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# Star BUSINESS

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## WB's growth forecast falls below govt target

REJAUUL KARIM BYRON

The World Bank has projected 5.9 percent growth for the country in fiscal 2014-15, far below the government's target of 7.3 percent.

The forecast is in line with potential growth, the multilateral lender said in the Global Economic Prospects report released yesterday.

The figure is higher than that forecast for its South Asian neighbours save for India, which is expected to grow at 6.3 percent. The projection for South Asia, excluding India, is 5.1 percent and for developing countries 4.8 percent.

"If you compare the global and regional economy, the growth forecast for Bangladesh is good," said Zahid Hussain, lead economist of WB's Dhaka office.

The global economy is projected to expand by 2.8 percent this year, strengthening to 3.4 percent and 3.5 percent in 2015 and 2016. The Euro area is on target to grow by 1.1 percent this year, while the US economy is expected to grow by 2.1 percent.

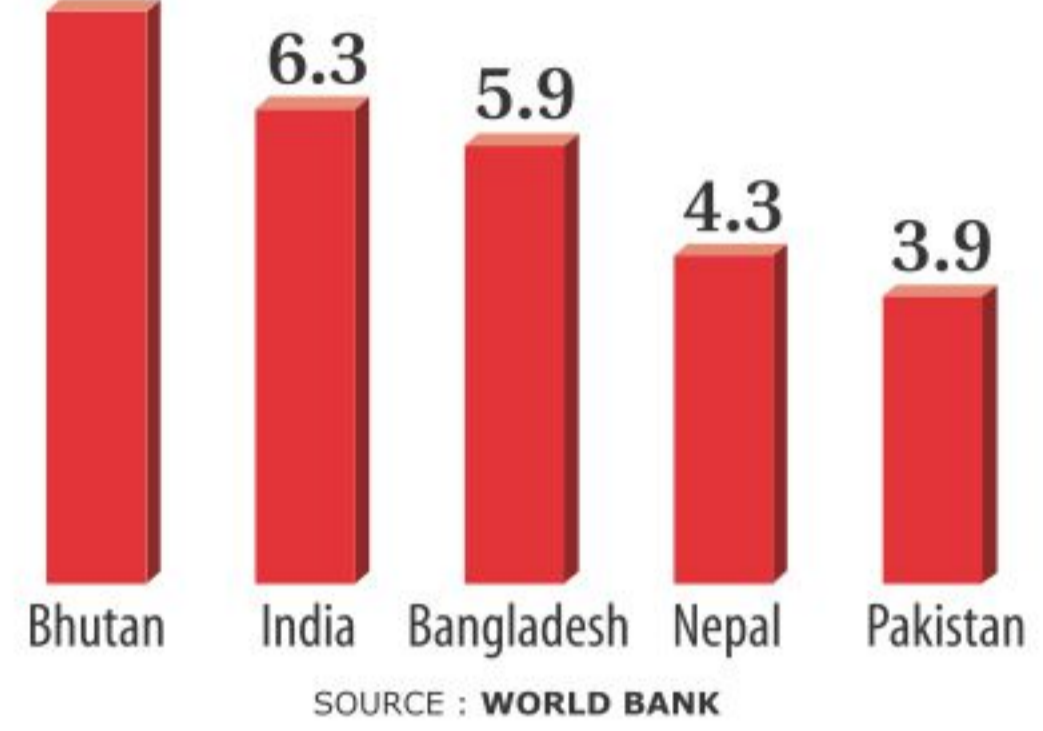
China is expected to grow by 7.6 percent this year, but this will depend on the success of rebalancing efforts. If a hard landing occurs, the reverberations across Asia would be widely felt, the report said.

Hussain said an uncertainty has been prevailing among investors over political stability or rather lack of it.

"Investment is slow. The garment sector is going through a transitional period and remittance growth is also sluggish. Considering all these factors, the World Bank's GDP growth forecast is reasonable," he added.

"I have been seeing for the last five years that the economic forecasts made for us by the World Bank and other multilateral agencies never came true. I think we will achieve high growth next year as well," said Shamsul Alam,

### GDP GROWTH FORECAST for 2015 in percentage



SOURCE: WORLD BANK

member of the General Economics Division of the planning ministry.

In the country's sixth five year plan, the target was to cross 8 percent in fiscal 2014-15, but due to the overall environment it was brought down to around 7 percent, he added.

"We hope that in the next fiscal year, investment, export and remittance flow will increase as it is expected that the global economy will experience accelerated growth," Finance Minister AMA Muhith said in his budget speech.

During this period, food and energy prices in the international market are likely to decline slightly. Besides, an investment-friendly monetary policy will be maintained ensuring uninterrupted credit flows to the productive sectors, he added.

The government initiatives for developing physical infrastructure in the power, energy and communication sectors will continue.

Banking on favourable weather and political stability, Muhith is hopeful of achieving the GDP target of 7.3 percent for next fiscal year.

"I will not enter the debate on whether the GDP growth will cross the 6 percent-mark or not," said Mustafizur Rahman, executive director of the Centre for Policy Dialogue.

The Bangladesh Bureau of Statistics has estimated 6.1 percent growth for the current fiscal year.

GDP growth depends on a number of factors, he said. "How will the political environment be? Will the slow loan growth accelerate? Will the agricultural sector be hit by natural calamity?"

The CPD executive director, however, said the low commodity, fuel and cotton prices in the international market are all favourable for achieving a good GDP growth

## C&F agents call off strike

NBR assures them of meeting logical demands

STAR BUSINESS REPORT

The clearing and forwarding agents at Kamalapur Inland Container Depot called off their strike yesterday after the revenue authority promised to accept their logical demands.

Activities at the ICD, hit by the strike enforced by a section of C&F agents since June 8, resumed yesterday afternoon, customs officials and C&F agents said.

The deadlock ended after the officials of National Board of Revenue sat with the leaders of Dhaka Customs Agents Association (DCAA) and the strikers.

At the meeting, the NBR promised steps to stop 'harassment' by customs officials at the ICD. The tax authority also said it would ask the customs house at the ICD to expedite physical examination of consignments and to issue reports of examination as early as possible to facilitate trade.

Md Farid Uddin, NBR member (customs policy), chaired the meeting, where the C&F agents were told that only assorted containers would face a complete physical examination.

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Left, Latifur Rahman, chairman of Transcom Group, speaks at the EBL Leadership Lecture Series at the Westin in Dhaka on Tuesday. Ali Reza Iftekhar, managing director of Eastern Bank, moderated the session.

## Transcom chief dreams big

Latifur Rahman shares his vision in EBL lecture on leadership

STAR BUSINESS DESK

Latifur Rahman, chairman and managing director of Transcom Group, would like to see his company as a Bangladeshi multinational in the next 10 years.

Rahman spoke at the EBL Leadership Lecture Series at The Westin in Dhaka on Tuesday. Eastern Bank said in a statement. Ali Reza Iftekhar, managing director and CEO of EBL, moderated the session.

Rahman began his speech by narrating events of his life that shaped him most and made him look at life from the right perspective.

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Analysts attend a budget discussion co-organised by Sushashoner Jonno Procharavizan and Oxfam at The Daily Star Centre yesterday.

## Go after tax dodgers

Lawmaker makes recommendation at SUPRO discussion on budget

STAR BUSINESS REPORT

A senior ruling party lawmaker yesterday called for targeting tax dodgers instead of relying on indirect taxes like value-added taxes to meet the country's rising spending needs.

"Why should only 12 lakh people pay taxes in a country of 16 crore? The number of taxpayers under the direct tax network should be at least 2 crore," said Md Ali Ashraf, president of the parliamentary standing committee on commerce.

There are many people at the upazila level who own crores of taka and should come under the direct tax network.

The four-time lawmaker spoke at a discussion on the budget, jointly organised by SUPRO (Sushashoner Jonno Procharavizan), a civil society network, and Oxfam at The Daily Star Centre in the capital.

There are 18 lakh taxpayer identification numbers in the country, but of them,

12 lakh pay tax, according to the government—a number SUPRO does not agree with.

Ashraf said he does not think the number of people paying Tk 1 crore as income tax should not be just 50, as it stands now, but at least 50,000, a figure suggested by the Bangladesh Economic Association in its budget analysis earlier this week.

The lawmaker then went on to cite examples of tax dodging.

"For the last 35 years, I have been the chairman of the election committee of the FBCCI [Federation of Bangladesh Chambers of Commerce and Industry]. While looking at tax files of the candidates, I would be baffled to see businessmen paying meagre income taxes, although they own several houses in areas like Gulshan and drive Mercedes."

He also said the bureaucracy has to be strengthened in order to implement the Annual Development Programme (ADP).

"The quality of bureaucrats has deteri-

## BWCCI unveils plan to promote women entrepreneurs

STAR BUSINESS REPORT

The Bangladesh Women Chamber of Commerce and Industry yesterday launched a plan to create 5,000 women entrepreneurs by 2020 from the micro- and small- and medium-enterprise levels.

"These 5000 women entrepreneurs will grow their businesses and will be part of the mainstream private sector," said Selima Ahmed, president of BWCCI.

The plan -- 2020: Empower 5,000 -- will generate employment for women, who will, in turn, support the country in its efforts to become a middle-income nation by 2021, she said during a keynote presentation at the launch ceremony of the plan.

She said proper utilisation of the Tk 100 crore allocated in the upcoming budget for women is a must to create new entrepreneurs.

"Access to finance is the main hurdle for women entrepreneurs. We will focus on the issue," she said, while selecting 12 areas where women are facing problems in growing as entrepreneurs.

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Hüseyin Müftüoğlu, Turkish ambassador to Bangladesh; Gavin Walker, president of Singer Asia; AM Hamim Rahmatullah, managing director of Singer Bangladesh, and Gurhan Gunal, project manager for international sales of Arçelik AS, attend the launch of Arçelik's Beko and Grundig brands in Bangladesh through Singer, at Sonargaon Hotel in Dhaka yesterday.

## Singer launches two European brands

STAR BUSINESS REPORT

Singer Bangladesh, a multi-brand retailer, yesterday launched two European home appliances and electronics brands -- Beko and Grundig -- for growing upscale customers.

Beko products include refrigerators, washing machines, dishwashers and microwave ovens, while Grundig brought in LED TV, sound systems and some other small household appliances.

"The market for smarter, more functional, technologically advanced and environment friendly home appliances is gradually increasing in the country," said AM Hamim Rahmatullah, managing director of Singer Bangladesh and regional vice president of Singer Asia.

Customers will now be able to buy modern and eco-friendly home appli-

ances and electronics, he said at a press conference at Sonargaon Hotel in Dhaka yesterday.

Customers can also buy the products of the brands, both owned by Turkey-based Arçelik Group, through easy instalments, Rahmatullah said.

Bangladesh, being a rapidly growing white goods market in Asia, holds a very crucial position in the company's growth strategy, said Gurhan Gunal, project manager for international sales of Arçelik AS.

"The launch of Beko and Grundig in Bangladesh will fortify our position in Asia considering the great potential of the region," Gunal said, adding that his company aims to achieve a considerable market share in the first three years and become the major brands in Bangladesh in the long-term.

The four-door refrigerators of Beko are especially well matched with the needs of the Bangladeshi market with their superior technological features, Gunal said.

The washing machines will consume 50 percent less power than other appliances of this kind, while the ovens use 30 percent less energy than any other competitor products, he added.

In 2013, Beko became the number one home appliance brand in the UK, Lithuania and Poland, while it is the second best brand in Belgium, France and Latvia, according to Gunal.

Arçelik Group is attaching importance to Asian markets due to its huge growth potential, said Gavin Walker, president of Singer Asia, adding that Arçelik has already started selling home appliances and consumer electronics in Sri Lanka, partnering with Singer.

## Stocks close with marginal gain

STAR BUSINESS REPORT

Stocks ended flat yesterday, as investors waited on the sidelines to observe the market.

DSEX, the benchmark general index of the Dhaka Stock Exchange, gained 9.28 points or 0.21 percent to close at 4,411.17.

Turnover, one of the most important indicators of the market, declined 3.29 percent to Tk 437 crore from the previous day.

Among the major sectors: telecoms gained 3.07 percent, the most with the support of large-cap Grameenphone that gained 3.07 percent, while cement lost 4.25 percent as Lafarge Surma Cement lost 7.75 percent, becoming the worst loser of the day.

A total of 0.89 lakh trades were executed with 8.46 crore shares and mutual fund units changing hands on the Dhaka bourse.

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