

Foreign exchange rules to see changes

STAR BUSINESS REPORT

The government will soon amend foreign exchange regulations to make those time-befitting as the old rules are not enough for the current international trading system, a finance ministry official said yesterday.

The draft of the amendment has already been prepared, said M Aslam Alam, secretary to the bank and financial institutions division under the finance ministry.

He spoke at a seminar on "factoring: a better alternative to letter of credit" at the office of the Dhaka Chamber of Commerce and Industry (DCCI) in the capital. "We are seeking opinions from businesses about the changes to the regulations," Alam said.

On the introduction of factoring to export and import business, as an alternative to letters of credit, Alam said the system will be "a bit expensive, but risk-free".

Factoring is a transaction in which four factors -- importers, exporters, importing banks and exporting banks -- are involved in the settlement of payment in international trade. By contrast, too many factors are involved in the LC system, which delay a transaction.

Bangladesh now follows the foreign exchange regulations introduced in 1947.

In international trade, factoring is practised widely as the system provides a simple solution no matter whether the exporter is a small organisation or a major one.

In his keynote, Prashanta Kumar Banerjee, director of Bangladesh Institute of Bank Management, said acceptance of factoring in international trade increased 60.91 percent in European countries, 8.81 percent in the USA and 26.80 percent in Asian countries in 2012.

In Bangladesh, some non-bank financial institutions are following the factoring system for payments in domestic trade, but the country is yet to follow the system in international trade, he said.

The acceptance of factoring in China rose 60.15 percent in 2012, he added.

"The international figures indicate that the practice of factoring has been increasing worldwide for its easy and risk-free payment method. So, Bangladesh should also amend rules and join the international factoring association," Banerjee said.

He said LC-based exports are gradually decreasing as international traders are not ready to do transactions under open-account trade. "International factoring can be introduced on a test basis."

MS Siddiqui, a member of the standing committee of the DCCI on export policy, said factories based in export processing zones are now following the factoring system in international transactions.

The importers of Bangladesh have to pay millions of additional dollars to international trading partners for some unfavourable rules in the LC system, he said.

Tax receipts may hit record at NBR fair

STAR BUSINESS REPORT

The National Board of Revenue is likely to hit a record in tax collection from its weeklong tax fair.

Since the beginning of the fair on September 16, the tax administrator logged Tk 1,096 crore in tax, which is close to the last year's total collection of Tk 1,117 crore, NBR said in a statement.

The fair, which will remain open for all from 10am to 5pm, will end on Monday in seven divisional cities, including Dhaka.

"It is really encouraging to see so many people coming to the fair," said Md Bashir Uddin Ahmed, member of tax administration of NBR.

He expected the tax receipts to cross Tk 1,500 crore this year from the event.

"But tax collection is not our target. Our target is to provide more people with tax-related services. We hope the number of service recipients will increase this year compared with last year."

NBR provided assistance to 4.49 lakh people at the fair so far this year and extended such services to 5.10 lakh people in 2013.

Some 90,739 returns were submitted until Saturday, according to NBR, which has been organising the fair since 2010 to motivate people to pay taxes by extending tax-related assistance to existing and potential taxpayers.

The fair took place for four days in 57 districts in the week, giving taxpayers scope to get taxpayer identification numbers (TINs) online and submit tax returns on the spot.

At the fair, 10,795 persons obtained new TINs online while 7,742 re-registered online.



BANK ASIA

Bank Asia Vice Chairman AM Nurul Islam hands a cheque for Tk 50 lakh as donation to Prime Minister Sheikh Hasina for the aid of the flood-affected people in the country's northern regions, at a programme at Gono Bhaban in the capital on Thursday.



IBBL

Abu Nasser Muhammad Abdus Zaher, chairman of Islami Bank Bangladesh, presents a cheque for Tk 1 crore as donation for the flood-affected people of the country's northern regions, at a programme at Gono Bhaban in the capital on Thursday.



CARMUDI

Officials of Carmudi donated some rice as part of the Rice Bucket Challenge to help families living below the poverty line recently. Carmudi donated 100 kilograms of rice in collaboration with Jaago Foundation in the Korail slum in Banani, Dhaka.

Carmudi takes rice bucket challenge

STAR BUSINESS DESK

Carmudi, an online store for cars, has recently donated 100 kilograms of rice to families below the poverty line as part of a rice bucket challenge in collaboration with Jaago Foundation.

Carmudi aimed at helping the selected families in Kuril slum in Banani, Dhaka under the campaign, which is fashioned after the ALS Ice Bucket Challenge, the company said in a statement yesterday.

Carmudi accepted the challenge as part of its corporate social responsibility and also supplied stationery items to some unprivileged children who study at the Jaago Foundation's school, according to the statement.

Air France pilots vote to extend strike by a week

AFP, Paris

Air France pilots have voted to extend for another week a strike over their airline's push to develop a low-cost subsidiary they fear will undermine their jobs, their main union said Saturday.

The stoppage, which has already run for nearly a week, is already the longest suffered by Air France in 16 years.

More than half of the company's flights have been scrapped, disrupting the travel plans of tens of thousands of passengers. The airline says it is losing up to 15 million euros (\$19 million) per day.

The industrial action is to protest Air France's focus on its budget subsidiary, Transavia, launched to compete with no-frills airlines the likes of easyJet, which are increasingly grabbing market share for flights around Europe and the Mediterranean.

Digital medium: the new channel for advertising

FROM PAGE B1

He advised Bangladeshi marketers to concentrate on Facebook, seeing the platform's popularity in the country.

Consumers are adapting to digital media in Southeast Asia very rapidly, particularly Facebook, which has seen greater penetration in countries like Philippines, Thailand, Malaysia and Bangladesh than in the Western markets. "So, creative or ad agencies have to get ready for the adoption."

Razorfish, a leading interactive agency, provides services including web development, media planning and buying, technology and innovation, emerging media, analytics, mobile, advertising, creative, social influence marketing and search.

Mehta said consumers' behaviours have changed. People are going to outlets but are not buying products. They come back home and check the features of the products on various e-commerce sites for the best deals.

Iraj Islam, co-founder of NewsCred, a world leader in content marketing, also shared his experience in the field of digital marketing at a special interactive session.

He said consumers now have more options in terms of information gathering, places to buy and socialisation.

People get information from different social media such as Facebook, Instagram or Twitter about products and services that can be a part of their lives, he said.

Secondly, the customer journey has

fundamentally changed: people now use Google, YouTube or blogs to verify and get information and features about products or services instead of relying on traditional banners.

"You could intelligently inject a piece of valuable content that can guide the user through their customer journey to help make the purchasing decision for a product."

He said advertisement still remains a 'bullet' for brand marketing of a product, but content marketing is more about guiding people for better products to create a better world.

Subsequently, Islam recommended Bangladeshi entrepreneurs focus on content marketing instead of brand advertising.

The participants at a panel discussion on mobile advertising said the medium is coming to the forefront by the day, replacing the conventional advertising method.

With a growing number of smartphone users in Bangladesh, mobile phones are emerging as a platform for brand communication in the country, they said.

Kaymun Amin, managing director of VU Mobile, said the mobile advertising market worldwide is worth around \$19 billion, with 100 percent growth a year.

In Bangladesh, some 40 million mobile phone users out of 120 million have internet access, indicating the huge opportunity of mobile advertising.

"Our market size is around Tk 25

Thailand, Sri Lanka, Indonesia, the Philippines and China are ahead of Bangladesh in exports. New competitors, such as Tunisia, Cambodia and Malaysia, are coming up fast to grab shares from the rising bicycle export market.

Italy is the leading producer of bicycles in the European zone. Some of the companies in Italy make world's finest materials, especially saddles for bikes.

Luthful Bari, director (operations) of Meghna Group, said both companies have agreed to set up a company in Bangladesh from where they will export saddles and bags to global markets.

"We will be able to grab new

markets with our diversified products," Bari said. Initially, the new venture will produce one lakh saddles per month and production will increase on demand, he said.

Meghna Group has three bicycle assembling units -- Transworld Bicycle, Uniglory Cycle Industries and Mahin Cycles. Meghna manufactures mountain bikes, city bikes, free styles, trekking, folding, beach cruiser and kid bikes.

Currently, some of the world's leading companies, including Raleigh, PCM and Motor and Sports of the UK, Aldi of Holland, Bacht-enkirch Interbike of Germany, M&F De Schree-maeker and Formula

Cycling of Belgium, import bicycles from Meghna.

There are three other bicycle makers in Bangladesh -- two of them are in export processing zones and the third one is Pran-RFL, another local conglomerate which has come into the business recently.

German-Bangla Bicycles, which was a joint venture between Bangladesh Power Trade Group and German Panther International GmbH, has had operations closed for the past two years.

Bangladesh exported bicycles worth \$112.89 million in 2013-14, up from around \$105 million in 2012-13 and 2011-12.

Most WB projects are on track

FROM PAGE B1

Giving an example, he said, in the run-up to the national elections there were a lot of shutdowns which made it very difficult for many projects to stay on schedule as people were not in offices regularly.

"So, things slipped. That can make a project unsatisfactory," he said at a recent event.

Zutt said they want to cut losses. "I don't want to throw good money after bad. If things are not working I would prefer to close it down."

"On the other hand, the good is that if things are working, because we have also projects that are performing very well, I would like to follow that up with more money," he said.

Last year, the WB committed \$1.9 billion, which includes \$300 million taken away from the projects that were not working and then recommitted, Zutt said.

He said the lender has a process which requires it every six months to look at how projects are performing. "We rate them on a six-point scale from highly satisfactory to highly unsatisfactory."

One of the 10 projects that are off the track is Shiddhirganj power plant for which the lender committed \$350 million in October 2008. Only 68 percent of the project money could be spent so far.

After a review in March, an action plan was given to speed up work, but progress is still unsatisfactory.

However, an official of the Economic Relations Division said significant progress has been achieved after the review, as disbursement was only 35 percent of the commitment in February.

Two water supply projects, including one in Chittagong, also got poor scores.

On the Chittagong Water Supply Improvement project, the government could spend only 4.5 percent of the aid commitment of \$156 million in more than four years.

Of the 34 projects, the WB identified five where the rate of disbursement is very low. In these projects, the lender's total commitment was \$1.6 billion but the disbursement rate is only 5.8 percent although around 2.5 years have passed since the activation of the loans.

The routine review also highlighted the success of the well-performing projects.

The Secondary Education Quality and Access Enhancement project with a commitment of \$395 million is one such project that has met and in some cases surpassed five of the six key performance indicators, the WB said.

To date, 1.8 million students have benefitted from the targeted stipends and tuition for secondary education, and 57 percent of them were girls.

The WB also found the Emergency 2007 Cyclone Recovery and Restoration project worth \$324 million to be "progressing well". Most outcome targets should be achievable by the closing date of December 31, 2017, it said.

Of the 24 on-track projects, at least half has a disbursement rate between 50 percent and 88 percent.



GOLDEN HARVEST

Dan Mozena, US ambassador to Bangladesh, and Ahmed Rajeeb Samdani, managing director of Golden Harvest Group, attend a programme recently to mark the launch of the company's cold chain network in the country.

Mount Elizabeth Hospital: a symbol of excellence

FROM PAGE B4

"Healthcare is something that should not be bought on a discount basis, as health is irreplaceable and priceless. The most important thing is whether you are getting the best doctors, facilities and services."

The cost of treatment is the same for local Singaporeans and overseas patients, said the 47-year-old.

Noel Yeo, assistant vice-president of Mount Elizabeth Orchard, said Parkway hospitals are doing well in terms of business. He, however, declined to give numbers.

The opening of Mount Elizabeth Novena two years ago doubled the capacity of the hospitals. "We did it because there is huge demand from patients for good doctors and treatment."

The occupancy rate at Parkway hospitals is about 80 percent, according to Yeo.

The centre yesterday launched a Facebook page for patients to get information.

He said the hospitals provide information and make content available online so patients can gather information easily and take informed decision.

The four hospitals are connected to 30 hospitals globally under the Integrated Healthcare Holdings, a Malaysian private health company and Southeast Asia's largest private health company.

"It helps as we can share resources, expertise, experience and knowledge -- we learn about best practices across hospitals."

fazlur.rahman@thedailystar.net