

## Sri Lanka seeks Bangladeshi investment

STAR BUSINESS REPORT

Sri Lankan High Commissioner to Bangladesh Sudharshan Seneviratne has sought investment from Bangladesh in tourism and agriculture sectors of the nation, which is now going through an economic turmoil.

Seneviratne made the call in a meeting with Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the federation building in Dhaka yesterday.

The Sri Lankan envoy said his country is offering attractive incentives for foreign investors, including tax holidays. Bangladeshi entrepreneurs can make profits by investing in huge uncultivated lands in Sri Lanka, the envoy also said.

The high commissioner also sought Bangladesh's cooperation in the development of tourism and shipping sectors.

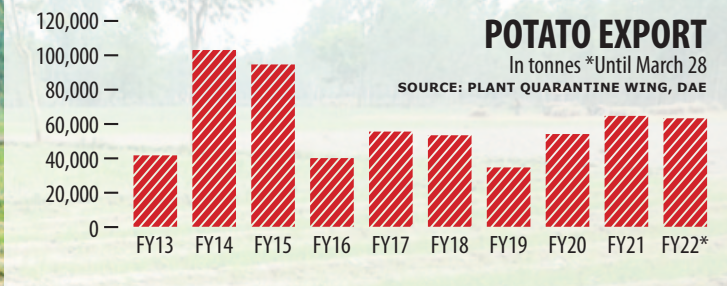
The Colombo port now has four harbours and is equipped with more modern facilities, he said and urged the Bangladeshi cargo ships to go through Colombo. Jashim Uddin said a free trade agreement between the two countries would make it easier to increase bilateral trade and investment.

He stressed the need for increasing regional trade.

Most of Bangladesh's trade takes place with the United States and the European Union, but it is more profitable to do business with the neighbouring countries, he said.

Referring to the huge volume of inter-trade in North American Free Trade Agreement and the Association of South East Asian Nations, the FBCCI president said if the South Asian Free Trade Agreement was implemented, the development of Saarc countries would have been accelerated.

He also emphasised the importance of cooperation in the energy sector among the Saarc countries.



# Potato exports near last year's total in 9 months

SOHEL PARVEZ

Outbound potato shipments are set to exceed last year's total as local exporters are able to supply the vegetable at more competitive prices than Pakistan and China, various exporters said yesterday.

Bangladesh shipped 63,320 tonnes of potato between July 1 and March 28 in fiscal year 2021-22.

The amount is just around 1,500 tonnes below the total potato exports recorded in fiscal year 2020-21, according to data from the Department of Agricultural Extension (DAE), which issues plant health certificates for international shipments.

"We have been able to deliver potatoes at more competitive prices than Pakistan," said Shaikh Abdul Qader, president of the Bangladesh Potato Exporters Association (BPEA).

Bangladesh ships potato mainly to Malaysia, Singapore, Sri Lanka and Middle Eastern countries, namely the United Arab Emirates and Saudi Arabia. Nepal also imported 15,000 tonnes of potato this year, said Md Rezaul Karim, deputy director of the DAE's Plant Quarantine Wing.

"We expect the total potato exports will be 100,000 tonnes at the end of this fiscal year," he added.

Exporters shipped 100,000 tonnes of potato once in fiscal year 2013-14, which is the highest on record. Shipments of the

tuber later declined but there has been a rising trend for the last two years, as per DAE data.

Farmers cultivated potato on 4.77 lakh hectares of land this fiscal year and the DAE expects that production would cross one crore tonnes. Growers bagged 98.8 lakh tonnes of potato last fiscal year, according to the Bangladesh Bureau of Statistics (BBS).

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Bangladesh is the seventh biggest potato producer in the world but the amount exported is insignificant.

Quader said lack of exportable variety of potato has been a major barrier to boost export. And removal of restrictions on the introduction of new varieties of potato

seeds, and their production and marketing for three years by the agriculture ministry, has helped them introduce some new varieties.

"We were able to start exporting potato from January this year as we brought extra of the early variety. Earlier, we could begin export from February," he said, adding the new variety matures in 60 to 65 days.

Kazi Mahabub Morshed, owner of Kanak International, another exporter, said they shipped a good amount of the vegetable in the January-February period. The quantity shipped in March was comparatively low though.

"There was a supply shortage of quality potatoes from Pakistan and China to the markets we export to," he said.

However, exporters are not going to be able to export to Russia this year despite the removal of a ban imposed by the country in this regard.

The problem is that freight rates are around \$14,000 per container for potatoes worth \$8,000 in total, Morshed said.

"I do not see any prospect of exporting this year. Maybe next year though if freight rates decline and global tensions ease," he added.

Quader said the freight rate was \$3,600 per container when Russia slapped on the ban in 2015.

"Freight fares are so high that we cannot export even after the reopening of export opportunities," he added.

## US envoy praises investment environment

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Bangladesh has an attractive economic sector for investment, US Ambassador Peter Haas said yesterday.

Bangladesh has an investment-friendly environment along with demographic dividend and skilled manpower, the ambassador said, adding that he will inform the US businesses about the investment opportunities the country has.

He also spoke highly of the south Asian country's economic progress and capabilities.

Haas made the comments in a meeting with Finance Minister AHM Mustafa Kamal at the latter's office in the secretariat.

The envoy also assured that the United States would stand by Bangladesh in its development efforts. He also lauded the steps, including the vaccination programme, taken by the Bangladesh government to address the health and socio-economic challenges posed by the Covid-19 pandemic.

In the meeting, Kamal said the diplomatic relations between Bangladesh and the United States have expanded to various fields, including trade and commerce.

He said Bangladesh is no longer a "development miracle". The country is now a "role model of development" for others, Kamal said.

He said Bangladesh is currently 41st in the world in terms of the size of the economy which was 60th in 2006. "After independence, it took 38 years for our economy to reach \$100 billion in GDP [gross domestic product], but in the last 12 years, it has quadrupled to \$411 billion."

## Two new digital services launched

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The planning ministry yesterday launched two services to digitalise the formulation of the Annual Development Programme, project preparation capabilities, and develop its overall office management system.

Planning Minister MA Mannan inaugurated the services at an event at the National Economic Council's auditorium.

The two installed services are "Project processing, appraisal and management system" and "Research management system (RMS)".

According to a press release from the ministry, the first software can be used by the agency to draw up project details, send them to the concerned ministry, and after processing, send them to the Planning Commission for approval.

The RMS will help receive research applications from the Social Science Research Council, and select and approve them.

Through the use of these services, the time, cost, and visits required to prepare a project will reduce, and this will ensure transparency and accountability, the press release said.

"We can do everything sitting in our office. Our officials will not have to run after other line ministries to hold meetings about projects," Mannan said.

## Remittance hits 8-month

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economist of the World Bank's Dhaka office. The abnormal factors include the disruption faced by the unofficial money transfer channel as international travels came to a halt due to Covid-19, fuelling the use of banks and other official channels to transfer funds.

Since the global economies are returning to normalcy thanks to improved coronavirus situations, the global hundi cartel, which operates an illegal cross-boundary financial system, has become active again, evidenced by a lower flow of remittance to Bangladesh so far in the current fiscal year.

Hussain is, however, upbeat that remittance would increase in the

second half of 2022 if there is stability globally since an increasing number of workers are going abroad in search of jobs.

Alone in 2021, about six lakh workers, which also include the labourers who had to return home after losing jobs after the virus outbreak, went back. The manpower export has kept the upward trend since the demand for low-skilled workers internationally has spiked.

According to Hussain, the fundamental determinant of remittance is how many workers of a country work abroad.

"If the number of workers goes up, remittance will climb. We are seeing an improvement in that fundamental."

The economist thinks

the elevated level of oil price, caused by the Russia-Ukraine war, would give a boost to the oil-producing Middle Eastern economies and this will have an impact on the labour market in the countries, in terms of wages or demand.

The Middle Eastern countries are home to 75 per cent of Bangladesh's about one crore citizens working abroad, said Shariful Hasan, head of migration of Brac, citing data from the Bureau of Manpower, Employment and Training and other sources.

Because of the pandemic-induced disruptions, only about 2.17 lakh people went abroad in 2020. But nearly 3 lakh workers have already left the country in the first three months of 2022, he said.

taken," he added.

Munshi also informed that about 80,000 to 90,000 tonnes of soybean oil has arrived in the country since the government's move to reduce value-added tax on imports of cooking oil.

As such, there is adequate stock against domestic demand, so no unscrupulous businessman should take advantage and the consumer rights watchdog has been directed to not make any concessions in this regard.

Besides, there is no reason to stock up on a whole month's supplies during Ramadan as it is better to buy only as much as needed, Munshi said while assuring that there will be no shortages in the market.

However, there is still a

big gap between retail and wholesale prices despite efforts to prevent such disparities.

"We are coming to the market again and again to sit with traders as product prices have gone up. Although there is not much of a problem in wholesale markets, there is a big difference in price when it comes to retail," he said.

"I have seen some inconsistencies in the rice market. Coarse rice is Tk 43-44 per kilogramme at wholesale but it increases at retail," Munshi added.

Tapan Kanti Ghosh, secretary of the commerce ministry; AHM Safiquzzaman, director general of the Directorate of National Consumer Protection; and Monjur Mohammad Shariar, director, were present.

## Sewing thread: new avenue



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establish a sewing thread unit in Tongi a few years ago to produce 70 tonnes of thread a month. Nearly 200 manufacturers are engaged in producing sewing thread for export-oriented garment factories, but few of them dominate the market, said Abul Quasem Haider, president of the Bangladesh Sewing Thread Manufacturers and

Exporters Association. Local manufacturers can supply more than 90 per cent of cotton made sewing thread. But in the case of the synthetic-made thread, they can cater 70 per cent of the demand, and the remaining 30 per cent comes from imports, mainly from China.

More than 100 small and medium-sized mills serve the local sewing thread market.

## Stocks turnover

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JMI Hospital Requisite Manufacturing topped the gainers list with a 10 per cent rise while IPDC Finance, CAPM BDBL Mutual Fund One, National Housing Finance and Investments, and Imam Button also saw major gains.

IPDC Finance became the most traded stock with shares worth Tk 57 crore changing hands followed by Provati Insurance, Beximco Ltd, Fortune Shoes, and GSP Finance.

The Chitagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the CSE, edged up 76 points, or 0.38 per cent, to close the day at 19,825.

Of the 279 stocks traded, 124 rose, 119 fell, and 36 did not see any price movement.

## New patents bill passed

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A registrar office will be there to issue or cancel patents of any single inventor or joint inventors of a technical innovation under the proposed law.

Mohammad Golam Sarwar, assistant professor of the Department of Law, University of Dhaka, said updating the patent law in tune with current trends had become necessary.

Demands had been raised to protect intellectual property, said Sarwar, who was also involved in reviewing the draft law.

Referring to a Global Innovation Index 2018 report, he said Bangladesh has been ranked the least innovative country in Asia.

So the new patent law will facilitate compliance with agreements on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) and other global standards relating to patent and innovation, he said.

The TRIPS agreement requires member countries to make patents available for any invention, whether products or processes, in all fields of technology without discrimination, subject to the normal tests of novelty, inventiveness and industrial applicability.

He said it would ensure the right balance between pharmaceutical innovation and access to medicine following the introduction of any pharmaceutical products. It will protect

intellectual property rights while inspiring innovators and businesses to invest more in better innovations and technologies, he said.

According to him, the new updated law will help Bangladesh cope with challenges stemming from its United Nations status graduation to a developing country.

For this, Bangladesh needs to develop a robust protection mechanism in terms of innovation, technology and patent protection regime, he said.

He said the law would help mobilise foreign direct investment (FDI) in Bangladesh as investors give priority to strong laws for protection of innovation and idea generation.

He also said foreign investors and multinational companies might be discouraged to invest in Bangladesh unless there was a strong protection mechanism for their intellectual property rights and technical expertise.

However, he said, like other laws in Bangladesh, there were challenges in implementation and monitoring.

He also said the act was a strong base to adopt international standards to protect intellectual property.

"We did not have any innovation-related law although there was a policy. For this reason there was a possibility for ideas or innovations to be

hacked," he said, adding, "This act will protect the idea and innovation of the patent holder."

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry, said they support modernisation and simplification of patent acts, which may be effective in protecting intellectual property and enabling international practices.

However, he emphasised on proper implementation of the law so that confidence grew among foreign investors over the protection of their intellectual property.

The government should implement the law in the greater interest of the industry, investment, innovation and products, he suggested.

Nurul Kabir, vice president of the Intellectual Property Association of Bangladesh, said there were weaknesses in the new act, such as a clause saying it would take an applicant 12 months from the day the request was registered to avail a patent.

He alleged that this unintentionally provided a scope for products and innovation to be copied.

"The foreign investors fear about copy of their innovation as this is a lengthy system of registration accompanied by a verification system of Bangladeshi databases with global databases," he noted.