

এসআইবিএল রিটেইল ব্যাংকিং
জীবনের জন্য, জীবন যাপনের জন্য
এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স
এসআইবিএল হোম ফাইন্যান্স
এসআইবিএল অটো ফাইন্যান্স
* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৬২০০৯২২



Star BUSINESS

DHAKA THURSDAY OCTOBER 29, 2015

Bangladesh slips two spots in WB's doing business rankings

STAR BUSINESS REPORT

Bangladesh dropped two positions to 174 in the World Bank's ranking of the ease of doing business due to stalled regulatory reforms.

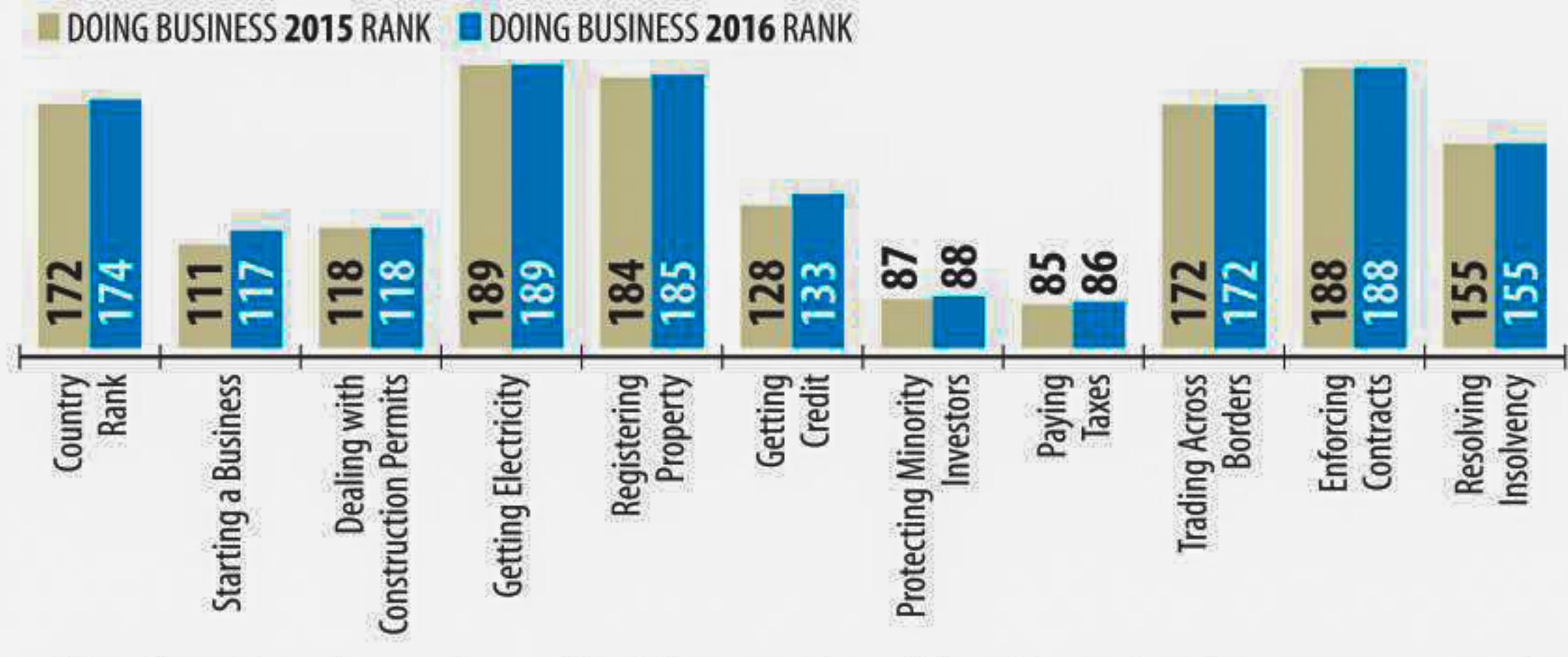
Only Afghanistan (177) among the eight South Asian countries came in lower than Bangladesh in the report, "Doing Business 2016: Measuring Regulatory Quality and Efficiency", which was released yesterday.

Bhutan topped the ranking (71) in South Asia, followed by Nepal (99), Sri Lanka (107), Maldives (128), India (130) and Pakistan (138).

Not only that, Bangladesh's competitors, such as India, Sri Lanka, Vietnam, Indonesia and Cambodia, have all improved in their rankings in the new report.

Even Myanmar and Mauritania, which were below Bangladesh in the index last year, have moved ahead of Bangladesh now. War-torn Iraq (161) and Yemen (170) ranked above Bangladesh.

"This is a wake-up call for us to inject a new lease of life in regulatory reforms in order to increase the attractiveness of Bangladesh as a prolific investment destination vis-à-vis our international competitors," said Zahid Hussain, lead economist of the WB's Dhaka office. The movement in a country's



rankings depends on the number of reforms it had implemented on various sub-indicators such as paying taxes, getting electricity and registering property, compared to the other 188 countries. Singapore topped the list, while Eritrea came in last.

This year, Bangladesh slipped because of lack of progress in implementing regulatory reforms while others moved fast forward, Hussain said.

Bangladesh's distance to frontier (DIF) score, which used to compile the rankings in the Doing Business report, improved on paying taxes because of reduction in the corporate tax rate. Bangladesh's DIF stood at 43.1 percent in the 2016 report, up from 42.71 percent a year ago. "But our overall ranking still

slipped because others did much better on this count," said the WB economist.

Although the government has been trying to do a lot of positive things in recent years, they are slow in execution, said Shafiqul Islam Mohiuddin, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry.

Every year the WB's Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations.

The report tracks changes in regulations affecting ten areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity,

registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

Bangladesh lost grades on five indicators and remained unchanged on the other five.

The country dropped the most in the index for starting a business, slipping six spots to 117.

It dropped five positions in the getting credit index and one spot each in registering property, protecting minority investors and paying taxes rankings.

Its ranking remained unchanged in: dealing with construction permits (118), getting electricity (189), trading across borders (172), enforcing contracts (188) and resolving insolvency (155).

Starting a business in Bangladesh requires nine procedures, takes up 19.5 days and costs 13.9 percent of income per capita, according to the report. South Asia on average needs 7.9 procedures, 15.7 days and 14 percent of income per capita for starting a business.

Although the government has been saying for long that it would simplify the business process, the fact of the matter is that the procedures have become more complex over the years, said Hossain Khaled, president of the Dhaka Chamber of Commerce and Industry.

"We still have to run from one office to another for days to get trade licences. These harassments are unbearable for business people."

Globally, Bangladesh stands at 189 in the ranking of 189 economies on the ease of getting electricity. India ranked 70th in the getting electricity indicator, Sri Lanka 81st and Pakistan 157th.

It takes at least 429 days to get electricity in Bangladesh, compared to the South Asian average of 141.7 days, according to the WB study.

"We are facing serious problems in getting gas and electricity supplies. We are very concerned," Khaled said.

READ MORE ON B3

Retailers resume flights to Dhaka as security beefed up

REFAYET ULLAH MIRDHA

Officials of international apparel retailers have resumed their flights to Dhaka as the government beefed up security, exporters said.

Many of the retailers had cancelled their planned trips to Bangladesh following the murder of two foreigners in September and early this month.

"The retailers are now feeling confident about travelling to Bangladesh for factory visits. They are resuming their flights," said Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

"I hope the regular meeting of the buyers' forum will take place next week as everybody is positive," Hassan told The Daily Star by phone. The buyers' forum is a platform for global apparel retailers.

The meeting is expected to take place in Dhaka on November 3.

Citing security reasons, many retailers postponed this month's scheduled meeting with garment makers in Dhaka. Apart from garment exporters, representatives from nearly 65 to 70 international retailers, who account for about 90 percent of the country's \$25 billion worth of apparel exports a year, participate in the meeting.

The retailers that participate in the meeting include Walmart, Gap, JC Penney, C&A, Tesco, G-Star, H&M, Target, Inditex and Carrefour.

At the meeting, they mainly discuss their problems and find solutions.

A Japanese national was shot dead by unidentified assailants in Rangpur on October 3, just five days after an Italian aid worker was murdered in the capital's diplomatic zone.

"The situation is now normal. Buyers have started coming and placing orders," said Shahidullah Azim, managing director of Classic Group, a garment exporter based in Gazipur.

After the deaths, the retailers had called the garment makers to hold meetings in Hong Kong, Dubai, China, India and Thailand.

Telenor's earnings beat estimates as Bangladesh, Pakistan show strength

BLOOMBERG

Telenor, the Nordic region's largest phone company, reported earnings that topped analysts' estimates as gains in the carrier's Bangladesh and Pakistan operations offset slowing growth in Malaysia and Thailand.

Third-quarter adjusted earnings before interest, taxes, depreciation and amortisation rose to 11.8 billion kroner (\$1.39 billion), or 37.2 percent of sales, the government-controlled Norwegian carrier said in a statement yesterday. Analysts predicted 11.4 billion kroner on average.

Telenor is counting on stable domestic growth as profits decline in Thailand, its second-largest market, and after the carrier failed to merge its Danish operations with those of Swedish rival TeliaSonera AB.

Chief Executive Officer Sigve Brekke plans to sell Telenor's 33 percent stake in Vimpelcom Ltd, the Russian operator being investigated by authorities over connections to alleged bribes in Uzbekistan. Telenor took a charge of 5.4 billion kroner in the quarter related to the planned divestment.

Sales rose 15 percent to 31.8 billion kroner, topping the 31.6 billion kroner average estimate. Telenor said it expects an adjusted EBITDA margin of 34 percent to 35 percent and organic sales growth of around 5 percent this year, excluding acquisitions, divestments and currency fluctuations. The guidance now includes the Danish operations.

Telenor rose 1.2 percent to 172.5 kroner at 9:11am in Oslo trading yesterday. The stock has advanced 14 percent this year, valuing the carrier at 259 billion kroner.

READ MORE ON B3

US retailers pledge to continue business with Bangladesh

REFAYET ULLAH MIRDHA

US retailers have assured that they will continue long-term business with Bangladesh as safety standards have been improving in response to the initiatives taken after the Rana Plaza building collapse in 2013.

"We are engaged in a process of continuous improvement. The collapse of Rana Plaza in Bangladesh in 2013 was a heart wrenching tragedy. Fair observers agree that we responded well," Juanita Duggan, president and chief executive of the American Apparel and Footwear Association

(AAFA), said on Tuesday.

Members of the AAFA are retailers, manufacturers, and companies that make fashion goods for the more than \$360 billion industry in the US and represent more than 1,000 brands with four million workers in America and millions more worldwide.

"As a first responder, AAFA's early initiatives became the model for programmes that today are improving safety standards in Bangladesh."

"Today, the industry has two initiatives bringing companies from all over the world together to

work on long term improvements in Bangladesh," Duggan said in his speech to a summit of American Chamber of Commerce in Hong Kong.

"As an industry, we need to ensure that everybody in our supply chain, owners, workers, and everyone is treated with dignity. Upholding these social responsibilities is not only the right thing to do, it is a part of doing good business."

"The reality is that it is no longer good enough to be compliant. So, while the industry is moving in the right direction with social responsibility, we could do more,"

he said.

"And we aspire to do more. Part of the role of an association is to lead the way. That is one of the reasons we're in Asia and hosting this summit. Asia matters in how we're going to get there."

Hong Kong is an important hub for sourcing in Asia; it is also the gateway to the burgeoning Asian market, he said.

AAFA members know they can come to Hong Kong confident they will find the partnerships they need, whether they are sourcing from or selling to Asia, according to the AAFA chief.

READ MORE ON B3

Turnover falls to seven-month low

STAR BUSINESS REPORT

Directionless trading on the Dhaka Stock Exchange pushed turnover to its lowest in seven months, as it lost 11.6 percent yesterday.

The market indicator fell to Tk 262.56 crore at the end of share transactions. Turnover on the premier bourse was Tk 255.54 crore on March 24.

DSEX, the benchmark index of the Dhaka bourse, fell 9.96 points or 0.21 percent, closing the day at 4,579.37 points.

The turnover plunged, as the market could not offer profitable prices, said IDLC Investments.

The new regulatory bar on margin loans for debutant and re-categorised shares for the first 30 trading sessions, pessimism infected the market, the merchant

bank said.

Investors will not be able to use loans to buy shares of newly listed companies for the first 30 trading days after debut on the stock exchanges, according to new rules. The investors will get the credit facilities, popularly known as margin loans, after the restricted period.

The same restriction will also be applicable to the securities

whose category will be changed based on their annual financial disclosures.

LankaBangla Securities said the investors cashed in on some of the recent strengths in the market as weak earnings continued to send out negative vibes.

Of the traded issues, 123 advanced and 147 declined, while 45 securities closed unchanged on the premier bourse.

Singer Bangladesh dominated the turnover chart with 8.18 lakh shares worth Tk 12.97 crore changing hands, followed by Lafarge Surma Cement, KDS Accessories, CNA Textile and United Air.

Among the major sectors, fuel and power lost 0.69 percent in market capitalisation, followed by textile that declined 0.66 percent, non-bank financial institutions 0.61 percent, cement 0.48 percent, food and allied 0.31 percent and engineering 0.15 percent.

Conversely, banking and pharmaceutical sectors were up 0.28 percent each.

Delta Spinners was the day's best performer, advancing 10 percent, while FAR Chemical Industries was the worst loser, slumping 22.06 percent.

READ MORE ON B3

NBR cuts duty on starches

SOHEL PARVEZ

The National Board of Revenue has halved the import duty for manioc starch and other starches, mainly used as raw materials in the textile industry, to 5 percent - four months after it had hiked the rate.

Manioc starch, also known as cassava starch, and other starches are used to treat yarn before weaving.

The government raised the import duty to 10 percent from its previous 5 percent during the passage of budget for the current fiscal year.

But recently, the Internal Resources Division under the finance ministry has issued a notification, saying the duty has been cut back to 5 percent.

The move comes after the Directorate of Customs Intelligence and Investigation found proof that the starches, which are imported duty-free by export-oriented industries under bond benefits, were sold in the domestic market through abuse of the privilege.

Syed Munibur Rahman, secretary general of Bangladesh Starch and Derivatives Manufacturers and Traders Association, opposed the move.

"It was a good decision by the government to accord protection to the local industry as an incentive. But the latest move will nullify the government's earlier decision."

READ MORE ON B3

১৬তম বর্ষপূর্তিতে সকলকে জানাই আন্তরিক অভিনন্দন ও শুভেচ্ছা।
১৬ বছর
ফাস্ট সিকিউরিটি ইসলামী ব্যাংক লি.
FSIB ISLAMIC BANK

MDB CREDIT CARD
30% discount on Room @ Long Beach Hotel Ltd., Cox's bazar.
Contact Center: (+88) 096 66 410 888
midlandbank Ltd. bank for inclusive growth

MTB celebrates 16 Years 1999-2015
16219 or 09604016219
Mutual Trust Bank Ltd. you can bank on us

'Positive Pay Instruction'
Prevent your account from possibility of fraud activities through counterfeit cheque, fake signature, MICR Line distortion.
Give 'Positive Pay Instruction' when you issue clearing cheque according to following mandatory criteria, instructed by Bangladesh Bank:
• Corporate/SME/Proprietorship Business account holder: BDT 01 lac & above.
• Individual Customer/ Personal Account holder: BDT 05 lac & above
'Positive Pay Instruction' is a confirmation from the cheque issuer to honour it.
midlandbank Ltd. bank for inclusive growth