

# Garment exports to US on the rise

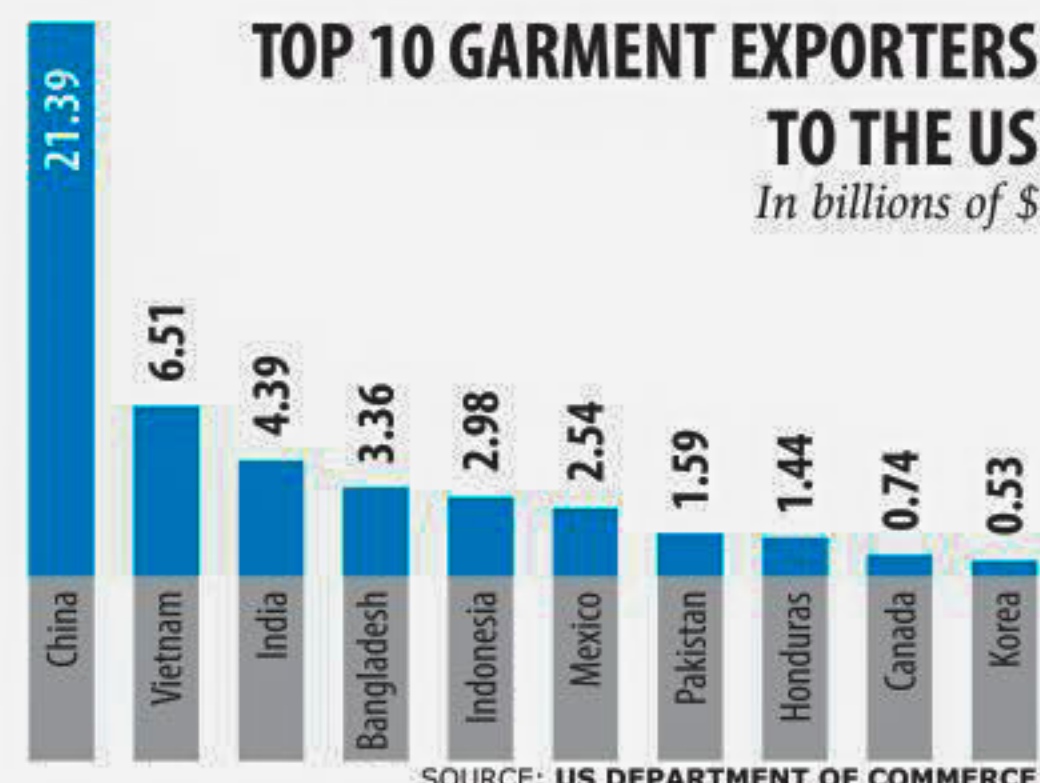
REFAYET ULLAH MIRDHA

With increased shipments of garment, overall exports to the US rose 1.12 percent to \$3.6 billion in the first seven months of this year, according to data from the US Department of Commerce.

Between January and July, manufacturers exported \$3.36 billion of garment products to the US, Bangladesh's single largest export destination. The number is a 0.87 percent rise year-on-year.

Although the growth of apparel exports to the US is not too high, the trend is still inspiring, said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

"We expect an annualised garment export growth to the US of at least 10 percent. Achieving this is possible as the work orders are coming in bulk due to competitive prices and for the production of high value apparel items in recent



years in Bangladesh," said Rahman.

China has been losing its market share in the US. This is another major reason for the higher growth of Bangladesh's garment exports to the US, he said.

"International retailers are pleased with compliance as well, as the factory owners are completing their remediation works in their units and strengthening workplace safety."

Of the top 10 garment exporters to the US, only Bangladesh and Vietnam showed positive trends in the shipments during the period. Vietnam's exports grew 1.83 percent to \$6.51 billion in the first seven months.

Between January and July, the US import of garment items from the world declined 4.98 percent to \$60.23 billion from \$63.39 billion last year.

During this time, China's exports declined by 8.49 percent to \$21.39 billion, India by 0.97 percent to \$4.39 billion, Pakistan by 10.67 percent to \$1.59 billion.

Apparel spending in the US declined 1.5 percent in June, while department store sales fell from a year ago, according to Business Insider.

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# India to transport fuel via Bangladesh this week

STAR BUSINESS REPORT

Indian Oil Corporation Ltd (IOCL) will begin transporting petroleum products to Tripura from Guwahati via Bangladesh on Wednesday, after Dhaka agreed to Delhi's request on humanitarian grounds, said officials of the state government of Tripura.

IOCL and the roads and highways department of Bangladesh signed a memorandum of understanding in Dhaka on July 18. Last week, the union ministry of petroleum and natural gas of India approved a plan to carry fuel and cooking gas to Tripura via Bangladesh, reported the Times of India.

"IOCL is ready with all the papers, including Bangladesh visa for drivers and helpers of oil tankers. We have inspected the entire stretch of the road between India and Bangladesh," said a senior official of the state government of Tripura.

Last month, the Indian High Commission in Dhaka said heavy monsoons and the resultant extremely bad road condition caused disruption in the supply of petroleum goods from Assam to Tripura in India.

Based on a request by the Indian government, the Bangladesh government granted permission to the movement of petroleum goods on humanitarian grounds through Bangladesh territory till September 2016, said the high commission in a statement.

Trucks carrying the petroleum goods will ply the Dawki-Tamabil-Chatlapur-Kailashahar route.

*Based on a request by the Indian government, Bangladesh granted permission to the movement of petroleum goods on humanitarian grounds through its territory till September*

The agreement enables IOCL to transport petrol, diesel, kerosene and LPG from Meghalaya to Tripura via Bangladesh territory in tank trucks by road, said the Indian company in a statement.

These measures would considerably ease the supply scenario in Tripura, it added. This is another instance of deepening friendship between the two countries, which have transit and transshipment deals.

Bangladesh also allowed India to use its territory to transport heavy machinery in recent times.

Last month, state-owned Food Corporation of India ferried a consignment of 2,350 tonnes of rice from Kolkata to Tripura via Bangladesh to avoid transportation hitches through the traditional route of Assam and Meghalaya.



Awardees honoured by Bangladesh Brand Forum for creative communication in marketing and business pose for photographs at a ceremony at Le Méridien in Dhaka on Saturday.

## Brand Forum honours ad campaigns

STAR BUSINESS REPORT

Some 93 advertising campaigns won this year's communication awards -- COMMWARD -- in recognition of their creative communication in marketing and business.

Bangladesh Brand Forum (BBF) honoured the winners across 25 categories at the sixth edition of COMMWARD: Excellence in Creative Communication, at Le Méridien in Dhaka on Saturday.

The winning campaigns were recognised in three categories: Grand Prix, Gold and Silver.

This year, a total of 467 nominations were received from 41 advertising agencies, production houses and creative departments of various organisations, BBF said in a statement yesterday.

Though many small and new agencies were recognised for their outstanding creative campaigns, large and established agencies dominated the awards.

Among the campaigns, Prothom Alo ICC Cricket World Cup 2015 and Closeup Kache Ashar Shahoshi Golpo (the bold story of getting closer) won the highest number of awards in the three ranks.

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## Employees rush to obtain e-TINs

SOHEL PARVEZ

The rush to obtain taxpayer identification numbers intensified after the National Board of Revenue mandated that public and private sector employees, who earn Tk 16,000 or more a month, will have to have TINs to receive their salaries.

Some 1.31 lakh individuals have signed up for electronically generated TINs since July 1, to comply with the tax authority's rule.

"It appears that employers have started asking employees to get TINs. The amount of salaries paid to employees will be treated as income, if employers fail to show TINs," said a senior official of NBR, asking not to be named.

Public sector employees who draw salaries and allowances at the 10th grade will have to have TINs, the NBR said in a notification early this month.

The tax administrator has also

made the rule mandatory for teachers who draw Tk 16,000 or more a month with Monthly Payment Order, and persons working at management, administrative and supervisory positions at companies and firms.

The step taken by NBR is expected to prevent companies from claiming higher expenses by showing 'ghost employees' on their payroll, said taxmen and analysts.

The move will also accelerate the collection of payroll taxes, which is only 2 percent of total income tax collected in a year, they said.

The NBR official said the number of TINs held by individuals was 18.89 lakh at the end of June. Of them, 10.03 lakh persons re-registered for e-TINs and 8.86 lakh were fresh taxpayers.

The number of TINs of new taxpayers increased to 10.16 lakh in the last two months, according to the official.

"We expect that six lakh individuals will register for TINs following the changes in the income tax law for the current fiscal year," he added.

Taxmen said they do not get the proper amount of taxes from salaries and as a result, its contribution to total income tax collection remains low.

Taxmen collected Tk 979 crore as withholding tax from salaried persons in fiscal 2014-15, a 29 percent hike from the amount in the previous year, according to NBR.

To curb such tax evasion, the NBR earlier tagged a condition that salaries should be paid through the banking channel.

Taxmen said mandating the payment of salaries in excess of Tk 16,000 based on TIN will be instrumental in improving compliance.

But employees will not need to submit returns, if their incomes stay below the tax-free threshold of Tk 2.5 lakh a year.

## Fate of garment industrial park uncertain

*Chinese developer has abandoned the job unfinished*

REFAYET ULLAH MIRDHA

Uncertainty lurks around the construction of the proposed garment industrial park at Bausia in Munshiganj as the Chinese developer company has abandoned the job unfinished.

"We are not certain yet about when we will be able to shift our factories there," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

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## Cash, not grains for two social safety projects

STAR BUSINESS REPORT

The government is set to introduce cash payments for Food for Work and Test Relief programmes instead of providing rice and wheat.

The decision came at a meeting yesterday of the food planning and monitoring committee, said Food Minister Quamrul Islam.

The shift in payment to cash comes as the previous system of providing rice and wheat led to waste, said a food ministry official. Besides, the food grains could not be delivered to the project areas on time, he added.

For the last several years, the payment for Food for Work programme and Test Relief was given partially in cash: the rice and wheat allocated for the programmes were sold to make payments in cash.

The meeting also decided that the programme to provide rice at Tk 10 per kg to the extreme poor will begin on September 7. Prime Minister Sheikh Hasina will inaugurate the programme in Kurigram district.

The government will sell rice at Tk 10 a

kilogram to 50 lakh poor households across the country, Islam said.

Rice would be distributed to the rural poor at union levels during the lean periods of September-November and March-April. The target group will get 30 kilograms of rice a month.

Some 7.5 lakh tonnes of rice would be needed for the programme, food ministry officials told the meeting.

The allocation would be managed by diverting the rice allocated to the Food for Work and Test Relief programmes. About 8.5 lakh tonnes of rice and wheat was needed for the Food for Work programme.

The food ministry has already prepared a policy for the distribution of rice.

All the extreme poor households in Bangladesh will be brought under the programme, meaning about 2 crore people stand to benefit from it.

Presently, 12.9 percent of the total population suffer from extreme poverty.

Coarse rice sells at Tk 34 to Tk 36 a kg at the retail level, meaning the poor will get a discount of Tk 24, according to the ministry report.

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Director Mr. Firoz Alam is receiving the Silver Trophy from Sheikh Hasina, Honorable Prime Minister, People's Republic of Bangladesh

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