

Buying ad space on Facebook just became easier for Bangladeshi firms

Global tech giant appointed Httpool as its local sales agent

MAHMUDUL HASAN

That we are a nation obsessed with the social media platform Facebook is a foregone conclusion.

Now, to monetise this fondness effectively, the US tech giant has roped in digital ad agency Httpool as its authorised sales partner to provide support and market expertise to local businesses and agencies and provide the option for local currency transactions.

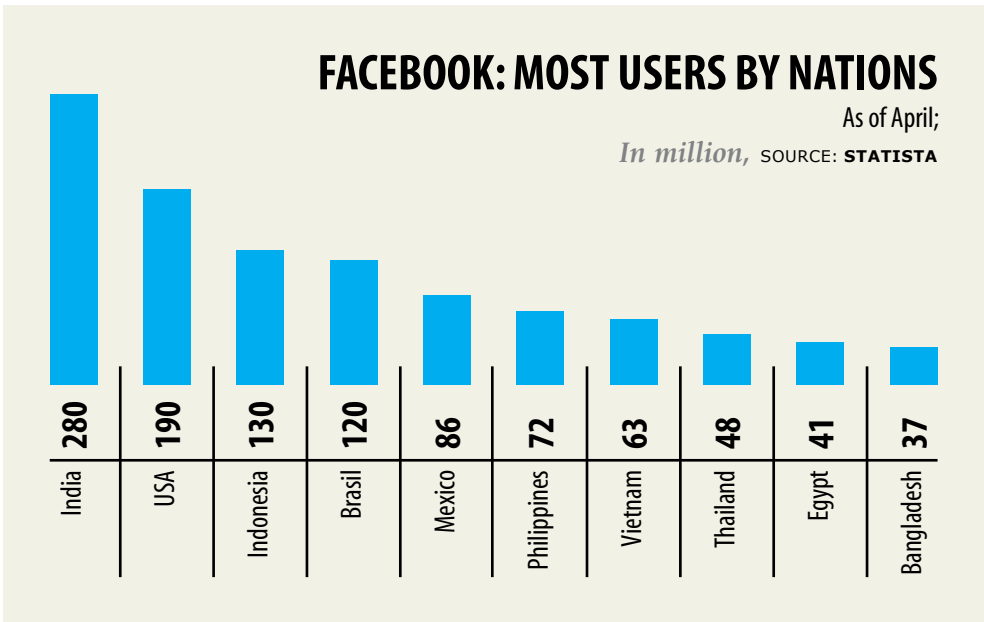
On the flip side, it has also made it easier for companies and self-employed personnel to advertise their services and products on the vastly popular social media platform, which was a convoluted and an opaque exercise previously.

As of April, there are more than 37 million Facebook users in Bangladesh, making the country the tenth largest in terms of audience, according to global data firm Statista.

“Bangladesh is one of the key countries for Facebook in South Asia and it is a priority for us to be closer to the people and businesses here,” said Jordi Fornies, director of emerging markets for APAC at Facebook.

Httpool’s appointment as Facebook’s local sales partner means the National Board of Revenue’s task of collecting value-added tax has become a little easier.

Bangladeshi companies are now increasingly relying on digital platforms for their advertisement, with Facebook, YouTube and Google generating more than



a thousand crore taka in revenue from the country.

But the NBR does not always get the full amount of VAT on these companies’ digital media buy as it can in case of traditional methods of advertisement because of the roundabout way of doing it in the absence of local offices of the tech giants.

According to the VAT law, the NBR has made it mandatory for the tech giants to either set up offices in Bangladesh or appoint agents such that the government can collect VAT on

the advertisements made on their platforms by local firms.

But so far, not all of them have done this. As per rules, the NBR is supposed to get 15 per cent in VAT and another 4 per cent in advance income tax.

However, Facebook has no plans yet to open an office in Bangladesh, it said in an email response to The Daily Star.

“Our community is global but we don’t have offices in every country in the world. This in no way reflects our commitment to the

country. We have teams that are dedicated to Bangladesh, who sit in regional offices where they can get tech resources and support that they need. Our policies apply globally, as do our proactive detection tools for violating content,” it said.

As Facebook’s authorised sales partner, Httpool is trained and equipped to deliver high-quality Facebook media consultancy free of charge to local businesses and agencies in Bangladesh, the Menlo Park-based company said in a statement.

They will also be able to offer access to programmes and training, including Facebook Blueprint, to help local businesses and agencies learn new and essential skills.

With Httpool’s robust local and regional market insights and expertise, Facebook can provide better support for local businesses and agencies in Bangladesh to help them emerge stronger from this challenging time and further unlock their potential growth, Fornies said.

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UN high-ups for postponing LDC graduation of Bangladesh

STAR BUSINESS REPORT

Bangladesh needs to reconsider the time it planned to take to graduate from a least developed country (LDC) to a developing one as the coronavirus pandemic has severely affected the economy, said United Nations (UN) high-ups and economists yesterday.

Although almost all economic indicators were performing strong in case of Bangladesh in the pre-Covid 19 pandemic period up to February this year, the situation started worsening since the outbreak.

Like many other countries, many people have already lost their jobs and production in the factories declined substantially. The economic activities have fallen and disrupted the supply chain abnormally.

So far, some 12 million people became “new poor” in Bangladesh because of the ongoing epidemic. Moreover, the deadly disease exposed the poor state of the healthcare system of the country.

Analysts made the comments at a virtual discussion on “Impact of Covid-19 on Bangladesh’s LDC

graduation and way forward” organised by UN in Bangladesh and Bangkok-headquartered UN ESCAP.

Experts and economists perceive that the economic situation might worsen further if the virus does not die out soon and so suggest that Bangladesh delay the graduation.

This is because after the graduation, Bangladesh will lose the preferential trade benefits which many developed countries offer in the world markets for the economic emancipation of the LDCs.

The graduation will cause local exporters to count an additional 8.7 per cent in tariffs on shipments to the European Union (EU), Bangladesh’s largest trade bloc where 64 per cent of its goods are destined.

Moreover, exports are expected to fall by 5.7 per cent.

Erosion of trade benefits mean losing competitiveness in the world markets which might also affect local investment and job creation. So this is not the time to graduate as Bangladesh needs to enjoy more preferential trade benefits.

Some economists suggested waiting

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at least 10 more years as Covid-19 has been damaging the global economy severely.

But on the other hand, some economists suggest the UN and developed and developing countries to extend a generous grace period to Bangladesh for 10 more years to enjoy

the preferential trade benefits.

Officially, the graduation is scheduled in 2024 and the country will be given three years more as a grace period for preparations.

That means Bangladesh will start facing extra tariffs on exports from 2027. But many want the grace period to be extended for Bangladesh to at least 10 years because of the devastation of Covid-19 on global economies.

Nepal is going to graduate next year despite facing one of the most severe earthquakes in 2015 and Maldives did so despite being hit by a tsunami in 2004.

Bangladesh has the strength to graduate despite the Covid-19 effects but the grace period should be extended so that the country can enjoy the preferential trade benefits.

Among the LDCs, Bangladesh made the highest use of the trade benefits given by the developed and developing countries.

For instance, it utilised 97.5 per cent of trade benefits given by the EU, 93 per cent by Australia, 94 per cent by Japan and more than 90 per cent by Canada.

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Robi CEO becomes Nepal’s leading carrier Ncell’s director

STAR BUSINESS REPORT

Mahtab Uddin Ahmed, managing director and CEO of Robi, has recently been appointed as a director of Nepal’s leading mobile carrier Ncell Pvt Ltd.

It is a first for a Bangladeshi corporate leader to be included in a foreign company’s board of directors.

The appointment allows Ahmed to share his expertise in digital leadership with Ncell, as he has been leading from the front in Bangladesh’s digital transformation as the top official of Robi.

The appointment also signifies the growing reliance on Bangladeshi talents in Axiata Group, which holds controlling stake in both Robi and Ncell, according to a statement released by Robi yesterday.

Apart from Robi and Ncell, Axiata Group also has controlling stakes in market-leading mobile and fixed operators in the region, including Celcom in Malaysia, XL in Indonesia, Dialog in Sri Lanka and Smart in Cambodia.

Ahmed is also the president of the Association of Mobile Telecom Operators of Bangladesh as president and an executive committee member of the Foreign Investors’ Chamber of Commerce and Industry.

He is a member of the national council of the Institute of Cost and Management Accountants of Bangladesh.

Ahmed took the helm in Robi on November 1, 2016 as the first homegrown top leader of a multinational mobile carrier.

He had worked for Robi earlier also -- as chief financial officer from September 2010 to 2014 and as chief operating officer from April 2014 to March 2016.

Before joining Robi, Ahmed spent 17 years of his career with Unilever.



Mahtab Uddin Ahmed

Rangpur farmers happy with Haribhanga mango prices

OUR CORRESPONDENT, Dinajpur

The Haribhanga variety of mango has started arriving at Rangpur’s wholesale and retail market for seasonal fruits at the central bus terminal, selling at Tk 80 to Tk 130 per kilogramme (kg) depending on quality, size and taste.

Growers say the prices were moderately good, considering the slow economic activities amidst the coronavirus pandemic which has shut down train services, limiting transportation to roads.

Though also grown in Dinajpur,

Nilphamari, Lalmonirhat, Gaibandha and Kurigram districts, Haribhanga of Rangpur is claimed to be a taste apart for the soil and weather conditions.

The near fibreless seasonal fruit has been cultivated in around 1,750 hectares of Rangpur, 70 per cent of it in Mithapukur and Badarganj upazilas, with the Department of Agriculture Extension (DAE) expecting each hectare to produce around 9.5 tonnes.

Plucking started this week, every 40 kg selling at Tk 1,500 to Tk 1,900 at the orchards.

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JICA, IFC to give \$2.1b for private seaport, industrial park

JAGARAN CHAKMA

The coronavirus pandemic seems to have failed to create obstacles for certain big business initiatives taken by ambitious entrepreneurs, who are always on the lookout for ways to take their firms to the next level.

Such is the case with Sojitz Corporation and Energypac, who managed to secure a substantial amount of funds from the Japan International Cooperation Agency (JICA) and International Finance Corporation (IFC) to establish Bangladesh’s first private seaport in Chattogram.

Sojitz, a leading Japanese business group, and Energypac, a local conglomerate, will also construct an industrial park on over 1,000 acres of land at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram.

“Both the JICA and IFC will be involved with us in the development of a seaport and industrial park at the BSMSN,” said Nurul Aktar, a director of Energypac Power Generation Limited (EPGL).

Initially, JICA will provide the necessary funding for a final feasibility study on the seaport. The organisation will then finance up to \$2 billion for the port’s infrastructure development, he said.

Besides, IFC will provide \$100 million in funding for the port’s construction as well, Aktar said.

As per the initial feasibility study, both Sojitz and Energypac will need to invest about \$1.2 billion within 2024 to complete the first phase of development of the seaport. To fully complete the project, an estimated \$2.5 billion will be invested.



“The port will be economically viable and will be used by the BSMSN to handle bulk quantity of products after operations start in full swing in the zone in 2030,” Aktar told The Daily Star.

The existing Chattogram port will not be able to handle the increase in import and export activities when the economic zone becomes fully functional in 2030.

This is why a modern and efficient seaport is

essential for the proper handling of export and import activities at the zone, he added.

Once complete, the seaport will be able to house 30,000 to 40,000-tonne cargo vessels, which is far greater than the present 10,000-tonne capacity of Chattogram port.

At present, there is no scope to build additional jetties at Chattogram port, Aktar said.

The Bangladesh Economic Zones Authority (Beza) have already allocated a 1,000-acre plot for the project.

Earlier, Humayun Rashid, managing director of Energypac, told The Daily Star that initially, \$500 million would be invested in the project while a further \$2 billion will be added in phases to establish the country’s maiden private seaport.

The joint venture is also interested in keeping the government involved in their \$2-billion plan to build a seaport and energy industrial park in Chattogram under a public-private partnership (PPP).

Sojitz also plans to establish an infrastructure project that will provide services for handling bulk materials through the port, where mother vessels will anchor.

The Chattogram port cannot provide sufficient services for handling bulk materials due to a lack of technology and the necessary space. That is why Sojitz hopes to provide this service, which would lower the cost of doing business, said Aktar.

The Japanese company is also keen to develop businesses in various industries, such as machinery, chemical, medical, renewable energy, coal, food and textiles.

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