

Plastic fair kicks off Thursday

STAR BUSINESS REPORT

Plastic goods from local and international markets will be put up on display at the four-day "International Plastics Fair-2019" at International Convention City Bashundhara in the capital's Purbachal starting Thursday.

Industries Minister Nurul Majid Mahmud Humayun is set to inaugurate the fair, to be jointly organised by the Bangladesh Plastic Goods Manufacturers & Exporters Association and Workers Trade & Marketing Service Co Ltd.

Doors will stay open for visitors from 12pm to 8pm.

Some 480 companies from 19 countries will take part and there will be 780 stalls for presenting products in 15 categories, said Md Jashim Uddin, president of the association, at a press conference in its Dhaka office yesterday.

The major categories include packaging materials, plastic moulds, crockery, pharmaceutical, household and toy items, furniture, melamine products, garment accessories and polypropylene woven bags, he said.

Foreign companies will display machinery used in manufacturing goods such as injection moulding machine, PP woven bag machine, packaging machine, flexographic printing machine, PET blow machine, plastic bag making machine etc.

He said the association prepared a roadmap for 2030, estimating that annual consumption per person would rise from five kilogrammes to 30 kilogrammes.

The market size of the plastic sector is around Tk 25,000 crore while the sector has given Tk 3,500 crore in revenue to the government last fiscal year.

Over 12 lakh people are dependent on nearly 5,000 small and medium plastic factories while plastic goods ranked 12th among national exports last fiscal year, said Jashim Uddin. He said the sector was annually growing by 20 percent for the past few years.

Addressing the press conference, the association president said local companies were capable of producing goods of global standards such as jugs, mugs, drug packets, syringes, blood collection bags, tableware, doors, windows, sanitary ware, electronics, telephone sets and toys.

The global market size of plastic goods is around \$570 billion while Bangladesh's share is only 0.06 percent.

In fiscal 2017-18, Bangladesh exported plastic goods worth \$60.49 million, which was 1.4 percent of the country's total export of \$36.44 million, according to the association. In the previous fiscal year, plastic goods export was \$607.15 million.

He said plastic industries have become an important industrial sector in Bangladesh in the past two decades.

The growing industry has a multiplying effect on numerous important sectors in the country's economy, he said.

Jashim Uddin said the fair would help increase investment and exports.

Among others, Judy Wang, president of Workers Trade & Marketing Service Co Ltd, Hong Kong, addressed the programme.

India's softer wholesale inflation opens door to monetary easing

REUTERS, New Delhi

India's wholesale inflation eased to an eight-month low in December, strengthening views among some economists the central bank could ease its monetary policy stance next month as the country faces a slowdown in manufacturing.

Annual wholesale price inflation edged down to 3.80 percent last month, as food prices hardly rose and fuel cost increases almost halved, government data showed on Monday. The outcome was lower than a provisional 4.64 percent rise in November and below a 4.42 percent increase forecast by economists in a Reuters poll.

The Reserve Bank of India's Monetary Policy Committee, which mainly monitors retail inflation data and kept interest rates unchanged at a meeting last month, will have leeway to soften its monetary stance at its Feb. 7 meeting, economists say.

"With wholesale and retail inflation easing, we expect the RBI to soften its monetary policy stance at its next meeting," said Devendra Kumar Pant, chief economist, India Ratings and Research, the Indian arm of Fitch Ratings.

Retail inflation data will be released later on Monday and economists have projected prices may have eased to its lowest since June 2017.

Annual growth in India's industrial



REUTERS/FILE

A worker stacks steel pipes in the western Indian city of Ahmedabad.

output in November slumped to 0.5 percent from an upwardly revised 8.4 percent in October, on a slowdown in auto and garment manufacturing. The economic weakness is a problem for Prime Minister Narendra Modi, who has already been struggling to meet ambitious job creation targets, ahead of an election, which has to be held by May.

India's total passenger vehicle sales for December fell 0.43 percent to 238,692 units from a year earlier, data released by the Society of Indian Automobile Manufacturers (SIAM) showed.

Wholesale food prices in December remained almost flat, up 0.07 percent from a year earlier compared with a 1.96 percent fall a month earlier. The figures indicate that rural incomes remain under pressure while consumers are benefitting from easing inflation.

Anger among farmers contributed to the defeat of Modi's Bharatiya Janata Party in three key state elections late last year.

"A deflationary trend in many food items for the last few months only shows that farmers' incomes are not rising," said Pant.

BCI elects office bearers



Anwar-Ul Alam Chowdhury

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Anwar-Ul Alam Chowdhury has been elected president of the Bangladesh Chamber of Industries (BCI) for a two-year term.

He is the chairman of Evin Group, the chamber said in a statement yesterday.

Chowdhury was also the former president of the Bangladesh Garment Manufacturers and Exporters Association.

The BCI also elected Md Helal Uddin, a director of Ittefaq Industrial Corp Ltd and former vice president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Priti Chakraborty, chairman of Universal Medical College and Hospital Ltd and a director of the FBCCI, as senior vice president and vice president respectively.

CEMS yarn, fabric show starts January 23

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A four-day "15th Dhaka International Yarn & Fabric Show (DIFS) Winter Edition-2019" will kick off in the capital's International Convention City Bashundhara from January 23.

The show aims to introduce the latest sophisticated yarn, fabrics, accessories and emerging technologies for textile and garment industries.

Meherun N Islam, president and group managing director of CEMS Global, informed this at a press conference in Economic Reporters' Forum yesterday.

Commerce Minister Tipu Munshi is scheduled to inaugurate the show, which will remain open from 10:30am to 7:30pm.

Islam said the exhibition would enable the textile and apparel industry buyers to meet local and overseas textile & yarn manufacturers face to face for the best qualities and reasonable prices.

She said the exhibition includes a 3rd Dhaka International Denim Show 2019 Winter Edition and the 35th Dye+Chem Bangladesh Expo 2019 Winter Edition.

Tanveer Qamru, executive director, Noyem Sharif, Head of Marketing & Communications, Asif Arman, Senior Manager, Int'l Coordination of CEMS Bangladesh was also present at the program.



Meherun N Islam, president and group managing director of CEMS Global, speaks at a press conference at Economic Reporters' Forum in Dhaka yesterday announcing the commencement of a four-day expo on yarn and fabric at International Convention City Bashundhara from January 23.

MetLife appoints new CEO



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Michel A Khalaf, president for US business and EMEA at MetLife, has recently been appointed president and chief executive officer, effective from May 1. He has also been appointed to the MetLife board, the company said in a statement yesterday.

"Michel has brought deep knowledge of our industry, an entrepreneurial spirit, and strong leadership skills to each of the roles he has held during his successful career in the life insurance industry," said Steven A Kandarian, the outgoing chairman, president and CEO.

Glen Hubbard, MetLife's independent lead director, will become the company's non-executive chairman after the retirement of Kandarian.

BB sells \$1.22b in 6 months to prop up taka

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Southeast Bank is facing hardship in following the cap of the BC selling rate imposed by the central bank because of unavailability of the dollars needed to settle import payments, said M Kamal Hossain, its managing director.

"The upward movement of remittance has given an upbeat mood to the economy, but my bank has to offer higher commission to remitters, which has added extra costs."

But if the upward trend of exports continues there will be no acute crisis in the foreign exchange market, Hossain added.

"Import payments were higher than the export earnings in recent months -- this has created an imbalance in the market," said Salehuddin Ahmed, a former central bank governor.

In the first five months of the fiscal year, export earnings stood at \$16.77 billion against the import payments of \$23.43 billion.

Remittance has recently bounced back but the inflow is yet to reach a satisfactory level, Ahmed said.

Between July and November, remittance increased 9 percent year-on-year to \$6.28 billion, according to data from the central bank.

The central bank should intervene in the currency market in a balanced man-

ner in order to ensure a well-structured macroeconomic situation, Ahmed said.

"For long it has either been pumping dollars in the market or purchasing those from banks, which is not a good practice."

Dollar injection in the market should be stopped for the time being as the peers of the taka have recently depreciated largely.

"The country's exports will decline because of the higher exchange rate of the taka against its peers," Ahmed added.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, however, said the central bank's stance on injecting dollar into the market was appropriate in the interest of importers.

A lion's share of the country's import payments is for industrial raw materials, capital machinery and essential consumer goods.

"So, the depreciation of the local currency will not bring any good for the economy," Rahman said.

The volume of foreign exchange reserves is now sufficient to make import payments of more than five months, which is ideal for any economy, he said,

adding that the pumping of dollar will not create any difficulties later on.

On January 9, foreign exchange reserves stood at \$31 billion, down \$32.07 billion a year earlier, according to central bank statistics.

Citigroup reports surprise drop in quarterly revenue

REUTERS

Citigroup Inc reported a surprise drop on Monday in quarterly revenue due to a steep decline in its fixed income trading business, hurt by volatility in financial markets at the end of the year.

Shares of the company fell nearly 1.6 percent to \$55.80 in early trading. "A volatile fourth quarter impacted some of our market sensitive businesses, particularly fixed income," Chief Executive Officer Michael Corbat said in a statement.

Fixed income revenue fell 21 percent in the quarter due to widening credit spreads.

The squeeze on revenue caused Citi to narrowly miss its efficiency target for the year, despite a 4 percent decline in expenses.

The bank ended the year with an efficiency ratio of 57.4 percent, just shy of its 57.3 percent goal. A lower efficiency ratio means a bank is better at managing its overhead expenses as a percentage of revenue.

Bandwidth usage goes up 94pc

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"Rising bandwidth consumption indicates digital development. But the policymakers should concentrate more on how digitisation can be used effectively to develop and make life easier for the citizens."

The increasing internet use has helped bandwidth consumption to double every year and pushed the annual internet economy to reach Tk 5,000 crore, industry insiders said. That a major portion of a country's bandwidth is consumed for browsing Facebook and YouTube is a global trend, they said.

An increasing number of government services are being made available online, which has also increased the bandwidth consumption, they opined.

The number of active internet connections was 8.05 crore at the end of 2017, which rose to 9.18 crore in November 2018, according to data from Bangladesh Telecommunication Regulatory Commission (BTRC).

The country now has 57.35 lakh active broadband connections and they are the major consumers of data.

Bangladesh Submarine Cable Company Ltd (BSCCL), a state-run venture that owns two submarine cable connections, supplies around 62 percent or 605 Gbps of the country's total bandwidth consumption.

The rest of the bandwidth comes from India through six international terrestrial cable service providers based in Bangladesh.

The BSCCL is supplying 285 Gbps from its first cable in Cox's Bazar and 320 Gbps from the second one in Kuakata, which started operations in 2017, said Mashirul Rahman, managing director of the BSCCL.

"Before the launch of the second cable, we used to own half of the market share. It started rising gradually as we have reduced the data prices drastically."

He said they are experiencing a fabulous growth in the industry.

The BSCCL's subscribers used 272 Gbps in September 2017, which went on to cross 600 Gbps in a year, he said.

The volume of data use has been accelerating in the last five to six months and the state-run entity's income has been swelling keeping pace with the growth, he said.

In the July-September period of 2017, the company's earnings per share was only Tk 0.03. It hit Tk 0.04 in the next period, Tk 0.47 in the three months to September in 2018 and Tk 0.50 in the next three-month quarter.

To meet the growing demand, the BSCCL will add another 20 Gbps to the supply channel by next week, said Rahman.



MNP tax-free

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The revenue authority also warned that it could launch enquiry to see compliance of rules by firms enjoying the VAT and SD waiver on MNP.

"The waiver could be cancelled instantly if any rule is violated," said the NBR in its notification.

The revenue impact would be high if the privilege is misused, said an official of the tax authority.

"That's the reason we have attached some conditions," he said.

Tech trends that will rule 2019

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These technologies have already begun their journey in Bangladesh and their usage would accelerate in the coming days in order to take the country towards digitalisation, they said.

Speaking at the panel discussion, Michael Foley, chief executive officer of Grameenphone, said: "It is a great sign that Bangladesh is adapting quickly to global innovations and upcoming global trends mentioned in the report."

The report clearly points out how industries, companies and startups across the country should prepare themselves, he said. "With this integration between technology, lifestyle and industries, we can expect to see revolutionary digital services emerge in the country and the evolution of a true digital eco-system."

Speakers also said with the growing digitalisation, security concerns would also deepen, Bjorn Hansen, vice-president of Telenor Research, presented the report.

Hasan Rahman Ratan, managing director of Datasoft Manufacturing and Assembly Inc Ltd, and Hussain Elias, CEO of Pathao, were also present.

Mahfuz Ahmed and Sayed Amin, joint venture partners of Falcon Consortium, and Anis A Khan, managing director of Mutual Trust Bank (MTB), attend a deal signing ceremony at the bank's corporate head office in Dhaka recently for operation and maintenance of MTB Air Lounge at Shah Amanat International Airport in Chattogram.