

# Jamuna Electronics fined for false import declaration

STAFF CORRESPONDENT, Chittagong

The customs authority yesterday fined Jamuna Electronics and Automobiles Ltd Tk 20 lakh for importing almost all major parts and accessories for assembling televisions under false declarations to evade duty.

The consignment came from China on January 31. The firm in the import documents had declared that it was importing around 6,200 LED panels, 6,200 cabinets and 6,200 speakers among other parts and accessories.

Customs officials examined the consignment on February 11 and found that

the firm imported almost all the major parts and accessories with which 6,200 LED televisions could be manufactured, said Mohammad Ehteshamul Hoque, joint commissioner of Chittagong Customs House.

The firm tried to evade a large amount of duty that would have been applicable to imports of fully assembled products, he said.

As per the firm's declaration, applicable duty was only Tk 51 lakh, which the authorities revised up to Tk 2.34 crore after inspection.

The consignment was released yesterday after the payment of the additional duties and fine, Hoque said.

## NBR seeks budget proposals from trade bodies

STAR BUSINESS REPORT

The National Board of Revenue has sought proposals from trade bodies on how to make tax measures more business-friendly and pro-people in the next national budget.

The tax authority asked chambers and associations to send proposals on the budget for fiscal 2016-17 to the Federation of Bangladesh Chambers of Commerce and Industry by March 10, according to a statement.

They were also requested to email a copy of the proposals to the NBR at [nbrbudget2016@gmail.com](mailto:nbrbudget2016@gmail.com).

The organisations that are not members of any chamber or association can also send their recommendations.

## Banglalink keen to expand mobile financial service

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The people at the bottom of the pyramid, who are yet to start using smartphones, have already embraced Unstructured Supplementary Service Data based mobile financial services like sending and receiving money.

USSD is a protocol used by cellular telephones to communicate with the service provider's network.

Mobile operators can further complement this penetration by providing more customer friendly interfaces like mobile apps, Bangla content and much more, Hanna added.



GREEN DELTA

Abdul Hafiz Choudhury, chairman of Green Delta Insurance, and Farzana Chowdhury, managing director, attend the company's 30th annual business conference in Dhaka.

## Starbucks to open first cafe in Italy

AFP, Milan

US coffee giant Starbucks announced Monday that it is preparing to conquer the spiritual home of coffee with plans to open its first branch in Italy.

The chain will open a store in Milan in 2017 in a joint venture with Italian retail network Percassi, according to the company.

But Starbucks will have a battle on its hands attempting to lure customers in a country which is already flooded with estab-

lished cafés.

Italian coffee bars serve six billion espressos a year worth 6.6 billion euros (\$7.2 billion), while 41 percent of Italian adults drink at an espresso bar at least once a week, according to market analysts OIIFB.

After Milan, Starbucks plans to open outposts in Verona and Venice, Starbucks chief executive Howard Schultz told Italian newspaper Corriere della Sera.

He said the firm is preparing to invest millions of euros in the country in the coming years as well as creating new jobs.



DOKANI.COM

Officials from Dokani.com, Nestle Bangladesh and Route To Market Ltd, a distributor of Nestle, pose at the signing of a memorandum at the Nestle headquarters in Dhaka. People can now purchase Nestle Bangladesh's products online through Dokani.com, a local e-commerce site.

## France can ride out global growth concerns: minister

AFP, Paris

French Finance Minister Michel Sapin said Monday he was confident his country can ride out global growth concerns and hit Paris' target of a 1.5 percent rise in 2016.

"France is less concerned by the global slowdown" than many other countries, as it is coming off a low starting base, he told reporters on his return a meeting of G20 finance ministers in Shanghai.

In November, Sapin said he believed France had "exited the period of extremely weak growth" which had long bedevilled the eurozone's second largest economy.

Concerns over the health of the global economy "do not call into question" the official growth target, he said.

In Shanghai, the world's 20 top economies pledged to use all policy tools available to lift sluggish global growth and dispel uncertainty amid falling markets and a disconnect on interest rates policy following the first US rise in nine years -- while Japan has adopted negative rates.



SOUTHEAST BANK

Atiur Rahman, governor of Bangladesh Bank, and Alamgir Kabir, chairman of Southeast Bank, pose with the higher secondary and graduation level meritorious but needy students who received scholarships from Southeast Bank, at a reception at a hotel in Dhaka on Saturday.

# New Year hangover: Strains show in China's factory heartland

REUTERS, Dongguan, China

Millions of migrant workers streaming back to China's industrial heartland after the long lunar New Year break are facing an uncertain future, as smaller factories in particular struggle to cope with anaemic orders and rising inventories.

In the Pearl River Delta, the "world's workshop" in southern Guangdong province that accounts for around a quarter of China's exports, workers and business owners say production lines have been slower than usual to restart after the annual two-week holiday.

At the Xicheng industrial park in Hengli, several factories lay gutted with broken machines strewn outside, while plots of land earmarked for industrial use were being used by villagers to grow vegetables, a sign of the weak demand for Chinese goods that is forcing business closures and putting pressure on wages.

"Finding a factory with a good salary, that's what we want," said Luo Xianrong, an 18-year-old laid off by a factory in January, who was one of scores of migrants knocking on factory gates in the hunt for new work.

"We have to be careful. Many factories aren't providing food and accommodation, and they're delaying wage payments," she said, as her four friends nodded in unison. "I don't want to be cheated."

While global policymakers gathered in Shanghai for a G20 meeting at the weekend declared that "growth in key emerging markets remains strong", the slowdown in China - the motor of the world economy for the past decade - has unnerved investors and contributed to market turbulence at the start of 2016.

The plight of Luo and her friends underlines the dilemma for China's leaders - they want to shift the economy away from the low-end manufacturing that fuelled its rise, but they also need jobs for the consumers they hope will support its next phase.

Labour activists also point to the risk of unrest, as industries consolidate and workers find their benefits squeezed.

China's manufacturing sector likely contracted for a seventh straight month in February, with the latest numbers due on Tuesday. The official purchasing managers' index is expected to show the sector shrinking at its fastest pace since August 2012.

Exports from Guangdong province - which has a bigger economy than Indonesia - are predicted to grow just 1 percent this year, according to a January government work report.

Analysts say many of the smaller factories hit hardest by the slowdown catered more for domestic demand than the export market, another signal that the Chinese consumer is not picking up the slack as is needed to rebalance the economy.

That is bad news for policymakers in Beijing, scrambling to stabilise swooning financial markets and with growth slowing to 6.9 percent last year, its weakest in a quarter of a century.

Stanley Lau, who runs a watch factory, said uncertainty in Europe, including the refugee crisis and a possible exit of Britain from the European Union, could further sap consumer confidence there, and impact China's factories.

"There will be certain numbers of factories that will have some changes, by narrowing down the scale of the factories or moving to other places," said Lau.

"We follow the market trend. If we won't receive sufficient orders by mid-year ... We'll have to reduce our workforce. But for now, we'd like to keep our workforce steady."

While makeshift recruitment booths and signs advertising jobs remain a fairly common sight in the Pearl River Delta, the labour market is seen getting tighter in the coming months.

"The life and death of enterprises ... is to be expected," said Xu Jianhua, the Communist Party Secretary of Dongguan, a major industrial

city there, at a recent press conference.

He said 39,000 enterprises had shut down in Dongguan last year, including around 500 foreign invested firms, though he stressed the number of new businesses registered in the same period had outnumbered those closing down.

"The economic challenges will be more complex" in the year ahead, he added.

The outlook appeared better for some larger factories with steady revenue streams, including electronics makers such as Foxlink, a subsidiary of Hon Hai, Apple's main contract manufacturer in China.

"We've got these stalls in many factory towns now," said Wang Chunshun, a recruiter for Foxlink who'd pitched several plastic stools and a glossy recruitment poster on the pavement next to a highway and a large industrial estate.

"Our company needs new workers, we've still got a lot of orders."

Some workers interviewed in Dongguan factory towns suggested the chance of labour disputes or strikes was growing.

"I heard from some friends, who didn't get paid by their boss, that the government did nothing to help them," said Zhou Huazhong, a worker at a motor factory in Dongguan, who was smoking a cigarette during a break. "The government is useless."

The real challenge for China's leaders is whether the economy can create enough new jobs in sectors they are trying to encourage, such as biotechnology or robotics, to replace those lost lower down the chain.

"Basically the employment situation is in a state of flux, factories are closing down," said Geoffrey Crothall of China Labour Bulletin, a labour rights advocacy and monitoring group.

"Opportunities are coming up in new manufacturing areas but the question is, are these jobs sustainable? A lot of start-ups are failing and the jobs they're providing aren't often well-paid or offering decent work conditions."

## Korean firm to invest \$25m in Mongla EPZ

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The fully foreign-owned company will produce 4.3 million pieces of tents, sleeping bags, camping chairs, bags and other accessories a year, according to a statement.

The factory will create 1,500 employment opportunities for Bangladeshi nationals, it said.

Abdul Halim Molla, member (investment promotion) of Bepza, and Do Kyun Kim, managing director of CS Bangla, signed the agreement.

Major General Mohd Habibur Rahman Khan, executive chairman of Bepza, was also present at the event.

## Networking event for startups in March

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Companies will have to pay Tk 10,000 to get registered for the show while it is Tk 5,000 for entrepreneurs and Tk 3,000 for students.

Apart from getting an opportunity for networking, participating tech startups will receive Microsoft's BizSpark/YouthSpark packages worth \$10,000.

Fayaz Taher, CEO of Fortuna Bangladesh, and Samad Miraly, executive director of Olympic Industries, also spoke at the media briefing.

## Stocks extend losses

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Of traded issues, 97 advanced and 173 declined with 48 securities closing unchanged on the premier bourse.

LankaBangla Finance dominated the turnover chart with 94.83 lakh shares worth Tk 38.05 crore changing hands, followed by Orion Pharma, Ifad Autos, Singer Bangladesh, and BSRM.

Among the major sectors, cement stocks declined 2.66 percent in market capitalisation followed by the food and allied sector which fell 0.52 percent, non-bank financial institutions 0.5 percent and banks 0.43 percent.

Conversely, only the engineering sector increased by 0.21 percent.

Wata Chemicals was the day's best performer with 9.96 percent in gains, while RAK Ceramics (Bangladesh) was the worst loser, shedding 6.18 percent.

Chittagong stocks fell yesterday with the bourse's benchmark index, CSCX, declining 45.39 points or 0.53 percent to finish the day at 8,458.4 points.

Losers beat gainers as 152 declined and 61 advanced, while 27 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.47 crore shares and mutual fund units worth Tk 51.03 crore in turnover.

## ACI plans to export pharma products to US

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ACI was listed on the stockmarket in 1976. Each share of the company traded between Tk 554.2 and Tk 566 yesterday, before closing at Tk 555.2.

The company's net profit stood at Tk 57.34 crore at the end of 2014 with consolidated basic earnings-per share of Tk 16.68, up from Tk 20.36 crore and Tk 5.94 respectively a year ago.

Sponsors own a 35.03 percent stake in ACI, while institutional investors 30.62 percent and the public 34.35 percent. Square Pharmaceuticals and Beximco Pharmaceuticals recently got the US nod to export pharma products to its market.



AB BANK

Sajjad Hussain, deputy managing director of AB Bank, and Tauqir Ahmed, managing director of Nokkhotrobbari Resort and Conference Centre, pose at the signing of a deal. The bank's debit and credit cardholders will enjoy preferential rates at the resort.

## Taskforce to conduct study on smuggling

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Between 2013 and 2015, the customs intelligence and investigation directorate have seized 3,000 kilograms, or nearly 80 maunds, of smuggled gold worth Tk 1,450 crore.

The taskforce, comprising 19 members from state agencies including the Border Guard Bangladesh, Coast Guard, Rapid Action Battalion, Department of Narcotics Control and Civil Aviation Authority, sat more than a year after the last meeting in December 2014.

Rahman said the anti-smuggling taskforce will prepare a work plan focusing on the areas on intervention for the next one year.

"We have decided to work in coordination with others with results-based orientation. We will in no way give scope to harm national security. We are giving the highest importance to state security."



JANATA BANK

Md Abdus Salam, chief executive of Janata Bank, speaks at the bank's branch managers' conference of its offices in Rajshahi division at the Postal Academy in Rajshahi. Hasan Iqbal, deputy managing director, was also present.