

Academia not preparing youths rightly for job market: executives

STAR BUSINESS REPORT

Academic grading like CGPA has become a tool to reduce the number of jobseekers against the high demand because such achievement does not necessarily reflect the competency sought by companies, top private sector officials said yesterday.

There is a gap between students' learning from universities and what the companies look for in jobseekers.

As a result, companies have to put in additional effort like arranging skills training programme or recruiting from abroad to meet their requirements, they said in a roundtable.

The Office of Professional Development of the Bangladesh Youth Leadership Centre (BYLC) and The Daily Star organised the discussion styled "Skill strategies for jobs: How Bangladesh can meet skills demand for a new era of work and technology while ensuring diversity" at The Daily Star Centre in Dhaka.

"Young people who are entering the job market have huge incapacity to learn," said Mominul Islam, managing director of IPDC Finance.

The financial sector is rapidly changing around the world and Bangladesh may fail to keep pace because of lack of skills, he added.

Shaheen Khan, CEO of supermarket chain



Mahfuz Anam, editor and publisher of The Daily Star; Ejaj Ahmad, founder and president of the BYLC, and Bipasha Hossain, head of strategy and organisational development, along with businessmen and top executives of leading companies attend a roundtable on skills strategies for jobs, organised by the newspaper and the BYLC at The Daily Star Centre in Dhaka yesterday.

Meena Bazar, said during hiring they look for people with skills in supply chain management. "But these things are not taught at universities."

Khan said they tried to collaborate with some private universities to overcome the issues but could not succeed.

"So, what we had to do was recruiting people as management trainee and teach them from scratch," he said.

Quazi Mohammad Shahed, CEO of Partex Star Group, said in his career he has seen people coming out of universities "with no clue on how work gets done."

He recommended that business

houses offer students part-time job at different stages of their university education so that they can graduate with some practical knowledge.

As a local business group they want to ensure diversity and for this they recruit from different universities and not only from Dhaka, Shahed added.

The nature of jobs is changing, which the academia does not take into account, said Eleash Mridha, managing director of Pran Group.

For example, basic knowledge on accounting and bookkeeping is no longer required because accounting software now takes care of it.

"I think day-to-day accounting, what we learnt during academic life, is gone now. What we need is someone who can design the software," he said.

No NOC for GP, Robi until dues cleared

BTRC says after lifting bandwidth block

STAR BUSINESS REPORT

The telecom regulator yesterday decided to refrain from issuing any kind of approval related to service and maintenance to Grameenphone and Robi to create pressure on the operators to clear dues.

In the evening, Bangladesh Telecommunication Regulatory Commission (BTRC) also lifted the partial block on their bandwidth capacities, something it had also decided in a meeting at its office earlier in the day.

On June 4, the commission slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of the dues -- enough to slow down the internet speed and raise the call

drop frequency.

According to the BTRC's audit, Grameenphone has Tk 12,579.95 crore pending while Robi Tk 867.24 crore and the two turned a deaf ear to the commission's repeated claims.

On Tuesday, Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy had asked the regulator to not take any decision that hurt customers directly.

However, Md Jahurul Haque, chairman of the telecom watchdog, told a press conference in his office that "...to realise the BTRC's demand we will take other measures and go tough according to the law".

Regulator rewrites IPO rules

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The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved a number of amendments to public issue rules 2015, bringing some changes to the initial public offering (IPO) system.

The lock-in period for placement shareholders was increased from one to two years. For alternative investment funds, it will be one year.

Lock-in period is the time the sponsor and placement shareholders have to hold their shares of a company.

Moreover, the lock-in period of sponsors of the issuer company will be counted from the date of commencement of trading. Previously it was from the prospectus issue date.

The amendments were brought about in response to appeals of stock exchanges

seeking to bring back investors' confidence amid a drastic fall in the market in the past few months.

Another change is that issuers would have to raise at least Tk 30 crore or 10 percent of the paid-up capital, whichever is higher, when the company goes for IPO through the fixed-price method.

If the company wants premium and goes for IPO under the book-building method, the issuers would have to raise at least Tk 75 crore or 10 percent of the paid-up capital, whichever is higher.

In the book building method, the eligible investors' quota has also been brought down to 50 percent from 60 percent and general investors' quota (excluding non-resident Bangladeshis) raised to 40 percent from 30 percent.

NEWS IN brief

BSEC approves Capitec Popular Life Unit Fund

The stock market regulator has approved an open-end mutual fund named Capitec Popular Life Unit Fund.

The primary target of the fund is to generate Tk 25 crore, of which Tk 5 crore will be provided by its sponsor, Popular Life Insurance, while the rest from general investors.

Capitec Asset Management Company is the fund's asset manager.

Bank Asia bond gets go-ahead

The Bangladesh Securities and Exchange Commission (BSEC) has approved a proposal that sought to issue non-convertible subordinated bonds of Bank Asia worth Tk 500 crore.

The fully redeemable and floating rate bonds will have a tenure of seven years. The offer price of each bond will be Tk 1 crore. The fund raised will be used to strengthen the bank's tier 2 capital base.

RMG exporters looking East

Shipments to India, China and Japan going up

REFAJET ULLAH MIRDHA

Three Asian nations -- India, China and Japan -- are fast emerging as major apparel export destinations for Bangladesh after a jump in orders in the immediate past fiscal year.

For instance, Japan became the first country in Asia to receive more than \$1 billion of apparel shipments from Bangladesh last fiscal year.

Bangladesh exported garment items worth \$1.09 billion to Japan in fiscal 2018-19, up 28.90 percent year-on-year, according to data from the Export Promotion Bureau (EPB).

The reasons for the continuous rise in garment exports to Japan -- a country with a \$45 billion garment market -- are its "China plus one" strategy adopted in 2008 and its zero-duty benefit to Bangladesh as a least developed country.

Currently, nearly 80 percent of the demand for apparel is met by Chinese manufacturers, said industry insiders.

And Japan is keen to reduce the dependence on China. The China plus one policy promotes shifting of production from China to other nations such as Bangladesh.

Similarly, garment exports to India swelled 79.09 percent year-on-year to \$499.09 million last fiscal year.

Since 2011 Bangladesh has been enjoying duty-free benefit, which prompted many international retailers like H&M, Zara, Mango, Marks & Spencer that have presence in India to source directly from Bangladesh for the stores.

China, the largest garment supplier worldwide, has been turning into a major export destination for Bangladesh too as it looks to

shift production of more sophisticated and heavy items. Garment export from Bangladesh to China grew 29.33 percent year-on-year to \$506.51 million last fiscal year.

Bangladesh's garment manufacturers too are pushing to widen their business with China for its geographical proximity and better prices.

Furthermore, Bangladeshi exporters enjoy duty-free access for 4,721 products including garment.

"The stimulus package from the government for exporting to new market looks to be working," said Mohiuddin Rubel, a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Moreover, the Asian markets are closer to Bangladesh geographically, which ensures shorter lead time -- crucial in the era of fast fashion, he added.



Amazon seeks policy support to source products from Bangladesh

Senior official meets Palak

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US e-commerce giant Amazon has sought policy support from the government as it plans to source products from Bangladesh to sell them on its vast global online marketplace.

A senior official from the Seattle-based company met Zunaid Ahmed Palak, category manager for international expansion at Amazon, took part in the hour-long meeting. He, however, declined to talk to the media.

During the meeting, Palak assured Amazon of extending wholehearted support from the government.

"We will look into the policy issue for it and some revisions might be needed," he added.

"This will be a great opportunity for the local businesses to sell their products even in Europe and America," Palak said after the meeting.

Firms claim lower turnover to avoid actual VAT

NBR chairman says

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Many businesses are claiming lower annual turnovers to avoid paying regular value-added tax rates, said National Board of Revenue Chairman Md Mosharraf Hossain Bhuiyan.

"We have noticed that most of the businesses are trying to claim that their annual turnover is less than Tk 3 crore. This can't be. This is a very small amount," he said.

"Businesses should be aware about this. At the same time, revenue officials should be mindful so that domestic resource mobilisation does not get affected," he said at an event at the InterContinental Dhaka hotel.

The NBR and Bangladesh Investment Climate Fund-II jointly

organised the event to unveil the Customs Modernisation Strategic Action Plan 2019-2022 book.

The International Finance Corporation (IFC) implemented the BICF-II, funded by the UK's Department for International Development.

The tendency came about among the businesses after the government fixed the upper limit of turnover tax under VAT at Tk 3 crore. A four percent turnover tax is slapped on businesses raking in Tk 50 lakh to Tk 3 crore in annual revenue.

But firms recording more than Tk 3 crore in yearly turnover have to get VAT registration. Once VAT-registered, firms will have to pay VAT at regular rates -- from 5 percent to 15 percent -- applied on goods and services,

according to revenue officials.

Bhuiyan said installation of electronic fiscal devices (EFDs) was vital to ensuring that sales were properly recorded so that the NBR gets the actual amount of VAT, a type of consumption tax paid by end-consumers.

He instructed officials to speed up procurement of EFDs and scanners.

The NBR chairman also asked revenue officials to enhance their efficiency by adopting modern technologies.

Bhuiyan said many projects were taken in the past but the success of the projects did not sustain because of negligence and whimsical attitude of the officials.

Rising default loans affecting banks' profits

Says BB deputy governor

STAR BUSINESS REPORT

The growing trend of default loans has put an adverse impact on banks' profitability and their daily operations, said Bangladesh Bank Deputy Governor SM Moniruzzaman yesterday.

"It is a harsh reality," he said at a roundtable on "Corporate Guarantee: Does It Work in Recovery of Loan?"

The Bangladesh Institute of Bank Management (BIBM) organised the event at its office in the capital.

Banks have to keep provisioning against their default loans, which directly affects their net profit, Moniruzzaman said. The increase in default loans widen the volume of risk-weighted assets (RWA) in the banking sector, which, in turn, will create pressure on maintaining the regulatory capital, he added.

Banks should follow a cautious policy while disbursing loans by way of taking corporate guarantees, said Barkat-e-Khuda, a professor of the BIBM.

Bankers should acquire detailed knowledge of corporate guarantee, which will help them disburse loans the proper way, he added. Mosharref Hossain, assistant professor of the BIBM, presented the keynote paper at the discussion.

The paper recommended proper assessment by banks before accepting corporate guarantee.

Export, import licence registration goes online

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The commerce ministry yesterday launched an online platform where exporters and importers can both register and renew their licences, a development aimed at hastening the process and curbing corruption.

Commerce Minister Tipu Munshi inaugurated a seven-day fair at a convention hall in the capital's National Sports Council Tower facilitating fast and hassle-free renewals, says a statement from the ministry.

Munshi said Bangladesh has signed a World Trade Organisation agreement on going paperless to ease business processes and to reduce procedural costs of supply chains.

In the current global trade scenario, there is no alternative to paperless trade as almost all countries have adopted technology-based trading systems, he said.

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