

Scope for remittance cash incentive widens

STAR BUSINESS REPORT

Expatriate Bangladeshis will enjoy 2.5 per cent cash incentive if they remit five categories of service benefits in the form of remittance through formal channels, said the central bank yesterday.

The categories are retirement benefits such as pension fund, provident fund, leave salary, bonus and other gratuities, and retirement benefit paid by employers, according to a Bangladesh Bank notice.

No specific clause has been included in the finance ministry's guideline on the incentive for remittances whether the expatriates would qualify for the facility, a BB official said.

A central banker says some banks have recently wanted to know about the matter. So, the BB had requested the finance ministry to clarify the issue.

Subsequently, the finance ministry included the categories in the list of the beneficiaries.



The expatriates earlier did not have to state the source of income under the categories while sending remittances. But the BB has instructed banks to ensure the source of funds before extending the cash incentive.

In addition, the foreign currencies sent by remitters have to be converted into the local currency.

The latest move will help increase the flow of remittances, which are facing a downward trend.

Remittances narrowed 21 per cent year-on-year to \$10.23 billion in the second half of 2021, prompting the central bank to raise the cash incentive to 2.5 per cent from 2 per cent to maintain a healthy foreign currency reserves against surging imports.



Businesses believe the latest developments will enhance the positive image of the Chattogram port, the country's premier seaport, in the global maritime sector. PHOTO: STAR/FILE

Bangladesh's territorial waters saw no piracy in 2021: reports

DWAIPAYAN BARUA, Ctg

No vessel, be it domestic or foreign, fell victim to theft or piracy within Bangladesh's territorial waters according to published recently reports of two international organisations which disseminate related information.

This can be attributed to coordinated surveillance and patrols being beefed up as well as prompt response from the authorities.

Port users believe this will enhance the positive image of the Chattogram port, the country's premier seaport, in the global maritime sector.

One report is of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) while the other of ICC International Maritime Bureau (IMB).

Both found a decrease in piracy incidents across the world in 2021 compared to the previous year.

The ReCAAP published its annual report on "Piracy and Armed Robbery against Ships in Asia" on Tuesday.

It recorded 82 incidents of armed robbery against ships in Asia in 2021, which is a 15 per cent year-on-year decrease.

The reduction was mainly witnessed in Bangladesh, India, Indonesia, Malaysia, the Philippines, Vietnam, South China Sea and

the Sulu-Celebes Seas.

In Bangladesh, no incident of piracy was recorded in 2021 whereas it was five in 2020.

In neighbouring India, five incidents were reported in 2021 and nine in 2020.

In Singapore Strait, armed robbery against ships increased to 49 incidents from 234 in 2020.

"Bangladesh had zero incident reported in 2021, due to enhanced surveillance and patrols at the Chattogram Anchorage areas and in the other waters," said the ReCAAP.

The IMB published its annual report on "Piracy and Armed Robbery Against Ships" last week.

It recorded 132 actual and attempted incidents of piracy across the world in 2021, compared to 195 in the previous year.

The IMB report found zero such incidents in Bangladesh in 2021 and two in 2020.

Bangladesh Shipping Agents Association Chairman Syed Mohammad Arif termed the news a big achievement for the seaport.

Several years back, many incidents of piracy used to occur at the outer anchorages and mariners used to express unwillingness to come here, he said.

Such good image of the port would surely increase confidence among the mariners of foreign vessels calling at the Chattogram port while vessels' insurance

premium will go down, eventually reducing cost of freight, he said.

Chittagong Port Authority (CPA) Chairman M Shahjahan said the port territory was under round-the-clock surveillance under a Vessel Traffic Management Information System equipped with CCTV cameras and radars.

"Whenever any suspicious movement is found near the vessels mostly anchored at the outer anchorage and Kutubdia, we immediately inform the coast guard and they promptly respond," he said.

Moreover, Bangladesh Navy, which maintains surveillance over the maritime territory, also comes forward in any need, he informed.

Shahjahan said ensuring security was a challenge since the port's territory was recently enhanced up to Mirsarai some 20 nautical miles to the north and up to Moheshkhali some 40 nautical miles to the south.

CCTV coverage has also been widened from Fozderhat to Kutubdia while the remaining areas will be covered within this year.

Bangladesh Coast Guard East Zone Commander Captain Kazi Shah Alam said they were equipped with adequate offshore and inshore patrol boats and a number of high-speed boats to monitor and ensure security in the economically important maritime territory.

Unilever's Sakshi recognised as global HR leader in Bangladesh

STAR BUSINESS DESK

Sakshi Handa, human resources director of Unilever Bangladesh, has been recognised as the top most global human resource leader in Bangladesh by World HRD Congress.

Endorsed by CHRO Global and World Federation of HR Professionals, the congress gave the certification to Sakshi for her excellent contribution and professional achievements in the field of human resource development, especially in Bangladesh, according to a statement.



She will officially be conferred the award at the 30th edition of the World HRD Congress and Awards Ceremony to be held in March at Mumbai in India this year.

"I believe in the power of compassionate leadership, empowering my team to lead with an employee-centric approach and making the HR function a strategic partner to the business," Sakshi said.

With 17 years of HR experience, Sakshi Handa is the HR director at Unilever Bangladesh since September 2019.

A proud alumnus of 'DPS RK Puram', Sakshi earned her master's degree from the Tata Institute of Social Sciences in Mumbai and bachelor's from Indraprastha College for Women, Delhi University.

Canadian inflation hits 30-year high

AFP, Montreal

Consumer prices in Canada exploded to a 30-year high in December, partly due to supply chain disruption, Statistics Canada said Wednesday.

"The Consumer Price Index (CPI) rose 4.8 per cent on a year-over-year basis in December, up from a 4.7 per cent gain in November," the national statistics agency said in a statement.

The increase was 4 per cent year-over-year when excluding gasoline. The increase marked the largest in the country's CPI since September 1991.

"Inflation rose to a 30-year high of 4.8 per cent in December but is now close to a peak," Capital Economics economist Stephen Brown said.

"We expect it to remain near its current level in the first quarter, before it falls sharply over the remainder of the year," he added.

According to Desjardins group economist Jimmy Jean, "there are still good reasons to think that the Bank of Canada will entertain hiking" the key interest rate soon.

Food items saw their biggest price jump since December 2011, with a 5.7 per cent year-on-year increase.

China cuts key rates, steps up monetary stimulus

REUTERS, Shanghai

China lowered mortgage lending benchmark rates on Thursday as monetary authorities step up efforts to prop up the slowing economy, after data earlier in the week pointed to a darkening outlook for the country's troubled property sector.

The cut to the one-year and five-year loan prime rates (LPR) followed surprise cuts by China's central bank on Monday to its short- and medium-term lending rates, and came days after the central bank's vice governor flagged more moves ahead.

With the property sector's downturn seen persisting into 2022 and the fast-spreading Omicron variant dampening consumer activity, many analysts say

those easing measures will be necessary, even as other major economies, including the United States, appear set to tighten monetary policy this year.

December economic data showed further weakening in consumption and the property sector, both major growth drivers. At a monthly fixing on Thursday, China lowered its one-year loan prime rate (LPR) by 10 basis points to 3.70 per cent from 3.80 per cent.

The five-year LPR was reduced by 5 basis points to 4.60 per cent from 4.65 per cent, its first cut since April 2020.

China's central bank "should hurry up, make our operations forward-looking, move ahead of the market curve, and respond to the general concerns of the market in a timely manner," said a banker.

Govt plans to borrow \$313m

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Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, an independent think-tank, says the standard international practice is that a country can lend from the reserves, but the disbursed amount should no longer be counted as part of the reserves.

"But we are considering it as part of the reserves. As a result, our reserves are being artificially inflated," he said, adding that the disbursed amount should be deducted while calculating the reserves.

The current reserves of Bangladesh are \$44.99 billion, down from \$46.39 billion in June.

Reserves may decline over the medium term due to expected normalisation in remittance inflows, no substantial pick-up in foreign direct investment,

an increase in imports, and the limited exchange rate flexibility, according to the IMF.

The IMF's warning is pertinent and many countries are struggling for a lack of adequate reserves.

Turkey is an example of how foreign reserves can drastically deplete. Its net international reserves fell below \$8 billion on January 12, in comparison to \$41.13 billion in 2019.

This led the country to sign a \$4.9 billion currency swap agreement with the United Arab Emirates, Qatar, South Korea and China to prop up reserves.

Sri Lanka's official reserves stood at a meagre \$3.1 billion at the end of December. It also struck currency swap deals with India and Bangladesh.

Pakistan's foreign exchange reserves fell to \$17.6 billion in the week ending January 7.

176 businesspeople

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a circular although the FBCCI demanded that the government not classify bank loan in 2022 considering the Covid-19 fallout.

Uddin said the decision of reduction of single borrower exposure limit to 25 per cent of the bank's capital from 35 per cent would affect the business as credit growth would be reduced.

He also said nobody was consulting with the FBCCI and commerce ministry when taking such decision.

Auditing by Financial Reporting Council will also affect business, said Uddin, adding that Bangladesh was not yet ready to abide by associated rules.

Speaking on behalf of the status recipients, Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said in fiscal year 2020-21 export earnings stood at \$38.7 billion.

At the end of the current fiscal year, merchandise export may cross \$50 billion, he said.

Targeting to take export earnings to \$80 billion by

2024 is practical as the trend is very much showing positivity, he added.

Tapan Kanti Ghosh, senior secretary to the commerce ministry, suggested businesspeople take preparations as the government was also taking measures to face challenges of the 2026 graduation from least developed to developing country.

"I am hopeful that we can achieve the export target at \$51 billion at the end of the current fiscal year and \$80 billion at end of 2024," said Munshi.

"Work orders are shifting from China and Vietnam as they have a shortage of workforce," he said.

The CIP status will be valid for one year. However, the CIPs can use the cards until the next group is named.

On expiry of the validity, those will have to be returned to the commerce ministry, said a gazette.

In case of nominated directors of the FBCCI, the CIP cardholders will be able to enjoy the benefits of the status as long as they

remain in the trade bodies or until announcement of the next status, whichever is applicable, said the gazette.

Every CIP will get to enjoy some government-sponsored benefits such as being able to enter Bangladesh Secretariat using vehicle stickers and get invited to national programmes and receptions accorded to citizens by city corporations and municipalities.

The foreign ministry will send letters of introduction to embassies concerned in favour of the CIPs whenever they travel abroad while the CIPs can also enjoy VIP lounges at airports.

The CIPs will also get priority in booking seats in public transport like airlines, railway, buses and water vessels, the gazette also said. Moreover, their children and wives can avail cabins in public hospitals on a priority basis.

AHM Ahsan, vice-chairman of the EPB, and Naaz Farhana Ahmed, president of the Dhaka Women Chamber Of Commerce and Industry, also spoke.

Tk 39,000 salary for entry-level

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of some private banks. The directive comes as the central bank found that some banks are fixing salaries of entry level positions as per their wish instead of based on merit. Besides, their pay is very low compared to the salaries of bankers working in top positions.

"Such an unusual disparity is not acceptable at all," Bangladesh Bank said. "It was also observed in some banks that salaries vary among officials working in the same capacity."

The central bank went on to say that motivation and commitment to work does not grow among bankers because of salary discrepancies for their failure to attain targets, or on the grounds of inefficiency.

"As a result, various complications such as inefficiency, unfair competition and moral degradation are emerging, which is a barrier to proper human resource development and governance and detrimental to bank companies," the central bank said.

Citing these issues, Bangladesh Bank suggested banks rationalising the difference between the salaries of top officials below the position of chief executive officer with that of the lowest grades.

Similarly, the salaries of all officials should be fixed proportionately, it added.

Once the new structure is in effect, the salary of any official must not be below the amount the person already gets under any

circumstance, the central bank said.

It also barred banks from giving deposit collection targets to bankers as a precondition for annual increments or making the job permanent.

"No one can be sacked or deprived from promotions on the excuse of their failure to achieve targets," it said.

The central bank also mentioned that the opening salary of support staff, messengers, cleaners, security guards, or equivalent positions, should be Tk 24,000.

The directive will not be applicable for state banks though as the salaries of the relevant officials are fixed based on a pay scale, Bangladesh Bank said.

As of June 2021, the banking sector employed a total of 186,784 people.

Relaxed loan

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another two years, given that they paid 5 per cent of their total loan instalments payable last year.

Bangladesh Bank issued the notice as per instructions from the finance ministry, according to a central bank notice.

A central bank official said the shipbuilding industry fell into crisis once again since 2020, soon after the business

slowdown was brought on by the coronavirus pandemic.

For this reason, the relaxed facility given to shipbuilders has not created any effectiveness in the wake of the pandemic.

Against this backdrop, the finance ministry further extended the relaxed loan facility to the moribund shipbuilding industry.