

INDIAN SPECIAL ECONOMIC ZONE



MoU signed between Bangladesh and India in 2015



Ecnec approved the project in February 2019



India approved \$115m for the project in June 2020



Beza and Adani Ports & SEZ Ltd of India inked term sheet agreement in April 2022



Economic zone to go into operation by 2023



ISEZ to create about 3 lakh jobs directly



Deal this year for Indian special economic zone

JAGARAN CHAKMA

The Bangladesh Economic Zones Authority (Beza) plans to sign a commercial agreement with India by this year for establishing the Indian Special Economic Zone (ISEZ) as negotiations in this regard are almost complete.

Shaikh Yusuf Harun, executive chairman of Beza, said they will sit with Indian delegates to finalise the negotiations within one month and then fix a date for the deal signing.

Harun hopes that billions of dollars will pour in as investment from the neighbouring nation once the ISEZ inside the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram is complete.

As part of the negotiations, a final draft of the agreement will be prepared and presented to the Indian side for approval, according to the executive chairman.

Sources say India has already approved \$115 million for the project under its third line of credit amounting to \$4.5 billion.

The economic zone will go into full operation by 2023, creating about 3 lakh opportunities for direct employment.

However, Harun said the number of companies that will set up shop at the ISEZ is yet to be finalised.

Harun went on to say that they are ready to hand over land to Indian developer Adani Ports and SEZ Ltd to begin construction works on the ISEZ, which will be set up exclusively for Indian investors on 1,000 acres of land.

So far, Beza has received a total of \$62.72 million in investment proposals for the BSMSN from three Indian investors.

The negotiations will be finalised after it is decided whether Beza will go for a profit-sharing model with investors of the ISEZ or charge them rent for land use.

Harun then said that Beza prefers the

profit-sharing model.

Meanwhile, a consultancy has been appointed to design the proposed economic zone and supervise its construction, he added.

Beza and Adani Ports had signed a term sheet agreement for the development of a special economic zone for Indian companies at the BSMSN in April this year.

With an estimated cost of Tk 964.85 crore, including the Indian line of credit worth \$115 million, the purpose of this project is to establish a separate zone to attract Indian investors.

The main work of this project is to complete land development, establish connecting roads, administrative buildings, security systems, water supply systems, telecom, water treatment plants and other investment friendly facilities.

A memorandum of understanding was signed between Bangladesh and India in

June 2015 for establishing the ISEZ under Beza. For this purpose, two economic zones were identified in Mongla upazila of Bagerhat, and Mirsarai in Chattogram.

The development activities will be implemented under the Concessional Line of Credit of the government of India.

Beza has already taken ownership of 110 acres of land in Mongla, for which India's Hiranandani Group was appointed as developer while Adani Ports will work as a developer for Mirsarai.

In February 2019, the Executive Committee of the National Economic Council (ECNEC) approved a project involving Tk 845 crore to acquire 1,000 acres of land in Chattogram's Mirsarai for Indian investors.

The implementation of the ISEZ would bring down the trade gap between Bangladesh and India, which is currently heavily tilted towards the latter, Harun said.

Use Safta experience in bilateral talks

Speakers say at book launch

STAR BUSINESS REPORT

Bangladesh should use its experience as a member of the South Asian Free Trade Area (Safta) in its discussions for securing trade deals with countries all over the world, according to speakers at a book launching ceremony in Dhaka yesterday.

The book, titled "The Understanding of Free Agreements: The Rhetoric and Reality of Safta", was written by Neyamul Islam, first secretary of the National Board of Revenue, and published by University Press Limited (UPL).

Speakers said Bangladesh would benefit if it uses the experience gained from being in Safta in all potential bilateral agreements that are being discussed, such as the Single Euro Payments Area, Bay of Bengal Initiative on Multi-Sectoral Technical and Economic Cooperation, free trade agreements, and the Bangladesh, Bhutan, India, and Nepal Motor Vehicle Agreement.

Professor Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said integrating three dimensions of the economy — trade, investment and transport — would improve the country's supply capacity and competitiveness.

Most of the goods exported from Bangladesh mainly go to North American and European countries but to take advantage of the "Asian Century", the country needs to expand its hold on the Asian market.

Mustafizur Rahman, a distinguished fellow of CPD, said integrating three dimensions of the economy — trade, investment and transport — would improve supply capacity and competitiveness

"So, Bangladesh needs to increase its supply capacity and emphasis should be placed on trade facilitation," he added.

Selim Raihan, a professor of economics at the University of Dhaka, said regional cooperation is being discussed by different countries across the globe, particularly among neighbouring countries.

"But there is a debate over the extent to which such regional cooperation would promote global free trade," he added.

Raihan, also executive director of the South Asian Network on Economic Modeling, went on to say that regional cooperation in South Asia is very low while regional trade is very high.

Islam, the author, said the book delves into an objective assessment of Safta from fresh perspectives. He also explored various provisions of the North American Free Trade Agreement and General Agreement on Tariffs and Trade.

Islam believes the South Asian Association for Regional Cooperation may play an instrumental role in ensuring an effective South Asian intra-trade system.

Professor Md Akhtaruzzaman, vice chancellor of the University of Dhaka; Mohammad Abu Yusuf, joint secretary of the finance ministry; Ali Ahmed, an expert on foreign trade; and Mahrukh Mohiuddin, managing director of UPL, also spoke at the event.

Manipulation lives on

FROM PAGE B1

For example, the stock market regulator recently fined Abul Khayer Hiru and his associates Tk 5.25 crore for their realised and unrealised gains of more than Tk 68 crore from manipulating stocks of NRB Commercial Bank and Fortune shoes, according to the BSEC's enforcement decision.

"When an offender does not face adequate consequences, they feel more encouraged to engage in manipulation," the former BSEC chairman said, adding that the regulator should seek the option of levying criminal charges on them.

The US Securities and Exchange Commission announced last June that it found some sixteen people participating in a stock manipulation scheme that generated more than \$35 million in illicit profits. So, it decided to fine them more than \$75 million collectively, according to its website.

In addition, major manipulators can be banned from trading altogether, which is a common practice across the world, Siddiqi said. "The manipulation should be stopped by any means necessary," he added.

A senior official of an asset management company said the image of Bangladesh's stock market is already mingled with the word manipulation, which is not a good sign for the market in the long-run.

"Technology cannot give a biased opinion on the manipulators as only the people behind the technology can take such steps," he said.

"So, the regulator's activities in reigning in manipulation raises questions of whether it is doing the job only after seeing a dent in investors' funds," he added.

The BSEC can only provide the right answer to this question through its own work. Otherwise, the same confidence crisis will continue and the market's image will only get worse at home and abroad.

"And this cannot be fixed by arranging road shows," the official

said.

On condition of anonymity, a former commissioner of the BSEC said the organisation is constantly trying to raise the market index by any means necessary, including patronising manipulators.

The regulator recently termed a known manipulator who was fined by the commission as a big investor.

"This is a harsh cruelty of the regulator."

Although manipulators can raise the index temporarily, their activities would pickpocket general investors and erode confidence in the market, hampering it in the long-run.

"So, the BSEC should leave this mindset of raising the index with the help of manipulators," he added.

In response to all these concerns, BSEC Spokesperson Mohammad Rezaul Karim said that when an investor buys shares in bulk, they cannot immediately say if it was an attempt at manipulation.

"So, we have to wait and see whether there is any malpractice or breaching of securities rules," he added.

Karim went on to say that to detect serial trading and insider trading, the BSEC needs to wait days and even months as expediting the process could put honest investors at blame for the offence as well.

Serial trading is the buying and selling of shares between the same beneficiary accounts in order to impact the share price.

Insider trading is the buying and selling of securities by people who have access to non-public information that may influence the stock value.

In answer to a query, Karim said hundreds of alerts come in every day from the surveillance software but if the surveillance team were to scrutinise each one, then it would be a lot more manpower.

Even if the BSEC finds reasonable evidence of malpractice in trading, it has to form an enquiry committee that needs at least 15 days to complete

a comprehensive investigation.

After the enquiry team submits its findings, more procedures remain as the documents need to be verified and hearings need to be held.

Regarding the issue of imposing light punishments, Karim said the commission imposes penalties based on the offence and declined to comment further.

The BSEC had launched Trapets InstantWatch, an automatic market transaction surveillance and compliance system widely used in Europe, to build its own surveillance network at the end of 2012.

The development and installation of the software was under a project co-funded by the government and the Asian Development Bank (ADB).

The installation and implementation of the surveillance software within the BSEC was also a condition of the ADB for releasing \$30 crore as assistance under the second phase of its capital market development programme.

India wants to invest in energy, transport

FROM PAGE B1

Munshi said prices of rice and wheat would decrease in a couple of months as the government has undertaken initiatives to import grains from Russia and other countries.

He mentioned soybean oil and prices of edible oil decreased in the global market.

But consumers are not getting the benefit of the price fall because of increased cost of dollars.

It is expected that the price of soybean oil will decrease further in two months, he added.

Referring to the PM's visit, Munshi said India's West Bengal has responded positively to the Teesta Water Sharing Treaty, he said, and hoped the treaty would be signed soon.

Internet users rise

FROM PAGE B1

The gain in July stood at 3.8 per cent year-on-year.

Mustafa Jabbar, telecom minister, credited the introduction of broadband internet at a flat rate across the country and the release of a chunk of spectrum for taking internet to more people.

"This year, we have allocated the biggest amount of spectrum. Better mobile internet service will ensue soon as operators are starting to deploy the spectrum," he said.

In March, the country's four mobile phone operators bought 190 megahertz of spectrum for \$1.23 billion, or Tk 10,645 crore.

Once the operators add the additional spectrum to their network, the suffering for the customers in the form of slower internet speed and subpar voice services would lessen to a large extent.

Operators say they are deploying thousands of 4G base transceiver

stations central to better internet pace.

All of the new 14 lakh subscribers came in the mobile internet segment, raising the number of people who access internet on their handheld devices to 11.64 crore in July from 11.50 crore a month earlier.

Mobile data users were up by about 2.5 per cent in July compared to the same month a year earlier.

The number of broadband internet users remained unchanged at 1.11 crore in July versus June but it was up 11 per cent from a year ago.

"The growth we have witnessed during the pandemic has stalled in recent months," said Aminul Hakim, managing director of Amber IT, an internet service provider.

The number of broadband users has increased dramatically since the outbreak of Covid-19 as people had to rely heavily on internet to communicate, work, and study. In Bangladesh, broadband users more

than doubled since February 2020.

Bandwidth consumption witnessed a remarkable spike during the coronavirus pandemic: 3,850 Gbps was used in June, up from 1,000 Gbps before the health crisis erupted, according to the BTRC.

Although the number of internet subscribers has sprinted to 12.75 crore, representing two-thirds of the country's population, the number of unique internet user is much lower.

This is because there are many people who use internet from multiple SIMs. If one person uses two SIMs, he or she would be counted as two subscribers.

As per BTRC definition, internet subscriber means subscribers or subscriptions who have accessed internet at least once in the preceding 90 days.

According to the new population census, 6.5 crore people, aged 18 or above, don't use internet.

BGMEA targets 10pc

FROM PAGE B1

that retailers and brands are also sitting on unsold stocks of garment items as consumers have tightened belts amid higher cost of living.

"In some cases, international retailers and buyers are putting orders on hold because of a slowdown in demand in Europe."

The BGMEA chief is expecting at least 15 per cent year-on-year growth in export receipts in the current fiscal year.

Garment shipment clocked 35.47 per cent year-on-year growth in the fiscal year of 2021-22, bringing home \$42.61 billion.

Currently, Bangladesh is the global champion in green garment factories: the country has 170 Leadership in Energy and Environmental Design (LEED) factories certified by the United States Green Building Council. Of them, 52 are platinum-rated and

104 gold-rated.

The LEED certification and strengthening of workplace safety in keeping with the recommendations of two foreign inspection agencies — Accord and Alliance — have also brightened the image of the sector and the country, according to Hassan.

At the press conference, he also announced the mega event 'Made in Bangladesh Week', which will be held at the Bangabandhu International Conference Centre in Dhaka between November 12 and 18 to exhibit the country's strong performance in the garment sector.

Prime Minister Sheikh Hasina is scheduled to inaugurate the event.

Nearly a dozen of events such as the Dhaka Apparel Expo, the Bangladesh Denim Expo, and the Dhaka Apparel Summit will take place during the week, while the BGMEA Innovation Centre would be launched.

Tata in talks to assemble iPhones

REUTERS, New Delhi

Indian conglomerate Tata Group is in talks with Taiwanese supplier Wistron Corp to establish a joint venture to assemble Apple's iPhones in India, Bloomberg News reported on Friday.

The venture would be the Indian salt-to-software group's latest push into technology manufacturing as it taps Wistron's expertise in product development, supply chain and assembly, Bloomberg added, citing people with knowledge of the matter.

Cupertino, California-headquartered Apple has bet big on India since it began iPhone assembly in the country in 2017 via Wistron and later with Foxconn, in line with the Indian government's push for local manufacturing.