

Bangladesh to import 200,000 tonnes of wheat from Russia

REUTERS, Dhaka

Bangladesh will import 200,000 tonnes of wheat from Russia in a government-to-government deal, the head of the state grains buyer said on Tuesday, as South Asia's top wheat buyer builds its reserves.

Earlier this year, Bangladesh rejected three cargoes of Russian wheat, totalling 150,000 tonnes, over quality concerns.

"We will sign the deal with Russia's state agency soon," Badrul Hasan, the head of the Directorate General of Food, Bangladesh's procurement agency, told Reuters.

Bangladesh will buy the cargo at \$245 a tonne, including shipping and insurance, he said. That compares with the current market price of around \$216 for US milling wheat, including freight.

But the price is slightly lower than the lowest offer of \$248.26 a tonne that the state grains buyer received at last week's tender to buy 50,000 tonnes of wheat which it later scrapped.

"I don't see any problem with wheat imports given that global prices of the

grain are still low," Hasan said, adding that the government has around 800,000 tonnes of rice and wheat in its reserves.

The state grains buyer plans to ship in 500,000 tonnes of wheat for the current financial year that began in July.

Bangladesh has turned to the Black Sea region for wheat as supply from India dwindled.

Last year, Bangladesh rejected three shipments involving a total 125,000 tonnes of French wheat after the grain failed to match tender specifications. The rejections came after the state buyer faced severe criticism for importing 200,000 tonnes of wheat from Brazil, that were later found to have poor quality.

Apart from government purchases, private traders import about four million tonnes of wheat annually to meet growing demand while the country's domestic output has stagnated at about one million tonnes.

Rice is the main staple for Bangladesh's 160 million people, but wheat consumption is also rising because of lifestyle changes.

Procurement innovation awards launched

STAR BUSINESS REPORT

The South Asia Regional Public Procurement Network with Asian Development Bank, the World Bank and Procurement iNET have recently launched South Asia Procurement Innovation Awards 2016-17.

The key objective of the Awards is to enhance learning and knowledge sharing from innovative approaches adopted by procurement entities and systems across the region, the Central Procurement Unit of the planning ministry said in a statement.

Case studies under five categories should be submitted by December 31, 2016. Registration via online submission needs to be done by November 30, 2016.



Ruhul Alam Al Mahbub, managing director of Fair Distribution Ltd; Sim Leong Thun, group president of Secret Recipe; Nur Ashikin Mohd Taib, Malaysian high commissioner to Bangladesh; M Fakhru Alam, managing director of One Bank, attend a deal signing ceremony. Secret Recipe, a Malaysian cafe chain, will expand its service in Bangladesh through Fair Distribution.

Automakers seek to cut inventories with Black Friday

REUTERS, Detroit

Automakers in the United States are ramping up holiday sales promotions ahead of Black Friday, aiming to clear out bulging inventories of unsold cars and dispel investor doubts about consumer demand.

Detroit automakers need a strong year-end sales push. They are sitting on hefty inventories of unsold sedans, compact cars and sports cars as consumers shift to pickup trucks and

SUVs.

The share prices of General Motors Co, Ford Motor Co and Fiat Chrysler Automobiles NV are flat to down for the year. This reflects investor concerns that a six-year auto sales boom in the United States is reaching an end and that sustaining sales levels will require more aggressive price cutting.

"We are seeing a tougher pricing environment, higher levels of discounts," said Ford Chief Executive Officer Mark Fields. He predicted

November and December sales would be about the same as a year ago, when the annualized sales pace averaged about 17.9 million vehicles a year.

Ford kicked off its Black Friday sales promotions in early November, after reporting an 11.7 percent drop in October sales.

Rivals have since followed suit. GM's GMC truck brand is promoting "Black Friday All Month Long" with discounts of as much as 20 percent off list prices for pickup trucks.



Syed Mahbubur Rahman, managing director of Dhaka Bank, cuts a cake at a programme, as the volume of the bank's letter of credit (LC) has crossed the \$1 billion mark by the end of October in 2016.

Ali Ispahani, director of MM Ispahani Ltd, and Omar Hannan, general manager for sales and distribution, receive the Best Brand Award 2016 in hot beverage category. Bangladesh Brand Forum gave the award in partnership with Kantar Millward Brown Bangladesh and in association with The Daily Star, at Le Méridien hotel in Dhaka on November 19.



Trauma haunts injured workers, many still jobless

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Asma, a mother of two, received nearly Tk 5 lakh from Tazreen Claims Administration and other donor agencies, which she parked in an account with a private bank. She has left the amount untouched as she plans to build a tin-shed house in her village.

Right now, her family of four gets by with the earnings from her husband's modest tailoring shop at Nishchintapur in Ashulia. They live nearby in a single room that costs Tk 2,750 every month.

"It is very difficult to run our family with so little income but I will not take up a garment job again even if the salary is very high," Asma added.

Her husband Shahenur Islam Liton also used to work as an operator in the same factory. But he left the factory a few months before the incident.

Liton said he has to spend a handsome amount of money on purchasing medicine for his wife.

The rest of the 200 injured workers are living in the same appalling conditions, with most of them being jobless.

Nargis Akter, who also worked in Tazreen Fashions, said she cannot work due to physical inability.

Like Asma, Delwara Begum Sumi, another injured worker, is so traumatised that she is afraid of taking up a job in a garment factory again.

Stock turnover hits five-year high

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The market continued to see a strong buying interest thanks to promising market fundamentals and institutional investors' participation, said LankaBangla Securities, a stockbroker.

Of the traded issues on the premier bourse, 161 advanced, 120 declined and 40 remained unchanged.

National Tubes dominated the turnover chart with its transaction of 14.41 lakh shares worth Tk 17.27 crore, followed by AB Bank, Beximco, Doreen Power

Generations and Systems and Golden Harvest Agro Industries.

Among the major sectors, general insurance increased 2.38 percent in market capitalisation, followed by textiles at 1.43 percent, banks 0.78 percent and life insurance 0.6 percent. Conversely, engineering and pharmaceuticals declined 0.21 percent and 0.2 percent respectively.

Generation Next Fashions was the day's best performer with its 9.72 percent gains, while National Tubes was the worst loser, plunging 9.61 percent.

Move forward on SDGs with own funds: analysts

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The supply of electricity has to be ensured to attract investors, he added. "Hopefully, there will no electricity shortage within two years."

The report shows that Bangladesh has recorded remarkable progress in the areas of poverty alleviation, food security, primary school enrolment, gender parity in primary and secondary level education, infant and under-five mortality ratio, immunisation coverage, and incidence of communicable diseases.

"Overall, we have done quite well. We are one of the top 18 MDG achievers. Strong political will, commitment and a planned path of development helped attain most of the MDGs targets," said Alam.

Official development assistance (ODA) remains critically important for countries like Bangladesh with limited capacity to raise public resources domestically, he said.

Between 1990-91 and 2014-15, the disbursement of ODA as a proportion of Bangladesh's GDP has fallen from 5.59 percent to 1.56 percent, according to the evaluation report.

Prof Alam said the GED is working on how much money Bangladesh would require to implement the SDGs, and it will be known in January.

The policymaker said the government has devised the Seventh Five-Year Plan keeping in mind the unfinished MDGs.

Hussain of the WB said Bangladesh's grassroots level capacity in achieving development goals is much stronger compared to what is believed.

Bangladesh can bring its extreme poverty rate down to nearly zero by 2030 either by accelerating GDP growth to 9 percent a year, or by maintaining its recent growth rate while taking steps to make growth more inclusive, he said.

On the challenges lying ahead, the macroeconomist said the government will have to pay heed to identifying priorities, implementation, financing and coordination among ministries.

"The government has taken the right direction on coordination among different ministries by identifying which ministries will be responsible for reaching which goals," he said, calling on the government to ensure narrowing the data gap to properly monitor progress on SDGs implementation.

The GED has conducted a preliminary data gap analysis to monitor the SDGs and found that out of 231 indicators, data on only 63 indicators are available in the exist-

ing data generating system, and a further 67 can be generated by modifying existing census, survey and management information systems.

Sudipto Mukerjee, country director of UNDP Bangladesh, said Bangladesh is lauded as a beacon of hope in South Asia in case of the MDGs.

The country has not only achieved many of the targets by the deadline, but many targets were reached much ahead of 2015, he added.

Going forward, and the SDGs provide opportunity to the country to ensure that no one is left behind, he said.

Mukerjee pointed out two specific areas that may pose challenges to Bangladesh. One challenge will come from the environment as Bangladesh is one of the most challenged countries when it comes to climate change and disasters.

Urban centres, which account for 60 percent of the country's gross domestic product and are home to 25 percent of the population, also face disaster risk, he said. "If disasters hit the urban centres, it will have a major impact on the entire economy."

The UN official reiterated his agency's continuous support in helping the country achieve its

development objectives.

Mashiur Rahman, economic affairs adviser to the prime minister, said Bangladesh has shown how a country can achieve its development goals despite various challenges.

If the contribution of the informal sector is taken into consideration, economic output might grow by 1 to 1.5 percentage points to 8 percent, Rahman added.

Rizwanul Islam, a former special adviser of the International Labour Organisation, thanked the government for publishing the challenges it is facing along with the rosy picture of the MDGs implementation.

"It is heartening that the government is aware of the challenges. Now the desire and public policies will have to translate into action."

There has to be more concerted effort to attain the SDGs, he said. "Poverty alleviation and reducing inequality will require more attention."

Commerce Minister Tofail Ahmed said Bangladesh has become a development model, shunning off past assertion that the country might be a model of the poor countries.

"We have not been able to achieve all targets on the MDGs. But we are on track."

60pc of women SME entrepreneurs struggle to get loans: survey

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Only 31 percent of the women SME entrepreneurs were able to finance most of their entire business requirements, the report found. On a regional basis, enterprises in Rajshahi had the widest gap in financing, averaging Tk 10.67 lakh per enterprise, followed by Khulna. The lowest average financing gap was seen in Barisal.

Though women-owned businesses are viewed as the new economic agents of change in Bangladesh, limited access to finance coupled with socio-cultural barriers restricts their participation in economic activities. Even different initiatives taken by the government and the Bangladesh Bank have failed to inspire lenders to extend loans to women entrepreneurs.

As per BB's 'Small and Medium Enterprise Credit Policies and Programmes', the interest rate for women SME entrepreneurs should not be higher than 10 percent.

Loans of up to Tk 25 lakh (\$32,000) can be sanctioned against personal guarantee to them, it said. Banks are encouraged to set

up dedicated desks for women entrepreneurs, as per the BB initiative. The survey found that 76 percent of women SME entrepreneurs were not aware of any government or bank instituted scheme for women SME entrepreneurs in Bangladesh.

"However, for various reasons, these initiatives have been unable to make the intended impact on women SME entrepreneurs' access to finance," it said.

Many women entrepreneurs want to expand their business, but banks do not lend them to support their growth, Ananya Wahid Kader, senior financial sector specialist of the World Bank Group, who led the survey, told The Daily Star.

Bankers said that they do not have information, be it turnover or nonperforming loans, on women entrepreneurs.

Nearly 70 percent of the women entrepreneurs in Bangladesh are in micro and rural enterprises, so they often tend to be small, with limited access to markets and information. The overall demand for finance among women-owned SMEs is

estimated to be approximately Tk 9,975 crore (\$1.29 billion), according to the findings of the survey.

Of the sum, 49 percent or Tk 4,851 crore is required to meet working capital for day-to-day operations. Nearly two-thirds of the surveyed women SME entrepreneurs were unable to finance more than 75 percent of their entire business requirements.

Lending to women-owned enterprises as a proportion of the total SME portfolio has hovered around 3 to 4 percent over the past five years (2010-14).

Around 88 percent of women SME entrepreneurs expressed dissatisfaction with the loan application process.

On average, women SME entrepreneurs made nearly 13 visits to the bank to get their loan approved.

High turnaround time for loan sanctions proved to be an expensive challenge to women, with sanctioning time averaging 137 days, according to the report.

The women business owners surveyed during the study were growth-oriented,

generating an average annual turnover of Tk 16 lakh and earning marginal profits of Tk 2.7 lakh.

Further, nearly 80 percent of the women SME entrepreneurs surveyed sought formal credit for expanding their business.

The highest average profit per enterprise was noted for those enterprises engaged in agro and food services, followed by those in the healthcare and pharmaceutical industry. The IFC report has also come up with some recommendations to boost access to finance for women SME entrepreneurs.

The focus of the recommendations is on improving the capacity of banks in Bangladesh to better serve the women SME entrepreneurs by employing responsible finance practices.

The study sketches out a framework for developing specially designed products for women, outlining specific aspects that are necessary to reach women SMEs.

Educating women entrepreneurs is also vital, according to the report.

VAT re-registration begins today

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Officials of large companies will collect their re-registration numbers themselves by providing all the required information online, said Hossain. "This is a pilot scheme. It will provide us scope to see whether firms face any problem in re-registration. Then we can address the issues opening the system for all to re-register online."

The revenue authority plans to open re-registration for BIN for all from January, according to the official. Currently, there are 6.8 lakh VAT registered firms. Some 30,000 submit returns, according to officials. The official said companies will require filing returns using the nine-digit BIN once the new VAT law, framed in 2012, comes into force.

The latest law, which will replace the VAT Act 1991, will be implemented under an automated platform. It envisages a flat 15 percent VAT rate instead of various types of rates that are now in effect. In fiscal 2015-16, the NBR collected Tk 30,417 crore from the large companies in manufacturing and service sectors, including cigarette makers, energy, mobile phone operators, large cement manufacturers and most banks.

The amount was 54 percent of total VAT collection at the domestic stage for that year, according to NBR.