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PHOTO: STAR

High tariff protection for steel industry affects users

Tariff Commission says

SOHEL PARVEZ

With the prices of mild steel (MS) products, namely rods, remaining high in the domestic market, the Bangladesh Trade and Tariff Commission (BTTC) has said high tariff protection on imports of billet is affecting local users.

“The quantity of imported MS products is very low in the domestic market because of excessive protective tariffs. Besides, high protection reduces efficiency of producers and leads to an increase in production cost, which ultimately harms users,” the BTTC said.

The BTTC also said importers have to pay 44 per cent of customs duty to import billet apart from paying Tk 500 as advance income tax. In addition, importers have to pay a total import duty of 89.32 per cent to bring in finished products.

The BTTC included these observations in a report recently submitted to the commerce ministry. A panel of the commission prepared the report in line with a decision of the commerce ministry to examine the reasons for volatility in the prices of essential commodities, including MS products.

The report said Bangladesh has 400 small and large steel mills with a total annual production capacity of 90 lakh tonnes against a requirement of 70 lakh tonnes.

The industry sources raw materials such as MS scrap and steel plates from local shipbreakers but it has to import most of the other raw materials from abroad.

And prices of the key construction ingredient, namely rod, began to rise since May this year. Prices of 60-grade of steel, which stood at Tk 90,000 per



tonne in May this year, rose 6 per cent to Tk 95,500 per tonne by the third week of September.

This is the highest price in recent months, according to market prices data compiled by the Trading Corporation of Bangladesh (TCB).

Yesterday, 60-grade of steel rods sold for as much as Tk

93,500 per tonne, down 2 per cent from September.

The price of 60-grade steel rods was 12.5 per cent higher from Tk 81,500 per tonne the same day a year ago, TCB data showed.

By contrast, prices of scrap declined in the international market, the report said, citing

that import prices of each tonne of scrap declined 11.5 per cent to \$521.5 per tonne in September from \$590.75 per tonne in May.

The BTTC said consumers are suffering as local prices have not declined despite the fall in import prices.

The report factored in the increased cost of the US dollar for depreciation of Bangladesh's currency but added that the cost of the greenback for imports has reduced now.

However, the fall in prices of scrap and cost of US dollars has not been reflected in the domestic market.

The BTTC suggested the government adjust prices of MS products by monitoring international prices.

It also recommended that millers inform the government before revising the prices of MS products and marketing them locally.

Carbon emission to be cut by 22% within 2030

FBCCI chief states Bangladesh's commitment at London event

STAR BUSINESS REPORT

Bangladesh is one of the lowest carbon emitters in the world, but still the country is committed to cut carbon emissions by 89.47 million tonnes or 21.85 per cent of carbon dioxide by 2030, FBCCI President Md Jashim Uddin said yesterday.

To reach the target, Bangladesh will cut 96.1 per cent of emissions from the energy sector such as power, transport, industry, households, commercial, agriculture, brick kilns, and fugitive emissions, he said.

The remaining 3.9 per cent will be cut from agriculture and livestock, forestry, and municipal solid waste and wastewater, Jashim Uddin said.

The president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) made the remarks during a roundtable on “Financial and professional services - the role of standards and regulations on the road to net zero” at the Commonwealth Trade & Investment Summit 2022 at the Mansion House in London on December 5.

To reach the target, Bangladesh will cut 96.1 per cent of emissions from the energy sector and the remaining 3.9 per cent from other sectors

He attended the roundtable as one of the speakers, the FBCCI said in a statement.

The government of Bangladesh is working with the private sector to implement environment-friendly industrialisation, he said.

The industries of Bangladesh are increasingly looking to innovate and move for maintaining environment-friendly standards, he added.

Bangladesh's current contribution to global greenhouse gas emissions and share of carbon emissions are just 0.4 per cent and 0.09 per cent respectively, which are not significant, Jashim Uddin said.

The FBCCI president also informed the delegates that Bangladesh has a national action plan ready on climate change that requires \$230 billion over the next 27 years till 2050 with 113 interventions with 90 high-priority ones.

He mentioned that approximately \$50 trillion in incremental investments is required by 2050 to transition the global economy to net-zero emissions and avert a climate catastrophe.

The roundtable was moderated by Bronek Masojada, chair of the East End Community Foundation and Alderman of the City of London.

Chairman of UK Accreditation Service Lord Lindsay, CEO of BSI Susan Taylor Martin, Director-General of the Institute of Export and International Trade Marco Forgione, Group Managing Director of Investment One Financial Services Limited Nicholas Nyamali, Senior Vice-President of FBCCI Mostofa Azad Chowdhury Babu, FBCCI Directors Md Jamal Uddin, Mohammed Bazlur Rahman and Abu Hossain Bhuiyan were also present.

Walton launches hire purchase and family protection policy

STAR BUSINESS DESK

Walton has launched a hire purchase and family protection policy along with a one-stop service solution.

SM Mahbubul Alam, managing partner of Walton Plaza, inaugurated the ‘Hire Purchase and Family Protection Policy’, ‘One-stop Service Solution’ and ‘Hire Purchase and Family Protection Week’ at a programme held at Walton Corporate Office in the capital on Monday.

Under the hire purchase and family protection policy, protection cards will be issued to those customers who will purchase products on instalments from any Walton Plaza across the country, a press release said.

In case of the death of the buyer during the instalment period, the company will provide financial assistance, ranging from Tk 50,000

to Tk 300,000 to the respective nominee.

However, financial assistance from Tk 25,000 to Tk 1,50,000 will be given on the death of a family member of the respective buyers.

In this case, the unpaid instalment will be adjusted from the payable financial assistance and then the rest will be paid to the buyer or their family.

Nazrul Islam Sarker, Amdadul Hoque Sarker, Eva Rizwana Nilu and Md Humayun Kabir, deputy managing directors of Walton Hi-Tech Industries PLC, Mohammad Rayhan, chief executive officer of Walton Plaza, Liakat Ali, deputy managing director of Walton Digi-Tech Industries, Md Tanvir Rahman, Mustafa Nahid Hossain and Al-Imran, senior executive directors of Walton Hi-Tech, Azizul Hakim and Mofizur Rahman Jakir, executive directors, were present.

Mindshare wins Campaign's Agency of the Year awards

STAR BUSINESS DESK

Mindshare Bangladesh has won awards for overall achievements in advertising and brand communications since the early 1990s in two categories at the Campaign's Agency of the Year awards 2022.

The categories are the “Rest of South Asia digital agency of the year” and the “Rest of South Asia media agency of the year”.

Of them, the advertising company won a gold medal for the latter's category and a silver medal for the former's category, a press release said.

These categories choose winners based on a point system and most points accumulated from markets are awarded.

The awards are open to all media, advertising, creative, digital, public relations, independent and specialist agencies from across the Asia Pacific region along with the UK.

Proper policies needed

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“We need smart homes, smart rural and urban management, smart villages. A lot of things need to be done to get these things implemented,” he added.

The government is gearing up to implement a new “Smart Bangladesh” vision by 2041 with the belief that the preceding “Digital Bangladesh” had been realised by 2021.

A “Smart Bangladesh Taskforce” was recently formed aiming to roll out advanced information technology in the country, especially to transform the education, health, agriculture and financial sectors.

Although mobile network operators played a pivotal role in building “Digital Bangladesh”, unfortunately, they are not included in the “Smart Bangladesh Taskforce”, said Brig Gen (retd) SM Farhad, secretary general of the Association of Mobile Telecom Operators of Bangladesh.

The criteria of a “Smart Country” are having no digital divide, making communication the easiest for people and enhancement of lives through the use of technology by the government, said Taimur Rahman, chief corporate and regulatory affairs

officer at Banglalink.

“And also citizens and business organisations will have access to all kinds of data in a Smart Country,” he said.

“Do we have the right policies in Bangladesh? That (formulation of the right policies) is the big challenge,” said Rahman.

“The posts and telecommunications and ICT divisions are different entities and most of the time they don't talk. How can you differentiate ICT and telecom now?” he asked.

It is very important for them to work together, he added.

“We need a Smart Bangladesh for transparency, connectivity and reducing corruption. That is why coordination of all stakeholders concerned is very important,” said Mohammed Shahedul Alam, Robi's chief corporate and regulatory officer.

“We are providing data (internet) services at a very low cost in global comparison. However, it is not affordable for many mainly due to high tax rates,” he said.

If the tax burden is lowered a little, more data services at low cost can be offered to consumers, he added.

In the modern digital world, it is not possible to move forward without collaboration, said Sheikh Aminur Rahman, chief business officer at Nagad.

“The more collaboration there is, the more everything will be digital and we can move towards a Smart Country,” he said.

Telecom, IT firms and manufacturing entities need to work to increase efficiency, reduce service cost and increase digital literacy and device purchasing capacity to build a “Smart Bangladesh”, said Monzur Hossain, research director at the Bangladesh Institute of Development Studies.

Mobile operators have an opportunity to play a major role in building a “Smart Bangladesh”. For this, incentives should be provided, if necessary, he added.

Md Forhad Zahid Shaikh, chief strategist for e-Governance at a2i; Rahul Shah, mobile for development director for Asia Pacific at GSMA, and Masuduzzaman Robin, general secretary of the TRNB, also spoke.

Samir Kumar Dey, former general secretary of the TRNB, moderated the event.

Developing economies' debt doubles over decade: WB

AFP, Washington

The external debt of developing economies has more than doubled from a decade ago to \$9 trillion in 2021, the World Bank said Tuesday, warning the debt crisis facing these countries has intensified.

The pandemic has forced many countries to take on more borrowing, and World Bank President David Malpass earlier warned that the world is facing a fifth wave of debt crisis.

Many countries are already

facing or at risk of debt distress with surging global inflation and rising interest rates.

And global growth is slowing sharply this year, with an increased risk of world recession in 2023 amid “one of the most internationally synchronous episodes of... policy tightening” in 50 years, the World Bank said.

“A comprehensive approach is needed to reduce debt, increase transparency, and facilitate swifter restructuring -- so countries can

focus on spending that supports growth and reduces poverty,” Malpass added.

The World Bank said in a release that the poorest countries eligible to borrow from its International Development Association (IDA) now spend more than a tenth of their export revenues to service their long-term public and publicly guaranteed external debt.

This is the highest proportion since 2000, added the Washington-based development lender.