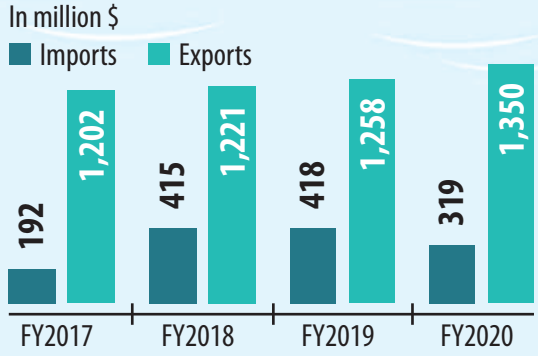




SOURCE: NORDIC CHAMBER IN BANGLADESH

## Bangladesh's trade with Nordic countries



### AT A GLANCE

Exports fetched about \$500m from Nordic countries in FY2010  
 Shipment rose to \$1.35b in FY20  
 Bilateral trade was \$1.67b in FY20, up from \$1.4b in FY17  
**Nordic countries:** Denmark, Finland, Iceland, Norway and Sweden  
 Nordic nations accounted for 5.12pc of Bangladesh's total exports in FY20  
 More than 100 Nordic companies operate in Bangladesh  
**Noted companies:** Grameenphone, Novo Nordisk, LM Ericsson, Nokia, Maersk, Swedish Motors (Volvo), Wartsila, Ikea Supply, Arla Foods (Dano), ABB, H&M, and Bestseller

# Trade with Nordic countries on the rise

Says industries minister

#### STAR BUSINESS REPORT

Bangladesh's trade with Nordic countries has bounced back after the Covid-19 pandemic and is now growing gradually, said Industries Minister Nurul Majid Mahmud Humayun.

He made this comment at a seminar on promoting business on Tuesday.

The embassies of Denmark, Norway and Sweden, in collaboration with the Nordic Chamber of Commerce and Industry in Bangladesh, organised the seminar to promote Nordic businesses and investments in Bangladesh.

Humayun said the amount of foreign direct investment (FDI) from Nordic countries was not very large as of now but in the years before the pandemic the FDI flow from northern European nations was rising.

"This is one area where Bangladesh wishes to see more progress," he added.

In fiscal year 2019-20, the Bangladesh-Nordic trade volume stood close to \$1.67 billion, which is greatly and very helpfully

in Bangladesh's favour with Bangladeshi exports amounting to \$1.35 billion while imports \$0.2 billion. The seminar is a part of an overall Nordic celebration to commemorate 50 years of bilateral relations between the northern European countries and Bangladesh.

The industries minister mentioned that more than 5 per cent of Bangladesh's total exports go only to the Nordic region.

From the standpoint of Bangladeshi exports, this is quite impressive given the fact that Nordic countries are not very populous and a lot of the shipments are comprised of consumer goods.

"Some Nordic investments in Bangladesh, especially in the areas of telecommunications and ICT, manufacturing and logistics, agriculture and food production as well as power and energy, truly stand out," he said.

Currently, more than 100 Nordic companies do business in Bangladesh, which is a signal of a dynamic partnership in transition.

Some of the Nordic investments and

imports have even gone beyond business purposes and helped empower millions of people. Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, Espen Rikter Svendsen, ambassador of Norway to Bangladesh, and Alex Berg von Linde, ambassador of Sweden to Bangladesh, stressed the importance and need for sustainability.

They also discussed the areas where Nordic companies are well placed to supply many advanced skills, goods, services and technical solutions that Bangladesh will need to continue on its path of sustainable development and economic growth.

"We, the Nordics, bring our long-standing experience in balancing social progress, economic growth, and sustainability. We bring our values, knowledge and resources; and be it for a green economic transition or the blue economy, we are here with you," said Norwegian ambassador Svendsen.

He went on to say that Bangladesh should join forces with Nordic countries

on issues such as climate action, multilateralism, democracy, human rights, gender equality and inclusive development.

"Here's to 50 years and beyond!" Svendsen said.

The ambassadors believe the event also created an opportunity for Nordic companies to network with their Bangladeshi counterparts and highlight their work related to sustainability in Bangladesh.

The scope for increased commercial interactions between Nordic countries and Bangladesh was also emphasised during the event, where the added value of Nordic companies in areas such as sustainability, green transition, blue economy, smart cities, urbanisation, and digitalisation was discussed as well.

The strong relation between Nordic countries and Bangladesh was reaffirmed as well while the speakers opined that there remained a scope to strengthen economic ties further through increased trade and investment.

## Census to include new data this time

#### STAR BUSINESS REPORT

For the first time, the Bangladesh Bureau of Statistics (BBS) will include data on remittance, returning migrants, and foreign nationals in the next digital population and housing census-2022, which will take place from June 15 to 21.

Dr Dipankar Roy, an official of the BBS, unveiled this information at a four-day training session on how to conduct the census at the Bangabandhu International Conference Center yesterday.

"The census will collect all the data on remittance and returning migrants for the last two years. At the same time, all Bangladeshi nationals who are temporarily staying abroad for less than six months will be counted too," said Roy, team leader of the technical support team.

He said the census will also incorporate all possible datasets focusing on achieving Sustainable Development Goals (SDGs). This will be the last census held until 2030, when the country is scheduled to achieve the SDGs.

The census will record the number of foreigners living in Bangladesh as well as their nationalities. In addition, the BBS will now accurately count the number of people whose ages are in the triple digits.

In the past, those above 100 years of age were previously listed as 99 year-olds, meaning that accurate data on their numbers was unavailable.

Around 3.7 lakh numerators will collect the data countrywide by using 3.95 lakh tablet computers. The authorities will collect data through the Computer Assisted Personal Interviewing system by using the Geographic Information System.

Speaking as chief guest, Finance Minister AHM Mustafa Kamal said all the people must come under the census to help the government ensure proper planning. "We can't work well in the economy if the statistics are incorrect as all ideas and plans will be shattered," he added.

In a video message, Planning Minister MA Mannan said they want a correct, impeccable census.

"So, we have appointed many senior officials to monitor the field level activities of numerators," he added.

## OECD sees global digital tax deal pushed back to 2024

#### REUTERS, Davos, Switzerland

The Organisation for Economic Cooperation and Development (OECD) on Tuesday acknowledged for the first time that a global digital tax deal may take a year longer to implement.

The deal, which the OECD had hoped to sign off on in the middle of this year, would give other countries a bigger share of the tax takes on the earnings of big U.S. digital groups such as Apple Inc and Alphabet Inc's Google.

It is the first of two pillars of the biggest overhaul of cross-border tax rules in a generation.

## Now comes sugar price shock

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per cent value added tax (VAT) and four per cent advance income tax.

In the last one year, the price of sugar has increased by about 7 per cent, according to the Trading Corporation of Bangladesh yesterday.

Yesterday, wholesale prices in markets of Dhaka and Chattogram went up by Tk 50 to Tk 60 per maund (around 37 kilogrammes) amidst reductions in supplies from dealers.

Prices at Khatunganj wholesale market, the country's largest commodity hub at Chattogram, reached Tk 2,835 to Tk 2,850 a maund from Tk 2,770 to Tk 2,780 three days ago, said traders there.

At some retails in Dhaka and Chattogram, prices also edged up by Tk 2 to Tk 5 per

kilogramme (kg) to reach Tk 85 to Tk 90.

Abdur Rahman, a wholesale trader in Khatunganj, claimed that there was no crisis of the product in the market. However, every dealer had reduced providing supplies, he said.

He added that refiners had also reduced deliveries from mills. However, varying scenarios were unearthed in Dhaka.

Seven retailers in Kawran Bazar, one of the capital's largest kitchen markets, said sugar was being sold at the price which has been prevailing for the past one month and dealers so far had not informed them about any price hike.

However, Nurul Alam Shikhar, owner of Mamun General Store in Pallabi Extension area of Mirpur,

said the price of both one kg packets alongside that of loose sugar had increased by Tk 5. Dealers could not give him any specific reason behind the price rise, he said.

One refiner said India's export curbs would have an impact in the world market.

Mostafa Kamal, chairman and managing director of the Meghna Group of Industries, which runs a big refinery here, said they were observing the developments. He did not want to comment further.

Abul Hashem, vice president of Bangladesh Sugar Merchants Association, said at present there were different types of information floating around in the market about sugar.

The overall situation indicates that the price of sugar will increase further, he said.

## BB sits with bankers

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depreciated the exchange rate of the taka against the US dollar six times this year.

The exchange rate of the taka stood at Tk 87.90 per dollar yesterday, down 3.65 per cent year-on-year.

The majority of banks are now selling the American greenback at about Tk 95-97 per dollar to importers by ignoring the bills for collection selling rate, the rate at which importers purchase USD from lenders set by Bangladesh Bank.

Similarly, banks now also purchase USD at Tk 95-96 per dollar from exporters.

This has left the foreign

exchange market in a haphazard situation.

The central bank is now giving efforts to bring back stability in the foreign exchange market.

As part of the move, the central bank yesterday injected \$50 million into the market in order to help banks settle import bills.

The central bank has so far supplied a record \$5.81 billion to the market this fiscal year.

The foreign exchange reserves are now hovering around \$42 billion in contrast to \$46.15 billion in December. The reserves surpassed a record \$48 billion in August.

## Govt to buy MOP fertiliser

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To secure supplies of the fertiliser, the government floated a tender early this month.

Bangladesh consumed over 55 lakh tonnes of fertiliser until this fiscal year and it met most of the demand to produce foods from Saudi Arabia, Morocco, Tunisia, Egypt, China, Lebanon and Qatar apart from Canada, Russia and Belarus, said agriculture ministry officials.

The main season for use of fertiliser begins from November and continues until February when Boro, the largest crop, is grown.

"It is true that prices of fertiliser have increased due to the war. However, we are at a comfortable position in ensuring availability of

fertiliser for farming the next fiscal year," said Sheikh Bodiul Alam, deputy chief for fertiliser management and monitoring wing at the ministry.

Officials said the concern over the supply of the MOP has been created after the war as the nation depended on Russia and Belarus for the ingredients. Sources of supply of other fertilisers remained unaffected.

The agriculture ministry projects a requirement for 55.5 lakh tonnes of chemical fertiliser for the fiscal year of 2022-23 although high prices of the ingredients are expected to increase the state's subsidy expenditure to provide the input to farmers at reduced prices.

The government has

allocated Tk 15,000 crore as subsidy for the fiscal year of 2022-23, up from a revised allocation of Tk 12,000 crore in the current fiscal year.

The agriculture ministry estimates that the total subsidy would amount to Tk 25,000 crore to Tk 30,000 crore this fiscal year.

Alam said the state also has a good stock of 15.5 lakh tonnes of fertiliser, including 2.5 lakh tonnes of the MOP.

"There will be no crisis of MOP," said Riaz Uddin Ahmed, executive secretary to Bangladesh Fertiliser Association, adding that private firms already took steps to import around 2 lakh tonnes from Canada and Jordan.

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"The slashing of the lower limit of the circuit-breaker will save the market from massive declines, but it will impact it in the long run. Foreign investors may pull out their investments and institutional investors may also feel shaky."

"The frequent use of the tool makes investors hesitant," he said, adding that retail investors, however, might feel happy to see a slower decline in the index.

About the recent fall, Mohammad Emran Hasan, chief executive officer of Shanta Asset Management, says it was mostly driven by the panic sales by the retail

investors.

In Bangladesh, retail investors dominate the market, controlling 80 per cent of capitalisation. This has deepened the volatility of the market since many individuals lack adequate knowledge about the market, behave like day traders, and are reactive to local and global developments and panic-driven.

According to Hasan, investors are edgy since the economy is now in a discomfort situation.

Bangladesh's economy has come under immense pressure owing to surging import bills, which have caused the foreign exchange reserves to slip



Md Jaker Hossain, general manager and head of SME and special programme department at Bangladesh Bank, inaugurates a training course on "Women Entrepreneurship Development Programme" under the project of Skills for Employment Generation Programme, Tranche-3 as a part of employment generation and inclusive national economic growth at Pubali Bank Training Institute (PBTI) in Dhaka recently. Arifuzzaman, deputy general manager of the BB, Md Jahid Iqbal, joint director, and Mohammad Ali, additional managing director of Pubali Bank, were present.

PHOTO: PUBALI BANK

## Regulator steps up efforts

#### FROM PAGE B1

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Bangladesh's economy has come under immense pressure owing to surging import bills, which have caused the foreign exchange reserves to slip

to \$42 billion since exports and remittance inflows have not kept pace with the escalating foreign purchases.

This has hurt the local currency and forced the central bank to devalue the taka six times just this year.

Another worry for investors is the elevated level of inflation, led by global commodity prices and supply disruptions.

And Bangladesh might not get relief from the higher cost of living immediately.

This is because worsening supply-demand imbalances, including from the war in Ukraine, and further commodity price

gains could keep the pace of inflation persistently high for a longer period, according to researchers at the International Monetary Fund.

The market might suffer another setback if the lending rate, which has been capped at 9 per cent since April 2020, is hiked since it would tighten the money supply. A number of economists have already called for the withdrawal of the ceiling.

"The deepening of uncertainty has dented the confidence of retail investors," said Hasan.

The Sri Lankan economic crisis, which was largely caused by the plummeting foreign

currency reserves and piling up of foreign debts, also made local investors in Bangladesh worried about the economy's future.

"But Sri Lanka's economic condition is much different than ours," Hasan said.

Experts say instead of attempting to protect the index, the regulator should focus on helping the exchanges get rid of perennial challenges.

They urge the regulator to improve corporate governance, ensure discipline, take stern actions against speculators and manipulators, and enhance investment climate.