

## Online Business Dialogue: A unique initiative of FNF to RESTART Economies in Asia

### RESTART ASIAN ECONOMIES: Ideas and Actions for the Food and Agriculture Industry Monday, 29th June 2020

Report  
By Subodh Kumar Agarwal



#### **Background:**

These are unprecedented times. The world has never witnessed a situation in recent times, when half the world has been forced under a Lockdown. Countries across continents have closed borders, implemented stringent measures to keep their citizens safe, isolating them to the confines of their homes, schools and colleges shut, businesses coming to a grinding halt, public transport suspended and fear gripping the world population. WHO was compelled to give in to the situation calling it a pandemic, spreading through human to human transmission. It named the pandemic COVID-19. Of course, the pandemic is not just a health crisis but has spilled over to other socio-economic impacts of nations and their people.

The adverse economic impact of the COVID-19 pandemic is being seriously felt across the globe. Economies are on a free fall with a precipitous decline in employment, income, and consumer demand. Regional as well as global trade (import and export) has dropped sharply. Government expenditure has increased considerably primarily to meet immediate needs of households and

to save businesses from collapsing. With a decline in tax revenue generation, deficit spending by the government to assist consumers and businesses will diminish inevitably. In these difficult situations, entrepreneurs will have to find ingenious ways to survive as well as to open windows of opportunities to sustain and grow.

Concurrently, external factors such as the effects on the supply chain, consumers shift in demand and changes in government regulations will have to be taken into consideration by an entrepreneur. The challenges and opportunities businesses are encountering in today's situation will differ across the sectors and sub-sectors, and by their size of operation. Understanding and appreciating how different types of businesses are functioning across countries can lead to useful conclusions and prescriptions on what are essential ingredients for businesses to remain functional and contribute to the economy in this changing environment.

### Objective:

In order to **RESTART** the economic activity in Asia, the South Asia office of the Friedrich Naumann Foundation (FNF) decided to organise a series of Online Business Dialogues called **RESTART ASIAN ECONOMIES: Ideas and Actions**, addressing different sectors from the Industry. As a provider of fresh viewpoints, FNF has always been at the forefront in providing liberal solutions to the burning issue of the day. The aim of this initiative is to establish a cross-regional business dialogue thereby encouraging businesses to exchange ideas and to harness enabling economic relations. At the same time to deliver concrete advice to entrepreneurs.

### Introduction to the topic:

The first programme under the series was held on **June 29, 2020** on the topic **“RESTART ASIAN ECONOMIES: Ideas and Actions for the Food and Agriculture Industry”**. Agriculture includes not only crops but also animal farming, forests and fishing. Defining the food sector is a bit more complex. Some food after it is harvested:

- (i) goes directly to the market (e.g. fresh fish or fruits);
- (ii) a second category goes through milling – paddy to rice; wheat to flour;
- (iii) a third category can be classified as food -processing -- changing its form as grading is done and then goes to the market (processed chicken, fish to butter, cheese, jelly and jam).

The distribution and retail sectors play a big role in the food sector too for eg. food outlets and restaurants.

Bangladesh has made remarkable progress in achieving food security despite high population density and frequent natural disasters. Bangladesh experienced one of the fastest rates of agriculture productivity growth in the world since 1995 (2.7 percent per year, second only to China). Bangladesh's agricultural sector contributes 15 percent to the country's GDP and provides employment to about 40% (2 out of 5) of those in the labour force.

India, on the other hand, with a population of 1.3 billion is the world's second most populous country. Agriculture, with its allied sectors, is the largest source of livelihoods in India. 70 percent of India's rural households still depend primarily on agriculture for their livelihood; and 82 percent of farmers are small and marginal.

There are certain commonalities between Bangladesh and India's food and agriculture sector. First, a high percentage of poor and marginalised population are dependent on this sector. Second, both primarily cater to the domestic market.





### Speakers:

FNF invited two business representatives from the Food and Agriculture sector to share their views and experiences of the practical challenges faced by them during the COVID 19 times. The discussion was moderated by Dr Najmul Hossain, country representative, FNF Bangladesh and the question moderator was Mr Subodh Kumar Agarwal.

The first speaker was from **Bangladesh - Mr Abu Luthfe Fazle Rahim Khan**, popularly known as Shahriar to his friends), the Managing Director of Islam Group Agro Business Division, which is an umbrella for 6 interrelated companies, with an interest in Fisheries, Feed Mills and Pure Agriculture. He has dedicated his work in the field of poultry and aqua with the key objective to contribute to the growth of the protein intake of the country, and is working to minimise poultry production cost concentrating on the whole value chain to make chicken, egg and fish more affordable thus ensuring the basic nutrient demand of the people of Bangladesh. He has also worked as a Consultant for World Bank and USAID on various projects. His dream is to alleviate the bottlenecks and the loopholes of the marginal farmers by educating and providing technical support, women empowerment, job creation for youth and to promote entrepreneurship at the grass roots level.

The second speaker from **India was Mr Rajesh Singh**, who comes from a family who've been farmers from generations. Over the years, he has integrated his generations old traditional farming into processing industry to aggregating the fruits supply chain, through an internet enabled platform. He is the Founder Director of Farm Solutions Pvt Ltd, a food processing unit, producing fruit pulps for large scale consumption. In 2011, he started an innovative start-up, called Farm Internet Solutions, to integrate various intermediaries in the fruit trade through its application [fruitsofindia.com](http://fruitsofindia.com).

A fierce individualist, deeply rooted but aiming for the sky, he believes the true freedom lays in the experiences with the land and its people; an advocate of individual freedom, he is convinced of the survival of the individual and limited role of the government.



### Target Group:

The main target group of the Online Business Dialogue will be entrepreneurs from South Asia. Participation from India and Bangladesh topped the list. It was noteworthy that the programme had participation from the United States, Singapore, German and even Iran. FNF needs to work on increasing its outreach and participation from Pakistan and Sri Lanka. In all approx. 80 participants attended the programme.

### Highlights:

The discussion highlighted the weaknesses of the agriculture sector. Prominent among them

- ☀ Lack of proper storage facilities
- ☀ Problem of loans taken by the farmers especially in India
- ☀ Limitations on the use of technology,
- ☀ Socio-economic challenges



- ☼ Temporary problems of delivery due to transportation sector during Covid-19
- ☼ Small producers may be forced to shut shop
- ☼ Supply Chain problems

The governments role in strategic areas would be appreciated. More interventions from the governments side, in hand-holding the small producers is the need of the hour. The use of technology in future will help the sector in reaching out to end-consumers as well as expand the outreach.

#### **Conclusion:**

The importance of the Food and Agriculture sector cannot be undermined. The discussion did highlight the challenges faced by the Food and Agriculture Sector, the government interventions that could play a crucial role in reviving the sector and even the real of technology that can help in boosting output for the sector.

The programme ended with the closing remarks by Dr Carsten Klein, the Regional Director, FNF South Asia. The programme was much appreciated by the participants.