Are we doing enough for the urban poor?

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PHOTO: STAR/FILE

Nearly 28 percent of Bangladesh's population now lives below the poverty line, up from 18.7 percent just two years ago.

Bangladesh has long been celebrated for its success in reducing poverty. Over the past two decades, the national poverty rate has declined steadily, with rural-focused interventions lifting millions out of deprivation. But the picture looks different in recent months.

A recent survey by the Power and Participation Research Centre (PPRC) paints a grim picture. Nearly 28 percent of Bangladesh's population now lives below the poverty line, up from 18.7 percent just two years ago.

Extreme poverty has risen from 5.6 percent to more than 9 percent. This means more than one in four people are poor, while one in ten lives in extreme poverty.

For urban areas, the situation is worsening. The poverty rate there jumped from 14.7 percent in 2022 to nearly 20 percent in 2025, according to the Bangladesh Bureau of Statistics and PPRC estimates.

Today, the urban poor -- including housemaids, day labourers, pavement dwellers, women escaping abuse, rickshaw-pullers, garment workers, and countless families in fragile settlements -- are falling through the cracks of development.

Their struggles expose a troubling blind spot in the country's poverty reduction journey, one that is becoming increasingly difficult to ignore. Behind these figures lies a harder truth: the urban poor are among the worst affected, yet the least supported by government social protection programmes.

Despite rapid urbanisation, urban households receive only about 20 percent of social protection benefits, according to the Research and Policy Integration for Development (RAPID).

Only 4 percent of safety net schemes are specifically designed for the urban poor. Nearly half of extremely poor households receive no social protection at all. In urban areas, the exclusion rate rises to nearly 64 percent, far higher than the national average.

By contrast, rural programmes dominate allocations, reflecting a structural bias rooted in a time when poverty was viewed almost exclusively as a rural problem.

Even the overall allocation is far below needs. In the current fiscal year, the interim government set aside Tk 136,026 crore for social safety net programmes, or 17.07 percent of the national budget.

Yet, as the Centre for Policy Dialogue (CPD) points out, once pensions, savings certificate interest, and agricultural subsidies are excluded, the effective allocation in FY26 falls to 8.2 percent of the budget and just 1.03 percent of GDP.

Since pensions and farm subsidies make up 45 percent of social protection spending, allocations for all other programmes remain limited.

ANALYSIS

Urban poverty is harsher than its rural counterpart. Families grapple with high rents, unstable informal jobs, rising food prices, and health shocks that quickly drive them into debt.

PPRC data show that more than half of poor urban households have at least one chronically ill member, while nearly one in four is headed by a woman, heightening vulnerability.

Children are among the worst sufferers, with malnutrition emerging as a silent crisis. From 2000 to 2022, poverty rates in both rural and urban areas declined. But the pace of reduction was faster in villages, partly because poor rural families migrated to cities.

Eminent economist Michael Lipton argued in his seminal 1978 book "Why Poor People Stay Poor" that bias towards urban areas in resource allocation hinders poverty reduction.

While his thesis was debated, the central idea, highlighted in "Bangladesher Arthonoitik Unnayer Gotidhara", remains relevant. Yet, in Bangladesh, the reverse bias is evident: rural poverty programmes dominate, while urban ones remain piecemeal.

Many schemes focus only on large slum settlements on government land, overlooking smaller, more precarious, and marginalised groups such as pavement dwellers, migrants in bachelor messes, and evicted families.

These communities are often excluded because they are considered too mobile, fragmented, or difficult to reach, yet they are the ones most in need.

The consequences are clear. Rural poverty continues to decline faster, while urban poverty persists and, in some cases, worsens. This is compounded by high inflation.

Recently, the Trading Corporation of Bangladesh (TCB) halted truck sales of subsidised goods on September 13 after just a month due to budget constraints. Yet urban inflation has hovered near 10 percent for almost three years. In November 2024, urban food inflation stood at 14.63 percent.

Poor households are now spending nearly 55 percent of their income just to buy food. Unless urgent measures are taken, Bangladesh's poverty reduction narrative risks unravelling.

The question, "Are we doing enough for the urban poor?" has a clear answer: not yet. The government must first build a proper database of urban poor households. Policies must go beyond slum dwellers to cover diverse groups, including migrants, female-headed families, and the chronically ill.

City-specific strategies are essential, targeting insecure housing, unstable jobs, and high living costs.

Beyond cash transfers, integrated solutions -- affordable housing, healthcare, sanitation, jobs, and eviction protection -- must be prioritised.

Partnerships between government, NGOs, and communities are crucial if Bangladesh is to prevent its cities from becoming epicentres of exclusion.

Empowering non-bonded industries for export growth

FERDAUS ARA BEGUM

The government issued a Statutory Regulatory Order (SRO) recently, introducing a new facility for industries without bonded warehouses. This allows duty-free import of raw materials for exports against an unconditional bank guarantee of equal value, subject to specific conditions. The policy expands duty-free access beyond the readymade garment sector, creates space for SMEs to integrate into global value chains, and encourages sector associations to build technical capacity to support their members.

However, several challenges remain. The certification process for value addition is unclear, and bureaucratic hurdles make it difficult to extend export timeframes. Many associations lack the technical capacity to justify input-output norms, while key sectors such as agro-processing, handicrafts, pharmaceuticals, and ceramics remain excluded. Handicraft exports, which often depend on telegraphic transfer (TT) payments, could be included if the policy interpretation is broadened. As the SRO mentions TT, and since many handicraft exports to markets like Japan are conducted through this payment mode, the sector could benefit if permitted.

Industrial Import Registration Certificate (IRC) requirements could also pose problems. Many small exporters operate as traders, sourcing products from manufacturers, but they may not hold an industrial IRC, leaving them ineligible for the facility. SMEs dependent on trader-export models could therefore face compliance and documentation barriers.

Among the conditionalities, exporters must present a buyer contract, letter of credit, or advance TT. The policy was incorporated into the import policy's Chapter 4(8), sub-clauses (ao) and (aaa) under (jo). The National Board of Revenue often takes considerable time to issue official acknowledgements for partial exporters seeking duty-free import of raw materials.

The SRO specifies that the buying-selling contract must be submitted with endorsement from a lien bank, to be integrated through the VAT Administration System (iVAS). The unconditional bank guarantee from the lien bank must be submitted to customs stations, and the minimum value addition must be 30 percent. However, it is still unclear who will issue the value addition certificate. The import policy states that the Bangladesh Trade and Tariff Commission is responsible for issuing it.

To determine the input-output coefficient, information such as HS codes, units, related import materials, and the quantity of each input required (including wastage) to produce one unit of product must be provided. Commissioners may engage universities or specialised organisations to verify these coefficients, with costs borne by importers. Empowering relevant associations will therefore be crucial.

The SRO currently covers eight sectors: furniture, electronics, food processing, light engineering, steel products, plastic products, leather goods, and garments. Some associations already have the technical capacity to determine input-output coefficients, while others will need support to develop it. According to the import policy, the Export Promotion Bureau or the relevant sponsoring authority should issue notifications regarding raw material entitlements.

Notably absent from the list are sectors such as MS rods or bars, prefabricated buildings, cement, cables, paints, lubricants and fuel oils, office equipment, air conditioners, household goods, and particle boards. This exclusion may be due to lower value addition or other policy considerations. The SRO specifies a nine-month export period, extendable by three months upon application to the relevant Customs, Excise, and VAT commissionerate. However, this process risks becoming bureaucratic, forcing businesses to rely on administrative discretion each time.

SMEs have long been excluded from duty-free import facilities through bonded warehouses. This raises their input costs, reduces competitiveness, and limits participation in global value chains. Without targeted reforms, SMEs risk being sidelined in the country's export diversification and post-LDC transition.

Global experience from countries such as Vietnam, India, and Singapore shows that inclusive and modernised bonded warehouse frameworks can significantly lower costs, expand SME participation, and support industrial upgrading.

Clarifying institutional responsibilities for issuing value-addition certificates, expanding sectoral coverage, simplifying export timeframe extensions through automatic approvals for compliant firms, and strengthening association capacity to validate input-output coefficients would all help non-bonded industries.

This new facility is a step forward in making export incentives more inclusive. But unless the policy is clarified and broadened, small industrial enterprises will remain disadvantaged. For Bangladesh to achieve true export diversification and post-LDC resilience, reforms must focus on SME competitiveness, institutional clarity, and sectoral inclusion.

The writer is CEO at Business Initiative Leading Development (BUILD)

MJL, EC Holdings to invest Tk 214cr in real estate

STAR BUSINESS REPORT

Lubricants distributor MJL Bangladesh PLC and EC Holdings Ltd will jointly invest Tk 214 crore in a commercial property in Dhaka.

The investment will be made on a 50:50 basis, MJL said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The decision was approved by the board on September 30, the company said, adding that the move as part of its future business expansion strategy. Shares of MJL rose 0.31 percent to Tk 97 on the DSE as of 1:14pm.

MJL, which traces its origins to 1998, when Mobil Corporation (later ExxonMobil) partnered with state-run Jamuna Oil to form Mobil Jamuna Lubricants, reported a profit of Tk 41.29 crore in the January-March quarter, down 21 percent year-on-year.

NBR to form intelligence teams to curb tax evasion

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has instructed each tax region to form dedicated Intelligence and Investigation Teams (IITs) tasked with detecting and investigating suspected cases of tax evasion.

In a circular issued yesterday, the revenue board also directed its field offices to intensify intelligence operations to recover evaded taxes and curb widespread tax dodging.

The guidelines outline the teams' composition, operating procedures, and approval process for launching recovery drives.

According to the directive, the IITs will investigate cases triggered by intelligence tips, allegations of evasion, anomalies in tax documents, suspicious entries in registers, abnormal declarations of tax-exempt income, or asset statements showing disproportionate growth compared with declared income and taxes paid.

If evidence of evasion is found, the teams will submit their findings to the regional Intelligence and Investigation Committee, which will then decide on recovery measures, including legal action where necessary.

Each tax commissionerate has also been asked to submit monthly reports, using prescribed formats, detailing additional claims and collections from intelligence-led activities by the 10th of the following month.

The NBR said it expects the strengthened Intelligence and Investigation Cell to not only enhance revenue recovery but also deter tax evasion and promote a fairer tax culture.

How China's robotaxis jumped to top of ranks worldwide

ANN/CHINA DAILY

On a brisk Friday morning in early September, a fleet of light blue cars glided quietly in front of the Amiri Diwan -- the imposing building housing the seat of governance -- in Doha, capital of Qatar.

For most passersby, the sight probably looked like nothing more than regular vehicles navigating through traffic. But for Pony.ai, the fleet marked something bigger -- the official start of its robotaxi testing in the Middle Eastern country.

The leading Chinese autonomous driving company has formed a strategic partnership with Qatar's national transport company, Mowasalat, to advance autonomous driving technology and vehicle deployment in Qatar.

The collaboration came two months after Pony.ai's partnership with Dubai's Road and Traffic Authority in the United Arab Emirates. Robotaxi tests will start later this year, with driverless robotaxis scheduled to start commercial operations in 2026.

Pony.ai's expansion is part of a broader trend of Chinese autonomous vehicle companies stepping beyond their home market at an accelerating pace.

In early September, WeRide announced its robotaxis would soon arrive in Singapore. The autonomous driving company, based in Guangzhou, Guangdong province, said the vehicles will be deployed later this year with a local mobility service provider.

The robotaxis follow the start of WeRide's robobus service on Singapore's Sentosa island in July.

The robobus, equipped with 360-degree vision and capable of detecting obstacles more than 200 meters away, operates on a fixed 1.2-kilometer loop every 12 minutes, connecting three hotels and T Galleria shopping mall.

Since late last year, WeRide's robosweepers have been working along Marina Coastal Drive and at the Esplanade, as Singapore's first commercial autonomous sanitation projects.

Chinese companies have also joined hands with global ride-hailing platforms like Uber to speed up their rollout and expand the availability of their services.

During the International Motor Show Germany, officially known as IAA Mobility, in Munich this month, Momenta, backed by investors such as Mercedes-Benz and SAIC, said it would begin rolling out robotaxi services on the Uber network in early 2026, starting in the German city.

The initial deployments will have safety operators onboard. "This partnership completes a critical piece of our global scaling puzzle," said Cao Xudong, Momenta's founder and CEO.

Uber CEO Dara Khosrowshahi described the deal as a significant step toward delivering "more reliable and affordable autonomous mobility" to users worldwide.

Robotaxis owned by autonomous driving company Pony.ai operate in Shenzhen, Guangdong province.

PHOTO: CHINA DAILY

Toyota-backed Pony.ai is partnering with Uber as well, and is expected to first launch its service in a key market in the Middle East later this year, with a goal of scaling deployments to additional international markets in the future.

WeRide is expanding its existing cooperation with Uber to 15 additional cities outside China and the United States over the next five years.

The two companies started their cooperation in September 2024, and launched commercial robotaxi operations in Abu Dhabi, United Arab Emirates, last December, with the fleet to include 50 vehicles by mid-2025.

"We are taking this partnership to a new level," said Tony Han, founder and CEO of WeRide. "This reflects our joint ambition to make autonomous mobility accessible and affordable across the globe."

The flurry of announcements signals the start of the globalization of China's autonomous driving sector.

Over the past years, China has become one of the most vibrant testing grounds for autonomous vehicles, with dozens of companies piloting robotaxis in cities from Beijing and Shanghai to Wuhan in Central China's Hubei province and Guangzhou in South China's Guangdong.

Statistics show that as of August 2024, Chinese public security authorities had issued 16,000 test licenses for autonomous vehicles and more than 32,000 km of roads had been opened for testing across the country.

"Autonomous driving is a national strategic priority. Policies like the 14th Five-Year Plan for the Development of the Digital Economy and directives supporting AI demonstration projects clearly define the technology development path," said Zhang Ning, Pony.ai's vice-president.

The favorable policies, combined with China's edge in computer and artificial intelligence-related technology and its vast population and complex road conditions, have seen autonomous driving companies making rapid progress.

In April, Pony.ai unveiled its seventh-generation automotive-grade system at the Shanghai auto show.