**ASIAN MARKETS** 

**TOKYO** 

MUMBAI

**V** 0.01%

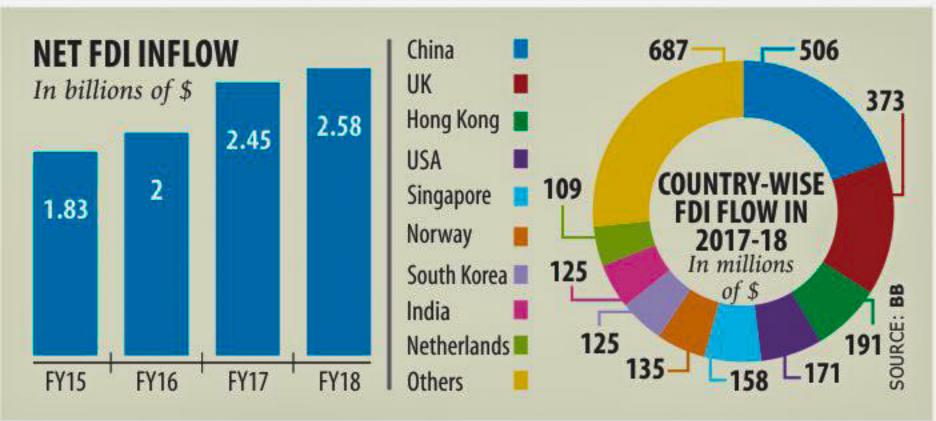
আস্থাটাও বেশি এসআইবিএল সুপার সেভিংস একাউন্ট পঞ্চান্ন-উর্ধ্ব সিনিয়র সিটিজেনদের জন্য। ১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন। 16491 www.siblbd.com

DHAKA THURSDAY NOVEMBER 15, 2018, AGRAHAYAN 1, 1425 BS • starbusiness@thedailystar.net

# but slowly

COMMODITIES

Gold 📤



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AKM ZAMIR UDDIN

**STOCKS** 

**CSCX** 

DSEX

Foreign direct investment in Bangladesh rose only 5.11 percent in fiscal 2017-18 from a year earlier -- the progress being slow because of inadequate infrastructure and poor ranking in the World Bank's Ease of Doing Business index.

Bangladesh ranked 176 out of 190 countries in the World Bank's Ease of Doing Business index this year, the lowest ranking for a South Asian nation.

Last fiscal year, net FDI stood at \$2.58 bil-

lion in contrast to \$2.45 billion a year earlier, according to the central bank.

FDI flow has been maintaining a rising trend in recent years but it was not up to the mark given the GDP size, said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

The country's FDI to GDP ratio has been hovering below 1 percent for long but its peers like Vietnam, China, India and Cambodia have more than 2 percent, he said.

"Foreign businesses place great importance on the Ease of Doing Business ranking

before taking an investment decision.

Bangladesh is yet to become an investment destination for foreigners due to its poor governance, unavailability of energy supply, infrastructure deficits, corruption, political uncertainty and concerns over security, Islam said.

**READ MORE ON B3** 

# FDI picking up, Customs releases export containers unscanned

MOHAMMAD SUMAN, Ctg

More than 2,386,500 export containers got through Chittagong Custom House (CCH) without scanning in the last eight years, which experts believe might have led to money laundering, smuggling and a huge loss of revenue.

**CURRENCIES** 

SHANGHAI

**V** 0.85%

The National Board of Revenue (NBR) made container scanning mandatory in September 2009.

Since then, the CCH has received around Tk

50 crore as fees to scan 24 lakh export containers. Both exporters and importers have to pay a scanning fee of \$1.5 and \$3 respectively for 20foot and 40-foot containers. According to experts, a lack of scanning

exposes the country to a loss of valuable archaeological artefacts, live animals or the export of restricted goods. A study conducted by CCH in December

2016 on the pros and cons of forming a scanning division showed the incidence of smuggling and false declaration cases. Maruful Islam, former CCH commissioner,

also acknowledged the risks. "There is no data on the actual type and quan-

tity of goods that have been exported." It is very easy to make false declaration or smuggle barred items for a lack of checking, he

told The Daily Star. Furthermore, there are export goods that are eligible to receive cash incentives, but whether those items were exported remains to be ques-

tioned, he added. There is a window of opportunity for money laundering by false declaration of goods, said

the commissioner. According to a report sent by the CCH to the NBR in January 2017, only four scanners were being used to scan the import containers only.

The report proposed the installation of eight



Chittagong Customs House scanned 24 lakh export containers and received around Tk 50 crore as fees since September 2009 when the NBR made container scanning mandatory.

scanners for all containers.

According to customs officials, authorities began scanning import containers with four machines worth Tk 57 crore in 2010; export containers remained out of the purview due to an inadequate number of scanners.

Customs officials said there are scanners at only four out 12 gates at the port and the NBR and CCH failed to install any more scanners despite several initiatives.

Explaining past efforts, AKM Nuruzzaman, commissioner of CCH, said, "We floated a tender in March to procure scanning machines. But

the tender was later cancelled as only one company participated."

STAR/FILE

A tender will be floated soon to buy two scanners. "We hope they will be up and running by the end of the year."

A high official of CCH said the scanning of import containers often reveal irregularities in documentation and product type. According to the 2016 study, at least 150 import containers were seized a month at that time for irregularities.

It only shows the extent to which there must be irregularities in the export containers as well, the official added.

#### Improve ease of doing business to attract more FDI

ICCB suggests

CERAMICS

STAR BUSINESS DESK

Bangladesh should make all-out efforts to improve its position in the Ease of Doing Business index of the World Bank in order to attract more FDI, a leading chamber said yesterday. In order to plug the investment shortfall for its infrastruc-

ture needs, the country has to explore alternative sources of funding, the International Chamber of Commerce-Bangladesh (ICCB) shared the info in the editorial of the current News Bulletin (July-Sept 2018) released yesterday.

Desired investment is not flowing into the country because of the absence of an appropriate investment environment caused by insufficient infrastructure, port congestion and poor transportation facilities, according to experts.

FDI is only moving forward because of the reinvestment of current investments, the chamber said.

Bangladesh is likely to be one of the biggest movers in the global gross domestic product (GDP) in 2030 as predicted by HSBC's global report titled "The World in 2030", ICCB said.

The country is going to become the 26th largest economy in the world from the current 42nd position followed by the Philippines, Pakistan, Vietnam and Malaysia, according to the report.

The brand value of Bangladesh is also rising as the country has ranked 39th in the global brand value index 2018 reflecting its socioeconomic vivacity.

Amend corporate

READ MORE ON B3

#### **FACTORIES WITH SLOW REMEDIATION**

## Accord list faulty: BGMEA

REFAYET ULLAH MIRDHA

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday termed faulty a list of 532 garment factories with which the Accord has proposed severing business ties due ment, yesterday. to poor progress in remediation works.

The majority of the factories in the list are close to completing their remediation works as per the recommendations of the Accord experts, said Siddiqur Rahman, president of the BGMEA, yesterday.

Not only that, many of the factories on it are not in operation anymore, he told The Daily Star at his office in Dhaka yesterday.

Asked whether the list was a threat for the garment sector, Rahman replied in the negative.

"We are in negotiations with our retailers for a solution. I hope we can reach a solution very soon."

Recently, the Accord wrote to its more than 200 signatory retailers calling for severing business relations with 532 factories as they were delaying remediation.

The agency is set to pack its bags and leave Bangladesh on November 30 after a five-and-a-half year tenure. It sought an

extension for three more years, but the request was shot down.

"We cannot extend the tenure anymore as there is a verdict from the court on this," said Mujibul Haque Chunnu, state minister for labour and employ-

Commerce Minister Tofail Ahmed on Monday came down hard on the Accord for its intent to sever business ties with 532 garment factories.

"We cannot accept this," he said in a programme on compliance in Bangladesh's garment sector at The Westin hotel in Dhaka.

The owners of the factories have already spent Tk 5 crore to Tk 30 crore for inspection and remediation of a factory. "This is so sad," he said.

"What progress has the Accord made in Bangladesh? After five years they could only handover 20 out of more than 1,600 factories they have inspected so far," Ahmed said.

The comments of the Accord in this regard could not be known despite several attempts.

Earlier, Chunnu disbursed Tk 41.45 lakh to the 134 workers and their children for treatment and education at a programme held at the Noorul Quader auditorium in the BGMEA premises.

#### Tax fair logs Tk 551cr in two days

STAR BUSINESS REPORT

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The National Board of Revenue logged a total of Tk 551.15 crore in tax payments in the two days of the ongoing tax fair in all divisional cities. The collection was

1.44 percent higher from the two-day receipt of the previous year's fair. In similar compari-

son, the number of return submissions in the two days shot up to 65 percent to 65,050.

The total number of service recipients went up 54 percent year-onyear to 236,455, according to a press release from the revenue authority.

The show, the ninth of its kind, also took place in 35 districts and 19 upazilas.

Data revenue reached

Tk 190 crore in the third

quarter, which was 11.75

percent year-on-year

growth, reads the Veon

report. Following this

growth, they are also now

#### DBH's home loan portfolio crosses Tk 10,000cr

STAR BUSINESS REPORT

Delta Brac Housing Finance Corporation (DBH) has crossed the milestone of disbursing home loans of Tk 10,000 crore, which is the highest among all lenders in Bangladesh.

It took the housing financier nearly 21 years since its inception in 1997 to reach the landmark. "This is a big achievement and we want to add another Tk

8,000 crore to our home loan portfolio in the next five years," QM Shariful Ala, managing director of DBH, told The Daily Star yesterday.

He said this portfolio is the highest among all banks and non-bank financial institutions in the country.

**READ MORE ON B3** 



#### United Power to acquire United Energy

United Power Generation Company plans to acquire 99 percent shares of United Energy Limited (UEL) at face value, which is subject to necessary regulatory approval. UEL-a sister concern of United Group-operates a 53 megawatt power plant in Ashuganj and another 28MW one in Sylhet. UEL also has 92.41 percent equity investment in United Ashuganj Energy, which has a power generation capacity of 195MW.

#### ICB AMCL 2nd NRB Unit Fund now open-ended

ICB AMCL 2nd NRB Unit Fund has become open-ended as the stockmarket regulator has approved the prospectus of the fund which targets to collect Tk 115 crore. ICB Asset Management Company is the fund manager of the growth fund.



এমটিবি এজেন্ট ব্যাংকিং সেন্টার স্থাপনের মাধ্যমে ব্যাংকিং সেবা প্রদান করার লক্ষ্যে সারা বাংলাদেশে যোগ্যতা সাপেক্ষে এজেন্ট নিয়োগ করা হচ্ছে।

বিস্তারিত জানতে: ০১৮৭৩৪৩৮৪১০, ০১৯২১৪৫৫১৪৬

### Banglalink's revenue falls But it's happy with business turnaround

governance guideline Publicly listed firms urge BSEC

STAR BUSINESS REPORT

Publicly listed companies have urged the Bangladesh Securities and Exchange Commission to amend some provisions of its recent guideline on corporate governance, which contradict with the rules of primary regulator like Bangladesh Bank.

For example, the BB's guideline allows a bank to have three board of directors' committees—executive, audit and risk management—while the BSEC asked firms to form two committees -- one for audit and one for nomination and remuneration.

"This is a clear contradiction to Bangladesh Bank's rules. It should be amended," said Azam J Chowdhury, president of Bangladesh Association of Publicly Listed Companies (BAPLC). The association called on Prof M Khairul Hossain, the BSEC

chairman, yesterday at Securities Commission Bhaban in the

According to the corporate governance code, the managing director (MD) and/or chief executive officer (CEO) of a listed company shall not hold the same position in another listed

company. READ MORE ON B3

STAR BUSINESS REPORT .............

Banglalink's revenue has decreased 5.8 percent year-on-year to Tk 1,100 parent company Veon.

crore in the July-September quarter, reads a report of the operator's However, the third

03 '17 largest mobile operator remains satisfied, saying they were witnessing a return of business in the last couple of months following the purchase of 10.6 MHz spectrum in February. Once a spirited operator, Banglalink was progressively

becoming a bit-part player, with its revenues declining for the seventh consecutive quarter to reach Tk 1,070 crore in the first quarter of this year. Though turning around with their new spectrum, the

operator was yet to fully recover as the revenue declined 8.3 percent year-on-year to Tk 3,270 crore in the first nine months of this year, reads the financial statement. Banglalink said they were happy with their bounce-

back performance as the result of July-September quarter

demonstrates movement in a positive direction with an

observing 40 percent more smartphone penetration under their network. "The data revenue increased significantly in this quar-

1,090

ter due to our stronger dual carrier network caused by the additional spectrum purchase earlier this year," said Taimur Rahman, chief corporate and regulatory affairs officer. Banglalink will pay a total of \$308.6 million for the

BANGLALINK'S REVENUE overall revenue growth of 1.9 percent compared to the immediate past quar-

SOURCE: VEON ter.

1,100

spectrum, excluding value added tax. An upfront payment of 60 percent has already been made. In addition, Banglalink has paid \$35 million to convert

its existing spectrum in 900MHz and 1,800MHz bands into technology neutral spectrum, reads the report.

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