

Iran sees \$32b of unfrozen assets as sanctions end

AFP, Tehran
Iran will receive \$32 billion of unfrozen assets after sanctions were lifted under its nuclear deal, the central bank said Tuesday, in a boost to an economy sapped by years of isolation.

The unblocking of funds, which had been held in foreign banks, comes after the UN atomic watchdog confirmed at the weekend that Iran had complied with measures in the July atomic accord.

The assets will be kept "in centralised and safe accounts" abroad, central bank chief Valiollah Seif was quoted by state television as saying, adding that the money could be used to pay for imports.

Seif said that \$28 billion (25.8 billion euros) would go to the central bank and \$4 billion "will be transferred to the state treasury as the share of the government".

Iran hopes that steps to ease its isolation, including the re-admission of its banks to the SWIFT system of international transactions, will inject new vigour into the economy.

But opening up to the world cannot completely fix the economy, President Hassan Rouhani said Tuesday in a televised speech, warning that the "difficult road has just begun".

"Today is just the start for an innocent human who was kept chained unjustly by the hands and feet for 12 years," he said.

"Sanctions are gone but there is a long way between sanctions and development," he said, speaking to an economics conference in Tehran.

"Today, our main problem is unemployment and recession, the lack of a booming economy and many structural and economic deficiencies," he added.

Iran's economy suffered greatly under the international sanctions that since 2006 targeted the Islamic republic's nuclear programme and financial systems.

Under the previous hardline government of Mahmoud Ahmadinejad, inflation topped 40 percent.

But moderate Rouhani, whose election in 2013 heralded more than two years of nuclear negotiations with world powers, managed to curb inflation to 13 percent.

Iran needs annual foreign investment of \$30-\$50 billion to reach an eight percent growth target and cash in on sanctions relief, the president said Sunday.

"Untapped potential in many industries indicates that domestic demand alone cannot drive the economy" towards that goal, he said, signalling a shift in policy.

Iran announced a major boost of 500,000 barrels per day in oil production on Monday -- a move Tehran had long planned for once its nuclear deal with world powers took effect.

The next budget starting in March is based on a projected oil price of \$40 per barrel price and exports of 2.25 million barrels per day.

Iran's economy suffered greatly under the international sanctions that since 2006 targeted the Islamic republic's nuclear programme and financial systems.

Under the previous hardline government of Mahmoud Ahmadinejad, inflation topped 40 percent.

But moderate Rouhani, whose election in 2013 heralded more than two years of nuclear negotiations with world powers, managed to curb inflation to 13 percent.

Iran needs annual foreign investment of \$30-\$50 billion to reach an eight percent growth target and cash in on sanctions relief, the president said Sunday.

"Untapped potential in many industries indicates that domestic demand alone cannot drive the economy" towards that goal, he said, signalling a shift in policy.

Iran announced a major boost of 500,000 barrels per day in oil production on Monday -- a move Tehran had long planned for once its nuclear deal with world powers took effect.

The next budget starting in March is based on a projected oil price of \$40 per barrel price and exports of 2.25 million barrels per day.

Iran's economy suffered greatly under the international sanctions that since 2006 targeted the Islamic republic's nuclear programme and financial systems.

Under the previous hardline government of Mahmoud Ahmadinejad, inflation topped 40 percent.

But moderate Rouhani, whose election in 2013 heralded more than two years of nuclear negotiations with world powers, managed to curb inflation to 13 percent.

Iran needs annual foreign investment of \$30-\$50 billion to reach an eight percent growth target and cash in on sanctions relief, the president said Sunday.

"Untapped potential in many industries indicates that domestic demand alone cannot drive the economy" towards that goal, he said, signalling a shift in policy.

Iran announced a major boost of 500,000 barrels per day in oil production on Monday -- a move Tehran had long planned for once its nuclear deal with world powers took effect.

The next budget starting in March is based on a projected oil price of \$40 per barrel price and exports of 2.25 million barrels per day.

Iran's economy suffered greatly under the international sanctions that since 2006 targeted the Islamic republic's nuclear programme and financial systems.

New director for Abdul Monem Economic Zone



STAR BUSINESS DESK

A Gafur has joined as a director of Abdul Monem Economic Zone Ltd, a statement said.

Gafur will look after international business development and promote marketing initiatives of AMEZ.

He has 35 years of experience, having served American Chamber of Commerce in Bangladesh as executive director for two decades, and Reckitt and Colman, now Reckitt Benckiser, for a decade.

AMEZ has been established to operate as a private economic zone and provide world-class services to investors.



State Minister for ICT Zunaid Ahmed Palak poses at the launch of an e-commerce site -- soldier71.com -- at an event at The Daily Star Centre in Dhaka yesterday. Story on B1.

Industries to pay VAT on environmental clearance certificates

FROM PAGE B1

For investment of more than Tk 5 crore, a brick kiln owner has to pay Tk 40,000 as fee for fresh permits from the Department of Environment.

Renewal of clearance certificates is subject to half the fee of freshly issued permits. "We are yet to calculate how much VAT will come from this area. But it is likely to be quite a handsome amount," said a senior official at a VAT commissionerate in Dhaka.

The official said VAT will be applica-

ble to both freshly-issued environmental clearance certificates and the already-issued ones.

However, Faruque Hassan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, said it would not be logical for the National Board of Revenue to collect VAT on fees of environmental clearance certificates.

"Our cost of doing business is rising for various factors. The VAT will put additional burden on us," said Hassan,

also the managing director of Giant Apparels Ltd.

Earlier this fiscal year, some NBR field offices sought VAT from the Department of Environment on the clearance certificates it had issued.

Subsequently, the department in September 2015 wrote to the NBR for clarification on the issue.

Between 2009 and 2014, the department issued 33,240 fresh environmental clearance certificates and renewed 39,968 ones.



Mohd Safwan Choudhury, vice chairman of Bank Asia, opens an ATM booth of the bank at Rekabibazar SME Service Centre in Sylhet. Deputy Managing Director Humaira Azam was also present.

Stocks close higher for second day

FROM PAGE B1

Of the traded issues, 138 advanced and 153 declined, while 34 securities closed unchanged on the premier bourse.

Emerald Oil Industries dominated the turnover chart with 42.66 lakh shares worth Tk 29.17 crore changing hands, followed by United Power Generation and Distribution Company, Alltex Industries, BD Thai Aluminum and ITC.

Among the major sectors, telecom increased 4.52 percent in market capitalisation, followed by cement that rose 1.88 percent, fuel and power 1.02 percent, and non-bank financial institution 0.12 percent.

Conversely, mutual fund declined 0.93 percent in market capitalisation, followed by bank 0.59 percent and textile 0.08 percent.

C&A Textiles was the day's best performer with 9.73 percent in gains, while Vanguard AML BD Finance Mutual Fund One was the worst loser, shedding 9.83 percent.



Dilek Ayhan, state secretary of the trade, industry and fisheries ministry of Norway, and Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, pose after a meeting at the Westin hotel in Dhaka yesterday. Merete Lundemo, Norwegian ambassador, and Srinivas B Reddy, country director of ILO, are also seen.

FDI still in slow lane, soul-searching needed

FROM PAGE B1

Law Minister Anisul Huq said the government is establishing a new authority by merging the Board of Investment and the Privatisation Commission to serve the private sector better and remove the procedural bottlenecks for doing business.

The cabinet has approved the draft bill for Bangladesh Investment Development Authority (BIDA) Act to facilitate further private sector investment, both foreign and local.

The bill will be placed in parliament shortly, according to Huq.

He said the BIDA will have the responsibility of giving registration to proposed industries in the private sector and ensuring efficient utilisation of unused land and enterprises in the public sector.

The BIDA will become a one-stop service delivery authority removing the labyrinth of red tape.

"In this manner we can work towards a more planned and responsible development for the industrial sector," he said, adding that the government has made it its utmost priority to facilitate business for the private sector.

Infrastructure development, ensuring power for businesses and developing economic zones are just a few measures that have been taken to facilitate foreign direct investment and provide incentives to Bangladeshis to set up new enterprises.

The government is keen to promote investment and enterprise without compromising the principles of

accountability and transparency, the ministers said.

"We are committed to developing the environment for investment -- I believe there shall be no scarcity of incentive for foreign investment in Bangladesh."

Huq also said the rule of law and independence of judiciary are integral to ensuring a positive environment for investment and business.

The government is working to establish the supremacy of the rule of law by doing away with the previous attitude of culture of impunity, he said.

"We do understand that, as for many decisions, in the business world time is money. Keeping that in mind the government has given top priority to building a culture for speedy dispute resolution out of court."

Under the Code of Civil Procedure, arbitration has been made a condition prior to embarking upon a case, Huq said.

He gave direction to all government agencies to incorporate appropriate arbitration clauses in their agreements to provide local arbitration for contracts of up to \$50 million and for international arbitration when the contract value is greater than \$50 million.

Marcia Bernicat, US ambassador to Bangladesh, said she pointed out last year how this country is set to become a regional lynchpin and important consumer market -- and FDI is critical to achieving that potential.

More investment from abroad will

help Bangladesh locate the energy it needs, generate the power required for economic growth and drive the expansion of new manufacturing and services sectors.

She said such FDI could bring the US's world-class technologies and skills to help the country diversify its exports, better connect its market to its neighbours and beyond and seize opportunities in an increasingly interlinked global economy.

The US diplomat said economists and bankers believe that higher levels of FDI could drive higher rates of economic growth.

By some estimates, the country may need up to \$50 billion in infrastructure investments alone to maximise its growth potential.

Improving the investment climate and boosting FDI were among the core issues the US discussed with Bangladesh at its Trade and Investment Framework Cooperation Agreement talks in November.

"It is said that foreign investors have the courage of a rabbit, the memory of an elephant and the legs of a gazelle. Clearly, a predictable and transparent legal environment is indispensable in attracting such investors and vital to their success once they have entered a new market."

She requested the government to create and maintain the kind of legal and operating environment in which the US companies and Bangladesh can jointly prosper. AmCham Vice President Showkat Ali Sarkar was also present.

Chinese outbound travel climbs

AFP, Beijing

Chinese travellers took around 120 million outbound trips in 2015, according to government estimates, a 12 percent increase from the year before, as the country's growing middle class spends more on tourism.

The figure released on social media Monday by the official China Tourism Academy includes journeys to Taiwan and China's special administrative regions of Hong Kong and Macau, as well as foreign countries.

No breakdown was given, but in previous years the majority of trips -- which include business and other kinds of travel -- have been to those neighbouring territories.

The domestic tourism industry pulled in more than 4 trillion yuan (\$600 billion) last year, the CTA said in an annual report, predicting the amount would increase by 12 percent in 2016.

Chinese tourist numbers have soared over the past two decades as the economy has boomed to become the world's second largest and its yuan currency steadily strengthened.



Amir Hossain Amu, industries minister, and Matiur Rahman, chairman of Uttara Motors, unveil the Bajaj Pulsar AS 150 motorcycle for local sales at Bangabandhu International Conference Centre in Dhaka.

Denmark to train 283 factory inspectors

FROM PAGE B1

The Danish government will not give any money directly to the project; it will help by providing training and logistics, according to Syed Ahmed, inspector general of the Department of Inspection for Factories and Establishments.

The training will start next month.

The Danish government will also donate more than 200 tablet computers to the labour inspectors for their convenience during factory inspections. Haque also said the working condition in garment factories has improved a lot since the Rana Plaza collapse as the government has taken a host of initiatives. "I am hopeful that there will be no repeat of the Rana Plaza tragedy."

The minister went on to urge the international retailers to increase their unit prices for garment items from Bangladesh so that the factory owners can spend more on improving the working conditions and workers' welfare. "It is a fact that the unit

price of garment items fell 1.8 percent in 2015 from the previous year."

Regarding better prices, Larsen said better working condition is the foundation for better prices. Productivity will also increase as a result of better working conditions and more value can be added to the products.

"Bangladesh should improve the working conditions in the factories so that no more collapse takes place," he added.

Haque said the government will soon open two hospitals, each having 300 seats in Dhaka and Narayanganj, for garment workers. It will also construct six dormitories for the workers in those two areas.

A workers' welfare fund has already been formed, towards which every exporter will contribute 0.03 percent of his/her export receipts. Within the next two to three years, the fund should have at least Tk 100 crore, he said.

The government has also allowed 380 new trade unions over the last one and a half years, Haque added.



Quazi Osman Ali, managing director (current charge) of First Security Islami Bank, and Samir Vidhate, a director of Transfast, exchange documents of a remittance agreement at the bank's head office in Dhaka on Thursday.



M Moniruzzaman Khandaker, chairman of Midland Bank, attends the bank's annual business conference in Dhaka on Sunday. Nilufer Zafarullah, vice chairman, and Md Ahsan-uz Zaman, managing director, were also present.



Md Sirajul Islam Varosha, chairman of Jamuna Bank, and Shafiqul Alam, managing director, pose during the inauguration of the bank's medical service centre at Biswa Ijtema, a congregation of Muslims, in Gazipur. The centre served 20,500 people free of cost this year.