

Bangladesh ratifies ILO convention on minimum working age

STAR BUSINESS REPORT

Bangladesh has ratified the much-talked about International Labour Organisation (ILO) Convention 138 to fix the minimum working age for any person at 14 years. Bangladesh has ratified all the core ILO conventions with the ratification of the Convention 138, the labour and employment ministry said in a statement yesterday.

Begum Monnujan Sufian, state minister for labour and employment, is scheduled to handover the ratified document of the Convention 138 to Guy Ryder, ILO director general, in Geneva on March 22.

By 2025, child labour from all sectors would be eliminated, the state minister also said in the statement.

Ratification of the ILO Convention 138 by Bangladesh is a long time demand from the European Union to be eligible for the new generalised system of preferences for 2024 and 2034.

Thailand eases Covid test to boost tourism

AFP, Bangkok

Travellers to Thailand will no longer have to take a Covid-19 test before boarding the plane, under plans announced Friday as part of efforts to reboot the kingdom's pandemic-battered tourism sector.

From April 1, the requirement to take a negative test within 72 hours of travel will be scrapped, and instead visitors will be tested on arrival in Thailand, said an official.

Strict travel curbs helped Thailand limit Covid case numbers and deaths in the early stages of the pandemic, but hammered its crucial tourism industry, which accounts for about a fifth of the country's economy.



SME entrepreneurs are seen displaying their products at the buyer and seller conference at Parjatan Bhaban in Dhaka's Agargaon yesterday.

PHOTO: RASHED SHUMON

Ensure regular fund allocations for SMEs: experts

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Regular fund allocations for small and medium enterprises (SME) are required to provide capital for business development of the SME sector.

"SME Foundation is playing an important role in achieving the government's target of increasing employment by providing loans and training to SME entrepreneurs on easy terms," said Kamal Ahmed Majumder, state minister for industries, while addressing a buyer and seller conference at Parjatan Bhaban in Dhaka's Agargaon yesterday.

However, he said more loans are needed on easy terms for entrepreneurs to offset the losses caused by the coronavirus pandemic.

For this, regular funds should be allocated in favour of the SME Foundation.

Md Mofizur Rahman, managing director of the SME Foundation, said his organisation has been organising such buyer and seller conferences regularly to introduce the products made by SME entrepreneurs and women entrepreneurs to top tier buyers of the country.

Md Masudur Rahman, chairman of the SME Foundation, said the country's SME

entrepreneurs are lagging behind due to lack of market connectivity of capital and products. At the same time, ensuring fair prices for their products is also a big challenge.

According to him, the SME Foundation is working to address these crises for SME entrepreneurs.

There are about one million SME industrial units and about six lakh cottage industries in the country, of which 6.21 per cent is being run by women entrepreneurs.

He said the number of women entrepreneurs in the country is increasing significantly every year as a result of creating conducive working environment for women and various incentives.

Masudur said market connections and marketing of products are one of the major challenges for women entrepreneurs.

While 36 per cent of women entrepreneurs mentioned the crisis of capital in doing business, 20 per cent of women entrepreneurs cited marketing of products as the main problem.

A total of 60 potential women entrepreneurs from different parts of the country took part in the conference.

The participating women entrepreneurs showcased their products such as

boutique goods, jute items, leather goods, handicrafts and jewellery to commercial buyers.

The event was attended by representatives of various organisations and online marketplaces.

Commercial buyers were able to select suppliers by verifying the product quality, design, use of dyes, wholesale price and production capacity of the women entrepreneurs participating in the programme.

The SME Foundation has provided training to participating women entrepreneurs on product manufacturing and supply management, product quality control, use of design tailored to demand and wholesale pricing strategies.

The foundation hopes that the buyer-seller gatherings will help women entrepreneurs market their products while also helping commercial buyers or retailers to find a source or supplier of their products.

In the last five buyer and seller conferences organized by SME Foundation, about 200 women entrepreneurs displayed their products and about 160 women entrepreneurs are regularly delivering products to various reputed business establishments of the country.

No VAT cut for beauty parlours: NBR

STAFF CORRESPONDENT, Ctg

The value added tax (VAT) on beauty parlour services will not be reduced in the upcoming national budget, announced National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Muneem yesterday.

"Who pays VAT? Consumers pay VAT and you (businesses) collect VAT from the consumers and deposit it to the government," he said in response to a reduction proposal by businesses.

Muneem reminded that VAT rates were fixed considering the practicality of how much a consumer can pay.

"What is the VAT-paying capacity of a person who goes to beauty parlours? Can VAT be a pressure on a person who can spend Tk 250 for a haircut?"

"That is why I am announcing today that VAT on beauty parlours will not be reduced. There is no reason to reduce VAT," he said.

Muneem was addressing a pre-budget meeting organised by the Chittagong Chamber of Commerce and Industry (CCCCI) at World Trade Centre in Chattogram city.

Regarding a proposal to help local producers of electric switches,

he said there were allegations that the locals manufacture goods of poor quality to reduce production costs.

Consumers cannot be deprived of good quality products by cooperating profusely with the domestic industry that lacks capacity, he opined.

"We will monitor the potentials of the domestic industry and how much support is require at what stage will be assessed," said Muneem.

The domestic industry needs to acquire required capacity gradually and thus they will continue to get support, he opined.

Mentioning that if prices of goods increase in the global market, the same will happen in domestic markets, Munim said it was not a normal practice to reduce prices of goods through a reduction in taxes.

He said the NBR was working with the aim of protecting the domestic industry, to bring ease to the tax system and reduce the pressure of tax.

Chairing the meeting, CCCI President Mahbulul Alam proposed enabling special allocations in the next budget for the timely implementation of different ongoing mega projects in Chattogram.

Referring to the current global situation and inflation amidst rising commodity prices, he also proposed raising the tax-free income limit for individual taxpayers from Tk 3 lakh to Tk 4 lakh.

For women and elderly taxpayers above 65 years of age, he suggested from Tk 3.5 lakh to Tk 4.5 lakh, for the physically challenged from Tk 4.5 lakh to Tk 5.5 lakh and for wounded freedom fighters from Tk 4.75 lakh to Tk 5.75 lakh.

Alam said they already sent over 200 proposals to the NBR, including 84 related to duty, 22 on VAT and 102 on income tax.

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Tea prices rise

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"One kg of sugar used to be sold at Tk 75 while it is now Tk 90. One litre of kerosene was Tk 65 before but is now Tk 90. Ginger was Tk 60 per kg but is now Tk 120-150," Dulal said, adding that the cost of living has also gone up.

"It was difficult to run the household with the income that was earned by selling tea all day long," he said.

This journalist visited a number of crowded spots, including Mirpur, Kalyanpur, Kalabagan, Jigatola, Karwan Bazar and Motijheel, and witnessed that the price of milk tea has increased by Tk 4 to Tk 6 per cup and tea without milk by Tk 2 to Tk 3.

Tea has now become an integral part of social and professional life, making it the world's most-consumed beverage as it is also popular among low-income groups.

Rahmat Ali, a tea seller by the Insurance Development and Regulatory Authority's premises in Motijheel, said he used to sell a cup of milk tea for Tk 8 a month ago.

"Now I am selling it for Tk 12. That's why we have to hear a lot of harsh words from consumers daily," he said.

"The prices of all kinds of necessities have gone up. I also have to manage both the business and my family. In addition, there are many other costs involved in running a business," he said.

"The coronavirus crisis has not yet been fully overcome," Ali added.

Mahmud Abbas Siddique, owner of Abid Tea Stall at West Tejuri Bazar in Farmgate, has been running the stall for five years.

He did not raise the price of tea. Instead his business strategy to manage the cost is to reduce the volume of tea per cup.

"Common people have not been able to fully overcome the Covid-19 crisis yet. In the meantime, if the price of tea increases, people will substantially reduce the consumption of tea," he said.

Those who regularly drink tea in roadside stalls have reduced their consumption of tea, tea vendors said.

They said those who used to drink six to seven cups of tea in the past now limited themselves to four or five cups.

Tannin Islam, a resident of the capital, stays in the Karwan Bazar area for a big part of the day for professional reasons.

He used to drink six cups of tea daily and now has reduced it to four cups. He shared his experience with The Daily Star.

"The price of everything has gone up which affects my life like that of other people. It's becoming impossible to live with the money I get paid [from the employer]. So, I had to reduce tea consumption," he said.

"In the stall where I regularly drink tea, the price of a cup of milk tea used to be Tk 5 but it is now Tk 7," he added.

According to Business

Insider Bangladesh, of all the tea consumed in the country, 45 per cent is at the household level while the rest is at tea stalls, restaurants and offices.

In Bangladesh, tea brands dominate the market with a 75 per cent share while non-branded producers account for the rest.

Azam J Chowdhury, chairman of The Consolidated Tea & Lands Company Bangladesh Limited (Finlay), told The Daily Star that tea production in Bangladesh was now at a historic high.

"There is no reason to increase the price of tea leaves," he said.

He added that if someone says that the price of tea leaves has gone up and that was why the price of tea has gone up, the Directorate of National Consumers Right Protection should take legal action.

SM Didarul Hasan, deputy general manager (marketing) of Ispahani Tea Limited, said the price of tea leaves has not increased.

The prices of other ingredients used in making tea have increased for a rise in their import alongside living costs of tea sellers. That is why the price of it as a whole has gone up.

"If prices increase in [tea] auction, the price of tea increases. Recently, the price of tea has not increased in the auctions. So we did not increase the price of tea," he said.

"Our sales are declining, we had been apprehending it [rise of prices of other ingredients]," Hasan added.

Potato farmers lose Tk 2,500cr

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Under the project, 100 farmers, including 50 women, were provided training on good agricultural practices (GAP). The farmers also received pre-production, inspection, and post-harvest assistance, according to the press release.

The FAO also organised a pre-season buyer-seller meeting for officials

demand in Malaysia, Nepal, Sri Lanka, and countries in the Middle East and North Africa.

Addressing the event, Robert D Simpson, FAO representative in Bangladesh, said, "In order to truly thrive, the potato export value chain requires a productive alliance among all involved—the government, private sector, and producer



from Bangladesh Potato Exporters' Association (BPEA) to meet smallholder potato farmers.

Officials from the BPEA liaised with foreign buyers to get specifications and orders. As a result, the potato producers have grown 450 metric tonnes of Santana potato, a high-yielding Dutch commercial variety.

The producers were also able to procure seeds from the exporters at an affordable price. They also grew Diamant, Cardinal, Granola, and Asterix varieties which are in high

organisations."

"Bangladesh has a lot of potentials to grow commercial and export varieties of potatoes and we are working closely with the Ministry of Agriculture to boost potato exports in order to strengthen food security and increase incomes for farmers and farming communities," he said.

Agriculture Secretary Sayedul Islam, DAEDirector General Benojir Alam, and private sector exporters and other government representatives joined the programme.

Fund transfer to be instant

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currency demand draft (FDD) to carry out transactions. Then, the BB forwards it to the related lenders in a bid to complete the process.

Banks have to maintain a foreign currency current account with the central bank. The settlement of FDD is conducted through such accounts.

An FDD is a negotiable instrument used by banks to facilitate inter-bank fund transfers using the route of the central bank.

The settlement is required at least one working day, but the RTGS will help complete such transactions on a real-time basis, the BB official said.

Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, says banks have long been requesting the central bank to introduce the service as this would help them

settle foreign exchange-related transactions more efficiently.

"Although the central bank clears the FDD in a day, banks require two to three days to benefit from the transaction."

"The upcoming process will also help businesses settle import and export-related transactions at a faster pace."

Allowing NBFIs, alongside banks, to join the RTGS platform will also strengthen their capability, industry people say.

At present, NBFIs have to place manual cheques at the central bank to transfer funds to banks or other non-banks from the former's current account maintained with the central bank.

It takes at least one day to settle such a transaction, but the RTGS platform will speed up the process since officials will not require to

visit the BB.

The BB will introduce the service for NBFIs within two to three months.

"We have already arranged a number of meetings. The NBFIs have begun the process to be connected with the RTGS," said the central banker.

Initially, 18 NBFIs will be linked to the system.

Mominul Islam, managing director of IPDC Finance, an NBFI, says NBFIs would get more room once the system goes live.

"Clients will be benefited from the new system as well."

Depositors of NBFIs, for example, usually withdraw funds through a bank. But clients will be able to withdraw the money through cheque from their bank after NBFIs transfer the funds to the account instantly using the RTGS, Islam explained.

Stocks slump, turnover hits

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Yesterday, all the indices at the DSE declined as all sectors with large market capitalisation incurred losses.

Non-bank financial institutions experienced the highest loss of 1.69 per cent followed by food and allied (1.29 per cent) and fuel and power (0.90 per cent), said BRAC EPL Stock Brokerage in its daily market update.

Engineering, bank, pharmaceutical and telecommunication stocks

also declined.

"It appears that institutional investors remained in the sidelines for now. They are in a wait-and-see mood," said a chief executive of a brokerage firm seeking to remain unnamed.

Mohammad Emran Hasan, chief executive of Shanta Asset Management, said the market dipped amid uncertainty and panic over the possible fallouts of the Russia-Ukraine war on the Bangladesh economy,

particularly inflation.

"I think this is an overreaction as the market is not overvalued," he said.

At the Dhaka bourse, Beximco topped the list of most-traded shares yesterday, recording a Tk 53.5 crore turnover.

Takaful Insurance gained the most followed by Hwa Well Textiles (BD). IFIC Bank and Shahjalal Islami Bank were the top losers at the DSE.

Of the 379 shares traded yesterday, only 23 advanced.