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Smartphone imports fall for the first time

MUHAMMAD ZAHIDUL ISLAM

Smartphone imports declined more than 9 percent year-on-year to 37.89 lakh units in the first half of the year on the back of a drastic fall in the arrival of lower-end devices amid higher tariffs.

This is the first time that smartphone imports declined, at a time when the consumption of digital content on the go is on the rise.

"This is quite surprising," said Rezwani Haque, a former general secretary of the Bangladesh Mobile Phone Importers Association (BMPA).

During the period, handset imports fell 11.02 percent year-on-year to 1.55 crore units, according to a report of the BMPA.

The 33 percent duty on handset imports from fiscal 2017-18 accounts for the decline mostly, said Mohammad Mesbah Uddin, joint secretary of the BMPA.

"Besides, subscribers are not finding 3G or 4G networks attractive," said Mesbah, also the chief marketing officer of Fair Electronics, which imports Samsung phones.

Smartphones that are priced less than Tk 6,000 a unit witnessed negative growth of about 21 percent, the highest among all the segments, according to the BMPA report.

Conversely, import of smartphones that cost more than Tk 10,000 grew 12 percent.



The markets for counterfeit and locally refurbished handsets are booming and these factors have played a part for the unexpected negative growth, he added.

Mahmud Hossain, chief corporate affairs officer of Grameenphone, said they are not happy with the internet industry's overall performance.

"It is true that the number of internet connections went up noticeably, but the overall internet usage has not increased over the years as expected. Besides, the high tax on imported handsets has had an impact," he said.

The operators launched 4G technology in the third week of February this year.

People have just started to do their work using mobile internet and when the number of 4G users goes up, people's lives will be more digital-friendly, Hossain added.

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Tight supply fuels onion prices



STAR BUSINESS REPORT

Onion prices have started rising due to a tight supply from local growers and stockists ahead of Eid-ul-Azha—the second biggest religious festival of Muslims, traders said.

Onion sold for Tk 35 to Tk 60 a kilogramme at the retail level in

Dhaka yesterday, up from Tk 30 to Tk 50 a month ago, according to data from the Trading Corporation of Bangladesh.

In Dhaka, retailers sold imported onion at Tk 35 to Tk 45 per kilogramme yesterday, up from Tk 30 to Tk 35 a month ago.

Prices of locally grown onion also

increased 22 percent month-on-month to Tk 50-Tk 60 a kg yesterday, according to TCB data.

The falling supply from local onion producing districts has fuelled the price hike, said Narayan Saha, a shop owner at Shyambazar, a wholesale depot for onion in Dhaka.

The wholesale rates of locally grown onion were Tk 35 to Tk 36 a kg even 10 days ago, which has increased up to Tk 45 a kg now, he said.

Aminul Islam, an onion grower and trader, said, "Farmers are now busy selling jute. The large farmers and stockists are slowly releasing onion to see that the price goes up, which would help them earn some quick bucks ahead of Eid."

Businesses brought in lesser amounts of onion this time as they had to let go of the key cooking ingredient at low prices before Eid-ul-Fitr due to increased imports at that time, said Asadul Islam, manager of Milon Enterprise at Bhomra, an important import gateway.

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Don't maintain two sets of books

NBR chief asks company secretaries

STAR BUSINESS REPORT

NBR Chairman Md Mosharraf Hossain Bhuiyan yesterday asked the secretaries of listed companies not to dodge taxes by maintaining two sets of books of account.

"The persons or companies who maintain two registers to record their income will be treated as the corrupt ones as they are perpetrating it to dodge tax," he told a seminar on "Finance Act 2018-19 vis-a-vis National Budget 2018-19".

An ambitious budget taken up by the government has led to a large revenue collection target, he told the event organised by the Institute of Chartered Secretaries of Bangladesh (ICSB) at Dhaka Club in the capital.

The government targets earning Tk 339,200 crore as revenue in 2018-19, of which the National Board of Revenue (NBR) would collect Tk 296,201 crore.

Domestic resource mobilisation is highly important as some mega projects are now being implemented from

the government's own funds, Bhuiyan said at the event as the chief guest.

He assured that the NBR would try to amend the relevant act to recognise chartered secretaries as income tax practitioners before preparing the next fiscal year's budget.

Kanon Kumar Roy, a member for tax policy at the NBR, shared his recent experience travelling in Sweden, saying that 80 lakh of the country's total manpower of nearly one crore were taxpayers.

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Govt to rewrite labour law amid ILO pressure

Parliament may pass it in Sept

REFAYET ULLAH MIRDHA

The draft of the amended labour law as per recommendations of the International Labour Conference (ILC) is expected to be passed in the September session of the parliament.

The ILC is an annual general meeting of the ILO held at its Geneva headquarters where the labour conditions of the member countries are widely discussed.

The amendment was first supposed to come around November last year and then postponed to January.

It again got stalled as the factory owners, union leaders and international stakeholders could not reach a consensus over different issues.

For instance, union leaders wanted to bring down the percentage of workers' participation required for forming trade unions at factories to around 10-15 percent but accepted 20 percent following negotiations.

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Foreign funds in stocks keep falling

STAR BUSINESS REPORT

Net foreign investment in the Dhaka Stock Exchange has been on a downward curve for the last four months although the pace of decline slowed in July.

Last month foreign investors bought shares worth Tk 412.04 crore and sold issues worth Tk 444.74 crore, taking their net investment to Tk 32.70 crore in the negative, DSE data showed.

The net foreign investment was Tk 207 crore in the negative in June.

Market insiders said fears of political uncertainty ahead of the next national election prompted the foreign investors to go for sell-offs.

The panic-stricken investors have already sold off their shares. However, foreign inves-

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tors still stuck in the market are expected to stay on; this will help reduce the pressure of sell-offs, they said.

"Foreign investors hardly talk to us," said an official of a leading brokerage house which handles foreign portfolios.

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PHP plans to invest Tk 31,600cr in steel plant

JAGARAN CHAKMA

PHP Family, a Chittagong-based business group, plans to invest about Tk 31,600 crore to set up an integrated steel plant on 500 acres of land in Mirsarai Economic Zone.

All kinds of steel products will be manufactured at the plant, including materials for factory buildings.

PHP Family will have to start manufacturing in the complex within three years of agreement signing, said Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority. The agreement will be signed today.

The plant is expected to create 15,000 jobs directly and indirectly, said a high official of PHP Family.

"We will make the investments in phases that may take five to seven years," Mohammed Iqbal Hossain, a director of PHP Family.

Hossain said PHP has a steel mill with an annual capacity of 3 lakh tonnes and it is building another factory of that capacity also.

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Banglalink's first-half revenue lowest in 8.5yrs

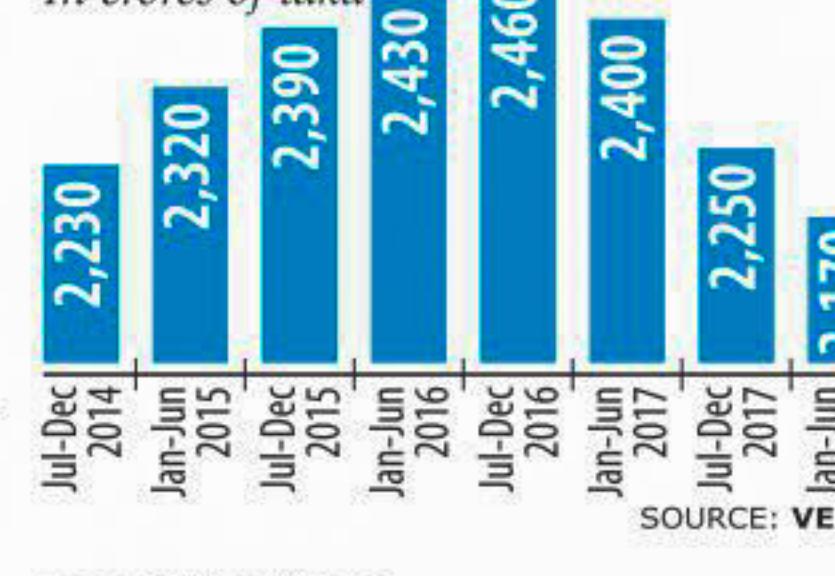
STAR BUSINESS REPORT

Banglalink logged in Tk 2,170 crore in revenue in the first half of 2018 -- the lowest in eight and a half years -- as the operator's efforts to win back market share are turning out to be fruitless.

In the last six months, the operator invested Tk 3,380 crore to acquire more spectrum and expand the availability of 4G service across the country, according to Veon, its parent company.

Banglalink entered the market in 2005 as the fourth player and within a few years' time jumped to the second position on the back of a marketing blitz. Now, it is languishing in the third spot with some distance between the first and

BANGLALINK'S REVENUE



SOURCE: VEON

second positions.

Banglalink's struggle coincidentally comes at a time when the industry observed the landmark merger of Robi and Airtel, the third and fourth largest operators at that time. READ MORE ON B3

2018 HSBC Export Excellence Awards

As the leading international bank, HSBC seeks to promote trade by recognising exporters who have made great contributions to Bangladesh's economy by growing the 'Made in Bangladesh' brand across the globe.

Nominations for the 8th HSBC Export Excellence Awards are now open across five categories:

- ◆ Ready Made Garments
- ◆ Supply Chain and Backward Linkage (Apparel)
- ◆ Traditional and Emerging Sectors
- ◆ Small and Medium Enterprise
- ◆ Import Substitution

Nominations close on 31 August 2018, we look forward to receiving your entries.

For more information, visit business.hsbc.com.bd/eea or call 01711295060



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