



The three-day SAFECON 2023, a platform for firms to showcase their latest technology in building safe and sustainable infrastructure, is now underway at the International Convention City Bashundhara in Dhaka. The picture was taken yesterday.

PHOTO: AMRAN HOSSAIN

## Businesses demand tighter security on Dhaka-Ctg highway

### STAR BUSINESS REPORT

Garment exporters, transport owners, garment buying house and freight forwarding agencies yesterday urged the law enforcement agencies to tighten vigilance on the Dhaka-Chattogram highways to prevent theft of export-oriented goods from the covered vans and trucks.

Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA); Kabir Ahmed, president of Bangladesh Freight Forwarders Association (BAFFA); Mokbul Ahmed, president of the Bangladesh Covered-Van Truck Prime Mover Goods Transport Owners Association; Syed Md Bakhtiar, executive president of Bangladesh Truck Covered Van Owners Association, and General Secretary Rustom Ali Khan were present at the meeting.

Also, the representatives of Bankers Association, Bangladesh among others, were present at the meeting which was organised by BGMEA at its office in Dhaka.

The businesses also requested the police to speed up installation of close circuit televisions (CCTVs) on the Dhaka-Chattogram highway to tighten security on the roads, prevent theft and find out thieves, according to a statement from the BGMEA.

The BGMEA leaders called on the Bangladesh Truck Covered Van Owners Association to ensure that global positioning system (GPS) tracker is installed in all goods-laden cargo vans as a measure to prevent theft during RMG goods transportation.

# Three-day fair for infrastructure industry kicks off in Dhaka

### STAR BUSINESS REPORT

A three-day exhibition for domestic and international companies to showcase products related to building safe and sustainable infrastructure began at the International Convention City Bashundhara in Dhaka yesterday.

Organised by Savor International Limited, "SAFECON 2023" is a platform for firms to exhibit modern solutions for construction, power generation, renewable energy, heating, ventilation, water management, air conditioning, refrigeration and more.

For example, Taiwan's E-Cool International Limited is showcasing its latest dust collector system, which is used to enhance the quality of air released from industrial processes by removing impurities.

Benzir Ahmed, assistant manager for sales and marketing at E-Cool,

said their system is more efficient than that of other companies available in the market as it clears eight kilogrammes of dust every hour.

China's Shengzhou Longcheng Electrical Appliances is showcasing an adjustable blower machine, which the company says is being sold at a lower price compared to alternatives in Bangladesh even though it is more energy efficient.

A total of 120 companies from 16 countries are participating in the event, which will play a major role in Bangladesh's construction industry and infrastructure development, according to the organiser.

"I hope the exhibitions and conferences over the next three days provide an excellent opportunity for experts, professionals and policymakers to exchange ideas and best practices while also exploring innovative solutions for challenges

in safety and security," said Planning Minister MA Mannan.

Habibur Rahman, secretary of the Power Division, said this is a major exhibition for the infrastructure industry of Bangladesh.

"I urge all participants to engage in lively discussions and debates, and take full advantage of the opportunities for learning and collaboration. Let's work together to build a safer, more secure and sustainable future," he added.

Mohammad Hossain, director general of the Power Cell, Al Mamun Mridha, secretary general of the Bangladesh China Chamber of Commerce and Industry, and Md Faizul Alam, managing director of Savor International Limited, among others, were present at the inauguration.

The exhibition is open for all visitors until May 13 from 10:00am to 7:00pm every day.

## BGMEA seeks extension of EU GSP

### STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday again urged the European Union (EU) to extend the transition period of the Generalised System of Preference (GSP) from the current three years to six years.

The extension of the transition period to six years from three years would help Bangladesh to take preparation for smooth graduation from the least developed country (LDC) category and continue the growth momentum even in the post-LDC era, BGMEA President Faruque Hassan said on May 10.

He made the request in Dhaka during a meeting with Helena König, deputy secretary general for economic and global issues at the European External Action Service (EEAS).

Monika Bylaite, deputy head of delegation for South Asia at the EEAS; Charles Whiteley, ambassador and head of the delegation of the European Union to Bangladesh; Bernd Spanier, deputy head of EU delegation in Bangladesh; Maurizio Cian, minister counsellor and head of cooperation, were present at the meeting.

They discussed various issues, including trade and investment, Everything But Arms (EBA) and Bangladesh relations with the EU in the post-LDC era.

The BGMEA president apprised König of the major developments of Bangladesh's apparel industry, particularly in terms of workplace safety, environmental sustainability and workers' rights and welfare.

Hassan also urged the EU to consider waiving the EU's safeguard textile threshold criteria or redesigning the mechanism for Bangladesh in the proposed GSP scheme for 2024-2034 so that Bangladesh can benefit from the GSP Plus benefit after the LDC graduation.

## CBIL teams up with SBK Tech Ventures

### STAR BUSINESS DESK

Community Bank Investment Limited (CBIL), a subsidiary of Community Bank Bangladesh, recently signed an agreement with SBK Tech Ventures Limited.

Shibly Amran, chief executive officer of Community Bank Investment, and Sonia Bashir Kabir, managing director of SBK Tech Ventures Limited, inked the deal in Dhaka, said a press release.

SBK has 42 different types of startups they have invested in across edtech, health tech, fintech and e-commerce, among others.

Portfolio management, issue management and advisory services are the core business areas of CBIL.

Under the deal, the two companies are focused on collaborating and identifying potential startups in multiple sectors across SBK portfolio companies.

## Domestic airlines doubt

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regions Jashore and Barishal out of seven following the opening of the Padma bridge.

The much talked about 6-kilometre plus bridge has cut travel time by road by half from over seven hours.

Passenger numbers on the Dhaka-Jashore-Dhaka route has decreased by 80 per cent while on the Dhaka-Barishal-Dhaka route by almost 90 per cent after the bridge's inauguration, said Rahman.

Despite a growth in passenger numbers in other destinations and considering the decline of passengers travelling to Jashore and Barishal, it is very unlikely that the flow of passengers will again reach the pre-Covid level, added the Novoair boss.

Rahman, however, raised doubts over the Caab data, citing that local airlines' annual carrying capacity on domestic routes would be anywhere from 30 lakh to 40 lakh passengers.

Domestic air travel did not fall year-on-year in the first four months of 2023, said Imran Asif, chief executive officer of Air Astra.

Overall traffic growth has been positive so far although it has not improved to that extent, he said.

What was surprising was a fall in traveller numbers during the fasting month of Ramadan. Passenger traffic picked up later, he said.

Asif, who has been in the industry for nearly two decades, said overall passenger carrying capacity might decline in the third and fourth quarter of this calendar year for scheduled maintenance and overhauling of some aircraft.

If this happens, the fare will go up, which will bar a section of customers from availing air travel, he said.

The number of passengers decreased significantly on the domestic routes connecting Jashore and Barishal, said Kamrul Islam, general manager for public relations at US-Bangla Airlines that operates 70 flights daily on seven domestic routes.

This resulted in a negative growth in the overall domestic sector, he said.

"But I believe the situation will change if the government resume operations of all airports in the country

which were shut down over the years," he said.

"...as travel by air is still the safest mode of transport and people's economic ability has increased now," he added.

To help the local airlines grow, Novoair's Rahman suggested that the government offer fast track facilities in Dhaka city so that air passengers can enter and leave the airport within a short time.

Due to the perennial traffic congestion, people usually need two to three hours, depending on the area of their residence, to come to the airport or go to their residence after landing at the airport, he said.

"If we can reduce the time by 20 to 30 minutes, more people will be attracted to travel by air," he added.

The government should restore operations at five airports situated in Ishwardi, Thakurgaon, Lalmonirhat, Shamshernagar and Cumilla to increase the number of passengers by air, said the Novoair MD.

Regular flight operations had been run in those small airports but due to various problems, the operations were gradually suspended over the years.

A lot of economic activities are now ongoing centring Mongla and since it is a tourism site, the government also should quickly complete construction of a proposed airport at Bagerhat, he said.

The government is considering resuming operations of the country's five small airports in phases due to an increase in the living standards of people, said State Minister for Civil Aviation and Tourism M Mahub Ali at a seminar recently.

The country's aviation sector has been undergoing a gradual change through consistent development, said the junior minister.

The present growth of the country's aviation sector is the highest in this region and will triple in the next 15 years, he said.

Air Vice Marshal M Mafidur Rahman, chairman of Caab, said they were planning to take measures to reopen all of the small airports as people's economic status has improved.

## Grameen Uniqlo

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business idea around the globe, expressed disappointment for the closure of Grameen Uniqlo.

"We are very sorry that Grameen Uniqlo has decided to close its business," said Lamiya Morshed, executive director of Yunus Centre.

She said Uniqlo is a well-known brand globally marketed through its stores, particularly superstores in megacities all over the world. Its products have attracted global attention and helped spread the message of Social Business.

"We have been very happy with this example of the success of a social business undertaken by a global company. It is sad to see Grameen Uniqlo closes after a great success. We accept Uniqlo's decision with a heavy heart," she said.

Initially, Grameen Healthcare Trust held a one per cent share in Grameen Uniqlo while Fast Retailing had a 99 per cent stake. Later, the one per cent share was also divested, making Uniqlo Social Business Bangladesh is fully owned subsidiary of Fast Retailing, according to Shoriful Islam, head of marketing at Grameen Uniqlo.

The profit made from the social business venture, which has been profitable, has been spent to promote social development and women empowerment and create jobs. A portion of the profit was used for

business expansion.

"But Fast Retailing has never remitted profit from Bangladesh," Islam added, adding that about 40,000 have benefited from the initiative since 2016.

Fast Retailing, however, said it would keep its productions in Bangladesh.

"Fast Retailing remains committed to Bangladesh, one of its most important manufacturing locations. In 2008, the company opened a production office which contributes to the development of the local textiles industry, while partner factories in Bangladesh continue to produce Fast Retailing products, including Uniqlo items."

Islam said the initial investment in the venture was \$4.6 million and the company employs 150 people currently.

"Some of the employees will be transferred to the production unit, while the rest will be laid off providing benefits in accordance with labour laws."

In its statement, Fast Retailing said it would continue to work to improve the lives of people in Bangladesh.

Its initiatives include a woman empowerment programme, launched in partnership with the UN Women in 2019 to support the development of women aspiring to attain leadership positions in garment factories, it said.

## FBCCI election

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Elections for the posts of FBCCI president, senior vice-president and six vice-presidents will be held on August 2 this year by the elected directors, according to a press release issued by the Federation.

The last date for sending the names of the general body members to the federation is June 3. The election board will publish the primary voter list on June 11. The final voter list will be published on June 21 after

the verification of complaints and necessary amendments.

The last date for filing nominations for the post of directors is July 1.

The list of candidates will be published on July 15. And the last date for cancellation of candidature is fixed on July 18. The final list of candidates will be published on the same day.

A Matin Chowdhury, former president of Bangladesh Textile Mills Association, is the chairman of the 2023-25 election board.

## BGMEA rings alarm bells

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The growth of international trade will decline to 1.7 per cent from 2.7 per cent last year.

Hassan demanded that the government reduce source tax to 0.5 per cent from 1 per cent through the upcoming budget scheduled to be proposed for the next fiscal year.

The BGMEA chief also demanded that the government reduce corporate tax on incomes from subcontracting to 12 per cent from 30 per cent.

He also demanded that the government withdraw a 10 per cent tax on receipts of cash incentives on export earnings.

Hassan also urged the government to provide a special 10 per cent stimulus on export of garments made from manmade fibres (MMF) through the next budget.

In this regard, he said Bangladesh wants to diversify the types of garment items it exports.

For instance, currently of all the garment items exported, some 76

per cent are made of cotton but of all garment items sold around the world, 75 per cent is made from non-cotton fibres, he said.

So, the data indicates that the demand for non-cotton items is high globally, he said.

So, the incentive on export of garment items made out of MMF will encourage local investors to put in more money into MMF-based garment items to grab a bigger share of the global garment market, he said.

Currently, the local garment factories produce five lakh tonnes of "jhoot" or scrap in a year but most of those are exported at lower prices, said Hassan.

Last year, Bangladesh exported \$400 million-worth jhoot. However, if it had been recycled and reused to make garment items, the export value could have been worth \$5 billion.

So, he demanded that the government keep all raw products and services of recycling of the jhoot out of tax and VAT in the next budget.

## GDP growth slows

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Hussain, citing Bangladesh Bank data, said credit to the private sector slowed to 12.03 per cent in March from a year ago.

"The manufacturing sector is suffering from the dollar shortage and load-shedding while the structural problems of the economy have persisted for years."

He said if the 6 per cent growth rate is achieved at the end of the year, it would be excellent.

"Only a small number of countries are estimated to grow at more than 6 per cent in the current situation."

Prof Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, said, "It is good to see that the government has lowered the projection as we need to bring macroeconomic stability first."

MK Mujeri, a former director-general of the Bangladesh Institute

of Development Studies, termed the projection optimistic, considering the present macroeconomic situation, both local and global.

"If the growth rate is achieved, it would be good for the country."

The former central bank chief economist said the global economy is still facing uncertainty and the macroeconomic situation in Bangladesh has remained volatile.

"This volatility has taken a toll on the real economy."

CPD's Rahman said in order to restore macroeconomic stability, interest rates have to be made market-based. But it may impact investments.

He said expenditure needs to be cut to reduce fiscal deficit. "If expenses are cut, the GDP growth rate may drop in the upcoming fiscal year. But the fascination over growth should be checked and macroeconomic stability should be emphasised."