

Int'l construction fair kicks off Thursday

STAR BUSINESS REPORT

An international exposition on building, construction, lighting and wood will begin in Dhaka on Thursday.

The "Bangladesh Buildcon International Expo 2017" will take place at the International Convention City Bashundhara.

ASK Trade & Exhibitions Pvt Ltd in association with Futurex Trade Fair and Events Pvt Ltd as well as F Touch Events Ltd will organise the three-day event.

Some 200 companies from China, India, Turkey, Singapore, Sri Lanka, Vietnam, Taiwan, Italy and Germany along with host Bangladesh will showcase their products and services on architecture, building and design engineering.

Nasrul Hamid, state minister for power, energy and mineral resources, is expected to inaugurate the event, said Nanda Gopal K, director of ASK Trade & Exhibitions, at a media briefing at La Vinci hotel yesterday.

He said the participating companies

are going to display the latest innovations and technologies.

"Professionals in the building and construction industry, furniture manufacturers and factory owners will benefit from the new innovations, technologies, machinery and materials to be displayed by the international exhibitors."

Md Tazul Islam, an assistant general manager of JAT Holdings Bangladesh Ltd, said it is the only exposition on furniture and wood related products where entrepreneurs and manufacturers can come to know about the latest technologies of the industry.

"We received tremendous feedback from customers last year," he said.

Tipu Sultan Bhuiyan, managing director of ASK Trade & Exhibitions and Mohammed Shawkat Hossain Khan, director of Saif Powertec Ltd, were also present during the press conference.

The show will remain open for visitors from 11am to 7pm every day. Entry is free.

Help arrested Bangladeshi workers in Malaysia

A body of expatriate Bangladeshis urges the government

STAR BUSINESS REPORT

World Bangladesh Organisation (WBO), a forum of Bangladeshi expatriates living across the world, urged the government to help Bangladeshis who got arrested by the ongoing crackdown of the Malaysian government.

Many Bangladeshi workers have fled and are living in distressed condition fearing the arrest, Kazi Enayet Ullah, president of WBO, said in a statement.

WBO urged the government to talk to the Malaysian government for an amicable solution to the crisis. Otherwise, more Bangladeshi workers would be arrested, it said.

From the beginning of July, Malaysia has started crackdowns on thousands of illegal foreign workers in the country after the expiry of a deadline for work permit registration on June 30.

Malaysian officials claimed there are 600,000 foreign nationals working illegally who are eligible to apply for work permits, but only about 155,000 had done it within the deadline.

Malaysia, South-east Asia's third-largest economy, has around 20 lakh registered foreign workers.



HETTICH APPLICATION

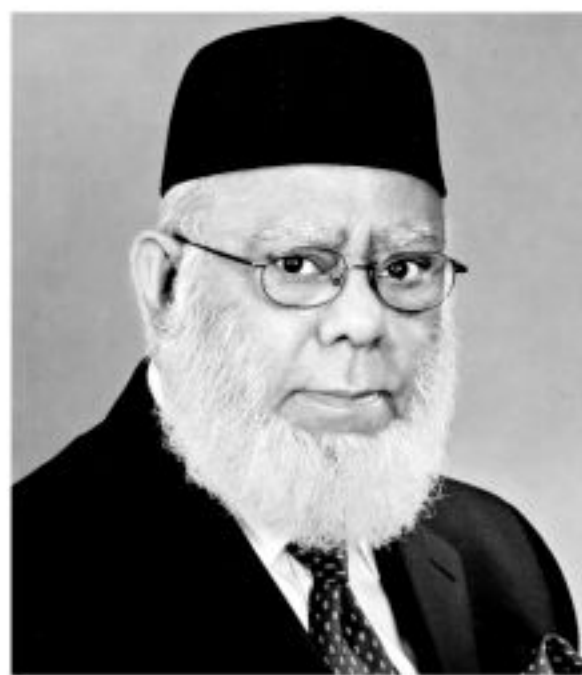
Commerce Minister Tofail Ahmed cuts a ribbon to open an application centre of Hettich at Banani in Dhaka. Hettich is a Germany-based intelligent kitchen and furniture solution provider. Fresh Export Import Ltd brought Hettich brands to Bangladesh.

EBAC elects Mahbubur Rahman as chairman

STAR BUSINESS DESK

Mahbubur Rahman has recently been elected as the chairman of the ESCAP Business Advisory Council.

The election took place at the 12th biennial meeting of the advisory council of United Nations Economic and Social Commission for Asia and the Pacific.



Business leaders from different countries in the the Asia-Pacific Region are the members of the council which was established in 2004 in Shanghai, China.

Rahman is also the president of International Chamber of Commerce-Bangladesh and chairman of Bangladesh International Arbitration Centre.



MRDI

Ashraful Kabir, chief engineer of Bangladesh Export Processing Zones Authority (Bepza), speaks at the closing ceremony of a training programme on financial literacy for Chittagong and Karnaphuli EPZ's social councillors, at the port city yesterday. Hasibur Rahman, executive director of the Management and Resources Development Initiative (MRDI); M Nasirul Hoque, divisional coordinator; Nazma Binte Alamgir, general manager for public relations at Bepza; Md Khorshid Alam, general manager of Chittagong EPZ, and SM Akhter Alam Mostafi, general manager of Karnaphuli EPZ, were also present.

Bajaj Auto's top officials in town

STAR BUSINESS DESK

Rakesh Sharma, president for international business of Bajaj Auto Ltd, India along with Manish Singh Rathore, vice president, arrived in Dhaka yesterday for a three-day visit.

Uttara Motors Ltd, Bajaj Auto's local assembler, invited them to observe the progress of a motorcycle manufacturing plant at Savar near Dhaka.

Uttara Group is set to build a plant at a cost of Tk 150 crore, to be operated by the leading Indian two-wheeler manufacturer. Bajaj will provide all technical support, including product design, research and development.



Rakesh Sharma

The plant is expected to go into production by the year-end, Uttara Motors said in a statement.

During their stay, Sharma will have an extensive discussion with Matiur Rahman, chairman and managing director of Uttara Motors; Durand M Rahman, deputy managing director (auto), and Kazi Imdad Hossain, executive director for marketing and sales strategy, to further increase the market share of the company.

Discussion on the possibility of exporting locally manufactured products to neighbouring countries will also be held.

Bajaj holds over 50 percent market share in Bangladesh, Uttara Motors said.

No political will to clean up banking sector: CPD

FROM PAGE B1

In the worst case scenario, Tk 340,266 crore of the budget would be implemented, said the CPD.

The think-tank forecasted a revenue shortfall between Tk 43,000 crore and Tk 55,000 crore. The budgetary target for revenue collection is Tk 287,990 crore.

"The possible revenue shortfall could be significant, but its extent will depend on the ability to deliver public expenditure plan. Nevertheless, the government will need to put utmost emphasis on mobilising resources from both NBR and non-NBR sources."

The inability to implement the new VAT and SD Act for another two years will have serious consequences for fiscal framework, particularly for revenue mobilisation.

The think-tank suggested continuation of digitisation of the VAT process and bringing in more businesses through the implementation of the VAT online project under the existing VAT Act 1991.

The move would prepare a high number of firms to comply with the new law once it comes into effect. "The new VAT law has made a crash landing. So, schemes for automation of the VAT system through VAT online project should be continued to salvage it," Bhattacharya said.

The implementation of the law has been deferred at the last moment as there was a lack of political, social and technical preparation, he said, adding that the CPD supports the new VAT law.

The new law seeks a single and uniform VAT rate of 15 percent for most goods and services available in the country. The CPD said the lowering of the single VAT rate to 12 percent would reduce the worries of people. CPD Research Fellow Towfiqul Islam Khan suggested the revenue authority set a timeline to introduce electronically generated 9-digit Business Identification Number. The 9-digit e-BINs are issued under the new law.

CPD Executive Director Fahmida Khatun said the organisation supports a

revenue system that ensures accountability and transparency in tax collection and expand the tax base.

To implement the budget for fiscal 2017-18, the CPD recommended that the government should prepare a work plan based on new circumstances while considering the objectives of maintaining macroeconomic stability, supporting private investment and generating more employment.

It suggested involving the parliamentary standing committees to prepare the work plan. A cabinet sub-committee may scrutinise and endorse the work plan and oversee implementation, Bhattacharya said.

The CPD recommended widening the income tax base, citing its findings that only 27.3 percent of all potential income taxpayers declared income tax in 2010.

It also called for more stringent measures to reduce illicit financial outflows and actions against proven cases.

"Motivation of honest taxpayers erodes if the government does not take action against people making money illegally and sending them abroad," Bhattacharya said.

On one hand, increasing amounts of funds are transferred abroad and on the other, the tax burden is being increased on legally earning taxpayers. "It is not morally acceptable." Increased attention should be given to curb unlawful outflow of capital as it intensifies ahead of national election, he said.

Replying to questions on the sluggish growth of exports, falling remittance and achievement of Sustainable Development Goals, CPD Distinguished Fellow Mustafizur Rahman stressed taking reform measures. He suggested increasing productivity and competitiveness, and diversification of exports to attain higher export growth. "Bangladesh has to ensure productivity-driven growth," he added.

CPD Research Director Khondaker Golam Moazzem said declining remittance inflows may affect consumption spending in the domestic market.

Bangladesh should go for high-end apparel

FROM PAGE B1

Bangladesh's opportunity has been increasing in European markets as China, the world's largest apparel supplier, is losing its global market share due to a dearth of skilled manpower and higher cost of production, he said.

European customers have been increasing their spending on clothing items in recent years with the rebounding of economies, Leon said.

Europe is the largest garment export destination for Bangladesh. Nearly 64 percent or nearly \$18 billion worth of garment items were shipped to Europe in the last fiscal year.

Leon also spoke about some homework which Bangladesh needs to complete to attract more international retailers and brands and to grab more of the global market share. Bangladesh now has factories which are very much compliant with regulations, he said.

This was a result of inspections carried out by the Accord and Alliance, two foreign inspection, remediation and monitoring agencies for repairing the fire, structural and electrical in nearly 3,800 garment factories.

"This is a very positive side of Bangladesh," Leon said. Bangladesh should keep up the good job of remediation as any bad news goes viral worldwide due to the widespread reach of social media. For instance, European customers were able to immediately know about the boiler explosion at Multifabs in Bangladesh, he said.

The end customers do not want to see these kinds of explosions, collapse of buildings and deaths of workers. The customers want to know about the environmental impact of industrial production in

Bangladesh.

Leon's comments came on the sidelines of a daylong meeting of retailers and manufacturers at Lakeshore Hotel in Dhaka.

Nearly 15 European clothing retailers like G-Star, Tricorp, Hema and Knits Only took part in the meeting.

This is the second meeting in Dhaka this year and more such gatherings will take place in Dhaka next year.

The programme was organised by the CBI project, an initiative of the Dutch foreign ministry to boost imports from developing countries.

Dhyana van der Pols, programme manager of CBI, said the 28 Bangladeshi garment companies which participated at the event would go to Premiere Vision—a highly regarded trade show in Paris—in September. The compliance rate in all these factories is 90 percent, she said.

The political storm in Europe is over after the election in major countries like the UK, the Netherlands and France, Pols said. The consumers' confidence is rebounding with the recovery of major economies in Europe, she said.

Such events help direct businesses between retailers and manufacturers, she said. In case of Bangladesh, a good percentage of garment businesses are carried out by a third party or through buying houses, causing manufacturers to lose out on profits they could have attained.

"We do not get fair prices from the retailers and brands. We will go for the value added items," said Faruque Hassan, vice president of Bangladesh Garment Manufacturers and Exporters Association, in his inaugural speech.

Ambassador of the Netherlands in Bangladesh Leoni Margaretha Cuelenaere inaugurated the event.

Tonnes of toxic salt seized at Ctg port

FROM PAGE B1

Samples were later sent to the laboratory of the applied chemistry and chemical engineering department of Dhaka University for further test. The test confirmed presence of 91.5 percent of sodium chloride.

The consignment was seized after finding the report yesterday, said Tarek. He added that though the importers declared to import sodium sulfate as cleaning agent the test confirmed a major portion of the compound as sodium chloride.

Contacted, Moinul Khan, director general of the Customs Intelligence Directorate, said the importers tried to import contraband salt and also attempted to evade a huge amount of tax since the duty on sodium sulfate is about 23 percent compared to 63 percent for sodium chloride.

He said sodium sulfate, which is used to brighten salt, is very harmful and may cause various diseases such as kidney failure. "Punitive action will be taken against the importers," he said.

Export growth dips to 15-year low

FROM PAGE B1

Moreover, general election this year in major countries like the Netherlands, France and the UK had an impact on trade as consumers were cautious in their spending.

"We are losing our competitiveness to some countries such as India, Vietnam and Pakistan as they have some advantages [such as government incentives and locally grown raw materials]," Hassan said.

Some other sectors also saw a decline in their year-on-year export performance.

They include frozen and live fish, vegetables, fruits, flowers and dry foods (by 1.74 percent to \$526.45 million); petroleum by-products (by 17.93 percent to \$243.77 million); leather (by 16.30 percent to \$232.61 million); and bicycles (by 16.83 percent to \$82.46 million).

On the other hand, leather and leather goods exports grew by 6.29 percent to \$1.23 billion, jute and jute goods by 4.66 percent to \$962.42 million and footwear by 9.90 percent to \$240.88 million.

Bharti Airtel says to invest \$310m to improve services

REUTERS, New Delhi

Top Indian mobile phone carrier Bharti Airtel Ltd said on Monday it would invest 20 billion rupees (\$310 million) over three years to improve its services.

As part of the plan, the company will invest in redesigning its 2,500 stores across the country, revamping its app, and improving its postpaid services, said Gopal Vittal, Bharti Airtel's chief executive for India and South Asia, at a news conference.

India's highly-competitive telecoms sector has been disrupted by cut-price offerings from new entrant Reliance Jio Infocomm Ltd, backed by the country's richest man Mukesh Ambani.

Bharti Airtel and rivals including Vodafone Group Plc's Indian unit have cut prices to retain customers.

Set energy prices for a certain period

FROM PAGE B1

"The gas shortage will start to ease in 2018, and by 2019 there will be no gas shortage," Islam said. He also said the Mongla Port is able enough to facilitate trade.

The 38-member delegation met with the commerce secretary and a host of Bangladesh business leaders on Sunday, said Mirza Golam Sabur, president of the Bangladesh Business Chamber of Singapore, in his opening speech. "Both Singapore and Bangladesh have a lot to offer to each other to deepen the economic ties," he added.

The Bangladesh economy has been growing strongly despite a series of setbacks, said Saurav Anand, an economist of Standard Chartered Bank for South Asia.

The country has one of the youngest populations in South Asia and will reap the benefit of demographic dividend until 2042.

The economist also said that Bangladesh remains cost-effective and has easy labour laws. Labour wages in Bangladesh are half of India and Vietnam and one-fourth of China. "The external sector remains comfortable," he said.

Anand, however, expressed concerns about falling remittance and export incomes. "The risk of slowing growth in exports remains but the long-term outlook is positive."

Bangladesh needs to raise its investment-to-GDP ratio to grow further and improve infrastructure.

The infrastructure deficit has to be addressed, as traffic congestion alone costs the country \$3.8 billion a year, which is 2 percent of its GDP. He also said there is high potential for investment in the power sector.

Bangladesh has a huge domestic market and provides access to three billion people in neighbouring countries, said Samanta Farahnaz, consultant of the BIDA.

The country provides fiscal and tax incentives to foreign investors and almost all the sectors are open to foreign investors.

Wages for workers and salaries for managers are low when compared with competitor countries, Farahnaz said in her presentation. Reinvested earnings stand at an all-time high, meaning foreign companies have confidence in the country, she added.

Singaporean investors can explore opportunities in the garment sector as Bangladesh's manufacturing facility has attained global standards, said Asif Ibrahim, a leading garment exporter.

"They can also look for opportunities in backward linkage and in the special economic zones," he said, adding that the Chittagong Port has to be efficient or else the country will lose its competitiveness.

Nabhash Chandra Mandal, executive member of the BIDA, was also present.

ADP spend crosses Tk 1 lakh crore for the first time

FROM PAGE B1

Kamal said the last year's ADP outlay was not revised down. Had the allocation been trimmed through revision, which is a historical trend, the ADP implementation rate would have been 100 percent, he claimed.

The militant attacks on Holey Artisan Bakery last year sent a lightning bolt of panic through all foreigners engaged in big ADP projects, forcing them to leave the country, which slowed down progress of the projects, the minister said.

"If the Holey Artisan incident had not taken place, the ADP works would have been completed fully," Kamal said.

However, now that the foreigners have returned, the minister said, the implementation rate of the ADP schemes will be 100 percent in the current fiscal year.