

2024-05

# Prof. Mamun Habib Launches Research Report

The Daily Star

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# Extend continued support for export sector to ensure stronger graduation

Dr Atiur urges govt

 FE REPORT |  May 27, 2024 00:00:00 (<https://today.thefinancialexpress.com.bd/print/extend-continued-support-for-export-sector-to-ensure-stronger-graduation-1716739504>) 



Former governor of Bangladesh Bank Dr Atiur Rahman, AmCham President Syed Ershad Ahmed and other guests seen at the launching ceremony of a research paper at a city hotel on Sunday.

The government should continue its support, including cash incentives, to the export-oriented sectors for a few more years to help industries prepare adequately for a stronger graduation, former governor of Bangladesh Bank Dr Atiur Rahman said on Sunday.

With the graduation from the Least Developed Country (LDC) scheduled in November 2026, Bangladesh will lose the trade preferences it has long been enjoying as a most-favoured nation (MFN) or face withdrawal of duty-free market access facility and possibly 7.0-14 per cent of baseline exports reduction.

"And RMG is likely to be the most affected sector. They (RMG exporters) really need support both locally and internationally so that they can take the industry forward," Dr Rahman said at the luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) held at a city hotel.

Moreover, Bangladesh will face stringent Rules of Origin (RoO) criteria upon graduation while the pharmaceutical sector faces trade-related intellectual property rights (TRIPS) obligations, he added.

"All the export sectors still need the support at least for a few more years to really continue to strengthen their base so that we can have a stronger graduation that we will make in a few years."

Presenting a keynote paper on "Post-LDC Graduation: Opportunities, Challenges, and the Way Forward" at the event, the economist said this is not the time to withdraw the subsidies irrespective of prescriptions by the international organizations.

The program commenced with a presentation by Dr Mamun Habib professor of Independent University of Bangladesh, highlighting the salient aspects of the research paper on "Development of Labor Conditions in Bangladesh for Sustainable Growth".

The former BB governor also identified labour law enforcement, low-technology-based manufacturing representing 93 per cent dominance in the entire export structure, higher dependence on apparel export, among other challenges while inadequate trade logistics and infrastructure, unfavourable tax environment, complex investment policy and business regulations, lack of depth in the financial sector (underdeveloped and inconsistent capital market) are hindering the foreign direct investment in Bangladesh.

He suggested stabilising exchange rate and containing inflation, promoting export diversification (both products and destinations) and bolstering remittance, strengthening financial sector governance, and bolstering overall business confidence.

His other recommendations included deepening and ensuring consistency of the capital market, prioritising human capital development through stronger private sector participation with academia and other training providers.

Taking part in the panel discussion on the research findings, Leena Khan, Labor Attaché at the US Embassy in Dhaka, said the areas like violence and harassment against labour leaders, the need for improving access to justice for unfair labour practices and anti-union discrimination were touched upon in the paper that the United States is really interested in.

Neeran Ramjathan, programme manager at ILO labour administration and working conditions cluster, expected that Bangladesh will amend the labour law to make it international standard as per the commitment to the ILO.

He said five years is a lengthy period for reviewing wages and there are a couple of wage boards that have not had wage discussions for several years.

He also said there are many garment factories that are yet to implement new wage structures.

Speaking there, Amcham president Syed Ershad Ahmed said that in recent years, the Bangladesh economy has experienced a rising rate of inflation mainly due to global inflation, posing a major threat to maintaining macroeconomic stability.

Declining foreign exchange reserves, balance of payment deficit, demand-supply imbalances in the energy sector, supply chain disruption, and the struggling banking sector are other key challenges, he noted.

It is imperative for the government, policymakers, and the central bank to work together to implement effective measures to control inflation and mitigate its impact, he suggested.

John Fay, commercial counsellor of the US Embassy in Dhaka, also spoke.

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Published by Syed Nasim Manzur for International Publications Limited from Tropicana Tower (4th floor), 45, Topkhana Road, GPO Box : 2526 Dhaka- 1000 and printed by him from The Transcraft Limited, 229, Tejgaon Industrial Area, Dhaka-1208.

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