STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▼	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▲ 0.83%	▲ 0.99%	$1,324.70 (per ounce)	$68.30 (per barrel)	▲ 1.75%	▲ 1.53%	▲ 1.97%	Closed	BUY TK	82.50	100.42	115.34	0.75
5,841.19	10,891.73			33,596.80	21,645.42	3,405.65		SELL TK	83.50	104.02	118.94	0.79

Star BUSINESS

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Policymakers should get to the bottom of low FDI

Says chief of Bangladesh Economic Zones Authority

STAR BUSINESS REPORT

Policymakers should find the reasons behind the low inflow of foreign investment to Bangladesh despite a number of agencies' efforts to boost receipts, said a top official of an investment agency yesterday.

"We have a number of organisations and yet foreign investment inflows are no more than $2.5 billion," said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, at a discussion at the headquarters of the National Board of Revenue.

Besides, there are a number of authorities and laws to promote investment. In contrast, Vietnam has simply a decree, which has paved the way for the country to draw huge amounts of foreign investment, he said.

In 2016, Vietnam received $12.60 billion in foreign direct investment, whereas Bangladesh got $2.33 billion, according to United Nations Conference on Trade and Development.

The NBR organised the event to hear views and recommendations from investment related agencies to frame the measures for the incoming fiscal year.

Myanmar receives $9 billion of foreign investment and countries like Hong Kong and Singapore get $75 billion, according to Chowdhury.

"Bangladesh sits on a strategically ideal location with two economic giants, China and India, and has a long coastal belt. A number of organisations are also working to attract investors. Yet, we could not make that much stride for various reasons."

Asked for reasons, the BEZA chief said the investment climate and regulatory framework are easier in Vietnam than in Bangladesh.

The Southeast Asian nation has one organisation for special economic zones and other agencies support it in attracting investment.

"Investments do not get stuck anywhere there," Chowdhury said.

He, however, said investment will rise to $5 billion next year because of increasing inflows.

BEZA has received $8 billion of confirmed investment proposals, he said, adding that the 'One Stop Service' law would be instrumental in facilitating investment.

"But without the help of the NBR, it is not possible to have a diversified manufacturing regime," he said.

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Five top Islami Bank officials resign

STAR BUSINESS REPORT

Five top officials of Islami Bank Bangladesh have resigned from their jobs following restructuring at the management level.

The officials had submitted their resignation letters earlier this week and the board accepted their plea on Tuesday, said Arastoo Khan, chairman of Islami Bank Bangladesh.

"The bank appointed the officials on a contractual basis. Their job contract is supposed to end after one or two months. But, they have wished to resign from their jobs before their tenure ended."

One of five officials has been suffering from cardiovascular disease, so he is reluctant to continue his job.

When asked whether the board of the bank had forced them to resign, the chairman said, "They resigned willingly."

In June last year, major changes were brought about in the board of directors and the management team of the private commercial bank.

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Post and Telecom Minister Mustafa Jabbar speaks at a discussion -- Technology, innovation, and policy: How to proceed? -- organised by the Metropolitan Chamber of Commerce, Bangladesh in Dhaka yesterday.

Embrace technology to increase productivity

Experts say at MCCI discussion

STAR BUSINESS REPORT

Bangladesh's productivity is much lower compared to its competitors because of slow adoption of technology, experts said.

Bangladesh needs the involvement of 142 people on average to export products worth $1 million whereas competitors require only a third of them to make the same quantity of shipment as the latter have adopted technology that raised productivity.

Currently, China needs only 48 people, India 59 and Vietnam 75 people to export $1 million worth of products, said Syed Nasim Manzur, managing director of Apex Footwear Ltd, referring to a study.

He said two decades ago Bangladesh required 545 people to send $1 million worth of products abroad.

"The country has evolved a lot since then, but we have miles to go to be competitive with our competitors," he said.

"We need to change our production pattern and engage technology more to improve the situation," the entrepreneur said at a discussion at the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

The chamber organised the event titled "Technology, innovation, and policy: How to proceed?"

Business leaders, academics and experts said Bangladesh will not be able to increase productivity without adopting the technology.

If technology is not embraced, the country will lose the competitiveness in the export markets, they said.

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First freight train from India ends trial run

AHMED HUMAYUN KABIR TOPU, *Pabna*

A trial run of the first freight train on the Bangladesh-India route ended at the west end of Bangabandhu Multipurpose Bridge in Sirajganj yesterday around 1:30am.

Carrying 1,350 tonnes of imported goods, mostly dairy feed and fly ash, in 30 wagons, the train started off from Kolkata's Katapur container terminal on April 3 at 9:00am.

It reached Darshana Railway Station at about 4:30pm on Wednesday, swapped the Indian engine for a Bangladeshi one and completed customs procedures before continuing to move on. It reached Ishwardi Railway Station around 8:30pm.

The goods were unloaded onto trucks by the importers as the bridge cannot support more than what a passenger train weighs, said Ashim Kumar Talukder, divisional manager of Pakshey division, one of the two wings of Bangladesh Railway (West).

This test run was monitored to detect problems, he told The Daily Star.

The train operator, Md Samsur Rahman, said he faced no problem and was hopeful of smoothly running services on this route.

Representatives of the importers, AR Agro and Srinibash Firms, said they had saved a lot of time and cost through the direct service.

The Container Corporation of India and Container Company of Bangladesh Ltd signed a preliminary agreement over facilitating greater cooperation in freight operations between the two countries during Prime Minister Sheikh Hasina's visit to New Delhi in April last year.

The service may go on to have a major cost impact on the $6-billion bilateral trade, which is currently dominated by non-containerised road cargo -- mostly through the Benapole-Petrapole border, according to Indian newspaper The Hindu Business Line.

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Workers unload goods from the first freight train on the Bangladesh-India route which started the trial run from Kolkata's Katapur container terminal at 9am on April 3 and reached the west end of Bangabandhu Multipurpose Bridge in Sirajganj around 1:30am yesterday.

Muhith for developing specialists for export sectors

STAR BUSINESS REPORT

Bangladesh needs to develop specialists for the export-oriented sectors as they largely rely on foreign experts, who take home $5 billion each year, said Finance Minister AMA Muhith yesterday.

He said in cooperation with the Institute for Business Administration and the Institute for Governance and Management, the government has developed a course for administrative management essentially for the country's export sector.

In the export sector, the job is presently taken care of by expatriate experts causing an outflow of funds for their employment at a level of $5 billion each year, he said.

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Steel makers call for slash in customs duty, tax

STAR BUSINESS REPORT

Steel makers yesterday called for slashing of customs duty and advance income tax on the import of scraps, a non-negotiable raw material for steel, to arrest the escalating prices in the local market.

At present, the customs duty for scraps is Tk 1,500 per tonne and AIT Tk 800.

Manwar Hossain, chairman of the Bangladesh Auto Re-rolling and Steel Mills Association, requested lowering the customs duty to Tk 500 and AIT to Tk 400 at a press briefing held at the National Press Club in Dhaka.

"The production cost of steel rod has increased abnormally in the last three months," Hossain said.

Rod prices are spiralling with the soaring prices of melting scraps in the international market in the wake of US's announcement of 25 percent and 10 percent tariffs on steel and aluminium imports respectively from March 23.

The US, the world's largest economy, generates 60 percent of the global scraps, and American millers have been stockpiling it upon anticipation of the protectionist move by Trump administration, escalating the prices in the global market. The price of each tonne of scrap, which was $310 in the third quarter of 2017, now stands at $435, according to Hossain.

Bangladesh requires 40 lakh tonnes of scraps to make billet for manufacturing steel, according to the BARSMA.

Of the sum, 35 lakh tonnes are imported and the rest is collected from ship-breakers and domestic market, according to Tapan Sengupta, executive director of BSRM, one of the biggest steel manufacturers in Bangladesh.

Besides, the production costs for per tonne of steel have increased by Tk 1,708 due to the appreciation of the dollar against the taka and Tk 700 for the increase of interest rate from 9 percent to 12 percent, Hossain said.

"If the situation goes on like this for another 2-3 months, the prices would further escalate."

On the first day of January, each tonne of 60-grade rod sold for Tk 53,500-Tk 54,500 in Dhaka city. Yesterday, they went for Tk 71,000-Tk 72,000, according to the Trading Corporation of Bangladesh.

Hossain, who is also the managing director of Anwar Ispat Ltd, said the rod prices were recently slashed by Tk 3,000 per tonne after the government assured steel manufacturers that their demands would be met.

The price would come down by Tk 5,000 per tonnes if the government slashed the customs duty and AIT as per the steel makers' demand, he said.

Shafiqul Islam, general manager of RSRM, and Md Shahidullah, managing director of Metrocem, were present, among others.

Optimistic investors cheer up stocks

STAR BUSINESS REPORT

Optimistic investors kept stocks in the black for the second consecutive session yesterday.

DSEX, the benchmark index of the Dhaka bourse, rose 48.13 points or 0.83 percent to finish the day at 5,841.19.

"Investors' confidence is rising as the government has taken necessary initiatives to mitigate liquidity crunch in the financial sector," said Mostaque Ahmed Sadeque, president of DSE Brokers Association.

Institutional investors are taking position in lucrative shares as they are not in a hurry to lower their loan-deposit ratio thanks to Bangladesh Bank's latest move to extend the deadline from June 30 to December 31, he said.

With rising confidence, investors opted to take fresh position in their portfolio, EBL Securities said in its daily market analysis. Buying pressure was mostly on stocks from banks, pharmaceuticals, chemicals and engineering sectors, it said.

Turnover, another important indicator of the market, jumped 5 percent to Tk 572.04 crore with 14.76 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 203 advanced, 87 declined and 45 closed unchanged on the premier bourse.

Beximco dominated the turnover chart with 1.26 crore shares worth Tk 34.98 crore changing hands, followed by Brac Bank, Unique Hotel and Aamra Networks.

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Eliminate middlemen from paper trade

Carton makers demand

STAR BUSINESS REPORT

The carton manufacturers yesterday demanded direct buying rights of paper from mills as a section of unscrupulous middlemen have abnormally hiked the price of the carton paper leaving the industry of small entrepreneurs under strain.

Before March 21, the carton manufacturers purchased media carton paper from the market at Tk 27,500 a tonne. Now, they have to pay Tk 35,000, according to MA Bashar Patwary, president of the Bangladesh Local Carton Manufacturers Association.

In carton manufacturing, the corrugated paper which is used inside of the cartons is called media paper and the paper outside of the carton the liner paper.

The price of liner paper also jumped to Tk 51,000 a tonne from Tk 41,000, he said at a press conference to express concerns about the sudden abnormal hike in prices.

Although the prices of raw materials have gone up, the buyers like the pharmaceuticals and ceramic companies did not increase the prices retrospectively.

"The local carton manufacturing industry is composed of small entrepreneurs. They would not be able to absorb such a sudden price hike of raw materials."

The average capital of the country's 2,000 local carton factories is Tk 5 crore and average employment 50 workers.

The local carton manufacturers mainly produce carton for products that are made and sold in the local markets like packaging for pharmaceuticals, ceramics, television and so on.

"Our main demand is to abolish the deployment of middlemen in the trading of paper as they hike the price abnormally by stockpiling paper."

The middlemen are mainly appointed by the mill owners, who do not allow the carton manufacturers to purchase the paper directly from the mills.

Patwary went on to advise the customs officials to increase vigilance at paper mills as a good number of them have been evading VAT every year.

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