

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.45%	▲ 0.47%	\$1,280.00 (per ounce)	\$57.29 (per barrel)	▼ 1.35%	▲ 0.57%	▼ 0.16%	▼ 0.61%	BUY TK 81.95	96.20	109.44	0.71
6,306.86	11,803.79			33,149.35	22,724.96	3,433.54	3,317.58	SELL TK 82.95	99.80	113.04	0.75

# Star BUSINESS

DHAKA FRIDAY DECEMBER 1, 2017, AGRAHAYAN 17, 1424 BS

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ফোন: +৮৮০-২-৯৬৪২২৯৭  
Hotline: 01991150900

## Focus on trade benefits as non-LDC

Analysts say at discussion on upcoming WTO ministerial conference

STAR BUSINESS REPORT

Bangladesh should negotiate in the upcoming 11th WTO ministerial conference in Buenos Aires keeping in mind its graduation from the least developed country group to a developing country, a leading trade analyst said yesterday.

The World Trade Organisation (WTO) is an important platform for the participating nations for realising preferential trade benefits through discussions and negotiations.

Bangladesh is likely to be recommended by a United Nations committee for the graduation from the bloc in 2018, and could come out of the LDC group in 2024 if it can meet conditions.

Once the country graduates, it could lose special status in the trading system unless it successfully negotiates with key trading partners such as the European Union to retain the benefit for another three years.

"So, we have to keep in mind the non-LDC status during the negotiation in the WTO Ministerial Conference," said Prof Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD).

He spoke at a discussion on 'towards 11th ministerial of the WTO: reclaiming the development



Rehman Sobhan, chairman of the Centre for Policy Dialogue, speaks at a discussion -- towards the 11th ministerial of the WTO: reclaiming the development agenda -- at Lakeshore Hotel yesterday. Debapriya Bhattacharya, distinguished fellow of the CPD, and Shubhashish Bose, commerce secretary, were also present.

agenda" at Lakeshore Hotel in Dhaka.

The CPD organised the discussion attended by government high-ups, businessmen, trade analysts from home and abroad, experts and academics.

The Ministerial Conference, or MC 11, is scheduled to be held in

Argentina's capital between December 10 and 13.

Rahman called for raising the issues of preferential trade treatment to retain duty benefit, rules of origin, subsidies in the fisheries sector, waiver in the service sectors, e-commerce and investment and trade facilitation in the upcoming

MC11.

At the MC11, it is being anticipated that there may be a decision on fisheries subsidies, some progress with regard to public stockholding, and setting up of at least one working group on e-commerce, Rahman said in his keynote paper.

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## Bonded warehouse for all to boost exports: PRI

STAR BUSINESS REPORT

An effective special bonded warehouse (SBW) benefit, under which exporters can import raw materials without duty, could boost non-garment exports by about \$1.5 billion a year, said the Policy Research Institute yesterday.

Shipment of non-garment products fetched \$5-7 billion a year between 2012-13 and 2016-17, according to the think-tank.

The country would have got more receipts were there an effective SBW system.

"Tax exemptions via special bonded warehouse boost exports," said PRI Chairman Zaidi Sattar while presenting a paper titled "Modernisation of SBW scheme to ensure export competitiveness and diversification".

Discussants at the event held at the PRI office in Dhaka suggested bringing uniformity in bonded warehouse benefits offered to apparel and other export items and faster service from the Customs Bond offices to facilitate exports.

The calls come as the importance of apparel in the export basket continues to soar. It accounted for 82 percent of total export earnings last fiscal year.

Export product diversification continues to be a challenge, Sattar said.

The existing statutory regulatory order that extends SBW benefits to non-garment exporters is selective.

As many as 1,400 products were exported last fiscal year other than apparel by 3,500 firms.

"These firms also have domestic market. Since they are not 100 percent export-oriented, they do not get the benefit," said Sattar.

He said leakages and abuses are likely, but that should not be a deterrent.

"You should not punish 95 percent of the exporters," Sattar said, while calling for modernisation and automation of the bonded warehouse facility.

National Board of Revenue Chairman Md Nojibur Rahman said the government has already taken a project for automating the management of the bonded warehouse system. "The automation process has started," he added.

AFM Shahriar Molla, a member of the NBR for customs export bond and IT, said non-apparel sectors also enjoy bonded warehouse benefit in line with the garment sector.

There is no legal bar for any non-apparel factory from getting a bonded warehouse licence, he said.

Of the total 4,909 bonded warehouse licence holders, 2,062 hail from the non-apparel sectors.

Bangladesh will have to accelerate its export to attain higher economic growth, said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

"And export diversification is necessary for that. We are heavily dependent on the exports of particular products," he said, while also calling for bonded warehouse benefits for all sectors to boost shipments.

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## Rakub's default loans increase on potato price fall

JEBUN NESA ALO

The slump in potato prices has compounded the non-performing loan ratio of Rajshahi Krishi Unnayan Bank (Rakub), which has lent heavily to potato farmers and cold storage owners.

The bank was supposed to cut back on its default loans by Tk 400 crore in a year as per the terms agreed with the Bangladesh Bank. In reality, it swelled by about Tk 224 crore.

At the end of June, Rakub's total default loans amounted to Tk 1,200 crore, up 23.02 percent from a year earlier, according to data from the BB.

"The significant rise in default loan was only due to the massive price fall of potato in the wholesale market," said Md Muin Uddin, managing director of Rakub.

Subsequently, potato farmers and cold storage operators incurred huge losses and defaulted on their loans with Rakub.

The short-term loans were given at the beginning of the year and were supposed to be realised in June-July, according to Muin Uddin.

But the small businessmen could not pay back the money as the wholesale potato price slumped to about Tk 4 per kg in July from Tk 6-7 in January-February.

"Curiously, the potato price in the retail market is still high at Tk 20, which is almost the same as in last year," Muin Uddin said, while calling on the government to investigate the wide difference in prices.

He went on to state that Rakub's default loans will come down by the end of the year as the affected small businessmen will be extended the loan rescheduling facility.

Qamrul Hussain Chowdhury, vice-president of Bangladesh Cold Storage Association (BCSA), blamed the higher production for the slump in price in the wholesale market.

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## RETURN SUBMISSION

### NBR gets good response as deadline ends

STAR BUSINESS DESK

The deadline for submission of income tax returns for 2017-18 ended yesterday amid a rush of taxpayers seeking to comply with the rules and avoid paying late fee.

Until 8pm yesterday, taxmen received 14.25 lakh returns, which was 24 percent higher year-on-year, according to a provisional estimate of the National Board of Revenue.

"We got a very good response," said a senior official of the NBR.

He said they would receive returns until 10pm and so the total would increase. Taxpayers will be able to seek additional time from tax offices to furnish returns. They would then have to pay a late fee.

Total revenue collection rose 18 percent year-on-year to Tk 58,897 crore in July-October, the NBR said. Income tax, the second biggest source of revenue, grew 16 percent to Tk 17,031 crore during the period.

## Private credit growth continues ascent

JEBUN NESA ALO

Private sector credit growth is continuing with its ascent, helped in part by the higher import of food grains and capital machinery.

In October, private sector credit growth stood at 18.63 percent, which is way higher than the target of 16.2 percent set for the first half of the fiscal year, according to data from the Bangladesh Bank.

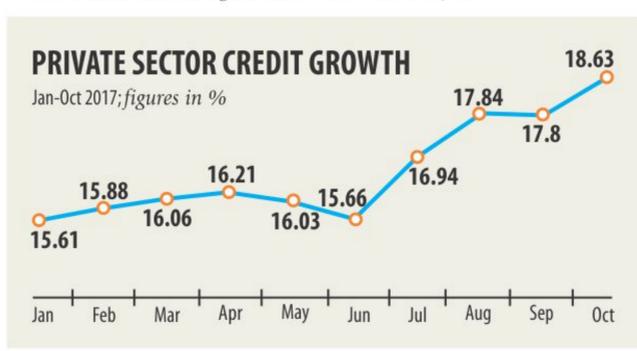
The last time the credit growth was

higher than this was back in March 2012, when it stood at 19.5 percent.

"The high credit growth is unusual," said a senior BB official, adding that banks are repeatedly being advised to be cautious about their lending.

In July, private sector credit growth stood at 16.94 percent, exceeding the monetary target of 16.2 percent for the first half of 2017.

The growth slowed slightly to 17.8 percent in September from 17.84 percent in August.



The increase in credit growth was due to deferred letters of credit payment mostly for food grains and capital machinery, said MA Halim Chowdhury, managing director of Pubali Bank.

The LC opening value against food grains trebled to \$1.55 billion in July-September of the year. During the period, LC opening for capital machinery soared 27.4 percent to \$1.32 billion.

The higher credit growth will put pressure on the lending rate very soon, with some banks already revising their interest rates upwards, he added.

The government's development works and establishment of power plants bumped up the credit demand, said Md Arfan Ali, managing director of Bank Asia.

Banks are lending to power plant projects following the government's call for providing Tk 20,000 crore to the power sector.

Ali echoed Chowdhury's view that the rising credit demand will eventually push up the lending rates.

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## 4cr internet users in Bangladesh: Google

35 percent access it every day

STAR BUSINESS REPORT

Google yesterday said the number of active internet users in Bangladesh stands at 4 crore with 35 percent using it every day.

However, Bangladesh Telecommunication Regulatory Commission in its monthly report stated that there were 7.92 crore internet users as of September.

Officials of the technology giant disclosed the figures at a ceremony organised to launch Datally, an Android phone-based data saving app, at the Dhaka Westin.

The internet user number will grow to 9 crore within 2020, said Golam Kibria, head of Google for Asia-Pacific, while giving a presentation.

Apart from the 1.4 crore daily users, who make up 8.75 percent of the population, the rest accessed internet irregularly.

Asked about Google and BTRC having different figures, Hashmi Rafsanjani, marketing consultant of Google for the region, said it was an internal data of Google and they had counted the number of monthly or daily active internet users.

"The figure was based on the use of Youtube, Play Store and Gmail and other social media used by the people," he said. He declined to comment on the BTRC's tally.

According to the BTRC, there were 7.38 crore

**The number of internet users will rise to 9 crore within 2020, said Golam Kibria, head of Google for Asia-Pacific**

active mobile internet users while 90,000 accessed it through WiMAX operators and 53.21 lakh through internet service providers and landlines.

A top official of the telecom regulator said their figure, provided by mobile phone opera-

tors, represents active mobile phone numbers using the internet. Hence it did not mean that the number of internet users would be the same.

According to BTRC's definition, anyone using the internet just once in 90 days would be counted as an internet user, said the official.

On background data consumption of apps and how Datally saves data, Kibria said it happens so often that it is not possible to keep track of apps doing so.

To save data, people use airplane mode, tethering and scheduled their internet usage, he said.

Datally informs people which apps are consuming data and suggests ways to control it, he said.

Rafsanjani said the app was piloted in the Philippines and Brazil and received a huge response as it managed to save around 30 percent of the data.

The app was made available on Play Store yesterday and the launching was held in Bangladesh and Pakistan.

About 2.5 lakh people worldwide used the app as of yesterday, according to Rafsanjani.

## IT industry to see fivefold growth by 2025: report

UNB, Dhaka

The country's IT industry would generate revenue worth around \$1.1 billion this year and it has a fivefold growth prospect to reach around \$4.8 billion by 2025.

The information was revealed yesterday in the whitepaper titled "Betting on the future-the Bangladesh IT/ITES industry is poised for growth", prepared by the Everest Group with the cooperation of US based Boston Consulting Group.

The report was made through interviewing local companies and government stakeholders. The government is taking preparation to cope with the emergence of the fourth industrial revolution, State Minister for ICT Zunaid Ahmed Palak said at the launch of the report at Janata Tower in the capital.

The IT sector is developing fast in the technologically advanced countries and Bangladesh is taking preparation to cope with it, the state minister said.

He said a magnificent development has

taken place in Bangladesh's IT sector during the last nine years and there are lots of success stories in the sector.

The government has put emphasis on Big data analytics, Internet of Things and artificial intelligence to adapt to the emergence of disruptive technology, Palak said.

The research should be conducted on hardware manufacturing and research and development, he said. He said the whitepaper is an unbiased reflection of Bangladesh's potential for emergence as an ICT hub and depicts how the Digital Bangladesh Vision has become a reality.

He also urged everyone to utilise the whitepaper and promote the IT industry in Bangladesh both locally and globally.

The whitepaper provides context on the current scenario of the country's IT and IT-enabled services sector, Bangladesh's unique value proposition and the challenges and opportunities for the industry going forward, said Prashray Kala, practice director at Everest Group.