

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.00%	▲ 0.99%	\$1,772.60	\$74.59	▲ 1.56%	▲ 1.89%	▲ 0.59%	▲ 0.16%	BUY TK 84.85	94.73	112.98	13.09
7,048.99	12,387.35	(per ounce)	(per barrel)	57,633.65	28,455.60	3,134.66	3,595.09	SELL TK 85.85	98.53	116.78	13.76

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BUSINESS

DHAKA WEDNESDAY DECEMBER 8, 2021, AGRAHAYAN 23, 1428 BS • starbusiness@thedailystar.net

Weak institutions barrier to development

Experts say at CPD-Cornell University virtual conference

STAR BUSINESS REPORT

Despite impressive economic growth and development performance over the past few decades, Bangladesh has failed to build its institutional capacities – a failure that may prevent it from making the LDC graduation smooth and achieving the Sustainable Development Goals, said economists yesterday.

“There are concerns that the weak institutional capacity of the country may work as a binding constraint as the country eyes to meet the stiff targets of the SDGs and aspires to become an upper-middle-income country by 2031 and a developed country by 2041,” said Selim Raihan, executive director of the South Asia Network for Economic Model.

He was speaking at a panel discussion at the virtual international conference -- Fifty Years of Bangladesh: Retrospect and Prospect -- organised by the Centre for Policy Dialogue (CPD) and the South Asia Program of the Cornell University.

Raihan, a professor of economics at the University of Dhaka, said the improvements in economic and social outcomes had not been accompanied by institutional development. Bangladesh's institutions had remained weak, with some ranking among the lowest in the world.

“It will be very challenging for Bangladesh to attain its development goals if institutional weakness continues.”

He blamed ineffective regulations for the swelling non-performing loans and

CHALLENGES

- Economic improvements have not been accompanied by institutional development
- Weak institutions to make sustainable development journey daunting
- Ineffective regulations are to be blamed
- Bureaucratic quality has not improved
- Ineffectiveness and reported grafts at regulatory agencies are setbacks
- Public debt and debt servicing liabilities expected to rise fast

BANGLADESH MUST

- Take advantage of LDC status over next five years
- Strive to secure new set of international support measures
- Take adequate preparation towards sustainable graduation
- Learn from global experiences to avoid middle income trap



scandals in the banking sector.

“It is partly due to an overlapping supervision by the central bank and the finance ministry and the lack of autonomy of the central bank in regulating public banks.”

Other setbacks facing the country include the ineffectiveness of the Anti-Corruption Commission as it can't investigate civil servants without the permission of the government; the corruption reported at the Office of the Comptroller and Auditor General; and grafts at the regulatory agencies related to transports and health.

Prof Raihan said there were four generic

institutional features in Bangladesh: the supremacy of the ‘deals environment’ over coordinated industrial policy; the supremacy of ‘pockets’ of functional informal institutions over weak formal institutions; the challenges of effective regulation; and the challenges of state capacity.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the score card for Bangladesh was not good.

“Bangladesh's performance is very poor in all indicators.

Bureaucratic quality has not improved.”

The implications of the graduation to the middle-income country would be higher interest rate, lower maturity and grace period, more stringent credit terms, and the likelihood of a rise in public debt and debt-servicing liability, said Mustafizur Rahman, a distinguished fellow of the CPD.

As of now, Bangladesh's outstanding public debt and debt servicing liabilities are not significant compared to many other countries. However, both are expected to rise fast.

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Noab seeks FBCCI help in fighting Covid fallout

STAR BUSINESS REPORT

The Newspapers Owners' Association of Bangladesh (Noab) yesterday sought cooperation from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) to resolve the industry's many challenges stemming from the pandemic's severe fallout.

This was the first-ever meeting between Noab and the FBCCI. Its focus was on the “role of newspapers in advancement of the country, challenges and opportunities of newspaper industry”.

During the meet at the Sonargaon hotel in Dhaka, Noab members informed of different problems that they were facing every day and sought solutions from the FBCCI leaders.

The FBCCI asked Noab members to provide better coverage on issues regarding the country's economic development and business community.

After the meeting, FBCCI President Md Jashim Uddin gave a briefing.

He said the newspaper industry needs to be included in the government stimulus package coverage as many newspapers have been going through a tough time from the severe fallout of the Covid-19 pandemic.

Almost all sectors have already received funds from the government-sponsored stimulus packages, except for the newspaper industry which is now struggling to survive.

Even the refrigerator industry received VAT waivers but the newspaper industry still needed to pay VAT despite it being a very vital service industry, he added.

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FOR INQUIRIES CALL US AT 16704

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Ecneec approves 10 projects

Five of them okayed after time and cost revisions

REJAUL KARIM BYRON and DWAIPIYAN BARUA

The Executive Committee of the National Economic Council (Ecneec) yesterday approved 10 development projects, half of which were revisions.

The cost and deadline of some of them have been extended twice or thrice despite repeated directives from government high ups for not allowing unusual delays.

Planning Minister MA Mannan at a press briefing following the Ecneec meeting opined that repeated revision of projects has become a national problem.

Five of the project proposals were for time and cost revisions. One was taken up in 2015 involving Tk 87.67 crore to establish two regional training centres of Bangladesh Krira Shiksha Protisthan in Chattogram and Rajshahi, to be implemented by 2017.

The project's third revision proposal has now been approved, raising the cost to Tk 162.46 crore while the deadline till June 2023.

Another small project involving Tk 45.81 crore on the development of ICT infrastructure, human resources and technology skills of Jatiya Sangsad Secretariat was first approved in July 2017 for completion by June 2020.

The first revision pushed the deadline to June 2021 and the second raised the cost to Tk 56.76 crore.

Yesterday a third revision was approved, increasing the cost to Tk 70.60 crore and pushing the deadline to June 2023.

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Govt readies rules to pave way for electric vehicles

JAGARAN CHAKMA and TUHIN SHUBHRA ADHIKARY

The government is set to remove all complexities for the registration and operation of electric vehicles in Bangladesh as the Road Transport and Bridges Ministry has prepared a guideline in this regard.

The draft “Electric Motor Vehicle Registration and Movement Guideline 2021” emphasises ensuring safety standards and an adequate economic lifetime for electric vehicles.

After preparing the guideline, the Road Transport and Highways Division published the draft on its website on November 24, seeking public opinions within a month. Besides, the division has already sent copies of the draft to the ministries concerned, according to various sources.

After getting opinions from individuals and ministries, the division will hold an inter-ministerial meeting before finalising the draft. Necessary procedures would then be followed before making the guideline functional, said an official preferring anonymity.

The development comes three years after a draft guideline was submitted to the division in November 2018. The division

TYPES OF VEHICLE	Motorcycles	Three-wheelers	Light vehicles	Medium vehicles	Heavy vehicles
LIFETIME	12 years	10 years	20 years	20 years	20 years

EVS' ECONOMIC LIFESPAN AS PER NEW POLICY

SOURCE: BRTA

then sent a four-member delegation to India to gain experience. After a two-year pause, the move gained momentum in January this year. The registration and movement

related guidelines for electric vehicles are being formulated as per clause-124 of the Road Transport Act 2018.

As such, electric vehicles will be

registered just like conventional ones and the same rule is applicable for battery-run three wheelers.

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Pubali Bank's Tk 500cr bond gets nod

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission yesterday gave the go-ahead to Pubali Bank's perpetual bond worth Tk 500 crore.

The approval came in a commission meeting at the securities commission building.

The bond would be unsecured, contingent-convertible, non-cumulative and Basel III compliant.

Of the Tk 500 crore, Tk 450 crore would be issued through private placement and the rest Tk 50 crore through public offer.

Face value of each bond is Tk 5,000. Its coupon rate ranges from 6 per cent to 10 per cent.

It would be issued to financial institutions, mutual funds, insurance companies, listed banks, and eligible investors.

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Winners of the IDLC-Prothom Alo SME Award 2021 pose with Planning Minister MA Mannan, IDLC Finance Managing Director M Jamal Uddin and Prothom Alo Editor Matiur Rahman at the Pan Pacific Sonargaon Dhaka yesterday.

COLLECTED

IDLC, Prothom Alo honour SME entrepreneurs

STAR BUSINESS REPORT

IDLC Finance Ltd and the Prothom Alo yesterday awarded six SME entrepreneurs for their outstanding contribution to the economy through tireless work and dedication.

Planning Minister MA Mannan handed over the IDLC-Prothom Alo SME Award 2021 at a programme at the Pan Pacific Sonargaon Hotel in Dhaka. IDLC Finance Ltd Managing Director M Jamal Uddin and Prothom Alo Editor Matiur Rahman were present.

Out of 1,100 nominations, the jury panel named the six best entrepreneurs in six categories: education, agriculture, health, manufacturing, best women entrepreneur and a special award.

Khondkar Siddique-e-Rabbani, founder and president of Bi-Beat Ltd, received the award in the health category. He was awarded for leading efforts in innovating technologies that are being used in the healthcare sector.

One of the equipment is the negative pressure isolation canopy, which is preventing doctors and healthcare workers from getting infected by the coronavirus in hospitals, according to a booklet published by the award organisers.

Bi-Beat has also produced a positive pressure isolation canopy, the first of its kind in the world. It is used in keeping patients in the burn unit safe from outside infections.

Md Monir Hosen, founder and CEO of Creative IT Institute, received the award in the education category. Set up in 2008, it has developed the skills of more than 50,000 youths.

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