



Muskmelons being gathered for the market at Charbukhainagar village of Barishal sadar upazila, where farmers are selling every 100 for Tk 2,500. Planting runs from mid-October to mid-January whereas harvests from mid-February to mid-June, according to the Bangladesh Bureau of Statistics. Some 47,420 tonnes were produced around the country in fiscal year 2020-21. The photo was taken around a week ago.

PHOTO: TITU DAS

# IT knowledge, infrastructure key to Smart Bangladesh

Experts say at ICAB conference

STAR BUSINESS REPORT

The government needs to emphasise on digital education, upskilling youths with IT knowledge and developing IT infrastructure in order to achieve its “Smart Bangladesh” initiative, according to experts.

They also recommended setting up technical schools, establishing more industries with export potential, digitising tax administration, increasing exports and remittance to this end.

These comments came at a conference on “Chartered Accountants’ Role in Achieving Smart Bangladesh by 2041”, organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at Sheraton Dhaka yesterday.

They also demanded float bonds for large-scale infrastructure projects so that pressure on the country’s foreign exchange reserves for financing development activities does not affect private sector growth.

Bikarna Kumar Ghosh, former

managing director of the Bangladesh Hi-tech Park Authority, presented a keynote at the conference.

He said the government has taken a mega plan to build a nationwide Hi-Tech Infrastructure Network, which includes setting up hi-tech cities, software technology parks, IT incubators and training centres across the country.

The domestic e-commerce market is currently worth around \$3.1 billion and is expected to have 80 per cent growth by 2025.

The government is planning for a smart and green economy by 2071, when the existence of pollution and other environmental threats to the economy will come into a very tolerable limit, Ghosh added.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bank Bangladesh, presented a keynote paper on “Smart Bangladesh, Achieving a Trillion-Dollar Plus Economy”.

He said decision makers should have commitments to a sustainability strategy

optimising the risks that are appropriate to the industry.

They should prioritise investments in sustainable assets that create value for shareholders and customers and improve long-term cost efficiency by designing processes which flag environmental, social, and corporate governance risks as early as possible.

Bijoy said regulators should behave actively on the increased cost of compliance and erosion of shareholder value and advocate modernisation of acts like the Companies Act 1994 and Import and Exports Control Act 1950 to ensure smart governance and improve the ease of doing business.

Md Abul Kalam Azad, special envoy of the CVF presidency of Bangladesh; Kamal Quadir, CEO of bKash, Md Moniruzzaman, president of ICAB; MBM Lutful Hadee, vice-president, and Shubashish Bose, CEO, also spoke.

The session was moderated by Md Humayun Kabir, chairman of ICAB 50th Anniversary (Golden Jubilee) Celebration

Committee.

The government set a goal to develop a smart government, smart citizens, smart economy and smart society to realise a Smart Bangladesh by 2041 so that the country achieves inclusive growth.

Speakers said Smart Bangladesh is a holistic concept and hence it will be myopic to define it only within digital space.

Apart from the four goals, there are many other underlying factors in each of these four components that require extensive input and chartered accountants could play an enabling role to support the government in achieving its target.

Various policy reforms need to take place to facilitate the journey towards achieving the Trillion Dollar plus GDP target, they added.

Reforms are needed in areas of taxation, foreign direct investment, education, cybersecurity, data sharing, export diversification, and simplification of government processes, the experts suggested.

## Take cautious steps to face war-induced challenges

Former governor Atiur says

STAR BUSINESS REPORT

Bangladesh needs to take cautious steps and ensure proper coordination among macroeconomic policies to face the challenges brought on by the Russia-Ukraine war, experts said yesterday.

Owing to the fallout of the coronavirus pandemic, Bangladesh had been facing serious challenges even before the war broke out. The conflict, however, has intensified the macroeconomic crisis.

The inflow of remittance has fallen while export earnings are growing at a slower-than-expected pace, both because of the global crisis. On the other hand, import costs have fuelled, sowing the seed for the serious crisis Bangladesh is currently facing.

“If Bangladesh can overcome these challenges, macroeconomic stability will return easily,” said Atiur Rahman, a former governor of the Bangladesh Bank.

“So, the country needs to be confident and adopt cautious steps.”

Rahman made these remarks while making the keynote speech virtually at a seminar on “Post-Covid Impact and the Russia-Ukraine War: Economic Challenges and Way Forward for Bangladesh”.

The Institute of Chartered Secretaries of Bangladesh (ICSB) organised the event at the auditorium of the Bangladesh Investment Development Authority (Bida) in the capital.

A massive supply-chain disruption and fuel price hike have occurred due to the ongoing war, Rahman said.

“The crisis may remain. But we will have to see how to overcome the supply-chain disruption.”

The noted economist called for raising revenue generation to improve the fiscal space, continuing the support for agriculture and rural transformation, and ensuring a climate-resilient growth. At the event, Asif Ibrahim, chairman of the Chittagong Stock Exchange PLC, said the pandemic has had a severe impact on the economy.

Due to the pandemic, Bangladesh’s apparel export fell by 17.2 per cent in 2020 and remittance declined by 8.6 per cent, he said.

Currently, Bangladesh is feeling the heat of the war in many ways.

“If the war persists, its impacts will intensify since export earnings might decline further while import bills might rise,” said Ibrahim, also the vice-chairman of Newage Group of Industries.

To mitigate the impact of the global crisis, the country needs to adopt a multi-pronged approach, including ensuring support for informal sector workers and export-oriented industries, diversifying exports, and investing in renewable energy, he said.

Lokman Hossain Miah, executive chairman of the Bida, said the agency was trying to attract investors.

Mohammad Asad Ullah, president of the ICSB, M Nurul Alam, senior vice-president, and Tanvir Ahmed Siddiqui, company secretary of Prime Bank Limited, also spoke at the event.

## Yellen says US banking system sound despite turmoil

AFP, Washington

The US banking system remains sound despite market anxiety over the recent collapse of Silicon Valley Bank (SVB) and Signature Bank, Treasury Secretary Janet Yellen told members of Congress on Thursday.

The consecutive bank failures are the sector’s biggest casualties since the 2008 financial crisis, prompting US authorities to quickly step in to protect depositors.

Amid contagion fears, the US Federal Reserve also announced it would make extra funding available to banks to help them meet depositors’ needs, which would include withdrawals.

“This week’s actions demonstrate our resolute commitment to ensure that our financial system remains strong, and that depositors’ savings remain safe,” Yellen told the Senate Finance Committee.

“I can reassure the members of the committee that our banking system is sound,” she added at the hearing, which also addressed President Joe Biden’s latest budget proposals.

Fears of contagion have spread to Europe, with a market rout forcing Credit Suisse, Switzerland’s second-biggest bank, to tap a financial lifeline from that nation’s central bank.

SVB – the United States’ 16th biggest bank by assets and a key lender to startups in the country since the 1980s – collapsed after a sudden run on deposits, prompting regulators to seize control on Friday.

## EVs to dominate future car market

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“The time has come to welcome modern vehicles as the whole world will phase out fossil fuel cars within the next 15 years,” Dawn added.

Sheikh Mohamamd Mahbub-e-Rabbani, director of the BRTA, said they consider the power capacity of an EV’s battery when giving registration while it is the CC for fossil fuel cars.

He believes the number of EVs in the country will increase in the coming days, when the economy returns to normalcy.

Also, the BRTA is taking initiatives to set up infrastructure such as EV charging stations, Rabbani added.

According to BRTA sources, the “Electric Vehicle Charging Guidelines” have been prepared to provide a framework for establishing a wide network of charging stations across Bangladesh.

Only Tk 300 crore to Tk 500 crore is needed to establish an EV assembling and manufacturing plant while the backward linkage industries are growing rapidly, including the light engineering sector which supplies components, he said.

There is immense potential based on a study the association conducted on locally assembled battery-run three-wheelers in Bangladesh, he said during a conversation with The Daily Star last week.

The EV industry will enable environment protection through the use of green energy, create jobs and revolutionise the mass transportation system, said Moin.

There are around 20 lakh battery-run three-wheelers around the

Meanwhile, the government is planning to launch electric busses for long routes. As a part of this effort, the Bangladesh Road Transport Corporation (BRTC) will procure 100



double-decker electric busses under an Indian line of credit.

Local manufacturing is on the rise though as the Bangladesh Auto Industries Ltd (BAIL) has set up

its own EV production unit at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

BAIL aims to release locally manufactured EVs by this year.

The company will make two-wheelers, three-wheelers, sedans, hatchbacks and sport utility vehicles. It also has plans to produce pick-ups, mini-trucks and other multipurpose vehicles.

Almost 60 per cent of the components used in the cars will be made locally, including the lithium battery, electric motor, software, and chassis.

Besides, Walton Digi-Tech Industries Ltd, a concern of Walton Group, has launched Bangladesh’s maiden electric bus for their staff, jumping on the bandwagon of a global shift towards eco-friendly transportation.

Besides, Walton Digi-Tech Industries Ltd, a concern of Walton Group, last December launched Bangladesh’s maiden locally manufactured electric motorcycle, jumping on the bandwagon of a global shift towards eco-friendly transportation.

Moin believes other companies will also start investing in manufacturing EV and the figure will reach millions of dollars within the next decade, although it might seem unimaginable now.

Meanwhile the government is working towards creating a legal framework for registering and operating EV, with the Ministry of Road Transport and Bridges having already prepared a guideline.

The draft “Electric Motor Vehicle Registration and Movement Guideline 2021” emphasises ensuring safety standards and an adequate economic lifetime for EV.

Investments will start coming in once the EV registration guideline was ready, said Moin.

## Reforms need

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The tax structure was also convenient for big players, for which disparity has been rising and while the tax to GDP ratio going down, he said.

The IMF has been working with Bangladesh “sitting inside its office” and that also for many years but non-performing loans (NPLs) has remained high, said Prof Anu Muhammad.

Default loans in Bangladesh’s banking sector jumped 17 per cent year-on-year to Tk 120,656 crore last year.

As a result, the ratio of bad loans rose to 8.16 per cent of the outstanding loans in December compared to 7.93 per cent in the same month in 2021, showed data from Bangladesh Bank.

One of the IMF conditions is to raise the tax to GDP ratio and now the government will raise tax and value added tax, increasing sufferings

of general people, said Muhammad.

Meanwhile the rich will remain as beneficiaries as their taxes are not that high, said the former chairman of the economics department of Jahangirnagar University.

Moreover, the loan will make it easy for the government to get more loans from other international bodies and increase the tax burden on general people, he added.

“We don’t want to continue subsidy in electricity year after year but the government needs to find the reasons behind its high prices. How much money was spent in the name of capacity charge?” asked Muhammad.

The government should work on improving accountability in democracy to improve the economic situation, said Badiul Alam Majumdar, secretary to Shushashoner Jonno Nagorik.

## Watermelon enters

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Since then, he started exploring the opportunity and searched for good quality fruit and also contacting officials of the Plant Quarantine Station at Chattogram port to pave the way for a shipment.

The watermelons were collected from farmers in Shibganj upazila of Bogura. “If the buyer gives a positive vibe upon receiving the shipment, it will widen the country’s export basket,” he said.

## Startups of India

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all of its uncertainties in the coming month?” India’s state minister for technology, Rajeev Chandrashekar said late Thursday night in a Twitter spaces chat.

Hundreds of Indian startups had more than a billion dollars of their funds in SVB, according to his estimate, Chandrashekar said.

Chandrashekar met more

than 460 stakeholders this week, including startups affected by SVB’s closing, and said he had passed on their suggestions to Finance Minister Nirmala Sitharaman.

Indian banks could offer a deposit-backed credit line to startups that had funds in SVB, using those as collateral, Chandrashekar said, citing one of the suggestions he had passed on to the finance minister.