

Mobile phone assembly picks up momentum

23 lakh locally assembled sets hit market

MUHAMMAD ZAHIDUL ISLAM

Local handset plants churned out 23 lakh units in 2018, with the government's policy that compelled importers to set up plants in the country looking to bear fruit.

"This development needs to be highlighted for Bangladesh," Mustafa Jabbar, telecom and ICT minister, told The Daily Star.

So far five plants have started rolling, while a good number of local and international brands are in the process of setting up new factories, thanks to the duty structure designed to discourage imports.

Currently, there is 32 percent tax on handset import. The tax comes down to 18 percent for local assembling, while for manufacturing it is

about 13 percent.

"We have targeted to become a digital product producing country from an importing one and I think the start of our journey has been very encouraging," Jabbar added.

Local brand Walton, which was the first to set up a plant in October 2017, sold about 11 lakh units last year.

The assembly line rolled very slowly initially, but it picked up pace later on, so much that Walton fully stopped importing handsets from July last year.

In the first six months of 2018, Walton had imported about seven lakh units from China.

"We are now fully dependant on our factory's production," said Asifur Rahman Khan, head of

MOBILE PHONES ASSEMBLED SO FAR	
	11 lakh (3.5 lakh smartphones)
	6 lakh (all 4G)
	3.5 lakh (half are smartphones)
	3 lakh (1 lakh smartphones)
	35,000 (no smartphone)

Walton Cellular Phone Marketing. Fair Group, which began assembling Samsung-branded handsets

in its plant in Narsingdi from the second half of last year, sold about six lakh units, all of which are 4G-enabled, said Ruhul Alam Al Mahub, chairman of the group.

"Our plant's performance is quite satisfactory and this year we have targeted to assemble five to six times more."

At present, the plant assembles three lakh units a month.

"Our target is to reduce import volumes gradually," said Mahub, also the president of the Bangladesh Mobile Phone Importers Association (BMPIA).

Symphony, the market leader, has also set up a plant, the output from which has been added to their imported products in the last two months.

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Finance stocks thrive on low prices

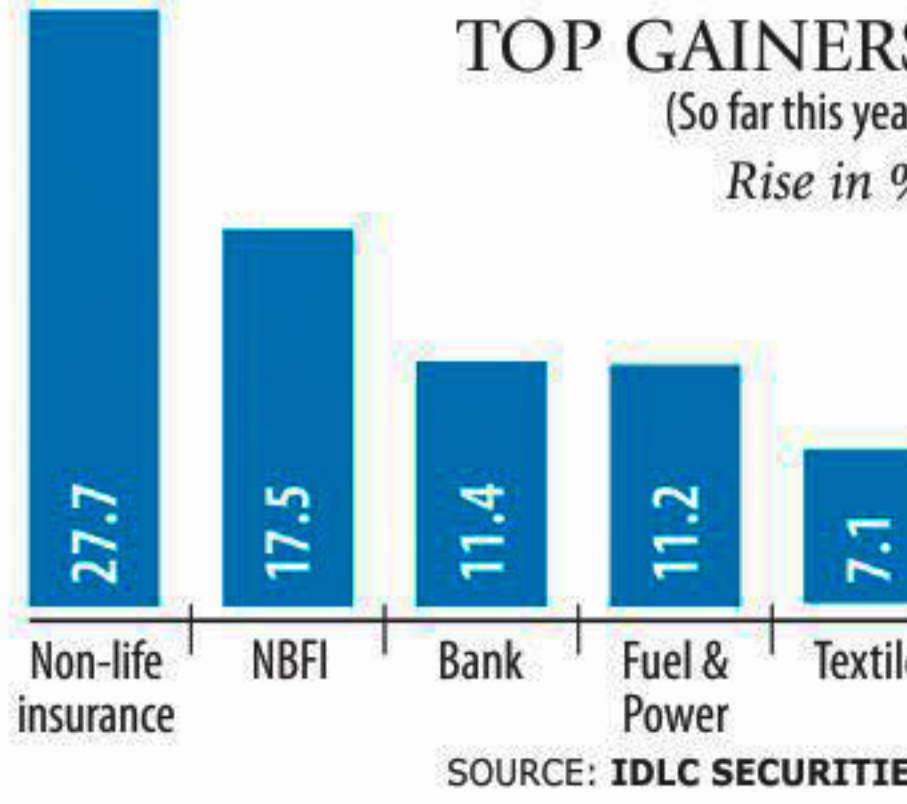
AHSAN HABIB

Shares on the Dhaka Stock Exchange (DSE) gained 475 points, or 8.80 percent, in the last 15 trading days led by rise in finance securities as investors flock to them due to low prices ahead of their full-year earnings reports.

According to IDLC Securities, non-life insurance stocks rose 27.7 percent, the highest among all the sectors. The non-bank financial institutions and banking sectors were up 17.5 and 11.4 percent respectively during the period.

"Investors have regained confidence in the market following the elections and chose the financial sector as it is going to declare dividend very soon," said Md Nazrul Islam Mazumder, chief executive officer of MTB Securities.

The financial sector's accounting period



TOP GAINERS
(So far this year)
Rise in %

SOURCE: IDLC SECURITIES

runs from January to December, while all the listed companies in other categories prepare their balance sheets on the basis of the fiscal year that begins from July.

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Tk 1,893cr projects await nod

REJAUL KARIM BYRON

Eight projects are likely to be placed in today's Ecne meeting, in what can be viewed as a return to normal order following the flurry of project approvals in the three months to the 11th general elections.

The projects that are set to get the green light in the meeting, the first under the new government, involve a total of Tk 1,893 crore.

The most notable one among the projects is the construction of a four-lane road to reduce traffic jam and accidents on the

roads to Chattogram and Sylhet from the capital.

The 5.4 kilometre-long four-lane will be from Jatrabari (Mayor Hanif Flyover) to Demra (Sultana Kamal Bridge), with 8.44 km-long service lane on both sides of the road.

The last meeting of the Executive Committee of the National Economic Council was held on November 7, a day before the Election Commission announced the polls schedule.

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IMEI database opens today

STAR BUSINESS REPORT

The telecom regulator will launch the first database of International Mobile Equipment Identity (IMEI) numbers of mobile phones today in a bid to curb illegal import.

Telecom Minister Mustafa Jabbar will inaugurate the database, established with support from Bangladesh Mobile Phone Importers Association (BMPIA), at the Bangladesh Telecommunication Regulatory Commission office.

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Wilmar, Adani sign deal with govt to invest \$350m

STAR BUSINESS REPORT

Singapore-based Wilmar and India's Adani Group will invest \$400 million in a joint venture to establish an industrial park in the Mirsarai economic zone to produce agro-based foods and allied products.

Some 11 industrial units will be set up on 100 acres of land, the lease agreement for which was signed yesterday among Wilmar, Adani Group and Bangladesh Economic Zones Authority.

The development comes after Wilmar International, a leading agribusiness group in Asia, sought land from Prime Minister Sheikh Hasina during her visit to Singapore in March last year.

The industrial park, which will go into operation within next three years, will create about 3,500 jobs.

It will also have a waste refinery plant adopting sophisticated technology, logistic yard and warehouse.

The investment will enhance competitiveness of local manufacturers and help consumers to get quality products, said Paban Chowdhury, executive chairman of BEZA.

Both local and foreign investors are showing keen interest on the economic zones, he said, adding that BEZA has established a land bank that will be able to provide land for investors.

Utility services like water, gas and power will be provided as the government ramps up its efforts to woo investors.

Mohammad Aiyub Ali, executive member of BEZA, and Inam Ahmed from the joint venture, signed the agreement on behalf of their respective organisations.



STAR

Visitors try to find a plastic laundry basket at a stall of the Dhaka International Trade Fair in Sher-e-Bangla Nagar yesterday.

Plastic goods makers display strength

DITF 2019

STAR BUSINESS REPORT

Plastics goods manufacturers are expecting a brighter future thanks to rising consumption and variation in products.

"New investors are entering the sector as the future looks bright," said Md Jashim Uddin, president of the Bangladesh Plastic

Goods Manufacturers and Exporters Association.

The sector has been growing at 20 percent annually for the last few years. Per capita annual consumption in Bangladesh stands at six kilogrammes (kg) and will reach 34 kg by 2030. Annual sales in the domestic market have reached about Tk 25,000 crore, according to the entrepreneur.

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SC defers Accord hearing to Feb 18

STAR BUSINESS REPORT

The Supreme Court has deferred a hearing on the Accord, the European agency for factory inspection and remediation, to February 18.

A four-member Appellate Division bench headed by Chief Justice Syed Mahmud Hossain passed the order after a hearing yesterday.

The apex court also fixed that day for further hearing on a leave-to-appeal petition filed by the agency.

Advocate AM Amin Uddin, representing Accord, told The Daily Star that the apex court adjourned the hearing as both parties would talk about Accord's functions and during this time the agency could continue working.

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Export source tax cut effective from Jan 1: NBR

STAR BUSINESS REPORT

Banks will have to deduct 0.25 percent source tax on exports of apparel and other items, except for jute goods, with effect from the first day of January, said the National Board of Revenue (NBR) recently.

The tax collector made the disclosure in a clarification issued to Bangladesh Bank and managing directors of banks on January 17. Earlier this month, the NBR slashed source or withholding tax on export proceeds, except for jute goods, to 0.25 percent from 0.60 percent. The notification created confusion among bankers as the date when this would come into effect was not mentioned.

"We have issued the clarification to all banks to remove confusion," said a senior official of the NBR.

For fiscal 2018-19, the NBR imposed 1 percent source tax on export of garments and other export items other than jute goods. It reduced the rate to 0.60 percent in September 2018 in the face of demand from garment exporters.

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