

সমৃদ্ধির খোঁশ স্বিগ্ণ আয়ের শ্রেষ্ঠ উপায়

স্বাধীন প্রযুক্তি ও সমৃদ্ধ ব্যাংকিং সেবায় আমানত স্থিগ্ণ করুন স্বল্পসময়ে



হিসাবী শরী'আহ মাদারাবা নীতির ভিত্তিতে পরিচালিত

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Star BUSINESS

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Private credit growth slows

SAJJADUR RAHMAN

After rising for two months, private sector credit growth came down again in January due to the seemingly never-ending political unrest.

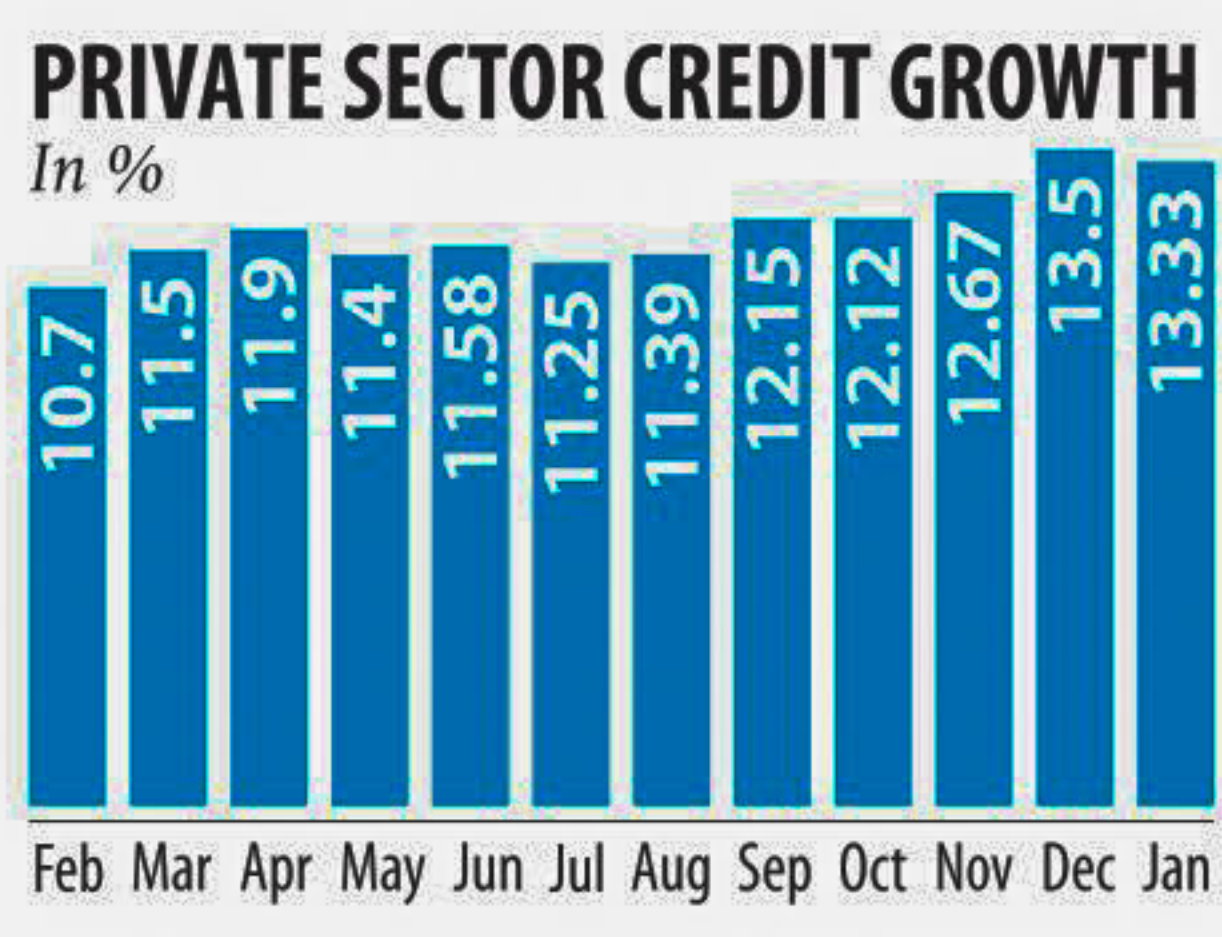
Private sector credit grew by 13.33 percent year-on-year in January, in contrast to the 13.5 percent growth recorded the previous month, according to Bangladesh Bank.

Even the sliding lending rates -- now 12-13 percent against 14-15 percent a year ago -- cannot boost demand for funds from the private sector, bankers said.

"We have disbursed hardly any fresh loans in the last two months as the demand for money has simply plummeted," said Shafiqul Alam, managing director of Jamuna Bank.

Businesses cannot even utilise their already-approved loans for the prevailing anti-business climate from the start of the year, let alone taking out new loans.

For example, if a borrower has a Tk 20 crore loan limit, he



cannot even use Tk 5 crore now as he cannot bring in raw materials into the factory or sell the finished goods, Alam said.

The latest bout of political upheaval comes just as the private sector was recovering from the disruptive politics in the second half of 2013, the hangover of which lasted until the first half of 2014.

If the present situation continues, credit growth will decline, so will the utilisation of loan limits, said Touhidul Alam Khan, deputy managing director of Prime Bank.

"No businessmen will put in their efforts and hard-earned money for the picketers to vandalise," Helal Ahmed Chowdhury, former managing director of Pubali Bank, said normal business activities cannot be pursued under a situation like the present one.

Bankers said manufacturing and productive activities have been hampered seriously but trade, commerce and services sectors have kept the economy running.

Businesses ask for addressing their demands before rolling out VAT law

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry yesterday urged the government to address the grave concerns of businesses before implementing the new VAT law in July 2016.

"We hope the government will address the differences regarding the VAT law in the coming two budgets," FBCCI President Kazi Akram Uddin Ahmed said, adding that Finance Minister AMA Muhith had earlier assured him of addressing the businesses' demands.

His comments came at a discus-

sion at the Institution of Diploma Engineers, Bangladesh, organised by the National Board of Revenue as part of its motivation and awareness campaign for the new VAT law.

Passed in 2012, the new VAT law will replace the existing VAT Act 1991, which revenue officials say suffers from distortions due to presence of various types of VAT rates.

The new law, framed at the prescription of the International Monetary Fund, will end the scope for package VAT, VAT determined on a truncated basis and tariff value system that various sectors now enjoy.

The latest law calls for a 15 percent

universal rate instead of multiple rates, which businesses want to facilitate growth of small and cottage industries, rural enterprises and reduce the hassles for retailers and small businesses.

In the face of opposition from businesses, the government last year backtracked on the plan and formed a review panel with representatives from the business community and the government.

In January this year, the committee submitted a report advocating multiple VAT rates -- and the FBCCI backed the recommendations.

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Global campaign for 'golden rice'

REAZ AHMAD

A global campaign that supports the genetically modified "golden rice" and promotes the cause for fighting child mortality entered Bangladesh yesterday as part of its three-nation Asia tour.

The campaign -- Allow Golden Rice Now -- is being spearheaded by a man who happens to be a convert from the world's biggest anti-GMO (genetically modified organism) lobby -- Greenpeace.

"If golden rice were a cure for cancer, malaria, or Ebola, it would have been approved 10 years ago. In that time, 20 million people, mostly children, have died. This is a crime against humanity," said Patrick Moore, the campaign head

and a Canadian ecologist, at a press briefing in Dhaka yesterday.

Moore, a co-founder of Greenpeace and an ex-director of the world's largest green group, left Greenpeace as he considered its positions on various issues unscientific.

In 2013, along with his brother Michael Moore, he founded the Allow Golden Rice Society -- a non-profit organisation dedicated to seeing golden rice approved for commercial agriculture.

Golden rice is a genetically modified rice variety capable of fighting child mortality and blindness caused by vitamin A deficiency. The rice is infused with vitamin A producing beta carotene taken from maize.

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Hi-tech data centre gets go-ahead

STAR BUSINESS REPORT

The cabinet committee on purchase yesterday approved a proposal to set up a national data centre where the government and companies can store their digital information.

The Export-Import Bank of China will bankroll the \$154 million project, which will be built on the premises of the Kaliakoir hi-tech park in Gazipur. Once completed, it will be one of the largest data centres in the world.

The negotiated price is however \$20 million or 15 percent more than the initial survey carried out in 2012.

In its proposal, the ICT Division said the price went up as the earlier proposal did not include the cost of construction of the building to house the centre.

The issue of setting up a fire-resistant building and ensuring military grade security were also not considered in the earlier cost estimation.

The EXIM Bank of China will provide the loan at 2 percent interest and the repayment period will be for 20 years, with a five-year grace period.

China has nominated state-owned ZTE Holdings Company and ZTE Corporation for setting up the centre.

ZTE Corporation on behalf of the two companies has already conducted a feasibility study for free of cost. The two Chinese companies will set up the centre in a direct purchase method.

Under the project, a high performance, well-structured and well-protected four-tier data centre will be established, which the government and private companies, including foreign multinationals, can use to store data.

Bangladesh Computer Council has already set up a tier-3 data centre to advance the government's Digital Bangladesh Vision. The government says the need for a larger centre has already been created because of the proliferation of online services across the country in the last few years.

The tier ranking for data centres relies on the service of quality and availability. A tier-4 data centre is composed of multiple active power and cooling distribution paths, has redundant components, and is fault-tolerant, providing 99.995 percent availability.

The cabinet purchase committee also approved a proposal to buy 1.5 lakh tonnes of wheat, instead of 2.5 lakh tonnes as agreed earlier, from Ukraine under a government-to-government arrangement for \$261 a tonne.

The committee also gave the go-ahead to two separate proposals to buy a total of 1 lakh tonnes of wheat from Glencore Grain.



Imported trucks are left stranded at Benapole port due to the long-drawn blockade and political violence.

Central packing house to boost vegetable exports

SOHEL PARVEZ

The government is set to build a central packing house to ensure the fruits and vegetables that are shipped abroad are safe and of good-quality.

The move comes in the wake of repeated detections of pests and diseases in export consignments to European nations and the rise in the use of fake phytosanitary certificates that confirm the shipment has met the requirements of importers.

Between 2011 and 2014, the European Union detected harmful organisms in 270 consignments from Bangladesh. For instance, in February last year, the EU suspended imports of

betel leaves for bacterial contamination. The ban will expire in June.

Subsequently, the EU, one of the major markets for Bangladesh's \$209-million fruit and vegetable export industry, last year fired off a warning: failure to ensure pest-free exports and genuine phytosanitary certificates will lead to the consignments being banned from entry.

The packing house, which is under construction in the capital's Shyampur area, will have cooling, sorting, grading, inspection and packaging facilities for the fresh produce, an agriculture ministry official said.

The exporters will have to pack their farm produce at the centre, after which they will go straight to the port.

The facility will automatically help ensure quality of the exportable produce, said Mohammed Monsur, general secretary of Bangladesh Fruits Vegetables & Allied Products Exporters' Association.

The rate of non-compliance will drop, which, hopefully, will lead to a rise in exports, particularly to Europe.

However, the distance between Shyampur and the Dhaka airport -- around 24 kilometres -- is a matter of concern, he said.

"We will need cool chain transport facility for taking packaged items from Shyampur to the airport -- without that, it will be difficult to maintain quality."

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Stocks slip back into red amid selling frenzy



STAR BUSINESS REPORT

Stocks returned to the red yesterday, as bleak political outlook and profit-booking forced weary investors to sell off shares.

DSEX, the benchmark general index of Dhaka Stock Exchange, dropped 63.57 points, or 1.36 percent, to finish the day at 4,585.72.

Massive selling pressure and impatience roiled the market, after Tuesday's small gain, IDLC Investments said in its market analysis.

After a single-day pause, the nationwide strike resumed, making investors nervous about the market outlook, said LankaBangla Securities, a leading stockbroker.

However, imminent annual declarations from some manufacturing stocks enticed investors to take positions, it added.

Among major news, inflation rose to 6.14 percent in February from 6.04 percent in January after decreasing continuously for seven months.

Banking stocks took the biggest hit yesterday, as the sector slid 3 percent, followed by the engineering sector that fell 2 percent.

The food and allied sector however managed to move forward 2.3 percent.


Amid the selling frenzy, the day's turnover rose 21.6 percent to Tk 310.28 crore from the previous day.

A total of 0.95 lakh trades were executed, with 6.21 crore shares and mutual fund units changing hands on the premier bourse.

Losers beat gainers, as 234 declined, 43 advanced and 31 remained unchanged on the DSE.

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