

FBCCI, VCPEAB to develop startup ecosystem

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Venture Capital & Private Equity Association of Bangladesh (VCPEAB) will work together to develop startups, and attract local and foreign venture capital investment.

The development comes as a six-member delegation led by Shameem Ahsan, president of the VCPEAB and general partner of Pegasus Tech Ventures, met FBCCI President Md Jashim Uddin at the FBCCI office in the capital recently.

Startups may contribute up to 2 per cent to GDP and create 1.5 million jobs by 2025

Jashim said the FBCCI and the VCPEAB would work together to ensure sustainable development of startups, for the greater good of the country's economy, and for the development of the sector.

"We will take up the issue of startups and venture capital to the highest level of the government and will help create young entrepreneur-friendly policies," he said in a press release.

Ahsan said: "We are working relentlessly to attract foreign investment by helping create an investment-friendly environment for local startups."

"In addition, the FBCCI and the VCPEAB will work together to provide policy support to startups, build infrastructure and develop skilled workforce for this industry."

He said the startups will be able to create an ecosystem that will contribute up to 2 per cent to Bangladesh's GDP and create 1.5 million jobs by 2025.



Ropes being manufactured at a factory in the industrial estate of the Bangladesh Small and Cottage Industries Corporation in Pirojpur. The estate lacks direct road connectivity, causing businesses to incur extra expenses for changes in the mode for transportation of goods. The photo was taken earlier this month.

PHOTO: HABIBUR RAHMAN

BSCIC firms lament absence of direct road connectivity

HABIBUR RAHMAN, Pirojpur

Annually churning out some Tk 65 crore worth of products, businesses at the industrial estate of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Pirojpur are incurring extra expenses for the lack of direct road connectivity.

Products currently have to be transported around a kilometre on engine-run vessels over the Boya canal and then across the Sandhya river to a terminal where road transportation can be availed to the surrounding districts.

This also makes it difficult to avail a ferry service some distance away at Kourikhara village.

This could have been avoided had a nearby bridge over the Boya canal been rebuilt. At present, the old and narrow bridge can only support, at best, the weight of goods-laden rickshaw vans.

The estate, established in the 60s on around 24.7 acres of land at Nesarabad upazila, also needs its road network to be repaved.

There are currently 91 companies

BSCIC at Nesarabad, Pirojpur

- » Established in 1960s
- » Area: 24.74 acres
- » No of plots: 169
- » Allocated plots: 166
- » Active industrial units: 91
- » Units preparing to start operation: 11
- » Goods production: worth Tk 60-65cr/year

Produced items

- » Furniture, bakery, sweets, rope, wooden handles of different iron products

Markets

- » Dhaka, Chattogram, Barishal, Jhalakathi, Bagerhat and different areas of Pirojpur

running operations on taking allotment of 166 of the 169 plots there.

Another 11 companies are due to launch operations while four have suspended production.

Due to the availability of logs at

wholesale in a nearby floating market, most products at the estate are made out of wood. This includes furniture, cricket stumps and carrom boards. The firms also produce rope, quilt and shopping bags and process plastic for recycling.

"Only because of having no direct road communication, we fail to draw the attention of wholesale buyers from distant areas like Dhaka and Chattogram in spite of producing good products," said Mehedi Hasan Imran, a furniture factory owner.

The transportation cost is two to three times higher than what it would have been solely over roads, said another businessperson, Mohammad Masum.

Costs can be reduced if the bridge over the Boya canal is replaced with a wider concrete bridge and the roads are widened, he said. The issue was acknowledged by Milton Chandra Bairagi, deputy manager of the estate.

"Though the bridge is there, businesses cannot use it as it is very narrow and old," he said.

Bairagi, however, claimed that they were trying to develop the estate through the construction of a jetty in the Boya canal.

Nagad, DMCH sign deal to make payments easier

STAR BUSINESS DESK

Mobile financial service provider Nagad recently signed an agreement with Dhaka Medical College and Hospital (DMCH) in a bid to simplify the payment procedure.

Rahel Ahmed, chief executive officer of Nagad, and Brigadier General Md Nazmul Haque, director of DMCH, signed the agreement at the latter's office in Dhaka, a press release said.

"The services of Nagad are now easily accessible to thousands of people, which will be able to lessen their sufferings at the hospital," said Ahmed.

Nagad has set up merchant payment options at several counters in DMCH for patients coming to the hospital, which will help save time as well as reduce unwanted sufferings for the patients.

With this agreement, all kinds of fees, including ticket collection to visit a doctor, medical and other service fees, can be paid through Nagad.

Besides, salaries and allowances of DMCH's fourth class employees will be paid through the mobile financial service.

ABM Mannaf Parag, head of government sales, Md Ashrafur Alam, assistant director for finance and store, and Halima Sultana Haque, assistant director for administration, were present.

Walton offers Bangla voice-controlled AC

STAR BUSINESS DESK

Electric and electronics product manufacturer Walton has launched the country first voice-controlled air conditioner operable in Bangla language.

SM Mahbubul Alam, director of Walton Hi-Tech Industries, unveiled the new model at its corporate head office in Dhaka on Sunday, said a press release.

Alam dedicated the invention to the country's Language Movement martyrs, a day prior to International Mother Language Day.

Saying "Swagatam Walton" (welcome Walton) enables an active mode. The model can be then turned on or off saying "AC Chali" (AC start) and "AC Bondho" (AC off) respectively.

"...We will come up with voice commands in languages of other countries where Walton ACs are exported. Similar innovations are underway for other Walton products too," said Alam.

Last year, Walton released its offline voice-controlled AC under an "Oceanus" series featuring the English language.

Amdadul Hoque Sarker and Humayun Kabir, deputy managing directors of Walton, Mohammad Rayhan, chief executive officer of Walton Plaza Trade, Tanvir Rahman, chief business officer of Walton AC, Firoj Alam, chief marketing officer, Tapas Kumar Majumder, head of research and innovation, SM Zahid Hasan, Yusuf Ali and Anisur Rahman Mollick, senior executive directors, and Rakib Uddin, executive director, were present.

Time to raise awareness

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The results of the econometric exercise show that the impact of Bondhu Chula use on household biomass energy is significant. It was found that the use of Bondhu Chula reduces the per capita biomass fuel consumption on average, with a range of 9.75 kg to 12.25 kg per month. In terms of percentage reduction, this is about 30-37 per cent compared to the amount of biomass fuel used by traditional cook stoves.

The laboratory test, as conducted in Bangladesh by the BCSIR, claims that Bondhu Chula saves 50 per cent fuel compared to traditional cook stoves. The difference between claimed fuel reduction and empirically obtained reduction is perhaps due to varying cooking habits practised by the surveyed households.

Based on the above findings, we can take the average level of savings in biomass fuel consumption due to the use of Bondhu Chula to be about 11 kg per household member per month, which is about 600 kg per household per year.

With more than 29 million households, Bangladesh has a great market potential for Bondhu Chula. With 67 per cent of households using more than one stove, this could increase the total number of stoves to more than 50 million. Taking this potential market into account, we calculate that potential fuelwood consumption saving is

about 30 million tonnes per year, which is about 51 per cent of the country's total fuelwood consumption.

When converting this biomass fuel saving into the potential reduction of carbon dioxide emission, we obtain that the use of Bondhu Chula would potentially reduce 50.49 million tonnes of carbon dioxide emission per year nationally.

The next issue examined was the impact of Bondhu Chula on health outcomes.

It is very common that women in Bangladesh are responsible for cooking and thus they are mostly affected by indoor air pollution, which is likely to affect the health outcomes related to indoor air pollution. Household air pollution caused by cooking with biomass fuel has negative impacts on health.

Several studies showed the association between exposure to particles (caused by burning fuelwood) and respiratory diseases such as pneumonia or asthma. In this respect, the Bondhu Chula users were asked whether the use of the stove reduced indoor air pollution.

About 99 per cent of households reported that the use of Bondhu Chula reduced indoor air pollution. Thus, it is likely that the frequency of health problems associated with air pollution will reduce in the households with Bondhu Chula.

The estimated results also show that the use of Bondhu Chula significantly reduces the

air pollution-related health problems of women. The health outcomes in this study are self-reported and measured in terms of the number of eye irritation and the number of respiratory problems a woman suffers per month. For both eye-related and respiratory problems, study results show significant negative effects (i.e., health-improving effects).

The results show that women with Bondhu Chula have on average 5.55-6.66 times lower eye irritation compared to the women who use traditional stoves and the same women have on average 0.90-1.28 times lower respiratory problems relative to women who cook using traditional stoves. Overall, our findings suggest that positive and significant health-improving outcomes are associated with the use of Bondhu Chula.

The use of Bondhu Chula is likely to affect through two channels the time allocations of women who are involved in cooking: first, Bondhu Chula may have an effect on the cooking duration by speeding up the cooking process and second, a reduction of fuel consumption may imply time savings in obtaining the fuel, be it in terms of collecting or buying it. In case Bondhu Chula has triggered time savings, households may then reallocate the freed-up time to other activities in a second-round effect.

The results of the study show that the use of Bondhu Chula does

reduce the household cooking time. This means Bondhu Chula affects the time savings of women through the first channel, i.e., speeds up the cooking process by efficiently using the fuel and therefore cooking time reduces.

Our results also show the effect of the second channel on time savings. The results show that the use of Bondhu Chula reduces the biomass fuel consumption and, therefore, the fuel collection times reduces.

From the survey data, we found that households with Bondhu Chula spend about 200 minutes lower time in collecting fuelwood compared to households with traditional cook stoves, mainly due to the reduction of biomass energy caused by Bondhu Chula use. Thus, women have more leisure time or allocate their time to some other productive activities.

The story of Samiul Islam of Lalmonirhat and Shahedul Islam of Kurigram narrated in The Daily Star story indicates that institutional efforts aimed at popularising Bondhu Chula are bearing fruit. But there is still a long way to go.

The report mentioned that only about 4.5 million out of a potential of 50 million Bondhu Chula have so far been installed. This means that the drive to raise awareness about the benefits of Bondhu Chula needs to be intensified.

The authors are economists.

Escalating Russia-Ukraine

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escalation around Ukraine, as well as if cooler heads prevail amid rising demand and somewhat constrained supply."

"While the path of Russia-Ukraine crisis remains unclear with potentially elevated market volatility in the short-term, tightening monetary policy, in our view, still remains the key risk for equities as central banks attempt to aggressively re-anchor inflation expectations lower.

"Overly restrictive monetary policy could result in an outright policy error especially if the business cycle continues to deteriorate. At the same time, the Russia/Ukraine crisis could force a reassessment of the Fed tightening path resulting in central banks turning less hawkish, while policymakers may consider additional fiscal stimulus."

"The developments have provided a major blow for any remaining hopes for last minute diplomatic solution to avoid conflict in the Ukraine, which will surely be even harder to avoid now after Russia chose to blatantly disregard the Minsk agreement.

"There is now a significantly higher risk that tensions will continue to escalate in the region triggering a sharper sell-off for the rouble and placing more downward pressure on other European currencies, that should boost the relative appeal of the US dollar."



Tarik Morshed, managing director of Bengal Commercial Bank, and Md Forkan Hossain, general manager for the department of the accounts and budgeting at Bangladesh Bank, exchange signed documents of an agreement over an automated challan system at the latter's head office in Dhaka recently. All Bengal Commercial Bank branches will be able to collect payments of various government fees and revenues in real time and submit to the government treasury under this agreement.

PHOTO: BENGAL COMMERCIAL BANK



Adil Raihan, deputy managing director of Mercantile Bank, virtually inaugurates a training programme on "Awareness of E-payment of VAT, TAX and other charges" held recently. Javed Tariq, principal of Mercantile Bank Training Institute, moderated the programme. Md Shahinuzzaman, joint director of the department of payment system at Bangladesh Bank, and Md Golam Sarwar, assistant programmer of the National Board of Revenue, joined the event.

PHOTO: MERCANTILE BANK