



Used bicycles are put up for sale at Shahpur in Khulna's Dumuria upazila by residents of surrounding localities every Thursday. Prices vary depending on the size and quality, ranging anywhere from Tk 1,500 to Tk 10,000. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Industries ministry to award 22 firms

STAR BUSINESS REPORT

A total of 22 firms will receive awards in recognition of their contributions to the industrial sector and encouraging creativity.

The industries ministry is going to confer the awards, according to a gazette notification published alongside the names of the winners on June 6.

Of them, 21 firms will receive the "National Productivity and Quality Excellence Award 2022" in six categories while another will be honoured with the "Institutional Appreciation Award 2022".

Under the "Large Industry" category, 10 firms – including EchoTex, Fakir Fashion, Square Fashions, Green Textile, Ispahani Tea, Nuvista Pharma, and Banga Building Materials – have been selected for the award.

Under the "Medium Industry" category, five firms, including FGS Denim Wear and Biopharma, will be awarded.

Under the "Small Industry" category, three firms, including Sheltech Holdings and Rangpur Foundry, will be awarded.

Furthermore, Masco Dairy Enterprise will be awarded under the micro category, Rupkatha Fashion under the cottage industry category, and Carew & Co (Bangladesh) under the state-owned category.

Besides, the Dhaka Chamber of Commerce and Industry will receive the "Institutional Appreciation Award 2022".

Procure more domestic software to boost ICT sector: expert

STAR BUSINESS REPORT

At least 10 percent of the internal development budgets of all ministries and their affiliated bodies should be dedicated to the procurement of software and IT-enabled services (ITES) from domestic IT companies, according to Ahsan H Mansur, executive director at the Policy Research Institute of Bangladesh.

Limited procurement of domestic software by the government restricts the growth and international recognition of local companies, the economist said.

He said joint ventures could be formed to implement big IT projects undertaken by the government, bolstering the survival and recognition of local software companies.

Mansur made the remarks while presenting the keynote at a roundtable, titled "Importance of ICT for Economic Growth in Bangladesh", organised by the Bangladesh Association of Software and Information Services (BASIS) at its auditorium in Dhaka.

The ICT sector has emerged as the nucleus of industrial manufacturing and exporting, agricultural progression, and service sectors' uninterrupted quality delivery processes, he said.

"ICT, as a cross-cutting sector, is the cornerstone upon which the efficiency and productivity of all other sectors depend. As the nucleus of every industry, ICT enables streamlined operations, enhanced data management, and innovative solutions that drive economic growth and competitiveness."

Speaking about the challenges facing the ICT sector in Bangladesh, Mansur highlighted the lack of digital literacy and infrastructure.

He said there is a significant gap in digital literacy within the population, which hampers the effective utilisation of ICT tools and services.

The social and economic return from public investment in this area would be huge and would help address the problem of unemployment among the educated youth, he said.

Joint ventures could be formed to implement big IT projects undertaken by the government, says Ahsan H Mansur, executive director of Policy Research Institute of Bangladesh

Such a measure would also increase incomes through freelance and inflow remittances and increase household income across the country in defiance of the rural-urban bias.

On the other hand, inadequate ICT infrastructure, particularly in rural areas, limits the reach and impact of digital services as it leads to unstable internet connections and unreliable power supply.

Reducing this would help bridge the rural-urban digital divide.

To bolster women's entrepreneurship in the ICT sector, he proposed to form a Tk 300 crore fund through which loans

can be offered at modest interest rates of 2-5 percent.

Mansur also urged the government, finance ministry and Bangladesh Bank to look at the ICT sector in a new light.

"ICT comes with no tangible assets. Valuation of its intangible assets requires a different approach. And I think Bangladesh Bank needs to guide our commercial banks and financial institutions to come forward and help the ICT sector."

In addition, he said the central bank and the government can allocate resources in the form of a revolving fund.

He also opined that Bangladesh should develop the capacity to produce 1 lakh highly-skilled ICT graduates every year.

"Prepare a roadmap for that, select the universities, review their curriculum and make it of global standards. Try to bring out the best Bangladeshi students through that system."

Russell T Ahmed, president of the BASIS, said developing skilled human resources is the most important step towards growing the sector.

"The only raw materials of the ICT industry are human resources, he said, adding: "Unfortunately, 27.5 percent tax and VAT has to be paid for any ICT-related training."

"If that is withdrawn, we will be able to contribute more and Bangladeshi IT companies will perform wonders," he added.

M Rashidul Hasan, BASIS senior vice-president, and Syed Mohammad Kamal, vice-president, were also present.

An investor's guide to import in Bangladesh

LUTHFUL AREFIN KHAN

Working for a leading trade bank in Bangladesh – one that manages a significant portion of our country's foreign direct investments – gives me the opportunity to regularly connect with potential investors.

During our conversations, I have observed that investors and entrepreneurs typically struggle to gain access to the resources required to understand Bangladesh's trade and investment atmosphere.

Time constraints and language barriers make hardcopy resources inaccessible, while internet-based resources also seem scant. With trade acting as a driver of our nation's journey of resilient growth, a comprehensive picture of how to conduct a trade transaction is critical for businesses and investors alike.

Imports are an important segment of our economy, with letters of credit (LCs) being the most common payment method for imports in Bangladesh.

The start of the trade journey

Most businesses begin their trade journey by obtaining a mandatory trade licence from a city corporation and a membership certificate from the relevant trade association. It is equally critical to register for a Tax Identification Number (TIN) and Business Identification Number (BIN) with the National Board of Revenue (NBR).

For import-based companies, an Import Registration Certificate (IRC), issued by the Office of Chief Controller of Imports & Exports (CCI&E) or import permit is essential. The type of document depends on the type of business. Traders of finished goods require a commercial/multinational IRC while industries need an industrial IRC.

Traders who usually have commercial IRCs are generally allowed to import on sight letters of credit. Under documentary collection, importers with industrial IRC can import freely, while commercial IRC holders can import up to \$500,000 in a fiscal year.

To initiate import transactions, the minimum requirement is an accepted proforma invoice and insurance cover note. Varying payment terms are allowed – up to 180 days for the import of raw materials and up to 360 days for capital machinery. All imported goods must enter Bangladesh within 120 days of payment.

For import transaction initiation, importers need to submit various documents to meet regulatory guidelines, such as: duly signed and accepted proforma invoices, with authorisations from customs authorities; insurance cover note; bank-mandated application form; and specific regulatory approvals related to the goods being imported.

Staying aligned with regulatory guidelines and limiting risk

All imports must align with expectations set by the CCI&E and follow commonly allowed import incoterms, which are widely-used internationally recognised rules that define the responsibilities of sellers and buyers.

In addition to international guidelines, trade transactions are governed by local regulatory bodies such as the Bangladesh Bank, the NBR, the Ministry of Commerce, the Ministry of Finance, and the Bangladesh Investment Development Authority. To mitigate risk, banks must comply with trade-based money laundering guidelines and other stringent frameworks. Aspects such as price checking for international competitiveness and obtaining credit reports on foreign counterparties are used to safeguard businesses from fraud and financial risk.

Global trends, innovation, and the road ahead

In keeping with emerging global trends, regulators are looking to increase digitisation, improve efficiency, and enhance transparency. More digital platforms and payment channels are entering the market, gradually changing the face of commerce in Bangladesh.

This presents a significant opportunity to streamline Bangladesh's trade processes and boost economic competitiveness. As part of this push, Standard Chartered Bangladesh has successfully petitioned the regulator to eliminate the need for digital signatures when initiating an import transaction, a major step forward in digitising cross-border trade. By embracing innovation and fostering collaboration, we can unlock the full potential of this digital transformation and propel the country towards a more prosperous future.

The author is country head of transaction banking at Standard Chartered Bangladesh.

Apple partners with OpenAI as it unveils 'Apple Intelligence'

AFP, Cupertino

Apple on Monday unveiled "Apple Intelligence," its suite of new AI features for its coveted devices – and a partnership with OpenAI – as it seeks to catch up to rivals racing ahead on adopting the white hot technology.

For months, pressure has been on Apple to persuade doubters on its AI strategy, after Microsoft and Google rolled out products in rapid-fire succession.

But this latest move will take the experience of Apple products "to new heights," chief executive Tim Cook said as he opened an annual Worldwide Developers Conference at the tech giant's headquarters in the Silicon Valley city of Cupertino, California.

To help towards that end, Apple has partnered with OpenAI, which ushered in a new era for generative artificial intelligence in 2022 with the arrival of ChatGPT.

OpenAI was "very happy to be partnering with Apple to integrate ChatGPT into their devices later this year! Think you will really like it," posted the company's chief Sam Altman on social media.

Apple Intelligence will also be added to a new version of the iOS 18 operating system, similarly unveiled Monday at the week-long conference.

Apple executives stressed privacy safeguards have been built into Apple Intelligence to make its Siri digital assistant and other products smarter, without pillaging user data.

The big challenge for Apple has been how to infuse ChatGPT-style AI – which voraciously feeds off data – into its products without weakening its heavily promoted user privacy and security, according to analysts.

World Bank says global growth stabilising but well below pre-pandemic levels

REUTERS, Washington

The World Bank on Tuesday said the US economy's stronger-than-expected performance has prompted it to lift its 2024 global growth outlook slightly but warned that overall output would remain well below pre-pandemic levels through 2026.

The World Bank said in its latest Global Economic Prospects report that the global economy would avoid a third consecutive drop in real GDP growth since a major post-pandemic jump in 2021, with 2024 growth stabilizing at 2.6 percent, unchanged from 2023.

That's up 0.2 percentage point from the World Bank's January forecast, largely on the strength of US demand.

"In a sense, we see the runway for a soft landing," World Bank Deputy Chief Economist Ayhan Kose told Reuters in an interview, noting that sharply higher interest rates have brought down inflation without major job losses and other disruptions in the US or other major economies.

"That's the good news. What is not good news is that we may be stuck in the slow lane," Kose added.

The World Bank forecast global growth of 2.7 percent in both 2025 and 2026, a level well below the 3.1 percent global

average in the decade prior to COVID-19. It also is forecasting that interest rates in the next three years will remain double their 2000-2019 average, keeping a brake on growth and adding debt pressure to emerging market countries that have borrowed in dollars.

Countries representing 80 percent of

the world's population and GDP output will see weaker growth through 2026 than they had prior to the pandemic, the report said.

"Prospects for the world's poorest economies are even more worrisome. They face punishing levels of debt service, constricting trade possibilities and costly



People display merchandise for pedestrians around Times Square in New York.

Higher interest rates have brought down inflation without major job losses and other disruptions in the US or other major economies.

PHOTO: REUTERS/FILE