Allowing more women to workforce key to growth

STAR BUSINESS REPORT

Bangladesh's economic growth could face significant challenges unless obstacles to women's participation in the labour market and vocational training are effectively addressed, said Tuomo Poutiainen, country director of the International Labour Organisation (ILO) for Bangladesh.

Gender imbalances and restrictions on women's access to diverse job opportunities may hinder the country's overall progress, he said.

He made the comments at a session titled "Setting the Labour Market Priorities Right for Bangladesh" on the third day of the eighth SANEM Annual Economists' Conference, organised by the South Asian Network on Economic Modeling (SANEM) at the capital's Brac Centre Inn.

Poutiainen further stressed that job creation should be driven through collaborative efforts between the public and private sectors, with foreign direct investment playing a significant role.

"True reform in the private sector is essential to create a path for quality jobs for Bangladeshi graduates."

There is no job that women cannot do but men can, he said.

"We must overcome the mental block that creates obstacles for women in the labour market," he added.

Syed Sultan Uddin Ahmmed, executive director of the Bangladesh Institute of Labour Studies, said, "We can't reform labour rights in isolation; it must be linked to skill development, education, and industry associations."

"Without a living wage, we cannot ensure decent jobs for everyone," he added.

Bangladesh's labour policies are largely shaped by international influences while domestic priorities remain overlooked

Bangladesh's labour policies are largely shaped by international influences while domestic priorities remain overlooked, he said.

He added that the country's own workforce needs and labour rights concerns are often sidelined, as global stakeholders play a dominant role in policy decisions.

Iyanatul Islam, adjunct professor at the Griffith Asia Institute at Griffith University, Australia, said excessive regulations can hinder job creation, but well-designed policies, including minimum wages, effectively protect workers and promote equity.

He also highlighted the need for a strong foundation in labour economics, stating, "If you want to justify minimum wages, safe working conditions, and policies addressing gender disparities in Bangladesh, we need analytically robust and empirically credible labour economics."

Kazi Iqbal, senior research fellow at the Bangladesh Institute of Development Studies, addressed the 13 percent graduate unemployment rate in Bangladesh, attributing it to an oversupply of unskilled tertiary graduates and a lack of technical education.

He stressed the need for expanding affordable polytechnic institutes and targeted skill development programmes to better align the workforce with market demands.

Iqbal pointed out the mismatch between education and industry needs, noting, "There is an oversupply of tertiary graduates in Bangladesh, which is incompatible with the structure of the industry and the country's needs."

Bangladesh's growth has surpassed 6 percent, but labour market performance remains weak, with rising unemployment, increased self-employment, and declining real wages, said Radhika Kapoor, senior employment specialist at the Decent Work Team for South Asia of the ILO, during her keynote presentation.

Rural female labour force participation surged from 36 percent to 52 percent, adding 4.2 million women.

Youth employment is higher, with educated youth favoured, she added.

Formal paid job growth is minimal, fuelling demand for government jobs. Labour-displacing technology and shifts from high- to low-productivity sectors further strain job creation, she said.

Productivity growth has outpaced real wage growth, while exports and investment as GDP shares are falling. Addressing these challenges requires industrial policy reforms, increased government expenditure, infrastructure development, and a focus on employment-driven growth, she added.

Gold prices drop after hitting historic high

STAR BUSINESS REPORT

After hitting an all-time high last Thursday, gold prices in the country saw a slight decline yesterday.

On 20 February, gold prices reached an all-time high of Tk 154,525 per bhori.

However, the price of gold decreased by Tk 1,154 per bhori, bringing it down to Tk 153,369, Bangladesh Jewellers' Association (Bajus) announced yesterday, with the rate effective from today.

Gold prices have been rising steadily for over a year. This is due to both hikes in the international market and volatility in domestic supply.

In July 2023, the price of gold surpassed Tk 100,000 for the first time in Bangladesh.

The country requires between 20 and 40 tonnes of gold annually, with about 80 percent of the demand being met through smuggling.

Deferring LDC

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Leaders of different countries attending the ministerial conference of World Trade Organization (WTO) in Abu Dhabi last year did not show interest in extending the transition period, he said.

Bhutan has already graduated and if Bangladesh defers the graduation, it will be left with war-torn Afghanistan as the only two least developed countries (LDCs) in South Asia, said Rahman.

After the graduation, Bangladesh will become ineligible for almost all trade benefits, such as zero duty access, and strictly abide by the Trade Related Aspects of Intellectual Property Rights (TRIPs), said Rahman.

Moreover, Bangladeshi exporters will face duties of over 10 percent in many countries, he said.

However, some countries such as those under the European Union, Canada and the UK will continue to provide the facilities for a grace period of three years, he said.

Yet many businesses want the government to provide export incentives till the end of the grace period in 2029, he said.

Seven sub-committees are working on providing recommendations to the government for a smooth graduation, said Rahman.

Of the total losses of advantages that the 12 graduating LDC are enjoying now, nearly 90 percent will befall Bangladesh as it avails the highest trade benefits among all the LDCs, he said.

While Bangladesh requested the United Nation for inclusion in the LDC group in 1972, Zimbabwe, which was then struggling, refused to accept the LDC status, Rahman said.

He suggested increasing direct tax collections, as there was a possibility of a fall in revenue from indirect taxes in the form of import duties.

Bangladesh should also focus more on countries in the Global South, South East and the Association of Southeast Asian Nations (Asean) as only 11 percent of its annual exports are destined for those countries, he said.

China imports $2,800 billion worth of goods and India over $730 billion in a year. But Bangladesh accounts for less than one percent of China's imports while exports to India stand at less than $2 billion, said Rahman.

Bangladesh should also hold negotiations for signing free trade agreements, comprehensive economic partnership agreements and other trade deals for retaining the preferential trade benefits, he said.

While Bangladesh will face duties following the graduation, Vietnam will enjoy zero-duty in many countries as it has already signed trade deals, he said.

On a positive note, Bangladesh and Japan are currently engaged in the process of signing an economic partnership agreement, the economist said.

Bangladesh should focus on avoiding anything that threatens economic stability. For instance, one mega project with an original allocation of Tk 1,800 crore had ended up costing Tk 18,000 crore, he said.

Moreover, Bangladesh will have to pay $6 billion annually in debt repayments from 2026 when the grace period for the largest project on loan, the $14 billion Rooppur nuclear power plant project, will come to an end, he said.

Nearly, 77 percent of illicit financial outflow was through trade such as mispricing—over invoicing and under invoicing. But the fact remains that trade related mispricing is a major issue, and it has to be addressed, he said.

Zahid Hussain, former lead economist of World Bank's Dhaka office, said Bangladesh was already in the middle-income trap.

The export to GDP ratio and investment are declining, but inflation is rising. The volume of bank loan rescheduling is also increasing while the central bank's foreign currency reserves are at a low level, Hussain said.

The discontinuation of a loan programme by International Monetary Fund (IMF) for Bangladesh will have consequences, he said.

READ FULL STORY ONLINE

BSC to buy 6 ships

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Referring to the sizes of the new vessels, Suzan mentioned that the BSC, with these cellular ships, would have the option to launch direct shipping to European destinations, significantly reducing both time and costs in foreign trade.

BSC'S STORIED HISTORY

The BSC began its journey with only two ships in 1972 and got listed in the stock market in 1977.

In 2018, six new ships, comprising three oil tankers and three bulk carriers, were purchased. However, one of the six new ships, "Banglar Samriddhi", was damaged in a bomb attack at a Ukrainian port in 2022.

At present, the BSC owns five vessels, featuring two bulk carriers and three chemical and oil tankers.

And despite a 5 percent drop in revenue to Tk 487 crore, the national flag carrier reported a solid profit last year.

In the financial year 2023-24, freight revenue from lighterage and time charter decreased year-on-year due to off-hire and dry docking of ships, which ultimately reduced the company's total revenue.

Its freight revenue dropped by over 9 percent to Tk 392 crore. Despite this, the company reported a record net profit of Tk 249.69 crore in FY24, the highest in its 53 year history.

Just three years ago, the company's net profit was below Tk 100 crore. The surge in the past three years has been attributed to the increase in its fleet size in 2018.

BSC's net profit margin is comparatively high among neighbouring countries, standing at around 42 percent in FY24, compared to 12 percent for the Shipping Corporation of India, 44 percent for Pakistan National Shipping Corporation, 20 percent for Singapore Shipping Corporation, and 19 percent for Malaysia's Shin Yang Shipping Corporation.

The net profit margin, or simply net margin, measures how much net income or profit a company generates as a percentage of its revenue.

BSC's earnings per share rose to Tk 16.37 last year from Tk 16.15 in the previous year. The company's retained earnings nearly doubled to Tk 507 crore, up from Tk 284 crore in FY23.

Govt moves

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Failure to comply will result in automatic cancellation within three days.

The ministry also requires airlines to report the actual sale price of group-booked tickets, which will then be published on the civil aviation ministry's website for public access.

All air tickets must be sold online, with prices clearly displayed both on the tickets and on the respective airline or agency's website.

Airlines and travel agencies must comply with the tariff filing provisions outlined in Rule 289 of the Civil Aviation Rules, 1984 and publish approved fares on their websites.

Airlines and travel agencies are prohibited from selling tickets at prices higher than the officially submitted fare.

Travel agencies must issue receipts indicating the original price set by the airline.

Under Rule 15 of the Bangladesh Travel Agency (Registration and Control) Rules, 2022, travel agencies that artificially inflate prices by reselling tickets through unauthorised agents could face suspension or cancellation of their registration certificates.

The civil aviation ministry also directed airlines and travel agencies in Bangladesh to introduce special airfares for individuals traveling on work visas.

NBR launches

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"Many veteran players have long dominated the market, but with the country's growing economy, new businesses are eager to make their mark," the NBR chairman said.

"However, various challenges have obstructed their entry into the market, resulting in an oligopolistic landscape and the emergence of an oligarch class."

At the event, the revenue board also launched an electronic platform within the Automated System for Customs Data (ASYCUDA) World to enable its Authorised Economic Operators (AEOs) to submit customs-related documents.

This will allow them to transport import and export cargo directly between ports and factories, thereby saving time and costs.

AEO status is an internationally recognised standard, granted by customs authorities to compliant businesses. It allows companies to enjoy expedited customs clearance and other benefits due to their high compliance standards and secure supply chain practices.

With the introduction of this digital module, businesses with AEO status can now transport cargo directly from ports to factories or warehouses via the green channel, bypassing physical inspections.

The NBR announced that nine out of the 17 firms with AEO status would be able to use the green channel for overseas trade. The remaining firms must comply with certain regulations to become eligible for green channel clearance.

Additionally, the NBR awarded AEO status to Unilever Bangladesh and Berger Paints Bangladesh.

BIDA Executive Chairman Harun said the full implementation of the AEO system will ease pressure on the NBR and the business community, adding that other government agencies could learn from this project.

At the event, the NBR also unveiled its Customs Strategic Plan 2024-28.

Zaved Akhter, president of the Foreign Investors Chamber of Commerce and Industry, said that, in relation to the country's gross domestic product, the foreign direct investment rate is currently below 1 percent.

"On the other hand, in Vietnam, it ranges from 4 percent to 5 percent. To reach that benchmark, we have the potential to attract $10 billion in FDI, and that should be our target," he said.

However, achieving this requires simplifying the business environment. Initiatives such as the adoption of AEO will help bolster the confidence of foreign investors, said Akhter, also the chairman of Unilever Bangladesh Limited.

Rupali Chowdhury, managing director of Berger Paints Bangladesh Limited, said, "The AEO advantage allows us to reduce lead time, minimise inventory, and utilise working capital quickly. As a result, it will bring significant benefits to businesses across all sectors."

However, she urged the authority to reduce the timeline for obtaining AEO certification.

"The root cause of most import-export issues is the Harmonized System (HS) Code. We don't want to hide anything from the government. Therefore, it is essential to take the opinions of businesses from the relevant sectors when making decisions related to HS codes," she said.

Bridge

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In cases where banks fail to meet capital or liquidity requirements or engage in fraudulent activities that risk their financial health, the BB will be authorised to take immediate corrective action.

If approved by the President, the Bank Resolution Ordinance will enhance the central bank's ability to stabilise the financial sector, protect depositors, and ensure the smooth resolution of non-viable banks.

Downgrading errant firms

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"What offense have investors committed here?" questioned Hasanul Bannah, a stock investor. "If there was any wrongdoing by the company, the punishment should be faced by the company's top officials or board members."

"If a company does not have adequate cash, why does it announce dividends? There must be some ill intention on the part of the board. Therefore, the board should be held responsible and accountable," he added.

Meanwhile, Saiful Islam, president of the DSE Brokers Association of Bangladesh, said the BSEC's directives on categorisation have been "misused and abused" by certain groups and listed companies.

"It has become common practice for companies to announce dividends to maintain their category for six months [the timeframe for dividend disbursement]," he said.

During this period, investors risk losses by investing in such companies, Islam noted.

He argued that categorisation has long been a tool for manipulation and that there should not be any categories at all, as is the case in other developed stock exchanges.

Islam believes that investors should make investment decisions based on a company's portfolio rather than its category.

Under the existing system, the brokers association president proposed that the BSEC amend its directive to penalise board members instead of investors.

Mazeda Khatun, president of the Bangladesh Merchant Bankers Association, supported Islam, stating that investors are suffering due to the downgrading.

"The regulator should change the policy to ensure that investors are not unfairly penalised," she added.

Speaking on condition of anonymity, the company secretary of a listed firm said his company's board recommended a dividend despite knowing their cash-strapped position.

However, some companies claim they face difficulties in disbursing dividends due to outdated investor information.

Previously, listed companies did not prioritise updating their records, as they were not scrutinised. However, the recent rules linking dividend disbursement to categorisation have brought this issue to the forefront.

Gas Transmission Company Limited (GTCL)
(A Company of Petrobangla)
Electrical Engineering Department, Engineering Services Division
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Agargaon, Dhaka-1207.

গ্যাস জাতীয় সম্পদ, এর অপচয় রোধ করে জাতীয় দায়িত্ব পালন করুন

শিল্পে প্রাকৃতিক গ্যাস, গৃহস্থালীতে বিকল্প জ্বালানী

Tender Invitation No.: i) 28.14.0000.228.03.004.25
ii) 28.14.0000.228.03.006.25 (Solar System)

Date: 23-02-2025

e-Tender Notice

e-Tender is invited in the National e-GP System Portal (http://www.eprocure.gov.bd) for the following procurement:

Tender ID No	Description of Works	Last Selling Date and Time	Closing Date and Time	Opening Date and Time
1074570	Supply, Installation, Testing & Commissioning works of Area Lighting at Monohordi Gas Manifold Station, Narsingdi	09-Mar-2025 at 16:00	10-Mar-2025 at 12:00	10-Mar-2025 at 12:00
1074995	Supply, installation, testing & commissioning of 3(Three) Nos HYBRID Solar system (2 Nos 5 KWp Capacity and 01 no 3.3 KWp Capacity) and repairing & servicing of 01(One) Nos existing ON GRID Solar system at Chattogram region	09-Mar-2025 at 16:00	10-Mar-2025 at 12:30	10-Mar-2025 at 12:30

This is an online Tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the National e-GP System Portal (http://www.eprocure.gov.bd) is required.

The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Bank Branches.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd)

GTPR-26/24-25

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GD-496