



Lighter vessels lie anchored in Patenga of Chattogram. Their operation primarily deals with unloading of imported bulk goods at the outer anchorage from vessels too big to enter the Chattogram port and the shallow inland waterways. Around 1,800 lighter vessels are engaged in the transport of goods from Chattogram to the rest of the country over inland water routes. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Adopt policies for marginalised communities

Recommends InM-CIDD poverty report

STAR BUSINESS REPORT

The government should adopt policies to protect the rights of ethnic minorities and the transgender community, one of the poorest and most marginalised population groups in Bangladesh, in order to accelerate poverty reduction, a new report said.

The Bangladesh Poverty Watch Report 2022, which was launched at an event at the capital's Gulshan Club yesterday, was jointly prepared by the Institute for Inclusive Finance and Development (InM) and the Center for Inclusive Development Dialogue (CIDD).

"Both the plainland ethnic minorities and the transgender community suffer from social exclusion that makes them extremely vulnerable," said Prof Salma Akhter, a trustee of the CIDD.

Discrimination occurs when particular groups of people lack the choices and capabilities that enable others to participate in or benefit from development.

"The legal, administrative and other social institutions don't usually operate equitably to protect their rights in society.

Thus, their voices remain mostly unheard as the marginalised communities in Bangladesh are powerless and less organised than other citizens to claim their civil rights," Prof Akhter said.

Most women and children in these groups face additional marginalisation, and rights violations, and have fewer opportunities to access education, health, economic opportunities, protection and justice, she added while making a presentation.

The report recommended adopting a marginalised-sensitive social policy, implementing special mechanisms to ensure the flow of funds or benefits to the people, addressing systemic and structural weaknesses of plain land ethnic communities, and forming a separate land commission for the plain land ethnic communities.

Ensuring the coverage of plain land ethnic communities in the national social security strategy and social safety net programmes and formulating target-specific action plans to increase their income levels and access to productive resources were also recommended.

The report suggested formulating

target-specific action plans, adopting an integrated strategy to develop a national database, and introducing explicit budgeting for the plain land ethnic communities.

Qazi Kholiquzzaman Ahmad, chairman of the InM, said the poverty rate was reducing fast.

"This is now 20 to 21 per cent whereas it was around 50 per cent in 2000. However, the number of the poor has remained almost the same at over three crore people."

For sustainable development, the poverty rate needs to be reduced and people's capacity and inclusion in income-generation activities need to be increased, added Ahmad, also the chairman of the Palli Karma Sahayak Foundation.

Mustafa K Mujeri, executive director of the InM, said Bangladesh had done reasonably well in reducing poverty compared to other countries.

"Still many people are poor."

The former chief economist of the central bank said the InM and the CIDD carried out the review to find out the dimensions of poverty since it does not mean only a lack of income.

"Poverty means a lack of choices and

voices of people."

The study examined the denial of opportunities, with a focus on disparities in access to education, healthcare and other basic services, limited access to employment and income-generating opportunities, and uneven participation in social, political and civic life.

Atiur Rahman, a former governor of the Bangladesh Bank, said the economy was facing some challenges such as geopolitical tension, supply chain disruptions and a transformation in the energy mix.

"The government needs to take steps considering these challenges."

Mozammel Huq, a professor of economics at the University of Strathclyde in Glasgow, described a low tax-to-GDP ratio as a prime obstacle to increasing the financial power of a country.

Bangladesh's tax-to-GDP ratio stands at around 9 per cent.

"This is not enough to ensure a required allocation for social security," said Prof Huq, adding that the tax-to-GDP ratio in the United Kingdom is 38 per cent and the social security spending is around 25 per cent.

Tough for small factories

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"Many will get jobs but a big portion of the rest may be more inclined towards becoming entrepreneurs. Nowadays, young entrepreneurs are very innovative in terms of technological know-how," he said.

Regarding supporting the startups and sustaining the cottage, micro, small and medium enterprise sector in this global volatile market, he said access to finance was very important.

They should have easy access to finance with minimum onerous conditions, he said.

He sought cottage, micro and small enterprises to be classified separately from the medium ones so that the former gain a more competitive edge in accessing finance.

A "Credit Guarantee Fund" of Bangladesh Bank should have

relaxed conditions for such small-scale enterprises, especially those pertaining to business plans, financial statement etc, he said.

Moreover, changes should be brought to laws such as the arbitration, bankruptcy and companies act to improve the ease of doing business climate to increase both private and foreign investment, he added.

Sattar also urged Bangladesh Bank to consider increasing letter of credit margins, especially during upcoming Ramadan, for essential commodities so that importers can import the same and keep supply stable.

There is no overnight solution to increase foreign exchange reserves, he added. "We have to incentivize more remittance inflow from abroad and enhance export earnings to enhance reserves," he said.

State banks'

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As of September, the banking industry was sitting on NPLs amounting to Tk 134,396 crore, accounting for 9.36 per cent of the total outstanding loans. SCBs had the highest share, at 23.04 per cent.

The BB has put the restriction on the state-run banks on providing a higher volume of loans so that they can't lend excessively and show fictitious income through accrual interest income, Haque said.

The central bank has emphasised improving loan quality first before extending credits as it found that whenever they make loans, they become classified, he said. "Improvement in asset quality is more important than making available more loans and showing artificial income."

Janata Bank's net interest income fell into negative territory in 2021, the first time in the last five years. It stood at Tk 71 crore in negative.

The advance deposit ratio of SCBs is 40 per cent to 50 per cent, meaning their lending capacity is low. As a result, the income from the advance and loans is also low, said Md Nurul Alam, chief financial officer of Janata Bank. "2022 was a better year for Janata Bank and the net interest income will be in positive territory."

Alam agreed that if the net interest income remains negative, it means that banks' profitability and efficiency are not up to the mark. "As a primary dealer, the state-run banks are bound to buy bills and bonds and ensure the supply of funds to the government, so their advance deposit ratio can't rise,"

Niranjan Chandra Debnath, CFO of Sonali Bank, could not be reached for comments.

AUW launches

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INSEAD in Fontainebleau, France.

Under the programme, 13 courses will be offered to 50 students who will be enrolled in the inaugural year. HSBC will help set up the school, including design Mac labs, provide support for curriculum and faculty, IT and class infrastructure and education materials.

The initiative aims to create a pool of trained women graduates to lead businesses in the apparel sector, not only building local management talent and enabling enduring skill formation but also contributing towards the social goal of women empowerment.

The launch comes at a time when Bangladesh maintains its position as the second biggest global garment exporter after China.

Garment is the single largest industry in the country, employing around 40 lakh workers, a majority of whom are women.

"The master's programme will prepare young female professionals with expertise in fashion, merchandising, supply chain management, brand management, and occupational health and safety issues," said a press release.

"It is intended to help the burgeoning apparel industry induct more female talent in management roles," it said.

Bangladesh's garment export market is touching \$40 billion a year and the economy is 80 per cent dependent on this industry, highlighted Dr Rubana Huq, vice-chancellor of the AUW.

"...it's time we engage with creating a group of young women ready to take charge of what lies ahead... (and) prepare cohorts ready to take on the challenge of employability in Bangladesh...complete with required courses on industry specific areas," she said.

"While empowerment of women continues to remain as a central focus for us in Bangladesh, real empowerment is yet to happen," she added.

Women in the garment sector have not been able to graduate beyond the sewing machines or at the maximum, supervisory position, she said.

This is a regular phenomenon at a

time when the top positions are either being occupied by mostly men or by expats, who are mostly men, said Huq.

"Today, the apparel industry in Bangladesh needs a homegrown talent pool, which will service the needs of the sector," she said.

"We are proud...(to be) equipping future talent with the expertise to drive continued innovation in Bangladesh's largest export industry," said Amanda Murphy, head of commercial banking, South & Southeast Asia, HSBC.

"Importantly, this programme supports the professional and leadership development of women, providing better access to opportunities through inclusion and fostering the long term growth for Bangladesh and its communities," she said.

"(The school) is a natural alignment for us," said Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh.

"I am certain the school will play a pivotal role in imparting world class education aiming to build the future leaders in an industry where we have a competitive advantage in leading the future of fashion," he said.

Women have to be educated the same as men, said Poul Nyrup Rasmussen, a former prime minister of Denmark, at a panel discussion on "Leading the Future of Fashion: A Journey Together" held afterwards.

Putting emphasis on investment in women education, he said, "If you invest in women education, it would pay back in society level, research level and employment level."

"Through investing in women education, we can bring a world with equality between men and women," he said.

The garment sector's achievement has been made possible through the labour and efforts of mostly women, said Commerce Minister Tipu Munshi as chief guest.

"We have a target of \$100 billion export from readymade garments sector by 2030 and this initiative will support to achieve the goal," he said.

"I believe this initiative would succeed and play a pivotal role in encouraging women leadership," he added.

Flying to China to be made easier

Envoy Yao Wen says

DIPLOMATIC CORRESPONDENT

China will start full-fledged flight operations with Bangladesh from February this year, according to the newly appointed Chinese Ambassador to Bangladesh Yao Wen.

"For the last three years, we have limited people-to-people contact due to Covid-19. Now, as per the new international policy on travel, visiting China will be much easier," he said while inviting people from Bangladesh to visit China.

Yao made these comments while addressing a Chinese New Year or Spring Festival organised by the Association of Bangladesh-China Alumni (ABCA) in collaboration with the Chinese embassy at a hotel in Dhaka on Friday.

Currently, Biman Bangladesh, US-Bangla and China Southern operate flights to and from Bangladesh and China, but there are various restrictions and limitations imposed because of the coronavirus pandemic, causing difficulties for student and businesses travellers.

"The Chinese embassy will open facilities to smoothen connectivity among the people of both countries for extending education, trade, and cultural relations," the envoy said.

Yao then said that China-Bangladesh cooperation and bilateral relations have reached a new width, indicating a promising future.

He thanked the ABCA for playing a vital role in boosting ties between Bangladesh and China in terms of culture, education, and people-to-people communication, while emphasising on more programmes like seminars, and symposiums to boost bilateral relations.

Referring to Chinese humanitarian supports for the flood-affected people in Bangladesh's eastern district of Sylhet, the envoy added that such friendly support from China would continue.

Develop suitable ecosystem for Smart Bangladesh: experts

STAR BUSINESS REPORT

It is now crucial to hold different players of the telecom industry other than mobile network operators accountable to ensure better voice and data services for consumers, according to various experts.

"There are other players in the telecom ecosystem that have a role in ensuring proper services and so, they too should be held accountable," said Mohiuddin Ahmed, president of the Bangladesh Mobile Phone Consumers' Association (BMPCA).

In Bangladesh, telecom operators heavily rely on fibre and tower providers along with other players in the ecosystem to deliver their services.

Ahmed was speaking during an event on "Upgrading Telecommunication Services to Build Smart Bangladesh, organised by the BMPCA at the Dhaka Reporters Unity yesterday.

The BMPCA chief went on to say that apart from network operators, there are some 120 other organisations that provide related services.

"So, if they are not forced to provide quality service, then it will not be possible to improve the quality of voice and data services even by investing thousands of crores of taka," he added.

Pharma sector fears

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Citing how the shortage of US dollars has increased production costs by around 22 per cent, he said pharmaceutical companies will adjust the price of medicine accordingly.

"So, the government needs to sit with them [pharmaceutical companies] to take immediate steps for saving the sector in the greater interest of public health," Shafiuzzaman added.

According to a market analysis by the Bangladesh Investment Development Authority, Bangladeshis spend at least 2 per cent of the country's GDP on medical treatment.

The domestic market for pharmaceuticals has reached around Tk 35,000 crore now while it was worth about Tk 25,000 crore in 2019, Shafiuzzaman said.

Referring to an analysis by Bapi, a platform of about 250 local drug makers, he said the pharmaceutical industry has adopted high-end production technology over the past three decades.

Now, the sector contributes 1.83 per cent of the country's GDP while

catering to around 98 per cent of the domestic demand for medicine, he added.

Bangladesh also exports medicine to around 150 countries, but shipments have recently slowed due to the ongoing global economic crisis.

He then said around 50 of the top pharmaceutical companies in Bangladesh are setting up factories at the Active Pharmaceutical Ingredient Industrial Park in Munshiganj, but cannot go into production due to gas shortages. As a result, investors are anticipating losses.

Rizal Bank appeals

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In response to the ruling, Rizal bank said it would continue to fight the case.

"The decision and order merely resolved the jurisdictional issues and is not in any way a finding of liability on the part of RCBC, or any of the individual defendants," it said in a stock exchange disclosure.

Bangladesh Bank has welcomed

the court ruling, saying in a statement this week that it clears the way for the matter to progress in court in New York as needed.

A banking sector source in Dhaka, who declined to be named as he was not authorised to speak to the media, said that according to the Bangladesh central bank, RCBC should now come forward for mediation or prepare for a long court battle.