

CAs have a vital role to play for country's growth: Kamal

STAR BUSINESS DESK

The government is working to ensure an inclusive growth for equitable distribution of wealth and for that the chartered accountants have an important role to play, Finance Minister AHM Mustafa Kamal said.

"We are working for the people, especially the underprivileged, and trying to bring them in the development process so that they could chase a dream of how to come out from the poverty and hunger."

The minister spoke at a programme titled "Listen to the leader" organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at CA Bhaban in Dhaka on Monday.

The government is determined to ensure that the underprivileged people get the benefits of the development works, Kamal said.

The government has a clear vision to make the country poverty and hunger free by 2030 and become a developed nation by 2041, he said.

The chartered accountants are definitely a part of this development route, he said.

"We have many challenges. Commitments from professionals, including CAs, are required to address these challenges."

The professionals like chartered accountants should contribute more for the progress of the country, he said.

Bangabandhu Sheikh Mujibur Rahman not only dreamt of an independent country, he also dreamt of economic emancipation of the people, Kamal said.

"Everyone has to bear this philosophy in their hearts and come forward to work for the people."

He also urged the CAs to follow the idealism to achieve the sustainable development goals.

Professionals should concentrate more to create a business-friendly atmosphere so that the country advances in the ease of doing business index globally, the minister said.

Foreign investors are coming to Bangladesh considering it to be an ideal place for investment and safe return out of it, he said.

ICAB and its members are firmly committed to become a partner of the government's initiatives for economic development of the country, said ICAB President Muhammad Farooq.

The CAs would come forward to take up any role wherever assigned, he said.

Few hundreds of chartered accountants and auditors of listed companies attended the programme.

'Exciting time for increasing already-strong US-Bangladesh trade and investment ties'

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Leading American companies like DSC Dredge and Ellicott Dredges have helped make Bangladeshi rivers and waterways usable again, while John Deere is doing excellent work to stimulate increased mechanisation of the agriculture sector in Bangladesh, thereby enhancing overall farm productivity, she said.

"And Chevron has grown alongside Bangladesh for the past quarter century. It is the largest single producer of natural gas in Bangladesh -- powering about 40 per cent of the country."

Besides, 95 per cent of Chevron's employees are Bangladeshi -- not workers brought in from elsewhere, but local workers who, by working for American companies, can provide for their families.

"Those are just a few examples of how American companies help build the economy -- and the relationship between the US and Bangladesh."

The trade show was first organised in 1992. Since the beginning of the show, Bangladesh has experienced steady economic growth and progress, leading to an expansion of US-Bangladesh bilateral trade from \$57 million to \$9 billion in 2019.

Apex Pharma gets Congo's clearance to export medicines

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"This achievement has opened a new opportunity for the locally manufactured world-class medicines. This is a big milestone for the medicine industry as well as for the country as it will directly contribute to the overall economy," he said.

Apex Pharma will now move to have its six products registered for exports to Congo

as well other central African countries, Hossen said.

The company is also in the process of registering its products for exports to Afghanistan, Guinea, Mali and Yemen, he said, adding that the company currently sells 135 products in the domestic market.

Dilip Kajuri, a director of Apex Pharma, was present at the event.

Chinese restaurants starved for cash as virus hits industry

AFP, Beijing

It is lunch time in Beijing, but the only diner in Cindy's Cafe is an employee having a staff meal -- it has been closed for more than three weeks as China battles a deadly virus epidemic.

Restaurants are taking a huge hit as many people across the country of 1.4 billion have been either under some form of quarantine or are reluctant to venture outside since late January over fears of contagion.

which has more than 10 outlets in China, could be "at least a few million (yuan)" given rent and unused stock from the unexpected Lunar New Year closures.

"If there is no business, staff may be asked to take more days off," said Cai.

Many restaurants have suspended dine-ins to help curb the spread of the virus, but eateries that have resumed operations remain largely empty, with people still encouraged to stay home to avoid infections.



AFP

Fears over coronavirus sweeping across the country have had a devastating effect on dine-in business for eateries such as this restaurant in Beijing.

At Cindy's Cafe in Beijing's Roosevelt Plaza, dine-in revenue has fallen to zero, and relying on deliveries hardly makes up the shortfall, said manager Cai Yaoyang.

"On a good day in the past, we could earn over 1,000 yuan (\$143) a day from deliveries," Cai told AFP.

"Now, it's just around 200 to 300 yuan a day. The impact is especially big," He estimates losses to the company,

The new coronavirus has killed more than 2,400 in China and infected nearly 77,000.

At an outlet of Bellagio Cafe, another restaurant chain, employee Zhu Xiangying told AFP it had only made 30,000 yuan in around 10 days, compared with over 200,000 yuan in normal times.

The China Cuisine Association said in a report this month that the

Tesco completes China exit with \$357m stake sale

REUTERS, London

Britain's biggest retailer Tesco has completed its exit from China with the 275 million pound (\$357 million) sale of its joint venture stake to state-run partner China Resources Holdings (CRH).

Having struggled to crack the Chinese market, Tesco established the Gain Land venture with CRH in 2014, combining the British group's 131 stores in China with its partner's almost 3,000.

The disposal of its 20 per cent stake allows Tesco to further simplify and focus the business on core operations, it said on Tuesday, adding that the proceeds will be used for general corporate purposes.

The deal is scheduled to complete on Feb. 28.

Shares in Tesco were up 0.7 per cent at 0816 GMT, extending its gains over the last year to 12.4 per cent.

"This extra 275 million pounds of 'forgotten value' should be accretive to most street valuations," said Bernstein analyst Bruno Monteyne.

After costly exits from Japan and the United States and the sale of its South Korean business, Tesco signalled in December a further retreat from its once lofty global ambitions by starting a review of its operations in Thailand and Malaysia - its last remaining wholly owned businesses in Asia.

A sale of its operations in Thailand and Malaysia would mean Tesco's only remaining overseas operations, apart from Ireland, would be its central European division, comprising stores in the Czech Republic, Hungary, Poland and Slovakia.

SC questions BB findings on embezzlement at International Leasing

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The chief justice said: "We heard that only one person took away Tk 3,500 crore from the company. Is there any jugglery with figures in your findings?"

In reply, Alam said: "I don't want to make any comment about newspaper reports. PK Halder was involved in the misappropriation of Tk 1,596 crore. We don't have any information about the misappropriation of Tk 3,500 crore from the company."

The central bank slapped a fine of Tk 10 lakh on each of the persons involved in the embezzlement and wrote to the Anti-Corruption Commission to take action against them, he said.

Khondker Ibrahim Khaled, a former deputy governor of the BB who has been appointed as an independent chairman of ILFS by the HC, told the court that it was difficult to keep the NBFI afloat as its condition has deteriorated since 2016.

If the central bank adopts a special scheme, the company might be saved, he said.

"About Tk 1,600 crore from ILFS was embezzled by some people. But there was no scope to look into the reasons behind the misappropriation of the ILFS money and we don't know about the last man who

had received the money," he added.

Ahsanul Karim, a lawyer for ILFS, told the court that if the company is wound up, many directors and shareholders will suffer and the condition of the financial sector will worsen.

Attorney General Mahbubey Alam represented the state and Barrister Tanjib-ul Alam appeared for the BB.

Following a petition filed by seven depositors of ILFS, the HC on January 19 banned all current shareholder-directors and top executives of the NBFI from leaving the country, including PK Halder.

As per media reports in Canada, Halder is residing in Canada and is the director of a company named P&L Hal Holding Inc. there.

The HC also directed the authorities not to transfer any of their movable and immovable properties, including stock, cash money and cars to any persons or entities until disposal of the case.

The home affairs secretary was directed to seize the passports of all the present shareholder-directors and the top executives of the company and collect detailed information about them.

Later two shareholder-directors of the NBFI filed an appeal with the Appellate Division against the HC directive.



Khondaker Muhammad Aminur Rahman, second from left, member (customs audit, modernisation and international trade) of the National Board of Revenue (NBR), takes part in a workshop titled "Ease of Doing Business: Trading Across Borders" jointly organised by Economic Reporters Forum (ERF), the NBR and International Finance Corporation at the ERF's office in Dhaka yesterday.

Robust exchange rate critical for sustained growth

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To continue on a path of sustainable export growth with a diversified basket of goods, Bangladesh faces an immediate challenge to restructure its tariff regime in order to gradually phase out effective protection levels and anti-export bias, it said.

The plan suggested four steps to diversify exports.

Import regime must be made seamless to facilitate duty-free imported input into exports. The incentive structure for export must be set right by ensuring that relative incentives for export and import substitute production are about the same.

Lowering the cost of trade-related services like transport, logistics and energy infrastructure to export, it said.

Proactive policies, such as helping exporters upgrade existing products, break into geographic markets, and

launch and consolidate new line of business abroad, might be important in respect of the limited capacity of the government.

The government has taken a positive fiscal stance to promote exports. The garment sector is the highest beneficiary of the various fiscal concessions.

In addition to the duty drawback scheme accorded to all exporters, the garment exporters enjoy the special privilege of paying only a nominal income tax on their earnings.

In addition, the government offers direct cash subsidy for export of non-traditional items, with the rate varying from 5 per cent on jute yarn to 20 per cent on halal meat and potatoes in the current year.

"Fiscal incentive should not be ad hoc. The basis should be a potential competitive advantage determined by research evidence. For all the fiscal incentives for exports, they are no

match to the high tariff protection received by import substitutes," the plan said.

Port services, road rail network, rail system, air freight and airport storage services, ease of doing business and addressing low labour productivity and skill gap are crucial for export competitiveness, the plan said.

The plan targets to raise the contribution of the service sector to the economy to 62 per cent from existing 54 per cent during the period.

The government also wants to increase the share of the industrial sector to 40 per cent by 2031 before bringing it down to 33 per cent by 2041.

The contribution of agriculture will gradually come down to 5 per cent by the end of the plan period.

The per capita income of Bangladesh will reach \$12,500 in 2041 from \$1,909 now, said Planning Minister MA Mannan.

Food safety body plans GMO labelling on products

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"In my opinion, we should let GM foods be left open to customer choice. There should be a declaration on whether the product is a GM food or not. We are yet to introduce this. This is a major bottleneck for us. But we will definitely overcome this."

He went on to point out that food such as lentil and oilseed are being brought in from abroad, Kabir said no importer made any declaration on whether it was GM or not.

"We are yet to ensure that the food arriving at the port be declared either a GMO or non-GMO. This is a major

shortcoming." Kabir said his office would request the customs authority to ensure this declaration.

Tension and confusion still exist regarding transgenic foods. "We must cross the border," he added.

"This is something new. That is why have to be careful," said Vibha Ahuja, chief general manager of Biotech Consortium India.

No adverse effect has been seen for the GM foods that have been approved since 1996.

To ensure safety of biotech food, implementation of biosafety procedures is a must, said SABB

Country Manager Aparna Islam.

Md Zakir Hossain Howlader, a professor of biochemistry and molecular biology at the University of Dhaka, emphasised on labelling and developing a surveillance system for GM crops.

The country should develop its capacity to assess the nutritional quality and other aspects of biotech crops, said RH Sarker, chairman of the Department of Botany at the University of Dhaka.

Andrew F Roberts, deputy executive director of ILSI Research Foundation, also spoke among others.

Bourse deflated by news from Grameenphone, banking sector

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The payments will eat into the operator's reserves, meaning the Grameenphone board might decide to announce lower cash dividend come next year.

On the other hand, stock investors are also concerned about the profitability of the banking sector after the interest rate cap of 6 and 9 per cent for deposits and loans respectively, they said.

On Monday, the Bangladesh Bank (BB) formally asked lenders to set a maximum 9 per cent interest on all loan products save for credit cards from April 1.

"This development might put downward pressure on the profitability of most banks," said UCB Capital in its daily stock market analysis.

The 6 per cent ceiling on interest rate for deposits might send savers to the stock market, said a merchant banker requesting anonymity.

"This could be a good thing for the market."

Some of the investors though made a killing in the last as the index edged up 370 points in the previous seven days, the merchant banker added.

International Leasing Securities said in its daily market analysis that the massive sell pressure was observed

in banking sector riding on the news of the BB's notice to banks on Monday.

Apart from this, pharma, fuel and power, financial institutions and food sectors also observed selling spree.

Turnover, another important indicator of the stock market, rose 4.8 per cent yesterday to Tk 629.6 crore.

Brac Bank, which fell 7.7 per cent, was the most traded share with a turnover of Tk 20 crore, followed by VFS Thread, Indo-Bangla Pharmaceuticals, Grameenphone and Orion Infusion. Among the major sectors, telecommunication fell 2 per cent, banks 1.5 per cent and pharmaceuticals down 0.4 per cent.



Bank Asia gets new independent director

STAR BUSINESS REPORT

Bank Asia recently saw the election of an independent director.

Prof MA Baqui Khalily is a renowned academician, economist and finance scholar, says a press release. He is currently teaching at the Department of Business Administration of the University of Asia Pacific.

He has served as executive director of the Institute of Microfinance, vice chancellor (acting) of Presidency University, chairman of the Department of Finance at the University of Dhaka and director of Dhaka Stock Exchange.

Khalily's publications in national and international journals are focused on rural finance, financial inclusion, microfinance and SME development.

He attained bachelor's and master's degrees in finance from the University of Dhaka prior to obtaining MSc and PhD degrees with major in finance and development from The Ohio State University.