

Bangladesh must diversify exports: EU envoy

STAR BUSINESS REPORT

Bangladesh needs to diversify its export basket and go beyond traditional destinations to keep the growth pace steady in the European market, said the head of the EU delegation to Bangladesh yesterday.

"Bangladesh has been known for consistent progress in export for the last three years. And no other least developed countries made so much progress during this period," said William Hanna.

"This progress is not just because the country was provided duty-free access to the European market, but the qualitative standards of Bangladeshi products helped it achieve the growth," he added.

"However, Bangladesh needs to diversify its products and export destinations further to sustain the growth in export to the European market," said Hanna.

He was speaking at a seminar on "Bangladesh and the European Union: 40 years of partnership" organised by the EU delegation to Bangladesh at Lakeshore Hotel in Dhaka.

Bangladesh saw 28.3 percent export growth in 2011 calendar year, said the envoy.

"I am optimistic that the growth in export in the EU market will continue, but the growth is slowing down gradually because of the current economic downturn."

Hanna said there are opportunities to expand the market for Bangladeshi products in the EU further, and pharmaceuticals,



William Hanna, head of the EU delegation to Bangladesh, speaks at a seminar, "Bangladesh and the European Union: 40 years of partnership" organised by the EU delegation to Bangladesh at Lakeshore Hotel in Dhaka yesterday.

shipbuilding, leather and footwear, and light engineering products can be the next big sectors for export.

"The challenge is to move forward with the diversification, and the EU will support through responding to that challenge."

The EU and the US are the two biggest export destinations of Bangladeshi products with 51 percent and 22 percent market shares respectively.

However, the European buyers are becoming more and more sensitive about

labour standards and environment compliance, said Hanna.

"(European) consumers want to pay more if it is written on the product's label that it has been produced complying with environment and labour standards," he added.

In response to a query about the recent unrest in some garment factories, Hanna said, "A good manager always keeps his employees happy, because the productivity will be high

when a worker is happy."

He also said the EU will continue to work closely with Bangladesh to support its development through strengthening democracy and ensuring human rights.

In his paper, Zillul Hye Razi, trade adviser to the delegation of the EU to Bangladesh, said the new rules of origin, which came into effect in January 2011, played a key role in boosting Bangladesh's exports to the EU.

He said the EU is the number one trade partner of Bangladesh. In 2010, 51 percent of the total Bangladeshi exports went to the EU, while about 7 percent of total import was from the bloc.

Bangladeshi exports increased to 8.6 billion euros in 2011 from 6.7 billion euros in 2010.

Bangladesh exported 88 percent of its total garment products and 4 percent of total agriculture and fisheries products to the EU in 2011. During this time, Bangladesh imported 56 percent of its total import of machinery and transport equipment, and 13 percent chemicals from the EU.

However, exports of pharmaceuticals, bicycle, tea and ceramic products declined during the period, said the paper.

Bangladesh's average export growth to the EU between 2007 and 2011 was 13.8 percent.

Andrew Barnard, first secretary of the EU delegation to Bangladesh, was also present at the seminar.

Ruposhi Bangla gets new GM

STAR BUSINESS DESK

James McDonald has joined Ruposhi Bangla Hotel as its general manager, the hotel said in a statement yesterday.

McDonald, a British national, is a graduate of North Devon Polytechnic Hotel School, and holds a food hygiene certificate from the Royal Society of Arts.

Prior to joining Ruposhi Bangla, McDonald was the general manager of InterContinental Regency in Bahrain.

McDonald, possess 18 years of hospitality experience with InterContinental Hotel Group and experience of working in many countries, including Germany, England, Austria, Zambia, Jersey, UAE, Bahrain, Australia, Kenya and Egypt.



James McDonald

Precautions a must for fighting fire: analysts

STAR BUSINESS REPORT

Fire incidents at commercial and residential structures take heavy tolls on lives and properties due to lack of adequate fire-fighting equipment, analysts said in a seminar recently.

Tech.Me Engineering, a fire protection equipment supplier, arranged the programme at BRAC Centre Inn to develop awareness among the professionals involved in designing and building structures for heavy and light industries.

Speakers at the seminar said stakeholders should be more conscious in installing fire fighting equipments in buildings so that fire can be extinguished at its primary stage and massive losses can be avoided.

They also stressed the need for making workers aware about the fire-fighting and escape system, as workers suffer the most when fire breaks out in industrial areas.

Shabdsheel Sinha, sales manager for Saarc coun-



Abu Nasser Muhammad Abdus Zaher, chairman of Islami Bank Bangladesh, speaks at the bank's 29th annual general meeting at Bangabandhu International Conference Centre in Dhaka yesterday. The bank approved 25 percent stock and 7 percent cash dividends for 2011.



Hadenan Bin Abdul Jalil, chairman of ICB Islamic Bank, presides over the 25th annual general meeting of the bank at Army Golf Club in Dhaka on Monday. Mamoon Mahmood Shah, managing director, and Malick Mushfiq Reza, chief financial officer and company secretary, were also present.

NBR to launch online tax payment May 26

STAFF CORRESPONDENT, Ctg

The National Board of Revenue will start online payment of income tax, VAT and other taxes on May 26, the NBR chairman said yesterday.

Nasiruddin Ahmed spoke at a meeting with the representatives of trade associations at the Chittagong Chamber of Commerce and Industry (CCCI). CCCI President Murshed Murad Ibrahim presided over the meeting.

Nasiruddin emphasised full-fledged automation to streamline the tax administration. Professionals are working to install updated software, ASYCUDA World, to implement full automation of the customs, he said.

Mentioning the steps taken for stopping harassment in collecting tax identification numbers, the NBR boss said people would be able to get TIN registration online from September.

Ahmed signalled that the pre-shipment inspection system would be removed in December.

CCCI placed some proposals to withdraw duties on imported empty LPG cylinders and not to impose additional duty or VAT on imported billets.

Nasiruddin Chowdhury, BGMEA's first

vice president, said factories situated in export processing zones enjoy benefits while importing building materials or machinery and get uninterrupted power and gas supply.

It becomes difficult for the factories outside these special zones to compete in the presence of such discriminations, said Chowdhury who urged the government to provide similar facilities to the factories outside the EPZs too.

Kamal Hayat, senior vice chairman of Bangladesh Shipping Agents Association, urged the authorities to take steps for fast-track customs clearance of imported food items.

The NBR chief promised that reasonable proposals of the business communities would be considered in the upcoming budget. Ahmed later joined another such meeting organised by Chittagong Metropolitan Chamber of Commerce and Industry (CMCCI).

The NBR chairman also attended a seminar on e-payment and Chittagong Customs House automation, organised by Chittagong Customs House.

Mohammad Nasir Uddin, an NBR member, attended the seminar as a special guest while Maruful Islam, commissioner of Chittagong Customs House, chaired the event.

Amnesty for black money in stocks to continue

FROM PAGE B1

But, the present trend shows that inflation is going to ease in the coming months. "We expect GDP growth will continue to go up in the next fiscal year," said Muhith.

Two major challenges the government will face in the coming year are reining in inflation and curbing bank borrowing, he said.

The minister said the government will also continue subsidies for the agriculture sector.

On power outages, Muhith said his government is working to improve the situation.

"The government has attached higher importance to power generation," said the minister.

Though the government has undertaken a number of steps such as setting up quick rental power plants, those could not produce the required amount of electricity, said Muhith.

He admitted that the government has made a mistake in calculating the actual demand for electricity, resulting in frequent power outages.

Earlier, Muhith said the upcoming budget would be of around Tk 190,000 crore, of which Tk 54,000 crore will be for annual development programme (ADP).

The budget is likely to be placed in parliament on June 7 and to be approved on June 28.

AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, Shafiqul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association, and Moazzem Hossain, editor of The Financial Express, were also present at the discussion.

Stocks fall as investors await court outcome

STAR BUSINESS REPORT

Stocks declined yesterday as investors await the outcome of today's hearing on writ petitions against mandatory shareholding rules.

The DGEN, the benchmark general index of Dhaka Stock Exchange, went down 36.94 points or 0.73 percent, finishing the day at 5,020.21 points.

"Spontaneous participation was hindered as investors awaited the outcome of the hearing on writ petitions on SEC's directive on minimum shareholding," IDLC Investment said in its daily market analysis.

Turnover gained 24.46 percent, compared to the previous day. A total of 0.097 lakh trades were executed, generating a turnover of Tk 433 crore with 8.97 crore shares and mutual fund units changing hands on the Dhaka bourse.



Abdullah Al Mossaddek, managing director of Jenny's International, inaugurates its new outlet at Agrabad in Chittagong on Monday. Md Anisuzzaman, general manager for sales, was also present.



Ali Reza Iftekhar, managing director of Eastern Bank, hands a certificate to one of the participants of "EBL capacity building" training programme at Hotel Purbani in Dhaka recently. The training was jointly organised by the bank and South Asia Enterprise Development Facility, managed by IFC.

No plan to cut corporate tax: Muhith

FROM PAGE B1

On the concern of the business community about the budget deficit, Muhith said an expansionary budget cannot be designed without a deficit.

"Scope for loans has not shrunk because of this," Muhith said, adding that the credit to the private sector has increased.

M Jasimuddin, FBCCI's first vice president, who led the delegation, presented their recommendations for the next budget to the minister.

The apex trade body recommended fixing the corporate tax rates for the publicly traded companies at 32.5 percent if the companies give less than 10 percent dividends, according to news agency UNB.

FBCCI also recommended tax at 25 percent for the companies that give dividends above 10 percent but below 20 percent, and at 22.5 percent for the companies that pay dividends more than 20 percent.

They also recommended increasing the individual tax-free income ceiling to Tk 220,000 from Tk 180,000 now. They suggested increasing the minimum income