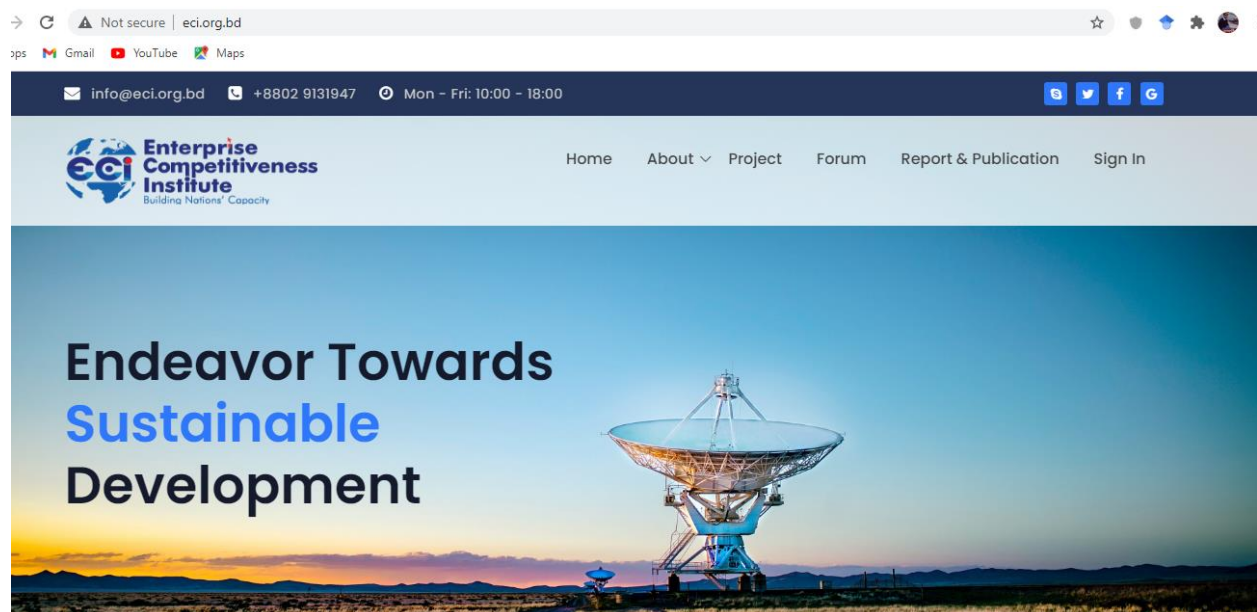




ECI Newsletter (Maiden issue; April 2021)

~ Capacity building towards sustainable development



Enterprise Competitiveness Institute (ECI)

102/1 Shukrabb, Mirpur Road, Dhanmondi,
Dhaka-1207, Bangladesh.

<http://eci.org.bd/>

Editorial

Observing the present scenario of the pandemic nCOVID 19, and the great expansion of emerging technology at pre COVID and possible development after post COVID, the Enterprise Competitiveness Institute (ECI) thinks business, trade, investment- these inevitable issues will remain one of the prime focuses. This year, we have decided that we will launch a newsletter, which will explain and share with you the latest trend and information on those areas. To do this, we have excerpted the information from different sources, especially from newspapers and we will deliver the newsletter in a bi-monthly fashion. This is one of our little efforts to disseminate all related information and good practices in an umbrella. Later, we will come up with our own analysis with expert views. During the pandemic, we have arranged two webinars on Intellectual Property Rights issue (*Creating awareness on IPR among faculty members of DIU and way forward*) and international trade (*Webinar on Global Trade, Bangladesh and post-COVID 19*). Team ECI comprises with some energetic and dedicated members and I like to thank all of them for making this initiative a successful one.

We also appreciate your constructive opinion and guidelines so that we can improve, gradually. To know more about us or share your opinion with us, please visit the website (www.eci.org.bd) and send your opinion: info@eci.org.bd

~ Nafees Imtiaz Islam, ECI

TEAM ECI

~ **Mr. Nafees Imtiaz Islam**

Deputy Director, IQAC, DIU

~ **Mr. Kamanashis Kundu**

Administrative Officer, IQAC, DIU

~ **Mr. Md. Mahfuzur Rahman**

Administrative Officer, DIU

~ **Ms. Jui Roy**

Assistant Admin Officer, IQAC, DIU

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NATIONAL

1. The role of exports in fuelling continued growth in Bangladesh



- ❖ A recent report in the *Wall Street Journal* observes that Bangladesh's economic growth, while stellar of late, lags behind that of much faster-growing economies like Cambodia and Vietnam.
- ❖ Bangladesh's manufacturing value-added share in GDP appears to have evaded any significant decline in the aftermath of the contagion fuelled by the US "sub-prime" financial crisis of 2007-8.
- ❖ While Bangladesh continues to enjoy international competitiveness in all five of its principal export categories (namely RMG, jute/jute manufactures, tea, fish/seafood and leather), only in RMG has this pattern strengthened over time.
- ❖ Short of major innovations along the lines delineated above, sustained growth of output per person cannot be predicated upon a bland routine of augmenting the physical capital stock and the labour force.
- ❖ In the absence of significant research and development spending, productivity enhancing technological innovations are hard to come by.
- ❖ While Vietnam's rank went up from about 100 to 70 over the past decade, Bangladesh still languishes in the bottom quartile of the 190 countries in the dataset (ranked 168 in 2019).

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2. Premier Hasina calls for global action to address liquidity crisis, debt burden in post-Covid era



- ❖ Prime Minister Sheikh Hasina said, “We need ambitious and concerted global action plans to address the liquidity crises and sovereign debt burdens now and in post COVID-19 era,”
- ❖ The meetings and roundtables held in 2020 under the auspices of the Financing for Development in the Era of COVID-19 and Beyond Initiative (FFDI) to mobilize action to assist the economic recovery from the pandemic.
- ❖ The Prime Minister of Bangladesh has advocated that international debt architecture also needs to be revisited for suitable reform, “The developed countries need to fulfil their 0.7 percent O’Day commitment.”
- ❖ There must be new international support measures for the graduating LDCs, at least till 2030, commensurate with the SDGs.
- ❖ Prime Minister Sheikh Hasina also said, “We immediately rolled out a stimulus package worth more than 1.24 trillion taka equivalent to USD 14.58 billion, which is around 4.44 percent of our GDP.”

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3. Customs bond authorities fear abuse by BIN-locked firms



- ❖ The suspension was put into effect after detecting irregularities of various types, one being non-submission of details of annual export-import activities by the license holders.
- ❖ Md Shawkat Hossain, commissioner of the CBC Dhaka, said the letter was sent to the customs houses to make them aware of the BIN-locked companies. "We fear that BIN-locked companies might import duty-free products using their bond licenses," he noted.
- ❖ "The CBC issues orders from time to time to lock or suspend BINs due to irregularities indulged in by the exporters. The Asycuda World system implements the order by locking BINs,"
- ❖ In case of difficulties in suspending or locking BINs from the AW system, the customs houses can make the exporters' BINs inactive, if they find those on the 'suspension' list.
- ❖ The CBC commissioner also said many of the BIN-locked companies had no export-import activities. But any exporter might take advantage of the bond license in several ways, like - by importing goods suddenly once a year.

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4. Businesses concerned over closure of banks amid restrictions



- ❖ Exporters, importers and local enterprises today said they will face severe challenges in daily transactions during the seven-day closure starting from tomorrow when their factories will open but banks will be kept closed.
- ❖ "If the banks are kept closed, businesses will surely face challenges," said Parvez, also the former president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- ❖ The executives say industries will not be able to function properly without banking support as big companies usually do transactions through banking systems.
- ❖ During such a critical time, the Civil Aviation Authority of Bangladesh (CAAB) introduced a ticketing system today for goods laden trucks for their entrance and exit from the cargo village, Ahmed said, citing a recent circular of the CAAB.
- ❖ People can withdraw money from automated teller machines and conduct internet banking during the period, according to a notice of the BB.

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5. Bangladesh sees 17m 'new poor', loses 3pc jobs during pandemic



- ❖ The report predicted that small and medium enterprises and the informal sector would face the highest number of job losses at the end of 2021.
- ❖ CPD research director Dr Khandaker Golam Moazzem said, The fall in income and the rise in the incidence of poverty caused a generation of new poor by 16.38 million to join the second quarter of 2020.
- ❖ "During the covid pandemic, trade union activities are largely reflected in these sectors," Mr Moazzem said, adding that such a segmented form of trade unionism was unable to address concerns of workers who are mostly non-unionized.
- ❖ Based on the national social safety-net strategies, trade unions need to identify various support measures for workers and their families, a food transfer programme, protection for disabilities and affordable healthcare.

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6. Trade deficit crosses \$11b level in eight months



- ❖ Bangladesh Bank statistics showed that the trade deficit crossed the \$11 billion level and stood at \$11.80 billion in the July-February period of the current fiscal year.
- ❖ The trade deficit was \$10.78 billion in the same period of the past fiscal year.
- ❖ The gap in services trade, however, dropped to \$1.70 billion from \$2.18 billion during the period under review.
- ❖ Robust growth in remittance helped to maintain a surplus in the current account balance.
- ❖ Overall balance of payments recorded a significant surplus of \$6.88 billion in the July-February period of the current fiscal year.

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7. Finance Minister Kamal upbeat about 7.4pc growth target

- ❖ A comprehensive stimulus and economic recovery programme with 23 packages was announced, which amounted to Tk 1.24 trillion, equivalent to 4.44 percent of our GDP.
- ❖ Our economy will fully rebound in FY2021, and we will be able to achieve this year's (FY 2020-21) revised GDP growth target of 7.4 percent. - Finance Minister of Bangladesh
- ❖ Asian Development Outlook, 2020 has suggested that out of 48 countries only 12 will see positive growth, of which Bangladesh will achieve highest growth of 7.1 per cent in FY2020-21. - Finance Minister of Bangladesh
- ❖ "All over the world our economic resilience and inclusive growth have been praised. Our government cannot undermine the efforts of the farmers, garment workers, overseas workers, without whom we could not have successfully transformed our economy to a developing and lower-middle income one in one decade".
- ❖ The Finance Minister of Bangladesh said, our expansionary fiscal policy and monetary policy have created enough liquidity to sustain the private sector credit flows along with increased government expenditures which would ensure our economic growth.
- ❖ The Finance Minister of Bangladesh said, We are in a position to increase our external debt, as we are one of the lowest debtor countries in the world. Thus, we will have enough fiscal space to match the expenditure target. Overall, I am optimistic enough that Bangladesh will achieve the targets.
- ❖ The Government has so far received budgetary support of US\$ 2.03 billion from the development partners, such as, World Bank, Asian Development Bank, AIIB, JICA, and the International Monetary Fund to boost its capacity to finance economic recovery.

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8. Experts for more growth-friendly, transparent tax system



- ❖ The regulator should offer incentives for Bangladeshi producers and focus on thrust sectors like leather, jute and garment fashion design to create a country brand in the international market.
- ❖ "Considering the cost related to tax collection, it is better to chase the evasion of tax by big taxpayers than chasing marginal taxpayers." - Planning Minister MA Mannan
- ❖ "An improved tax system is a key to financing public services, reducing inequality, and making the government more accountable. Unfortunately, our tax rate is higher compared to the ones of similar economies including the neighboring countries." - ICAB President Mahmudul Hasan Khusru
- ❖ ICAB President also said, "Our tax to GDP ratio is exceptionally low. This indicates that there must be some incompatibilities,"
- ❖ Bangladesh is still a low tax effort country with a high buoyancy ratio, implying that the policy-makers of Bangladesh have the scope and potential to opt for greater revenue mobilization through internal resources to meet the budgetary deficit, Mahmudul said.

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9. Women entrepreneurs bear the brunt of pandemic



CPD survey on female-headed CMSMEs

41.4%
entrepreneurs
shut operations
completely

7.1%
squeeze
operations

2.9% relocate
to smaller or
cheaper places

44.4% fail to
pay rents

93% did not
apply for loans
under stimulus
package

58.6% had
no knowledge
about stimulus
packages

CPD interviewed **70** female entrepreneurs in **34** districts
The government unveiled Tk **20,000**cr liquidity support for CMSMEs

- ❖ More than 41 per cent of small businesses run by women entrepreneurs were forced to shut their operations completely because of the coronavirus pandemic, according to a study by the Centre for Policy Dialogue (CPD).
- ❖ The think-tank carried out the rapid response telephonic survey in collaboration with the UN Women among 70 female entrepreneurs in 34 districts of eight divisions from October 1 to October 30 last year.
- ❖ The income of most of the respondents has fallen, so they were worried about the monthly repayment of loans. Some are not interested in taking loans as they contracted their businesses.
- ❖ The Covid-19 liquidity support and fiscal stimulus packages were not designed with women in mind. So, they have not been fully successful in addressing women's special needs during the pandemic, the CPD (Centre for Policy Dialogue) said.

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10. COVID-19 Enterprise Response Fund launched for entrepreneurs



- ❖ The Ministry of Commerce with the support of the World Bank Group on Sunday launched a new funding window called Covid-19 Enterprise Response Fund (CERF) for entrepreneurs to get investment support for meeting the demand and supply of Medical and Personal Protective Equipment (MPPE) products in local and international markets.
- ❖ Commerce Minister Tipu Munshi said that the CERF is a very timely step by the Ministry of Commerce.
- ❖ Mentioning that the Covid-19 pandemic has adversely affected the global economy including Bangladesh, he said, "We'll have to take pragmatic steps to face this deadly virus."
- ❖ Private Industry and Investment Affairs Adviser to the Prime Minister Salman F Rahman said that the government of Bangladesh has taken various steps to face the pandemic while CERF is one of such pragmatic initiatives to build resilience of the domestic producers of such MPPE products in the ever-changing world.
- ❖ CERF grants will range from US\$50,000 (minimum grant size) to US\$500,000 (maximum grant size) for supported projects. The contribution of the grant recipients will be 40% for SMEs and 50% for large enterprises.
- ❖ A door of immense potential has already been opened before Bangladesh amid the growing challenges for meeting the demand and supply of Medical and Personal Protective Equipment (MPPE) products in local and international markets to fight the Covid-19 pandemic.

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International:

11. Covid vaccination delays top risk for global economy: IMF official



- ❖ Delays in Covid-19 vaccinations are the top risk facing the global economy, and getting people in poor countries inoculated should be a top priority, the IMF's chief economist said Tuesday.
- ❖ The IMF last week unveiled an updated global economic outlook that predicted the global economy would expand six percent this year and 4.4 percent in 2022, both higher than its previous estimates.
- ❖ However, it warned uncertainty remained over its projections, and growth could accelerate if the vaccination rollout moves faster than expected or slower if they lag behind.
- ❖ European authorities are studying blood clots potentially linked to the AstraZeneca shot, and some countries have limited its use.

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12. Pandemic intensifies financial stability risks

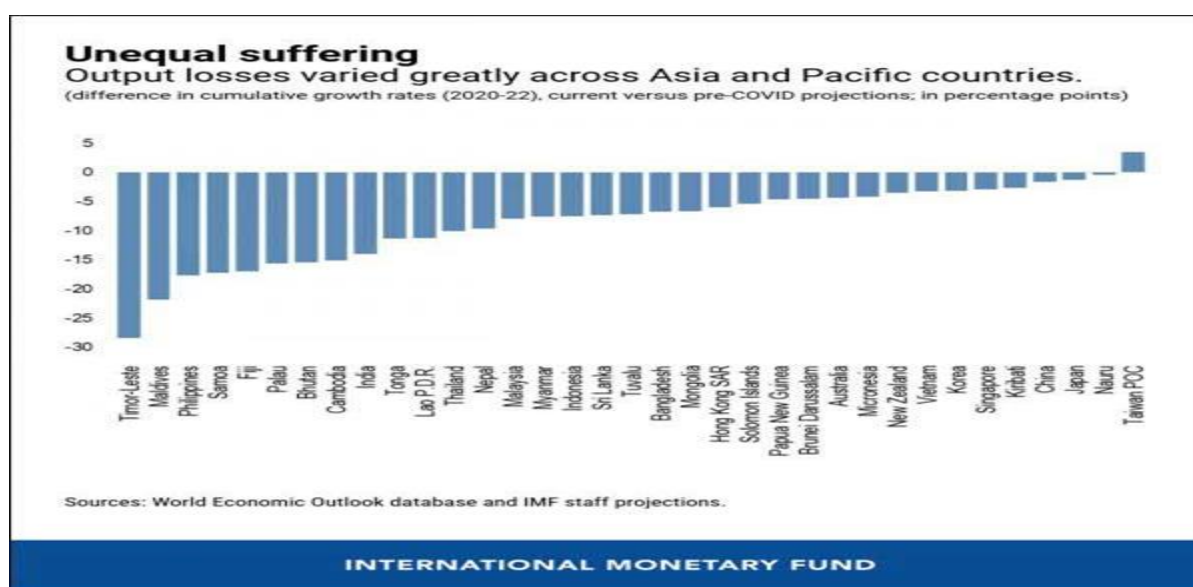
- ❖ The ongoing pandemic has exacerbated Bangladesh's financial stability risks because of high levels of non-performing loans, weak capital buffers, poor bank governance and risk management, the World Bank said in its latest report.
- ❖ "Despite the uncertainty created by Covid-19, the outlook for Bangladesh's economy is positive. Much of the pace of recovery will depend on how fast mass vaccination can be achieved," said Mercy Miyang Tembon.



- ❖ According to the report, in FY21, growth will be supported by a recovery in manufacturing as export demand strengthens, a rebound in construction supported by accelerating public investment, and robust service sector growth as the vaccination campaign progresses.

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13. Divergent recoveries in Asia: History is not destiny



- ❖ Growth outturns in the fourth quarter and higher-frequency economic indicators for industrial, trade, and retail activity point to a strengthening recovery. Output is projected to grow by 7.3 per cent in 2021 and 5.3 per cent in 2022 but, even if such a reality materializes, output losses from the pandemic will be significant nonetheless.
- ❖ Fiscal measures targeted at the most vulnerable households also helped support incomes while affected workers remained at home during lockdowns, reducing the number of infections and laying the ground for higher medium-term growth.
- ❖ Other structural factors such as informality have exacerbated the economic cost of lockdowns and weighed on the recovery.
- ❖ Policies to support affected workers and businesses should continue until recovery is entrenched and there are signs of a self-sustained revival in private domestic demand.
- ❖ Global cooperation via the G-20 Common Framework can help clear a path for countries to restructure unsustainable debt and grow.
- ❖ The magnitude of output loss is still unprecedented and the weakening of labor force participation and diminished job prospects for youth and women suggest that significant scarring remains likely.

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14. IMF upgrades global growth forecast to 6.0 per cent in 2021



- ❖ The International Monetary Fund (IMF) on Tuesday projected that the global economy will grow by 6.0 per cent in 2021, 0.5 percentage point above the January forecast, according to the latest World Economic Outlook (WEO).
- ❖ "Recoveries are also diverging dangerously across and within countries, as economies with slower vaccine rollout, more limited policy support, and more reliant on tourism do less well," - Gopinath said
- ❖ "Governments will need to build back the fiscal positions after this crisis. And the hope is that they will build forward better to have more inclusive, sustainable, green, economies," she said.
- ❖ "So, to make this a durable recovery, our hope is that fiscal measures and other support measures would work in the direction of supporting the recovery coming from the private sector, as opposed to the public sector," she said.
- ❖ The newly released report projected the global economy to expand 4.4 per cent in 2022, 0.2 percentage point above its January forecast. In 2020, the global economy saw an estimated historic contraction of 3.3 per cent.

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15. IMF worried about middle-income countries with weaker fundamentals



- ❖ The IMF's Poverty Reduction and Growth Trust can currently only lend to the poorest countries, which limits the ability of developing countries with higher income levels to get low- or zero-interest loans from the IMF.
- ❖ While IMF members can already lend excess SDRs to the IMF's PRGT facility, there is no formal IMF mechanism in place to facilitate loans to help middle-income countries.
- ❖ The EU believed middle-income countries should be covered by the G20 Common Framework, European Commission Vice President Valdis Dombrovskis said the framework should become the "standard process for all debt restructuring cases, including in middle-income countries," and urged the IMF to keep exploring additional tools to serve its members' needs
- ❖ "The international community should look into other factors for vulnerability, as we think of appropriate ways to support developing countries, and that discussion is going to be quite intensively going on over the next months," Georgieva said.

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Lists of webinar ECI organized during pandemic:

1. Workshop on Creating awareness on IPR among faculty members of DIU and way forward

The poster features a blue and white geometric background. At the top, logos for Daffodil International University, HRDI (HR Development Institute), and Enterprise Competitiveness Institute (ECI) are displayed. The title 'Workshop on Creating awareness on IPR among faculty members of DIU and way forward' is prominently displayed in the center. Below the title, three individuals are listed: the Chair, Professor Dr. S.M. Mahbub-UI-Haque Majumder; the Lead Facilitator, Dr. Kudrat-E-Khuda Babu; and the Moderator, Mr. Nafees Imtiaz Islam. At the bottom, it states the event is jointly organized by ECI and HRDI, and provides the date and time: 21 November, 2020, Saturday, 03:30 p.m. to 04:30 p.m. via Webinar.

**Workshop on
Creating awareness on IPR among
faculty members of DIU and way forward**

Chair:
Professor Dr. S.M. Mahbub-UI-Haque Majumder
Honorable Vice Chancellor (in-Charge) and
Pro-Vice Chancellor, Daffodil International University (DIU)

Lead Facilitator:
Dr. Kudrat-E-Khuda Babu
Associate Professor, Department of Law
Faculty of Humanities & Social Science
Daffodil International University (DIU)

Moderator:
Mr. Nafees Imtiaz Islam
Deputy Director
Enterprise Competitiveness Institute (ECI) and
Institutional Quality Assurance Cell (IQAC)
Daffodil International University (DIU)

Jointly Organized by:
Enterprise Competitiveness Institute (ECI) and
Human Resource Development Institute (HRDI),
Daffodil International University (DIU)

Date: 21 November, 2020 | Day: Saturday |
Time: 03:30 p.m. – 04:30 p.m. | Webinar

A workshop on "Creating awareness on IPR among faculty members of DIU and way forward" was held on November 21, 2020 at Google Meet (*Virtual Platform*). The programme was organized by the Enterprise Competitiveness Institute (ECI) of DIU. The event aims to provide orientation and proper guidelines on Intellectual Property Rights (IPR).

Professor Dr. S.M. Mahbub UI Haque Majumder, Honorable Vice Chancellor (*in-Charge*) and Pro-Vice Chancellor, Daffodil International University (DIU) presided over the programme. Dr. Kudrat-E-Khuda Babu, Associate Professor, Department of Law, Faculty of Humanities & Social Science, Daffodil International University (DIU) presented the keynote paper, based on the theme: 'Creating awareness on IPR among faculty members of DIU and way forward' and Mr. Nafees Imtiaz Islam, Deputy Director, Enterprise Competitiveness Institute (ECI) and Institutional Quality Assurance Cell (IQAC) Daffodil International University (DIU) has moderated the programme.

At the outset, Mr. Nafees Imtiaz Islam extended thanks to the august for their kind participation and briefed on the activities of Enterprise Competitiveness Institute. Then he has discussed organizing the event on IPR under the flagship of ECI. Mr. Nafees, then, kindly invited Professor Dr. S.M. Mahbub UI Haque Majumder, Honorable Vice Chancellor (in-Charge) to speak something on this initiative. In his speech, Professor Dr. S.M. Mahbub UI Haque Majumder has highly appreciated the holistic approach on working with IPR and told that IP gives the safeguard to the intellectual works of the faculty members and researchers of the university. The Keynote presenter, Dr. Kudrat-E-Khuda Babu has covered and attempted to explain all related issues

on IPR at this short session. He has explained different IPs (patents, trademarks, copyrights, industrial designs, GI etc.) and explained the importance of IPs for universities; cited a few examples of renowned HEIs who have been applying IP domain. In a few slides, he has also demonstrated how the faculty members can get the safeguard under the IP acts.

Professor Dr. Engr. A. K. M. Fazlul Hoque, Registrar, DIU wrapped-up the programme by extending his gratitude to all of them for attending at this important event.

Website link of the event: <http://eci.org.bd/webinar>

2. Webinar on Global Trade, Bangladesh and post-COVID 19

Workshop on:
GLOBAL TRADE
Bangladesh & post COVID 19
 Date: 02 January 2021 | Day: Saturday | Time: 03:30 p.m. - 05:00 p.m.

CHAIR:
Prof. Dr. S.M. Mahbub-Ul-Haque Majumder
 Honorable Vice Chancellor (in-Charge) &
 Pro-Vice Chancellor, Daffodil International University

LEAD FACILITATOR:
Md. Mamun-Ur-Rashid Askari
 Deputy Chief (International Cooperation Division)
 Bangladesh Trade & Tariff Commission
 Ministry of Commerce
 Government of the People's Republic of Bangladesh

MODERATOR:
Prof. Mohammed Masum Iqbal, PhD
 Dean
 Faculty of Business & Entrepreneurship
 Daffodil International University

JOINTLY ORGANIZED BY: ▶ Enterprise Competitiveness Institute (ECI) ▶ Human Resource Development Institute (HRDI)

On January 2, 2021, Enterprise Competitiveness Institute (ECI) organized the Webinar on “Global Trade, Bangladesh and post COVID 19” (at Google Meet). The event aimed to discuss and share the current trend of international trade, business and investment during the concurrent pandemic and to address how Bangladesh can move forward or tackle the challenges in the coming future, in a new normal environment (Post COVID 19). The lead facilitator of the programme was Mr. Md. Mamun-Ur-Rashid Askari who is currently working as Deputy Chief (International Cooperation Division) of Bangladesh Trade and Tariff Commission, Ministry of Commerce, Government of the People’s Republic Bangladesh. Professor Dr. S.M. Mahbub Ul Haque Majumder, Honorable Vice Chancellor (in-Charge) and Pro-Vice Chancellor, Daffodil International University (DIU) presided over the programme. and Professor Dr. Mohammed Masum Iqbal,

Dean, Department of Business Administration Faculty of Business & Entrepreneurship Daffodil International University (DIU) has moderated the programme.

Mr. Askari has talked about different issues revolving around international trade and the impact of COVID 19. He has talked on Global Trade impacts and projection, Global GDP collapse during 2020, Challenges of Post COVID 19 challenges in international trade in South Asia and particularly for Bangladesh. Mr. Askari has also addressed issues like graduation of Bangladesh from LDC status, economic stimulus packages, policies responses adopted by the Bangladesh government. He has also discussed key policy response areas and policy recommendations, in detail, with examples. Later, he has answered questions and queries from the audience and extended his gratitude to the vibrant participants.

In his speech, Professor Dr. S.M. Mahbub Ul Haque Majumder appreciated the initiative taken by ECI and extended his thanks to the lead facilitator and the audience. He has also emphasized the overall impact of international trade during the pandemic era.

Professor Dr. Engr. A. K. M. Fazlul Hoque, Registrar, DIU wrapped-up the programme by extending his gratitude to all of them for attending this important event.

Website link of the event: <http://eci.org.bd/webiner>