

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.17%	▲ 0.16%	\$1,237.10 (per ounce)	\$56.06 (per barrel)	▲ 0.52%	▼ 0.47%	▲ 0.27%	▲ 0.51%	BUY TK 79.50	83.27	97.81	0.68
5,590.66	10,489.04			28,301.27	19,347.53	3,096.69	3,229.41	SELL TK 80.50	86.87	101.41	0.72

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

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

Star BUSINESS

DHAKA FRIDAY FEBRUARY 17, 2017, FALGUN 5, 1423 BS

Exporters suffer as air cargo ban lingers

REFAYET ULLAH MIRDHA

The UK and Germany, Bangladesh's two major export destinations in the EU, are yet to lift the ban on direct cargo flights from Bangladesh even though the government claims safety measures at Hazrat Shahjalal International Airport have improved.

Meanwhile, the ban has impacted shippers, exporters and freight forwarders as mandatory rescanning in third country has increased transportation costs.

"Every time experts from the UK and Germany come, they say the same thing, that the security measures at the airport have improved significantly but more needs to be done," said Rashed Khan Menon, minister for civil aviation and tourism.

The ministry hired more manpower and enlisted British firm Redline Aviation Security in March last year to provide training on security control and scanning baggage.

Six new screening machines will be installed at the airport next month, he said, adding that the civil aviation ministry is in the process of recruiting more staff.

"Millions of dollars have already been spent," he said, adding that he has been communicating with both the countries through the political and diplomatic channels but nothing seems to be working.

"We are still continuing our efforts so that the ban is lifted as soon as possible," Menon added.

But aviation experts and exporters differ.

The security measures taken by the government at the airport are not adequate to

satisfy the UK and German experts and to meet the European security standards, said an exporter asking not to be named.

"This is why the ban on direct cargo was not lifted by the UK and Germany. Security is a very important factor in the supply chain and no country compromises on it."

The exporter said there are shortages of screening machines and skilled manpower at the cargo village.

The job of airport automation is yet to be done, said Mohammed Mansur, general secretary of Bangladesh Fruits, Vegetables and Allied Products Exporters' Association.

"We keep hearing that the whole process would be automated soon but it is taking so long," he said, adding that there is still a lack of many equipment needed to make the facility of international standards.

Both the countries imposed the ban within a space of two months in the first half of last year -- and for the same reasons. The measures at the Dhaka airport could not guarantee a secure supply chain that meets the European regulations, they said.

Consequently, cargoes bound for Germany and the UK are now re-screened at a third destination, preferably Dubai, Qatar, Thailand, Turkey, Kuwait and Bahrain.

The additional step means the exporters have to work with the strictest of timelines to maintain the lead time: re-screening takes up an additional day or two.

The foreign airlines too have hiked the freight charges by five cents a kilogram for cargoes from Bangladesh to Germany and the UK.

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Wahiduddin Mahmud, an economist; Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, and Mirza Hassan, adjunct fellow of Brac Institute of Government and Development (BIGD) at Brac University, attend a policy workshop at Brac Centre Inn. BIGD, Brac University and UK-based research centre Effective States and Inclusive Development jointly organised the event.

Economy grows despite weak institutions: analysts

STAR BUSINESS REPORT

Bangladesh has been able to achieve steady economic growth despite weakness of many institutions.

Analysts at a policy workshop yesterday said this growth has been possible because of growth enhancing governance characterised by factors such as de-facto rent-sharing.

But a fair, credible and contestable election every five years will act as a deterrent to rent-seeking as the system helps make lawmakers accountable, they added.

The existing trend in the growth rate has been possible in Bangladesh because of a reasonably robust form of growth-enhancing governance, which aims to ensure growth in any way, even using corruption or even using bad laws, said Mirza Hassan, adjunct

fellow of Brac Institute of Government and Development at Brac University, who presented a paper at the day-long policy workshop.

"These are characterised by de facto rent sharing," he said, adding that the rents are just privileges.

Brac Institute of Government and Development (BIGD), Brac University and the UK-based research centre Effective States and Inclusive Development (ESID) jointly organised the event -- Politics and development, democracy and growth: Bangladesh and beyond -- at Brac Centre Inn.

Co-authored by Selim Raihan, a professor of the economics department at University of Dhaka, the paper explored the conditions of the political economy that allowed steady growth of Bangladesh.

Raihan, citing the pattern of structural changes, said the share of agriculture in GDP has gone down, while that of industry has increased. The share of services has also increased quite a lot, he added.

Economist Professor Wahiduddin Mahmud said the anticipation of periodic, fair and contestable elections will help ensure accountability of lawmakers and candidates. In that case, the regime knows that if it crosses an acceptable limit of rent-seeking, it will be dislodged, he added.

"Even in the constituencies, when you distribute privileges, the member of parliament knows that there will be credible elections, and you will have to combine the distribution of privilege, patronage politics with some real public goods," he said.

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ADP spending rises 39pc

STAR BUSINESS REPORT

The government's spending on its annual development programme rose 39 percent year-on-year to Tk 39,973 crore in July-January of this fiscal year as the utilisation of local resources went up.

The government has set aside Tk 123,346 crore for implementing various development projects this fiscal year.

Utilisation of the government's own resources increased 35.19 percent during the period, while foreign aid spending rose 26.52 percent, according to the Implementation Monitoring and Evaluation Division.

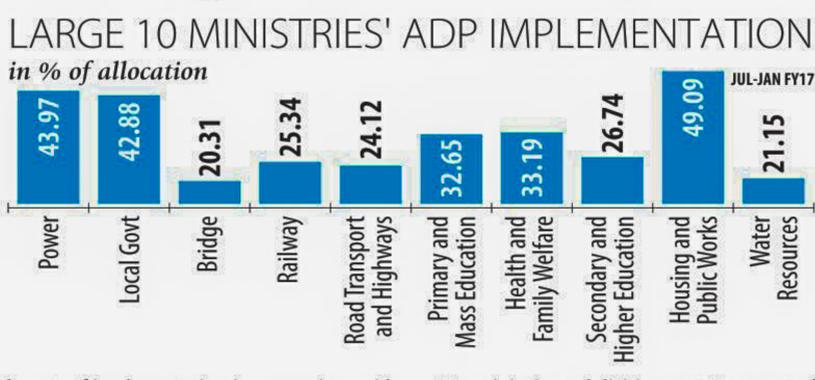
Besides, spending by state-owned enterprises during July-January went up 187 percent to Tk 3,465 crore against Tk 1,208 crore in the same period last year.

The implementation in terms of the percentage of total allocation stands at 32.41 percent, which was 28 percent in the same period last fiscal year.

Development spending has been slow since fiscal 2012-13 in terms of percentage of the total outlay.

In the first seven months of fiscal 2012-13, the total ADP implementation was 38 percent, with the rate of implementation progressively declining since.

Usually, the ADP amount increases every year, but its performance is evaluated by calculating



the rate of implementation in comparison with the total outlay.

The latest implementation rate showed that the government would have to spend about 68 percent of the total outlay in the remaining five months of the fiscal year.

According to previous records, 40-50 percent of the total ADP is implemented during the last quarter of a fiscal year.

Of the total spending in the first seven months, the implementation rate of the government's own fund was 36.63 percent, foreign fund utilisation 26.52 percent and that of state-owned enterprises 27.40 percent.

Ten ministries and divisions got 73 percent of the total allocation, of which only five ministries and divisions spent higher than the average implementation rate. They are: health and family welfare ministry, housing and public works ministry, primary and mass education ministry, power division and local government division.

The railway ministry, secondary and higher education division, bridges division, road transport and highways division, and water resources ministry spent much lower than the average.

Among the 55 ministries and divisions, 31 performed lower than the average implementation rate of 32.41 percent.

Alibaba, Amazon to build network in Bangladesh

Postal dept to join hands with the e-commerce giants

STAR BUSINESS REPORT

The postal division is going to collaborate with global e-commerce giants Alibaba and Amazon to deliver their products across Bangladesh.

A pilot project will be launched within a short time, said Tarana Halim, state minister for telecom and postal division, after a meeting with the postal department yesterday at her office.

"We want to establish local and international partnerships, which will help increase the postal department's revenue and make it self-dependent," said Tarana.

Susanta Kumar Mandal, director general of the postal department, said they will start the pilot phase with the two global companies in the first week of March.

If they get a positive response, they will sign an agreement in April. In November last year, the postal department launched postal e-commerce services in 20 post offices in Dhaka, which was the first such service under



any government entity in Bangladesh, said a top official at the programme.

Through this initiative, online buyers are now able to receive their products from e-commerce sites, delivered to their doorsteps in Dhaka.

"Using the postal services, we can deliver products to people living in the remotest areas."

Last fiscal year, the department earned Tk 294.05 crore in revenue with 16.52 percent year-on-year growth; it earned Tk 129 crore in the last six months alone.

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Mobile users to get usage records of previous 60 days

MUHAMMAD ZAHIDUL ISLAM

Mobile subscribers will soon be able to get their full usage information for the previous 60 days -- a move that can come in handy when solving familial and business-related problems.

At present, subscribers can get an itemised bill -- a log of dialled numbers, date and time of calls made, call durations and SMSs and MMSs sent -- upon request from mobile subscribers.

But with the latest decision of the Bangladesh Telecommunication Regulatory Commission, subscribers would also get a log of their incoming calls, SMSs and MMSs, said Md Sarwar Alam, secretary and spokesperson of the telecom regulator.

The operators will have to provide the usage information within seven days of receiving the customer's application.

The application must be made by the subscriber in person; he/she must come with proper authentication and the active SIM card.

The development comes after the BTRC was inundated with requests for usage details from subscribers after being denied by mobile operators, who are authorised to provide the information only under special circumstances.

The service is already available in developed countries, Alam said, without specifying when it would be rolled out in Bangladesh.

India plans to invest \$3b in Bangladesh

STAR BUSINESS REPORT

Investments from India worth over \$3 billion have been registered with the Bangladesh Investment Development Authority (BIDA), said Harsh Vardhan Shringla, Indian high commissioner to Bangladesh, yesterday.

More investments in the power, liquefied natural gas and port sectors in Bangladesh are in the pipeline as there is great business potential here, said the top Indian diplomat at the inauguration of the three-day Indo-Bangla Trade Fair 2017 at Sonargaon Hotel in Dhaka.

Commerce Minister Tofail Ahmed opened the fourth version of the fair as chief guest. The India-Bangladesh Chamber of Commerce and Industry (IBCCI) organised the fair to display products and services from both countries to the customers.

Companies from both India and

Bangladesh are also exploring new opportunities for investments and to set up joint ventures in each other's countries, said Shringla.

Indian companies such as Marico, CEAT, Tata Motors, Godrej, Sun Pharma, Asian Paints have made substantial investments in Bangladesh, the high commissioner said.

India has also been offered exclusive sites by Bangladesh to establish special economic zones, he said. These zones may be at Mongla or Chittagong, he added.

"With the India-Bangladesh trade and commercial relationship growing at a substantial pace, Bangladesh is now India's biggest trade partner in South Asia."

In the last 15 years, Bangladesh's exports to India have grown tenfold and India's exports to Bangladesh six times. Bilateral trade in 2015-16 stood at \$6.14 billion, Shringla said.

In November last year, IBCCI had organised a fruitful discussion on enhancing India-Bangladesh Waterways Connectivity, which saw good participation from both the countries.

"In an important development in waterways and sea connectivity between India and Bangladesh, the first container ship will arrive from Kolkata to Pangaon Inland Container Terminal tomorrow (Friday) under the Coastal Shipping Agreement between our two countries," he said.

Around 60 companies from India and Bangladesh, from diverse sectors like automobiles, pharmaceuticals and chemicals, are participating in the fair.

This also includes business delegations from Confederation of Indian Industry and Bengal Chamber of Commerce and Industry, Kolkata.

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Stop harassing garment workers: US rights body

STAR BUSINESS REPORT

Human Rights Watch, a New York-based advocacy group, has urged the Bangladesh government and garment factory owners to stop persecuting workers and their unions following the labour unrest in Ashulia.

"Dozens of garment workers and labour leaders are facing unfair and apparently fabricated criminal cases since the garment workers in Bangladesh started strike demanding Tk 16,000 monthly minimum wage on December 11, 2016," it said in a statement on Wednesday.

Subsequently, it demanded immediate release of the arrested workers and labour leaders.

The rights body also criticised the harassment and intimidation of labour activists, the filing of cases against unknown people under the Special Powers Act-1974, the misuse of "arrest without warrant" power and the arrest of a journalist from ETV.

HRW also said the global brands and donors that are attending the Dhaka Apparel Summit on February 25 should urge the government to stop all persecution of union leaders and safeguard workers' freedom of association.