

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.50%	▲ 0.40%	\$1,715.12	\$65.25	▼ 1.16%	▼ 2.13%	▲ 0.48%	▼ 2.05%	BUY TK	83.95	100.12	116.13	12.73
5,515.78	9,633.17	(per ounce)	(per barrel)	50,846.08	28,930.11	3,014.78	3,503.49	SELL TK	84.95	103.92	119.93	13.39



# Star BUSINESS

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## Cut cost of doing business to compete in post-LDC era

Says CPD at a dialogue

Among the 12 graduating LDCs, Bangladesh to face highest rise in tariffs  
Export losses will be equivalent to about 14.3% of a country's total export

### WHAT IS NEEDED

- Aggressive drive for plurilateral and mega-regional agreements
- Raise price-competitiveness through reduced costs of production
- A Technology Upgradation Fund may be created
- Attract FDI



Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD), speaks at a dialogue on "Moving out from the LDC group: Strategies for graduation with momentum", organised by the CPD yesterday.

### STAR BUSINESS REPORT

Bangladesh needs to reduce the cost of doing business locally to be more competitive globally in the post-LDC era as the country will face duties on exports because of the erosion of trade privileges, said a noted economist yesterday.

"Local businessmen will have to be facilitated by offsetting costs in the domestic markets so that

they can remain competitive in the international markets even after graduation from the LDC," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

As immediate measures, Bangladesh should also make a partnership with some major trading partners such as Canada, Japan, China and India to extend preferential market access similar to the EU, both bilaterally and as a member of the graduating

least-developed countries, he said.

The EU will continue duty privileges for three years more after 2026.

China is giving a similar kind of duty privilege to Samoa even after its graduation as Beijing has a special agreement with the island country, according to Rahman.

Bangladesh should negotiate with the major trading partners for extending the tenure at least for five years. If it is not possible, the tenure should be for at least three years like that offered by the EU, he said.

"Similarly, Bangladesh should aggressively pursue signing of Comprehensive Economic Partnership Agreement with India to receive and give duty privileges," Rahman said.

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## Govt launches national app store

### STAR BUSINESS REPORT

The government yesterday launched a national mobile application store in a bid to encourage local developers.

Mobile operator Robi will be the technology partner for the locally developed platform, which currently has over 12,000 developers, around 20 per cent of whom are women.

Around 23,000 apps are available there now.

Besides, the platform offers developers the scope to upload their applications for free, unlike Google's Play Store and Apple's App Store.

In the last five years, BD Apps has disbursed more than Tk 55 crore among its developers to facilitate a self-sustaining platform for locally made mobile applications.

Through the platform, around 300 developers are now earning roughly Tk 30,000 a month while the amount is hitting as high as Tk 2 lakh for some.

State Minister for ICT Zunaid Ahmed Palak declared BD Apps as the country's official application store during a deal signing ceremony between Robi and the ICT Division at the latter's office in Dhaka yesterday.

"From now on, any app developer, be it an organisation or a network

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## Alibaba aims big as it enters local food delivery market

### MAHMUDUL HASAN

Alibaba has entered Bangladesh's burgeoning food delivery market by purchasing HungryNaki, the country's first on-demand delivery platform, demonstrating the Chinese multinational's ongoing efforts to grab a bigger share of the local e-commerce market.

Officials of Daraz, a concern of Alibaba Group, and HungryNaki yesterday announced that the former had taken over all of the latter's tangible and intangible assets for an undisclosed amount.

HungryNaki will continue to function as usual with its existing employees as a separate brand with an independent food delivery platform owned by Daraz.

The development comes at a time when the local food delivery is expanding rapidly but still remains largely untapped.

Daraz, which has operations in Bangladesh, Pakistan, Nepal, Sri Lanka and Myanmar, was acquired by Alibaba in 2018 in a surprise move.

Alibaba's financial service subsidiary Ant Group also bought a 20 per cent stake in bKash, the largest mobile financial service provider in Bangladesh, in the same year.

Daraz has long been considering a takeover of HungryNaki, even before the Covid-19 pandemic had emerged.

"We aspire to be a one-stop solution for all our customers' needs," said Syed Mostahidul Hoq, managing director of Daraz.

"So, getting into the food delivery business is a natural move," he added.

HungryNaki is the pioneer in food delivery services in Bangladesh and has a loyal customer base.

"Therefore, we believe that instead of building our own delivery business from the ground up, acquiring HungryNaki is ideal considering these two factors," Hoq said.

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- Alibaba acquired Daraz in 2018
- It bought a 20pc stake in bKash the same year
- Invested Tk 500cr in Daraz in 2020
- Purchased HungryNaki through Daraz



- Operates all over Bangladesh
- Makes over 65,000 deliveries per day
- Is building a 2.5 lakh square feet sorting centre and 2.5 lakh square feet warehouse



- Launched in 2013
- Gained popularity with seamless service
- Faced tough competition from other players since 2018
- Sold its assets to Daraz for an undisclosed amount

### FOOD DELIVERY MARKET

- Annual market size of approximately Tk 1,200cr
- Around 25,000 employed, mainly on a part-time basis
- About 1.1 lakh deliveries per day

## Excess liquidity falls after 8 months

### AKM ZAMIR UDDIN

Excess liquidity in the banking industry that ballooned because of pandemic-induced lower credit demand and an injection of funds under a massive stimulus package fell in January, the first time in eight months.

The surplus liquidity stood at Tk 204,070 crore as of January in contrast to Tk 204,700

core a month ago.

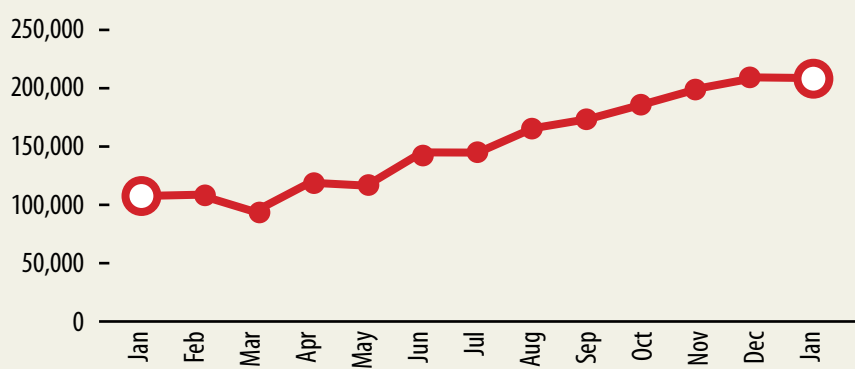
The excess fund, however, surged 97 per cent in January compared to the same month a year ago, when the amount stood at Tk 103,358 crore.

The Daily Star talked to four managing directors of banks and the CEO of a non-banking financial institution to know why the excess liquidity had narrowed.

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### EXCESS LIQUIDITY IN BANKS OVER THE MONTHS

Tk in crore; SOURCE: BB



## Retain undisclosed money investment scope in stock markets

DSE, merchant banks urge NBR

### STAR BUSINESS REPORT

Three associations operating in the financial industry urged the revenue authority to provide tax benefit and policy support in the next fiscal year.

The Bangladesh Association of Banks (BAB), the Bangladesh Insurance Association (BIA), and the Bangladesh Merchant Bankers Association (BMBA) placed the demands at a pre-budget discussion organised by the National Board of Revenue (NBR) at its office.

The BMBA urged the NBR to extend the provision of investing undisclosed income in the stock market for another year.

The Dhaka Stock Exchange (DSE) also placed its recommendations.

The DSE said the deadline for the investment of undisclosed money in the capital market on payment of 10 per cent tax would expire on June 30.

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## BCI demands 3-year tax holiday for small industries

### STAR BUSINESS REPORT

The Bangladesh Chamber of Industries (BCI) yesterday called for tax holiday for the cottage, micro and small industries for three years starting from the next fiscal year to help them grow.

"Later, a tax rate of 10 to 15 per cent could be levied," said BCI President Anwar-Ul Alam Chowdhury during a pre-budget discussion with the National Board of Revenue (NBR).

He placed the budget recommendations on behalf of the chamber at the meeting at the NBR headquarters in the capital. NBR Chairman Abu Hena Md Rahmatul Muneem was present.

Questions should not be asked about the source of funds up to Tk 2 crore to create new entrepreneurs and cottage, small and micro-enterprises, Chowdhury said in a written speech.

All industries should have a tax identification number, and they should be registered with associations, chambers, the SME Foundation or the Bangladesh Small and Cottage Industries Corporation.

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### BCI calls for

Withdrawal of tax at source on industrial raw materials imports

Scrapping of VAT on utilities

VAT holiday for light engineering manufacturers

VAT exemption on imports of industrial raw materials

Reforms on customs and tax structures

Hiking tax and duty on import of finished products

Measures to stop under-invoicing, misdeclaration

Making investment on R&D and skills development tax-free

## IFAD Autos gearing up to enter luxury bus assembly segment

### JAGARAN CHAKMA

IFAD Autos is all set to make a foray into the assembling business as it is now putting together different components to build 160 luxury buses to cater to the domestic market.

"We have been assembling commercial vehicles in our Tk 300 crore plant in Dhamrai since 2017 and we began assembling luxury buses last year," said Taskeen Ahmed, managing director of the company.

Of the 48,126 air-conditioned and non-air-conditioned buses registered with the Bangladesh Road Transport Authority as of February, around 10,000 units were sold by IFAD Autos, occupying 21 per cent of the total market, he said.

Since 1988, IFAD Autos has been distributing commercial vehicles of India's leading automobile manufacturer Ashok Leyland. So far, the company has sold over 60,000 such vehicles.

Ashok Leyland has been providing technical support to the 125-bigha plant of IFAD Autos, which will create a total of 800 jobs, including 500 for mechanical and electrical engineers and technical persons.

"We hope we will be able to meet the



quality standards set by Ashok Leyland," Ahmed said.

Nurul Majid Mahmud Humayun, industries minister, hoped the plant will help in building a bigger market for the local automobile component makers and give a boost to the domestic light engineering sector.

He spoke after opening IFAD's luxury bus assembling unit on the premises of the plant yesterday.

"The demand for luxury buses has been increasing thanks to their growing popularity among the general mass for safe and comfortable travels," Ahmed said.

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## Govt moves to rein in illegal battery recycling

### STAR BUSINESS REPORT

The government has barred the dismantling and burning of batteries for recycling without prior approval from the Department of Environment (DoE).

The restriction comes at a time when battery recycling is running rampant in an unorganised manner. Industry operators say nearly 80 per cent of batteries are recycled illegally, posing a threat to the environment.

Currently, there are just five firms that are authorised to recycle batteries. But there are more than 1,000 firms engaged in the practice in an unauthorised manner, they said.

Bangladesh's manufacturers require 10,000 tonnes of lead a month to make batteries to meet the burgeoning demand from electric three-wheelers, popularly known as easy bikes. The recycling of locally available



RAJIB RAIHAN

Nearly 80 per cent of the batteries used to power vehicles in the country are recycled in an unorganised and illegal manner. This poses a threat to the environment while the workers, as seen above, are also at risk due to a lack of protective gear.

batteries meets up to 70 per cent of the requirement. The rest is imported.

The notification issued by the Ministry of Environment, Forest and Climate Change on February 25 said firms engaged in dismantling and burning for recycling batteries must ensure that workers use protective gears to protect their health.

"This was required," said Munawar Misbah Moin, president of the Accumulator Battery Manufacturers and Exporters Association of Bangladesh.

"We are also trying to see how we can play our roles and collect batteries from all over the country to ensure eco-friendly recycling of batteries," he said.

In its notification, the ministry asked firms involved in lead-acid battery manufacturing and recycling for hiring dealers and agents across the country to collect old or damaged batteries to recycle.

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