

# Rangpur businesses demand low-cost bank loans

STAR BUSINESS REPORT

The entrepreneurs in greater Rangpur yesterday demanded low-cost bank loans for small and medium enterprises in the region.

They also called for providing the entrepreneurs with gas and power connections at cheap rates to help establish agro-based industry and garment business in the 'least developed part' of Bangladesh.

They spoke at a discussion organised by the Federation of Bangladesh Chambers of Commerce and Industry at the auditorium of the Rangpur Chamber of Commerce and Industry.

Initiatives should be taken to create new entrepreneurs and increase the per capita income to achieve the Sustainable Development Goals, said Kazi Hasan Ahmed, divisional commissioner of Rangpur.

The FBCCI will set the plan of action according to the recommendations of the entrepreneurs from all over the country, said Sheikh Fazle Fahim, acting president of the apex trade body.

The FBCCI will also sit with the authorities concerned to ensure low-cost loans for the entrepreneurs, he said.

The programme was also attended by women and young entrepreneurs along with the presidents of different chambers of commerce in Rangpur, Dinajpur, Panchagarh, Thakurgaon, Gaibandha, Kurigram, Nilphamari and Lalmonirhat.

The leaders of the Rangpur Metropolitan Chamber and the Rangpur Women Chamber also joined the programme.

# VW to spend 34b euros in drive to become e-car leader

AFP, Frankfurt

German automaker Volkswagen on Friday said it planned to invest more than 34 billion euros (\$40 billion) over the next five years in new technologies to advance its push to become a global leader in electric cars.

"We are reinventing the car," chief executive Matthias Mueller said after a meeting of the group's supervisory board at its Wolfsburg headquarters.

The bulk of the 2018-2022 spending spree would go on developing electric and hybrid cars, VW said in a statement, as well as self-driving cars, new mobility services such as car-sharing, and digitalisation.

Like other traditional carmakers, Volkswagen is stepping up its focus on the cleaner, smarter vehicles of the future, racing to catch up with US tech giant Tesla which has a head-start in the area.

The pivot to zero-emissions cars is particularly important for Volkswagen as it seeks to shake off a global emissions cheating scandal that shone a spotlight on polluting diesel engines.

The VW group, owner of 12 brands including Audi, Porsche and Skoda, announced in September that

it planned to electrify its entire fleet by 2030 -- promising fully electric or hybrid versions of some 300 models.

At its meeting on Friday, the supervisory board signed off on an overall five-year spending plan totaling "more than 70 billion euros", a spokesman told AFP.

"With the planning round now approved, we are laying the foundation for making Volkswagen the world's number one player in electric mobility by 2025," said Mueller.

The push into e-mobility comes as China, the world's biggest car market, is shaking up the industry by requiring automakers to produce a minimum number of e-cars from 2019.

Volkswagen on Thursday already unveiled plans to invest more than 10 billion euros in new energy cars with local partners in China by 2025, a figure that is not included in the 70 billion.

Although the VW group is betting big on future technologies, Mueller said it would not be sidelining existing projects, "since this is how we will earn our money for the foreseeable future."

VW's 70-billion-euro spending plan is lower than the 2015-2019

investments announced in 2014, when the group pledged to spend nearly 86 billion.

But that was before VW was hit by the "dieselgate" scandal, which has so far cost it over 25 billion euros in fines, recalls and compensation.

The crisis erupted in 2015 after the group admitted to installing cheating software in 11 million engines worldwide designed to dupe pollution tests.

The scandal tarnished the reputation of the proud German behemoth and it remains mired in legal woes, especially in the United States and Europe.

But VW held onto its crown as the world's largest automaker and the group's share price recently recovered to pre-crisis levels.

As part of a wider overhaul to cut costs and improve efficiency, VW said it intends to bring its investment ratio in the automotive division down to six percent of sales by 2020, from a hefty 6.9 percent last year.

It also said that plans to cut some 23,000 jobs at its own-brand unit in Germany -- without resorting to forced redundancies -- were ahead of schedule with some 9,000 workers accepting early retirement.

# New CEO for Delta Life Insurance

STAR BUSINESS DESK

Adeeba Rahman has been appointed as the chief executive officer of Delta Life Insurance Company Ltd.

Rahman served different international banks and life insurance companies in her career of 17 years, the insurer said in a statement yesterday.



She has also been the member of the board of directors of Delta Life Insurance Company Ltd and Delta Brac Housing Finance Corporation Ltd. She is an associate of the Chartered Insurance Institute UK and Chartered Insurer. She did her MBA from Rochester, USA.

# Airbnb raided by Japan fair trade watchdog, denies wrongdoing

AFP, Tokyo

Airbnb's offices in Japan have been raided by anti-monopoly officials, the home sharing giant said Friday, denying any wrongdoing and pledging cooperation.

Japan's Fair Trade Commission reportedly carried out the raids over suspicions Airbnb was requiring users to sign exclusively with its site and cut ties with other agencies.

"Airbnb Japan received an on-site inspection by the Japan Fair Trade Commission and we are cooperating with the Commission's ongoing investigation," the company said in a statement.



Md Mehmod Husain, CEO of NRB Bank, launches a new product, NRB Nibash, at its corporate head office in Dhaka on Wednesday. The product is an equal monthly instalment-based housing loan for workers and low-income people in the industrial and commercial sectors.

# HSBC honours export heroes

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Tarasima Apparels won the award in the readymade garment category for annual export turnover of up to \$100 million.

Established in 2007, Tarasima Apparels is now a LEED certified platinum category green manufacturing operation exporting woven garments to about 40 countries.

It is preferred by a number of global apparel brands due to its commitment to environment and worker friendly work-station.

The award was received by Mishal Ali, deputy managing director of Bitopi Group, the owning company of Tarasima Apparels.

Envoy Textiles became the exporter of the year in the supply chain and backward linkage apparel category of annual export turnover of \$10 million or more.

Set up in 2005, Envoy Textiles is a manufacturer of high-quality denim and exports to 21 countries, including the US, the EU, Turkey, Australia, China, India, Sri Lanka and Vietnam. Kutubuddin Ahmed, chairman of Envoy Group, accepted the trophy.

Seamark (BD) was awarded in the traditional and emerging sectors with annual export turnover of more than \$10 million.

The company started its journey in 2002 and now ships seafood items to the UK and other European markets.

also given tax benefits."

He thanked HSBC for financing four power projects as well as the Bangabandhu Satellite-1 project.

Alison Blake, British high commissioner to Bangladesh, said she is overwhelmed by the amount of talent, energy and commitment of the award-winners in boosting exports and building a brighter and more prosperous future for Bangladesh.

She lauded Bangladesh's industrial sector, particularly the garment factories, for employing women. "You are giving an economic role, a voice and a platform to women," she added.

Francois de Maricourt, chief executive officer of HSBC Bangladesh, said: "Our entrepreneurs have been at the forefront in fuelling the steady economic growth of Bangladesh. At HSBC, we are honoured to recognise and encourage these individuals for perseverance and hard work."

Bangladesh's exporters are promoting the country's brand on the global stage. "I would like to thank Bangladesh's entrepreneurs for your perseverance and hard work and for taking the label of Made-in-Bangladesh worldwide."

Mahbub ur Rahman, deputy CEO of HSBC Bangladesh, said exporters have been playing a vital role in the economic prosperity of Bangladesh.

HSBC Bangladesh helps ship products to over 100 countries each year. More than 10 percent of Bangladesh's global trade is channelled through the bank.

"Our entrepreneurs have built a world-class supply chain and made the Bangladesh brand international," he added.

In his reaction, Iqbal Ahmed, founder of Seamark, said the export of seafood can be increased significantly as international buyers like the products imported from Bangladesh. "Our products are consumed by billionaires," he added.

Miran Ali, managing director of Bitopi Group, said companies can cut water consumption by 30 percent by embracing green production practices.

Classic Handmade's Md Touhid Bin Abdus Salam said he is glad to bring jobs to people of the northern district. Some 87 percent of his workers are women.

The jury board picked up the winners from 102 nominations submitted this year.

Launched in 2010, the award takes into consideration the companies' corporate social responsibility practices, regulatory compliance, sustainable business practices, commitment and contribution to local economy. The Daily Star, the Prothom Alo, Bangladesh Brand Forum and KPMG are the strategic partners of the awards.

Citing his experience as a former finance adviser to a caretaker government, AB Mirza Azizul Islam said he looked for studies on tax holidays in Bangladesh but did not find any.

"Evidence-based policies and the capacity to implement those are important," he added.

Zakir Ahmed Khan, former secretary to the finance ministry, said the tax ombudsman office was established without a clear idea. "The book is diagnostic as well as prescriptive," he said.

# Farm lending rises 17.67pc

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Private and foreign banks together provided Tk 3,821 crore in agriculture loans during the period. The sum is more than a third of their total yearly agriculture lending goal.

Bangladesh Bank officials said banks sitting on surplus liquidity have showed increased interest in disbursing agriculture credit amid a sluggish trend in the industrial sector credit growth.

Loans going to industries registered 13.51 percent growth in 2016-17 compared to 20.77 percent in the previous year, according to data from the BB. The tepid growth came despite a sharp decline in interest rates on lending.

In fact, the growth of the industrial loan disbursement fell to a five-year low in the last fiscal year.

The central bank has also beefed up

its monitoring of farm loan disbursement with an aim to make financing available for the farmers in the flood-affected areas.

Recently, banks have been asked to give a boost to farm lending in the 17 flood-hit districts.

The BB has asked banks which have presence in the flood-affected areas to reschedule the defaulted farm loans and suspend the loan instalments, scheduled to be paid by farmers.

These gave a fillip to farm loan disbursement in the July-October period.

Banks' opportunity to invest in treasury bills and bonds has also been squeezed as the government is not borrowing much from the banking sector.

Now, they can invest a limited amount of funds in government securities.

# Base policies on credible data

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"These are very good efforts," Ahmed said. But elaborate policy models using rigorous quantitative methods are unlikely to work in developing countries like Bangladesh owing to insufficient data, limited analytical capabilities, severe time-constraint and short attention span of policymakers.

"Proper communication with top policymakers is crucial for successfully conveying the main focus of the proposed policy decision."

Efficiency needs to be broad-based and easy to understand and conceptualised in the context of Bangladesh and its development challenges.

Organised in nine chapters, the 182-page book sees Ahmed making use of case studies to discuss the regulatory framework for private investment.

He later dealt with issues such as ICT revolution, financial inclusion, Bangladesh's "Look East policy", tax structure modernisation, poverty and income distribution, urbanisation and reforms on public enterprises.

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Mustafa K Mujeri, executive director of the Institute of Microfinance, said policymaking in Bangladesh was not always based on evidence.

"Policymakers need to understand the importance of evidence," he added.

When policies are based on populist notions or anecdotes, they are at best inadequate and at worst lead to more harm than good, and potentially cause long-term damage to the economy and society, said PRI Chairman Zaidi Sattar.

Selim Raihan, professor of economics at the University of Dhaka, said there are problems with the quality and consistency of data.

Citing the government's implementation plan for VAT law 2012 and businesses' opposition to the law, Wahiduddin Mahmud, a noted economist, said it appeared that both the National Board of Revenue and the businesses were "shadow boxing".

None had information on the number of VAT-eligible entities, he said, adding that the economic survey of the Bangladesh Bureau of Statistics could be instrumental in collecting turnover data.

"Not enough was done to explain how VAT works," said Mashru Rahman, prime minister's economic affairs adviser.

He also said the export data used by the Export Promotion Bureau, the Bangladesh Bank and the NBR are not uniform. "Of them, BB's data is the most reliable."

Subsequently, he suggested building up the capacities of agencies such as the Planning Commission and the BBS for reliable data gathering.

# Sonia Bashir Kabir to lead Microsoft in four countries

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She will work closely with partners and local governments to help accelerate the digital transformation across the four markets by bringing people, data, and processes together, the company said.

She will work to reinvent business values, provide personalised experience to customers, and transform education in the fourth industrial revolution.

"Digital transformation in emerging markets is an important priority for companies, governments and Microsoft alike," said Michelle Simmons, general manager for Southeast Asia new markets at Microsoft.

These countries have the potential to leapfrog and embrace the fourth industrial

revolution, which can significantly enhance their economic development, Simmons said. "I am confident that Sonia's experience in both Asia and the US will contribute to the digital transformation of these markets," she said.

Sonia said: "I am honoured to be entrusted with the multi-country role, and am excited to be part of the digital transformation journey of these countries."

"We will work towards enabling every person and organisation to have the opportunity to take advantage of the era of intelligent cloud and intelligent edge."

Sonia is a governing council member of the United Nations Technology Bank for Least Developed Countries.



DHAKA SCHOOL OF ECONOMICS