

# Conference on Bangladesh's development held in US

STAR BUSINESS DESK

An interdisciplinary approach is key to addressing the challenges of development and democracy, economists said at a conference on Bangladesh's development and democracy at the University of California in Berkeley.

The three-day conference that began on November 6 was organised by Bangladesh Development Initiative (BDI), and was co-hosted by the Institute for South Asia Studies and the Chowdhury Centre at UC Berkeley.

Prof Nurul Islam, a renowned economist, was given a lifetime achievement award at the event. BDI President Munir Quddus presented the award, according to a statement.

An important part of BDI's mission as a think-tank is to support good and solid research that will inform and guide policymakers, and impact trends in the private sector, Munir Quddus said at the event.

The central bank is working to strengthen monetary policy, develop entrepreneurship and protect environment, said Atiur Rahman, governor of Bangladesh Bank.

Ann McCullum of the US embassy presented a keynote on behalf of Marcia Stephens Bloom



Prof Nurul Islam receives the BDI Lifetime Achievement Award from Munir Quddus, president of the Bangladesh Development Initiative, at a conference on Bangladesh at the University of California in Berkeley recently.

Bernicat, the US ambassador to Bangladesh.

Vivek Bald, a professor at the Massachusetts Institute of Technology, made a presentation of his ongoing project based on his book -- The

Bengal Harlem.

The government is working on export diversification through various public and private sector initiatives to diversify the export basket, as diversification is a formidable challenge in the Bangladesh context, said Zaidi Sattar, chairman of Policy Research Institute.

The Bangladesh government's Vision 2021 centres around three themes -- GDP growth acceleration and rapid poverty reduction; a broad strategy of inclusiveness to empower every citizen to fully participate and benefit from the development process; and a sustainable development pathway that is resilient to disaster and climate change, said Sadiq Ahmed, vice-chairman of PRI.

Issues such as the rise in religious extremism, the garment sector and welfare of women workers, entrepreneurship, and the challenges in monetary policy and banking were also discussed.

Biru Paul, chief economist at the BB; Abrar Anwar, CEO of Standard Chartered Bangladesh; Shah Alam Sarwar, chief executive of IFIC Bank; Ali Reza Iftakhar, CEO of Eastern Bank; and Golam Hafiz Ahmed, CEO of NCC Bank, also spoke.



ASM Mashi-ur-Rahman, managing director (acting) of MIDAS, receives an accreditation certificate as a training providing/entrepreneurship development organisation from SK Sure Chowdhury, deputy governor of Bangladesh Bank, at BB office in Dhaka on Tuesday

## Stocks shaken by weak data, market at six-month low

STAR BUSINESS REPORT

The key index of the Dhaka bourse yesterday dipped below the 4,400-point level for the first time in six months amid continuous selling pressure.

DSEX, the benchmark index of the Dhaka Stock Exchange, shed 39.03 points or 0.88 percent to close the day at 4371.54 points. The index stood at 4,315.99 points on May 17.

"Volatility surged and put the investors in a cautious mood," IDLC Investments said in its regular market analysis.

Investors remained hesitant to inject fresh funds into the market amid weak revenue earnings by listed firms, slow export growth and sluggish investment, it said.

Turnover, another important indicator of the market, dropped 13.3 percent to Tk 255.02 crore, with 7.69 crore shares and mutual fund units changing hands on the DSE.

Shaky economic cues were weighing heavy on investor sentiments, LankaBangla Securities concurred.

The inter-bank call money rate dropped to as low as 2.5 percent on Tuesday for the first time in more than five years as lower demand for fresh credit as well as access to foreign currency loans by local companies have contributed to surplus liquidity in

money market, it said.

Of traded issues, 95 advanced and 185 declined with 34 securities closing unchanged on the premier bourse.

Titas Gas dominated the turnover chart with 79.21 lakh shares worth Tk 39.69 crore changing hands, followed by Saif Powertec, Ifad Autos, Beximco and Square Pharma.

Among the major sectors, fuel and power took the hardest hit with a 3.53 percent fall in market capitalisation, followed by non-bank financial institutions that lost 1.85 percent, pharma 0.69 percent, banks 0.51 percent and textile 0.35 percent.

Conversely, only the food and allied sector rose 0.18 percent.

Sonali Ansh was the day's best performer with 10 percent gains, while Standard Insurance was the worst loser.

Chittagong stocks went down with the bourse's benchmark index, CSCX, declining 58.15 points or 0.7 percent to finish the day at 8,134.11 points.

Losers beat gainers as 148 declined and 55 advanced, while 38 remained stable at the end of trade on the Chittagong Stock Exchange.

The port city bourse traded 61.87 lakh shares and mutual fund units worth Tk 22.55 crore in turnover.



SAK Anwaruzzaman, managing director of Star Ceramics, and Mohammad Moallimul Islam, chief operating officer, pose at an awards ceremony for the company's dealers at Army Golf Club in Dhaka on Monday.

## Bangladesh: denim destination

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The use of accessories, jeans badges and labels is on the rise along with growing apparel exports, she added.

Sertkaya refused to share her sales figures, but said: "The number is growing, as we are receiving a lot of positive responses from our customers over the last three years."

"The denim sector will make further progress. I suggest talent and leadership grooming as it's the base for the whole industry's future," said Roger Hubert, regional head for Bangladesh and Pakistan of Swedish retail giant H&M, at a seminar on the sidelines of the expo.

Moderating another seminar, David Hasanat, managing director and chief executive of Viyellatex Group, said Bangladesh is the most-green denim making country, as it is the lowest carbon emitter compared to other industrialised countries.

"Denim is an environment-friendly product, as it needs less washing and the products are more sustainable," Hasanat said.

M Kamal Uddin, managing director of Raymotex, the sole agent of Indian Raymond denim in Bangladesh, said many local and international players are coming here either with investment plans or products, as the country is competitive for denim.

"The country is competitive because of price and workers' skills."

Denim makers have either been expanding their capacities or making fresh investments for having higher prospects, said Kamal Uddin, who has been in this business since 1995. His company supplies one million yards of denim fabric a month in Bangladesh.

At the inauguration of the expo, Mostafiz Uddin, founder and CEO of Bangladesh Denim Expo, said 39 participants from home and abroad are showcasing their products this time at the fair, which will end today.

Of the participants, 14 are from Bangladesh and 25 are foreign companies, mainly from India, Pakistan, the US, China, Turkey, Singapore, Japan and Germany.

The fourth and fifth denim expo will be held in Dhaka in April and November next year, said Mostafiz Uddin, also the managing director of Chittagong-based Denim Expert Ltd.

Bangladesh has become a major hub for sourcing trendy denim products for international retailers for its competitive pricing.

The country exports denim products and fabric worth nearly \$3 billion a year, with the figure touted to hit the \$5 billion-mark soon, given the positive response from retailers, said industry insiders. A total of 30 mills produce 21 million yards of denim fabric a month.

Investment in the denim sector also increased due to high demand; it will cross the Tk 7,500 crore-mark soon.

Bangladeshi entrepreneurs supply denim products to retailers such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark and JC Penney.

## Tax returns still underwhelming

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"It means all e-TIN holders did not submit tax returns. We are not being able to ensure compliance in the absence of proper monitoring," Karim said, while suggesting the tax authority issue notices to those who remain non-compliant

Legal action is also required, he said, adding that enforcement has to go side by side with the awareness campaigns.

Karim, however, acknowledged that the field offices do not have the adequate manpower for this.

Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue, said the number of income tax return submissions is low by any standard.

Even though the number is on the rise, about one-third of the e-TIN holders do not submit their tax returns. He said a large number of people work in the informal sector and there have been inadequate policy efforts to bring them under the formal tax system.

One way to bring more people under the system is to link e-TIN and tax return submission document with other public service facilities, financial transactions and asset ownerships, Khan added.

Muhammad Abdul Mazid, a former NBR chairman, stressed the need for monitoring and enforcement to increase compliance.

## Govt runs budget surplus in first quarter

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But in the first three months, the government spent only Tk 37,121 crore, which is only 12.6 percent of the total budget allocation.

During the same period last year, it spent Tk 36,523 crore, which was 14.6 percent of fiscal 2014-15's total allocation.

The reason for the low expenditure was slow implementation of the annual development programme (ADP), said a finance ministry official, who was present at the meeting.

In the first quarter, only 6.7 percent of the total ADP allocation was spent, which is the lowest in four years.

At the meeting, Planning Minister AHM Mustafa Kamal said most of the projects under ADP are ongoing ones, so expenditure should have been high from the start of the fiscal year.

Subsequently, he directed the ministries and divisions to take special care such that project implementation progresses at a good pace and does not stutter at the start of a fiscal year.

It was decided at the meeting that budget revision will take place in December this year instead of March next year.

The budgetary allocation to the ministries and divisions which will fail to spend will be cut down.

Alongside expenditure, the revenue earnings were also lower than the target, which was discussed at length at the meeting.

In the first quarter, the total revenue collection was Tk 38,278 crore, which is 18.4 percent of the target. A year earlier, it was Tk 34,785 crore.

Sources said the new pay-scale would have to be implemented this year and hence the revenue earning has to be boosted promptly.

Increasing revenue earning is challenging and the National Board of Revenue will have to take the initiative, Finance Minister AMA Muhith told the meeting.

The NBR high official told the meeting that they have started a special drive that should help them meet the target set.

Other than budget implementation, the state of export-import, remittance inflow, inflation, GDP growth and investment during the first quarter was also discussed, the finance ministry official said.

A projection was made in the meeting that the targeted GDP growth of 7 percent will be achieved since the macroeconomic situation is good.

However, the low export growth and slow private sector investment poses some threats.

But the finance division informed the meeting that investment will pick up in near future thanks to the low inflation and interest rates.

A special initiative has to be taken though to ensure hassle-free and adequate supply of gas and electricity to investors.

The meeting also highlighted that this year's targets for GDP growth and inflation would not be revised.

In the first three months, export earnings were over \$10 billion, which will help in achieving the \$32 billion target for the whole year, Commerce Minister Tofail Ahmed said at the meeting.

Remittance also showed a positive trend. Manpower export in the ten months of 2015 stood at 4.3 lakh people. It will cross five lakh by the year-end.

Besides, Malaysia has agreed to take in 15 lakh Bangladeshi workers, and arrangements will be made to send them through the private sector, it was mentioned in the meeting.

Japan and Saudi Arabia too will take in workers from Bangladesh. However, it was informed that the two countries will train Bangladeshis as per their requirements to employ them.

Given the low price of fuel and other consumer goods in the international market and good agricultural production, inflation was low in the first quarter.

It was forecasted in the meeting that the trend of low inflation would continue.

The finance division said the Bangladesh Bank's cautious monetary policy has helped reduce inflation.



Rabiul Alam, chairman of Energypac Power Generation Ltd (EPGL), presides over the 20th annual general meeting of the company at its office in Tejgaon, Dhaka on Tuesday. Humayun Rashid, managing director, was also present. EPGL declared 8 percent cash dividends for the year that ended on June 30, 2015.

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স্মরণ নং- পিজিসিবি/জিএমডি-রাজ/সাধা/২০১৫-১৬/১৬৬ তারিখঃ ০৫/১১/২০১৫ইং

**বিদ্যুৎ বন্ধের বিজ্ঞপ্তি**

এতদ্বারা সর্বসাধারণের অবগতির জন্য জানানো যাচ্ছে যে, গ্রীড সংরক্ষণ বিভাগ, পাওয়ার গ্রীড কোম্পানী অব বাংলাদেশ লিঃ, রাজশাহীর আওতাধীন নাটোর ১৩২/৩৩ কেভি গ্রীড উপকেন্দ্রের ১৩২ কেভি মেইন বাসবারের সাথে সংযুক্ত আইসোলটর সমূহের ক্ষতিগ্রস্ত পোস্ট ইনসুলটর সমূহ পরিবর্তন কাজের জন্য আগামী ১৪ নভেম্বর ২০১৫ তারিখ রোজ শনিবার সকাল ০৮:০০ ঘটিকা হতে দুপুর ০১:০০ ঘটিকা পর্যন্ত ০৫ (পাঁচ) ঘন্টা সময়ের জন্য উক্ত মেইন বাসবার বন্ধ থাকবে। ফলে নাটোর জেলার সদর থানা, সিংড়া, বাগাতিপাড়া, নলডাঙ্গা, বাসুদেবপুর, বনপাড়া, বড়াইহাম, গুরুদাসপুর ও রাজাপুর এবং রাজশাহী জেলার পুঠিয়া, বানেশ্বর, বাগমারা ও তাহেরপুর এলাকায় বিদ্যুৎ সরবরাহ বন্ধ থাকবে।

আসন্ন সেচ মৌসুমে উন্নত বিদ্যুৎ সরবরাহ সেবা প্রদানের লক্ষ্যে উক্ত সংরক্ষণ জরুরী। সর্বসাধারণের এই সাময়িক অসুবিধার জন্য পাওয়ার গ্রীড কোম্পানী অব বাংলাদেশ লিঃ কর্তৃপক্ষ আন্তরিক ভাবে দুঃখিত।

(মোঃ এমরান আলী)  
নির্বাহী প্রকৌশলী (অঃ দাঃ), জিএমডি, রাজশাহী।