



# BUSINESS

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## \$5b in leather exports possible by 2022

But LWG certification a must, say industry insiders

REFAYET ULLAH MIRDHA

Leather and leather good exporters are gunning for about hitting \$5 billion in export receipts by 2022 if the government manages the Leather Working Group's certification at the earliest, according to industry insiders.

Last fiscal year, leather and leather good exports fetched \$1.19 billion, making it the second highest export earner for Bangladesh after garment, according to data from the Export Promotion Bureau.

Getting the LWG certification means the manufacturers comply with the global compliance standards. And to obtain that, the central effluent treatment plant (CETP) at the Savar Tannery Industrial Estate (STIE) must be fully operational.

"Once we obtain the LWG certification, nobody will ask about the quality of our products as everything would be produced following the international standards of compliance," said Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB).

In the absence of the certificate, Bangladeshi leather and leather good exporters have to make do with



STAR/FILE

Bangladeshi leather goods makers are capable of supplying quality products to international retailers at competitive prices.

sending their products to China, where the prices are 40 percent lower than elsewhere, and are essentially shut out from upmarket destinations like the EU and the US.

Recently, many American brands have expressed interest in shifting to Bangladesh as their sourcing destination for the US-China tariff war.

"And we are also capable of supplying quality goods to the retailers at competitive prices. So, that

certification is very important for us."

Islam's comments came at the conclusion of the third Bangladesh Leather Footwear & Leathergoods International Sourcing Show (BLISS) yesterday at the International Convention City, Bashundhara in Dhaka.

"We have received a lot of response from our international traders during the show," he said, adding that foreign factories are also relocating to Bangladesh.

For instance, recently four Indian leather good and shoe manufacturers came to Bangladesh and invested \$10 million. Similarly, another leather and leather goods manufacturing company came from Taiwan recently.

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Airlines to count 15pc VAT on airport services

STAR BUSINESS REPORT

Airlines will have to count 15 percent value added tax (VAT) on aeronautical services provided by the Civil Aviation Authority of Bangladesh (CAAB), according to the National Board of Revenue (NBR).

The tax authority said the VAT would be applicable on charges of services, such as landing, parking, scanning and storing of goods.

The NBR made the observation in response to letters from the Ministry of Civil Aviation and Tourism and the International Air Transport Association (IATA).

However, food or catering services to be provided to passengers onboard will remain VAT-free as food can be consumed outside the territory of Bangladesh, said a senior official of the NBR.

The tax administrator notified the CAAB, the IATA and its field offices in this regard on October 27.

An official of an international airline operating in Bangladesh, seeking to remain unnamed, said levying the VAT on aeronautical services will increase ticket prices, as carriers will pass the tax burden onto the consumers.

## Invest more in R&D, pharma raw materials to hit \$1b exports

Experts say Bangladesh is an emerging generic drug hub in Asia

STAR BUSINESS REPORT

Bangladesh needs to invest in research and development and the manufacture of raw materials if it wants to pocket \$1 billion from exports in five years, experts and industry insiders said yesterday.

The country earned \$130 million from pharmaceutical export in fiscal 2018-19, up 25.60 percent from that a year ago, thanks to continuous improvements in product quality and government support.

Bangladesh is currently exporting medicine to about 120 countries while locally-produced medicine caters to 98 percent of the local demand, an indicator

of the sector's strength.

The pharmaceutical sector is one of the most developed, technology-led sector among the manufacturing industries in Bangladesh, said Prof Md Robiul Islam of the chemistry department at the Mawlana Bhashani Science and Technology University.

"Bangladesh is an emerging generic drug hub in Asia having 250 industries," he said in a presentation at a seminar on "Prospects and Challenges of API Industry in Bangladesh" organised by the Dhaka Chamber of Commerce and Industry (DCCI) on its premises.

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Experts attend a seminar on the prospects and challenges of the API industry at DCCI office in Dhaka yesterday.

## Dutch investor sells entire stake in DBBL

STAR BUSINESS REPORT

Dutch-Bangla Bank's the Hague-based corporate sponsor Netherlands Development Finance Company (FMO) has offloaded its entire stakes in the bank after 24 years, leaving the local bank's moniker an oxymoron.

The sponsor has sold 46.92 lakh shares at the prevailing market price. At present, the market price of the stock is Tk 72, meaning the sell-off will yield about Tk 33 crore.

The shares were snapped up by little-known Horizon Associates from the block market, which is a platform of the stock exchange where a large number of stocks are traded in a single transaction at a negotiated price.

The transaction price may not match the traded price on a public market.

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## NEWS IN brief

### Pubali Bank's Tk 750cr bond gets nod

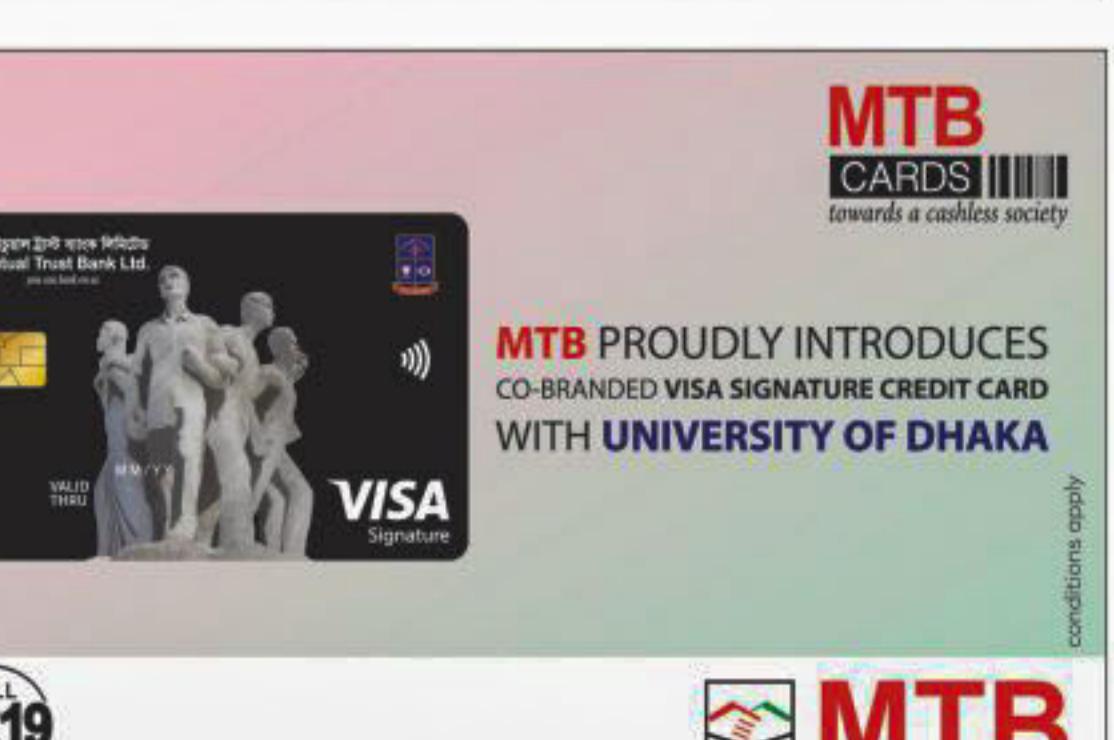
The stock market regulator has approved a proposal of Pubali Bank for raising Tk 750 crore by issuing non-convertible floating rate subordinated bonds.

The tenure of the bond would be seven years. The proceeds will be used to strengthen the bank's tier-2 capital base. The offer price will be Tk 7.5 crore per unit.

### BSEC approves United Finance's Tk 100cr bond

The Bangladesh Securities and Exchange Commission has given a go-ahead to United Finance's proposal to raise Tk 100 crore by issuing non-convertible zero coupon bonds with a tenure of four years.

The proceeds will be spent on SME and infrastructure projects. The offer price will be Tk 25 lakh per unit.



## Cultural sync core of digital campaigns

Experts tell Digital Summit 2019

STAR BUSINESS REPORT

Top management tiers need to consider cultural viewpoints before using the huge amounts of user data being generated daily in the digital space for marketing purposes, all to get better feedbacks, experts said yesterday.

Technology is changing cultures and human behaviour all over the world but a single misinterpretation can damage the equilibrium, they said, drawing the attention of marketers at Digital Summit 2019 at Le Meridien Dhaka.

Bangladesh Brand Forum in association with ADA (analytics, data, advertising) and The Daily Star organised the daylong

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Analysts are seen at a session of Digital Summit 2019 at the Le Meridien hotel in Dhaka yesterday.

## Lifting private sector key to achieving SDGs: analysts

STAR BUSINESS REPORT

The government should take immediate measures to remove barriers to promoting the private sector with a view to achieving sustainable development goals (SDGs) on time, speakers said yesterday.

Reducing the cost of doing business, strengthening the skills of human resources and joint programmes by both the government and private organisations are essential to achieving the goals, they said.

The government cannot attain the SDGs alone without full-fledged participation of the private sector, they said at a seminar styled "Consultation on Private Sector

Engagement in Attaining Sustainable Development Goals in Bangladesh: Bonding and Beyond Thoughts".

General Economic Division of the planning commission organised the seminar in cooperation with United Nations Development Programme at InterContinental Dhaka.

Shamsul Alam, member of the GED, presented a keynote paper at the seminar.

Bangladesh will require an additional \$928 billion to fully achieve the SDGs between fiscals 2016-17 and 2029-30, he said.

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