

SIBL Islamic Credit Card
COVERS THE WORLD AROUND YOU

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২

Star BUSINESS

DHAKA TUESDAY MARCH 14, 2017, FALGUN 30, 1423 BS

No new jobs in apparel

STAR BUSINESS REPORT

Job creation in the garments sector has slowed as factory owners are adopting modern machinery and hundreds of small and medium factories have shut down for failure to meet compliance standards.

Total employment in the apparel sector has stagnated at 40 lakh between the years 2013 and 2016, said Rushidan I Rahman, executive chairperson of Centre for Development and Employment Research (CDER), yesterday. She was speaking at a discussion on Development and Employment: Selected Issues for Budget 2017-18, at Bangladesh Institute of Development Studies.

CDER organised the event where analysts also discussed jobs in the informal sector, consumer interest in budget making and the government's programme to distribute rice at Tk 10 a kilogram to the ultra poor under the Food Friendly Programme (FFP).

The total number of apparel makers has dropped from 5,063 in 2010 to 4,324 in 2016. However, export per worker has increased from \$2,718 in 2010 to \$7,023 in 2016, she said.

She linked the fall in jobs to entrepreneurs shifting to modern technologies and machinery.

At the same time, many small and medium factories have closed down for failing to comply with compliance requirements, she added.

"It is a matter of concern." She suggested ensuring loans and training so that small and medium enterprises can become compliant, continue production and create jobs.

She also recommended export diversification for employment generation, and training and education to develop a skilled labour force.

She stressed the need for establishing child-care facilities to encourage more women to join the labour force.

Rahman suggested the government give an employment budget by incorporating goals and strategies, and provide accounts of job creation as a result of the budgetary steps and mega projects.

Ahsan H Manur, executive director of Policy Research Institute of Bangladesh, said increased investment is needed to absorb the increased labour force.

Fahmida Khatun, executive director of Centre for Policy Dialogue, said, "Women workers become victims for the use of modern technology in the garments sector."

READ MORE ON B2

Private banks book hefty net profits

REJAUL KARIM BYRON

Private commercial banks saw 17.2 percent growth in net profit last year -- a development that will bring cheer for stockmarket investors.

In 2016, private banks, most of which are listed on the stockmarket, counted Tk 7,806 crore in net profit --

which Tk 6,050 crore was deducted as tax and Tk 7,210 crore as provisioning against bad loans.

A rise in private banks' net profits is always good news for the stockmarket, said Helal Ahmed Chowdhury, former managing director of Pubali Bank and presently an independent director of Islami Bank.

increase much and they had to keep less provisioning -- this contributed to their big net profit figures," he added.

Since the banks were track to logging in good profits this year, the stockmarket has been bullish in recent times, said a private bank official.

"If people invest evaluating the financial condition of companies, they will not lose money. The market will also remain stable," he added.

Another official said the financial condition of most of the banks listed on the stockmarket is good. "That's why bank shares are good investment now."

The foreign banks though did not share the private banks' good stroke of fortune last year: their net profits dropped 7.74 percent to Tk 1,430 crore.

The 48 local banks' operational profit rose 11 percent to Tk 17,520 crore, while that of foreign banks declined 15 percent to Tk 2,455 crore.

Of the total 57 banks in the country, Islami Bank Bangladesh recorded the highest operating profit of Tk 1,546 crore last year, followed by Standard Chartered at Tk 1,386 crore and National Bank at Tk 1,085 crore.

Janata Bank logged in Tk 1,010 crore of operating profit -- the fourth highest of the year.

Six state banks altogether logged in operating profits of Tk 2,010 crore, down 37 percent year-on-year.

After accounting for provisioning and tax payment, state banks registered net loss for the year: Tk 511 crore. In 2015, their net loss was Tk 125 crore.

Two other state-owned specialised banks -- Krishi Bank and Rajshahi Krishi Unnayan Bank -- last year counted losses of Tk 418 crore in contrast to Tk 167 crore in 2015.

Policy to make best use of aid money on way

REJAUL KARIM BYRON

The Economic Relations Division has finalised a foreign assistance policy that will make the government, development partners and NGOs accountable for not making the best use of aid money.

The final draft of the 'National Policy on Development Cooperation', which aims to cut debt risk and quick implementation of donors' soft money, was finalised last week at a meeting chaired by Finance Minister AMA Muhith.

The draft, which was unveiled yesterday, is now awaiting cabinet approval.

As of February, the amount of foreign aid in the pipeline is about \$36 billion, and if it is disbursed at current pace the amount will cross \$50 billion in ten years' time.

New commitment to the tune of \$5 billion to \$6 billion is made every year.

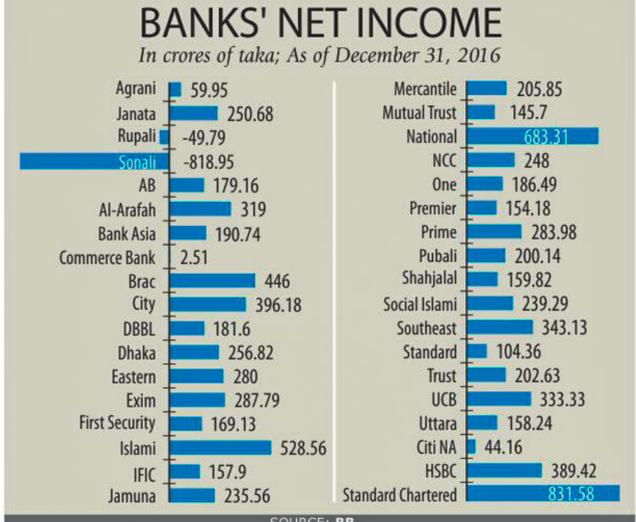
On the other hand, Bangladesh's debt sustainability is still much lower than the permissible international limit of 40 percent of gross domestic product. Last year, it stood at only 11.77 percent.

In January last year, the government's outstanding foreign debt stood at \$24.78 billion.

The reason for drafting the policy is a matter of caution, said an ERD official.

"Bangladesh has undertaken many big projects and the government does not want the foreign debt to create a risk in the economy," he added.

READ MORE ON B2



eclipsing the overall banking sector's performance.

The overall banking sector's profit grew 4.9 percent year-on-year to Tk 8,306 crore in 2016, according to the central bank's provisional statistics.

The banks last year made operational profit of Tk 21,567 crore from

"The private banks will be able to give good dividends to their shareholders this year."

The reason for the big rise in profits of private banks is that they have taken a good number of steps to cut down their non-performing loans.

"As a result, their bad loans did not

Ensure insulin for diabetic children

Says president of Diabetic Association of Bangladesh

STAR BUSINESS REPORT

The government should ensure universal healthcare for children with type-1 diabetes so they can lead a normal life, said a campaigner fighting the medical condition.

Prof AK Azad Khan, president of the Diabetic Association of Bangladesh (DAB), said just as human beings cannot live without oxygen or food, children with type-1 diabetes cannot live without insulin.

"So the government should treat type-1 diabetes among children as a human rights issue. If it does so, it would not be tough to battle type-1 diabetes."

Khan said about 3 percent of the 71 lakh estimated diabetic patients in Bangladesh are children with type-1 diabetes.

"The government should be able to help treat these children," he said, adding that the wealthy families would buy the insulin while the poor should get state support.

He made the comments at a programme -- Changing Diabetes in Children (CDIC) -- at Birdem Mother and Child Hospital-2 in the capital's Segun Bagicha.

Danish insulin-maker Novo Nordisk has been running the project to improve diabetes care for children since 2010.

At present, 1,800 poor children are involved with the programme, which is giving them free access to insulin products, blood sugar measurement, and knowledge about diabetes as well as ensuring free education, food and clothing, said Bedowra Zabeen, project coordinator.

Peter Ulvskjold, corporate vice-president of Novo Nordisk, said the

Danish company would continue to support the CDIC initiative.

The rising burden of diabetes is a big threat to sustainable development goals as health and development is closely linked, said Ulvskjold.

"One cannot be achieved without the other." At the programme, three children who have kept their diabetes under control for the last one year were honoured.

Novo Nordisk has been working to improve diabetes care for over 50 years in close collaboration with the DAB, supporting it to raise awareness and run health education programmes.

Every year, 20,000 doctors take part in programmes aimed at improving their knowledge on diabetes care, said Anand Shetty, managing director of Novo Nordisk Bangladesh.

He said 12,000 doctors have benefited from the distance learning programme.

Md Sayef Uddin, secretary-general of the DAB, said efforts must be continued so that children with type-1 diabetes can lead a normal life.

The number of diabetic patients is expected to double by 2040 in Bangladesh. In 2015, 129,313 died from diabetes-induced complexities, according to International Diabetes Federation.

Eskeyef, owned by Transcom Group, has been manufacturing insulin for Novo Nordisk in Bangladesh since 2012, while Transcom Distribution Company distributes insulin products across the country.

"Novo Nordisk gives priority to supporting the growing need for treatment of children living with diabetes," said Mohammad Saiful, head of marketing of Novo Nordisk Bangladesh.

Dhaka chamber for 7pc VAT, cuts in corporate tax rates

STAR BUSINESS REPORT

Dhaka Chamber of Commerce & Industry (DCCI) yesterday called for a 7 percent valued added tax instead of the 15 percent planned for the upcoming fiscal year and a cut in corporate taxes.

The chamber made the proposals as it submitted 49 recommendations to the National Board of Revenue (NBR) for the government's consideration.

DCCI President Abul Kasem Khan presented the chamber's budget recommendations to NBR Chairman Md Nojibur Rahman at the latter's office.

Khan said the VAT rate should be 7 percent instead of the 15 percent the government is planning to implement from July 1 this year.

He proposed Tk 350,000 as tax-free income limit for individuals and Tk 475,000 for war-maimed freedom fighters, according to a statement from the chamber.

The DCCI proposed keeping research and development activities free from tax.

Khan suggested reduction of corporate tax rate for merchant banks to 35 percent from the existing 37.5 percent. The corporate tax rate should be 30 percent for non-listed companies, 22.5 percent for listed companies and 32.5 percent for brokerage operations, he said.

READ MORE ON B2

Dhaka Stock Exchange Limited

Seeking Offer from Potential Strategic Investors

Dhaka Stock Exchange Limited (DSE), the premier bourse of Bangladesh, was demutualized in 2013 under the Exchanges Demutualization Act, 2013 by separating the trading rights from ownership with an objective to bring in superior corporate governance.

According to the provision of the Demutualization Scheme of DSE and the Exchanges Demutualization Act, 2013, up to 25% of total issued shares shall be sold to Strategic Investor. Additional shares may be sold to the strategic investor, if allowed by the Bangladesh Securities and Exchange Commission (BSEC) in greater interest of the capital market.

In pursuant with this requirement and with a vision to be the leading exchange in the region and a key driver of economic growth, DSE is seeking potential Strategic Investors locally and internationally. The potential strategic investors can be from the following broad categories:

- Exchanges;
- Technology Firms;
- Institutional Equity Investors having long term capital market experience; and
- Banks and Financial Institutions.

The potential strategic investors are expected to have, among others:

- Strategic fit (industry experience, market experience, credibility, etc);
- Value proposition balanced with strategic considerations; and
- Cultural compatibility.

Shareholders have created value for the exchange over long time. Hence, it is very important to receive the right financial considerations for offloading shares to Strategic Investors.

Details of the Demutualization Scheme, financials of DSE and criteria for selection of strategic investors are available on our website www.dsebd.org.

Interested potential strategic investors are requested to submit offer document in a sealed envelope to DSE at the following address by **April 30, 2017**. The offer document shall include detailed qualifications in accordance with the conditions stipulated in the Demutualization Scheme of DSE, potential contributions which will bring in substantial positive value through effective synergy and the financial offer. EOIs already received from interested parties are requested to submit their financial offers within the mentioned deadline.

Managing Director
Dhaka Stock Exchange Limited
Stock Exchange Building
9/F Motijheel C/A, Dhaka-1000, Bangladesh
E-mail: strategic.investor@dse.com.bd

DSE reserves the right to relax any of the above condition(s) and to accept or reject any offer without assigning any reason whatsoever.

Platform Partners: Nasdaq, FLEXTRADE

Technology Partners: Hewlett Packard Enterprise, VMware, Microsoft, redhat, CISCO, EMERSON, McAfee, Norton

www.dsebd.org

Home Loan Take-over @ **8.75%**

Processing Fee **0.50%**

16219 or 09604016219

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Hyundai signs 3b euro deal for Iran oil project

AFP, Tehran

Hyundai has signed a deal worth three billion euros (\$3.2 billion) to invest in a major Iranian oil project, the South Korean firm confirmed on Monday. Hyundai Engineering plans to invest 3.1 billion euros in the second phase of the Kangan oil production and refinery project in southwest Iran, it said in a statement.