



With mango season fast approaching, farmers in major producing districts are getting ready for the oncoming demand. Here, a farmer is seen inspecting a mango tree in Kaptai upazila of Rangamati, where 3,650 hectares of land have been brought under cultivation to produce 38,325 tonnes of the fruit. The photo was taken recently.

PHOTO: LALTANLIAN PANGKHUA

# Time for tariff reforms to improve trade competitiveness: experts

## STAR BUSINESS REPORT

Tariff rationalisation is extremely important for Bangladesh to boost exports, improve trade competitiveness and maintain steady economic growth, speakers said yesterday.

"Tariff rationalisation is a big challenge as it affects export. This is the high time for the formation of the national tariff policy," said Zaidi Sattar, chairman of the Policy Research Institute (PRI) of Bangladesh.

Also, tariff protection is a significant barrier for signing the Preferential Trade Agreement (PTA) and Free Trade Agreement (FTA) and attracting foreign direct investment, he said.

"Time is ripe for a forward-looking trade agenda that goes beyond tariffs to include factor and non-factor services exports, digital technologies, and climate-related reforms as well as flexible thinking on regional cooperation, FDI and FTAs to boost competitiveness."

He was speaking at a virtual discussion on "Boosting Bangladesh's

Trade Competitiveness" jointly organised by the PRI and World Bank.

According to speakers, the export led-economic growth of the country will further face challenges in the post-LDC (least-developed country) period as the trade benefit will erode.

So, Bangladesh needs to deepen integration with other countries and trade blocs to maintain the current export growth after graduation as attaining preferential market access to the European Union might be difficult.

The country also needs to improve export and market diversification as the export is highly concentrated only in garment items, they said.

Speaking at the event, Commerce Minister Tipu Munshi said Bangladesh has the capacity to sustain any shock in the export trade as the government and local exporters have improved capacity.

For instance, Bangladesh has overcome the severe fallouts of Covid-19 as garment shipment rose despite the coronavirus pandemic.

During the difficult period, local exporters have stepped up to make even

personal protective equipment to offset the export shock.

The government is negotiating with the major trading countries to sign PTAs, FTAs and Comprehensive Economic Partnership Agreement (CEPA) to address the trade benefit in the post-LDC era.

MA Razzaque, research director of the PRI, said more than 22 per cent of revenue collection will drop after the LDC graduation. However, with the current capacity and competitiveness, Bangladesh's export earnings should have crossed \$100 billion.

If Bangladesh can't manage to obtain the GSP Plus status in the EU market, local exporters will have to face tariffs under the most-favoured-nation criteria, Razzaque said. "The tariff regime of Bangladesh needs to be immediately reformed," said Hoon Sahib Soh, practice manager of the World Bank, adding that the high protection does not facilitate export-led economic growth.

Bangladesh participates less in the global value chain (GVC), said Nora Carina Dihel, senior economist of the

WB, adding that with the para-tariffs, tariff rates in Bangladesh increase from 6 per cent to 50 per cent. She said GVC participation and regional linkage increase export survival.

Csilla Lakatos, another senior economist of the WB, said Bangladesh's lack of export diversification can be partially attributed to the protective trade regime.

The impending erosion of trade preferences due to graduation from the LDC status further challenges Bangladesh's export competitiveness.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said the government has reduced the corporate tax by 5 percentage points over the last two fiscal years. "Such gradual reduction should be continued to make the rate rational."

Sadiq Ahmed, vice-chairman of the PRI, said Bangladesh should be justifiably proud of its export performance and for the export recovery from the severe fallouts of Covid-19.

Yussuf Abdullah Harun, a lawmaker, also spoke.

## Land-related service fees can be paid thru Nagad

### STAR BUSINESS DESK

Nagad now enables customers to pay land-related fees including land development fees (LD tax), e-mutation, and e-records of right fees sitting at home using Nagad.

This service is available to customers both online and through the Nagad app, a press release said.

Before proceeding, customers must first get the token or reference number from the land website [www.land.gov.bd](http://www.land.gov.bd), the land call center 16122, or the land app by following on-screen instructions.

The website of the ministry of land has also a payment acceptance option through Nagad which is available since September 8, 2021.

"We have made this payment process as simple as possible on the digital service Nagad so that our customers are not subjected to harassment while paying land fees," said Sheikh Aminur Rahman, chief marketing officer of Nagad.

Beneficiaries of the online bill payment service will get a receipt after successfully acquiring the service.

The payment received via Nagad will be transmitted to the government treasury promptly through e-challan.

This procedure is done through the settlement bank, using the land ministry's designated bank account.

Customers who pay land fee online will automatically be listed in favour of their property. This method is similar to electricity, water, or gas bill payment through a mobile wallet.

## MetLife settled life ins claims of Tk 1,792cr in 2021

### STAR BUSINESS DESK

MetLife Bangladesh, one of the leading insurance companies in the country, has settled insurance claims worth Tk 1,792 crore in 2021.

The insurer cumulatively settled claims of Tk 5,900 crore in the last five years (2017-2021), a press release said.

MetLife has begun using artificial intelligence for the online submission of insurance claims to make insurance more convenient and trustworthy for customers.

As a result, customers can now receive their claims within three days upon uploading the correct documents.

Currently, MetLife Bangladesh has been serving over a million individual customers and more than 800 corporate clients.

"We are committed to standing beside our customers by settling claims in an efficient and transparent manner.

We will continue to make the claims settlement process even faster to improve customer convenience," said Ala Ahmad, chief executive officer of MetLife Bangladesh.

## How private sector can help

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favourably by the nation's citizens due to the nationally beneficial results it achieves.

**Building trust** - It is important that both sectors gain the confidence and support of the people in carrying out their functions and achieving their objectives. Unless people can be made to trust that the public-private collaboration is for their benefit, they will reject it. Therefore, meaningful results need to be achieved quickly which will convince the average person of the need for such ventures. This means planning for the short and the long term with clear deliverables that are not abstract, and the layperson can appreciate.

### Public-private partnership

The public-private partnership is a long-term effort and there are certain areas that acutely require such a partnership and some of these are discussed further from a Bangladesh perspective.

### Nationwide economic development

Areas outside of Dhaka and a few other major cities remain largely underdeveloped and this represents a major lost opportunity. If the private sector is incentivised to invest in these areas, it would be a great prospect to build a market and a presence in these places while also helping the government develop these areas. The major cities of Bangladesh are getting saturated and in order to increase consumer demand and business growth, there is a need for developing markets across Bangladesh and beyond the major

cities. Such a unification would be an alignment of goals for both sectors.

**Education** - Although the government has made massive strides in providing education in remote areas, the quality of public education is still considered to be inadequate. The private education sector currently does not fully focus on areas outside of Dhaka and Chattogram due to the difficulty of turning a profit in areas where people would not be able to afford the higher tuition costs. Therefore, the public sector needs to encourage and motivate the private sector to operate schools outside of the major cities by providing operational and financial incentives such as tax breaks and the availability of better educational infrastructure. While the models may be decided later, the immediate idea and focus is for the two to play to their strengths.

**Healthcare** - Like education, the quality of healthcare and the availability of medical resources and technology outside of the major cities in Bangladesh are not nearly where they should be. Too many patients need to travel long distances to the major cities, especially Dhaka to avail the proper care needed. This again leads to lost opportunities for the private sector to serve and earn across the country and for the public sector, it is an increase of the burden of overall economic inefficiency, which hampers its development objectives. A public-private combination to increase the availability of proper healthcare nationwide would benefit both parties.

Rising above past views

The private sector is often guilty of viewing public officials as largely inefficient people who cannot get the job done without indulging in time-wasting bureaucratic procedures. Inversely, the private sector is perceived as a breeding ground for greedy executives who cannot see past their bottom line and cannot envision how their responsibilities could range beyond maximising profit.

To bridge this gap and overcome past views, Bangladesh needs positive examples of business leaders who do not just care about the bottom line but rather about their people and the impact that they are having on the environment. Bangladesh also needs examples of government officials who are spearheading initiatives that are changing the nation and overcoming roadblocks posed by ancient bureaucracies. There should be no place within the public sector for obstructionist officials who constantly resist change and innovation.

The primary aim must be to unite towards the achievement of the goals of both the private and public sectors. If the public sector wants better economic and social development beyond the major cities, then they must help create the conditions where the private sector can flourish and would want to invest. Similarly, the private sector must accept that they cannot work without the government's support and hence, be willing to align and work together.

The author is an economic analyst

## Western firms

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Equinor, the energy firm majority owned by the Norwegian state, said it would start divesting its joint ventures in Russia.

The moves put the spotlight on other Western companies with stakes in Russian oil and gas projects, such as ExxonMobil and TotalEnergies.

Large parts of the Russian economy will be a no-go zone for Western banks and financial firms after the decision to cut off some of its banks from SWIFT, a secure messaging system used for trillions of dollars' worth of transactions around the world.

The European arm of Sberbank, Russia's biggest lender, faces failure, the European Central Bank warned on Monday, after a run on its deposits.

British bank HSBC said it was starting to wind down relations with a host of Russian banks including the second-largest, VTB, one of those targeted by sanctions, a memo seen by Reuters showed.

Even neutral Switzerland said it was adopting European Union sanctions and freezing assets of some Russian individuals and companies. It joined others by imposing sanctions on President Vladimir Putin and other officials.

Some Western companies were suspending operations while others were drawing up contingency plans as they reviewed the rapidly changing landscape for business with Russia.

Nasdaq Inc and Intercontinental Exchange's

NYSE have temporarily halted trading in stocks of Russia-based companies listed on their exchanges, their websites showed.

Global auto and truck makers, including US automaker General Motors Co and Germany's Daimler Truck, on Monday took some actions. Volkswagen suspended deliveries of cars to dealers in Russia and Swedish automaker Volvo and GM said they would suspend exports to Russia.

"Deliveries are to resume as soon as the effects of the sanctions imposed by the European Union and the United States have been clarified," a VW spokesperson said.

That may not be soon, though, given the complexity of the conflict and sanctions process.

"We are likely to be in this environment of a very complicated, multipronged, multifaceted sanctions regime for months if not years," said Marcus Thompson, a London-based partner at Kirkland & Ellis.

Singapore-headquartered container shipping company Ocean Network Express on Monday suspended bookings to and from Russia while Maersk said it was considering doing the same.

Several companies with exposure to Russia had their shares pummeled on Monday. Nokian Tyres tumbled after withdrawing its 2022 outlook. It said last week it was shifting some production to Finland from Russia.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh Ltd (IBBL), inaugurates the bank's month-long "Business Excellence Campaign" at Islami Bank Tower in Dhaka yesterday. Md Omar Faruk Khan, additional managing director of the bank, JQM Habibullah, Md Mostafizur Rahman Siddiquee, Md Altaf Hossain and Md Nayer Azam, deputy managing directors, and Md Maksudur Rahman, senior executive vice-president, were present.

PHOTO: IBBL



Md Monwar Hossain, project director of the eradication of hazardous child labour project at the labour and employment ministry, and Kamal Quadri, chief executive officer of bKash, exchange signed documents of an agreement at a city hotel on Monday. Begum Monnujan Sufian, state minister for labour and employment, Md Ehsan-E-Elahi, secretary of the ministry, and Selina Akhtar, additional secretary (development wing), were present.

PHOTO: BKASH

## TotalEnergies stays put in Russia

### REUTERS

TotalEnergies condemned what it called Moscow's military aggression in Ukraine but stopped short on Tuesday of joining rivals Shell and BP in planning to exit positions in resource-rich Russia.

The French oil major, which holds a 19.4 per cent stake in Novatek, Russia's

largest producer of liquefied natural gas, said it "will no longer provide capital for new projects in Russia".

"TotalEnergies supports the scope and strength of the sanctions put in place by Europe and will implement them regardless of the consequences (currently being assessed) on its activities in Russia," it said in a statement.