Star BUSINESS

State banks' recruitment tests deferred

STAR BUSINESS REPORT

The Bangladesh Bank has postponed state banks' recruitment tests scheduled to start from February 1 due to the recent spread of the coronavirus pandemic.

All types of job tests for the lenders – multiple choice questions, written and viva – will remain suspended until further notice in order to contain the third wave of the pandemic, according to a central bank notice released yesterday.

The Bankers' Selection Committee Secretariat of BB organises the recruitment tests for the country's state banks.

The notice requested the jobseekers to take preparation such that they can sit for the exams just after the new dates are declared.

Satellite Company gets 5-yr tax break

SOHEL PARVEZ

Bangladesh Satellite Company has been exempted from tax payments for five years from now on income generated by Bangabandhu Satellite-1, Bangladesh's first geostationary communication satellite launched nearly four years ago.

The National Board of Revenue (NBR) offered the tax break in a notification issued last week.

However, the state-run company has to properly maintain accounts and timely submit income tax returns, it added.

The move coincides with the company taking up plans to launch Bangabandhu Satellite-2, an earth observatory

READ MORE ON B3

INVESTING ABROAD

WHAT EXPERTS SAY...

- Time-befitting decision
- Investment ceiling should be lowered for 2yrs
- Scrutiny panel shouldn't change investment ceiling
- BB should have a mechanism to monitor investment

INVESTMENT SO FAR

- **16** firms so far got nod for foreign investment
- BB allowed them to invest $**59.9**m

GUIDELINES: AT A GLANCE

- Only export-oriented firms can invest abroad
- Local ventures can set up subsidiaries
- Local firms can purchase shares of foreign companies
- 20pc of five-year average annual export receipts can be invested
- Scrutiny panel can lower or raise investment ceiling if necessary
- No defaulter will be allowed to invest abroad

Finally, businesses get guidelines to invest abroad

Govt moves for partial capital liberalisation

STAR BUSINESS REPORT

The central bank yesterday issued rules allowing local firms to invest in other countries in a major move towards capital liberalisation that will enhance the country's export prospects and create jobs for Bangladeshis abroad.

The Bangladesh Bank has so far permitted 16 companies on a case-to-case basis to open subsidiaries in countries such as Malaysia, Singapore, Ethiopia, and Kenya. Since 2014, the BB has allowed them to invest $59.9 million abroad.

Now, businesses will be able to invest abroad 20 per cent of their average exports in the previous five years or 25 per cent of net asset values based on the latest audited reports, whichever is lower.

However, only export-oriented firms will be allowed to make the investment in other countries, according to a guideline, issued on January 16.

Exporters and economists welcomed the move.

In order to qualify, exporters will need to have an adequate balance in their export retention quota (ERQ) accounts, where entrepreneurs keep a portion of their export proceeds in foreign currencies.

Before giving any consent, the BB will take into consideration whether the potential foreign investments will give a boost to the country's exports.

Prospective firms will have to have a specific proposal to employ workers from Bangladesh, according to the guideline.

Countries usually restrict the number of employees a firm can take in from other countries. In such a situation, firms will have to appoint the highest number of employees from Bangladesh following rules.

Companies have to be solvent financially as per their audited financial statements in the last five years and secure at least a credit rating grade of two in line with the guidelines on the risk-based capital adequacy drawn up by the BB.

No defaulter will be allowed to invest abroad.

Priorities will be given to the investment bids in the nations with which Bangladesh has bilateral treaties on investment and development.

Investment proposals aimed at the countries that have been slapped with sanctions or restrictions by the United Nations, the European Union and the Office of Foreign Assets Control of the US will not be entertained.

Investors seeking to do business in other countries identified as the destinations for illegal transactions by the Financial Action Task Force, a Paris-based intergovernmental body combating money laundering, will not get the permission as well.

Firms will have to take approval from the BB if they want to purchase or sell any portion of their shares from foreign companies and ensure the prices of the shares by appointing well-reputed investment banks or chartered accountant farms.

A nod from the BB will require if firms intend to go public in the host countries.

Companies will have to repatriate the money immediately to Bangladesh if they face liquidation or wrap up operations.

Firms will have to submit a certificate to the central bank, stating that they do not have any unsettled import payments and all documents related to the tax and

READ MORE ON B3

External debt repayment rises 16pc

REJAUL KARIM BYRON *and* DWAIPAYAN BARUA

Bangladesh's external debt repayment has increased gradually in recent times aided by an inflow of a huge amount of foreign loans from multilateral and bilateral partners in the forms of project aid and budget support.

The servicing of foreign debt including interest and principal amount saw an increase of around 16 per cent in the first six months of the current fiscal year.

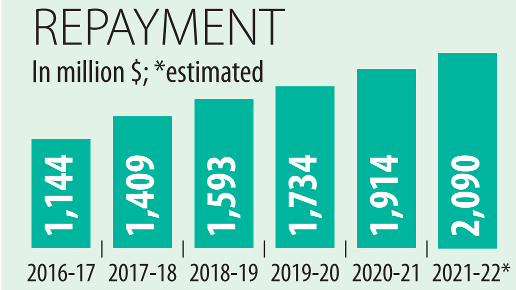
Bangladesh repaid $1.04 billion to external lenders between July and December, data from the Economic Relations Division (ERD) showed. The amount was $900 million in the same period a year ago.

The government has set aside $2.09 billion to service external debts for the current fiscal year of 2021-22.

It paid back $1.91 billion in FY21. The principal amount was $1.42 billion and the interest was $496.18 million.

FOREIGN LOAN REPAYMENT

In million $; *estimated



SOURCE: FINANCE MINISTRY

The loan repayment has accelerated in recent period thanks to a huge inflow of foreign loans in the past decade.

Development partners committed $61.99 billion in the five years to 2020-21 or $12.39 billion per fiscal year on average. Disbursement totalled $31.56 billion during the period, averaging $6.31 billion a year.

The amounts of commitment and disbursement of foreign assistance in FY21 were $9.35 billion and $7.21 billion, respectively.

For Bangladesh, most of the foreign loans are medium- and long-term, are usually concessional in nature, and have a minimum repayment period of 20 years.

The loans against which principals are currently being paid were secured 20 to 30 years

READ MORE ON B2

STOCKS

DSEX ▼	CSCX ▼
0.06%	0.04%
7,027.55	12,366.38

COMMODITIES

Gold ▼	Oil ▲
$1,804.38 (per ounce)	$88.45 (per barrel)

CURRENCIES STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	85.05	94.80	113.46	13.16
SELL TK	86.05	98.60	117.26	13.83

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.00%	▼ 3.11%	▼ 0.35%	▼ 1.78%
57,276.94	26,170.30	3,260.03	3,394.25

The roof trusses, which are prefabricated structures designed to support roofs, of this station of the Dhaka metro rail project were made locally by McDonald Steel Building Products. The photo was taken near Mirpur 10 in the capital recently. PHOTO: PALASH KHAN

Local steel products shaping metro rail

JAGARAN CHAKMA

While foreign construction firms are using imported prefabricated modular units of steel in the country's mega projects, Dhaka Mass Transit Company is using that made locally in the metro rail project, resting assured of their international standard.

In case of the steel rods being used in the projects, almost all are being supplied by local manufacturers.

McDonald Steel Building Products received orders for 14,000 tonnes of steel products for installation at the metro rail's16 stations.

The company has set up a dedicated production line to make the products, including roof trusses, which are prefabricated structures designed to support the roofs.

The products have already been installed in 11 stations, said Managing Director Md Sarwar Kamal.

According to him, Japanese experts are supervising the manufacturing process while random samples are tested at a laboratory of the Bangladesh University of Engineering Technology prior to installation.

Moreover, a team of experts headed by late Prof Jamilur Reza Choudhury had recommended using their products on testing the quality.

MAN Siddique, managing director of the transit company, said the local products were recommended by consultants satisfied of their top grade and using those gave confidence to the local manufacturers and was a matter of pride for the country.

Bangladeshi manufacturers can provide all types of steel products of international standard as they used European and Japanese equipment and world class raw materials, said Jowher Rizvi, president of the Steel Building Manufacturers Association of Bangladesh.

Bangladeshi manufacturers can provide all types of steel products of international standard as they use European and Japanese equipment and world class raw materials, says an expert

The government is allowing the foreign construction firms to import the prefabricated steel sections duty free, which erodes the competitive advantage of local industries, he told The Daily Star.

All such products being used in the construction of the Padma bridge and Hazrat Shahjalal International Airport's third terminal can be supplied by local manufacturers, said Rizvi, also chairman of PEB Steel Alliance.

"It is good news that Bangladeshi company McDonald Steel Building Products is providing roof trusses for the metro rail stations, which proves that local manufacturersare capable of producing world-class products," he said.

Syed Ershad reelected as AmCham president

STAR BUSINESS REPORT

Syed Ershad Ahmed has been re-elected as the president of the American Chamber of Commerce in Bangladesh (AmCham) for 2021-22 tenure.

Aftab ul Islam, chairperson of the election board for AmCham executive committee for 2021-22, declared the results of the election.

The AmCham held its 25th annual general meeting (AGM) yesterday at the Westin Dhaka and declared the new executive committee, the chamber said in a statement.

Ahmed is also the country manager and managing director of Expeditors (Bangladesh) Ltd.

Syed Mohammad Kamal, country manager of MasterCard, has been re-elected as vice-president and Tapas Kumar Mondal, managing director of International Beverages Private Ltd (Coca-Cola), has been elected as the treasurer.

Oil prices on the rise

REUTERS, *Washington*

US stocks maintained gains Wednesday even after the Federal Reserve signaled an interest rate hike could be coming soon, while tension between Russia and Ukraine pushed oil prices to highs not seen since 2014.

All three major stock indices pared earlier gains but stayed in positive territory Wednesday afternoon after the Fed policy statement, with the tech-heavy Nasdaq leading the way with gains over 2 per cent.

A fruit seller arranges sour jujube in baskets in front of his cart in the Darshan Deuri area of Sylhet city. He sources the fruit from Chhatak and Dowarabazar of Sunamganj and sells them at Tk 200 a kg. He earns Tk 600 to Tk 800 per day by selling the fruit, which allows him to live with his family in the metropolitan city.

PHOTO: SHEIKH NASIR

US goods trade deficit hits record high

REUTERS, *Washington*

The US trade deficit in goods widened to a record high in December as imports increased for a fifth straight month amid strong domestic demand, suggesting that trade likely remained a drag on economic growth in the fourth quarter.

But imports are helping to replenish depleted inventories, with the report from the Commerce Department on Wednesday showing strong restocking at retailers and wholesalers last month.

Solid inventory accumulation likely offset the impact on gross domestic product from the larger trade gap, prompting some economists to raise their growth estimates for the last quarter.

"Strong demand and shifting consumer preferences during the pandemic led to a surge in imports that continues to outstrip exports and is contributing to all-time highs in the deficit," said Rubeela Farooqi, chief US economist at High Frequency Economics in White Plains, New York.

The goods trade deficit rose 3.0 per cent to an all-time high of $101.0 billion last month.

It was also the first time that the deficit breached the $100 billion threshold. The rebuilding for inventories could keep the goods trade deficit wide at least through the first half of this year.

Goods imports increased 2.0 per cent to $258.3 billion, likely as the backlog at ports continued to be cleared.

The increase in imports was driven by capital goods, motor vehicles and consumer goods. But imports of food and industrial supplies declined.

Goods exports rose 1.4 per cent to $157.3 billion. There were increases in exports of consumer goods, industrial supplies and motor vehicles. Capital goods exports also rose, but food exports tumbled.

The report was published ahead of Thursday's advance fourth-quarter GDP data. Trade has subtracted from GDP growth for five straight quarters.

According to a Reuters survey of economists, the economy likely grew at a 5.5 per cent annualised rate last quarter, an acceleration from the third quarter's 2.3 per cent pace.

Inventory investment likely accounted for much of the anticipated acceleration in GDP growth last quarter. Growth last year is expected to have been the strongest since 1984.

The Commerce Department report showed retail inventories shot up 4.4 per cent in December after increasing 2.0 per cent in November.

Inventories of motor vehicles and parts jumped 6.8 per cent after rising 4.3 per cent in November.

They had been hampered by a global semi-conductor shortage, which has undercut motor vehicle production.

Retail inventories excluding motor vehicles accelerated 3.6 per cent after rising 1.2 per cent in November.

This component goes into the calculation of GDP growth.

Economists at JPMorgan raised their fourth-quarter GDP growth estimate to a 7.5 per cent rate from a 7.0 per cent pace.

IHS Markit lifted its forecast 1.3 percentage points to a 7.4 per cent rate.

Beximco sees profits soar

STAR BUSINESS REPORT

Beximco Ltd logged almost four times higher profit in the first half of the ongoing financial year (FY) while the company's revenue more than doubled at the same time.

Beximco's revenue soared to Tk 3,670 crore in the last six months, up 121 per cent from Tk 1,656 crore in 2020-21. The company's net profit jumped 354 per cent to Tk 759 over the same period.

After analysing the company's financial report, it was found that Beximco's profits climbed at a higher pace than its sales due to lower raw material prices.

In the last six months (July-December), the cost of goods sold was 64 per cent of its total revenue while it was 67 per cent the previous year.

Beximco's earnings per share stood at Tk 8.67 in the last two quarters, which was Tk 1.92 higher year-on-year.

NBR's pre-budget meetings from Feb 6

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is going to start its pre-budget meetings for the next fiscal year from February 6.

Businesspeople and other stakeholders will take part in the discussions at the NBR headquarters in the capital's Segunbagicha area.

The pre-budget discussions will kick off with a meeting with the Association of Television Channel Owners and Newspapers Owners Association of Bangladesh.

The meetings will continue till March 20, according to the NBR.

NBR Chairman Abu Hena Md Rahmatul Muneem will preside over the meetings where Md Neyamul Islam, first secretary of the tax administration, will act as the chief budget coordinator.

The proposed budget for 2022-23 fiscal year will be presented in parliament in early June.

Dhaka Bank, SF Group sign payroll agreement

STAR BUSINESS DESK

Dhaka Bank Ltd has recently signed an agreement with SF Group over providing payroll banking services.

As a result, the employees of SF Group can now avail the lender's products and services ranging from profit-bearing accounts, and loans to credit cards on preferential terms, a press release said.

Emranul Huq, managing director of Dhaka Bank, and Fuad Abdullah, director of SF Group, inked the deal at the bank's head office in Gulshan, Dhaka.

Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed, deputy managing director, Akhlaqur Rahman and Mustafa Husain, both senior executive vice-presidents, and HM Mostafizur Rahaman, executive vice-president, and Golam Mustafa, a director of SF Group, were present.

Lack of demand forcing weavers

FROM PAGE B4

"Once upon a time, the blankets and sheets weaved in Kakina were in high demand but now, there is no market for it," Ali said.

"Besides, we are not able to make much of a profit as the price of yarn has gone up," he added.

Hafizur Rahman, a weaver from Mahishamuri village, said he operated his handloom up till last year but could not start it this year due to a lack of capital.

If engaged in weaving, the worker needs to keep at least five to six maunds of yarn in stock.

But since Rahman cannot afford to buy and store these yarns, he kept his handloom inside the house.

"We make shirt fabrics, pant fabrics, bedsheets, towels, lungis, saris, and other items with our handloom," he said.

"'We dream to maintain our ancestral profession but it has become difficult for us due to a lack of capital support," Rahman added.

Sohrab Ali, a weaver from the same village, told The Daily Star that they cannot turn a profit if they buy the required yarn with interest-bearing loans.

Instead, they could have kept their professions afloat if they got interest free or low interest loan facilities.

"I have kept myself afloat with interest-bearing loans but I have not been able to make much profit," he said.

"Some 8 to 10 years ago we could have made a profit by selling handloom sheets but with the advent of big garment units, the demand for sheets has come down and we do not have enough capital to compete," he added.

Tamiz Uddin, a weaver from the same village, said he had not sold his handloom yet considering the lack of capital, he finally decided to sell.

"I am not able to make a profit by buying yarn at a higher price. If we could keep the handloom running with our own capital, we would earn Tk 800 to Tk 1,000 every day," Uddin said.

"It is very difficult to keep the handloom running. Once upon a time, weaving was going on day and night. Everyone in the family was busy. The knocking sound of the handloom filled our souls but now the handlooms are idle," he added.

Farida Begum, a weaver from Kakina village, said that she was the daughter of a weaving family and was married to a weaver.

As such, her relationship with the handloom is from birth.

Her financial situation would be better if she weave regularly but their handlooms are keeping idle and so, she spends her days lazily.

Her husband, Alim Uddin, is now working as a day labourer.

"If we had the capital, we could have kept the handloom running," she said.

Babul Mia, a local weaver and businessman of Kakina, said that at one time the business of weaving clothes was booming in the area.

Wholesalers used to come from all over the country but now, only a handful of weavers have been able to keep their operations running.

At one time, Kakina's weaved sheets were officially procured through tenders and distributed to cold-stricken people.

"This has not been happening for the last few years and weavers in the district will be wiped out in the next three to four years if they cannot resume weaving without government patronage and full capital support," Mia added.

External debt repayment rises

FROM PAGE B1

ago. The repayment of the interest rate begins immediately after a disbursement is made.

Of the foreign loan repaid in the first six months of FY22, the principal amount was $781.05 million and interests amounted to $259.33 million.

Of the $900.22 million repaid in FY21, the principal amount stood at $661.89 million and the interests $238.33 million.

A mission from the International Monetary Fund (IMF) during its recent visit to Dhaka commented that despite the downgrading of its debt carrying capacity and consequent lowering of thresholds, Bangladesh remains at low risk of external debt distress.

However, the ratio of total public debt service to revenue is high and rising. This is projected to exceed 100 per cent by 2022, pointing to the need for more pronounced revenue mobilisation to support increased social and developmental spending while limiting fiscal risks.

Since independence, Bangladesh has never defaulted on loan repayments and has never sought for re-scheduling of instalments, said an ERD official.

The country's debt-to-GDP ratio is below than international standards.

Development partners pledged $4.4 billion in grants and loans in the first six months of the current fiscal year, up 83 per cent from $2.4 billion committed in the same period in FY21. The disbursement stood at $4.2 billion, up from $3 billion a year back.

ERD's borrowing plan for the current fiscal year, which ends in June, is $12.89 billion. Of the sum, $10.38 billion is project aid.

Bangladesh is sitting on a huge amount of foreign loans as lower spending capacity holds it back from raising the use of cheap funds to a much higher level.

Foreign assistance in the pipeline stood at $50.67 billion in December.

NCC Bank organised a daylong workshop on "E-Payment of Customs Duty, Fees, Tax through RTGS System" for its officials at the bank's training institute in Motijheel, Dhaka recently. Syed Tofail Ali, senior executive vice-president of NCC Bank, inaugurated the event, where Syed Hasnain Mamun, senior vice-president, Md Rashidul Hasan, vice-president, Sheikh Ibn Masud, a programmer of the payment service department of the Bangladesh Bank, and Md Yousuf Mahmood Dewan, principal officer for accounts and services division at Sonali Bank, were also present. Syed Zaved Md Salehuddin, a first assistant vice-president, conducted the course.

PHOTO: NCC BANK

Syed Habib Hasnat, managing director of Global Islami Bank Ltd, virtually inaugurates the bank's four sub-branches at Diabari and Aftab Nagar of Dhaka, at Reajuddin Bazar of Chattogram and Parulia Bazar of Satkhira yesterday. Kazi Mashiur Rahman Jayhad, additional managing director, Ataus Samad and Sami Karim, deputy managing directors, were present.

PHOTO: GLOBAL ISLAMI BANK

Long queues form behind a truck of the Trading Corporation of Bangladesh selling sugar, lentil, soybean oil and onion at subsidised rates under an Open Market Sale initiative aimed at keeping market prices stable. Lentil here sold for Tk 60 per kilogramme, whereas in Dhaka markets prices hover between Tk 105 and Tk 110. The photo was taken in the capital's Rampura yesterday.

PHOTO: SK ENAMUL HUQ

GP's profit down despite higher revenue

STAR BUSINESS REPORT

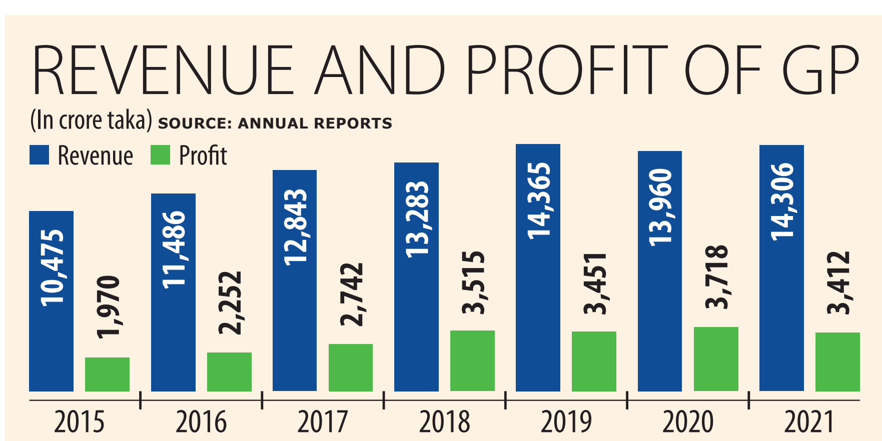
Grameenphone's net profit dropped 8.2 per cent year-on-year to Tk 3,413 crore in 2021 despite an uptick in overall revenue, owing to higher finance costs and tax expenses.

The largest mobile phone operator in Bangladesh took home Tk 14,306 crore in revenue, against Tk 13,960 crore in 2020, up 2.5 per cent, according to its financial statement for 2021.

Yasir Azman, chief executive officer of Grameenphone, said the ongoing pandemic brought about several hurdles in 2021, as Bangladesh faced its highest wave of Covid-19, followed by lockdowns.

"The resilience of our employees, partners, stakeholders and local communities has enabled us to continue providing seamless connectivity to our customers," he said in a press release.

The board has recommended a 125 per cent interim cash dividend for 2021, taking the total to 250 per cent for the entire year. GP shares closed 1.13 per cent lower at Tk 351.40 on the Dhaka Stock Exchange yesterday.



Throughout the year, the operator prioritised network rollout and spectrum deployment, leading to an improved and enhanced experience for customers.

Additionally, with operational execution, customer-centric product propositions, digitalisation of services and digital enablement, more subscribers opted to choose Grameenphone as their preferred digital and telecommunications service provider, Azman said in a press release.

In the fourth quarter of 2021, it invested Tk 654 crore for network coverage and expansion. The net profit margin for 2021 stood at 23.9 per cent.

Grameenphone has reported an improved financial performance in 2021, driven by higher users and usage due to network and experience enhancement, said Jens Becker, chief financial officer of the operator.

In the fourth quarter, subscription and traffic revenues grew by 3.6 per cent while data usage rose 49 per cent from the same period last year.

Due to the favourable one-off adjustments in finance cost and tax expenses in the fourth quarter of last year, the profit declined, he added.

Net finance costs rose to Tk 251 crore in 2021, which was Tk 63 crore in the previous year. Income tax expenses rose 4 per cent to Tk 2,669 crore, the report showed. The operator acquired 42 lakh new subscribers in 2021, up 5.3 per cent, year-on-year. It had 8.33 crore subscribers in December.

Around 54 per cent of the subscribers, or 4.46 crore, use internet services. Its internet users are growing at 8 per cent annually.

As a part of its strategic ambition, GP has stepped up the transformation initiatives to respond to the changing demands of advanced mobile services from customers, Azman said.

Modernisation was a key focus in 2021, focusing on operating models, integration of automation, up-skilling of skills and building capabilities.

Brac Bank wins ICMAB Award for 5th straight year

STAR BUSINESS DESK

Brac Bank Ltd won the Gold Award of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) at the "ICMAB Best Corporate Award 2020".

Mohammad Abdul Ohab Miah, financial controller of Brac Bank, received the award from Commerce Minister Tipu Munshi at Le Meridien Dhaka on December 30, 2021, a press release said.

Munshi formally handed over the award to BRAC Bank's Mohammad Abdul Ohab Miah.

"This recognition from ICMAB for five consecutive years reflects a strong bearing of our corporate governance culture, transparency, ethics and compliance," said Selim RF Hussain, managing director of Brac Bank.

The ICMAB Award, the highest ranking award in the private commercial bank category, is conferred to the organisations in recognition of best corporate governance practices. The bank had earlier gotten first position in the private commercial bank category in 2016, 2017, 2019 and became second in 2018.

Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission, and Abu Bakar Siddique, president of ICMAB, were also present.

Lankan Alliance raises fund for Power Generations

STAR BUSINESS DESK

Lankan Alliance Finance Ltd (LAFL) signed an agreement with Manikganj Power Generations Ltd (MPGL), a 162 MW power plant and entity of Doreen Group, over raising Tk 600 million through the issuance of fully redeemable, non-convertible, cumulative preference shares.

Kanti Kumar Saha, chief executive officer of LAFL, and Mostafa Moin, chief executive officer of MPGL, signed the deal at the former's head office recently, said a press release.

Afroz Alam, chief financial officer of MPGL, Shahanur Rashid, head of business of LAFL, Md Sayful Islam, head of SME, and Ali Tasben Haque Riyad, corporate unit head, were present.

Satellite Company

FROM PAGE B1

satellite for collecting image and mapping data for proper planning in areas such as agriculture and forestry.

The government launched Bangabandhu Satellite-1 in May 2018 for the expansion of internet and telecommunication services in remote areas under a Tk 2,765 crore project.

Located 36,000 kilometres away from Earth, the satellite is equipped with 40 transponders. It provides services to Bangladesh and South Asian countries along with Indonesia, the Philippines, Myanmar, Tajikistan, Kyrgyzstan, Uzbekistan, Turkestan and a part of Kazakhstan.

Bangladesh Satellite Company recorded generating Tk 37.54 crore in revenue in fiscal year 2019-20 in the form of bandwidth charges. The company is yet to release its annual report for last fiscal year.

But Managing Director Md Shafiqul Islam said its revenue grew significantly in fiscal year 2020-21 after the company started providing services to local television channels from October 2019.

"We are really happy," he said, explaining that the tax exemption would enable investing in the launch of the second satellite.

"We are providing telecommunication and ICT services and we have to create a new market for revenue. For this, we need breathing space," said Islam.

The company earlier requested that the NBR provide a 10-year tax break.

A senior NBR official said the advantage was to enable making saving and providing better services.

"Bangladesh had to buy these services before the launch of the satellite. Now, the (company) helps save foreign currency by providing the services," he said.

Germany cuts 2022 GDP growth forecast

AFP, *Frankfurt*

The German government on Wednesday lowered its economic growth forecast for 2022 as an Omicron-fuelled surge in coronavirus cases holds back Europe's industrial powerhouse.

The country's gross domestic product is now estimated to expand by 3.6 per cent, down from 4.1 per cent in a previous forecast. The start of the year "will still be subdued due to the coronavirus pandemic, especially in the service sectors", the economy ministry said in a report.

But the bounce-back in Europe's biggest economy should "noticeably" pick up pace once infections level off and global supply chain frictions "gradually" ease over the course of 2022.

The ministry's forecast is more pessimistic than that of the Bundesbank central bank, which is pencilling in 4.2 per cent growth this year.

Finally, businesses get

FROM PAGE B1

VAT. In addition, the income tax certificate of the companies' directors will have to be submitted.

There will be a scrutiny committee comprising 15 members. It will be led by the BB governor.

The committee will take advice from the government to give the final approval to a firm investing abroad. Any misuse of investment will be treated as money laundering.

Uzma Chowdhury, director for corporate finance of Pran-RFL Group, a top exporter, said now companies would be able to invest in other countries as per their capacity and need.

"A transparent policy on outward foreign investment was long overdue," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

The policy intends to promote foreign equity investments that will enhance Bangladesh's export prospects and create employment opportunities for Bangladeshi workers abroad, he said.

The guideline comes with a slew of conditions the investors must comply with. And these will need to be reconsidered in the light of how the investment process unfolds, he said.

Even though the BB appears to be in the driving seat of regulation, it is not clear how many stops the investors will have to go to in practice for clearances of all related transactions, he said.

"Just as we are trying to establish one-stop shops for domestic investment regulation, we should also have similar one-stop shops for regulating outward foreign direct investments."

The authority appears to have opted in favour of a cautious approach to make sure that this limited liberalisation of capital account transactions does not create a balance of payment problem, Hossain said.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, described the guideline as a time-befitting move.

The government would have to ensure returns from the investment, he said.

He urged the government to verify the sectors, companies or business environment of foreign companies to be teamed up with by local firms by taking reports from well-reputed global credit rating agencies into consideration.

He called the investment ceiling higher as the country does not have any experience in this field.

"The government should consider reducing the ceiling for the next two years."

Moazzem warned that there had been many money-laundering cases and some influential groups might try to misuse the opportunity.

"The central bank should create a fund to inspect the foreign investments from time to time."

iPhone retakes top spot in China

AFP, *Beijing*

Apple reclaimed its position as the top smartphone seller in China after six years, clocking a record market share in the final quarter of 2021 as US sanctions hit rival Huawei, according to researchers.

A surge in sales saw the iPhone maker account for 23 per cent of the highly competitive market in October-December, industry analysis firm Counterpoint said in a report released Wednesday.

That put the US giant in pole position for the first time since the final three months of 2015, toppling China's Vivo. Vivo and another local brand Oppo were not far behind, driven in part by their "strong offline penetration", Counterpoint said.

But smartphone sales in the country also dropped nine percent on-year in the period. Apple's stellar performance was driven

A surge in sales saw the iPhone maker account for 23 per cent of the highly competitive market in October-December, industry analysis firm Counterpoint said in a report

by a mix of its pricing strategy and gain from Huawei's premium base," said Counterpoint research analyst Mengmeng Zhang.

"Apple rose to first place in China right after the iPhone 13 was released in September," she added, noting it had a lower starting price than its rivals.

The shift comes as Chinese telecom giant Huawei was caught in the crosshairs of Beijing and Washington's trade and technology standoff.

The United States has barred Huawei from buying crucial components such as microchips, and forced it to create its own operating system by cutting it off from using Google's Android operating system.

In December, Huawei said its annual revenue fell nearly a third from the previous year to 634 billion yuan ($99.5 billion).

China is a key market for Apple, with sales in the Greater China region -- including the mainland, Hong Kong and Taiwan -- surging 70 per cent in the year to September.

A handloom lies idle at Mahisamuri village in Lalmonirhat's Kaliganj upazila. The region's once bustling weaving industry is on the verge of collapse due to a lack of working capital and government support. The picture was taken recently. PHOTO: S DILIP ROY

Lack of demand forcing weavers to leave profession

S DILIP ROY

Abdus Sattar, a resident of Mahishamuri village in Lalmonirhat's Kaliganj upazila, was a weaver by profession like his father before him, the late Amir Chand.

Sattar, who was involved in weaving since childhood, has been earning a living as a day-labourer for the last two years as he was forced to sell his handloom at a low price to make ends meet.

Still though, he hopes to raise enough capital one day to start weaving again.

Like Sattar, Alim Uddin of the same village now earns a living as a mason as he cannot maintain his expenses by weaving.

As such, his handloom is tucked away in storage but if given enough capital support, Uddin plans to return to his ancestral profession.

Uddin's late father Haran Ali taught him all he knows about weaving, a profession which once brought prosperity to his family. Now, he has to live with his wife, two sons and a daughter in extreme poverty.

Like Uddin and Sattar, many traditional weavers have been unable to hold on to their ancestral professions due to a lack of working capital.

Some sold their handlooms while others stored them away and are now earning money by joining various professions.

Some work as agricultural labourers, day labourers and on ferries while others drive rickshaws and the like.

The weavers told The Daily Star that the clothes they made were popular a decade ago, when demand.

Now though, the demand is decreasing day by day as machine-made fabrics look brighter than woven fabrics, making them the preferred choice among buyers.

However, woven fabrics are still more comfortable than their machine-made counterparts.

About 9 to 10 years ago, weavers of Kakina union would make blankets for sale year-round. In winter, these blankets were often bought by the government as well as non-government organisations (NGOs) for distribution among the cold-stricken poor people.

But ever since these blankets started being made in factories, weaved blankents are no longer being bought and now, only a few retailers buy and sell them in local markets.

Another weaver, Meher Ali, told The Daily Star they used to sell more than four lakh pieces of blankets and bedsheets every year during winter.

At the time, each weaver could sell up to 6,000 of these products. Each blanket would cost between Tk 80 to Tk 100 to make while they would sell for about Tk 200 to Tk 250.

"The capital crisis is our biggest problem. Secondly, the market advantage is not available as the value of weaving cloth is declining in the market. The number of users of weaving cloth is also decreasing day by day," Ali said.

"But weaved cloth is still being sold satisfactorily to low-income people as our fabrics are available at relatively low prices. If we get the capital and market advantage, we will be able to rise as before," he added.

Khorshed Alam, a local NGO representative, told The Daily Star that 8 to 10 years ago, he used to buy 10,000 to 12,000 pieces of weaved blankets to distribute among the poor during the winter every year but now, he distributes factory-made blankets.

Like Alam, many NGO representatives used to buy the blankets made by handlooms from weavers.

"Blankets are also available at a lower price," he said.

Weaved bedsheets can be used for a few years at least but the blankets can be used for a maximum of two years.

"So, I think weaving sheets are much better than blankets but we are getting allocations for blankets," Alam added.

Fazlal Ali, president of the Lalmonirhat Weavers' Association, told The Daily Star that there were about 1,500 handlooms in the district 10 years ago.

Now there are just 250 to 300 handlooms, all of which are in Mahishamuri village of Kakina union, but only a few of these are in operation.

Weavers have been unable to keep their handlooms running due to the lack of capital support.

READ MORE ON B2

Apex sees higher profits despite lower sales

STAR BUSINESS REPORT

Profits of Apex Footwear rose in the first half of the current financial year (FY) compared to the same period in FY 2020-21 despite a drop in net sales.

The shoemaker logged sales of about Tk 566 crore in the July-December period of FY 2021-22, down 13 per cent year-on-year from Tk 652 crore.

Meanwhile, the company's profits rose to Tk 4.78 crore in the same period, up 16 per cent from Tk 4.12 last year.

Apex was able to register higher profits thanks in part to a drop in its net finance cost for bank loans, which fell 4 per cent to Tk 28.57 crore.

Apex is a leading manufacturer and retailer of footwear in Bangladesh, and also exports its products to the EU, North America and Japan.

The global footwear industry slowed in 2020, when footwear production and exports fell 15.8 per cent and 19 per cent respectively compared to the year before.

"The plight of the footwear industry in Bangladesh started in early 2020 due to the Covid-19 pandemic," the company said in its annual report for FY 2020-21.

This is because owners were forced to close factories, outlets and malls by official order in order to contain the virus, it added.

Stock indices dip slightly

STAR BUSINESS REPORT

Stocks listed with the Dhaka bourse dropped by the end of yesterday's trading session despite opening on a positive note.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 4 points, or 0.06 per cent to 7,027.

At the DSE, 142 stocks advanced, 184 fell and 55 remained the same.

The market witnessed a flat session amid choppy trading, International Leasing Securities said in its daily market review.

Trading opened on a positive note amid a cheery vibe in the morning which reversed later as investors maintained a cautious approach amid rising Covid-19 cases, it added.

The top ten traded stocks captured around 31.7 per cent of the day's turnover with Beximco Ltd alone contributing 5.1 per cent of the total amount.

Turnover, an important indicator of the market, shot up 9.32 per cent to Tk 1,219 crore

During the session, the textile sector took the market lead considering the upcoming quarter declaration.

Turnover, an important indicator of the market, shot up 9.32 per cent to Tk 1,219 crore.

Bangladesh Building System topped the gainers list, rising 10 per cent, followed by Union Bank, Bangladesh Shipping Corporation, Union Insurance, and BD Thai Food.

Beximco Ltd traded the most, worth Tk 61 crore, followed by Bangladesh Shipping Corporation, Queen South Textiles, Malek Spinning, and RAK Ceramic Industries.

Premier Cement eroded the most, dropping 7.13 per cent, followed by Eastern Insurance, Beacon Pharmaceuticals, Square Textiles, and Heidelberg Cement.

The Chittagong Stock Exchange (CSE) also slid yesterday. The CASPI, the main index of the port city bourse, fell 11 points, or 0.05 per cent, to 20,586.

Among 312 traded stocks, 122 rose, 147 fell and 43 remained unchanged.

China can slap duties on $645m of US imports: WTO

AFP, *Geneva*

The World Trade Organization on Wednesday handed a fresh victory to China, permitting it to slap duties on $645 million worth of US imports per year, in a long-running anti-dumping dispute with Washington.

The United States, which is unable to appeal against the decision, branded it "deeply disappointing" and said it reinforced the need to reform the WTO's rules, saying they were being used to "shield" China.

"In light of the parties' arguments and evidence in these proceedings, we have determined that the appropriate level... is $645.12 million per annum," a WTO arbitrator ruled.

The WTO green light does not mean China will automatically impose the tariffs, in whole or in part, on US imports.

The figure was revealed in an 87-page decision by a WTO arbitrator on the level of countermeasures Beijing could request in its dispute with Washington regarding US countervailing duties (CVD) on certain Chinese products.

The dispute stretches all the way back to 2012, when the WTO set up a panel of experts to try to settle a complaint filed by China over what it said were unfair duties imposed by the United States.

Washington had justified the additional tariffs on products ranging from paper to tyres and solar panels, arguing they were being dumped on the market to help Chinese companies grab business.

The WTO Dispute Settlement Body ruled in China's favour and the ruling was upheld by its appeals judges in 2014, paving the way for China to retaliate.

A cargo ship loaded with containers leaves a port in Haikou of Hainan province in southern China on May 17, 2021. PHOTO: AFP/FILE

Brexit hurts EU-UK trade

AFP, *Paris*

Brexit hurt two-way trade between the European Union and Britain, with the auto, textile and aviation sectors the worst hit, the French economy ministry said Thursday.

The ministry released data on the sidelines of an EU ministerial meeting in Paris dedicated to reviewing the fallout from Britain's departure from the bloc a year ago.

EU exports to Britain fell by 15 per cent in the first 10 months of last year compared to the same period in 2019, before the pandemic, according to the French economy ministry.

EU imports from Britain sank by 30 per cent over the same period. The Covid-19 pandemic has also had a major effect on trade flows between the two sides.

But the EU's total imports and exports exceeded 2019 levels during the first 10 months of last year, according to data from the bloc's Eurostat agency.