

সুপার ডিপিএস
বিশেষ সঞ্চয় কিম
প্রাক্কলিত মুদাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

ইসলামী শরীহা'র এর মূদাফা
নীতির বিহীন পরিচালিত।

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Bangladesh slips in global competitiveness ranking

STAR BUSINESS REPORT

Bangladesh's competitiveness is eroding owing to weakening macroeconomic stability, deterioration of labour market conditions, lack of ICT adoption and inadequate progress in infrastructure, according to the World Economic Forum's Global Competitiveness Index (GCI) 2019.

The country's position slipped two notches to 105th in this year, according to the GCI, which was unveiled yesterday by the Centre for Policy Dialogue (CPD), a partner of the WEF.

The index maps the competitiveness landscape of 141 economies through 103 indicators organised into 12 themes.

Each indicator, using a scale from 0 to 100, shows how close an economy is to the ideal state or "frontier" of competitiveness, with 100 representing an optimal situation.

The pillars, which cover broad socio-economic elements, are: institutions, infrastructure, ICT adoption, macroeconomic stability, health, skills, product market, labour market, the financial system, market size, business



CPD Executive Director Fahmida Khatun speaks at the release of Global Competitiveness Index at Economic Reporters' Forum in Dhaka yesterday.

dynamism and innovation capability. The report showed that Bangladesh's competitiveness declined in 10 out of 12 pillars. Significant deterioration in ranks was observed in case of macroeconomic stability, labour market, ICT adoption, and infrastructure, said CPD Research Director Khondaker Golam Moazzem while presenting the report at the Economic Reporters Forum. The country was ahead of its South Asian peers Nepal and Pakistan in terms of ranking but lagged behind India and Sri Lanka. Save for Nepal and Sri Lanka, the other Saarc countries' ranking declined in GCI 2019 from a year earlier. Afghanistan, Bhutan and Maldives did not take part in the competitiveness survey.

Huge tax lost for illegal foreign employees: Bida

REFAYET ULLAH MIRDHA

The government is losing millions of dollars a year in taxes from the foreign nationals who are working without taking any work permit in Bangladesh, according to Bangladesh Investment Development Authority (Bida).

It is mandatory for every foreigner to take prior permission from the state-owned investment promotion agency to serve any public and private company in Bangladesh.

But of late, different private and public entities have been found not complying with the rule, Bida said in a letter sent to every ministry, department and agency of the government and different trade bodies.

The Daily Star obtained a copy of the letter sent in the first week of August.

According to industry insiders, the country has around 5 lakh foreigners in different ministries, projects and private companies. But only 1 lakh of them have registered with Bida.

Every year, the foreigners send abroad over \$5 billion, according to government agencies.

Different development projects of the government are recruiting skilled workers mainly from India, China, Sri Lanka, the Philippines, the UK and Germany.

Apart from government projects, the textile and garment sectors are the highest employers of foreign nationals in the private sector as Bangladesh needs a lot of experts in fashion and design, heavy machineries, merchandising, marketing and supply chain management.

AT A GLANCE

- Foreign employees send abroad \$5b a year
- Foreign workers need to register with BIDA
- They earn in US dollar, but show salaries in local currency to evade taxes
- Many private firms pay illegal foreign employees abroad
- Number of foreign workers is about 5 lakh
- Of them 1 lakh are registered with BIDA

"Recently, the number of illegal foreign workers have increased manifold," said a senior official of Bida seeking anonymity. "We are worried about it. That's why we sent the letter to the ministries concerned and private companies for obtaining the work permits from Bida."

Some contracting firms of the government's development projects were also found recruiting foreign nationals without taking prior permission from Bida. In some cases, the employers have been paying the foreign workers abroad in foreign currency although they are working here in Bangladesh, according to the letter. As a result, the government is losing the income tax from the employees and it is also squeezing the job opportunities for domestic skilled workers and fresh university graduates, the letter also said.

BB revokes remittance award handed to loan defaulter

STAR BUSINESS REPORT

The central bank yesterday revoked a remittance award given to Shahjahan Bablu three days ago after his name was found on the list of loan defaulters of Bangladesh Commerce Bank Ltd (BCBL).

Md Anwarul Islam, an assistant spokesperson of the central bank, said Bangladesh Bank has sent a letter to Janata Bank asking it to send back the citation, crest and commemorative coins awarded to Shahjahan.

"The bank proposed his name as one of its top remitters and so, we asked the state lender to take back the prizes," he said.

Finance Minister AHM Mustafa Kamal on Monday gave away the remittance award to Shahjahan and 36 others for sending the highest amount of remittance to the country through a programme at the Institution of Diploma Engineers, Bangladesh in the capital.

A representative of Shahjahan received the award on his behalf as he could not attend the programme in person.

The central bank's decision to award Shahjahan has created huge criticism from different corners. Bangladesh Financial Intelligence Unit (BFIU) earlier unearthed

Shahjahan's involvement in a money laundering case.

The central bank usually takes report from the BFIU to check whether an awardee has any record of money laundering. The agency also gave clearance in favour of Shahjahan.

The BFIU did not performed its role in verifying Shahjahan's previous financial record, the central bank official said.

Shahjahan, who is a top defaulter of the BCBL, laundered Tk 200 crore through the bank in the name of exports, according to the latest investigation carried out by the BFIU.

He had exported clay-made terracotta through one of his companies - SB Exim - in order to launder the money, the report said. But the export proceeds did not enter the country.

However, Shahjahan received Tk 190 crore from the BCBL's Dilkusha branch against the exports.

A Criminal Investigation Department probe has found Shahjahan's involvement in the money laundering case. The Anti-Corruption Commission also unearthed his involvement in the export scam.

Low paddy prices dent demand for farm machinery

SOHEL PARVEZ

Prolonged low prices of paddy and floods have dampened the demand for agricultural machinery among farmers who are losing interest in making new investments, according to marketers.

"It seems that low prices of paddy have created a gloom among farmers," said Subrata Ranjan Das, executive director of ACI Motors Ltd, one of the major marketers of farm machinery.

Overall sales of farm machinery have dropped by 12-13 percent year-on-year in the January-September period, according to Das. The flood in July and sporadic rainfall have also affected the demand, he added.

Industry insiders said the farm machinery market expanded steadily over the last couple of years thanks to the subsidy provided by the government to enable growers to buy the equipment.

The government hoped that the machinery for mechanised cultivation, particularly land preparation, transplantation and harvesting and threshing, would ensure that cultivation went ahead on time, crop yields increased and costs reduced.

In 2010, the government took up a Tk 150 crore project to provide 25 percent subsidy on prices of farm machinery. The allocation and ratio of subsidy have since been gradually raised.

Another six-year project involving Tk 339 crore ended in June this year, in which the subsidy was increased to 50 percent so that



Farmers use a machine for threshing and packing paddy, all on the field, at Lakutia in Barishal.

farmers could buy combine harvester, reaper, rice transplanter, power thresher and seeder by paying half the price.

Industry operators said though the project's expiry might have had an impact on the machinery sales, falling paddy prices was the

chief reason. "Farmers are frustrated by very low prices of paddy," said Alimul Ahsan Chowdhury, managing director of Alim Industries, which makes farm machinery.

Negative image, lack of lab challenges to going global

Bangladeshi exporters say on the concluding day of Anuga fair

SAJJADUR RAHMAN, from Cologne, Germany

Negative country images and lack of laboratory facilities for checking standards are two major challenges for Bangladeshi food companies to enter global markets.

"We buy raw materials from the same companies from where the Turkish or Indian companies do. But foreign buyers don't want to give us the prices they offer to other countries," said Tawsiv Ibrahim, managing director for international market at Sajeed Group.

Talking to this correspondent on the concluding day of Anuga fair for food and beverages in Cologne, Germany, Ibrahim blamed Bangladesh's negative image in the outside world for it.

Mizanur Rahman, chief operating officer for export of Pran-RFL Group, pointed out the poor laboratory facilities as another problem. "We have to spend a lot of money for checking quality of products from other countries, such as India and



Officials of Pran-RFL group and its clients pose for a photograph at a stall of the food processor at Anuga fair for food and beverages in Cologne, Germany yesterday.

European countries. It increases our production costs," said Rahman. Yet, these two companies got \$5.3 million worth of export orders from the Anuga fair. Of it, PRAN alone got \$5.2 million.

"There is no alternative to innovation and diversification of

Ctg customs find sand in yarn container

STAFF CORRESPONDENT, Ctg

Chittagong Customs House (CCH) yesterday filed a case and initiated a probe upon finding 100 sacks of sand in place of 25 tonnes of polyester yarn, in what appears to be a false declaration for laundering some Tk 27 lakh abroad.

The importer, NZ Accessories, had declared to import the "100% PCT polyester yarn" worth Tk 27 lakh from China. The consignment was brought to the Chattogram port on September 30.

But during an examination yesterday, the customs found the consignment to have sand in it, Deputy Commissioner Md Nooruddin Milon said. CCH sources said, documents for release of the container were submitted by C&F agent Kalkini Commercial.

Institutional investors fear further fall in stocks

Index drops for third consecutive day

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange fell for the third consecutive day yesterday, pulled down by thin participation of institutional investors amid deepening pessimism among general investors.

The DSEX, the benchmark index of the country's premier bourse, dropped 32.05 points, or 0.65 percent, to stand at 4,862.25. In the last three days, the index gave up 54.43 points.

"We have money to invest in the stock market but we are afraid because there might be further fall," said a top official of an asset management company.

He said he has talked to other institutional investors to understand the market trend but none was optimistic about a boost.

"In fact, most of the investors are fearful about further fall. So, we have adopted the wait-and-see approach," he said.

A merchant banker said investors don't believe that the market would revive as the index has remained almost unmoved despite many government measures in favour of the market recently.



The Bangladesh Securities and Exchange Commission (BSEC) took a number of reform measures in May. It brought in 21 changes to the primary market and some changes to the secondary market. The government provided some incentives in the budget, including doubling the tax-free limit of dividend income to Tk 50,000 for general investors.