

Star BUSINESS

DHAKA WEDNESDAY NOVEMBER 2, 2016, KARTIK 18, 1423 B3

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Shirin new CEO of Dutch-Bangla Bank



Abul Kashem Md Shirin
STAR BUSINESS REPORT

Abul Kashem Md Shirin has been appointed as the managing director of Dutch-Bangla Bank, effective from yesterday, the bank said in a statement. His new role came after he worked for the private commercial bank as deputy managing director for about eight years. He replaced KS Tabrez. In 2003, Shirin joined the bank as its head of IT division. Before joining Dutch-Bangla Bank, he headed the IT division of state-run BASIC Bank. Shirin received his education from Sunamganj Jubilee High School, Sylhet MC College, Bangladesh Agricultural University, Bangladesh University of Engineering and Technology and the Asian Institute of Technology, Bangkok. The bank has 157 branches across the country.

China agrees to limited bidding for projects

REJAUL KARIM BYRON

China has at last agreed to allow limited bidding for the selection of contractors for projects under its soft loan after a year's persuasion by Bangladesh, a finance ministry official said. At present, for projects financed with Chinese soft loans, Beijing puts forward a contractor and Dhaka has to implement the project by that company. In such cases, the purchase value is not competitive. Often, the price was lowered through negotiation only for it to be revised upwards later. At present, Bangladesh applies the limited bidding method for India, which allows only Indian companies to participate in the tender for projects supported with New Delhi's soft loans of \$3 billion. But from now onwards, Beijing will forward a short-list of Chinese companies and Dhaka will run the limited tendering among the candidates as per the rules of Bangladesh. "The Chinese government respects Bangladesh government's decisions on whether to adopt negotiated tendering or limited tendering when carrying out G-to-G projects," said a letter sent last month by the Chinese Embassy to the finance ministry. On the basis of consent from the Chinese side, the government will bring changes to the policy for selecting Chinese contractors, the finance ministry official said. Finance Minister AMA Muhith discussed the issue with Chinese Commerce Minister Gao Hucheng when the latter visited Bangladesh in August last year. Hucheng

also backed the idea of limited tendering. He agreed that a limited tender be applied and both sides should work out a proper starting time for it, according to the letter sent to Muhith in November last year by Ma Mingqiang, Chinese ambassador to Bangladesh. Though China gave verbal consent to limited tendering it was not official, so the implementation of China-funded projects became slow, the finance ministry official said. China has refrained from giving its verdict on financing any new project until the issue of limited tendering was finalised. In this context, the cabinet committee on economic affairs in August took a two-way decision for taking soft loans for any project from China. Bangladesh will continue to allow China to select contractors only for priority projects financed with low-cost loans from Beijing. Otherwise, the Chinese contractor will have to be selected through limited tendering. Now, the Economic Relations Division will send a new proposal regarding selection of Chinese contractors to replace the two-way policy, the official said. The new proposal says contractors for all projects implemented with Chinese funds will be selected through the limited bidding process. During President Xi Jinping's Dhaka visit last month, Beijing gave primary consent to 28 projects for which it will provide soft financing. The amount of Chinese financing will be about \$25 billion, according to a primary estimate by the finance ministry.

Exports of processed food on the rise

Nine companies ship products mostly to Middle Eastern, African nations

SAJJADUR RAHMAN

The demand for processed and packaged food from Bangladesh is fast growing in Africa and the Middle East, home to millions of migrant workers, industry operators said. At least nine companies are exporting their food products -- confectionaries and beverages -- to different Middle Eastern and African nations, and some European countries such as France, Italy, Germany and the UK. The companies are: Pran, Sajeeb, ACI, Alin Foods, Partex, Globe Soft Drinks, Bombay Sweets, Star Line Food Products and Akij Foods. Together, the companies earned nearly Tk 2,000 crore from exports in fiscal 2015-16. Pran alone accounted for three-fourths of the sum: Tk 1,400 crore. Sajeeb Group's export growth was 40 to 50 percent per year over the last 10 years, according to its Chairman and Managing Director MA Hashem. Currently, Sajeeb ships to around 50 countries and one-fourth of its total income comes from exports. Pran exports to 130 countries, including 40 African countries, all Middle-Eastern countries, India, Malaysia, Australia, the UK, France, Italy, Canada and the US. "We are getting new export orders from new markets regularly. Our overseas consumers are happy to see the improvement in our products," said Mizanur Rahman, chief of export at Pran. Pran develops its products keeping in mind that a costly product may not sell well in the African markets, he said. The company also participates in over 40 food fairs

AT A GLANCE

Major exporters of food products -- Pran, Sajeeb, ACI, Alin Foods, Partex, Globe Soft Drinks, Bombay Sweets, Star Line Food Products and Akij Foods

The firms earned nearly Tk 2,000cr from exports in fiscal 2015-16

Major export destinations: African countries, Middle East, France, Italy, Germany and England

Pran exports products to 130 countries, including 40 African nations, and earned around Tk 1,400cr from exports in 2015-16

across the world every year, from where they not only book new buyers but also learn from other countries' products, Rahman added. Bombay Sweets, one of the oldest food companies in Bangladesh, is also gearing up to make foray into the export market in a big way, said its Director Salim S Jivani. Presently, Bombay Sweets exports to some Middle Eastern countries and the US. Last month, the company got over a dozen export inquiries from different African markets. "The problem is that African countries do not want to buy our quality products at premium prices. They want to buy products at cheaper price, no matter what the quality is." Bombay Sweets's factory has recently been inspected by the USFDA, the food authority of the US, according to Jivani. "They were happy to see our factory and the quality of the products. Once we get the certification, we will be able to export in the American market," he added. Rahimul Islam Bhuiyan, head of export of Globe Soft Drinks, said they are exporting to 35 countries, including Malaysia, Singapore, the Maldives and the Middle Eastern countries. Globe raked in about Tk 150 crore from exports last year, he said. Export of ACI Consumer Brands, a concern of ACI, is also growing fast. "We aim to double our exports to Tk 30 crore this year from a year ago," said Mukir Uddin Ahmed Dipu, deputy general manager (export) of ACI Consumer Brands.

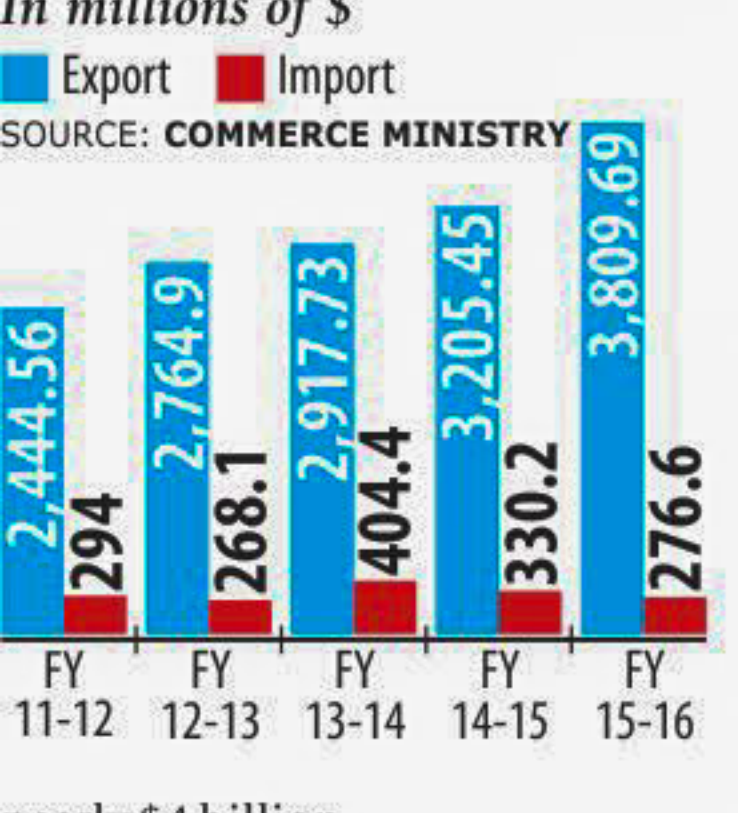
SEZ planned for British investors

UK team meets Commerce Minister Tofail Ahmed

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Bangladesh is eager to award a separate special economic zone or SEZ to investors from the UK, as more than 200 British companies are currently operating in the country, Commerce Minister Tofail Ahmed said yesterday. However, he did not specify when and where the SEZ would be set up, while David Kennedy, director general for economic development of the Department for International Development or DFID expressed interest for a separate SEZ for British investors, in a meeting at his secretariat office in Dhaka. The government is developing 100 SEZs across the country. The Bangladesh Economic Zones Authority is allocating the SEZs to private companies and different countries such as Japan, India and China.

TRADE WITH THE UK



"If the British investors are interested in investing in the SEZs, we will allocate a separate zone for them, as the UK has been Bangladesh's development partner for a long time now," the minister added. The UK is the third largest export destination for Bangladesh; last year, garment items accounted for 80 percent of total exports to the UK at nearly \$4 billion. Moreover, Bangladesh exports vegetables and fruits in bulk to the UK as demand is high, especially among the more than half a million Bangladeshi expatriates living in Britain. After the Rana Plaza building collapse, DFID financially assisted Bangladesh to train the workers, in addition to supporting other important projects, the minister said. Referring to the recent visit of some high-profile foreign delegates, Ahmed said after the Holey Artisan Bakery attack in Dhaka, security has improved as members of the law-enforcement agencies have taken stern action against the terrorists. The minister also said the government will give financial incentives on the export of IT products. He highlighted the success of Bangladesh's pharmaceuticals sector as the country exports medicinal products to 123 countries after meeting local demand.

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Taxpayers through a booth at the weeklong tax fair at the NBR's under-construction headquarters in Agargaon, Dhaka yesterday.

Muhith expects more taxpayers by year-end

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Finance Minister AMA Muhith expects the number of registered taxpayers to rise by about 11 percent to 25 lakh by the end of the fiscal year, which will facilitate the government to collect more taxes. "We see the number of new taxpayers rising," he said at the opening ceremony yesterday of the weeklong tax fair at the National Board of Revenue's under-construction headquarters in Agargaon, Dhaka. The annual event that is in its seventh year also began in other divisional cities as well, attracting hundreds of taxpayers on the first day. The show will continue until November 7. In Dhaka, taxpayers thronged the venue hours before the formal opening yesterday and taxmen were seen attending taxpayers' queries. The fair will also take place in the district towns for four days and in 29 upazilas for two days between November 1 and November 7, according to NBR officials. The NBR will also hold the show in 57 upazilas through mobile vans. Muhith, who also inaugurated the online tax returns filing system at the fair, said 3.5

lakh fresh taxpayers registered for taxpayer identification numbers since the beginning of the fiscal year. Currently, more than 22.5 lakh people have TINs, according to NBR. Muhith said it is disgraceful that only 13 lakh people submit tax returns out of a population of 16 crore. However, the recent rise in registered taxpayers is encouraging, he added. "It is a matter of pride, but from a global point of view, a very low amount of tax is collected in our country," said Muhith, citing that income tax collection is the lowest in Bangladesh among its neighbours. He said the country's tax collection and public budget is not up to the mark. "But this time, it seems we will be able to come out of that disgraceful situation in the next two years," said Muhith, citing that he would frame a Tk 500,000 crore budget for fiscal 2018-19. "It now appears that it will be possible," he said, adding that revenue collection in the first quarter of fiscal 2016-17 exceeded the target for the period. It would be possible for Bangladesh to become a developed nation by 2041, because of people's desire to make progress.

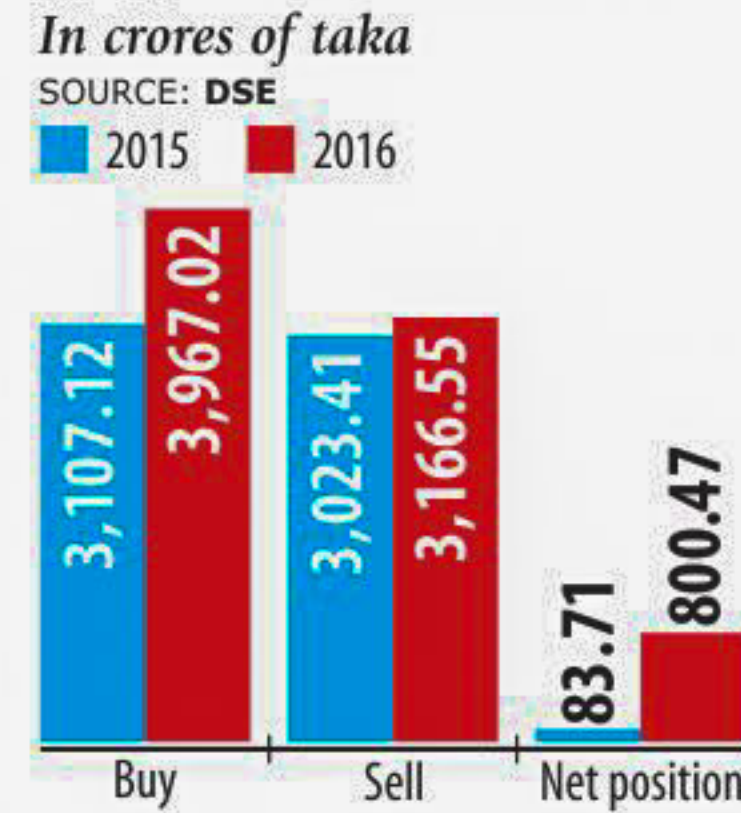
At the fair this year, NBR will transport taxpayers by shuttle bus to the venue from four spots -- Mirpur 2, Rajlakhmi Uttara, Officers' Club and Dhaka University. After the launch of an online tax return filing system, taxpayers will now be able to file and submit their income tax returns at etaxnbr.gov.bd. They will not have to visit the tax offices, said NBR officials. To file returns, taxpayers will have to fill up a form to collect a username and password from their respective tax office where they submit returns, said officials at the e-filing booth at the fair. State Minister for Finance and Planning MA Mannan said the tax fair has received praise abroad. NBR Chairman Md Nojibur Rahman said the revenue authority works to create a taxpayer-friendly culture. Abdul Matlub Ahmad, president of Federation of Bangladesh Chambers of Commerce and Industry, said taxpayers' growing participation in the fair shows that people want to pay taxes and VAT. He suggested the government open a tax wing at Bangladesh missions abroad.

Foreign funds in Dhaka stocks soar

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Net foreign investment in the capital market jumped more than nine times year-on-year in the first ten months of the year as overseas investors were anticipating a positive market scenario. Foreign investors bought shares worth Tk 3,967.02 crore and sold shares worth Tk 3,166.55 crore to take their net investment for the January-October period to Tk 800.47 crore. A year earlier, the net investment by foreigners stood at Tk 83.71 crore, according to Dhaka Stock Exchange data. Positive macroeconomic indicators and a stable political scenario boosted the foreign investors' confidence to increase their positions in the Bangladesh stockmarket, said an analyst.

FOREIGN INVESTMENT



"While global growth is almost zero, Bangladesh showed outstanding and intact performance in different macro and social indicators this year among the frontier and emerging markets," he said. Bangladesh was also one of the biggest beneficiaries of the declining global commodity and oil prices. The declining interest rate, resilient export growth, benign commodity prices, strong currency, massive infrastructure deals, rising income and the easing of political tension have helped, he added.

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