

ICAB honours 36 corporates for best annual reports



Recipients of the 21st ICAB National Award for Best Presented Annual Reports, Integrated Reporting and Corporate Governance Disclosures pose with Tipu Munshi, commerce minister, and Mahmudul Hasan Khusru, president of the Institute of Chartered Accountants of Bangladesh (ICAB), at the Pan Pacific Sonargaon hotel in Dhaka yesterday.

STAR BUSINESS REPORT
An ICAB National Award was presented to 36 entities by the Institute of Chartered Accountants of Bangladesh (ICAB) yesterday for their best presented annual reports, integrated reporting and corporate

governance disclosures in 2020. Commerce Minister Tipu Munshi handed over the awards at Pan Pacific Sonargaon Dhaka. This year, the ICAB and Chairman of Review Committee for Published Accounts and Reports received annual reports from 72 entities.

The award was given in 14 categories. The infrastructure and construction category could not be considered as no participant was able to attain the threshold score for qualification. Among the first prize winners

are Summit Power (power and energy), ACI (diversified holdings), Grameenphone (communication and information technology), Unique Hotel and Resorts (service) and Golden Harvest Agro Industries (agriculture).

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FDI imperative for Bangladesh: gains and strategic options



M MASRUIR REAZ

Over the past five decades, Bangladesh managed to transition to an increasingly manufacturing-based and service-oriented economy and fared well in social indicators. It has registered average gross domestic product (GDP) growth rates of more than 6 per cent in the last 10 years and over 8 per cent in the fiscal year 2019.

The poverty rate dropped from 31.5 per cent in 2010 to 21.8 per cent in 2018, a significant step toward reaching the Sustainable Development Goal target of eradicating extreme poverty by 2030.

The success of a persistent and sturdy growth rate is based on real structural transformation, growing private sector engagement, export-oriented industrialisation, vibrant rural economy, and steady development outcomes. In February 2021, Bangladesh secured final nod to graduate from a least-developed country to a developing country which will take place in 2026.

The economic downturn from the coronavirus pandemic poses multidimensional challenges for Bangladesh that may span over the medium and long-term horizon. However, it seems a major casualty of the downfall will likely be private investment, particularly foreign direct investment (FDI). An UNCTAD assessment suggests that the global FDI contracted by a large margin of 42 per cent in 2020, the magnitude of the fall being one of the largest in last many decades.

Such challenges emerge at a time when Bangladesh is in need to enhance its FDI more than ever before. There are several compelling reasons for this. First, according to the 8th Five Year Plan, Bangladesh needs to step up the pace of growth to more than 8 per cent if it has to move towards upper middle-income country by 2031.

It is important for the economy to have increased levels of FDI because it can't only help create the much required employment for Bangladeshi youths but also support

in augmenting domestic capital, help in transfer of new technology and products, facilitating access to new and large foreign markets, and provide training of local workforce by upgrading their technical and managerial skills, hence making them more efficient and productive.

Impressive economic and human development gains provide strong headroom for growth in FDI

The importance of Bangladesh raking in higher levels of FDI is paramount, especially when the country aspires to become an upper-middle-income country by 2031 and a developed country by 2041. For this to materialise, private investment-to-GDP ratio needs to rise to 27 per cent. However, the last decade has witnessed this ratio being stagnant at 22 to 23 per cent.

Additionally, FDI over the last decade has averaged 1.1 per cent of GDP, whereas comparator countries like Vietnam and Malaysia have fared better with 6 per cent and 3.4 per cent, respectively.

Building on its economic and human development strengths, Bangladesh has ample headroom to bring in more diversified sectors as candidates for FDI as



OPINION

the lion share of FDI is concentrated within a narrow spectrum of industries such as power, banking, food, telecommunications and textile and weaving over the past several years. FDI can provide much-needed impetus to growth drivers

The impressive economic and social progress Bangladesh secured had much to gain from increasing number of higher-waged jobs, exploitation of international market through increasing exports, spill-over effects in manufacturing from the RMG sector, and improvement in rural and energy infrastructure.

In the recent years, some of these growth drivers have come under pressure. Job-drivers such as exports are decelerating and FDI can help provide employment to over 20 million youths that are expected to enter the labour force in the next decade.

One of the prerequisites to Bangladesh attaining sustained 8 per cent growth trajectory is a higher degree of economic diversification. However, diversification remains elusive and one key reason is a lack of adequate infrastructure.

READ MORE ON B2

Dhaka chamber opens DCCI Gulshan Centre

STAR BUSINESS REPORT
The Dhaka Chamber of Commerce and Industry (DCCI) yesterday inaugurated its extended office, called the "DCCI Gulshan Centre", to render business related services to its members in the quickest possible time.

Commerce Minister Tipu Munshi inaugurated the new office space at the chamber's own premises in Dhaka's Gulshan, according to a statement from the DCCI.

The country's entire business community is working together to achieve Vision 2041, Munshi said at the inauguration.

Bangladesh's economy is an

agro-based economy and it needs to give emphasis on this sector, including diversification.

"Moreover, we need to strengthen our small and medium enterprises (SMEs) for better expansion of our economy," the commerce minister added.

Munshi went on to say the new extension of DCCI in the north side of the city is a reflection of its strength and he hopes that the chamber will be able to serve the business community more in the days to come.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said Bangladesh still lags behind in the logistics sector, but it

is necessary to prioritise the sector to attract foreign direct investment.

Uddin also said removing traffic congestion on the Dhaka-Chittagong highway and ensuring faster services at sea ports will help boost the economy. He sought cooperation from the commerce ministry to strengthen chamber bodies and sectoral associations.

"In order to achieve the goal of becoming a developed country and face the challenges of LDC graduation, we have to give more focus on different promising business sectors."

He is hopeful that the DCCI Gulshan Centre will extend better services not only to its own

members, but also the overall business community.

DCCI President Rizwan Rahman said the main objective of establishing the DCCI Gulshan Centre is to provide wide ranging and faster membership services as well as disseminating business information to the business community.

"SMEs are the lifeline of our economy and to face the upcoming challenges of LDC graduation and economic growth we need to facilitate this sector," he added.

NKA Mobin, senior vice-president of the DCCI, Monowar Hossain, vice-president, and former presidents of the chamber were also present at the ceremony.

GLOBAL BUSINESS

Facebook inching towards metaverse

Opens virtual world app to public

AFP, Washington

Facebook's parent firm opened its Horizon Worlds virtual reality platform on Thursday to the public in North America, in a step toward building its metaverse vision for the future.

Horizon Worlds is far from a fully realized metaverse, a future internet where online experiences like chatting to a friend would eventually feel face-to-face thanks to virtual reality (VR) headsets.

But headset-wearing users in the United States and Canada can now gather with friends or others, play games and build their own virtual worlds on Horizon as long as they are 18 years old and have the proper equipment. Since last year a testing version of the platform has been available to a limited number of users.

Facebook renamed its parent company to Meta in October to emphasize its aim to shift from scandal-prone social media platform to its virtual reality vision for its future. "We want Horizon Worlds to be a safe and respectful environment, so everyone must follow our Conduct in VR Policy," Meta said in announcing the opening.

"You have several safety options... which



lets you take a break and then block, mute or report people," it added.

Meta-owned platforms Facebook and Instagram have been fighting to put behind them a crisis unleashed in September by reams of internal studies leaked to journalists and US authorities by whistleblower Frances Haugen.

The documents underpinned damaging articles that generally argued the firm knew its products could harm users, but chose growth over safety.

The firm's metaverse push also includes tools for remote working, which has boomed during the pandemic.

Facebook in August unveiled technology for "workrooms," allowing remote collaboration for people using its Oculus virtual reality gear.

US inflation surges to near 40-year high, testing Biden



AFP

The month-on-month rate of consumer price inflation in the United States also decelerated slightly to 0.8 per cent, but that was nonetheless higher than expected.

AFP, Washington

US consumer prices rose last month at a rate not seen in nearly 40 years, the government reported Friday, underscoring how inflation threatens the world's largest economy and President Joe Biden's public support.

The Labor Department's consumer price index (CPI) jumped 6.8 percent compared to November of last year, its biggest gain since June 1982 as prices for gasoline, used cars, rent, food and other goods continued to climb.

While the report contained signs that the inflation wave may be reaching a crest, it nonetheless poses a political liability for the president, with the Republican opposition using it to argue against his economic policies.

Biden countered that the report did not encompass recent declines in prices of energy and used cars -- two main drivers of the high inflation readings seen this year -- and that supply chain issues which have driven prices higher are being resolved.

"Today's numbers reflect the pressures that economies around the world are facing as we emerge from a global pandemic -- prices are rising," Biden said in a statement.

He added that "price and cost increase are slowing, although not as quickly as we'd like," but later acknowledged inflation was "a real bump in the road."

Top Senate Republican Mitch McConnell blamed the White House for the price spikes, saying that the data "confirm what every American family already knows:

Inflation is out of control on the Democrats' watch."

Gasoline prices rose 6.1 percent last month, while prices of used cars climbed 2.5 percent, according to the CPI report.

However, those were both the same increases as in October. The month-on-month rate of consumer price inflation also decelerated slightly to 0.8 percent, but that was nonetheless higher than expected.

Biden made fighting inflation a top priority last month after the CPI in October saw its sharpest annual increase since 1990.

That surprised analysts and gave Republicans ammunition to use against Biden's landmark Build Back Better plan, which would spend \$1.8 trillion on improving social services and fighting climate

change but faces a tough road in Congress, which his Democrats control by a narrow margin.

A variety of factors have caused the price increases, including shortages of components and workers, high demand for goods and rebounds in industries that were disrupted by the Covid-19 pandemic but are now recovering with the help of vaccines.

The degree to which Biden deserves blame for the inflation spike is the subject of debate.

Mickey Levy, chief economist covering the Americas and Asia at Berenberg Capital Markets, pointed to the supply bottlenecks, the Federal Reserve's low interest rate policies and pandemic recovery legislation enacted under Biden and his Republican predecessor Donald Trump.

Spain to cut taxes for digital nomads

AFP, Madrid

The Spanish government adopted Friday measures to attract so-called digital nomads -- remote tech workers who can do their job from anywhere with a good internet connection.

A growing number of countries are seeking to lure digital nomads with easy visa conditions and tax breaks as they can help boost the local tech start-up scene.

The Spanish measures, which will allow arriving digital nomads to use a non-resident tax status with lower rates for five years, will form part of wider legislation meant to help start-ups, including fiscal incentives for investors.

The legislation will "attract and retain

international and national talents" by helping "remote workers and 'digital nomads' set up in Spain," the economy ministry said in a tweet.

Spanish expatriates who have been abroad for more than five years are also eligible for the programme.

The widespread adoption of remote working during the coronavirus pandemic has opened up the possibility for more workers to relocate far from home.

Earlier this year Croatia adopted a measure offering a one-year visa to digital nomads and exempting them from income taxes.

Georgia, Thailand, Iceland and Costa Rica also have measures in place for digital nomads.