



Construction of Patenga container terminal is going on in full swing through the 34 Engineer Construction Brigade of Bangladesh Army. Comprising three container jetties totalling 600 metres in length and a dolphin jetty, the terminal will be able to handle 0.5 million twenty-foot equivalent unit (TEU) containers annually. Chittagong Port Authority hopes that the new terminal would go into operation by June this year. The photo was taken yesterday.

PHOTO: RAJIB RAIHAN

## STOCK FRAUD NRB Bank asked to punish officials

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission (BSEC) has ordered NRB Bank to take departmental action against its chief financial officer Kamrul Hasan and all of its investment bankers for their involvement in illegal share trading.

Hasan was found guilty of unethical trading activities in collaboration with the outsiders of the company, said the commission in a letter to the lender.

The bank shall take departmental action against Hasan, it said.

All members of the investment banking unit and the concerned officials of NRB Bank are also liable as they failed to play a proper role in this regard, the BSEC said.

It gave the order following

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# Cotton production scanty despite huge market

REFAYET ULLAH MIRDHA

Cotton production in Bangladesh has been low as farmers prefer other cash crops to the white fibre, completely missing out on at least a \$3 billion domestic market.

The country managed to produce only 1.77 lakh bales of cotton last year, which was insufficient to meet the demand of even a single spinning mill.

This represents nearly 1 per cent of the total annual consumption of the key textile raw material of 9 million bales. Some 480 pounds, or 218 kilogrammes, make a bale.

This has made Bangladesh one of the largest importers of cotton as it needs to feed the local apparel industry, the second-largest in the world.

Spinners, millers and other users have to spend more than \$3 billion annually to buy cotton from India, the US, African countries, Australia, Brazil, Pakistan, and Central Asian nations.

Currently, cotton is cultivated on 45,000 hectares of land in about 40 districts.

The output has increased by 10,000 bales annually over the last five years, but the quantity has not touched 2 lakh bales.

Md Akhteruzzaman, executive director of the Cotton Development Board (CDB), blames the scarcity of

crops are grown during the cultivation period of cotton.

Farmers also do not have the confidence to grow them abundantly as they do not get ready markets and better prices, he said.

However, cotton prices have been better in the last two years, both in global and local markets, and it is expected that

at \$1.26-\$1.27 per pound on Saturday, which was \$1.35-\$1.58 US cents on February 5 last year, thanks to the faster recovery of the global supply chain from the coronavirus pandemic.

“So, it is expected that farmers will increase the acreage of cotton production,” said Akhteruzzaman.

The CDB is expecting to lift the cotton output to 2 lakh bales by 2022 and 3 lakh bales in the next five years, as part of its plans to grow the crop on one lakh hectares by 2030 and meet 10 to 15 per cent of the local demand.

Currently, the CDB is implementing three major initiatives to give a boost to cotton production and improve quality.

The board is executing the extended project for cotton production involving Tk 150 crore, a capacity-building project involving Tk 63 crore, and a donor-backed project to improve the quality of the raw material involving Tk 8 crore.

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arable land, emphasis on food production, and lower price of cotton for the farmers' lack of interest in growing the textile raw material.

Parvez Anwar, head of the Department of Agronomy of Bangladesh Agricultural University, said many other

the higher rate will continue in the near future as demand is rising.

In Bangladesh, good quality cotton is selling at Tk 3,600 per maund compared to Tk 2,200 to Tk 2,400 two years ago.

Globally, cotton was sold

## Ctg-Italy direct shipping to slash cost by 40pc Says BGMEA president

STAFF CORRESPONDENT, Ctg

A new container shipping service directly connecting the Chattogram port to one in Italy will reduce costs by almost 40 per cent, opening a new horizon for Bangladesh's foreign trade, said BGMEA President Faruque Hassan yesterday.

Goods will be able to reach Europe in just 16 days whereas it, currently, takes 40 days to 45 days or more for the use of transshipment ports, he said.

Hassan was addressing a view-exchange meeting between delegates of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and officials of the Chittagong Port Authority (CPA) on the latter's premises marking the service's launch.

Kalypso Compagnia di Navigazione SPA, Italy, has employed two chartered vessels, Cape Flores and Songa Cheetah, each of 1,200 TEUs capacity, on the route. The CPA has initially granted permission for six months.

On a second trial voyage, MV Songa Cheetah arrived at the Chattogram port on Saturday carrying 945 TEUs (twenty-foot equivalent units) of empty containers and seven TEUs of import containers.

It may leave today with 1,100 TEUs of export-laden containers, containing mostly garments.

“More shipping lines from Europe and even transatlantic ones will join...because this will add significant economic values to the economies,” said the BGMEA president while briefing journalists.

This is happening amidst global trade and supply chains left crippled by the pandemic, he said.

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ASIAN MARKETS

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## Cut corporate tax by 2.5pc next fiscal year

DCCI offers recipe for higher economic growth

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce & Industry (DCCI) yesterday urged the government to cut the corporate tax rate by 2.5 percentage points in the next fiscal year to align it with the regional average rate.

“If the government cuts the corporate tax rate, it will boost local and foreign investment,” said DCCI President Rizwan Rahman at a media briefing at the chamber's office in the capital.

The corporate tax rate in Bangladesh is 30 per cent while the average rate is 29 per cent in Pakistan, 24 per cent in Sri Lanka, and 20 per cent in Vietnam, Cambodia and Thailand, according to a DCCI paper.

Rahman said after Bangladesh's graduation from the grouping of the least-developed countries, the cost of doing business would increase and the tariff would go up by at least 6 to 7 per cent.

“So, we should look into diversifying products and markets.”

Bangladesh's major export destinations are Europe and the US, covering almost 67 per cent of the total shipment whereas Africa and the Middle East are untapped.

“But after the LDC graduation, our export will face challenges. We have to formulate an export

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### SKILLS DEVELOPMENT

- Increasing investment in research & development
- Developing collaboration between industry and academia
- Up-skilling and re-skilling of labour force across the board

### PRIVATE INVESTMENT AND FDI

- Attracting investors for factory relocation from China, Japan, South Korea
- Drawing national roadmap for attracting foreign investment
- Rationalising corporate tax structure

### EXPORT DIVERSIFICATION

- Formulation of export diversification strategy engaging all stakeholders
- Tariff rationalisation, reduction of non-tariff barriers
- Enhancing economic diplomacy and country branding

### DIGITAL ENGAGEMENT

- Finalising data protection act and laws related to IP protection
- Implementing national privacy act

### SMALL BUSINESSES

- Developing comprehensive policy framework
- Easing access to finance
- Updating BB digital dashboard on loan disbursement

## Reduce duty for industrial fire safety equipment

Businesses demand

STAR BUSINESS DESK

Every industry, instead of just the garment sector, should be allowed to import fire safety equipment at reduced rates to safeguard workers' rights and broaden Bangladesh's image abroad, said entrepreneurs at a meeting yesterday.

High duties often make it impossible for small and medium entrepreneurs to avail adequate protection measures, said Md Niaz Ali Chisty, chairman of the FBCCI Standing Committee on Fire Safety, Disaster and Explosion.

Separate permits are required for the import of carbon dioxide, foam, dry powder and other fire-retardant gases and chemicals, he told the committee's first meeting at the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI).

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