

Banks' CSR spending slumps

STAR BUSINESS REPORT

Banks' spending on socially impactful schemes as part of their corporate social responsibility (CSR) fell in the second half of 2023, said a central bank report yesterday.

During the July-December period of last year, banks spent Tk 353 crore on CSR-related activities, which was 31 percent lower than that in the same period a year earlier.

It was also lower than the amount banks spent in the first half of 2023.

"CSR expenses have dropped significantly for education, health, environment and adaptation to climate change," the Bangladesh Bank said in its report.

About 20 percent of total CSR spending in July-December period of this year was for educational purposes, such as providing scholarships

The BB uses the report to assess performance indicative guidelines for CSR expenditure allocation and end-use oversight to ensure the money benefits the society.

It showed that spending for health, and activities to help reduce the impact of climate change fell by a third in the July-December period of 2023 compared to the previous six months.

The BB said 20.65 percent of total CSR spending in July-December

READ MORE ON B2

Implement mechanism to identify illegal handsets

Mobile phone makers also demand stability in tax policy

Manufacturers want

- ▶ Activation of National Equipment Identity Register
- ▶ Long-term stability in tax policy
- ▶ Measures to curb grey market

CHALLENGES

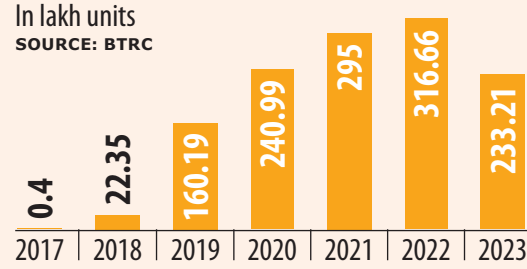
- ▶ Industry witnessed first downturn in 2023 since 2017
- ▶ Local production dropped by 27% in 2023
- ▶ Sales declined by over 35%
- ▶ New VAT at sales stage raised prices
- ▶ Costly dollar contributed to price hike
- ▶ Grey channel has captured 35-40% of market



SECTOR AT A GLANCE

- 17 handset plants set up since 2017
- Local value addition 15% to 20%
- Employment: 25,000

HANDSET MANUFACTURING



STAR BUSINESS REPORT

Local mobile manufacturers yesterday demanded the activation of the National Equipment Identity Register (NEIR) as illegal and informal channels currently capture about 35 to 40 percent of the overall handset market in Bangladesh.

Introduced by the Bangladesh Telecommunication Regulatory Commission in 2021, NEIR aims to ensure the use of legitimate mobile devices in the country by linking their IMEI number to the customer's national identification and SIM numbers.

But the crucial functions of the system, such as blocking fake, unauthorised, or cloned handsets, are not yet operational. The government has also not initiated the blocking of illegally imported mobile phones.

The import duty on complete handsets is around 58 percent, but illegally imported phones are flooding the market as they are brought over without paying any taxes.

However, local manufacturers have to pay many different forms of taxes from

eight percent to over 20 percent and various licensing fees.

As a result, newly-established factories are having a hard time despite investing crores of taka, said Jakaria Shahid, president of the Mobile Phone Industry Owners' Association of Bangladesh (MIOB).

He was speaking at a press conference organised by the MIOB.

Shahid said they have long demanded the activation of NEIR and that Zunaid Ahmed Palak, minister of state for posts, telecommunications and information technology, had informed them that NEIR would be activated.

"However, we haven't seen any effort to activate it yet," he said.

He added that prior to 2018, all mobile handsets in Bangladesh were imported.

But as the government provided incentives, major importers gradually established local factories. So far 17 mobile handset factories have been established and 99 percent of the local demand for handsets is met through official channels.

But due to a spike in illegal imports of handsets, local mobile factories are facing serious challenges, he added.

"It is very difficult to compete with illegally imported handsets because they evade taxes. There are many regulations and high licence fees imposed by BTRC on legal factories. Illegal importers are not subject to these. And the government is losing huge sums of tax in the absence of NEIR."

Customers are buying low-quality and sometimes refurbished handsets that do not offer any warranty while many crimes are also committed with illegally-imported handsets, he said, adding that one of the major objectives of NEIR is to help law enforcement combat such crimes.

The local production of handsets dropped in 2023, the first decline since domestic manufacturing began in Bangladesh in 2017, owing to the higher price of US dollars, an increase in taxes, the expansion of the grey market, and lower sales amid an erosion of consumers' purchasing power.

READ MORE ON B2

Pay salaries, bonuses to workers before Eid

State minister tells factory owners

STAR BUSINESS REPORT

The government has asked industry owners to pay salaries and festival bonuses to workers before the start of the Eid-ul-Fitr holidays.

Nazrul Islam Chowdhury, state minister for labour and employment, urged factory owners to clear the wages and other benefits on time so that workers don't need to take to the streets demanding the payments.

He made the call at a press briefing after a meeting with the representatives of the Tripartite Consultative Council at the labour ministry yesterday. Representatives from factory owners, trade unions and government high-ups were present.

Chowdhury said no specific date had been fixed for clearing the salaries and bonuses, but the disbursement must be made before Bangladesh goes on holidays on the occasion of the biggest festival in the Muslim-majority nation.

According to the state minister, workers will enjoy the festival in line with the government holidays. No worker can be terminated or lay off before Eid, which is expected to be celebrated in the second week of April.

No specific date has been fixed for clearing the salaries and bonuses, but the disbursement should be made before Eid holidays

After the meeting, Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said owners would have to pay salaries and bonuses on time even though they face a lot of problems in doing so.

The government owes Tk 6,000 crore to exporters in the form of unpaid incentives, he said, adding that the amount has piled up over the past several years.

If the fund is released from the central bank before Eid, owners would be able to disburse the salaries and bonuses without difficulty. Of the sum, Tk 4,500 crore is owed to garment exporters.

Razekuzzaman Ratan, president of the Samajtantrik Sramikfront, a left-leaning platform of workers, said several problems typically emerge before Eid.

Some owners don't pay salaries and bonuses and shut down factories all of a sudden. Some lay off workers using internal feuds among workers as an excuse, he said.

"Some factories don't want to pay workers on the pretext of not getting loans from banks on time."

Ratan suggested the government and the business community check these tendencies so that workers aren't deprived.



Presents

BANGLADESH CYBER SECURITY SUMMIT 2024

CYBER RESILIENCE FOR BANGLADESH

Powered by




In Association with



OUR VALUED PARTNERS

Title Partner



grameenphone

Powered by



THE Service Company



In Association with



In Collaboration with



Supported by








innovate for all



Cabinet Division
Government of the People's Republic of Bangladesh



FUTURE IS HERE







Hospitality Partner



Strategic Partner



PR Partner



Organized by



Inspiring the Nation

An Initiative of



This year, Bangladesh Cyber Security Summit has completed its 1st year of a remarkable journey - one which would not have been possible without the kind support of our partners. Our heartfelt gratitude towards all our valued partners for being an integral part of Bangladesh Cyber Security Summit 2024.