

Bangladesh: a compelling case for UK investors

Say speakers at Bangladesh-UK Investment Summit

STAR BUSINESS REPORT

Public and private sector leaders in Bangladesh and the UK came together at “Showcase Bangladesh 2021: Bangladesh-UK Investment Summit”, to discuss the many win-win propositions that can take the UK-Bangladesh trade and investment relations to new heights.

The event was jointly organised by Standard Chartered and the Bangladesh Investment Development Authority (Bida) and took place in London on November 4, 2021. Speakers touched upon the compelling growth story of Bangladesh, with solid fundamentals and growth drivers leading to optimism about sustained growth.

Speaking at the event, Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said Bangladesh’s achievements in terms of growth in nominal GDP in the first 36 years since independence was trebled in a third of the time, over the last 12 years.

“Despite the challenges posed by pandemic, the country achieved one of the highest economic growth rates in the world, thanks to judicious policy intervention by the government and the resiliency of the people.” The country is expected to maintain a growth trajectory that will enable GDP to exceed economies like Malaysia, Hong Kong, Singapore, Denmark and others. This is absolutely the right time



Salman F Rahman, private sector industry and investment adviser to the prime minister; Zunaid Ahmed Palak, state minister for ICT; Md Sirazul Islam, executive chairman of Bida; Md Jashim Uddin, president of FBCCI; Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh; Rupali Chowdhury, president of FICCI; and Bitopi Das Chowdhury, head of corporate affairs, brand and marketing at Standard Chartered Bangladesh, pose for photographs at the “Showcase Bangladesh 2021: Bangladesh-UK Investment Summit” in London recently.

STANDARD CHARTERED

to invest in Bangladesh, which I believe is the “Best Kept Secret of Asia.”

Salman Fazlur Rahman, private sector and investment adviser to the prime minister, said the sustained, broad-based growth Bangladesh achieved over the last decade did not happen by accident; it was achieved through insightful planning and visionary leadership of the prime minister.

“In order to beat the ‘middle-income trap’ and become a high-income nation by 2041, we need to continue to develop our domestic markets and diversify our export

baskets – both of which would be catalysed by FDI and domestic investment.”

Zunaid Ahmed Palak, state minister for ICT, said 12 years after the declaration of Digital Bangladesh, Bangladesh had achieved major milestones as a nation and had graduated to middle-income status.

“ICT has played a role in this incredible journey and will continue to be a key enabler of our sustained progress.”

Mohammad Sirazul Islam, executive chairman of the Bida, said, “The UK is already the second-largest investor in Bangladesh,

but there is vast potential to do more.”

“Bangladesh’s liberalised investment policies and concessions encourage foreign investment. Our government is keen on facilitating more investments from the UK, which is a strong partner in our progress.”

Robert Chatterton Dixon, British High Commissioner to Bangladesh; Saïda Muna Tasneem, Bangladesh’s high commissioner to the UK; and Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce & Industry, also attended the event.

US Trade Rep calls for bold efforts to reform WTO

AFP, Washington

Trade officials gathering later this month must be “bold” in their efforts to reform the WTO and ensure the global trade body can adapt to the changing economy, US Trade Representative Katherine Tai said Wednesday.

The World Trade Organization “could really use an infusion of energy, dynamism, vision, and I think that we can light that fire,” Tai told reporters.

The organization will hold its ministerial conference starting November 30 in Geneva, and Tai said officials should “bring your grievances, bring your disappointments (and) be honest” about the changes needed.

Officials are looking to revive the trade body after former US president Donald

Trump brought the institution’s key functions to a halt in December 2019 by refusing to appoint new members to the dispute-settlement organization.

Tai declined to get into specifics on what changes she would push for but noted the difficulties posed by requiring all decisions to be made by consensus, effectively allowing each of the 164 members to have a veto over decisions.

“I think that we need to be very bold here,” she said. “Just restoring the WTO to where it was four years ago, five years ago, is not actually going to bring back the energy that we need... for a world economy that is changing very quickly.”

In mid-October, Tai, on a visit to Geneva, raised the possibility of relaunching the dispute-settlement body.

HR Lines to buy four new ships from Chinese builder

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Management Pte to procure four old container vessels at a cost of around Tk 2.25 billion.

Two of the four vessels, named MV HR Hera and MV HR Rhea, each having a capacity of 1,454 TEUs, were first deployed on the Chattogram-Colombo route in March, when the firm introduced Chattogram-Colombo Express.

Later, HR Hera and HR Rhea were shifted to the Chattogram-Singapore-Port Klang route while MV Sahare and MV Sarera on the Chattogram-Colombo route.

Last month, two more vessels, HR Farha and HR Aarai, were added to Chattogram-Colombo Express.

Established in 1954, Karnaphuli Group has interests in shipping, logistics, marketing, distribution, aviation, manufacturing, healthcare, financial services, print and electronic media, and real estate, among others.

Japan’s SoftBank to buy 20pc stake in bKash

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Gates Foundation, Alipay Singapore E-Commerce Private Ltd, and the bKash Employee Share Option Plan Trust, and the proposed investor SoftBank.

Brac Bank shares rose 9.93 per cent to Tk 48.7 on the Dhaka Stock Exchange yesterday.

“This latest investment round validates our dedication and relentless efforts over the last 10 years and places its trust on the potential of a well-regulated fintech space,” said Kamal Quadir, founder and CEO of bKash.

“It is a significant vote of confidence on the current and future growth trajectory of bKash. It also paves the way to attract global investment for other entrepreneurs and innovators of Bangladesh by showcasing the successful digital transformation of our country and its economy.”

Launched in 2011 by Brac Bank and Money in Motion, bKash gained popularity within a short time. Fifteen MFS providers are operating in the country.

In the statement, Greg Moon, managing partner at SoftBank Investment Advisers, said

broadening access to financial services could be critical to building a robust economy.

“We believe that bKash is strengthening Bangladesh’s financial system by providing a safe and convenient way for people to adopt digital payments.”

“We are excited to partner with Kamal Quadir and the bKash team to help support the company’s vision to achieve greater financial inclusion in Bangladesh through affordable, reliable and accessible services.”

SoftBank is engaged in a variety of businesses in the telecommunications and information technology industry. Its Vision Fund has an investment in Arm Holdings, Sprint Corporation, Alibaba, Yahoo Japan, Ola Cabs, HYKE, Paytm, and WeWork.

“SoftBank is one of the prestigious investment banks in the world, so it’s a good initiative for the country,” said Arif Khan, vice-chairman of Shanta Asset Management.

“It has an investment in many renowned companies in the world. So it is a positive development.”

SoftBank’s total investment fund is bigger, Khan said. “So, it will portray a positive image of Bangladesh in terms of an investment destination.”

Shahidul Islam, CEO of VIPB Asset Management Company, said as the Japanese investment bank was the world’s top technology investor, the investment was very positive for Bangladesh.

“It shows that renowned companies are optimistic about us. It will create a positive impression among other foreign investors.”

SoftBank logged profits of \$4.94 billion for the financial year ended on March 31, 2021, according to its financial statement.

However, SoftBank Group Corp slumped to a loss in the July-September quarter, as its Vision Fund unit took a \$10 billion hit from a decline in the share price of its portfolio companies and as China’s regulatory crackdown on tech firms weighed, reported Reuters.

With 5.6 crore registered customers, bKash’s net loss rose to Tk 81.4 crore in 2020 from Tk 62.5 crore in 2019.

Traders hostage at Teknaf land port

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Similarly, when a cargo truck leaves the port after 7 pm, United Group, the port operator, realises Tk 7,000 from the importers in the name of evening service charge. The operator deliberately delays the unloading to collect the fee, the users say.

Although the port has two gates, one is closed for 24 hours even though there are all sorts of arrangements for unloading goods and weighing.

During a visit to the port, a long queue of trucks at the first gate was found, creating a traffic snarl-up on the main road connecting Cox’s Bazar and Teknaf.

The Teknaf Land Port Management Committee was formed in 2013 by the commerce ministry. The upazila nirbahi Officer (UNO) is the convener of the committee.

The stakeholders attend the monthly meeting, and the issues have been discussed there, but they are yet to be resolved, the port users say.

Abdur Rashid, president of the Truck Owners’ Association, refuted the allegations of realising extra charges.

Mohammad Jasim Uddin Chowdhury, general manager of United Land Port Teknaf Ltd, said the second gate had been closed for security reasons.

“A section of traders is demanding the opening of the gate in order to use it to

unload illegal goods.”

He added: “Importers or C&F agents can rent trucks as they wish, and we are bound to load goods on the truck they nominate. We don’t know why these trucks did not enter the port.”

Regarding the extra wages charged for loading goods, Chowdhury said he was not aware of it.

“None has complained to us about this. If I receive any complaint, I will look into these issues and take action.”

Parvez Chowdhury, UNO of Teknaf upazila, said they made recommendations to the general manager of the port operator and customs officials of the port about various allegations raised in the meeting.

“But if they do not implement them, the committee has no legal authority to take action.”

Contacted, Mohammad Jahangir Kabir, member (traffic) of Bangladesh Land Port Authority, said the port authority was unaware of the irregularities.

“United Group will be notified about the allegations. Hopefully, these problems will be resolved soon.”

In the four years to 2020, some 4.15 lakh tonnes of goods worth Tk 3,400 crore was imported through the port. Most of the products were onions, wood, fish, shoes, betel nuts, rice, and cosmetic items.

Deal wisely with rising cost

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Hasan Haque, adviser of LAR Centre, a research firm in Canada, said consumers could think of changing food habits by focusing on less expensive but nutritious items.

“For example, during this winter, you can buy more vegetables in place of red meat.”

“A budget plan that is absent in our culture can help limit unnecessary wants and cut needless spending on foods, clothing, and outings,” he said, adding that apps can significantly help consumers track and analyse expenditures.

Abdur Rahim, a banker, says he has decided not to buy extra things and goods while shopping at super shops.

“The way super shops are luring people with various discount offers, it’s really tough to control ourselves. Being lured, I myself have purchased more things than I need.”

“Amid higher inflation, we have to purchase our products consciously.”

M Helal Uddin, a businessman, says he is following cost-cutting measures to address soaring prices.

“I made a big hole in my savings because of the pandemic. Now, I am feeling the pinch of higher prices. So, I am following cost-cutting measures. We’re not going out or ordering food from restaurants.”

Anwar Hossain, a fish trader in Dhaka, is

handling the surge in the prices like many other professionals.

“I am minimising wasteful expenses. It should be followed by all.”

Hossain is trying to increase income. He buys fish from Abdullahpur in place of Mirpur-1 with a view to earning some extra bucks.

“My planning is paying dividends.”

Jamal Khan, a resident in Mirpur, has started doing the grocery shopping at night as the vendors sell perishable items at a discount at that time.

Abdur Rahman, a rickshaw-puller, says he purchases fewer things.

“It will be unbearable for me if the house-owner raises rent. If he increases the rent by Tk 500 to Tk 1,000, it will be a big whammy for people like us.”

Parul Parvin, a housewife, and Fuad Hasan, a student, both from the capital, say consumers can save money by buying kitchen items from markets where prices are comparatively lower than other kitchen markets.

Riyadul Karim, a university teacher, advises consumers to plan to use their idle resources to invest in good business, especially in equity businesses with low capital needs.

“Equity business is tied to corporate income in the long-run, and corporate income increases during high inflation as well.”

Put no-man’s land to better use

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“If our government takes a similar step, we will also lease our lands for tea cultivation in the no-man’s-land areas as it will benefit us,” he added.

Shamim Ashraf, deputy director of the DAE in Lalmonirhat, said the region has bright prospects with regard to growing crops, particularly tea.

“So, farmers are always advised to use their lands along bordering areas properly,” he told The Daily Star.

The soil in this no-man’s-land is very suitable for tea farming but this requires huge investment and so, farmers in these areas show little to no interest in it due to their financial shortcomings.

“That’s why both public and private entities should come forward to help ensure better use of these lands on Bangladesh’s side,” Ashraf said.

Arif Khan, project director of Bangladesh Tea Board in Lalmonirhat, said Indian farmers are benefiting by growing tea in their part of no-man’s-land for several years now and the same is possible in Bangladesh.

Still though, some farmers along the border area have already started farming tea in their abandoned land along the no-man’s land area and the tea board is ready to provide support by distributing saplings, machinery and fertilisers for free to interested farmers.

“So if the industrialists come forward to lease the land from farmers for farming tea, it will bring bright economical opportunities for the country,” Khan said.

Cultivation is allowed on no-man’s land but the crops cannot be over four feet high, said 15 Border Guard Bangladesh Battalion’s Commanding Officer Touhidul Alam.

No structure, be it temporary or permanent, can be built on no-man’s land. Tea is being cultivated on such land on the Indian side and Bangladesh Tea Board has already started doing so on this side, he said.

French agency to give €330m for dev projects

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With the €330 million, AFD’s total support to Bangladesh exceeded €1 billion as it earlier provided €800 million, she said.

In South Asia, the AFD provides the largest amount of assistance to Bangladesh, she added.

The ERD secretary said they will sign a host country agreement with them in the coming days as discussions to this end are in the final stage.

Civil Aviation and Tourism Secretary Md Mokammel Hossain said Bangladesh Civil Aviation Authority has signed an agreement with France Civil Aviation Authority to strengthen the cooperation for knowledge sharing and training for its employees.

Foreign Minister AK Abdul Momen, the Prime Minister’s Press Secretary Ihsanul Karim and Foreign Secretary Masud Bin Momen were present.

Rainbow Paints introduces three new products

STAR BUSINESS DESK

Rainbow Paints of RFL Group has introduced three new products – Anti-Bacterial Interior and All-Rounder Interior paints and damp proof cellar.

RN Paul, managing director of RFL Group, launched the products at RFL Badda head office recently, said a press release.

“We hope customers will be able to protect their walls from any interior problem using our new paints and cellar,” he said.

The paints are made of special types of emulsions, said Kamrul Hasan, chief operating officer of Rainbow Paints.

Md Shahjahan, consultant of Rainbow Paints, Saleh Ahammad Chowdhury, general manager for research and development, Fahim Hossain, head of marketing, and Nazmul Akand, brand manager, were present.

Evergrande dodges default again

REUTERS, Singapore

Cash-strapped developer China Evergrande Group once again averted a destabilising default at the last minute, with a source on Thursday saying several bondholders had received overdue coupon payments.

Evergrande, the world’s most indebted developer, has been stumbling from deadline to deadline in recent weeks as it grapples with more than \$300 billion in liabilities, \$19 billion of which are dollar bonds.

Tax booths get lukewarm response

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The website of each tax region has the necessary information, including various forms related to income tax, circulars and guidelines, for filing returns.

Yesterday, this correspondent visited Tax Zone-10, located in the capital’s Segunbagicha. The booths, with clear Perspex sheets on the front, were set up in the office building’s garage, each with its own row for service seekers.

There are 1.54 lakh TIN holders, mostly doctors, under Tax Zone-10. Of them, over 50 per cent regularly file income tax returns.

Meeting up with one of them, Dr Habibul Haq of M Abdur Rahim Medical College Hospital in Dinajpur, gave a glimpse into the scenario.

“I came from Dinajpur just to submit the tax return. I did not face any problem. But I don’t see any difference be it a fair or not. However, due to the absence of a help desk, I had to face some difficulties,” he said.

Dr Tapos Kumar Roy, a taxpayer from the same zone, is the assistant registrar of Rangpur Medical College Hospital. “When I was transferred, I tried to transfer the TIN as well so that I could submit the return from there,” he said.

“But when I contacted the tax authorities, an official told me the TIN transfer was a hassle. So it is better to submit the return where you have opened the TIN. So just come to Dhaka to submit the return,” he added.

He said faïrs usually had bank booths where payments could be made but now there were only return booths, for which he had to travel elsewhere to make the payment. “This is a hassle,” he said.

“We have also received these allegations,” said Kamrul Hasan, deputy commissioner of taxes, of the zone.

He said it was not possible to provide all the fair’s services in the office garage. “And now we are providing services only with our own manpower. There is no extra manpower,” he said.

He said the TIN transfer process was not complicated and taxpayers just needed to better know about it.

An official of the tax zone said 15 to 20 returns were being submitted daily and the rate would increase after November 20.

Those who come last risk making a mistake so it is better to come early, he suggested.

Another official of Tax Zone-6 said they were receiving around 500 returns every day. He said the number of submission would increase at the end of the month.

Recently at a press conference, NBR Chairman Abu Hena Md Rahmatul Muneem said 13 lakh new e-TIN holders were registered in fiscal 2020-21, a 26 per cent year-on-year increase. At present, there are 68 lakh citizens with e-TIN.

“We are confident that we will be able to take the tax net to the desired level,” he said, hoping to launch a comprehensive tax payment service online.

Forex reserve drops to \$45b

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year as a part of its move to rein in the devaluation of the taka.

In addition, Bangladesh paid Asian Clearing Union (ACU) \$1.63 billion on November 4 to settle payments for imports, putting an adverse impact on the reserve.

The ACU is an arrangement by which the participants settle payments for intra-regional transactions among the participating central banks on a net multilateral basis.

Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of the Tehran-headquartered ACU that was established in December 1974.

The ACU payment needs to be settled every two months.

In September, the country paid the ACU

\$1.55 billion, according to data from the central bank. The reserve, however, stood at \$44.8 billion just after the payment was settled on November 4. It, however, inched up in the last couple of days.

The downward trend of remittances is another major cause behind the decrease in reserve.

Remittance fell 20 per cent year-on-year to \$7.05 billion in the first four months of fiscal 2021-22.

According to the balance of payments statement of the BB, the reserve stood at \$46.20 billion in September, which is good enough to settle import bills for 6.3 months.

As per the global practice, a country has to maintain a foreign exchange reserve capable of settling import payments of at least three months.