

Microsoft to set up 'innovation centre' in Dhaka

ABDULLAH MAMUN

Software giant Microsoft will set up an "innovation centre" in Dhaka within the next six months, ICT Secretary Nazrul Islam Khan said.

The US-based firm also plans to set up a research and development centre in the under-construction high-tech park in Gazipur if the government provides them with lands, the official said.

Khan said he had a meeting with Microsoft's Southeast Asia President Jamie Harper in Dhaka yesterday and they talked on the issues.

The innovation centre will help generate new ideas and business opportunities and facilitate technology transfer, he added.

Earlier, South Korean electronic giant Samsung had set up a research and development centre in Dhaka.

Microsoft may also work with Bangladeshi universities, setting up small units of such centres for the students. "We want to see our people developing application and earning foreign currencies. Such a centre is a step forward to that goal," Khan said.

He also apprised Harper of Bangladesh's progress towards digitisation including the initiatives to develop IT literate people.

Harper has also agreed to set up innovation centres in universities in phases if space were provided by the authorities concerned.

# BUSINESS

## Ray of light from Japan for shrimp exporters



STAR

If shrimp exporters can maintain quality and commitment, they will be able to build a strong footing in the Japanese market.

SOHEL PARVEZ

Japanese buyers are once again showing interest in Bangladeshi frozen shrimps, creating scope for exporters to reduce dependence on Europe, their largest market.

"Our exports to Japan had been very low over the last several years, but recently we are receiving many queries from there. It is a very positive sign," Md Rezaul Hoque, managing director of Modern Sea Food Ltd, said.

In April alone, exporters shipped shrimp worth \$2 million to Japan, according to Bangladesh Frozen Foods and Exporters Association.

Japan, Asia's second biggest economy, was once the main market for Bangladeshi shrimps, especially during the 1980s and 1990s. But exporters found buyers were reallocating since the beginning of

the 21st century.

"Now, it appears that the Japanese buyers are shifting back to us from India and Vietnam. If we can maintain quality and commitment, it'd become a very important market for us," Hoque said.

He said the reopening of the Japanese market will reduce their dependence on Europe and the US.

"We had to sell our products at very low prices to the European buyers after the global recession -- it left us in losses. The burden on the industry would lighten if we had a good market in Japan."

Even, buyers from Vietnam are showing interests in Bangladeshi shrimps, said Shoyeb Mahmud, general manager of Jahanabad Seafood Ltd.

"It may be that they are shifting to us because of the falling produc-

tion of their black tiger shrimps. But we cannot take all new orders because of inadequate raw materials."

The renewed interest from Japan, however, coincides with the improving fortunes in the export market. Exports receipts from shrimp, the major item in the frozen food segment, have been picking up since February.

Export earnings from shrimp were 13 percent down during the July-January period of the current fiscal year compared to the same period a year ago, according to Export Promotion Bureau.

But the situation improved in July-May, when earnings were 6 percent down to \$406 million, compared to \$432 million in the same period the previous year.

"It's the result of increased demand and higher prices of our black tiger," said Kazi Belayet

Hossain, managing director of Sobi Fish Processing Ltd.

Hossain recently received orders from Japan for two containers of shrimp, the first since 1997.

"We are taking extra care in quality control," he said, adding that the Japanese buyers are offering better prices which, in turn, are forcing buyers from Europe to offer increased prices.

"Buyers from Europe had been in a wait-and-see mood. Now they also have started placing orders because of purchase by the Japanese buyers," said Hossain, also a former president of the exporters' association.

Md Amin Ullah, the incumbent president of the trade body, said the increased demand and prices also caused a price spiral at the farmer's level. "The farmers are reaping the benefit of better prices," he said.

## Turnover hits eight-month high

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange yesterday hit an eight-month high, powered by investors' buying spree amid growing optimism.

Considered the most important indicator of a market's volatility, turnover stood at Tk 752 crore, up 16.60 percent from the previous day.

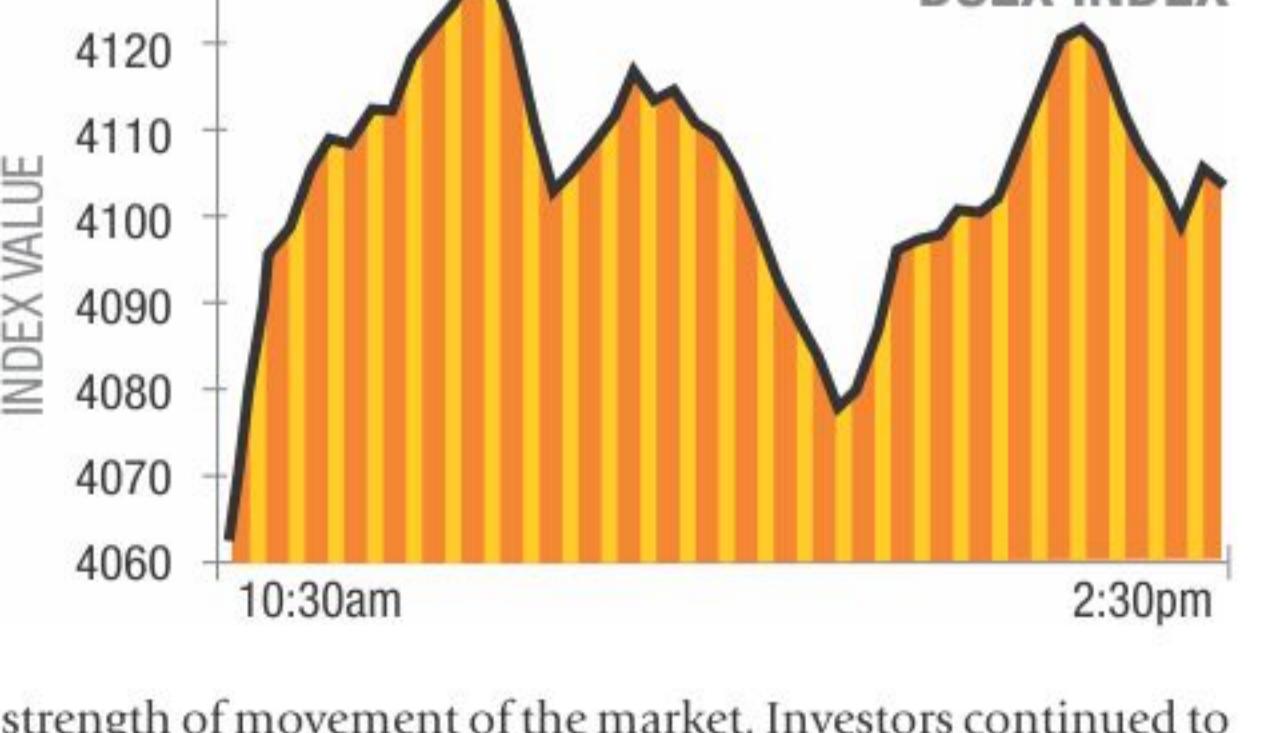
DSEX, the benchmark index of the Dhaka Stock Exchange, closed the day at 4,103.39 points, after gaining 40.64 points, or 1 percent.

Active participation has increased substantially, which helped market turnover break last eight months' resistance level, stated IDLC Investments in its market analysis.

IDLC added that investors gravitated towards fundamentally sound stocks during the session.

The market has seen modest gains in capitalisation as optimistic buyers and sellers with profit-taking motive were active on both the frontiers, LankaBangla Securities said.

"Increasing turnover with capitalisation gain indicates



strength of movement of the market. Investors continued to pour money into the stocks they think will generate value for the long-term."

The steep correction of 2.02 percent in the telecoms sector was offset by the gains in the other sectors.

Banks rose 2.91 percent, followed by pharma 0.40 percent and power 0.17 percent.

Non-bank financial institutions lost 0.28 percent, after registering hefty gains in the last two sessions.

Bangladesh Submarine Cable Company topped the most-traded stock chart with its transaction of 58.46 lakh shares worth Tk 34.59 crore.

Singer Bangladesh was the biggest gainer of the day, posting a rise of 9.94 percent, while Sandhani Life Insurance was the worst loser, plunging by 21.55 percent.

The Chittagong Stock Exchange also ended on a higher note, with its selective categories index, CSCX, gaining 1003 points, or 1.3 percent, to close at 8,069.

Gainers beat losers by 113 to 84, while 13 issues remained unchanged on the port city bourse that traded 2.15 crore shares and mutual fund units at a turnover of Tk 66.76 crore.



Workers of New Wave Apparel stage demonstrations yesterday in front of the BGMEA office in Dhaka to demand arrears.

## Murshedey shuts garment factory over labour unrest

STAR BUSINESS REPORT

Stricken by severe worker agitation for the past four days over lunch bill, Nadia Garments yesterday announced indefinite closure of the factory.

"Due to labour unrest of the few days, I have been compelled to shut down the factory for an indefinite period," said Abdus Salam Murshedey, managing director of Envoy Group, the owning company of Nadia Garments.

"And according to labour laws, I am perfectly within my rights to take this step," added the former president of Bangladesh Garment Manufacturers and Exporters Association.

Over the workers' demand for lunch bill, he said: "None of the owners of the nearby garment factories do so -- I cannot be the only one to pay lunch bill."

Earlier, the management of the New Eskaton-based factory agreed

to increase the tiffin bill to Tk 16 a person from Tk 12, attendance bonus to Tk 500 from Tk 200 and night allowances to Tk 35 from Tk 30.

Murshedey said the company might have to resort to expensive air shipments or even face order cancellation from buyers because of the closure. "My losses are also significant," he added.

"If the management meets our demands, we will join work. Otherwise we will continue to demonstrate," a female worker said on Tuesday.

The workers did not come to the factory yesterday and there was no demonstration as well, said Hadiur Rahman, another worker of the factory.

Murshedey, however, has not specified if the workers would be paid during the period of closure, but there is a "no work, no pay" clause in the country's labour laws.

## Japan's Uniqlo to open stores in Bangladesh

AFP, Dhaka

Japanese clothing chain Uniqlo will open stores in Bangladesh in a joint venture to tap into the nation's growing middle class, the joint business said Wednesday.

Fast Retailing, which owns Uniqlo, has teamed with Grameen Healthcare, run by Bangladesh's Nobel Peace laureate Muhammad Yunus, to initially open two stores in Dhaka.

The stores, to be operated by the tie-up Grameen Uniqlo, will be the first in Bangladesh from a leading global retailer.

Although home to millions of poor, Bangladesh also has a 30 million-strong middle class, one of the largest in Asia, thanks to economic growth of around six percent annually over the last decade.

"They are the first step towards a vision of a chain of multiple stores across the country, providing quality, comfortable and affordable clothing manufactured by locals, for locals," Grameen Uniqlo said in a statement.

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## Joy for some, frustration for others

BELAL HOSSAIN BIPLAB

The Bangladeshi workers who migrated to Malaysia under state arrangement to work in the plantation sector have started remitting their incomes back home.

"I am very happy to be working here as I have to work for only eight hours a day," said Abdul Kader, who now works in a palm garden.

He added that there are overtime facilities if the shifts go beyond 2:30pm, which brought him 300 ringgit on top of his fixed salary of 900 ringgit a month, which is equivalent to Tk 25,000, in his first pay packet on June 6.

"My parents are very happy as they can now meet our family's expenses with the amount I send back," said one Alim hailing from Manikganj, who works with Kader at the palm garden.

Some other workers, too, expressed their delight in being able to contribute to their families' expenditures.

However, it is not all happy days for all of the 10,000 workers who were selected by the government for plantation jobs at the Southeast Asian nation.

Kader and Alim were among the inaugural batch, of 198, to leave for Malaysia on April 25. But for the remaining 9,802 workers, their time has yet to come; they are yet to leave Bangladesh.

Preferring anonymity, an official of the Bureau of Manpower, Employment and Training (BMET) said the process is being delayed as the Malaysian employers have identified some flaws in the recruitment system.

Atiqur Rahman, high commissioner of Bangladesh in Malaysia, however, categorically denied it.

"There is no hindrance to our workers coming here. The process now depends on our part, if we can complete it soon enough," he told The Daily Star over phone.

Begum Shamsunnahar, director general of BMET, who recently returned from Malaysia, added that the process is being delayed as some information on the workers remains to be updated.

"We have submitted the required papers needed to confirm the visas of 5,800 workers. Now, the Malaysian employers are checking those and then the process resumes."

On November 26 last year, the Malaysian government decided to recruit Bangladeshi workers under state arrangements, lifting a ban that lasted for four years.

Later, both the countries signed a memorandum of understanding for the resumption of the Bangladeshi workers' recruitment without the intervention of middlemen.

## Income tax receipts up 34pc

### Motivation efforts pay off

STAR BUSINESS REPORT

Taxmen collected Tk 29,128 crore in income tax in the first eleven months of current fiscal year, up 34 percent year-on-year, an official of National Board of Revenue said yesterday.

The income tax logged in for the July-May period of fiscal 2011-12 was Tk 21,656 crore.

Increased awareness and motivation campaign through tax fairs, reorganisation of tax base and its expansion as well as inclusion of new areas to deduct tax-at-source facilitated the NBR to maintain buoyancy in direct tax receipts, the official said.

"We hope to collect income tax higher than our target for the outgoing fiscal year," he added.

For fiscal 2012-13, the NBR aims to log Tk 35,300 crore as direct tax, meaning that taxmen will need to collect Tk 6,172 crore in June to meet the target.

Despite the robust growth in income tax collection, the revenue authority's overall collection fell short of its target for July-May period by Tk 5,699 crore, due to slowing growth in receipts from customs and value-added tax.

Economists and revenue officials blamed the falling imports, sluggish investment and domestic demand amid political uncertainty.

The NBR logged in nearly Tk 92,000 crore in total revenue in the 11 months to May, against the target of Tk 97,699 crore, according to a preliminary estimate.

During the period, VAT raked in Tk 33,355 crore, up nearly 10 percent from a year ago. Collection from customs, however, showed a decline.

VAT receipts might increase at final count and reduce the shortfalls, an official said.

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