

Extend bonded warehouse benefit to non-garment firms: BUILD

STAR BUSINESS REPORT

Non-garment exporters should be allowed to import raw materials duty-free under the bonded warehouse privilege as it would help diversify the country's export basket, the Business Initiative Leading Development (BUILD) said yesterday.

The public-private dialogue platform also suggested the government give a common bonded warehouse benefit for firms that cannot export all of their products.

"This will give a huge boost to export diversification as small and medium enterprises that cannot export all of their goods will be able to avail the opportunity to export by using raw materials imported at zero duty," said Ferdous Ara Begum, chief executive officer of the BUILD.

The BUILD also proposed incorporating a provision in the tax law for refunds or adjustments to the tax deducted at source with total payable taxes

The organisation placed the proposal to the National Board of Revenue (NBR), requesting the revenue authority to include the recommendations in its tax measures for the fiscal year of 2022-23, at a discussion organised by the NBR at its office.

She went on to say that the garment industry flourished and become the biggest export earning sector for Bangladesh because of the policy support and incentives like bonded warehouse facilities.

Similar benefits can be extended to other sectors.

Particularly, the bonded warehouse facility should be extended to promising sectors such as leather, leather goods, footwear, light engineering, plastics and agro processing, Ferdous Ara added.

The BUILD CEO said the present entitlement policy for importing raw materials under the bonded warehouse benefit needs to be revised as it becomes complex due to changes from time to time.

A new policy on

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"Bondhu Chula" on sale at a Lalmonirhat market. Developed by the Bangladesh Council of Scientific and Industrial Research, the cooking stove burns fuel more efficiently and causes significantly less smoke and pollution. The photo was taken yesterday.

PHOTO: S DILIP ROY

Improved cook stoves: saving lives, cutting fuel cost

S DILIP ROY

Samiul Islam, a resident of Fulgachh village in Lalmonirhat sadar upazila, began his journey as a sole proprietorship several years ago by peddling sanitary products to low-income households in the area.

After about five years of financial struggle, he decided to make and sell improved cook stoves in hopes of turning a better profit.

Improved cook stoves, locally known as "Bondhu Chula", are cooking devices designed to improve the combustion and efficiency of biomass, mainly wood.

There was little demand for Samiul's stoves initially and he could sell just 20 units during the first few months. Now though, he sells nearly a dozen stoves each day.

"Business is going well as the demand for this type of fuel and cost-efficient stove has increased," the entrepreneur said.

With people from his village being the main buyers, Samiul currently registers a monthly turnover of about Tk 3 lakh with profits of up to Tk 60,000 from the sale of stoves.

Seeing his success, a good number of small-scale entrepreneurs have joined Samiul's ranks in making and selling Bondhu Chula.

Besides, improved cooking stoves are being promoted by



different government agencies to replace traditional stoves that consume high amounts of biomass and cause indoor pollution and environmental

degradation because of high dependence on firewood.

To date, about 45 lakh improved cook stoves have been installed in households across

the country.

State-run Infrastructure Development Company Ltd installed around 28.3 lakh stoves in a bid to improve energy efficiency, reduce dependence on firewood and cut greenhouse gas emissions, sources said.

According to the Sustainable and Renewable Energy Development Authority, improved cook stoves reduce firewood consumption by up to 50 per cent.

In addition, the stove's design helps keep kitchen areas clean and free of smoke, reducing the chance of smoke-related illness or death.

Samiul learned how to make the stoves from a non-government organisation by attending a seven-day training session. He then started to sell each unit for between Tk 600 and Tk 4,000, depending on size.

"We make single burner or double burner stoves with single or double fuel chambers," Samiul said.

The demand for single burner stoves with double fuel chambers seems to be the highest.

"Large stoves are needed by businesses such as tea shops while small or medium-sized stoves are preferred for household use," he added.

Shahedul Islam, a seller of improved cook stoves

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Kamal defends spike in GDP growth

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday defended the unexpected spike in gross domestic product (GDP) growth in the fiscal year of 2020-21, giving credits to expansionary monetary policies and progress in all economic indicators.

"Some would say our evaluation process is flawed and that we show inflated figures, but no, it is never, ever like that," he said.

His comments came two days after the government disclosed that Bangladesh's GDP pulled off a stunning 6.94 per cent growth in 2020-21 when the initial estimate was 5.43 per cent.

"What we have achieved and where we are now, you can witness with your own eyes. There is no negative growth figure anywhere," Kamal told reporters after a meeting of the cabinet committee on purchase.

The government sets the GDP growth rate and per capita gross national income in accordance with a method formulated by the International Monetary Fund, known as the 'System of National

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Stocks end flat

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) were almost flat yesterday while turnover rose slightly amid the intensification of the coronavirus pandemic.

The DSEX, the benchmark index of the premier bourse, edged up 4 points, or 0.06 per cent, to 7,085 at the end of the day.

The flat trading activity came as at least 8,016 new infections were recorded and 33 people died from Covid-19 in the 24 hours to Wednesday, said the Directorate General of Health Services.

The intensification of the infection rate generated fear among the investors, so they are parking their funds quite cautiously, according to a stockbroker.

The turnover, an important indicator of the market, rose 9 per cent to Tk 1,254 crore. On the DSE, 171 stocks were up, 163 were down and 46 remained unchanged.

Bangladesh Shipping Corporation was the most-traded stock, worth Tk 86 crore, followed by Orion Pharmaceuticals, British American Tobacco Bangladesh, Beximco, and Bay Leasing and Investment.

Shyampur Sugar Mills topped the gainers' list, rising 9.97 per cent, followed by Zeal Bangla Sugar Mills, Union Insurance Company, Aramit Cement, and BD Thai Food and Beverage.

Takaful Islami Insurance shed the most, eroding 3.6 per cent, followed by Titas Gas Transmission and Distribution Company, FAS Finance and Investment, Western Marine Shipyard, and Bay Leasing and Investment.

The stocks posted modest gains on opening as the investors adopted a cautious stance ahead of the December-end earnings and dividend declarations, said International Leasing Securities in its daily market review.

At the end of the session, the stocks edged a little bit higher, facing a bumpy ride throughout the session.

Among the sectors, travel and leisure rose 1.7 per cent and textile 0.7 per cent whereas general food and allied dropped 1.9 per cent and tannery 1.2 per cent.

Investors' activity was mostly concentrated on pharmaceuticals and chemicals (15.5 per cent), engineering (13.6 per cent), and miscellaneous (12.2 per cent) sectors.

Shares on the Chittagong Stock Exchange also rose yesterday. The CASPI, the main index of the port city bourse, went up 26 points, or 0.13 per cent, to 20,747.

Among 309 stocks to undergo trade, 129 advanced, 102 fell and 41 remained the same.

EU cuts eurozone growth forecast

AFP, Brussels

The eurozone economy will grow less than expected this year, the European Commission said on Thursday, as energy prices and supply chain problems jack up inflation and delay a more sustained recovery from the pandemic.

The EU executive said GDP in the single currency bloc would grow by 4.0 per cent this year, instead of the 4.3 per cent forecast only three months ago.

Inflation would increase to a much stronger than expected 3.5 per cent in 2022.

"Multiple headwinds have chilled Europe's economy this winter: the swift spread of Omicron, a further rise in inflation driven by soaring energy prices and persistent supply-chain disruptions," said EU economy commissioner Paolo Gentiloni.

The high prices "are likely to remain strong until the summer, after which inflation is projected to decline as growth in energy prices moderates and supply bottlenecks ease," he added. However, the former Italian prime minister underlined that "uncertainty and risks remain high" with the EU warning that "geopolitical tensions" in eastern Europe had "markedly aggravated" potential threats to the economy.

This was in reference to the more than 100,000 Russian troops that are deployed on the border with Ukraine, raising Western fears of a possible attack.

The crisis has brought major uncertainty over the supply of energy from Russia, which accounts for roughly 40 per cent of the gas that heats homes and powers factories in the 27-member EU. "Apparently Russia has no interest in increasing supplies right now, despite peak prices," European Commission President Ursula von der Leyen said in a video address to a business conference in Brussels.



Shoppers leave a supermarket in Bad Honnef, near Bonn, Germany. Core eurozone inflation, which excludes energy and food prices, fell month-on-month.

PHOTO: REUTERS

China defends US 'Phase One' trade deal shortfall

AFP, Beijing

Beijing on Thursday fended off accusations that it had not honoured its commitments to a 2020 trade pact with the United States, calling instead for Washington to lift punitive tariffs and sanctions "as soon as possible".

The comments came as US figures released recently showed the trade deficit with China ballooning by \$6 billion to \$34.1 billion in December 2021.

After a long-running standoff, the two countries reached a so-called "phase one" agreement in January 2020, in which Beijing pledged to increase its purchases of American products and services by at least \$200 billion through 2020 and 2021. The deal followed a long-running trade war that saw then-President Donald Trump and China's Xi Jinping impose punitive tariffs on hundreds of billions of dollars' worth of goods.