

star BUSINESS



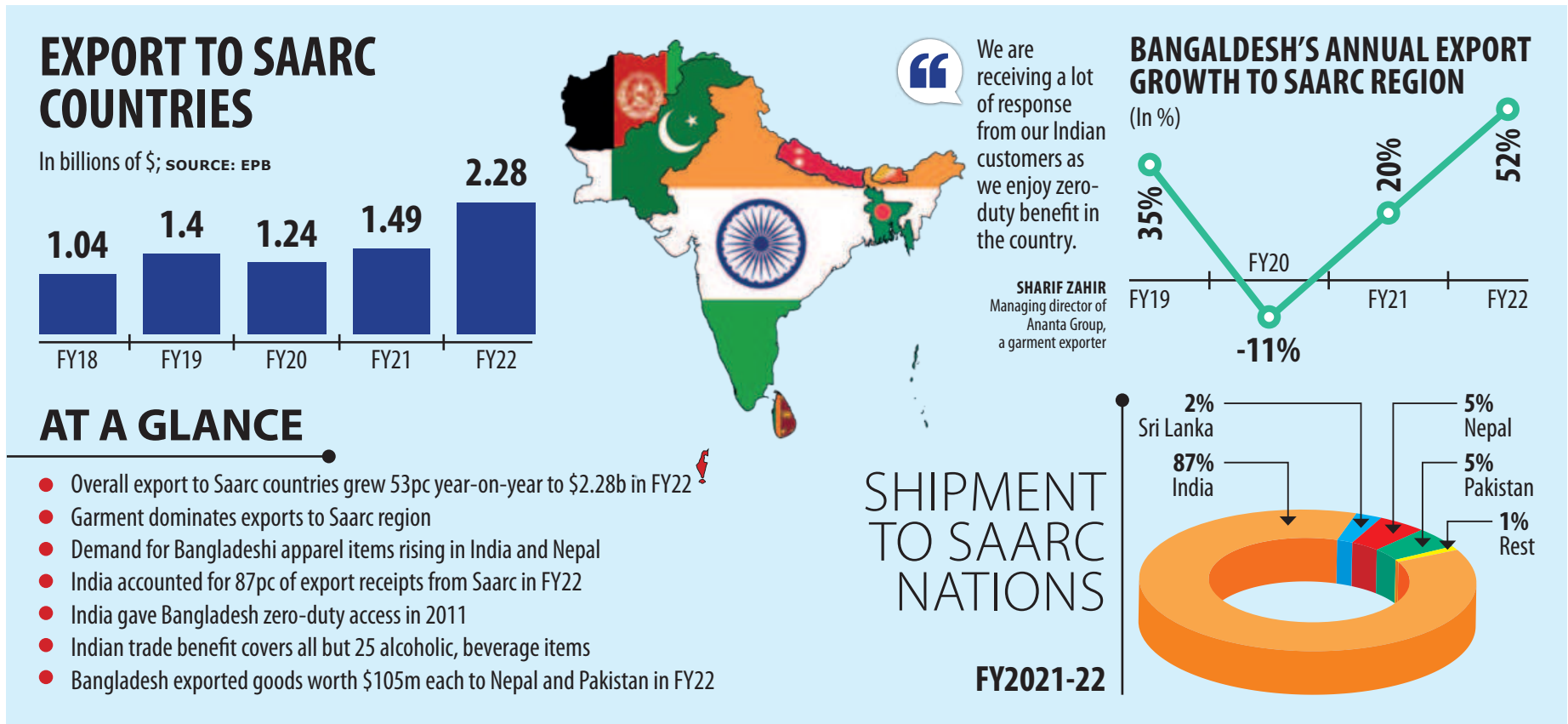
Prime Bank



EFFORTLESS
CREDIT CARD
BILL PAYMENT
WITH  MyPrime
more to you!



Scan to download!



Exports to Saarc countries reach new heights

Riding on Indian duty waiver

REFAYET ULLAH MIRDHA

Bangladesh's exports to South Asian nations reached a new high in the last fiscal year of 2021-22 for having grown steadily over the past three years, according to Export Promotion Bureau (EPB). India's zero-duty benefit for most Bangladeshi items aided the growth, particularly in the last fiscal year, when overall exports to eight countries in the region grew 53 per cent year-on-year to \$2.28 billion. The demand for garments made in Bangladesh has been growing in Indian and Nepalese markets on the back of their expanding middle-income population. Moreover, sourcing is on the rise by foreign retailers and brands like Walmart for Indian markets and by the neighbouring country's domestic retailers and

brands such as Reliance and Aditya Birla, said exporters. India alone accounted for \$1.99 billion or 87 per cent of the total exports receipts from the South Asian Association for Regional Cooperation (Saarc) in fiscal year 2021-22, showed data from the EPB. Delhi provided the zero-duty access to Dhaka in 2011 for all products, except 25 alcoholic and beverage items. "It is encouraging that our export is growing in the Saarc region. We have long expected our trade in the region to grow," said Asif Ibrahim, vice-chairman of Newage Group, a garment exporter. Asian countries such as India, Japan and China are the next target markets for Bangladesh as the country is set to lose its preferential market access in 2026 following its graduation

from the group of least-developed countries, he said. Previously, the country's exports to the region were mainly confined to formal woven shirts. Now, garment manufacturers send inner garments, denim and casual knitwear products apart from other consumer goods. With the buoyancy in export growth to the region, the Saarc region's share in Bangladesh's total export of \$52 billion grew

by one percentage point to 4 per cent, said the EPB. Nearly three-fourths of Bangladesh's exports are destined for the European Union and North America, particularly the United States. From basic to polo shirts, casual and formal dresses are the main export items to the Saarc nations. Ibrahim thinks jackets are going to be the next major export item to Nepal because

of the relatively colder weather and lengthy winter season in the Himalayan nation. Shipments to Nepal and Pakistan were also encouraging. Bangladesh exported goods worth more than \$105 million each to Nepal and Pakistan in FY22. "We are receiving a lot of responses from our Indian customers as we enjoy the zero-duty benefit in the country," said Sharif Zahir, managing director of Ananta Group, another garment exporter. "The exports to the Indian market are really encouraging for Bangladesh," he said. Bangladesh's exports to India can potentially rise by 300 per cent, he added. Selim Raihan, executive director of the South Asian Network on Economic Modeling



TRANSIT OF OIL

India to pay Tk 250 per tonne

SOHIEL PARVEZ

Indian Oil Corporation Ltd (IOCL) will be required to pay various charges and give bonds to transit petroleum from Meghalaya to Tripura through Bangladesh, according to a notification from the National Board of Revenue (NBR) at the end of last week. The transporters will have to pay a total of Tk 250 to move each tonne of fuel through Bangladesh as per the transit and transshipment rules issued in 2021. The charges are for security, escort and various administrative purposes. Apart from this, each consignment will face a Tk 30 document processing fee while some Tk 254 will have to be paid as a scanning fee, the customs authority said. For transiting the petroleum, oil transporters will need to give bonds equal to the amount of duty and taxes on the amount of oil, a measure the NBR keeps to prevent oil leakage in the country's territory. "We keep this provision of bond to ensure that there would be no misuse of the privilege," said a senior official of the NBR on condition of anonymity. The move comes nearly two weeks after Bangladesh's Roads and Highways Department signed a memorandum of understanding (MoU) with IOCL, allowing the state-owned oil and gas explorer and producer of India to transport fuel to Tripura, a northeast state. IOCL will be able to ply 80 vehicles daily for transporting fuel through Bangladesh -- including entrance and exit. IOCL will have to pay a charge of Tk 1.85 per tonne per kilometre travelled on Bangladesh's roads.

READ MORE ON B3



Muslin is a symbol of Bangladesh's golden heritage and nobility. Muslin cloth made by weavers of Dhaka became a status symbol for the rich and aristocratic class in the past.

PHOTO: STAR/FILE

Tk 50cr project to perk up muslin

SUKANTA HALDER

The government has lined up a roughly Tk 50 crore project aimed at developing and expanding the production of muslin fabrics in the country. Under the project, styled "Bangladesh's Golden Tradition Muslin Yarn Making Technology and Recovery of Muslin Fabrics (Phase-2)", a training centre will be set up at the Dhakai Muslin House in Rupganj upazila of Narayanganj, according to Project Director Ayub Ali. Besides, a testing laboratory will be set up at the hub for muslin textile research while the number of spinners available will be increased to 300, he added. Ali, also chief planning officer of the Bangladesh Handloom Board (BHB), went on to say that by the end of phase

one, which began in July 2018 and concluded in June 2021, the number of trainee weavers under the project had gone from a measly six to 75. Since then, the number of trainee weavers at Muslin House has gone on to hit 226 at present. Similarly, phase two of the project will have a three-year tenure. BHB sources said a development project proposal in this regard will be submitted to the Ministry of Textiles and Jute later this month, after which it will be sent to the Planning Commission for final approval. The BHB was supposed to bring muslin fabrics to the domestic market by the middle of this year but Ali said they could not keep this commitment for various reasons.

READ MORE ON B3

Stocks tax policy scares off long-term investors

Analysts say

AHSAN HABIB

The government's tax measures contradict its plan to turn the stock market into a destination for long-term investments, something apparent in the pace with which individuals and institutions trade shares simply to make a quick buck. If investors opt to retain their shares for a substantial amount of time to receive the associated companies' dividend income, they have to pay a 10 per cent to 25 per cent tax on the earning. On the other hand, no tax needs to be paid on profits generated through the trade of shares. Pooling long-term investments requires the government withdrawing the tax on dividend income, said Sayadur Rahman, president of Bangladesh Merchant Bankers Association (BMBA). "The listed companies declare the dividend after paying corporate tax. The dividend income tax is levied on that dividend again, so it is a type of a double taxation. The tax is much high too," he said. Withdrawing the tax will encourage investors to retain shares for a long time to reap dividends instead of purchasing and selling those frequently, helping the stock market to remain stable, he added. A stable stock market can ensure more tax for the government in the long run, he Rahman. A top official of the Bangladesh Securities and Exchange Commission (BSEC), preferring anonymity, said the National Board of Revenue (NBR) always tries to use any taxation means available for increasing revenue generation.

READ MORE ON B3

STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
1.51% 6,241.44	1.33% 18,369.92	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▲	
\$1,748.10 (per ounce)	\$96.72 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 1.08% 59,646.15	▼ 0.04% 28,930.33	▼ 0.82% 3,246.51	▼ 0.59% 3,258.08	



THE SUSTAINABILITY LEADERSHIP AWARD

To emphasise more on the sustainability of the RMG and textile sector, GIZ and the BGMEA are organising the Sustainability Leadership Award during the Made in Bangladesh week in November. Please submit your nomination to participate in the competition.

AWARD CATEGORIES

- **Social Standards**
 1. Most Convincing Setup
 2. Women Empowerment at the Workplace
 3. Best Supported Social Initiative in the "Neighbourhood of a Factory"
- **Environmental Excellence**
 1. Environmental Champion
 2. Water use Reduction Over a Year
 3. Recycling of Textile Waste Materials, e.g., Fibre, Yarn, Fabric, Garment
- **Innovation Excellence**
 1. Best Innovation From a Business Perspective
 2. Best Innovation for the Future
 3. Best Innovation for Workers Welfare

*Please download the nomination form and apply for your preferred categories

Call for entries
Eligibility: Factories working in the RMG and textile sectors

Last date of submission:
September 19, 2022

Nomination form available at:
www.madeinbangladeshweek.com/register/tsl2022

For any query and to submit the nomination:
Email: tsl2022@skytrackerbd.biz
Call: 019 3388 1133

Organised by-

