



Bangladesh needs to gradually launch technologies such as artificial intelligence, robotics and cloud computing in the industrial sector as it will play a key role in the 4th industrial revolution, experts say.

PHOTO: STAR/FILE

Time prime to get youths into 4th industrial revolution

Speakers tell National Productivity Day event

STAR BUSINESS REPORT

Developed countries are already reaping the 4th industrial revolution's (4IR) benefits whereas Bangladesh is still at its primary stage, necessitating prompt utilisation of the country's current demographic dividend alongside the productivity of youths, said speakers at a programme yesterday.

"The use of advanced technologies like artificial intelligence (ai), robotics and cloud computing has not yet flourished in the country," said Faruq Ahmed Jewel, head of technology of the state's Aspire to Innovate (a2i) programme.

"We need to gradually launch these technologies in our industrial sector as it will play a key role in the 4IR," he said in a keynote speech, adding that overall productivity would increase and more money and time would be saved.

For example, the internet of things enables businesspeople to monitor production and control business activities, he said.

The belief that this will render existing jobs useless is not wholly true. More jobs will be created than those turned redundant. "So, we have to start preparations from now," he added.

National Productivity Organisation (NPO) under the Ministry of Industries organised the event at Osmani Memorial Auditorium in Dhaka marking National Productivity Day 2022 under the theme "Productivity to Meet the Challenges of the Fourth Industrial Revolution".

"If we want to sustain as well as compete in the world, we have to utilise the technologies. If we are not able to achieve it, we cannot survive," said Agriculture Minister Muhammad Abdur Razzaque as chief guest.

Electricity and the steam engine were invented over 200 years ago yet the country was still lagging behind in harness their benefits, he said.

The government has already formulated a National Productivity Master Plan spanning from 2021 to 2030 to target an annual average productivity growth rate of 5.6 per cent, said Kamal Ahmed Mojumder, state minister for industries.

Productivity at the national level is typically defined and measured in terms of gross domestic product (GDP) per capita, per employed person or per hour worked.

Bangladesh's average productivity growth rate was 3.8 per cent between 1995 and 2016.

"The government is working to implement the plan to increase productivity at the national level. Along

with the state-owned industries, we are working for enhancing skills of the private sectors," he said.

"The next generation will be knowledge and technology-based who will best utilise our national resources," said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, as the special guest.

He urged the government to give more emphasis on technical education along with higher education to generate productive manpower. The relationship between industry and academia should be more effective, he said.

"Before exporting manpower, we should ensure their skills and efficiency to earn more remittance," said Uddin.

Zakia Sultana, secretary to the industries ministry, and Muhammad Mesbahul Alam, director general of the NPO, also spoke.

DURGA PUJA

Trade through Benapole to remain shut for 4 days

STAR BUSINESS REPORT

Trade between Bangladesh and India through Benapole land port will remain closed for four days on the occasion of Durga Puja.

Kartik Chakraborti, general secretary of Indian Petrapole C&F Agent Staff Welfare Association, said all types of export and import activities between the two countries will be shut from October 2 to October 5 during the Durga Puja celebrations.

Matiar Rahman, director of the India-Bangladesh Chamber of Commerce and Industries, said Indian C&F agents have already informed them about the four-day closure of trade.

However, movement of passengers with valid passports as well as loading and unloading of goods will continue during the closure, said Abul Kalam Azad, officer in charge of Benapole Immigration Police.

Prime Bank opens Japan Desk

STAR BUSINESS DESK

Prime Bank recently launched Japan Desk, a one-stop solution centre, in order to facilitate cross-border business initiatives and investments between Japan and Bangladesh.

Naoki Ito, Japanese ambassador to Bangladesh, and Tanjil Chowdhury, chairman of Prime Bank, inaugurated the special desk at a local hotel in Dhaka, a press release said.

"As many Japanese companies are interested in establishing business in Bangladesh, the facilities by the Prime Bank's Japan Desk will support the growth of bilateral trade," said Ito at the programme.

Hassan O Rashid, managing director of the bank, and dignitaries from the diplomatic core and business communities of both Japan and Bangladesh were present at the event.

GSP Finance posts lower profit in Jan-Mar quarter

STAR BUSINESS REPORT

GSP Finance Company (Bangladesh) Limited reported a lower profit in the first quarter of 2022.

Consolidated earnings per share of the non-bank financial institution were Tk 0.31 in January-March against Tk 0.35 during the same quarter last year, according to the unaudited financial statements.

Consolidated net operating cash flow per share was a negative of Tk 0.19 compared to Tk 0.73 during the identical three-month period in 2021.

Its consolidated net asset value per share slightly improved to Tk 21.66 on March 31 this year from Tk 21.35 on December 31 last year.

Shares of GSP Finance were unchanged at Tk 30.30 on the Dhaka Stock Exchange yesterday.

Businesses express

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orders to the international clothing retailers and brands on time due to load shedding of up to 10 hours.

"The situation has turned so dire that factories are facing over 10 hours of load shedding nowadays. The manufacturers have to run units on diesel owing to low pressure of gas and power."

Gas pressure has also been so low that factories are unable to run on full capacity, he said.

As a result, the consumption of diesel has increased, Hassan said, adding that export and import processes need to be simplified.

Abdullah Al Mamun, vice-president of Bangladesh Textile Mills Association, said one needs to see how much money is required to be paid only to obtain different certifications and trade licences in order to run a business.

Syed Moazzem Hossain, a director of the Federation of Bangladesh Chambers of Commerce and Industry, said Bangladeshis have to do business in the country in the face of so many odds.

"It would be impossible for businesses to thrive in Bangladesh had the businesses not been resilient."

Businesses are not getting the required gas connections. On top of this, interest on bank loans for setting up factories has been increasing, he added.

Hossain said he was trying to obtain a licence from the National Board of Revenue but some low-ranking officers sought bribe from him, even though the top boss of the department was his friend.

Similarly, Mohammad Hatem, executive president of Bangladesh Knitwear Manufacturers and Exporters Association, said the ghost of the 90s was haunting the business sector, especially with the obtaining and submission of unnecessary documents.

For instance, Hatem had to submit a certificate to the Bangladesh Energy

Regulatory Commission to run a 500 KV generator. However, no certificate is required to run a generator below one megawatt.

The NBR has been harassing businesses to collect revenue to achieve the target, he said. Also, he said, the Bangladesh National Building Code was made following foreign codes, which are not applicable for the country.

"The BNBC needs to be revisited."

Exports slip

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president of the Bangladesh Jute Mills Association.

Recently, local jute mills have started producing fine yarn, which has higher demand in the international markets, he said.

Syed Nasim Manzur, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, expects the earnings from the sector to cross \$3 billion in the next three years and \$5 billion in the next five years from \$1.5 billion in the last fiscal year.

Home textile exports grew 26.59 per cent to \$353.48 million between July and September, and the shipment of non-leather footwear grew by 35.31 per cent to \$125.34 million.

However, frozen and live fish, agricultural products, pharmaceuticals, carpets, terry towels and furniture could not perform strongly in the quarter.

NBR may extend

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The letter stated that consumers of Bangladesh are not getting the benefits of falling prices of crude soybean and palm oil in the international market because of high prices of dollar.

But the ministry has not got any reply from the NBR, said an official of the commerce ministry.

September brings no cheer

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year, according to the provisional data from the BB.

"We have been hearing from the policymakers that the external shock on the economy will be over soon. But these three indicators in the first quarter showed that it has not happened," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"The macroeconomic stress continues and it is unlikely to ease anytime soon. So, policy-makers should revisit their policies."

Owing to the poor show of the export and remittance sectors, the country's foreign exchange reserves fell to \$36.44 billion on September 28, down 21.25 per cent from a year earlier. This has forced the local currency to suffer a major depreciation in recent months.

The exchange rate stood at Tk 107.5 per dollar on September 29, down 25.7 per cent year-on-year.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said: "The reduced exports have made it clear that recession fears and higher inflation in Europe and the US have started to affect exports."

He warned that exports might be affected further as western nations are raising interest rates to curb inflation which would affect consumer behaviour.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, however, thinks that the fall in exports is temporary.

"We hear that buyers are putting orders on hold or are deferring them. It raises concerns to some extent. But I think export orders will make a turnaround from November," he said.

At the same time, the economist says, remittance inflow would also rebound because of the higher number of people going to the Middle East for jobs.

The number of Bangladeshi workers who headed to the Middle East countries in search of jobs surged 177 per cent in the first eight months of 2022.

Moazzem suggested the government review the measures it has taken to discourage imports.

Bankers, however, are yet to get any clear idea about the direction of remittances and imports as uncertainty in the global economy shows no sign of abating and higher commodity prices persist.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says that many importers are now making payments while opening letters of credit (LCs) by securing post-import financing from banks.

Under post-import financing, banks provide loans to importers to settle LCs. "This might have increased the import volume in recent times," he said.

"The importers are making the payments upfront to avoid the fluctuation in the exchange rate."

Emranul Huq, managing director of Dhaka Bank, said that the LCs that had been opened earlier might have been settled in August to a large extent.

Imports through Dhaka Bank decreased by 40-45 per cent in September from the month before.

Huq went on to hope that import payments might decline from October because of the cautious stance taken by banks.

According to him, lenders are now following a uniform exchange rate while purchasing US dollars from exchange houses, which might put an adverse impact on the inflow of remittances.

The exchange houses might not have remitted the money immediately so that the foreign exchange market faces further volatility and they can gain from the situation, Huq said.

Expatriate Bangladeshis usually send money home through exchange houses. As export receipts were lower than imports in July and August, Bangladesh suffered a trade gap of \$4.55 billion.

Similarly, the deficit in the current account, which shows transactions in goods and services by a country with the rest of the world, grew to \$1.5 billion.

UK's Truss tries to reassure on economic plan

REUTERS, England

British Prime Minister Liz Truss tried to reassure her party and the public on Sunday by saying she should have done more to "lay the ground" for an economic plan that saw the pound fall to record lows and government borrowing costs soar.

On the first day of her governing Conservative Party's annual conference, Truss, in office for less than a month, adopted a softer tone by saying she would support the public during a difficult winter and beyond.

She defended her "growth plan", a package of tax-cutting measures that investors and many economists have criticised for setting out billions of pounds of spending while offering few details on how it would be paid for in the short term.

Truss said it was the right direction, suggesting critics did not realise the depth of Britain's problems and that she should have done more to explain them -- an argument that market traders and investors have dismissed as a reason for the falls in the pound and the increase in borrowing costs last week.

But in what some Conservative lawmakers worry will hurt their prospects at an election due in 2024, she did not deny that the plan would require spending cuts for public services and refused to commit to increasing welfare benefits in line with inflation while endorsing a tax cut for the wealthiest.

"I understand their worries about what has happened this week," she told the BBC in the central English city of Birmingham.

"I do stand by the package we announced, and I stand by the fact that we announced it quickly because we had to act, but I do accept that we should have laid the ground better."

Jake Berry, chairman of the Conservative Party, suggested the markets may have overreacted, while admitting he was not an economist. "So, let's see where the markets are in six months time," he told Sky News.

Truss took office on September 6, but Queen Elizabeth died two days later and so the first days of the new prime minister's term were largely taken up with the national mourning period, when politics was all but paused.

She launched her plan two weeks after taking office, with her team feeling she had signalled her plans during a leadership campaign against rival Rishi Sunak, who had argued against immediate tax cuts.

But the scale of the plan spooked markets. After a large sell-off, the pound has since recovered after Britain's central bank, the Bank of England stepped in, but government borrowing costs remain markedly higher. Investors say the government will have to work hard to restore confidence.

Beyond the market reaction, Truss's economic plan also raised alarm in the Conservative Party, particularly over the scrapping of the highest 45 per cent level of income tax.

Some in the party fear they are at risk of being seen as "the nasty party", cutting taxes for the wealthiest, while doing little to improve the lives of the most vulnerable.