



Mashrafe Bin Mortaza, a lawmaker and former captain of the Bangladesh national cricket team, and Tarique Afzal, president and managing director of AB Bank, attend the launch of the bank's "360° Banking Service". The bank also rebranded its agent banking service.

Orion Pharma declares 10pc cash dividend

STAR BUSINESS DESK

Orion Pharma has declared 10 per cent cash dividend for the financial year ending on June 30, 2020.

The declaration came at its 55th annual general meeting through a digital platform in December last year, said the pharmaceutical company in a statement.

Chairman Mohammad Obaidul Karim, Managing Director Zareen Karim, Director Salman Obaidul Karim, independent directors Md Shafiqur Rahman and ANM Abul Kashem, Company Secretary Md Ferdous Jaman and Chief Financial Officer Samaresh Banik attended the meeting.

Shareholders unanimously approved audited financial statements for financial year 2019-20 which were presented at the meeting.

Dev spending lowest in 5yrs

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The Internal Resources Division (IRD) under the finance ministry was the worst performer.

The religious affairs ministry could spend 74 per cent of Tk 884 crore of the development schemes for the ongoing fiscal year that will end in June.

The IRD spent only 1.80 per cent of the allocation of Tk 438 crore in the same period.

Of the top 10 ministries and

divisions that account for 72 per cent of the total ADP outlay for the current fiscal year, power division performed best while health services division was the worst in terms of expenditure.

The power division used up 38 per cent of Tk 27,297 crore allocated for development projects for the fiscal year.

The health services division could spend only 17 per cent of the total outlay of Tk 9,736 crore.

February brings hope for florists

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The wholesale price of each bundle of 300 pieces of roses now hovers between Tk 2,200 to Tk 2,500, which could hardly hit Tk 800 to Tk 1,000 in most of the time of the year.

Around 1,500 farmers cultivated flowers in around 300 hectares of land in Savar this year, of which over 250 hectares were roses.

Abdul Khaleque Mollah, who

cultivated rose on his 1.5 acre of land this year in Shyampur area in Savar, sold roses worth Tk 30,000 Friday.

He was happy with the current prices.

Mollah expects to sell Tk 3 lakh worth of roses this month owing to the twin festivals and the International Mother Language Day, which will be observed on February 21.

Stocks still buoyant as shine comes off bitcoin rally

AFP, London

European stocks gained and US equities were hesitant Friday as investors awaited further stimulus and vaccine news, while bitcoin slipped back from record highs to below \$48,000. In equities, Paris posted gains of 0.6 per cent and London 0.9 heading into the weekend, although Frankfurt was near flat at the close.

Markets around the world are "remaining buoyant by the recent rally that has been fueled by Covid-19 vaccine rollout progress and elevated expectations that the US will deliver further fiscal relief," Charles Schwab analysts commented.

Equities have rallied this year on the back of vaccine rollouts, falling infection and death rates, and optimism that US President Joe Biden will push through his \$1.9 trillion stimulus package.

But London sentiment was dented Friday by news that the coronavirus-ravaged UK economy shrank by a record 9.9 per cent in 2020, despite an upturn in the second half. Across the Atlantic, US stocks were "pausing near record highs", Schwab added, with the blue-chip Dow close to flat while the broader S&P 500 and tech-heavy Nasdaq Composite each nudged up around 0.1 per cent.

Bitcoin had touched a new high of \$48,930 in Asian trade after MasterCard and US bank BNY Mellon moved Thursday

to make it easier for people to use the cryptocurrency, only to trade over \$1,000 lower around 1700 GMT Friday. "Bitcoin had a great week" thanks in part to the institutional backing, OANDA analyst Edward Moya said, but "the key for Bitcoin's path higher is to win over more corporate endorsements". "Massive weekend moves" nevertheless remain possible for the historically volatile cryptocurrency, he added. Axi analyst Stephen Innes noted that the earnings season has gone well in the US and Europe, while the number of Covid-19 infections has been dropping faster than in previous waves.

But he added that "investors need some good old proof in the economic pudding before taking that next leap of faith." Markets were awaiting a virtual meeting of finance ministers and central bankers of the Group of Seven rich nations to discuss pandemic fallout, climate change and digital taxation. Britain joins Canada, France, Germany, Italy, Japan and the United States for the group's first gathering since Joe Biden was elected US president.

Elsewhere, oil prices were on the up even as uncertainty persists over how far demand will recover from last year's plunge. With the newly-vaccinated eager to travel, "the crude demand outlook looks like it could get its best-case scenario as Americans who want a Covid vaccine will be able to get it by April", OANDA's Moya said.

Bangladesh to graduate 'with flying colours'

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Except for Equatorial Guinea, all the former LDCs have maintained steady progress in the GNI per capita. Equatorial Guinea's fall in income level can be attributed to price instability of its primary export, crude oil.

The few primary indicators for these countries five years both prior and post the graduation gives a good idea about how LDC graduation shaped their economic performances.

A common theme for Botswana, Cape Verde and the Maldives during their respective transition periods has been a slowdown of economic growth. In the immediate post-graduation era, Botswana saw its growth cut down by half while Cape Verde by more than one-third.

The Maldives also experienced slow growth, particularly due to the slow performance of its main export items (fish fillets and frozen fish) to key export destinations (European Union and Japan). Loss of Duty Free and Quota Free (DFQF) status in the European market created adverse pressure on the Maldivian economy.

Despite a fall in gross domestic product (GDP) growth rate, Botswana's mining industry experienced a boom and the government maintained a high current account surplus and high tax revenue earning owing to the successful diamond mining industry.

The country is closely integrated with global trade and cyclical factors are determinants of growth. But overall, the economic performance of the country has been good since graduation.

One issue that has remained historically challenging for Bangladesh is the collection of tax and revenue in terms of the GDP.

Evidence suggests, during the preparation period, former LDCs had a high starting tax-GDP ratio. And in the post-graduation transition period, they maintained close to 20 per cent.

Overall, the tax revenue collection efforts of Bangladesh will need to go up significantly over the years.

An interesting issue that can be learned

from former LDCs are the shares of official development assistance (ODA) with respect to national income and share of foreign direct investment (FDI) against GDP during the transition period.

The proportion of the ODA against income fell whenever any country developed.

Apart from Cape Verde, all other four countries had a three-year grace period for preferential access, international support measures (ISMs) and other LDC-specific preferences. Cape Verde undertook good planning prior to graduation.

The country successfully negotiated with the EU for an additional two-year grace period for Everything But Arms (EBA), the EU's gracious Generalised System of Preferences (GSP) above the original three-year grace period, and some other transition period deals with prominent trade partners like China.

Malaysia and Botswana also planned about the potential negative impact of graduation.

It is to be noted that only the EU and Turkey have an explicit policy for extending LDC specific trade preferences for a transition period. The same is not necessarily true for other countries offering unilateral trade preferences.

For instance, there are no smooth transition provisions in case of Japan's or Canada's GSP scheme.

"Therefore, one option for Bangladesh is to start planning for the future ahead and negotiate for transition period preferential access, with options for post-graduation trade deals or free-trade agreements with countries of interest," the GED document also said.

All graduated LDCs have experienced stronger inflow of FDI in the post-graduation era. This has helped them to recover from the early loss of preferential access. Convinced that FDI is critical for achieving robust export growth, Bangladesh is proactively seeking FDI from all countries in the East and West.

Vietnam has shown the way by becoming a dynamic export economy on the back of heavy

FDI integration into the export sector. For example, its garment sector is 60 per cent FDI driven.

Three strategic steps are underway to mobilise more FDIs into the economy to reach a target of \$10 billion by FY2024. The steps include setting up 100 special economic zones (SEZs), improve the business and investment climate and remove barriers to entry of FDI in any specific sectors like garments, footwear or ceramics.

From Bangladesh's perspective, remittance earning has always been a matter of key interest. A strong remittance inflow helps develop a good reserve of foreign currencies, which provides significant leverage to central banks in maintaining favourable exchange rates.

Former LDCs also faced other problems like unemployment, underemployment, automation and inadequate working opportunities.

They also faced the problem of declining significance of remittance earnings (as proportionate to their GDP). Therefore, Bangladesh needs to put emphasis on maximising the remittance earning opportunities to tackle any adverse consequences of LDC graduation.

It is essential to remember that all countries are different and likely to have their distinct versions of post-graduation challenges. But a common theme for any graduating country will be loss of trade preferences.

Bangladesh is much better advanced on the development path. The country has a very diversified economy with huge domestic demands for different products while its export performance and remittance inflows are substantial.

Bangladesh has a buoyant private sector with strong entrepreneurial skills. The social fabric is dynamic and the formation of human capital has taken root.

Therefore, with further policy reforms and investments in human capital, technology and institutions, Bangladesh can smoothly transition from an LDC to the road of upper middle income, said the report.

Lovello sets sights on untapped rural markets

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The local ice-cream industry faces three major challenges for growth. The first is import dependence for raw materials like chocolate, milk fat and other ingredients.

The problem is that the National Board of Revenue changes the duty imposed on raw materials from time to time while ice-cream prices remain stagnant.

The second challenge is logistics.

"Our fridges are imported but we are now trying to buy them from Walton. Likewise, the transport vehicles and our cold chain are all imported since they are very sophisticated," he said.

The third challenge is the country's natural disasters, which hit almost every year in the coastal areas.

Last year, the ice-cream industry was mostly impacted by the ongoing coronavirus pandemic as people were reluctant to eat ice-cream in fear of infection.

"A rumour that ice-cream may increase the possibility of infection impacted the industry," he said.

However, since Lovello had taken full preparation beforehand, they were able to sell their products at a discount as well as on credit. This ensured the company to keep their sales stable.

"We took the strategy that it is better to sell at lower prices than keep them in the fridge," Haque added.

Besides, the Covid-19 fallout had a greater effect in the capital than it did in the rural areas, where Lovello gets most of its sales.

"So, when others failed to sell their ice-cream, our sales were better and we logged profit also in the last fiscal and in the first half of the current fiscal," he said.

In response to a query, Haque said it is quite costly to reach the rural areas but their target was to reach a break-even point first and then make profit considering the huge potential in rural areas.



Ala Ahmad, general manager at MetLife Bangladesh, and Mominul Islam, CEO of IPDC Finance, exchange documents after signing a deal recently providing group life and medical insurance coverage to more than 580 employees of the non-bank financial institution.

Beza fares better

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Chowdhury said it was compulsory for 25 investment facilitating agencies and regulatory authorities to give registration, issue clearance and permits and offer other documents within 45 days.

The Beza has set up a separate desk for the OSS at its office, where one responsible official from each service provider has been posted to deal with the applicants.

The agency announced the official inauguration of the OSS Centre on October 21, 2019.

As of December 31 last year, the OSS has delivered a total of 10,721 services in different categories. Of them, the OSS has delivered 58 project clearances, 7,910 import permits, 1,514 export permits, 788 visa recommendations, 45 visa assistance, 342 work permits, 47 trade licences, eight land use plans, one commercial operation permission, and eight project registrations.

Under the OSS rule, businesses are scheduled to get gas and electricity connection in seven days and 14 days respectively.

The Special Branch of the police get 45 days to submit a report on security clearance. Investors are scheduled to get investment registration in seven days and investment clearance in 20 days.

The Office of Registrar of Joint Stock Companies and Firms has to give clearance

in a single day and issue the certificate of incorporation in a week.

The rule says land registration and issuance of registration documents have to be completed in five days. The Department of Environment is scheduled to issue clearance certificates in one week to 30 days, depending on the types of factories.

Green factories will get clearance within a week while highly polluting industries will have to wait up to 30 days to get environmental clearance, according to the rule.

Investors receive clearance for land use, construction and approval for design of buildings within 30 days. They get approval from the Fire Service and Civil Defence office on fire safety in 30 days and get licences on fire safety in 15 days.

The Beza issues work permits within nine days.

The Bangladesh Bank is scheduled to give the nod to profit and dividend repatriation in 10 days.

According to the rule, investors in the economic zones are getting various documents, namely tax and VAT registration certificates, import and export permits, customs clearance and the country of origin certificate in a day.

"There is no pending applicant who is yet to get services after providing supporting documents," the Beza executive chairman said.

A few bad apples spoiling Bida's OSS barrel

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However, there is no such hassle in availing services provided by Bida itself.

Bida launched the OSS in February 2019. It now provides 41 services and aims to integrate as many as 150 services from 35 agencies, all to facilitate investment processes in the country.

Up until December 31 last year, it said to have delivered 25,019 services.

Surprising, it is yet to get any application over land registration or mutation and gas connection.

Businesspeople said now they get electricity connections within a couple of weeks while the period officially stipulated was 14 workdays.

According to World Bank Group's flagship report Doing Business 2019, investors in 2018 needed to spend 150 days to obtain a new electricity connection whereas over 400 days in 2014. As per rules, investors are to receive environment clearance certificates against fresh industry or running industry anywhere between one week and 45 workdays, depending on the category and submission of required documents.

But the reality is a far cry from it. Md Idris Sheikh, managing director of Hasem Jute Mill in Faridpur, said he needed around six months to get the clearance from the DoE, that too with the help from a department official who is his friend. He did not need to spend any additional money.

Sayed Kaiser Ali, managing director of Metro Lspat, said he was able to get registered with Bida within two days. But he had to spend months to get the environment certificate, despite providing all necessary documents. He said the

environment clearance certificate was mandatory for the steel industry.

AHM Irfanul Huq, managing director of Luminous Pharmaceuticals, said the hassles had slightly reduced compared to that earlier when attempting to get registered with Bida and the registrar office.

However, he said his staff and those of a consultancy firm he availed services from had to visit the registrar office despite applying through the OSS.

According to him, the problem was that the OSS only connects investors to the different government service providers instead of providing the certificates or clearances itself.

He said there was still a lack of efficiency when it came to the government offices providing services through verifying documents and not being able to do away with seeking hard copies of documents.

Md Alkas Ali, owner of Parua LPG and Refuelling Station in Sylhet, said he got registered with Bida easily without incurring any additional cost. He even availed an import certificate through the OSS within one week.

But he spoke of having to wait for a few days to get a clearance from the Bangladesh Fire Service and Civil Defence, believing it had something to do with physical inspections.

One entrepreneur, seeking anonymity, accused the registrar office of intentionally dillydallying just to get him to pay speed money.

All the investors said they had to provide hard copies of documents.

Bida Executive Chairman Md Sirazul Islam said they were serious about improving in the

ease of doing business ranking and were working to ensure an investment-friendly environment.

He said the private sector was contributing to the development of the country's economy and for this reason, there was a need to improve the ease of doing business and create a business-friendly environment.

Regarding the allegation, he acknowledged that such irregularities were somewhat present.

He said the registrar office had even wanted to delay implementation of the integration with Bida for providing online services.

Bida took steps so that the applicants need not physically visit the registrar office, he said.

"The aim of the OSS is to do away with hassles of physical visits and remove bribe culture from public service entities," he noted.

Bida is putting emphasis on digital services as well as queries and objections, responses against which have to be provided online by the service providing entities themselves, which is an integral part of the ease of doing business, Islam said.

On being pointed out by The Daily Star that there was no portal in the OSS website to file specific complaints and seek redress, Islam immediately called over officials and asked to incorporate it. Jibon Krishna Saha Roy, director (OSS and regulatory reform) at Bida, said investors who face any bureaucratic hassle in any office should inform them.

Bida will intervene and take necessary steps, he said.

This correspondent also tried to reach the registrar of the Office of the Joint Stock Companies and Firms, but could not get his comment.