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BUSINESS

DHAKA TUESDAY OCTOBER 22, 2013, e-mail:business@thedailystar.net

Bangladesh-India move to improve customs efficiency

STAR BUSINESS REPORT

Bangladesh and India are set to leave two important land ports open seven days a week from January to support greater trade between the two neighbouring nations.

Customs offices at Benapole and Akhaura land ports will remain open from 7am to 7pm every day. It means the customs offices at Petrapole and Agartala land ports of India will also remain open at the same time.

At present, the Benapole and Akhaura customs offices remain closed on Fridays. On Saturdays, the offices are kept open on a limited scale, to only release imported perishable goods.

The Petrapole and Agartala land ports also remain closed on Fridays.

However, the office hours are different on both sides of the land ports.

The decision was taken on the first day of a two-day meeting styled 'Ninth meeting of joint group of customs of Bangladesh and India' that began yesterday at Ruposhi Bangla Hotel in Dhaka, a senior official of National Bangladesh Revenue said.

Customs officials of the two neighbouring countries also agreed to exchange

export-import related information to check misdeclaration and under-invoicing that cause huge revenue loss, particularly for Bangladesh, he said at the meeting.

It was also decided that customs officials would enjoy free movement to the counterpart's land port areas, to investigate the wrongdoings in trade, resolve disputes and facilitate trade through a formal channel.

Both sides emphasised formalising bilateral trade by easing customs procedures and reducing harassment.

"Exporters and importers face problems due to differences in the countries' working hours," the NBR official said. Customs administration from both sides decided to synchronise the working hours and days, the official added.

The move will benefit traders the most, as it will reduce delays in loading and unloading goods, operation costs and other complexities, the official said.

On free movement, a customs official said India has already allowed free movement (without a visa) of Bangladeshi customs officials. "We have decided to provide the same facility to them."

HIGHLIGHTS

Bangladesh-India bilateral trade was more than \$5 billion in 2012-13

Both countries have agreed to keep open Benapole and Akhaura land ports every day

Both countries also agreed to exchange export-import information to check misdeclaration and under-invoicing

Free movement of customs officials to the counterpart's land port areas will be allowed to investigate into the wrongdoings in trade

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New initiative to beef up garment factory safety

DIPLOMATIC CORRESPONDENT

The International Labour Organisation and the government will launch a new programme to improve working conditions in the country's readymade garment sector in Bangladesh, the ILO said yesterday.

The three-and-a-half year initiative will focus on improving factory building safety and workers' rights and conditions, according to a media advisory of the ILO in Geneva.

The programme will focus on work already underway since the Tazreen factory fire in 2012 and Rana Plaza building collapse almost six months ago, where more than 1,100 workers died.

Gilbert Hounbo, ILO deputy director-general for field operations, will be attending the launch, alongside the Bangladesh ministers of finance, foreign affairs, commerce and labour and employment, the ambassador of the Netherlands to Bangladesh, the head of the UK Department for International Development (DFID) office in Dhaka and representatives of employers' and workers' organisations.

The signing and launching of the project on 'Improving Working Conditions in the RMG Sector' will take place at Ruposhi Bangla Hotel today.

Political unrest to hurt economic outlook

Analysts say capital flight increases in election year

SAJJADUR RAHMAN

The impending street agitation in the run-up to the next national election would take a heavy toll on the economy, analysts said.

"Generally, capital flight increases in election year. But this will not be reflected in the current year's gross domestic product, but on the country's future economic potential," said Mustafizur Rahman, executive director of Centre for Policy Dialogue.

Quoting the Global Integrity Report, Rahman said \$1.4 billion on average was moved out of the country every year for the past 10 years.

At the same time, businesses and professionals are increasingly becoming worried about the lack of progress on the political front regarding the national election.

They are concerned that if the agitation intensifies, it

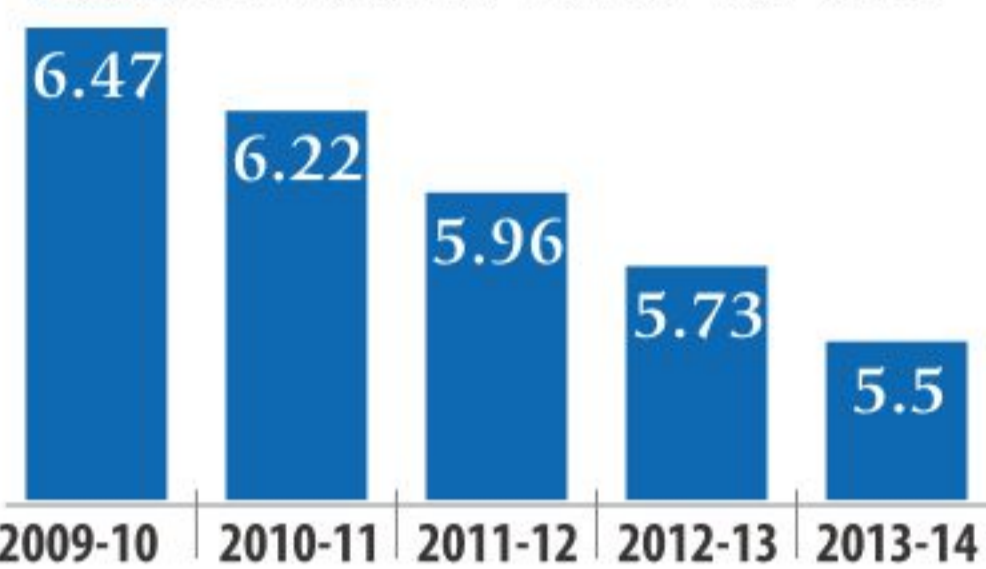
would hurt the manufacturing and services sectors, the lifelines of the economy. In fiscal 2012-13, the manufacturing sector contributed 31.99 percent and services sector almost half -- 49.30 percent -- to the economy.

Meanwhile, the Asian Development Bank in its latest economic outlook has already forecasted that the growth of the country's services sector will go down to 5.5 percent in the current fiscal year from fiscal 2012-13's 5.7 percent.

The industrial sector's growth was also predicted to drop to 8.2 percent this year from 9 percent a year ago.

"Agitation will affect the manufacturing sector and its spillover impact will hurt the services sector, be it trucking, banking or insurance," said Ahsan H Mansur, executive director of Policy Research Institute.

FIVE YEARS' GROWTH RATE OF SERVICES SECTOR THAT CONTRIBUTES HALF TO GDP



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New RMG wage to be announced on Oct 27

STAR BUSINESS REPORT

A new wage structure for garment workers will be announced on October 27, as the wage board members failed to reach a consensus once again at yesterday's meeting.

Justice AK Roy, chairman of the wage board, told journalists after the meeting that some of the procedures needed for finalisation of the wage structure could not be completed due to the long vacation for Eid-ul-

Azha and Durga Puja and the Bangladesh Apparel and Textile Exposition.

As a result, the owners' representative sought additional time to mull over the workers' demands, he said. "The board thought the demand of the owners' representative is logical and decided to extend the time to the 27th of this month."

Sirajul Islam Rony, workers' representative on the wage board, said he did not want to extend the time but

went ahead with it after the owners assured of an offer of a better pay scale in the meeting on October 27.

"Although our wage demand remains Tk 8,114 per month, there is room for further negotiation -- the board will finalise the amount."

Arshad Jamal Dipu, owners' representative on the board, said the garment owners are planning to adjust the transport allowance and food subsidies with the monthly salary.

READ MORE ON B3

ADB to lend \$110m for infrastructure

STAR BUSINESS REPORT

Asian Development Bank will provide a \$110 million loan to state-owned Infrastructure Development Company Ltd (IDCOL) for investment in infrastructure projects in Bangladesh, including renewable energy.

In a statement issued yesterday, the Manila-based lender said the money will be invested in power generation, water and sanitation, transportation and information technology projects.

"Low investment in infrastructure is holding back development and economic growth in Bangladesh. Getting more power stations, roads, and water networks built would help those in rural areas in particular and could draw in more foreign direct investment," said Peter Marro, principal financial sector specialist in ADB's South Asia Department.

The \$110 million financing to IDCOL is similar to previous funds worth \$165 million approved in October 2008, which have been fully committed.

IDCOL currently has eight energy projects

in the pipeline worth around \$235 million.

ADB said the government has been the main source of infrastructure spending in Bangladesh, but cannot alone provide the finance the country needs. Private investors, meanwhile, struggle to get the long-term financing they need from underdeveloped capital markets or from banks that are hesitant to provide funds with a long tenure because of potential asset-liability mismatches.

"As a result, the country suffers from a chronic infrastructure shortfall," it said.

The latest ADB support is in line with Bangladesh's sixth five-year plan (2011-2015), which stresses the need to triple investment in infrastructure development from 2 percent to 6 percent of GDP with substantial private sector participation through public-private partnerships.

Of the \$110 million loan, \$10 million will be used to finance IDCOL's off-grid solar home systems for households and small businesses in remote rural areas. IDCOL hit its target of 2 million installations in 2013 and is now seeking to finance 2 million more by 2015.

The money will be invested in power generation, water and sanitation, transportation and information technology projects

Shifting of NBL Card Division

This is to inform all our valued cardholders that NBL Card Division will be relocated to a new premises on October 25, 2013, to offer better services.

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Dhaka 1000

New Address

Shimanto Square (5th Floor), 80 Pilkhana Road 02, Dhanmondi R/A, Dhaka 1205

Tel: 8802-9650825-32 Fax: 8802-9650820

Mobile: 01711 287 222, 01713 048 666

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