



Ben (Qian) Yi

## Daraz appoints new MD for Bangladesh

STAR BUSINESS REPORT

Daraz Group, the South Asian e-commerce arm of Alibaba, appointed the new managing director for Bangladesh yesterday.

Ben (Qian) Yi replaced Syed Mostahidul Hoq, sources said.

Currently, Ben (Qian) Yi is serving as the chief business officer at the Philippines operation of Lazada, Alibaba's Southeast Asian e-commerce arm.

Syed Mostahidul Hoq had been serving Daraz Bangladesh as its chief since 2017.



Farmers pack grains coming out of a combine harvester used for reaping and threshing Boro season paddy in Kallia village of Tangail's Basail upazila. According to the local government agriculture office, there has been a bumper production for favourable weather conditions. The crop was cultivated on 1.72 lakh hectares of land in the district against a target of 1.76 lakh hectares. The photo was taken recently. PHOTO: MIRZA SHAKIL

# Policy support can help earn \$10b from semiconductor manufacture by 2041

Says state minister for ICT

STAR BUSINESS REPORT

Bangladesh would be able to earn \$10 billion from semiconductor manufacturing by 2041 if proper policy support is ensured, according to Zunaid Ahmed Palak, state minister for telecom and ICT.

The uses of microchip and nanochips is growing day by day, so with the right policy support, it will be possible to earn at least \$10 billion from exporting semiconductor items by 2041, he said.

Semiconductors are materials with electrical conductivity between conductors and insulators.

Chips, or integrated circuits, are made from semiconductors and serve as the backbone of modern electronics, powering devices like computers, smartphones and other digital technologies through their intricate circuitry.

He said there is a need for a semiconductor policy for the faster development of this sector.

He also urged for an industry-academia collaboration to create a highly skilled and technologically advanced workforce

compatible for this sector as the demand is very high at home and abroad.

Palak was speaking at a seminar, titled "Unleashing the potential of the semiconductor industry in Bangladesh", organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its office in the capital.

"We will focus on building 50,000 skilled manpower on microchip designing. Also, we are putting more emphasis on research and development," he said.

Palak informed that the government will invest in startups that work with chip design.

DCCI President Ashraf Ahmed suggested that for successful implementation of import substitution and export diversification, Bangladesh should prioritise the development of the semiconductor industry.

"Many countries are investing heavily in the semiconductor industry, creating a high demand for skilled workers," he said.

Besides, the government should focus on cultivating the skilled workforce required to meet the growing demand

of the semiconductor industry in Bangladesh, he added.

He also underscored the importance of simplification of administrative procedures for setting up semiconductor businesses, including licensing, permits, and import/export regulations.

Mir Shahrukh Islam, managing director of Bondstein Technologies Ltd, said the semiconductor industry in Bangladesh is still at a very early stage.

"The high ambition of the government to scale it up to \$1 billion from \$5 million at present within the next six years would require significant improvement in the talent supply side," he said.

"We need to involve Bangladeshi diaspora global talents in the semiconductor industry to place ourselves in this niche market. Production linked subsidy is a must to attract FDI," Islam added.

ASMA Haseeb, a professor of nanomaterial and ceramic engineering at the Bangladesh University of Engineering and Technology, presented the keynote paper.

He said the global semiconductor

market will reach \$1,307.7 billion by 2032.

The main semiconductor manufacturing process includes design, chip fabrication, assembling, testing and packaging.

It is a labour-intensive industry and at least 81 percent of the world's semiconductor assembling, testing and packaging production is located in Asia.

Taiwan, South Korea, Singapore and India are few of the Asian countries that give special support to this sector in the form of grants, equity investment, favourable loans, R&D support, tax incentives etc.

But despite having a few design houses in Bangladesh with an annual market size of about \$5 million, the local industry is yet to reach the expected level, Haseeb added.

GSM Jafarullah, managing director of the Bangladesh High Tech Park Authority, Razib Hasan, co-founder and vice-president of Teton Private Ltd, Liakat Ali, additional managing director at Walton Digi-Tech Industries, and M Niaz Asadullah, a visiting professor at University of Reading, UK, also spoke.

## MoU with AD Ports today on Bay Terminal project

DWAIPAYAN BARUA, Chattogram

Chittagong Port Authority (CPA) will sign a memorandum of understanding (MoU) with AD Ports Group today regarding the latter's proposal to implement a portion of the Bay Terminal project.

The Abu Dhabi-based enabler of global trade, logistics and industry has offered to invest \$1 billion to construct one of four terminals under the project, which is a mega initiative for the expansion of the Chattogram port.

The CPA has already accepted the proposal in principle after examining it.

CPA Chairman Rear Admiral Mohammad Sohail had said earlier this month that a primary agreement may be signed on the investment proposal when a delegation of AD Ports would visit in mid-May.

The three-member technical team of AD Ports completed their two-day visit to the Chattogram port and left yesterday morning, according to CPA Secretary Md Omar Faruk, who did not provide further details.

A port official said another two-member delegation of AD Ports was expected to arrive in Dhaka by yesterday evening to attend the MoU signing to be held at a hotel in the capital city.

### AD Ports Group offered to invest \$1 billion to construct one of four terminals under the project

State Minister for Shipping Khalid Mahmud Chowdhury, senior officials of the ministry and Public Private Partnership (PPP) Authority will also attend the event, he said.

Chowdhury informed that the CPA chairman will sign the MoU on behalf of the port authority.

He hoped that with the signing of the MoU, negotiations on the investment proposal of the global port operator would progress.

Meanwhile, during the two-day visit, the technical team visited the project site and other installations of the port, and sat in meetings with CPA officials, sources said.

The Bay Terminal project is being implemented on around 2,500 acres of land at Patenga on the coast of the Bay of Bengal.

Once the project is implemented, vessels with a draft of up to 12 metres and length of 280 metres will be able to berth here.

The government is already in an understanding with PSA Singapore and DP World of the United Arab Emirates to construct and operate two other container terminals on a government-to-government basis under a public-private partnership model.

Both PSA Singapore and DP World promised to invest \$1.5 billion each for the two container terminals.

Local firm East Coast Holdings Limited also proposed to invest \$3.5 billion jointly with a few global firms to build an oil and gas terminal under the project.

## Google to use AI-generated answers in search results

AFP, Mountain View

Google on Tuesday said it would introduce AI-generated answers to online queries, in one of the biggest changes to its world leading search engine in 25 years.

"I'm excited to announce that we will begin launching this fully revamped experience, 'AI overviews,' to everyone in the US this week," Google chief executive Sundar Pichai said at an event in California.

The change will soon spread to other countries, he added, making it accessible to more than a billion people. Google's search results will feature an AI summary at the top of the page before the more typical unfurling of links.

The AI blurbs generated by Google's Gemini technology will offer succinct summaries of what it found on the internet with links to the online sources that supplied the information.

## Islamic banks

FROM PAGE B1

Now, the sector is going through challenges due to the massive loan irregularities in six Islamic banks: Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, Union Bank, Global Islami Bank and ICB Islamic Bank.

These six have been facing shortfalls in cash reserve ratio (CRR) and statutory liquidity ratio (SLR) for a long time along with being hit by a deficit at their current accounts with the central bank.

An official of the ICB Islamic Bank said his bank is now struggling to clear staff salary due to a severe liquidity shortage.

As per the rules, banks have to keep a certain amount of deposit with the central bank every night in

the form of CRR.

They also have to keep a minimum percentage of customers' deposits in the form of liquid cash, gold or other securities overnight, which is known as SLR.

Bangladesh Bank Executive Director and Spokesperson Md Mezbaul Haque recently said the banking regulator is now extending liquidity support to the six Islamic lenders in the interest of the banking sector.

When contacted, Zafar Alam, managing director of Social Islami Bank, said the condition of his bank is gradually improving.

Deposits in Islamic banking accounts have decreased due to the ongoing stress on the overall banking sector, he said.

## Investors in hi-tech parks

FROM PAGE B1

which the benefit was scheduled to decline gradually before being fully phased out in the 11th year.

The developers of hi-tech parks also enjoyed a full tax break for 10 years starting from when they began operations at the parks, according to

the NBR official.

In fiscal 2015-16, the then Finance Minister AMA Muhiht shared the government's plan in his budget speech to provide special packages to encourage investment in developing economic zones and hi-tech parks.

## Alternatives to cash incentives planned

FROM PAGE B1

A 2 percent cash incentive has also been proposed for local shipping companies carrying exports.

Moreover, the Bangladesh Trade and Tariff Commission will form a services sector department to identify different challenges and opportunities for the development of associated exports.

The government will launch campaigns abroad, especially through Bangladeshi missions, for branding Bangladesh, search for new markets and showcase service sectors in different exhibitions.

Financial and technological assistance will be provided for developing the virtual markets for goods and services sectors.

The draft gave highest priority to computer and related services such as consultancy, software implementation, data processing, data-based IT, nursing and midwifery, construction and legal, accounting, bookkeeping and architectural,

rental and leasing services.

The draft is said to have taken several factors into consideration, such as the pandemic and Russia-Ukraine war's fallouts, 4th industrial revolution, circular economy, facilitating female entrepreneurship and cottage, micro, small and medium enterprises.

It also identified vegetables and handicrafts as sectors having the highest export potential whereas spinning, dyeing, printing, fabrics and finishing were listed as "special developing sectors".

Moreover, medical equipment and handicrafts have been announced as products of the year 2024.

Bangladesh's merchandise export earnings stood at \$55.55 billion in fiscal 2022-23, as per the EPB.

In the July-April period of the current fiscal year, it was \$47.47 billion.

Earlier, the government set a target to export goods and services worth \$72 billion in the current fiscal year, seeking a 11.59 percent year-on-

year growth.

Of the targeted amount, \$62 billion was set to be attained from merchandise shipments, up from the \$55.55 billion earned last fiscal year, when the segment registered 6.67 percent year-on-year growth.

However, the target for merchandise shipments was set at \$58 billion in fiscal 2022-23.

The services export target for fiscal 2023-24 has been set at \$10 billion, an increase of 11.11 percent from \$9 billion the previous year.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said it would be difficult to achieve the target of exporting \$110 billion worth of goods within the stipulated time.

This is due to challenges in different areas, such as power shortages, difficulties in opening letters of credit and harassment from customs, he told The Daily Star yesterday.

## Bangladesh expands offshore banking

FROM PAGE B1

Investors enjoy tax-free profit of up to 8.40 percent on fixed deposits in the USD or the euro for terms ranging from three months to five years. They are also able to transfer funds internationally without any restriction along with profit.

"The offshore banking system has become a new avenue for the dollar supply apart from exports and remittance. Offshore banks' fixed deposits can be used to cover the cost of imports," Arefin said, adding that the dollars obtained through OBOs are sold on the interbank foreign exchange market.

Currently, City Bank has deposits amounting to \$23 million under its offshore banking unit. "Our target is to raise it to \$1 billion," the noted banker said.

There are two ways to open offshore banking accounts: one is for those residing in Bangladesh and the

other is for those who live abroad.

Any representative of expatriates, such as family members and relatives, or partner of a foreign investor residing in Bangladesh can open accounts. Similarly, expatriates and foreign investors can do the same.

"We call it international bank accounts. City Bank mobilised \$29 lakh through the accounts opened from abroad," Arefin said.

City Bank is providing the facility to open dollar accounts for offshore deposits at its 175 branches.

Mohammad Ali, managing director and CEO of Pubali Bank, said the offshore banking has a huge potential in Bangladesh. "Our reserves are small. If we can promote it properly, every bank can mobilise billions of dollars through the offshore banking."

Pubali Bank is developing software and a mobile app so that anyone can open accounts and do banking from

abroad.

"We hope to complete all procedures by next two months."

Mohammad Ali said if Bangladeshi expatriates deposit money at OBOs, import obligations can be met with the funds as well as from remittance and export earnings.

"Then, the forex reserves will go up automatically."

Speaking about the prospect of offshore banking, both Arefin and Mohammad Ali gave the example of Mauritius, an Indian ocean island nation with only about 1.3 million population.

"This country has a balance of \$800 billion under offshore banking," Arefin said.

"We have a huge economy with 17 crore population. If more people are informed about the advantages of this banking relationship, there is a possibility of bringing \$50 billion under OBOs."

## SBK Tech invests \$7.1m

FROM PAGE B1

provides tech-enabled mobility solutions for the largely inefficient, traditional, and highly fragmented mass transit sector in Bangladesh. 10 Minute School, launched by Ayman Sadiq, is the leading educational platform in the country, said the press release.

In the press release, Sonia Bashir Kabir, founder and managing general partner of SBK Tech, said: "Bangladeshi startup founders are undervalued and unnoticed. They have numerous opportunities for delivering impact through tech-enabled business models."

"The total investment in this round reflects our confidence in the success of these startups which solve problems of the masses, leverage technology to scale and create a transformative impact."

The entrepreneur said they are passionate about supporting local entrepreneurs to help drive inclusion, empathy, and innovation and ignite sustainable economic development.

Currently, SBK has 46 startups in its portfolio, and one exited from the first angel investment made in 2020 with a return of 1,700 percent, according to the press release.

SBK Tech plans to fund more startups in the country to build enduring businesses and continue to grow its focus on gender lens investment and climate tech.

It said women's participation in the digital economy continues to be hindered by a wide and persistent gender digital divide.

It tries to bridge the gap between innovation and impact, encourage founders to embrace climate problems, and offer innovative solutions to mitigate and adapt to the effects of climate change.

SBK funds Bangladeshi tech startups with a minimum ticket size of \$1 million, the press release added.