

Pran starts mango collection

STAR BUSINESS DESK

Pran, one of the biggest agro-based companies of the country, started mango collection and pulping activities on May 19.

The company targets purchasing 60,000 tonnes of mangoes this season, Pran said in a statement yesterday. Hazrat Ali, deputy general manager of Pran Agro Ltd's factory in Natore, shared the information with journalists at a programme at the factory's auditorium in Natore on Thursday.

Pran will purchase the fruit in large quantity from its contract farmers especially in Rajshahi, Natore, Chapainawabganj, Naogaon, Dinajpur and Satkhira, he said.

Pran collects mangoes from its 15,000 contractual farmers, who get necessary assistance from the company, said Md Kamruzzaman, senior manager of the contract farming department at Pran Agro Business Ltd.

The mangoes have to face some quality control measures before making their way into the factory, Ali said.

"We check whether the mangoes are ripe or rotten. The good ones are then sent to the laboratory for necessary tests, including formalin and PH."

"We also check the weight of the



PRAN

People work in the Natore factory of Pran Agro as the company started collecting mangoes on May 19.

collected mangoes. After the laboratory tests, they are sent to the factory for processing," Ali said.

After its collection, the company preserves pulp through aseptic technology, he said.

"The advantage of this technology is that it helps preserve the pulps for a year without freezing. The taste and freshness of the pulps also remain unchanged."

Pran Group produces various kinds of mango drinks, mango bar and other food items, including jelly. It makes pickles from green mangoes.

At present, Pran exports its products to 134 countries in the world, he said.

Pran Agro Ltd's Natore factory currently employs 7,000 people, and every mango collection season

creates employment opportunities for around 3,000 people, 90 per cent of whom are women, Ali said.

Shujan Mahmud, head of media; Zeaul Haque, assistant general manager for public relations at Pran-RFL Group, and Abdul Kader Sarker, senior manager for admin at Pran Agro Ltd's factory, were also present at the programme.

GSK's new general manager for Myanmar, Bangladesh, Nepal

STAR BUSINESS DESK

Prashant Pandey has recently been appointed as general manager of GlaxoSmithKline (GSK) for Myanmar, Bangladesh and Nepal, the company said in a statement.

Prior to the appointment, Pandey had been working for GSK's India operations as area marketing lead for nutrition and digestive health and expert sales and marketing excellence.

He joined GSK in July 2008 as general manager at health food drinks and subsequently moved into the head for family nutrition category role 2013.

"I welcome Prashant to his new and



Prashant Pandey

exciting role," said Manoj Kumar, area general manager at GSK Consumer Healthcare.

Kumar said he is confident that Pandey's vast experience in India in the health food drinks category and leadership skills will contribute immensely to the company's operations in Myanmar, Bangladesh and Nepal.

On his appointment Pandey said: "This is indeed an exciting and challenging opportunity and am honoured to be here."

He holds a BSc degree from Agra University and an MBA from the Institute of Management Technology at Ghaziabad in India.

India calls for middle-income country coalition to revive globalisation

REUTERS, New Delhi

India called on Thursday for a coalition of middle-income countries to drum up support for globalisation as a political backlash in the United States and parts of Europe against free trade and investment imperils its growth aspirations.

Arvind Subramanian, the finance ministry's chief economic adviser, suggested India could lead a coalition of countries with open economies to promote free trade.

"We, in India, now have a much bigger growing stake in ensuring that the world markets remain open, that we continue to see globalisation," Subramanian told a conference on the world's 20 biggest economies (G20).

"A coalition of middle-income countries led by India or at least where India is taking charge, would be something we should seriously explore."

The proposal comes as frustration with persistently low growth, stagnant wages and diminishing job security has sparked opposition in Europe and the United States to free movement of capital, goods and services, which critics blame for eroding incomes and worsening inequality.

Those worries prompted U.S. President Donald Trump last week to pull the United States out of the landmark 2015 global

agreement to fight climate change.

Across the Atlantic, British Prime Minister Theresa May has rejected "untrammelled free markets" and plans to cut annual net migration to the tens of thousands.

Free trade and investment in the 1990s and 2000s triggered an unprecedented boom in the global economy, leading to rapid increases in per capita income and reductions in poverty.

India, for example, saw average annual gross domestic product growth of 8.2 per cent between 2003-2011, buoyed by 20-25 percent annual growth in exports.

A slump in export markets since then has brought average growth down below 7 percent. Asia's third-largest economy needs to expand by at least 8 percent a year for the next decade to create jobs for its burgeoning workforce.

But to realise its growth ambitions, India estimates goods and services exports would have to rise 15 percent a year.

Subramanian said India would have to demonstrate a commitment to open markets and do more to liberalise trade and investment without worrying about the costs.

"We are now an important player ... we cannot say the burden of keeping it open rests exclusively with others," he said.

"Wielding power and influence entails responsibility."



NRB GLOBAL

Nizam Chowdhury, chairman of NRB Global Bank, cuts a ribbon to open the bank's Isapur branch at Hathazari in Chittagong on Wednesday. Proshanta Kumar Halder, managing director, was also present.

Islamic banking growing rapidly

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According to a statement of BIBM, Bangladesh ranked 10th in the world in terms of Islamic banking. Sudan came first and Iran second, while Saudi Arabia stood fourth and Pakistan 13th.

Propaganda that Islamic banking is financing terrorist activities has emerged as a major challenge both in Bangladesh and internationally, the study report said.

The absence of comprehensive Islamic banking laws and service diversification, and a lack of skilled workforce are also major challenges confronting Islamic banking in Bangladesh, it said.

The study report called upon bankers to remain alert about terror financing. Bankers should be transparent on the issue and follow guidelines.

Speaking at the workshop, Abu Hena Mohd Razee Hassan, a deputy governor of Bangladesh Bank, said Islamic banking is an important segment of banking in Bangladesh.

"Islamic banking lacks a complete law although there are some directives on the sector," he said, adding that the central bank is working on the matter.

The deputy governor said non-Muslims account for 60 percent of clients of Islamic banking around the world.

BIBM Director General Toufic Ahmad Choudhury said a significant number of banks are running Islamic banking operations in Bangladesh, but the members of banks' sharia council have a lack of knowledge and competency on this type of banking.

Md Azizul Haque, an expert on Islamic banking, urged sharia-based banks to be professional. Sometimes, it is observed that Islamic banking becomes religion-based rather than being professional, he said. "It is dangerous."

It is difficult to implement Islamic banking at banks where the sharia council is not strong, he added.

Helal Ahmed Chowdhury, supernumerary professor at BIBM, said Islamic banking has to be designed in light of the banking company laws so that all banks come under a common platform.

Md Yasin Ali, another supernumerary professor of the institute, said Islamic banking services are normally provided using a religious sentiment.

"Many are taking advantage of this religious sentiment to fool clients. This type of activities will not bode well for Islamic banking."

Md Alamgir, an associate professor of BIBM, presented the research paper.

FDI yet to pick up despite govt efforts

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The government has been developing special economic zones for attracting FDI and the one-stop service act is in the offing for providing more efficient and quick services to foreign investors, said Md. Abul Kalam Azad, chief coordinator of SDG at the Prime Minister's Office.

Azad also touched upon the cargo troubles that Bangladesh is facing.

He said most of the requisite security equipment would be installed at the Shahjalal International Airport in Dhaka within the next two months for more efficient management of airport activities.

The Bangladesh Investment Development Authority organised the event at the capital's Sonargaon Hotel.

New VAT rate to push up LP gas price

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The bottled gas has gained ground as an alternative to piped gas, said the letter. The government also considers it as an important sector and has continued duties and VAT exemption at import stage.

The association said the existing VAT aims at keeping the price of cooking gas within the buying capacity of consumers and making it more popular.

The operators had requested the government to keep LPG out of the purview of the new VAT law. But the finance minister has not given it the exemption, said the letter.

"As a result, the VAT on LPG will go up by manifold from the existing VAT," said the association.

Presently, the market of LPG stands at 3 lakh tonnes per year with demand witnessing double digit growth. Last year, the total LPG consumption in Bangladesh was 3.5 lakh tonnes. The 12kg cylinder is the most popular one among households and its retail price is Tk 1,050 now, which will go up to Tk 1,250 once the new VAT rate takes effect.

However, the finance minister in his budget has reduced the customs duty on raw materials, required to make LPG cylinders, from 10 percent to 5 percent. But the duty cut will not benefit consumers that much as a cylinder lasts as long as 30 years, according to industry people.

In the budget, VAT exemption facil-

ity for local LPG cylinder manufacturers has been extended from June 2017 to June 2019. LPG consumption in Bangladesh is very negligible compared to most of other Asian countries.

Only 2 percent population has access to LPG as urban households, industries and automobiles largely depend on natural gas.

The annual LPG consumption can go up to 2 million tonnes or even more within five years to a decade, according to one operator.

The government has already awarded permissions to set up 50 LPG bottling plants in the country, some of which are already in operation. Still, more than 80 percent of the demand is met by imports.

Tax measures will add to worries

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Low prices of these items will encourage increased production of goods and services and boost consumption which will help the government log more revenue, he said.

All these will ultimately accelerate the country's economic growth to 10 percent from the existing 7 percent, he said.

The government should collect revenue from other sources, not from

electricity, gas and water, he said.

When several thousand crores of taka is taken away from banks through forgery, the finance minister terms that a small amount, Alam said.

But when the demand for a reduction in VAT is made, the minister refuses to do it, citing reasons that Tk 8,000 crore will be lost for the cut, he said.

Humayun Kabir Bhuiyan, general secretary of CAB, said people are

anxious about the VAT.

Only the prices of iron rods may see a rise if the 15 percent VAT is applied, said Jahangir Hossain, NBR member for VAT policy.

Nojibur Rahman, chairman of NBR, said many commodities that face 5 percent and 12 percent goods and service tax in India have been exempted from VAT in Bangladesh. Rezaul Hasan, NBR member and VOP director, also spoke among others.



ORION FOOTWEAR

Ruhul Amin Molla, CEO of Orion Footwear Ltd, cuts a ribbon to open its new outlet at Shimanto Square in Dhaka on June 6. The company offered 15 percent discount on every purchase in the outlet for the first three days.

Gold discounts widen in India

REUTERS, Bengaluru/Mumbai

Demand for gold in Asia was muted this week as the bullion's rebound in prices curbed purchases, with discounts in India widening to the highest in more than five months.

Spot gold hit a seven-month peak earlier this week, primarily boosted by safe-haven demand stemming from political uncertainties in the United States and Europe.

"Gold markets in Asia have been quiet... The rise in price did encourage destocking in some markets, but purchases have been slow," said Cameron Alexander, an analyst with Thomson Reuters-owned metals consultancy GFMS.

Businesses not ready for new VAT system: analysts

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But Mannan said: "We have kept most of items out of the purview of VAT so that low income people are not affected."

"But I personally think tax should be imposed on every product except for lifesaving drugs. It should be imposed even on rice."

He said people have now come to accept the size of the budget, which is the largest yet, although it appeared 'very big' during the initial days.

"Everybody, from top to bottom, is in discomfort on the issue of VAT," said Rasheda K Chowdhury, executive director of Campaign for Popular Education, a national coalition of non-governmental organisations working in the field of literacy and education. As a case in point, she shared her recent rickshaw ride experience: "The rickshaw-puller demanded a higher fare saying that he has heard the prices will rise as a new law is coming."

She went on to seek clarification from the government whether the price level will go up or not once the VAT and Supplementary Duty Act 2012 comes into effect.

The government needs to give attention to improve its budget implementation capacity, said Faruq Ahmad Siddiqi, former chairman of Bangladesh Securities and Exchange Commission.

Mustafa Jabbar, president of the Bangladesh Association of Software and Information Services, expressed satisfaction over the budgetary measures for the ICT sector.

He, however, expressed doubts about the implementation of the new VAT law online through the software developed by a Vietnamese firm. "The software is very complicated and even the NBR officers do not understand it properly. No ordinary person will be able to use it."

"It would not be possible to digitise the VAT system without digitising the NBR. Without digitising the NBR, how is it possible to go for online VAT?"

Jabbar went on to state that the online system may increase harassment for businesses.

Mohammed Nasir, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said the export growth has been slow and remittance declining.

He demanded support from the government to boost shipment. The government has allocated Tk 2,000 crore for the state banks' capitalisation, a move that was criticised by Kamrul Abedin, former president of ICAB.

"Like in previous years, the government also give scope to whiten black money. As long as this scope is there, bribery and corruption will not stop," he added.