

Govt to set up five economic zones

UNB, Dhaka

The government has decided to set up five economic zones in the country to drive industrialisation and enhance the living standards of rural people by creating jobs.

The decision was taken at the first meeting of the governing board of Bangladesh Economic Zone Authority (BEZA) at the Prime Minister's Office yesterday with Prime Minister Sheikh Hasina in the chair.

The economic zones will be set up in Anwara upazila and Mirsarai of Chittagong, Sherpur of Moulvibazar, Mongla of Bagerhat and in areas near Bangabandhu Bridge in Sirajganj.

The five economic zones are part of the government's plan to set up economic zones in all seven divisions, PM's Press Secretary Abul Kalam Azad told reporters after the meeting.

More economic zones would also be set up in other areas in the future, he said.

The purpose of the economic zones is to expedite massive economic development in remote areas, alleviate poverty, set up agro-based industries and food processing plants for increasing the country's export basket and creating jobs.

Hasina directed the authorities to be careful about maintaining the environment of the areas as well as to try to minimise the losses of the local people in establishing such economic zones.

Sluggish exports dim growth prospects in Bangladesh: IMF

REJAUL KARIM BYRON, from Washington

Bangladesh's economic growth will slow down to 5.9 percent in the current fiscal year, largely due to falling exports and sluggish investment, the International Monetary Fund said on Tuesday.

The growth in gross domestic product will, however, make a comeback in the upcoming fiscal year, expanding at 6.4 percent, the IMF said.

The estimate is lower than the government's target -- 7 percent -- for the current year of 2011-2012.

The country's economy expanded 6.7 percent in fiscal 2010-2011 even in the face of the global recession.

The forecast from the Washington-based lender came in its April 2012 World Economic Outlook released on Tuesday, ahead of the Spring Meetings of the IMF and the World Bank in Washington.

Bangladesh's growth prospect for this year is almost in line with the slowing growth in Asia, which will expand by 6 percent in 2012.

The IMF said China and fellow emerging economies will face slower growth in 2012-13 on weak external demand, but strong Chinese domestic demand and policy easing by other Asian countries should help ensure a soft-landing.

On Asia, the report said, weaker external demand has dimmed the outlook. But resilient domestic demand in China, limited financial spillovers, room for policy easing, and the capacity of Asian banks to step in as European banks de-leverage suggest that the soft landing underway is likely to continue.



A woman works in a garment factory in Dhaka. The textiles and clothing industry, the biggest export earner, faces a slowdown.

The IMF also said Bangladesh's overall inflation would be 10.4 percent in the current fiscal year, which will come down to 7.9 percent in 2012-2013.

In the World Economic Outlook report, the IMF said commodity price shocks can have large economic, social, and political effects on low-income countries (LICs), whether they are commodity importers or exporters.

Global commodity price shocks also tend to create strong inflation and social pressures in the LICs because of soaring food prices, it said.

RanksTel set for a comeback

STAR BUSINESS REPORT

After remaining switched off for two years, RanksTel has taken steps to resume its operations soon, the private land phone operator said in a statement yesterday.

The operator has already started the re-registration process of its more than three lakh customers, according to the statement.

"We developed our network in the last six months to resume our operations," said AKM Shamsuddin, chief operating officer of the company.

He said his company emphasised ensuring interconnectivity with other operators and providing the lowest call rates to its customers.

"But one thing I want to note specifically here that our competition is not with the mobile operators."

Despite the availability of mobile phones, corporate houses, businesses, shops and residential apartments still need land phones, he said.

RanksTel aims to provide a land phone to every house along with SMS and different kinds of value-added services, he said.

Bangladesh Telecommunication Regulatory Commission cancelled RanksTel's licence in May 2010, along with other four operators. The regulator returned the licences to the operators in July last year.

DCCI asks govt to raise tax-free income ceiling

STAR BUSINESS REPORT

Dhaka Chamber of Commerce and Industry (DCCI) yesterday urged the government to raise ceiling of tax-free income in the face of increasing cost of living amid high inflation.

The chamber suggested fixation of tax-free annual income for individual at Tk 250,000 in the next fiscal year from Tk 180,000 this year.

To encourage new investments and to support existing firms to grow, the DCCI wanted reduction of taxes for listed and non-listed firms, and extension of tax holiday facilities for newly established industries till the year 2015.

It also urged the government to widen scope to import capital machinery without duty in the next fiscal year, beginning from July.

To increase revenue, the trade body suggested the government expand tax network and collect taxes from all the 30 lakh TIN (tax identification number) holders.

"The government can also consider imposing minimum business tax to boost revenue collection," said DCCI President Asif Ibrahim at a press conference at the chamber office in Dhaka.

Ibrahim was putting forward the chamber's proposals ahead of the national budget for fiscal 2012-13.

Also, the government can impose 0.6 percent tax at source of income of knitting, dyeing and weaving factories, considering these industries as 'deemed export' sector as other export oriented sectors such as woven garment, knitwear and jute goods also face deduction of tax at source.

The government will get a good amount of revenue by imposing such tax on knitting, dyeing and weaving factories, said Ibrahim.

The DCCI placed its proposals as the government is likely to take a Tk 190,000 crore budget for the next fiscal year, targeting an 8 percent growth of economy and a cut in inflation.

Of the amount, revenue collection target is expected to be Tk 120,000 crore from nearly Tk 92,000 crore in the current year.

In attaining the targets mentioned in different government plans, the biggest challenge for the government will be to solve the energy and power crises and improve infrastructures, said the DCCI.

Nippon Express sets foot in Bangladesh

STAR BUSINESS DESK

A new logistics service provider -- Nippon Express Bangladesh Ltd -- started operations here on Tuesday, the company said in a statement.

The company, a joint venture initiative of Japan-based logistic giant Nippon Express Co and Bangladesh's Golden Harvest Logistic Ltd, will provide tailor-made services for exporters and importers.

"The logistic giant has decided to open its business in Bangladesh commercially, as the country is now considered a business hub of Asia," the company said yesterday.

The joint venture company has already established 5 strategic offices in the country and set up its city logistics centre in Uttara, it said.

The company plans to open logistics service desks in export processing zones and other industrial belts to provide one-stop services to exporters and importers.

The annual market size of the logistic business is estimated at \$2 billion in the country, which is growing at 15 percent a year, according to industry insiders.

The country exported goods worth \$16 billion and settled import payments to the tune of \$21.7 billion during the July-February period, according to data from Bangladesh Bank.

Both exports and imports rose around 14 percent on average in the eight months through February, compared to the same period a year ago, according to the central



From left, Issei Shirakawa, managing director of Nippon Express Bangladesh; Takao Toda, chief representative of JICA; Ahmed Rajeeb Samdani, MD of Golden Harvest Group; Shiro Sadoshima, ambassador extraordinary and plenipotentiary of the Japan Embassy; Kenji Watanabe, president of Nippon Express; Shuji Kojima, MD of Nippon Express (South Asia); and Rezaul Alam, chief operating officer of Nippon Express Bangladesh, attend the launch of Nippon Express Bangladesh at The Westin Dhaka on Tuesday.

man Mirza Abdul Jalil attended the opening ceremony at the Westin Hotel in Dhaka as the chief guest. Shiro Sadoshima, Japanese ambassador to Bangladesh, Takao Toda, chief representative of JICA, Kenji Watanabe, president of Nippon Express Company, Rajeeb Samdani, managing director of Golden Harvest Group, and Issei Shirakawa, managing director of Nippon Express Bangladesh, also attended the event.

Foray into digital signature

STAR BUSINESS REPORT

Bangladesh entered the world of 'digital signature' yesterday, which certifies information, the provider's identity and authenticity of the document.

The information and communication ministry yesterday unfolded the new system at the Bangladesh Computer Council in Agargaon.

A digital signature is an online system that guarantees the authenticity of a person or document, said Munir Hasan, a consultant of the ICT ministry. A unique code is used to make digital signatures.

A digital signature is a mathematical scheme to demonstrate the authenticity of a digital message or document. A valid digital signature gives a recipient reason to believe that the message was created by a known sender, and it was not altered in transit.

Digital signatures are equivalent to traditional handwritten signatures in many respects; properly implemented digital signatures are more difficult to forge than the handwritten type.

Digital signatures are commonly used for software distribution, financial transactions, and in other cases where it is important to detect forgery or tampering, Hasan said.

On the benefits of digital signatures, Hasan said it will help implement secure online transactions, online stock trading, different types of online company registrations, online procurement, and ease

income tax payments.

People will not have to go to the public or private offices if digital signatures are used, he added.

Explaining the features of digital signatures at the programme, Hasan said the inter-ministerial information flow will become easy and it will help implement e-commerce.

Hasan said digital signatures can be used in all electronic communications such as web, e-mail or e-commerce. It is an electronic stamp or seal that appends to the document and ensures that it was unchanged during transmission.

In the digital signature system, the documents are converted into complicated unique algorithms and sent to the receiver with proper keys. The receiver converts the documents with proper keys, said Hasan.

3 in 5 people lack safety nets: WB

REJAUL KARIM BYRON, from Washington

At least 60 percent of people in developing countries lack effective safety net coverage as countries struggle to protect their most vulnerable citizens from the impacts of global financial crisis and food and fuel price hikes, the World Bank said yesterday.

About 6.6 crore children around the world go to school hungry and struggle to concentrate and learn, the World Bank said.

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