

DSEX
▲ 0.17%
5,656.04CSCX
▲ 0.12%
10,591.37Gold
\$1,239.40
(per ounce)Oil
\$45.10
(per barrel)MUMBAI
▲ 0.08%
30,857.52TOKYO
▲ 0.45%
20,220.30SINGAPORE
▲ 1.34%
3,258.65SHANGHAI
▲ 0.46%
3,187.90USD
BUY TK 79.85
SELL TK 81.35EUR
90.17
93.77GBP
102.69
106.29JPY
0.70
0.73

BUSINESS

DHAKA FRIDAY JUNE 30, 2017, ASHAR 16, 1424 BS

Exporters count losses for EU air cargo ban

REFAYET ULLAH MIRDHA

Exporters are facing extreme difficulties in shipping their goods to the European Union due to a ban on direct cargo flights from Dhaka to the 28-nation bloc.

The EU, the destination for the country's over 54 percent exports, have declared the Hazrat Shahjalal International Airport a 'red zone' earlier this month due to insufficient safety and security measures, following the lead of the UK, Australia and Germany.

For instance, goods must first be screened by bomb detection dogs or equipment before they are loaded on to the aircraft -- none of which is

available at the Dhaka airport.

Following the latest EU decision, which came into effect from June 1, businesses have to get their consignments re-screened at a third airport en route to an EU country.

"We are losing our business everyday," said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, adding that about \$1 billion worth of garment orders are lost in a year due to the inefficiency of the airport authority.

One of the foreign airlines has informed that it will no longer carry goods from Bangladesh as it has a shortage of human resources to handle at the third airport.

Furthermore, the airliners have increased the cargo fares by 10 cents to 12 cents per kilogram for the need to re-screen them, Rahman said.

Bangladesh raked in \$18.68 billion from its exports to the EU in fiscal 2015-16, which was 54.57 percent of the total receipts for the year.

Of the sum, \$17.15 billion came from apparel shipments. The EU currently accounts for over 60 percent of Bangladesh's garment export receipts in a year.

Besides, 60 percent of fruit and vegetable and other perishable exports also go to the EU and their exporters are the worst sufferers because of their short shelf-life.

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Budget of Tk 400,266cr passed

STAR BUSINESS REPORT

The parliament yesterday passed a budget of Tk 400,266 crore for fiscal 2017-18 -- the highest in the country's history.

Earlier on June 1, Finance Minister AMA Muhith had proposed the ambitious budget for the incoming fiscal year -- banking on higher collections thanks to the new VAT law that was scheduled to come into effect from tomorrow.

The lawmakers pushed back the implementation of the VAT and

Supplementary Duty Act 2012 by two years, but the budget size -- an increase of 26.19 percent from the outgoing fiscal year -- was not scaled back accordingly.

This has raised questions on how funds would be mobilised to implement such a big budget.

Muhith did not specify in parliament on Wednesday whether the revenue generation target would be affected following the shelving of the new VAT law.

He, however, said the size of the budget would have to be amped up to

transform Bangladesh into a middle-income country by 2021 and a developed one by 2041.

"So, it is normal for our budget to be a bit ambitious."

The implementation record of every budget from fiscal 2008-09 to fiscal 2016-17 suggests the incoming year's one is not impractical, the finance minister said.

The average budget implementation rate has been 88.8 percent of the estimated budgets since fiscal 2008-09, according to Muhith.

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Bangladesh has 7 crore internet users

MUHAMMAD ZAHIDUL ISLAM

Total active internet connections crossed the milestone of seven crore in April -- a development that can be viewed as a pat on the back for the government's 'Digital Bangladesh' aspiration.

"This landmark achievement is a matter of pride for us -- very few countries in the world have such huge volumes of internet connections," said Shahjahan Mahmood, chairman of the Bangladesh Telecommunication Regulatory Commission.

Of the total connections, 93.69 percent are through the mobile network, 6.17 percent through the internet service providers and only 0.14 percent through WiMAX that is available in cities.

The industry crossed the six crore mark in August last year, five crore in August 2015 and four crore in September 2014. At the end of May, total active internet connections stood at 7.20 crore, according to the telecom regulator.

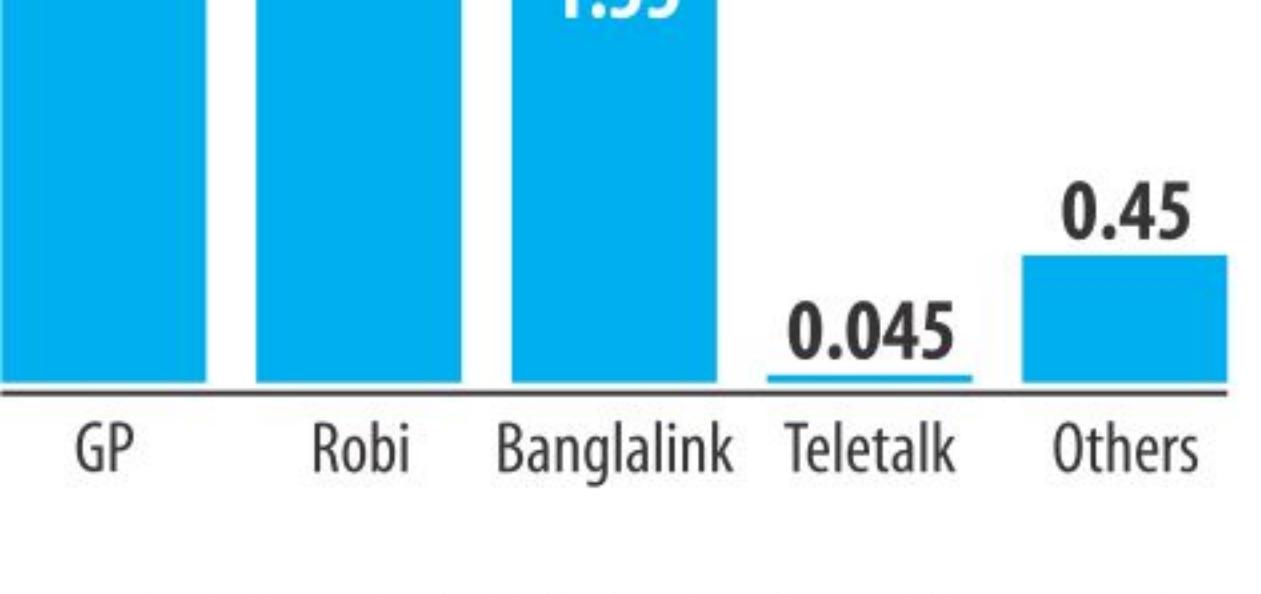
Of the mobile operators, market leader Grameenphone has about 2.96 crore internet connections, Robi 2.18 crore, Banglalink 1.55 crore and state-owned Teletalk 4.48 lakh.

Internet connections

(As of May)

Figures in crore

SOURCE: BTRC



The two WiMAX operators Banglalion and Qubee have 45,551 and 36,559 active internet users respectively.

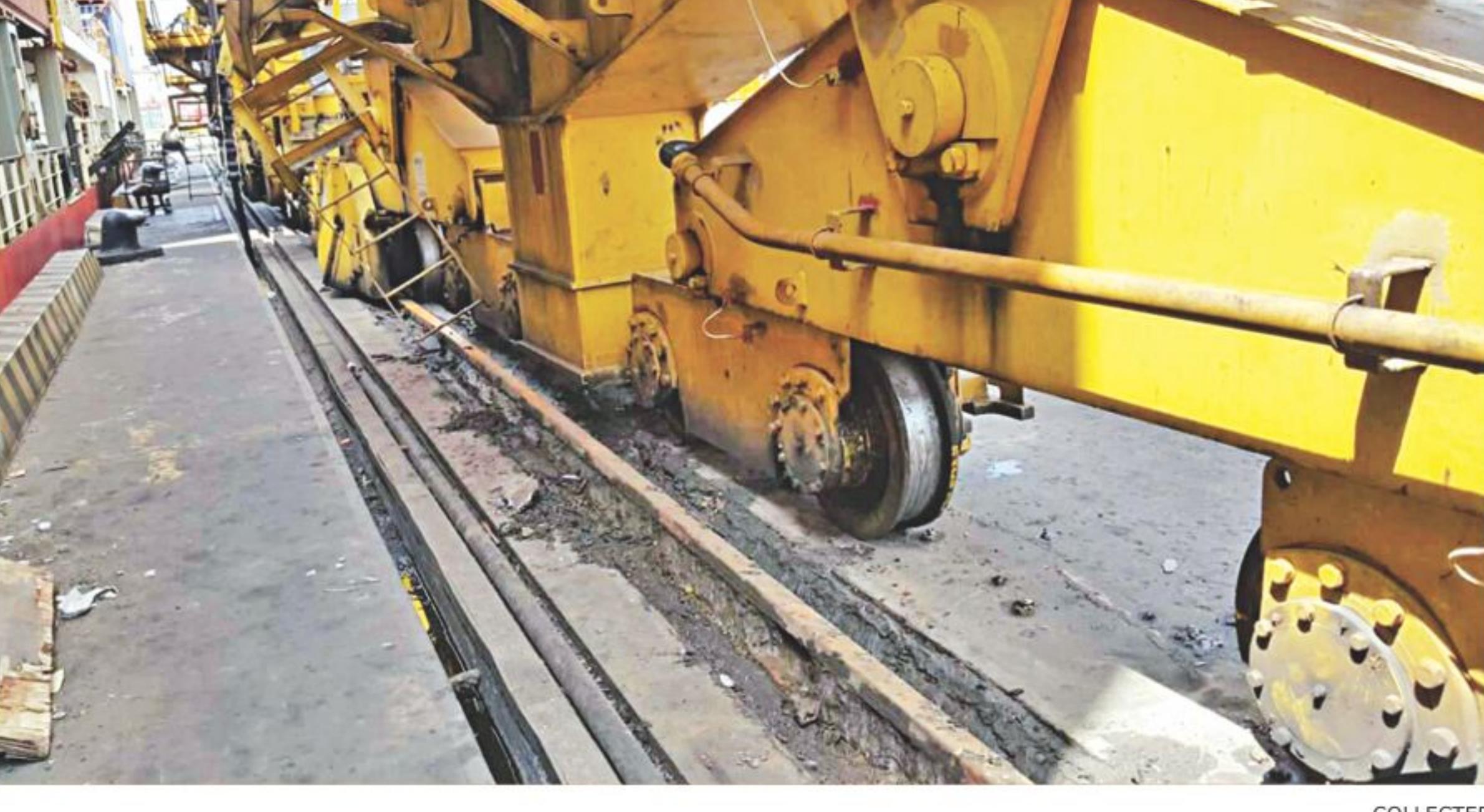
State-owned landline operator Bangladesh Telecommunications Company Limited has 21,021 internet connections.

Mobile phone operators said the internet has become a basic need and the industry will see a good growth rate when the bandwidth prices decline.

The top three mobile operators' quarterly financial reports also showed their data usage has grown but they said the unique internet user numbers are not increasing significantly.

Currently, only about 20 percent of their subscribers are using the internet, the mobile operators said. However, based on its numbers, the BTRC said, as of now internet penetration stands at 44.43 percent.

At the end of May, the total active mobile connections stood at 13.50 crore. If any SIM does not remain active for 90 days, it is considered inactive.



The derailed gantry crane at Chittagong port that led to congestion of container vessels.

Crane accident hampers container handling at Chittagong port

DWAIPAYAN BARUA, Ctg

Container handling at Chittagong port has been badly hampered for the last four days following an accident during the berthing of a vessel at a jetty on June 25 which left two gantry cranes damaged.

Berthing has remained suspended at the jetty, one of the two at Chittagong Container Terminal (CCT), leading to a congestion of container vessels waiting at sea.

An Egyptian flagged container vessel, Xpress Suez, hit two of four gantry cranes positioned over rail tracks at CCT jetty no. 3, said sources in Chittagong Port Authority (CPA).

One gantry crane was derailed while parts of another got broken, they said.

Both cranes remained out of order since then and it would take a long time to repair them, they added.

The Chittagong port, with these four gantry cranes, can handle containers from two gearless vessels (those with no cranes on board) at a time at two jetties of CCT.

Meanwhile containers can be handled from eight geared vessels (with container handling equipment

like cranes on board) in the conventional way in eight other operational container jetties including four in New Mooring Container Terminal (NCT) and six jetties in General Cargo Berth (GCB) areas.

Officials are now planning to use the affected jetty to handle geared vessels.

CPA Member (admin and planning) Md Zafar Alam said they have already contacted manufacturing firm Mitsubishi for the repairs.

Hoping that the situation would not turn for the worse, Alam said they would encourage liners to bring geared vessels while the repairs were ongoing.

Meanwhile, the congestion of vessels has been affecting the port for the last couple of months mainly for an influx of seasonal imports ahead of Ramadan and the national budget, reduced operational hours during Ramadan, unfavourable monsoon weather and cyclonic storms like Mora as well as a shortage of equipment.

According to the traffic department of CPA, 22 container vessels were waiting at the outer anchorage for getting berth till yesterday morn-

ing.

Mainline operators, shipping agents as well as businesspeople expressed anxiety over the situation.

A vessel, MV Komati, left the port yesterday, a day after its scheduled departure, leaving behind over 100 export containers as those could not be loaded onto the ship on time, said sources.

Shahid Sarwar, executive director of K Line Bangladesh Limited, said one of their gearless vessels is scheduled to arrive at the outer anchorage on June 2.

Sarwar thinks that the vessel needs to wait at sea for at least 10 days to get a berth at the lone jetty.

"We have to cancel the next voyage of the vessel as it is taking much time in this port. We will incur a huge loss if we have to cancel a trip," he added.

Chittagong port is the principal port of Bangladesh that handled 80 percent of the country's export-import trade worth around \$75 billion in 2016-17.

The port has handled nearly 20 lakh twenty-foot equivalent unit (TEUs) of containers in 2015-16, according to CPA statistics.



রোগ নির্ণয়ে সর্বাধিক যত্নপূর্ণ, সর্বোচ্চ মান।
প্রতিটি ডায়াগনস্টিক টেস্ট,
আইসিইড, সার্জারি ও ডায়ানাইসিস
ন্যূনতম 30% সাময়।

SIBL Foundation Hospital & Diagnostic Center
(SIBL Foundation Hospital, Diagnostic & Dialysis Center)

Govt may create a database of savings tools

STAR BUSINESS REPORT

The government considers a plan to create a database of investors on savings certificates so that target groups get the benefits as part of the government's social safety net programmes.

"The database will integrate information of the national identity card with the national savings tools," Finance Minister AMA Muhith said in his concluding budget speech in parliament on Wednesday.

Muhith also hinted at lowering the interest rates on savings instruments as the returns from these schemes are very high compared to other rates prevailing in the market.

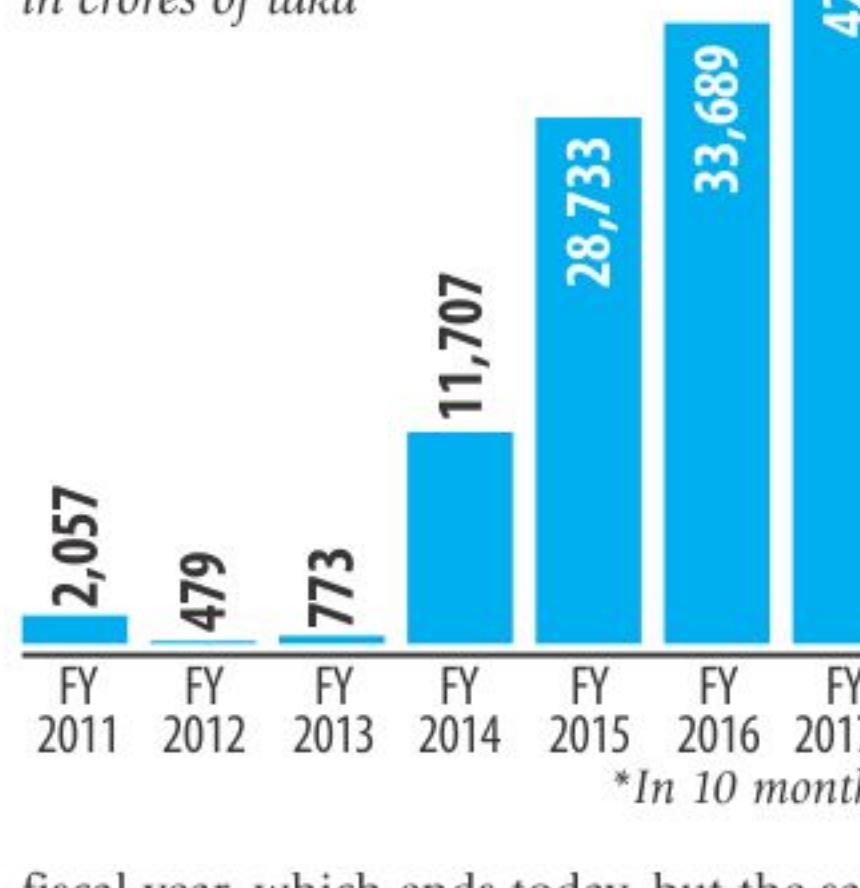
"But it is in our strong consideration that pensioners, lower middleclass and middleclass beneficiaries are not affected with a reduction in interest rates," said the finance minister.

At present, banks offer 5 to 7 percent for deposits, whereas the rates for savings instruments are 11.52 percent on the five-year family savings certificates and 11.76 percent for the five-year pensioner savings schemes. The return on the three-year post office savings certificates stands at 11.28 percent.

This exorbitant return on savings schemes is also pushing the government's interest liability up every year, said Muhith.

For example, the government set a target to raise Tk 19,000 crore from the sale of its savings certificates for the outgoing

SALES OF SAVINGS TOOLS in crores of taka



*In 10 months

fiscal year, which ends today, but the sale was Tk 42,000 crore in the first 10 months.

The sales proceeds from these tools were more than double, nearly Tk 34,000 crore, against a target of Tk 15,000 crore in the last fiscal year.

Economists and bankers also said if the trend continues, money would flow out of bank deposits and end up in savings schemes, meaning the government's interest liability will go up further.

They said a cut in the interest rates on savings tools would be a welcome move as it would fix the distortion in the market.

The International Monetary Fund (IMF) in a recent report advised the government to reduce its borrowing costs by cutting reliance on national savings certificates.

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Accord extends stay for three more years

Govt not in favour of extending the tenure

REFAYET ULLAH MIRDHA

Trade unions and leading apparel brands yesterday extended the tenure of the Bangladesh Accord on Fire and Building Safety for three more years for further strengthening of workplace safety and labour rights in the country.

The government was not in favour of extending the tenure of the Accord and has been kept in the dark about the signing of the new agreement at the OECD Global Forum on Responsible Business Conduct in Paris, said Commerce Minister Tofail Ahmed.

The garment makers too are in opposition