

Garment exports to Italy, Japan remain unhurt

REFAYET ULLAH MIRDHA

Bangladesh's garment shipments to Italy and Japan, the nationals of which were killed in a terrorist attack in Dhaka in July, remained unscathed in July-October -- a development that will bring a heavy sigh of relief among exporters.

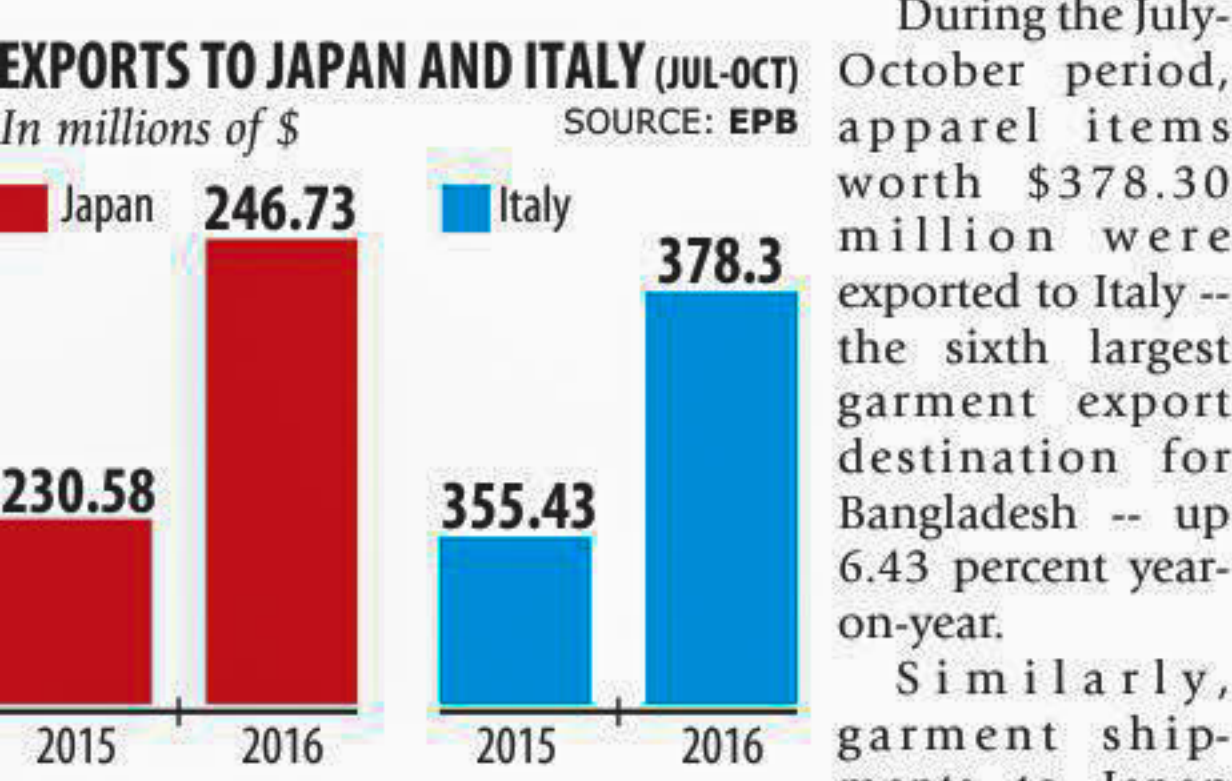
In fact, apparel exports to the two nations increased during the period, according to data from the Export Promotion Bureau.

In a brazen attack in the heart of Dhaka's diplomatic zone on July 1, nine Italians, seven Japanese, three Bangladeshis and an Indian were killed.

All Italians killed in the attack were garment retailers, who had been doing business with Bangladesh for many years.

For example, Nadia Benedetti owned a buying house, Studiutex, which sourced more than \$50 million worth of garment items from Bangladesh in a year.

Some others like Cristian Rossi and Claudia Maria D'Antona used to source few hundred million dollars worth of garment items in a year from the country.



increased 7 percent year-on-year during the period. Some \$230.58 million worth of apparel products were shipped to Japan, the largest importer of Bangladeshi garments in Asia.

"Retailers not only from Italy and Japan but from all over the world have started coming back," said Mahmud Hasan Khan Babu, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

The reason is -- the restoration of confidence in safety of foreigners' lives in Bangladesh, he said.

"If the current security scenario continues, we will not face any dearth of retailers -- Bangladesh is their first choice for sourcing garment items."

He, however, said the impact of the Gulshan attack on exports to Italy and Japan, if there is any, can be known in the months of November, December and January.

"But the situation right now is very normal," Babu added.

In fiscal 2015-16, garment exports to Italy, where duty-waiver is applied under the European Union's Everything but Arms scheme, grew 3.22 percent year-on-year to \$1.39 billion.

Garment exports to Japan stood at \$774.47 million last fiscal year, up 18.68 percent from a year earlier.



From left, Members of the winning teams -- Brains of Castamere, Inspirebels and Team Unpredictable -- pose for photographs at an event at Senamalancha in Dhaka on Saturday.

Business ideas win applause

IBA, NSU and RU teams get top prizes in Rise High Bangladesh contest

REFAYET ULLAH MIRDHA

A group of entrepreneurial students from three universities took home the top prizes in the inaugural 'Rise High Bangladesh' competition -- a joint initiative of The Daily Star and Crown Cement to hunt local business talents.

The three teams were selected out of 100 for the final round, where Brains of Castamere, a team from the Institute of Business Administration of Dhaka University, was adjudged the champion for its project proposal on bio-plastic goods, a material made from sugarcane.

The demand for bags and bottles made from biodegradable plastics stood at one million tonnes worldwide in 2015.

By 2018, the demand will quadruple as some countries like France have already made use of such goods mandatory for packaging fruits and vegetables.

The team said Bangladesh has huge potential in this field as the country produces sugarcane: about 5.5 million tonnes every year.

With an initial investment of Tk 182.7 crore, the team has targeted to produce 500 million pieces of plastic bottles and 750 million pieces of plastic bags in their factory in Comilla.

The products will be sold to



Judges of the competition: from right, Abrar A Anwar, CEO of Standard Chartered Bangladesh; Syed Nasim Manzur, president of MCCI and managing director of Apex Footwear, and Syed Ferhat Anwar, professor of IBA, are seen at the programme.

garment and pharmaceutical companies as they need a lot of plastic for packaging export goods.

If the project is implemented properly, the team said that it will be able to cut carbon emission by 182.24 tonnes a year.

Inspirebels from North South University became first runner-up with its project on growing mushrooms on discarded paddy straw, as the demand for this edible item is on the rise globally.

The team members were inspired by the fact that 50 percent of the straw is discarded only for them to be burnt, and in doing so, creating air pollution.

They cited the case of Delhi, which was covered with thick smog recently after farmers 100 kilometres away from the Indian capital lit up the straw in the fields after harvesting of paddy.

The farmers burn the paddy straw in the fields in India for

making the soil fertile.

In Bangladesh, 28 percent of the paddy straw is used as cattle fodder, 12 percent as domestic fuels and 10 percent for other purposes.

The team members said their project would reduce air pollution, create employment for hundreds of farmers and unemployed youths and alleviate food shortages as well as bring in foreign currency.

The demand for mushrooms,

grown on paddy straw, is high in the Western world and some countries in Asia and this is the best time to grab the European, Russian and the US markets, they said.

The farmers at the grassroots level will get better prices for the straw, as the mushrooms would be collected from the farmers by the appointed dealers across the country, team members said.

Inspirebels said the export of edible mushrooms from the paddy straw has great potential because of trade benefits in the European Union and the Brexit.

The UK is the largest importer of mushrooms, and since it came out of the EU, it will not enjoy duty benefit on import of mushrooms from Poland.

So, the export of mushrooms from Bangladesh to the UK will increase, they said.

Team Unpredictable from Rajshahi University was the second runner-up for its project on farming edible insects to lessen food shortages, protect the environment and earn foreign currency.

The team members said the demand for edible insects in the Western world is on the rise. Primarily, they would make food items from crickets, mealworms and grasshoppers.

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EC asks for loan defaulters' info

STAR BUSINESS REPORT

Bangladesh Bank yesterday directed chief executives and managing directors of all scheduled banks and financial institutions to provide loan defaulters' information to returning officers for the upcoming zila parishad (district council) elections.

The notice comes following the finance ministry's instructions on November 28.

A defaulter cannot participate in the elections, according to the law.

The central bank also asked all the financial institutions to deploy officers concerned to provide loan defaulters' information to returning officers from the last date of submission of nomination papers to the final scrutiny.

Govt to supply 10,000 e-cash registers to shops

SOHEL PARVEZ

The government plans to provide 10,000 electronic cash registers to shops, restaurants and other businesses at purchase price in an effort to curb tax dodging in retail sales.

The move came after Finance Minister AMA Muhith unveiled the plan to buy the machines in his budget speech, to encourage its use in record keeping of sales and curb VAT dodging.

The government made the ECR mandatory in 2008 for 11 types of businesses, but its use has remained low for the last several years due to poor monitoring by the field offices under the revenue authority.

The National Board of Revenue has already taken an initiative to buy the devices.

"Our plan is to ensure installation of ECRs by July 1 next year," said Syed Mushfequr Rahman, deputy project

director of VAT Online Project.

The revenue administrator plans to buy these devices based on the feedback from its field offices that there are 8,007 entities in Bangladesh for the pilot phase which are suitable for using the devices.

The NBR sought the finance minister's approval after estimating that around Tk 20 crore would be needed to buy the devices.

Officials said Muhith suggested buying 10,000 ECRs at zero-duty initially and said other businesses will be brought under the ECRs gradually.

Later, the NBR gave the task of buying the devices to the VAT Online Project.

The government takes the move to ensure that shops are using the devices, as it plans to implement the VAT and Supplementary Duty Act 2012 from July next year.

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Muhith to brief Japan on security measures for foreign nationals

REJAUL KARIM BYRON

Finance Minister AMA Muhith will fly to Tokyo today to highlight the security measures the government has taken for the foreign nationals working in Japan-financed projects in Bangladesh.

After the terrorist attack in Dhaka in July, many of the donor-funded projects lost momentum which prompted Muhith to make the move.

During his five-day visit, Muhith will meet with Japanese finance minister, the president of Japan International Cooperation Agency (JICA) and other high officials.

Muhith will brief them on the security measures that have been taken so far after the Holey Artisan attack and what will be done in future, a finance ministry official said.

Bangladesh now receives the highest amount of foreign aid from Japan among the bilateral donor countries at a very low interest rate of 0.01 percent.

The rate is the lowest among all multilateral and bilateral lenders, with a repayment period of 50 years, including a grace period of 10 years.

Currently, Japan commits about \$700 million each year as development assistance.

The country has already made commitments to finance a number of large infrastructure projects in Bangladesh.

The projects include Matarbari coal-fired power project, several bridge and power projects, metro rail and Dhaka mass rapid transit development project, which means the annual commitment of Japan will cross \$1 billion in the next couple of years.

Many foreign consultants and officials are still afraid of working or moving freely in Bangladesh, which resulted in a slow progress of the projects, sources said.

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