DHAKA MONDAY JULY 15, 2024, ASHAR 31, 1431 BS • starbusiness@thedailystar.net

Star BUSINESS

The long-awaited demand of businesses to shift the handling and delivery of import cargoes outside the Chattogram port yard is going to be realised soon.

Story on B4

Tools where pension funds can be invested

Govt to spend Tk 4,000 crore to expand universal pension

UPDATE OF UNIVERSAL PENSION SCHEME

Universal pension scheme was launched on August 17, 2023

More than **3** lakh people participated in the scheme up to first week of July

Till now, Tk **100** crore fund was deposited

Somota scheme attracted the most, with **2.59** lakh participating

PENSION SCHEME BY TYPE

PROGOTI employees of private companies

SUROKKHA workers in the informal sector such as farmers, rickshaw pullers, labourers

SOMOTA low-income people living below the poverty line

PROBASH Bangladeshi citizens working or living abroad

PROTTOY employees of autonomous, self-governing, nationalised, and statutory institutions

WHERE THE FUND WILL BE UTILISED

- Treasury bonds
- Treasury bills
- Government securities (Sukuk)
- Fixed deposit with banks rated at least AA
- Mutual funds
- Listed and A category bonds
- Government's infrastructural bonds

PROHIBITED AREAS

- No fund will be invested in private company
- No investment in single sector over 25 percent
- No investment outside the country

HOW THE PROJECT WILL BE FINANCED

ADB will finance $**250** million

Government will finance $**75** million

REJAUL KARIM BYRON *and* AHSAN HABIB

The government has published rules stating where and how pension funds will be invested so that the National Pension Authority (NPA) can produce better returns at lower risks, a move that will ease its repayment burden.

According to the regulations, the funds will be invested in treasury bonds and bills alongside other government securities such as sukuks and mutual funds approved by the Bangladesh Securities and Exchange Commission (BSEC), and fixed deposits with banks rated at least AA.

The gazette was published yesterday.

Funds could also be invested in listed A-category bonds and in securities issued by the government or any government authority for infrastructural development.

The funds can't be invested in firms owned by the private sector. Neither is there any scope to invest outside the country, directly or indirectly, the regulations said.

In any sector, the investment size must be less than 25 percent of the total fund. The ceiling is not applicable to investments in government securities.

A fund management committee will be formed. It will be chaired by a member of the National Pension Authority (NPA).

For the investment policy committee, another member of the authority, alongside two representatives, from the finance division holding the position of at least joint secretary will be included.

The chairman of the finance department of the University of Dhaka or a professor that he/she selects from the department, a representative from the BSEC holding at least the rank of a director, and a representative from the Bangladesh Bank, will also be in the team.

The pension authority's general manager of fund management will also be a member secretary of the committee.

The committee can co-opt any person

READ MORE ON B3

PM directs correction of export data

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday instructed the commerce ministry to correct the mismatch in export data in reports prepared by the Export Promotion Bureau (EPB) and the National Board of Revenue (NBR).

Both the NBR and EPB were asked to sit in meeting soon to correct the export data and make it uniform, she said in reply to a journalist's query during a press conference regarding her visit to China at the Gonobhaban in Dhaka.

The discrepancy in export data came to the spotlight after the Bangladesh Bank (BB) published figures of the balance of payment for July-April period of fiscal 2023-24, saying that actual exports in the first 10 months of the fiscal year were nearly $14 billion below the value earlier published by the EPB.

The EPB said exports stood at $47.47 billion in July-April of fiscal 2023-24.

The BB, however, said actual shipments

READ MORE ON B3

A country where loan defaulters are rewarded!

MD MEHEDI HASAN

ANALYSIS

All over the world, strict actions are taken against loan defaulters, with many countries imposing travel bans and seeking legal recourse. In Bangladesh, however, defaulters get mega-discounts.

For instance, the Bangladesh Bank (BB) last week extended an offer to loan defaulters named "exit policy", which allows an interest waiver for defaulters in exchange for paying only 10 percent as a down payment.

As per the policy, defaulters will get a maximum of three years to repay their loans.

The move, which comes at a time when interest waiver facilities are being widely criticised in parliament, appears to be nothing more than window dressing.

Through the policy, the BB aims to reduce bad loans to 10 percent for state-run banks and 5 percent for private banks by 2026 in line with the

READ MORE ON B3

STOCKS

DSEX ▼	CASPI ▼
0.43%	.61%
5,482.79	15,661.06

COMMODITIES

AS OF FRIDAY

Gold ▼	Oil ▼
$2,411.67	$82.20
(per ounce)	(per barrel)

ASIAN MARKETS

FRIDAY CLOSINGS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.78%	▼ 2.45%	▲ 0.65%	▲ 0.03%
80,519.34	41,190.68	3,497.78	2,971.30

Prime Bank to get $90m from IFC to support MSMEs

STAR BUSINESS DESK

Prime Bank recently signed a term loan agreement worth $90 million with the International Finance Corporation (IFC), a member of the World Bank Group, aimed at supporting export and import-based micro, small and medium enterprises (MSMEs) in Bangladesh.

This investment aims to significantly enhance financial access for MSMEs, thereby catalysing economic growth and resilience across the country.

Hassan O Rashid, chief executive officer of Prime Bank, and Allen Forlemu, regional industry director of the Financial Institutions Group for Asia and Pacific at the IFC, penned the deal at a hotel in Dhaka, according to a press release.

"IFC's support underscores confidence in Prime Bank and reflects the resilience in Bangladesh's economy. Our decade-long partnership with IFC has been instrumental in expanding our operations. We are grateful for IFC's continued support," Rashid said.

"This new infusion of $90 million, targeted towards our MSME clients, will significantly grow our MSME portfolio," he added.

Forlemu said: "Our investment in Prime Bank highlights our commitment to fostering job creation and economic growth in Bangladesh, particularly through empowering MSMEs, including those led by women.

"By enhancing financial access and strengthening the financial ecosystem, we aim to drive inclusive growth and fortify Bangladesh's economic foundations.

"We anticipate that our support will not only enhance access to finance but also stimulate broader market resilience, attracting further investments in Bangladesh's MSME landscape," he added.

Bangladesh's SME sector, comprising nearly 10 million enterprises and engaging 24 million people, plays a crucial role, contributing 25 percent to the gross domestic product (GDP). That contribution is projected to increase to 35 percent by 2030.

While these enterprises have encountered challenges, including inflation and financial constraints, there is significant potential for growth and development, with efforts underway to address the estimated $39 billion financing gap.

IFC's investment targets bridging this gap by bolstering Prime Bank's capacity to extend financing to MSMEs. This initiative not only addresses immediate liquidity needs but also supports sectors vital to Bangladesh's economic fabric, including those affected by global economic shifts.

Prime Bank was recognised and awarded by IFC under its Global Trade Finance Program (GTFP) in 2023.

This facility supplements Prime Bank's existing financial support from IFC, including a working capital loan facility of $50 million and a credit guarantee facility of $80 million under the GTFP.

Allen Forlemu, regional industry director of the Financial Institutions Group for Asia and Pacific at the International Finance Corporation, and Hassan O Rashid, chief executive officer of Prime Bank, pose for photographs after signing a term loan agreement worth $90 million for micro, small and medium enterprises at a hotel in Dhaka recently.

PHOTO: PRIME BANK

Amanullah elected chairman of Mercantile Exchange House (UK)

STAR BUSINESS DESK

M Amanullah, sponsor director of Mercantile Bank, has recently been elected as chairman of Mercantile Exchange House (UK) at the bank's 443rd board of directors' meeting.

Amanullah is a former chairman of the bank and contributed heavily towards the efficiency and optimisation of Mercantile Bank during his tenure as the chairman of various committees, according to a press release.

A respected and distinguished industrialist, he is the founder of the Aman Group of Companies.

His business acumen has led to the successful launches of diversified businesses under the umbrella of Aman Group of Companies.

He holds the position of chairman of all the companies under the group.

He is also one of the directors of "Amader Shomoy', one of the top dailies in Bangladesh.

Amanullah is also the founder chairman of Gulshan North Club.

Salman Fazlur Rahman, private industry and investment adviser to the prime minister, attends a roundtable on "Digitalising International Trade in Bangladesh" organised by ICC Bangladesh in Dhaka recently.

PHOTO: ICC BANGLADESH

ICCB organises roundtable on digitalising international trade

STAR BUSINESS DESK

The International Chamber of Commerce Bangladesh (ICCB) recently organised a roundtable on "Digitalising International Trade in Bangladesh" in Dhaka.

Salman Fazlur Rahman, adviser to the prime minister for private industry and investment, participated as chief guest, according to a press release.

Edimon Ginting, country director of Asian Development Bank, Rupa Chanda, director of the Economic and Social Commission for Asia and the Pacific at the UN, Iftekhar Alam, regional head of the International Islamic Trade Finance Corporation, and Pamela Mar, managing director of the Digital Standards Initiative of the International Chamber of Commerce (ICC), were present.

Among others, Mahbubur Rahman, president of ICCB, AK Azad and Naser Ezaz Bijoy, vice-presidents, Kutubuddin Ahmed, executive board member, Ataur Rahman, secretary general, and Muhammad A (Rumee) Ali, chairman of ICCB banking commission, were also present.

Oppo launches Reno12 Series in Bangladesh with AI features

STAR BUSINESS DESK

Global smartphone leader Oppo recently launched its latest line-up of smartphones, unveiling the "Reno12 Series" at a programme at the International Convention City Bashundhara in the capital.

The phones are designed to deliver smooth experience straight out of the box, up to 50 months of usage and a 50-month fluency protection that gives users a new phone with incredible smoothness.

Customers can look forward to experiencing inspiring innovations of the Oppo Reno12 Series with a wide range of offerings: Reno12 F (8GB+256GB) at Tk 34,990, Reno12 F 5G (12GB+256GB) at Tk 42,990, and Reno12 (12GB+512GB) at Tk 59,990.

They can also pre-order the amazing Oppo Reno12 F (8GB+256GB) from July 10-17, with availability in the market from July 18, according to a press release.

Damon Yang, managing director of Oppo Bangladesh, launches Oppo's "Reno12 Series" at a programme at the International Convention City Bashundhara in the capital recently.

PHOTO: OPPO

Dollar drops

RETUERS

The dollar dropped on Thursday after data showed headline consumer prices unexpectedly fell in June, while a sharp gain in the Japanese yen sparked speculation of a possible intervention in the currency.

The yen rose more than 2 percent at one point, after falling to a 38-year low against the greenback last week.

Local Japanese television station Asahi, citing government sources, said officials intervened.

Domestic news service Jiji cited top currency diplomat Masato Kanda as saying he could not comment on whether or not there was an intervention, but that recent moves in the yen were "not in line with fundamentals."

It will not be known for certain whether an intervention occurred until Japan's Ministry of Finance releases its updated figures on intervention at the end of the month.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (JULY 14, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 78	-4.11	3.70 ↑
Coarse rice (kg)	Tk 50-Tk 52	-1.92 ↓	4.08 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-16.67 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.01 ↑	-11.76 ↓
Potato (kg)	Tk 56-Tk 65	5.22 ↑	42.35 ↑
Onion (kg)	Tk 110-Tk 120	31.43 ↑	76.92 ↑
Egg (4 pcs)	Tk 46-Tk 50	-10.28 ↓	0

SOURCE: TCB

Japan's government set to trim economic growth forecast

REUTERS, *Tokyo*

Japan is expected to slightly cut its forecast for economic growth of 1.3 percent in the fiscal year ending March 2025 as consumption takes a hit from rising import costs due to a weakening yen, two government sources told Reuters.

Japan's government releases its economic growth forecasts - which serve as a basis for compiling the state budget - in January and then revises them sometime around July.

In revised estimates due next week, the forecast is likely to be cut to about 1 percent, with rising living costs seen weighing on consumption for longer than initially expected, the sources said, asking not to be named because they were not authorised to speak to the media.

The new estimate, however, would still be higher than private-sector forecasts, reflecting government hopes that broadening wage hikes and an extension of fuel subsidies will boost consumer spending.

A survey by the Japan Center for Economic Research, a think-tank, released on Tuesday showed economists expect gross domestic product growth of 0.44 percent this fiscal year.

Germany to ban Chinese telecom giants from 5G network

AFP, *Germany*

Germany said Thursday it will phase out the use of components from Chinese telecom giants Huawei and ZTE in its 5G networks in the coming years due to national security concerns.

It was the latest move by Berlin to reduce economic reliance on Beijing that some fears have left it vulnerable, and follows warnings from the EU that the firms pose a risk to the bloc.

Parts from Huawei and ZTE will no longer be used in "core" 5G mobile networks by the end of 2026 at the latest, the interior ministry in Berlin said.

In 5G access and transmission infrastructure, the systems of the telecom firms must be replaced by the end of 2029.

"We are protecting the central nervous systems of Germany as a business location -- and we are protecting the communication of citizens, companies and the state," said Interior Minister Nancy Faeser.

"We must reduce security risks and, unlike in the past, avoid one-sided dependencies."

The ministry said that 5G networks form part of Germany's "critical infrastructure" and are important for the functioning of sectors ranging from health to transport and energy.

Telecoms networks must be protected from cyberattacks, which could be an "existential threat", it added.

Officials have reached agreements with Germany's 5G network operators, Deutsche Telekom, Vodafone and Telefonica, on banning Huawei and ZTE.

Government sources had already indicated in September last year that Berlin was considering such a move, although the dates announced are later than those originally envisaged to give companies time to adopt the new measures.

Faeser would not be drawn on whether she feared retaliatory measures from China, although she said that Beijing had been informed about the bans.

US producer price data points to subsiding inflation pressures

REUTERS, *Washington*

US producer prices increased slightly more than expected in June amid a rise in the cost of services, but that did not change expectations that the Federal Reserve could start cutting interest rates in September.

Details of the components in the producer-price report, especially healthcare services, that go into the calculation of the key inflation measures tracked by the US central bank for monetary policy were mostly favorable last month.

Taken with the softer readings in the consumer price report, economists anticipated benign readings in the personal consumption expenditures (PCE) inflation in June.

"There does not appear to be much inflation pressure percolating on the factory floors that might affect the prices that consumers pay at the shops and malls," said Christopher Rupkey, chief economist at FWDBONDS.

The producer price index for final demand rose 0.2 percent last month after being unchanged in May, the Labor Department's Bureau of Labor Statistics said on Friday. Economists polled by Reuters had forecast the PPI nudging up 0.1 percent.

77 firms honoured with National Export Trophy



Prime Minister Sheikh Hasina hands over National Export Trophy to 77 exporters in 32 sectors for fetching the highest export earnings in FY2021-2022. (Clockwise from left) Sajid Azad, director of Ha-Meem Group, receives the Bangabandhu Sheikh Mujib Export Trophy for earning the highest from exports. Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group, and SM Nurul Alam Rezvi, former chairman and current director of Walton Hi-Tech Industries, receive export trophies at the ceremony at the Osmani Memorial Auditorium in Dhaka yesterday.

PHOTO: HA-MEEM GROUP, PRAN-RFL AND WALTON

STAR BUSINESS REPORT

The government yesterday honoured 77 companies with National Export Trophy for fiscal year 2021-22 primarily for topping the chart in export earnings.

Prime Minister Sheikh Hasina handed over the trophies through a ceremony at the Osmani Memorial Auditorium in Dhaka.

The recipients were sorted under 32 categories and assessed based on National Export Trophy Policy 2013.

This includes value of exports, compliance, number of employees, working environment, payment of taxes, investment and annual business growth, said a statement from the commerce ministry.

Based on this, 29 received gold trophies, 27 silver and 21 bronze.

Listed under woven category, Rifat Garments received the highest accolade, Bangabandhu Sheikh Mujib Export Trophy.

This sister concern of leading garment exporter Ha-Meem Group had earlier won the top trophy twice, in 2018-19 and 2020-21.

Two more of the group's concerns, Apparel Gallery and Ha-Meem Denim, also received two silver trophies yesterday.

AK Azad, managing director of Ha-Meem Group, said this definitely was a matter of great pleasure and it would inspire him to invest more for business expansion.

Another leading local conglomerate, Pran-RFL Group, won seven trophies, including three gold ones, for its earnings from processed agricultural products, plastic goods, melamine and light engineering products.

Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group, said Bangladesh is aiming for hundreds of billions of dollars in export revenue in the coming years by laying emphasis on export diversification.

"So, we have to focus more on potential sectors besides the readymade garments. Pran-RFL Group has been working hard on export diversification and is beginning to see success," he said.

Addressing the exporters, Prime Minister Sheikh Hasina called for exploring new markets for Bangladeshi goods and expanding the country's export basket, reports UNB.

"We'll have to search for new places. We'll have to expand the export basket," the news agency quoted her as saying.

She said a country should not rely on only one export item as its demand would not always be the same.

"Why will we be dependent only on garment items?" she asked.

She expressed her conviction to take the country forward economically by boosting production, export earnings and purchasing power of the country's people.

"We don't want to be dependent on a limited number of goods."

Target Africa, Asia, Middle East, for export: PM

BSS, *Dhaka*

Prime Minister Sheikh Hasina yesterday asked all concerned to target the markets of the Middle East, Africa, Asian countries and East Europe to diversify Bangladesh's exports.

"We do not want to limit ourselves to a few export items, but to expand exports and diversify our export items," she said.

The premier made the remarks as the chief guest while handing over National Export Trophy for fiscal year 2021-22 to 77 top exporters in 32 categories at Osmani Memorial Auditorium in Dhaka.

She said the economies of the US and European countries are under pressure as inflation has increased and the purchasing power of people has declined.

"So, pay attention to these countries," she said regarding the Middle East, Africa, Asia and East Europe as the next export destinations.

The prime minister asked to find out the need and demand for products for specific countries and diversify exports accordingly.

"We will no longer be limited with only readymade garment (RMG) as it will not have the same demand forever," she said.

She urged for shifting designs and modifying products to adapt to changing trends.

> **We will no longer be limited with only readymade garment (RMG) as it will not have the same demand forever**
>
> Prime Minister
> **Sheikh Hasina**

The prime minister also highlighted the export potential of digital information technologies as they are in high demand worldwide.

Apart from these, pharmaceuticals, leather and leather goods, jute and jute goods, agriculture and food processing items, fruits, frozen fish, including shrimp, and crafts can be exported abroad, she said.

"Jute is environmentally friendly and there is nothing which can't be produced from the jute," she said, adding that Bangladesh can earn a huge amount of foreign currency exporting jute items.

She said a revolution has taken place in the agriculture sector in Bangladesh, and diversification can lead to agricultural exports.

The prime minister reiterated her call to pursue economic diplomacy alongside the political one to make the country financially secure.

She highlighted the massive developments in rural areas that has raised the purchasing power and living standards of people at the grassroots.

Addressing the award recipients, she said the recognition would encourage them to export more and contribute to the economy.

State Minister for Commerce Ahasanul Islam Titu, the ministry's Parliamentary Standing Committee Chairman Tipu Munshi, Commerce Secretary Md Selim Uddin, Export Promotion Bureau Vice Chairman Md Anwar Hossain, and Federation of Bangladesh Chambers of Commerce and Industry President Mahbubul Alam spoke on the occasion.

A documentary on export business was screened at the function.

Tools where pension funds can be invested

FROM PAGE B1

if needed. To obtain special analysis from individuals, it can invite those who can present their analysis only. They will not have any voting powers.

The committee will recommend investing in securities after analysing their potential and risks. It will advise the fund manager to invest in low-risk, profit-making sectors. It also will make suggestions aimed at developing the business, fund and investment size of any security.

The government plans to initiate a project to expand and strengthen the universal pension scheme at an assumed cost of Tk 4,000 crore, or $325 million.

Of the sum, $250 million will be funded by the Asian Development Bank and the rest will come from the government.

The project will establish the institutional structure of the pension authority, build necessary infrastructure, and train officials. The implementation will start in November this year and will end in June 2028.

Thanks to the new scheme, the government is shifting from the unfunded pension system for public service-holders to a funded system in order to reduce the burden of rising costs for pensions. In unfunded pension plans, retirement benefits are usually paid directly from employer contributions.

The government spending on pensions and gratuities was Tk 4,395 crore in the fiscal year 2009-10, or 4.3 percent of the budget. For 2024-25, the allocation stands at Tk 36,902 crore, which is 4.63 percent of the total budget, according to the finance ministry.

The universal pension scheme saw a low response from people so it is trying to expand its offices.

In Bangladesh, the importance of the universal pension scheme in ensuring the social safety of people after they go past the retirement age is huge since only public sector employees are entitled to such benefits.

To make it sustainable, some steps need to be taken. So, the project is necessary, the ministry said in a project document that was sent to the Planning Commission.

"When the project is rolled out, the IT infrastructure will improve," said Md Golam Mostofa, a member of the National Pension Authority. "The authority will also realise where it needs to improve infrastructure."

The ADB has verbally informed the ministry that it will finance the project.

The main target of the project is to bring elderly people under a sustainable and organised social safety system and expand the pension scheme.

In order to ensure the ADB's funding and formation of the final development project proposal, a feasibility study through the development partner needs to be completed.

Therefore, the primary development project proposal has been sent to the Economic Relations Division, said a finance ministry official, adding that it is looking for a consultant to run the study.

A country where loan defaulters are rewarded!

FROM PAGE B1

prescription of the International Monetary Fund.

"The financial condition of clients has been adversely affected by various uncontrollable factors -- that's why an exit policy is needed to recover the loans from them," the BB said in a statement last week.

However, industry insiders opine that there is a massive scope to misuse the policy, especially as it is being offered year after year.

After being pressured by the business community in 2019, the central bank introduced a "one-time exit policy", allowing defaulters to get interest waivers by paying only 2 percent as a down payment against their total loans.

A good number of defaulted borrowers were rewarded with interest waivers and loan rescheduling facilities under the policy. But the "one-time" exit policy has continued for each year thereafter, with thousands of crores of taka in interest repeatedly waived by banks.

In 2022, banks waived Tk 5,065 crore in interest, which was up 173 percent from around Tk 1,855 crore the previous year, central bank data showed.

Alongside interest waivers, defaulters have also been allowed to reschedule bad loans repeatedly.

In 2019, delinquent borrowers were allowed to reschedule their loans for 10 years after paying only 2 percent as a down payment. That year, a record Tk 52,770 crore was regularised under the policy and the one-time exit policy, as per BB data.

At the time, the central bank cited the same reasons as it is now. It had said that it introduced relaxed policies to reduce the amount of bad loans in the banking sector.

However, the generous offer has proved to be counter-productive since non-performing loans (NPLs) have surged.

For instance, when the BB introduced the exit policy in 2019, defaulted loans stood at Tk 93,911 crore. It climbed to Tk 182,000 crore in March this year, according to central bank data.

Furthermore, stressed assets, including rescheduled loans, written-off loans and loans involving lawsuits, now stand at more than Tk 400,000 crore.

Economic experts believe that repeat offerings of such relaxed policies have motivated defaulters not to repay since they believe they will always get mega discounts.

However, due to such rewards for delinquents, good and regular borrowers also being motivated to become defaulters.

Most countries, including India, China, the US, and Malaysia, are strict against defaulters, especially willful ones.

For example, defaulters in Malaysia are not allowed to leave the country while China imposes curbs such as travel bans and reduced employment opportunities.

In some countries, children of defaulters cannot enroll in elite schools. But in Bangladesh, defaulters and their families are enjoying all the social benefits that regular citizens are entitled to.

What is more, loan defaulters always get discounts to repay bad loans, and, in some cases, they enjoy more benefits than ordinary citizens.

Some steps have finally been taken to rein in NPLs. Recently, the government amended the Bank Company Act, introducing harsh measures against wilful defaulters.

The revised rules ban wilful defaulters from becoming bank directors for five years after they exit the defaulter list. It also renders them ineligible for national awards.

Wilful defaulters are ineligible for interest waiver and loan rescheduling facilities.

However, there are concerns that it may be difficult to implement such harsh restrictions on willful defaulters without political will, according to experts.

PM directs correction

FROM PAGE B1

amounted to $33.67 billion, representing a 6.8 percent year-on-year fall in exports as opposed to the EPB's claim of export growth.

Similarly, the BB detected inflated export data by the EPB in the July-May period of 2023-24.

Last week, the central bank said Bangladesh's exports declined 4.28 percent year-on-year to $40.72 billion in that period, which stood in contrast to the 2 percent growth in shipments reported by the EPB on June 5.

The BB's latest figures showed that exports in the first 11 months of FY24 were $10.82 billion, or 21 percent, lower than the figure released by the EPB.

The BB found six types of statistical wrongdoing for the inflated export data-- ranging from serial duplication errors to miscalculations of the value of fabrics to repeated miscounts of sample items as exports.

The PM said the mismatch happened as the NBR calculates how much revenue it could generate while the commerce ministry, which oversees the EPB, counts the value of exports.

Hasina added that she discussed the data mismatch with State Minister for Commerce Ahasanul Islam Titu at the award-giving ceremony of the National Export Trophy at the Osmani Memorial Auditorium in Dhaka.

Agro-processors for allowing aromatic rice export

STAR BUSINESS REPORT

Agro-processors have urged the government to allow the export of aromatic rice to increase earnings, according to a press release of Bangladesh Agro-Processors' Association (Bapa).

Bapa said the domestic market for fragrant rice is small.

Exports of aromatic rice will result in the shipment of other products, enhancing the export basket, said the trade body after its 23rd annual general meeting (AGM) at Dhaka Club on Saturday.

The commerce ministry last year banned the export of fragrant rice in an effort to contain prices in the domestic market.

At the AGM, Bapa members expressed discontent over the government's latest move of reducing incentives on the export of agro-processed products from 15 percent to 10 percent.

Bapa demanded a reduction of the source tax for export from one percent.

Unilever to axe 3,200 office jobs in Europe

AFP, *United Kingdom*

British consumer goods giant Unilever will cut 3,200 office jobs in Europe by late 2025 in an overhaul announced in March, a source close to the matter told AFP Friday.

The job cuts represent approximately one third of Unilever's office-based jobs on the continent, according to the source who confirmed a Financial Times report.

Unilever had revealed earlier this year that it would create a standalone ice cream company in a cost-slashing plan that will see it shed a total 7,500 mainly office jobs worldwide.

The group, which employs about 128,000 people globally, is seeking to save 800 million euros ($870 million) over the next three years.

On average, 5,000 twenty-foot equivalent units of import containers are delivered from the port every day. PHOTO: RAJIB RAIHAN

Import delivery partially to go outside Ctg port

DWAIPAYAN BARUA, *Ctg*

The long-awaited demand of businesses to shift the handling and delivery of import cargoes outside the Chattogram port yard is going to be realised soon, albeit partially, as the National Board of Revenue (NBR) has given the go-ahead to this effect.

In September 2022, the Chittagong Port Authority (CPA) signed a deal with Bay Cargo Centre to allow the private firm to handle and deliver imported cargoes from LCL (less-than-container load) containers at its two old sheds -- named X and Y sheds -- located around two kilometres off the main port yard.

The CPA also sought permission from the NBR. LCL is a shipping term used to describe container loads which are filled by multiple orders or goods.

The NBR last month issued a gazette, declaring 15.41 acres, including the two sheds and adjoining backup facility spaces, as the warehouse station and gave permission for loading and unloading of cargoes there.

The CPA is now preparing to sign an operational deal with Bay Cargo Centre by next month.

Port users hailed the move, saying it would significantly reduce the work pressure, improve operational activities inside the main port, and expedite the LCL cargo delivery.

They, however, expressed concerns over some issues, including the location of the sheds, the lack of experience of Bay Cargo Centre, and the possibility of a tariff hike or additional costs.

Most of the import cargoes are brought in two types of containers: FCL (full container load) containers that contain cargoes of a single importer, and LCL containers carrying cargoes used by several importers.

A major portion of cargoes is unstuffed from containers in the port yard and kept in the sheds before delivering to consignees upon customs clearance. The NBR has so far allowed containers carrying 38 types of imported items to be directly sent to private inland container depots for unstuffing, checking and delivery.

Businesses have long demanded the entire process of handling and delivery of cargoes be carried out outside the port. They argue that imports are not handled in any modern global ports presently.

The CPA has also been implementing the International Ship and Port Facility Security (ISPS) code since 2004. The code calls for moving delivery operations outside the main port area.

On average, 5,000 twenty-foot equivalent units of import containers are delivered from the port every day. Of them, around 10 percent are LCL containers. A good number of raw materials for garment factories, which have turned Bangladesh into the second-largest apparel supplier in the world, are brought in LCL containers.

Port officials say more than 1,000 trucks enter the port every day to receive the delivery of LCL cargoes. As a result, the port's existing LCL sheds often remain overloaded while it takes one week to 10 days to secure such cargoes, alleged importers.

Kazi Ashik Ahmed, general manager of Bay Cargo Centre, told The Daily Star that they had already readied the "X shed" and were waiting for the operational deal to be signed.

CPA Secretary Md Omar Frauk said a committee of the port authority is in talks with the firm and preparing the operational modalities to strike the deal soon.

Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association, said the move would speed up the delivery.

He, however, stressed the need to keep the tariffs unchanged. "Otherwise, any additional expenses will burden exporters."

Khairul Alam Suzan, vice-president of the Bangladesh Freight Forwarders Association, said the association has always supported the initiative to take delivery activities outside the port.

He, however, said the two sheds are located in a congested area near the port's residential areas and there are other facilities there as well. It may create gridlock in the area since a huge number of trucks and trailers would arrive to receive goods.

The location for such operations needs to be a bit far from the main part of the city to avoid traffic congestion, according to Suzan.

Bay Cargo's Ahmed, however, ruled out the possibility of any gridlock since the adjacent road has been widened.

There is already a private ICD near the sheds, and no such jam has surfaced so far, he said.

Pressure on taxpayers to increase slightly owing to higher collections goal

Says NBR official

STAR BUSINESS REPORT

The pressure on all categories of taxpayers, including VAT-paying companies will slightly increase as the government looks to accelerate revenue collections, said a top official of the National Board of Revenue (NBR).

In order to avail various rebate facilities under the existing VAT Act, Md Zakir Hossain, commissioner for customs, excise and VAT commissionerate of Dhaka East at the NBR, requested businesses to enhance their understanding about the Act, according to a press release.

He spoke at a workshop on customs, VAT and income tax management at the auditorium of the Dhaka Chamber of Commerce and Industry (DCCI) to inform the business community about the changes brought into the relevant acts in the budget 2024-25. The chamber organised it.

The NBR has been given a target to collect Tk 480,000 crore in the current fiscal year of 2024-25, an increase of 17 percent from a year ago.

Of them, the tax administration looks to achieve an equal share of income tax and VAT collection in FY25 of Tk 1.77 lakh crore while the customs wing will have to chase a target of Tk 1.24 lakh crore.

Hossain said no fundamental changes have been brought in in the new VAT Act, but two changes have been made in regard to the working procedure of the NBR.

In its press release, the DCCI urged the government to streamline the tax mechanism to improve the understanding of taxpayers, make compliance easier, and reduce time and costs.

"Tax calculation for corporates should be in line with accounting standards. In order to encourage compliant businesses, they can be rewarded in some cases," said DCCI President Ashraf Ahmed.

The DCCI chief said automation would cut discretionary measures and reduce leakages.

Regarding compliance, Ahmed said that a compliant business entity never faces any hassle. "A transparent and accountable revenue system will expand the tax net as well as eliminate hassle."

He also said that there are a good number of positive things in the VAT Act, the Income Tax Act, and the Customs Act. He, therefore, suggested businesses practise them.

Snehasish Barua, adviser of the DCCI standing committee on customs, VAT and NBR-related issues, and a partner of Snehasish Mahmud & Co, said in order to expedite industrialisation across the country, the import duty should be reduced to boost the economy.

He emphasised ensuring a sustainable revenue system considering the overall condition of the economy.

MBM Lutful Hadi, vice-president of the Institute of Chartered Accountants of Bangladesh, said the new Customs Act has been introduced to bring down the cost of doing business.

He urged the government to implement the Act properly.

About 90 representatives of the DCCI's member firms participated in the workshop, the press release said. DCCI Vice-president Md Junaed Ibna Ali, and directors Kamrul Hasan Tuhin and M Mosharraf Hossain were also present.

Local manufacturing allows Property Lifts to be more competitive

Says RN Paul, managing director of RFL Group, which owns the company

STAR BUSINESS REPORT

Property Lifts, a concern of Pran-RFL Group, has been one of the leading brands in Bangladesh since its formation in 1988. The company began manufacturing lifts locally in 2000, adhering to quality and compliance. RN Paul, managing director of RFL Group, spoke during an interview recently regarding the journey, challenges, features and plans of Property Lifts in Bangladesh.

DS: Can you tell us about Property Lifts and its journey over the past 36 years?

RN Paul: Property Lifts was established in 1988 with the aim of providing reliable and quality lift solutions and the best after-sales service in the local market. Over the years, we have grown from a small import-based company to one of the leading lift suppliers in the country.

Our commitment to quality, safety, and customer satisfaction has been the cornerstone of our journey. We have expanded our product range and services to meet the growing demands of our customers, and in 2020, we started local lift manufacturing.

DS: What motivated Property Lifts to transition from importing lifts to manufacturing them locally in Bangladesh?

RN Paul: Several factors motivated us for this transition. First, the increasing demand for customised solutions could be better met through local manufacturing. Second, the ability to control quality and production more effectively. Finally, manufacturing locally allows us to be more competitive in pricing and support the local economy by creating jobs and contributing to industrial growth.

DS: Can you describe the initial challenges you faced when setting up the manufacturing facilities?

RN Paul: Establishing the manufacturing facilities came with several challenges. We had to ensure that we had the right technology and machinery, which required significant investment.

Another critical aspect was training the local workforce to meet international standards. We also faced supply chain disruptions due to the global pandemic, which made the procurement of certain materials difficult.

Additionally, there was a dollar crisis and issues with letters of credit (LCs) at that time, complicating financial transactions and import processes. However, through careful planning and collaboration with our partners, we were able to overcome these hurdles.

DS: What strategies does Property Lifts employ to differentiate itself from its competitors?

RN Paul: We focus on delivering high-quality, safe, and reliable lift solutions tailored to our customers' needs. Our commitment to customer service is unmatched -- from the initial consultation to after-sales support. We developed a service system by which we ensure to attend a service call within 30 minutes 24/7.

We also invest heavily in technology and innovation to ensure our products are modern and efficient. Additionally, our local manufacturing capability allows us to be more flexible and responsive to market demands.

DS: How do you ensure the quality and safety of your lifts, especially considering the local manufacturing context?

RN Paul: Quality and safety are our top priorities. We follow stringent quality control processes and adhere to international safety standards. Our manufacturing facility is equipped with advanced machinery and technology to ensure precision and consistency.

We also conduct regular inspections and maintenance to ensure our lifts operate safely and efficiently. Furthermore, our staff members undergo continuous training to stay updated on the latest safety protocols.

DS: Are there any plans to expand your market reach beyond Bangladesh? If so, can you share some details?

RN Paul: Yes, we are exploring opportunities to expand our market reach beyond Bangladesh. We are in the process of going into partnerships with international distributors and looking at markets in South Asia, Africa and the Middle East.

Our focus will be on providing the same high-quality, customised lift solutions that have made us successful in Bangladesh. We believe our local manufacturing capability will give us a competitive edge in these new markets.

DS: What are your expectations from the government to support the local lift manufacturing industry?

RN Paul: We expect the government to provide a supportive policy environment that encourages domestic manufacturing. This includes incentives such as tax breaks, subsidies, and low-interest loans for capital investments in manufacturing infrastructure.

Additionally, we expect streamlined regulatory processes that make it easier to obtain necessary permits and certifications.

The government should allow local manufacturers to supply "Made in Bangladesh" lifts to all public sector projects. Finally, improved infrastructure, such as better transportation networks and reliable power supply, would greatly support our manufacturing operations.

DS: Is there anything else you would like to share with our readers about Property Lifts, its journey, or its plans?

RN Paul: I would like to express my gratitude to our customers, partners, and employees for their continued support and trust in Property Lifts. Our journey over the past 36 years has been remarkable, and we are excited about the future. We remain committed to providing the highest quality lift solutions and contributing to the growth and development of Bangladesh.

Our vision is to set new benchmarks in the lift industry and to make a positive impact on the communities we serve. We are the market leader in imported lifts.

If we successfully apply our experience and skills to local manufacturing, we are confident that we will also become a significant player not only in the domestic market but also in the international arena.