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DHAKA THURSDAY NOVEMBER 21, 2013, e-mail: business@thedailystar.net

Bangladesh set to exit LDC club in 2021

LDCs failing to create enough quality jobs despite years of economic progress: UNCTAD

STAR BUSINESS REPORT

Bangladesh is well-placed to graduate from the league of least developed countries in a decade's time, thanks to the significant progress made in key areas over the past ten years. Since 1971, only three LDCs—Botswana, Cape Verde and the Maldives—advanced to the group of developing countries, with Samoa expected to join them in December next year. "Bangladesh's progress in the last one decade is very impressive. It has put it in good stead to graduate from the LDC group," Khondaker Golam Moazzem, additional research director of Centre for Policy Dialogue (CPD), said.

UNCTAD REPORT KEYPOINTS

- Rural development should be main pillar to create jobs
- Macroeconomic policies should target sustainable job creation
- LDCs should raise investment-GDP ratio to 25 percent
- Primary investment push should come from public sector
- 130m people will enter job markets in LDCs by 2020
- LDCs receive record remittances of \$30.5b in 2012

Going by the current rate, the country would be able to quit the group sometime after 2021, he said. To graduate, Bangladesh needs to have per capita income of \$1,190 for three successive years on average. Recently, the government put the per capita income figure at \$1,044. The country has fared well in the Economic Vulnerability Index, with a score of 32.4. LDCs which plan to graduate from the group must bring down their scores below 38.

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Prime Minister Sheikh Hasina poses with businesspeople awarded for their extraordinary performances in exports in fiscal 2010-11, at a programme at Osmani Memorial Auditorium in Dhaka yesterday.

Top exporters awarded for excellence

EPB gives 47 businesses trophies for performance in fiscal 2010-11

STAR BUSINESS REPORT

The government yesterday awarded trophies to 47 successful businesses for their extraordinary performances in exports in fiscal 2010-11. This year's programme played out amid concerns on labour unrest in the apparel industry, frequent hartals, vandalism and arson attacks. Prime Minister Sheikh Hasina handed the trophies and certificates to the awardees at a programme at Osmani Memorial Auditorium in Dhaka as the chief guest. "It might have been better had the opposition not created disorder by enforcing

illogical hartals," she said. Hasina said her government has been able to maintain the positive trend in socioeconomic indices for the last five years with united efforts; exports surged from \$15.56 billion in fiscal 2008-09 to \$27.01 billion in fiscal 2012-13. Entrepreneurs in Bangladesh are laborious and talented, she said. "You have already proved your ability to sustain in competition with entrepreneurs of any country." Kazi Akram Uddin Ahmed, president of Federation of Bangladesh Chambers of Commerce and Industry, urged all political parties to refrain from violent politics for the sake of export-led economy.

"Some opposition political activists are hampering exports by setting fire to trucks and covered vans. It must be stopped," said ABM Abul Kashem MP, chairman of the parliamentary standing committee on the commerce ministry. The state-owned Export Promotion Bureau gave the awards to exporters of 27 sectors in three categories, from a total of 255 applications. The awards included 21 gold, 15 silver and 11 bronze trophies. This year, Zaber and Zobaer Fabrics Ltd, a home and specialised textile exporter, won the gold trophy in the highest export earning category as it shipped goods worth \$199.19 million in 2010-11.

EPB recognises exporters by assessing their performance in quantity of exports, value addition, entry to new export destinations, new design and packaging and product quality maintenance. "EPB followed the amended national export trophy policy 2006 to distribute the trophies to exporters as a measure of inspiration," said Shubhashish Bose, vice-chairman of the government agency. For the first time, it included a C-category local entrepreneur of the EPZs, by amending the national export trophy policy 2006.

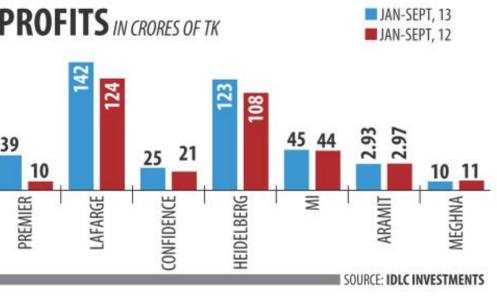
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Cement makers' profits jump as govt spending goes up

GAZI TOWHID AHMED

Profits of listed cement companies rose by 20.38 percent in the January-September period from a year ago due to a rise in demand for cement.

The rise in the number of construction projects in urban and rural areas fuelled the demand, said Mohammed Amirul Haque, managing director of Premier Cement. The infrastructure projects of government also pushed up demand for the key construction material, Haque said. The government spending on constructing bridges, culverts and public buildings also marked a rise of 10-15 percent in the last 15 years, he said. The cement sector registered profits of Tk 388.29 crore during January-September, compared to Tk 322.53 crore in the same period a year ago, according to Dhaka Stock Exchange. "Our economy is rural based. Earnings and expenditure



habit of rural people are increasing, buoyed by remittance inflows and growing non-farm economic activities, as a result consumption of cement is also rising," Haque said. More than 50 percent of the locally produced cement is used for construction purposes in rural and suburban areas, he said. "We are planning to set up a factory in North Bengal," he said. "We are working to explore new market thanks to rising demand." Premier Cement saw the highest profit at Tk 39 crore during the period, a surge by 288 percent from the same period a year ago. "My company could register 500 percent growth in profit in the absence of political instability in the country during the period," he said. There are seven listed cement-makers, of which five logged profits during the period, while two experienced losses, DSE data showed.

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IFIC to become Islamic bank

SUMAN SAHA

IFIC Bank, a first generation conventional private commercial bank, has decided to become a full-fledged Islamic or Shariah-based bank. "Our board recently approved the proposal. The government, being the bank's majority shareholder, has also given clearance," said Shah A Sarwar, managing director of the bank. "We are now approaching the regulators for necessary permissions. We will then start the conversion process by appointing world-class consultants. But it is subject to approval from different regulators," he said in an interview with The Daily Star. "There is a strong demand from customers and shareholders," said Sarwar. In addition, non-Muslims can also take the service and that "is the beauty of the Shariah-based banking." Sarwar who joined the bank in December last year could not give a definite time on how long the conversion process would take. "The conversion is not a day's job. We

have to change the computer systems and business processes and we have to run parallel for the time being." The globally-booming Islamic finance is making strides and gaining popularity in Bangladesh, with experts predicting that the Shariah-compliant industry will continue in steady steps to become the mainstream banking system in the Muslim-majority nation. Bangladesh entered the Islamic banking system in 1983, with the establishment of Islami Bank Bangladesh Ltd. Since then, eight more full-fledged private Islamic banks and 23 Islamic

banking branches of conventional banks have been established. Currently, Islamic banks hold 24 percent of total banking deposit and have around 10 percent of the total bank branches. The combined share of Islamic banks (excluding Islamic banking branches/windows of conventional banks) is 16.85 percent in assets, 19.85 percent in investments (loans), 14.3 percent in equity and 17.1 percent in liabilities as of December 2012, according to the Financial Stability Report-2012. International Finance Investment and Commerce Bank Ltd (IFIC Bank) was set up in 1976 as a joint venture between the government and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983, when the government allowed banks in the private sector IFIC was converted into a full fledged commercial bank. The government holds 32.75 percent of the bank, directors and sponsors 11.31 percent, institutions 33.91 percent, foreign investors 0.28 percent and the rest 21.75 percent is

The conversion is not a day's job. We have to change the computer systems and business processes and we have to run parallel for the time being: Sarwar

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Tourism fair begins on Nov 28

STAR BUSINESS REPORT

A three-day tourism fair is set to begin in Dhaka on November 28 with participants from USA, Europe, Middle East and South Asia including Indian States. Bangladesh Foundation for Tourism Development and Association of Travel Agents will organise the fair at Bangabandhu International Conference Centre, said Rezaul Ekram, executive director of BFID. There will be 155 stalls for the participants, Ekram said at a programme at Sonargaon Hotel in the capital.

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