USAID/BANGLADESH
Private Sector Assessment: Exploring Markets and Investment Opportunities (Revised Recommendations due to COVID-19)
Acknowledgement

Private Sector Assessment: Exploring Markets and Investment Opportunities (revised recommendations due to COVID-19) was prepared by Inspira Advisory and Consulting Limited, with the guidance provided by USAID/Bangladesh. Inspira expresses sincere gratitude to USAID/Bangladesh for commissioning the work and extending the support to design, conduct and deliver this study.

The publication has been produced by the assistance from USAID/BANGLADESH and prepared by Inspira Advisory & Consulting Ltd.
August 2020
List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
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<tr>
<td>ATAB</td>
<td>Association of Travel Agents of Bangladesh</td>
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<td>BGB</td>
<td>Border Guard Bangladesh</td>
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<td>BGMEA</td>
<td>Bangladesh Garment Manufacturers and Exporters Association</td>
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<td>BMAMA</td>
<td>Bangladesh Motorcycle Assemblers &amp; Manufacturers Association</td>
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<td>BTRC</td>
<td>Bangladesh Telecommunication Regulatory Commission</td>
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<td>BSTI</td>
<td>Bangladesh Standards and Testing Institution</td>
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<td>BPO</td>
<td>Business Process Outsourcing</td>
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<tr>
<td>CAGR</td>
<td>Compound Annual Growth Rate</td>
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<td>CDSO</td>
<td>Crude Degummed Soybean Oil</td>
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<tr>
<td>CLIMB</td>
<td>Child labor Improvements in Bangladesh</td>
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<tr>
<td>COVID</td>
<td>Corona Virus Diseases</td>
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<tr>
<td>CPD</td>
<td>Centre for Policy Dialogue</td>
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<td>CPO</td>
<td>Chief Procurement Officer</td>
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<tr>
<td>CPSA</td>
<td>Comprehensive Private Sector Assessment</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>CXO</td>
<td>Company Executive Officer</td>
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<tr>
<td>DAE</td>
<td>Department of Agricultural Extension</td>
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<td>DMA</td>
<td>Dhaka Metropolitan Area</td>
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<td>DSEX</td>
<td>Dhaka Stock Exchange</td>
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<td>DSES</td>
<td>Dhaka Stock Exchange Shariah</td>
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<td>EDF</td>
<td>Export Development Fund</td>
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<td>EPB</td>
<td>Export Promotion Bureau</td>
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<td>FDI</td>
<td>Foreign Direct Exchange</td>
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<td>FFS</td>
<td>Farmers Field School</td>
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<td>FY</td>
<td>Fiscal Year</td>
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<tr>
<td>GAIN</td>
<td>Global Alliance for Improved Nutrition</td>
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<td>G2G</td>
<td>Government to Government</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GoB</td>
<td>Government of Bangladesh</td>
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<td>HIES</td>
<td>Household income and expenditure Survey</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IEC</td>
<td>Information, Education, Communication</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<td>ISP</td>
<td>Internet Service Provider</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<td>LED</td>
<td>Light Emitting Diode</td>
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<tr>
<td>LES</td>
<td>Large enterprise</td>
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<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
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<td>MCCI</td>
<td>Metropolitan Chamber of Commerce &amp; Industry</td>
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<td>MFS</td>
<td>Mobile Financial Services</td>
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<tr>
<td>MJF</td>
<td>Manusher Jonno Foundation</td>
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<tr>
<td>ML/RPA</td>
<td>Machine Learning/ Robotic Process Automation</td>
</tr>
<tr>
<td>MMEAB</td>
<td>Motorcycle Manufacturers &amp; Exporters Association of Bangladesh</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
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<td>MIC</td>
<td>Middle Income Country</td>
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<td>CMSME</td>
<td>Cottage, Micro, Small &amp; Medium Enterprises</td>
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<td>NGO</td>
<td>Non-Government Organization</td>
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<td>PCB</td>
<td>Private Commercial Bank</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PSA</td>
<td>Private Sector Assessment</td>
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<td>REPO</td>
<td>Repurchase Agreement/Order</td>
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<td>RB</td>
<td>Rice Bran</td>
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<tr>
<td>RBO</td>
<td>Rice Bran Oil</td>
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<tr>
<td>RCN</td>
<td>Raw Cashew Nut</td>
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<td>RMG</td>
<td>Ready-made Garments</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>SREDAG</td>
<td>Sustainable and Renewable Energy Directorate of the Government</td>
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<td>TIB</td>
<td>Transparency International Bangladesh</td>
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<td>TOAB</td>
<td>Tour Operators Association of Bangladesh</td>
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<tr>
<td>TSP</td>
<td>Training Service Provider</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>USAID</td>
<td>The United States Agency for International Development</td>
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How to read this document

This document is based on the Private Sector Assessment: Exploring Markets and Investment Opportunities (also known as PSA2) which was completed in early April 2020. In this update, the recommendations in PSA2 have been reviewed under the COVID-19 context. It is advised for the reader to be oriented with the PSA2 report to have a background understanding of the original recommendation.

Part A documents the general macroeconomic impact of COVID-19 in Bangladesh. In Part-B, the report delves deeper into the impact on the sectors identified under PSA2. The original recommendations are organized as per their corresponding sectors. This is followed by an updated recommendation if applicable and the rationale behind the update.

Time Frame of the Proposed Recommendations

The document mentions the Pre COVID-19 and Post COVID-19 timeline, which can be characterized as:

**Pre COVID-19:** The pre COVID-19 timeline is the business as usual timeline before February-March 2020. Although exports were being affected due to global supply chain disruptions well before January 2020, Bangladesh felt the brunt of the economic and social impact after the Government sanctioned lockdown starting from March 25th, 2020.

**Post COVID-19:** Although the number of tests, confirmed cases and deaths are still rising in Bangladesh, the general lockdown was lifted on various stages starting from May 31st, 2020. The post COVID-19 timeline alludes to the post COVID-19 economic recovery period starting after the lifting of the general lockdown on June 1, 2020. The recovery period has been spaced out in three timeframes.

The time frames for the recommendations have been revised as per the following segments:

<table>
<thead>
<tr>
<th>Time Frame (Indicative Color)</th>
<th>Duration</th>
<th>Intervention Urgency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Immediate</strong></td>
<td>Six months to end of 2020 (or until Bangladesh successfully comes out of all forms of lockdown)</td>
<td>Needs immediate attention either due to massive economic and humanitarian fallout due to COVID-19 or immediate high growth potential.</td>
</tr>
<tr>
<td><strong>Mid term</strong></td>
<td>One to Two years (during the growth phase of Bangladesh post COVID-19)</td>
<td>Intermediate attention necessary due to the importance of the intervention for formalizing and strengthening the sector.</td>
</tr>
<tr>
<td>Long term</td>
<td>Two to Five years</td>
<td></td>
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<td>-----------</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>(During the new normal with the globe coming out of recession and global businesses go back to a expected economic situation as the expectations were made in pre-COVID-19 situation.)</td>
<td>Recommended to be enacted in a future time when priorities with all stakeholders align.</td>
</tr>
</tbody>
</table>
Contents

Acknowledgement 1
List of Abbreviations 2
Executive Summary 8
Introduction 14
Background of the Assessment 15
  Objectives 15
  Methodology 15
  Scope 15
  Limitations 15
1.0 COVID-19’s Economic Impact on Bangladesh 18
  Summary of the Stimulus Package 18
  GDP Growth 19
  Remittances 20
  Private Sector Financing Outlook 21
  Job Market Trends 21
  Impact on the Export Oriented Sectors 23
  Private Sector Credit Growth and Private Sector Investment 23
  Foreign Currency Reserve and FDI 25
  Stock Market 26
  Summary of the Budget 26
2.0 Tourism 30
  Impact on the sector due to COVID-19 30
3.0 Light Engineering 34
  Impact on the sector due to COVID-19 34
4.0 ICT & Outsourcing 37
  Impact on the sector due to COVID-19 37
5.0 Automotive 41
  Impact on the sector due to COVID-19 41
6.0 Telecommunication 44
  Impact on the sector due to COVID-19 44
7.0 Agribusiness 50
7.1 Cold Storage Technology Upgradation 50
Impact on the sector due to COVID-19

7.2 Fish Fillet
Impact on the sector due to COVID-19

7.3 Dry Fish
Impact on the sector due to COVID-19

7.4 Rice Bran Oil
Impact on the sector due to COVID-19

7.5 Cashew Nut
Impact on the sector due to COVID-19

8.0 Impact of COVID-19 on Gender and Youth
Impact on Economic Opportunities Owing to COVID-19

Light Engineering
Tourism
ICT & Outsourcing
Telecommunication
Automotive

The Impact of COVID-19 on the Youth
Impact on Economic Opportunities Owing to COVID-19

Light Engineering
Tourism
ICT & Outsourcing and Telecommunication
Automotive

9.0 Additional Recommendations due to COVID-19

Conclusion
Annex A: Detailed Listing of the Government Stimulus Packages
References
Executive Summary

Like many emerging nations in the world, Bangladesh has suffered what the IMF has characterized as a ‘triple blow’, domestic slowdown in efforts to contain the spread of the Coronavirus, a drop in exports and a decline in remittances. While the Government and institutions have been instrumental in mitigating this crisis, it is inevitable that the Private Sector will have to play a significant role in filling in the gaps in the current response. In accordance with USAID’s continuous commitment to develop and strengthen the private sector of Bangladesh, Inspira Advisory and Consulting Limited conducted a deep dive analysis of six sectors, 1) Tourism, 2) Light engineering, 3) ICT & Outsourcing, 4) Automotive, 5) Telecommunication and 6) Agribusiness under the study titled Private Sector Assessment: Exploring Markets and Opportunities (also referred to as PSA2). However, in the wake of COVID-19, shifting dynamics in the economy, livelihoods, and supply chains has significantly affected the six sectors. The goal of this assessment is to explore the negatives (and positives) of the effect of the Coronavirus outbreak on these six sectors.

This assessment was based on how a few key parameters affected the selected sectors, and how USAID may partner with different private sector actors to mitigate the fallout of COVID-19. The first parameter was the effect of COVID-19 on the macro-economic environment and the general business outlook of Bangladesh. The second parameter was the current situation of the selected six sub-sectors. The third parameter was how the recommendations suggested in PSA2 can be contextualized or modified keeping the effects of COVID-19 in mind. Lastly, critical considerations were made regarding the situation of the private sector, including women’s, and youth’s participation in the sectors analyzed.

Major findings from the study revealed that the tourism sector needs an immediate and substantial stimulus as soon as the country eases movement restriction and finally comes out of the pandemic situation. As the tourism sector in Bangladesh, especially in Cox’s Bazar, comprises several thousand small and medium enterprises and entrepreneurs; they have been badly hit from the lockdown and general holidays in Bangladesh due to COVID-19. The light engineering sector is at risk from a massive livelihood-loss. However, there is a potential to bounce back following expected growth in forward markets such as agri-machineries, electronics, and small manufacturing. Similarly, ICT and outsourcing has seen a livelihood loss from freelancers and small BPO companies alike, but there is a potential for growth as the world moves towards a no-contact economy which will only encourage more business process outsourcing. The automotive sector has seen its growth slowed down, and industry insiders anticipate the two-wheeler market to take at least 2-3 years to get back to pre-COVID phase. With restricted movement during the lockdown and limited number of vehicles allowed in ridesharing platforms, vehicle sales have stagnated. In the telecommunications sector, the assessment revealed that major telecom players saw an increase in their average data per user per month but saw a decrease of the number of users. The sector is anticipating the current tax regime introduced in the budget FY 2020-21 will make its services more expensive for consumers, which may negatively affect the sector. In the agri-business sector, the selected sub-sectors dry-fish, fish fillet, cold storage technology
upgradation, rice bran oil and cashew nut revealed a host of challenges mostly stemming from the collapse of the local and international supply chain following a decrease in demand.

In terms of the recommendations, Inspira Advisory and Consulting Limited has reviewed the PSA2 recommendations to include primary and secondary impacts of COVID-19. The assessment team analyzed international best practices, health and safety measures, the pulse of the private sector stakeholders in those analyzed six sectors and the potential for those sectors to bounce back. Quite several recommendations from the Private Sector Assessment: Exploring Markets and Opportunities (PSA2) were based on the industry’s need for standardization and skilled workforce. Keeping in line with post-COVID growth trajectory, those recommendations remain unchanged.

The following section provides a brief overview of some of the key recommendations by sub-sector:

**Tourism:** In pre COVID-19 scenario, Cox’s Bazar contributed more than two-third of the domestic tourism revenue however local communities had limited livelihood options with one-third of the population was living below the poverty line and fighting the additional economic vulnerabilities caused by the Rohingya influx. In COVID-19 scenario, these issues are intensified as tourism sector got the worst hit due to lack of mobility and tourists. Keeping these two contexts in mind, the study team has suggested to create an online version of previously suggested tourism business accelerator in an immediate time frame to provide online training to youth so that they can launch innovative online businesses and can build capacity on different managerial techniques.

The previous recommendation of PPP for heritage site management approach can be shifted to a long-term time frame as the private sector is experiencing losses and is focused to invest its CSR in critical areas like Healthcare, WASH etc.

The tourism sector is fragmented and not in a position to avail the Government stimulus. To survive the pandemic, the study team recommends that facilitation of the process of joint preparation of a whitepaper by the different industry associations under the tourism sector. Additionally, collaboration with Bangladesh Tourism Board to launch an integrated behavior change campaign is suggested to mitigate the possibility of a second wave of infection caused by gatherings in tourist spots during reopening of the economy.

In addition, facilitation of capacity building of tourism entrepreneurs in line with future skill needs through a collaboration between Tour Operators Association of Bangladesh (TOAB) and Facebook & Google’s regional market development teams is recommended to stay relevant during the post COVID-19 tourism sector spike through digital marketing and branding.
**Light Engineering:** Launching of a supplier development program and connecting with large conglomerates operating in automotive, consumer electronics and agricultural machinery manufacturing verticals was previously recommended. The recommendation does not involve physical interaction and should occur in a regular as well as COVID-19 scenario. Therefore, the recommendation is kept at an immediate time frame implementation timeline without any substantial change.

Skill grading system for non-RMG workers through advocacy support is also unchanged however implementation timeline is shifted to a midterm implementation time frame as more focus on health safety is needed during COVID-19. Trying to attract vocational training institute graduates into becoming entrepreneurs in the Light Engineering sectors remains a viable prospect as post COVID-19 scenario will see a shrinking in traditional jobs for these graduates.

**ICT & Outsourcing:** Due to major shifts in the global BPO industry following COVID-19, CXO/CPO\(^1\) survey with large scale BPO service buyers is more imminent. Additionally, in a mid-term scenario, collaboration with the private sector association to prepare a 5G readiness strategy paper for the ICT companies to outline imminent digital transformation and changes in multi-sector service demand/delivery landscape. However, Capacity development programs for TSPs\(^2\) (training service providers) around GoB HiTech Parks and Private STPs can be shifted to a longer time-frame scenario.

In addition, Inspira study predicts that after the pandemic, emerging sectors such as Education Technologies (EdTech), Health Technologies (Health-tech) and Financial Technologies (FinTech) will be a mainstay in our digital lives. In such a predicted future, partnership with BASIS (ICT sector association) can set up a Health-tech/Fintech/Ed-tech Incubator which will allow the early stage startups in these domains to be investment and growth ready.

**Automotive:** To maintain safety protocol and social distancing due to COVID-19, the study team suggest that previously recommended capacity development program can be implemented through remote session in an immediate time frame by adding a COVID-19 safety training module. The immediate implementation of the program with additional safety training module is crucial as there is no alternative to public transportation system.

Testing lab facilities to ensure standard certification process is moved to a mid to long term time frame as four-wheeler industry growth is predicted to remain low during and after COVID-19.

**Telecommunications:** Number of internet user has decreased due to Job loss of low-income population, predicted increase in internet package cost and migration users. In this context, safe internet usage training which was previously recommended is been shifted to a

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\(^1\) CPO: Chief Procurement Officer, CXO: C-level Executive Officer

\(^2\) TSP: Training Service Providers 24
long-term implementation timeframe. Additionally, the module could be changed into COVID-19 related public safety awareness content to increase awareness and decrease the spread of misinformation.

The ongoing lockdown in Cox’s Bazar is impeding the fishing activities of deep-sea fishermen. In this context, leveraging deep sea network capacity to ensure effective security of sea fishermen can be implemented in a long-time frame scenario as telecom operators will prioritize on the immediate need to address network disruptions caused by Cyclone Amphan and COVID-19.

Deployment of IoT in agribusiness can also be shifted to a long-term time frame as both agribusiness and partner actors are emphasizing on the immediate needs to address the pandemic.

Work from home and study from home has become a standard practice during COVID-19. However, a lot of employees and students alike have been facing challenges with quality internet connection and the cost of data. For this reason, Inspira team suggests a partnership with Telecom service providers to create cheaper data and device bundles for professionals and university students.

**Cold Storage Technology Upgradation:** Majority of the small-scale actors in this sector, in the current pandemic situation, shifted their primary focus towards protecting their livelihood. Since, most of the suggested recommendations in the Cold Storage Technology Upgradation section are non-essential in terms of business survival, these should be implemented in the midterm to long term time frame.

**Fish Fillet:** The recommendations of PSA2 regarding fish fillet sub sector is based on a regular growth scenario. Fish fillet sub sector is predominantly export oriented and due to a decrease in exports, the sub sector is operating at a low activity level. Because of these reasons, all the previous recommendations have been shifted to a mid to long time frame.

**Dry Fish:** Due to the decrease of sea bound fishing, the production has been reduced by a significant amount. In this context majority of the small-scale actors in this sector are currently focusing on protecting their livelihood. Since most of the recommendations are non-essential in terms of business survival, these should be implemented in the midterm to long term time frame.

Additionally, Inspira study team suggests assisting low income people and small businesses to access the applicable stimulus packages as well as health safety kits during COVID-19.

**Rice Bran Oil:** Much like fish fillet sub sector, rice bran oil exports have decreased by 80%. This has caused significant activity loss in this sub sector. Since the previous recommendations
were formulated keeping a general growth scenario in mind, they study team suggested to move them in a mid to long term implementing time frame.

**Cashew Nut:** Research on higher yield was previously proposed which is still relevant and is not strongly dependent on physical or frequent logistic transportation. However due to COVID-19 the study team is shifting the implementation timeline from immediate to midterm due to export dependency of the sector. Due to the previously mentioned reason FFS (Farmers Field School) is also shifted to a long-term time frame implementation scenario.

Additionally, Inspira study team suggests a partnership with private sector conglomerates as well as initiating a capacity development program as Large private sector conglomerates are getting interested in cultivating and processing and The Ministry of Agriculture is interested in promoting and increasing the popularity of cashew nuts.

**Cross Sectoral:** The implications surrounding COVID-19 are far-reaching and volatile, making long-term strategies harder to envision. To ensure evidence-based decision making, Inspira study team suggests partnering up with Industry Associations to create a stream of monthly tracking data on different indicators such as industry size, growth, revenue, sales volume and sales value, customer footfall etc. Platforms such as Mapped in Bangladesh is already charting the apparel sectors road to recovery with an interactive map and rapid series of surveys, and a similar approach is needed for the other nascent sectors.

As Bangladesh prepares to mitigate the COVID-19 fallout and plan for an economic recovery, prudent, inclusive and adaptable plans are required to prepare nascent and mature sectors alike for the changes in the post-pandemic world.
INTRODUCTION
Introduction

Bangladesh stands in a very vulnerable situation in terms of economic gains to upgrade towards Middle Income Country (MIC) due to COVID-19. The private sector is the key driver of a dynamic economy. Under the pandemic situation of 2020, the maximum effect was faced by the private sector in Bangladesh. As of today, the Government of Bangladesh (GoB) has announced various stimulus packages totaling $12.1 billion to cushion the impact of the coronavirus outbreak on the national economy. Of that, $3.53 billion was allocated for industries with another $2.35 billion set aside for SMEs. This will allow the private sector to better bounce back after the COVID-19 situation. With forward-thinking and innovation, private sector stakeholders should be able to operate and access the market facilities domestically and internationally. As such, the focus of these revised recommendations are to provide information and pathways in six prime specific sectors to where private industries may play a significant role which should ensure the GoB’s vision 2021, and USAID’s Journey to Self-Reliance (J2SR) goals. The primary focus of supporting innovation-driven interventions should lead to the creation of modern and enterprising business models, engage untapped sources of financing and capitalize on opportunities that would strengthen the country’s economic roadmap to achieve the Sustainable Development Goals (SDGs).

In the first part of Q1 2020, the Private Sector Assessment: Exploring Markets and Investment Opportunities was completed by USAID Bangladesh. However, given the rapid shift in the global economy in response to COVID-19, a revised set of recommendations emerged as the economic situation has shifted significantly during the COVID-19 situation with the very first case detected in Bangladesh in early March 2020. In the second phase of the Comprehensive Private Sector Assessment (widely known as, PSA2), the recommendations were made after an eight-month long assessment. During that time of the assessment, the economy was in the pre-COVID-19 situation. After the pandemic hit, the economy reacted to the triple blow, slowing down growth and contracting the economy. To facilitate an updated understanding of the six sectors covered in PSA2, this study was endorsed by the USAID Bangladesh’s Economic Growth Office to re-evaluate this study and update the existing recommendations due to COVID-19.

The scope of the revised recommendations of the second phase of private sector assessment (PSA2) involves the sectors and subsectors addressed in the report submitted to USAID in March 2020. Therefore, the sectors discussed in this study are 1) Agribusiness, 2) Light Engineering, 3) Tourism, 4) ICT and Outsourcing, 5) Automotive and 6) Telecommunications.

The study focuses on the current economic condition prevalent in Bangladesh, a revision of the suggestions, recommendations and any new recommendations or updates should they be merited in the COVID-19 and post COVID-19 scenario.

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3 (The Financial Express, 2020)
Background of the Assessment

Objectives

The objectives of this study are outlined below:

<table>
<thead>
<tr>
<th>Objective 1:</th>
<th>To provide revised recommendations of PSA2 due to COVID-19 economic impact.</th>
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<td>Objective 2:</td>
<td>To determine whether any PSA2 recommendations (with some modification if appropriate) would help respond to the COVID-19 crisis. Analysis should focus on what can move forward rapidly that might provide some quick economic returns, jobs, or livelihood support for people due to constraints on both non-RMG and RMG sectors.</td>
</tr>
<tr>
<td>Objective 3:</td>
<td>To provide USAID/Bangladesh and its partners with an analysis of possible secondary negative impacts on the economy due to COVID-19 in order to address the two objectives above.</td>
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Methodology

The study essentially involves a revision of an existing framework of recommendations as suggested in PSA2. This involved collecting data from a wide range of sources to cross check the information on the sectors and subsectors in the current context. However, given the restriction due to the current pandemic circumstances, conducting in-depth primary data driven analysis is found inconvenient due to the nature of COVID-19.

The research team reviewed reports and documents published by the USAID/Bangladesh teams, government and non-government research organizations and other donor agencies/INGOs on each of the industries which fall into the scope of the study. Additionally, a special focus was put on the effects of COVID-19 in terms of both direct and indirect economic impact on the sectors.

Scope

The scope of the study has been decided to cover the selected sectors and subsectors which are the focus of the previous iteration of this series. These six sectors were selected from sixteen sectors of PSA-1 because of their high potential for growth and size of the impact they will likely have on the national economy. This selection is also in keeping with the sectors selected for special focus by the GoB as priority sectors for Bangladesh.

Limitations

Secondary Research: The study has been done mostly through secondary research from the latest sources available. Most of the research outcomes have traces of the global perception prevalent during the time of writing.

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4 Private Sector Assessment 1: the assessment was commissioned by USAID/Bangladesh in Q4, 2018
**Volatile Situation:** Due to the higher number of positive case detection of COVID-19 until this report was created, there is a high degree of uncertainties on the time frame in which Bangladesh will recover from the pandemic crisis and into a period of stable economic situation. This volatility makes it difficult to accurately predict trends and likely consequences for long periods.

**Availability of Data:** Not all the sub sectors involved in the study have formalized associations or institutions who are currently engaged in tracking the impact and prospects due to COVID-19. There is a general lack of COVID-19 impact related information across almost all the sectors in Bangladesh, but the data-dearth increases particularly for light engineering, automotive and the selected sub sectors under agribusiness verticals. Information and data gaps including that of sub sector wise job loss, revenue loss, order cancellations, post-COVID market dynamics- have been supplemented with projections from historical data coupled with COVID-19 induced case studies emerging in the electronic and print media.
PART A
1.0 COVID-19’s Economic Impact on Bangladesh

Bangladesh is a disaster-prone country which is fighting a long battle against climate change. The country also shelters within its borders the world’s largest refugee camp. Since 1971, Bangladesh has been withstanding natural disasters such as floods and cyclones but also man-made calamity like the 1997 Asian financial crisis and 2008 global financial crisis. The COVID-19 pandemic represents an immediate threat to health systems but also a dramatic impact on the country’s economy.

According to the forecast released by the Economist Intelligence Unit on March 26, the global economy is expected to contract by -2.2 percent in 2020\(^5\). These effects are expected to be more pronounced in major G20 economies, such as Germany, Italy, the United Kingdom and the United States – all countries that are major markets for Bangladesh’s most vital export: ready-made garments. This may result in millions of workers in Bangladesh’s formal sector being without steady work for a long period. In addition, depressed oil prices will also stunt the economy in the Middle East and North Africa region, which is also home to a large Bangladeshi diaspora, who send back close to $20 billion every year in remittances – traditionally a significant contribution to Bangladesh’s growth. In the coming months, undoubtedly there will be a significant decrease in remittances affecting the overall economy with disproportional impacts in rural Bangladesh, where many Bangladeshi laborers come from and their families rely heavily on remittances for their subsistence. With those added complications due to COVID-19, the challenge remains the same of providing jobs for 20 million young people set to join the labor force over the next decade. The economic response of the state to this crisis has been rapid. The Government has unveiled a $12.1 billion stimulus package, as well as announcing the largest ever budget in the country’s history for the FY 2020-21.

**Summary of the Stimulus Package**

In mitigating the effect of COVID-19 on the economy, the Government of Bangladesh has announced stimulus packages amounting to almost $12.1 Billion. The total stimulus is divided in 19 packages, and covers a wide range of sectors, industries, and beneficiaries. The stimulus package is around 3.7 percent of the country’s GDP, making it the highest in stimulus as a percentage of GDP in South Asia.\(^{DS,2020}\) The packages come in the form of low-cost loans to cottage, micro, small, medium and large enterprises which have been affected by COVID-19. The essential details of the stimulus package have been added under the annexure.

\(^5\) (The Economic Times, 2020)
In terms of GDP growth, there are varied opinions. The International Monetary Fund (IMF) predicted the real GDP growth rate of Bangladesh will go down to 2 percent for 2020. However, while approving a $732 million emergency loan to Bangladesh, IMF revised the prediction to a 3.8 percent GDP growth rate and a debt to GDP ratio of 41 percent for 2020. The IMF also predicts consumer prices will be relatively stable at 5.5 percent in 2020. ADB on the other hand has a more optimistic outlook with 4.5 percent GDP growth projected for

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6 (International Monetary Fund, 2020)
7 (International Monetary Fund, 2020)
8 (The Business Standard, 2020)
FY 2019-20 and 7.5 percent for FY 2020-21. The Government however, targeted a bullish GDP growth of 5.2 percent for this financial year.

**Figure:** Real GDP Growth Percentage as predicted by IMF

![GDP Growth Rate: Bangladesh](image)

**Figure:** Real GDP Growth Percentage as predicted by ADB

### Remittances

Remittance is a major source of funds for Bangladesh. Last year, global remittance flow was estimated to be over $550 billion, nearly five percent higher than the corresponding figure in 2018, with Bangladesh positioning itself among the top ten remittance recipient countries. However, according to a UN report, global remittance to developing countries are projected to fall by $110 billion in 2020, and not return to pre-pandemic levels for many years thereafter. In April this year, the World Bank projected a 22 percent decline in Bangladesh’s remittance earnings this year owing to COVID-19.

With a fear of global remittance flow declining to a historic low this year, the United Nations’ International Fund for Agricultural Development (IFAD) has urged countries to develop more conducive policy and regulatory environments that enable competition, regulation and innovation on the remittance market, and declare these services essential.

However, from July 1, 2019 to June 2, 2020, total remittances stood at $16.5 billion, which was ten percent higher than the amount of the same period of the previous fiscal year. One

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9 (Asian Development Bank, 2020)
10 (The Daily Star, 2020)
11 (The Daily Star, 2020)
12 (International Monetary Fund, 2020)
13 (Asian Development Bank, 2020)
14 (The Financial Express, 2020)
15 (Dhaka Tribune, 2020)
of the reasons remittances have grown despite earlier speculations of a slump may be the Government’s remittance cash incentive. In May of 2020, Bangladesh Bank raised the ceiling of a 2% cash-incentive for remittances without showing any paperwork to $5,000.\textsuperscript{16} Amid the coronavirus pandemic, foreign trade became slower and the aid of developing partners started to arrive, so the foreign exchange reserves piled up. This resulted in the country’s foreign reserve going up to $33.3 billion for the first time.\textsuperscript{17}

**Private Sector Financing Outlook**

The banking sector has never witnessed so much supply of money in such a short time. In April 2020, the banks’ excess liquidity surged by $2.82 billion and reached a whopping $13.31 billion. While the banking sector is sitting over surplus cash, credit flow to the private sector hit the lowest growth at eight percent in the last two months – March and April.

Total deposits of all banks in the country decreased by $3.01 billion to stand at $145 billion at the end of April this year from $145.4 billion in January 2020. The banking sector, as voiced by a few prominent bankers anticipate a fresh liquidity crisis as the propensity of clients to withdraw funds has increased in the wake of the coronavirus pandemic and reduced deposit interest rates.\textsuperscript{18}

Banks’ lending from the Bangladesh Bank through Repurchase Agreement/Order (REPO) has increased more than 44 times during March to May due mainly to the government’s heavy borrowing from the banking sector to meet expenditure amid the ongoing coronavirus pandemic.\textsuperscript{19}

Private Banks are also the nexus for the scheme of disbursing the proposed $3.4 billion as working capital loans for Cottage, Micro, Small and Medium enterprises. These will significantly increase the pressure of liquidity on private banks in the coming years. Lower liquidity, uncertain business environment following COVID-19 and confusion surrounding halting of interests and other types of response schemes will make borrowing money for the private sector even harder.

**Job Market Trends**

The GDP growth will have a direct impact on poverty and jobs alike. According to the 2016 Household Income and Expenditure survey, along with the 34 million ultra-poor in Bangladesh, there were 36 million transitory poor, meaning people with high vulnerability of economic shocks. South Asian Network of Economic Modeling, a think-tank ran simulations based on the Household income and expenditure Survey (HIES) data to predict that with a negative income shock of 25 percent, the overall poverty rate will be 40.9 percent, which means another 20.4 percent population will fall into poverty.\textsuperscript{20} The effect on informal jobs, which employ around 85 percent people suggests that most of the newly poor in Bangladesh will be concentrated in economic activities like crop, animal and fishing production (43 percent),

\begin{itemize}
\item\textsuperscript{16} (The Financial Express, 2020)
\item\textsuperscript{17} (Bangladesh Bank, 2020)
\item\textsuperscript{18} (Bangladesh Bank, 2020)
\item\textsuperscript{19} (New Age Business, 2020)
\item\textsuperscript{20} (South Asian Network on Economic Modeling, 2020)
\end{itemize}
different manufacturing activities including RMG (16 percent), retail trade (11 percent), transport activities (10 percent), and construction activities (seven percent).

The trend of decreasing number of jobs was also noticed in the more formal sectors and white-collar jobs. In a study by ADB which analyzed the number of job postings, in the leading job portal of Bangladesh, BDJobs.com, the assessment team could see that in April 2020, the number of job postings was only 13% of the total jobs posted in April 2019. The number of job postings dropped sharply from the third week of March 2020, one week after the first cases of COVID-19 were confirmed and nationwide lockdown was implemented. Relative to December 2019, the number of new job postings was approximately the same in January 2020, and 10 to 17 percent fewer during February and the first and second weeks of March. In the third week of March, it fell to 59 percent of December 2019 and 24 percent in the fourth week of March.

A sharp decrease in job postings has occurred across all industries with variations. For example, compared to April 2019, the number of job postings in April 2020 was down by 95 percent in textile and education industries, and by 92 percent in the manufacturing industry. The decline in the textile industry can be attributed to the pandemic affecting key export markets such as Europe and the United States, resulting in a loss of orders and factories operating sub-optimally. The manufacturing industry is also affected by disruptions in intermediate imports. While significantly affected, the reduction in health sector job postings was 82 percent, and 81 percent in ICT. The non-government organization job postings, which fared better than other industries declined by 64 percent, possibly due to the need for development assistance in the current emergency. These results clearly show that businesses stopped hiring workers because of the COVID-19 outbreak. Comparing month-on-month changes in 2020 revealed a clearer picture on how the number of jobs slipped past the first detected case of COVID-19 in February and the ensuing general holidays starting from March. The table below is a tabular representation of all of the job listings by the sectors listed by bdjobs.

### Table: Job Market Scenario in Bangladesh during January-April 2020

![Job Market Scenario Table](image)

21 (South Asian Network on Economic Modeling, 2020)
Impact on the Export Oriented Sectors

Formal export-oriented sectors are experiencing a major blow as well. BGMEA, the apex body of the Apparel Sector of Bangladesh reports exports of around $3.18 billion has been cancelled or suspended, closing 1150 factories and affecting 2.28 million workers; majority of whom are women. The apparel sector was showing a decline of 5.21 percent from June 2019 to January 2020, already an alarming sign before the full impact of COVID-19 was released.

Similar phenomena are also apparent for other export-oriented sectors. According to the Export Promotion Bureau of Bangladesh (EPB), in May 2020 the export earnings were just $1.46 billion, down from $3.813 billion in the same month of last year. Comparing the percentage change of export performance over export target for the June 2020, EPB data shows the performance (Growing sectors from EPB) fell greatly against the target as export earnings from the sectors such as Frozen & Live Fish fell by 12.28% percent, Agricultural Products fell by 23.03 percent, Manufactured Commodities fell by 26.23 percent, Plastic Products by 32.99 percent, Specialized Textiles (Terry Towel, Special Woven Fabric, Knitted Fabrics) fell by 37.69 percent and Pharmaceuticals fell by 19.93%. However, Jute & Jute goods exports increased by 7.08%, Glass & Glass ware exports increased by 75.00 % and Ships, boats & floating structures exports increased by 126.4% although the combined export value of these sectors represent 2.6% of the total exports.

Later reports emerging from the end of July, 2020 suggests that among the operational and temporarily closed factories (total 2,136), 40.54 percent claimed to be hopeful to resume their operations fully after June 2020, while 25.14 percent said that they hoped to resume their operations partially, and 30.57 percent factories were uncertain whether they would be able to resume their operation after June 2020. On an average, the member factories (factories that are members of BGMEA and/or BKMEA) were able to utilize 70.55 percent of their production capacity, compared to 59.83 percent by non-member factories (not member of BGMEA and/or BKMEA).

One of the key findings of the survey is that 143 factories were found to have been producing face masks and/or Personal Protective Equipment (PPE) along with their regular products, of which 69 factories said that they were producing for the export market. (Chowdhury, 2020)

Private Sector Credit Growth and Private Sector Investment

The Private Sector month-on-month credit growth nosedived to 8.86 percent in March 2020, which was the lowest it had been since December 2019. As factories, offices and service centers were closed during the lockdown, the inflow of credit to the private sector stood at $19.56 billion. However, as the economy started to gradually reopen, April saw a very modest

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22 (BGMEA, n.d.)
23 (Export Promotion Bureau, 2020)
increase of 0.74 percent private credit growth. Md. Arfan Ali, Managing Director of Bank Asia observed in a webinar that there are two major reasons behind the improvement in credit growth -- one is nonpayment by borrowers and the other is forced loans induced by force majeure by importers.

As the data comes in, we might see small month-on-month incremental changes in private sector credit, however, it will take a quite long time for the outstanding credit to grow to pre-COVID-19 level as the overall economic situation looks dreary.

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24 (Bangladesh Bank, 2020)
The government's goal of doubling private investment as a percentage of gross domestic product or GDP, in fiscal year 2020-21 seemed highly unrealistic according to several economists. The government seeks to raise the private investment to GDP ratio to 25.3 percent from the outgoing fiscal's 12.7 percent trajectory. Economist Dr KG Moazzem, director of Centre for Policy Dialogue commented that the new private investment target in the 2020-21 fiscal year is very much unrealistic when the global economy is set to dive into the deepest recession after World War-II. Another economist, Dr Zahid Hussain, former lead economist of the World Bank said that a higher private investment target during the COVID-19 scenario does not paint a realistic picture. The government in its new target said the overall investment is expected to rise at 33.5 percent of the country's total GDP in FY 2020-21 from that of 20.8 percent in FY 2019-20.

Foreign Currency Reserve and FDI

Foreign exchange reserves crossed $33 billion mark for the first time due to COVID-19 slowing down foreign trade and arrival of aid from the development partners. Total remittance also increased by 10 percent from last FY which stood at $ 16.5 billion from July 1, 2019 to June 2 this year.

In the first eight months (July 2019-February 2020) the net foreign direct investment in the country dropped by 7.35 percent of the current fiscal year 2019-20 even when the country was not hit by the coronavirus pandemic. The net inflow of FDI dropped to $1.71 billion in July-February of FY 2019-20 against $1.85 billion in the same period of last fiscal year.

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25 (The Financial Express, 2020)
26 (The Business Standard, 2020)
Stock Market

One of the major indicators of Private Sector business outlook is the stock market. The stock market trading was closed till May which affected thousands of small investors and took the index to an all-time low of 3,600 points in March. As the figure depicts, since reopening the market closed green and red several times. The index re-stabilized in the first week of June, but it’s far away from its pre COVID-19 peak of 4600 points. Many sectors saw their cap go up, such as the Pharmaceuticals Industry and the Telecom Industry. In the second week of June, the benchmark index DSEX (-0.17 percent) lost 6.73 points and closed the week at 3,960.58 points. The blue-chip index DS30 (-0.47 percent) lost 6.32 points and stood at 1,325.43 points. The Shariah-based index DSES (-0.13 percent) lost 1.24 points and stood at 918.56 points. The budget did not do much in cheering the investors as the index remained stable27.

![Index vs Turnover (Last 30 days)](image)

*Figure: Stock Market Performance in 2020*

But in a silver lining, the country’s main stock market has taken a move to launch digital trading considering the safety and security of investors and other market stakeholders during the COVID-19 pandemic. The trading can be done through mobile apps and other smart devices.28

Summary of the Budget

The GoB’s Budget of FY 2020-21, titled, ‘Economic Transition and the Future Pathway’, was announced three months after the COVID-19 outbreak in Bangladesh. As such, measures to reduce the impact of COVID-19 across the economy was the overarching focus of the budget. It incorporates special provisions for supporting agriculture, health, developing communication infrastructure and human resource, food related programs, recovery of affected industries and job creation. The size of the FY 2020-21 budget is $66.9 billion, which

27 (DSEX, 2020)
28 (The Financial Express, 2020)
is the largest budget so far in the country’s history. The budget proposed allocating 27.4 percent for human resource (education, health and related others), 26 percent for communication (roads, rails, bridges, and related other communications), 21.5 percent for the overall agriculture sector (agriculture, rural development, water resources, and related others), 13.8 percent for power and energy sector and 11.3 percent for other sectors from the Annual Development Programs. However, industry leaders and economists opined the budget could have been geared more towards job creation.  

The FY 2020-21 budget has provisions for the six sectors highlighted in PSA2. A brief snippet of those provisions is provided below:

- Special focus has been given on industries from the government particularly to promote manufacturing and agro-focused enterprises (and by extension, job creation). In January, the Prime Minister announced Light Engineering as the ‘Product of the Year’ for 2020. As such, provisions have been made in this budget to protect particularly SMEs of the LES which include tax rate reduction on import of some of the raw materials used in the production of SME products (e.g. nails, screws, small machinery parts, etc.). Additionally, advance tax holidays have been announced by the Ministry of Finance (MoF) to forward markets of LES which include agriculture machineries (one of the major product verticals of the Light Engineering Sector), furniture, home appliances (blender, rice cooker, microwave oven, electric oven, washing machine, induction cooker and water filter), mobile handset, leather and leather goods, LED television, plastic recycling, toy manufacturing, etc.

- In the Telecom Industry, as proposed for the FY 2020-21, mobile users will have to pay more in bills as supplementary duty (SD) is proposed to increase 15 percent from the existing 10 percent. As a result, the cost for both voice and internet packages will increase.

- The government has pledged in the budget to put sincere efforts to ensure that the tourism industry of our country recovers from the severe loss that it suffered due to the outbreak of COVID-19. The budget also includes plans to establish exclusive tourism areas, develop eco-tourism parks, build island-based tourism parks and hotels, and establish international standard tourism centers. Additionally, capacity enhancement projects have been taken for modernization of existing establishments.

- The Government has focused on ICT and BPO industry in the way of focusing on skill development through establishing labs and training. The Hi-Tech Park Authority has set a target of providing training to 40 thousand youths by 2023 (more than 18,000 youths have already been trained). Additionally, Bangladesh Hi-Tech Park Authority has taken projects which expect to generate employment opportunities for 50 thousand youths by 2023 (around 14,000 jobs have already been created).

Various economists like, Dr Zahid Hussain, Dr Mohammed Farashuddin, and representatives of industry associations like Metropolitan Chamber of Commerce & Industry (MCCI), Bangladesh Apparel Exchange (BAE) as well as anti-corruption watchdog Transparency International Bangladesh (TIB) and civil society think-tank Centre for Policy Dialogue (CPD) have warned against the lofty projections of the budget. The budget estimates eight percent higher revenue than in the previous year where there was no impact of COVID-19 or the first three quarters. Bangladeshi economist Wahiduddin Mahmud expressed his concerns about the optimism within the budget, “the target of revenue collection at about 12 percent

29 (The Business Standard, 2020)
of projected GDP is unlikely to be achieved, given the economic downturn and an uncertain recovery.\textsuperscript{30} There is added concern that the revenue targets will put extra pressure on compliant taxpayers. Sector experts have stressed the need for further interventions to initiate and expedite major reforms in the health sector, although there appears to be no increased allocation for the sector. As a silver lining, as evidenced by their performance during the pandemic, many sectors will see a growth phase in the post COVID-19 period, such as Pharmaceuticals, Medical Equipment, ICT and BPO.

\textsuperscript{30} (Bangladesh Post, 2020)
PART B
2.0 Tourism

Impact on the sector due to COVID-19

Conservative estimates show that the tourism sector (till June 2020) has lost about $0.94 billion (17 percent of the total tourism sector revenue in 2017) and 300,000 jobs. Around 2.6 million people who are directly or indirectly employed in the tourism and hospitality industry are at risk of losing their jobs.31

“Hundreds of travel and tour companies will close; hundreds of small hotels, motels, resorts and restaurants will shut down”, Shahid Hamid, Executive Board Member of PATA Global and Chairman of PATA Bangladesh Chapter. 32

The Economic Loss in Cox’s Bazar: Around 3.7 million tourists travel to Cox’s Bazar (CPSA 2019) each year, comprising almost 60 percent of total domestic tourists. The large pool of foreign and national humanitarian aid workers employed by 139 NGOs (MoFA 2019) working in the Rohingya response, are also indirectly contributing to the overall economy in this tourism hotspot. As the economy of Cox’s Bazar is dependent on tourism; significant secondary impact is also predicted in this regard. Besides, other micro-cottage amusement facilitation related businesses are also halted, by which thousands of people earn their livelihood in Cox’s Bazar. Employment in Cox’s Bazar tourism area has significantly decreased due to COVID-19 lockdown. Small businesses like shops, retail stores, handicrafts, tourist curiosity shops have closed, and the population employed in these businesses have been rendered unemployed. The population employed in these small businesses which are mostly youth rely on monthly or daily basis income. This sudden pause of livelihood has caused severe economic, food safety and mental pressure among the population.

Economic Situation of the Host Community: One of Inspira’s Rapid Study Series conducted on Cox’s Bazar shows that, COVID-19 has caused widespread disruption to livelihoods, through the necessary restrictions on transportation and fear of going outside. In addition, mobility of development aid workers also reduced by 80 percent.

- All respondents have faced a drastic change in the income, driven by job loss or reduced revenue/sales. People who are tailors, farmers, and transport workers appear the worst affected.
- Across all the livelihood categories, a 62.34 percent drop in income levels occurred in April compared to the income in February.33

Hospitality Industry Economic Loss: The hospitality industry in Bangladesh has shown tremendous growth in the past decade and a half. From 2003 to 2018, as many as 46 luxury hotels (4-5 star) have come up throughout the country. The investment, including cost of land amounts to approximately $4.71-5.89 billion. There are more hotels in the pipeline scheduled to open within the next few years and some are luxury chain properties. They are all suffering. The financial institutions will not be immune either as a result. 34

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31 (The New Age, 2020)
32 (bdnew24, 2020)
33 According to Inspira’s assessment titled COVID-19’s impact on the income & livelihood of the host communities in Cox’s Bazar
34 (bdnew24, 2020)
**Low Number of Tourists:** The number of tourist arrivals in the last couple of months have fallen by 70 percent. As one the major tourism spots in the country, Cox’s Bazar is impacted by the pandemic crisis.35

**Suspension of On-arrival Visas & International Flights:** According to the Civil Aviation Authority of Bangladesh, the government has suspended on-arrival visas for all nationalities. All international flights arriving from Bahrain, Bhutan, Hong Kong (SAR China), India, Kuwait, Malaysia, Maldives, Oman, Qatar, Saudi Arabia, Sri Lanka, Singapore, Thailand, Turkey, United Arab Emirates or the United Kingdom were suspended until June 21, 2020. As the number of daily new infections continues to rise in Bangladesh, most of the international flights remain suspended in the country. Currently (as of July 2020), Biman Bangladesh Airlines is operating London bound flights from June 21, 2020 after a three months hiatus of flights due to COVID-19.

Besides Bangladesh Biman, Qatar Airways and Emirates started its operation for Doha-Dhaka-Doha and Dubai-Dhaka-Dubai routes respectively from June 2020. Turkish Airlines and Thai Airways will start its operation for Schengen visa for temporary travel while they are considering to open external borders of European Union from July, 202038. One of the prime reasons for this exclusion is the number of infected per 1 million population. The travel restrictions will be reviewed every two weeks to allow ‘safe countries’ to be added to the eligibility list.

**Support:** According to the Finance Minister, the government will put on sincere efforts to ensure that the tourism industry of our country recovers from the severe loss that it suffered due to the outbreak of COVID-19 pandemic.

**Loss of Livelihood would Increase Domestic Violence:** Social distancing and home isolation has added to the fact that they cannot go out and all these pressures are released onto the home maker or the women. Recently conducted surveys and statistics show that, intimate partner violence among the ever-married young women between 20-24 years was found out to be 28 percent. Moreover, 50 percent identified that safety and security of girls was an issue in the lockdown. On the other hand, 33 percent did not know where to seek help in cases of abuse.39

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**Previous Recommendation:**

**Key Highlight(s):** Although Cox’s Bazar contributes more than two-third of the domestic tourism revenue, local communities have limited livelihood options with one-third of the population living below the poverty line and fighting the additional economic vulnerabilities caused by the Rohingya influx.

**Suggested Recommendation(s):** Launch a tourism business accelerator where host community youth can receive training on

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35 (The Financial Express, 2020)
36 (Dhaka Tribune , 2020)
37 (Dhaka Tribune, 2020)
38 (Dhaka Tribune, 2020)
39 (reliefweb, 2020)
innovative business model design and raise startup capital for launching new business initiatives. The accelerator can also help the existing micro-small enterprises involved in tourism activities by building capacity on business documentation, service blueprint design, and customer acquisition process.

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<th>Revised Recommendation</th>
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<tr>
<td>Launch a <strong>virtual</strong> tourism business accelerator where host community youth can receive <strong>remote</strong> training on innovative business model design and raise startup capital for launching new business initiatives. The accelerator can also help the existing micro-small enterprises involved in tourism activities by building capacity on business documentation, service blueprint design, hygiene travel, no-disruption travel, and customer acquisition process. Once the country goes back to pre-COVID state, the virtual accelerator can be converted into an offline as well as virtual facility.</td>
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<tr>
<th>Rationale Behind the Revision</th>
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<td>A few existing accelerators and incubators launched in Bangladesh and similar economies before the COVID fallout, have transformed themselves into virtual accelerators. In Bangladesh examples include the COVID accelerator launched by the ICT division and Bangladesh HiTech Park Authority, which has already started a virtual support program for the entrepreneurs. The assessment team has monitored the activities of such sessions and found that virtual accelerators are performing well in building capacity of the trainees while adhering to the key guidelines of COVID-19 safety protocols.</td>
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<td>The young entrepreneurs of Cox’s Bazar are attempting to pivot their business models in such a way that would allow them to provide services and earn revenue even during this pandemic. The assessment team has been closely monitoring the state of affairs on the virtual platforms of Cox’s Bazar Entrepreneurs Forum throughout the COVID lockdown period. There have been launches of at least five new Facebook based e-commerce platforms (often termed as f-commerce) and direct-to-home delivery businesses in Cox’s Bazar, initiated by entrepreneurs who used to rely on offline-only business models. They have started internal knowledge exchange series through weekly ‘zoom based training workshops’ as well, where male and female entrepreneurs alike are contributing.</td>
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<td>Given the entrepreneurs of Cox’s Bazar are showing signs of resilience, it is of crucial importance that they should provide the required support and mentorship while they are transforming their business models. They are already virtually active—which is why the virtual accelerator can be launched immediately.</td>
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<th>Implementing Timeline</th>
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<td><strong>Immediate Time Frame</strong></td>
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<td>Previous Recommendation</td>
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<tr>
<td>Revised Recommendation</td>
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<tr>
<td>Rationale Behind the Revision</td>
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40 (United News of Bangladesh, 2020)  
41 (The Business Standard, 2020)  
42 (The Business Standard, 2020)
3.0 Light Engineering

Impact on the sector due to COVID-19

**High Risk of Transmission:** The GoB’s strict health and safety measures will persist until significant changes occur in the medical response protocol for COVID-19. Lockdown and social distancing measures will stay in place. This will be particularly difficult in the Light Engineering Sector (LES) as most of them operate as micro-cottage level enterprises. The usual population density in the worksites may increase the risk of transmission for even those operating in fringe locations. For locations such as Railway Market (Bogura), BSISC (Bogura), R.N. Roads (Jashore) and other large clusters, this may become a matter of great concern. In places of such high population density and large volume of foot traffic, special protocols should be initiated with help from the local associations to schedule work hours by enterprise to reduce the total number of people present at the same time.

**Shift in Market Demand:** There has also been a shift in consumer spending across the nation as people have moved more towards consumables and commodity goods and there have been drops in the sales and usage of various items such as cycles, motorcycles, cars, agricultural machinery due to the lockdown and transportation embargos. While many of these are likely to bounce back, such as agricultural equipment and motor vehicle production, some of these will take more time to return to their previous activity levels. The case of Agricultural Machineries is particularly important since the Government has announced a $23.56 million financing stimulus for farmers looking to buy agricultural machineries to boost harvest times during crisis periods.

**Health Risks:** Because of the nature of the operators and the population density of the worksites, there is an exceedingly high risk of transmission. Moreover, transmission from outside actors will be increasingly difficult to fend off because most if not all the transactions and dealings in the industry happen in person through physical meetings. Additionally, the worksites are close to or are themselves large markets which attract large daily foot traffic.

**Economic Re-stabilization:** Once the economy begins to open, there will likely be a sudden bump in the spending behavior of the general population including the members of the LES. This will likely go over their previous spending limits which is common as people come out of a long period of economic austerity. However, it will be important to ensure that people take lessons on their own economic conditions prior to the outbreak and the consequences during the pandemic. There will need to be steps taken in agreement with all parties involved in terms of their spending behavior and future growth potential.
<table>
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<tr>
<th>Previous Recommendation</th>
<th>Key Highlight(s): Majority of the domestic light engineering factories are micro and cottage level informal enterprises who have been part of this sector for a long time but did not focus on upgraded machining technology or higher value-added products development.</th>
<th>Suggested Recommendation(s): Launch a supplier development program and connect the large conglomerates operating in automotive, consumer electronics and agricultural machinery manufacturing verticals with the micro-enterprises from Bogura and Jashore (two of the most promising light engineering clusters in Bangladesh) as back end component vendors or spare parts suppliers. This will ensure a consistent flow of purchase orders for the grassroots level firms, help them in product and technology upgradation and at the same time, large enterprises will be able reduce import dependency for their input components in the long run.</th>
<th>No substantial update is required for this recommendation.</th>
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<tr>
<td>Revised Recommendation</td>
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<td>The PSA 2 recommendation involves coordination activities not dependent on physical interaction. This should occur through the regular channels in business as usual times as well as the COVID-19 scenario. It involves collaboration to identify opportunities for integration into the different industry verticals and not actual production in the immediate time frame.</td>
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<td>Rationale Behind the Revision</td>
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<tr>
<td>Rationale Behind the Revision</td>
<td>The PSA2 recommendations involve advocacy support to engage the sector associations and the appropriate GoB offices for policy level changes for skill grading systems based on existing comparable systems from the RMG Sector. This also does not largely depend on activities hindered by COVID-19 and related safety protocols.</td>
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<td>Implementing Timeline</td>
<td>Mid Term Time Frame</td>
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4.0 ICT & Outsourcing

Impact on the sector due to COVID-19

COVID-19 possesses a unique hurdle for the IT industry of Bangladesh which is only in its growth stage. Industry insiders expect the overall revenue for the 2020 year to fall by 20-25 percent due to the pandemic. This is primarily because the major destinations of the clients are greatly affected by the pandemic. However, companies working in the medical industry, such as Therap, Augmedix, are stable in their business activities.

Up until 2019, the ICT sector in Bangladesh had grown by 40 percent annually, the growth trend started in 2010 primarily as a result of public and private sector initiatives. With the backing of the GoB the ICT sector is a natural fit in the country’s development goal to create jobs for the 110 million Bangladeshi under the age of 35, in a country of 160 million.

By the end of February, the total number of Internet Subscribers had reached 99.984 million (Mobile Internet 94.236 million, WiMAX 0.005 million, ISP + PSTN 5.743 million) (BTRC). Housebound people (using ISP + PSTN) have been using 50 percent more internet since the general holidays announced due to COVID-19 began on Mar 26.

Following the COVID-19 outbreak and its effect on the major countries who outsource a lot of their processes, around 70 percent small and medium BPO companies in Bangladesh are about to collapse. The business owners are seeking help from the government to support its employees and keep the $400 million sector alive. The general secretary of Bangladesh Freelancer Development Society reported that around 80 percent freelancers are out of work as work orders fell drastically due to COVID-19.

To address the ongoing predicament and pivot fast, chief executive officer of Brain Station 23 suggested the stakeholders to explore business verticals, such as video streaming, machine learning and online learning. Some initiatives taken to combat COVID-19 by ICT sectors of Bangladesh so far are mentioned below:

- Partnering with ICT division, Robi launched first ever crowd-sourced AI based digital CORONA update service
- National Data Analytics taskforce has been created with A2i, UNDP, ICT Division, Private Sector companies (such as MCC, Idea, Cramstack) etc. and Bangladeshi Expat Academia
- SOHOZ availed the national ICT Division Game and App development fund to create a blue-tooth based near-field COVID tracker.

Even during COVID-19 the assessment team saw angel investors and venture capitalists’ interest in potential high growth sectors. Gaze, a Bangladeshi Artificial Intelligence (AI) based startup, raised a total of $830,000 in a seed funding round during the pandemic.

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43 (The Business Standard, 2020)  
44 (The Financial Express, 2019)  
45 (UNCTAD, 2019)  
46 (BTRC, 2020)  
47 (bdnews24, 2020)  
48 (Techinasia, 16)
| Previous Recommendation | Key Highlight(s): Despite having the potential, the BPO (Business Process Outsourcing) sector of Bangladesh could not establish itself as a global offshoring destination due to lack of brand visibility in the global market. As a result, the sector is unable to attract foreign buyers for call center services and other BPO service verticals.  

Suggested Recommendation(s): By conducting a CXO/CPO\(^49\) survey with large scale BPO service buyers, the sector association can develop an export market strategy for BPO companies and enhance brand visibility in the international market. |
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<td>Revised Recommendation</td>
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| Rationale Behind the Revision | Global BPO landscape is experiencing or about to experience the following tectonic shifts in the service delivery model:  

**New BPO Services:** Global experts are expecting that the BPO services will be more relevant and faster to bounce back after the pandemic, and the sector will have much to offer with emerging outsourcing services due to contactless activities. To identify the potential opportunities anticipated in the near future, a CXO/CPO survey can be an essential tool.  

**Service Delivery Upgradation:** BPO companies in India, one of the major offshoring destinations, are allowing *Work from Home* (WFH) modality in order to deliver their services to their clients. Such modality is much likely to be followed in other offshoring destinations with higher infection rates as of now. In case of Bangladeshi BPO companies, majority companies focus on ‘call center operations’ which not only requires specialized equipment set-up but also needs a noiseless ambience which may prove difficult to ensure in a household setting. Therefore, only a fraction of the domestic BPO companies (which focus on non-voice tasks such as data entry, image processing, back office financial support services etc.) might be able to adopt such WFH schemes.  

**Global Market Entrance of Local Player:** Many local BPO companies in Bangladesh were preparing to enter the global market right before COVID-19; now the preparedness needs to be expedited considering the upcoming fierce competition due to the sluggish market momentum in the recent pandemic period. The global BPO market is poised to become competitive very soon with the competing economies, such as Philippines, Vietnam, Sri Lanka gradually coming out of lockdown. Hence, as one of the most sought emerging offshoring destinations, Bangladesh needs to formulate a |

\(^49\) CPO: Chief Procurement Officer, CXO: C-level Executive Officer
strategy to keep its BPO businesses afloat.

### Implementing Timeline

| Immediate Time Frame |

#### Previous Recommendation

**Key Highlight(s):** With the country’s plan to adopt 5G technologies by 2021, the 4th industrial revolution and rapid digital transformation will become commonplace across diverse industry verticals. Automated factories, Robot workers, IoT enabled supply chain and logistics; all of these components will come to reality. In that context, Bangladeshi software development companies need to gear up for providing next generation technology services by identifying the key sectors with the highest potential impact and by estimating the potential business opportunities across each of the target sectors.

**Suggested Recommendation(s):** Start collaboration with the private sector association to prepare a 5G readiness strategy paper for the ICT companies to outline imminent digital transformation and changes in multi-sector service demand/delivery landscape.

No substantial update is required for this recommendation.

#### Revised Recommendation

**Rationale behind the Revision**

**Expedited 5G led Services:** 5G led services are more likely to come earlier due to COVID-19 situation. The fifth generation led services have already impacted the economies of different parts of the world. Previously, the mobile operators of China were worried about the profit model of 5G. However, the COVID-19 changed the situation dramatically as the new services are being utilized in different sectors of the country. Likewise, Bangladesh is planning to roll out the fifth-generation cellular network technology by 2021\(^{50}\) to accommodate digital transformation in the country, and expects to accelerate the ongoing digital transformation by facilitating six billion dollar worth pipelined mega projects on smart grid, digital connectivity, smart city, airport digitization etc. (Everest Group, 2017).

To cope up with the global changes, Bangladesh also needs to build 5G infrastructures in the country. The Government has also put importance in the 5G rollout in the recently proposed budget. However, before that strategic outline encompassing all the possible usage, profit-model, and usability needs to be created to anticipate the possible outcome and meet the envisioned digital transformation.

\(^{50}\) (The Daily Star, 2019)
### Previous Recommendation

**Key Highlight(s):** GoB has begun setting up Hi-tech parks in the tier-2 regions to decentralize the BPO sector from Dhaka.

**Suggested Recommendation(s):** While this can be an effective strategy, there is a vast gap in the demand and supply of skilled human resources outside of Dhaka. Capacity development programs for TSPs\(^{51}\) (training service providers) around GoB HiTech Parks and Private STPs\(^{52}\) can increase the supply of skilled BPO workforce.

No substantial update is required for this recommendation.

### Revised Recommendation

**Rationale behind the Revision**

**Startup combating COVID-19:** Ever since the COVID-19 has hit in Bangladesh, many youth led online oriented startups have been launched and are working on providing services to mitigate the impact of the pandemic and accommodate services for the lockdown-stymied citizens of the country\(^{53}\). Besides, a number of e-commerce delivery companies are providing their regular services.

With the introduction of new online oriented startups in the country as well as in the world, back end service providers, such as call centers, will also grow. Consequently, the domestic BPO sector will also increase. As a result, the need for skilled human resources will be increasing. To increase skilled human resource supply, more training service providers will be required.

### Implementing Timeline

**Long-term Time Frame**

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\(^{51}\) TSP: Training Service Providers

\(^{52}\) STP: Software Technology Park

\(^{53}\) (UNDP, 2020)
5.0 Automotive

Impact on the sector due to COVID-19

Automotive sector in 2019 was valued at $13.89 billion and employs 0.05 million people. This sector attracted a significant amount of FDI, and the sector was forecasted to grow at an 18.17 percent CAGR to $32 billion in 2023.\(^{54}\)

However due to the outbreak of COVID-19 pandemic, the growth has slowed down significantly due to supply chain disruption and lower demand of vehicles. As per experts, the primary drivers of the sector were the growing medium-income affluent bracket. Studies show that this mid-income affluent bracket has lost 29 percent of their household earnings indicating that their affordability has gone down significantly.\(^{55}\)

Road Safety

In 2019, approximately 5,227 people were killed while 6,953 were injured in 4,702 road accidents across the country (Daily Star, 2020).\(^{56}\) Road traffic injuries went up during COVID-19 as empty roads during lockdown incentivizes speeding. According to Bangladesh Jatri Kalyan Samity, which compiles statistics on road crashes based on newspaper reports, at least 150 people were killed in the first 15 days of April taking the average to 10 deaths per day.\(^{57}\) Although the numbers are lower than the average for 2019, even within a lockdown and reduced mobility, such high numbers are alarming.

FY 2020-2021 Budget

After the FY 2020-21 budget announcement, personal car price is expected to rise significantly. The budget has also announced eight local industries to enjoy tax holiday and the automobile sector is one of them.\(^{58}\)

COVID-19 Impact on Transportation System

COVID-19 lockdown has caused a livelihood related uncertainty among the 5-6 million workers like drivers of buses, trucks, covered vans, pickup vans, three-wheelers and easy-bikes, and their helpers who are engaged in the transport sector of the country. Public transportation segment has already declined substantially as it has been flagged as one of the most infectious places.\(^{59}\)

This significant decrease of the public transport segment is believed to be a good sign for affordable two-wheeler manufacturers, as per sector experts. Although Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA) and Motorcycle Manufacturers & Exporters Association of Bangladesh (MMEAB) expects that the motorbike sector recovery from covid-19 blow will take a minimum two to three years.\(^{60}\)

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\(^{54}\) (USAID, 2019)
\(^{55}\) (Light Castle Partners, 2020)
\(^{56}\) (USAID, 2019)
\(^{57}\) (Dhaka Tribune, 2020)
\(^{58}\) (The Financial Express, 2020)
\(^{59}\) (The Independent , 2020)
\(^{60}\) (The Financial Express , 2020)
Motorbike Assembly Industry

Motorbike assembly industry procures around 70 percent of the component parts from China and only 30 percent are sourced locally. This indicates that production level will drop significantly due to the supply chain disruption caused by COVID-19. As per (BMAMA) and (MMEAB), expected losses from a drop in sales of around $70.70 million following the general holidays announced due to COVID-19.61

Restricted business and lockdown have caused loss of income for the automobile industry. In case of public transport organizations or owners, they have incurred significant loss due to a ban on the public transportation system.

<table>
<thead>
<tr>
<th>Previous Recommendation</th>
<th>Key Highlight(s): Bangladesh has one of the highest rates of road accidents in the world, with more than 85 deaths for every 10,000 registered motor vehicles. Road traffic injuries cause a loss of about two percent of the GDP in Bangladesh every year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Recommendation</td>
<td>Suggested Recommendation(s): Initiate a capacity development program for the commercial vehicle drivers to ensure road and transportation safety by collaborating with the private sector actors.</td>
</tr>
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<td></td>
<td>Initiate remote capacity development training program for commercial vehicle drivers to improve road and transportation safety with an additional training module on how to disinfect and maintain vehicles during COVID-19.</td>
</tr>
<tr>
<td>Rationale Behind the Revision</td>
<td>No alternative to public transport: In Dhaka, approximately 21 million people commute every day by different types of public transportations and the most used mode is the bus. According to the Sustainable Urban Transportation Index, in the Greater Dhaka Metropolitan Area (DMA), there are 152 bus routes, and 44.7 percent of the daily trips are mainly related to work while 17.7 percent are related to school.62</td>
</tr>
<tr>
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<td>Mitigate the spread of infection: Public transport drivers, most importantly contractors/helpers have a higher chance of getting infected and passing onto someone else. In a new normal situation where covid-19 prevails and there is no alternative to public transport, it is crucial that the drivers, contractors and helpers have proper training on maintaining social distancing guidelines, disinfecting the vehicle etc.</td>
</tr>
<tr>
<td></td>
<td>Remote Training: Remote training is a must to maintain social distancing guidelines.</td>
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61 (The Financial Express, 2020)
62 (The Business Standard, 2020)
### Implementing Timeline

<table>
<thead>
<tr>
<th>Immediate Time Frame</th>
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<tbody>
<tr>
<td><strong>Previous Recommendation</strong></td>
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<tr>
<td>Key Highlight(s): The automotive industry of Bangladesh is gradually moving towards higher value-added activities such as manufacturing of vehicles (two wheelers in particular) from low value-added finished goods import. However, there is no automotive testing lab in the country as of now which is why the private sector stakeholders are having to get their vehicles/components tested at third party locations while decreasing cost competitiveness in the export market.</td>
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<tr>
<td><strong>Suggested Recommendation(s):</strong> Initiate testing lab facilities to ensure standard certification process for the locally manufactured vehicles and components.</td>
</tr>
<tr>
<td><strong>Revised Recommendation</strong></td>
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<tr>
<td>No substantial change</td>
</tr>
<tr>
<td><strong>Rationale Behind the Revision</strong></td>
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</table>
| **Potential growth of domestic vehicles:** A potential growth in demand for domestic two wheelers and budget vehicles are being forecasted by the sector experts due to a probable decline of trust in the public transportation system due to COVID-19 and an increase in prices of imported vehicles due to supply chain disruptions and new tax regimes following the Budget FY 2020-21. 63 

Suzuki Motorcycle India anticipates that the two-wheeler segment will see a faster revival than the four-wheeler sector in the context of the Indian market. 64 Given the similarities between Bangladeshi and Indian economies and the way of handling COVID-19 suggests this trend could translate to the Bangladeshi context. |
| **Importance of testing lab in a potential growth scenario:** In a future bounce back scenario of the industry, in order to cater to the potential growth in demand for domestic vehicles, testing lab is essential as it will ensure certification and safety of locally manufactured vehicles. |
| **Implementing Timeline** |
| Mid to Long term Time Frame |

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63 (Auto.com, 2020)  
64 (New Age Business, 2020)
6.0 Telecommunication

Impact on the sector due to COVID-19

The telecom sector witnessed a bumpy year in 2019, with long standing dispute between the regulator and operators Grameenphone and Robi, over audit claims of around $1.6 billion. This dispute had far reaching consequences over other industry actors including the equipment suppliers and backward linkage industry, forcing network expansion to become stagnant as well as affecting the investment efforts (Financial Express 2019) 65. With this from last year, the pandemic hit globally in the beginning of this year, and Bangladesh started feeling its effects from March 2020.

In contrast to other sectors, the telecommunication sector is expected to greatly benefit from the COVID-19 outbreak as the business insiders are anticipating seeing a significant increase in data consumption alongside voice calls. This is primarily because the outbreak led lockdown is compelling the netizens to stay at home, and they are shifting their daily activities in the virtual realm.

Analyzing the performance of telecom companies in Q2 2020, the assessment team found out that data consumption per user per month increased from January to May, the number of internet users decreased during the time period. Robi, one of the leading telecom operators, reported that Data Consumption per User per Month in January 2020 was 2GB, whereas in May 2020, it was increased to 2.5GB. On the other hand, the number of users was 17.5 million in January, which was decreased to 17.2 million in May.

For the first quarter of 2020, Grameenphone posted total revenue of $426 million, which was 3.7 percent growth compared with the same year-on-year period. The operator also recorded a 24.6 percent increase in data revenue YoY during the first quarter. However, the telecom operator expressed its concern regarding the challenging regulatory growth environment leading to reduced growth momentum. Grameenphone declares its pledge to help frontline health workers, volunteers, consumers, and its retailers to counter the on-site COVID-19 pandemic through a series of programs and donations.

Previous Recommendation

Key Highlight(s): Owing to the lack of digital literacy coupled with limited awareness and knowledge about internet etiquette, low-income settlements (slums, RMG workers’ residential quarters) are at a highly vulnerable position regarding the safe usage of the internet.

Suggested Recommendation(s): Partner with telecom sector association and launch a training on safe internet usage through a series of Uthan Baithak66 style workshop (context: online radicalization, privacy, phishing, cyberbullying, fake news identification, children vulnerabilities, etc.) for the rapidly expanding internet users in urban low-income settlements.

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65 (The Business Standard, 2020)
66 A bengali word referring to casual-comfortable discussion on jointly shared yards/lawns of a close-knit community
## Revised Recommendation

In the post COVID-19, safe internet usage for lower-income people will be defined by their income, livelihood, migration and internet usage behavior during the pandemic. Analysing all of those aspects, the study team suggests putting the prior recommendation in the mid-term priority time-frame.

## Rationale Behind the Revision

**Job loss of low-income people:** It was predicted in early April 2020 that about 6 million low income people will lose their jobs during this COVID-19 pandemic. The impact is especially noticeable in the garment industry. The COVID-19 pandemic has disrupted the supply chain and demand for the apparels. Buyers are reluctant to place new orders or they have cancelled the existing one. As a result, a good number of garment workers might be terminated as the garment factories are running at 55 percent efficiency according to the president of BGMEA. Moreover, 46 factories could not pay the salary of April to 18,000 employees. It is evident that the income of RMG workers will decrease. Other low-income groups especially workers in the informal sector are also vulnerable to a loss in livelihood, hence a decrease in income.

**Mobile Users Bill Increase:** According to the proposed budget for the FY 2020-21, mobile users will have to pay more in bills as supplementary duty (SD) is proposed to increase 15 percent from the existing 10 percent. So, the cost for internet packages will increase. The low-income settlements are less likely to use mobile internet due to this bill increment.

**Migration of the Participants:** Many low-income people have migrated to their villages recently from the settlements, including RMG workers and slum dwellers. Moreover, experts suggest relocating some people from slums to nearby areas as they are at high risk of COVID-19 infection. These will result in reduction of the intended participants for the training.

**Economic Impact on Low-income Groups:** Considering the economic effects due to lockdown, where the low-income groups are struggling to earn their livelihood, they are less likely to use the internet during the pandemic.

**Decrease in the Number of Internet Users:** Analyzing the performance of telecom companies in Q2 2020, the assessment team found out that data consumption per user per month increased from January to May, the number of internet users decreased during the time period. Robi, one of the leading telecom operators, reported that Data Consumption per User per Month in January 2020 was 2GB, whereas in May 2020, it was increased to 2.5GB. On the other hand, the number of users was 17.5 million in January, which was decreased to 17.2 million in May. The largest number of consumers decreased in

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67 (The Business Standard, 2020)
68 (The Business Standard, 2020)
the lowest tier of data usage category, signifying low income people who previously bought small amounts of data (15 MB, 20 MB, 50 MB, etc.) have either lost their livelihoods or a decrease in their income has made mobile data a non-essential expense. This data is a testament to the fact that low-income settlement groups are consuming less internet during the lockdown period.

**Modality of the Training:** The recommendation suggests training the low-income settlements through a series of *Uthan Baithak* style workshops, where the participants will be in close physical contact with each other. Hence, maintaining social distancing might be difficult for such a training program.

With this backdrop, it would be better to avoid implementing the suggested recommendation during the COVID-19 crisis.

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<tr>
<th><strong>Midterm Time Frame</strong></th>
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<th>Previous Recommendation</th>
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| **Key Highlights:** A striking number of sea fishermen go missing in Bangladesh every year due to natural disasters and deep-sea pirates. In times of danger, they are usually unable to communicate to the shore and request immediate assistance. |

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<th>Revised Recommendation</th>
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| **Suggested Recommendation:** The country needs to leverage the deep-sea network capacity of selected telecom operators to ensure effective security and safety policies targeted to benefit the deep-sea fishermen population. |

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<tr>
<th>Rationale behind the Revision</th>
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| **Interrupted Fishing Activities:** The ongoing lockdown in Cox’s Bazar is impeding the fishing activities of deep-sea fishermen. Moreover, the government’s annual ‘marine fishing ban’ in the Bay of Bengal (which continues from May to July every year to preserve fish stock and ensure proper breeding) is currently in place. Hence, deep-sea fishermen will be able to re-start fishing in full swing from July-August, 2020r. |

| **Network Disruption:** The country’s telecom network infrastructures in the coastal area are heavily disrupted because of the cyclone Amphan. Hence, deep sea networks will take time to materialize as Telco companies first return the network to normal. |
### Implementing Timeline

<table>
<thead>
<tr>
<th>Previous Recommendation</th>
<th>Key Highlight(s): Deployment of Internet of Things (IoT) in the agricultural sub sectors can increase yield, drop energy costs and drop water requirements for irrigation.</th>
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<td><strong>Suggested Recommendation(s):</strong> Partner with selected telecom operators in digitizing domestic agribusiness landscape (aquaculture/poultry/livestock) leveraging IoT products.</td>
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| Revised Recommendation | No substantial update is required for this recommendation; however, considering the livelihood situation of agribusiness actors and imminent introduction of contactless economy, the recommendation needs to be implemented in the midterm. |

| Rationale | **Livelihood of Agribusiness Actors:** The livelihood of agribusiness actors has been affected negatively by the pandemic led disruptions in business activities. Due to the minimized market activities, the agricultural products are going to waste or being sold at lower prices[^69]. So, the agribusiness actors’ preference is to get back the normal livelihood first, rather than availing tech products which are non-essential. |
|           | **No provision on IOT in the Short Run:** As per an update sharing session with the potential telecom partner for this recommendation, the assessment team found that the potential partner is emphasizing the immediate needs to address the pandemic, and they are postponing launching new value-added products or services for a later term. Besides, the government is also providing support such as agri-subsidies amounting to $1.120 million[^70] and also allocated a fund BDT 1 billion to provide subsidy to farmers for buying agricultural machinery in fiscal 2019-20 to reduce production costs and increase crop yield. According to the Ministry of Agriculture, the farmers of Haor region can be given a subsidy of 70 percent on the purchase of farm machinery while farmers in other regions will receive a 50 percent subsidy.[^71] |
|           | **Long-term Relevance:** As many technology experts indicate that the COVID-19 will expedite the envisioned digital disruptions through tech-interventions, such as IoT, 5G-led services, where no-contact economy is imminent, the suggested recommendation needs to be implemented right in the post pandemic period. |

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[^69]: (TBS News, 2020)  
[^70]: (TBS News, 20)  
[^71]: (The Financial Express, 2020)
## Previous Recommendation

**Key Highlights:** The world has witnessed a 344 percent increase in the demand for data scientists since 2013. In line with that, the BPO industry worldwide is also experiencing the impact of data analytics and will require skilled professionals. Robi initiated the first ever *Datathon* (a hackathon or problem-solving conference on data analytics) in Bangladesh, partnering with Google in 2019, which has become a key platform to inspire, educate and mentor software engineers with an interest in data analytics.

**Suggested Recommendation:** Co-design *Datathon* partnering with Robi with a view to building a community of advanced software professionals (data scientists, AI experts, ML/RPA experts, etc.) while crowdsourcing solutions on thematic areas of mutual interest.

## Revised Recommendation

**Rationale**

**Modality of Datathon:** The suggested *Datathon* program can be launched online following the *Kaggle* models and interested people can participate from their home maintaining social distancing. Such virtual models are also to be followed in the International Math Olympiad this year.

**Surge in Data Science Courses:** A surge in Data Science & related courses have been noticed globally during the lockdown imposed. *upGrad*, an online education platform, also validates this fact as they have reported an increase of 50 percent in learners during the ongoing pandemic. Such phenomena is also apparent with regards to Bangladeshi learners as a number of people, mostly youth, have been sharing their certificates on different social media platforms.

**Evidence of Data Science Solution:** South Korea, one of the earliest hit countries during the pandemic, has utilized Data Science in contact tracing to flatten the curve successfully. Likewise, Bangladesh has come up with solutions by creating apps to combat the COVID-19 crisis. These efforts can be expedited by involving advanced-software-professionals.

**Imminent Automation:** Experts anticipate that many organizations will be more likely to automate their operating processes after the

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72 a hackathon or problem-solving conference on data analytics
73 Crowd-sourced problem datasets sharing platform to be solved online by the participants
74 (IMO, 2020)
75 (Business Insider, 2020)
pandemic. As a result, demand for advanced-software-professionals will increase.

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<th>Implementation Timeline</th>
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7.0 Agribusiness

Agriculture is a major sector in Bangladesh employing over 39% of the population and contributing 13.07% of the total GDP. This major sector is facing a significant blow due to a disruption in the supply chain through reduction of mobility caused by fear of COVID-19 infection and lockdown.

To mitigate the situation, the GoB has introduced a $589.2 million stimulus package to assist farmers, however, due to a lack of proper database management and overall monitoring, the distribution of the stimulus package has become a concern. With this backdrop, the following subsections talk about the impact of COVID-19 on the top five potential sub-sectors for agribusiness selected in PSA2 along with updated recommendations owing to COVID-19. The sub-sectors are, 1) Cold Storage Technology Upgradation, 2) Fish Fillet, 3) Dry Fish, 4) Rice Bran Oil, 5) Cashew Nut.

7.1 Cold Storage Technology Upgradation

Impact on the sector due to COVID-19

Following the initial lockdown, a drop in demand disrupted the supply chain, as the effects of the lockdown rippled from the customer all the way to the producers of agro-based produce. The situation progressively worsened over time as farm products, without the necessary preservation facilities which the farmers depend on very heavily, were left unsold and were being discarded or sold in the local markets at a much lower price. Moreover, demand for vegetables has decreased by 40 percent. Farmers need to buy fertilizers and pesticides regularly for their production. As the market activities have decreased substantially, they are incurring huge losses. Experts are suggesting that the GoB should put importance on preservation of foods as purchasing food products will be difficult in near future.

The assessment team found out a lot of agricultural sub-sectors (as evidenced below) have been facing losses during the lockdown enforced due to COVID-19. These losses could be mitigated if the supply chain had access to cold chain facilities. Some of the major sub-sectors which were affected during the first month lockdown is mentioned below:

<table>
<thead>
<tr>
<th>Dairy:</th>
<th>The dairy industry of the country is incurring a loss of $7 million per day.</th>
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<tbody>
<tr>
<td>Poultry:</td>
<td>One-third of the eggs were being sold at a price that is 45 percent lower than normal.</td>
</tr>
</tbody>
</table>

76 (Statista, 2020)  
77 (TBS News, 2020)
Vegetables: Vegetable traders were not buying the products from rural farmers as they used to owing to the low demand in Dhaka during the COVID-19 lockdown period. Besides, transportation of these perishable goods from production zones to markets are seriously disrupted. As a result, the perishable products were sold at a lower price or wasted.

Fruits: In Rangamati, lychees are being sold at 50 percent reduced price\(^78\). Similar situation is apparent for other fruits and areas as well.

Aquaculture: Reduced purchasing power of consumers is lowering demand for cultivated fish (e.g., tilapia, pangash, etc.), most of which were purchased by middle class consumers.

<table>
<thead>
<tr>
<th>PSA2 Recommendation</th>
<th>Proposed Timeline in the Context of COVID-19</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connect with power &amp; energy sector businesses to increase national cold storage capacity by leveraging waste heat generated from power plants and LNG regasification units.</td>
<td><strong>Long-term Time Frame</strong></td>
<td>As the majority are small-scale actors in this sector, in the current pandemic situation, their primary focus is to protect their livelihood. Since, the majority of the suggested recommendations are non-essential in terms of business survival, these should be implemented in the midterm to long term time frame.</td>
</tr>
<tr>
<td>Partner with SREDA (sustainable and renewable energy directorate of the government) in introducing and scaling renewable energy based micro-chillers (rapid milk chillers, biogas-solar mix milk chillers) for milk producers across the off-grid areas.</td>
<td><strong>Long-term Time Frame</strong></td>
<td></td>
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<tr>
<td>Facilitate the development of IoT solutions that can be used to track and control temperature remotely inside the refrigerated vans.</td>
<td><strong>Long-term Time Frame</strong></td>
<td></td>
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</tbody>
</table>

\(^78\) (Dhaka Tribune, 2020)
Collaborate with the Department of Agricultural Marketing in capacity building of potato and other vegetable farmers for building low-cost, mini yard-storage for temporary storage of potato, ginger and a few other selected vegetables.

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<thead>
<tr>
<th>Midterm Time Frame</th>
</tr>
</thead>
</table>


7.2 Fish Fillet

Impact on the sector due to COVID-19

Impact on Fish Fillet Industry: A time series analysis on the export size of the fish fillet sub-sector reveals that in FY 2014-15 and FY 2015-16, fish fillet export size was $1.6 million and $1.41 million, respectively. From that period onwards, fish fillet export receipts have been on a downward trend reaching an estimated value of $0.15 million in FY 2017-18. In FY 2018-19, the annual exports for fish fillet slightly rose to $0.46 million which stood at an insignificant quartile in comparison with global market leaders such as Vietnam and China. During COVID-19 the export is expected to fall significantly due to the shortage of required fish for the fish fillet industry.

Impact on Fish Industry: The assessment team has found out that there is a disruption in the fish production cycle. Fully formed fish from the previous cycle are still left in the pond due to supply chain disruption and a decrease in demand. Since the fish is not harvested, new fingerlings are not being released in the ponds. This has created a backlog in the supply chain which goes from fish aarots to fingerling producers. Other disruptions include a lack of fish feed in the market and decreased demand for fish owing to decreased income of low- and middle-income population. Types of fish that are currently used to produce Fish Fillet are Tilapia and Pangash. These fish industries are facing stocking problems and shortage of fish food due to the disrupted supply chain. Some farmers are unable to afford to feed their fish and are facing large financial losses. GoB has taken measures to save the country’s fisheries sector from the possible financial damages caused by the coronavirus pandemic, officials say. The measures include exemption of interests against bank loans and giving incentives to fish farmers, fishermen and shrimp exporters to keep the production wheel of the sector running.

Impact on Fish Sales: A drop in demand for fresh produce, including fish from aquaculture, was reported at the beginning of April. Effects from the lockdown were felt across the sector with restrictions on movement rendering fishers and fish farmers unable to move their produce to markets. A GAIN situation report found that the average number of trucks carrying fish from Rajshahi Division to Dhaka declined by over 80 percent, forcing fish farmers to sell at low prices. Customers reportedly deserted retail markets due to fear of infection and lockdown measures, causing the price of fish to fall sharply. These factors left small scale fishers of the southern district of Jhalokati in great distress due to their reduced incomes and ability to purchase food. Adding to this burden, fish traders were reported to be unable to

Figure: Annual Export of (0304) Fish Fillet

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79 (USAID, 2020)
80 (The New Age, 2020)
81 Fish buy and sell depot
82 (CGIAR, 2020)
83 (Gain Health, 2020)
access the ice needed to store fish. Fish farmers from the Kishoreganj, Mymensingh, and Netrokona districts were also affected by the suspension of inter-district transportation. It was reported that fish that would otherwise have been sold at markets across the country has remained in ponds, delaying the start of the next fish production cycle.

**Impact on Exporters:** Exporters were specifically looking for interest-free loans from the government to help salvage their business and alleviate pre-existing bank loans. Innovative measures such as digital platforms to match farmers with potential buyers in case of product surplus were also said to be under development.

<table>
<thead>
<tr>
<th>PSA 2 Recommendation</th>
<th>Proposed Timeline in the Context of COVID-19</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>With a view to increasing the raw material supply, facilitate research and pilot projects on efficient methods of fish farming/aquaculture where high quantity of fish production is possible in a smaller area.</td>
<td><strong>Long term Time Frame</strong></td>
<td>Since this forward market of fish fillet is mainly export which has been hit due to decrease in demand because of COVID-19 and the subsequent recession; the activity levels will begin to return to pre-outbreak levels once the global economy bounces back. Due to this reason most of the recommendations have been shifted to the long-term time frame.</td>
</tr>
<tr>
<td>Collaborate with fisheries research institutes in conducting diagnostic assessment/traceability assessment on the overall fish fillet value chain to identify the potential reasons behind the discoloration and quality deterioration process. Following this technical study, decisions on addressing the global consumer preference can be taken.</td>
<td><strong>Long term Time Frame</strong></td>
<td></td>
</tr>
<tr>
<td>A connecting platform for processors and fish farmers needs to be created to eliminate the bargaining power of the intermediaries and commission agents.</td>
<td><strong>Midterm Time Frame</strong></td>
<td></td>
</tr>
<tr>
<td>Facilitate extensive training programs for filleting workers to raise efficiency in fillet handling and processing.</td>
<td><strong>Long term Time Frame</strong></td>
<td></td>
</tr>
</tbody>
</table>

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84 (The Business Standard, 2020)
85 (World Fish, 2020)
7.3 Dry Fish

Impact on the sector due to COVID-19

Dry fish farmers have been incurring income loss due to a halt in production for more than a month during the peak season. The president of Najirartek Dried Fish Traders Cooperative Society reported that the total income loss for the Najirartek dried-fish-village may be over $12 million. In the pre COVID-19 situation, between 2010 and 2018, the export value of dry fish showed a rising trend. The export value of dry fish had been around $0.69 million at the beginning of the decade but sharply rose to $4.471 million by FY 2012-13. The export size remained relatively consistent. However, the export value of dry fish in Bangladesh peaked in FY 2017-18, reaching around $5.285 million with a CAGR of 3.39 percent. In the post COVID-19 situation, the production of dry fish has reduced by 60-70 percent because the number of sea-bound fishing vessels has decreased. Which in turn has reduced the exports significantly.

Business insiders are anticipating that the 30,000 workers, with two-thirds women, engaged in work in 1,040 dried fish processing units in Najirartek village, will become jobless by the time of the rainy season. Civic Engagement and Capacity Development Specialist of the CLIMB project Md. Tanvir Sharif is anticipating that the borrowers from this sector, who borrowed loans last year, will face an unbearable problem to repay the loan. Around $12 million export earnings are now in question due to the pandemic. Transportation problems are also causing disruptions in the supply chain including orders cancellations due to not being able to deliver the goods.

<table>
<thead>
<tr>
<th>PSA 2 Recommendation</th>
<th>Proposed Timeline in the Context of COVID-19</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research on the alternatives to pesticide usage.</td>
<td><strong>Midterm Time Frame</strong></td>
<td>As the majority are small-scale actors in this sector, in the current pandemic situation, their primary focus is to protect their livelihood. Since, the majority of the suggested recommendations are non-essential in terms of business survival, these should be implemented in the midterm to long term time frame.</td>
</tr>
<tr>
<td>Provide technical assistance to the Bangladesh Standards and Testing Institution (BSTI) to implement certain benchmark(s) that all the processors have to follow in order to maintain the quality of dry fish. Set-up testing facilities which can determine the level of pesticide used in any amount of sample.</td>
<td><strong>Long-term Time Frame</strong></td>
<td></td>
</tr>
<tr>
<td>Establish a cold storage system in Nazirartek in association with export oriented dry fish processing enterprises.</td>
<td><strong>Long-term Time Frame</strong></td>
<td></td>
</tr>
</tbody>
</table>

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86 (The Financial Express, 2020)
87 (USAID, 2019)
88 (TBS News, 2020)
Launch a campaign for the coastal communities, targeting the parents and local opinion leaders to enhance community level understanding of the negative effects of forced child labor.
7.4 Rice Bran Oil

Impact on the sector due to COVID-19

Impact on Rice Bran oil Industry: Agriculture industry in Bangladesh is facing a slump in economic activity. In most cases there are widespread disruptions in the supply chain of agro products at the rural level. The primary mode of transactions there is through informal and physical meetings. As such, proper sales and distribution is very difficult while observing social distancing protocols. This is particularly the case for areas with largely homogeneous crops, such as rice. The RBO industry is already struggling to get enough quality raw materials for their production. Most of them are not producing at capacity due to poor access to raw materials (rice bran).

General Constraints of the Sector: Of the 36 lakh tonnes of rice bran produced annually, RBO producers have access to only 4.5 lakh tonnes (12.5 percent). Reason being 30 percent of the total rice production is processed at the household level and the remaining 70 percent is processed by 1700 medium and large rice mills which are scattered around the country. This makes procurement of the produced rice bran harder for RBO producers.

Impact on Exports: As of 2019, the estimated total market size of RBO was worth approximately $145 million with less than 20 percent of it catering to the domestic market and the remaining 80 percent getting exported as CDSO. Due to the COVID-19 pandemic, exports are expected to pass a dormant period.

GoB Incentive: Due to the current covid-19 period, GoB has increased the timeframe of tax-rebate for the local industries which are engaging in producing rice bran oil.

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<thead>
<tr>
<th>PSA 2 Recommendation</th>
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<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce standardized and globally benchmarked bran preservation methods for the rice millers. Collaborate with rice bran oil producers' association in capacity and awareness building of the semi-automatic and automatic rice millers.</td>
<td>Midterm Time Frame</td>
<td>Since this forward market of Crude Rice Bran Oil is mainly export (80%), which has been hit due to decrease in demand because of COVID-19 and the subsequent recession; the activity levels will begin to return to pre-outbreak levels once the global economy bounces back.</td>
</tr>
<tr>
<td>Initiating a cluster development program for bringing the auto rice mills and rice bran oil processors in one place.</td>
<td>Long term Time Frame</td>
<td>Due to this reason most of the recommendations have been shifted to the mid to long term time frame.</td>
</tr>
</tbody>
</table>

89 (TBS News, 2020)  
90 (USAID, 2019)  
91 (The Business Standard, 2020)
cluster should also be equipped with a common laboratory for testing the quality of rice, bran, and oil for the cluster members.

7.5 Cashew Nut

**Impact on the sector due to COVID-19**

This subsector is in the unique position of being in need of upgrades through research. Bangladesh currently produces about 1,200 tonnes of cashews per year, a number hobbled in comparison to the major producers of cashews with Indonesia ranking in 10th globally and producing 95,000 tonnes per year (79.16 times more than Bangladesh). The majority of Bangladesh’s cashews are exported to India and Vietnam (1,100 tonnes per year).

Crucially, Bangladesh is in desperate need of research to find local climate appropriate breeds of cashew nut with low nut counts to compete with the global market. Currently, Vietnam is producing cashew nuts of 180-200 count while Bangladesh is producing 240 and 320 count. Moreover, there are already very few nut processing enterprises in Bangladesh and they only process portions of the 100 tonnes of raw cashew nuts which don’t get exported.

There appears to have been a slight bump in the local market of cashew nuts, becoming more widely available especially in the urban regions in Bangladesh. While some online stores, working in the urban areas, are trying to maintain the price ($18.85/kg for processed salted nuts), others have been found to be selling at dry commodity goods markets at lower prices ($11.78/kg).  

### PSA 2 Recommendation

<table>
<thead>
<tr>
<th>Proposed Timeline in the Context of COVID-19</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Time Frame</td>
<td>This activity is not strongly dependent on physical interactions or highly frequent logistical transportation.</td>
</tr>
</tbody>
</table>

Facilitate research projects of domestic horticulture centers focusing on the cashew breeds of higher yield, which will have better raw cashew nut yield and nut count than the traditional breeds.

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92 (Evaly, 2020)
The transfer of knowledge from research institutes to the grassroots level farmers should happen in a recurring manner leveraging the nationwide FFS (Farmers Field School) network under the Department of Agricultural Extension. Prepare a standardized guideline and curriculum towards cashew farming for the growers.

**Long term Time Frame**

This process can be conducted through distributed networks (such as DAE offices and field offices of various potential collaborators involved in agriculture to reduce high risk behavior such as long-distance travel and extended physical interactions.)
8.0 Impact of COVID-19 on Gender and Youth

Bangladesh ranked 50th out of 153 countries in the Global Gender Gap Index published by the World Economic Forum. The index is designed to measure gender-based gaps in accessing resources and opportunities. The index mainly looks into economic, political, education, health and safety opportunities. In the 2019 index, Bangladesh far outperformed its South Asian peers. 93 The country had achieved remarkable progress in economic participation, educational attainment and health and survival in the last two decades. However, according to the United Nations, the spread of COVID-19 runs the risk of rolling back whatever gains that were made in gender equality during the last two decades. 94 The pandemic is deepening pre-existing inequalities in economic opportunities, access to basic requirements such as healthcare and hygiene, and security and social rights. In terms of the effect of COVID-19 on the female population of Bangladesh, the assessment team has analyzed the situation in three broad lenses, 1) Economic Opportunities 2) Reduced Mobility and Access and 3) Security and Gender Based Violence.

1) Economic Opportunities: Bangladesh was one of the few countries in South Asia which added jobs and increased the labor force participation of women in the last two decades. However, at 36 percent, 95 Bangladesh’s female labor force participation rate was way below its peers such as Nepal (80 percent) and Vietnam (70 percent). 96 The COVID-19 pandemic is already showing signs of shrinking female labor force participation in Bangladesh.

In 2018, out of the 3.5 million workers in the apparel industry, 60 percent were female. 97 The Apparel Industry in 2019 accounted for $33 billion or 84.2 percent of the total export revenue of Bangladesh. 98 The sector is at risk from a decline in global demand following uncertainties from COVID-19. BGMEA, the apex body of the apparel sector of Bangladesh, expects a shortfall of about $10 billion in 2020. Most of the factories are receiving orders which are less than 50 percent of their production capacity. 99 As a result, many workers have been temporarily laid off during the lockdown period, earning 70 percent of their original wages. 100 With many factories announcing a shutdown following a lack of orders, the apparel sector would witness a high amount of job loss following the COVID-19 pandemic. 101

COVID-19 had a much worse impact on women working in the informal sector. The informal sector contains approximately 89% of the female labor force. 102 Most of them are working as domestic workers, MSME workers, day laborers, cleaners etc. who lost their jobs or were temporarily laid off due to the fear of infection. Female workers working abroad have returned to Bangladesh due to job loss and now are counted as

93 (We Forum, 2020)
94 (UN, 2020)
95 (World Bank, 2020)
96 (World Bank, 2019)
97 (CPD, 2018)
98 (Bangladesh Bank, 2019)
99 (TBS News, 2020)
100 (TBS News, 2020)
101 (TBS News, 2020)
102 (The Daily Star, 2018)
Females entrepreneurs, especially in online businesses suffered a big hit from COVID-19. A study led by BRAC Institute of Governance and Development shows that more than 90 percent of the 122 (sample size) female online businesses have had a negative impact due to COVID-19. Loss of revenue can be seen across these businesses. Eighty percent of these businesses reported that their revenue has gone down significantly compared to last year. Although the businesses reported that they have not yet laid off any employees, if the COVID-19 situation continues and the revenue does not pick up, they will not be able to retain the employees.

Many female oriented online delivery startups have stopped their business activities due to a drop in orders, halting of imports and the fear of spreading the virus. This has caused the female workers associated with the businesses to lose their income opportunities.\(^\text{104}\)

2) **Reduced Mobility and Access:** COVID-19 and its subsequent lockdown has reduced the general mobility of the population. According to the Google Community Mobility Report of June 2020, mobility has reduced by 45 percent in public transports and 51 percent around retail.\(^\text{105}\) This lack of overall mobility has translated into reduced mobility for women. This makes the already deteriorating economic situation worse as women face additional hardship going out to participate in livelihood activities. Access to necessities like healthcare and WASH is harder during the pandemic. Maternal mortality might increase due to the lack of availability of PPE to care providers such as skilled midwives and nurses, with many women opting for child births at home. Additionally, loss of income and food crisis may lead to de-prioritization of hygiene materials like soap.\(^\text{106}\)

3) **Security and Gender Based Violence:** In a multi-sectoral anticipatory needs assessment study by the Needs Assessment Working Group\(^\text{107}\) noted that domestic and intimate partner violence is increasing against women and children following a loss of income, school closures, returning migrant workers, communities remaining under lockdown for prolonged periods, and inability to access regular safety and support mechanisms.\(^\text{108}\)

A recent survey conducted by Manusher Jonno Foundation (MJF), a local human rights organization, found out that at least 4,249 women and 456 children were subjected to domestic violence in 27 out of 64 districts of Bangladesh in April, where 1,672 women and 424 children were facing violence for the first time in their lives.\(^\text{109}\) Lack of social

\(^{103}\) (UNwomen, 2020)  
\(^{104}\) (Brac IGD, 2020)  
\(^{105}\) (Gstatic , 2020)  
\(^{106}\) (Relief Web, 2020)  
\(^{107}\) The Needs Assessment Working Group (NAWG) is the platform for government and non-government humanitarian agencies under Humanitarian Coordination Task Team (HCTT) led by a secretariat under CARE Bangladesh.  
\(^{108}\) (Relief Web, 2020)  
\(^{109}\) (Aids Data Hub, 2020)
interaction due to social distancing has added to the fact that men are becoming increasingly aggressive.  

**Impact on Economic Opportunities Owing to COVID-19**

The following table details the economic participation of women in the selected sector pre-COVID-19 and the changes to the opportunities post COVID-19.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Light Engineering</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women participation in pre COVID-19 situation</strong></td>
<td>National average: 5 percent</td>
</tr>
<tr>
<td></td>
<td>Bogura &amp; Jashore: Approx 1 percent-2 percent</td>
</tr>
<tr>
<td><strong>Current Tasks</strong></td>
<td>Informal, low value added, manual, labor-intensive tasks at Foundry level.</td>
</tr>
<tr>
<td><strong>Opportunities Identified in PSA2</strong></td>
<td>Recent influx of male workers towards other sectors leaving a worker shortage which will create opportunities for female workers.</td>
</tr>
<tr>
<td></td>
<td>Women can be trained for machining shop tasks which can provide better pay for the workers.</td>
</tr>
<tr>
<td><strong>Impact on opportunities owing to COVID-19</strong></td>
<td>- In pre COVID-19 situation, male workers were moving towards work in the transportation sector. Due to the decline of the transportation sector and subsequent job loss, the male workers are returning to their previous workplaces, thus creating a surplus of labor. This surplus labor in the Light Engineering would mean women would find it harder to secure a job.</td>
</tr>
<tr>
<td></td>
<td>- Light engineering training requires firsthand exposure to various equipment. The training method would defy COVID-19 social distancing guidelines. Remote training is not viable due to the nature of the training and the tools that are used.</td>
</tr>
</tbody>
</table>

110 (DW, 2020)
<table>
<thead>
<tr>
<th>Sector</th>
<th>Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women participation in pre COVID-19 situation</td>
<td>13 percent</td>
</tr>
<tr>
<td>Current Tasks</td>
<td>Reception, Administration, and/or Room-service.</td>
</tr>
<tr>
<td>Opportunities Identified in PSA2</td>
<td>Women can opt for white collar jobs such as being a chef or a supervisor through training or signing up for higher education.</td>
</tr>
</tbody>
</table>
| Impact on opportunities owing to COVID-19 | - Inspirational stories about women entrepreneurs in the tourism and hospitality sectors can be published which can inspire women to consider entrepreneurship in the post COVID-19 situation. Currently websites like *The Tourism Voice* are publishing these kinds of biography.  
- Current decline in the tourism sector and job cut will hamper previous PSA2 opportunities outlined such as supervisors and chefs. As evidenced in the Tourism section 2.0, the sector is experiencing job-loss. In such a scenario, availing white collar jobs would be difficult for men and women alike.  
- Many women were engaged in selling tourist trinkets such as handicrafts, collectibles, showpieces etc. Remote training to boost the online presence of these women through connecting e-commerce platforms, f-commerce facilitators or self-reliance through social media could help these women sustain during COVID-19. |

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[111](The Financial Express, 2020)
### ICT & Outsourcing

<table>
<thead>
<tr>
<th>Women participation in pre COVID-19 situation</th>
<th>13 percent in software firms, 40 percent in call centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tasks</td>
<td>Call center operators, data entry operators and other low value-added tasks.</td>
</tr>
<tr>
<td>Opportunities Identified in PSA2</td>
<td>Freelancing, IT entrepreneurship and high value-added tasks such as software development, design etc.</td>
</tr>
</tbody>
</table>
| Impact on opportunities owing to COVID-19   | - Decline in ICT sector in COVID-19 will mean in a short-term scenario there will be pay cut, job loss and little to no recruitment. Many tech companies such as Pathao, Surecash etc. laid off non-essential employees and initiated pay-cuts during the pandemic.  
- Due to job loss, more and more people are joining already saturated freelancing platforms. This has created a more competitive scenario with clients requiring niche skills. Training on niche skills have become essential in COVID-19 scenario. |

### Telecommunication

| Women participation in pre COVID-19 situation | 7 percent |

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112 (TBS News, 2020)
<table>
<thead>
<tr>
<th>Current Tasks</th>
<th>White collar tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunities Identified in PSA2</strong></td>
<td>Telecom companies can decrease gender induced digital divide increasing women participation in internet-based income generating activities.</td>
</tr>
<tr>
<td></td>
<td>- Online jobs will continue to grow in the telecommunication sector through internet-based income generating activities. Due to COVID-19 economic downturn the competition will be fierce as everyone will try to avail those jobs. In this current situation, to compete for these jobs, niche skills are necessary.</td>
</tr>
<tr>
<td></td>
<td>- Call center jobs may move to an online modality due to social distancing. This might create newer opportunities to work online.</td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td><strong>Automotive</strong></td>
</tr>
<tr>
<td><strong>Women participation in pre COVID-19 situation</strong></td>
<td>3 percent in the factories,</td>
</tr>
<tr>
<td></td>
<td>12 percent in the postproduction phases</td>
</tr>
<tr>
<td><strong>Current Tasks</strong></td>
<td>Post-production activities such as marketing, sales, and management office.</td>
</tr>
<tr>
<td><strong>Opportunities Identified in PSA2</strong></td>
<td>Inclusion of women in backward linkage activities in the Light Engineering sector.</td>
</tr>
<tr>
<td><strong>Impact on opportunities owing to COVID-19</strong></td>
<td>-As evidenced in the Automotive section, the sector is experiencing job-loss. In such a scenario, availing jobs would be difficult for both men and women.</td>
</tr>
</tbody>
</table>
The Impact of COVID-19 on the Youth

COVID-19 has affected the youth of Bangladesh in multiple dimensions. Significant dimensions include deteriorating health, job and income loss, increased poverty, and domestic violence. A study conducted by South Asian Network on Economic Modeling predicted that 8.7 million Bangladeshi youth will lose their job and plunge into poverty due to COVID-19.\(^{113}\)

The youth face challenges in education as well. As the crisis prolongs, loss in schooling hours are leading to loss in learning opportunities, jeopardizing millions of students.\(^{114}\) Universities are not also adequately equipped to hold online classes.\(^{115}\) The economic and educational uncertainties are having a huge toll on the mental health of youth and adolescents.

Despite the negative impact of COVID-19 on the economy, many youth-led startups are working directly in fighting the pandemic. Social Startups ranging from Moner Bondhu, a platform which is providing mental health counseling and to the ride-sharing platform shuttle pivoting to ferrying doctors and essential care workers, the youth have been on the forefront in the fight against COVID-19.

Impact on Economic Opportunities Owing to COVID-19

The following table details the economic participation of youth in the selected sector pre-COVID-19 and the changes to the opportunities post COVID-19.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Light Engineering</th>
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</table>

Youth consists of around 45 percent of the total workforce in this sector. Of the 45 percent youth, 5% of them are women. That makes young females 2.25% of the total workforce in Bogura and Jashore. They are mostly involved in lathe, drill, shaper, grinder, welding, honing, and assisting others doing these tasks. Majority of the youth involved in this sector come from a low or no educational background.

\(^{113}\) (TBS news, 2020)  
\(^{114}\) (The Financial Express, 2020)  
\(^{115}\) (Dhaka Tribune, 2020)
Every year engineering universities and vocational institutions produce approximately 10 to 12 thousand graduate students/diploma engineers of different engineering disciplines relevant for the light engineering sector such as: mechanical engineering, electrical engineering etc. They usually join as apprentice engineers at different production factories should there be available job offers-most of them usually remain unemployed in the first two-three years following graduation. According to the leaders from different associations, this educated pool of graduates should join the light engineering sector as entrepreneurs, think beyond traditional products and add value-added products in the sectoral portfolio.

- As the economy slows down and opportunities dwindle in various production factories and manufacturing units, the post COVID-19 period provides a good opportunity for vocational institution graduate students to enter the Light Engineering sector as entrepreneurs. As such a Light Engineering accelerator could be envisioned with forward-linkage partners for graduates/diploma holders.

- Due to a decline in the light engineering sector, investments can be risky. However, as Bangladeshi Medical Equipment Industry starts producing medical equipment to counter the pandemic, there will be a shortage of smaller components like nuts and needles. Light engineering sector can capture this opportunity and work as a supplier of these smaller components.

Youth groups from the host communities in Cox’s Bazar are adopting off-farm income-generating activities and subscribing to diverse tourism service businesses. Moreover, youth as customers are the driving catalyst in the domestic tourism landscape.
Establishment of the upcoming tourism parks and exclusive tourist zones is under process by Bangladesh Economic Zone Authority (BEZA). As a result of setting up the tourism parks, Bangladesh Parjatan Corporation can contribute by providing training and finding jobs for at least 0.5 million youth. In addition to this, ongoing construction projects (hotel, resort, and condominium) by the PPP authority can contribute to the engagement of the youth in income generation and employment. Private sector enterprises of the hospitality sub sector indicated that youth can be trained on certain specialized skill sets and absorbed as chefs, culinary managers, bakery chefs and skilled hotel managers across different new and upcoming hotels across the country.

The GoB is shifting its focus on infrastructure related mega-projects such as the Jamuna Bridge and Dhaka Metro-Rail. In terms of BEZA, the WB assistance in developing Sheikh Mujib Shilpa Nagar II\textsuperscript{116} would mean tourist zones will take a lower priority. In that regard, employment opportunities in the tourist parks will be realized in a long-term time horizon.

- In Cox’s Bazar, several youths led organizations are providing training and skill development support to help tourism entrepreneurs pivot towards ecommerce, online service deliveries and training. Online selling platforms have launched easier access opportunity programs for the new sellers which is creating new business opportunities for the youth.

Currently youth comprises 77 percent of the total employment of the sector. Young women account for 10% of the workforce in software firms and 31% of the workforce in call centers. However, they are mostly involved in low value-added repetitive tasks, such as- data entry, call

\textsuperscript{116} (The Daily Star, 2020)
center operation, customer service support, image editing etc. These types of engagement do not generate substantial revenue from the export market and can be replaced by the new generation technologies very easily. A small section of the workforce is proficient in the value-added tasks such as software engineering, programming, data analytics etc.

Opportunities Identified in PSA2

According to the private sector actors and academicians alike, the future of work—even in the emerging economies, is going to be determined by deployment of diverse cutting edge technology verticals such as the AI, big data, machine learning, blockchain, nanotechnology, quantum computing, biotechnology, IoT, fifth-generation wireless technologies (5G) and 3D printing. Young innovators and engineering professionals can play a leading role to introduce these technologies in the country. In light of that, telecom companies in Bangladesh are facilitating incubator and accelerator programs to encourage the youth to launch startups and harness home-grown innovative ideas. The assessment has revealed that all the leading telecom companies have their respective startup accelerator platforms which the youth can leverage to find their cofounders, build their businesses and raise investment for scaling up.
The COVID-19 pandemic has deeply hurt startups. Research on 200 startups shows that 24 percent of the startups have completely stopped their operation while 56 percent lost more than half their revenue.  

However, new emerging opportunities such as Data Science, E-pharmacy, tele-medicine, mask production has shown promise during the pandemic. During the pandemic, data science and AI Gaze raised $0.83 million in Series A funding. Several e-pharmacies have begun operations. Many restaurants are operating their kitchen using the cloud kitchen service provided by a startup called Kludio and delivering through Foodpanda, Pathao Foods etc.

Youth lead start-ups have pivoted to various other services such as relief distribution in terms of SHEBA XYZ, increased garbage collection during the pandemic in terms of Garbage Man, Ferrying doctors and essential workers in terms of Shuttle etc.

Although many startups experienced a revenue loss, many startups were successfully able to pivot and stay relevant. Business resilience and business continuity plan training for the new startups could prepare them to pivot their business under extreme scenarios.

In Bangladesh, there are approximately 5,000 employees directly connected to factory level work and 50,000 employees in the post-production process in the assembly plants, customer service centers and after sales service points. Young people contribute to more than 70 percent of the postproduction workforce. Among them, 12% are women, which means young women represent 8.5% of the total post-production workforce. Moreover, young people are the main catalyst for
the upward demand growth of the automotive sector riding on the wave of ride-sharing services such as Pathao and Uber.

According to the sector insiders, the domestic automotive market is still at an early growth stage. In a two-three years’ timeline the sector will grow exponentially and will require a lot of employable youth across engineering, management, post service handling, assembly line and manufacturing units. By 2025 the sector will employ double the size of employees right now and youth can leverage this opportunity in the best possible manner.

- Evidence shows that, Automotive sector has experienced job loss due to COVID-19. Additionally, future recruitment processes will decline considerably, leading to lower job opportunities for the youth in this sector.

- However, new opportunities are expected to emerge with micro mobility companies and micro mobility startups as people will opt for more personal transportation vehicles due to the fear of infection.

9.0 Additional Recommendations due to COVID-19

During the course of the assessment of COVID-19’s impact on the selected sectors, several opportunities emerged where USAID can forge meaningful partnership with the private sector stakeholders. The assessment team has identified three sectors (telecom, ICT & outsourcing, tourism) and two sub sectors under agri-business verticals (dry fish and cashew nut) where the new recommendations can be applied as illustrated below:

<table>
<thead>
<tr>
<th>Sector</th>
<th>New Recommendation</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism</td>
<td>Facilitate the process of joint preparation of a whitepaper by the different industry associations under the tourism sector. The white paper will outline the numerical estimations of COVID-19’s impact on all the interconnected industry verticals of the tourism sector and map insights against key indicators (job creation, revenue, tourist influx etc.) so that the document can</td>
<td>Although tourism is one of the worst hit sectors of this pandemic, no exclusive stimulus package has been provided by the government for the industry insiders of this sector. Desk research findings (mostly media briefings of the sector associations) indicate that there are many sub sector associations representing different verticals under the tourism industry (hotel, travel agency, resorts) and each are negotiating their respective demands</td>
</tr>
</tbody>
</table>
also be leveraged as a policy advocacy tool for the associations to negotiate better with the government. separately. Moreover, no coordinated approach has been adopted by them to estimate the sector wide impact (ex: incurred revenue and job loss, projected revenue loss etc.).

Collaborate with Bangladesh Tourism Board in launching an integrated behavior change campaign under which IEC (Information, Education & Communication) materials and communiques will be placed across the key tourism destinations of the country. Private sector stakeholders can be included in the planning, distribution and dissemination of these materials. The campaign in general and IEC materials in particular will highlight the importance of health safety protocols and social distancing guidelines in the time of pandemic which will be customized for the tourists.

Tourism sites generally remain crowded and tourists’ behavioral pattern usually involves activities which are not compliant with the public health protocols. Once the first wave of pandemic in Bangladesh recedes, the government may reopen all forms of economic activities, including tourism functions. Through desk research it has been observed that COVID-19 may instigate a second wave if the usual mobility and human activities are restored following the first wave. To minimize such fatalities, the relevant public health guidelines should be placed across all touchpoints.

Facilitate a collaboration between Tour Operators Association of Bangladesh (TOAB) and Facebook & Google’s regional market development teams which will lead to the launch of a training session for the tourism entrepreneurs in Bangladesh regarding usage of digital marketing platforms, Facebook ad spending mechanisms, google ad platforms etc. This way Bangladesh tourism enterprises can leverage the cost-effective digital marketing tools and promote their brands and services to stay relevant during the post COVID-19 tourism sector spike.

With almost all tourism activities halted across the globe, governments in tourism economies are prioritizing the capacity building of tourism entrepreneurs in line with future skill needs and promotional campaigns to tap into the post COVID tourism sector demand surge. For example, Singapore Tourism Board (STB) has launched a Marketing Partnership Programme (MPP) as part of STB’s COVID 19 Recovery Plan which aims to support the international marketing initiatives of hotels, attractions, inbound travel agents etc.

<table>
<thead>
<tr>
<th>ICT &amp; Outsourcing</th>
<th>After the pandemic, emerging sectors such as Education Technologies (EdTech), Health</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>During the COVID-19 period, services such as telemedicine, fintech and education technologies have gained</td>
</tr>
</tbody>
</table>
Technologies (HealthTech) and Financial Technologies (FinTech) will be a mainstay in our digital lives. USAID with partnership with BASIS (ICT sector association) can set up a Healthtech/Fintech/Edtech Incubator which will allow the early stage startups in these domains to be investment and growth ready.

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</tr>
</thead>
<tbody>
<tr>
<td>renewed relevance and an increase in its consumer base. Several online medicine delivery startups have launched such as Ousud.com, BanglaMeds.com.bd and Oshudhwala.com. MFS giants like bKash and Nagad has been used to disburse social safety net payments, making the service essential for a large number of bottom of the pyramid users. With schools, colleges and universities closed, Ed-tech companies such as Repto, Yoda have gained traction. Online training and skills development websites have seen an increase in user base, as universities started offering Coursera and other platforms to registered students for free.</td>
</tr>
<tr>
<td><strong>Telecom</strong></td>
</tr>
<tr>
<td>Partner with the Telecom service providers to create bundles of cheaper data and devices for professionals (especially freelancers, service holders) and university students.</td>
</tr>
<tr>
<td>During the pandemic, work from home and study from home has been a standard practice for many corporations and educational organizations. A lot of employees and students alike have been facing challenges with quality internet connection and the cost of data.</td>
</tr>
<tr>
<td><strong>Dry Fish</strong></td>
</tr>
<tr>
<td>Assist low income people and small businesses involved in the dry fish processing sub sector in Cox’s Bazar to access the applicable stimulus packages announced by the government. In addition to that the following can also be considered for engaging with the sector stakeholders amidst the pandemic:</td>
</tr>
<tr>
<td>Fish purchase and drying season is about to start from the end of July 2020. Provision of health safety kits and dissemination of safety messages among the laborers involved in the</td>
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<tr>
<td>As reported by the local dry fish association, many fishermen have been avoiding deep sea fishing as well as fish drying activities owing to the ongoing lock down in Cox’s Bazar. But the majority of them will not be able to continue this ‘locked down’ state of inactivity when the fish drying season starts. Early precautionary measures can reduce infection in a substantial manner.</td>
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118 (The Daily Star, 2020)
<table>
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<tr>
<th>Cashew Nut</th>
<th>Cross Sectoral Private Sector Engagement Strategy</th>
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</thead>
<tbody>
<tr>
<td>- Partner with private sector conglomerates such as Bangladesh Steel Re-Rolling Mills Ltd.(BSRM) who would be interested to cultivate and process cashew nuts to facilitate a joint market scan to identify export destinations for processed cashew nuts.</td>
<td>● Partner with Industry Associations in creating a stream of monthly tracking data on different indicators such as industry size, growth, revenue, sales volume and sales value, customer footfall etc.</td>
</tr>
<tr>
<td>- Initiate a capacity development program with the Department of Agriculture for processors of cashew nut.</td>
<td>● The implications surrounding COVID-19 are far-reaching and volatile, making long-term strategies harder to envision. With a periodic data stream on various sectors, relevant stakeholder such as Industry Associations, Bangladesh Investment Development Authority (BIDA), Public-Private-Partnership Authority (PPPA), Bangladesh Economic Zone Authority (BEZA) etc. will be able to take evidence based decisions on the trajectory of different business and consumer sectors in Bangladesh. - A tracking data can document the extent of the recovery in certain sectors, which will help the policymakers in designing incentives and</td>
</tr>
<tr>
<td>- Large private sector conglomerates are getting interested in cultivating and processing cashew nuts as evidenced by BSRM training 1000 farmers to produce cashew nuts. This would mean a lot of big players may follow suit, willing to enter the cashew nut market as processors. - The Ministry of Agriculture is interested in promoting and increasing the popularity of cashew nuts. The Ministry affirmed to support entrepreneurs working in the cashew nut sector. A capacity development program for processors could facilitate the processors market entry strategy, standardized processing norms, knowledge about value added cashew nut derivatives and by-products such as cashew kernel, cashew nut shell liquid etc.</td>
<td></td>
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</tbody>
</table>

119 (TBSnews, 2020)  
120 (Daily Sun, 2020)
stimulus packages aimed directly at ailing sectors. On the other hand, Industry Associations can use this data to make a case to policymakers for a more focused approach to their respective sectors.
Conclusion

With a sharp rise and steep growth in all major indicators, the economy of Bangladesh was making notable progress in the last two decades. However, similar to global phenomena, the country’s key economic sectors have been affected by COVID-19. Likewise, the Private Sector of the country is experiencing an unprecedented slowdown.

Among the sectors, tourism is considered one of the hardest hit by COVID-19 impact due to reduced mobility led by the preventive measures to contain coronavirus. As a result, people involved in the sector are affected negatively. Similarly, people working in other sectors such as light engineering and agribusiness have minimized their activities, leading to massive revenue loss for the country. Amidst the plight, everyone is exploring the way forwards, and attempting to bring up innovative solutions. ‘Digital Everything’ adaption of various products and services is especially catching on.

While many sectors will not be able to recover soon and will experience a long-lasting impact, sectors such as ICT and Telecommunication are expected to bounce back faster. Even experts indicate that the sectors will get more revenue than they used to get in pre-COVID period, owing to the rapid digital transformation both in the local and international market.

To address the economic problem, many initiatives have been taken by both public sectors, private sectors, and foreign donors. GoB declared a stimulus package, and disbursement of cash aid for the affected sectors and people to help them survive during the pandemic. Moreover, Bangladesh Bank initiated loan facilities and waiver of interest on loans to mitigate the financial burden during the pandemic period. Alongside the public sector, private sectors and NGOs are also working to alleviate the financial losses of the country. The dissemination of these packages is certainly challenging, and it remains to be seen how well the stimuli packages are executed.

Bangladesh, on the cusp of its 50th founding year, finds itself on a tricky position. Its position as an emerging engine of growth is challenged, the demographic dividend is under threat and its ambition to transition from a Lower Middle Income Country to a Middle Income Country seems lofty. As leaders in both Public and Private sector are working to safeguard the people and the economy, surviving the COVID-19 pandemic will be the ultimate test of the resilience of Bangladesh.
# Annex A: Detailed Listing of the Government Stimulus Packages

<table>
<thead>
<tr>
<th>No.</th>
<th>Package name</th>
<th>Package Relevance for Private Sector</th>
<th>Provision (in Million $)</th>
<th>Source of Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Special fund for export-oriented industries</td>
<td>This package was created mainly to support the garments and apparel exporting companies. The support comes directly from the government fiscal budget.</td>
<td>$589.28</td>
<td>Government tax revenues</td>
</tr>
<tr>
<td>2</td>
<td>Working capital for manufacturing and service industries aggrieved due to COVID-19</td>
<td>This package comes as a support to corporate loans for large corporations which are aggrieved by COVID-19.</td>
<td>$3,535.65</td>
<td>Fund of scheduled banks</td>
</tr>
<tr>
<td>3</td>
<td>Working capital for CMSME (Cottage, micro, small, medium enterprises)</td>
<td>The bulk of the private sector which is around 7.8 million cottage, micro, small, and medium enterprises are supposed to get help from this package. Since the provision of this package comes from private sector scheduled banks, the intended recipients will have a tough time availing the stimulus if their respective organizations have not been introduced to formal banking channels.</td>
<td>$2,357.10</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Increasing size of Bangladesh Banks export development fund (BB-EDF)</td>
<td>The increased size of the BB EDF will help exporters finance in foreign exchange in the post COVID-19 period and drive down the interest rate.</td>
<td>$1,502.65</td>
<td>Foreign currency reserve</td>
</tr>
<tr>
<td>5</td>
<td>Pre-Shipment Credit Refinance Scheme</td>
<td>This package aims to facilitate opening of Letter of Credit (LC)s and other credit guarantees.</td>
<td>$589.28</td>
<td>Bangladesh banks own fund</td>
</tr>
<tr>
<td>6</td>
<td>Special remuneration for doctors, nurses and health workers working in the frontlines during COVID-19</td>
<td>This package aims to facilitate special honorarium for doctors, nurses and health workers working in the frontlines during COVID-19.</td>
<td>$11.79</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Program</td>
<td>Description</td>
<td>Cost</td>
<td></td>
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<td>-----</td>
<td>----------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td></td>
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<tr>
<td>7</td>
<td>health workers</td>
<td>This stimulus package is announced to facilitate life and health insurance for Government doctors, nurses, Administrative officers, Policemen, and relief workers working COVID-19.</td>
<td>$88.39</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Distribution of free food stuff</td>
<td>This package will facilitate free food distribution to the vulnerable population during the pandemic.</td>
<td>$294.99</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Distribution of 10 taka-kg rice (15.31 cent per KG)</td>
<td>This stimulus package will facilitate GoBs 10-taka KG rice initiative.</td>
<td>$29.58</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Cash handout for targeted populace</td>
<td>This stimulus is cash handouts which are being distributed to the low-income groups across the country via local administration and local government representatives.</td>
<td>$148.26</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Increasing the Allowance Program</td>
<td>Allowances for government staff members will be facilitated through this package.</td>
<td>$96.05</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Building home for homeless</td>
<td>Building houses for the homeless population will be facilitated through this package.</td>
<td>$251.03</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Boro Rice Buying scheme</td>
<td>Boro rice being one of the most important crops of the year, this package is intended for the government buying the Boro rice from the farmers.</td>
<td>$101.36</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Agro mechanization</td>
<td>Following the challenges of harvesting crops during COVID-19, the government placed higher emphasis on agro-mechanization. This package will facilitate farmers willing to buy farm equipment.</td>
<td>$23.57</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Agricultural Subsidies</td>
<td>This package aims to subsidize seeds, fertilizers, saplings, and other farm inputs for farmers.</td>
<td>$1,119.62</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Agriculture refinance scheme</td>
<td>This scheme aims to refinance agribusinesses through Private Commercial Bank (PCB)s and Special Banks.</td>
<td>$589.28</td>
<td>Bangladesh banks own fund</td>
</tr>
<tr>
<td>17</td>
<td>Refinance scheme for low income people and small businessmen</td>
<td>This scheme aims to refinance low income people and small businessmen through PCBs and Special Banks.</td>
<td>$353.57</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Livelihood program</td>
<td>This stimulus package will facilitate livelihood preservation and restoration programs to ensure food security and nutrition among vulnerable populations.</td>
<td>$235.71</td>
<td>Government tax revenues</td>
</tr>
<tr>
<td>19</td>
<td>Subsidies on deferred interest payments of private banks</td>
<td>This package would mitigate a loss from interest earnings due to the government freezing interest payments for businesses and individuals due to COVID-19.</td>
<td>$235.71</td>
<td></td>
</tr>
</tbody>
</table>

Total- $12,152.86
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