



Bangladesh is working to increase export of argo-processed food products to the markets of developed countries, Agriculture Minister Muhammad Abdur Razzaque said yesterday. The photo was taken from BAPA FoodPro International Expo on Saturday.

PHOTO: STAR

Bangladesh can export more agro-processed products to US

Agriculture minister says

STAR BUSINESS REPORT

Accounting for less than one per cent of processed agricultural products imported by the US, Bangladesh has large scope to grab a bigger stake of the US market, said Agriculture Minister Muhammad Abdur Razzaque yesterday.

Agro-processing refers to the sub-sector of manufacturing that makes use of primary materials and intermediate goods from agricultural, fisheries and forestry-based sectors.

The minister was addressing an event on "Food safety and export opportunity towards USA" organised by the American Chamber of Commerce in Bangladesh (AmCham) at The Westin Dhaka.

Bangladesh is trying to increase agricultural product export to developed countries, such as by fulfilling preconditions and through adoption of Good Agricultural Practices (GAP) for safe food production, he said.

The GAP, as defined by the Food

and Agriculture Organization, are a "collection of principles to apply for on-farm production and post-production processes, resulting in safe and healthy food and non-food agricultural products, while taking into account economic, social and environmental sustainability".

"Our exports are mainly dependent on garments...but should be diversified. To do that, export of agricultural products should be increased," said the minister.

"There is a lot of potential for export of agricultural products. To make full use of this potential, work is going on to keep agricultural products safe, from production in the field to shipment," he said.

The event informed that work was underway for setting up an accredited laboratory of international standard and modern packing house in Purbachal and a vacuum heat treatment plant for mango export.

Razzaque said Bangladesh has made significant progress in attaining food safety and security in recent years, better

than many of its Asian counterparts.

Moreover, the annual sale of processed food in Bangladesh reached \$2.5 billion in 2019 and was growing at an average of 8 per cent per year, he said.

As the drive for economy and export diversification intensifies in Bangladesh, agriculture is likely to undergo a transformation as the fourth industrial revolution-focused technologies such as robotics, remote sensing, big data analytics, blockchain and global positioning system are embraced, he added.

AmCham President Syed Ershad Ahmed said it was a matter of grave concern that Bangladesh's food safety hygiene and administration were yet to be of an international standard.

There are various factors, such as a general lack of resources, technical capabilities, and coordination among the multiple agencies involved, he said.

Owing to high population density and underdeveloped infrastructure, the incidence of foodborne diseases and

other food safety risks is quite high in Bangladesh, he added.

This problem persists throughout the food chain due to food adulteration, presence of pesticide residues and microbiological contamination, among other challenges, said Ahmed.

Another matter of concern is the overdependence of the whole textile industry on imported raw materials, he added. He went on to say that in recent years, Bangladesh has taken great strides to improve its regulatory systems for food safety to improve market access and participation in the international trading system.

The country has also improved access to safe food for local consumers, he said.

He said an efficient food safety surveillance and control system in the country was needed to address the food safety risks prevailing in domestic production, import and export channels.

Megan Francic, agricultural attaché at the US embassy in Dhaka, also spoke.

Bangladesh passing critical time in dev trajectory

Says UN Resident Coordinator

STAR BUSINESS REPORT

Bangladesh is passing a critical time in its development trajectory in the face of three crises driven by the Covid-19 pandemic, Russia-Ukraine war, and catastrophic climate change, UN Resident Coordinator in Bangladesh Gwyn Lewis said yesterday.

"The policy choices we make today will determine the country's development prospects for years to come," she said at the joint steering committee meeting co-chaired by the secretary of the Economic Relations Division (ERD) and UN resident coordinator on the implementation of the UN Sustainable Development Cooperation Framework (UNSDCF).

"This is a critical time globally, and in Bangladesh's development trajectory," Lewis added.

She then said the UN in Bangladesh is committed to supporting the government and people of Bangladesh in ensuring sustainable and inclusive development as it proceeds to graduate from the least developed countries (LDC) category.

Launched in November 2021, the UNSDCF 2022-2026 aims to assist Bangladesh in overcoming the impact of the Covid-19 pandemic and accelerate the country's progress towards achieving the sustainable development goals in line with its eighth five-year plan.

Stocks snap gaining streak

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Stocks listed with the Dhaka Stock Exchange (DSE) yesterday broke a gaining streak that lasted for two consecutive sessions as falling investor participation led to reduced trade.

The DSEX, the benchmark index of the Dhaka bourse, shed 50.75 points, or 0.81 per cent, to close the session at 6,215.24 points.

Similarly, the DS30, which is comprised of blue-chip companies, dropped 19.5 points, or 0.89 per cent from the previous day.

Meanwhile, turnover at the DSE, an indicator of the market's liquidity, slipped by 23 per cent from a day earlier to hit Tk 422.8 crore.

"Stocks slipped into the red after a two-day break as investors mostly followed a cautious stance amid a lack of clear direction of future market movement," said International Leasing Securities in its daily market review.

Besides, panic-driven investors dumped their holdings amid growing tension over macroeconomic cues, it added.

Of the issues traded at the DSE, only 20 advanced while 38 fell and 220 were unchanged.

Likewise, stocks listed with the Chittagong Stock Exchange also saw losses on the day.

LDC graduation

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He was addressing a dialogue on "WTO-MC12 Outcomes Next Steps for Bangladesh as a Graduating LDC" jointly organised by the Centre for Policy Dialogue (CPD) and Friedrich Ebert Stiftung at the CIRDP in Dhaka.

Experts, researchers, businesspeople, exporters and government high-ups attended the discussion.

"We have to look forward as a developing country. Not begging as an LDC country. We have that strength," Ghosh said.

He also cited the global crisis and some domestic problems as some of the challenges that needed to be braved for a smooth LDC graduation.

"We need to work and we are trying to bring some reforms so that the trade is not affected after the LDC graduation," he said.

Although Bangladesh has been talking about production diversification for many years, little has happened, he said.

Rather the share of garment items in the national export pie in fact grew and the other products could not stage a strong performance, he said.

Had export of five to six other products increased, Bangladesh's earning from export would have crossed \$200 billion, he said.

He also does not see any impediment to the export of goods except garments under a proposed EU GSP regulation for a tenure running from January 2024 to December 2034.

Bangladesh's garment items already passed the benefit eligibility threshold by accounting for more than 7 per cent of EU garment imports, he said, adding that Bangladesh was holding talks on this. But other products have the opportunity to enjoy benefits under the new GSP regulations to the EU markets, he said.

Some 60 per cent of the country's goods are shipped to the EU and the UK. The UK has already confirmed even more generous trade benefits after the LDC graduation.

The senior secretary also said some major trading partners of Bangladesh were eager to sign free trade agreements and some were not as the trade regime

was yet to be massively liberalised.

Bangladesh maintains a protectionist trade regime mainly for collection of revenue and export subsidies crossed Tk 30,000 crore last fiscal year, he said.

According to the WTO secretariat estimates, almost 90 per cent of all export losses of 12 graduating LDCs will be on account of Bangladesh, said Mustafizur Rahman, a distinguished fellow of the CPD.

Bangladesh's export loss due to loss of preferential market access could be equivalent to about 14.3 per cent of the country's global export, he said.

He suggested that Bangladesh negotiate with Japan, Canada, China and India for extending the transition period when the graduation would be made while benefits continued to be offered.

It could be similar to the EU's trade benefits, which would be available up to 2029 to Bangladesh, he said.

While chairing the dialogue Debapriya Bhattacharya, another distinguished fellow of the CPD, said although the WTO-MC12 conference acknowledged the demands of the LDCs, it made no assurances.

The WTO-MC12 has some other, big contributions tackling the severe fallout of the Covid-19 and ensuring food security, he said.

It should not be confined only to the issues of ensuring direct benefits to the LDCs, he said, adding that Bangladesh needs to think as a developing nation.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said 12 potential export sectors were coming up as enablers of diversification.

However, they need government support like the garment sector. Although some developed countries like Germany started production of power from coal, Bangladesh stopped the practice considering the negative impact it has on the environment, he said.

Arshad Jamal Dipu, a director of the Bangladesh Garment Manufacturers and Exporters Association, also said the exporters have already started considering Bangladesh to be a developing country.

800MW to come from Adani

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Adani Power will supply most of the power it generates to the BPDB through a dedicated transmission line.

According to the meeting minutes, both parts of the transmission line, which stretches 105.90 kilometres (km) from the power plant to Bangladesh's border and 29.5 km from there to the national grid, was completed last August.

Assuch, the power synchronisation for Unit-1 will be done on November 23 this year.

The project had progressed by about 93.53 per cent till October, the report said.

As per the agreement signed on November 5, 2017, Adani Power would supply electricity to Bangladesh for 25 years from December 2021.

The project is being commissioned after a roughly one-year delay due to the fallout of Covid-19.

Waseqa Ayesha Khan, chairperson of the standing committee, presided over the meeting.

GP allowed

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But, on November 6, the telecom watchdog backtracked from its September decision and slapped a ban on the sales of all types of Grameenphone connections after getting instruction from the ministry.

GP has a strong network, but the SIM sales ban is preventing many from accessing its telecom services, according to industry people.

Abu Saeed Khan, a telecom expert and a senior policy fellow at LIRNEasia, describes the decision as discriminatory since the general public can't buy SIMs.

"It's an utterly discriminatory decision," Khan said, adding that it's like the old days of the fixed phones when security agencies and the government used to get the priority.

Investors flocking

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AK Khan Economic Zone in Narsingdi is setting up the industrial enclave on the bank of the Shitalakshya with an inland container terminal.

The development of the Sirajganj Economic Zone is going on in full swing. A consortium of 11 companies is developing the zone on 1,041 acres of land in the northern district.

Once completed, it will be the country's largest private economic zone and is expected to generate around five lakh jobs.

The zone's authority has already allocated land to 18 investors, said Sheikh Monowar Hossain, project director of the zone.

Nitol Niloy Group is developing the Kishoreganj Economic zone on 91.63 acres of land in the Pakundia upazila of Kishoreganj. The zone is near the Bhairab-Kishoreganj highway.

Once established, the group expects to provide jobs to 2,000 people initially. The number of jobs generated will go up to 20,000 in five years.

"India's Tata Group is interested to set up an automobile manufacturing factory to cater to the growing demand

for automobiles in Bangladesh," said Abdul Matlub Ahmad, chairman of the Nitol Niloy Group.

The site designing and demarcation have been completed and investment will soon start pouring in, he noted.

Nitol Niloy Group, the local partner of Tata, has a target to produce 2,000 pickup vans a year at a factory built at a cost of Tk 800 crore.

"Some investments are coming in the light engineering and other sectors. In all, the economic zone is expected to receive an investment of Tk 2,000 crore, said Ahmad.

"Private investors are very smart and understood the value of investments," said Paban Chowdhury.

He suggested not to discriminate between private and public economic zones as both will contribute to the country's economic development, reducing poverty and employment generation.

Like public economic zones, investors in private zones enjoy duty-free import of raw materials, construction materials, capital machinery and finished goods and a tax holiday for 10 years.

PM opens 14 factories

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"We will not stop here, we will develop marine drive from Mirsarai to Cox's Bazar. We have that plan as people can enjoy our huge ocean. We emphasise on blue economy," she said through a video conference from her official residence at Gono Bhaban.

The virtual ceremony was organised by Beza.

In 2015, the government set an ambitious target of setting up 100 economic zones in the next 15 years to create one crore jobs and export \$40 billion worth of goods and services. Beza has so far approved the establishment of 97 economic zones, of which 68 are public and 29 are private.

Until now, Beza has received \$22 billion in investment proposals for the Bangabandhu Sheikh Mujib Shilpa Nagar, economic zones in Shreehatta, Jamalpur and Moheshkhali, and Sabrang Tourism Park.

The country's economic zones have attracted foreign direct investment from Japan, China, India, Australia, Germany, the Netherlands, US, UK, Singapore, South Korea, and Norway, BEZA officials said.

In her speech, the prime minister highlighted various initiatives taken by the government to attract foreign investors. The premier then advised businesses to work for the peoples' welfare. "The more you work for the welfare of people, the more the government will support you," she said.

She went on to say that the country needs more women entrepreneurs.

"We provide special facilities for women through the SME Foundation," she said.

"There is a provision for separate plots for women in each industrial zone. So, I hope our women entrepreneurs will also come forward," the premier added.

Bashundhara's

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Earlier this year, the CSE appointed the Multi Commodity Exchange of India as a consultant to aid the launch of the exchange.

Islam said with the commodity exchange, there will no longer be improper pricing of commodities and inflationary pressures will be reduced.

"The CSE and ABG Ltd will work together to improve the stock market scenario and strengthen the CSE," said Asif Ibrahim, chairman of the CSE.

He thanked ABG for buying the CSE's stakes amidst the present economic situation.

The CSE has been trying to secure a strategic partner for years, arranging a roadshow and communicating with many foreign exchanges and firms. However, none came forward.

"Then we found the local conglomerate," said Ibrahim, adding that ABG has many plans that would improve the market.

Bashundhara Group Chairman Ahmed Akbar Sobhan said there was potential for around Tk 20,000 crore worth of daily transactions in the commodity exchange planned by the CSE.

"If it becomes operational, it will benefit the economy. People always talk about investment by foreign firms but local firms can also improve the market scenario."

Salman F Rahman, the prime minister's private industry and investment adviser, said he was surprised and happy to see Bashundhara take the stake as it was never interested in the stock market.

According to him, there were two contradictions in Bangladesh's economic development: the low tax-to-GDP ratio and the low market capitalisation-to-GDP ratio.

"A fundamental weakness of our stock market is that institutional investors are low. So, there is a lack of informed decisions. Infrastructure is there but somehow the institutions are not coming," he said, adding Bashundhara's entry will put a positive effect on the institutions.

Saifuzzaman Chowdhury, land minister, also spoke at the event.