

Bangladesh seeks duty-free access for its goods to the US

STAR BUSINESS REPORT

Bangladesh requested the Trump administration give duty-free access to help the south Asian country ship more goods to the US.

Bangladesh Ambassador to the US Mohammad Ziauddin made the plea during a meeting with US Republican Senator Roger Wicker in Washington DC last week.

Wicker of Mississippi is a member on the commerce, science and transportation committee of the US Senate.

During the meeting, the ambassador hoped for further close bilateral ties between the two countries, the Bangladesh embassy in the US said in a statement.

Currently, only 34 African least-developed countries are benefited from the duty-free access to the US, Ziauddin

said.

Bangladesh has been kept out of such duty benefit despite being a least-developed country, he said.

The ambassador noted that there is a sense of deprivation among the rest of the LDCs and he sought justice from the US, according to the statement.

The duty benefit would help the country be economically stronger with the export of more products, especially from the garment sector, where more than four million women work at present.

Ziauddin mentioned Prime Minister Sheikh Hasina's "zero tolerance" stance against all forms of extremism and terrorism in Bangladesh and beyond.

He also shed light on the existing counter terrorism cooperation of Bangladesh with the US, India and other neighbouring countries.

GM, Honda to announce fuel cell technology advance

REUTERS

General Motors Co and Honda Motor Co are expected on Monday to announce an expansion of their collaboration on fuel cell technology development, people familiar with the plans said following a notice of a press conference.

GM and Honda said two senior executives would hold a news conference in Detroit with Michigan's Lieutenant Governor, Brian Calley.

Mark Reuss, GM's executive vice president for global product development, and Toshiaki Mikoshiba, chief operating officer for Honda's North American region, are scheduled to make "an important advanced technology announcement," the companies said.



Simon Brown, country director of VSO Bangladesh, opens an agent banking outlet of Bank Asia at Mithapukur upazila in Rangpur on January 26. Mohammed Zahirul Alam, deputy managing director of Bank Asia, and Philip Goodwin, CEO of VSO International, were also present.

Fed to stop mortgage reinvestments in 2018: Morgan Stanley

REUTERS

The US Federal Reserve will stop reinvestments of its mortgage-backed securities holdings in April 2018 in an attempt to shrink its \$4.2 trillion balance sheet that had ballooned from bond purchases to combat the last recession, Morgan

Stanley analysts said on Friday.

Speculation about the timing and framework on the US central bank's plan to pare its holdings of MBS and US Treasury securities was rekindled after the Fed's policy meeting on Dec. 13-14 at which they raised interest rates by a quarter point. The Federal Open Market Committee, the Fed's policy-setting

group, said it will continue to reinvest principal payments "until normalisation of the level of the federal funds rate is well underway."

Morgan Stanley analysts arrived at their call on the timing of the Fed ending its MBS reinvestments based on the Fed's projected 3 percent longer-run equilibrium interest rate.



Mashiur Rahman, prime minister's adviser for economic affairs, hands over scholarships and academic materials to one of the 800 underprivileged meritorious students under Islami Bank Scholarship Programme-2017, at Krishibid Institution in Dhaka yesterday. Arastoo Khan, chairman of Islami Bank Bangladesh, was also present.



Mahiuddin Faruqi, chairman and managing director of Multifabs Ltd, attends the company's annual conference for 2017 on the premises of a factory of the company.

President urges CAs to act most professionally

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Lack of vigilance, transparency and accountability in financial activities put the country at risk: a huge amount of money can be siphoned off through forgery, Hamid said.

ICT is an important instrument in ensuring transparency and accountability in the financial sector, he said in his speech at the inaugural session of SAFA Regional CFO Conference 2017 in Dhaka.

The event, styled 'navigating through digital transformation towards better accountability', was organised by the Institute of Chartered Accountants of Bangladesh at the capital's Sonargaon Hotel.

The regional conference will help owners, directors and officials of the countries under the South Asian Federation of Accountants to ensure transparency and accountability in their companies, and as a result, a

culture of security will be formed in the financial sector. The main challenge of the region is poverty, Hamid said.

"The members of Saarc countries are fighting against this menace to free their people from the curse of poverty."

Huge investment has been made, both from domestic and international sources, for attaining sustainable development. "I believe that concerted efforts, both from public and private corners, are imperative to address this issue," he added.

SAFA President ASM Nayeem said the CFO needs to deal with the issue of digital transformation.

"But whatever the challenges and difficulties in the digital transformation, the South Asian countries have been experiencing every year an accelerated pace of economic development, which creates new opportunities in a sustainable manner," he added.

ICAB President Adeb Hossain Khan said innovation and transformation are two of the principles that guide society and business.

Presenting a keynote paper, Fayeul Choudhury, chief executive officer of International Federation of Accountancy, said the role of CFO continues to change and evolve.

Technology helps a CFO to be more transparent and accountable, according to Choudhury.

Referring to the McKinsey Global Survey on the role of CFOs, he said the CFOs are finding new demands such as digitising critical business activities and managing cybercrimes in addition to traditional duties.

Planning Minister AHM Mustafa Kamal; Commerce Senior Secretary Hedayetullah Al Mamoon; and President of International Accounting Standards Board Hans Hoogervorst also spoke at the event.

Monetary policy to remain more of the same

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Another risk factor is unnecessary credit entering the share market and creating a bubble. In about four months, Dhaka stocks jumped up about 25 percent.

On the other hand, the market capital to GDP ratio increased around 21 percent.

In the new monetary policy, attention will be given to maintaining vibrancy in the stockmarket.

On the other hand, the central bank will remain alert so that there is

no repeat of the stockmarket bubble of 2010.

The share market has recently risen beyond what can be expected based on the fundamentals, Hussain said.

"We expect to see a diagnosis of the share price trends in the MPS and moral suasion to prevent herd behaviour that could end up hurting the small investors in particular."

Hussain said the BB should address the wide disparity in exchange rates found in the official and kerb market as well as the persis-

tence of the non-performing loan problem in the upcoming monetary policy.

"The MPS should tell us what new thinking, if any, the BB has to address the persistence of the NPL problem in the banking sector. Clearly, business as usual is not helping."

Given these problems, it is critical that the BB refrains from making the monetary programme unnecessarily expansionary relative to the programme announced last July, Hussain added.

Toshiba to sell part of chip business

REUTERS, Tokyo

Toshiba Corp said it will sell a minority stake in its memory chip business as it urgently seeks funds to offset an imminent multi-billion dollar writedown, adding that its overseas nuclear division - the cause of its woes - was now under review.

The drastic measures are set to be just some of the tough choices the Japanese conglomerate will have to take as proceeds from the sale are likely to only cover part of a charge that domestic media has put at \$6 billion.

Still battered by a 2015 accounting scandal, Toshiba was plunged back into crisis when it emerged late last year that it had to account for huge cost overruns at a U.S. power plant construction business recently acquired by its Westinghouse division.

Describing the nuclear division as no longer a central business focus for the firm, Chief Executive Satoshi Tsunakawa said Toshiba will review Westinghouse's role in new projects and whether it will embark on new power plant construction. The division will also now fall under direct CEO supervision.

Ad market on the cusp of flight

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The Economic Times Brand Equity Ad Agency Reckoner ranked Balsara as "India's Most Influential Media Person" for the last 10 years. He is also the recipient of the Advertising Agencies Association of India's Lifetime Achievement Award.

The advertisement market of India is Rs 60,000 crore, while that of Bangladesh is Rs 2,000 crore to Rs 3,000 crore, according to Balsara. As Bangladesh prospers, the country will become a huge market. "The advertising market will also grow phenomenally in Bangladesh."

Balsara said the world has become very competitive. The competitive pressure on advertisers and corporate bodies is increasing by the day. "In such a situation the pressure on advertising agencies is also becoming intense. So, we live and learn every day."

Digitalisation is going to transform the advertising and marketing. In some Western markets, digital advertising accounts now as much as 40 percent of the market. In India it is about 12 percent and in Bangladesh about 5 percent. "But it is very clear that digital is going to grow."

He said digitalisation brings several advantages. One of them is it allows one-to-one communication. But electronic and print media offer one-to-many message, compel-

ling the ad agencies to develop a common message for a vast number of people.

"I cannot customise one message for one person. In the days to come, digital will enable us to customise a message for each person." When asked whether it would be bad news for print media, Balsara, 66, said there is no doubt that in the Western world print has suffered.

"But I think Bangladesh should look at India and take solace in the fact that print is still the largest medium in India actually and it is growing very well."

"In those economies where literacy is low and print penetration is very poor, I think we have a long way to grow. The potential for the print to grow is still very, very high. You do not have to worry about digital taking away too much from print. I am sure print will be around for a long time to come."

Balsara however said people in the print media should focus on content rather than on medium and should see themselves as news supplier instead of a print publisher.

In developing markets, print carries a very high credibility, he said.

"Print is sort of indispensable for new launches, announcements and for offers. For examples, print is invaluable for automobile launches and for banking and finance industries."

NBR rolls out Tk 100cr plan for electronic cash registers

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However, the potential remains untapped because of limitations in the tax system under the existing VAT law and a prevalence of waivers in a number of areas.

"It is a very conservative estimate. The revenue potential is higher if we can connect all the retail and wholesale stores to our server and if customers collect purchase invoices properly," said Syed Mushfequr Rahman, deputy project director of VAT Online Project.

He expects the tender to be floated within two weeks.

There are 8,007 entities in Bangladesh that are suitable to use the devices under the pilot phase, according to feedback from the revenue administrator's field offices. NBR said the ECRs will have fiscal memory, which will prevent sales executives from deleting data and ensure the actual amount of tax.

The devices will also be connected to a server at NBR, so that traders cannot destroy

or switch off the ECRs to avoid paying the actual VAT amount. As a result, it will be possible to take instant remedial measures if any ECR reports inconsistencies, said NBR.

The NBR also plans to run the system for five years for installation, commissioning and maintenance. It will ink deals with suppliers of the devices for maintenance and support, according to the letter.

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 in July.

The law envisages 15 percent VAT and seeks to end the package or fixed VAT benefit enjoyed by the retailers, including many large and medium retailers, although they do not fall under the category.

As there will be no package VAT under the new law, stores that have an annual turnover of above Tk 30 lakh will have to pay a 3 percent turnover tax under the law.



Standard Bank Chairman Kazi Akram Uddin Ahmed and Managing Director Mamun-Ur-Rashid attend the bank's annual business conference for 2017 at Royal Tulip Sea Pearl Beach Resort & Spa in Cox's Bazar on January 27.

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