

আপনার সংসার গুছিয়ে দিচ্ছি আমরা

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স

আপনার সংসার পোড়ানোর আসবাবপত্র, শিফা সামগ্রী, ইলেক্ট্রনিক ও অন্যান্য জিনিসপত্র কেনার সুন্দর সমাধান দিচ্ছি আমরা।

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Star BUSINESS

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Shadows over prospects of garment exports to US

REFAYET ULLAH MIRDHA

Exports from Bangladesh, particularly of garment items, will face further tariff competition in the US market if Donald Trump, the president-elect, implements his plan of border tax, one of his major campaign promises.

During his 17-month presidential campaign, Trump called for imposing border tax of between 35 percent and 45 percent on imports of goods to protect American jobs from unfair foreign competition.

Companies that import goods would pay the tax at the border.

"If the proposed border tax is imposed finally, we would be sufferers like other countries," said Ahsan H Mansur, executive director of the Policy Research Institute, a private think-tank.

"The implementation of the proposed border tax would be the one of the worst news for us as well as for rest of the globe," he added.

Although most of the attention is still focused on whether Trump will slap tariffs on China or target companies that move production offshore, proposals for a US tax regime that penalises imports could have a more permanent and far-reaching effect, reported the Financial Times.

"I think it would be a huge issue for Asia," said Frederic Neumann, co-head of economic research at HSBC in Hong Kong.

"It would also raise the spectre of retaliatory measures by other countries," Financial Times quoted him as saying.

Bangladesh's exports, particularly of garment items, would unequivocally be affected if Trump follows through on his campaign promise once he is sworn into office on

January 20, according to Mansur.

Since the US does not have an adequate number of factories, the local manufacturers might not meet the demand.

As a result, the US retailers will depend on imported clothing items, particularly from Bangladesh and other Asian countries, which mainly produce the basic apparel items, Mansur said.

But the electronics and mobile phones companies from Asia will bear the maximum brunt of the proposed border tax as the US is also strong in production of those goods.

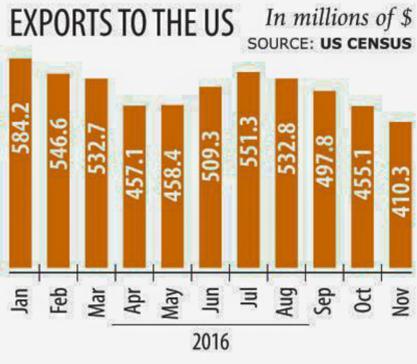
"Worst hurt would be exporters of low-margin products, where little value is added in the US and demand is sensitive to price. That could include many goods sold by US retailers such as Walmart, where higher prices would probably lead to lower consumption, hitting their makers," the Financial Times reported.

Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, echoed Mansur's views on apparel shipments to the US, the single largest export destination for the country, as a result of the border tax.

"We will lose our competitiveness to the US if the proposed border tax is imposed," Rahman added.

Currently, American retailers have to pay 15.61 percent duty for importing garment items from Bangladesh. Apparel items account for 95 percent of Bangladesh's total exports to the US in a year.

The US apparel importers have to pay 3.08 percent duty for importing products from China, 8.38 percent from Vietnam, 2.29 percent from India, 3.57 percent from Turkey and 6.30 percent from Indonesia.



Online VAT registration begins in March

SOHEL PARVEZ

The National Board of Revenue plans to launch online VAT registration in March so that businesses can prepare to file returns electronically from the beginning of next fiscal year.

Manual registration will come to an end after the online system is introduced, said a senior official of NBR, seeking anonymity.

Businesses, particularly the small and medium enterprises that do not have access to the internet, will get support from VAT online services centres to comply with the new law that is expected to come into effect from July this year.

The revenue authority plans to open 12 centres to help businesses register and file returns online, according to the official.

Three centres are expected to open in Uttara, Motijheel, and Farmgate next week, he added. "Businesses will get all sorts of assistance without any cost."

Firms will get registration online until June; returns can be filed starting in July.

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Regulator eases rules for handset import

The move may bring down prices

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator has eased conditions for importing mobile phones, which importers say will help reduce handset prices and improve quality.

As per a new decision, the approvals taken from the regulator for importing handsets will remain valid for six months.

Importers now receive a no-objection certificate (NOC) for three months only, which puts them in a tight schedule, said industry insiders.

In response to an application from Bangladesh Mobile Phone Importers' Association (BMPIA), the telecom regulator in a recent meeting took the decision, said Md Sarwar Alam, secretary of Bangladesh Telecommunication Regulatory Commission.

The commission is convinced and believes that this change will boost the sector, said Alam.

Bangladesh imported 27.1 million handsets worth \$506 million in 2015. BMPIA estimates that imports would be more than

29 million units worth \$540 million in 2016.

Importers said they can now work on bulk shipments as they will get more time, which will bring down the cost further.

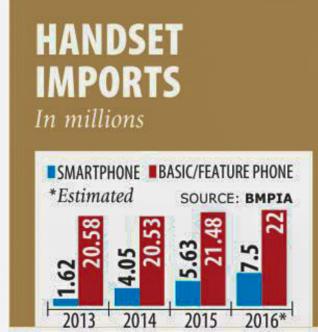
"Now, we will get some time to bargain with the handset assemblers, who are mostly in China. There will also be more time for research and development, which will help increase the quality," said Rezwanaul Hoque, general secretary of BMPIA.

Currently, more than 90 percent of handsets are imported via air because of a tight schedule of 90 days, which increases the prices of handsets, he added.

If anyone misses the deadline at present, the company needs to start the process of getting a new NOC, which is time consuming and raises the cost of operations as well.

"With the new NOC, we can import handsets via sea, which will reduce our import costs and ultimately benefit the end-users," said Hoque, also a director of Symphony, an importer.

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Stocks continue bull run as investors getting back confidence

STAR BUSINESS REPORT

The bullish momentum continued in the stockmarket for the seventh consecutive session yesterday.

The Dhaka bourse's key index reached the 5,500-point mark with the turnover crossing Tk 2,000 crore for the first time in more than six years.

The escalation of the turnover and index, the two most important indicators of the market, suggests that investors are getting back their confidence in the market, which has been sluggish since the price debacle of 2011.

DSEX, the benchmark index of Dhaka Stock Exchange, rose 97.61 points or 1.78 percent to finish the day at 5,575.47 points -- the highest since the introduction of the index on January 27, 2013.

The turnover stood at Tk 2,064.96 crore yesterday, up 11.22 percent from the previous day. The turnover last crossed Tk 2,000 crore on December 7, 2010.

"Investors are shrugging off fears," said Md Zahurul Islam, chairman of Prilink Securities, a stockbroker.

"Their confidence is growing gradually and they are injecting fresh funds into the market."

Positive macro-economic indicators, including low interest and deposit rates, political stability and lucrative prices of securities, are the main factors that are driving the investors now, he said.

"Still the average price-earnings ratio of banking stocks is only 5-6, meaning the prices can go up further."



Of the traded issues on the premier bourse yesterday, 224 advanced, 86 declined and 18 remained unchanged.

Beximco dominated the turnover chart with its transactions of 1.99 crore shares worth Tk 74.99 crore, followed by Baraka Power, Jamuna Oil, LankaBangla Finance and MJL Bangladesh.

Among the major sectors, non-banking financial institutions increased the most—by 6.42 percent—in market capitalisation, followed by mutual funds 4.03 percent, fuel and power 3.52 percent, general insurance 2.33 percent, banks 2.75 percent, cement 1.31 percent and textiles 0.85 percent.

Conversely, life insurance declined 0.34 percent.

Padma Oil was the day's best performer, posting a 9.96 percent gain. Imam Button Industries was the worst loser, plunging 7.02 percent.

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NBR to open email accounts to hear taxpayers' complaints

STAR BUSINESS REPORT

The National Board of Revenue plans to open three email accounts to receive complaints about harassment faced by the taxpayers at the field level.

The taxpayers will be able to give suggestions and seek solutions from the authority for tax, VAT and customs related problems through the accounts, NBR Chairman Md Nojibur Rahman said yesterday.

"Instant solution will be provided," he said at a programme organised by the Customs, Excise and VAT Commissionerate, Dhaka (North) in the capital.

The email accounts are feedbackcustoms@nbr.gov.bd, feedbackvat@nbr.gov.bd, feedbacktax@nbr.gov.bd.

The event was organised to make businesses aware of the VAT and Supplementary Duty Act 2012 and boost compliance and tax payment.

He said internal revenue collection will rise because of the introduction of a modern and automated VAT system.

The new VAT law will put an end to the harassment and will benefit businesses, he said.

At the programme, businesses once again demanded the value added tax (VAT) should be reduced to 7 percent from the existing 15 percent to ease the pressure on traders and consumers.

Businesses want implementation of the VAT online system under the new law, said Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry.

The existing 15 percent VAT is high and the VAT at a rate of 7 percent will definitely encourage compliance, he said.

He also urged the authorities to open a hotline to stop harassment by the field level revenue officials.

The government wants to implement the VAT and Supplementary Duty Act 2012 from the first day of July through the automation of the VAT system.

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Summit awaits final nod to set up LNG terminal

REJAUL KARIM BYRON

Summit Group is one step closer to setting up its first floating liquefied natural gas terminal on Moheshkhali Island in Cox's Bazar as the government is set to give its final verdict on the proposal today.

The proposal will be presented at the scheduled meeting of the cabinet committee on economic affairs.

The development comes after the high-level expert committee formed to scrutinise whether Summit Group's proposal was compatible with another proposal submitted by a Singapore-based company gave the green light, said a Petrobangla official.

The government has also completed negotiations with Summit for setting up the terminal and supplying LNG. An Energy Division official said a proposal has been sent to the cabinet division for signing a final agreement with the local company.

Summit Group signed an initial contract with Petrobangla on January 3.

Under the proposal, Summit LNG Terminal Company, a unit of Summit Group, will develop the floating facilities within 18 months of signing the final contract.

The LNG terminal company will supply 500 million cubic feet of gas per day, for which the government will pay a total of \$1.56 billion in a year.

The terminal, which will cost Summit \$500 million, will be set up on a build-own-operate and transfer basis. The tenure of the agreement will be 15 years.

State-run Petrobangla will pay \$158,511 per day to Summit as fixed component fees, \$30,500 daily as operating component fees and \$30,500 for port service component fees.

Summit LNG Terminal Co will pay \$20 million as performance bond to

Petrobangla within 15 days of signing the agreement, according to the proposal.

Bangladesh is looking outside to alleviate its energy shortage largely caused by the depletion of domestic reserves and rising demand. Gas supply stands at about 2,700 million cubic feet per day against the demand for 3,300 MMCFD.

The shortage of gas has affected power generation as well as industries and households. The government aims to set up four land-based LNG terminals and one or two floating storage and re-gasification units.

The demand for gas will stand at 8,000 MMCFD in 2041, according to an estimate of the Energy Division.

The government has already received proposals from 14 companies for setting up LNG terminals.

China Huanqiu Contracting & Engineering Corporation has proposed to set up an LNG plant in Moheshkhali, while KOGAS-MGCB-KSBL Consortium wants to set up a land-based terminal in Sonadia.

Besides, Singapore's Sembcorp Utilities Pte Ltd submitted a proposal for setting up a Gravitfloat terminal and storage tank in the deep sea. The Gravitfloat technology allows the LNG terminal to be fully built and completed at a shipyard and installed in shallow waters to facilitate direct ship loading of LNG.

In December, Petrobangla signed an initial agreement with India's energy company Petronet to set up an LNG re-gasification terminal on Kutubdia Island and a pipeline at an estimated cost of \$950 million.

In July, state-run Petrobangla and US-based Exceleter Energy signed the final deals to set up Bangladesh's first LNG terminal.

The terminal to be set up in Moheshkhali will handle imported LNG and supply it to the national grid from early 2018.

Wärtsilä gets contract from Ace Alliance Power

STAR BUSINESS REPORT

Finland's Wärtsilä will supply power generation equipment to Ace Alliance Power Ltd, owned by Summit Group of Companies, to add 150 megawatts of electricity to the national grid.

The order comprises eight Wärtsilä 50 and one Wärtsilä 32 engines, the Finnish company said in a statement yesterday.

The contract includes the engineering and equipment with additional advisory services for the power plant's

installation, testing and commissioning, as well as on-site staff training.

The equipment is scheduled to be delivered during the second half of 2017, and the plant is scheduled to be operational in early 2018. The order is booked in the first quarter of 2017, said the statement.

The new power plant will be built in Gazipur and will feed power into the national grid. Summit Group is the largest private power producer in Bangladesh and has a long-established relationship in power plant construc-

tion with Wärtsilä.

In the last 20 years, Wärtsilä's installed capacity with Summit Group has grown to 750MW. With the latest contract, Wärtsilä's installed capacity with Summit Group will reach 900MW.

"With Wärtsilä we know that we get great solutions and great local support. We have been working together for 20 years and we are happy with our relationship," said MA Wadud, managing director of Summit Power Ltd that owns 64 percent of Ace Alliance Power.

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Stockbroker fined Tk 50 lakh for breaching rules

STAR BUSINESS REPORT

The stockmarket regulator yesterday fined Alliance Securities and Management Tk 50 lakh for violating securities rules.

The stockbroker provided excess share credit to its directors and their relatives by breaching margin rules, Bangladesh Securities and Exchange Commission said in a statement.

BSEC asked the stockbroker to adjust the excess share credit with

interest within February 19, and then submit a compliance report to the commission.

Until the realisation of the credit, Alliance cannot offer any dividend, honorarium or further share credit to its directors or withdraw any money from its retained earnings or reserve fund, except daily operational expenses.

The BSEC also fined another stockbroker, Associated Capital Securities, Tk 5 lakh for breaching rules.

In another development, the regula-

tor approved Saif Powertec's application to raise Tk 174.44 crore through a rights share issue.

The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount compared to the market price.

The container handling operator, which was listed in 2014, will issue 11.63 crore rights shares of Tk 10 with a premium of Tk 5 per share.

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