

# Emirates named airline of the year

*Novoair the best domestic carrier in the Monitor Airline of the Year Awards*

STAR BUSINESS REPORT

Luxury carrier Emirates has been adjudged the airline of the year for 2019 based on a poll among frequent flyers from Bangladesh.

Local airline Novoair was named the best domestic carrier in the survey conducted by travel and tourism publication the Bangladesh Monitor and sponsored by travel aggregator ShareTrip.

Ahmed bin Mohammed Al-Dehimi, Qatar's ambassador to Bangladesh, handed over trophies among the representatives of the

airlines at a ceremony at the Pan Pacific Sonargaon hotel in Dhaka on Friday.

Airlines operating in Bangladesh, including four domestic ones, were awarded in 16 categories, according to a press release.

Based on the number of votes, the airlines in each category received gold, silver and bronze trophies.

Qatar Airways was adjudged the best cargo airline while AirAsia the best budget carrier.

The idea of conducting the poll is to assess popularity of the airlines operating in Bangladesh, judge

their service standards and create an atmosphere of healthy competition, said Kazi Wahidul Alam, editor of The Bangladesh Monitor.

"We have been observing ever-growing enthusiasm among the frequent flyers about the poll, which has been serving as an inspiration for us to organise the event on a regular basis since 2007."

Stephen James Peters, general manager of the Pan Pacific Sonargaon; Tanveer Ali, a director of ShareTrip, and Daraz Mahmud, general manager at MGH Travelpoort, also spoke on the occasion.



Ahmed Mohammed Al-Dehaimi, ambassador of Qatar in Bangladesh; Shibli Rubayat UI Islam, dean at the faculty of business studies at Dhaka University; Kazi Wahidul Alam, editor the Bangladesh Monitor, pose with the winners of the Monitor Airline of the Year 2019 at Pan Pacific Sonargaon Dhaka on Friday.

## Remittance floating uphill

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In January, expatriate Bangladeshis sent home \$1.63 billion to take the total thus far in the fiscal year to \$11.04 billion.

The seven-month receipts are up 21.43 per cent year-on-year, according to data from the Bangladesh Bank.

If the trend continues, remittance will hit a benchmark of \$20 billion come the end of the fiscal year, said senior bank officials.

The government's move to provide a 2 per cent cash subsidy for remitters from fiscal 2019-20 was the main reason for the spike, they said, adding that many banks are giving their all-out effort to bring in more remittance through the official channels.

"The favourable exchange rate of taka against the dollar and a strong stance taken by the central bank to fight illegal money transfers have also had a positive impact on remittance," said

Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

On February 2, the inter-bank exchange rate stood at Tk 84.90, up 1.10 per cent from a year earlier, according to data from the central bank.

He went on to express hope that the deficit in the current account of the balance of payment (BoP) will further narrow because of the upward trend of remittance.

But the upward trend of remittance may face slight hiccups in the months ahead when banks will implement the 6 per cent interest on deposit and 9 per cent on lending.

"A good portion of remittance is usually kept in the form of fixed deposits at local banks. So, remitters may be discouraged from sending money to the country," said Rahman, also the immediate past chairman of the Association of Banks, Bangladesh, a forum of banks' managing directors.

Depositors will not get much benefit from the 6 per cent interest rate given the inflation and service charge imposed by lenders.

Banks located in many foreign countries do not give any interest to depositors; rather, savers have to pay to lenders against their deposited amount, Rahman added.

Faruq Mainuddin Ahmed, managing director of Trust Bank, echoed the same about the headwinds on remittance thanks to the 6 per cent interest rate on deposits.

The massive expansion of mobile financial services and agent banking have also helped encourage the remitters to send their hard-earned money through the formal channel, said another official of a bank.

Through the channel, the near and dear ones of remitters can receive the funds within the shortest amount of time, he added.

## Shippers' Council re-elects top brass

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Md Rezaul Karim, proprietor of SN Jute International, has recently been re-elected chairman of the Shippers' Council of Bangladesh for a two-year term. He is also vice chairman of Asian Shippers' Alliance.

The election took place at the council's 38th annual general meeting at Dhaka Club, according to a statement.

The council also re-elected Md Ariful Ahsan, chairman of Silk Container Lines, and Md Munir Hossain, a director of Dress World, as senior vice chairman and vice chairman respectively.

## UK's Johnson plans full border checks on EU goods

REUTERS, London

British Prime Minister Boris Johnson is preparing to impose full customs and border checks on all European Union goods entering Britain from next year, in an attempt to increase pressure on the bloc in trade talks, The Daily Telegraph newspaper reported.

"We are planning full checks on all EU imports - export declarations, security declarations, animal health checks and all supermarket goods to pass through Border Inspections Posts," Saturday's Telegraph quoted a senior government source as saying.

"This will double the practical challenge at the border in January 2021," the source added. Under previous government plans for a no-deal Brexit last year, where Britain left the EU abruptly without any trade deal, only a small proportion of goods would have been checked.

Britain left the EU at 2300 GMT on Friday with a temporary transition deal, starting an 11-month period during which Johnson aims to negotiate a free trade agreement similar to that between Canada and the EU.



## BB gets new GM

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Md Rafiqul Islam has recently been promoted to general manager at Bangladesh Bank.

Prior to the promotion, he was a deputy general manager of the central bank, according to a statement.

Islam joined Bangladesh bank as an assistant director in 1996.

He completed his graduation and post-graduation in biochemistry and molecular biology from Dhaka University.

## Amazon highlights taxes paid in pushback against critics

AFP, Washington

Amazon said Friday it paid more than \$1 billion in US federal income taxes in 2019 as it pushed back at criticism over its corporate responsibility.

A blog post by Amazon sought to highlight its investments and contributions to the US economy, in a move to fend off critics claiming it benefits from taxpayer subsidies.

"Since 2010, we've made more than \$270 billion in investments in corporate offices, customer fulfillment and cloud infrastructure, wind and solar farms, eco-friendly equipment and machinery and compensation to our teams," Amazon said.

"These investments are accelerating, and we estimate that they have contributed an additional \$168 billion to the US GDP since 2010." The tech giant, whose market valuation moved back above \$1 trillion following its earnings report Thursday, said

it paid more than \$1 billion in US federal income taxes in 2019, along with \$2.4 billion in other federal taxes, including payroll taxes and customs duties.

It said it "collected and remitted nearly \$9 billion in sales and use taxes to states and localities throughout the US" last year and paid over \$1.6 billion in state and local taxes.

Amazon faced criticism over its prior annual reports which appeared to show it paid no federal income taxes in 2017 and 2018, and received some rebates after a tax reform measure passed by Congress -- joining several other large corporations whose tax bill was cut by the law.

Amazon's statement Friday said it adheres to "all applicable federal and state tax laws," while noting that it takes advantage of laws that encourage economic investment and job creation.

"Over the last decade, no other US-based company has created more jobs than Amazon," the statement said.



Shakil Jowad Rahim, director for bus and truck division at Shohoz, and Hemant Kumar, general manager for operation (technical) at Runner Motors, attend a deal signing ceremony on Runner's factory premises at Bhaluka in Mymensingh recently. Shohoz will provide logistics support to the automaker.

## US offering credit guarantee to import its agriculture produce

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Foreign financial institutions benefits from access to US dollar financing with the correspondent US financial institution. They can borrow US dollars at potentially reduced interest rates, Dorsett said.

And because of reduced risk, banks now can give cheaper interests rates or give more favourable terms.

The USDA also said that it provides a 98 per cent guarantee on the principal payment from non-American financial institutions.

Under the scheme, a US exporter will have to establish a sales contract with a buyer and then apply for a guarantee. Then, the importer obtains a letter of credit to cover the sale before the exporter assigns the guarantee to an American bank.

"Goods are shipped and a US bank pays the exporter. The foreign bank will then make a payment to the US bank," Dorsett said.

US exporters will bear 2 per cent of the risk under the export credit guarantee scheme and will only receive the initial payment upon delivery of their products.

The importer can make the rest of their payments over time, she added.

To avail the export credit guarantee, non-American banks are initially required to apply to the USDA to become eligible for the programme.

If any importer is interested, they should consult a local bank, which is approved for the programme. The USDA offers \$5 billion in credit guarantees worldwide each year under the programme.

This policy guarantees payment on purchases of American food and agricultural products.

Participating local banks can access dollar financing for up to 12 months from US banks at potentially lower interest rates, said the US Embassy in a press release.

"We hope multiple banks in Bangladesh will apply for enrolment in the program," said Tyler Babcock, agricultural attaché at the US Embassy in Dhaka.

The financing costs for imports from the US might be cheaper if firms go through local banks approved for the scheme, said Ariful Islam, assistant vice-president at Bank Asia.

Elisa Wagner, financial analyst at USDA, and Shah Md Ahsan Habib, director of training at the Bangladesh Institute of Bank Management, also spoke at the event.

## Narrative of Bangladesh has changed for the better

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These activities are perpetrated by a certain influential coterie of elites, who are usually the beneficiaries of patronage politics.

"Such wrongdoings may not be considered as signs of ethical degradation of society at large."

This culture of patronage politics makes governance reforms all the more difficult and also directly harms the pace and quality of economic growth.

If leading political and economic entrepreneurs are the beneficiaries of the prevailing system of governance dysfunction riddled with unethical practices they have little incentive to change the system.

"Which is why, a big jolt is needed to correct the moral compass of the system," Mahmud added.

The government is set to unveil their 8th Five Year Plan on July 1, Mannan said.

"We are also pursuing the Sustainable Development Goals (SDGs) in the context of our own developments plan. The idea is to coordinate our own plans along with the SDG plans so that both can be implemented together and we are able to reach better synergy in our activities here," he added.

SANEM Chairman Bazlul Haque Khondker chaired the event.

## Donors commit \$4.25b in this year's BDF: Kamal

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Conditions that would be impossible for Bangladesh to implement will not be tagged with the GCF funds, Kamal said, adding that a list of projects will now be sent to the GCF.

Another team of World Bank officials led by Hartwig Schafer, its vice-president, met with the minister and promised to provide \$350 million to help the local communities of Ukhaia and Teknaf and the Rohingyas.

Of the sum, about \$100 million will be used as additional financing for the social safety nets for the poorest, especially in the local communities, Kamal said.

About \$150 million will be given for health and gender support project and the rest will be used for emergency multi-sector Rohingya crisis response project.

The Washington-based multilateral lender is already running three projects worth \$240 million for the Rohingyas.

Asked whether it will be correct to receive funds for the Rohingyas when the government is trying to send them back to Myanmar, the minister said: "Their repatriation will not take place overnight."

The government is making all-out effort to send the Rohingyas back to their

motherland.

But the government will need a lot of money to take care of the displaced population as long as they are living inside Bangladesh, Kamal said.

Meanwhile, Japan International Cooperation Agency (JICA) also committed to give Bangladesh an additional \$2.7 billion as loan along with its regular assistance.

Junichi Yamada, senior vice-president of JICA, expressed the interest in a meeting with Kamal.

The Japanese governmental agency that coordinates official development assistance has already identified four of the six projects where it wants the funds to be used, the minister said.

JICA has been working in nine programmes in Bangladesh since its independence.

The agency works to accelerate sustainable economic growth with equity and bringing people out of poverty as it become a middle-income country.

The development partners have made a lot of recommendations, which the government will add in its next five-year plan, Kamal added.



Mohammad Atiqur Rahman, country director for Bangladesh at Dell Technologies, launches the company's four models of laptops equipped with 10th generation Intel Core processors from Dell's XPS and Inspiron series, at an event at Renaissance Dhaka Gulshan Hotel recently.



RN Paul, managing director of RFL Group, and Mohammad Moniruzzaman, a director of RFL Plastics, attend the latter's dealers' conference at RFL Industrial Park in Gazipur recently.