

মুনাফার সাথে আস্থতাও বেশি

বেশি মুনাফা 1%

এসআইবিএল সুপার সেভিংস একাউন্ট

পঞ্চান্ন-উর্ধ্ব সিনিয়র সিটিজেনদের জন্য। ১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন।

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Star BUSINESS

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Sugar import from India to be duty-free

Local refiners furious

REFAYET ULLAH MIRDHA and SOHEL PARVEZ

The commerce ministry yesterday agreed to withdraw the 40 percent duty on sugar imports from India, much to the ire of the local refiners.

Until now, Bangladesh has kept sugar out of the South Asian Free Trade Agreement mainly to protect the local industry.

"The Indian sugar will be dumped here," said Mostafa Kamal, managing director of Meghna Group of



Industries and one of the major sugar refiners, adding that the commerce ministry did not discuss the issue with the refinery association leaders and the local sugar traders before taking the decision.

The decision for duty withdrawal was taken at a meeting between Commerce Minister Tofail Ahmed and Indian Food and Public Distribution Secretary Ravi Kant at Ahmed's secretariat office in Dhaka.

The neighbouring country, which happens to be the world's second biggest sugar producer, is set to produce 35.5 million tonnes of sugar between October 2018 and September 2019 and surpass Brazil as the world's top sugar producer, according to the India Sugar Mills Association.

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IMPROVING EASE OF DOING BUSINESS

Efforts falter on slow reforms

JAGARAN CHAKMA

Bangladesh has posted impressive numbers in the last 10 years, be it GDP growth, per capita income, external trade, foreign exchange reserves and many more.

Yet, the country's sorry state of economic reforms and poor corporate governance have put it at the 176th position out of 190 countries in the

2019 edition of the World Bank's Ease of Doing Business rankings, which was released on Wednesday.

Even the war-torn Afghanistan, troubled Pakistan and Myanmar are well ahead of Bangladesh.

India, which has carried out reforms to facilitate economic activities, was up 23 notches in the rankings to 77th. The neighbouring country has targeted to be amongst the top 50 countries in the

next three years.

Two years ago, Bangladesh also set a task of making it to the top 100 in the next five years, meaning the country has to move up at least 15 spots each year to reach the target.

But, it managed to climb only one notch in one year. In contrast, Afghanistan advanced 16 spots to 167th.

Without improving the ease of doing business, Bangladesh's aspiration to draw foreign and local investments will never be achieved, analysts said.

Bangladesh's investment to GDP ratio stands at 31.23 percent, according to the data from the Bangladesh Bureau of Statistic.

In contrast, Bhutan's ratio is 57.62 percent, the highest in South Asia, followed by Nepal at 43.01 percent, Sri Lanka at 32.29 percent and India at 32.04 percent, a recent report of the International Monetary Fund (IMF) showed.

The government has set a target to raise the investment-GDP ratio to 34 percent by 2020.

The Bangladesh Investment Development Authority (BIDA) has taken a major initiative to ease doing business but no qualitative improvement is visible yet, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"I don't blame the BIDA as the job is related with a number of ministries and agencies. If the ministries and other authorities concerned do not cooperate with the BIDA, the situation will not improve."

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It's a shame: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said it was a shame for the country after it lagged behind war-torn Afghanistan in the latest World Bank Ease of Doing Business index.

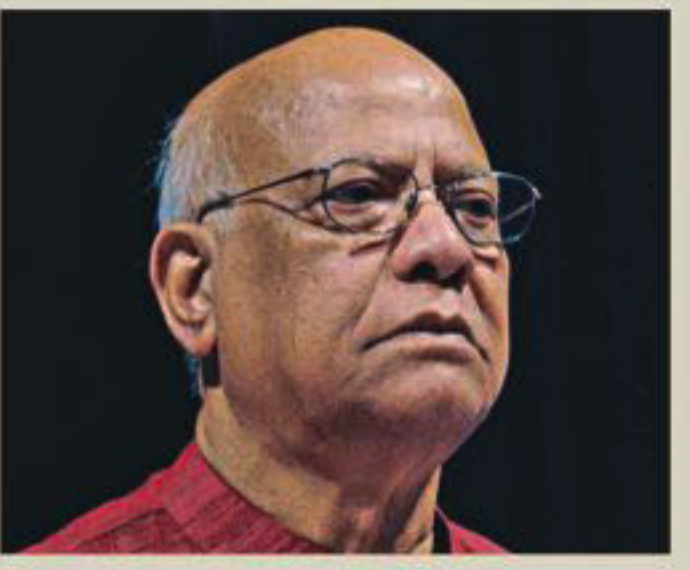
"It is a matter of shame that Afghan is much ahead of us," he told reporters at his secretariat office.

Bangladesh ranked 176th out of 190 countries in the index this year, the lowest ranking for a South Asian nation, as per the Washington-based multilateral lender's report published on Wednesday.

Last year, among the eight South Asian countries, Bangladesh was only ahead of Afghanistan. But this year, Afghanistan came in at 167th in contrast to 183rd last year.

"Our bureaucracy is very powerful; this is the problem," said Muhith, adding that there has not been any change in the bureaucracy.

Those attempting to do business in the private sector also have problems for they at the outset assume that a sizeable amount of money and time has to be spent behind official processes, he said.



AMA Muhith

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Private credit growth hits 33-month low

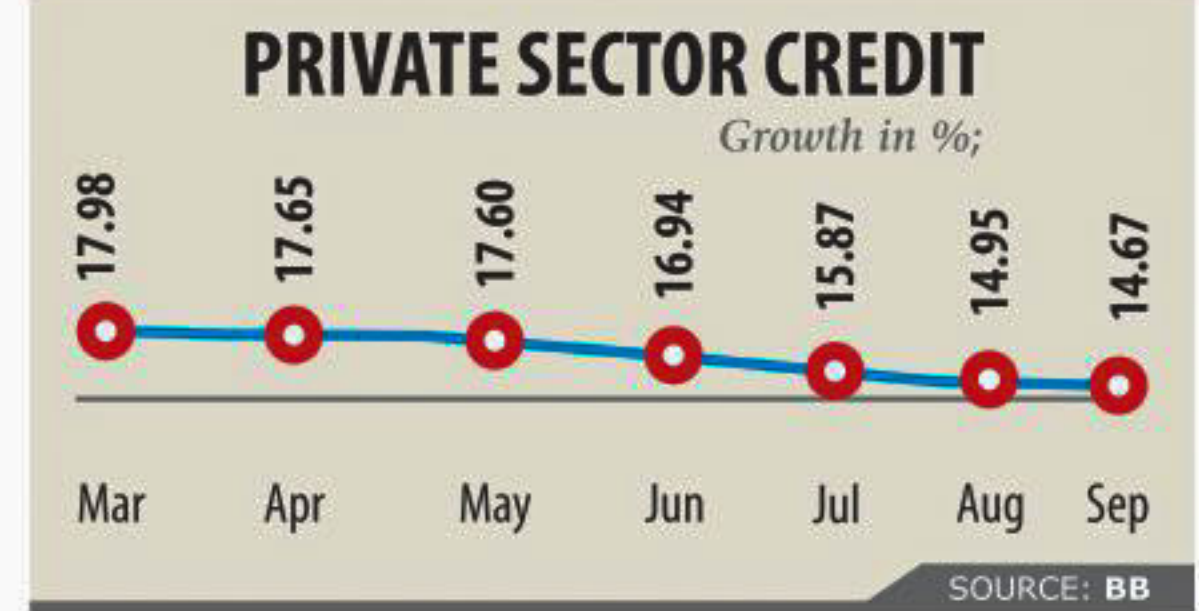
AKM ZAMIR UDDIN

Private sector credit growth slowed to a 33-month low in September as the businesses could hardly take fresh loans from banks amid escalating political tension ahead of the upcoming parliamentary elections.

The credit growth stood at 14.67 percent, the lowest since December 2015 when it was 14.19 percent, according to Bangladesh Bank data.

This growth was over two percentage points less than the central bank's target of 16.8 percent for the first half of the current fiscal year.

However, bankers and an economist said both the supply and demand sides were liable for the slowdown.



The supply side, meaning the lenders, are fearful of disbursing loans to contractors particularly dedicated towards implement mega infrastructure projects as the latter may lose work contracts if there is a change in government through the election, they said.

Private sector credit growth slowed a bit in 2017's first quarter and then rose till November, reaching 19.06 percent. But it steeply descended from March to September this year for the escalating political tension.

The latest trend of the credit growth will adversely impact the GDP growth desired for this fiscal year, economist AB Mirza Azizul Islam told The Daily Star yesterday.

The private investment to GDP ratio has been facing a standoff over the past decade, standing at 23.2 percent last fiscal year, up slightly from 21.9 percent in 2008-09, said Islam, also a former caretaker government adviser.

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Four firms get tower licences

STAR BUSINESS REPORT

Four joint ventures of local and foreign businesses were presented licences yesterday to manage the country's cellphone towers, ending mobile operators' ownership of those and paving the way for enhancement of the overall network service quality.

Once all the tower companies start running, mobile operators which are comparatively weak will be able to expand coverage with minimum investment, thus ensuring better service quality, said Telecom Minister Mustafa Jabbar.

"Afterwards the regulator will take tough action against mobile operators for poor quality of service," he said while presenting the licences at Bangladesh Telecommunication Regulatory Commission.

The four are edotco Bangladesh, TASC Summit Towers, Kirtonkhola Tower Bangladesh and AB Hightech Consortium.

All stated that they would need to buy towers from the mobile operators and build new ones across the country alongside investing a few thousand crore taka over the next couple of years to make the business viable.

Robi sold most of its towers to edotco Bangladesh, which is its sister company, a couple of years ago, while Banglalink is taking initiatives to sell theirs, said industry insiders.

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No dividends, still stock prices soar

STAR BUSINESS REPORT

Khulna Printing & Packaging, listed in both the Dhaka and Chittagong stock exchanges, declared no dividend for their shareholders this year and yet its stock price has been soaring following the announcement on Monday in a curious development.

The packaging material producer has been incurring huge losses over the last few years, so it informed on October 29 through the website of the Dhaka Stock Exchange (DSE) that it would not be giving any dividend in 2018.

But its stock price leapt 29.73 percent to Tk 19 in the last four days. More interestingly, there were no sellers for the stock at various points during the yesterday's trading session.

Similarly, Beach Hatchery, another junk stock that declared on October 30 that it would not offer any dividend, saw its stock price escalate following the discouraging announcement.

On the other hand, many 'A' category stocks tumbled despite giving lucrative dividend.

"It's a totally abnormal behaviour," said Abu Ahmed, a stock market analyst, while suspecting foul play.

Some people are playing with these stocks.

Real investors are discouraged by such abnormal movements, so the stock market regulator should look into this seriously, said Ahmed, also a former chairman of Dhaka University's economics department.

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JANATA LOAN SCAM Writ puts off auction of Crescent property

STAR BUSINESS REPORT

Janata Bank could not materialise its efforts to recover Tk 3,443 crore from Crescent Group by way of selling properties of the borrower through auctions after a writ filed by the company postponed the public sale.

Last month, the state-run lender advertised the auction notice through newspapers calling for bids by October 31 to purchase the mortgaged property of five firms of Crescent Group as the client has become a defaulter.

Crescent filed the writ petition against the auction a day before the last

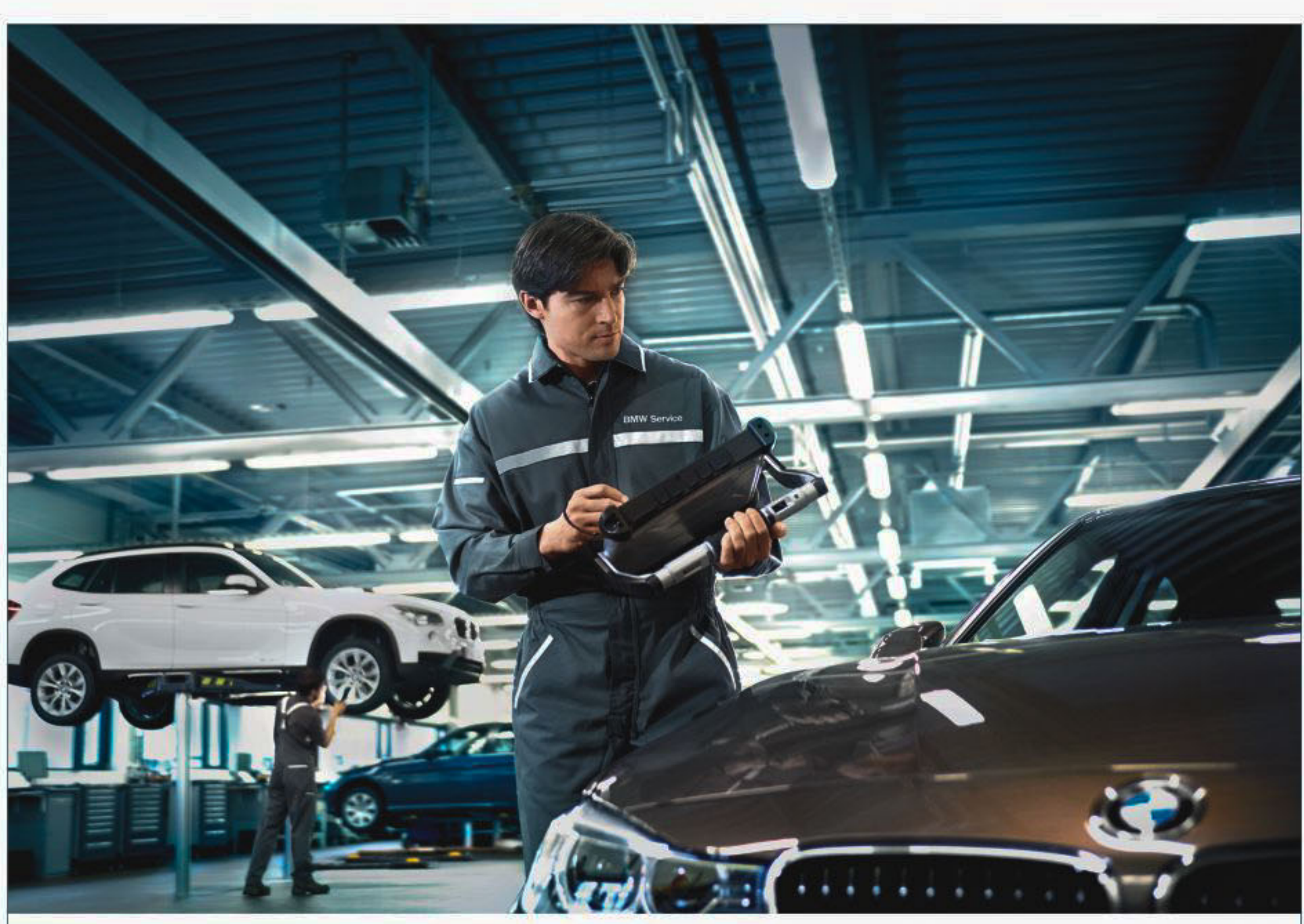
bid submission day on Wednesday and got a stay order. However, no bidder participated in the bidding.

"We got a lawyer's certificate over the stay order in the last day of the bidding," a senior executive of the bank told The Daily Star on condition of anonymity.

The bank will file a petition before the court for dismissing the writ, he added.

Five firms of the group that owe money to the bank are: Crescent Leather Products, Crescent Tanneries, Lexco Ltd, Rupali Composite Leatherwear and Remax Footwear.

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Brac Bank's profit goes up 4.28pc

STAR BUSINESS REPORT

Brac Bank's profit grew 4.28 percent year-on-year in the first nine months of the year.

Net profit stood at Tk 391.6 crore at the end of September, compared to Tk 375.5 crore in the same nine-month period last year. The earnings disclosure came at a programme at the lender's head office in Dhaka yesterday.

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