

LBC Media hoping people's binge-watching habit amid pandemic would stay on

MAHMUDUL HASAN

One of the beneficiaries from this unprecedented spell of being cooped up at home has been the online media streaming platforms as people all on a sudden have a gulf of free time in hand.

And one business is betting big that this trend will continue once the rogue coronavirus has been extinguished. That company is LBC Media Entertainment Company, a business associate of Agrani Holdings Group.

From next week, LBC subscribers would be able to view the content of popular Indian streaming platform Eros Now, which offers Bollywood, Punjabi, Hindi, Tamil, Telugu, Bangla, Marathi, Kannada, Malayalam, Bhojpuri full movies and Indian music in over 140 countries.

This comes after its partnership with Kolkata-based Addatimes, which develops original web series, short and feature films and video songs in Bangla, two months back.

More than 50,000 subscribers in Bangladesh have watched Addatimes content since LBC signed the deal, according to Nusrat Jahan, head of marketing at LBC Media.

"LBC is the first Bangladeshi company that distributes global streaming services to the country's customers," she said, adding that the number of streaming partners will increase soon.

The local pioneering video streaming platform is also focused on making Bangla content as it has already made three television dramas, which would soon be uploaded on its streaming partners' platform.

"After Eid, we are going to make a Bangla web series," Jahan said.

Customers can subscribe to LBC's video streaming service by way of its app or website and make payments through bKash or bank cards.

And for credit cardholders of Standard Chartered, a sweet deal awaits them: they will enjoy 14-month viewership by availing a 12-month subscription package and also enjoy double reward



points. Media consumption patterns, which were already evolving, are now changing faster than ever, said Tawfiq Imam, head of Standard Chartered's credit card, personal loan and corporate partnerships.

"We are continuing to build an ecosystem of products and services that caters to the digital lifestyle of our customers with curated experiences," he said in a press release.

The partnership with Standard Chartered will enhance the opportunity of reaching out to a bigger audience in delivering video-on-demand service across the country, said Omar Faruque, head of the LBC's operation and sales.

"Our group has over the years, earned the reputation of rapidly developing strategic business environments with a strong understanding of local culture," he added.

The deals are all in line with the group's plans to dominate the business of content distribution through telecommunications, the internet, set-top boxes and TVs.

Other than LBC, household Bangladeshi viewers have the option

of global streaming platforms such as Netflix, Amazon Prime, ZEE5, Malaysia-based iflix and Bioscope of Grameenphone.

All the platforms have already drawn a large number of viewers in Bangladesh amidst the pandemic.

This has left the taxmen over at the National Board of Revenue in a state of pickle.

To subscribe to the foreign streaming platforms, customers have to pay the subscription fees in foreign currency, for which they have to endorse dollars against credit cards to make digital payments.

The state coffer was being

deprived of a 15 per cent value-added tax applicable on the subscription fees, according to an NBR official.

However, some bank officials confirmed to The Daily Star last month that they were taking the 15 per cent VAT against digital subscription fees as per the Bangladesh Bank's guidance.

"Last year, we collected the VAT from Facebook, Google and Youtube. This year we made a comprehensive list of such companies including Netflix and Amazon Prime," Md Mahiul Islam, head of retail banking at Brac Bank, told The Daily Star.

Credit cardholders of Standard Chartered will enjoy 14-month viewership by availing a 12-month subscription package and also get double reward points

China to fast-track construction of its economic zone in Ctg

JAGARAN CHAKMA

China has finally decided to speed up the development of the dedicated Chinese Economic and Industrial Zone (CEIZ) in Chattogram mainly to benefit from the competitive advantage Bangladesh enjoys in global trade.

Prime Minister Sheikh Hasina had offered creation of the zone during her visit to China in 2014.

In 2015, the Executive Committee of the National Economic Council had given approval for CEIZ to be set up exclusively for Chinese investors on 774.25 acres of land in Anwara upazila.

A CEIZ Development Company was also formed by the zone's designated developer, China Harbour Engineering Company, and Bangladesh Economic Zones Authority (Beza) to run the CEIZ.

In order to get the zone prepared for prospective businesses, the Bangladesh government would provide Tk 420.37 crore while China Harbour \$100 million.

But there had been little progress on bringing to life this first specialised government-to-government economic zone.

However, earlier this month, China Harbour wrote to Beza urgently seeking the signing of a deal which would allow them to start work on the CEIZ.

China Harbour said the \$100 million was ready to be brought in while it had got businesses interested through promotional activities and follow ups based on Bangladesh's favourable investment environment and global reputation of its parent company, China Communications Construction Company (CCCC).

Over 60 enterprises have expressed their willingness to invest nearly \$280 million to set up businesses in CEIZ and wanted to take 40 per cent of the land of the zone through sub-lease.

China Harbour has already obtained all necessary approvals regarding the investment from the CCCC and China's Ministry of Commerce and the National Development and Reform Commission.

The designs have been finalised and China Harbour is ready to start work on infrastructure development, for which they are pushing the government, according to Jiang Wei, project representative of CEIZ.

"We will focus on four sectors for

investment in the zone -- logistics, manufacturing, chemical and readymade garment," he said.

The zone has access to water transportation and is suitable for export-oriented industries due to its proximity to the Chattogram port, Bangladesh's largest sea port.

"The CEIZ will be able to eventually attract more than \$1 billion in foreign investment, create 60,000 to 90,000 new jobs, directly or indirectly, and ultimately boost industrialisation and develop the economy of the surrounding Chattogram district," the company said.



BY THE NUMBERS

- ◆ CEIZ will be set up on **774.25** acres in Chattogram
- ◆ Project cost: Tk **1,200** cr
- ◆ It may fetch **\$1b** in investment
- ◆ May create **60,000-90,000** direct/indirect jobs
- ◆ Over **60** enterprises have shown interest to set up factories

Pointing out that the global economy, including that of Bangladesh, has been hit hard by the Covid-19 pandemic, it said the rapid development of CEIZ would contribute to the recovery of Bangladesh's economy and deepen economic ties between the two countries.

Speaking to The Daily Star, Paban Chowdhury, executive chairman of Beza, said the Chinese side was very keen on rapid implementation of the zone for setting up factories and start manufacturing.

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Making home ownership viable



ARSHI HAIDER

Home ownership is an instinctive human need but will remain a cherished dream for most Bangladeshis as aspirations alone are not enough to sell houses.

Home ownership and similar investments in real estate need to be a viable economic proposition.

A pragmatic government policy is needed to ensure a robust housing sector for the country that will in turn, help materialise the dream to own a home for as many people as possible.

In 2019, the Real Estate and Housing Association of Bangladesh (REHAB) began various new projects that, once complete, would provide 12,000 apartments for general use in Dhaka.

However, for a city with roughly 15 million inhabitants and a GDP of \$170 billion, a meagre 12,000 units being launched in a calendar year are pitiful.

Compare this statistic to Mumbai, which has a population of 20 million and GDP of \$450 billion, but saw 79,810 apartments handed over in 2019.

Even Bengaluru, which has a population of 11.8m and GDP of \$210 billion, had 33,772 new apartments unveiled in the same period.

I have intentionally not brought into reference the statistics of the more developed

countries so that we may compare apples to apples instead of oranges.

After all, India and Bangladesh have a more or less similar nominal per capita GDP and are ranked closely in the Human Development Index (HDI).

I am incredibly proud of the progress Bangladesh has made in almost all sectors amid the last two terms of the present government.

Our economic fundamentals have a sound footing. The GDP growth, foreign exchange reserves, debt as a percentage of GDP have all been very strong but this is all the more

Our housing sector accounts for 8 per cent of the national GDP. A significant contribution indeed but it is trailing way behind when compared to neighbours India, where it contributes 15 per cent.

The point I am trying to make here is that this is a very important sector which is not being managed properly.

The first thing to understand is that the industry is not benefitted by desperate price cuts from developers. In a highly competitive market like ours, where developers work with paper thin margins, discounts and price cuts can only be accommodated by cutting corners.

start rising, the sales volume also increases. This proves that the market is very much sentiment driven.

Buyers fall into two broad categories. The aspiring home owner and the prospective investor. Let me analyse the situation from both perspectives.

There are many self-proclaimed experts who constantly criticise developers for only building homesteads for the wealthy. What they fail to comprehend is that the developer will build only where there is a demand.

It is up to the government to make policies that creates demand from any particular socio

When developers are forced to issue price reductions and discounts on account of a dull market, it affects the investors very badly. Nobody wants to invest in an asset that depreciates



reason to ponder why our real estate industry is performing so poorly.

The real estate industry is generally considered to be the backbone of a nation's economy. The Geneva UN Charter is a non-legally binding document that aims to ensure that member states provide decent, adequate, affordable and healthy housing for all its citizens.

In light of the above, has enough been done for the housing industry of Bangladesh?

Price reduction also harms those who have already purchased their homes at previously higher prices. This creates negativity among investors and the outcome is a downward spiral due to a lack of confidence in the market.

The end result is lower economic activity which also affects the country's GDP growth due to a lesser number of new projects being launched and home ownership remaining a distant dream for the masses.

It is paradoxical that when apartment prices

economic group. Looking at it from a middle-income person's perspective, owning an apartment in metropolitan Dhaka is beyond affordability.

The average middle-income person spends about 30 to 40 per cent of his monthly salary on rent. He can only afford to pay the same amount towards his monthly EMI if he is to buy an apartment.

Assuming that he wishes to own an apartment of similar standards to the one he

presently rents, he can only borrow up to a maximum of 50 per cent of the value of the new apartment.

The other 50 per cent of the price must be arranged from his own sources as his share of the equity. This is unaffordable for a vast majority of middle-income people and therefore puts to rest their dreams of home ownership.

In countries where a large segment of ordinary people own homes, it is usual to pay only 10 per cent of a property's value as the buyer's equity and the rest in housing loans through EMIs, which would be about the same as the rent the buyer would otherwise be paying.

Of course, this is possible because the economy in those countries is far stronger and hence, the buyer's affordability is higher as well.

We may not be able to bring home ownership within the means of all people but with the right policies, the market could be expanded to make home ownership possible for many more people.

From a prospective investor's viewpoint, buying an apartment in metropolitan Dhaka is not a very attractive proposition either. The ratio of rent to price is very low (between 3 to 4 per cent) whereas the home loan interest is 9 per cent.

This means that if he is to service the debt on the purchase of an apartment from rental income, he has to also put up a very big percentage of the price of the apartment as his share of the equity.

Over the years, unless there is a good appreciation to the value of his apartment, his investment will not be very lucrative. When developers are forced to issue price reductions and discounts on account of a dull market, it affects the investors very badly. Nobody wants to invest in an asset that depreciates.

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A pragmatic government policy is needed to ensure a robust housing sector that will in turn, help materialise the dream to own a home for as many people as possible