



Chattogram port requires foreign investment to transform into a regional shipping hub, the state minister for shipping said, adding that the government would always consider local concerns before accepting any funds in this regard.

PHOTO: STAR

Country's interests first in accepting foreign investment in Ctg port

Says State Minister for Shipping Khalid Mahmud Chowdhury

STAR BUSINESS REPORT

The government would first consider the country's interests before accepting any foreign investment in Chattogram port, State Minister for Shipping Khalid Mahmud Chowdhury said yesterday.

"We need foreign investment but the government will consider local interests when any country comes forward in this regard," he added.

He was speaking at a roundtable, styled "How Chattogram Port can be turned into a Shipping Regional Hub", organised by English daily The Business Standard (TBS) at its office in Dhaka.

Chowdhury then said along with Chattogram port, the Cox's Bazar airport and Matarbari deep seaport would make up the regional hub.

"We have three internal ports and there are some weaknesses in terms of logistics but we are trying to remove them gradually," he said.

"A lot of development is needed for it and that is why we are talking about foreign investment," he added.

The state minister for shipping went on

to say that a large group does not want to set luggage scanners at Chattogram port as they have been repeatedly destroyed within a few days of installation.

While presenting the keynote, Khairul Alam Sujan, vice-president of the Bangladesh Freight Forwarders Association, said if the Chattogram Port Authority (CPA) wants the country's premier seaport to become a regional shipping hub, then more needs to be done than simple infrastructure development.

"We need to conduct paperless trade like Singapore and Colombo," he added.

The port authority has initiated a modern method of cargo handling called the Container Terminal Management System, under which new modules are being added.

Also, the traditional method of discharging goods from the port should not be kept in new terminals in any way.

"Containers are currently opened next to the main jetty and the goods are delivered from there, which does not happen anywhere else in the world," Sujan said.

Rear Admiral Mohammad Shahjahan, chairman of the CPA, said some businesses

deliberately keep their containers inside the port to hoard products, which is illegal.

And because of this, the businesses pay a huge amount of foreign currency to the container owner as demurrage fees. As a result, consumers face the final high cost.

"If we could use the port as a transshipment hub, then we would be profitable from both sides. Costs would be reduced for importers while the port authority could earn more by renting space," he said.

Shahjahan then said the government is planning to build a new Bay Container Terminal with the capacity to house 4.5 million twenty-foot equivalent units of containers.

He also mentioned the Matarbari Port Development Project is a fast-track project to strengthen the port logistics capacity of Bangladesh by hinterland connectivity to render an important commercial gateway to South Asian countries as well as to the other parts of the region.

The Matarbari project will be completed by 2026, Shahjahan added.

Mohammed Amirul Haque, managing

director of Seacom Group, said they do not want any foreign operator to manage Chattogram port.

"The CPA should utilise domestic resources in this regard," said Haque, also managing director of Premier Cement Mills.

At the event, Captain Khairul Islam, director of the Bangladesh Inland Container Depot Association, said the CPA should not conduct activities as a regulator and operator at the same time.

Hatem Ali, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, urged to implement the Bay Terminal project to increase the overall capacity of Chattogram port as it would help achieve the goal to export 100 billion worth of products each year by 2030.

Rashed Al Mahmud Titumir, professor of development studies at the University of Dhaka, urged for formulating a master plan for the development of Chattogram port.

Inam Ahmed, editor of TBS, chaired the event, while it was moderated by Sharier Khan, executive editor.

HSBC launches statutory payment solution for corporate clients

Partners with BB, NBR

STAR BUSINESS DESK

Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh, in association with the National Board of Revenue and the Bangladesh Bank, recently rolled out an online statutory payment processing solution for the payments of value-added tax, VAT deducted at source (VDS), excise duty, supplementary duty, and penalties.

With the help of the system, transactions can be carried out more efficiently and it will provide convenience and faster service to corporate clients, said the multinational bank in a press release.

Previously, statutory payments were collected manually through paper-based instruments like pay orders that required clients to wait for several days.

But thanks to the introduction of the online system, businesses and organisations will be able to complete payments online through HSBCnet easily and securely, said the press release.

Transactions will be completed almost real-time through the Real Time Gross Settlement of the central bank.

Through HSBCnet, businesses and organisations will be able to easily pay VAT, VDS, excise duty, supplementary duty and penalties electronically without visiting banks or government offices physically.

The online solution enables multiple BIN (business identification number) validations in real-time and significantly reduces the processing time.

Upon successful payments, clients will receive a challan number promptly through the short message service. A challan copy will be emailed to the client on the next day.

Huawei, BGMEA to promote use of green energy

STAR BUSINESS REPORT

The ICT infrastructure provider Huawei yesterday signed a memorandum of understanding (MoU) with Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to address the current energy crisis and move towards building a greener Bangladesh.

Faruque Hassan, president of the BGMEA, and Pan Junfeng, CEO of Huawei Technologies (Bangladesh) Limited, signed the MoU at the BGMEA Complex in Dhaka.

Under the agreement, Huawei and BGMEA will work together to help the garment factories become 'green factories' by shifting to green source of energy.

Huawei will be setting up solar power plants in the BGMEA enlisted factories, according to a statement from the BGMEA.

October's RMG export

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If the government takes some business-friendly initiatives, it can earn a lot of revenue from the indirect tax as businesses undertake a lot of measures for earning revenue, said Hassan.

Due to some restrictions imposed by the government, import of goods has slowed down, for which revenue is not increasing, he said.

For instance, the opening of letters of credit for importing cars declined due to government restrictions on the import of luxury items based on the fact that this was a time of economic crisis, he said.

The government may lose out from earning Tk 500 crore to Tk 600 crore if the source tax is reduced to 0.50 per cent from the existing 1 per cent, said Hassan.

At the same time, the government will be able to earn a lot of revenue indirectly as businesses will be encouraged to expand their operations, he said.

He also pleaded with the major political parties to keep the garment sector out of political programmes considering the employment of millions of workers. Currently the garment sector is out of political parties' agitating programmes, he said.

Bangladesh has set a target to earn \$46.80 billion from apparel exports in the current fiscal year of 2022-23, which is 10 per cent higher than what was earned last fiscal year, according to data from the Export Promotion Bureau (EPB).

Garment shipments rose 13.41 per cent year-on-year to \$10.27 billion during the first three months of the current fiscal year.

Of the amount, \$5.64 billion came from the knitwear sector and \$4.62 billion from woven, similarly up 9.40 per cent and 18.73 per cent respectively.

However, earnings from garment shipments declined 7.52 per cent to \$3.16 billion in September because

of a fall in demand for a double-digit inflation hitting European consumers on stemming from the ongoing Russia-Ukraine war.

In September, woven exports slipped 5.66 per cent to \$1.43 billion while knitwear shipments dipped 9 per cent to \$1.73 billion.

The contraction in export earnings came as European and American buyers continue to struggle amidst rising consumer prices.

Inflation in the 19-member eurozone surged to 10 per cent in September, the highest on records, owing to soaring electricity and natural gas prices.

In the US, consumer price index, a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, rose 8.3 per cent year-on-year in August.

Earnings from garment exports grew 36 per cent year-on-year in August and in September it declined 7 per cent, which were indications of the troubles brewing in the sector.

Factories, especially small and medium enterprises, are suffering as they are failing to pay workers and the BGMEA intervened to provide financial support, said the association chief.

The BGMEA cannot provide such financial support anymore, he said.

The companies face a lot of troubles in customs and the government should remove such trade barriers, he added.

Bangladesh has the highest number of green garment factories in the world and the country accounts for 0.17 per cent of carbon emissions while the US 18 per cent. "We are one of the lowest carbon emitters in the world," he said.

Prior to the press conference, Hassan inaugurated a Centre for Innovation, Efficiency and Occupational Health at the BGMEA Complex in Dhaka.

With Twitter, Musk's influence enters uncharted territory

AFP, United States

First, Elon Musk revolutionised the automobile industry, then he tackled space travel. By taking control of Twitter, the eccentric billionaire now wields a nearly untold level of influence.

In using his fortune to grab hold of such an important platform, experts say, he has even inserted himself squarely in today's global political conversation.

"He is not just expressing views on an instrument of communication, he now owns it and sets the policy of how that instrument will be used," Jeffrey Winters, a specialist in elites and oligarchs at Northwestern University, told AFP.

The question now is what he will

do with that power, starting with the topic on everyone's mind: Whether or not Musk will allow former US president Donald Trump to return to the site.

Without anyone to answer to, Musk "is going to change the constellation of political voices that are going to be expressed through Twitter," Winters said.

According to the professor, Musk represents a typical oligarch — a person whose fortune lends them social and political power not available to an average citizen — though Musk does not have any governments or militaries under his control.

In the business world, Musk's bona fides as an innovator are well-established.

"He goes into directions that people just never go in, and he creates brand new products that proved to be highly effective and successful," said Nicholas Colas, co-founder of DataTrek Research.

Musk did not invent the electric car, but with Tesla, "he showed it was possible in a big scalable way," Colas explained.

With SpaceX, Musk introduced internet satellites and reusable rockets, technologies that were "something that's been promised but never really delivered until he came along," Colas added.

For Colas, Musk can in some ways be compared with inventors as prolific as Thomas Edison or iconic Apple founder Steve Jobs.

He has proven at least that he

knows how to make money: Tesla is by far the highest-valued car company on the stock market and SpaceX is worth more than \$125 billion.

So, when the richest man in the world gives his two cents on a business matter, such as his opinion on a company or on cryptocurrency, like an oracle — his fans listen.

He can shake up the markets with just a few words.

In 2021, when Musk edited his Twitter bio to simply say "#bitcoin," the price of the virtual currency temporarily soared 20 per cent.

He could have stuck to his role as a businessman and adopted a low profile. According to Winters, that's what most rich people do, fearing hostile reactions to their wealth.

Berger to build Tk 480cr factory

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Its profits went up 11 per cent year-on-year to Tk 45.7 crore in the second quarter. In the same period, the company's sales advanced nearly 21 per cent to Tk 542 crore, according to the company's financial report.

Despite significant growth in revenue in the second quarter of 2022-23, the same was not reflected in the profits due to higher cost of raw materials impacted by currency devaluation, said the company.

In the half yearly April-September period of 2022 the company's profits rose to Tk 133 crore, 16 per cent higher than that of the same period of the previous year.

The company's earnings per share stood at Tk 28.78 in the first half of the year. Its paid-up capital was Tk 46 crore while reserve Tk 1,008 crore, shows the DSE data.

High current account deficit

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local investments from reserves — to be nearly \$8 billion—from the calculation of reserves, used to meet the country's external obligation, including import payments.

Mansur also cited the recent power crisis, which has affected manufacturing and trade.

"Our industry is crying," he said.

"It was initially told that the power crisis will be over in a month. But two more months have gone and there is no solution."

Mansur stressed taking appropriate measures to produce and supply food, saying there is no chance to believe that there would be a famine under the current circumstances and Bangladesh's state of development.

At the event, Mashiur Rahman, economic affairs adviser to the prime

minister, said uniformity in the exchange rate is needed to restore stability to the foreign exchange market.

Shamsul Alam, state minister for planning, also talked about the unified exchange rate.

"We should work on the method and process. Serious thoughts need to be given regarding the interest rate cap on loans."

He said managing the economy and containing higher inflation should be the prime focus. "Increasing revenue may not be the thrust in this testing time."

According to the state minister, efforts should be made to reduce non-performing loans.

Default loans in the banking sector surged 19.3 per cent year-on-year in the first quarter of 2022, driven by the withdrawal of the relaxed loan classification policy.

UAE targets clean projects at 50pc of energy mix by 2050

REUTERS, Cairo

The United Arab Emirates aims to increase the share of clean energy projects to 50 per cent of its overall energy mix by 2050, state news agency WAM cited its energy minister as saying on Sunday.

Suhail al-Mazrouei also said the Gulf state would start revising its energy strategy at the beginning of 2023 to align it with the goal of achieving climate neutrality by 2050. It was not immediately clear how the state would accomplish that goal with fossil fuels still accounting for half of its energy supply.