

Lower income groups progress better than others: WB

STAR BUSINESS REPORT

People living in the lower levels of the income ladder in Bangladesh have registered higher growth in incomes between 2005 and 2010, compared to the overall population, according to a World Bank report.

Bangladesh is one of the 49 countries where income growth of the bottom 40 percent of the population exceeded the income growth rate of the overall population, the report added.

Bangladesh fared well compared to India in this respect, said Zahid Hussain, lead economist of the World Bank Dhaka office, at a workshop at the office premises yesterday.

Economic Reporters' Forum (ERF) and the WB Dhaka office jointly organised the event where Qimiao Fan, WB country director for Bangladesh, Bhutan, and Nepal, also spoke.

Hussain said the number of people living in extreme poverty has more than halved between 1990 and 2013.

Extreme poverty declined impressively in South Asia, he added.

However, overall inequality trends have not been impressive, said Hussain, citing

that income inequality has increased in Bangladesh between 1990 and 2013.

In terms of social indicators, Bangladesh surpassed India and Pakistan but it remains well behind on per capita income, except Nepal.

Hussain said South Asia has two key assets -- demography and geography. The large and potentially competitive labour force could be the catalyst to attracting regional and global production, he added.

"South Asia, particularly India and Bangladesh, can use their central location in the Indian Ocean to become a hub for transportation, communication and trade," he said.

However, there are challenges, he said, citing that the region's average score in Human Capital Index is lower than in Middle and North Africa. Bangladesh, India and Pakistan are held back by insufficient post primary educational enrolment rates and the poor quality of primary schools, he added.

Hussain said high productivity dispersion, weak commercial ties and a high cost of doing business are among the major challenges for the region. He suggested framing and implementing good policies.

ASA to disburse Tk 35,000cr loans in 2017

STAR BUSINESS REPORT

ASA, a leading micro-finance institution (MFI) in the country, has set a target to disburse Tk 35,000 crore as loans to 80 lakh clients in 2017, up by nearly 46 percent year-on-year.

Shafiqul Haque Choudhury, president of ASA, disclosed this at a coordination meeting of the organisation's regional managers yesterday at Krishibid Institution in Dhaka.

In 2016, ASA disbursed Tk 24,000 crore as loans. The MFI has also decided to introduce retirement benefits for its borrowers and open 50 agri-branches in a bid to assist small farmers across the country.

ASA members, who have completed 10 consecutive years of borrowing successfully but have become unable to continue their membership due to age bar, would get Tk 10,000 as retirement benefit.

If any spouse of an ASA borrower becomes disabled as a result of an accident, the unpaid loan of the member will be written off. Also, family of each deceased member will be provided Tk 5,000 as funeral cost.

Choudhury also said ASA spent Tk 40 crore from its surplus earnings to implement non-financial programmes including primary healthcare, primary education, sanitation and physiotherapy, during 2016.

He said 10 lakh people, mostly the underprivileged, were benefitted from the non-financial programmes of ASA.



Robin Edward, general manager of Radisson Blu Chittagong Bay View, attends the launch of a membership card—Prestige—of the five-star hotel at a programme on the premises of the hotel in the port city yesterday. The cardholders will enjoy special discounts and offers at the hotel.

Global accolade for PHD

STAR BUSINESS DESK

Media network PHD, a part of Omnicom Media Group, has been named as the "Global media agency of the year" by Adweek, a US trade magazine. The accolade is the latest in a string of awards for the network, according to the Adweek.

PHD also holds the "Media network of the year" honour with UK title campaign as well as the Cristal Awards, PHD said in a statement yesterday.

PHD won the first Adweek title in 2012,

according to the statement.

"I don't think any other network can lay claim to holding so many network and agency of the year awards concurrently," said Mike Cooper, CEO of PHD WW.

"We're delighted that Adweek has recognised the hard work and contribution that all 4,000 people across 89 offices have made to PHD's success in the past 12 months. We're also extremely grateful to work with such fantastic client partners."

In Bangladesh, PHD is a sister concern of Benchmark Group.



Francois de Maricourt, CEO of HSBC Bangladesh, and AKM Saiful Majid, director of the Institute of the Business Administration under Dhaka University, pose at the launch of HSBC-IBA Business Case Competition 2017, on the premises of the IBA in Dhaka yesterday.

Customs asks WB for details of 16 duty-free cars

FROM PAGE B1

Contacted, Qimiao Fan, WB's country director, told The Daily Star that the Dhaka office has already returned the customs passbooks of nine of the individuals mentioned in the CIID's letter.

"We are checking and locating the status of the remaining passbooks."

Fan has also sought six months from the NBR for renewal and surrender of the rest of the passbooks, and said they will work closely with the revenue authority to resolve any discrepancies.



Afzal Hossain, an actor, launches the operation of SIA Jewellery at a programme in Dhaka.

Brac to invest in Maya Apa app

FROM PAGE B1

State Minister for Telecom Tarana Halim was also present.

Through this initiative, Brac's urban development programme will implement a pilot project where Maya Apa app will be used to give services to 50,000 female garment workers, they said.

Maya Apa is a virtual platform that can be accessed by anyone anonymously at any time for counselling and answers to questions on daily life, including health, psychosocial and legal matters.

Once a question is asked, it is redirected to relevant experts and answers are given within three hours. The app was launched in February 2015 and around 1.5 lakh queries were received and answered. Currently, 10,000 users access it a day.

The minister said she is excited about such a service and has urged the investors and entrepreneurs to undertake a massive campaign. "It could be an effective tool to change the society and every mobile user in the country should use this service," said Tarana.

Musa of Brac said they were interested in investing in this project, as it could act as a tool in analysing socioeconomic impacts. They are working with 50,000 women under the pilot phase, with plans to reach 40 lakh garment workers eventually, he added.

Asif Saleh, senior director of strategy, communication and empowerment at Brac, said 60 percent of all the users of Maya Apa are women, and the service is available through any android-based smartphone, web or SMS.

Mobile wallet users suffer as BB lowers transaction limits

FROM PAGE B1

With a view to curbing terror financing, the BB in its directive also said the recipient must show proper verification -- national identity card or its photocopy -- to the mobile banking agent beforehand to withdraw cash of Tk 5,000 or more.

He had to go back home to fetch his ID card and go through the same drill again to get his hands on his tuition fees. "It was such a big hassle," said Sarkar. Kamal Quadir, chief executive officer of the country's largest MFS provider, bKash, said the small businesses were badly hit.

For instance, e-commerce entrepreneurs rely on MFS to complete payment for orders by customers from outside the capital and they said their orders have declined 30 percent this month. Muslim Ali, a trader at Mohammadpur Town Hall kitchen market, said he uses the MFS to pay his suppliers all over Bangladesh and after the new restrictions he is facing an extra hassle.

"Every day I have to send more than Tk 20,000 to my suppliers and now I am using two separate wallets," said Nuruzzaman, a chicken trader in the same market.

The other new restrictions include a maximum of two deposits and withdrawals in a day, down from five deposits and three withdrawals.

From now on, a mobile banking customer can deposit at most Tk 1 lakh in a month, down from Tk 1.50 lakh. The maximum monthly with-

drawal limit is Tk 50,000, which was earlier Tk 1.50 lakh.

A senior executive of the central bank said the new restrictions were put in place to shore up the official remittance figures, which have been on the decline in recent times.

In 2016, remittance inflow was at \$13.61 billion -- the lowest in five years, according to central bank statistics. The amount is lower than 2015's receipts by 11.13 percent.

The rise in popularity of MFS, which gave birth to the phenomenon of digital hundi, has been blamed for the slide by BB Governor Fazle Kabir.

Digital hundi is an illegal transfer of funds from abroad, in which the remitter deposits the amount to a vendor in his host country, who then instructs his network in Bangladesh to deposit the sum to the requested MFS account.

The transaction costs for sending money home through the process are lower than through Western Union, the standard channel for sending money from abroad.

Furthermore, it takes only half an hour to send money through digital hundi, according to Kabir.

"That's why it is getting popular, much to our concern," he said earlier at the quarterly luncheon meeting of the Metropolitan Chamber of Commerce and Industry at its headquarters in Dhaka.

But Mustafa Jabbar, president of Bangladesh Association of Software and Information Services, said there

might be no relation between the declining remittance and MFS.

"It is an immature decision from the banking regulator."

Jabbar also criticised the central bank for its reluctance to formulate guidelines on digital services.

Last year, a total of Tk 234,691.79 crore was transacted through the MFS channel, of which 42 percent was deposits, 39 percent withdrawals and 14.75 percent person-to-person transactions.

Market operators said the figures would be much lower this year because of the new BB directive.

Asif Ahnaf, president of the youth forum at e-Commerce Association of Bangladesh, said he requested the BB to rethink its position on the directive.

"The central bank should find a new way to regulate the market instead of imposing hurdles -- this is not the way to control the market."

Pial Islam, managing director of PI Strategy Consulting, a research firm related with this segment, said the new restrictions will not bring any good to the country.

"The central bank might think it will help them increase remittance but at the same time customers here are suffering badly for this."

There are about 3.96 crore registered mobile banking accounts, according to the BB.

Currently, there are 20 MFS licence holders and 19 of them are offering the service, though two operators, bKash and Rocket, have 99 percent of the market share.

Global yarn makers see Bangladesh as a potential market

FROM PAGE B1

Exports to the UK and some other European markets also fell last year.

"Bangladesh is our future market as China has been losing its market share in the global apparel business," Zhang said.

She said the demand for specialised textile like linen is very high in Bangladesh, which is quite capable of supplying fabrics in bulk to the garment makers.

"We have a plan to open a sales office in Dhaka in future as the business is growing," said Zhang, who came in Bangladesh for the first time to take part in the fair.

"The fabrics and yarn market in Bangladesh is growing riding on the higher demand from the customers," said Arifur Rahman Dewan, manager for sales and marketing at Huaren Linen Group (Bangladesh), a major supplier of linen fabrics from China worldwide.

Dewan said currently his company supplies linen fabrics to 15 customers and it has a target to increase the customer base to 100 by the end of 2020.

"Achieving the target of 100 customers is not difficult in Bangladesh, as there is huge demand for linen products," Dewan said. His company produces nearly 60 million yards of fabrics a year.

Ma Mingqiang, ambassador of China to Bangladesh; Shubhashish Bose, secretary in charge of the ministry of textiles and jute, and Faruque Hassan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, also attended the opening ceremony of the fair.

NBR to award more tax cards

FROM PAGE B1

On November 24 last year, the tax administration honoured 141 taxpayers in various categories, for depositing the highest amount of taxes with the state coffer in fiscal 2015-16. Of them, 76 were individuals. Previously, 20 tax cards were given in a year.

At the programme yesterday, Rahman said the NBR is committed to providing better services to the taxpayers. The NBR hosts tax weeks and has increased the

number of cards manifolds. The income tax fair has changed the public's perception of the income tax department, he said.

The NBR plans to strengthen alternative dispute resolution (ADR) to settle tax-related disputes out of court and realise a part of the nearly Tk 31,000 crore of revenue that remains stuck in these cases.

The revenue authority launched ADR in 2012 to quickly settle tax-related disputes out of court and realise taxes.



Mirza Azam, state minister for textiles and jute; Ma Mingqiang, ambassador of China to Bangladesh, and Shubhashish Bose, secretary in charge of the ministry of textiles and jute, attend the opening of the 11th Dhaka International Yarn & Fabric Show 2017—Winter Edition and Dhaka Int'l Denim Show 2017, at International Convention City Bashundhara in the capital yesterday. CEMS Global and CCPIT (CCPIT-TEX) organised the three-day event. Story on B1