

Frame policy for electric vehicles

Speakers tell a dialogue on green vehicle

STAR BUSINESS REPORT

Bangladesh needs to formulate a policy to popularise electric vehicles which will reduce dependency on fossil fuel and protect the environment, speakers said yesterday.

"Battery-run three wheelers are not registered due to a lack of policy and hence the government is deprived of the revenues from registration and licensing fees, route permits and related taxes," said Akihiro Ueda, director of Asia EV business.

Ueda, also managing director of Terra Motors India, said there are around one million such three wheelers, predominantly in district towns and rural areas, and their formalisation could bring in roughly Tk 19.25 crore as revenue.

Ueda was giving a presentation at a dialogue on the prospects and policies of electric vehicles in Bangladesh jointly organised by Japan External Trade Organization (Jetro) and Business Initiative Leading Development (BUILD) at Amari Dhaka.

Commerce Minister Tipu Munshi stressed the need for introducing electric vehicles as a convenient and cost effective transportation system. "Now we should take up initiatives to introduce those to reduce greenhouse effects," he said.

He also said a related policy would be formulated as it had potential to bring in a huge amount of foreign investment.

Md Abul Kalam Azad, principal coordinator on SDG affairs at Prime Minister's Office, said earlier the presence of one million electric three wheelers was a hindrance for the scarcity of power but now electricity generation had greatly improved.

He suggested entrepreneurs introduce quality electric bicycles, three wheelers and cars and focus on battery recycling.

Hiroyasu Izumi, Japanese ambassador to Bangladesh, said their government was considering supporting access to safe, affordable, accessible and sustainable transport systems for all, a target of SDG 11 related to "Sustainable Cities and Communities".

He said the battery-run three wheelers already proved their merit in countries like India, Vietnam and China.

He further said now Terra Motors was producing a variety of quality Japanese electric three wheelers in Bangladesh and had fast become a market leader.

Referring to a case study, Daisuke Arai, country representative of Jetro Dhaka office, said around 52,000 battery-run three wheelers had created employment for around 58,000 people at the district level.

He also said travel cost on the vehicles at short distances was one fourth of rickshaws and half of compressed natural gas-run three wheelers.

Arai also said Bangladesh could save up to \$800 million yearly through air pollution reduction in four big cities.

Among others, Osama Taser, president of the Dhaka Chamber of Commerce and Industry, and Asif Ibrahim, former chairman of the BUILD spoke.

MIGA VP in Dhaka



STAR BUSINESS DESK

S Vijay Iyer, vice-president and chief operating officer of Multilateral Investment Guarantee Agency, the political risk insurance arm of World Bank Group, is currently in Dhaka and scheduled to stay today.

The visit aims to enhance private sector investment in key industries such as energy, infrastructure, manufacturing and agricultural development, says a statement.

In Dhaka, Iyer is holding meetings with government officials, senior leadership from state-owned and private sector enterprises, financial lending institutions and regional business leaders.

US aircraft, equipment sales lift US durable goods in January

AFP, Washington

Rising aircraft sales unexpectedly drove orders for US durable goods higher in January, the third monthly increase amid a recovery in business investment, according to government data released Wednesday.

But the increase masked weakness in other key areas, with the defense sector, autos and electronics suffering declines, according to the Commerce Department report. The increase could support GDP growth in the first quarter, though it is still expected to be significantly slower than prior quarters.

New orders for US-made, big-ticket items rose 0.4 percent to \$255.3 billion, the highest level since September. Economists had been expecting a 0.6 percent decline. Orders for civilian and defense aircraft, which can show large swings month to month, surged 15.9 percent and 4.5 percent, respectively.

The civilian category is heavily dominated by Boeing but the January figures will not reflect the current dilemma facing the company following Sunday's crash of a 737 MAX 8 in Ethiopia, the second in less than five months, which prompted many countries to ground the plane.

The data were delayed due to the five-week government shutdown as President

Donald Trump battled Congress for funding for a border wall.

Auto sales fell one percent. But excluding the volatile transportation sector, durable goods orders were unexpectedly weaker, giving up 0.1 percent. Economists had called for a 0.1 percent gain.

Sales of primary metals, an industry benefitting from Trump's aggressive tariff policies, fell 1.5 percent after being flat in December. Electronics sank 1.3 percent, while defense items fell 2.3 percent, adding to December's steep losses.

But "core" capital expenditures, a category closely watched as a proxy for business investment in factories, machinery and equipment -- which economists say can help determine productivity and plans for job creation -- rose 0.8 percent, recovering some of the declines in recent months.

"Durable goods orders could have been worse," Ian Shepherdson of Pantheon Macroeconomics wrote in a note to clients. "Will be worse soon."

He noted that aircraft sales were now at the top of their recent range, suggesting they will likely decline.

And despite the January increase, capital expenditures, have fallen at a 5.3 percent annualized rate over the last three months -- the worst performance in more than two years.

Stocks fall for third session

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Turnover, another important indicator of the market, however, soared 13.85 percent to Tk 708.12 crore, with 14.09 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 71 securities advanced and 242 declined while 33 closed unchanged on the premier bourse.

Dutch-Bangla Bank dominated the turnover chart with 27.90 lakh shares worth Tk 62.39 crore being traded, followed by British American Tobacco Company Bangladesh, United Power Generation, Brac Bank, and Uttara Bank. Among the major sectors, banks advanced 1.6 percent, non-bank financial institutions 0.5 percent and pharmaceuticals 0.30 percent.

Conversely, non-life insurance and telecom stocks gave up 2.21 percent and 1.99 percent respectively. Dutch-Bangla Bank was the day's best performer with a 16.67 percent gain. Republic Insurance was the worst loser, shedding 9.12 percent.

Chittagong stocks also fell. The bourse's benchmark index, the CSCX, declined 35.19 points, or 0.33 percent, to finish at 10,521.26. Losers beat gainers as 172 issues declined and 55 advanced while 25 finished unchanged on Chittagong Stock Exchange. The bourse traded 61.30 lakh shares and mutual fund units worth Tk 20.10 crore.

Just come to me

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"I try to convince my officers that you should serve, not rule. I think increased tax collection is possible through building good relationships," Bhuiyan said at the meeting, which was attended by the business community and top executives of several local and multinational companies.

He, however, said multinationals and some local firms operate in Bangladesh transparently by keeping one book of accounts. Yet, there are some big local institutions that taxmen have to spend a considerable time to collect tax.

Bhuiyan mentioned of leakages of garment accessories, chemicals and papers imported duty-free by firms to make finished products for export into the domestic market.

His office has taken a zero tolerance approach to curbing the leakages of zero-duty goods from bonded warehouses. The VAT law 2012 would be implemented by July after bringing in some amendments, particularly in rates, he said.

The NBR has sought opinions from the business community at the earliest.

"If none gives opinion, we will go our own way and all will have to abide by. I assure that there will be nothing in the law for you to be panicked," he added.

At the meeting, the MCCI requested the NBR to make the proposed law and its related rules available to the business community as soon as they are finalised.

"We should be given sufficient time to comment on it," said MCCI President Nihad Kabir.

Such a major law will significantly affect a large proportion of businesses, so they should be given adequate time

to prepare for the changes that it will entail, she said.

"We do not foresee being able to comply fully with the law from the first of July. A six-month to one-year lead time will allow us to be compliant."

The MCCI also demanded rationalisation of the corporate tax rate, which it deems to be too high, to encourage transparent and accountable entrepreneurship.

Nihad Kabir, citing a report in the media regarding NBR's plan to knock on people's doors to bring in new taxpayers, said: "I think this idea of visiting houses could lead to harassment and intimidation."

It is also a severe threat to privacy as it may lead to unscrupulous individuals gaining entry into people's homes.

"It may have a severe negative impact," she said.

She also urged the NBR to ensure transparency and accountability of the tax administration, official disclosure on various procedures such as duty draw-back, and impact assessment of fiscal measures taken time to time.

Shehzad Munim, president of the Foreign Investors' Chamber of Commerce & Industry, demanded predictable tax measures so that they can draw plans for their businesses accordingly.

At the meeting, businesses also urged the NBR for refunds against all the advance income tax that they pay.

Syed Manzur Elahi, chairman of Apex Group, suggested the NBR for framing tax measures that encourage investment needed to create jobs instead of focusing only on revenue collection.



KAM Majedur Rahman, managing director of Dhaka Stock Exchange (DSE), and Farzana Chowdhury, CEO of Green Delta Insurance Company, attend "Ring the Bell for Gender Equality", a global initiative linked with International Women's Day that promotes women's participation in the global economy which was jointly organised in Dhaka by the IFC, DSE and UN Women.

Banking sector govt's weak point: Kamal

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"Action will be taken only after conducting special audit," Kamal said, while insinuating that board members with no knowledge on the banking sector will be removed.

He said many retired bureaucrats are lobbying with him for a directorial post in state banks.

"Board members will have to have subject specific knowledge. They will have to face interviews to get the post."

The government will show zero tolerance against corruption, he said, adding that the banking sector will soon see reforms.

He went on to warn the dishonest businessmen that they will not be given any mercy for defaulting on loans.

Bangladesh Bank Governor Fazle Kabir stressed on the importance of corporate governance on fending off

advances from shady business people.

"Corporate governance is very important and all banks will have to ensure governance in their organisations." The rising amount of non-performing loans (NPL) is the main concern for the banking sector and Janata tops the list.

At the end of 2018, Janata's NPL stood at Tk 17,224 crore -- the highest amongst banks -- up from Tk 5,818 crore a year earlier. "Janata's NPL situation deteriorated tremendously along with some other indicators."

The bank's huge capital shortfall badly hit its profitability, he said, while urging Janata to find a way to come out from the huge loss.

In 2018 Janata logged in net losses of Tk 6,063 crore, down from Tk 268 crore in the profit the previous year, according to the central bank.

This was the first time a local bank has incurred such a huge amount of net loss in a single year in recent history.

Md Abdus Salam Azad, managing director of Janata Bank, attributed the spike in NPL to two big defaulters: AnonTex and Crescent Group.

Janata had lent to the two business groups without conducting proper due diligence.

The bank will overcome the ongoing crisis this year by intensifying its loan recovery efforts, he said.

"We have already recovered about Tk 1,200 crore this year."

Janata's credit base expanded 16.13 percent last year and deposit base 4 percent, according to Azad.

Its loans-deposit ratio increased to 79 percent from 71 percent at the end of 2017.

Gas price move faces uproar

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LNG is costing the country Tk 39.086 per cubic metre. In contrast, similar amount of gas from state-run Bangladesh Gas Fields cost Tk 0.7097, from Bangladesh Petroleum Exploration and Production Tk 3.0414, from Sylhet Gas Fields Tk 0.2028 and from international companies operating in Bangladesh Tk 2.55, according to Petrobangla. Prof Islam said gas price hikes are inevitable.

The government used to realise a lot of tax from the gas sector, but the tax incidence has come down to only 15 percent from 120 percent, he said.

"So, the government has no scope to provide funds. And exploring gas

resources offshore takes time," he added.

When the gas price was last revised up to Tk 8.63 per cubic metre from Tk 7.17 percent in October, the supply of 450 million cubic feet of gas per day (mmcf) was taken into consideration, Prof Alam said.

An assessment paper of the technical committee of the BERC showed that LNG imports added 400mmcf of gas to the network in March and it would go up to 650mmcf in May and 850mmcf in October. Already consumers are paying for the LNG when its supply has not reached 450mmcf of gas yet, Alam said.

"So, the next phase of the price will have to be added when the new LNG

will be added. You can't charge me for the product that hasn't been delivered yet."

The CAB's adviser said thanks to the hike in October, the transmission and distribution companies have about Tk 1,500 crore in surplus after meeting their revenue requirement.

If corruption, illegal connections and inefficiency at the distribution companies are rooted out, about 15 percent of the gas could be saved, he said.

"This would easily meet the Tk 4,500 crore deficit in the gas sector."

Had onshore and offshore potential been explored, the price would not have to go up at the current pace and the increments would have been tolerable, he said.



Sarbajeet Mukherjee, managing director for consumer and retail services in South Asia at global safety certification company UL, and Suresh Sugavanam, UL's vice president and managing director for South Asia and Sub-Saharan Africa, attend the launch of its consumer and retail services testing laboratory in Dhaka.



গার্ডিয়ান লাইফ ইন্স্যুরেন্স | শাক্ষরো ক্রমা শ্রুত

VACANCY ANNOUNCEMENT

Head of Human Resources

Guardian Life Insurance Limited; established in 2013 by BRAC, SQUARE & APEX with an aim to become the best life insurance company in Bangladesh. Guardian Life is a strong and dynamic company covering over 7 million lives. We are an equal opportunity employer with a young and highly talented workforce of over 110+ full time staff and a top level management team drawn from across several industries.

This is a top Management position directly reporting to the CEO. The ideal candidate will have prior experience in HR with a thorough understanding of HR policy and procedures. The focus will be on employee engagement, policy development and putting in place a performance driven culture. We are looking for a person with strong interpersonal skills and business drive who should be able to handle the changing nature of the workforce.

Key Responsibilities

- Support the strategic HR plans in line with the business.
- Plan, monitor, and appraise appropriate HR activities.
- Train managers to adopt a robust performance system.
- Oversee recruitment efforts and establish orientation and training programs.
- Maintain and recommend human resource policies and procedures.
- Manage the employee compensation and benefits programs to encourage a pay for performance culture.
- Ensure legal compliance and identify areas for improvement in standard operating procedures.
- Build strong working relationships and promote a meritocratic and diverse workplace.
- Handle confidential matters with discretion and be the custodian for organizational values.

Educational Qualification & Other Requirements

- Bachelor's degree (or Higher) with specialization in human resources
- Minimum of 12 years in human resources or recruitment.
- Up to date with Bangladesh Employment Laws and modern HR practices.
- Exceptional communication skills, interpersonal skills, and ethics.
- Adept to problem-solving.
- Excellent commercial acumen and used to working in a sales driven culture
- Good knowledge of MS Office.

If you have what it takes to excel at this role please send your CV with a cover letter addressed to:
Email address: career@guardianlife.com.bd
Applications will be accepted till 18 March 2019

Guardian Life Insurance Limited, Head Office: Siddique Tower (9th-12th floor), 49 Mohakhali C/A, Dhaka-1212
Tel: PABX 9888422-24, Fax: 9888399, Web: www.guardianlife.com.bd