

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন



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# Star BUSINESS

DHAKA FRIDAY JANUARY 20, 2017, MAGH 7, 1423 BS

## Early Brexit impact on garment exports to UK

British clothing retailer Next cuts purchases from Bangladesh

REFAYET ULLAH MIRDHA

Bangladesh has already started feeling the pinch of Brexit, as major British apparel retailer Next Plc slashed its work order volume for the country, said a senior official of a sourcing company.

Next, which is the largest clothing retailer by sales in the UK, had planned to buy about \$260 million worth of apparel items from Bangladesh in 2016.

But in the end, the clothing, footwear and home products retailer took about \$180 million of garment items, the senior merchandiser who works for Next told The Daily Star by phone, asking not to be named.

"Next usually purchases \$10-\$20 million more than its annual target. Last year was an exception."

Next takes clothing items worth more than \$500 million from Bangladesh in two ways: it directly purchases from garment factories and indirectly through sourcing companies.

The purchase volume of Next through third party vendor agencies might have shrunk too last year, the merchandiser said.

Following Britain's shock decision to withdraw from the European



Union in June last year, the value of the pound tumbled, making its imports costlier. Inflation in Britain is the highest in more than two years.

"The year ahead looks set to be another challenging year. Therefore, we are preparing the company for tougher times and have set our full price sales budget accordingly," Next said in a statement on January 4.

"The fact that sales continued to decline in quarter four, beyond the anniversary of the start of the slow-

down in November 2015, means that we expect the cyclical slowdown in spending on clothing and footwear to continue into next year."

In addition to this effect, there are two further factors that may depress sales.

"We may see a further squeeze in general spending as inflation begins to erode real earnings growth."

The company expects prices on like-for-like garments to rise, but by no more than 5 percent. "We expect that this will depress sales revenue

by around 0.5 percent."

In this backdrop, Simon Wolfson, chief executive officer of Next, held a meeting with suppliers in Bangladesh on December 22 last year to inform them about the challenging landscape it was staring at, said Abdus Salam Murshedy, managing director of Envoy Group, a longstanding supplier.

"Next sought a sustainable business partnership as I have been doing business with this brand for a long time. But, the company did not ask me to lower the prices of garment units or slash the purchasing volume."

However, it is true that Brexit and the sliding of pound pushed the British consumers into a tight corner, Murshedy said.

Established in 1982, Next has around 750 stores, of which 550 are in the UK and Ireland. In 2016, its total sales stood at £4.1 billion, up slightly from the previous year.

The UK is the third largest garment export destination for Bangladesh after the US and Germany.

In fiscal 2015-16, Bangladesh's garment exports to the UK soared 21.37 percent to \$3.52 billion, according to data from the Export Promotion Bureau.

## Waste to electricity

Power Development Board invites bids for construction of 1megawatt power plant

SOHEL PARVEZ

The government is set to produce electricity and thermal energy from municipal solid wastes on a pilot basis with the view to introducing responsible waste management in the country.

The Bangladesh Power Development Board has already floated tender seeking proposals for construction, testing and commissioning of a 1megawatt power plant at Keraniganj upazila, south of Dhaka city.

The final day for submission of tender is March 9.

"This is going to be the first power plant in Bangladesh to produce electricity based on waste," said Md Nazmul Haque, director of renewable energy research & development of BPDB.

The project's main objective is to ensure waste management as well as energy generation.

"It will be a big achievement if we can keep our cities clean by utilising wastes for energy generation and compost," he added.

The power plant would be using 55 tonnes of waste, which will be supplied by the local authority of Keraniganj, to produce 450 kilowatts of electricity and generate thermal energy.

The heat will be used to reduce the moisture in the wastes as well as in the plant.

The electricity generated will be supplied to the national grid, according to officials.

The plant's success will be instrumental to establishing more such plants in other local government authorities, particularly in city corporation areas, Haque added.

The government move comes after German International Development Agency (GIZ) carried out a feasibility study at Keraniganj to explore the possibility of using wastes to generate energy.

The idea behind setting up the plant is to see whether electricity generation through waste is commercially and technically viable, said Siddique Zobiair, member of Sustainable & Renewable Energy Development Authority.

Municipal solid waste has good potential to contribute to the generation of renewable energy, especially in major cities and municipalities areas, where ample waste is generated.

Bangladesh generated 23,688 tonnes of municipal solid waste per day in its urban areas in 2014, up from 13,330 tonnes per day in 2005 and 6,493 tonnes per day in 1991, according to SREDA.

The total amount of waste generated every day in Bangladesh has been increasing annually since 1991.

SREDA forecasted total waste generation to hit 47,000 tonnes per day by 2025 due to rising urban population.

The generation of electricity from municipal solid waste of six mega cities can be as high as 186,408 kWh/day, said SREDA on its website.

## Rice millers making jute bags as demand rises

SOHEL PARVEZ

Rice millers have now set their sights on manufacturing jute bags themselves to meet their own demand for packaging and to leverage the newly created demand for eco-friendly bags to pack grains and some other commodities.

For instance, a Kushtia-based rice miller Fresh Agro has already got its sister concern Wadi Jute Mills Ltd to make jute bags.

The company has already set up 20 looms and is in the process of installing another 60 looms to expand production.

"There is a good business prospect. We will be able to supply to other mills after meeting my own requirement. This is also diversifying my business," said Md Omar Faruk, managing director of Fresh Agro.

Some 5,000-6,000 sacks are required to package rice processed by his family-owned eight rice mills.

From December 2014, the government started enforcing the law to package six commodities including rice, wheat and maize with jute bags with the view to reducing the jute sector's high dependency on the international market.

Rice millers initially were unwilling to use jute sacks because the staple will become costlier as the price of jute sacks was more than double that of plastic bags.

But they later fell in line, which led to a rise in the domestic use of jute, according to the Department of Jute and industry insiders.

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Commerce Minister Tofail Ahmed, US Ambassador Marcia Bernicat and President of the American Chamber of Commerce in Bangladesh Md Nurul Islam cut a cake to celebrate the 20th anniversary of the chamber, at the chancery of the embassy in Dhaka on January 17.

## Edotco to boost telecom coverage in Gulshan

MUHAMMAD ZAHIDUL ISLAM

Edotco Bangladesh plans to set up modern towers camouflaged in electric lamp-posts on Gulshan Avenue to improve the quality of telecom services.

The tower management firm has applied to Dhaka North City Corporation seeking permission to install 16 towers which will help enhance the network coverage in the area, said Mohammad Manzoorul Islam, director for operations at Edotco Bangladesh.

"We have designed some of our towers to be installed in the areas from Shooting Club at Gulshan-1 to the Pakistan Embassy at Gulshan-2."

Telecom users on Gulshan Avenue are facing weak network coverage as the area gets crowded especially during office hours.

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## Benapole land port plagued by problems

Traders suffer due to a lack of digitisation and modern surveillance

MOHSIN MILON, Benapole with ENAMUL HUQ

Benapole land port has long been plagued by decades-old manual operation and a lack of digitisation and modern surveillance systems.

Mismanagement and rampant theft of goods are also taking a toll on the largest land port of Bangladesh, which facilitates import and export with India.

Roads inside the port are in bad shape and go under knee-deep water during monsoon.

Outsiders enter the port premises without obstruction; even one security guard was killed.

As a result, traders are losing interest in using the port to carry out import-export activities with India. The government is also failing to reach its revenue targets.

Users said if the port is digitised and the proper security system is put in place it will boost two-way trade.

Businessmen said they have demanded close circuit cameras should be installed but to no avail. The port authorities said they have informed the higher authorities about the matter.

Benapole port, which is only 84 kilometres away from Kolkata city, started its journey in 1972. A goods-laden truck from the capital of

West Bengal reaches the port in four hours. As the communication system is good on the Indian side, Bangladeshi businessmen have keen interest in the port.

But a lack of adequate security and surveillance system has emerged as a concern for the users.

No CCTV cameras have been installed in the two-kilometre area of Benapole port, including the two entry points for importing goods.

Bablur Rahman, an importer, said his goods worth Tk 25 lakh were gutted in a mysterious fire. If there were CCTV cameras in the port, probably the mystery behind the incident could be unearthed.

He said there has been no structural improvement in the port in the last decade. Goods stored in shades are damaged as water enters the warehouses during the monsoon.

Goods worth crores of taka are being kept under open sky because of a lack of adequate sheds. Most of the time, the firefighting equipment remains inoperative.

On-duty Ansar member Feroz Ahmed was killed in an attack in November last year, said Shafiqul Islam, Ansar commander at the port.

Although Benapole port has not been developed with modern facilities, the picture is dif-

ferent on the other side of the border.

India has set up an integrated check post on 300 acres of land at Petrapole port. The area has been brought under CCTV surveillance, warehouses are air-conditioned and a modern scanning system has been installed to prevent smuggling, said Matiar Rahman, chairman of the port sub-committee of the India-Bangladesh Chamber of Commerce and Industry.

"None of these modern facilities are available at Benapole port," he said, adding that port users are reducing their trade through the route after counting losses for years.

Mofizur Rahman, president of Benapole C&F Agent Association, said the issue of developing the port was raised at every meeting with the authorities but no measures were taken.

However, the rent for using the port increases 5 percent every year, he said.

Had the authorities been sincere, revenue collection could have doubled, he said.

Abdul Jalil, deputy director for traffic at the port, said they have a plan to install CCTV cameras at the port. The matter has been conveyed to the higher authorities. Other infrastructure is also being developed, he said, adding that the security system has to be strengthened further.

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## Govt urges Tata to invest in Teletalk

SUBRATA ACHARJEE, from Kolkata

The government has urged Indian businesses, including Tata Communications, to invest in Bangladesh's telecom sector, especially in state-owned mobile operator Teletalk.

State Minister for Telecom Tarana Halim placed her proposals before the Indian telecom giant and other Indian investors in several meetings held in Kolkata on Wednesday.

The Indian entrepreneurs were urged to invest in any Bangladeshi telecom company they want, officials who attended the meetings said.

Tata showed its interest to invest in Bangladesh's telecom sector and discussed related regulatory issues.

Tarana, who is now on a four-day visit to Kolkata at the invitation of the West Bengal government, shed light on the potential of Bangladesh's telecom sector at the meetings.

The authorities of Tata Communications responded very positively, said Md Monwar Hossain, managing director of Bangladesh Submarine Cable Company Ltd (BSACL), who also attended the meeting.

Teletalk's Managing Director Gias Uddin Ahmed and Tata Communications' General

Manager Chetan Panchal along with other high officials attended the meeting.

Bangladeshi officials also urged Tata to take bandwidth from BSACL, as the Indian submarine cable went out of order recently.

Tarana said she also received the same kind of response from the Malaysian government when she sought investment for Teletalk in January last year. But that did not yield any result.

Teletalk began its journey as the country's fifth operator in March 2005 with a capital of Tk 643 crore. It initially had the capacity to serve only 40 lakh users. The number has now been raised to one crore.

However, currently the operator has only 29 lakh active customers as of October 2016 with a market share of 2.41 percent, according to Bangladesh Telecommunication Regulatory Commission.

The company also rebranded itself with a new logo and opened new customer care centres last year.

In another meeting, Bharat Sanchar Nigam Ltd asked BSACL to increase their bandwidth speed to 20 gigabits per second from 10 gbps for India's northeastern state of Tripura.

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