



Accounting for annual transactions of over Tk 100,000 crore, Chattogram's wholesale hub for essential commodities comprising Khatunganj, Asadganj, Chaktai and Qurbaniganj houses over 5,000 businesses and handles some 30 per cent of commodities imported through the city's port. The size of the roads in these areas is nowhere near adequate. Loading and unloading of goods are run manually squirming through numerous parked vehicles packing the lanes to the brim. The photo was taken at Chaktai on Tuesday.

PHOTO: RAJIB RAIHAN

Bangladesh to be 24th largest economy by 2030

According to National Human Development Report

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REFAYET ULLAH MIRDHA

Bangladesh is expected to become the 24th largest economy in the world by 2030 despite a rise in poverty, unemployment and income losses because of the severe impacts of the Covid-19 pandemic, according to a government report.

"By 2041, Bangladesh will also become a digital economy," said the National Human Development Report (NHDR) prepared by the Economic Relations Division (ERD).

The ERD published the report yesterday, which was contributed by leading economists and consultants -- Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), and Selim Jahan, former director

of the human development report office of the UNDP and an adviser to NHDR.

Bangladesh today enjoys a steady economic growth of nearly 7 per cent per annum and as a result, mere \$35 billion economy of the mid 1990s has grown more than nine-fold to become a \$330 billion economy in 2020.

During the same period, the per capita income of Bangladesh has registered a nearly seven-fold rise from \$300 to \$2,064. The poverty incidence has fallen from 58 per cent in 1990 to nearly 21 per cent in 2019.

Over the past three decades, the life expectancy has increased significantly in Bangladesh -- from 58 years to about 72.6 years, an increase of about 15 years.

The expected years of schooling -- the number of years that a child of school-age can expect to receive education

rose from 5 years to 11 years between 1990 to 2019, said the NHDR report.

Today Bangladesh has achieved a life expectancy of 72.6 years as opposed to India's 70 and Pakistan's 67.

In Bangladesh, the under-five mortality rate is 28 in 1,000 live births, compared to 48 in India and 81 in Pakistan.

Bangladesh's role and involvement in global peacekeeping is noteworthy. So far, 163,887 peacekeepers from Bangladesh have participated in UN missions in over 40 countries.

The country has a total of 6,731 peacekeepers to the UN peacekeeping operations, the report also said.

The Covid-19 pandemic would inform and influence the future human development trajectory of Bangladesh.

So, it is essential to assess its negative

economic and non-economic impacts and formulate all possible short and medium-term strategies in order to deal with it effectively.

The Covid-19 is a new challenge that would impact the future human development journey of Bangladesh.

Because of the pandemic, women's time allocation for unpaid care work is projected to go up by 51 per cent and for unpaid domestic work by 29 per cent.

For example, the impact of the pandemic will be more on marginalised and vulnerable groups and they will also have tougher times getting out of it.

With most of the learning now being online, students from poorer households would be at a disadvantage.

Thus, there will be disparities in learning and in life opportunities between richer and poorer households.

Safety in non-RMG factories

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The required measures would be similar to those that had been implemented in the garment sector after the Rana Plaza tragedy.

Moazzem highlighted that undertaking remedial measures in non-garment factories was a complex issue since most non-garment sectors operate within the domestic supply chain unlike the garment sector operated in the global value chain.

"These domestic supply chains often do not properly follow a code of conduct on workplace safety and workers' rights. In addition to that, enforcement of industrial safety in developing countries is a challenging task," Moazzem said.

The reasons -- enterprises lack

willingness in investing for safety measures, weak governance structure and limited monitoring and enforcement capacity of public agencies; and a lack of pressure from buyers and consumers.

An initiative for industrial safety measures under the coordination of Bangladesh Investment Development Authority (Bida) was taken up immediately after the Hashem Food tragedy.

A 24-member committee, chaired by the prime minister's private industry and investment adviser, was formed to detect safety risks and issue required directions to responsible agencies for taking appropriate actions.

Bida subsequently formed another nine-member sub-committee

which developed a standard operating procedure for a "combined inspection".

It aimed to inspect around 42,000 non-garment factories across the country through 108 inspection teams comprising officials of different public and private entities.

It set a target to inspect a total of 5,000 factories in three months -- October to December -- in 2021.

However, the progress of inspection was not satisfactory. Only 875 factories were inspected as of January 10 this year, or just 17.5 per cent of the total target.

"The Bida-led initiative to identify the safety concerns of a sample set of factories is a positive initiative..." Moazzem said.

"...but it has yet to deliver

the expected outcome due to a lack of leadership, problem of coordination, limited capacity to handle the data for identifying the problems and limited technical expertise," he said.

Database management is likely to be a major challenge, particularly to deliver overall and factory-specific challenges and recommendations.

Bida should develop a common digital platform to store data, disclose the data and publish the inspection progress every quarter, half year or year.

It is important for Bida to invite International Labour Organization in the implementation process given the organisation's long experience of working on industrial safety related issues, he added.

country does not produce cotton and manmade fibres, he said.

In the next two years, some 2.5 million spindles would be added to the existing 14 million spindles in the spinning sector with an investment of \$2.5 billion, he said.

He said the price of the widely consumed 30 carded yarn had increased to \$4.71 per kg in December last year.

Millers fixed the price at \$4.20 per kg in September last year to stop a rise in prices following a request made by the local garment exporters.

The price was increased mainly because of the price of cotton per pound going

past \$1 in international markets, lower production of yarn due to gas crisis and abnormal hike in freight charges.

In August, the millers and garment exporters agreed that the price of 30 carded yarn will not cross \$4.20 per kg in the local market if the cotton price remains between \$0.85 per pound and \$1.0 per pound.

However, the cotton price crossed this limit and the yarn price was hiked in the local markets, he added.

Khonon demanded that the government raise the ceiling for loan from an Export Development Fund to \$40 million per borrower from the \$30 million at present.

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"We have focused on small businesses in the rural areas," said Md Arfan Ali, managing director of the bank. The bank has set a target to open 2.5 lakh micro-merchant accounts in the rural areas within five years.

Dutch Bangla Bank Ltd, which owns MFS brand Rocket as well, has taken initiatives to make its digital programme vibrant. It opened 1,350 accounts as of December, said Managing Director Abul Kashem Md Shirin.

Trust Axata Pay, a MFS provider jointly set up by Trust Bank and Malaysia's Axata Digital Services, has started to open PRAs.

It initiated a pilot programme by enlisting 300 rickshaw pullers on January 8, which will continue this month.

Dewan Nazmul Hasan, acting chief executive officer of the MFS provider, said that it had started the project with the vision of digital financial inclusion for unbanked micro-merchants.

BEYOND CASH-IN, CASH-OUT

Street vendors can now secure loans from banks by presenting their transaction profile of PRAs.

A micro-merchant is allowed to take a maximum of Tk 5 lakh in loans under a central bank refinance scheme.

Businesses usually have to submit trade licences and tax certificates to open a merchant and current account. But, the central bank has allowed clients to open PRAs without submitting any trade licence or tax certificate.

Banks verify the transaction profile of a micro-merchant to assess credit-worthiness and set limit. No current account is needed to manage loans.

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