

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|----------|---------------------------|-------------------------|---------------|-----------|-----------|----------|---------------|-------|--------|------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY |
| 4,281.93 | 8,015.29 | \$1,242.40 (per ounce) | \$45.38 (per barrel) | 26,007.30 | 17,353.28 | 2,894.66 | 2,965.40 | BUY TK 77.90 | 86.90 | 112.15 | 0.68 |
| 0.91% | 0.76% | | | 1.28% | 0.49% | 0.19% | 0.64% | SELL TK 78.89 | 90.29 | 115.54 | 0.72 |

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Star BUSINESS

DHAKA WEDNESDAY APRIL 27, 2016

LPG market to heat up

Five new players coming up with Tk 900cr in investment

SAJJADUR RAHMAN

Five companies are set to roll out their liquefied petroleum gas business this year in a bid to capture the household segment of the market.

The companies -- Orion, Index, Navana, Sena Kalyan Sangstha and Beximco -- will shell out about Tk 900 crore in total for their LPG plants.

At present, natural gas is piped to households in Dhaka, Chittagong and some other big cities as cooking fuel. But the supply is fast depleting.

The demand for LPG will certainly rise in future and the government has opened the business to the private sector to meet this impending high demand, said Salman F Rahman, vice-chairman of Beximco Group.

LPG is a mixture of propane and butane that becomes liquid under pressure, which can then be stored in pressurised containers for use.

It is relatively new in Bangladesh and the market is still small.

Presently, seven companies supply imported LPG.

The companies are: Totalgaz, Omera, Jamuna, Bashundhara, LAUGFS Gas Bangladesh (formerly known as Petredec Elpiji), BM Energy and state-owned Bangladesh Petroleum Corporation.

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Bangladesh poised to be a top investment destination

Muhith says at Bangladesh Investment Summit in Hong Kong

SARWAR A CHOWDHURY, from Hong Kong

Policymakers and business leaders from Bangladesh yesterday reiterated the country's potential as a top investment destination after China and India.

The necessary conditions for taking off the Bangladesh economy have been created, said Finance Minister AMA Muhith in his keynote speech at the fourth Bangladesh Investment Summit, Asia, held at Ritz-Carlton Hotel in Hong Kong.

"Never before, Bangladesh was so well prepared to absorb talent, technology and investment from outside. Never before the country was so investment hungry as it is today."

The inflow of foreign direct investment into Bangladesh rose 27.19 percent year-on-year to \$1.45 billion in the July-February period, according to central bank data.

"I can assure you that the environment for doing business will be even better in the coming days. We are open to you, to your ideas, innova-

Opportunities for Asia's Investors



Finance Minister AMA Muhith speaks at Bangladesh Investment Summit at Ritz-Carlton Hotel in Hong Kong yesterday.

tions and enterprises."

Over the last six years, Bangladesh consistently recorded progress on various socio-economic indicators, including GDP growth, per capita income, food production, low inflation, job creation, social mobility and women's empowerment, he said.

The average GDP growth was at

6.4 percent, per capita national gross income rose by 9.7 percent each year, inflation rate came down to 6.1 percent at the end of March this year from almost a double-digit figure six years ago.

Foreign exchange reserves rose to \$29 billion from \$7.5 billion six years ago.

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Supplementary duty should go in phases

PRI calls for raising tax on tobacco products



STAR BUSINESS REPORT

The Policy Research Institute yesterday said the government should reduce supplementary duty in phases, instead of bringing it down in one go, to implement the new VAT law, which may come into effect in July.

The full application of the VAT and Supplementary Duty Act 2012 will have disruptive implications for the manufacturing sector with strong resistance from import substituting producers, the PRI said.

The research organisation placed its recommendations for the national budget for fiscal 2016-17, at a discussion with senior officials of the National Board of Revenue, at the NBR headquarters.

The PRI said the full application of the new VAT law will eliminate supplementary duty (SD) on all tariff lines, except for 241 products.

Tariff lines are products defined at a highly detailed level for the purpose of setting import duties.

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Ecneec approves cross-border road project

STAR BUSINESS REPORT

The Executive Committee of the National Economic Council yesterday approved the Tk 2,473-crore Cross-Border Road Network Improvement Project to boost regional connectivity.

Japan will finance 75 percent of the project cost, under which 17 bridges, seven culverts and two load control stations will be built. The project will be completed in 2022.

The project has been taken up keeping in mind the Motor Vehicle Agreement signed by India, Bangladesh, Nepal and Bhutan, which will allow seamless movement of people and cargo among the four countries, said a planning ministry official.

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Garment exporters must focus on growing Asian market: analyst

REFAYET ULLAH MIRDHA

Bangladesh should focus on the growing Asian apparel market, where the retail value of garment and textile consumption in just India and China will more than double to \$750 billion by 2020, from approximately \$300 billion at present, said a Swiss textile expert.

The Asian garment and textile sector has been growing fast and will continue to do so in the next four years, said Christian P Schindler, director general of Switzerland-based International Textile Manufacturers Federation or ITMF.

Schindler was in Dhaka to discuss the global textile and garment industry with Bangladeshi spinners and weavers on Sunday.

"The garment retail markets of Asia, particularly China and India, will increase as well as the western markets,"



Christian P Schindler

Schindler said. Currently, about 80 percent of China's garment products are produced for its local consumption.

The remaining export-focused 20 percent of Chinese garment products make up about 40 percent of global apparel trade, worth nearly \$200 billion. This makes China the leading supplier of the item in the world, followed

by Bangladesh.

Bangladesh exported garment goods worth \$26 billion last fiscal year.

However, contrary to China, about 80 percent of Bangladesh's entire export basket consists of apparel, and it relies almost entirely on foreign demand, said Schindler.

China, on the other hand, has 1.35 billion people, for which many Chinese manufacturers do not bother with exports, he said.

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StanChart's profits down 64pc

AFP, Hong Kong

Standard Chartered said Tuesday first quarter profits slumped 64 percent year-on-year as revenue for the period also plunged, following a turbulent 2015 in which the troubled bank announced it would axe thousands of jobs.

The Asia-focused bank said profits for the first three months fell to \$539 million from \$1.49 billion in the same period last year.

BFP-B CHALLENGE FUND

Call for New Ideas to Support Access to Finance for Micro and Small Enterprises in Bangladesh

The BFP-Challenge Fund invites applications for a new round of grant financing from banks, micro finance institutions, insurance companies, non-bank financial institutions and private companies to implement new and innovative business models and ideas that have the potential to positively impact Micro and Small Enterprises in Bangladesh's ability to access finance.

The BFP-B requires grantees to at least match the grant financing provided by the fund, as an indication of their commitment to test the commercial viability of the project, and to share risks. The final award of grants will be only to a limited number of applicants who showcase the best innovative ideas and at the same time can offer significant impact on improving finance for micro and small. Please visit our website at <http://www.bfp-b.org/bfci/whatisBFCF> to understand how the challenge fund process runs.

The deadline for receiving applications is **27th May 2016.**

Lift VAT on internet use: telcos

STAR BUSINESS REPORT

Mobile operators once again urged the revenue authority to withdraw VAT on internet use and modem sales, at a pre-budget discussion yesterday.

The Association of Mobile Telecom Operators of Bangladesh (AMTOB) put forward its budget proposals for the upcoming fiscal year, along with its long-pending demand for the removal of SIM taxes, to the National Board of Revenue at the latter's office.

TIM Nurul Kabir, secretary general of AMTOB, said there is 15 percent VAT on internet use and modem sales at the moment; if the government decides to withdraw it, the cost of internet will reduce and volume of use will go up drastically.

"The NBR may think it will lose money if the VAT is withdrawn, but we can assure that the government's overall earnings will increase," said Kabir.

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