1.15%

44.655.44

OPENING

DHAKA WEDNESDAY DECEMBER 2, 2020, AGRAHAYAN 17, 1427 BS ostarbusiness@thedailystar.net

'Our engagement will grow across the board'

US Ambassador Earl R Miller says about US-Bangla relations during an exclusive interview with The Daily Star

REFAYET ULLAH MIRDHA and PORIMOL PALMA

The US is optimistic about deepening ties with Bangladesh as the country's exports to American markets have maintained a robust growth while investors are looking to widen their footprint in the South Asian nation, US Ambassador Earl R Miller said.

"The bilateral relationship between Bangladesh and the US is beyond business relations because of the country's geopolitical location," he said during an interview with The Daily Star recently.

He said Bangladesh's exports would continue to grow to the US markets despite the transition of the government as Washington sees the country as one of the major trading partners.

"The changeover in power in the US will not affect bilateral trade and investment. I think our engagement will grow across the board," Miller said.

The US is the largest export destination of Bangladesh, with the world's biggest economy importing more than \$6 billion worth of goods every year. Of the goods, more than 90 per cent are apparel items.

The shipment to the American market is a little less this year because of the fallouts of the coronavirus pandemic.

Miller was sworn in as the US ambassador to Bangladesh in November 2018. He served as his country's envoy to the Republic of

During the interview, he shared the latest position of the US markets and the generalised system of preferences (GSP), US investors' interest in Bangladesh, the growing student enrollment in American universities,

"The relationship between the two countries is strengthening because of the interest in what is happening in the country," he said.

Bangladesh's economic growth and private

Botswana from 2014 to 2018.

sector development.

The economic growth that is happening in the country, US investors should visit here to see by themselves, he said.

In September, a group of American investors held a meeting on investment in Bangladesh with local investors and Salman F Rahman, prime minister's adviser on private industry and investment.

Some issues on investment and strengthening of bilateral trade and relations were discussed, the envoy said. Since the meeting, some US companies have been contacting the embassy for investment.

US companies like Chevron have been expanding in Bangladesh. At Chevron, 90 per cent of employees are Bangladeshis.

Similarly, US company Coca-Cola has a plan to invest \$200 million in Bangladesh over the next five years, and Oracle opened its own office in Dhaka in March.

"Many more US companies are coming to invest in agro-processing, information and communications technology, DBL GROUP IS A SUPERBRAND energy and power, LNG and even

in dredging of rivers," Miller said. The diplomat said Bangladesh has a young entrepreneurial workforce, the economy is growing, and there is a potential consumer base of 170 million people.

The companies that are already in Bangladesh are interested in



Earl R Miller

expansion.

The American Chamber of Commerce in Bangladesh (AmCham) is active. "We have regular phone calls for possible investment from US investors. The growing interest of the US is also

noticed in the enrollment of Bangladeshi students at American universities, he said. Bangladesh has improved three notches to

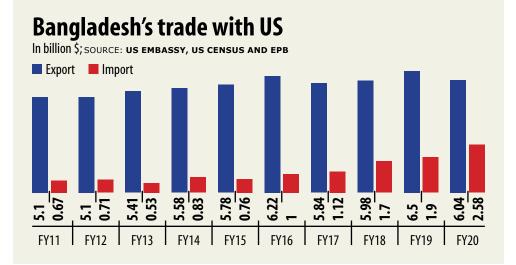
17th this year from 20th last year in sending students to the US. "It is amazing," he said.

He praised the garment sector as many local factories were able to personal protective equipment (PPE) in such a short time and sent to retailers in the US.

The envoy also touched upon the business and investment climate in Bangladesh for foreign investors.

"When US companies look to invest, they are hungry to invest in a country that operates transparently, upholds the rule of law and protects intellectual property rights (IPR)."

Any weakened situation, corruption and



poor human rights conditions are all risks for Rana Plaza building collapse in April in the businesses and deter investment, prompting companies to look elsewhere, he said.

Level-playing field is essential for a foreign company, and it encourages them to invest here, Miller said.

"Bangladesh should improve its ranking in the Ease of Doing Business Index of the World Bank to attract more foreign investment," he

Bangladesh ranked 168th out of 190 countries in the latest edition of the index, up from 176th a year ago, the biggest climb in recent years.

Regarding the reinstatement of the GSP, the ambassador said the US Congress sets the preferential trade privilege eligibility.

"Bangladesh does not meet the criteria now," he said, adding that the criteria apply to IPR and internationally recognised labour

The US government suspended the GSP status for Bangladesh in June 2013 after the same year, citing poor labour rights and workplace safety.

Before the suspension of the GSP, Bangladesh used to export goods like dry fish, ceramics and tobacco items worth \$24 million a month under the scheme.

Bangladesh has taken some steps to regain the GSP, but still, some workers face challenges to join in unions and the unions, the envoy said. 'Still, there is some form of unfair labour

practices. The US and Bangladesh met several times to discuss the progress on labour rights, and

American trade experts are ready to provide guidance on the GSP criteria. "We will continue to do so," the envoy said. He praised Bangladesh's steps towards

protecting the labour rights and amendment to the labour law. However, US law prohibits GSP to most textile and leather goods worldwide.

READ MORE ON B2

NBR after fake audits

Consecutively for the second time

Instructs field offices to verify financial documents through the DVS

SOHEL PARVEZ

With an aim to curb the submission of fake audited financial statements, the National Board of Revenue (NBR) has directed its field offices to verify each audit report and income tax return filed by any company through the Document Verification System (DVS).

The directive comes two weeks after The Institute of Chartered Accountants of Bangladesh (ICAB), in association with the NBR, unveiled the DVS, an online document verification system, in order to stem tax evasion. The NBR said the DVS would generate a Document

Verification Code (DVC) and every audit report would Deputy commissioners of taxes in the field offices will then verify the DVC through a web portal in order to

confirm the authenticity of an audited financial statement, according to the directive issued to all tax zones on As per the order, the field offices will use the DVC to

examine reports prepared after December 1 -- a move that is expected to improve compliance with tax regulations. Roughly 35,000 companies out of the 78,000 registered

taxpayer identification numbers regularly file their annual tax returns. The ICAB earlier said its members annually audit and sign about 16,000 financial statements.

Bangladesh has more than 180,000 companies that are registered with the Registrar of Joint Stock Companies and

The NBR also said it was required to submit audited financial statements with an adequate number of signatures of the company's directors along with the signature of Chartered Accountants in the Companies law.

There is also a provision in the law that empowers a deputy commissioner of taxes to verify the authenticity of audited reports filed by companies, the NBR said.

Field offices will take action as per the income tax law if it is found through the document verification process that the audited financial statements are fake.

Shams Mahmud, president of the Dhaka Chamber of Commerce & Industry (DCCI) termed the NBR's step "very

"We fully support the NBR for this move and will also spread the message amongst all our members," he said.

"The DCCI feels this will bring in transparency in the tax return submission process. Genuine business establishments have always found it hard to compete with companies who declare false tax information as these give bad companies who manipulate the balance sheets a competitive edge," he added.

The DCCI chief also said introducing the audited financial report verification system would create a transparent business environment.

Banks will also now be able to rely on audited balance sheets and this will benefit good companies with clean audits. Also, if any unintentional mistakes were made while filing, it will be pointed out by the DVS and teach an important lesson to the businesses about proper filing. But more than anything, this will significantly increase

government revenue in the right manner. "Overall, these policies will bring transparency and

also create a good business atmosphere. Therefore, the NBR should be supported in efforts by all the business communities in Bangladesh," Mahmud said.

Remittance hits \$2b mark for third straight month

AKM ZAMIR UDDIN

Bangladesh has once again gone past the \$2-billion mark in remittance income as migrant workers continued to send home a massive amount for the third straight month.

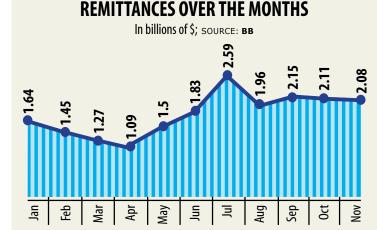
In November, migrant workers remitted \$2.07 billion, up 34 per cent year-on-year, showed Bangladesh Bank data.

However, last month's figure is slightly lower compared to the previous month when the inflow stood at \$2.11 billion.

The Bangladeshi diaspora continues to prefer the formal channel in sending their money due to the global hundi cartel turning ineffectiveamidst the coronavirus pandemic, said

The increasing trend in remittance has given a huge respite to the government with regard to managing its external sector from the ongoing economic hardship.

Experts hope that the trend would be maintained in the coming months given the global economic scenario and the initiatives taken by the



government.

The country's workforce export has almost come to a halt since April because of the pandemic, which forced both Bangladesh and the destinations, where its workers are based, to impose lockdowns and restrictions on movement to keep the deadly flu at bay.

Between January and March this year, a total of 181,218 Bangladeshi citizens went abroad,

according to data from the Bureau of Manpower, Employment and Training (BMET).

No data is available on the BMET website for April onwards.

On average, the country sends workforce abroad in the range of 7 to 8 lakh people per year. Last year as much as 700.159 workers went to different countries to manage job.

The stagnation of hundi, an illegal cross-boundary financial

foreign nations has almost come In addition, the widespread to a stop due to the ongoing business slowdown, he said.

"The financial transaction for the export process of workers is usually settled through hundi,"

he said. In addition, money laundering through imports has been almost brought to an end in recent months, he said.

A vested quarter usually dodges taxes by way of under-invoicing while settling imports, Hussain

This was echoed by Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

A good number of migrant workers will not go back to the hundi system after the pandemic as they now feel secure and comfortable by way of using the formal channel.

Diversion to formal channels for difficulties in carrying money

transaction, has pushed the under travel restrictions amid country's remittance up, said the pandemic and recent flood Zahid Hussain, a former lead damages helped Bangladesh economist at the World Bank's bring remittance flow back to the positive in 2020, according to a The act of sending workers to recent World Bank statement.

> use of digital technologies now encourage migrant workers in sending money through formal channels as well, said Mansur, also a former high official of International Monetary Fund.

> The platform of mobile financial service (MFS) is gradually turning into one of the pivotal centres for transferring money from foreign nations, he

> "Along with the migrant workers, some expatriate Bangladeshis, who run businesses abroad, may also have transferred funds to the country as part of their portfolio investment," he

A portfolio investment is an ownership of a stock, bond, or other financial assets with the expectation that it will earn a return or grow in value over time, or both.

READ MORE ON B2

SHUTTERED ITALIAN FACTORY AT DEPZ

Workers continue demos for dues

Refayet Ullah Mirdha

Nearly 400 workers of an Italianowned factory shuttered by the pandemic yesterday attempted to lay siege to the labour and employment ministry at the Secretariat demanding dues.

Stopped short by police, the demonstrators then went on to stage a rally on the road in front till 2:00 pm, chanting demands for the payment of 11 months' salary, two Eid bonuses, re-opening of the factory and reinstatement of their jobs.

They had started off from National Press Club in the capital around 10:30 am, said knitting operator Mohammad Ashraful Islam, who has worked for 18 years at the factory of A-One (BD) Ltd inside Dhaka Export Processing Zone (DEPZ) at Savar.

Some 1,100 workers under different grades lost their jobs on April 9 this year when the shutdown was announced, he told The Daily Star over the phone from the rally.

The owner was desperate to sell off the unit as the company has no money for lack of work orders alongside other fallouts of the coronavirus pandemic, he said. A fraction of the dues were

managed by the DEPZ from a buyer, resulting in 1,000 workers getting Tk 20,000 each while some others Tk 10,000 each on May 18. But nearly 47 workers got nothing at all, he said. "We worked in January,

February and March but we were not paid...The owner is still in the country. We also failed to contact him," said Islam. "We tried to get the payment

from the DEPZ...the DEPZ gave

assurances 10 times of paying the

workers but actually they did not

pay us," he said. Instead of the DEPZ keeping to its promise of selling off the factory's goods to pay off workers, the establishment was rented off to another person who has not offered any employment, he added.



Nearly 400 workers of the factory of A-One (BD) Ltd located inside Dhaka Export Processing Zone at Savar demonstrated in front of the National Press Club in Dhaka yesterday demanding their due payments, bonuses and reinstatement of jobs.

The workers will get one A-One (BD) was shut down for month's basic pay for each year of failing to make payments, he said, employment, gratuity, provident adding that it owed the DEPZ Tk fund and other legal service 2.5 crore and its lease agreement benefits, said Md Abdus Sobhan, with the zone authority was general manager of the DEPZ. cancelled on April 18.

to Tk 4.75 crore and though some \$40,000 could be managed and provided to the workers, it was not the final payment, he said. The DEPZ has been in contact

The workers' arrears amount

a couple of times with the owner, now barred from leaving the country, but he is unable to come up with the payments, said Sobhan. A DEPZ auction to sell off the

factory on 3.5 acres of land a couple of months ago was at the final stages but got halted for a writ petition filed by a bank which the company owed Tk 50 crore, he informed "We have also applied to the High Court for vacating the writ

factory to at least to pay Tk 4.75 crore arrears to the workers," said Sobhan over the phone. The court's verdict is due mid-December. "We have to wait till then because it is a court issue

now," he said

petition so that we can sell the

READ MORE ON B2