instead of the market value of the shares.

"The BB had also agreed to allow the lenders to exclude their bond investment from the calculation of the exposure," he said.

The central bank will allow banks and non-bank financial institutions to channel the undistributed dividends into the



stock market stabilisation fund, the commissioner informed.

Turnover of the DSE, however, fell 3 per cent to Tk 1,102 crore. At the premier bourse, 293 stocks advanced, 45 declined and 35 remained unchanged.

The Dhaka bourse rebounded to the green as investors were making fresh bets on select stocks amidst the prevalence of optimism, said International Leasing Securities in

its daily market review.

On Tuesday's meeting, two regulatory authorities, the BSEC and BB, agreed upon some prudent measures to boost up stocks, which motivated investors to make new investments in sector-specific lucrative stocks, it

Investors' activity was mostly centered on bank (30.8 per cent), pharmaceuticals (14.3 per cent)

of DSEX 7,200 7,100 In points; source: DSE 7,000 6,900 6,800 6,700 6,600 6,500 **FACTORS THAT FUELLED** THE RISE Announcement on resolving disputes between

UPS AND DOWNS

Jump of private sector credit growth to 13-month hiah

BB decision on not to mop up liquidity

and miscellaneous (12.7 per cent). A top official of a stock broker said a higher private sector credit growth and the central bank's decision not to mop up money in order to ease liquidity gave a boost to investors' confidence.

Such activities indicate that liquidity in the money market will be eased and it will impact the stock market positively, he added.

READ MORE ON B3

ISSUES OF DISPUTE BB refutes

BSEC statement

STAR BUSINESS REPORT

Bangladesh Bank yesterday refuted the Bangladesh Securities and Exchange Commission's (BSEC) statement on Tuesday that two issues on which the two regulators had a dispute on had been resolved through a meeting that day.

No decision was taken in Tuesday's meeting to bring changes to Bangladesh Bank's previous orders, said the central

What is more, the stock market regulator was requested to bring changes to its previous notifications, said the central bank in a press release.

Of the two issues of dispute, one was over the participation of banks and non-bank financial institutions (NBFIs) in a BSEC capital market stabilisation fund, directed by the BSEC.

The other was over a BSEC order allowing

READ MORE ON B3

Govt support was scarce considering Covid fallout

Says an economist

STAR BUSINESS REPORT

The government support extended to ordinary people amid the ongoing coronavirus pandemic was insufficient to sustain their livelihoods and contribution to the overall economy, a noted economist

Annual Conference on Development

With the advent of Covid-19, the government rightly

enforced complete economic shutdowns in a bid to control virus transmission, according to SR Osmani, a professor of development economics at the University of Ulster in the UK. However, recurring lockdowns led to an economic

downturn where many people lost their jobs. "And although the government did offer some support, it was not enough to sustain their economic activities, Osmani said at a session of the Annual BIDS Conference

on Development 2021 at Lakeshore Hotel in Dhaka. Instead of ensuring continued direct support for regular people, the government decided to reopen the economy so that it could avoid providing the support for a prolonged

"It was a pre-matured reopening of the economy which affected the lives of people," he added.

The poor financial support of the government is reflected in its data.

For instance, some 20.3 per cent of the total government support package was protection oriented while 79.7 per cent was growth oriented as the government's intention was to generate economic activities rather than protect

READ MORE ON B3

There's still space for raising public debt

But quality and timely execution is key, says former World Bank economist

STAR BUSINESS REPORT

Bangladesh's current debt to gross domestic product (GDP) ratio of 40.7 per cent is still sustainable and there is space for increasing public debt.

But the key issue is timely and quality spending of public funds to generate better results for the economy, life and livelihoods, a leading economist said yesterday.

"Our problem has never been the lack of intention to spend more, the problem is in our ability to turn intentions into meaningful actions," said Zahid Hussain, ex-lead economist at The World Bank,

He went on to say that the Annual Development Programme implementation rate recently fell to an 11-year low as a

"Targeting and execution challenges in social protection programmes and subsidised credit for cottage micro and small enterprises have dragged domestic economic recovery," added Hussain while presenting a paper on the economy, fiscal



Annua Conference on Development

sustainability and implications for recovery at the three-day BIDS Conference on Development 2021.

Digitalisation not contributing much to GDP growth: study

STAR BUSINESS REPORT

Increasing digitalisation and tele-density has contributed to the country's economic growth but it has not been as significant as in countries like India, said a study unveiled yesterday.

The share of information and communication

technology (ICT)-related sectors to gross domestic product (GDP) is about 13 per cent in Bangladesh while it is about 26 per cent in "To accelerate growth, we can rethink our

digitalisation approach," said Monzur Hossain, research director of the Bangladesh Institute of Development Studies (BIDS), presenting a paper in a session at an Annual BIDS Conference on Development (ABCD) 2021.

The BIDS organised the three-day event at Lakeshore Hotel in Dhaka marking the 50th anniversary of Bangladesh's independence.

The study assessed the sector-wise contribution of the ICT to GDP in seven categories and found that the largest increase in the share of ICT equipment and service producing sectors has been observed in posts and telecommunications division.

The ICT-focused manufacturing industries, which includes electrical and optical equipment and telecommunication services, increased their share in GDPto 2.64 per cent between 2015 and



Monzur Hossain

2019 from 1.83 per cent from 2005 to 2010, Hossain said.

However, contribution of other sectors such as those making use of ICT in manufacturing and services, as percentage of GDP, has rather remained stagnant which is the reason behind low impact of ICT on economic growth, he

Attention should be paid how use of IT can be increased in the manufacturing sector, Hossain said.

He said manufacturing and services sectors making use of the ICT constituted about 12 per cent of the total GDP in terms of employment between 2005 and 2009. It increased to 19 per cent from 2015 to 2019.



"Clearly, the ICT sector, though the size of ICT producing sector is small, show a remarkable increase both in employment generation and gross domestic product (GDP) over time," said Hossain.

This substantiated the importance of this sector for the Bangladesh economy, he added.

He said teledensity and ICTs have significant impacts on "Total Factor Productivity" (TFP) -the productivity of all inputs taken together -growth and thus the overall GDP growth as well.

"Total factor productivity and labour productivity growth has been gradually increasing after 2010 and onwards highlighting the inception of digital Bangladesh vision," he said.

READ MORE ON B3