

DAILY STAR

জীবন প্রয়োজন আরো বেশি স্বাচ্ছন্দ্য

সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুসমৃদ্ধ

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ইসলামী শরীআহ'র ম্যুদারাবা নীতির ভিত্তিতে পরিচালিত

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# FDI rises 24pc despite political shocks

Bangladesh was the second favoured investment destination in South Asia last year: UNCTAD

## STAR BUSINESS REPORT

Inflows of foreign direct investment into Bangladesh rose 24 percent year-on-year to \$1.6 billion in 2013 although the country witnessed serious political unrest and an anti-business climate during the period.

FDI inflows increased 13.75 percent to \$1.29 billion in 2012, compared to the previous year, according to United Nations Conference on Trade and Development (UNCTAD).

The telecommunications and banking sectors brought a combined \$651 million in FDI last year, while textiles and weaving received \$422 million.

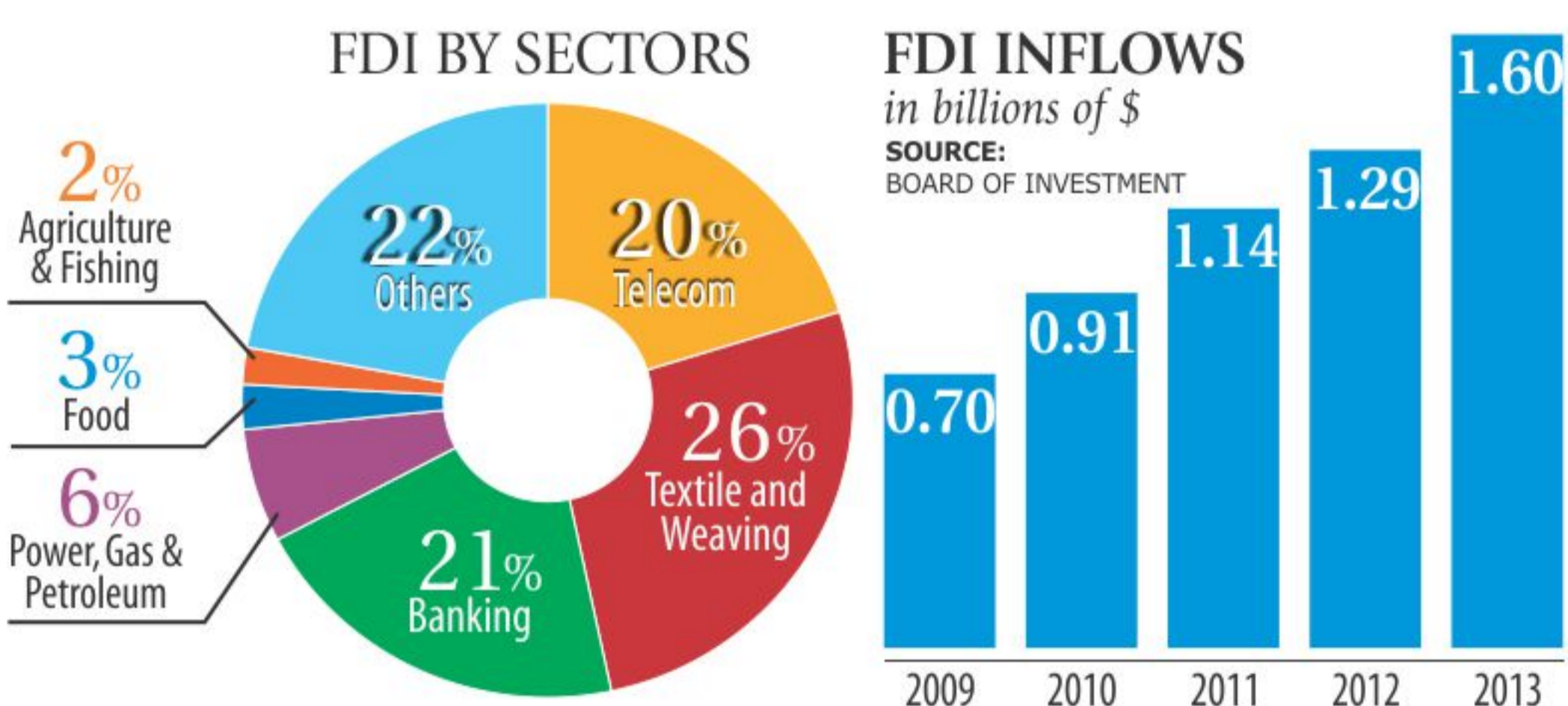
The World Investment Report of the UNCTAD, released yesterday, shows Bangladesh is placed as a distant second favoured investment destination in South Asia after India, which got \$28 billion or 78 percent of the total FDI inflows into the region in 2013.

Pakistan stood third in South Asia with \$1.3 billion.

The Board of Investment (BoI) of Bangladesh released the UNCTAD report at a press conference at its office in Dhaka. BoI Executive Chairman SA Samad chaired the event addressed by Prime Minister's Adviser Towfiq-e-Elahi Chowdhury.

Prof Ismail Hossain who teaches economics at Jahangirnagar University presented a paper on the report highlighting the Bangladesh chapter.

The UN body has been publishing the World Investment Report annually since 1991. The report covers the latest trends in FDI across the world.



Global FDI grew 9 percent to \$1.45 trillion in 2013 and could rise to \$1.6 trillion this year, the report said. FDI inflows into developing economies reached a new high at \$778 billion or 54 percent of the total FDI last year. Transition economies got \$108 billion.

Of the \$1.6 billion FDI that Bangladesh received last year, \$541 million came as equity (direct investment in Bangladesh), \$361 million as intra-company loans (debt transactions between parent enterprises and affiliates) and \$697 million were reinvested earnings (investors' share of profits not distributed as profits).

Of the FDI inflows into different sectors last year, telecommunications got \$324 million, mainly for the payments of 3G licence fees and

network expansion of the mobile phone operators. The banking sector, especially the foreign banks, got \$327 million to meet their statutory capital requirements under Basel II obligations.

Textile and weaving got \$422 million, power, gas and petroleum \$99 million, food products \$40 million, agriculture and fishing \$31 million and others \$356 million.

"We are getting a lot of queries from foreign investors. Many delegates are also visiting Bangladesh to explore investment opportunities here," said Samad of the BoI.

Samad said he sees no reasons for a decline in FDI this year although the banking and telecommunication sectors may not get any amount.

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# Holcim shells out Tk 300cr for expansion

## STAR BUSINESS REPORT

Holcim Cement has expanded its production capacity by 7 lakh tonnes a year with an investment of Tk 300 crore to cater to the growing demand for quality cement in the domestic market.

With the new expansion at Meghnaghat, the total production capacity of the cement manufacturer now stands at 20 lakh tonnes a year.

The cement industry is growing by about 8 percent a year and the country too is seeing "buoyant" GDP and population growth, Aidan Lynam, area head of South Asia region of Holcim Group, said at a media briefing in Dhaka.

Lynam said there is ample opportunity for the cement manufacturer to grow as the per capita cement consumption is the lowest among the regional countries and many big infrastructure projects are in the pipeline.

"We want to be a part of the country's infrastructure development and economic growth by providing quality products. We are not selling only bags of cement—we are committed to providing construction solutions to our clients."

Asked about the company's decision to expand production when the country's cement production capacity is almost double the requirement of around 1.8 crore tonnes a year, he said: "We would fall behind in market share if we do not make investment for expansion."

"Bangladesh has geared up for the next step, so we are also gearing up for the next step," Lynam said, adding that Holcim may be fifth or sixth cementer manufacturer in terms of volume, but they are the best when it comes to quality.

In addition to the capacity expansion,



Aidan Lynam

Holcim also installed integrated software, SAP (systems, applications and process).

Through SAP implementation, key business processes like manufacturing, sales, distribution, supply chain, accounting and controlling have been fully integrated to ensure integrity and reliability of the management information system.

Rajnish Kapur, managing director of Holcim Cement (Bangladesh), said the additional volumes from capacity expansion would cater to the continuously growing demand for Holcim cement, as the company has had constraints in assuring product availability to all customers

# Islami Bank launches Khidmah credit card

## STAR BUSINESS REPORT

Islami Bank Bangladesh yesterday launched shariah-based credit cards—Khidmah—first in the country, in an effort to provide customers with a wider range of payment services.

People can use a credit limit of Tk 50,000 with the Khidmah silver card, Tk 1 lakh with the gold card and Tk 2 lakh with platinum.

The bank will not charge any interest on cardholders' expenditure if unable to pay back in time.

Instead, it will charge a fee of Tk 500 for the silver card for a delay of one month, Tk 1,500 for gold and Tk 2,000 for platinum.

Cardholders can also take supplementary cards for their family members free of cost.

Abul Quasem, deputy governor of Bangladesh Bank, attended the ceremony as chief guest at Purbani Hotel.

Credit cards are becoming popular in Bangladesh, as people do not want to carry cash, said Quasem. The shariah-based credit card will bring a greater number of unbanked people into the banking system, he added.

Islami Bank introduced the card for people with limited incomes to provide them with more investment options, fulfil their daily needs and uplift their living standards, said Mohammad Abdul Mannan, managing director of Islami Bank.

Khidmah cardholders will be able to make purchases from all VISA outlets, pay utility bills and take e-ticketing services, Mannan said.

The bank, with a paid-up capital of Tk 1,464 crore, has invested the highest in the small and medium enterprise sector in Bangladesh among the commercial banks, he said.

The bank has 90 lakh depositors, 6.5 lakh of whom are farmers, he added. The number of depositors will reach one crore this year, he said.

Islami Bank has 298 ATM booths with 286 branches across the country.

"We launched the card to fulfil our customers' long time demand. It will develop our clients' lifestyle," said

# Steps underway to detect tax-dodging millionaires

## STAR BUSINESS REPORT

The government has taken steps to collect information on millionaires who do not pay taxes, Finance Minister AMA Muhith said in parliament yesterday.

As of May, some 978,627 individuals submitted their income tax returns after paying their taxes, Muhith said.

Muhith also said the government is approving new merchant banks and mutual funds to maintain a normal liquidity flow in the capital market.

"As a result, institutional investments are increasing and there is no liquidity crisis in the capital market."

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# Matia opposes high taxes on savings tools

## STAR BUSINESS REPORT

Agriculture Minister Matia Chowdhury yesterday called upon the finance minister to lower the proposed 10 percent advance income tax on earnings from savings certificates, in the greater interest of small savers.

"A 10 percent advance income tax on savings certificates will be a barrier to boosting investment and will discourage small savers and pensioners who depend on such instruments," Chowdhury said at a budget discussion.

In addition, Chowdhury, also a presidium member of Awami League, proposed to raise the maximum investment ceiling for saving certificates to Tk 60 lakh from the existing Tk 30 lakh.

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# India-Bangladesh trade may double by 2018

## PTI, New Delhi

Trade between India and Bangladesh could almost double to \$10 billion by 2018, if non-tariff barriers and infrastructure related issues are resolved, the Confederation of Indian Industry said yesterday.

External Affairs Minister Sushma Swaraj's visit to Bangladesh on June 25-27 will "turn a new leaf in bilateral relations" between the two neighbours, CII Director General Chandrajit Banerjee said. It will intensify trade and investment between the two countries, he said. It is Swaraj's first stand-alone visit abroad as the external affairs minister.

Trade between India and Bangladesh stood at \$6.6 billion in 2013-14, with India's exports at \$6.1 billion and imports from Bangladesh at \$462 million, representing more than double the value of \$2.7 billion five years ago.

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