

Trade deficit narrows

AKM ZAMIR UDDIN

TRADE deficit squeezed by 8.42 percent in the first eight months of 2018-19 thanks to the steady growth of exports and a slowdown in imports, giving some breathing space to the government in managing the economy.

Between July and February, the deficit stood at \$10.69 billion, down from \$11.67 billion in the same period a year ago, according to data from the central bank.

The development, however, will not sustain because of a potential import growth in the months to come, analysts said.

The import growth will pick up shortly, sweeping aside the economic stalemate stemming from the uncertainty surrounding the national pools held in December last year, they said. Exports stood at \$27.14 billion in the first eight months of 2018-19, up 12.44 percent year-on-year. Imports rose 5.64 percent to \$37.83 billion.

The export has been on a rising trend since the turn of the year but the foreign exchange earnings from the segment have been highly dependent on garments, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

He stressed the need for giving more focus on diversifying export goods and destinations to make sure sustainable earnings of foreign

currency.

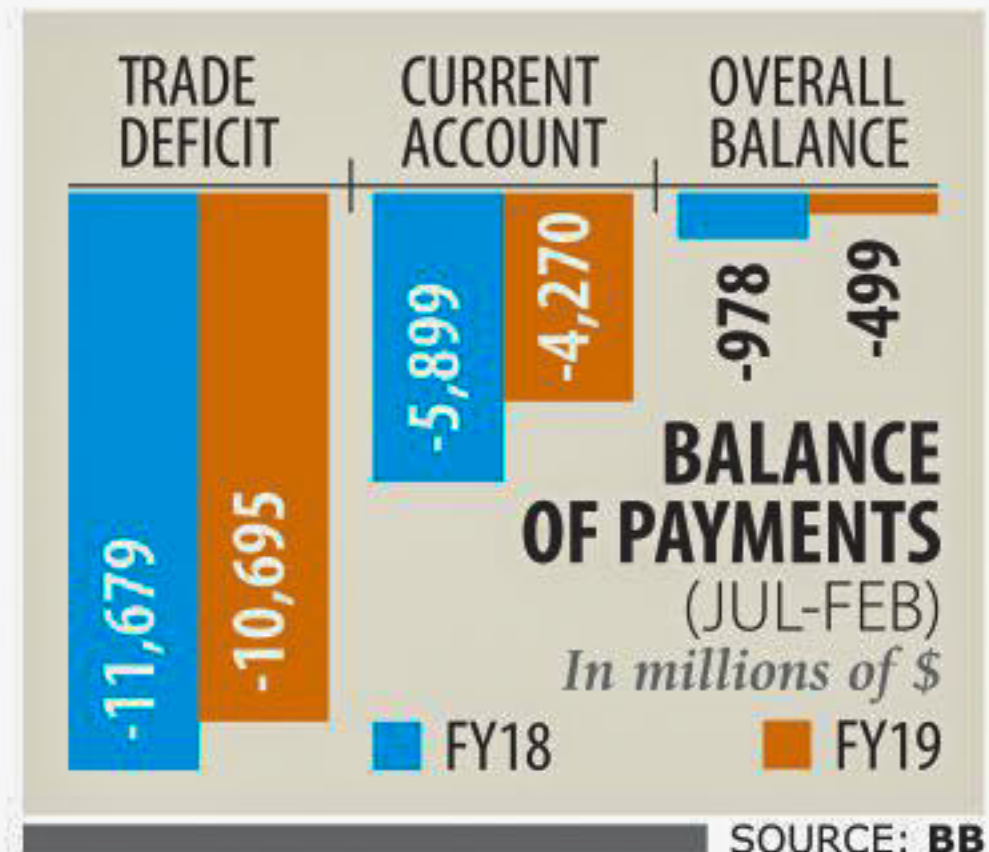
"Otherwise, the country will face a big trouble in the near future in managing foreign exchange-related liabilities and earnings."

Mansur, also a former official of the International Monetary fund, said the import growth will not hover around 5 percent as it will jump soon because of the ongoing implementation of mega infrastructure projects.

Besides, many businesses were forced not to open letters of credit in the last few months because of the shortage of foreign currency that shrank imports artificially, he said.

The deficit in the current account has also gone down but the sum is still sizable.

The current account deficit decreased 27.21



Accord to hear its fate on Apr 15

REFAYET ULLAH MIRDHA

THE Accord, which has been locked in a tug of war with the government over its right to continue its activities in Bangladesh, has to wait until April 15 to learn of its fate after the Supreme Court yesterday decided to hold another hearing on the issue.

"The court will hear more details on April 15," said Additional Attorney General Murad Reza, who appeared for the government.

The tenure of Accord, a platform of more

than 200 retailers formed to enhance garment

factory safety in Bangladesh after the Rana

Plaza collapse in April 2013, had originally

ended in May last year.

It has been insisting a three-year extension to see through the remediation works in its 1,600 sourcing factories -- a demand that the government and the garment factory owners

are not willing to entertain.

The platform of mostly Europe-based retailers got a six-month extension until November last year, much to its dismay. It took the matter to court, where it has been dragging on.

"Accord cannot stay here for an indefinite period," Reza added.

The platform not only wants to see through the remediation works in its sourcing factories but also wants to build the capacity of its successor, the Remediation Coordination Cell, said Rob Wayss, executive director of the Accord.

"We want to ensure that it can adequately regulate safety in garment factories in Bangladesh. We think this is a sensible approach."

The recent fire accidents indicate that there is still a lot of work left to achieve fire safety in buildings in Bangladesh, he said in his email

to The Daily Star.

As of now, the Accord engineers have verified that about 225 of its sourcing factories have completed safety remediation of fire, electrical and structural safety hazards.

The platform wants to verify in person that all its sourcing factories have completed their recommended remediation works.

Approximately 18 percent of the items that are reported as fixed are found not to be fully and/or not properly fixed when Accord engineers conduct the verification inspections, according to Wayss.

"There is still remediation and workplace based safety work that needs to be completed at most Accord-covered supplier factories."

Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, declined to comment on the issue as it is a subject of the court.

BASIS seeks special card to pay for digital marketing

It will place proposals on digital marketing policy to BB



COLLECTED

Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), and Molla Nazrul Islam, special superintendent of Criminal Investigation Department, alongside other officials take a photo at the investigators' headquarters yesterday following a meeting on digital marketing expenditure.

STAR BUSINESS REPORT

SOFTWARE developers are going to propose to the central bank to introduce a special card to help them bear the expenditure on digital marketing through social media platforms such as Facebook and Google.

The proposal is part of a draft policy on digital marketing spending which the Bangladesh Association of Software and Information Services (BASIS) is set to place before Bangladesh Bank within the next few days.

"Digital marketing is the lifeline for digital companies and we want a proper policy support from the government that will ensure transparency of the industry and secure government revenue from this sector," BASIS President Syed Almas Kabir told The Daily Star after attending a meeting with Criminal Investigation Department (CID) yesterday.

Molla Nazrul Islam, special superinten-

dent of the CID, chaired the meeting.

Currently, BASIS members use two cards to bear the expenditure for purchasing software, webhosting and travelling. Some member-companies use the cards for digital marketing as there is no policy to this effect, according to Kabir, who led the team of the BASIS standing committee for digital marketing at the meeting.

One of the cards allows a company to spend \$12,000 and the other \$30,000 per year.

"We need a policy first. Then the authorities can go for tough action," Kabir said.

The CID has recently launched an investigation into payments made by local digital companies for advertisements on social media sites.

The agency has collected documents about the top 10 e-commerce companies: daraz.com, ajkerdeal.com, pickaboo.com, bikroy.com, foodpanda.com.bd, chaldal.com, rokomari.com, sheba.xyz, othoba.com, and khaasfood.com.

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Pakistan offers yet another tax amnesty to pinpoint high earners



REUTERS/FILE

Pakistan's Finance Minister Asad Umar gestures during a news conference in Islamabad.

REUTERS, Islamabad

PAKISTANI Finance Minister Asad Umar urged people to declare their assets for a new tax amnesty, a scheme he denounced last year as legitimising ill-gotten wealth, in a bid to identify high earners for more efficient tax collection in future.

The offer is a desperate attempt to broaden the government's revenue base in a country where barely one percent of the adult population pay taxes.

The amnesty is due to take effect before the annual budget in May, which is going to be the first biggest challenge for the new government of Prime Minister Imran Khan.

Economists say the budget is likely to reveal the biggest ever fiscal deficit, with revenue collection facing a short-fall of nearly 500 billion rupees (\$3.54 billion).

"Whenever this scheme is announced, it is my brotherly advice to all of my friends that please avail yourselves of it," Umar said in an address in Islamabad. "Don't complain later."

He said the scheme was a last chance before cracking down on tax avoiders.

"Our capacity to track down those who don't pay their due taxes is becoming far better than the past," he said.

Khan's predecessor, Prime Minister Shahid Khaqan Abbasi of the opposi-

tion's Pakistan Muslim League (PML-N) party, declared one such amnesty in April last year.

Both Khan and Umar ran a tirade against the scheme, which they said was only a way to legalize ill gotten and looted wealth, promising that they would arrest all those who benefited.

Successive governments have promised to rein in tax evasion and boost revenues but have faced fierce resistance to change, including from the many politicians and businessmen believed to be among those dodging payment.

Under Abbasi's plan, all Pakistanis were invited to declare their unreported income and assets and bring their money into the tax base after paying a 5 percent one-off penalty and those living overseas would pay a 2 per cent one-time fine.

Pakistan's nearly \$300 billion economy faces a ballooning current account deficit and depleting foreign reserves.

After securing loans from friendly countries like China, Saudi Arabia and United Arab Emirates, Pakistan is in talks with the International Monetary Fund over a 13th bailout since the 1980s which is expected in the next few weeks.

"The crisis period is over and now we're heading toward seeking stability," Umar said.

China lowers tariffs on computers, bikes, other goods

AFP, Beijing

China on Monday announced it will lower tariffs on some consumer goods ranging from computers to furniture and bicycles as Beijing faces worldwide scrutiny over its trade practices.

Beijing and Washington have slapped tariffs on more than \$360 billion in two-way trade in their simmering trade spat while Europe has recently indicated it will take China to task for alleged unfair trade policies.

China's tariff rate on imported goods like books, computers, food, furniture and medicines will drop to 13 percent starting Tuesday, the State Council's tariff commission announced.

The goods had been taxed at a 15 percent rate, official news agency Xinhua reported.

The border tax slapped on other imported goods like sporting goods, fishing supplies, textiles, electronic appliances and bicycles will also be lowered to 20 percent from 25 percent, according to Xinhua.

Top EU leaders will meet Chinese Premier Li Keqiang this week at a summit in Brussels, but their hopes of winning solid commitments on trade look set for disappointment.

President Donald Trump on Friday said talks with Beijing were making progress toward ending the trade war between the world's two top economies, but he again stopped short of predicting success.

US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin engaged in trade talks with a Chinese delegation led by Vice Premier Liu He from April 3-5 in Washington.

18th

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