

Give export cash incentive, cut tax

Demand garment accessories makers

STAR BUSINESS REPORT

Garment accessories makers and exporters yesterday demanded cash incentives on export, reduction of corporate taxes and smooth functioning of the country's premier port in Chittagong.

The demands came at a seminar on "\$50 billion RMG export by 2021: Role and Challenges of Garments Accessories and Packaging Sector" organised by the Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) at the Cirdap auditorium in Dhaka.

Abdul Kader Khan, president of BGAPMEA, chaired the seminar and its former president Rafez Alam Chowdhury gave a keynote presentation.

Chowdhury said the backward linkage industry met demands for accessories and packaging of nearly 95 percent of export-oriented industries, including the garment and pharmaceutical sector.

The accessories sector earned \$6.7 billion through "deemed exports" while it also made direct exports worth \$1.12 billion in the last fiscal year.

The accessories sector never gets any cash incentive against the export earnings as given to other sectors that help those flourish, Chowdhury said.

The government fixed corporate tax at 10 percent and 12 percent for green and non-green apparel factories whereas the rate is 35 percent for its backward linkage garment accessories and packaging industry, he said demanding equal tax measures for the sub-sector.

Price competitiveness is gradually declining mainly because of a strong local currency against the US dollar, said Abdus Salam Murshedy, president of the Exporters Association of Bangladesh.

He also called for setting up an inland container depot near the production hub in Gazipur.

Activities at the Kamalapur inland

container depot (ICD) virtually remain suspended as Dhaka city is not the production area and trucks cannot move during the daytime in the city, said Mashiur Rahman, economic affairs adviser to the prime minister.

"We can consider relocation of the ICD to the areas where our main export product, readymade garment, is being manufactured."

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, said the Export Promotion Bureau should include accessories and packaging export earnings data in its regular database.

Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority; Shubhashish Bose, commerce secretary; Bijoy Bhattacharjee, vice chairman of Export Promotion Bureau, and Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, also spoke.

Furniture fair begins in Dhaka

STAR BUSINESS DESK

A five-day National Furniture Fair 2017 started at International Convention City Bashundhara in Dhaka yesterday with a view to expanding the sector at home and abroad.

The Design and Technology Centre in collaboration with Bangladesh Furniture Industry Owners' Association organised the fair. Md Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, attended the opening ceremony.

"I am very happy that every year Bangladesh Furniture Industry Owners' Association arranges a fair. An industry needs fairs to expand. This industry needs government help to grow," said Mohiuddin.

Selim H Rahman, president of Bangladesh Furniture Industry Owners' Association, was also present.



AE Abdul Muhaimen, CEO of United Commercial Bank, launches Upay, a digital payment platform of the bank, at a programme in the Westin Dhaka yesterday.

UCB launches digital banking platform Upay

STAR BUSINESS DESK

United Commercial Bank (UCB) yesterday launched a digital banking platform—Upay—for its clients.

AE Abdul Muhaimen, managing director of the bank, announced the launch of the payment platform at a programme at the Westin Dhaka hotel.

For the first time in the country Upay will use the advanced technologies like Blockchain and QR Code to ensure secure financial transactions, Muhaimen told reporters.

The platform will help the bank's retail and corporate clients access their accounts and perform all banking transactions, according to the bank.

Upay has introduced the service aiming to promote cashless and universal banking meaning anytime-anywhere payments using mobile phones in Bangladesh.

The platform will cater to all consumers, corporate and government payments like merchant shopping, bill payment, fund transfer, loan repayment, inward remittance, insurance premium, salary disbursement, and e-commerce.

Moreover, actions for purchase of digital cheque for gifts, redemption of voucher and reward points, balance inquiry, and mini statement can also be performed, said the bank. Senior officials of the bank were present at the programme. UCB is a first generation private bank established in 1983.

Analysts stress farm mechanisation to boost production

STAR BUSINESS REPORT

Agricultural analysts have stressed agricultural mechanisation to produce an increased amount of food for the growing population in the face of switching of labours to other professions and reluctance of youths to go for farming, said a press release.

They spoke at an opinion sharing meeting on farm mechanisation in Bangladesh organised by The Metal (Pvt) Ltd, an agricultural machinery marketer and seller, at Amari Dhaka on Monday.

Agricultural professionals, development partners and bankers attended the programme. Sadid Jamil, managing director of Metal (Pvt), delivered the inaugural speech.



SM Mainuddin Chowdhury, additional managing director of Southeast Bank, and Jamal Md Abu Naser, chief executive officer of National Life Insurance Company, exchange documents after signing a deal at a programme at the head office of the bank in Dhaka yesterday. Credit cardholders of the bank will enjoy insurance coverage facility on their credit card outstanding amount.

Rural people live beyond their means: survey

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And a section of them may have spent from savings or resorted to borrowing after failing to cut expenditures, he added.

The monthly expenditure of households in both urban and rural areas was higher than their monthly consumption between 2010 and 2016. Roy said it could be because of expenses like weddings, accidents and other requirements.

BBS said it estimates consumption excluding lumpy expenditures like durable goods purchase, tax, insurance, expenses of pilgrimage such as hajj, marriage and so on. But expenditure includes all those expenses.

Between 2010 and 2016, the income of urban families rose 37 percent to Tk 22,565 per month and expenditure 27 percent.

The HIES 2016 also came out with quarterly estimate of poverty for the first time along with the annual poverty data and overall living standards of Bangladesh's 16 crore people.

It shows that the overall poverty declined to 24.3 percent in 2016 from 31.5 percent in 2010, while the percentage of people under extreme poverty fell to 12.9 percent in 2016 from 17.6 percent in 2010 at the national level.

At the programme, Planning Minister AHM Mustafa Kamal said Bangladesh's extreme poverty rate is below the world average.

The international extreme poverty rate was 13.8 percent in 2016, he said.

"However, we do not have room for complacency. We have to take strides in a planned manner," he said, adding that the government is aiming to eliminate extreme poverty from the country by 2030.

Rajashree Paralkar, acting World Bank country director for Bangladesh, lauded the country's progress in poverty reduction.

Around 80 lakh people came out of poverty since 2010, she said.

The HIES 2016 also found that the ratio of population suffering from poverty fell both in rural and urban areas during the period.

Yet, the proportion of ultra-poor in 31 districts of the 64 districts is higher than the national average of 12.9 percent.

The overall incidence of poverty in 36 districts is 24.3 percent, which is higher than the national average of poor people.

Kurigram has the highest number of poor people at 70.8 percent while Narayanganj has the lowest number at 2.6 percent.

The latest HIES found that poverty has declined in all divisions except Rangpur.

The relatively new northwest division which is also known for seasonal hunger named as Monga, registered an increase in poverty to 47.2 percent in 2016 from 42.3 percent in 2010. The level of extreme poverty also grew in the region during the period.

After Rangpur, Mymensingh is the home of the second highest percentage of poor people, followed by Rajshahi, Khulna, Barisal, Chittagong, Sylhet and Dhaka.

Some 32.8 percent of the population of Mymensingh, the newly declared division, suffers from poverty. Only three divisions -- Dhaka, Sylhet and Chittagong -- recorded poverty rate lower than the national average.

Roy said Rangpur was under Rajshahi division during the 2010 HIES.

"That's why there was not enough sample of Rangpur division at that time," he added.

Historically, Rangpur lags behind others in terms of poverty reduction, said KAS Murshid, director general of the Bangladesh Institute of Development Studies.

"We have to pay more attention to development of the region," he added.

Scarce facilities at land ports hamper bilateral trade: study

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The USAID Asia, Middle East Economic Growth Best Practices Project (AMEG) and Bangladesh Trade Facilitation Activity (BTFA) supported Sanem in carrying out the survey. Selim Raihan, professor of economics at the University of Dhaka and executive director of Sanem, presented the findings of the report titled "Boosting Bangladesh-India bilateral trade: Are Benapole and Petrapole land ports ready to take the challenges?"

The think-tank carried out the survey to assess business needs of these two priority land ports that handle about 80 percent of land trade between the two countries, worth around \$4 billion recorded in fiscal 2016-17. On an average, 350 trucks enter Bangladesh from India every day, whereas only 70-80 enter India from Bangladesh.

Private sector traders complain about delays stemming from burdensome processes, inconvenient operating hours and insufficient facilities and human resources at both sides. In case of infrastructure, such as equipment, transport and space facilities, at Benapole, some 62 percent found it to be poor and 30 percent unsatisfactory.

Infrastructure facilities are relatively better at Petrapole as 43 percent found it to

be adequate, 37 percent unsatisfactory and 20 percent poor.

Regarding regulatory and administrative procedures, 26 percent of respondents in Bangladesh said it was poor whereas 28 percent said the same for India.

Some 70 percent of respondents said facilities and use of digital and advanced technology at Benapole are poor compared to 33 percent in India. Insufficient storage capacity is another major barrier for the port users, according to the survey.

"The findings of the study will be useful for the governments of India and Bangladesh in designing policies in order to boost trade between the two nations," said Raihan of Sanem.

He said well-functioning business operation facilities and support systems at these land ports are essential to deepening connectivity between the two South Asian economies. The think tank also came up with some recommendations.

These include widening existing roads, building additional warehouses, incorporating advanced digital and technological facilities and policy level advocacy between the customs houses and between the governments.

Inflation creeps up on rice price hike

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Kamal said inflation will come down gradually from next month. "Inflation rose slightly as rice production was hampered due to heavy rainfall and floods. People had apprehended that there would be a price spiral but that did not happen."

By the end of the year, inflation will get back to within the target, he added.

Many analysts said the chaotic inflation reporting comes from the government's wish to mask the rising prices of rice, a staple food item in Bangladesh and thereby plays an important role in determining inflation.

In recent months, rice prices rose to record highs, reflecting the dwindling supplies following flood-induced losses to the main boro crop in 2017 coupled with reduced production and imports in 2016.

About 20 lakh tonnes of boro crop have been damaged, according to the food ministry.

Yesterday, coarse rice went up 24.32 percent from a year earlier to Tk 44-48 a kg, according to data from the Trading Corporation of Bangladesh, which tracks the prices of several items in Dhaka city.

The prices of all other varieties of the staple went up between 22 percent and 29 percent in the last one year.

In the latest monetary policy unveiled in July, the central bank said the food price uptrend caused by the flash flood in the last quarter of fiscal 2016-17 in the haor regions poses risks of inflation. The fiscal 2017-18's monetary programme of the central bank seeks to set a prudent, flexible course towards containing the 12-month average CPI inflation within 5.5 percent.

Inflation is expected to be above 6 percent in June 2018, according to the BB's latest inflation expectation survey. The central bank's projection shows the average annual inflation for the first half of the fiscal year would be 5.5-5.9 percent.

"Looking ahead, given the domestic inflation dynamics, food price developments and tapering base effects, some price pressures may emerge during fiscal 2017-18 and will need to be monitored and contained carefully," said the monetary policy statement of the BB.

Deliver remittance fast at lowest charge: BB

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Another reason for the slump is that the economic scenario in the Middle East, which hosts the majority of migrant workers from Bangladesh, is yet to improve despite the slight pick-up in oil price in recent months.

Remittance inflow in fiscal 2016-17 was the lowest in six years, a development that can be viewed as a dark cloud over an otherwise buoyant economy.

Migrant workers sent home \$12.77 billion last fiscal year, down 14.47 percent year-on-year.

Latifur Rahman wins lifetime achievement award from UKBCCI

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Rahman dedicated the award to his grandson Faraaz Ayaaz Hossain, who was one of the 20 hostages killed in a militant attack at Holey Artisan Bakery in Dhaka on July 1 in 2016.

During the attack, Faraaz was offered a release, but he instead chose to remain back with the friends with whom he had gone to the restaurant.

Bajloor Rashid MBE, president of UKBCCI, gave the welcome speech at the event anchored by BBC journalist and presenter Jenny Bond.

As recognition of success, the awards were given to the British Bangladeshi business entrepreneurs in 12 different categories for their individual excellence, Rashid said.

The awards launched in 2016 are highly

appreciated by the British lawmakers and community, he said.

The award ceremony will act as a bridge between the business communities of the UK and Bangladesh, said Rashid.

"We have written our success story in the catering sector of British economy, but our successes in the other sectors are mostly kept ignored and unrecognised even though they bear the mark of talent and excellence."

To uphold and recognise these talents at an international scale is actually the drive behind this initiative, he said.

"We are committed to building up a bridge between Bangladesh and the UK besides creating opportunities for the community, especially for the new generation," said Iqbal Ahmed OBE DBE, chairman of UKBCCI.

Ahmed also stressed the need for the transfer of the visa centre from Delhi to Dhaka.

The amount of visa approval has reduced by nearly 70 percent since the opening of the visa centre in the Indian city for the Bangladeshi nationals, he said.

"This is great loss not only to the visa applicants but also to the growth of British economy."

"We need more and more businessmen for the expansion of our economy and there is no alternative for the entrepreneurs," said George Freeman, chair of the policy board of the British government.

On the post-Brexit policy of the government, Freeman said it is seriously considering the opinion of the 52 percent voters that opined on getting out of the European

community.

The British government has always been keen on developing and maintaining a healthy relation with Bangladesh, he said while delivering his speech as the chief guest.

In addition, UKBCCI Special Recognition Award was conferred on first Bangladesh-born British Member of Parliament Rushanara Ali and Directors' Choice Award on Muai Thai Kick Boxing Champion Ruqsana Begum.

Md Nazmul Quainine, Bangladeshi high commissioner to Britain; A Rouf Chowdhury, chairman of Rangs Properties; Ann Mein MP; Paul Sculli MP; Joe Mundich, CEO of Face Market; Lord Karan Bilimoria CBE DL; and Kamal Yakub, president of Bangladesh Caterers Association, also attended the event.

IDLC Finance posts 35pc growth in profits

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The company's operating income rose by 29 percent year-on-year to Tk 486.3 crore, thanks to the healthy incomes from investments, interests and fees, IDLC said.

IDLC's three subsidiaries—IDLC Securities Ltd, IDLC Investments Ltd and IDLC Asset Management Ltd—have also delivered strong performances in 2017.

Arif Khan, CEO of IDLC Finance, expressed his satisfaction with the financial result of the company.

"Both our core lending businesses and capital market operations continued their growth momentum and delivered strong financial performance in 2017 so far," Khan said.

"Resultantly, the group has produced exceptional financial results. We hope to continue with this momentum and deliver the best possible results to our shareholders going forward."