

BAIRA urges FBCCI to mediate with govt in labour migration

STAR BUSINESS REPORT

Bangladesh Association of International Recruiting Agencies (BAIRA) yesterday urged the country's apex trade body to help resolve a conflict between the association and the government over labour migration.

"Remittance is the driving force of the Bangladeshi economy, but the people who run the manpower trade are seriously disregarded -- they are not given any business opportunity," BAIRA President Shahjalal Majumder said.

The comments come in the wake of the resumption of manpower export to Malaysia through government channels.

BAIRA feels they should be given the opportunity to export manpower to Malaysia as well, under public-private partnership.

"We are in a delicate situation as the expatriates' welfare minister is refusing to meet with the BAIRA leaders. We are asking the FBCCI [Federation of Bangladesh Chambers of Commerce and Industry] president to resolve the issue for us."

He spoke at a discussion at the FBCCI, chaired by FBCCI President Kazi Akramuddin Ahmed.

"We assure you of sending about 15 lakh workers abroad within a year, while ensuring transparency and accountability," he said.

The BAIRA president claimed a reactionary group within the ministry has created such a complex situation -- for its personal gain.

"We are going through a lean patch as the Middle East has stopped importing manpower from Bangladesh. But the government is not giving us any attention," said

BAIRA Secretary General Ali Haider Chowdhury.

The government should give priority to this sector for the interest of economy, he added.

"All the talk is now about cutting down the migration costs -- and we also want that. Let us do the export and the government watch over us," he added.

Kazi Akram Uddin Ahmed assured the BAIRA leaders of FBCCI's assistance, while urging BAIRA to send skilled workers to enhance the country's image and remittance volume.

FBCCI Vice-president Helal Uddin urged the BAIRA leaders to come up with a concrete proposal which will be acceptable to all.

"The proposal should be based on lower migration costs and a transparent process -- with no room for deception."

Jute products showcased

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Jute Diversification Promotion Centre (JDPC) showcased diversified jute products at an event organised in association with Katalyst in Dhaka yesterday.

JDPC also formally launched the buyer-seller meet event as a regular activity, the centre said in a statement yesterday.

The event demonstrated strengths of small and medium enterprises in producing quality jute products and facilitated links between suppliers and buyers. Potential bulk buyers of jute products from both national and international arena were present at the event.

Shubhashish Bose, vice-chairman of Export Promotion Bureau, attended

the event as a special guest, and Ashraf Alam, joint director of Bangladesh Bank, was also present.

Md Mahabub Alam, senior faculty member of business at Manarat International University, advised SMEs on how to promote their products effectively.

Rashidul Karim Munna, managing director of Creation Private Ltd, established in 1997 and now the third largest exporter of diversified jute products, shared his experiences with the audience.

The exhibition brought together jute products supplied by 25 entrepreneurs and showcased jute and jute products, including bags, souvenirs and gift items, fabrics, geotextiles, yarn and lifestyle products.



ESQUIRE GROUP
Ehsanul Habib, managing director of Esquire Accessories, and Ben Hunt, executive vice-president of Braiform Global Business, attend a programme recently where the companies signed a deal for production and sales of hanger.

Golden Harvest's IPO begins today

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The subscription of Golden Harvest Agro Industries' initial public offering begins today and will remain open till next Sunday.

The manufacturer of frozen ready-to-cook foods intends to raise further capital of Tk 75 crore by issuing 30 million shares at Tk 25 a share, including a premium of Tk 15 each, according to the Securities and Exchange Commission.

The company's earnings per share is Tk 4.72 and net asset value per share stands at Tk 25.53, as per its report for 2010-11.

Over the five years of achieving highest global standards of quality food productions, British Retail Consortium helps Golden Harvest to create a platform of an international image of manufacturing quality foods in Bangladesh," said Samad Chowdhury, chief operating officer of the company.

The company plans to add another product -- Premium Ice Cream -- to its product line soon and launch a modern distribution network to reach all of Bangladesh by 2013 through setting up storage



KSRM
Shamim Z Bosunia, former teacher of Bangladesh University of Engineering and Technology; Jamilur Reza Choudhury, vice chancellor of University of Asia Pacific; and Mohammad Shahjahan, managing director of KSRM, attend a discussion on design and construction of reinforced concrete structure, organised by KSRM, at Ruposhi Bangla Hotel in Dhaka recently.



EBL
Md Khurshed Alam, head of SME at Eastern Bank, and Gulshanara Ali, acting president of Chittagong Women Chamber of Commerce and Industry, exchange documents of a deal in Chittagong recently to develop women entrepreneurship in the country.

New funds push stocks up

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Dhaka stocks gained for the second week as investors injected fresh funds into large-cap companies.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the week at 4,174.77 points, after gaining 2.11 percent or 86.15 points.

The market witnessed four trading sessions instead of five as there was a public holiday -- Victory Day -- on Sunday. Among those, two sessions gained 135.26 points, while the rest lost 49.11 points.

The heavyweight securities -- Beximco, Summit Power, Grameenphone and Square Pharma -- led the market rally as investors were more upbeat on these stocks amid fresh optimism, analysts said.

Investors prefer to keep themselves away from the market due to the recent

political unrest and two days of hartal in the week, according to the analysts.

"Unsatisfactory turnover level made investors puzzled about short term upside, prompting them to realise profit, especially in the banking sector. On the other hand, IPO hype got active as Envoy Textiles and Generation Next Fashions contributed significantly to the market turnover."

Of the 279 issues that traded on the DSE floor, 202 advanced, 67 declined and 10 remained unchanged.

All the major sectors posted gains: especially power rose 3.11 percent, non-bank financial institutions 2.69 percent, banks 1.97 percent, pharma 1.96 percent and telecom 1.55 percent.

Beximco with a transaction of 92.67 lakh shares worth Tk 54.73 crore was the week's top traded stock where Unique Hotel and Resorts and United Airways were the next popular stocks.

Trade policy for the 21st century

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Bangladesh still imposes high protective tariffs, especially on consumer goods, by international standards. A study of ERP done by the Policy Research Institute for 100 firms across 11 manufacturing sub-sectors in 2012 reveals that effective protection rates far exceed NPRs by wide margins because average input tariffs are well below output NPRs. Barring intermediate goods, most consumer goods production in Bangladesh have output NPR rates between 50 percent and 100 percent (200 percent for biscuits!). Thus, the ERPs for domestic sales work out in the following ranges: agro-processing (100 percent for fruit juices to 600 percent for bread and biscuits); footwear (214 percent-342 percent); leather products (244 percent for bags); bicycles (117 percent-215 percent); ceramics (190 percent-215 percent); electronic products (272 percent for solar bulbs); plastic products (87 percent-483 percent).

This illustrative pattern of effective trade protection is not necessarily based on any rationale or strategic considerations to influence resource allocation or create employment opportunities. I am not aware of any empirical evidence that shows that this system of trade protection and the associated trade policy has contributed to rapid growth of the manufacturing sector or created jobs in the protected sectors. On the contrary, as noted earlier, most manufacturing jobs in the past 25 years or so (3.6 million) have been created in the garment sector that receives zero trade protection. A priori, it could also be argued that the resulting system of incentives indicated by the ERPs imposes a huge negative bias against exports. It is therefore imperative

for the government to ask why the present system of trade protection should be preserved. The economic rationale of the current trade system needs to be urgently analysed, reviewed and reformed to support export diversification and growth of the manufacturing sector.

Based on economic theory and history of economic development, one might argue for selective trade protection on strategic grounds of dynamic comparative advantage. This requires solid analytical research to provide the rationale for such protection and a time-bound system of protection that is reviewed and revised based on outcomes. The government lacks the institutional capacity to do this and would need to acquire this capacity by partnering with local research institutions.

Presently, trade policy reforms have stalled and largely overtaken by revenue considerations. This is not a good policy outcome. Trade policy must be guided by the needs of export promotion and efficient import substitution. Revenues are best generated through income and value-added taxes. The ongoing reforms of the VAT are a welcome development. There is now an urgent need to reform the income tax through administrative simplifications, rates and exemption rationalisation, bringing capital gains in the tax net, and introducing a modern system of property taxation. The earlier this reform starts, the easier it would be to rationalise the system of trade taxation to support the growth of manufacturing sector value-added, exports and jobs.

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Yunus launches social business in Nepal

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Hisila Yami, wife of Nepal's prime minister, expressed her desire to visit Bangladesh soon to learn from Bangladeshi poor rural women.

President of Nepal Ram Baran Yadav received Yunus at Rashtrapati Bhaban and thanked him for coming to Nepal, and for sharing his experience in social business as ways to help Nepal overcome some of its difficult problems.

Yunus pledged to work with the Nepalese government to change institutional designs needed to help microcredit grow faster. Yadav also offered Yunus to be the patron for social business in Nepal and monitor its progress.

Later, the Nobel laureate on behalf of Yunus Centre and Binod Chaudhury, president of Chaudhury Group, announced a collaboration to create a \$1 million social business fund for Nepal to fund creative social businesses that will tackle the problems faced by Nepal in the areas of energy, healthcare, women's empowerment and environmental protection.

Ideas for social businesses will be invited from young people, and the best business plans will be financed by the fund, Yunus Centre said in a statement yesterday.

Chaudhury Group and other businesses will invest in the fund where Yunus Centre will provide technical support.



MTB
Rashed Ahmed Chowdhury, vice chairman of Mutual Trust Bank, opened the bank's 81st branch at Kakrail in Dhaka recently. M Serajul Islam, managing director, was also present.



PRAN
Mahtabuddin Ahmed, chairman of Agricultural Marketing Co Ltd (PRAN), attends the company's 27th annual general meeting in Dhaka recently. PRAN declared 31 percent dividend for 2011-12. Ahsan Khan Chowdhury, deputy managing director, was also present.

Buet team: top winner for SME business plan

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The third prize went to a team of the same university's marketing department comprising Rishad Ahmed, Gias Uddin Chowdhury and Sugondha Mobin for their business plan to produce paper bottle from bamboo leaves and bran.

Apart from certificates and crests, the champion team got Tk 5 lakh, the first runner-up Tk 4 lakh and the third team Tk 3 lakh as prize money.

Industries Minister Dilip Barua, who gave away the prizes, said these young entrepreneurs would not only create jobs for themselves but for many others when their plans will be implemented.

Kazi Akram Uddin Ahmed, presi-

dent of the Federation of Bangladesh Chambers of Commerce and Industry, said it is a noble work to find out the budding entrepreneurs.

Ahmed said he would try to manage loans at low interest rates for the winners so that their plans come true.

In association with Banglalink, the SME Foundation launched the competition last year to generate new and potential business ideas from the country's small and medium entrepreneurs, said Md Mujibur Rahman, acting managing director of the foundation.

Anis Ud Dowla, chairman of ACL, who led the jury board to pick the winners, and Solaiman Alam, head of marketing at Banglalink, also spoke.