

India could scrap wheat import duty

REUTERS, Mumbai

India could scrap a 40 per cent duty on wheat imports and cap the amount of stocks traders can hold to try to dampen record high domestic prices in the world's second biggest producer, government and trade officials told Reuters on Monday.

The South Asian country barred wheat exports in May after as the crop suffered a heatwave, but domestic prices still rose to a record high. Yet, international prices are still way above the domestic market, making it unviable for traders to buy from abroad.

If the government does remove the duty, and international prices also fall, then traders say they could start importing, especially during the upcoming festival season, when higher demand typically drives domestic prices higher.

"We are exploring all possible options to bring down the prices," said a senior government official who held discussion with industry officials last week.

Trade war with China to cause huge loss to Germany: study

REUTERS, Berlin

Germany would face costs almost six times as high as Brexit if it and the European Union were to shut China out of their economies, the Ifo institute said on Monday, citing the results of a study.

The biggest losers of a trade war with China would be the automotive industry with an 8.47 per cent loss of value-added, manufacturers of transport equipment with a 5.14 per cent loss and mechanical engineering with a 4.34 per cent loss, the Ifo said.

The authors of the study, commissioned by the VBW industry association, said companies should pivot towards other countries to reduce dependency on certain markets and authoritarian regimes.

The goal of German and EU economic policy should be "to establish strategic partnerships and free trade agreements with like-minded nations such as the US," co-author Florian Dorn said.

The analysis simulated five scenarios, including a decoupling of Western economies from China combined with a trade agreement between the EU and the United States.



Essential commodities being loaded onto a boat at Fishery Ghat at Chaktai, Chattogram for transportation to the 10 or so islands of Bangladesh in the Bay of Bengal. The islands depend on this wharf to avail a myriad of supplies, including household items such as refrigerators and televisions, over the waterways. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Fuel price hike pulls down stocks, turnover

STAR BUSINESS REPORT

The domestic stock market yesterday suffered declines in share value and turnover as investors fear that the recent hike in fuel prices will have a negative impact on listed companies.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plunged by 45 points, or 0.71 per cent, to close the session at 6,258.

On Saturday, the government raised the price of diesel and kerosene by 42.5 per cent and petrol and octane by 51.1 per cent and 51.7 per cent respectively, in order to help state-run Bangladesh Petroleum Corporation, the lone importer, refiner and supplier of petroleum products in the country, cut losses.

Investors are concerned that the

increase in fuel prices will have an adverse effect on the profit of listed companies as it will drive up their operating costs, according to a stock broker.

Similarly, the fuel price hike will have serious implications on soaring inflation and so, the overall economy will be impacted.

"That's why most investors entered a selling spree," he added.

Meanwhile, daily market turnover dropped to Tk 1,083 crore from Tk 1,117 crore the previous day.

The stocks have extended their losing streak for a second session amid concerns over the fuel price hike, International Leasing Securities said in its daily market review.

Jittery investors converted their investments into cash in fears that the

growing price of necessities driven by increased fuel costs may raise overall inflation by end of the year, it added.

Among the sectors, services rose 1.7 per cent and ceramics gained 1 per cent while financial institutions dropped 1.5 per cent, and food and allied fell 1.4 per cent.

Investor activity was mainly focused on the textiles sector, capturing 24.8 per cent of the day's total turnover, followed by miscellaneous (10.7 per cent) and pharmaceuticals (10.1 per cent).

Meanwhile, both the DS30, the blue-chip index, and DSES, the shariah-based index, lost 21.97 points and 8.60 points respectively.

Of the total 380 issues traded, 211 declined, 103 advanced, and 66 remained unchanged.

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Three ways a strong dollar impacts emerging markets

MARCELLO ESTEVÃO

The US dollar is on a tear, strengthening around 11 per cent since the start of the year and – for the first time in two decades – reaching parity with the euro.

Indeed, an overwhelming number of major currencies have depreciated against the dollar, with big implications for the developing world. Given the slew of headlines, I wanted to outline some of the key impacts that a strong dollar has on emerging markets (EMs).

First, why is the dollar appreciating?

The dollar is strengthening primarily because there is strong demand for dollars. The economic outlook for most economies points towards a major slowdown. Meanwhile, the war in Ukraine has created massive geopolitical risk and volatility in markets. On top of that, historic inflation has prompted the US Federal Reserve to aggressively hike rates.

These factors, among others, are prompting a flight to safety, wherein investors are exiting positions in Europe, EMs, and elsewhere and looking for safe harbour in US-denominated assets – which, obviously, require dollars to buy.

This is not a new phenomenon. The invasion of the Ukraine has triggered an initial appreciation of the U.S. dollar against EM currencies that was larger than appreciations related to the 2013 taper

Even in challenging times, policymakers can find opportunities to encourage investment and spur economic growth while reducing fiscal pressures

tantrum and previous conflict-related events involving oil exporters.

The market continues to expect rapid Fed rate increases. In similar situations of rapid rate increases in the past, EMs have faced crises. This was the case in the 1980s in Latin America with the "Lost Decade," and in the 1990s "Tequila" crisis in Mexico (which then extended to Russia and East Asia).

DEBT WORRIES

So, building on that, expect to see more stress

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Project for developing workforce capabilities of graduates

STAR BUSINESS REPORT

The pandemic has not only caused the economy to contract but also led to significant job and livelihood losses in various sectors.

Over the last couple of years, the South Asian economies, including that of Bangladesh, have seen a lot of jobless growth.

A survey by the Bangladesh Institute of Development Studies revealed that 66 per cent of students who graduated from National University-affiliated colleges are unemployed.

Against this backdrop, a programme was launched on Sunday to provide graduates foundational skills training, such as on digital and financial literacy, communication and business appreciation, to enable their employment in the private sector.

The programme has been jointly undertaken by Bangladesh Investment Development Authority (Bida), United Nations Development Programme (UNDP) and Grameenphone.

It is a part of a FutureNation initiative, a partnership among the public and private sectors and the UNDP, focusing on developing workforce capabilities and harnessing industry experts to draw investment.

These in turn are expected to strengthen the ecosystem for generating economic opportunities, helping to durably connect millions of young people to productive and dignified professional careers.

The programme will improve capabilities for higher paying local and global jobs and assess and install the right skills sets for the corporate sector and industries, said Sudipto Mukerjee, resident representative for Bangladesh at UNDP.

Homegrown aptitude assessment tools have been developed under the programme, he told the launching ceremony at Sheraton Dhaka.

"It will serve a diverse group of beneficiaries, including graduates, non-graduates, tertiary students, migrant workers and professionals, ensuring inclusivity and diversity in the spirit of the SDGs, which is leaving no one behind," said Mukerjee.

"In a nation gifted with the demography that young and energetic, we believe that it's a shared

responsibility of the public and private sector together with the development partners to enable the young to live productive lives," he said.

Salman F Rahman, private industry and investment adviser to the prime minister, said unemployment was limited within graduates in Bangladesh.

"Because, if you look at the agriculture sector, it's very hard to find people at the time of harvesting. In our industries, the pharmaceutical sector and garments sector, the biggest problem we have (is a lack of) skilled manpower," he said.

And people with professional degrees, meaning doctors, engineers, architects, and chartered accountants, are not unemployed, he said.

"The people who attain a general graduation, they don't do career planning. Providing skills to this category of people is the most important aspect," said Rahman.

"Now we are talking about Smart Bangladesh, Fourth Industrial Revolution (4IR)...so we need to prepare our new generation for those challenges," he said.

"There are a lot of contacts taking place between academia and large business groups asking for requirements for designing their curriculum. I urge such work to continue," he added.

He said as there was an upsurge in the demand for freelancing, many have come forward with freelancing training courses, of which some are good while others just drawing money from people without providing any benefits.

"This needs to be regulated and all of this has to be brought under a certain regulatory environment and I think this is a role National Skills Development Authority can play for ensuring quality," said the adviser.

He said the prime minister in a recent meeting instructed to include coding in the primary education curriculum. It is very important since coding is nothing but a language and children can pick up languages much faster than adults, he said.

Zunaid Ahmed Palak, state minister for ICT, said the country's youths were now earning foreign currency from home as internet connections have already been made

affordable and accessible.

"Bangladesh is uniquely positioned to potentially benefit from a demographic dividend. But to reap the benefits...stable employment opportunities and equipping the youth with digital competencies is pivotal," he said.

"We must collaborate to reduce the disparity between the urban and rural areas by transforming the country into a digitally connected society. FutureNation is an enabler of this co-creation," Palak added.

Radwan Mujib Siddiq, strategic advisor at the UNDP, in a video message shared his vision for FutureNation.



Participants of a ceremony on the launching of a "Graduate Employment in Private Sector Programme" at Sheraton Dhaka on Sunday. The programme has jointly been undertaken by Bangladesh Investment Development Authority, United Nations Development Programme and Grameenphone and is a component of a FutureNation initiative on accelerating economic growth through the development of workforce capabilities.

PHOTO: COLLECTED

"FutureNation, with its advanced grooming method and more realistic assessment procedure, will help endow the youth with employable skills," he said.

"I am delighted to see this coalition support the very critical area of building skills through their technology and innovation. Such an initiative will be impactful to upskill the youth and prepare them for real work," he added.

Jorgen C Arentz Rostrup, head of Asia at Telenor, in his video message said creating opportunities for youths was fundamental for any nation and it was crucial for Bangladesh.

"Grameenphone has been creating

employment opportunities for the last 25 years. At Telenor, we believe strong partnerships create a stronger impact," he said.

Yasir Azman, CEO at Grameenphone, said, "I see the great possibility to work with the young people of Bangladesh to prepare them for the future industry."

"The time is now! Our youth will be the biggest contributors to taking the journey of Bangladesh to become a developed nation by 2041," he said.

"Grameenphone is glad to have the opportunity to lead from the private sector and contribute to the development of youth workforce through FutureNation coalition with

about data and the 4IR and this is what the next generation is facing, he added.

"I think there is an amazing skill, that the next generation of youths really need to adapt and I think that's a critical one that they need to actually bring out," he said.

"The second one is a bit around how you are able to manoeuvre your leadership style and we divide it into two things – inner game and outer game," said Akhtar.

"Inner game is that you must have a sense of purpose on why are you doing whatever you are doing today. And that's a big driver for you," he said.

UNDP and Bida," he said.

A panel discussion styled "Graduate Employment Opportunities in Bangladesh" was held after the launching of the programme.

Zaved Akhtar, managing director of Unilever Bangladesh, shed light on how youths can be prepared for the current job market.

"Whenever we face interviews, a couple of things I believe our youth can significantly improvise or improve upon," he said.

"One of the things I believe is sense-making...To me, it is something that you have disparate data and you need to make sense of it," said Akhtar.

Now, there is a lot of conversation

"Another one is your personal mastery and that makes you so unique. I am a marketer, I focus on that and that's what makes me unique. And each of us has that," he said.

"And the third one is agility in this inner game, because in today's world you need to really adopt and be flexible. And agility is not only about speed and pace, it is also about the flexibility of that," he added.

"And the outer game and this is a lot around on how do you build business acumen. Because that is an important element. You really need to understand your consumer and customer problem. And that's the

starting point for you," said Akhtar.

He said an individual also has the responsibility of becoming a talented catalyst.

"Because you have a responsibility for the next generation. I think if you really balance the whole space around sense-making, around the inner and outer game, you can significantly enhance and change," he said.

"And a big enabler of that is the system thinking, system one or system two thinking. System one is your spontaneous thinking and the other is an analytical reaction. And how you really balance based on circumstances," said Akhtar.

"And I believe that could significantly aid us to step up and be ready for the next generation and next generation problem," he added.

Anir Chowdhury, policy advisor of the a2i Programme of the ICT Division, said employers need to know where employable youths were as two-thirds of jobs that would exist in 2030 or 2031 have not even been invented.

He said the movement from macro skills to micro skills was the most important transition happening in Bangladesh.

"And FutureNation is looking at micro skills because the focus is now on learning to learn micro-sized as we don't have the patience to go beyond a few minutes," he said.

"In terms of policy perspective, we need to actually set our target on a few institutions which generate unemployment the most in the country," he said.

National University, which produces 70 per cent of the country's graduates with 2,200 colleges, is one of them as it generates up to 50 per cent to 60 per cent of the unemployment, said Chowdhury.

"And I think that's the target we just set from a policymaking standpoint. And I think FutureNation will have to set a target there," he added.

"There is also one target we need to take, which is creating soft skills that create graduate employment in middle management," he said.

"We have a lot of employers who are not finding the right middle managers in the country," said Chowdhury.

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