

# Pacific Denims gets go-ahead to raise Tk 75cr from public

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday gave the green light to Pacific Denims to raise Tk 75 crore from the public.

The export-oriented garment and denim fabric producer will float 7.5 crore ordinary shares of Tk 10 each, the stockmarket regulator said in a statement.

The company will use the funds from the initial public offering (IPO) for its business expansion and loan repayments.

The company's weighted average earnings per share stood at Tk 2.63 and net asset value without revaluation per share at Tk 22.59 in December 2015. AFC Capital will manage the IPO.

At present, 45 textiles and garment

companies are listed on Dhaka Stock Exchange, accounting for about 4 percent of the total market capitalisation.

Located at Pacific Integrated Industrial Park in Munshiganj, Pacific Denims is one of the largest mills in the denims industry in Bangladesh.

Its yearly production capacity is 1.8 crore yards of denim fabrics, according to the company's website. Mark & Spencer, Tesco, Zara, H&M and Walmart are the international buyers of Pacific Denims.

The BSEC also approved the prospectus of a Tk 100-crore closed-end mutual fund sponsored by Bangladesh Development Bank.

Of the total value, Bangladesh Development Bank has already subscribed to units worth Tk 10 crore as

the sponsor, while Tk 20 crore has been raised through private placement.

The remaining Tk 70 crore will be raised from investors through IPO.

Capital and Asset Portfolio Management Company is the issue manager of the 10-year fund, CAPM BDBL Mutual Fund 1, while the Investment Corporation of Bangladesh is the trustee and custodian.

A mutual fund is a professionally managed collective investment scheme that pools money from many investors and invests it in stocks, bonds and short-term money market instruments.

Presently, there are 35 mutual funds listed on the Dhaka Stock Exchange, accounting for about 1 percent of total market capitalisation.



Mohd Ataur Rahman Bhuiyan, a director of NRB Global Bank, opens the Kashipur Bazar branch of the bank in Noakhali yesterday. Proshanta Kumar Halder, managing director, was also present.

NRB GLOBAL

## New agency starts journey to boost investment

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It will also help the authorities concerned in land acquisition, work for ensuring efficient use of land, make list of unused land and structures and frame a policy for its utilisation, and frame a guideline for allotting and transferring plots. In 1993, the Privatisation Board was formed for privatising the public sector loss-making enterprises and later in 2000 it was turned into a commission.

The Bol was formed in 1999 to attract local and foreign investment.

Both the institutions failed to achieve their expected goal, due to which the government decided to merge them into one. BIDA will be based at Agargaon in the capital, with the construction of a 14-storey new office building on way. Until the office is ready, the staff of the two former institutions will work in their former office premises.

## Metlife wins international business awards

STAR BUSINESS DESK

MetLife, a leading global provider of insurance, annuities and employee benefit programmes, announced that it has been recognised with awards in two categories in the 13th Annual International Business Awards.

MetLife Asia's first lifestyle and health plan for women—Beautiful—won the Gold Stevie® Award in the Best New Product or Service of the Year category and Bronze Stevie® Award for the Most Innovative Company of the Year—in Asia Australia and New Zealand category.

First launched in June 2015, Beautiful was designed to address the needs of the fast-growing 30- to 50-year-old female segment and empowers them to lead beautiful and healthy lives, as well as providing financial security and protection in case of illness.

"Beautiful is a life-enhancing product designed specifically to help women improve their health and lifestyle through fitness, nutrition and beauty benefits, as well as providing the trusted navigation of a health concierge and health recovery service when illness strikes," said Ralph Brunner, chief marketing officer, MetLife Asia.

"We had developed the product after carefully listening and responding to the needs, wants, fears and aspirations of

women across Asia. We are delighted to receive this award."

Related to the Award for the Most Innovative Company of the Year—in Asia, Australia and New Zealand, MetLife Asia was recognised for launching two key projects that foster and promote innovation, the company said in a statement.

The first was the establishment of its Centre of Excellence for Data Analytics in 2014 to transform big data into customer insights, deliver a more holistic customer experience, and drive improvements to business performance.

LumenLab was the second project, a Singapore-based innovation space that provides a space for startups to test new business models, actively seeking to disrupt and go beyond the status quo, according to the statement.

The centre fosters a culture of innovation within MetLife in more than 10 countries across the region and creating new businesses that address Asian consumers' needs in health, ageing, and wealth management.

The International Business Awards are the world's premier business awards programme. All individuals and organisations worldwide—public and private, for-profit and non-profit, large and small—are eligible to submit nominations.



NRBC BANK

Kazi Md Safayet Kabir, senior vice president of NRBC Bank, and Syed Asaduzzaman, managing director of Best Electronics Ltd, exchange the signed papers of a deal at a programme. The bank's credit cardholders will enjoy interest free instalment benefit for payments during purchases of goods from Best Electronics.

## 8pc growth needed to create more jobs: study

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However, several supply-side factors have contributed to constraining economic diversification, some of which relate to employment, like shortage of skilled workers, technological bottlenecks, and lack of entrepreneurship and management skills.

Although labour in Bangladesh is abundant, a shortage in skilled workers is perceived to be a major constraint on manufacturing production.

The shortage is particularly acute for medium-scale, export-oriented enterprises.

Manufacturing goods now overwhelmingly dominate Bangladesh's export basket, but a significant proportion of it comprises a very low domestic value addition because of limited backward linkages.

While Bangladesh has done well in maintaining a steady outflow of migrant workers, the study found there is potential to raise this number and change the skills and occupational composition of workers.

For Bangladeshis to find more jobs abroad, it would be necessary to tap both existing destinations such as Bahrain, Oman Qatar and Singapore and new ones such as Jordan, Lebanon and the Republic of Korea.

Different destinations and their prospects can be studied by employing various means such as analysis of the economies and their business prospects and intensifying bilateral contacts.

The high cost of international migration from Bangladesh is a major issue. The

cost not only includes the charges for air tickets, visas and so on, but also the fees paid to recruiting agencies and intermediaries.

Apart from financial cost, common problems include fraudulent practices, substitution of contracts in destination countries for ones with much worse terms.

"Although, Bangladesh has been obtaining around seven percent economic growth every year, unfortunately our labour market is not growing," Islam said.

While around five lakh find jobs abroad every year, efforts must be made on local job creation.

"We are exporting unskilled labour mostly and importing midlevel skilled manpower from other countries -- there should be a balance with the exchange."

Srinivas Reddy, country director of ILO, called for education for young men and women so that they can become more capable in management.

He also urged the government to continue its support to the garment sector and look at the non-discrimination policy.

"Social protection is a very important issue and Bangladesh should invest more on it," Reddy added.

Syed Nasim Manzur, president of Metropolitan Chamber of Commerce and Industry, said: "We have to spend a lot of money for importing goods due to delays in releasing them at the airport."

He called for withdrawal of duty on import of fire safety materials for sectors other than garment. "There should have a sustainable package for the non-garment sectors as well."

## Tackle energy constraints to boost growth: ADB

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Private investment in electricity generation and oil and gas exploration should be promoted. Besides, the government has to push harder for development of the South Asian regional electricity market, according to the study.

On economic diversification, the ADB report shows that over the last 10 years, the domestic economy has become more concentrated in a few sectors. In contrast, other Asian countries, such as China and Vietnam, have leveraged their beginnings in basic manufacturing to link to other sectors, including business services that increase the productivity of manufacturing exports.

The strategy of outward-oriented growth through generous incentives to the very competitive garment sector has inadvertently stifled the development of many other potentially innovative sectors -- both in the tradable and non-tradable sectors, it said.

"New activities need to develop. There should be less reliance on only one export-oriented low-cost manufacturing sector, the typical economic growth model of countries in the first phases of development."

Such a strategy will need a greater focus on higher, technical and vocational education to raise skills, more and better energy and transport infrastructure, and a more responsive public sector that raises tax revenues by broadening the base.

"It will require a state that embraces technology, for example, by increasing access to the internet, cell phone banking, biometric identification techniques, a state that fosters transparency through the production of more and better data."

Ultimately, progress on economic development will be measured through solid improvements in all areas identified as barriers.

The report said Bangladesh could also expand

into activities such as the maintenance and repair of machinery and light engineering.

While it is impossible to predict where the country will eventually expand, it is clear that on-the-job training to expand skills, with a steady increase in the quality of basic secondary education, will be paramount if the country wants to develop faster.

It said Bangladesh must raise the quality of education and skills for its workers if it is to compete in the global marketplace with higher value-added products.

Challenges remain, nonetheless, and continued development requires more effort, coordination, and strengthening of the institutional framework, the ADB said.

The study argues that some of the policies that allowed the country to grow and prosper in the last few years will become less effective, and the economy will need to 'switch gears' to consolidate the growth momentum over the medium term.

"The good news for Bangladesh is that it has resilience, innovation in some areas, a large and growing domestic consumer market, and demographics still favourable to raising medium-term productivity."

On governance issue, the report said while progress has been made in some areas, such as the separation of executive, legislative and judicial powers, stronger rule of law is crucial to continued economic prosperity and social inclusion.

The ADB said, presently, the micro risks from enforcement of property rights are an important constraint to sustainable long-term growth and investment in Bangladesh.

It said the cost of land is prohibitive for small firms. Property registration procedures are also long. Costs as a percentage of the value of registered property are also higher compared with other South Asian countries.

It said domestic investors manage to acquire land for their ventures, but costs are prohibitive at times. But foreign investors are dependent on government cooperation to gain access to land, and the government has difficulty making land available to them because of the competing land uses, leading to limitations in foreign direct investment.

"The difficulty in acquiring land for investment serves to discourage interest in investing in Bangladesh."

The report said public-private partnerships can contribute to infrastructure upgrades in some of the country's most successful economic sectors, while secured land ownership and improved urban planning and development will help attract more foreign investment.

Reliable electricity, efficient urban transport systems, and measures to support new industries and economic activities are also important.

The report said Bangladesh has been an innovator in microcredit services globally and there is significant scope to boost the sector further, particularly with the growing use of mobile technology. Incentive programmes to improve financial services for small and micro depositors can also create a pool of funds that can be channelled for infrastructure development.

The economic growth rate has been high, but quality investments are needed going forward, said the ADB.

Foreign direct investment, at around 1 percent of GDP, is low compared with other countries at similar levels of development, it said.

The report advocates for the faster development of a national pension system, as some 64 percent of poor households still do not have access to social protection.

It said as Bangladesh is still a relatively youthful country, setting up the institutions for a lasting pension system will come at a small cost.

## Tax fair in Nov: NBR

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At present, 12 lakh individuals file returns through more than 17 lakh people hold taxpayer's identification numbers.

The number of people who submit returns is less than 1 percent of the total population. Despite having taxable income, a large number of people remain out of the tax net.

To encourage people to be compliant and create a culture of paying tax, the NBR plans to honour 108 taxpayers, including companies, with tax cards.

Until last year, top 10 individual taxpayers and 10 companies were honoured with tax cards.

Now the tax collector plans to honour 57 individual taxpayers with tax cards. Of them, seven tax cards will go to fresh taxpayers to encourage youths

to pay tax.

Tax cards for individuals will be given in nine categories on the basis of the sources of their income or professions.

Some 40 companies in 12 categories will get recognition. Also, 11 tax cards will be given to recognise compliance of firms, local authorities and others, the NBR said.

The tax administrator will hand over the tax cards before November 30.

This year, the deadline for submission of tax returns by individual taxpayers will not be extended, the NBR said.

The tax authority fixed November 30 as the cut-off date by bringing changes to the income tax law during the passage of this fiscal year's budget.

Taxpayers will have to pay a penalty if they fail to submit returns in time.

## Banglalink seeks new number series 010

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The telecom watchdog also tagged some conditions to it, like resolving a long standing audit issue and two other minor issues.

Grameenphone applied for an additional number series early last year, based on projections that their new connection sales would fully be suspended after November this year.

Mobile operator Robi is also about to merge with fourth largest operator Airtel; the merged company will also use two number series -- 018 and 016 -- which will also give them extra facilities, said the letter.

"Two operators are in the process of being in a position to offer numbers from two different number series each to the market," Banglalink said in the letter.

As the number still plays a role in attracting customers, especially high-value corporate customers, the ability to offer a

wider range of numbers gives an operator a considerable competitive advantage, Banglalink said. Not being on a level-playing field in this regard will put Banglalink in a disadvantageous position in the market, according to the letter.

After allocating 013 to Grameenphone, there are three other numbers series left -- 010, 012 and 014 -- according to the National Numbering Plan that has ten prefixes for mobile operators.

Among the current operators, Citycell is using the 011 series, Teletalk 015, Airtel 016, Grameenphone 017 and Robi 018.

Mobile numbers were already expanded twice, by a digit each time. Earlier, there were nine digits and now there are 11 digits. Banglalink started its operations in 2005 and as of July, the operators' active connections were 3.14 crore, while their total sales reached around eight crore as of June.

## Bangladesh to be a 'growth outperformer' in 2016-25

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Economic growth in the developed markets will generally be capped by weak demographic trends and a lack of substantial economic reform. In terms of demographics, rapidly ageing populations, particularly in Western Europe and Japan, will result in weak labour force growth.

Turning to demographics, the research said countries with positive demographic trends will enjoy an endogenous boost to economic activity. Of Bangladesh's 16 crore population, 10.5 crore, which is more than 65 percent of the population, are aged between 15 and 64 years, said the United Nations Development Programme in April.

With more youth entering the working age population, Bangladesh is poised to benefit from a demographic dividend in the next 10 years, according to the World Bank. About reforms, BMI Research said countries that it expects to enact economic and political reforms, specifically measures to improve business environment and unlock economic productivity, will grow faster than those without such reform momentum.