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Govt's bank borrowing hits six-year high

AKM ZAMIR UDDIN
 The government has all on a sudden stepped up its borrowing from the banking system from this month as its revenue collection fell short of expectations, sending the cash-strapped banks into a state of panic.

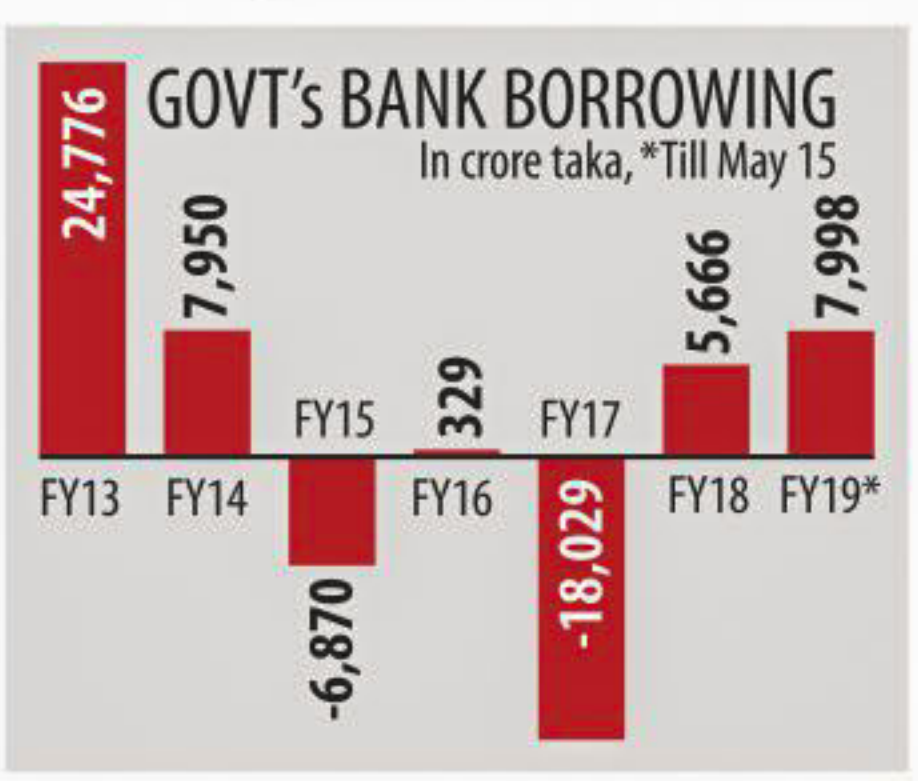
Until the end of April, the government did not borrow from banks; rather, it paid back Tk 1,083 crore, according to data from the Bangladesh Bank.

But from this month it started borrowing; as of May 15, it has taken Tk 7,998 crore, which is the highest in six years.

The government had earlier targeted to borrow Tk 2,725 crore from commercial banks in May. But in the second week of this month, it has revised the amount to Tk 6,725 crore.

The change in stance comes as revenue collection is poised to fall short of target by a big margin this fiscal year, with receipts growing the lowest in five years in the first nine months due to sluggish collection of customs tariff and value-added tax.

Between July last year and March this year, the National Board of Revenue



managed about Tk 153,419 crore in collections, up 7 percent from a year earlier, as per its provisional data. The amount missed the periodic target by nearly Tk 50,500 crore.

The government has assigned the NBR to collect Tk 296,201 crore in fiscal 2018-19, meaning the revenue authorities will have to collect more than Tk 142,000 crore in the remaining three months to meet the target, which seems highly improbable.

Amidst this, the government's need for funds has now gone up.

The government will have to pay festival bonus before Eid-ul-Fitr, scheduled for the first week of the next month, to its thousands of employees and also release funds for development projects, the implementation of which accelerates towards the end of a fiscal year.

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Bangladeshi apparel makers paid one of the lowest prices in the world

REFAEY ULLAH MIRDHA
 Bangladeshi garment makers received one of the lowest prices in the world last year due to a lack of value-added apparel items, lack of negotiation skills, and image crisis.

Among the garment trading nations in the world, Bangladeshi garment items were paid \$2.79 per unit or per square metre equivalent (SME) in the US market in 2018, according to data from the Office of the Textiles and Apparel (OTEXA) in the US.

Chinese and Ethiopian exporters were paid lesser: \$2.35 and \$2.45 per SME respectively. The Turkish exporters were paid the highest: \$7.38 per SME.

Per SME from Malaysia fetched \$5.37, Laos \$4.98, Indonesia \$3.81, Myanmar \$3.08, Vietnam \$3.28, and Thailand \$2.88.

Bangladesh has not been receiving high prices because the local exporters are mainly competing in some particular items like woven shirts and bottoms that have many competitors, said Sharif Zahir, director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"The buyers have alternatives, so they do not want to pay high prices."

However, a few new competitors like Myanmar and Ethiopia are managing better prices than Bangladesh although they are far beyond in compliance, he said.

"Here, the image crisis of Bangladesh is a major challenge. The buyers do not want to pay because of our image crisis after the Rana Plaza building collapse."

Although the minimum wages of many garment producing countries are below

Bangladesh's, they are still receiving better prices, he said.

"We are working to brighten the image of the country as we have been following compliance strictly and strengthening workplace safety," said Zahir, also the managing director of Ananta Denim.

Bangladesh needs two particular improvements at this moment: improving its rankings in the World Bank's ease of doing

business index and manufacturing value-added garment items.

Only 20 percent of the exports now are value-added garment items.

"Bangladesh will get more prices if it manufactures outdoor, dresses and jackets," Zahir said.

The efficiency level of workers needs to be enhanced too: it is nearly 50 percent whereas in other countries it is 80 percent, he said.

Country	value/square meter equivalent	value/100KG
Turkey	7.38	2,586.82
China	2.35	1,878.19
Thailand	2.88	3,180.58
Indonesia	3.81	2,524.87
Malaysia	5.37	2,066.48
Cambodia	2.39	1,930.71
Vietnam	3.28	2,545.63
Laos (Lao PDR)	4.98	2,210.78
Bangladesh	2.79	1,515.95
Myanmar	3.08	1,873.63
Ethiopia	2.45	1,410.33

SOURCE: OTEXA SOURCE: EUROSTAT



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CRICKET WORLD CUP Brands expect higher TV sales

JAGARAN CHAKMA
 Television brands and retailers are expecting good sales in the run up to the ICC Cricket World Cup, which is all set to begin in England and Wales on July 30.

Cricket fans in Bangladesh will be glued to TV sets to watch live their beloved national team compete with the big teams in the sport's flagship tournament, which will run until July 14.

TV sales will receive a further boost riding on attractive offers and discounts already announced by brands and retailers as well as service-holders getting festival bonus on the occasion of Eid-ul-Fitr, which is only two weeks away.

"The sales of TV sets have increased on the occasion of Eid and the World Cup," said Mirajul Haque, chief executive officer of bagdoo.com, an e-commerce site.

In order to cash in on the higher demand, companies such as Samsung, Walton, Transcom Digital and Singer have come up with lucrative offers to attract customers.

Transcom Digital is handing cashbacks of Tk 2,000 to Tk 200,000, said Md Nahid Hassan, marketing manager of the

company.

It is also allowing customers to exchange their old TV with a new set and get a discount of Tk 5,000 to Tk 15,000 on the price of the

latter.

Besides, customers will get a chance to win a brand new 1,200cc Mitsubishi car as the top prize with the purchase of any

product from Transcom Digital, according to Hassan.

Thanks to Walton's cashback offer, the price of a 24-inch LED TV has come down to Tk 8,990 from

its regular price of Tk 12,990, 32-inch LED TV to Tk 12,990 from Tk 17,500, and 32-inch smart TV to Tk 18,990 from Tk 22,900.

The local company's 39-inch smart TV is available at Tk 19,990 against the regular price of Tk 33,900 and 43-inch smart TV at Tk 22,990 instead of its regular price of Tk 36,900.

Samsung has announced discounts for its TV range, handing up to Tk 200,000 in cashback on selected models.

With a combo purchase of one TV set and either one refrigerator or one washing machine, customers will get 5 percent cashback. On a combo purchase of two TV sets and either one refrigerator or one washing machine, the cashback will be 8 percent.

"At Samsung, we always look for ways to enhance user experience and drive consumer delight. Keeping the Cricket World Cup in mind, we have announced our exciting new offers on home appliances, especially on TV early to double the happiness of our valued customers," Shahriar Bin Lutfor, head of business for consumer electronics at Samsung Bangladesh.

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TV sales will receive a further boost due to attractive offers and discounts already announced by brands and retailers.

BTRC holds up audits into Banglalink, Airtel

MUHAMMAD ZAHIDUL ISLAM
 The telecom regulator is yet to appoint auditors to conduct financial and technical inspection of Banglalink and Airtel's system even though the formal process has started more than a year and a half ago due to irregularities within the institution itself.

The Bangladesh Telecommunication Regulatory Commission (BTRC) had invited expression of interest (EOI) on December 2017 and a total of five companies -- one for Banglalink and four for Airtel -- put forward their proposals in January last year.

The telecom watchdog wants to comb through Banglalink's books from the operator's inception in 1996 until 2017 and Airtel's from its start in 2006 until its merger with Robi in November 2016.

After evaluating the audit firms' proposals, a section of the regulatory commission now wants to repeal the process and start afresh, said BTRC officials on condition of anonymity due to sensitivity of the matter.

The bidders too have raised questions about the telecom watchdog's selection process, they said.

The BTRC was supposed to first assess whether the bidders have the technical know-how to run the audit and then look at how much they were quoting for the job.

But the process happened in reverse: it looked at the bidders' financial proposals and is yet to look at their technical capacity.

"Furthermore, the telecom authority included in the evaluation committee an individual who previously worked with one of the auditors that looked into the books of the other two operators," said a senior BTRC official.

BTRC Chairman Md Jahurul Haque acknowledged the delay and even expressed his frustration about it.

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Purbachal project allowed to use ground water

STAR BUSINESS REPORT
 The Purbachal project, a new township in the capital, will get water supply through deep tube wells until the completion of the Meghna water supply line, according to a government decision yesterday.

The cabinet committee on economic affairs gave its nod at a meeting at the secretariat in Dhaka.

"The implementation of the project has been delayed due to the rehabilitation of the displaced people of the project area and someone filed a case for a specific reason," said Finance Minister AHM Mustafa Kamal told reporters after the meeting.

He said there were limitations on the use of groundwater and the surface water would have to be used in the future. But Dhaka Environmentally Sustainable Water Supply Project is yet to be completed. So, the cabinet approved the use of ground water in the new township project through setting up of deep tube wells, said Kamal.

The Purbachal project is being implemented by Rajdhani Unnayan Kartipakkha at a cost of Tk 7,700 crore.

The cabinet committee also approved a project centring a special economic zone for Japanese investors at Araihaaz in Narayanganj. Bangladesh Economic Zones Authority (Beza) has acquired 500 acres of land for the zone and another 500 acres are in the process of being acquired.

Kamal said Japan was a tested friend of Bangladesh and sought two SEZs for its investors. The other zone will be set up at Mirsarai in Chattogram. Japanese trading giant Sumitomo Corporation and Beza will develop the project site in Araihaaz under a joint venture.

DSE to hunt down sponsors who sell shares without notice

STAR BUSINESS REPORT
 The sudden dumping of shares by the sponsors impacted the general investors.

Subsequently, at a meeting yesterday at the DSE premises, the bourse's board has instructed the chief regulatory officer to trace the offending sponsors.

"We will find out the sponsors' names and the amount of tax they evaded," said Minhaz Mannan Emon, director of the DSE.

The sponsors' names will be sent to the stock market regulator for punitive action, he added.

Also at yesterday's meeting, a committee was formed -- comprising three members from the DSE, Chittagong Stock Exchange, DSE Brokers' Association and Bangladesh Merchant Bankers' Association -- to work jointly to tackle any problem the market faces.

The government has taken many reforms and offered incentives to revive the market but somehow it refuses to pick up, Emon said.

"It seems there is some gap, which is why we formed the committee."

This committee will work together on any proposals to the government such that there is no mismatch among the stakeholders, he added.

Rakibur Rahman, director of the DSE, and Shakil Rizvi, president of the DSE Brokers' Association, also spoke with journalists.

The Dhaka Stock Exchange (DSE) will track down the sponsors of listed companies who sold off their stakes without any prior notice, in one of the several measures it is taking to regain investor confidence.



Sudden dumping of shares by sponsors impacted the general investors of the stock exchange.

10,000 third-party manpower to find out eligible taxpayers

STAR BUSINESS REPORT
 The government will use some 10,000 people through third-party sources to widen the tax net to upazila level by this year.

"Students of college and universities and jobseekers will be appointed to find out eligible taxpayers with a view to increasing the number of new taxpayers," said Finance Minister AHM Mustafa Kamal yesterday.

He was addressing an iftar party organised by the finance ministry for Economic Reporters Forum (ERF) at the NEC conference room in the capital's Sher-e-Bangla Nagar. Kamal also said tax offices would be set up at the upazila level.

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