

Stocks

DGEN 0.27%
2,553.73

CSCX 0.02%
5,365.83

Asian Markets

MUMBAI 3.65%
11,403.25

TOKYO Closed

SINGAPORE 2.28%
1,849.57

SHANGHAI 2.78%
2,468.19

Currencies

	Buy Tk	Sell Tk
USD	68.50	69.50
EUR	88.28	93.24
GBP	98.82	104.12
JPY	0.69	0.76

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold \$894.65
(per ounce)

Oil \$50.62
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Stop migrant workers' harassment: Seminar

The decline in overseas employment in recent months and harassment of migrant workers are not a result of the ongoing global financial meltdown, rather in most cases it is caused by indifferent recruiting agencies, a dialogue in Dhaka was told yesterday.

B-3

International

Costs of flu pandemic



As the world is increasingly focusing on the human and economic potential cost of the current swine flu virus and whether it is likely to spread rapidly, the big question is whether this is the flu pandemic that the Avian virus was not. According to Australian Reserve Bank economists, even a "mild" swine flu epidemic could lead to the deaths of 1.4 million lives and cost the global economy more than US\$330 billion (\$463 billion) in lost output.

India's Bharti Airtel Q4 profit jumps 21pc

India's top mobile phone company Bharti Airtel reported Wednesday that fourth-quarter net profit jumped 21 percent year on year, boosted by a rise in the number of cellular phone users.

B-4

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Drop in remittance kicks up debate

STAR BUSINESS REPORT

Analysts yesterday predicted a possible fall in remittance inflows in coming days but top government functionaries contradicted the forecast saying that it would remain unhurt following easing of job transfer in Saudi Arabia and opening up of new markets.

"The worst is yet to come but we should not be complacent," said Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue (CPD), citing a slump in the outflow of migrant workers in the recent past from a year ago.

He feared the decline in outflow might hurt remittances in months ahead.

His remarks came at a discussion on 'The Global Economic Crisis: Impact on Bangladesh's Overseas Employment Sector,' organised jointly by International Organisation for Migration (IOM) and The Daily Star at Pan Pacific Sonargoan Hotel.

Others, including Bangladesh Bank Executive Director Chowdhury Mohidul Haque, echoed Debapriya's view. Responding to a query, Haque said remittance inflows might drop in the second half of the year 2009.

He, however, said, "We hope to receive about \$10 billion remittance in the fiscal year 2008-09."

But Expatriates' Welfare and Overseas Employment Minister Khandaker Mosharraf Hossain said: "The picture is not that much gloomy so far. Allowing transfer of jobs in the Saudi Arabia means there will be no more jobless returnees from that country where one-third of the total migrant workers stay."

"I think remittance will rather grow and the trend shows that. I don't think we are on great alarm," he said, pointing to the fact that the number of returnees is too small to affect the remittances from around 6.5 million migrant workers.



Expatriates' Welfare and Overseas Employment Minister Khandaker Mosharraf Hossain, 2-R, speaks at a discussion on the global economic crisis at Sonargoan Hotel in Dhaka yesterday.

"On an average 300 workers return home daily. The number is small considering the total expatriate workers," the minister said. "People are going to Libya and we are very seriously looking for new markets like Iraq and former Soviet blocs."

Anisul Islam Mahmud, chairman of the parliamentary standing committee on the expatriate welfare and overseas employment, said he also thinks that remittance would not fall.

Remittance inflows, which hit record high at about \$8 billion last fiscal (2007-08) registering a 32 percent growth, still maintain the growth this fiscal year. But

signs of slowdown in growth are there.

In the July-March of FY 2008-09, remittances grew 24.51 percent to \$7.03 billion from \$5.69 billion a year ago, according to the central bank.

Fearing that returnee workers might create social unrest, Debapriya suggested policy measures. "It's better to be safe rather than sorry," he said, recommending introduction of an early warning system to deal with any post-crisis scenario.

"This year is expected to see a much lower demand for migrant workers, especially in certain sectors such as construction, services, export, manufac-

turing, travel and tourism," said Rabab Fatima, IOM's regional representative for South Asia.

"As migrants lose their jobs and return home, a decline in remittance flows can also be expected," she added.

Fatima sounded caution that an unmanaged return could be potentially destabilising for the society and the economy and recommended adoption of a comprehensive reintegration programme to mitigate personal losses of returnee migrants.

Syed Saiful Haque, chairman of WARBE Development Foundation, a non-governmental organisation, sought

review of the existing Emigration Ordinance 1982 and enactment of a law to remove shortcomings in migration management.

The WARBE chief also recommended measures to lower migration costs and a strict monitoring of the migration process.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Annisul Huq said the government should maintain proper statistics of the returnee workers.

Masud Ahmed, director general of the Bureau of Manpower, Expatriate and Training (BMET), said new markets such as East Europe and Africa are being explored to mitigate the global crisis fallout.

Updating the ordinance on emigration is also underway with a focus on integration of migrant rights," Ahmed said, adding that the rationalisation of migration costs is under process.

He said the proposed bank dedicated for migrant workers now awaits the central bank's nod.

"Expatriate workers are a golden goose. A little value addition, skill enhancement can push remittance up with a minimum investment," said Mahfuz Anam, editor of The Daily Star.

"This must be recognised as an industry," he said, suggesting a proactive legal framework to support both the recruiting agencies and migrants.

Anam also pointed to the issue of protecting migrant workers' rights at home and abroad.

"When the government wakes up to do something, they can. So it's a matter of political will," he said, referring to easing job transfer process in Saudi Arabia following the recent visit of Prime Minister Sheikh Hasina.

The expatriate minister said the government has taken measures that include setting up of additional 34 technical training centres in district level at a cost of Tk 557 crore.

"The picture is not that much gloomy so far"

Engineer Khandaker Mosharraf Hossain



"Is there any contribution of the government in the 10 billion dollars we are earning in remittance?"

Anisul Islam Mahmud



"The worst is yet to come but we should not be complacent"

Debapriya Bhattacharya



"This year is expected to see a much lower demand for migrant workers, especially in construction and services sector"

Rabab Fatima



"There is no law in the country to ensure better migration although it is considered a thrust sector"

Syed Saiful Haque



FBCCI to push tax cuts in budget

Crucial meeting set for May 13

REFAYET ULLAH MIRDHA

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will urge the government to slash tax, VAT and customs duty on imports of raw and intermediate goods, said the FBCCI chief.

The meeting, a high-profile gathering before finalising the budget speech, will be held on May 13. Finance Minister AMA Muhith will attend the meeting as chief guest.

Anisul Huq, president of the apex trade body, said cuts in taxes, VAT and customs duty are necessary to make businesses more competitive as the world is going through recession.

Huq said he would ask the government to cut duties on the imports of capital machinery by 1 percent. The FBCCI will also recommend 5 percent duties for intermediate goods, 12 percent for essential intermediate goods and 25 percent for luxury items.

The FBCCI is designing talks points for the meeting, which is mainly organised by the FBCCI and the National Board of Revenue every year to finalise the budget for the next year.

A focal point of the meeting will be the stimulus package in the next national budget. The finance minister had earlier

assured business leaders of forming a crisis mitigation fund for the recession in the next budget.

The FBCCI had earlier demanded formation of a "financial crisis mitigation fund" to provide assistance to the sectors affected by fallout from the global recession.

The FBCCI will also urge the government to bring down bank interest rates and service charges to maintain smooth credit flow to the industrial sector.

Huq said he has already urged the NBR to fix the tax rate at 25 percent for the manufacturing companies earning less than Tk 1 crore a year, 30 percent for the earners of more than Tk 1 crore and 35 percent for the trading and non-manufacturing companies in the national budget for the fiscal 2009-10.

He said the FBCCI would also suggest the government target Tk 55,000 crore revenue earning, with an estimated growth rate of 6 percent.

The pre-budget consultative meeting pulls in sector leaders, chamber leaders, trade analysts, exporters, experts, economists, businessmen, manufacturers and entrepreneurs. reeafat@thedailystar.net

Scrap IPO condition for mobile phone operators

DSE asks NBR

STAR BUSINESS REPORT

The prime bourse has proposed that the National Board of Revenue (NBR) scrap the regulation that binds a mobile phone operator to float at least 10 percent shares of its paid up capital through initial public offering to benefit from corporate tax rebate facility.

Presently, the rate of corporate tax for mobile phone operators is 45 percent, which will come down to 35 percent, provided the company goes public.

Dhaka Stock Exchange made the plea during a pre-budget meeting with the NBR yesterday morning.

Pointing to the fact that the listed companies, except a cell phone operator, with whatever the size according to paid-up capital, are entitled to such tax rebate, the DSE clarified to the revenue board that in case of any share offloading by any mobile operator the portion of pre-IPO placement should be included in the 10 percent quota.

"The pre-IPO placement is also a part of IPO process and the portion of pre-IPO placement should be included in the complete IPO process," said Rakibur Rahman, president of DSE, at a press briefing.

Singer spreads wings



SARWAR A CHOWDHURY

For Singer Bangladesh, 2008 was a record year, as the company's net profit jumped by more than 50 percent to Tk 153.07 million.

Singer's net profit in 2007 was Tk 101.82 million, according to the company's annual report for the year 2008, which was revealed at the 29th annual general meeting in Dhaka yesterday. The company declared 30 percent cash dividend for the year 2008.

Strong business performance in refrigerator, colour television, air conditioner, generator, microwave oven and electric oven segments helped Singer achieve rapid growth. The company's cable business also performed well.

In a message, Singer Bangladesh Chairman Mahbub Jamil said 2008 had marked the beginning of the

global financial crisis. "An increase in prices of essential commodities, higher inflation rate and scarcity of power were the other common issues which affected people."

"Despite the above factors, 2008 experienced a record setting year for your company," he said.

Singer's net revenue rose to Tk 4,436 million last year from Tk 3,556 million a year ago, an increase of 24.75 percent.

There was an increase in the turnover for all products, but most significant increases were achieved in refrigerators, air conditioners, motor-cycles and electric cables.

The company recorded earnings per share at Tk 68.22 at the end of 2008 against Tk 45.38 a year earlier.

The company said the overall market scenario in 2008 was almost identical to that of the previous years. "It

was also full of uncertainty as speculation persisted throughout the year about the holding of parliamentary election by year-end," it said.

Doubt persisted over where the country's economy would head to in the coming days with the global financial crisis, it said.

"All these activities deterred consumers. They moved cautiously, evaluated many options before spending their hard earned savings on consumer," the review said.

Overcoming all these obstacles, the company has emerged as a winner and achieved the 'Star Performer' award from Singer Asia Group, it added.

Last year, Singer introduced Enterprise Resource Planning (ERP), an integrated software system of managing all operations, and brought 31 Singer Plus outlets under it.

By 2009, the company plans to bring all shops in Dhaka and Chittagong under ERP. Singer opened 26 new stores in different parts of the country last year.

The strong performance of Singer was also reflected in share trading on the bourses. During the year, the highest share value was Tk 2,573 and the lowest was Tk 1,722, against a face value of Tk 100.

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