

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.14%	▲ 0.01%	\$1,287.30	\$69.65	▼ 0.49%	▲ 0.05%	▲ 0.15%	▲ 0.94%	BUY TK 83.35	92.70	108.97	0.73
5,459.91	10,135.23	(per ounce)	(per barrel)	38,684.72	21,724.95	3,316.21	3,246.57	SELL TK 84.35	96.50	112.77	0.77

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Fix regulatory uncertainty to boost investment

WB says in its latest report

STAR BUSINESS REPORT

Regulatory uncertainty has become a major bottleneck for investment in Bangladesh, where private sector investments remain weak, said the World Bank in its latest report.

At present, foreign direct investment is less than 1 percent of the GDP.

Businesses, particularly the medium-sized ones, suffer from the inconsistencies in policy implementation, said the Washington based-multilateral lender in the Spring 2019 edition of the Bangladesh Development Update.

The report, which puts special focus on regulatory predictability, was unveiled yesterday at the WB's office in Dhaka.

"Regulatory uncertainty makes property rights insecure, which is a deterrent to investment," the report said.

Insecurity of property rights takes many forms, ranging from threat of outright asset expropriation to policy and regulatory actions that make costs and revenue streams more uncertain on top



Robert J Saum, World Bank country director, speaks while releasing a report on Bangladesh at its Dhaka office yesterday. Zahid Hussain, WB lead economist in Dhaka, is also seen.

of normal commercial risks. "Frequent change in decisions on price hike of fuel, electricity, gas and bank interest rate leave entrepreneurs in a dilemma when it comes to taking decisions for further investment," said Zahid Hussain, lead economist of the WB's Dhaka office.

The success of Bangladesh's development aspirations hinge on increased private investment and

innovation, the report said. "Investments will be needed in new ways of doing things: new products, new technologies and new business models. This requires an enabling environment, of which regulatory predictability is an important dimension."

Discretionary behaviour by regulatory officials is at the core of regulatory uncertainty, including non-uniform interpretation of rules and requirements, the WB said.

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Poor network quality shrinks 4G usage

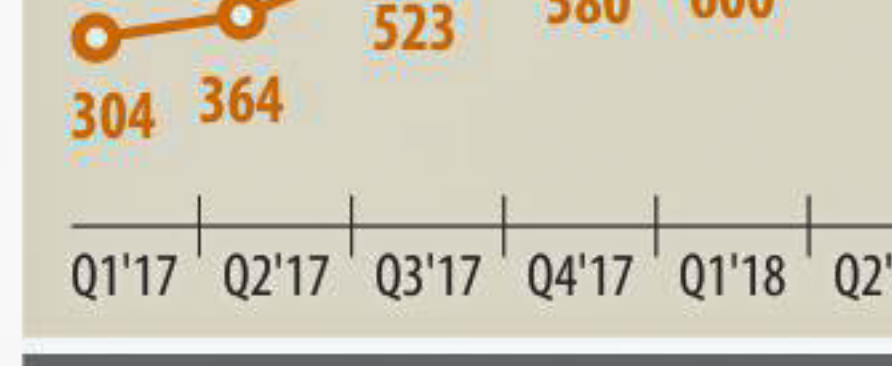
Says Huawei's top official

STAR BUSINESS REPORT

Poor network quality is forcing mobile data users in Bangladesh to consume only one-tenth of what Indians are using every month on average, Jerry Wang, chief technology officer of Huawei Technologies (Bangladesh), said yesterday.

Bangladesh's mobile data users are currently consuming 1.2 gigabytes (GB) of data on average every month.

The mobile operators in Bangladesh are using the same technology as their counterparts in India, Sri Lanka and Singapore but there is a huge gap in service quality, Wang said.



CHALLENGES

Operators can't design their own networks
They pay higher spectrum prices

They have to depend on fibre network providers and tower operators

Telcos pay higher tax on importing equipment

SUGGESTION

Massive policy reforms needed

SOURCE: RESPECTIVE OPERATORS

In Bangladesh, the 4G speed is even less than 7 Mbps and in some cases it comes down to 3Mbps speed, according to the Bangladesh Telecommunication Regulatory Commission. The operators cannot even ensure 2Mbps speed for 3G.

"From the technology point of view there is no issue. The operators of other countries are using the same technology and they are getting much higher speed."

Wang's comments came at the curtain raiser for the daylong summit styled 'Advancing Digital Bangladesh, 2019', jointly organised by Telecom Reporters' Network Bangladesh (TRNB) and Huawei on Sunday.

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Bring more good firms to stocks to entice investors

Analysts say at capital market expo

STAR BUSINESS REPORT

Immediate steps should be taken to bring more well-performing companies to the capital market so that general investors can enrich their portfolio with better stocks, analysts said yesterday.

The stock market will be benefitted from the inclusion of more good stocks, they said at the opening ceremony of Bangladesh Capital Market Expo-2019 at Bangladesh Shilpakala Academy.

Instead of depending only on banks, big corporate houses can go for initial public offerings to raise funds, say experts

Online financial news portal arthosuchak.com organised the three-day exposition.

"The number of well-performing stocks is very limited in our stock market. So, a special initiative is needed to bring in such companies," said Mashiur Rahman, prime minister's economic affairs adviser.

Investors will be benefitted if the number of good stocks rises, he said.

Many big corporate houses depend on bank loans for their financing needs but banks also have a limitation on lending money for long periods of time, Rahman said.

"In this case, the companies can go for initial public offerings to raise fund from the stock market. Stock market is a source of long-term financing, not banks."

Investors should invest in well-performing stocks by analysing their potential to get a higher return, he said.

If anyone invests on a stock of low potential then s/he will not get good return even after sticking to it for a long period of time, he said.

"Don't panic on any rumour," said M Khairul Hossain, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

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Germany's Siegwerk to open ink blending centre

STAR BUSINESS REPORT

Siegwerk, a German packaging ink-making giant, is going to open an ink blending centre in Bangladesh this year to expand its footprint in the \$100-million-plus packaging ink market.

The centre is expected to start operation in the fourth quarter, the company said.

"Bangladesh is a market with a lot of potential for the packaging ink-making company as the uses of the item is increasing in keeping with the growth of the economy," said Ashish Pradhan, director of Siegwerk Bangladesh.

He announced the company's plan at a press conference at Pan Pacific Sonargaon Dhaka yesterday.

The blending centre will initially employ 40 people, Pradhan said, without giving any figures about the planned investment.

Siegwerk, based in Siegburg near Cologne, is one of the leading interna-



Ashish Pradhan, a director of Siegwerk Bangladesh, announces plans of opening an ink blending centre in Bangladesh, at an event at Pan Pacific Sonargaon in Dhaka yesterday.

tional manufacturers of printing inks and individual solutions for packaging, labels and catalogues with more than 180 years of experience.

It has been supplying inks to printers in Bangladesh from India since the mid-90s.

"Currently, our market share is 8 percent in Bangladesh. Once we start selling our products from the Bangladesh factory at the end of this year, we are expecting 12 percent year-on-year sales growth," he said.

READ MORE ON B3

Turkish company acquires 57pc of Singer Bangladesh

STAR BUSINESS REPORT

Arçelik, an Istanbul-based home appliances company, has completed the acquisition of the 57 percent stakes of Singer Bangladesh's majority shareholder Retail Holdings Bhold BV for \$75 million.

Singer Bangladesh is one of the leading home appliance retailers and manufacturers in the country.

"This acquisition is another signif-

icant step on our Silk Road strategy," said Fatih Ebiçlioğlu, president of Koç Holding Consumer Durables Group and chairman of Singer Bangladesh, in a statement.

Arçelik, founded in 1955, has operations in the durable consumer goods industry with production, marketing and after-sales services.

It offers products and services in 146 countries with 30,000 employees and has 21 different production facilities in

eight countries. It has 12 brands: Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Dawlance, Voltas Beko and Altus.

Ebiçlioğlu also says Bangladesh is one of the fastest-growing economies in the world, and will further accelerate in the medium to long-term.

"The market offers huge potential with its expanding middle-class and young population."

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Tax net to widen

NBR chief tells Chittagong chamber's pre-budget meet

STAFF CORRESPONDENT, Ctg

The tax network will be expanded to lower the country's reliance on the revenue earned from imported goods, said the chairman of the National Board of Revenue (NBR) yesterday.

Md Mosharraf Hossain Bhuiyan said, "Some businessmen live in the villages and they do not pay tax and VAT properly. Such businessmen will be brought under the tax network."

The NBR chief made the comment while addressing a pre-budget discussion at the World Trade Centre in Chittagong.

M Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry (CCCI), presided over the event, which was organised by the chamber.

The government earned more than Tk 2 lakh crore last fiscal year from income tax, value-added tax and customs tariffs. Still, Bangladesh has the lowest tax-to-GDP ratio in South Asia.

Some businessmen live in villages and they do not pay tax and VAT properly. Such businessmen will be brought under the tax network

Value-added tax is the biggest source of revenue for the country, accounting for about 37 percent of the collection in 2017-18.

Income tax accounted for 32 percent of the collection in the fiscal year and the remaining revenues came in the form of customs tariffs.

"Chattogram port needs more allocation," Alam said, urging the government to allocate more funds for the development projects now being implemented in the port city.

The upcoming budget will ensure full protection of the local industries and the incentives for different export-oriented sectors will continue, the NBR chairman said.

Later, Bhuiyan attended two more pre-budget discussions with the leaders of the Chittagong Metropolitan Chamber of Commerce and Industry and the Chittagong Customs Clearing and Forwarding Agents Association.

Finance Minister AHM Mustafa Kamal is expected to unveil the budget for the next fiscal year on June 13.

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