

STOCKS	
DSEX ▼ 0.04% 4,779.18	CSCX ▲ 0.09% 8,829.62

COMMODITIES	
Gold \$1,454.90 (per ounce)	Oil \$62.45 (per barrel)

ASIAN MARKETS			
MUMBAI Closed	TOKYO ▲ 0.81% 23,520.01	SINGAPORE ▲ 0.84% 3,267.80	SHANGHAI ▲ 0.17% 2,914.82

CURRENCIES			
\$ USD	€ EUR	£ GBP	¥ JPY
BUY TK 83.85	91.69	107.17	0.75
SELL TK 84.85	95.49	110.97	0.79



# BUSINESS

DHAKA WEDNESDAY NOVEMBER 13, 2019, KARTIK 28, 1426 BS [starbusiness@thecitizenstar.net](mailto:starbusiness@thecitizenstar.net)



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## Robi to shed jobs

*The operator offers voluntary separation scheme as regulatory tussle leaves hundreds of employees with no work*

MUHAMMAD ZAHIDUL ISLAM

Robi is set to offer its first voluntary separation scheme (VSS) to its 1,650 employees as a few hundreds of them have been sitting idle for almost a year thanks to the operator's ongoing tussles with the regulator.

For instance, the Bangladesh Telecommunication Regulatory Commission (BTRC) has stopped issuing any kind of approval needed to roll out new packages or services or import network equipment to the operator since July over its claims of Tk 867.24 crore in unpaid dues.

And since January many other no objection certificates have been barred for the operator.

As a result, a good few hundred employees have been sitting idle for close to a year, leaving them in a state of ennui. And the regulatory dispute is unlikely to be resolved any time soon.

"We cannot keep paying the employees indefinitely like this," said a senior official of the carrier requesting anonymity.



And it will soon become a burden on the operator's limited resources.

"Even in the neighbouring countries, mobile operators can offer lots of services. But here, we have nothing to do save for voice and SMSs," the official said.

Recently, Robi management have decided to offer additional early settlement remuneration with its regular service benefits like gratuities and provident funds.

"VSS will be a win-win situation for both parties. Technology has evolved a lot, so there is no need to carry a huge burden only to perform traditional work," the official added.

The management estimate that its employee headcount will come down to 1,000 after the scheme.

"This is purely a voluntary scheme and no employee is compelled to accept this by any stretch of the imagination," said Shahed Alam, chief corporate and regulatory officer of the country's second-largest operator.

Over the years, it has become apparent that the survival of a telecom operator in this highly competitive industry depends on having an efficient cost structure.

"Given the intensifying market competition, transformation of the company from traditional telco to a digital one, and ever-increasing regulatory barrier, the cost structure has become an ever more important issue for our business," Alam added.

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AKM ZAMIR UDDIN

Foreign direct investment to Bangladesh surged 51 percent last fiscal year to its highest on record, riding largely on Japan Tobacco Inc's acquisition of Akij Group's tobacco business for \$1.47 billion.

In 2018-19, net FDI stood at \$3.88 billion in contrast to \$2.58 billion a year earlier, according to data from the central bank.

"The rise in the FDI last fiscal year will not bring any positive impact for the country. This will not create any fresh investment or give a boost to exports," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Japan Tobacco has made the investment focusing on the domestic market of Bangladesh and there is no scope to recruit additional workers from the domestic workforce for the

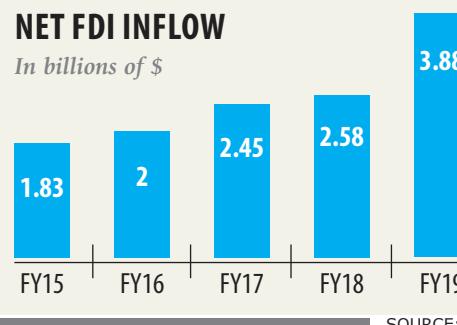
existing industry, he said.

"This is a one-off investment and indicated that FDI flow may decrease this fiscal year," said Mansur, also a former economist of International Monetary Fund.

Japan Tobacco, one of the largest tobacco companies in the world, completed the

### NET FDI INFLOW

In billions of \$



SOURCE: BB

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## FDI hits all time high

*Japan Tobacco's acquisition of Dhaka Tobacco boosted inflow*

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acquisition of Dhaka Tobacco, a concern of Akij Group, in November last year, in what was the biggest ever single FDI in Bangladesh.

Mansur also said there is no ray of hope to widen the periphery of FDI in the next few years as Bangladesh is yet to become an investment destination for foreigners because of poor governance and low ranking in the World Bank's Ease of Doing Business index.

Bangladesh advanced eight notches to 168th out of 190 countries in this year's ranking.

"But, the progress is not good enough to win the confidence of foreign businesses," Mansur said.

He suggested the government take immediate measures to attract foreign businesses to prop up export earnings, create fresh jobs and resolve the ongoing crisis stemming from balance of payments.

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## NBR expects Tk 3,000cr from tax fair

*The countrywide weeklong event begins tomorrow*

STAR BUSINESS REPORT

The annual tax fair begins in all divisional headquarters tomorrow to help taxpayers submit returns and complete related formalities without any hassle.

In the capital, the weeklong fair will take place at the Officers' Club.

The NBR will simultaneously organise the show for four days in all district towns and for two days in 48 upazilas and one day in eight upazilas between November 14 and November 20.

"We request taxpayers to submit tax returns and pay tax at the fair," NBR Chairman Md Mosharraf Hossain Bhuiyan said at a press

conference at his office.

"Instruction has been given to field officers so that anyone can furnish tax returns at tax offices without any hassle."

The fair will remain open even on weekends. The deadline for submission of returns is November 30.

At the fair, taxpayers will be able to pay tax through mobile financial services also.

This year will mark the 10th year for the tax fair, which is being organised to raise awareness on the necessity of paying tax for national development and encourage more people to start the practice in a country where the tax-to-GDP ratio is one of the lowest globally.

Since its inception in 2010, the tax fair has gained popularity as it gives an opportunity to people to submit income tax returns within a short time and without visiting any tax offices.

Last year, the fair fetched a record Tk 2,468 crore for the NBR, up 11 percent year-on-year. The collection grew 21 folds from Tk 113 crore in 2010. The number of tax returns submitted at the event rose nine times to 4.87 lakh in 2018 from 52,544 in 2010, according to the NBR.

Bhuiyan expects that the gathering of taxpayers would continue to swell and enable the tax collector to generate Tk 3,000 crore from the show this year.

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## RMG exporters to go all out for fair prices

*They will hold human chains in Europe to sensitise buyers*

REFAYET ULLAH MIRDHA

In a desperate move for better prices, Bangladeshi garment exporters are planning to hold rallies and human chains in major European cities to create awareness among the end consumers.

The activist move comes after brands opposed the idea of fixing a base price for garment items.

At present, as many as 39 percent of the garment manufacturers are selling garment items to buyers at prices lower than the production costs, according to a survey of the Fair Wear Foundation, an Amsterdam-based organisation that works to improve labour conditions in garment factories.

The reason garment makers resort to the desperate move is that insolvency safeguard mechanism is absent, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, the sector's apex trade body.

The data mentioned in the report not only reflects the desperate move by the factories to retain their customers, but also their struggle to avoid any situation leading to insolvency since there is no legal route to safely exit from their investments."

The cost of production of apparel items



increased 30 percent between 2014 and 2018, she said.

Furthermore, the minimum wage of the garment workers has increased 51 percent since December last year.

Between fiscal years 2015-16 and 2018-19, the industry's value addition has gone down 1.61 percent though apparel exports have increased from \$28.10 billion to \$34.13 billion during the period.

"This means that the growth is happening in

### KEY POINTS

- Some 39pc garment suppliers sell below production costs
- Cost of production rose 30pc over the last four years
- Value addition went down 1.61pc during the period
- Bangladesh exported apparel items worth \$34.13b last fiscal year
- The sector suffers from overcapacity, lack of diversification

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physical terms only. But the value addition per piece of garment has rather declined over years."

She also blamed the unplanned expansion in the industry for accepting low prices from retailers.

"While we are trying to find our way out from the price-trap situation, we need to look at ourselves and stop unplanned expansion and overcapacity. Overcapacity is perhaps the weakest point behind our poor bargaining ability."

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## Japan wants incentives, long-term policies to raise investment

REJAUL KARIM BYRON and JAGARAN CHAKMA

Japan has sought competitive incentives and long-term policies to ensure the viability of businesses of its investors who are eyeing expansion in Bangladesh.

Japanese Ambassador to Bangladesh Naoki Ito made the request meeting Finance Minister AHM Mustafa Kamal on November 4.

Kamal called for bringing over relevant persons, including officials of the embassy and Japan International Cooperation Agency (Jica), at the Economic Relations Division on November 16 to discuss the issues. Talking to journalists that day, he also said to have assured giving due consideration to all proposals.

The requests are logical as Japanese investors want sustainability of their businesses, Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority (Beza), told The Daily Star last week.

Frequent policy changes are a hindrance on business plans while stability helps settle investment targets, he said, adding that the incentives sought include tax exemptions and relaxation of import duty on capital machinery.

Quality Japanese investment will set Bangladesh's standard, giving others around the globe the confidence and

assurance to come over, he said.

"If the planned Japanese special economic zone attains success, Bangladesh will not face any problem in attracting foreign direct investment (FDI) in the future," said Chowdhury, referring to the creation of a "brand image" of the country.

He expects the zone to draw in \$20 billion in Japanese FDI once it was established on 650 acres of land in Narayanganj with a capacity to accommodate around 200 companies.

Though the "Development of Infrastructure for Japanese Economic Zone at Araihazar in Narayanganj Project" is scheduled for completion by June 2023, he hopes for the factories to be set up by early 2022.

The Tk 2,582.17-crore project got approval from the Executive Committee of the National Economic Council in March.

Of the cost, the government will provide Tk 454.35 crore as investment while Jica will provide the remaining Tk 2,127.82 crore as a loan. Japanese trading giant Sumitomo Corporation and Beza teamed up on May 26 to develop the zone.

Sumitomo has built and continues to run economic zones in the Philippines, Indonesia, Myanmar and Vietnam and the Bangladesh one will be its fifth, Chowdhury said.

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## ACI share gains 17pc on DSE blunder

STAR BUSINESS REPORT

ACI's share price rose 17 percent to hit Tk 270 in less than half an hour's trading yesterday all because of an incorrect information disseminated by Dhaka Stock Exchange.

In a web posting, the premier bourse showed that ACI's earnings per share stood at Tk 5.19 in the positive for the July-September quarter of 2019. It actually was Tk 5.99 in the negative.

As it was the first day after ACI's disclosure about the loss, there was no trading curb or circuit breaker, which allowed the share price to rise with demand and supply.

The DSE corrected the disclosure after around half an hour of trading.

However, the stock ended the day at Tk 243, which was 6 percent higher than that the previous day.