

BPO showing great promise

The sector grew 20pc year-on-year in 2018

MUHAMMAD ZAHIDUL ISLAM

The business process outsourcing (BPO) sector grew 20 percent year-on-year to about \$300 million last year riding on a few government services, said industry insiders.

In recent times, the National Board of Revenue has opened up its back office to the private sector, said Wahidur Rahman Sharif, president of the Bangladesh Association of Call Centre and Outsourcing (BACCO).

Although the private sector is running the popular government calling services 999 and 333, there are other call-based services that have not been offered to it yet, Sharif said.

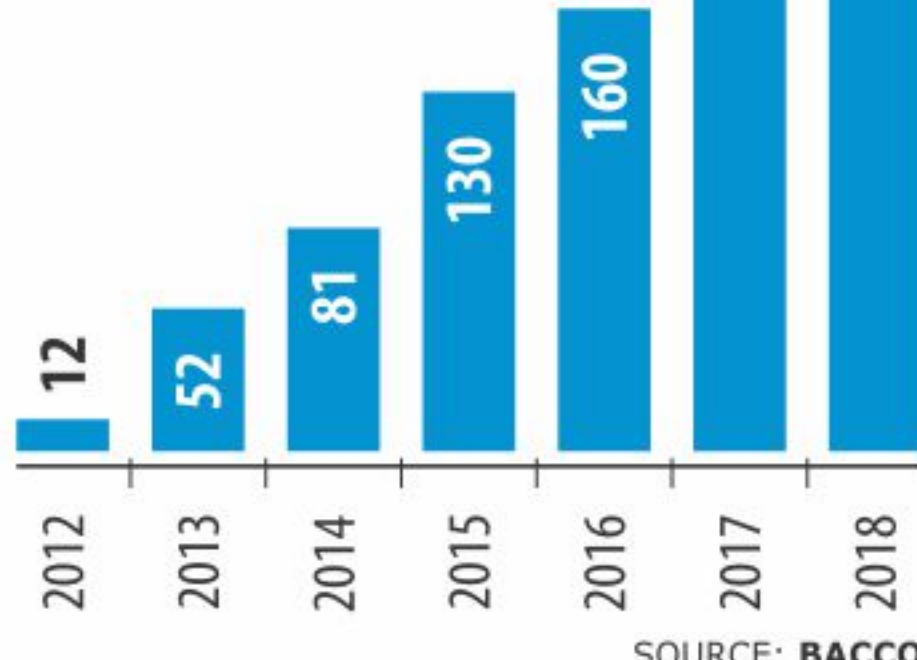
“The banking sector also holds great potential for the BPO sector.”

Most of the banks are now running their own call centres and are not getting much response from their customers.

“But if the BPOs get this job the service level will increase definitely,” Sharif said, adding that the BACCO is now lobbying with the central bank to open this segment

EARNINGS OF CALL CENTRES FROM GLOBAL MARKET

In million \$



SOURCE: BACCO

to the BPOs.

The BPOs' expertise might reduce the banks' costs too, according to Sharif, also the owner of Digicon Technologies, a leading BPO in Bangladesh.

In 2018, the BPO industry earned about \$300 million.

Of the international work orders, most come from North American brands to maintain their back office.

The local market is huge and it will hit the \$1 billion-mark soon, said Towhid Hossain, secretary general of the BACCO.

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Motorbike market to race faster in 2019

SOHEL PARVEZ and AHSAN HABIB

The motorcycle market is set to be around 6 lakh units by the end of 2019 thanks to price cuts, increasing purchasing capacity and thrust for faster mobility.

“2018 was a good year for the sector but 2019 will be better,” said Hafizur Rahman Khan, chairman of Runner Automobiles, a pioneer in the field.

Although the exact sales data are not available, Subrata Ranjan Das, executive director of ACI Motors, which markets the Yamaha-branded two-wheelers, said about 4.80 lakh units of bikes were sold in 2018, posting 24 percent year-on-year growth.

The highest growth took place in the 150cc segment, followed by 110cc ones, he said, adding that the market would grow about 30 percent in 2019.

Overall, the market is expected to be close to 6 lakh units by the end of 2019, said Shah Muhammad Ashequr Rahman, head of finance and commercial of Bangladesh Honda Private Ltd (BHL), which opened its motorcycle plant in November last year.

The reason for the optimism is that motorcycles became more affordable thanks to local manufacturing by most of the brands.

The market began to expand fast from fiscal 2016-17, when the government slashed the supplementary duty by 25 percentage

points to 20 percent on the import of the two-wheeler's components to encourage domestic manufacturing.

The government also framed the National Motorcycle Industry Development Policy 2018 with a view to diversifying the country's manufacturing and exports and creating jobs.

“The market will grow faster if the government support to the industry continues,” said Matir Rahman, chairman and managing

director of the Uttara Group of Companies, the assembler and distributor of Indian Bajaj motorbikes, the market leader in Bangladesh.

The annual market size would grow to 10 lakh units within three to four years, said Bijoy Kumer Mondal, chief financial officer and company secretary of HMCL Niloy Bangladesh, which manufactures the Hero-brand bikes.

“Penetration in the rural market has grown as people are switching

from bicycles to motorbikes,” he added.

The industry is yet to reach full potential in the absence of structured retail finance from the banking sector, said Biplob Kumar Roy, chief executive of TVS Auto Bangladesh, the second-biggest player in terms of sales.

Adequate infrastructure and policy continuation by the government is necessary for the sector, he added.



STAR/FILE

Price cuts and increasing purchasing capacity boosted sales of motorcycles.

DITF: leather goods makers widen hunt for foreign buyers

JAGARAN CHAKMA

Small and medium scale leather good manufacturers are betting on a change in fortunes on the back of their participation in the ongoing Dhaka International Trade Fair (DITF).

“I am looking for foreign buyers as my products are world-class,” said Rubina Akter Munni, owner of “Design by Rubina”, which started its journey in 2010.

Munni exports her products -- which include bags, wallets, belts, cardholders, passport holders, folios and purses -- to the Netherlands, Brazil, the Philippines and Hong Kong through a third party.

“I am hoping this fair will help me expand my business,” she added.

Masuda Yesmin Urmy, proprietor of Smart Leather, is on the same boat as Munni, but she already struck some success at the fair.

This year, she got spot orders



Leather goods manufacturers participate in the ongoing Dhaka International Trade Fair with hopes of drawing in prospective foreign buyers with their products. The photos were taken yesterday.

from Japan and China to supply laptop bags and briefcases.

Anex Leather is another such hopeful venture. Its owner Md Tofazzal Tapu had quit his bank job to start the leather good manu-

facturer with his friend in 2016.

The big manufacturers too are hoping to shift large volumes of inventory by way of the fair.

For instance, Walkar Footwear, a concern of RFL Group, is offer-



PALASH KHAN

ing maximum 50 percent discount at its pavilion in the fair, where it is showcasing more than 600 designs.

“Our goal is to give the highest quality products to customers. We

are trying to manufacture diversified products by our own designers considering the demand of the people of all class,” said Kamrul Hasan, chief operating officer of Walkar Footwear.

Financial sector woes to weigh on GDP growth

Experts say at SANEM Macroeconomics Workshop

STAR BUSINESS REPORT

The troubled financial sector will pose a big challenge to the government's goal of achieving higher economic growth in future, speakers said yesterday.

“The performance of the financial sector is deteriorating and a reform is needed,” said Prof Shamsul Alam, a member of the General Economics Division of the planning commission.

He spoke while addressing the opening session of the “First SANEM Macroeconomics Workshop” at the Hotel Lake Breeze in Dhaka. The South Asian Network on Economic Modeling (SANEM) organised the event.

Alam said interest rate, which plays a key role in stimulating investment, was still not deter-



SANEM

From right, Iyanatul Islam, an adjunct professor of the Griffith Asia Institute of Griffith University; Prof Shamsul Alam, a member of the General Economics Division of the planning commission; Atiur Rahman, a former governor of Bangladesh Bank, and Selim Raihan, executive director of the SANEM, attend the “First SANEM Macroeconomics Workshop” at Hotel Lake Breeze in Dhaka yesterday.

mined by the market.

He said capital account convertibility should be opened gradually to liberalise the economy.

“A liberalised economy is growth supportive. So, this is the time to allow investors to invest abroad,” he said, adding that import tax should be reduced to move towards a liberalised economy.

Prof Alam said rising inequality was another big challenge for the fast growing economy. “The government is concerned about inequality and planning to enhance social protection umbrella in order to reduce it.”

He emphasised increasing expenditure on the health sector and human resource development to cut poverty.

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Largest private economic zone to be ready this year

AHSAN HABIB

The country's largest private economic zone, Sirajganj Economic Zone Ltd (SEZL), may open for entrepreneurs within this year.

“We expect that we will be able to allot the plots of the zone within December this year or the first half of next year at maximum,” said the zone's director, Sheikh Monowar Hossain.

The zone is expected to create employment opportunities for five lakh people and bring in over \$2 billion in investments. Its architectural layout designates space for 400 industries.

Hossain said the SEZL spent Tk 350 crore to acquire 1,035.93 acres of land, which was now being readied and levelled with sand.

Its physical infrastructure is also being developed, one being through the ongoing construction of a jetty.

Other facilities include dormitories and housing of five-star or equivalent standards for workers, one-stop administrative and logistic amenities, health and day care centres and technical institutions.

The zone will have its own means of sourcing water and will generate steam through a dedicated plant. It will very soon start setting up a 300-MW power plant for uninterrupted electricity supply while availing natural gas from the government.

The SEZL will dispose of its industrial waste through a common effluent treatment plant (CETP) characterised by zero discharge.

The construction of these facilities will start gradually after work on the power plant begins, said the zone's general manager, Md Shahidur Rahman.

He said the economic zone has already caught the attention of some foreign investors from China, South Korea, Japan, Italy and the US, while some local investors also expressed interest to set up factories, mostly textile.

Entrepreneurs can purchase industrial plots or take lease of the land as well as ready factories. Prices are yet to be fixed, Rahman added.

The zone's development cost, minus the power and steam plants and the CETP, is projected to be about Tk 2,800 crore. It is being borne by a consortium of nine companies and two businesspersons, Mohammad Kamruzzaman and Ehsan Habib.

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