

Diplomatic efforts to protect garment export to EU

Tipu Munshi says govt will initiate talks soon

STAR BUSINESS REPORT

Bangladesh will expedite diplomatic efforts with the European Union for easing the proposed safeguard measures on textile and garment so that the shipment to the bloc remains unhurt, said Commerce Minister Tipu Munshi yesterday.

"We will start talking to the EU about the safeguard measure soon," he said while briefing reporters after a meeting with Charles Whitley, the newly appointed EU ambassador to Bangladesh.

"We will address different issues so that we qualify for the GSP Plus status after our graduation to a developing country from the least-developed country."

According to the proposed GSP Plus scheme, any single garment item that crosses 6 per cent of the total value of the garment items imported to the bloc will not enjoy the zero duty benefit and will rather face the usual 12 per cent duty.

The value of the total imported apparel from Bangladesh to EU countries has already gone past the threshold and now stands at more than 9.74 per cent if the import value of clothing items in 2019 is considered.

The new proposals could be adopted in the last quarter of 2022,

with the fresh 10-year GSP scheme becoming effective from January 2024.

"Since, the EU is the largest export destination for Bangladesh, we will start talking to them to have the market facility extended," said Munshi.

Currently, 58 per cent of the total export and 64 per cent of total garment items of Bangladesh is destined to the continent.

Bangladesh is expected to lose duty benefit in the EU as it is set to graduate from the LDC group in 2026. The EU will, however, continue the duty privilege up to 2029 to help the country absorb any shocks that may stem from the transition.

"Our expectation is that we will get more years to enjoy the duty privilege in the EU," said the minister.

In order to qualify for the GSP Plus status, countries will have to implement 27 international conventions related to human rights, labour rights, protection of the environment, and good governance.

One of the conditions deals with child labour issue, but Munshi said since Bangladesh had no child workers, the issue didn't come up for discussion during the meeting

with the EU envoy.

Munshi also hinted at reducing the price of edible oil as their prices were showing a downward trend in the international markets.

"There will have an impact on the prices of edible oil in the local markets as the prices of the cooking oil are declining in the international markets. However, it may take a while to have any major impact."

He attributed the price spiral in the global markets for the hike in the prices of four widely consumed basic commodities, namely sugar, edible oil, onion and lentil in Bangladesh.

A majority of the demand of the four items is met through imports as Bangladesh does not produce enough to cater to the growing demand.

The onion price has declined to some extent as the local variety has hit the market, said Munshi.

The National Board of Revenue has cut the VAT on the import of sugar to some extent in response to a recent request of the commerce ministry.

However, the request to slash the VAT on the import of edible oil has not been entertained.

"The government needs revenue as it is implementing a lot of mega projects," the minister added.



SM Ashrafur Islam

eGeneration gets new chairman

STAR BUSINESS DESK

SM Ashrafur Islam recently became chairman of eGeneration.

He has been serving the system integration and software solutions company as executive vice-chairman for five years.

Islam was engaged in developing and implementing eGeneration's long and short-term plans in accordance with its strategy along with the facilitation of business growth.

Islam has been working to revolutionise the digital transformation of Bangladesh through initiating and implementing several projects in government organisations.

He also worked as an additional secretary to the government and executive director of the Bangladesh Computer Council.

A renowned tech influencer in the country, he led a team of around 500 people for the execution of initiatives to materialise "Vision 2021: Digital Bangladesh".

US, Japan to rebuild trade ties with new forum, meetings

REUTERS, Washington

The United States and Japan announced on Wednesday a new trade partnership to boost cooperation on labor, environment and digital trade issues, with an emphasis on "third country concerns," a reference to China's state-driven economic policies.

US Trade Representative Katherine Tai, who is in Tokyo to meet with new Japanese government ministers, said initial meetings of the US-Japan Partnership on Trade would take place early in 2022, with periodic meetings on a regular basis.

"This partnership will deepen the cooperation between the United States and Japan that has defined our strong bilateral trade relationship," Tai said in a statement issued by her office in Washington.

"Our close collaboration will support the Biden-Harris Administrations economic framework for the Indo-Pacific and help create sustainable, resilient, inclusive, and competitive trade policies that lift up our people and economies."

USTR's statement made no mention of the new forum as a body aimed at negotiating new trade agreements between the world's largest and third-largest economies.

The United States and Japan are set to begin new talks to address concerns over US "Section 232" national security tariffs on steel and aluminum and curbing global excess capacity for the metals largely centered in China.

The talks follow a US quota deal with the European Union to allow around 4 million tons of EU-produced steel duty-free into the United States annually.

Japan has also sought to negotiate a broader agreement with the United States after striking a limited trade deal with former President Donald Trump in 2019 that staved off his threat of higher duties on imported cars, and to coax Washington into returning to a Pacific Rim trade pact.

Nagad offers up to 50pc cashback on mobile recharge

STAR BUSINESS REPORT

Nagad, mobile financial service of the Postal Department, has offered up to 50 per cent cash-back on recharges of all mobile operators in the country.

Grameenphone, Robi Axiata, Banglalink, and Teletalk customers can enjoy this facility while making prepaid recharge and paying postpaid bills from Nagad wallet, said in a press release.

The offer, which has been made valid from November 16, 2021, will continue until further notice.

Customers, however, must have an active Nagad account to avail of the offer.

The cashback will be available on the Nagad account against which the account has been opened or will be opened.

During the campaign, customers will be able to enjoy the offer more than once by meeting all the conditions on Nagad app or dialling *167#.

If considered as per the terms of the offer, the users will qualify for the cash-back even on the day the recharge is made, Nagad said.

ECB sees slowing vaccine tempo as risk to financial stability

AFP, Frankfurt

Low vaccination rates in some parts of the world are a future risk to financial stability, the European Central Bank said in a report on Wednesday, while the recovery from the pandemic has eased pressure on the economy.

The economic rebound from the coronavirus in the eurozone had "reduced many of our worst fears about economic scarring," ECB vice-president Luis de Guindos said in a statement.

But the "risks stemming from the pandemic have not disappeared entirely, not least because vaccination progress has remained slow in many areas of the world," de Guindos said in the foreword to the ECB's Financial Stability Review.

Widespread vaccination in Europe, where 64.9 per cent of the population has received two doses of the vaccine, had also reduced the continent's exposure to more shocks from the virus into 2022.

Yet uncertainty about the future course of the pandemic and the limits it might place on economic activity meant it remained "one of the main risks to economic growth", the report said.

At the same time, global supply bottlenecks and a sharp rise in energy prices on the continent had created new stresses for firms, producing a more sustained rise in prices that could "weigh on the economic recovery", according to the report.

The ECB also noted the risk of "pockets of exuberance" in credit, asset and housing, making the markets vulnerable to a correction, and the "high debt levels in the corporate and public sectors as a legacy of the pandemic".

After the conclusion of the COP climate conference last week, where countries agreed to a watered-down promise to "phasedown" the use of coal, the ECB report said "timely, concerted action" on climate change would limit risks for the financial system.

Rules take effect to streamline hiring of insurance agents

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Insurance at the University of Dhaka, said: "The main purpose of the rule is to popularise insurance and make all insurance companies sustainable."

"There are many irregularities in the insurance sector. As a result, many companies have lost the trust of the ordinary people."

Sheikh Kabir Hossain, president of the Bangladesh Insurance Association, said the government had enacted the regulations in the interest of the insurance sector.

A senior insurance agent of a life insurance company said it was good to set the qualifications.

"We try to hire people as agents who have at least completed graduation because an educated person will be in a better position to promote the company and sell policies." There are 32 life insurance companies and 46 non-life insurance in Bangladesh. They have covered 1.7 crore people through around 15 lakh agents.

NBR to recognise top VAT payers on Dec 10

HIGHEST VAT PAYERS	TRADING
Fiscal year: 2019-20	SM Motors
	AMCO Bajaj International
	Mabs Union Motors Ltd
MANUFACTURING	SERVICES
Aristopharma Ltd	Edotco Bangladesh Co Ltd
Square Toiletries Ltd	Grey Advertising (Bangladesh) Ltd
Maya Biri Factory	Robert Bosch (Bangladesh) Ltd

SOURCE: NBR

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The VAT, which is paid ultimately by consumers, accounted for 37 per cent of the total revenue collection of Tk 259,880 crore in fiscal 2020-21.

The revenue authority awards the highest VAT payers in three categories: manufacturing, trading and services.

The NBR said it finalised the largest VAT paying firms in line with a policy framed in 2005. The policy states that a firm would qualify if it pays 10 per cent higher VAT than in the previous fiscal year. Firms that face tax disputes, arrears and default loans with banks are not eligible for the award, according to the NBR.

At the regional level, the NBR named 24 firms as top VAT paying firms in districts under Dhaka division, the main industrial and trade centre of the country.

Indigenous 'ghani' lives on in Rangpur

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In fiscal 2019-20, it was 7.50 lakh tonnes from 5.68 lakh hectares of land.

Still every year, some 2.5 lakh to 3 lakh tonnes of mustard seed are imported. Currently, the annual demand for mustard oil stands at 1.5 lakh tonnes.

The residue of the crushed seeds is known as oil cakes. They are sold at Tk 30 a kg as animal feed.

While online shops sell branded and non-branded mustard oil in the range of Tk 240 to Tk 280 per litre, Birol sells his for Tk 360. He says his customers include people from Rangpur Cantonment, all seeking purity.

He believes his assurance of the product being pure and made right before their eyes would continue to ensure sales in spite of the high price.

Stocks maintain upward trend

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Meanwhile, Brac Bank, Beximco, Square Pharmaceuticals, Grameenphone and the Investment Corporation of Bangladesh erased around 21 points from the benchmark index, added its data.

Chittagong Stock Exchange (CSE) also underwent the same trend yesterday. The CASPI, the main index of the port city bourse, went up 3 points, or 0.01 per cent, to 20,642.

Among 289 stocks to undergo trade, 128 rose, 127 fell and 34 remained same.

Community Bank wins Infosys-Finacle Innovation Awards

STAR BUSINESS DESK

Community Bank Bangladesh Ltd has been declared as the winner of the globally acclaimed Infosys-Finacle Innovation Awards 2021 recently.

Infosys received 270 nominations in 10 categories from reputed banks all over the world, where Bangladesh Community Bank received three awards in different categories, a press release said.

"Leveraging on a cutting-edge core banking system developed by Infosys Finacle enabled us to offer customised solutions even under a stressed situation of Covid-19," said Masihul Huq Chowdhury, managing director of Community Bank Bangladesh.

The lender runs its commercial operation across the country with 18 branches.

Yellen warns US could again hit debt limit on Dec 15

AFP, Washington

The US government may run out of money by December 15, Treasury Secretary Janet Yellen warned Tuesday in a letter encouraging lawmakers to raise the country's debt limit to avoid a default.

Democrats and Republicans in Washington have squabbled in recent months over raising the legal limit on how much debt the United States can accumulate.

In October, they came within days of hitting the ceiling before agreeing to a \$480 billion stop-gap hike, which Yellen said would keep the government running until December 3. In a letter to House Speaker Nancy Pelosi, the Treasury secretary extended her prediction for when the deadline would be hit by about two weeks. But she warned: "there are scenarios in which Treasury would be left with insufficient remaining resources to continue to finance the operations of the US government beyond this date."

"To ensure the full faith and credit of the United States, it is critical that Congress raise or suspend the debt limit as soon as possible," Yellen wrote.

The latest imbroglio comes in the midst of long-running negotiations over Democratic President Joe Biden's "Build Back Better" plan to invest \$1.85 trillion in American social services and education.

The Republican minority in Congress opposes the measure, and has said it will not agree to debt ceiling increases to pay for it, although much of the debt the US government takes on funds outlays approved by prior Democratic and Republican administrations.

Improve facilities, ease of doing business to attract more FDI

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best to unleash their global and domestic competitiveness, taking into account global trends, Bangladesh's diversification needs and national priorities.

Moreover, it highlights fundamental strengths of the country's private sector.

The country's 8th Five-Year Plan aims to accelerate economic development and align it with its ambitions through stronger trade and investment.

In accordance with the plan, the amount of FDI targeted to be attained by 2025 will increase by six times, export by 66 per cent and the private investment to GDP ratio by 15 per cent.

The FICCI also said now Bangladesh has to perform better in certain areas and the vital role would be to expand FDI and step up revenue mobilisation and economic diversification to attain these targets.

Thus, the goal is to provide insight into these markets, which can be strengthened and improved for export markets in light of the best practices of successful countries, relevant gaps, policies and market activities, which would eventually assist in closing

these gaps and unlocking the potential.

Addressing the programme, N Rajashekar, country officer of Citi Bank, said the FICCI has plans to continue the momentum of three growth drivers to bring in more FDI and be more engaged with the government.

He also said foreign investors were jointly working for the economic growth of Bangladesh, actively participating in over 21 sectors.

The FICCI members account for 30 per cent of the government's internal revenue, which is 90 per cent of the FDI in Bangladesh, created 156,000 opportunities for direct employments and spent Tk 104.2 crore in corporate social responsibility activities during the pandemic.

Among others, Shwapna Bhowmick, country manager for Bangladesh and Myanmar at Marks and Spencer; M Masrur Reaz, founder and chairman of the Policy Exchange of Bangladesh; Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh; and Deepal Abeywickrema, managing director of Nestle, addressed the programme.

Familiar taxpayers top NBR honours list

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Ltd, and Investment Corporation of Bangladesh as well as Delta Brac Housing Finance Corporation became top taxpayers in the non-banking financial institution category.

The NBR started honouring top taxpayers in 2010-11, beginning with the top taxpayers in two categories -- individuals and companies. It aimed to encourage compliance in the country where just over 1 per cent of the population file returns and tax avoidance is believed to be high.

Grameenphone Ltd, the largest mobile phone operator in Bangladesh, became the top taxpayer in the telecommunication segment, while Uttara Motors, Bangladesh Machine Tools Factory Ltd, and Uttara Automobiles in the engineering category.

Nestlé Bangladesh, Olympic Industries Ltd, and Pran Dairy Ltd topped the taxpayers in the food and allied category.

Akij Jute Mills, Ahyon Jute Mills, and IR Khan Jute Mills Ltd were named as the largest taxpayers in the jute industry

category, while Coats Bangladesh, Badsha Textiles Ltd and Noman Terry Towel Mills won the accolade in the spinning and textile category.

Unilever Bangladesh, Square Pharmaceuticals, Incepta Pharmaceuticals and Renata Ltd were the largest taxpayers in the medicine and chemistry category.

Universal Jeans, Youngone Hi-Tech Sportswear Industries, Zaber & Zubair Fabrics, Rifat Garments, Square Fashions, GMS Composite Knitting, and Ha-Meem Denim were named as the top taxpayers in the readymade garment category.

Bata Shoe Company (Bangladesh) Ltd, Apex Footwear, and Lalmai Footwear won the honour in the leather industry category.

British American Tobacco Bangladesh, American Life Insurance Company Ltd, Sadharan Bima Corporation, Power Grid Company of Bangladesh, Asa, Sena Kalyan Sangstha, and Buro Bangladesh will also be recognised as the top taxpayers.

The NBR authority is expected to honour the highest taxpayers with cards and crests next week.