

Meghna gets its third economic zone licence

STAR BUSINESS REPORT

Bangladesh Economic Zones Authority yesterday awarded Meghna Group of Industries a prequalification licence to set up an economic zone in Comilla.

The conglomerate will set up the economic zone on 102 acres, which will be its third. The site, which is very close to the Dhaka-Chittagong highway, will be suitable for setting up LPG bottling plant, power plant, steel mill, chemical plant and pharmaceutical factories.

Beza Executive Chairman Paban Chowdhury handed over the licences to Meghna Group's Chairman Mostafa Kamal at a programme in Dhaka.

The economic zones will create about 10,000 jobs in the first year, and the total number of employment would reach one lakh in five years, Kamal said.

The conglomerate has already received the final licence from Beza for its Meghna Economic Zone that is situated on 245 acres, and the prequalification licence for its Meghna Industrial Economic Zone, which is being developed on around 100 acres.

An economic zone is a designated area in a country with special economic regulations that differ from the rest of the country. An entrepreneur can enjoy various benefits, including tax incentives, from the authorities by setting up an industrial unit in an economic zone.

"We are going ahead with a plan of about Tk 8,000 crore [\$1 billion] investment in the Meghna Economic Zone and Meghna Industrial Economic Zone," Kamal said.

The construction works of Meghna Pulp and Paper Mills, MPP Power Plant, Sonargaon Flour Mills, Meghna Edible Oil Refinery, Meghna PVC, Meghna Container Port, Tasnim Chemical Complex (unit-2), Sonargaon Seed Crushing Mills and Meghna Sugar Refinery at Meghna Economic Zone are ongoing.

The group is also setting up two factories -- Meghna Beverage and Unique Cement Fiber Industries -- at its Meghna Industrial Economic Zone.

"We are expecting to launch at least a couple of factories at the beginning of next year," said Kamal.

Apart from awarding a final licence to Meghna Group, Beza has so far awarded prequalification licences to 10 local private companies to set up 11 other economic zones: one each to AK Khan and Company, Abdul Monem Ltd, Meghna Group, Bay Group, Aman Group, Maisha Group, United Group, Unique Group, Akij Group and two to Bashundhara Group.

It is also setting up four economic zones in the public sector. It plans to create jobs for one crore people in the 100 economic zones by 2030 and produce goods and services worth \$40 billion.

Banks stand by cold-hit people

STAR BUSINESS DESK

Private commercial banks extended help to the cold-stricken people by donating blankets to the Prime Minister's Relief Fund yesterday.

Chairmen or managing directors of Uttara Bank, Trust Bank, Farmers Bank, Standard Bank, Social Islami Bank, Shahjalal Islami Bank, SBAC Bank, Pubali Bank, Prime Bank, Premier Bank, NRBC Bank, NRB Bank and NCC Bank handed over the blankets to Prime Minister Sheikh Hasina.

National Bank, Mutual Trust Bank, Mercantile Bank, Islami Bank Bangladesh, City Bank, Brac Bank, Bank Asia, Al-Arafah Islami Bank, AB Bank, United Commercial Bank and IFIC Bank also made the donations at a programme at the Prime Minister's Office in Dhaka.



Mozammel Hoque Khan, deputy general manager of Sonali Bank, and Moinuddin Mohammed Rahgir, chief financial officer of bKash Ltd, sign a deal at a programme on Wednesday to provide payment and collection services to the distributors of bKash through the bank's network. Ashraful Moqbul, chairman of the bank; Obayed Ullah Al Masud, CEO, and Kamal Quadir, CEO of bKash, were also present.

India will get three border points for movement of goods

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New Delhi said the entry and exit of goods under the protocol of Chittagong and Mongla ports will be carried out through Akhaura-Agartala, Tamabil-Dawki, Sheola-Sutarkandi, Burimari-Changrabandha, Benapole-Petrapole, Darshana-Gede, Rohanpur-Singhabad and Birol-Radhikapur.

Of the proposed routes, Dhaka said, three points could be allowed: Akhaura-Agartala, Tamabil-Dawki and Sheola-Sutarkandi. The other points do not have infrastructure yet for move-

ment of goods.

The draft of the port use agreement was finalised, Roy told The Daily Star yesterday. "The two governments will fix a date to sign it," he said, adding that the SOP is yet to be finalised.

The shipping ministries of the two countries would be able to finalise it and the work has already started.

The secretary also said the Bangladesh side told the visiting delegation that dedicated space in the ports for Indian goods could not be provided. "However, priority space can be given."

The ports of entry and exit facilities to be given to India will be mentioned in the SOP.

Roy also said the Indian goods that would be ferried through Bangladesh would be by way of local vehicles.

Bangladesh will charge levies and fees just as other international ports do. These will be spelt out in the SOP.

During Indian Prime Minister Narendra Modi's visit to Dhaka in June last year, a primary agreement was signed between the two sides on the use of the two ports.



A delegation of the Association of Bankers, Bangladesh led by its chairman Anis A Khan greets SM Moniruzzaman, deputy governor of Bangladesh Bank, at a programme at the central bank's headquarters in Dhaka.



Inspector General of Police AKM Shahidul Hoque opens the operation of the newly built warehouse of AH Khan & Co Ltd, a business partner and supplier of British American Tobacco Bangladesh, at Shayestaganj in Habiganj. BAT Bangladesh's Managing Director Shehzad Munim was also present.

China Petroleum in deal for oil pipeline

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Three tanks for crude oil and another three for diesel will be set up on the Moheshkhali Island in the Bay of Bengal. The project is expected to start operations in December 2018.

The project aims to unload imported crude and finished petroleum products easily and reduce cost and time, according to BPC. It also aims to help expand Bangladesh's refinery capacity and ensure energy security.

Bangladesh cannot handle large vessels because of low navigability at Karnaphuli River and constrained facilities at Chittagong port. As a result, large vessels carrying imported crude and finished oil have to anchor at deep sea, and small vessels are used to unload and bring in the petroleum products.

As a result, it takes 11 days to unload a 100,000 dead weight tonnage tanker to unload the product. The existing system will also not be effective if Bangladesh wants to import more crude oil to meet the growing energy demand.

But once the pipeline is installed, it will bring down the unloading time, said Mahmud Reza Khan, chairman of BPC. Nasrul Hamid, state minister for power and energy, said the pipeline will save the country Tk 1,000 crore a year in reduced vessel fare and operational loss.

Abul Kalam Azad, principal coordinator for sustainable development goals affairs at the Prime Minister's Office, urged the Chinese company to complete the project within the scheduled time.

Yujian of CPP Bureau said his

company would deliver high-quality infrastructure.

Md Tajul Islam, chairman of the parliamentary standing committee on energy ministry, said the new infrastructure will help meet the growing energy demand.

Nazimuddin Chowdhury, energy secretary, also spoke.

CPP Bureau is the engineering procurement construction contractor for the project while Germany's ILF Consulting Engineers worked as the consultant for the project.

Eastern Refinery Ltd, owned by BPC, can process 15 lakh tonnes of crude oil a year at the moment. The government plans to raise the processing capacity by another 30 lakh tonnes through setting up the second unit of ERL in two to three years.

Once the second unit comes into

operation, ERL would be able to meet 75 percent of the country's annual demand for finished fuel. The second unit will help the country save \$220 million, said BPC officials earlier.

Bangladesh now imports 35 lakh tonnes of diesel every year. In total, the country consumes 55 lakh tonnes of different types of petroleum products every year.

London-based BMI Research also said Bangladesh will benefit more if it imports refined petroleum products instead of bringing in crude oil and refining it at home.

The country imports crude oil from Saudi Arabia and the UAE, and refined fuels from countries such as Malaysia, China, Vietnam, the Philippines, Indonesia and Brunei, Turkey, Kuwait, the UAE and Oman.

ILO chief due tomorrow

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The programme will be co-organised by the labour and employment ministry, Bangladesh Employers Federation, and National Coordination Committee for Workers Education.

He will also join the launch of a new ILO project funded by Sweden and Denmark that aims to build social dialogue and harmonious industrial relations in the Bangladesh apparel industry.

An agreement is scheduled to be signed during his visit for a new skills programme funded by the European Union as well as a memorandum of intent between the Bangladesh government, donors and ILO to collaborate on a second phase of ILO's programme to improve working conditions in the apparel sector.

Untapped potential remains in digital payments: experts

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The study found that the country has made a significant stride towards a digital economy as around 69 percent of government payments, or about \$45 billion, are now being transacted through digital channels.

This diagnostic report also found that only 2.5 percent of individual payments and 3 percent of business transactions are made digitally.

Bangladesh has experienced 120 percent year-on-year growth in mobile financial services transactions on average since 2011, according to the report. In 2015, more than one billion transactions were made digitally worth nearly \$20 billion.

"The significant progress in moving away from cash that Bangladesh has made in such a short time is due to the government's strong leadership, the innovation of the private sector and citizens' openness to a digital future," Groen said.

Highlighting the phenomenal growth the country is experiencing in the area of mobile financial services, he observed that there is still scope for further expansion in terms of products and usage.

"As a country striving for inclusive growth, Bangladesh has an exceptional opportunity to harness electronic payments to transform lives, businesses, and economies at all levels," she said.

"It is not just one player in the market or one government department that should act alone to ensure digital financial inclusion, rather, all the different stakeholders need to work together to create an ecosystem that works for everyone."

The regulatory environment needs to be improved to achieve more competition in the market of mobile financial service, both experts said.

This will result in greater product innovation, and will be a vital step in improving the business case for businesses to move towards digital payments, they said.

Campaign for VAT starts today

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"Those who will pay tax and VAT properly will be fine. But we will chase those who will not comply," said Rahman.

The NBR introduced VAT, a type of consumption tax, in 1991 to boost collection from domestic sources. The consumption tax is the biggest source of revenue followed by direct or income tax. It accounted for 36 percent of revenue

collection in fiscal 2015-16, according to the NBR.

The revenue administration aims to implement the new VAT and Supplemental Duty Act 2012 from July 1 next year under an automated platform. It has already launched re-registration online in line with its plan to implement the law in an online environment.

Rahman said a uniform VAT rate will be applied in the new law along

with automation. "The new law has many advantages. The discretionary power of revenue offices has been reduced in the new law," he said, adding that the online system would also cut the need to visit field offices by firms.

Firms with Tk 30 lakh in annual turnover will be exempted from VAT under the latest legislation, he added.

The NBR is going to give elec-

tronic cash registers to shops as part of its plan to ensure compliance at the retail and wholesale levels. We will also open a call centre to answer VAT-related queries by taxpayers.

To observe VAT Week and VAT Day, the NBR has arranged various programmes including rallies, seminars, decorating the field offices and streets with posters, billboards and running documentaries on television and radio.

China firms sign deals for Payra port

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The meeting was supposed to finalise the details of the agreement on the construction of the container terminal.

But Roy yesterday said India has sought seven days to give its opinion on the issue.

A number of Indian companies have shown interest in investing in the seaport. India Ports Global, a joint venture between Jawaharlal Nehru Port Trust and Kandla Port Trust, is one of them. Apart from all terminals and power stations, there will be an exclusive economic zone and an airport around the port -- all of which are expected to bring a new lease of life to the economically lagging south.

The authority says it wants to develop the port in three phases and make it fully operational by 2023.

The main port will be built on the west bank of the Rabnabad channel and will allow up to 250-metre vessels to come through once dredging of 35 kilometres of the channel is done. The Chittagong port that now handles more than 90 percent of the export-import trade of Bangladesh can handle 186-metre vessels.



Rezaul Karim, CEO and director of International Office Machines Ltd; Takeshi Kimura, general manager of Toshiba TEC Singapore; Philip Wu, regional manager; Raymond Phua, solution manager; Azhar Ali, managing director of International Office Machines Ltd; Asma Begum, senior marketing communication manager, and Shahnaz Begum, senior service manager, pose at the launch of four multifunction printers of Toshiba.



Zubair Siddiky, managing director of foodpanda Bangladesh, and Rezaul Amin, chief commercial officer for general sales agent at Bangkok Airways PCL, attend a deal signing ceremony. The customers of foodpanda will be able to win air tickets from December to February on the basis of their orders on foodpanda.