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Pahela Baishakh: online shops log brisk sales

MUHAMMAD ZAHIDUL ISLAM

Online shops are now even selling hilsa fish ahead of the Pahela Baishakh, an annual festival that is typically celebrated with a meal centred on the delicacy.

One such e-shop is Othoba.com, which has sold about 2,000 pieces of hilsa fish of more than one kilogram each so far, according to its brand manager Nirjhar Kundu.

Not just hilsa fish, the sister concern of Pran-RFL Group is also selling products that are related to the festivities surrounding the first day of the Bengali calendar such as sweetmeat, sarees, lungis and so on.

It is also offering discounts for the Pahela Baishakh.

On an average around Tk 3 crore to Tk 4 crore worth of products are sold online every day and before festivals like Pahela Baishakh another few crores are added, said Ashish Chakraborty, chief operating officer of SSL Wireless, a digital commerce market research firm.

"But this time the industry is not getting its desired growth," he added.

Maybe the overall economy is going slow after the general election and that impacted the

- Market size: Tk 1,100cr-Tk 1,200cr
- Growth rate in 2018: 75%
- Average price of a product: Tk 700-Tk 1,200
- Cash on delivery: 90%
- Total e-commerce firms: 3,500
- Facebook-based e-commerce business: 30,000
- Number of orders a day: 30,000+
- Daily orders reach during festivals: 90,000+
- Deliveries via post office per day: 3,000-5,000



e-commerce industry, said AKM Fahim Mashroor, founder of ajkerdeal.com, one of the leading local e-commerce ventures.

This year, ajkerdeal.com saw 50 percent spike in its usual sales on the occasion of Pahela Baishakh. Last year, its sales had doubled around this time.

"People might have less to spend on Pahela Baishakh."

Another reason could be that shopping for Eid-ul-Fitr will start in a few weeks' time and people are saving up for it, which is the biggest festival in the country, Mashroor added.

PriyoShop.com is selling diamond jewellery online for the first time in Bangladesh keeping the Pahela Baishakh in mind. The site's sales have so far been below expectations,

said its founder and chief executive officer Asikul Alam Khan.

But Bagdoom.com is logging in satisfactory sales, said its CEO Mirajul Huq.

Its Pahela Baishakh-centric orders started arriving from the first half of March as opposed to a week ahead of the day, which falls on April 14.

Currently, the market size for e-commerce is about Tk 1,100 crore to Tk 1,200 crore after it grew about 75 percent last year, according to SSL.

The research firm estimates the number will hit Tk 1,800 crore by the end of the year helped by a few e-commerce companies. Currently, 3,500 companies are in operation in the segment.

The daily orders come to 30,000 if the 30,000 Facebook business pages are taken into account.

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INWARD REMITTANCE Bangladesh 3rd in South Asia, 11th globally: WB

STAR BUSINESS REPORT

Bangladesh received \$15.5 billion in remittance last year, up more than 15 percent year-on-year, according to the World Bank.

"In Bangladesh, remittances showed a brisk uptick in 2018," says the World Bank's latest Migration and Development Brief.

The annual receipt for Bangladesh is up from the \$13.5 billion which migrant workers sent in 2017.

Bangladesh was the third highest recipient of remittance in South Asia in 2018, after India and Pakistan and 11th highest recipient globally.

India retained its position as the world's top recipient of remittances with its diaspora sending \$79 billion back home in 2018.

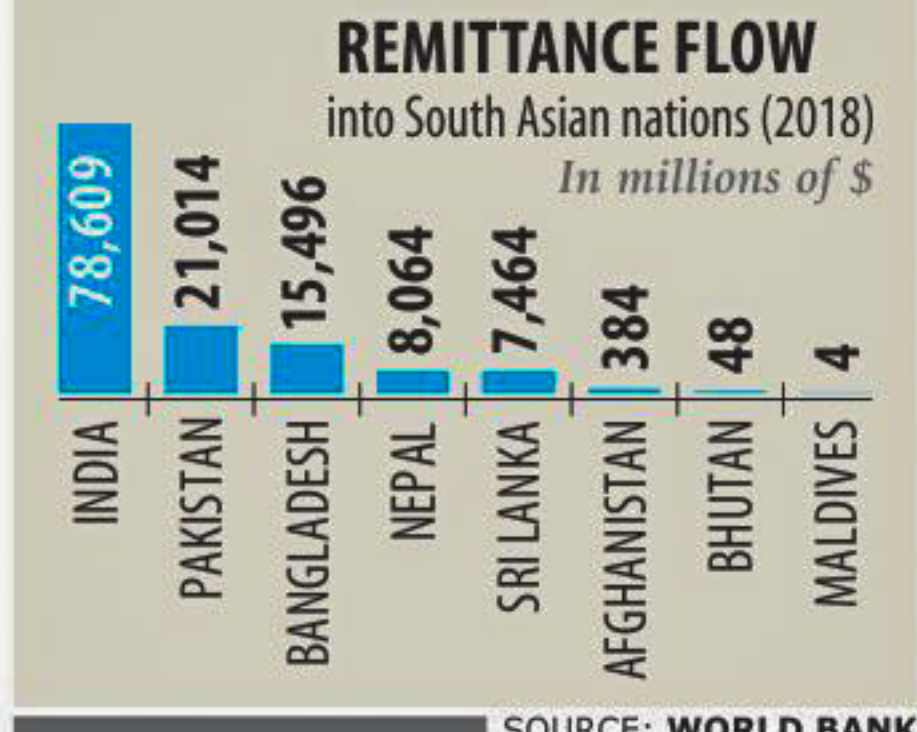
Last year, Bangladesh's remittance income hit an all-time high, giving a breather to the country's ongoing foreign exchange crisis. Remittance is one of the main drivers of the country's economic growth, accounting for 5.4 percent of the gross domestic product in the year.

The ongoing depreciating trend of the taka against the US dollar, a strong stance taken by the central bank to fight illegal money transfers and the good commission offered by banks to remitters were the main reasons behind the spike.

Among the countries, the top remittance recipients after India were China (\$67b), Mexico (\$36b), the Philippines (\$34b),

Egypt (\$29b), France (\$26b), Nigeria (\$24b), Pakistan (\$21b), Germany (\$17b), and Vietnam (\$16b), according to the brief.

Remittances to South Asia grew 12 percent to \$131 billion in 2018, outpacing the 6 percent growth in 2017.



The report says the increase was driven by stronger economic conditions in the US and a pick-up in oil prices, which had a positive impact on outward remittances from some Gulf Cooperation Council countries. The GCC consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

Remittances grew by more than 14 percent in India and 7 percent in Pakistan.

In 2019, remittance flows to low and middle-income countries are expected to reach \$550 billion, to become their largest source of external financing, said the report.



Sonia Bashir Kabir leaving Microsoft

STAR BUSINESS DESK

Sonia Bashir Kabir is leaving Microsoft after serving the American multinational technology firm for five years as managing director for Bangladesh, Myanmar, Nepal, Bhutan and Laos.

Sonia will not be joining any other multinational technology firm. Rather, she has decided to focus on her own companies and startups across South East Asia where she has invested as an angel investor, sources said.

Stock investors at wits' end Stage demonstration to protest freefall

STAR BUSINESS REPORT

Anguished by the freefall of the stock market over the past month, general investors yesterday staged demonstrations in front of the Dhaka bourse.

Since March 3, the first trading of the month, DSEX, the benchmark index of the Dhaka Stock Exchange, shed about 400 points, or 7 percent, to close at 5,318.75 points yesterday.

On March 28, Finance Minister AHM Mustafa Kamal urged stock investors not to panic, going so far as to assuring them that they will not lose their money.

Since his rhetoric, DSE lost 14,537.22 crore, or 3.53 percent, in market capitalisation. The benchmark index of the premier bourse also shed about 187 points.

Now, fund managers and general investors are puzzled seeing no action from the government and the regulator in stemming the slide.

"Who are rushing to sell their shares in such a bear market," asked Md Sourov Hossain, a general investor, at the demonstration.



He went on to urge the Bangladesh Securities and Exchange Commission to investigate for foul play.

The recent market fall is lead by some big companies and hence the jitters, Hossain added.

For instance, yesterday heavy-weight stocks United Power Generation and Grameenphone lost 24.35 points and 21.86 points respectively.

Market analysts said the telecom regulator's tough stance against Grameenphone caused its share price to slide in the last few days, but United Power Generation's plunge is baffling as there is no price-sensitive news coming out from the power plant.

Earlier in February, the telecom regulator declared Grameenphone a Significant Market Power operator and slapped restrictions on its business strategy.

Banks' huge liquidity crunch is

Inflation creeps up in March

STAR BUSINESS REPORT

Inflation last month edged up dangerously close to the ceiling set by the government for this fiscal year thanks to a rise in food prices.

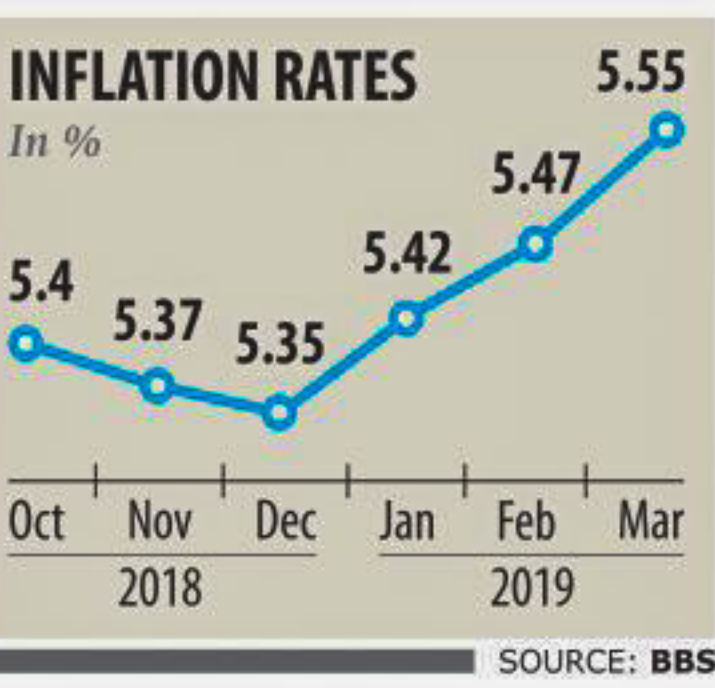
In March, inflation stood at 5.55 percent, up 7 basis points from a month earlier, according to data from the Bangladesh Bureau of Statistics, which was unveiled yesterday by Planning Minister MA Mannan.

The government had targeted to keep inflation within 5.6 percent in fiscal 2018-19.

Last month, food inflation was 5.72 percent, up from 5.44 percent in February. However, it was offset by a decline in non-food inflation: it shed 22 basis points during the course of the month and stood at 5.29 percent.

Rice prices may have increased in March with the impact of Aman harvests well over and Boro still in the field, said Zahid Hussain, lead economist of the World Bank's Dhaka office.

"With winter behind us, vegetable prices may also have increased."



NBR mulls package VAT-like tax

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is likely to impose a fixed or package VAT-like tax rate under the new VAT law that is scheduled to come into effect from July 1 this year, said its chairman, Md Mosharrar Hossain Bhuiyan, yesterday.

"There will be something like package VAT this year," he told a discussion with economists and representatives of professional bodies on possible tax measures for fiscal 2018-19 at the NBR headquarters.

Package VAT is a fixed amount of tax that small businesses have to pay to the revenue administration under the VAT law 1991, which is currently effective.

The revenue administration organised the event to hear views and recommendations from stakeholders in the run-up to framing tax proposals for next fiscal year.

Bangladesh Economic Association (BEA), the Centre for Policy Dialogue (CPD), and PricewaterhouseCoopers (PwC) shared their recommenda-

Foreign investors' chamber seeks time to comply with the changed rules and rates under the new VAT law

get so that all get a clear idea.

Bhuiyan said measures related to the VAT law would be brought through a finance bill, which was usually placed by the finance minister during the unveiling of the national budget.

"It is difficult to clear everything now," he said, adding that the NBR has already given ideas about the number of VAT rates. But the sector specific VAT rate will be unveiled at that time, he added.

"We will take some measures next fiscal year to ensure tax compliance of all registered taxpayers," he said.

BEA President Prof Abul Barkat said high economic growth was necessary but that growth should reduce inequality.

"Tax measures can play an important role in narrowing inequality. So we want a tax structure that will contribute to reducing inequality," he said, suggesting higher tax on affluent people and emphasising collection of direct tax.

Bonik Barta, BIDS award three entrepreneurs

STAR BUSINESS REPORT

The Bonik Barta and the Bangladesh Institute of Development Studies (BIDS) yesterday honoured three bright entrepreneurs for their contribution to the economy.

Planning Minister MA Mannan and Commerce Minister Tipu Munshi handed out the Talented Entrepreneurs Award 2019 to Md Abul Kalam Azad, chairman of Azizu

Recycling and E-Waste Company, Habibur Rahman Jewel, chief executive officer of Moonlight Pet Flakes Industry, and Md Mahmudul Hasan, chairman of Rokomari.com, an online bookshop.

This was the sixth edition of the awards held at the Pan Pacific Sonargaon hotel. Each winner was given a crest and a cheque worth Tk 3 lakh.

KAS Murshid, director general of the BIDS, and Dewan Hanif Mahmud,

editor of the Bonik Barta, spoke at the event, which was also attended by leaders of various chambers and trade bodies and heads of financial institutions, corporate bodies and civil society organisations.

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