



BUSINESS

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Energy crisis a threat to SDGs

Unctad says in its report on least developed countries

STAR BUSINESS REPORT

More than 50 percent of the enterprises in Bangladesh identify the lack of consistent access to energy as the major barrier to higher production, according to a new report of the United Nations.

The industrial sector is responsible for 21 percent of the energy demand in Bangladesh, with the residential sector accounting for the lion's share, says the "Least Developed Countries Report 2017: Transformational Energy Access" of the United Nations Conference on Trade and Development.

"Productive use of modern energy is just as important as household use," said Fahmida Khatun, executive director of the Centre for Policy Dialogue, while making a presentation on the report yesterday.

The CPD, which has been unveiling the Unctad LDC reports in Bangladesh since 2006, released the report at the Cirdap auditorium in Dhaka. The theme of this year's report is "Transformational Energy Access".

In Bangladesh, access to electricity was nearly 60 percent in 2014, which is the lowest among all the nine Asian LDCs, according to the report.

The access to power rose to 76 percent on the back of an increase in power production by three times in the last nine years,



Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue, and Fahmida Khatun, executive director, attend the launch of the least developed countries report of Unctad, at Cirdap auditorium in Dhaka yesterday.

according to the power division of the government.

When asked why the 2014 data was used, Fahmida explained that when many coun-

tries are compared data on all nations cannot be found. The 2014 data was used to make a comparison.

"Of course, I won't say that Bangladesh's

progress has been properly reflected in the comparison. But there is a trend, which does not change overnight," she said.

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ICT awaits a fillip

Govt appoints Boston Consulting Group to attract global firms to Bangladesh

MUHAMMAD ZAHIDUL ISLAM

The government has recently appointed US-based management firm Boston Consulting Group (BCG) to help persuade leading global ICT companies to invest in Bangladesh.

The government has given BCG a target to bring 50 global ICT giants in the next two years, said Zunaid Ahmed Palak, state minister for information and communication technology. But he did not disclose how much they would pay BCG.

"We think this initiative will change the total ICT business of Bangladesh," he told The Daily Star.

BCG—a leading adviser on business strategy—has opened 85 offices in 48 countries in the last six decades of its operations.

Palak, however, was uncertain of the number of companies the BCG would be able to bring. "Even if they can bring 20 to 30 companies here, that will be huge and that could change the whole face of the country."

The government has targeted to earn up to \$1 billion in foreign currency next year and \$5 billion by 2021. And after 10 years, Bangladesh wants to be at the same level of

Vietnam.

From the ICT sector, Vietnam's annual export earnings have reached \$20 billion, which was zero two decades ago, said Palak.

Bangladesh earned about \$800 million in foreign currency this year, he said quoting data from Bangladesh Bank and the Bangladesh Association of Software and Information Services (BASIS).

Palak is quite sure that some companies would feel very interested when they get to know about the country's tax benefits.

The ICT sector is enjoying tax holiday since 2014 with the government declaring 12 incentives for hi-tech parks in 2015 and 10 percent cash incentive on export earnings last year.

The government is establishing 28 hi-tech and ICT parks across the country and has already allocated plots or space to interested companies, officials of Bangladesh Hi-Tech Park Authority said.

Some companies from China, Saudi Arabia and Korea have already signed agreements with the authority to invest in Bangabandhu Sheikh Mujib Hi-Tech Park in Gazipur.

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bKash asked to take steps against unruly agents

STAR BUSINESS REPORT

Bangladesh Bank has instructed bKash to take action against its agents who maintain multiple accounts with the mobile financial service provider in a breach of rules.

The Bangladesh Financial Intelligence Unit, the anti-money laundering wing of the BB, wrote to bKash on Tuesday, saying more than 70 percent of its agents are operating a number of accounts.

The BB asked bKash to keep active only one account against each individual agent and closing the others within 10 working days.

bKash, a subsidiary of Brac Bank, has failed to take effective measures to prevent digital hundi despite repeated instructions from the central bank, according to the letter. It said the MFS provider has not complied with money laundering prevention rules.

The letter instructed bKash to explain within 10 working days why it has failed to follow the anti-money laundering and the central bank rules.

The MFS provider has been asked to submit its work plan within 30 working days outlining how it would stop suspicious transactions run by the agents.

Shamsuddin Haider Dalim, head of corporate communications at bKash, confirmed to The Daily Star about the letter.

He said, "We are a compliant company and we will respond to the queries within the stipulated time."

Presently, bKash has about 1.75 lakh agent accounts and Tk 450 crore to Tk 500 crore moves through its network every day.

Garment makers call for fresh wage board

REFAYET ULLAH MIRDHA

Garment makers have called for a fresh wage board for recommending a salary hike for workers with a view to quelling any outbreak of unrest in the sector.

The last pay hike was in December 2013, and the next one is due in December next year.

The Bangladesh Garment Manufacturers and Exporters Association's proactive stance comes as every year a section of the workers' leaders agitate the workers and get them to stage demonstrations to drive home their demand for a salary hike.

For instance, last December a section of the workers took to the streets and rampaged the factories at Ashulia and Savar, said BGMEA President Siddiqui Rahman.

"The workers were agitated by some workers' leaders although they knew that the salary is hiked every five years."

The BGMEA's request for formation of the wage board, which came by way of a letter last week to the labour ministry, will carry a message that the government is working to hike the salaries.

"And hopefully, they will not start demonstrating again," he said, adding that the gar-

ment makers did not recommend any specific percentage of salary hike in the letter.

Nazma Akter, president of Sommilto Garments Sromik Federation, a workers' platform, demanded that the minimum wage be raised to Tk 16,000 from existing Tk 5,300.

"The prices of basic commodities increased in the local market, so the wage should also be hiked to this level," she added.

On the other hand, Sirajul Islam Rony, the workers' representative in the last wage board, said the minimum wage should be Tk 10,000 to Tk 11,000.

"Our target is to double the current wage as inflation increased over the last four years."

The minimum wages for garment workers were fixed at Tk 3,000 in 2010, up from Tk 1,662.50 in 2006, Tk 940 in 1994 and Tk 627 in 1985, when the garment sector was brought under the government's formal wage structure.

Inflation has been on the rise in recent months on the back of spiralling prices of rice, a key determinant of overall inflation as it accounts for 23 percent of the commodity basket in the consumer price index.

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ADB to give \$300m to help upgrade trade corridor

STAR BUSINESS REPORT

The Asian Development Bank (ADB) will provide Bangladesh with a loan of \$300 million to help upgrade the Dhaka-Northwest international trade corridor to boost regional business.

Kazi Shofiqul Azam, secretary of the Economic Relations Division, and Manmohan Parkash, country director of ADB, signed the loan agreement at the ERD conference centre in Dhaka yesterday.

The assistance forms the first tranche of a \$1.2 billion multi-tranche ADB loan for the Second SASEC Northwest Corridor Road Project, according to a statement of the Manila-based donor. "This project will help boost trade along the second busiest road artery in the country, and further strengthen regional connectivity," said Parkash.

"This will also help bring down transport costs, make the sector more competitive and make transportation between Dhaka and north-western Bangladesh more efficient."

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Four brokerages fined Tk 70 lakh for bending rules

STAR BUSINESS REPORT

The stockmarket regulator has fined four brokerage houses—Globe Securities, SB Securities, Khurshid Securities and Sharp Securities Ltd—Tk 70 lakh for breach of rules.

Globe faced a penalty of Tk 20 lakh for opening a beneficiary owner's (BO) account in the name of its authorised representative. The company also has a shortage of funds in consolidated customer accounts, Bangladesh Securities and Exchange Commission said in a statement on Tuesday.

SB Securities was fined Tk 15 lakh for providing its directors, relatives and employees with loans and for having a fund shortage in consolidated customer accounts.

Khurshid Securities has been penalised Tk 10 lakh for giving margin loans beyond the authorised ceiling of 25 percent of the net capital balance.

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