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115.20

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BUSINESS

DHAKA TUESDAY MAY 15, 2018, JAISHTHA 1, 1425 BS

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Safety net outlay to rise by Tk 11,000cr

STAR BUSINESS REPORT

The government is set to raise the allocation for social safety net schemes by about Tk 11,000 crore in 2018-19 to increase the number of recipients and allowances per person.

"Both the coverage and the allowance will be increased in the next budget," said Shamsul Alam, a member of the planning commission, yesterday.

The government has allocated Tk 54,206 crore for the ongoing fiscal year, up 330 percent from a year earlier. More than 130 safety net schemes, covering 16.72 lakh people, are being run in 2017-18, according to the finance ministry.

The improvement of rural road network and infrastructure with a view to creating jobs and vibrancy in the rural economy will be the focus of next year's budget, Prof

Alam said.

His comments came at a discussion on 2018-19's budget jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Bangla daily Prothom Alo at the ICAB's office in Dhaka.

Corruption eats up 2 percent of Bangladesh's GDP, while violence against women eats up an equal percentage of the economy, said Rasheda K Choudhury, a former adviser to a caretaker government.

"But we can address both the issues and increase GDP by ensuring the rule of law," she said.

She called for an increased allocation for education, citing that public investment in the sector has been about 2 percent of the GDP for the past 18 years.

"There is a lack of good governance," said Faruq Ahmad Siddiqi, a former chairman of the Bangladesh Securities and

Exchange Commission.

He went on to state that the economy may lose pace unless governance is improved.

ICAB President Dewan Nurul Islam stressed on encouraging both domestic and foreign investment and appreciated the government initiative to reduce corporate tax in the upcoming fiscal year.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, called for exercising caution before taking the final decision of slashing the corporate tax.

"It is not the only factor in increasing private investment -- there are other factors."

He proposed establishing a model special economic zone to set an example and attract investors.

"Inequality in income, wealth and con-

sumption is rising. So, emphasis should be given to resource mobilisation and proper distribution," Rahman added.

Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, called for formulating a budget focusing on job creation and providing incentive to those areas where jobs are created.

"The bank interest rate for lending should be reduced to attract large investments," he added.

The high interest rate on loans might discourage private investment, said ICAB Council Member AF Nesaruddin.

"A business-friendly environment cannot be ensured with a high interest on loans," said Nazneen Ahmed, senior research fellow of the Bangladesh Institute of Development Studies.

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Analysts attend a roundtable on the upcoming budget at the Institute of Chartered Accountants of Bangladesh in Dhaka yesterday. The association and the Bangla daily Prothom Alo jointly organised the discussion.

Employers face dearth of qualified employees: MCCI

STAR BUSINESS REPORT

Employers are not getting the supply of adequate quality manpower although thousands of people join the country's workforce every year, speakers said yesterday.

The industrial sector does not get the required number of skilled people because of the mismatch between education and industry requirement, said Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

Every year 20 lakh people join the workforce but there is a lack of quality manpower, Nihad said.

She said foreign employees remit at least \$6.5 billion per year from Bangladesh. Local youths can occupy these positions by way of achieving quality.

She was addressing the concluding session of "MCCI's Youth Leadership Programme Agragami 2017" organised by the chamber at the International Convention City, Bashundhara in Dhaka on Sunday.

The chamber has been organising the event since 2014 in order to develop leadership skills and confidence among students.

Nihad said, "I believe this event will give students access to leaders and organisations in the city, helping them understand context and unlock key leadership skills needed for today's workforce."

Fazle Hassan Abed, founder of Brac, said the economy grew from \$4.5 billion in 1972 to more than \$250 billion at present. Literacy rate went up to 73 percent from only 25 percent in 1972, while fertility rate came down to 2.1 percent from 6.4 percent during the period, he said.

In the last four decades, life expectancy rose to 72 years from 46 years and rice production to 37 million tonnes from 10 million tonnes.

"We have done well in many aspects of development and I must say that we have collaborated with the government, the private sector and civil societies in these achievement in the last 47 years," Abed said.

Mohammed Farashuddin, a former governor of the central bank, urged the young generation to play their role in building the nation.

He said the young generation was advanced in thinking but not in work. "So, you should be innovative to generate ideas."

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Sreemangal finally gets its tea auction centre

MINTU DESHWARA

Bangladesh's second tea auction centre at Sreemangal yesterday opened its doors to traders, in a development that is set to provide a further boost to the Moulvibazar district.

The Tea Planters and Traders Association of Bangladesh (TPTAB) expects to earn nearly Tk 2 billion every year by selling high-quality tea from the auction centre, a long-standing demand of the growers in the region, dubbed the tea capital of the country.

It was cumbersome for the tea growers and traders from Sylhet to carry tea all the way to the country's lone tea trading centre in Chittagong.

Carrying finished tea to Chittagong was expensive, and sometimes the goods-laden trucks were even hijacked on the highways.

Md Jahangir Al Mustahidur Rahman, chairman of the Bangladesh Tea Board, oversaw the inaugural auction at the centre, located at Khan Tower in Sreemangal.

Seven brokerage houses and more than 150 bidders participated in the auction, said A Momen, convener of TPTAB.

"The brokerage houses have judged the quality of the tea and bought nearly 550,000 kg at the auction," he said, adding that the brokers have already built warehouses near the auction centre.

Though tea has been cultivated in the Sylhet region for about 150 years, this is the first tea auction house in the region.

A tea auction centre was built in Chittagong during the British rule for ease of shipping.

Thus any tea produced in Bangladesh is first sent to the port city, where it would be sold for export or domestic consumption, according to MA Ahad, former president of Moulvibazar Chamber of Commerce and Industry.

The first commercial tea garden was established in 1849 in Malnichhara, Sylhet.

With a total of 135 tea estates, Sylhet contributes 90 percent of total tea production in Bangladesh. But the entire market was dependent on the lone tea auction centre in Chittagong.

The tea brought to Chittagong for auction would deteriorate in quality during transit, said Zahar Tarafder, member secretary of the TPTAB.

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Huge growth awaits DSE: Muhith

Chinese bourses sign agreement to become its partner

STAR BUSINESS REPORT

The Dhaka Stock Exchange can look forward to astronomical growth in the coming days after Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) officially became its strategic partner yesterday, said Finance Minister AMA Muhith.

"Both the stock exchanges are much younger than the ones in Dhaka and Mumbai but they are growing way faster," he said at the share purchase agreement signing ceremony held at the capital's Le Méridien hotel.

The two Chinese stock exchanges, which together bought 25 percent stakes of the DSE, were established in 1990.

As of October 31, 2017, SSE is the fourth largest stock exchange in the world and SZSE the eighth largest. Both the stock exchanges have market capitalisation of almost \$9 trillion.

The Chinese consortium has experience of very fast growth in capital market development so the DSE will definitely benefit from the experience.

"Our capital market is old but not healthy. This partnership will bear good fruit for Bangladesh, but the DSE should match up to their speed," he added.

It is a win-win situation for all, said Wang Juanjun, president and chief executive officer of SZSE.

"If the Bangladesh capital market grows fast, we will benefit. So, we want to make the stock exchange to global standards."

Although comparatively young, both the stock exchanges have achieved global importance by virtue of its advanced technology and innovative products, he added.

The Chinese consortium will not only enhance the image of DSE but also ensure good governance and ethical practice, said M



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From left, Pan Xuexian, chair of the supervisory board of Shanghai Stock Exchange, KAM Majedur Rahman, managing director of Dhaka Stock Exchange, and Wang Jianjun, president and CEO of Shenzhen Stock Exchange, gesture while signing a share purchase agreement at Le Méridien Dhaka yesterday.

Khairul Hossain, chairman of BSEC.

They will also improve the institutional investors' base, attract good companies and foreign portfolio investment as well as upgrade the technology.

"They have such experience," he added.

KAM Majedur Rahman, managing director of DSE, and Wang and Pan Xuexian, chair of the supervisory board of SSE, signed the agreement on behalf of their respective parties.

The consortium, which managed to fend off advances from another consortium led by the National Stock Exchange of India for the 25 percent stakes of the DSE, purchased 45 crore shares for Tk 21 each.

It will also provide technical support worth \$37 million (about Tk 300 crore). In exchange, it sought for a seat at the DSE board and assured that it will not ask for any return on its investment for 10 years.

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Mobile app rolled out for Bangabandhu-1

STAR BUSINESS REPORT

Bangladesh Association of Software and Information Services yesterday rolled out a mobile application to provide detailed information of the country's first communication satellite Bangabandhu-1.

Called the BASIS BB-Sat-1, the app contains all the basic information like its position, capacity, benefits and some other issues, said Syed Almas Kabir, president of BASIS, the apex trade body for digital services.

"We have found that people, especially the youth, have enormous interest in our own satellite. That's why we have developed the app to keep them updated," he added.

Telecom and ICT minister Mustafa Jabbar unveiled the app at a programme organised at the Bangladesh Computer Council in the capital. BASIS will incorporate more information when the satellite fits in its orbital slot on 119.1 degree east of the longitude.

The historic launch event of the satellite took place at 2:14am Bangladesh time on Saturday from the Kennedy Space Centre in Florida. The nation's dream satellite, Bangabandhu-1, is now on its way to orbit after its perfect and successful launch, making Bangladesh's debut in the global space society.

The government will organise a massive countrywide celebration party today for the successful launch of the country's first commercial satellite. There will be fireworks in all the 64 district headquarters.

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Aggrieved members of Baira seek polls on time

STAR BUSINESS REPORT

Aggrieved members of the Bangladesh Association of International Recruiting Agencies (Baira) have urged the commerce ministry to revoke extending the trade body's present tenure by nearly a year.

As per rules, the present committee's (2016-2018) tenure ends on July

12 and the next executive committee was scheduled to be elected on June 24.

However, in response to a letter of Baira President Benjir Ahmed on April 3, the ministry, in an order on May 8, extended the tenure of the committee until March 2019.

Ahmed sought the extension in the letter, mentioning of upcoming holidays for Eid-ul-Fitr, Eid-ul-Azha,

the Hajj and parliamentary elections.

Many Baira members were also members of the Hajj Agencies Association of Bangladesh (Haab) and Association of Travel Agents of Bangladesh (Atab), he said.

"So they will remain engaged in business during the Hajj, which will lead to lower participation in the Baira election," he added.

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