

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.20%	▲ 0.23%	\$1,492.90	\$59.00	▲ 0.14%	▲ 0.71%	▲ 0.43%	▲ 2.10%	BUY TK 83.50	91.60	100.58	0.77
5,227.26	9,718.77	(per ounce)	(per barrel)	37,402.49	20,563.16	3,128.45	2,883.10	SELL TK 84.50	95.40	104.38	0.81



এসআইবিএল  
**সুপার ডিপিএস**  
বিশেষ সঞ্চয় কিম্বা

প্রাকলিত মুদাফা:	৩ বছর	৫ বছর	১০ বছর
	৯.২৫%	৯.৫০%	১০%

ইসলামী শীল্ডিং এর মুদাফা  
মিটার ডিভিডে পরিসীমিত।



**Social Islami Bank Limited**



# BUSINESS

DHAKA TUESDAY AUGUST 20, 2019, BHADRA 5, 1426 BS starbusiness@thedailystar.net

## Factories employing robots to boost output

SOHEL PARVEZ

Local firms are increasingly embracing robots to increase productivity and competitiveness -- a development that is poised to displace workers in the labour-abundant country.

Industrial robots are mainly in use in plastic, apparel and automobiles plants and printing firms to make products, according to import data and industry insiders.

"It saves time and increases efficiency," said RN Paul, managing director of RFL Group.

The country's leading plastic goods maker has 50 robots that are used to take out plastic chair, table, bucket and various other household items.

Starting from injection moulding machine to laminating poly foil on the product, the robots can perform all tasks.

It takes one minute to make a chair by automatic machine and another 30 seconds to bring out the product from the machine manually.

But a robot can take the product out within 10 seconds, saving 20 seconds on each chair, according to Paul.

As a result, utilisation of machine increases.

"That gives me capital expenditure savings. We would have to buy more machines and moulds to ensure the same production that I could avoid. At the same time we could reduce our manpower dependence," he added.

Industrial robot imports rose to 97 units in



Robotic arms of an injection moulding machine are taking plastic pallets out of a mould at an RFL factory in Ghorashal, Narsingdi.

COLLECTED



fiscal 2018-19 from 73 the previous year. A year earlier, 152 units of robots were brought in, according to data from customs.

Thirty-two units of industrial robots were imported in fiscal 2015-16.

And the use of robotics is rising at a time when the rate of job growth has slowed down although the country registered stellar economic growth.

Between 2002-03 and 2010, 1.4

lakh jobs were created annually. The number of employment generation dipped to 95,000 per year between 2010 and 2016-17, according to labour force surveys by the Bangladesh Bureau of Statistics.

RFL started using robots a couple of years ago as their prices have come down to Tk 10 lakh each, Paul said.

"The cost is insignificant compared with human labour in this position," he said.

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## Trade deficit shrinks on low imports

AKM ZAMIR UDDIN

Trade deficit narrowed down to 15 percent last fiscal year thanks to a decline in imports and steady growth of exports, bringing some breathing room for the government for the time being.

In fiscal 2018-19, trade deficit stood at \$15.94 billion, down from \$18.17 billion a year earlier, according to data from the central bank.

Despite the declining volume of the trade gap, this is the second largest ever deficit in Bangladesh's history.

Imports stood at \$55.43 billion last fiscal year, up 1.79 percent year-on-year, while merchandise exports rose 11.49 percent to \$39.94 billion.

Low imports indicate that the country's investment has been sluggish, said Fahmida Khatun, executive director of the Centre for Policy Dialogue.

The country's private investment to GDP ratio has been hovering around the 23 percent-mark for the last couple of years, she said. But a hike in investment is urgent considering the needs of employment generation.

"One kind of political stability remains in the country. But this has failed to bring back the confidence of businesses."

One of the reasons, she pointed out for the poor investment scenario is the country's feeble infrastructure.

Exports are also heavily dependent on a single sector -- apparel -- which is a risk, according to the CPD executive director.

"We can advance a little by depending on just one sector. We should diversify

exports to boost our economy and absorb shocks deriving from both external and internal areas," she added.

About 90 percent of the imports entering the country are generally used in the productive sector, so the low trend of imports is an indication of stagnancy in private investment, said MA Taslim, an economics professor at the Independent University of Bangladesh.

He raised a question about the high GDP growth last fiscal year given the low imports, saying the growth might be lower than the actual one if the calculation method is followed accurately.

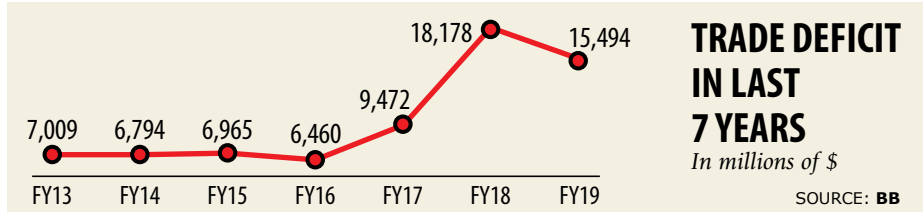
"A recent research revealed that the government of India had been showing higher GDP growth for several years than the actual one. The example may be the same in Bangladesh if such research is carried out here."

He echoed the same as Khatun on overreliance on the garment sector as it may face a difficult situation if the workers' skill are not improved, said Taslim, also a former chairman of the economics department of the University of Dhaka.

"Large or small trade deficit is not a matter of problem for a developing country like Bangladesh. The core concern is whether we can use our imported goods properly and diversify exports in order to increase the earnings."

Many industrial items such as bicycle, leather and shipbuilding had earlier sparked huge potential but the government did not give adequate attention to the sectors.

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## Fund dearth nips dreams in bud

Over 63pc of the trained would-be entrepreneurs fail to start a business

AHSAN HABIB

After completing MBA from a private university in 2011, Anis Hossain looked for a decent job for around three years. But he did not succeed.

Later in 2014, he took training on livestock at a youth training centre under the youth and sports ministry with a dream to become an entrepreneur.

Hossain, hailing from Chandpur, needed Tk 5 lakh to set up a livestock farm, but he got only Tk 80,000 from state-run Karmasangsthan Bank (Employment Bank).

He approached a few more banks for loans, but his efforts went in vain. In the end, he had to turn to relatives to borrow money.

Hossain is lucky as he got the fund needed, for which majority of the would-be entrepreneurs have to struggle a lot.

Like Hossain, Alam Khan also received training on goat rearing after failing to land a job in 2015. But his dream was nipped in the bud as he could not raise the fund he needed to run the business.

"People who have political power get loans from any bank easily. Banks do not want to lend people like us," said a frustrated Khan, now 32.

Dearth of capital is standing in the way of flourishing entrepreneurship in Bangladesh. This is not the only factor.

"Many trainees believe that people, including family members,

don't respect self-employment, leading many educated youths to refrain from trying their luck in entrepreneurship despite completing the training," Khan said. Majority of the youths who took

training to become entrepreneurs could not materialise their dream, according to government data.

As of June last year, the Department of Youth Development has imparted

trainings to 55.01 lakh youths on self-employment since its inception in 1981.

Of them, only 20.32 lakh, or nearly 37 percent, got engaged in some sort of self-employment.

They received the training in areas such as livestock, fish farming, computer, graphics design, refrigeration and air-conditioning, electronics, electrical, handicraft, plumbing and pipe fittings, masonry and welding.

Farouque Ahmed, director general of the Department of Youth Development, said they provide a trainee Tk 40,000 to Tk 1 lakh in loan.

"It is true that the amount is not enough. We have already urged the government to give us more funds," he said.

Ahmed said the government is formulating a national consolidated SME loan policy to provide more credit to the would-be entrepreneurs. Under the new policy, the department will be able to lend as high as Tk 2 lakh at 5 percent interest.

KM Habibullah, chairperson of the SME Foundation, said many ministries are providing trainings at district and upazila levels, but the outcome of the initiatives is yet to meet the expectation.

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STAR/FILE

Fund crisis spoils all the potential of the prospective entrepreneurs who are even equipped with a university degree along with the required training.

## Ridesharing VAT 5pc of company's cut of fare

STAR BUSINESS REPORT

People availing ridesharing services will have to pay value added tax (VAT) based not on the whole fare but the portion which the app-based companies take for themselves, clarified the National Board of Revenue (NBR) on Sunday.

The tax collector said companies offering the service through mobile-apps would have to deposit VAT amounting to 5 percent of their cut of the fare.

The law exempts drivers from paying VAT on their income, according to the NBR. At present, ridesharing service providers claim 18-20 percent of the fare for themselves.

However, Ruhul Amin, chief financial officer of Obhai Solutions Ltd, said they had been paying the VAT from their own pockets. "...we have been paying the tax since June 2018. There will be no impact on consumers," he said.

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## NEWSIN brief

### Meghna Petroleum to sell LPG

Meghna Petroleum has teamed up with BM Energy (BD) Ltd to establish a refuelling station for liquefied petroleum gas (autogas) and an LPG conversion workshop. Meghna will also sell gas of BM Energy through its registered filling stations.

As per an expansion plan, Meghna has signed a deal with the Netherlands-Bangladesh joint venture company for which Meghna will receive a royalty of Tk 0.5 for every litre of LPG sold.

### Ring Shine Textiles' IPO subscription begins Aug 25

Subscription of the initial public offering of Ring Shine Textiles will start on August 25 and it will continue till September 9, according to the company.

The textile company got a go-ahead to raise Tk 150 crore from the stock investors by offloading 15 crore shares.

The IPO proceeds will be used for procurement and installation of machinery for the existing factory unit, partial repayment of bank loans of the company and to meet the IPO expenses.

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## Make SEZ deals public

TIB urges govt

STAR BUSINESS REPORT

The Transparency International Bangladesh (TIB) yesterday urged the government to make public the conditions for allocation of special economic zones to particular countries such that the interests of Bangladesh are protected.

The corruption watchdog also urged the government to allocate economic zones to countries only after assessing the risks and possible short, medium and long-term gains from the zones.

The government is currently developing zones for investors from India, China and Japan.

Iftekharuzzaman, executive director of the TIB, in a statement also said it is not clear yet what kind of factories would be established in the zones and what the environmental assessments say.

"It is not also clear yet how the profit earned by the companies would be distributed."

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## Firm for startup loans gets nod

Cabinet okays another entity to make smart prepaid meters

STAR BUSINESS REPORT

Two new state-owned companies yesterday got go-ahead from the cabinet -- one will provide loans to local digital businesses and the other will be a joint venture to manufacture electronic equipment, especially smart prepaid meters.

Startup Bangladesh Company Ltd to be established with a paid-up capital of Tk 500 crore will extend the loans to encourage innovative ventures, Cabinet Secretary Mohammad Shafiq Alam told journalists after a meeting.

"Entrepreneurs involved in digital business do not get loans from banks as they cannot make any deposit as collateral. The government will provide loans to those companies."

Startup Bangladesh will initially provide Tk 10 lakh as seed money to each of about 200 local startups.

The government has targeted to set the balls rolling for about 1,000 startups.

Some 36 employees will be appointed for the company that will have a government-appointed board led by the secretary to the ICT division, according to the company proposals.

The ICT division took up the initiative to set up this company under its Innovation Design and Entrepreneur Academy to nurture startups, said State Minister for ICT Zunaid Ahmed Palak.

The cabinet secretary said a huge amount of electronic equipment would be needed in the coming days, for which Bangladesh Power

Equipment Manufacturing Company Ltd would be established.

The company will have Tk 4 crore as authorised capital and Tk 3.60 crore as paid-up capital, he said.

State-owned Rural Power Company Ltd will own 51 percent of Bangladesh Power while the rest 49 percent will belong to Shenzhen Star Instrument Co, said Alam.

There will be a five-member board, three of whom will come from Rural Power, including the CEO, and the remaining two directors will be appointed from Shenzhen Star.

"After meeting the local demand, we also can export smart meters from this company," said the cabinet secretary. He, however, could not confirm when this company would take shape.