

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▼ 0.67%	▼ 0.62%	\$1,476.60	\$63.60	▼ 0.17%	▲ 0.71%	▲ 0.46%	▲ 0.74%	83.95	92.24	109.50	0.75
4,671.98	8,622.71	(per ounce)	(per barrel)	40,779.59	23,300.09	3,174.19	2,899.47	BUY TK	84.95	96.04	113.30
								SELL TK			0.79



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# BUSINESS

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## Exports fall 10pc in November

REFAYET ULLAH MIRDHA

Exports declined in the month of November mainly because of poor performance of apparel shipment, in an ominous sign that can thwart Bangladesh's target to earn \$45.50 billion from merchandise shipment in the current fiscal year.

If the trend persists during the remaining months of 2019-20, Bangladesh may also lose its second place in apparel exports to Vietnam.

In November, exports slumped 10.20 percent to \$3.05 billion, which is also 17.90 percent shy of the monthly target of \$3.72 billion, according to data from the Export Promotion Bureau (EPB) yesterday.

Also, the overall earnings from the merchandise exports between July and November fell 7.59 percent to \$15.77 billion, again 12.59 percent short of the four-month target of \$18.05 billion.

Lower shipment of apparel items, which accounted for more than 80 percent of the national exports, contributed to the decline.

Between July and November, garment exports declined 7.74 percent to \$13.08 billion, missing the target of \$15.15 billion by 13.63 percent, the EPB data showed.

Of the garment shipment, \$6.80 billion came from the knitwear sector and \$6.27 billion from the export of woven items.

The overseas sales of knitwear and woven garments were respectively 8.94 percent and 18.20 percent behind the targets.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the export of



garment declined by 11.98 percent in November and the export growth of garment has fallen for the fourth consecutive month out of the first five months of the current fiscal year.

"Such a consecutive decline only testifies that the competitiveness of the industry is really endangered," she said.

Rubana said Bangladesh is not aligned at all with the global competitive scenario.

Particularly, she said, the exchange rate movement of the taka against competitor currencies remains inconsistent and the closure of factories in recent months, especially after the minimum wage hike in December last year, is taking its toll on the exports and the industry.

The latest data from the official source of the US and the European Union showed that Bangladesh

significantly lagged behind its competitors in terms of growth of apparel exports in the third quarter of 2019.

In July-September, Bangladesh registered 1.7 percent growth in the US market whereas Vietnam grew by 14.23 percent, India by 3.93 percent, Cambodia by 15.56 percent, and Pakistan by 6.58 percent.

The situation in Europe is equally dismal. Bangladesh's apparel exports managed to grow at only 0.90 percent, whereas it was 2.98 percent for Turkey, 2.88 percent for Vietnam, and 6.17 percent for Sri Lanka.

Therefore, it is high time for Bangladesh to take a few quick steps so that the apparel export growth can rebound, Rubana said.

A few recommendations on the quick fixes are attempts to get the best exchange rate on RMG export receipts and untangling the complexities in cash incentive, she said.

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## NBR cuts VAT on coal import for power plants

STAR BUSINESS REPORT

The National Board of Revenue (NBR) reduced value added tax on the import of coal for power plants to 5 percent from present 15 percent for five years until June 2025 to allow electricity generation at lower costs, according to a notification issued on Tuesday.

The exemption is being offered at a time when three coal-fired power plants are being established in the public sector and one in Payara in the southern district of Patuakhali is likely to start producing around 660 megawatts of electricity next month.

Apart from this, four private sector coal-based power plants are in the process of being established, according to the minutes of a meeting between the NBR and Power Division in August this year.

A huge amount of coal would be required once these power plants go into operation.

The NBR said there were no customs and other duty for coal import.

After the VAT cut to 5 percent, a 5 percent advance tax and 5 percent advance income tax will still be applicable for private sector power plants.

Public sector power plants will need to pay only the 5 percent VAT to import coal, said an NBR official requesting anonymity.

As coal accounts for nearly 65 percent of the electricity production cost, a reduction in the VAT rate will bring down the cost of generation, said the meeting minutes.

Considering the issue, the NBR has decided to slash the VAT on coal import to help reduce the production cost, another NBR official had said earlier.

In its Tuesday's notification, the tax

administrator attached conditions for coal power plants to import coal.

Power producers will have to submit recommendation letters from Power Division to customs stations during release of coal.

*At least seven coal-fired power plants are being established in the public and private sectors, according to NBR*

Importers will also need to furnish a bill of entry, it said. A bill of entry is an account of goods entered at a customhouse, of imports and exports, detailing the merchant, quantity of goods, their type, and place of origin or destination.

The tax authority earlier provided duty benefit for the import of furnace oil, which is used in electricity generation, and liquefied natural gas.

The NBR in July 2013 offered a 15-year tax waiver for electricity generation with coal.

Companies that will sign contracts with the government by June 30, 2020 to establish coal power plants will receive the tax break on income from electricity generation, according to the notification issued at that time.

## Internet service providers seek 5G licence

MUHAMMAD ZAHIDUL ISLAM

The Internet Service Providers Association Bangladesh (ISPAB) is seeking fifth-generation licence to provide low-cost service to users as the government plans to introduce the superfast cellular network technology within two years.

### HIGHLIGHTS

ISPs plan to establish a few hundred base stations within existing network

The association's members will form a consortium to run the business

Service will be provided as a fixed player through broadband

If technical evaluation committee gives go-ahead, ISPABs would get licence: BTRC chairman

5G guideline will be ready by first quarter of 2020

"We have shared our proposals with the guideline formulation committee of the commission and requested it to ensure a place for us," MA Hakim, president of the ISPAB, told The Daily Star on Wednesday.

5G is the fifth-generation of mobile internet connectivity. It promises much faster data download and upload speeds, wider coverage and more stable connections.

The association also plans to establish a few hundred base stations within their existing network topology.

Internet service providers have huge opportunity to play in this industry as 5G is designed to create special benefit to businesses and industries, Hakim said.

According to the ISPAB's plan, they wouldn't seek the mobility; rather they will offer the service as a fixed player through broadband connectivity and users also can use it through Wi-Fi.

A member of the 5G guideline formulation committee of the commission said they are considering the proposal of the ISPAB as a priority as they are local entrepreneurs. However, the final decision will come from the government.

Hakim said 5G would require huge investment and one or two ISPs would not be able to make the investment single-handedly.

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## FBCCI president castigates Kamal for high lending rates

*NBR officials lack efficiency, he says at ceramics expo*



Ceramics and allied products of 150 brands are now on display at a three-day international "Ceramic Expo Bangladesh 2019" inaugurated yesterday at International Convention City Bashundhara.

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal did not do anything to bring reforms in the banking sector since coming to office 11 months back, FBCCI President Sheikh Fazle Fahim said yesterday.

The bank interest rate has gone up to such an extent that it is acting as a barrier to running

business, he told the inauguration of a three-day international "Ceramic Expo Bangladesh 2019".

The president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also criticised the chairman and officials of the National Board of Revenue, saying they lack efficiency.

The prime minister gives much respect to

businesspeople but some government officials do not provide due cooperation which is a barrier to doing business, he said.

He cited an example of importers having to pay 30 percent supplementary duty for the around 30 percent moisture that exists in the raw materials used in manufacturing ceramics.

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## Authentic data key to fair competition: analysts

STAR BUSINESS REPORT

Real-time and authentic data on prices, production and demand are vital to ensure competition in the market, said analysts yesterday.

There have been debates in some areas but that there is a gap in market management has been realised, said Md Mofizul Islam, chairperson of Bangladesh Competition Commission (BCC).

Real-time data is very much needed from both country and global perspectives alongside development of a mechanism through consultations with all stakeholders so that the market remains stable, he said.

The chief of the agency, which started operations three years ago, shared the views at a discussion on competition policy in Bangladesh organised by Unnayan Shamannay at its office.

He said fair competition can boost gross domestic product by 2 percent.

He said the commission was yet to play its role to ensure competition in Bangladesh as it has started operations only three years back.

The newly formed entity has only two

officials under its organogram. Other officials working there are either on deputation or have been outsourced.

He said the recruitment process for the BCC's manpower has been on and 30-

35 persons would be hired in a couple of months. Islam said the rules regarding competition were almost at the final stage.

"We are working on framing rules on merger and acquisition," he said.



COLLECTED

Atiur Rahman, chairperson of Unnayan Shamannay, and Md Mofizul Islam, chairperson of the Bangladesh Competition Commission, attend a discussion on competition policy at the research organisation's office in Dhaka yesterday.

## Stocks keep falling

STAR BUSINESS REPORT

Dhaka stocks continued to fall yesterday while the benchmark index dropped to one-and-a-half-month low.

The DSEX declined 31.64 points to 4,671.33. In the last four trading days, the market shed 87.48 points, or Tk 4,575 crore.

Stock investors are suffering from a lack of confidence at a time when institutional investors have gone for a selling spree.

A top broker said the prices of the shares they have invested in have fallen, keeping their funds stuck in a place.

"We have no funds available now to invest, as we are in loss now. We can't sell these stocks and can't buy new ones, although many good stocks have become lucrative due to the recent market slide."

New funds are a must to revive the index and the government should take strong steps to restore investors' confidence, he added.

Turnover, another important indicator of the market, dropped 6.42 percent to Tk 432.41 crore.

Of the traded issues, 106 advanced, 192 declined, and 48 remained unchanged.

SK Trims dominated the turnover chart with a transaction of Tk 15.90 crore worth of shares, followed by Saiham Cotton, Sonar Bangla Insurance, Indo-Bangla Pharmaceuticals, and Paramount Insurance.

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