

Govt takes \$40m infrastructure project for exporters

The scheme will develop infrastructure for clusters, not single firms

STAR BUSINESS REPORT

The government yesterday launched a Public Investment Facility for Infrastructure Constraints (Pific) project to provide infrastructure support to hundreds of export-oriented firms.

Commerce Minister Tipu Munshi launched the \$40 million project through a virtual meeting, to facilitate the light engineering, plastics, leather and leather goods, footwear and any other sectors which need such support.

The project will also create jobs for many, he said.

Pific is one of the major components of the Export Competitiveness for Jobs (EC4J) Project to facilitate the exporters by meeting the demand for infrastructure, said Md Obaidul Azam, the EC4J director.

The government will support some 20 potential export-oriented sectors, create jobs and fuel exports as part of a plan to meet the Sustainable Development Goals, he said.

Such an initiative will help the exporters become more compliant and competitive globally, he added.

The SMEs which have been contributing in the export value chains will be benefited from the project, said Hosna Ferdous Sumi, private sector specialist for trade and competitiveness at International Finance

Under the project, the implementing agency will build access roads to reduce transport costs and upgrade water and wastewater services, treatment plants and connections

Corporation.

Many of the informal sector SMEs, which lack necessary facilities, will also be benefited from the project, she said.

The fund would not be used for facilitating any individual firm but on a cluster basis so that all the industrial units of a particular area can avail the facilities, said Lutfur Rahman, project manager of EC4J, who moderated the launch meeting.

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HSBC launches 2nd edition of business excellence awards

STAR BUSINESS DESK

HSBC has launched the second edition of "HSBC Business Excellence Awards" to recognise and honour business enterprises and entrepreneurs from Bangladesh for their contribution towards sustainable economic growth.

This year the theme of the awards is "The Year of Resilience".

"These awards aim to acknowledge thriving businesses in Bangladesh and enable them to connect with high growth global opportunities -- something HSBC has been doing for 155 years around the world," said Md Mahub ur Rahman, CEO of HSBC Bangladesh.

"Through the HSBC Business Excellence Awards, we highlight the achievements of the country's most successful enterprises and entrepreneurs and recognise their relentless efforts to make Bangladesh's mark in the global arena," said Kevin Green, country head for wholesale banking at HSBC Bangladesh.

"We are proud to be playing our role in supporting those who are taking great strides to develop the powerhouse of our economy."

The first one of the eight categories of this year's awards is for garment units with annual export turnover of \$50 million and above.

The second category is for supply chain and backward linkage industries with annual export turnover of \$10 million and above while non-traditional and emerging sectors with turnover of \$3 million and above will belong to the third group.

The fourth category is for best in import substitution reducing or substituting imports to a value of \$10 million and above.

The fifth category is for the leader in inbound investment and infrastructure foreign investment in the form of capital, technology solution etc. A sixth award has been included this year and



Md Mahub ur Rahman, centre, CEO of HSBC Bangladesh, attends a press meet to announce the 2nd HSBC Business Excellence Awards at the Sonargaon hotel in Dhaka yesterday.

it will be given for excellence in sustainability.

Another category has also been added this year, which will be given to the organisation armed with best innovation and technology.

A special achievement award to individual(s)/organisation will be given under the eighth category, which has made exemplary contribution to the country's socioeconomic growth, excellence in innovation, job creation and supporting the community.

The commerce ministry and the British high commission in Dhaka are the programme partners of the awards.

Adjudication will be done by a jury board comprising members from the HSBC senior management team, the ministry and the high commission.

Winners will be selected based on aspects such as, annual contribution to the national exports and economy, diversity, responsibility, sustainable business practices, governance strengths, regulatory compliance etc.

The nomination forms and other details of the programme are now available at HSBC's Bangladesh website and the nomination phase will remain open until January 28, 2021.

Use Dutch expertise in deep-sea fishing, shipbuilding

Speakers tell investment webinar

STAR BUSINESS REPORT

Bangladesh can tap its potential for deep-sea fishing, better riverine routes and shipbuilding through collaborations with the Netherlands, speakers told a webinar yesterday.

"We have fishing experience out up to only 60 kilometres into the sea while there is scope to fish around 600 kilometres out in the deep sea," said Md Khurshed Alam, secretary (maritime affairs) to the foreign affairs ministry.

"We can utilise the potentiality of fishing through collaborations with the Netherlands," he said, pointing out the country's high potential in exporting deep sea fish caught in the Bay of Bengal.

Alam was addressing a session on water and maritime on the closing day of the "Bangladesh-Netherlands

Investment Summit 2020", organised by the Bangladesh embassy in the northwest European country with support from the Dutch government.

The Netherlands has experience in catching fish in the deep sea which could be utilised by Bangladesh for export and domestic consumption, he said. He also said there was even a good scope to utilise the experience and technology support of the Netherlands in processing sea food.

The Dutch experience in offshore aquaculture could also provide opportunities, he noted. According to him, Bangladesh has to spend around \$8 billion per year for carrying goods on feeder vessels out to mother vessels and this money could be saved through the establishment of a deep-sea port with the aid of technology from the Netherlands.

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VAT automation to take six more months

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has extended the tenure of the much talked about VAT system automation project by six months to June 2021 as most of its modules are yet to be completed.

The revenue authority said only three modules -- VAT registration, returns and e-payment -- have been prepared so far while development of seven or eight modules would be complete by this month or the next.

The project has 16 modules in total.

"We expect all the modules will be complete within six months," said NBR Chairman M Abu Hena Md Rahmatul Muneem in response to queries during a press briefing at the NBR headquarters yesterday.

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of which will be financed by World Bank, was scheduled to end this month following a two-year extension in 2018 owing to the deferment of the VAT and supplementary duty act.

The revenue authority organised the meet to share the results of programmes it held to observe VAT

Week between December 10 and December 15, which were focused on motivating businesses and consumers to use electronic fiscal devices (EFD), a kind of cash register, to increase revenue collection.

As a part of the event, the NBR will recognise the country's top nine VAT paying firms in order to encourage others to collect and deposit in the state coffers the consumption tax paid by the consumers.

Muneem said more than 1,000 EFDs have already been installed in Dhaka and Chattogram and the NBR would gradually bring stores across the country under the EFD network.

To encourage people to pay VAT and ask shops for receipts against their purchases, the revenue authority launched a lottery, offering Tk 100,000 as the first prize.

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GLOBAL BUSINESS

In Japan's old capital, bank turns to local development in test of Suga's revival drive

REUTERS, Tokyo

A bank in a suburb of Osaka is investing in local development and setting a growth target for its home prefecture, offering a new model for how banks could operate under Prime Minister Yoshihide Suga's revitalization drive.

The efforts by Nanto Bank, based in Japan's ancient capital of Nara, come as Suga calls for regional banks to boost local economies reeling from an ageing and dwindling population.

Nara's tourism industry, for instance, is struggling to draw money from visitors, who typically flock to its World Heritage temples but don't stay overnight. The coronavirus pandemic has added pain for retailers, with Japan closing its doors to most foreign tourists.

Knowing the bank's fate could be tied to Nara's economy, Nanto last year set an ambitious target to boost the prefecture's gross domestic product (GDP) by 10% over a decade.

"We asked ourselves whether regional banks would be around a decade from now and concluded that without a vibrant regional economy, we can't stay relevant," Nanto President Takashi Hashimoto told Reuters.

Helping boost tourism infrastructure was a first step, he said: "We want to turn Nara into a place to stay for a night, rather than a place where people just stop by."

Nanto invested in a 1.5-billion-yen (\$14 million) fund in projects that rehabilitate ancient neighborhoods and turn centuries-old buildings into boutique hotels.

One such example is Maruto Shoyu, a three-centuries-old

"shoyu" soy sauce brewery-turned hotel that opened three months ago near one of Japan's oldest shrines worshipping Mount Miwa.

"This area may be underdeveloped, but I took that as a positive because visitors

can enjoy Japan's old, largely unscathed landscape," said Maruto's owner, Hiroyuki Kimura.

Before the pandemic, Nara was one of Japan's most popular tourist destinations and home to renowned sites such as the Great Buddha, built when the area was

Japan's capital during the eighth century.

But the prefecture has the fewest number of hotel rooms in Japan, and tourists stay in neighboring big cities. Nanto has worked with local government and firms to create demand on its home turf.

After more than a decade of convincing, JW Marriott opened a hotel in Nara this year, becoming the first luxury foreign brand to set foot in the prefecture. About 14 more hotels have opened this year or plan to do so by 2022, prefecture officials say.

Achieving Nanto's GDP target, however, won't be easy with a tourism-reliant economy crippled by the coronavirus pandemic.

There is also no guarantee more tourists would bring in more revenue. Nanto's investment in the rehabilitation fund is a drop in the ocean compared with total loans to corporate borrowers exceeding 5 trillion yen.

Although Nanto holds a 50 per cent market share in Nara, it has failed to generate enough profits from core lending and fee businesses to offset costs for more than a decade.

That means Nanto must accompany investment with cost cuts, including locally unpopular branch closures.

"The prime minister is prodding regional banks to become stronger," Nanto's Hashimoto said. "We've been trying to do that for some time. We can't help the local economy unless we stay lean and mean."



Visitors wearing protective masks amid the Covid-19 outbreak take a walk inside Nara Park, Japan.

NEWS In Brief

Pandemic is shifting balance of the world economy: Merkel



REUTERS, Berlin

German Chancellor Angela Merkel said on Wednesday that the COVID-19 pandemic was shifting the balance of the world economy, with many countries suffering economic downturns due to the coronavirus crisis.

She told the Bundestag lower house of parliament that the economies proving to be the most resilient were those that had managed to get the pandemic under control.

IndiGo to reach 80pc of normal domestic capacity soon

REUTERS, Sydney

India's biggest airline, IndiGo, expects to reach 80 per cent of usual domestic capacity by the end of the month but international capacity is running at just a fifth of normal levels because of the pandemic, its chief executive said on Wednesday.

The airline hopes to reach 100 per cent of normal domestic capacity by early next year and 100 per cent of its usual international capacity by the end of 2021, Chief Executive Ronojoy Dutta said at a CAPA Centre for Aviation event.

Nestle launches plant-based Harvest Gourmet brand in China

REUTERS, Beijing/Shanghai

Nestle launched its plant-based Harvest Gourmet brand in China on Wednesday, moving into the country's meat substitute industry that has seen a surge of interest from investors and brands over the past year.

The Swiss food and drink giant said the brand, which is available in Australia, would offer burgers, sausages, nuggets and mince, and will also sell dishes aimed to appeal to Chinese taste-buds, such as kung pao chicken, braised meatballs and pork belly.