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এবার নিজের একটা
গাড়ি
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নিকটশিড গাড়ি কেনার অপূর্ণ সুযোগ।

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Star BUSINESS

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FDI rises 9.27pc

REJAUUL KARIM BYRON

Foreign investment increased 9.27 percent year-on-year in fiscal 2015-16 due to an improvement in reinvestment in existing companies.

Last fiscal year, net foreign direct investment stood at \$2 billion in contrast to \$1.83 billion a year earlier, according to data from the central bank.

Foreign investment is split into three categories: equity, reinvestment of earnings and intra-company loan.

Last fiscal year, equity capital or new investment declined 4.35 percent from a year earlier to \$505 million. However, reinvestment of earnings edged up 1 percent to \$1.15 billion.

Intra-company loans more than doubled year-on-year to \$344 million during the period.

More than 50 percent of the recent FDI are actually reinvestment by existing companies.

This is a positive sign since it indicates that the foreign companies are earning sufficient revenue to run their business and their confidence is growing, said a World Bank report released early this month.

On the other hand, a deceleration in the contribution of equity capital to the total share of FDI inflows is indicative of the continuing lack of enthusiasm on the part of new investors to invest in Bangladesh, the report, Bangladesh Development Update, added.

The WB comment comes at a time when fresh foreign investment dropped about 10 percent.

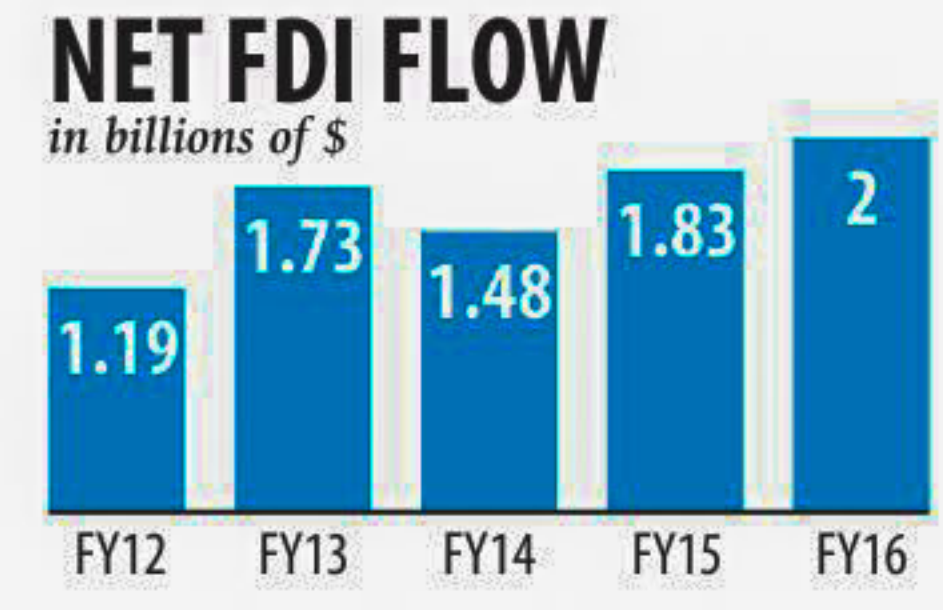
Private investors are discouraged from investing in Bangladesh because of infrastructure deficits, scarcity and high prices of land, corruption, political uncertainty and, of late, concerns about security, the WB report said.

Severe scarcity of gas and electricity is making the process of getting utility connections for new businesses difficult.

Currently, about 2,000 new businesses

are waiting to get electricity connections. The demonstration effect of such delays on new investment is bound to be negative, said the Washington-based multilateral lender.

The cost of investment has increased as a result of scarce and high priced land for industrial purposes. "This is preventing many large companies from investing."



The WB said the most recent evidence from Doing Business indicators provides very little comfort.

Bangladesh remains well behind countries such as India, Sri Lanka, Pakistan, Nepal, Thailand and South Korea on getting electricity, dealing with construction permits, registering property and enforcing contracts.

The political turmoil of fiscal 2013-14 and fiscal 2014-15 in the country adversely affected investor confidence and recent terrorist attacks have delayed the restoration of investor confidence back to normal levels.

Bangladesh runs the risk of losing both domestic and foreign investor interest if the fear of more such attacks in the future is not assuaged, the WB said.

In fiscal 2015-16, Bangladesh's gross FDI receipt was \$2.5 billion but after disinvestment of about \$499 million the net FDI stood at \$2 billion, according to data from Bangladesh Bank.

However, in comparison to fiscal 2014-15, disinvestment was lesser last fiscal year. In fiscal 2014-15 the amount of disinvestment was \$691 million.

Bangladesh misses out on US duty benefits to travel goods

REFAYET ULLAH MIRDHA

The US has extended its generalised system of preferences to a new product -- travel goods -- but despite being a strong player in the segment, Bangladesh will miss out on the opportunity as the trade benefit is currently suspended for the country.

The US government last month included some travel goods like luggage, backpacks, handbags, and pocket goods such as wallets in the GSP mainly for least developed countries.

The countries that will be benefitted from the move are Myanmar, Nepal, Cambodia and some African nations under the African Growth and

Opportunity Act (AGOA), even though the countries are not strong in manufacturing these goods.

US retailers and brands urged the United States Trade Representative (USTR) to offer GSP to more countries, as the existing countries enjoying the trade benefit cannot meet the demand for travel goods.

Bangladesh has already applied to the USTR, the chief trade negotiation body of the US government, for the reinstatement of the trade privilege, which was scrapped in June 2013 on grounds of poor labour rights and workplace safety.

But the Obama Administration did not give in, although Bangladesh has fulfilled almost all the

16 conditions attached to the revival of the GSP.

Rick Helfenbein, president and CEO of American Apparel and Footwear Association, in a public hearing last week said although allowing GSP for travel goods to Myanmar and other AGOA countries is a good step, they are relatively small and incapable of supplying the goods as per required demand.

Bangladesh is a major manufacturer of travel goods.

"Keep in mind, this is a two-billion-unit industry but only 200,000 units in total came from AGOA...that's not even 1 percent," Helfenbein said in the public hearing.

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Telecom operators lose 7pc of customers in Aug

STAR BUSINESS REPORT

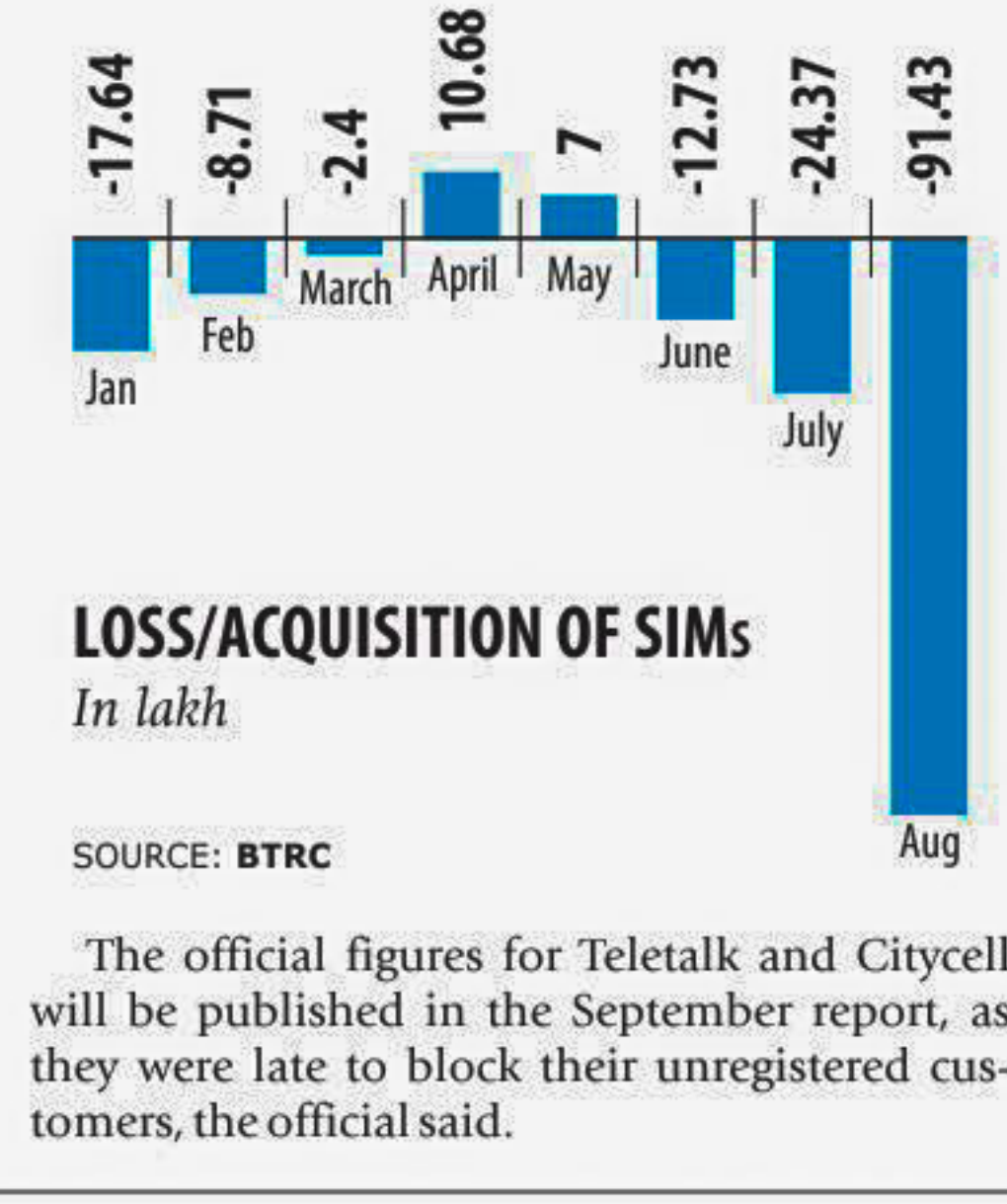
The telecom industry faced a setback in August with its active SIM connections declining about 7 percent from the previous month.

The top four mobile phone operators experienced the drop while Teletalk and Citycell maintained their position due to the use of different calculation tools, according to data from Bangladesh Telecommunication Regulatory Commission.

The total number of active users in Bangladesh was 11.97 crore in August, compared to 12.89 crore in July.

The six operators lost 37 lakh subscribers in July. The industry has been witnessing a decline in six out of the eight months to August.

This is because the operators are adjusting to the drop in subscribers after biometric SIM registration that ended on May 31, said a top official of the regulator.



As per rules, operators have to count any number as active unless it remains off for three consecutive months.

In August, leading mobile phone operator Grameenphone lost 17.93 lakh (3.19 percent) from its customer base that pushed down its total to 5.45 crore.

Banglalink's subscriber base came down to 2.89 crore in August as the operator lost 23.85 lakh or 7.61 percent of subscribers in the month.

Robi lost 35.55 lakh customers or 13.26 percent of its active customer base in the month that brought down its total to 2.33 crore.

Fourth largest operator Airtel lost 15.08 percent of its active customer base and came down to 79.43 lakh in August.

The operator had crossed the one crore mark just a few months back, but it has been declining for the last four months.

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Survey on marine fish stock to begin next month

SOHEL PARVEZ

The Department of Fisheries is expected to start assessing the fish stock in the Bay of Bengal from next month, nearly three decades after allowing fish catch without any survey on fisheries reserve in the sea.

"We are ready to begin cruise for assessing the stock of aquatic resources in the sea," said ABM Anwarul Islam, project director of the Bangladesh Marine Fisheries Capacity Building Project under the DoF.

Prime Minister Sheikh Hasina is expected to inaugurate the survey vessel, RV Meen Sandhani, by the middle of next month, he said, adding that the survey will begin after the inauguration.

The RV Meen Sandhani was procured at a cost of Tk 65 crore, with the majority of the finance coming from Islamic Development Bank and the Malaysian government.

"Survey is a continuous process. We have a two-year plan to carry out the survey in the Bay of Bengal. We will do it by segmenting areas. And we hope to give an assessment by 2019."

At the same time, a management or strategic plan on how to manage the marine stock for sustainable use will be submitted, he added.

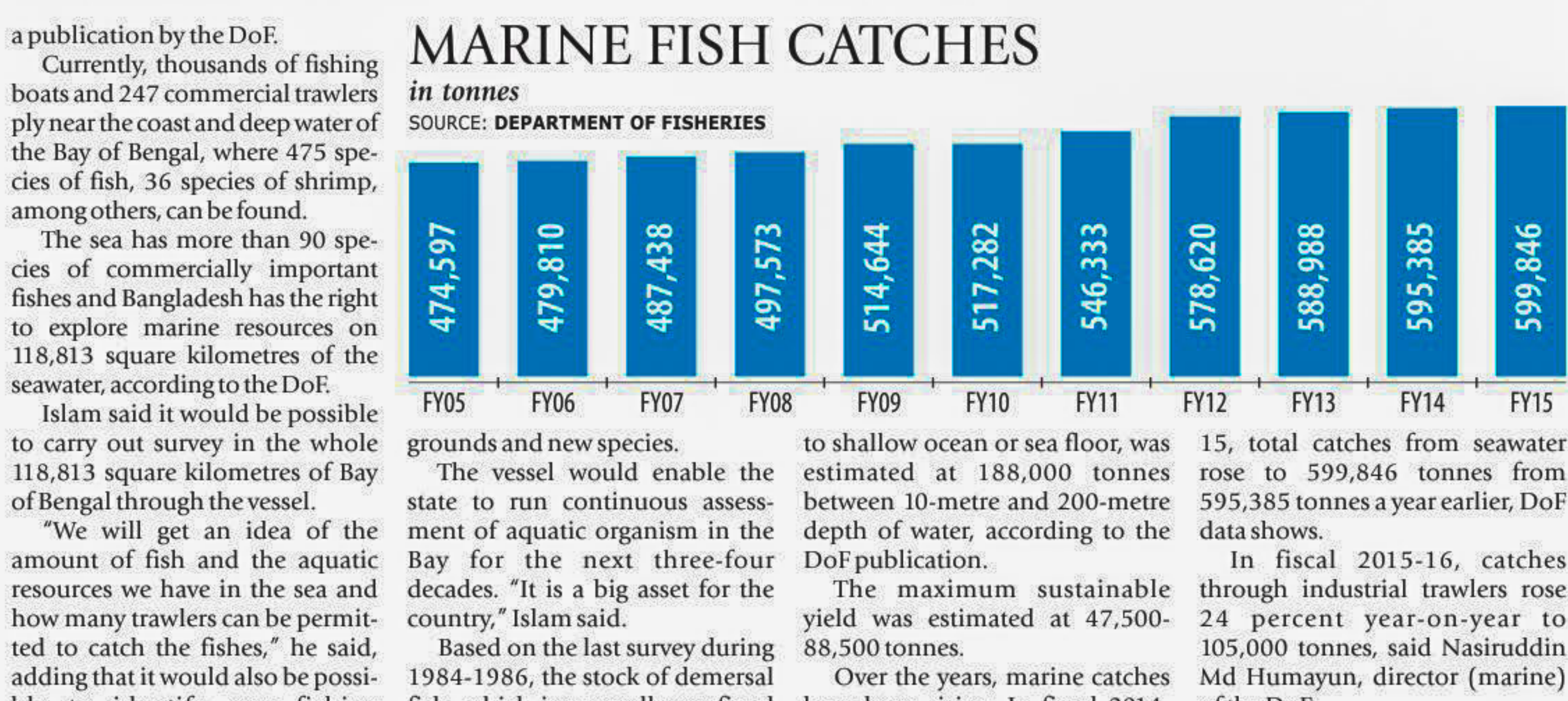
The RV Meen Sandhani, now in Chittagong, is the first such vessel procured in nearly three decades. The last vessel went out of order in 1989, DoF officials said.

Since then no survey was conducted to estimate the actual amount of marine fish resources in the sea, although the government in the meantime gave permits to more vessels, raising fears of over-fishing and depletion of reserves.

Already, the catches of various fish species such as pomfret have fallen because of excessive fishing in the Bay of Bengal, according to



Survey vessel RV Meen Sandhani will be used to assess fish stock in the Bay of Bengal.



a publication by the DoF.

Currently, thousands of fishing boats and 247 commercial trawlers ply near the coast and deep water of the Bay of Bengal, where 475 species of fish, 36 species of shrimp, among others, can be found.

The sea has more than 90 species of commercially important fishes and Bangladesh has the right to explore marine resources on 118,813 square kilometres of the seawater, according to the DoF.

Islam said it would be possible to carry out survey in the whole 118,813 square kilometres of Bay of Bengal through the vessel.

"We will get an idea of the amount of fish and the aquatic resources we have in the sea and how many trawlers can be permitted to catch the fishes," he said, adding that it would also be possible to identify new fishing

grounds and new species.

The vessel would enable the state to run continuous assessment of aquatic organism in the Bay for the next three-four decades. "It is a big asset for the country," Islam said.

Based on the last survey during 1984-1986, the stock of demersal fish, which is generally confined

to shallow ocean or sea floor, was estimated at 188,000 tonnes between 10-metre and 200-metre depth of water, according to the DoF publication.

The maximum sustainable yield was estimated at 47,500-88,500 tonnes.

Over the years, marine catches have been rising. In fiscal 2014-

15, total catches from seawater rose to 599,846 tonnes from 595,385 tonnes a year earlier, DoF data shows.

In fiscal 2015-16, catches through industrial trawlers rose 24 percent year-on-year to 105,000 tonnes, said Nasiruddin Md Humayun, director (marine) of the DoF.

DSE on the lookout for strategic partners

SARWAR A CHOWDHURY

Dhaka Stock Exchange is desperately looking for strategic investors to sell shares to, as part of a regulatory requirement.

Although the premier bourse and the Chittagong Stock Exchange were demutualised three years back, they are yet to find any strategic investor in line with the demutualisation scheme. The deadline to get strategic partners ends in December.

Under demutualisation rules, 25 percent shares of the bourses have been kept in a block account for the strategic investors, while another 35 percent have been set aside for institutional and individual investors.

The rest 40 percent is owned by existing shareholders, who are commonly known as stockbrokers and stock dealers.

In recent times, the DSE sat with some 10 local and international institutions, offering them to be strategic partners.

As part of its latest effort, the DSE also published ads in newspapers last week, seeking proposals from potential strategic investors by November 15.

"We are trying to at least sign memorandums of understanding with the potential strategic investors before the regulatory deadline," said Abdul Matin Patwary, chief financial officer of the DSE.

It is also continuously communicating with globally renowned institutions to encourage them to be strategic partners, he added.

In December last year, Bangladesh Securities and Exchange Commission asked the twin bourses to find strategic investors this year to sell shares to them.

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Internet slows for maintenance work

STAR BUSINESS REPORT

Internet has slowed down in Bangladesh since yesterday morning due to the maintenance work of the country's lone submarine cable.

On early Sunday, the connection with the eastern side of the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) was shut down for the scheduled maintenance, said Moshir Rahman, general manager for operation and maintenance of Bangladesh Submarine Cable Company Ltd.

However, an alternative connection was established through some Chennai-based operators, he said.

"There are some disruptions but customers are facing it lightly."

Earlier on October 20, Bangladesh Telecommunications Company Ltd (BTCL) in a statement said the SEA-ME-WE-4 consortium would carry out the maintenance work of the undersea cable at its Singapore end from 12:00am of October 23 to 2:00pm of October 27 that may disrupt internet service temporarily in the country.

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