

Bangladesh-made smart devices in 3 years: Palak

STAR BUSINESS REPORT

Bangladesh will turn out to be a digital device manufacturer in the next two to three years, State Minister for ICT Zunaid Ahmed Palak said yesterday.

The development work for the hi-tech park where the smartphones and laptops will be assembled have already started, he said in a press conference for Bangladesh ICT Expo 2016.

The three-day exposition to be inaugurated by Planning Minister AHM Mustafa Kamal will kick off at Bangabandhu International Conference Centre in Dhaka on Thursday.

"We are trying to reduce our imports. Plus, we want to be a digital device exporting country. That's why the government is placing importance on the manufacturing and assembling of tech products."

If the private and public sectors join hands, Bangladesh will reach its planned destination within a short time, Palak said, while citing local brand Walton as a shining example.

Walton now assembles a host of technological products, including television sets and mobile phones, and the government wants other companies to follow its lead.

The state minister said the ICT exposition, which will showcase technology-based innovations, new products, will unlock the economic potential of

the IT sector.

"The government is expecting that people will feel proud of using locally assembled products over Korean or Chinese ones," Palak added.

ICT Secretary Shyam Sunder Sikder said the government has emphasised building a manufacturing ecosystem and setting up research and development centres to boost the country's ICT sector.

The ICT Division is organising the event, which is the second of its kind, in collaboration with Bangladesh Computer Samity (BCS).

On the sidelines of the exposition, local and international experts will share and exchange knowledge on ICT advancement and challenges in seminars, BCS President AHM Mahfuzul Arif said.

The organisers are expecting 400,000 visitors during the three-day exhibition, which will remain open from 10am to 8pm every day.

A talking robot named 'Ribo' that was developed by the students of Shahjalal University of Science & Technology will welcome everyone to the venue.

A drone developed by the students of Bangladesh University of Engineering and Technology will also be demonstrated.

Sonia Bashir Kabir, managing director of Microsoft Bangladesh, and senior officials of BCS and ICT Division were also present at the press conference.

Govt okays 12 projects worth Tk 6,650cr

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The Executive Committee of the National Economic Council (Ecne) yesterday approved 12 new and revised projects involving Tk 6,650 crore.

One of the projects is for constructing 13,000 small bridges and culverts that will connect earthen roads in rural areas.

The Ecne allocated Tk 3,684 crore for building the bridges and culverts; the construction work will begin by 2019.

A planning ministry official said the bridges would not only improve communication but also contribute to poverty alleviation.

A total of 4,959 bridges and culverts were constructed in 459 upazilas between 1994 and 2009, according to a planning ministry proposal.

The number was 1,615 between 2009 and 2012.

From 2012 to 2016, a total of 4,928 bridges will be built at a cost of Tk 1,085 crore, which is now under implementation.

Another project -- Running and Development of Upazilas -- has been taken at a cost of Tk 1,059 crore, where Japanese agency JICA will provide Tk 956 crore.

The project aims to strengthen the local government system, and in the first phase,

100 upazilas will be brought under the scheme.

Under the project, educational equipment, medical equipment including ambulances, water supply equipment, and agricultural machinery will be supplied to those upazilas.

The Ecne also revised, for the second time, a project to set up four textile institutes at an estimated cost of Tk 275 crore, which was Tk 127 crore initially. The tenure of the project has been extended till 2018 from 2013.

The project has been taken to produce skilled manpower for the garment and textile sectors. The institutes will be set up in Chittagong, Khulna, Rajshahi and Rangpur.

In its proposal, the planning ministry said the cost is rising because of a delay in land acquisition and extension of project tenure.

Another project -- Support to Joydebpur-Debgram-Bhulta-Madanpur (Dhaka bypass) -- has been taken at a cost of Tk 236 crore under a public private partnership initiative.

The project will oversee land purchase and rehabilitation, transfer of utilities, and hire independent engineers for project monitoring. When it is completed, the Mymensingh, Tongi, Sylhet and Chittagong roads will be connected by the bypass.

StanChart COO in Dhaka

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Doris Honold, group chief operating officer of Standard Chartered Bank, is in Dhaka for a short visit and scheduled to meet senior government officials and the bank's staff and clients.

Aalishaan Zaidi, chief operating officer for retail banking at Standard Chartered Bank, is accompanying Honold, the bank said in a statement yesterday.

Honold in her professional capacity supports the group chief executive in defining and executing the business strategy, reinforcing control and governance, ensuring strategic functional alignment and enabling business growth through efficiency.

She has also served as the group head of market risk and chief operating officer for wholesale banking.

"Representation from our group management team is a sign of our commitment to the Bangladesh franchise and underscores the potential we see in this market," said Abrar A Anwar, CEO of Standard Chartered Bangladesh.



New managing director of Jovago Bangladesh

STAR BUSINESS DESK

Kaies Ali has recently been appointed as the managing director of Jovago Bangladesh, the company said in a statement.

The appointment became effective on February 14 this year. Prior to the appointment, Ali has been serving Hotel Agrabad as a director for branding and marketing, according to the statement.

Ali replaces Sharjil Hannan, the first managing director of Jovago Bangladesh, who had been in office since the establishment of the organisation in Bangladesh in 2015, according to the statement.

Jovago Bangladesh, a Rocket Internet AIG venture, is an online hotel booking platform. It is the largest online hotel booking platform in Africa, providing services to over 200,000 hotels, the company said.



Kaies Ali



Atiur Rahman, governor of Bangladesh Bank, and Mahmud Hossain, chairman of CAPM Venture Capital and Finance, a non-banking financial institution, attend the launch of CAPM Venture, in Dhaka on Monday.



AMM Farhad, deputy managing director of Social Islami Bank, and Md Ibrahim Bahar, president of Hajj Agencies of Bangladesh, pose at the signing of an agreement.

Asian factories hit hard in February

REUTERS, Sydney

Manufacturing activity across much of Asia shrank in February with China suffering a seventh straight month of decline, a blow to policymakers who only a day earlier resumed an easing cycle in a fresh effort to spur growth.

Business surveys from China to Indonesia showed no signs of reversing a weakening trend, forcing factories in the trade-reliant region to shed yet more jobs and cut prices, a move that could worsen a global disinflationary trend.

Surveys of manufacturing output from other parts of the globe will be released later on Tuesday. Asia's grim readings will sharpen the focus of

officials in the world's leading economies who declared at a weekend G20 meeting that they needed to look beyond ultra-low rates and printing money to reanimate growth.

Economists at Citi said last week that the chances of a global recession - which it defines as global growth falling below 2 percent - are rising.

China aims to lay off 5-6 million workers from "zombie enterprises" over the next two to three years, two sources with ties to the country's leadership told Reuters.

Australia's central bank governor, Glenn Stevens, observed on Tuesday that conditions have become more difficult for a number of emerging

market economies and noted that "China's growth rate has continued to moderate."

Stevens, who attended the Shanghai G20 meeting, made those comments after leaving interest rates at a record low 2.0 percent. He kept a conditional easing bias in a widely expected outcome.

Survey after survey served to remind how challenging the current environment is. Japan's factories saw their weakest growth in eight months, while Indonesia and Malaysia contracted for the 17th and 11th month respectively, according to survey compiler Markit. Taiwan went into reverse gear for the first time in three months as orders wilted.

China to lay off 6m workers

REUTERS, Beijing

China aims to lay off 5-6 million state workers over the next two to three years as part of efforts to curb industrial overcapacity and pollution, two reliable sources said, Beijing's boldest retrenchment program in almost two decades.

China's leadership, obsessed with maintaining stability and making sure redundancies do not lead to unrest, will spend nearly 150 billion yuan (\$23 billion) to cover layoffs in just the coal and steel sectors in the next 2-3 years.

Banks move to equip ATMs with anti-skimming devices

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But it will not be possible for the banks to install the devices in all machines by the BB-given deadline of one month.

"We have just advertised for procuring anti-skimming devices and PIN shields. It will take time to finish the installation," said Abul Kashem Mohammad Shirin, deputy managing director of Dutch-Bangla Bank.

Eastern Bank Ltd, which was one of the three victim banks of the recent ATM frauds, also took measures to install such devices.

"Anti-skimming devices were supposed to be in-built in our ATMs as per work order given to the vendor. We have asked the vendor to reply in this regard," said Ziaul Karim, head of communications at EBL.

Karim said his bank has already moved to deploy PIN shields in all ATMs by the BB-given time. However, bankers said it is clear that the magnetic stripe on payment cards is the underlying cause of the persistent threat to skimming and data compromise at the ATMs.

They said the payment card should be EMV-equipped to reduce the risk of frauds. On the time extension, Shubhankar Saha, executive director and spokesman of the BB,

said if a bank can legitimise that it needs more time, the central bank will consider it.

According to the ATM Security Association, a global network of manufacturers, suppliers and services providers, the global cost of ATM skimming is estimated to be over \$2 billion annually.

It said skimming represents 98 percent of all ATM fraud losses.

Skimming losses in Europe rose 14 percent to \$343.5 million in 2014 -- the highest since 2009 -- despite a 3 percent decrease in the actual number of skimming incidents.

The average cost of a skimming incident rose 18 percent in 2014 from the previous year to approximately \$61,000.

With all ATMs in Europe now being EMV compliant, organised crime has shifted outside its borders.

The association in a paper said card data is skimmed in one country and then used for fraudulent ATM withdrawals in another.

It found 87 percent of all losses in Europe in 2014 were generated from cross-border fraud. The top cross-border locations for European card losses are the US, Indonesia and Philippines.

Steps underway to curb tax evasion

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The meeting was convened as part of NBR's plan to impose fines and initiate criminal proceedings against employers who appoint foreigners illegally.

NBR is making the move as the country is being deprived of a significant amount of revenue for factors such as a lack of monitoring, no real database of foreigners working here, inadequate coordination among related agencies and non-compliance with rules by a section of employers, officials said.

The tax authority earlier tightened rules for appointing foreigners in local firms. Anyone appointing foreigners without approval from the Board of Investment or other related authorities can now face a cash penalty of up to Tk 5 lakh, or a maximum three-year prison sentence, or both.

NBR will also open booths at the airports and land ports to check

whether foreigners who leave the country have tax clearance certificates, it said.

Foreigners are required to pay 30 percent tax on their yearly income in Bangladesh, and have to submit tax clearance certificates when they leave the country.

There is no actual data on the number of foreigners residing in Bangladesh, but the number may be nearly two lakh, according to an estimate by the Special Branch of Police.

Foreigners are mostly employed in the garment and textiles sector, hotels and restaurants, massage and beauty parlours, English medium schools, cement factories, power plants and the services sector.

The Indians, Sri Lankans, Chinese, Pakistanis, Koreans and Filipinos make up a majority of the numbers, according to taxmen.

However, not all have work permits. The total number of valid work

permits issued by BoI, Bangladesh Export Processing Zones Authority and NGO Affairs Bureau is estimated to be more than 10,000.

The tax administrator earlier sought a list of foreign nationals working in Bangladesh from various agencies to ensure compliance.

Apart from a provision of penalty on firms for appointing foreigners illegally, the NBR also included a provision that any industry or infrastructure project that enjoys tax breaks, will lose the benefit for appointing foreigners illegally.

Employers are also required to deduct income tax in advance while paying foreigners.

Taxmen said many foreigners come to Bangladesh on tourist or business visas, but they take jobs without approval from the agencies concerned and leave the country without paying taxes.

US trade show begins tomorrow

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"We are delighted that bilateral trade in goods reached nearly \$7 billion in 2015 and believe this event will help increase our trade," she added.

Speaking at a media briefing at Sonargaon Hotel, Md Nurul Islam, president of AmCham Bangladesh, said the annual event plays an important role in strengthening bilateral trade relations between the two nations. "This is also an opportunity

for American companies to learn about the Bangladesh markets."

Andrea Brouillette-Rodriguez, political and economic councillor of the US embassy, said the previous edition of the event attracted 10,000 visitors. "We hope the same number of visitors will attend this time." She said bilateral trade grew from about \$1 billion in 1992, when the first edition of the fair was hosted, to around \$7 billion in 2015. "We see increasing interest from

US companies about Bangladesh. The

number of queries is growing dramatically." Bangladesh exported goods worth \$6 billion to the US last year and imported products worth \$1 billion, said Daniel Keen, economic officer of the US embassy.

Showkat Ali Sarkar, vice president of AmCham Bangladesh, and Rashed Maqsood, country officer of Citibank, also spoke on the occasion.

Stocks fall to 3-month low

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Of the traded issues, 108 advanced, 170 declined and 47 closed unchanged on the premier bourse.

LankaBanga Finance dominated the turnover chart with 81.62 lakh shares worth Tk 36.68 crore changing hands, followed by Grameenphone, Orion Pharma, Singer Bangladesh, and United Power Generation and Distribution Company.

Among the major sectors, telecom suffered the most, declining 4.67 per-

cent in market capitalisation, followed by tannery that fell 3.92 percent, food and allied 2.86 percent, pharmaceuticals 0.65 percent, banks 0.6 percent and non-bank financial institutions 0.21 percent.

Conversely, the life insurance sector rose 2.85 percent in market capitalisation, followed by mutual funds that increased 0.94 percent, jute 0.51 percent and general insurance 0.3 percent. Rupali Life Insurance was the day's best performer with a 9.94

percent gain while Zeal Bangla Sugar Mills was the worst loser, shedding 9.52 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 46.13 points or 0.54 percent to finish the day at 8,412.27 points. Losers beat gainers as 135 declined, 74 advanced and 34 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 89.52 lakh shares and mutual fund units worth Tk 28.12 crore in turnover.



Taufiqur Rahman, director of Brac Dairy, poses with the participants of a two-day event titled Aarong Dairy Distributor Conference 2016 organised by Brac Dairy in Rajendrapur.

AARONG DAIRY